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MAHINDRA & MAHINDRA LTD. | Subsidiary Financial Statements **2021-22**

Subsidiary Companies

Part 01

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Part 02

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF,
MAHINDRA HEAVY ENGINES LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying Financial Statements of **Mahindra Heavy Engines Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2022, and the Statement of Profit and Loss, (statement of changes in equity) and Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (herein after referred to as "Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, its profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Financial Statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements' section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (the "ICAI") together with the ethical requirements that are relevant to our audit of the Financial Statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Financial Statements.

Information other than the Financial Statements and Auditors' Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the Directors Report and the related annexures, but does not include the Financial Statements and our Auditors' Report thereon.

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

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

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

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

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India.

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

We also:

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial Statements, including the disclosures, and whether the financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-Section (11) of Section 143 of the Act and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in Annexure B, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
   (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.
   (d) In our opinion, the aforesaid Financial Statements comply with the Accounting Standards specified under Section 133 of the Act.
   (e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.
   (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to financial Statements.
   (g) In our opinion, the managerial remuneration for the year ended March 31, 2022 has been paid / provided by the Company to its directors in accordance with the provisions of Section 197 read with Schedule V to the Act.
   (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
      i. The Company has disclosed the impact of pending litigations on its financial position in its Financial Statements – Refer Note **to the Financial Statements;
      ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
      iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
      iv. a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
      b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether,

directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

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

v. The dividend (declared/paid/declared and paid) during the year by the Company is in compliance with Section 123 of the Act.

For **B.K. Khare & Co.**
Chartered Accountants
Firm's Registration No. 105102W

Shirish Rahalkar
Partner
Membership No. 111212
UDIN: 22111212AHQZBC6743

Mumbai, April 22, 2022

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

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

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

We have audited the internal financial controls with reference to financial statements of **Mahindra Heavy Engines Limited** ("the Company") as of March 31, 2022 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls with reference to financial statements

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

Inherent Limitations of Internal Financial Controls with reference to financial statements

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

Opinion

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

For **B. K. Khare & Co.**
Chartered Accountants
Firm Registration No. 105102W

Shirish Rahalkar
Partner
Membership No. 111212
UDIN: 22111212AHQZBC6743
Mumbai, April 22, 2022

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

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

ii) The Company has a regular programme for physical verification of its property, plant and equipment and investment properties by which the property, plant and equipment and investment properties are verified by the management according to a phased programme designed to cover all the items over a period of 3 years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its property, plant and equipment and investment properties. In accordance with the programme, the Company has physically verified certain property, plant and equipment and investment properties during the financial year and no material discrepancies were noticed on such verification.

iii) According to the information and explanations given to us, the Company has no immovable properties registered in its name. Accordingly, the reporting under Clause 3(i)(c) of the Order is not applicable to the Company.

iv) According to the information and explanations given to us, the Company has not revalued any of its property, plant and equipment (including Right of use assets) or intangible assets or both during the year.

v) Based on the audit procedures performed by us and according to the information, explanations and representations given to us, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

2) i) According to the information and explanations given to us, the inventory comprising of raw materials, work-in-progress, finished goods, stores and spares has been physically verified at reasonable intervals by the management during the year. In our opinion, coverage and procedure of such verification is appropriate and no discrepancies of 10% or more in the aggregate for each class of inventory were noticed on such verification between the physical inventory and the book records.

ii) According to the information and explanations given to us, the Company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate from banks or financial institutions on the basis of security of current assets at any point of time during the year.

3) a) According to the information and explanations given to us, the Company has not made investments in or provided any guarantee or security or secured or unsecured loans to companies, firms, Limited Liability Partnerships or any other parties during the year. Accordingly, the reporting under Clauses 3(iii)(a) to 3(iii)(f) of the Order is not applicable to the Company.

4) According to the information and explanations given to us, the Company has not granted any loans or made any investments or provided any guarantees or security to the parties covered under Section 185 and 186 of the Act. Accordingly, the reporting under Clause 3(iv) of the Order is not applicable to the Company.

5) According to the information and explanations given to us, the Company has not accepted deposits under the provisions of sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. Accordingly, the reporting under clause 3(v) of the order is not applicable to the Company.

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

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

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

iii) According to the information and explanation given to us and on the basis of our examination of records of the Company, there are no statutory dues in respect of Goods and Service Tax, Provident Fund, Employees State

Insurance, Duty of Customs, Duty of Excise, Value added tax, Cess and any other material statutory dues as at 31 March 2022, which have not been deposited on account of any dispute. The statutory dues in respect of Income Tax,Sales Tax and Service Tax as at 31 March 2022 which have not been deposited with the appropriate authorities on account of a dispute are as under.

Name of the statute	**Nature of the dues**	**Amount (Rs in Lakhs)**	**Period to which the amount relates**	**Forum where dispute is pending**
Income Tax Act, 1961	Income Tax (Including Interest)	11.14	Assessment Year 2010-11	Assessing Officer
Finance Act, 1994	Service Tax	21.74	Financial Year 2012-13 to 2016-17	Commissioner of Customs and Central Excise (Appeals)-Pune
Central Sales Tax Act, 1956	Central sales tax	826.91	Financial Year 2015-17	Deputy commissioner of state tax
MVAT Act, 2002	Valued added Tax	189.00	Financial Year 2017-18	Joint commissioner of state tax

8) According to the information and explanations given to us, there are no transactions not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income-tax Act, 1961. Accordingly, the reporting under Clause 3(viii) of the Order is not applicable to the Company.

9) a) According to the information and explanations given to us and based on the audit procedures performed by us, the Company has not availed any loans or other borrowings during the year. Accordingly, the reporting under Clause 3(ix) (a) of the Order is not applicable to the Company.

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

c) According to the information and explanation given to us, Company has not obtained any term loan during the year. Hence reporting under clause (ix) (c) is not applicable.

d) In our opinion and according to information and explanations given to us and on overall examination of the Balance sheet of the Company, we report that company has not raised any short term or long-term loan during the year. Hence reporting under clause (ix) (d) is not applicable to company.

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

f) According to the information and explanations given to us and based on the audit procedures performed by us, we report that the Company has not raised any loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies. Accordingly, the reporting under Clause 3(ix)(f) of the Order is not applicable to the Company.

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

b) According to the information and explanation given to us, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Accordingly, the reporting under clause 3(x)(b) of the Order is not applicable to the Company.

11) a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the management.

b) There has been no report filed by us under sub-section (12) of Section 143 of the Act in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government. Accordingly, the reporting under Clause 3(xi)(b) of the Order is not applicable to the Company.

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

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

13) In our opinion and according to the information and explanations given to us, the Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required by Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act.

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

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

15) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or directors of its holding company or persons connected with them during the year and hence the provisions of Section 192 of the Act are not applicable to the Company. Accordingly, the reporting under Clause 3(xv) of the Order is not applicable to the Company.

16) a) According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under Clause 3(xvi) of the Order is not applicable to the Company.

    b) In our opinion and according to the information and explanations given to us, the Company has not conducted any Non-Banking Financial or Housing finance activities Accordingly, the reporting under Clause 3(xvi)(b) of the Order is not applicable to the Company.

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

    d) Based on the information and explanations given to us, we report that the Group has six Core Investment Companies.

17) In our opinion and according to the information and explanations given to us, the Company has not incurred cash losses in the current financial year as well as in the immediately preceding financial year. Accordingly, the reporting under Clause 3(xvii) of the Order is not applicable to the Company.

18) There has been no resignation of the statutory auditors during the year. Accordingly, the reporting under Clause 3(xviii) of the Order is not applicable to the Company.

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

20) a) According to the information and explanations given to us, in respect of other than ongoing projects, the Company has no unspent amount that needs to be transferred to a Fund specified in Schedule VII to the Act in compliance with second proviso to sub-section (5) of Section 135 of the Act.

    b) According to the information and explanations given to us, in respect of ongoing projects, the Company has no unspent amount which needs to be transferred to a special account in compliance with sub-section (6) of Section 135 of the Act.

For **B. K. Khare and Co.**
Chartered Accountants
Firm Registration No: 105102W

Shirish Rahalkar
Partner
Membership No: 111212
UDIN No: 22111212AHQZBC6743
Mumbai, April 22, 2022

Balance Sheet as at March 31, 2022

Rs. In Lakhs

	Particulars	Note No.	As at March 31, 2022	As at March 31, 2021
A	**ASSETS**			
	1 Non-current assets			
	(a) Property, Plant and Equipment	2	**27,223.59**	29,341.63
	(b) Capital work-in-progress		**750.31**	625.48
	(c) Other Intangible assets	3	**1,716.13**	2,778.98
	(d) Intangible assets under development		**548.58**	307.11
	(e) Financial Assets			
	(i) Loans	4	**5.25**	5.25
	(ii) Other financial assets	5	**12,587.69**	21,886.32
	(f) Deferred tax assets (net)	6	**–**	–
	(g) Other non-current assets	7	**790.34**	953.01
	Total Non - Current Assets (1)		**43,621.89**	55,897.78
	2 Current assets			
	(a) Inventories	8	**7,933.40**	5,130.53
	(b) Financial Assets			
	(i) Investments	9	**8,605.88**	1,552.59
	(ii) Trade receivables	10	**14,498.19**	14,172.47
	(iii) Cash and cash equivalents	11	**3,001.79**	2,693.95
	(iv) Bank balances other than (iii) above	11	**3,675.46**	203.47
	(v) Loans	4	**0.09**	5,017.49
	(vi) Other financial assets	5	**18,043.24**	7,166.98
	(c) Other current assets	7	**222.45**	402.66
	Total Current Assets (2)		**55,980.50**	36,340.14
	Total Assets (1+2)		**99,602.39**	92,237.92
B	**EQUITY AND LIABILITIES**			
	1 Equity			
	(a) Equity Share capital	12	**63,440.00**	63,440.00
	(b) Other Equity	13	**6,527.15**	5,815.65
	Total Equity (1)		**69,967.15**	69,255.65
	2 Non-current liabilities			
	(a) Financial Liabilities			
	(i) Lease liabilities	16	**356.99**	–
	(a) Other non-current liabilities	17	**–**	220.10
	(b) Provisions	14	**599.44**	486.64
	(c) Deferred tax Liabilities (net)	6	**1,631.06**	1,702.80
	Total Non - Current Liabilities (2)		**2,587.49**	2,409.54
3	**Current liabilities**			
	(a) Financial Liabilities			
	(i) Trade payables	15		
	- Total outstanding dues of Micro and Small Enterprises	15	**173.33**	113.73
	- Total outstanding dues of creditors other than Micro & Small Enterprises	15	**22,583.94**	17,284.56
	(ii) Other financial liabilities	16	**2,164.14**	2,220.01
	(b) Other current liabilities	17	**2,069.80**	830.02
	(c) Provisions	14	**56.54**	124.41
	Total Current Liabilities (3)		**27,047.75**	20,572.73
	Total Equity and Liabilities (1+2+3)		**99,602.39**	92,237.92

The accompanying notes form an integral part of the financial statements

As per report of even date

For B.K. Khare & Co.
Chartered Accountants
Firm Registration No: 105102W

Shirish Rahalkar

Partner
Membership No.: 111212

Place : Mumbai
Date : 22nd April 2022

Dattatraya Nikam
Chief Financial Officer

Kiran Bade
Company Secretary
Membership No.: A3911

For and on behalf of Board of Directors

Director: Ganesh Shenoy Konchady
DIN: 08736791

Director: Pankaj Sonalkar
DIN: 0268465

Place : Mumbai
Date : 22nd April 2022

Statement of Profit and Loss for the year ended March 31, 2022

Rs. In Lakhs

	Particulars	Note No.	For the year ended March 31, 2022	For the year ended March 31, 2021
	Income			
I	Revenue from operations	18	**114,194.75**	105,700.64
II	Other Income	19	**594.79**	395.25
III	**Total Income (I + II)**		**114,789.54**	106,095.89
IV	**Expenses**			
	(a) Cost of materials consumed		**91,949.53**	66,473.59
	(b) Changes in inventories of finished goods and work-in-progress	20	**106.06**	(44.91)
	(c) Employee benefit expense	21	**3,795.10**	3,381.73
	(d) Finance costs	22	**66.46**	1.54
	(e) Depreciation, amortisation and impairment expense	2 & 3	**4,174.64**	5,964.18
	(f) Other expenses	23	**3,013.78**	2,804.48
	Total Expenses		**103,105.57**	78,580.61
V	**Profit/(loss) before tax (III - IV)**		**11,683.97**	27,515.28
VI	**Tax Expense**			
	(a) Current tax		**3,184.23**	101.75
	(b) Tax paid for earlier year		**284.57**	–
	(c) Deferred tax	6	**(81.15)**	1,681.47
VII	**Profit/(loss) after tax from continuing operations (V - VI)**		**8,296.32**	25,732.06
VIII	**Profit/(loss) for the period**		**8,296.32**	25,732.06
IX	**Other comprehensive income**			
	(a) Items that will not be reclassified to profit or loss			
	(i) Remeasurements of the defined benefit plans	27	**37.39**	84.78
	(b) Income tax relating to items that will not be reclassified to profit or loss		**9.41**	21.34
	Total other comprehensive income		**27.98**	63.44
X	**Total comprehensive income for the period (VIII + IX)**		**8,324.30**	25,795.50
XI	**Earnings per equity share (for continuing operations)**	24		
	(a) Basic (in Rs.)		**1.31**	4.06
	(b) Diluted (in Rs.)		**1.31**	4.06

The accompanying notes form an integral part of the financial statements

As per report of even date
For B.K. Khare & Co.
Chartered Accountants
Firm Registration No: 105102W

Shirish Rahalkar

Partner
Membership No.: 111212

Place : Mumbai
Date : 22nd April 2022

Dattatraya Nikam
Chief Financial Officer

Kiran Bade
Company Secretary
Membership No.: A3911

For and on behalf of Board of Directors

Director: Ganesh Shenoy Konchady
DIN: 08736791

Director: Pankaj Sonalkar
DIN: 0268465

Place : Mumbai
Date : 22nd April 2022

Statement of Cash Flows for the year ended March 31, 2022

Particulars	Year ended March 31, 2022	Rs. In Lakhs Year ended March 31, 2021
Cash Flows from operating activities		
Profit/(Loss) for the year before tax	**11,683.97**	27,515.28
Adjustments for		
(Profit)/Loss on disposal of property, plant and equipment	**–**	0.64
Interest income	**(169.78)**	(227.08)
Net gain on sale of investments	**(201.92)**	(15.57)
Net gain arising on financial assets designated as at FVTPL	**(56.30)**	(2.66)
Liabilities no longer required written back	**–**	(1.01)
Depreciation and amortisation	**4,174.64**	5,964.18
Unwinding of discounts on provisions	**60.62**	0.28
Net foreign exchange (gain)/loss	**1.23**	7.64
	15,492.46	33,241.70
Movement in working capital		
(Increase)/decrease in Inventories	**(2,802.85)**	(486.30)
(Increase)/decrease in Trade Receivables	**(325.72)**	(4,552.98)
(Increase)/decrease in Loans	**5,017.40**	(1,012.35)
(Increase)/decrease in Other Financial Assets	**(1,125.31)**	(27,638.43)
(Increase)/decrease in Other Assets	**94.49**	72.19
Increase/(decrease) in Trade Payables	**5,357.74**	5,210.61
Increase/(decrease) in Other Financial Liabilities	**197.21**	183.56
Increase/(decrease) in Provisions	**21.70**	(34.47)
Increase/(decrease) in Other Liabilities	**1,019.69**	363.58
Cash generated from Operations	**22,946.81**	5,347.10
Income tax refund received/(paid) (net)	**(3,174.07)**	(251.52)
(A) Net cash generated from by operating activities	**19,772.74**	5,095.58
Cash flows from investing activities		
Fixed deposits placed	**(11,554.87)**	(1,992.01)
Fixed deposits matured	**7,732.50**	1,875.00
Payments to acquire current investments	**(27,926.85)**	(10,249.49)
Proceeds on sale of current investments	**21,131.78**	8,715.13
Interest received	**67.82**	221.86
Payments for property, plant and equipment	**(1,302.48)**	(1,400.73)
Proceeds from disposal of property, plant and equipment	**–**	8.38
(B) Net cash used in investing activities	**(11,852.10)**	(2,821.86)

Statement of Cash Flows for the year ended March 31, 2022

Rs. In Lakhs

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Cash flows from financing activities		
Dividend Paid	**(7,612.80)**	–
(C) Net cash generated from financing activities	**(7,612.80)**	–
Net increase in cash and cash equivalents (A+B+C)	**307.84**	2,273.72
Cash and cash equivalents at the beginning of the year	**2,693.95**	420.23
Cash and cash equivalents at the end of the year	**3,001.79**	2,693.95
Reconciliation of Cash & Cash eqivalents as per the cash flow statement		
Cash and cash equivalents as per above comprise of the following		
Cash and cash equivalents (Refer Note No. 11)	**3,001.79**	2,693.95
Balance as per statement of cash flows	**3,001.79**	2,693.95

The accompanying notes form an integral part of the financial statements

As per report of even date

For B.K. Khare & Co.
Chartered Accountants
Firm Registration No.: 105102W

Shirish Rahalkar

Partner
Membership No.: 111212

Place : Mumbai
Date : 22nd April 2022

Dattatraya Nikam
Chief Financial Officer

Kiran Bade
Company Secretary
Membership No.: A3911

For and on behalf of the Board of Directors

Director:
DIN:

Director:
DIN:

Place : Mumbai
Date : 22nd April 2022

Statement of Changes In Equity for the year ended March 31, 2022

a) Equity share capital

Particulars	No. of Shares	Amount (Rs. In Lakhs)
Balance as at March 31, 2020	634,400,000	63,440.00
Changes in equity share capital during the year		
Issue of equity shares during the year	–	–
Balance as at March 31, 2021	634,400,000	63,440.00
Changes in equity share capital during the year		
Issue of equity shares during the year	–	–
Balance as at March 31, 2022	**634,400,000**	**63,440.00**

b) Other Equity

Rs. In Lakhs

Particulars	Retained earnings	Other comprehensive income (Remeasurements of the defined benefit plans)	Total
Balance as at April 1, 2020	(20,040.43)	60.59	(19,979.84)
Profit for the year	25,732.06	–	25,732.06
Total Comprehensive Income for the year, net of Income Tax	–	63.44	63.44
Balance as at April 1, 2021	5,691.62	124.03	5,815.67
Profit for the year	8,296.32	–	8,296.32
Less : Dividend	(7,612.80)	–	(7,612.80)
Total Comprehensive Income for the year, net of Income Tax	–	27.98	27.98
Balance as at March 31, 2022	**6,375.14**	**152.01**	**6,527.17**

The accompanying notes form an integral part of the financial statements

As per report of even date
For B.K. Khare & Co.
Chartered Accountants
Firm Registration No.: 105102W

Shirish Rahalkar
Partner
Membership No.: 111212

Place : Mumbai
Date : 22nd April 2022

Dattatraya Nikam
Chief Financial Officer

Kiran Bade
Company Secretary
Membership No.: A3911

For and on behalf of the Board of Directors

Director:
DIN:

Director:
DIN:

Place : Mumbai
Date : 22nd April 2022

Notes to the financial statements for the year ended March 31, 2022

Mahindra Heavy Engines Limited is subsidiary of Mahindra & Mahindra Limited having Corporate Identity Number U35914MH2007PLC169753, having it's registered office at Mahindra Towers, Dr. G.M. Bhosale Marg, P.K. Kurne Road, Worli, Mumbai 400 018. The Company is in manufacturing and sales of Engines and other auto components for vehicles and Genset applications.

Note No. 1 - Significant Accounting Policies:

1.1 Statement of compliance:

The financial statements have been prepared in accordance with Ind AS as notified under the Companies (Indian Accounting Standards) Rules, 2015 read with Section 133 of the Companies Act, 2013 (the "Act").

1.2 Basis of preparation and presentation:

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. In addition, for the financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to fair value measurement in its entirety, which are described as follows:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3 inputs are unobservable inputs for the asset or liability.

1.3. Property, Plant & Equipment:

Property, Plant & Equipment are carried at cost less depreciation. Cost is the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire an asset at the time of its acquisition and financing cost relating to borrowed funds attributable to the construction or acquisition of qualifying tangible assets upto the date the assets are ready for use.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in statement of profit or loss.

Depreciation is provided on straight-line basis for property, plant and equipment so as to expense the depreciable amount, i.e. the cost less estimated residual value, over its estimated useful lives. The estimated useful lives and residual values are reviewed annually and the effect of any changes in estimate is accounted for on a prospective basis.

The management's estimate of useful lives are in accordance with Schedule II to the Companies Act, 2013, other than the following asset classes, based on the Company's expected usage pattern supported by technical assessment:, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.:

Plant and Machinery	2 years, 5 years, 7 years, 8 years and 10 years
Vehicles	5 years
Roads	15 years
Assets below Rs. 5,000/-	1 year

1.4. Intangible Assets

Intangible assets acquired separately:

Intangible assets are initially recognised at cost.

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Intangible assets under development

The Company expenses costs incurred during research phase to profit or loss in the year in which they are incurred. Eligible development phase expenses are initially recognised as intangible assets under development until the development phase is complete. Once the development phase is complete, the eligible development phase expenses are capitalised as intangible asset.

Technical Know-how fees:

The expenditure incurred on technical services and other project/product related expenses are amortised over the estimated period of benefit, not exceeding six years.

Software Expenditure:

The expenditure incurred is amortised over three financial years equally commencing from the year in which the expenditure is incurred.

Internally-generated intangible assets - Research and Development expenditure:

Expenditure on research activities are recognised as an expense in the period in which they are incurred.

An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

Product Development Expenditure:

The expenditure incurred on product development expenditure expenses are amortised over the estimated period of benefit, not exceeding five years.

Notes to the financial statements for the year ended March 31, 2022

Derecognition of intangible assets:

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

1.5. Impairment:

The carrying amounts of assets are reviewed at each balance sheet date to determine whether there is any indication of impairment based on internal / external factors. Impairment loss is provided to the extent the carrying amount of assets exceeds their recoverable amount. Recoverable amount is the higher of an asset's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Net selling price is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the cost of disposal.

1.6. Inventories:

Inventories are stated at the lower of cost and net realisable value after providing for obsolescence and other losses, where considered necessary. In determining the cost of purchased materials moving average method is used. Stores, spares and tools are carried at cost or estimated net realisable value, whichever is lower.

1.7. Cash and cash equivalents (for purposes of Cash Flow Statement):

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition).

1.8. Investments:

Investments, which are readily realisable and intended to be held for not more than one year from the date on which such investments are made are classified as current investments. All other investments are classified as non-current investments.

1.9. Financial Instruments:

Financial assets and financial liabilities are recognised when a Company becomes a party to the contractual provisions of the instruments. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial Assets:

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place. All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Financial assets at Fair value through profit or loss are measured at fair value at the end of each reporting period, with any gains or losses arising on re measurement recognised in profit or loss, The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in 'Other income'.

Financial liabilities and equity instruments:

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

1.10. Revenue Recognition:

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for rebates and other similar allowances.

Ind AS 115- Revenue from Contracts with Customers

Company adopted IND AS 115 - Revenue from contracts with customers w.e.f. 1st April 2018. In view of that, Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration the Company expects to receive in exchange for those products or services. To recognize revenues, Company apply the following five step approach:

(1) identify the contract with a customer

(2) identify the performance obligations in the contract

(3) determine the transaction price

(4) allocate the transaction price to the performance obligations in the contract

(5) recognize revenues when a performance obligation is satisfied.

The Company applies judgement to determine whether each product or services promised to a customer are capable of being distinct, and are distinct in the context of the contract, if not, the promised product or services are combined and accounted as a single performance obligation. The Company allocates the arrangement consideration to separately identifiable performance obligation based on their selling price.

Interest income:

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding.

1.11. Goods and Services Tax:

GST duty payable on finished goods is accounted for upon transfer of goods to the customers.

1.12. Custom Duty:

Custom duty payable on imported goods is accounted for when the goods enter the Indian shores.

1.13. Government Grants and Other Incentives:

The Company, directly or indirectly through a consortium of Mahindra Group Companies, is entitled to various incentives from Government Authorities in respect of manufacturing unit located in developing region. The company accounts for it's entitlement on an accrual basis.

Government grants related to acquisition of depreciable assets are recognised as deferred revenue in the financial statements and are transferred to statement of Profit and Loss on a systematic and rational basis over the useful lives of the related assets.

1.14. Export Benefits:

Export benefits under various schemes of Government of India are accounted on accrual basis except when there is an uncertainty in respect of the entitlement.

1.15. Foreign exchange transactions:

Transactions in foreign currencies (Other than company's functional currency) are recorded at the exchange rates prevailing on the date of transaction. Monetary items are translated at the year-end rates. The exchange difference between the rate prevailing on the date of transaction and on the date of settlement as also on translation of Monetary items at the end of the year, is recognised as income or expense, as the case may be.

Notes to the financial statements for the year ended March 31, 2022

1.16. Employee Benefits:

(i) Defined Contribution Plan:

The Company's contributions paid/payable during the year to Provident Fund and Superannuation Fund are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made as and when services are rendered by the employees.

(ii) Defined Benefit Plan / Leave encashment:

The Company's liability towards gratuity and leave encashment is determined using the projected unit credit method which considers each period of service as giving rights to an additional unit of benefit entitlement and measure each unit separately to build up the final obligation. Past services are recognised on straight line basis over the average period until the benefits become vested. Actuarial gains and losses are recognised immediately in the Statement of other comprehensive income as income or expense. Obligation is measured at the present value of estimated future cash flow using discounted rate i.e. determined by reference to the market yield at the Balance Sheet date on Government Bonds where the currency and terms of the Government Bonds are consistent with the currency and estimated terms of the defined benefit obligation.

(iii) Other Benefits:

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees is recognised during the period when the employee renders the service.

1.17. Borrowing Costs:

Borrowing costs that are attributable to the acquisition or construction of a qualifying asset are capitalised as part of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use or sale. All other borrowing costs are recognised as an expense in the period in which they are incurred.

1.18. Taxes on Income:

Current tax:

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the Financial statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax:

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Current and deferred tax for the year:

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

1.19. Warranty:

Provision for warranty represents present value of management's best estimate of the future outflow of economic benefits that will be required in respect of sale of certain products, the estimated cost of which is accrued at the time of sale. Management estimates the related provision for future warranty claims based on historical warranty claim information and is adjusted regularly to reflect new information.

1.20. Segment Reporting:

The Company's business activity falls within a primary business segment namely manufacturing of Engines and other auto components and there is no reportable geographical segment.

1.21. Provisions, Contingent Liabilities and Contingent Assets:

Provisions are recognised when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that the company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Contingent liabilities are not recognised but are disclosed in the notes. Contingent assets are neither recognised nor disclosed in the financial statements.

1.22. Critical accounting judgements and key sources of estimation uncertainty:

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets, liabilities, income, expenses etc. at the date of these financial statements and the reported amounts of revenues and expenses for the years presented. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected.

Key source of estimation of uncertainty at the date of the financial statements, which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, is in respect of useful lives of property, plant and equipment, obligations relating to employee defined benefits etc. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

1.23. Ind AS 116 Leases:

Ind AS 116 is replaced the existing leases standard, Ind AS 17 Leases. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, onbalance sheet lessee accounting model for lessees. A lessee recognises right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. The standard also contains enhanced disclosure requirements for lessees.

Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17. The amendment is effective for annual periods beginning on or after 01st April 19.

Notes to the financial statements for the year ended March 31, 2022

Note No. 2 - Property, Plant and Equipment

Rs. In Lakhs

Description of Assets	ROU Asset	Buildings	Plant and Equipment	Office Equipment	Furniture and Fixtures	Vehicles	Total
I. Gross Block							
Balance as at March 31, 2020	693.91	9,282.59	35,736.07	1,521.36	893.46	190.90	**48,318.29**
Additions	–	1.65	1,321.96	105.42	6.11	39.24	**1,474.37**
Disposals	–	–	–	(0.50)	–	(9.80)	**(10.30)**
Balance as at March 31, 2021	**693.91**	**9,284.24**	**37,058.03**	**1,626.28**	**899.57**	**220.34**	**49,782.37**
Additions	419.04	4.54	422.43	135.65	5.79	–	**987.45**
Disposals	–	–	–	–	–	–	**–**
Balance as at March 31, 2022	**1,112.95**	**9,288.78**	**37,480.46**	**1,761.93**	**905.36**	**220.34**	**50,769.82**
II. Accumulated depreciation							
Balance as at March 31, 2020	81.99	2,205.15	13,213.10	1,306.27	477.13	116.98	**17,400.61**
Depreciation expense for the year	7.30	302.12	2,485.77	144.49	71.98	29.76	**3,041.42**
Eliminated on disposal of assets	–	–	–	(0.09)	–	(1.19)	(1.28)
Balance as at March 31, 2021	**89.29**	**2,507.27**	**15,698.87**	**1,450.67**	**549.11**	**145.55**	**20,440.74**
Depreciation expense for the year	34.28	302.27	2,546.99	130.25	69.57	22.13	3,105.49
Eliminated on disposal of assets	–	–	–	–	–	–	–
Balance as at March 31, 2022	**123.57**	**2,809.54**	**18,245.86**	**1,580.92**	**618.68**	**167.68**	**23,546.23**
III. Net block (I-II)							
Balance as at March 31, 2021	604.62	6,776.98	21,359.16	175.62	350.46	74.79	29,341.63
Balance as at March 31, 2022	**989.38**	**6,479.24**	**19,234.60**	**181.01**	**286.68**	**52.66**	**27,223.59**

Note No. 3 - Other Intangible Assets

Rs. In Lakhs

Description of Assets	Technical Knowhow	Development Expenditure	Computer Software	Total
I. Gross Block				
Balance as at March 31, 2020	10,259.81	2,227.71	390.03	**12,877.55**
Additions	1,032.28	843.14	100.08	**1,975.50**
Disposals	–	–	–	**–**
Balance as at March 31, 2021	**11,292.09**	**3,070.85**	**490.11**	**14,853.05**
Additions	–	–	6.30	**6.30**
Disposals	–	–	–	–
Balance as at March 31, 2022	**11,292.09**	**3,070.85**	**496.41**	**14,859.35**
II. Accumulated amortisation				
Balance as at March 31, 2020	7,217.34	1,575.54	358.42	**9,151.30**
Amortisation expense for the year	793.79	230.17	23.38	**1,047.34**
Impairment of assets*	1,032.28	843.15	–	**1,875.43**
Eliminated on disposal of assets	–	–	–	**–**
Balance as at March 31, 2021	**9,043.41**	**2,648.86**	**381.80**	**12,074.07**
Amortisation expense for the year	793.79	230.16	45.20	**1,069.15**
Impairment of assets*	–	–	–	**–**
Eliminated on disposal of assets	–	–	–	–
Balance as at March 31, 2022	**9,837.20**	**2,879.02**	**427.00**	**13,143.22**
III. Net block (I-II)				
Balance as at March 31, 2021	2,248.68	421.99	108.30	2,778.98
Balance as at March 31, 2022	**1,454.89**	**191.83**	**69.41**	**1,716.13**

Notes to the financial statements for the year ended March 31, 2022

Capital work-in-progress	Amount in CWIP for a period of				
	Less than 1 year	1–2 years	2–3 years	More than 3 years	Total
Projects in progress as at March 31, 2021	132.73	417.38	46.87	28.50	625.48
Projects in progress as at March 31, 2022	167.27	89.67	418.00	75.37	750.31
Projects temporarily suspended as at March 31, 2021	–	–	–	–	–
Projects temporarily suspended as at March 31, 2022	–	–	–	–	–

Intangible assets under development	Amount in CWIP for a period of				
	Less than 1 year	1–2 years	2–3 years	More than 3 years	Total
Projects in progress as at March 31, 2021	213.43	93.68	–	–	307.11
Projects in progress as at March 31, 2022	241.47	213.43	93.68	–	548.58
Projects temporarily suspended as at March 31, 2021	–	–	–	–	–
Projects temporarily suspended as at March 31, 2022	–	–	–	–	–

Capital work-in-progress	To be completed in				
	Less than 1 year	1–2 years	2–3 years	More than 3 years	Total
Project 1	644.96	–	–	–	644.96

*Note :
The IPR (Intellectual Property Rights) was purchased from Navistar Luxembourg Intellectual Property Company, Luxembourg and expected start of production was Q-3 of F-21 related to On-Highway applications for Mahindra Truck and Buses Division. Based on internal sources of information and considering uncertainty of economic performance of an asset, IPR related to 4 Cylinder Engine was impaired during the last year which has resulted into an additional charge of Rs. 1875.43 Lakhs.

Note No. 4 - Loans

Rs. In Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Non-Current:		
a) Security Deposits		
– Unsecured, considered good	**5.25**	5.25
	5.25	5.25
Current:		
a) Other Loans		
– Unsecured, considered good	**0.09**	17.49
b) Intercompany Deposits to Group Companies*	**–**	5,000.00
	0.09	5,017.49

* Note : The Company had given intercorporate deposit to Mahindra Vehicle Manufacturers Limited for the purpose of working capital.

Note No. 5 - Other financial assets

Rs. In Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Financial assets at amortised cost		
Non-Current:		
a) Bank Deposit with more than 12 months maturity (under Bank's lien)	**421.43**	71.05
b) Accrued Interest	**24.26**	40.99
c) Government Grants and other incentives receivables	**12,142.00**	21,774.28
	12,587.69	21,886.32
Current:		
a) Government Grants and other incentives receivables	**17,899.55**	7,141.98
b) Accrued Interest	**143.69**	25.00
	18,043.24	7,166.98

Note No. 6 - Deferred tax assets/Liabilities (net)

Rs. In Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
a) Deferred tax assets		
Provision for compensated absences	**52.58**	49.70
Provision for gratuity	**112.51**	104.09
Provision for doubtful debts/Advances	**–**	–
Carried forward tax losses*	**–**	–
Others	**97.43**	116.68
	262.52	270.47
b) Deferred tax liabilities		
Depreciation and amortisation	**1,884.17**	1,951.93
Provision for employee benefits	**9.41**	21.34
	1,893.58	1,973.27
c) Net Deferred tax assets/(Liabilities)	**(1,631.06)**	(1,702.80)

Notes to the financial statements for the year ended March 31, 2022

Movement in Deferred tax assets/(liabilities) for the year ended March 31, 2022:

Rs. In Lakhs

Particulars	Opening Balance as at April 1, 2021	Recognised in Profit or Loss	Recognised in Other Comprehensive Income	Closing Balance as at March 31, 2022
Deferred tax assets/(liabilities) in relation to:				
Provision for compensated absences	49.70	2.88	–	**52.58**
Provision for gratuity	82.75	29.76	(9.41)	**103.10**
Provision for doubtful debts	–	–		**–**
Carried forward tax losses	–	–	–	**–**
Others	116.68	(19.25)		**97.43**
Depreciation and amortisation	(1,951.93)	67.76		**(1,884.17)**
	(1,702.80)	81.15	(9.41)	**(1,631.06)**

Movement in Deferred tax assets/(liabilities) for the year ended March 31, 2021:

Rs. In Lakhs

Particulars	Opening Balance as at April 1, 2020	Recognised in Profit or Loss	Recognised in Other Comprehensive Income	Closing Balance as at March 31, 2021
Deferred tax assets/(liabilities) in relation to:				
Provision for compensated absences	77.38	(27.68)	–	49.70
Provision for gratuity	102.00	2.09	(21.34)	82.75
Provision for doubtful debts	5.29	(5.29)	–	–
Carried forward tax losses*	1,293.26	(1,293.26)	–	–
Others	0.27	116.41	–	116.68
Depreciation and amortisation	(1,478.20)	(473.73)	–	(1,951.93)
	–	(1,681.46)	(21.34)	(1,702.80)

* Considered to the extent probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Note No. 7 - Other assets

Rs. In Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Non-Current:		
a) Capital Advances		
Unsecured Considered good	**185.49**	139.15
Unsecured Considered doubtful	**–**	–
Less: Provision for Doubtful Capital Advances	**–**	–
	185.49	139.15
b) Advances other than capital advances		
i) Advance Income Tax [net of provisions Rs. 3184.23 Lakhs (As at March 31, 2021 Rs. 101.75 Lakhs)]	**428.38**	723.12
c) Others		
i) Balances with government authorities (other than income taxes)		
1) VAT credit receivable	**66.11**	10.58
2) Custom deposit Receivable	**50.97**	50.97
3) Others	**37.48**	11.81
ii) Other advances		
Other Prepayments	**21.91**	17.38
	790.34	953.01
Current:		
a) Advances other than capital advances		
i) Advance to suppliers	**115.77**	227.13
b) Others		
i) Balances with government authorities (other than income taxes)		
1) Excise duty/Customs/GST rebate receivable	**20.43**	30.50
ii) Other advances		
1) Other Prepayments	**38.90**	61.09
2) Others	**47.35**	83.94
	222.45	402.66

Note No. 8 - Inventories

Rs. In Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Raw materials	**6,877.19**	3,991.76
Work-in-progress	**560.50**	446.92
Finished goods	**200.71**	420.35
Stores and spares	**295.00**	271.50
Total Inventories at the lower of cost and net realisable value	**7,933.40**	5,130.53
Included above, raw material-in-transit:	**75.14**	478.59
Total goods-in-transit	**75.14**	478.59

Notes:

(i) The cost of inventories recognised as an expense during the year was Rs. 92,654.28 Lakhs (for the year ended March 31, 2021 Rs. 66,866.03 Lakhs)

(ii) The amount of Obsolete provision during the year FY 2021-22 with respect to Inventory is Rs. 443.41 Lakhs (As on March 31, 2021 Rs. 399.70 Lakhs)

Notes to the financial statements for the year ended March 31, 2022

Note No. 9 - Investments

Rs. In Lakhs

Particular	As at March 31, 2022		As at March 31, 2021	
	Quantity	Amount	Quantity	Amount
Current:				
Quoted Investments (all fully paid)				
Designated as Fair Value Through Profit and Loss				
Investments in Mutual Funds				
UTI Overnight Fund	–	–	26,890.79	751.25
Aditya Birla Sun Life Overnight Fund	–	–	72,219.32	801.34
UTI Mutual Fund	**26,160.68**	**906.92**	–	–
Aditya Birla Sunlife Mutual Fund	**592,572.77**	**2,017.34**	–	–
SBI Mutual Fund	**33,444.00**	**1,107.25**	–	–
Kotak Mahindra Mutual Fund	**24,721.64**	**1,057.84**	–	–
ICICI Prudential Mutual Fund	**323,264.49**	**1,012.28**	–	–
HDFC Mutual Fund	**28,989.28**	**1,203.58**	–	–
Nippon India	**23,245.41**	**1,200.49**	–	–
Axis Mutual Fund	**4,263.03**	**100.18**	–	–
	1,056,661.29	**8,605.88**	99,110.10	1,552.59

Rs. In Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Aggregate book value of quoted investments	**8,605.88**	1,552.59
Aggregate market value of quoted investments	**8,605.88**	1,552.59
Aggregate amount of impairment in value of investments	–	–

Note No. 10 - Trade receivables

Rs. In Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Current		
Trade Receivables		
(a) Unsecured, considered good	**14,498.19**	14,172.47
	14,498.19	14,172.47

Note:

The normal credit period on sale of goods is 30 days. No interest is charged on trade receivables.

Rs. In Lakhs

Trade Receivables ageing	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Balance as at March 31, 2022						
(i) Undisputed Trade receivables – considered good	**14,478.23**	**11.09**	**7.43**	**1.44**	–	**14,498.19**
(ii) Undisputed Trade Receivables – considered doubtful	–	–	–	–	–	–
(iii) Disputed Trade Receivables considered good	–	–	–	–	–	–
(iv) Disputed Trade Receivables considered doubtful	–	–	–	–	–	–
Balance as at March 31, 2021						
(i) Undisputed Trade receivables – considered good	14,156.25	12.70	3.52	–	–	14,172.47
(ii) Undisputed Trade Receivables – considered doubtful	–	–	–	–	–	–
(iii) Disputed Trade Receivables considered good	–	–	–	–	–	–
(iv) Disputed Trade Receivables considered doubtful	–	–	–	–	–	–

Note:

The normal credit period on sale of goods is 30 days. No interest is charged on trade receivables.

Notes to the financial statements for the year ended March 31, 2022

Note No. 11 - Cash and Bank Balances

Rs. In Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Cash and cash equivalents		
(a) Balances with banks	**1,691.79**	2,643.95
(b) In Fixed Deposits - original maturity less than 3 months	**1,310.00**	50.00
Total Cash and cash equivalent	**3,001.79**	2,693.95

Rs. In Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Other Bank Balances		
(a) Balances with Banks:		
On Margin Accounts (under Bank's lien)	**170.46**	128.47
In Fixed Deposits	**3,505.00**	75.00
Total Other Bank balances	**3,675.46**	203.47

Note No. 12 - Equity Share Capital

Particulars	As at March 31, 2022		As at March 31, 2021	
	No. of shares	Amount (Rs. In Lakhs)	No. of shares	Amount (Rs. In Lakhs)
Authorised:				
Equity shares of Rs 10 each with voting rights	**800,000,000**	**80,000.00**	800,000,000	80,000.00
Issued, Subscribed and Fully Paid:				
Equity shares of Rs 10 each with voting rights	**634,400,000**	**63,440.00**	634,400,000	63,440.00
Total	**634,400,000**	**63,440.00**	634,400,000	63,440.00

(i) Terms/Rights attached to equity shares:

The Company has one class of equity shares having a par value of Rs. 10 per share. Each shareholder is eligible for one vote per share held. The dividend, if any, proposed by the board of directors is subject to approval of the shareholders in the ensuing annual general meeting (AGM), except in the case of interim dividend which is ratified by the shareholders at the AGM.

The Equity Shares of the Company rank pari-passu in all respects including voting rights and entitlement to dividend.

(ii) Reconciliation of the number of shares outstanding at the beginning and at the end of the period:

Particulars	No. of Shares	Amount (Rs. In Lakhs)
Balance as at 31 March, 2021	634,400,000	63,440.00
Fresh Issue during the year	–	–
Balance as at 31 March, 2022	**634,400,000**	**63,440.00**

(iii) Details of shares held by the holding company

Particulars	No. of Shares	Amount (Rs. In Lakhs)
As at March 31, 2021		
Mahindra Vehicle Manufacturers Limited, the holding company	634,400,000	63,440.00
As at March 31, 2022		
Mahindra & Mahindra Limited, the holding company	**634,400,000**	**63,440.00**

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

Particulars	No. of Shares	Percentage of holding
As at March 31, 2021		
Mahindra Vehicle Manufacturers Limited and its nominees	634,400,000	100%
As at March 31, 2022		
Mahindra & Mahindra Limited, and its nominees	**634,400,000**	**100%**

Note No. 13 - Other Equity

Rs. In Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Retained Earnings	**6,375.14**	5,691.62
Remeasurements of the defined benefit plans	**152.01**	124.03
Balance at the end of the year	**6,527.15**	5,815.65

a) Retained earning

Rs. In Lakhs

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Balance at the beginning of the year	**5,691.63**	(20,040.43)
Profit/(Loss) for the year	**8,296.32**	25,732.06
Dividend	**(7,612.80)**	**–**
Balance at the end of the year	**6,375.15**	5,691.63

b) Remeasurements of the defined benefit plans

Rs. In Lakhs

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Balance at the beginning of the year	**124.04**	60.59
Items that will not be reclassified to profit or loss		
Remeasurements of the defined benefit plans	**27.98**	63.44
Balance at the end of the year	**152.02**	124.04

Notes to the financial statements for the year ended March 31, 2022

Note No. 14 - Provisions

Rs. In Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Non-Current:		
a) Provision for employee benefits		
i) Gratuity	**427.05**	383.59
ii) Leave Encashment	**172.39**	103.05
	599.44	486.64
Current:		
a) Provision for employee benefits		
i) Gratuity	**20.00**	30.00
ii) Leave Encashment	**36.54**	94.41
b) Other Provisions (Refer note below)		
i) Warranty	**–**	–
	56.54	124.41

Movement in other provisions

Rs. In Lakhs

Particulars	Warranty	
	As at March 31, 2022	As at March 31, 2021
Carrying Amount at the beginning of the year	**–**	0.78
Additional Provision made during the year (net of reversal)	**–**	(1.06)
Amounts used during the year	**–**	–
Unwinding of discount and effect of changes in the discount rate	**–**	0.28
	–	–

Note No. 15 - Trade Payables

Rs. In Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Current:		
Total outstanding dues of micro enterprises and small enterprises (Refer Note below)	**173.33**	113.73
Total outstanding dues of creditors other than micro enterprises and small enterprises	**22,583.94**	17,284.56
	22,757.27	17,398.29

Rs. In Lakhs

Trade Payables ageing	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Balance as at March 31, 2022					
(i) MSME	**173.33**	**–**	**–**	**–**	**173.33**
(ii) Others	**22,184.50**	**254.28**	**145.08**	**0.08**	**22,583.94**
(iii) Disputed dues – MSME	**–**	**–**	**–**	**–**	–
(iv) Disputed dues - Others	**–**	**–**	**–**	**–**	–
Balance as at March 31, 2021					
(i) MSME	113.73	–	–	–	113.73
(ii) Others	16,781.15	153.03	296.93	53.45	17,284.55
(iii) Disputed dues – MSME	–	–	–	–	–
(iv) Disputed dues - Others	–	–	–	–	–

Note:

The normal credit period on purchases of goods from supplier ranges from 0 to 64 days. No interest is charged on outstanding balance.

Notes to the financial statements for the year ended March 31, 2022

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

Rs. In Lakhs

	Particulars	As at March 31, 2022	As at March 31, 2021
(i)	the principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
	Principal	**173.33**	113.73
	Interest	**–**	–
(ii)	the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	**0.48**	0.82
(iii)	the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	**2.24**	0.48
(iv)	the amount of interest accrued and remaining unpaid at the end of each accounting year	**2.24**	0.48
(v)	the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	**–**	–

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

Note No. 16 - Other Financial Liabilities

Rs. In Lakhs

Particulars			As at March 31, 2022	As at March 31, 2021
Non-Current				
Other lease liabilities			**356.99**	–
			356.99	–
Current				
Other Financial Liabilities Measured at Amortised Cost				
a)	Short term Deposits		**41.15**	27.69
b)	Other liabilities			
	i)	Creditors for capital supplies	**405.57**	720.70
	ii)	Others	**1,717.42**	1,471.62
			2,164.14	2,220.01

Note No. 17 - Other Liabilities

Rs. In Lakhs

Particulars			As at March 31, 2022	As at March 31, 2021
Non-Current				
a)	Deferred Government Grants - Export Promotion Capital Goods		**–**	220.10
			–	220.10
Current				
a)	Advances received from customers		**3.84**	2.13
b)	Statutory dues payables			
	-	Statutory dues (Contributions to PF and other funds, Withholding Taxes and GST)	**1,845.86**	827.89
c)	Deferred Government Grants - Export Promotion Capital Goods		**220.10**	–
			2,069.80	830.02

Note No. 18 - Revenue from Operations

Rs. In Lakhs

Particulars			For the year ended March 31, 2022	For the year ended March 31, 2021
a)	Revenue from sale of products		**104,744.13**	76,805.64
b)	Other operating revenue			
	(i)	Sale of Scrap	**222.86**	125.73
	(ii)	Government Grants and other incentives *	**9,226.56**	28,768.27
	(iii)	Duty Drawback	**1.20**	1.00
			114,194.75	105,700.64

* Note :

During the year, Company has recognized the IPS (Industrial Promotion Subsidy) income of Rs. 9,226.56 Lakhs (As on March 31, 2021 Rs. 28,768.27 Lakhs) based on sanction received from the Department of Industries, Government of Maharashtra.

Note No. 19 - Other Income

Rs. In Lakhs

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest Income on Bank deposits and Others (at amortised cost)	**169.78**	227.08
Net Gain on sale of investments	**201.92**	15.57
Net gain arising on financial assets designated as at FVTPL	**56.30**	2.66
Insurance claims received	**–**	3.10
Liabilities no longer required written back	**–**	1.01
Miscellaneous Income (includes business support services)	**166.79**	145.83
	594.79	395.25

Notes to the financial statements for the year ended March 31, 2022

Note No. 20 - Changes in inventories of finished goods and work-in-progress

Rs. In Lakhs

Particulars		**For the year ended March 31, 2022**	For the year ended March 31, 2021
Inventories at the beginning of the year:			
a)	Finished goods	**420.35**	376.34
b)	Work-in-progress	**446.92**	446.02
		867.27	822.36
Inventories at the end of the year:			
a)	Finished goods	**200.71**	420.35
b)	Work-in-progress	**560.50**	446.92
		761.21	867.27
		106.06	(44.91)

Note No. 21 - Employee Benefits Expenses

Rs. In Lakhs

Particulars		**For the year ended March 31, 2022**	For the year ended March 31, 2021
a)	Salaries and wages	**3,146.96**	2,799.12
b)	Contribution to provident and other funds	**230.68**	233.85
c)	Share based payment transactions expenses - Equity-settled share-based payments*	**25.66**	44.23
d)	Staff welfare expenses	**391.80**	304.54
		3,795.10	3,381.73

*** Note:**

Represents cost reimbursed by the company towards ESOP's granted by the holding company, Mahindra & Mahindra Limited;

Certain employees of the Company are covered by Employee Stock Option Scheme (ESOP scheme) offered by Holding Company, Mahindra & Mahindra Limited. Under the scheme, eligible employees are granted an option to purchase shares of Mahindra & Mahindra Limited, in accordance with the terms and conditions of the scheme.

The Company recognises this scheme as an equity settled share based payments arrangement in accordance with IND AS 102 - Share Based Payment. Options granted under Parent's ESOP scheme vests in

i) 5 equal instalments on the expiry of 12 Months, 24 Months, 36 Months, 48 Months and 60 Months from the date of grant. OR

ii) 4 instalments bifurcated as 20% on the expiry of 18 months, 20% on the expiry of 30 months, 30% on the expiry of 42 months and 30% on the expiry of 54 months. OR

iii) 3 instalments bifurcated as 33.33% on the expiry of 12 months, 33.33% on the expiry of 24 months and 33.34% on the expiry of 36 months.

The options may be exercised on any day over a period of 5 years from the date of vesting. Number of vested options exercisable is subject to a minimum of 50 or number of options vested whichever is lower.

Such ESOP expense in respect of employees of the Company is charged by the Ultimate Holding Company over the vesting period. The charge is based on fair value of options calculated using Black and Scholes Option Pricing Model. The fair value charge is recognized as share based payment expenses under Employee Benefit Expenses.

Note No. 22 - Finance Cost

Rs. In Lakhs

Particulars		**For the year ended March 31, 2022**	For the year ended March 31, 2021
a)	Interest		
	i) Trade Payables - Micro Enterprises and Small Enterprises (Refer Note No. 15)	**2.24**	0.48
b)	Other Interest cost	**3.60**	0.78
c)	Unwinding interest	**60.62**	0.28
		66.46	**1.54**

Analysis of Interest Expenses by category

Rs. In Lakhs

Particulars	**For the year ended March 31, 2022**	For the year ended March 31, 2021
Interest Expenses		
On financial liability at amortised cost	**2.24**	0.48
	2.24	0.48

Note No. 23 - Other Expenses

Rs. In Lakhs

Particulars	**For the year ended March 31, 2022**	For the year ended March 31, 2021
Stores consumed	**598.69**	445.45
Power & Fuel	**184.76**	296.66
Rates and taxes	**33.64**	65.95
Insurance	**72.55**	69.83
Repairs and maintenance - Buildings	**24.69**	10.95
Repairs and maintenance - Machinery	**94.82**	80.13
Repairs and maintenance - Others	**35.76**	24.47
Travelling and Conveyance Expenses	**45.23**	14.97
Auditors remuneration and out-of-pocket expenses		
i) As Auditors	**17.00**	17.00
ii) For Taxation matters	**4.30**	13.50
iii) For Other services	**0.40**	2.95
iv) For reimbursement of expenses	**–**	0.08
Legal and other professional costs	**641.51**	521.77
Packing material consumed	**95.89**	103.10
Engineering & Testing expenses	**191.52**	135.59
Royalty	**112.05**	292.30
CSR Activities*	**240.76**	67.31
Director's Commission	**10.00**	–
Net foreign exchange losses	**54.76**	37.42
Net Loss on disposal of property, plant and equipment (net)	**–**	0.64
Bank charges	**4.78**	4.25
Housekeeping and security expenses	**70.65**	66.93
Labour Contract Charges	**401.55**	421.34
Miscellaneous expenses	**78.47**	111.89
	3,013.78	2,804.48

* Note : Gross amount required to be spent by the Company as per section 135 of Companies Act 2013 on CSR Activities of Rs. 240.76 Lakhs (Previous Year - Rs. 67.31 Lakhs).

Notes to the financial statements for the year ended March 31, 2022

Rs. In Lakhs

Corporate Social Responsibility (CSR)		**For the year ended March 31, 2022**	For the year ended March 31, 2021
(a)	Amount required to be spent by the company during the year	**240.76**	67.10
(b)	Amount of expenditure incurred	**240.76**	67.31
(c)	Shortfall at the end of the year	**–**	–
(d)	Total of previous years shortfall	**–**	–
(e)	Reason for shortfall	**NA**	NA
(f)	Nature of CSR activities	**Health, Education, Enviornment, Rural Development**	Health, Education, Enviornment, Rural Development
(g)	Details of related party transactions, e.g., contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard	**–**	–
(h)	Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year should be shown separately.	**–**	–

Note No. 24 - Earnings per Share

Particulars	**For the year ended March 31, 2022**	For the year ended March 31, 2021
Profit / (loss) for the year attributable to equity share holders of the Company	**8,296.32**	25,732.06
Weighted average number of equity shares	**634,400,000**	634,400,000
Basic and Diluted Earnings per share (Face value of Rs. 10 per share)	**1.31**	4.06

Note No. 25 - Financial Instruments

Capital management

The company's capital management objectives are:

- to ensure the company's ability to continue as a going concern
- to provide an adequate return to shareholders by pricing products commensurately with the level of risk.

The company monitors capital on the basis of the carrying amount of equity less cash and cash equivalents as presented on the face of the statement of financial position.

The company sets the amount of capital in proportion to its overall financing structure, i.e. equity and financial liabilities. The company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

Rs. In Lakhs

Particulars	**As at March 31, 2022**	As at March 31, 2021
Equity	**69,967.15**	69,255.65
Less: Cash and cash equivalents	**3,001.79**	2,693.95
	66,965.36	66,561.70

Categories of financial assets and financial liabilities

Rs. In Lakhs

	As at March 31, 2022			
Particulars	**Amortised Costs**	**FVTPL**	**FVOCI**	**Total**
Non-current Assets				
Loans	**5.25**	–	–	**5.25**
Other Financial Assets				
- Non Derivative Financial Assets	**12,587.69**	–	–	**12,587.69**
Current Assets				
Investments	–	**8,605.88**	–	**8,605.88**
Trade Receivables	**14,498.19**	–	–	**14,498.19**
Cash and cash equivalents	**3,001.79**	–	–	**3,001.79**
Bank balances	**3,675.46**			**3,675.46**
Loans	**0.09**	–	–	**0.09**
Other Financial Assets				
- Non Derivative Financial Assets	**18,043.24**	–	–	**18,043.24**
Non-current Liabilities				
Borrowings	–			–
Current Liabilities				
Borrowings	–	–	–	–
Trade Payables	**22,757.27**	–	–	**22,757.27**
Other Financial Liabilities				
- Non Derivative Financial Liabilities	**2,164.14**	–	–	**2,164.14**

Rs. In Lakhs

	As at March 31, 2021			
Particulars	Amortised Costs	FVTPL	FVOCI	Total
Non-current Assets				
Loans	5.25	–	–	5.25
Other Financial Assets				
- Non Derivative Financial Assets	21,886.32	–	–	21,886.32
Current Assets				
Investments	–	1,552.59	–	1,552.59
Trade Receivables	14,172.47	–	–	14,172.47
Cash and cash equivalents	2,693.95	–	–	2,693.95
Bank balances	203.47			203.47
Loans	5,017.49	–	–	5,017.49
Other Financial Assets				
- Non Derivative Financial Assets	7,166.98	–	–	7,166.98
Non-current Liabilities				
Borrowings	–			–
Current Liabilities				
Trade Payables	17,398.29	–	–	17,398.29
Other Financial Liabilities				
- Non Derivative Financial Liabilities	2,220.01	–	–	2,220.01

CREDIT RISK

(i) Credit risk management

Rs. In Lakhs

	As at March 31, 2022			
Particulars	**Not due**	**Less than 6 months past due**	**More than 6 months past due**	**Total**
Expected loss rate	**0%**	**0%**	**0%**	
Gross carrying amount	**13,699.93**	**778.30**	**19.96**	**14,498.19**
Loss allowance provision	–	–	–	–

Notes to the financial statements for the year ended March 31, 2022

Rs. In Lakhs

	As at March 31, 2021			
Particulars	Not due	Less than 6 months past due	More than 6 months past due	Total
Expected loss rate	0%	0%	0%	
Gross carrying amount	10,015.25	4,140.99	16.23	14,172.47
Loss allowance provision	–	–	–	–

Reconciliation of loss allowance provision for Trade Receivables

Rs. In Lakhs

Particulars	**As at March 31, 2022**	As at March 31, 2021
Balance as at beginning of the year	**–**	–
Impairment losses recognised in the year based on lifetime expected credit losses		
- On receivables originated in the year	**–**	–
- Other receivables	**–**	–
Impairment losses reversed/written back	**–**	–
Balance at end of the year	**–**	–

The Concentration of credit risk is limited due to the fact that the customer base comprises largely of Mahindra group entities.

LIQUIDITY RISK

(i) Liquidity risk management

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

(ii) Maturities of financial liabilities

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

Rs. In Lakhs

Particulars	Less than 1 year	1 year to 3 years	3 years to 5 years	5 years and above
Non-derivative financial liabilities				
As at March 31, 2022				
Non-interest bearing	**24,953.15**	63.48	56.25	205.52
Variable interest rate instruments	–	–	–	–
Fixed interest rate instruments	–	–	–	–
	24,953.15	**63.48**	**56.25**	**205.52**
As at March 31, 2021				
Non-interest bearing	19,618.30	–	–	–
Variable interest rate instruments	–	–	–	–
Fixed interest rate instruments	–	–	–	–
	19,618.30	–	–	–

(iii) Maturities of financial assets

The following table details the Company's expected maturity for its non-derivative financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Company's liquidity risk management as the liquidity is managed on a net asset and liability basis.

Rs. In Lakhs

Particulars	Less than 1 year	1 year to 3 years	3 years to 5 years	5 years and above
Non-derivative financial assets				
As at March 31, 2022				
Non-interest bearing	**35,399.62**	**12,142.00**	–	**5.25**
Variable interest rate instruments	**8,605.88**	–	–	–
Fixed interest rate instruments	**3,968.69**	**436.31**	**32.63**	**3.68**
Total	**47,974.19**	**12,578.32**	**32.63**	**8.93**
As at March 31, 2021				
Non-interest bearing	29,025.89	21,774.28	–	5.25
Variable interest rate instruments	1,552.59	–	–	–
Fixed interest rate instruments	244.17	79.95	33.49	10.52
	30,822.65	21,854.23	33.49	15.77

The amounts included above for variable interest rate instruments for both non-derivative financial assets and liabilities is subject to change if changes in variable interest rates differ to those estimates of interest rates determined at the end of the reporting period.

Notes to the financial statements for the year ended March 31, 2022

MARKET RISK

Currency Risk

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. The Company's exposure to currency risk relates primarily to the Company's operating activities when transactions are denominated in a different currency from the Company's functional currency.

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

Rs. In Lakhs

Particulars	Currency	As at March 31, 2022	As at March 31, 2021
Trade Receivables	USD	–	0.01
	INR	–	0.46
Trade Payables	USD	**3.05**	3.33
	INR	**230.68**	245.31
	EUR	**0.57**	0.25
	INR	**47.89**	21.17
	KRW	**141.13**	–
	INR	**8.83**	–
	JPY	**4.50**	–
	INR	**2.79**	–

Of the above foreign currency exposures, the following exposures are not hedged by a derivative:

Rs. In Lakhs

Particulars	Currency	As at March 31, 2022	As at March 31, 2021
Trade Receivables	USD	–	0.01
	INR	–	0.46
Trade Payables	USD	**3.05**	3.33
	INR	**230.68**	245.31
	EUR	**0.57**	0.25
	INR	**47.89**	21.17
	KRW	**141.13**	–
	INR	**8.83**	–
	JPY	**4.50**	–
	INR	**2.79**	–

Foreign Currency Sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD, EUR, and KWR exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities including non-designated foreign currency derivatives and embedded derivatives.

Rs. In Lakhs

Particulars	Currency	Change in rate	Effect on profit/(loss) before tax
As at March 31, 2022	**USD**	**10%**	**(23.07)**
		(10%)	**23.07**
	EUR	**10%**	**(4.79)**
		(10%)	**4.79**
	KWR	**10%**	**(0.88)**
		(10%)	**0.88**
	JPY	**10%**	**(0.28)**
		(10%)	**0.28**
As at March 31, 2021	USD	10%	(24.48)
		(10%)	24.48
	EUR	10%	(2.12)
		(10%)	2.12

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

Interest rate risk

Interest rate sensitivity

The sensitivity analyses below have been determined based on exposure to interest rate for non-derivative instruments at the end of reporting period. For floating rate liabilities, analysis is prepared assuming the amount of liability outstanding at the end of the reporting period was outstanding for the whole year.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate loans and borrowings, as follows:

Rs. In Lakhs

Particulars	Currency	Increase/ (decrease) in basis points	Effect on profit/(loss) before tax
31-Mar-22	**INR**	**100**	**–**
	INR	**(100)**	**–**
31-Mar-21	INR	100	–
	INR	(100)	–

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment, showing a significantly higher volatility than in prior years.

Note No. 26 - Fair Value Measurement

a) Fair Valuation Techniques and Inputs used - recurring items

<u>Financial assets measured at Fair Value:</u>

Rs. In Lakhs

Particulars	Fair Value As at March 31, 2022	Fair Value As at April 1, 2021	Fair Value hierarchy	Valuation technique(s) and key input(s)
Financial assets				
a) Investments				
i) Mutual Fund investments	**8,605.88**	1,552.59	**Level-1**	Net Asset value published by – UTI – Aditya Birla Sunlife – SBI, Kotak Mahindra – ICICI Prudential – HDFC, – Nippon India, – Axis Mutual Fund
	8,605.88	1,552.59		

Notes to the financial statements for the year ended March 31, 2022

b) Fair value of financial assets and financial liabilities that are not measured at fair value

Rs. In Lakhs

Particulars	Level	As at March 31, 2022 Carrying amount	As at March 31, 2022 Fair value	As at April 1, 2021 Carrying amount	As at April 1, 2021 Fair value
a) Financial assets					
Financial assets carried at Amortised Cost					
Loans	**Level-3**	**5.34**	**5.34**	5,022.74	5,022.74
Trade Receivables	**Level-3**	**14,498.19**	**14,498.19**	14,172.47	14,172.47
Cash and cash equivalents	**Level-1**	**3,001.79**	**3,001.79**	2,693.95	2,693.95
Bank balances	**Level-1**	**3,675.46**	**3,675.46**	203.47	203.47
Other Financial Assets					
- Non Derivative Financial Assets	**Level-3**	**30,630.93**	**30,630.93**	29,053.30	29,053.30
b) Financial liabilities					
Financial liabilities held at amortised cost					
Borrowings	**Level-3**	**–**	**–**	–	–
Trade Payables	**Level-3**	**22,757.27**	**22,757.27**	17,398.29	17,398.29
Other Financial Liabilities					
- Non Derivative Financial Liabilities	**Level-3**	**2,164.14**	**2,164.14**	2,220.01	2,220.01

Note No. 27 - Employee benefits

(a) Defined Contribution Plan

The Company makes Provident Fund and Superannuation Fund contributions to defined contribution plans for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. Amount recognised as an expense in the Statement of Profit and Loss is Rs. 131.28 Lakhs. (Previous year Rs. 133.21 Lakhs).

(b) Defined Benefit Plans:

Gratuity

The Company operates a gratuity plan covering qualifying employees. The benefit payable is the greater of the amount calculated as per the Payment of Gratuity Act, 1972 or the Company scheme applicable to the employee. The benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. In case of death while in service, the gratuity is payable irrespective of vesting. The Company makes annual contribution to the group gratuity scheme administered by the Life Insurance Corporation of India through its Gratuity Trust Fund.

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

1) Liability Risks

a. Asset-Liability Mismatch Risk:

Risk which arises if there is a mismatch in the duration of the assets relative to the liabilities. By matching duration with the defined benefit liabilities, the company is successfully able to neutralize valuations wings caused by interest rate movements. Hence companies are encouraged to adopt asset-liability management.

b. Discount Rate Risk:

Variations in the discount rate used to compute the present value of the liabilities may seem small, but in practise can have a significant impact on the defined benefit liabilities.

c. Future Salary Escalation and Inflation Risk:

Since price inflation and salary growth are linked economically, they are combined for disclosure purposes. Rising salaries will often result in higher future defined benefit payments resulting in a higher present value of liabilities especially unexpected salary increases provided at management's discretion may lead to uncertainties in estimating this increasing risk.

2) Asset Risks

All plan assets are maintained in a trust fund managed by a public sector insurer viz; LIC of India. LIC has a sovereign guarantee and has been providing consistent and competitive returns over the years.

The company has opted for a traditional fund where in all assets are invested primarily in risk averse markets. The company has no control over the management of funds but this option provides a high level of safety for the total corpus. A single account is maintained for both the investment and claims settlement and hence 100% liquidity is ensured. Also interest rate and inflation risk are taken care of.

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

	As per March 31, 2022	As per March 31, 2021
Discount rate	**7.30%**	6.90%
Expected rate of salary increase		
Officers	**9.00%**	9.00%
Associates	**7.00%**	7.00%

Defined benefit plans as per actuarial valuation on 31st March, 2022

Rs. In Lakhs

Particulars	Funded Plan - Gratuity For the year ended March 31, 2022	Funded Plan - Gratuity For the year ended March 31, 2021
I(a). Expense recognised in the Statement of Profit and Loss for the year		
1) Current service cost	**58.83**	63.87
2) Past Service Credit	**–**	–
3) Interest cost	**26.34**	27.42
	85.17	91.29
I(b). Included in other Comprehensive Income		
1) Return on plan assets	**(0.08)**	(0.05)

Notes to the financial statements for the year ended March 31, 2022

Rs. In Lakhs

Particulars	Funded Plan - Gratuity For the year ended March 31, 2022	For the year ended March 31, 2021
2) Actuarial (Gain)/Loss on account of:		
- Demographic Assumptions	–	3.68
- Financial Assumptions	**(21.72)**	(2.60)
- Experience Adjustments	**(15.59)**	(85.80)
	(37.31)	(84.72)
Amounts recognised in comprehensive income in respect of these defined benefit plans are as follows:	**(37.39)**	(84.77)

Rs. In Lakhs

Particulars	Funded Plan - Gratuity For the year ended March 31, 2022	For the year ended March 31, 2021
Service Cost		
Current Service Cost	**58.83**	63.87
Past service cost and (gains)/losses from settlements	–	–
Net interest expense	**26.34**	27.42
Components of defined benefit costs recognised in statement of Profit and Loss	**85.17**	91.29
Remeasurement on the net defined benefit liability		
Return on plan assets (excluding amount included in net interest expense)	**(0.08)**	**(0.05)**
Actuarial gains and loss arising from changes in financial assumptions	**(21.72)**	**(2.60)**
Actuarial gains and loss arising from experience adjustments	**(15.59)**	**(85.80)**
Actuarial gains and loss arising from Demographic adjustments	–	3.68
Components of defined benefit costs recognised in other comprehensive income	**(37.39)**	(84.77)
Total	**47.78**	6.52
I. Net Asset/(Liability) recognised in the Balance Sheet as at year end		
1. Present value of defined benefit obligation as at year end	**447.05**	413.60
2. Fair value of plan assets as at year end	**37.48**	11.81
3. Surplus/(Deficit)	**(409.57)**	(401.79)
4. Current portion of the above	**(20.00)**	(30.00)
5. Non current portion of the above	**(389.57)**	(371.79)
II. Change in the obligation during the year		
1. Present value of defined benefit obligation at the beginning of the year	**413.60**	421.78
2. Expenses Recognised in Statement of Profit and Loss		
- Current Service Cost	**58.83**	63.87
- Past Service Cost	–	–
- Interest Expense/(Income)	**27.98**	28.35
3. Recognised in Other Comprehensive Income		
Remeasurement gains/(losses)		
- Actuarial Gain (Loss) arising from:		
i. Demographic Assumptions	–	3.68
ii. Financial Assumptions	**(21.72)**	(2.60)
iii. Experience Adjustments	**(15.59)**	(85.80)
4. Benefit payments	**(16.06)**	(15.68)
5. Present value of defined benefit obligation at the end of the year	**447.04**	413.60
III. Change in fair value of assets during the year		
1. Fair value of plan assets at the beginning of the year	**11.80**	16.49
2. Expenses Recognised in Statement of Profit and Loss		
- Expected return on plan assets	**1.64**	0.94
3. Recognised in Other Comprehensive Income		
Remeasurement gains/(losses)		
- Actual Return on plan assets in excess of the expected return	**0.08**	0.05
5. Contributions by employer (including benefit payments recoverable)	**40.00**	10.00
6. Benefit payments	**(16.06)**	(15.68)
7. Fair value of plan assets at the end of the year	**37.46**	11.80
IV. The Major categories of plan assets		
Fund managed by insurer	**100%**	100%
V. Actuarial assumptions		
1. Discount rate	**7.30%**	6.90%
2. Expected rate of return on plan assets	**6.90%**	6.85%
3. Attrition rate		
Officers	**10.00%**	10.00%
Associates	**0.00%**	0.00%
4. Medical premium inflation	**NA**	NA

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

Rs. In Lakhs

Principal assumption	Year ended	Changes in assumption	Impact on defined benefit obligation: Increase in assumption	Impact on defined benefit obligation: Decrease in assumption
Discount rate	As at March 31, 2022	1%/-1%	(399.28)	504.59
	As at March 31, 2021	1%/-1%	(366.61)	470.76
Salary growth rate	As at March 31, 2022	1%/-1%	499.04	(402.89)
	As at March 31, 2021	1%/-1%	465.33	(370.04)
Withdrawal rate	As at March 31, 2022	1%/-1%	(444.90)	450.41
	As at March 31, 2021	1%/-1%	(409.70)	417.58

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the

Notes to the financial statements for the year ended March 31, 2022

same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the Balance sheet.

The methods and types of assumptions used in preparing the sensitivity analyses did not change compared to previous period.

The Company expects to contribute Rs.20 Lakhs to the gratuity trusts during the next financial year ending March 31, 2023.

Mortality : It is assumed that the active members of the scheme will experience in-service mortality in accordance with the Indian Assured Lives Mortality (2012-14) ultimate (IALM ult). A sample pick from this table is given below:

Age	Mortality rate
21	0.093%
22	0.094%
23	0.094%
24	0.093%
25	0.093%

Age of the members at the valuation date is taken as their nearest age at that date.

Maturity profile of defined benefit obligation:

Rs. In Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Within 1 year	**28.28**	25.04
1 - 2 year	**32.52**	26.75
2 - 3 year	**36.65**	30.93
3 - 4 year	**40.33**	35.66
4 - 5 year	**44.31**	39.70
5 - 10 years	**320.57**	268.63

Plan Assets

The fair value of Company's pension plan asset as of March 31, 2022 is as follows:

Particulars	As at March 31, 2022	As at March 31, 2021
Asset category:		
Cash and cash equivalents	**0%**	0%
Debt instruments (quoted)	**0%**	0%
Debt instruments (unquoted)	**0%**	0%
Equity instruments (quoted)	**0%**	0%
Deposits with Insurance companies	**100%**	100%
Total	**100%**	100%

VIII. Experience Adjustments :

Rs. In Lakhs

Particulars	Gratuity as at				
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
1. Defined Benefit Obligation	**447.04**	413.60	421.78	325.01	278.59
2. Fair value of plan assets	**37.46**	11.80	16.49	21.72	18.15
3. Surplus/(Deficit)	**(409.58)**	(401.80)	(405.29)	(303.29)	(260.44)
4. Experience adjustment on plan liabilities [(Gain)/Loss]	**(15.59)**	(85.80)	74.18	(12.26)	7.40
5. Experience adjustment on plan assets [Gain/(Loss)]	**(0.08)**	(0.05)	0.06	(1.99)	0.54

The expected rate of return on plan assets is based on the average long term rate of return expected on investments of the fund during the estimated term of obligation.

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

Note No. 28 - Related Party Disclosures:

A) Name of the related party and nature of relationship where control exists:

Name of Related Party	Nature of Relationship
Mahindra & Mahindra Limited	Holding Company from 1st July 2021
Mahindra Vehicle Manufacturers Limited	Holding Company upto 30th June 2021

B) Related parties with whom transactions have taken place during the year:

Name of Related Party		Nature of Relationship
1)	Mahindra Logistics Limited	Fellow subsidiary
2)	Mahindra Two Wheelers Limited	Fellow subsidiary
3)	Mahindra Integrated Business Solutions Private Limited	Fellow subsidiary
4)	LORDS Freight (India) Private Limited	Fellow subsidiary
5)	Mahindra Retail Private Limited (Merged with Mahindra & Mahindra Ltd w.e.f. 1st April 2021)	Fellow subsidiary
6)	Mahindra Engg & Chemical Products Ltd (Merged with Mahindra & Mahindra Ltd w.e.f. 1st April 2021)	Fellow subsidiary
7)	Sampo-Rosenlew – Oy	Fellow subsidiary
8)	Marvel Solren Private Limited	Joint Venture

Notes to the financial statements for the year ended March 31, 2022

C) Related parties with whom transactions have taken place during the year:

Name of Related Party	Nature of Relationship
1) Mahindra CIE Automotive Limited	Associate of Holding Company

D) Key Managerial Personnel:

Name of Related Party
1) Mr. Sanjay Kshirsagar (Appointed w.e.f. 1st April 2021)
2) Mr. Ashutosh Tripathi (Appointed w.e.f. 1st April 2020 and left the organisation w.e.f. 14th January 2021)
4) Mr. Dattatraya Nikam, Chief Financial Officer
3) Mr. Kiran Bade, Company Secretary
5) Mr. Shrikant Marathe, Independent Director
6) Ms. Smita Mankad, Independent Director

E) Related Party Transactions:

Rs. In Lakhs

Name of Related Party	Nature of Transactions	**For the year ended March 31, 2022**	For the year ended March 31, 2021
Mahindra & Mahindra Limited	Sale of goods	**133,853.51**	81,995.53
	Engine testing charges paid	**217.77**	–
	Reimbursement of ESOP cost (Refer Note 3 below)	**25.66**	44.23
	Reimbursement of expenses received from Party	**1,429.96**	670.54
	Reimbursement of expenses paid	**1,279.71**	669.68
	Dividend Paid	**7,612.80**	–
	GST on capital goods paid	**716.18**	580.97
	Inter Company Deposit (ICD)	**5,000.00**	–
	Interest on ICD	**66.30**	–
	Purchase of Raw Material	**106.49**	92.13
Mahindra Logistics Limited	Services received	**1,254.90**	1,406.48
	Reimbursement of expense paid	**20.43**	17.44
Mahindra Vehicle Manufacturers Limited	Sale of Goods	–	15,537.45
	Inter Company Deposit (ICD)	–	21,900.00
	Interest on ICD	–	211.48
	Purchase of Raw Material	–	13.73
	Reimbursement of expense received	–	3.30
	Reimbursement of expense paid	–	344.60
Mahindra Two Wheelers Limited	Sales of Goods	**836.13**	955.41
	Purchase of Raw Material	**6.56**	30.32
Mahindra Integrated Business Solutions Private Limited	Manpower cost paid	**52.43**	52.41
LORDS Freight (India) Private Limited	Services received	**16.21**	0.92
Mahindra Retail Private Limited	Staff welfare expenses paid	–	2.44
Mahindra CIE Automotive Limited	Purchase of Raw Material	**3,604.92**	2,433.95
Mahindra Engineering & Chemical Products Limited	Purchase of Consumables & Stores	–	7.41
Sampo-Rosenlew – Oy	Services rendered	–	14.28
Marvel Solren Private Limited	Solar Power Expenses	**45.74**	–
Mr. Sanjay Kshirsagar	Remuneration Paid	**75.49**	–
Mr. Ashutosh Tripathi	Remuneration Paid	–	45.75
Mr. Dattatraya Nikam	Remuneration Paid	**23.60**	23.60
Mr. Kiran Bade	Remuneration Paid	**2.43**	3.00
Mr. Shrikant Marathe	Director's sitting fees	**3.60**	2.30
	Director's commission paid	**5.00**	–
Ms. Smita Mankad	Director's sitting fees	**3.20**	2.30
	Director's commission paid	**5.00**	–

F) Related Party Balances:

Rs. In Lakhs

Name of Related Party	Nature of Balances	**As at March 31, 2022**	As at March 31, 2021
Mahindra & Mahindra Ltd.	Receivables	**44,508.70**	12,473.59
	Payables	**224.82**	300.13
Mahindra Logistics Ltd.	Receivables	–	–
	Payables	**160.90**	153.82
Mahindra Vehicle Manufacturers Ltd.	Receivables	–	30,536.06
	Payables	–	5.60
	ICD Receivable	–	5,080.65
Mahindra Two Wheelers Limited	Receivables	**31.05**	78.60
	Payables	–	4.57
Mahindra Integrated Business Solutions Private Limited	Receivables	–	–
	Payables	**7.67**	3.63
LORDS Freight (India) Private Limited	Receivables	–	–
	Payables	**9.03**	0.24
Mahindra CIE Automotive Limited	Receivables	–	–
	Payables	**760.23**	518.61

Notes:

1 Related Party Transactions for the period are at arm's length and in ordinary course of business.

2 The amount outstanding is unsecured and will be settled in cash. No guarantee has been given or received. No expense has been recognised in current or prior years for bad and doubtful debts in respect of the amounts owed by the related party.

3 Represents costs reimbursed by the Company towards ESOP's granted by the holding Company, Mahindra & Mahindra Limited.

4 The transactions reported above are inclusive of applicable Taxes.

Notes to the financial statements for the year ended March 31, 2022

Note No. 29 : Contingent liabilities and commitments:

1) Contingent Liabilities

Rs. In Lakhs

Particulars	**As at March 31, 2022**	As at March 31, 2021
Claims against the company not acknowledged as debt:		
(i) Income Tax claims disputed by the company relating to disallowance of depreciation and amortisation on Technical Know-how.	**11.14**	11.14
(ii) Service Tax disputed by the company relating to the activity of arranging canteen facility is a taxable service under the statutory provisions of the Finance Act, 1994	**21.74**	21.74

It is not practicable for the company to estimate the closure of the above issues and the consequential timing of cash flows, if any.

2) Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided:

(i) Tangible:

Rs. In Lakhs

Particulars	**As at March 31, 2022**	As at March 31, 2021
Estimated amount of contracts remaining to be executed on capital account and not provided	**1,049.77**	836.37
Advance paid	**182.35**	139.15
Estimated amount of contracts remaining to be executed on capital account and not provided (Net)	**867.42**	697.22

Note No. 30: Relationship with Stuck off Companies

Name of stuck of Company	Nature of transactions with stuck-off company	Balance outstanding	Relationship with the Stuck off company, if any, to be disclosed
NA	NA	Nil	NA

Note No. 31 : Ratios

Particulars	**Numerator**	**Denominator**	**As at March 31, 2022**	**As at March 31, 2021**	**Variance**	**Reason for Variance**
Current Ratio	Current Assets	Current Liabilities	**2.07**	1.77	17%	–
Debt–Equity Ratio	Total Debts	Shareholder's Equity	**–**	–	0%	–
Debt Service Coverage Ratio	Earnings for debt service = Net profit after taxes + Non-cash operating expenses	Debt service = Interest & Lease Payments + Principal Repayments	**–**	–	0%	–
Return on Equity Ratio	Net Profits after taxes - Preference Dividend	Shareholder's Equity	**0.12**	0.37	-68%	During previous year Company recognised IPS income for the period July-17 to March-21 leading to higher income.
Inventory turnover ratio	Cost of goods sold	Average Inventory	**14.09**	13.59	4%	–
Trade Receivables turnover ratio	Net credit sales	Average Trade Receivable	**7.32**	10.86	-33%	Lower overdue receivables during current year as compared to previous year.
Trade payables turnover ratio	Cost of goods sold	Average Trade Payables	**4.58**	2.83	62%	Higher raw material purchases during current year to cater higher production demand.
Net capital turnover ratio	Net Sales = Total sales - sales return	Working capital = Current assets - Current liabilities	**3.63**	4.88	-26%	Higher financial assets during current year due to IPS receivable.
Net profit ratio	Net Profit	Net sales = Total sales - sales return	**0.11**	0.36	-69%	During previous year Company recognised IPS income for the period July-17 to March-21 leading to higher income
Return on Capital employed	Earnings before interest and taxes	Capital Employed = Total Assets - Current Liabilities	**0.16**	0.38	-58%	During previous year Company recognised IPS income for the period July-17 to March-21 leading to higher income
Return on investment	Interest (Finance Income)	Investment	**0.03**	0.01	156%	Higher surplus fund and associated income during current year

Notes to the financial statements for the year ended March 31, 2022

Note No. 32 - Segment Reporting

The Company's business activity falls within a single business segment viz. manufacturing of engines and other auto components. All other activities of the Company revolve around its main business. Hence there are no separate reportable primary segments.

Rs. In Lakhs

Particulars	**For the year ended March 31, 2022**	For the year ended March 31, 2021
Revenue from operations		
Revenue from Operations	**114,194.75**	105,700.63
	114,194.75	105,700.63
Revenue from external customers		
India	**114,182.39**	105,634.05
Outside India	**12.36**	66.58
	114,194.75	105,700.63
All non-current assets of the Company are located in India		
Revenue from major customers		
Mahindra group entities	**113,865.00**	105,457.73
Others *	**329.75**	242.90
	114,194.75	105,700.63

* No other single customer contributed 10% or more to the Company's revenue for both financial year 2021-22 and 2020-21.

Note No. 33 - Commission to Independent Directors:

Other Expenses includes Rs. 10 Lakhs (March 31, 2021: Rs. Nil Lakhs) payable as Commission to Independent Directors subject to the approval of shareholders at the Annual General Meeting.

Note No. 34 -

No material events have occurred after the balance sheet date and up to the approval of the financial statements.

Note No. 35 -

The financial statements were approved for issue by the Board of Directors on April 22, 2022.

Note No. 36 -

Previous year's figures have been regrouped/reclassified wherever necessary to correspond with the current year's classification/disclosure.

As per report of even date

For B.K. Khare & Co.
Chartered Accountants
Firm Registration No: 105102W

Shirish Rahalkar

Partner
Membership No.: 111212

Place : Mumbai
Date : 22nd April 2022

Dattatraya Nikam
Chief Financial Officer

Kiran Bade
Company Secretary
Membership No.: A3911

For and on behalf of Board of Directors

Director: Ganesh Shenoy Konchady
DIN: 08736791

Director: Pankaj Sonalkar
DIN: 0268465

Place : Mumbai
Date : 22nd April 2022

INDEPENDENT AUDITOR'S REPORT

To the Members of Mahindra Electric Mobility Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **Mahindra Electric Mobility Limited** (the "Company"), which comprises the balance sheet as at 31 March 2022, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2022, and its loss and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Other Information

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

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

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

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

Management's and Board of Directors' Responsibilities for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the management's and Board of Directors' use of the going concern basis of accounting in preparation of financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. (A) As required by Section 143(3) of the Act, we report that:

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

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

   c) The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account.

   d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.

   e) On the basis of the written representations received from the directors as on 31 March 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022 from being appointed as a director in terms of Section 164(2) of the Act.

   f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

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

   a) The Company has disclosed the impact of pending litigations as at 31 March 2022 on its financial position in its financial statements - Refer Note 18 and 36 to the financial statements.

   b) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

   c) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

   d) (i) The management has represented that, to the best of its knowledge and belief, as disclosed in the note 43(b) to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

   (ii) The management has represented, that, to the best of its knowledge and belief, as disclosed in the note 43(b) to the accounts, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Parties or provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries.

   (iii) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) contain any material mis-statement.

   e) The Company has neither declared nor paid any dividend during the year.

(C) With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For B S R & Co. LLP
Chartered Accountants
Firm Registration Number: 101248W/W-100022

Amrit Bhansali
Partner
Membership No. 065155
ICAI UDIN: 22065155AHVSFC4938

Place: Bengaluru

Date: 26 April 2022

ANNEXURE - A TO THE INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS OF MAHINDRA ELECTRIC MOBILITY COMPANY LIMITED FOR THE YEAR ENDED 31 MARCH 2022

With respect to the Annexure A referred to in paragraph 1 under Report on Other Legal and Regulatory Requirements of the Independent Auditors' Report to the members of the Company on the financial statements for the year ended 31 March 2022, we report that:

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

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all Property, Plant and Equipment are verified in a phased manner over a period of three years. In accordance with this programme, certain Property, Plant and Equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification. For fixed assets lying with third parties at the year end, the Company has obtained confirmations on a sample basis and no material discrepancies were observed between the confirmations and the books of accounts.

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

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

(e) According to information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) The inventory, except goods-in-transit and stocks lying with third parties, has been physically verified by the management during the year. For stocks lying with third parties at the year-end, written confirmations have been obtained and for goods-in-transit subsequent evidence of receipts has been linked with inventory records. In our opinion, the frequency of such verification is reasonable, and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory.

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

(iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments, provided guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year. Accordingly, provisions of clauses 3(iii)(a) to 3(iii)(f) of the Order are not applicable to the Company.

(iv) According to the information and explanations given to us and on the basis of our examination of records of the Company, the Company has neither made any investments, nor has it given loans or provided guarantee or security and therefore the relevant provisions of Sections 185 and 186 of the Companies Act, 2013 ("the Act") are not applicable to the Company. Accordingly, clause 3(iv) of the Order is not applicable.

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

(vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act for the products manufactured by it and services provided by it. Accordingly, clause 3(vi) of the Order is not applicable.

(vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues have been subsumed into Goods and Services Tax ("GST").

According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Goods and Services Tax ('GST'), Provident fund, Employees' State

Insurance, Income-Tax, Duty of Customs, Cess and other statutory dues have been regularly deposited by the Company with the appropriate authorities;

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Services Tax ('GST'), Provident fund, Employees' State Insurance, Income-Tax, Duty of Customs, Cess and other statutory dues were in arrears as at 31 March 2022 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, statutory dues relating to Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues which have not been deposited on account of any dispute are as follows:

Name of statue	Nature of dues	Amount (INR)	Period to which the amount relates	Forum where dispute is pending
Central Excise Act, 1944	Duty of Excise	5,142,000	AY 2009-2011	High Court of Karnataka
Central Excise Act, 1944	Duty of Customs	9,600,000	AY 2016-2017	CESTAT

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

(ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowings or in the payment of interest thereon to any lender.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.

(c) According to the information and explanations given to us by the management, the Company has not obtained any term loans during the year. Accordingly, clause 3(ix)(c) of the Order is not applicable.

(d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) The Company does not hold any investment in any subsidiary, associate or joint venture (as defined under the Act) during the year ended 31 March 2022. Accordingly, clause 3(ix)(e) and 3 (ix) (f) is not applicable.

(x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.

(xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the course of the audit.

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

(c) We have taken into consideration the whistle blower complaints received by the Company during the year while determining the nature, timing and extent of our audit procedures.

(xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.

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

(xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

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

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

(xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) and 3(xvi)(b) of the Order are not applicable.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.

(d) According to the information and explanations provided to us, the Group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016) has more than one CIC as part of the Group. The Group has six CICs as part of the Group.

(xvii) The Company has incurred cash losses of Rs. 2,628 Lakhs in the current financial year and Rs. 4,207 Lakhs in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.

(xix) We draw attention to Note 2.2(c) to the financial statements which explains that the Company has incurred a loss after tax of Rs. 7,052 Lakhs during the current year, incurred losses during the previous years and has resultant accumulated losses of Rs. 97,160 Lakhs as at 31 March 2022.

On the basis of the above matter as more fully explained in Note 2.2(c) to the financial statements and according to the information and explanations given to us, on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) The requirements as stipulated by the provisions of Section 135 are not applicable to the Company. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

For B S R & Co. LLP
Chartered Accountants
Firm Registration Number: 101248W/W-100022

Amrit Bhansali
Partner
Membership No. 065155
ICAI UDIN: 22065155AHVSFC4938

Place: Bengaluru
Date: 26 April 2022

ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS OF MAHINDRA ELECTRIC MOBILITY COMPANY LIMITED FOR THE YEAR ENDED 31 MARCH 2022

Report on the internal financial controls with reference to the aforesaid financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

(Referred to in paragraph 2(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to financial statements of Mahindra Electric Mobility Limited ("the Company") as of 31 March 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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

Management's Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and whether such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk.

The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial controls with Reference to Financial Statements

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

Inherent Limitations of Internal Financial controls with Reference to Financial Statements

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

For B S R & Co. LLP
Chartered Accountants
Firm Registration Number: 101248W/W-100022

Amrit Bhansali
Partner
Membership No. 065155
ICAI UDIN: 22065155AHVSFC4938

Place: Bengaluru
Date: 26 April 2022

BALANCE SHEET AS AT 31 MARCH, 2022

(₹ in lakhs)

Particulars	Note	As at 31 March 2022	As at 31 March 2021
ASSETS			
Non-current assets			
Property, plant and equipment	4	**20,124**	15,989
Capital work-in-progress	5(a)	**11,015**	13,214
Right-of-use assets	6	**3,731**	3,609
Other intangible assets	7	**11,678**	4,932
Intangible assets under development	8(a)	**15,138**	17,378
Financial assets			
Other financial assets	9	**562**	206
Non-current tax assets	10	**171**	135
Other non-current assets	11(a)	**999**	1,525
Total non-current assets		**63,418**	56,988
Current assets			
Inventories	12	**8,754**	5,049
Financial assets			
Trade receivables	13	**2,120**	1,488
Cash and cash equivalents	14	**4**	247
Other current assets	11(b)	**23,106**	13,723
Total current assets		**33,984**	20,507
Assets held for sale	15	**–**	76
		33,984	20,583
TOTAL ASSETS		**97,402**	77,571
EQUITY AND LIABILITIES			
Equity			
Equity share capital	16	**35,975**	35,842
Other equity		**(17,182)**	(10,334)
Total equity		**18,793**	25,508
Liabilities			
Non-current liabilities			
Financial Liabilities			
Borrowings	17(a)	**57,851**	27,534
Lease liabilities	31	**111**	–
Provisions	18(a)	**1,248**	776
Other non-current liabilities	21	**22**	–
Total non-current liabilities		**59,232**	28,310
Current liabilities			
Financial liabilities			
Borrowings	17(b)	**431**	8,345
Lease liabilities	31	**57**	–
Trade payables	19		
Total outstanding dues of micro and small enterprises		**21**	24
Total outstanding dues of creditors other than micro and small enterprises		**9,539**	6,505
Other financial liabilities	20	**5,204**	4,438
Provisions	18(b)	**1,074**	2,491
Other current liabilities	21	**3,051**	1,950
Total current liabilities		**19,377**	23,753
		78,609	52,063
TOTAL EQUITY AND LIABILITIES		**97,402**	77,571
Summary of significant accounting policies	2.3		

The accompanying notes form an integral part of the IND AS financial statements.

As per our report of even date attached:

For B S R & Co. LLP
Chartered Accountants
Firm registration number: 101248W/W-100022

Amrit Bhansali
Partner
Membership Number: 065155

Place: Bengaluru
Date: 26 April 2022

For and on behalf of the Board of Directors of:

Mahindra Electric Mobility Limited

Rajesh Jejurikar	Chairman	DIN: 00046823
Suman Mishra	Whole-Time Director and Chief Executive Officer	DIN: 06727958
Ashish Lath	Chief Financial Officer	
Jignesh Parikh	Company Secretary	

Date: 26 April 2022

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

(₹ in lakhs except per share data)

Particulars	Note	For the year ended 31 March 2022	For the year ended 31 March 2021
Income			
Revenue from operations	22	**44,388**	20,441
Other income	23	**336**	828
Total Income		**44,724**	21,269
Expenses			
Cost of materials consumed	24	**25,823**	9,467
Changes in inventories of finished goods	25	**(168)**	87
Employee benefits expense	26	**7,770**	6,220
Finance cost	27	**1,897**	563
Depreciation and amortisation expense	28	**4,733**	5,662
Other expenses	29	**11,721**	9,983
Total Expenses		**51,776**	31,982
Loss before tax		**(7,052)**	(10,713)
Tax expense			
Current tax		**–**	–
Deferred tax	37	**–**	–
Loss for the year (A)		**(7,052)**	(10,713)
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurements of defined benefit plan	33	**66**	57
Income tax effect on the above		**–**	–
Total other comprehensive income for the year (net of tax) (B)		**66**	57
Total comprehensive loss for the year attributable to the owners of the Company (A+B)		**(6,986)**	(10,656)
Earnings per equity share of face value Rs. 10 each			
Basic and Diluted Earnings per equity share	32	**(1.96)**	(3.12)
Summary of significant accounting policies	2.3		

The accompanying notes form an integral part of the IND AS financial statements.

As per our report of even date attached:

For B S R & Co. LLP
Chartered Accountants
Firm registration number: 101248W/W-100022

Amrit Bhansali
Partner
Membership Number: 065155

Place: Bengaluru
Date: 26 April 2022

For and on behalf of the Board of Directors of:

Mahindra Electric Mobility Limited

Rajesh Jejurikar	Chairman	DIN: 00046823
Suman Mishra	Whole-Time Director and Chief Executive Officer	DIN: 06727958
Ashish Lath	Chief Financial Officer	
Jignesh Parikh	Company Secretary	

Date: 26 April 2022

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

(₹ in lakhs)

a. Equity Share Capital

Balance as at 1 April 2020	**32,319**
Changes in equity share capital due to prior period errors	–
Restated balance as at 1 April 2020	**32,319**
Issued during the year	3,523
Balance as at 31 March 2021	**35,842**
Balance as at 1 April 2021	**35,842**
Changes in equity share capital due to prior period errors	–
Restated balance as at 1 April 2021	**35,842**
Issued during the year	133
Balance as at 31 March 2022	**35,975**

* Refer Note 16

b. Other Equity

(₹ in lakhs)

	Reserves and surplus			Items of Other Comprehensive Income	
Particulars	**Securities premium**	**Share options outstanding account #**	**Retained earnings**	**Remeasurement of defined benefit liability, net of tax**	**Total**
Balance as at 1 April 2020	73,244	777	(79,518)	–	(5,497)
Changes in accounting policy or prior period errors	–	–	–	–	–
Restated balance as at 1 April 2020	**73,244**	**777**	**(79,518)**	**–**	**(5,497)**
Loss for the year	–	–	(10,713)	–	(10,713)
Other comprehensive income net of tax	–	–	–	57	57
Transferred to retained earnings	–	–	57	(57)	–
Issue of equity shares under ESOP	60	(4)	–	–	56
Issue of equity shares (Right Issues)	5,545	–	–	–	5,545
Share based payments #	–	218	–	–	218
Balance as at 31 March 2021	**78,849**	**991**	**(90,174)**	–	**(10,334)**
Balance as at 1 April 2021	**78,849**	**991**	**(90,174)**	**–**	**(10,334)**
Changes in accounting policy or prior period errors	**–**	**–**	**–**	**–**	**–**
Restated balance as at 1 April 2021	**78,849**	**991**	**(90,174)**	**–**	**(10,334)**
Loss for the year	**–**	**–**	**(7,052)**	**–**	**(7,052)**
Other comprehensive income net of tax	**–**	**–**	**–**	**66**	**66**
Transferred to retained earnings	**–**	**–**	**66**	**(66)**	**–**
Issue of equity shares under ESOP	**377**	**(178)**	**–**	**–**	**199**
Share based payments #	**–**	**(61)**	**–**	**–**	**(61)**
Balance as at 31 March 2022	**79,226**	**752**	**(97,160)**	**–**	**(17,182)**

Refer Note 34

Nature and purpose of Reserves

(a) Securities Premium

Securities premium is used to record the premium on issue of shares. The reserve shall be utilised in accordance with the provisions of section 52 of the Companies Act, 2013.

(b) Share options outstanding Account

The share options outstanding account is used to recognise the grant date fair value of options during the vesting period issued under Mahindra Electric Mobility Limited ESOP Scheme ('MEML ESOP - 2017').

As per our report of even date attached:

For B S R & Co. LLP
Chartered Accountants
Firm registration number: 101248W/W-100022

Amrit Bhansali
Partner
Membership Number: 065155

Place: Bengaluru
Date: 26 April 2022

For and on behalf of the Board of Directors of:

Mahindra Electric Mobility Limited

Rajesh Jejurikar	Chairman	DIN: 00046823
Suman Mishra	Whole-Time Director and Chief Executive Officer	DIN: 06727958
Ashish Lath	Chief Financial Officer	
Jignesh Parikh	Company Secretary	

Date: 26 April 2022

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

(₹ in lakhs)

Particulars	Notes	For the year ended 31 March 2022	For the year ended 31 March 2021
Cash flows from Operating Activities			
Loss before tax for the year		**(7,052)**	(10,713)
Adjustments for:			
Provision no longer required written back		**(214)**	(546)
Allowances for expected credit losses on Financial Assets		**(34)**	1,035
Finance costs		**1,897**	563
Unwinding of interest on security deposit		**(6)**	–
Interest received on income tax refund		**(26)**	(73)
Gain on redemption of mutual funds		**(2)**	–
Share based payments		**(61)**	218
Loss on disposal of Property, Plant and Equipment		**360**	300
Marked to market loss on forward contract		**–**	101
Depreciation and Amortisation Expense		**4,733**	5,662
Provision for asset held for sale		**–**	56
Loss on sale of assets held for sale		**57**	15
Provision for disputes and contingencies		**–**	1,796
Net foreign exchange (gain)/loss		**6**	(20)
Operating Cash Flows before Working Capital changes		**(342)**	(1,606)
Changes in:			
Trade Receivables, other current and non-current assets		**(10,304)**	(4,517)
Inventories		**(3,706)**	(1,680)
Trade and Other Payables and Provisions		**3,404**	569
Cash used in operations		**(10,948)**	(7,234)
Income taxes refund received/(paid)		**(35)**	1,010
Net cash flows used in operating activities		**(10,983)**	(6,224)
Cash flows from Investing Activities			
Acquisition of Property, Plant and Equipment and Intangible Assets		**(10,610)**	(22,913)
Proceeds from disposal of Property, Plant and Equipment		**49**	65
Interest received on income tax refund		**26**	73
Acquisition of mutual funds		**(1,500)**	–
Proceeds from redemption of mutual funds		**1,502**	–
Net cash flows used in investing activities		**(10,533)**	(22,775)

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

(₹ in lakhs)

Particulars	Notes	**For the year ended 31 March 2022**	For the year ended 31 March 2021
Cash flows from financing activities			
Proceeds from issue of equity share capital (including securities premium)		**332**	9,123
(Repayment of)/Proceeds from non-current borrowings	17.02	**(27,008)**	17,000
Repayment of working capital loan (Net)	17.02	**(914)**	(2,330)
Proceeds from Inter Corporate Deposit	17.02	**50,500**	10,000
Repayment of current borrowings	17.02	**(175)**	(175)
Repayment of Inter Corporate Deposit	17.02	**–**	(3,000)
Payment of lease liability		**(7)**	–
Interest paid		**(1,455)**	(1,402)
Net cash flows from financing activities		**21,273**	29,216
Net increase/(Decrease) in cash and cash equivalents		**(243)**	217
Cash and cash equivalents at the beginning of the year		**247**	30
Cash and cash equivalents at the end of the year		**4**	247
Components of cash and cash equivalents			
Cash and cash equivalents	14	**4**	247
		4	247
Summary of significant accounting policies	2.3		

Note:

i) The above Statement of Cash Flows has been prepared under the "indirect method" as set out in 'Indian Accounting Standard (Ind AS) 7 – Statement of Cash Flows'.

ii) The accompanying notes are an integral part of the IND AS financial statements.

iii) Figures in brackets indicate Outflows.

As per our report of even date attached:

For B S R & Co. LLP
Chartered Accountants
Firm registration number: 101248W/W-100022

Amrit Bhansali
Partner
Membership Number: 065155

Place: Bengaluru
Date: 26 April 2022

For and on behalf of the Board of Directors of:

Mahindra Electric Mobility Limited

Rajesh Jejurikar	Chairman	DIN: 00046823
Suman Mishra	Whole-Time Director and Chief Executive Officer	DIN: 06727958
Ashish Lath	Chief Financial Officer	
Jignesh Parikh	Company Secretary	

Date: 26 April 2022

NOTES TO THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

1. Reporting Entity

Mahindra Electric Mobility Limited ('the Company') is engaged in design and manufacture of electrically powered vehicles and design and development of related technology for end use vehicles. The marketing of the vehicles is done through a network of dealers in India and abroad.

The Company is an unlisted public limited company domiciled in India and is incorporated under the provisions of the Indian Companies Act. The registered office of the Company is located at Mahindra Tower, Dr. G.M. Bhosale Marg, P.K. Kurne Chowk, Worli, Mumbai – 400018, Maharashtra.

During the year ended 31 March 2022, Mahindra & Mahindra Limited acquired equity shares of Mahindra Electric Mobility Limited from Mahindra Vehicle Manufacturers Limited and consequently became the Holding Company of Mahindra Electric Mobility Limited.

2.1. Statement of compliance

These IND AS financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013 ('the Act') and other relevant provisions of the Act as amended from time to time.

In the Board of Directors meeting held on 26 April 2022, the Board has approved to issue these IND AS financial statements to shareholders of the Company.

2.2. Basis of preparation

a) Basis of measurement

The IND AS financial statements have been prepared on the historical cost convention and on an accrual basis except for the following items:

Items	Measurement basis
Certain financial assets	Fair value/Amortized cost
Liabilities for equity-settled share-based payments	Fair value
Net defined benefit liability	Present value of defined benefit obligations

b) Functional and presentation currency

These IND AS financial statements are presented in Indian rupee (INR), which is the Company's functional and presentation currency.

c) Going concern

The Company has incurred a loss after tax of Rs. 7,052 Lakhs during the current year, incurred losses during the previous years and has resultant accumulated losses of Rs. 97,160 Lakhs as at 31 March 2022. The Board of Directors of the Company at its meeting held on 28 May 2021 had subject to requisite approvals/ consents, approved the Scheme of Merger by Absorption of the Company with the Holding company of the Company, and their respective Shareholders ("Scheme") under sections 230 to 232 and other applicable provisions of the Companies Act, 2013. The company has filed the Scheme of Merger with the National Company Law Tribunal and the regulatory process for the said merger is in progress as on date.

The Company's management after considering the above indicators, has carried out an assessment of its going concern status and based on the below mentioned considerations, believe that the going concern assumption is appropriate:

i) the Company has received continued support for the past several years from the Holding Company. The Holding Company is committed to provide continuing financial support to the Company including meeting of its debt obligation, should the need arise for a period of at least 15 months from 25 January 2022; and

ii) the Company or as a consolidated Division of the Holding Company, is likely to scale up its operations in the 3-wheeler and 4-wheeler segments thereby generating additional cash flows to partially fund its requirements.

Also Refer Note 42 of Financial Statements.

d) Use of estimates and judgements

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

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

Information about assumptions, estimation uncertainties and judgements that have a significant risk of resulting in a material adjustment in the year ended 31 March 2022 are included in the following notes:

Particular	Assumptions, estimation uncertainties and judgements
Note 2.3 (c)	- Intangible assets: whether the Company recognises the expenditure incurred on technology development as an intangible asset or as an operating expense.
Note 2.3 (b) and (c)	- Useful lives of Property, plant and equipment and intangible assets.
Note 2.3 (d)	- Impairment of financial assets and non-financial assets: key assumptions over expected credit losses associated with its assets carried at amortised cost. Assumption on discount rate. Key assumptions underlying recoverable value of non-financial assets.
Note 2.3 (e)	- Measurement of transaction price for the contract and to ascribe the transaction price to each distinct performance obligation. Determining whether the performance obligation is satisfied at a point in time or over a period of time. Judgement to estimate the future cost-to-completion of the contracts which is used to determine the degree of completion of the performance obligation.
Note 2.3 (g)	- Measurement of defined benefit obligations: key actuarial assumptions.
Note 2.3 (k)	- Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources.

e) Measurement of fair values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. The Company has an established control framework with respect to the measurement of fair values. Significant valuation issues, if any, are reported to the Company's Management.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

– Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

– Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

– Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

NOTES TO THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in the following notes:

– Note 2.3 (g) - Share-based payment transactions.

– Note 2.3 (p) - Financial instruments.

2.3 Significant accounting policies

a) Current versus non-current classification

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

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

All other assets are classified as non-current.

A liability is current when:

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

All other liabilities are classified as non-current.

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

b) Property, plant and equipment

Property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately. This applies mainly to components for machinery. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement, if the recognition criteria, are satisfied.

Subsequent expenditure related to an item of property, plant and equipment is added to its book value only if it increases the future benefits from its previously assessed standard of performance. All other expenses on existing property, plant and equipment, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

Borrowing costs directly attributable to acquisition of property, plant and equipment which take substantial period of time to get ready for its intended use are also included to the extent, these relate to the period till such assets are ready to be put to use.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date are classified as capital advances under other non-current assets. Costs of assets not ready for use at the balance sheet date are disclosed under capital work-in-progress.

An item of property, plant and equipment and any significant part initially recognized is de-recognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the profit or loss when the Property, plant and equipment is de-recognized.

Depreciation

Depreciation is calculated on a straight-line basis over the estimated range of useful lives of the assets as follows:

Class of assets	Management estimate of useful life in years	Useful life as per Schedule II
Factory Buildings	30	30
Plant & Machinery*	5 to 15	10 to 15
Tools & Fixtures*	8	NA
Office equipment*	3 to 5	5
Computer equipment	3 to 6	3 to 6
Furniture & Fixtures	10	10
Vehicles*	5	8
Batteries*	3 to 5	NA

Leasehold improvements are amortized over the lease term or useful lives of assets, whichever is lower.

* The Company, based on technical assessment made by technical expert and management estimate, depreciates certain items of plant and machinery, tools and fixtures, office equipment, vehicles and batteries over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

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

c) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost and carried at cost less any accumulated amortisation and accumulated impairment losses, if any.

Development expenditure on an individual project is recognised as an intangible asset when the Company can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale;
- Its intention to complete and its ability and intention to use or sell the asset;

NOTES TO THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

- How the asset will generate future economic benefits;
- The availability of resources to complete the asset; and
- The ability to measure reliably the expenditure during development.

During the period of development, the asset is tested for impairment annually.

Intangible assets are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

The Management estimates the useful lives for its intangible assets as follows:

Class of assets	Useful life estimated (in years)
Product development	5
Computer software	4

Derecognition

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

d) Impairment

i. Impairment of financial assets

The Company recognises loss allowances for expected credit losses on financial assets measured at amortised cost.

At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit impaired. A financial asset is 'credit impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

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

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

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

Measurement of expected credit losses

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

Presentation of allowance for expected credit losses in the balance sheet

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

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write off.

ii. Impairment of non-financial assets

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

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

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in statement of profit and loss.

In respect of assets for which impairment loss has been recognised in prior periods, the Company reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

e) Revenue recognition

The Company recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. A 5-step approach is used to recognise revenue as below:

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

Step 2: Identify the performance obligation in the contract.

Step 3: Determine the transaction price.

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

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

The Company exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Company considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product or service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc.

Sale of goods

Revenue from the sale of goods is recognised upon transfer of control of promised goods. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. The Company provides normal warranty provisions for general repairs on all its products sold, in line with the industry practice. A liability is recognised at the time the product is sold.

NOTES TO THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

Rendering of services

Arrangements with customers for development of technology and engineering services are on a fixed-price and fixed-time frame basis. Revenue from these contracts, where the performance obligations are satisfied over time and where there is no uncertainty as to measurement or collectability of consideration, is recognised as per the percentage-of-completion method. When there is uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved. Costs expended have been used to measure progress towards completion as there is a direct relationship between input and productivity.

Revenue in excess of invoicing is classified as contract assets while invoicing in excess of revenues are classified as contract liabilities (referred as deferred revenues).

Contract modifications are accounted for when additions, deletions or changes are approved either to the contract scope or contract price. The accounting for modifications of contracts involves whether the services added to an existing contract are distinct and whether the pricing is at the standalone selling price. Services added that are not distinct are accounted for on a cumulative catch-up basis, while those that are distinct are accounted for prospectively, either as a separate contract, if the additional services are priced at the standalone selling price, or as a termination of the existing contract and creation of a new contract if not priced at the standalone selling price.

Interest income

For all debt instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability.

When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses. Interest income is included in other income in the statement of profit and loss.

f) Foreign currency transactions

Transactions in foreign currency are translated to the functional currency at the exchange rates at the dates of the transaction or an average rate, if the average rate approximates the actual rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency using exchange rate prevalent at each Balance Sheet date.

Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Exchange differences are recognised in statement of profit and loss of the period in which the transaction is settled.

g) Employee benefits

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as an expense when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset.

The Company operates a defined benefit gratuity plan which requires contributions to be made to a separately administered fund. The cost of providing benefits under the defined benefit plan is determined on the basis of on actuarial valuation at the year end, using the projected unit credit method.

Long-term compensated absences are provided for based on the actuarial valuation carried out at year-end using the projected unit credit method.

Gains and losses through re-measurements of the net defined benefit liability/(asset) are recognized in other comprehensive income and are not reclassified to profit or loss in a subsequent period. Further, as required under Ind AS compliant Schedule III, the Company transfers those amounts recognised in other comprehensive income to retained earnings.

Share based payment transactions

The grant date fair value of equity settled share-based payment awards granted to employees is recognised as an employee benefit expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognised as expense is based on the estimate of the number of awards for which the related service is expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that meet the related service conditions at the vesting date.

h) Leases

As a lessee

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right of use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct cost incurred and an estimate of cost to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life or the end of the lease term. The estimated useful life of the right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payment of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor’s expected inflationary cost increases.

NOTES TO THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

As a lessor

Lease income from operating leases, where the Company is a lessor, is recognised as income on a straight-line basis over the lease term.

Short-term leases and leases of low-value assets

The Company has elected not to recognise right-of use assets and lease liabilities for leases of low value assets and short-term leases. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

i) Income taxes

Income tax comprises current and deferred tax. It is recognised in statement of profit and loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income.

i. Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. Minimum Alternative Tax ('MAT') under the provisions of the Income-tax Act, 1961 is recognised as current tax in the statement of profit and loss. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

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

ii. Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Company recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets unrecognised or recognised, are reviewed at each reporting date and are recognised/reduced to the extent that it is probable/no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis, or their tax assets and liabilities will be realised simultaneously.

j) Earnings/(loss) per share

The basic earnings/(loss) per share (‘EPS’) is computed by dividing the net profit/(loss) after tax for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

The number of shares used in computing diluted earnings per share comprises the weighted average number of shares considered for deriving basic earnings per share and the weighted average number of equity shares that could have been issued on the conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period unless issued at a later date. In computing dilutive earning per share, only potential equity shares that are dilutive i.e., which reduces earnings per share or increases loss per share are included.

k) Provisions and contingent liabilities

General

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

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

Warranty provision

Provisions for warranty-related costs are recognised when the product is sold, or service provided to the customer.

Initial recognition is based on historical experience. The initial estimate of warranty-related costs is revised annually.

Contingent liabilities

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

l) Inventories

Inventories are valued at the lower of cost and net realisable value. Cost of inventories comprises purchase price, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. In determining the cost, weighted average cost is used. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs to sell. The comparison of cost and net realizable value is made on an item-by-item basis.

Inventories are stated net of write down or allowances on account of obsolescence, damage or slow moving items.

NOTES TO THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

The method of determination of cost is as follows:

- Raw materials and components – on a weighted average basis
- Stores and spares – on a weighted average basis
- Work-in-progress – raw material costs and costs of conversion
- Finished goods – raw material costs and costs of conversion
- Goods in transit – at purchase cost

The provision for inventory obsolescence is assessed periodically and is provided as considered necessary.

m) Statement of cash flows

Cash flows are reported using the indirect method, whereby net profit/(loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

n) Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received, and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

o) Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

p) Financial instruments

a. Non-derivative Financial Instruments

i. Recognition and initial measurement

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

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

ii. Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at either at amortised cost, FVTPL or fair value in other comprehensive income (FVOCI).

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

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

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

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

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

Financial assets: Business model assessment

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

- the stated policies and objectives for each of such investments and the operation of those policies in practice;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

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

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

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

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

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

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

NOTES TO THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

Financial assets: Subsequent measurement and gains and losses

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

Financial assets at amortised cost - These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in statement of profit and loss. Any gain or loss on derecognition is recognised in the statement of profit and loss.

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

Financial liabilities: Classification, subsequent measurement and gains and losses

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

iii. Derecognition

Financial assets

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

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

Financial liabilities

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

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

iv. Offsetting

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

b. Derivative financial instruments:

The Company enters into derivative financial instruments, primarily foreign exchange forward contracts to manage its borrowing exposure to foreign exchange. The counterparty for these contracts is generally a bank.

Although the Company believes that these derivatives constitute hedges from an economic perspective, they may not qualify for hedge accounting under Ind AS 109, Financial Instruments. Any derivative that is either not designated a hedge or is so designated but is ineffective as per Ind AS 109, is categorized as a financial asset or financial liability, at fair value through profit or loss.

Derivatives not designated as hedges are initially recognized at fair value at the date, the contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain/loss is recognized in the Statement of profit and loss. Assets/liabilities in this category are presented as current assets/current liabilities if they are either held for trading or are expected to be realized within 12 months after the balance sheet date.

2.4 Recent Pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On 23 March 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, as below.

Ind AS 16 - Property Plant and Equipment

The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022. The Company has evaluated the amendment and there is no impact on its financial statements.

Ind AS 37 - Provisions, Contingent Liabilities and Contingent Assets

The amendment specifies that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022, although early adoption is permitted. The Company has evaluated the amendment and the impact is not expected to be material.

NOTES TO THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

4. Property, plant and equipment

(Rs. in lakhs)

Particulars	Freehold Land	Factory Buildings	Leasehold Improvements	Plant & Machinery	Tools & Fixtures	Office Equipment	Computer Equipment	Furniture and Fixtures	Vehicles	Batteries	Total
At Cost (Gross Carrying Amount)											
As at 01 April 2020	836	4,010	12	7,278	8,826	226	883	167	336	1,441	24,015
Additions during the year	–	49	–	3,475	1,396	49	56	43	73	–	5,141
Disposals during the year	–	–	–	(497)	(716)	–	–	–	(8)	(312)	(1,533)
As at 31 March 2021	**836**	**4,059**	**12**	**10,256**	**9,506**	**275**	**939**	**210**	**401**	**1,129**	**27,623**
As at 01 April 2021	**836**	**4,059**	**12**	**10,256**	**9,506**	**275**	**939**	**210**	**401**	**1,129**	**27,623**
Additions during the year	–	**88**	**15**	**4,897**	**795**	**30**	**206**	**24**	**98**	–	**6,153**
Disposals during the year	–	–	**(12)**	**(195)**	**(7)**	**(38)**	**(58)**	**(19)**	**(114)**	**(81)**	**(524)**
As at 31 March 2022	**836**	**4,147**	**15**	**14,958**	**10,294**	**267**	**1,087**	**215**	**385**	**1,048**	**33,252**
Accumulated Depreciation											
As at 01 April 2020	–	599	8	1,628	5,690	135	627	99	183	818	9,787
Depreciation for the year	–	153	1	647	1,579	37	121	13	91	379	3,021
On disposals	–	–	–	(319)	(604)	–	–	–	(7)	(244)	(1,174)
As at 31 March 2021	–	**752**	**9**	**1,956**	**6,665**	**172**	**748**	**112**	**267**	**953**	**11,634**
As at 01 April 2021	–	**752**	**9**	**1,956**	**6,665**	**172**	**748**	**112**	**267**	**953**	**11,634**
Depreciation for the year	–	**155**	**1**	**1,021**	**461**	**40**	**115**	**20**	**100**	**3**	**1,916**
On disposals	–	–	**(10)**	**(164)**	**(3)**	**(36)**	**(58)**	**(15)**	**(70)**	**(67)**	**(422)**
As at 31 March 2022	–	**907**	–	**2,813**	**7,123**	**176**	**805**	**117**	**297**	**889**	**13,128**
Net Carrying Amount											
As at 31 March 2021	**836**	**3,307**	**3**	**8,300**	**2,841**	**103**	**191**	**98**	**134**	**176**	**15,989**
As at 31 March 2022	**836**	**3,240**	**15**	**12,145**	**3,171**	**91**	**281**	**98**	**88**	**159**	**20,124**

Notes:

a. Vehicles as on 31 March 2022 includes self generated assets at cost aggregating to Rs. 305 lakhs (31 March 2021 - Rs. 319 lakhs).

b. Gross carrying amount of tools and fixtures as on 31 March 2022 includes tools aggregating to Rs. 9,711 lakhs (31 March 2021 - Rs. 8,953 lakhs) lying with third party vendors.

c. Batteries are given to customers on Operating Lease Arrangement.

d. Refer note 41 for Management's assessment of impairment on Property, plant and equipment.

NOTES TO THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

5. Capital work-in-progress

(a) Movement in Capital work-in-progress (Rs. in lakhs)

Particulars	31 March 2022	31 March 2021
Opening balance	**13,214**	5,213
Additions during the year	**4,941**	13,115
Less: Capitalised during the year	**(7,140)**	(5,114)
	11,015	13,214

*The capital work in progress mainly represents cost incurred on the Company's Chakan plant amounting to Rs. 6,618 lakhs which is expected to be fully capitalised in a phased manner by March 2023.

(b) Capital work-in-progress (CWIP) ageing schedule for the year ended March 31, 2022 and March 31, 2021 is as follows: (Rs. in lakhs)

Particulars	Amount in CWIP for the period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress:					
As at March 31, 2022	3,404	7,025	427	159	**11,015**
As at March 31, 2021	11,289	1,766	159	–	**13,214**

(c) Completion schedule for projects whose completion is overdue or has exceeded its cost: (Rs. in lakhs)

Particulars	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress:					
As at March 31, 2022					
GevTech	–	1,429	–	–	**1,429**
Aggregate	1,239	–	–	–	**1,239**
As at March 31, 2021					
GevTech	–	–	–	–	**–**
Aggregate	–	–	–	–	**–**

6. Right of Use Assets

(Rs. in lakhs)

Particulars	Leasehold Land	Leasehold Vehicles	Total
Gross carrying value as at 01 April 2020	3,684	–	3,684
Additions during the year	–	–	–
Disposals during the year	–	–	–
As at 31 March 2021	**3,684**	**–**	**3,684**
As at 01 April 2021	3,684	–	3,684
Additions during the year	66	106	172
Disposals during the year	–	–	–
As at 31 March 2022	**3,750**	**106**	**3,856**
Accumulated depreciation			
As at 01 April 2020	38	–	38
Depreciation for the year	37	–	37
On disposals	–	–	–
As at 31 March 2021	**75**	**–**	**75**
As at 01 April 2021	75	–	75
Depreciation for the year	45	5	50
On disposals	–	–	–
As at 31 March 2022	**120**	**5**	**125**
Net Carrying amount			
As at 31 March 2021	**3,609**	**–**	**3,609**
As at 31 March 2022	**3,630**	**101**	**3,731**

NOTES TO THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

7. Other Intangible Assets

(Rs. in lakhs)

Particulars	**Product Development**	**Computer Software**	**Total**
Cost (Gross carrying amount)			
As at 01 April 2020	21,619	2,215	23,834
Additions during the year	2,520	361	2,881
Written off during the year	(10)	–	(10)
As at 31 March 2021	**24,129**	**2,576**	**26,705**
As at 01 April 2021	**24,129**	**2,576**	**26,705**
Additions during the year	9,286	227	9,513
Written off during the year	–	(204)	(204)
As at 31 March 2022	**33,415**	**2,599**	**36,014**
Accumulated amortisation			
As at 01 April 2020	18,132	1,040	19,172
Amortisation for the year	2,170	434	2,604
Written off during the year	(3)	–	(3)
As at 31 March 2021	**20,299**	**1,474**	**21,773**
As at 01 April 2021	**20,299**	**1,474**	**21,773**
Amortisation for the year	2,284	483	2,767
Written off during the year	–	(204)	(204)
As at 31 March 2022	**22,583**	**1,753**	**24,336**
Net Carrying amount			
As at 31 March 2021	3,830	1,102	4,932
As at 31 March 2022	**10,832**	**846**	**11,678**

7.01 Refer note 41 for Management's assessment of impairment on Intangible assets.

8. Intangible Assets under Development

(a) Movement in Intangible Assets under Development

(Rs. in lakhs)

Particulars	**31 March 2022**	31 March 2021
Opening balance	**17,378**	11,436
Development cost incurred during the year	**8,085**	8,920
Less: Capitalised during the year	**(10,325)**	(2,978)
Closing balance	**15,138**	17,378

(b) Intangible assets under development (IAUD) ageing schedule for the year ended March 31, 2022 and March 31, 2021 is as follows:

(Rs. in lakhs)

	Amount in IAUD for the period of				
Particulars	**Less than 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
Projects in progress:					
As at March 31, 2022	6,522	4,676	3,938	2	**15,138**
As at March 31, 2021	9,052	8,324	2	–	**17,378**

(c) Completion schedule for projects whose completion is overdue or has exceeded its cost:

(Rs. in lakhs)

	To be completed in				
Particulars	**Less than 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
Projects in progress:					
As at March 31, 2022					
Aggregate	3,248	–	–	–	**3,248**
As at March 31, 2021					
Aggregate	–	–	–	–	–

NOTES TO THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

9. Other Financial Assets

(Rs. in lakhs)

Particulars	31 March 2022	31 March 2021
Non-current		
Security Deposits		
Unsecured, considered good	**562**	206
Unsecured, considered doubtful	**–**	8
	562	214
Less: Allowance for expected credit losses	**–**	(8)
Total	**562**	206

10. Non-current tax assets

(Rs. in lakhs)

Particulars	31 March 2022	31 March 2021
Tax deducted at source	**171**	135
Total	**171**	135

11. Other Assets

(Rs. in lakhs)

Particulars		31 March 2022	31 March 2021
(a) Non-current			
Capital advances	**(A)**	**941**	1,525
Advances other than capital advances			
Unsecured, considered good			
– Advances recoverable in cash or kind		**58**	–
	(B)	**58**	–
Unsecured, considered doubtful			
– Advances recoverable in cash or kind		**2**	27
– Balances with government authorities		**170**	230
	(C)	**172**	257
Less: Allowance for expected credit losses	**(D)**	**(172)**	(257)
Total	**(A)+(B)+(C)-(D)**	**999**	1,525

(b) Current

(Rs. in lakhs)

Particulars	31 March 2022	31 March 2021
Unsecured, considered good		
Balances with government authorities (Refer note 11.01)	**15,529**	9,914
Contract Assets (Refer note 22.04)	**4,755**	3,185
Advances recoverable in cash or kind	**2,749**	575
Prepaid expenses	**73**	49
Total	**23,106**	13,723

11.01 Includes Rs. Nil (31 March 2021: Rs. 165 lakhs) paid under protest against disputed demands pertaining to Income Tax.

12. Inventories
(at lower of cost and net realisable value)

(Rs. in lakhs)

Particulars	31 March 2022	31 March 2021
Raw materials (includes raw materials in transit Rs. 587 lakhs (31 March 2021: Rs. 132 lakhs) - net of provision of Rs. 19 lakhs (31 March 2021: Rs. 89 lakhs)	**7,493**	4,306
Finished goods	**423**	255
Stores and Spares - net of provision of Rs. 397 lakhs (31 March 2021: Rs. 253 lakhs)	**838**	488
	8,754	5,049

12.01 Out of the above, inventories lying with third parties as at 31 March 2022 is Rs. 127 lakhs (31 March 2021: Rs. 85 lakhs).

12.02 The Company has availed working capital facilities and other non-fund based facilities viz. letters of credit, which are secured by hypothecation of inventories. Refer note 17.01.

Mode of valuation of inventories is stated in Note 2.3(l).

13. Trade Receivables

(Rs. in lakhs)

Particulars	31 March 2022	31 March 2021
Current		
Unsecured, considered good	**2,120**	1,488
Unsecured, credit impaired	**1,093**	1,129
	3,213	2,617
Less: Allowance for credit impaired	**(1,093)**	(1,129)
Total	**2,120**	1,488

Trade receivables ageing schedule for the year ended as on March 31, 2022 and March 31, 2021:

(Rs. in lakhs)

	Outstanding for following periods from the date of transaction					
Particulars	**Less than 6 months**	**6 months to 1 year**	**1 year - 2 year**	**2 year - 3 year**	**More than 3 years**	**Total**
As at March 31, 2022						
Undisputed Trade Receivables - considered good	1,753	7	360	–	–	2,120
Undisputed Trade Receivables - credit impaired	3	6	881	108	95	1,093
	1,756	**13**	**1,241**	**108**	**95**	**3,213**
Allowance for credit impaired						(1,093)
Total Trade receivables						**2,120**
As at March 31, 2021						
Undisputed Trade Receivables - considered good	1,176	312	–	–	–	1,488
Undisputed Trade Receivables - credit impaired	34	921	87	33	54	1,129
	1,210	**1,233**	**87**	**33**	**54**	**2,617**
Allowance for credit impaired						(1,129)
Total Trade receivables						**1,488**

NOTES TO THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

(Rs. in lakhs)

Particulars	31 March 2022	31 March 2021
Of the above, trade receivables from:		
- Related parties (Refer Note 38)	**1,753**	787
- Others	**1,460**	1,830
Total	**3,213**	2,617

13.01 No trade or other receivables are due from directors or other officers of the Company either severally or jointly with any other person. Nor any trade or other receivables are due from firms or private companies respectively in which any director is a partner, a director or a member.

13.02 The Company has availed working capital facilities and other non-fund based facilities viz. letters of credit, which are secured by hypothecation of Trade receivables. Refer to note 17.01.

14. Cash and Cash Equivalents

(Rs. in lakhs)

Particulars	31 March 2022	31 March 2021
Cash on hand	–	–
Balances with banks:		
Current accounts	**4**	247
Total	**4**	247

15. Assets Held for Sale

(Rs. in lakhs)

Particulars	31 March 2022	31 March 2021
Assets held for sale	–	198
Less: Provision against Assets held for Sale	–	(122)
Total	–	76

16. Equity Share Capital

(Rs. in lakhs except per share data)

Particulars	31 March 2022	31 March 2021
Authorised		
1,00,00,00,000 (31 March 2021: 1,00,00,00,000) equity shares of Rs. 10 each	**100,000**	100,000
Issued, subscribed and fully paid-up		
35,97,50,467 (31 March 2021: 35,84,16,345) equity shares of Rs. 10 each	**35,975**	35,842

a. Reconciliation of shares outstanding at the beginning and at the end of reporting year

(Rs. in lakhs except per share data)

Particulars	31 March 2022 Number of shares	31 March 2022 Amount	31 March 2021 Number of shares	31 March 2021 Amount
At the commencement of the year	35,84,16,345	35,842	32,31,90,310	32,319
Issued during the year *#	13,34,122	133	3,52,26,035	3,523
At the end of the year	**35,97,50,467**	**35,975**	35,84,16,345	35,842

**** Rights Issue***

During the year, the Company allotted Nil (31 March 2021: 3,48,51,014) fully paid equity shares of face value of Rs.10 each for cash at a price of Nil (31 March 2021: Rs. 25.91) per fully paid equity share including a premium of Nil (31 March 2021: Rs. 15.91) per fully paid equity share aggregating to Rs. Nil (31 March 2021: Rs. 9,030 lakhs) pursuant to rights issue. Equity shares were issued pursuant to the rights issue approved by the Board of Directors at their meetings during the year ended 31 March 2021 on 28 July 2020 and 28 October 2020.

During the year, the Company has allotted 13,34,122 (31 March 2021: 3,75,021) shares pursuant to the options exercised by the eligible employees under the Mahindra Electric Mobility Limited ESOP Scheme ('MEML ESOP - 2017'). Also refer note 34.

b. Rights, preference and restrictions attached to:

Equity shares of Rs. 10 each

The Company has a single class of equity shares. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets. The equity shares are entitled to receive dividend as declared from time to time. The voting rights of an equity shareholder on a poll (not on show of hands) are in proportion to its share of the paid-up equity capital of the Company. Voting rights cannot be exercised in respect of shares on which any call or other sums presently payable have not been paid.

On winding up of the Company, the holders of equity shares will be entitled to receive the residual assets of the Company, remaining after distribution of all preferential amounts in proportion to the number of equity shares held.

Share based payments

Terms attached to stock options granted to employees are described in Note 34 on 'Employee Share Based Payment Plan'.

c. Details of Equity Shares held by shareholders holding more than 5% of the aggregate shares in the Company's Issued, Subscribed and Paid-up share capital:

Name of the Shareholder	31 March 2022 Number	31 March 2022 Percentage	31 March 2021 Number	31 March 2021 Percentage
Mahindra & Mahindra Limited (Holding Company)	**35,60,82,447**	**98.98%**	–	–
Mahindra Vehicle Manufacturers Limited	–	–	35,60,82,447	99.35%

d. Shareholding of promoters:

As at 31, March 2022

Name of the Promoter	Number	Percentage	% of change during the year
Mahindra & Mahindra Limited (Holding Company)	35,60,82,447	98.98%	100%

As at 31, March 2021

Name of the Promoter	Number	Percentage	% of change during the year
Mahindra Vehicle Manufacturers Limited	35,60,82,447	99.35%	10.81%

NOTES TO THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

e. Equity shares reserved for issue under options

(Rs. in lakhs except per share data)

Particulars	31 March 2022 Number	31 March 2022 Amount	31 March 2021 Number	31 March 2021 Amount
Under Employee Stock Option plan, equity shares of Rs. 10 each	**48,02,787**	**480**	90,30,753	903

f. No shares are held by the subsidiaries and associates of the Holding Company.

g. There are no bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date.

17. Borrowings

(Rs. in lakhs)

Particulars	31 March 2022	31 March 2021
(a) Non-current		
Secured		
Rupee Term loan from bank	–	21,000
Foreign Currency Term loan from bank	–	6,008
Unsecured		
7% Inter corporate deposit from related party	**57,500**	–
Term loan from Council of Scientific and Industrial Research	**526**	701
Less: Amount of current maturities disclosed under current borrowings (Refer note 17 (b))	**(175)**	(175)
Total	**57,851**	27,534
(b) Current		
Secured		
Working capital loan*	**256**	1,170
Unsecured		
6.25% Inter corporate deposit from related party	–	7,000
Current maturities of long-term borrowings	**175**	175
Total	**431**	8,345

* The Company has borrowings from banks on the basis of security of current assets. The quarterly returns or statements of current assets filed by the Company with banks are in agreement with the books of accounts.

17.01 Details of Borrowings:

Description of the instrument	Currency of Loan	Outstanding Amount (Rs. In Lakhs)	Interest Rate p.a.	Repayment Bullet (or) Instalment	Number of Instalments	Security	Period of repayment
Secured							
Working Capital loan	INR	256	8.35% - 9.10%	Repayment Bullet	Not Applicable	First and exclusive hypothecation charge on all existing & future receivables/current assets of the Company.	On Demand
Unsecured							
Term loans from Council of Scientific and Industrial Research	INR	526	3%	Instalment	3 equal annual instalments of Rs. 175.18 lakhs each	Not Applicable	October 2022 to October 2024
		782					

17.02 Reconciliation of movement in borrowings to cash flows from financing activities

(Rs. in lakhs)

Particulars	31 March 2022	31 March 2021
Opening Balance		
Non Current Borrowing	**27,534**	10,701
Current maturities of Long term borrowings	**175**	175
Inter corporate deposit	**7,000**	–
Working Capital Loan	**1,170**	3,500
	35,879	14,376
Cash flow movement		
Repayment of non-current borrowings	**(27,008)**	17,000
Repayment of current borrowings	**(175)**	(175)
Proceeds from Inter corporate deposit	**50,500**	10,000
Repayment of Inter corporate deposit	–	(3,000)
Repayment of Working capital loan (Net)	**(914)**	(2,330)
	22,403	21,495
Movement on account of foreign currency loss not reflected in the statement of Cash flow	–	8
	22,403	21,503
Closing Balance		
Non Current Borrowing	**351**	27,534
Current maturities of Long term debt	**175**	175
Inter corporate deposit	**57,500**	7,000
Working Capital Loan	**256**	1,170
	58,282	35,879

NOTES TO THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

18. Provisions

(Rs. in lakhs)

Particulars	31 March 2022	31 March 2021
(a) Non-Current		
Provision for employee benefits (Refer Note 33)		
Compensated absences	**213**	227
Gratuity benefits	**190**	183
Other Provisions		
Warranty & service coupon	**845**	366
Total	**1,248**	776
(b) Current		
Provision for employee benefits (Refer Note 33)		
Compensated absences	**31**	54
Gratuity benefits	**102**	146
Other Provisions		
Warranty & Service Coupon	**884**	419
Provision for disputes and contingencies*	**57**	1,868
Discount	–	4
Total	**1,074**	2,491

***Warranties**

A provision is recognised for expected warranty claims on products sold during the last three years, based on past experience of the level of repairs and claims. It is expected that these costs will be incurred within three years after the reporting date. Assumptions used to calculate the provision for warranties are based on current sales levels and current information available about claims based on the three-year warranty period for all products sold.

During the year ended 31 March 2021, the Company had made a provision for disputes and contingencies amounting Rs. 1,796 lakhs in respect of certain technology agreement. During the year ended 31 March 2022, an out of court settlement of the claim has been done along with termination of the technology agreement and the provision created has been fully utilised towards the settlement made.

18.01 Details of movement in Provisions is as follows:

(Rs. in lakhs)

Particulars	Warranty and Service Coupon	Disputes and contingencies	Discount
Balance at 01 April 2020	597	221	18
Additional provisions recognised	829	1,801	–
Amounts used during the year	(641)	–	–
Unused amounts reversed during the year	–	(154)	(14)
Balance at 31 March 2021	785	1,868	4
Additional provisions recognised	**2,082**	–	–
Amounts used during the year	**(1,138)**	**(1,811)**	–
Unused amounts reversed during the year	–	–	**(4)**
Balance at 31 March 2022	**1,729**	**57**	–

19. Trade Payables

(Rs. in lakhs)

Particulars	31 March 2022	31 March 2021
Total outstanding dues of micro and small enterprises ('MSME') (Refer Note 40)	**21**	24
Total outstanding dues of creditors other than micro and small enterprises	**9,539**	6,505
Total	**9,560**	6,529

Trade Payables Ageing Schedule

(Rs. in lakhs)

Particulars	Outstanding for following periods from the date of transaction				
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
As at March 31, 2022					
MSME	21	–	–	–	21
Others	8,453	122	928	36	9,539
Total	**8,474**	**122**	**928**	**36**	**9,560**
As at March 31, 2021					
MSME	24	–	–	–	24
Others	5,598	597	136	174	6,505
Total	5,622	597	136	174	6,529

20. Other Financial Liabilities

(Rs. in lakhs)

Particulars	31 March 2022	31 March 2021
Interest accrued	**1,888**	186
Accrued salary and benefits	**1,346**	1,327
Creditors for capital goods	**1,970**	2,824
Marked to market loss on forward contracts*	–	101
Total	**5,204**	4,438

* at Fair Value Through Profit and Loss

21. Other Liabilities

(Rs. in lakhs)

Particulars	31 March 2022	31 March 2021
Non-current		
Deferred revenue	**22**	–
Total	**22**	–
Current		
Advances received from customers	**2,441**	1,531
Deferred government grant	–	5
Deferred revenue	**68**	71
Statutory dues	**540**	343
Other payable	**2**	–
Total	**3,051**	1,950

NOTES TO THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

22. Revenue from Operations

(Rs. in lakhs)

Particulars	31 March 2022	31 March 2021
Revenue from contracts with customers		
Sale of products	**36,048**	13,596
Sale/Rendering of Services	**8,308**	6,822
	44,356	20,418
Other Operating Revenue		
Scrap sale	**32**	23
	32	23
Total	**44,388**	20,441

Detail of revenue from contracts with customers

Particulars	31 March 2022	31 March 2021
(i) Sale of products		
Sale of electric vehicles	**29,686**	10,639
Sale of kits	**3,009**	1,002
Sale of spares	**3,353**	1,955
	36,048	13,596
(ii) Sale of services		
Product development	**8,268**	6,685
Income from leasing	**3**	107
After sales service	**37**	30
	8,308	6,822
Total	**44,356**	20,418

22.01 The following customer had transactions for more than 10% of the revenue:

(Rs. in lakhs)

Particulars		31 March 2022	31 March 2021
Name of the Customer	**Business segment**		
Mahindra & Mahindra Ltd.	Sale of Product and Product development and design fee	**7,920**	6,085

22.02 Revenue disaggregation by geography is as follows:

(Rs. in lakhs)

Geography	31 March 2022	31 March 2021
India	**40,249**	18,435
South Korea	**3,826**	1,663
Nepal	**179**	144
Others	**131**	92
Total	**44,385**	20,334

Geographical revenue is allocated based on the location of the customers.

Note 1: The amount of Rs. 3 lakhs (31 March 2021: Rs. 107 lakhs) pertaining to lease income has not been considered in the above revenue disclosure.

Note 2: Out of the total revenue recognised under Ind AS 115 during the period, Rs. 8,268 lakhs (31 March 2021: Rs. 6,685 lakhs) is recognised over a period of time and Rs. 36,120 lakhs (31 March 2021: Rs. 13,756 lakhs) is recognised at a point in time.

22.03 Revenue to be recognised for performance obligation(s) not satisfied or partially satisfied at the end of the current year in respect of contracts with customer that are in place (i.e. signed agreements/Pos/WOs, etc.) at the end of 31 March 2022:

(Rs. in lakhs)

Time Band	31 March 2022	31 March 2021
< 1year	**4,182**	9,867
Total	**4,182**	9,867

22.04 Changes in unbilled revenue or contract assets are as follows:

(Rs. in lakhs)

Particulars	31 March 2022	31 March 2021
Opening balance of unbilled revenue or contract assets	**3,185**	512
Additions during the year	**5,318**	4,776
Reclassification adjustments:		
- Billing from opening balance of contract assets to trade receivables	**(2,973)**	(512)
- Billing from contract assets created during the year transferred to trade receivables	**(775)**	(1,591)
Closing balance of unbilled revenue or contract assets	**4,755**	3,185

22.05 Changes in Deferred Revenue or Contract Liabilities including Advances received from customers are as follows:

(Rs. in lakhs)

Particulars	31 March 2022	31 March 2021
Opening balance of deferred revenue or contract liabilities	**1,602**	1,883
Additions during the year	**4,042**	2,022
Reclassification Adjustments:		
- Adjustment from opening balances of contract liabilities to revenue	**(480)**	(1,308)
- Transfer from contract liabilities to revenue	**(2,633)**	(995)
Closing balance of Deferred Revenue or Contract Liabilities	**2,531**	1,602

22.06 Reconciliation of Revenue from Contracts with Customers

(Rs. in lakhs)

Particulars	31 March 2022	31 March 2021
Revenue from contracts with customers as per the contract price	**45,362**	20,192
Adjustments made to contract price on account of :-		
a) Discounts/Rebates/Incentives	–	–
b) Sales Returns/Reversals	**(48)**	(139)
c) Deferment of revenue	**(1,409)**	(1,027)
e) Recognition of revenue out of opening balance of contract liability	**480**	1,308
Revenue from Contracts with Customers	**44,385**	20,334

23. Other Income

(Rs. in lakhs)

Particulars	31 March 2022	31 March 2021
Interest Income on Financial Assets Carried at Amortized Cost		
Unwinding of interest on security deposit	**6**	–
Other non-operating Income		
Gain on redemption of mutual funds	**2**	–
Net Foreign Exchange gain	–	75

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(Rs. in lakhs)

Particulars	31 March 2022	31 March 2021
Income from Government Grant	**5**	9
Liabilities no longer required written back	**214**	546
Interest on income tax refunds	**26**	73
Miscellaneous income	**83**	125
Total	**336**	828

24. Cost of Materials Consumed

(Rs. in lakhs)

Particulars	31 March 2022	31 March 2021
Inventories at the beginning of the year (Refer Note 12)	**4,794**	3,027
Add: Purchases made during the year	**29,885**	11,948
	34,679	14,975
Less: Issued for Product Development & Captive Consumption	**(525)**	(714)
Less: Inventories at the end of the year (Refer Note 12)	**(8,331)**	(4,794)
Cost of materials consumed	**25,823**	9,467

25. Changes in Inventories of Finished Goods

(Rs. in lakhs)

Particulars	31 March 2022	31 March 2021
Inventories at the end of the year:		
Finished goods (Refer Note 12)	**423**	255
	423	255
Inventories at the beginning of the year:		
Finished goods (Refer Note 12)	**255**	342
	255	342
Decrease in Inventories	**(168)**	87

26. Employee Benefits Expense

(Rs. in lakhs)

Particulars	31 March 2022	31 March 2021
Salaries and Wages, including bonus	**6,781**	5,215
Contribution to provident and other funds	**577**	545
Share based payments (Refer Note 34)	**(61)**	218
Staff welfare expenses	**473**	242
Total	**7,770**	6,220

27. Finance Cost

(Rs. in lakhs)

Particulars	31 March 2022	31 March 2021
Interest expenses on		
Financial liabilities measured at amortised cost	**1,867**	513
Lease liabilities	**3**	–
Defined benefit obligation (Refer Note 33)	**20**	17
Others	**7**	33
Total	**1,897**	563

28. Depreciation and Amortisation Expense

(Rs. in lakhs)

Particulars	31 March 2022	31 March 2021
Depreciation of Property, Plant and Equipment (Refer Note 4)	**1,916**	3,021
Depreciation of Right of Use Assets (Refer Note 6)	**50**	37
Amortisation of Intangible Assets (Refer Note 7)	**2,767**	2,604
Total	**4,733**	5,662

29. Other Expenses

(Rs. in lakhs)

Particulars	31 March 2022	31 March 2021
Power and Fuel	**175**	73
Rent	**239**	220
Rates and Taxes	**32**	19
Insurance	**48**	36
Repairs and Maintenance		
– Buildings	**36**	22
– Machinery	**497**	309
– Others	**114**	119
Advertisement	**832**	793
Net Foreign Exchange Loss	**39**	–
Marked to market loss on forward contract	–	101
Freight Outward	**1,474**	670
Sales Promotion expenses	**998**	150
Travelling and Conveyance Expenses	**205**	88
Allowances for expected credit losses	**(34)**	1,035
Provision for Disputes and Contingencies	–	1,796
Auditors remuneration and out-of-pocket expenses		
– As auditors	**20**	18
– For other services and certifications	**13**	1
– For reimbursement of expenses	**1**	1
Legal and Professional Expenses	**2,375**	1,989
Materials used in Customer Projects	**277**	334
Communication Costs	**39**	31
Sub-contracting Expenses	**909**	532
Security Charges	**127**	87
Recruitment Expenses	**190**	59
Research Costs	**147**	55
Warranties and Service Coupons	**2,074**	829
Loss on Assets Sold/Discarded (Net)	**360**	300
Loss on sale of assets held for sale	**57**	–
Provision for assets held for sale	–	56
Bank Charges	**28**	40
Other Miscellaneous Expenses	**449**	220
Total	**11,721**	9,983

NOTES TO THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

30. Financial Instruments

The carrying value and fair value of financial instruments by categories are as follows:

(Rs. in lakhs)

Particulars	Note	31 March 2022 Carrying Value	31 March 2021 Carrying Value
Financial Assets			
Measured at Amortised Cost			
Security Deposits	9	**562**	206
Trade Receivables	13	**2,120**	1,488
Cash and Cash Equivalents	14	**4**	247
Total Financial Assets		**2,686**	1,941
Financial liabilities			
Measured at amortised cost			
Borrowings	17	**58,282**	35,879
Trade Payables	19	**9,560**	6,529
Other Financial Liabilities	20	**5,204**	4,337
Total Financial Liabilities		**73,046**	46,745

Particulars	31 March 2022	Level 1	Level 2	Level 3
Financial Liabilities at fair value through profit and loss	–	–	–	–
Marked to market loss on forward contracts:	–	–	–	–

Particulars	31 March 2021	Level 1	Level 2	Level 3
Financial Liabilities at fair value through profit and loss	–	–	–	–
Marked to market loss on forward contracts:	101	–	101	–

30.01 Fair value hierarchy

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

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

There have been no transfers among Level 1, Level 2 and Level 3 during the year.

The Company has not separately disclosed the fair values for financial assets and liabilities because their carrying amounts are a reasonable approximation of the fair value.

30.02 Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the risk management framework. The Company's management oversees how management monitors compliance with the risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The management is assisted in its oversight role by internal audit. Internal audit undertakes both regular and adhoc reviews of risk management controls and procedures, the results of which are reported to the Board.

30.03 Financial Risk Management Objective And Policies

The Company's principal financial liabilities comprise borrowings, trade payables and other liabilities. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include loans, trade receivables and cash.

The Company is exposed to the following risks from its use of financial instruments:
- Credit risk
- Liquidity risk
- Market risk

The note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital. Further quantitative disclosures are included throughout these Ind AS financial statements.

30.04 Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations resulting in a financial loss to the Company. Credit risk arises principally from the Company's trade receivables. Credit risk arises from cash held with banks and financial institutions as well as credit exposure to clients, including outstanding accounts receivable. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets. The Company assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors.

The Company's trade and other receivables are actively monitored to review credit worthiness of the customers to whom credit terms are granted and also avoid significant concentrations of credit risks.

Given below is ageing of gross trade receivable spread by period of six months:

(Rs. in lakhs)

Particulars	31 March 2022	31 March 2021
Outstanding for more than 6 months	**1,457**	1,407
Others	**1,756**	1,210
Total:	**3,213**	2,617

The Company continuously monitors receivables from customers and other counterparties, identified either individually or by the Company, and incorporates this information into its credit risk controls.

The Company limits its exposure to credit risk by generally investing in liquid securities and only with counter-parties that have a good credit rating. The Company does not expect any losses from non-performance by these counter-parties, and does not have any significant concentration of exposures to specific industry section.

Credit risk on cash and cash equivalents is limited as the Company generally invests in deposits with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies.

Information about major customers

Revenue from single customer is approximately Rs. 7,920 lakhs (31 March 2021: Rs. 6,085 lakhs) representing 18% (31 March 2021: 30%) of Company's total revenue from operations for the year ended 31 March 2022. Receivables from single customer is approximately Rs. 1,751 lakhs (31 March 2021: Rs. 716 lakhs) representing 55% (31 March 2021: 27%) of Company's total receivables as at 31 March 2022. Apart from the aforesaid single customer, the Company does not have a significant credit risk exposure to any other single counterparty.

30.05 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company has an appropriate liquidity risk management framework for the management of short, medium and long term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate cash reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

NOTES TO THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

Typically the Company ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 60 days, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

As of 31 March 2022, the Company has a working capital of Rs. 14,607 lakhs (31 March 2021: Rs. 3,170 lakhs (Negative)) including cash and cash equivalents of Rs. 4 lakhs (31 March 2021: Rs. 247 lakhs).

The table below provides details regarding the contractual maturities of significant financial liabilities as at 31 March 2022 and 31 March 2021:

(Rs. in lakhs)

Particulars	1 year or less	1 year to 5 years	5 years or more	Adjustments	Total
As on 31 March 2022					
Borrowings (including interest)	3,132	57,866	–	–	**60,998**
Trade Payables	9,560	–	–	–	**9,560**
Other Financial Liabilities	5,204	–	–	–	**5,204**
Total	**17,896**	**57,866**	–	–	**75,762**

Particulars	1 year or less	1 year to 5 years	5 years or more	Adjustments	Total
As on 31 March 2021					
Borrowings (including interest)	10,622	31,918	–	–	42,540
Trade Payables	6,529	–	–	–	6,529
Other Financial Liabilities	4,438	–	–	–	4,438
Total	**21,589**	**31,918**	–	–	**53,507**

30.06 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables and long term debt. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

– **Currency risk**

Foreign Currency Exchange risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in Foreign Currency Exchange rates. The Company's exposure to currency risk relates primarily to the Company's operating activities including anticipated sales, purchases and borrowings where the transactions are denominated in a currency other than the Company's functional currency.

Unhedged Foreign Currency Exposure as on 31 March 2022

Particulars	Receivable		Payable	
	Foreign Currency	Local Currency (Rs. in Lakhs)	Foreign Currency	Local Currency (Rs. in Lakhs)
USD	**2,720,142**	**2,060**	**1,560,610**	**1,182**
EURO	**574,548**	**486**	**386,282**	**327**
CAD	–	–	**1,520**	**0**
Total	**3,294,690**	**2,546**	**1,948,412**	**1,509**

Unhedged Foreign Currency Exposure as on 31 March 2021

Particulars	Receivable		Payable	
	Foreign Currency	Local Currency (Rs. in Lakhs)	Foreign Currency	Local Currency (Rs. in Lakhs)
USD	1,001,387	737	1,689,321	1,243
EURO	579,767	499	473,126	408
GBP	4,923	5	213	0
CAD	–	–	78,200	46
Total	1,586,077	1,241	2,240,860	1,697

Sensitivity Analysis of Unhedged Foreign Currency Exposure

(Rs. in lakhs)

Particulars	31 March 2022		31 March 2021	
	10% increase - Profit/ (Loss)	10% decrease - Profit/ (Loss)	10% increase - Profit/ (Loss)	10% decrease - Profit/ (Loss)
USD	**88**	**(88)**	(50)	50
EURO	**16**	**(16)**	9	(9)
CAD	**(0)**	**0**	(5)	5
Total	**104**	**(104)**	(46)	46

– **Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is having borrowings in the form of term loans and working capital from bank. The Company is exposed to interest rate risk associated with its term loan due to floating rates of interest.

NOTES TO THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

Sensitivity Analysis of Interest Rate Risk Exposure

(Rs. in lakhs)

Particulars	31 March 2022		31 March 2021	
	100 basis points increase - Profit/(Loss)	**100 basis points decrease - Profit/(Loss)**	100 basis points increase - Profit/(Loss)	100 basis points decrease - Profit/(Loss)
Term loan and working capital loan from bank	**(3)**	**3**	(282)	282
Total	**(3)**	**3**	(282)	282

30.07 Capital Management

The objective of Company's capital management is:

- to ensure the Company's ability to continue as a going concern.
- to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions, requirements of the financial covenants and the risk characteristics of the underlying assets. The Company monitors capital on the basis of the carrying amount of equity including share application, securities premium and profit and loss account as presented on the face of the statement of financial position and on the basis of net debt to equity and maturity profile of overall debt portfolio of the Company.

Net debt and Equity is given in the table below

(Rs. in lakhs)

Particulars	31 March 2022	31 March 2021
Total Shareholders' Equity as reported in Balance Sheet	**18,793**	25,508
Non current borrowings (including current maturities)	**57,851**	27,534
Current borrowings	**431**	8,345
Less: Cash and cash equivalents	**(4)**	(247)
Net Debt	**58,278**	35,632
Total Capital Employed	**77,071**	61,140
Gearing Ratio	**76%**	58%

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. No change were made in the objectives, policies or processes for managing capital during the year ended 31 March 2022.

31. Leases

Details of leasing arrangements

As Lessor

Operating Lease

The Company has leased out power pack batteries on operating lease for a period of up to 5 years and such assets are to be returned to the Company at the end of lease term.

Future minimum lease receipts

(Rs. in lakhs)

Particulars	31 March 2022	31 March 2021
Within one year	–	2
After one year but not more than five years	–	–
More than five years	–	–
Total	–	2

As Lessee

The Company has taken land and vehicles on lease during the year for its operation. Leases of land has a lease terms of 2 years, while motor vehicles generally have lease terms between 3 and 5 years.

In accordance with the requirements under Ind AS 116, Leases, the Company has recognized the lease liability and ROU assets at the present value of the future lease payments discounted at the incremental borrowing rate prevailing during the period. Weighted average incremental borrowing rates of 7.25% (land) and 9.25% (vehicles) have been applied to lease liabilities recognised in the balance sheet at the date of initial recognition.

The movement in carrying value of right of use assets during the year ended 31 March 2022 and 31 March 2021 is provided in Note 6.

The following is the movement in lease liabilities during the year ended 31 March, 2022 and 31 March, 2021:

(Rs. in lakhs)

Particulars	31 March 2022	31 March 2021
Balance at the beginning of the year	–	–
Addition during the year	**172**	–
Finance cost accrued during the year	**3**	–
Payment of lease liabilities	**(7)**	–
Balance at the end of the year	**168**	–

The following is the break-up of current and non-current lease liabilities as at 31 March, 2022 and 31 March, 2021:

(Rs. in lakhs)

Particulars	31 March 2022	31 March 2021
Current lease liabilities	**57**	–
Non-current lease liabilities	**111**	–
Total	**168**	–

The following are the details of contractual maturities of lease liabilities as at March 31, 2022 and March 31, 2021:

(Rs. in lakhs)

Maturity analysis – contractual undiscounted cash flows	Undiscounted basis	Discounted basis
Less than 1 year	**59**	57
1-3 years	**84**	74
3-5 years	**55**	37
More than 5 years	–	–
Total lease liabilities	**198**	168

The following are the amounts recognised in profit or loss

(Rs. in lakhs)

Particulars	31st March, 2022	31st March, 2021
i. Depreciation charge for ROU assets (refer note-28)	**50**	37
ii. Interest expense on lease liabilities (refer note-27)	**3**	–
iii. Expense relating to short-term leases (refer note-29)	**239**	220
iv. Expense relating to leases of low-value assets	–	–

The company had total cash outflows for leases of Rs. 246 lakhs (31 March 2021: Rs 220 lakhs), including cash outflow of short-term leases.

32. Earnings per share

(Rs. in lakhs except per share data)

Particulars	31 March 2022	31 March 2021
Basic and Diluted Earnings per Share		
Loss for the year	**(7,052)**	(10,713)
Weighted average number of equity shares outstanding (Nos.)	**358,904,631**	343,805,897
Basic and Diluted Earnings per Share of Rs.10 each	**(1.96)**	(3.12)

NOTES TO THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

33. Employee benefits

(a) Defined contribution plan

The Company's contribution to Provident Fund aggregating to Rs. 434 lakhs (31 March 2021: Rs. 405 lakhs) has been recognised in the Statement of Profit and Loss under the head Employee Benefits Expense.

(b) Defined benefit plan:

Gratuity

The Company operates one defined benefit plan, viz., gratuity, for its employees. Under the gratuity plan, every employee who has completed at least five years of service gets gratuity on departure at 15 days of last drawn salary for each completed year of service. The scheme is funded with an insurance company in the form of qualifying insurance policy.

Through the defined benefit plan the Company is exposed to the following risks:

Asset volatility

The plan liabilities are calculated using a discount rate set with references to government bond yields; if plan assets under perform compared to the government bonds discount rate, this will create or increase a deficit. The defined benefit plan holds a significant proportion of equity type assets, which are expected to outperform government bonds in the long-term while providing volatility and risk in the short-term.

The Company has chosen a suitable plan with Insurance, which augurs well with the Company's long term strategy to manage the plan efficiently.

Changes in bond yields

A decrease in government bond yields will increase plan liabilities, although this is expected to be partially offset by an increase in the value of the plans' bond holdings.

Life expectancy

Increase in life expectancy will result in an increase in the plan's liabilities, as the inflationary increases result in higher sensitivity to changes in life expectancy.

Note: An entity shall disclose description of any plan amendments, curtailments and settlements.

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

	Actuarial Assumptions	
Particulars	**31 March 2022**	31 March 2021
Discount rate(s)	**7.11%**	6.53%
Expected rate(s) of salary increase	**7.00%**	7.00%
Average longevity	**Indian Assured Lives Mortality (2012-14) ultimate**	Indian Assured Lives Mortality (2012-14) ultimate

Defined benefit plan – as per actuarial valuation

(Rs. in lakhs)

	Funded Plan	
Particulars	**31 March 2022**	31 March 2021
Amounts recognised in comprehensive income in respect of the defined benefit plan are as follows:		
Service cost:		
Current service cost	**117**	135
Net interest expense	**58**	49
Expected return on assets	**(38)**	(33)
Components of defined benefit costs recognised in the Statement of Profit and Loss	**137**	151

(Rs. in lakhs)

	Funded Plan	
Particulars	**31 March 2022**	31 March 2021
Remeasurement on the net defined benefit liability:		
Actuarial (gains)/loss arising from changes in financial assumptions	**(66)**	(57)
Components of defined benefit costs/(credit) recognised in other comprehensive income	**(66)**	(57)
	71	94

(Rs. in lakhs)

Particulars	**31 March 2022**	31 March 2021
I. Net Asset/(Liability) recognised in the Balance Sheet		
1. Present value of defined benefit obligation	**(846)**	(863)
2. Fair value of plan assets	**554**	534
3. Deficit	**(292)**	(329)
4. Current portion	**102**	146
5. Non-current portion	**190**	183
II. Change in the obligation during the year		
1. Present value of defined benefit obligation at the beginning of the year	**863**	775
2. Expenses Recognised in Profit or Loss		
– Current Service Cost	**117**	135
– Interest Expense	**58**	49
3. Recognised in Other Comprehensive Income	–	–
Remeasurement loss		
– Actuarial loss/(gain) arising from:	**(84)**	(55)
4. Benefit payments	**(108)**	(41)
Present value of defined benefit obligations at the end of the year	**846**	863

Particulars	**31 March 2022**	31 March 2021
III. Change in fair value of assets during the year		
1. Fair value of plan assets at the beginning of the year	**534**	499
2. Expenses Recognised in Profit or Loss		
– Expected return on plan assets	**38**	33
3. Recognised in Other Comprehensive Income		
Remeasurement gains/(losses)		
– Actual Return on plan assets in excess of the expected return	**(18)**	2
4. Contributions by employer (including benefit payments recoverable)	**108**	41
5. Benefit payments	**(108)**	(41)
Fair Value of Plan Assets at the end of the year	**554**	534
IV. The Major categories of plan assets		
– Investment with insurer	**100%**	100%

The Company's policy is driven by considerations of maximizing returns. The asset allocation for plan assets is determined by the insurance company based on investment criteria prescribed by the local regulators. The Company evaluates the risks, transaction costs and liquidity for potential investments. To measure plan asset performance, the Company compares actual returns for each asset category with published benchmarks.

NOTES TO THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

V. The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

(Rs. in lakhs)

Principal assumption	Year	Changes in assumption	Impact on defined benefit obligations: Increase in assumption	Decrease in assumption
Discount rate	**2022**	**1.00%**	**(74)**	**86**
	2021	1.00%	(79)	93
Salary growth rate	**2022**	**1.00%**	**81**	**(71)**
	2021	1.00%	82	(75)

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method has been applied as when calculating the defined benefit liability recognised in the Balance sheet.

The method and types of assumptions used in preparing the sensitivity analyses did not change compared to the previous period.

VI. Maturity profile of defined benefit obligation:

(Rs. in lakhs)

Particulars	31 March 2022	31 March 2021
Within 1 year	**52**	49
1 - 2 years	**49**	42
2 - 3 years	**48**	38
3 - 4 years	**33**	36
4 - 5 years	**26**	55
5 - 10 years	**115**	148
Above 10 years	**523**	497
Total	**846**	865

VII. Experience adjustments:

(Rs. in lakhs)

Particulars	Gratuity 31 March 2022	31 March 2021
1. Defined benefit obligation	**846**	863
2. Fair value of plan assets	**554**	534
3. Deficit	**(292)**	(329)
4. Experience adjustment on Plan Liabilities Loss	**(84)**	(55)
5. Experience adjustment on Plan Assets Gain/(Loss)	**(18)**	2

The expected rate of return on plan assets is based on the average long term rate of return expected on investments of the fund during the estimated term of obligation. The estimate of future salary increases, considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The Company expect to contribute Rs. 102 lakhs to gratuity fund in the next financial year.

34. Employee share based payment plan

a) Description of share-based payment arrangements

The Company has the following share-based payment arrangement for employees:

Mahindra Electric Mobility Limited ESOP Scheme ('MEML ESOP - 2017')
The MEML ESOP - 2017 plan was approved by the Board of Directors pursuant to resolution passed at its meeting held on 02 November 2017 read with special resolution passed by the shareholders at the Extraordinary General Meeting held on 10 November 2017. The plan entitles the employees with a right but not an obligation to purchase or subscribe at a future date the shares underlying the option at a pre-determined price, subject to compliance with vesting conditions; all exercised options shall be settled by physical delivery of equity shares or as provided under the MEML ESOP - 2017 plan. As per the plan, holders of vested options are entitled to purchase one equity share of Rs.10 each for every option at an exercise price of Rs. 24.90 each or Rs. 25.17 or Rs. 25.48 or Rs. 25.91 each as per ESOP offer letter.

The Company has computed the fair value of the options for the purpose of accounting for the employee stock compensation expense over the vesting period of the options.

The Company has computed the fair value of the options for the purpose of accounting for the employee stock compensation expense over the vesting period of the options.

The terms and conditions related to the grant of the share options are as follows:

(No. of options)

Employees entitled	Vesting conditions	For the year ended 31 March 2022	For the year ended 31 March 2021
Specified employees	One to four years of service from grant date	**4,802,787**	9,030,753
Total share options outstanding		**4,802,787**	9,030,753

For continuing employees, the options which vest would have to be exercised within a period of 5 years from the respective dates of vesting of options. No portion of the options vested can be exercised after a period of 5 years from the date of each vesting.

The number and reconciliation of the share options under the share option plan are as follows:

Particulars	As at 31 March 2022	As at 31 March 2021
Outstanding at the beginning	**9,030,753**	9,333,000
Granted during the year	**–**	169,490
Forfeited and expired during the year	**(2,893,844)**	(96,716)
Settled during the year	**(1,334,122)**	(375,021)
Outstanding at the end	**4,802,787**	9,030,753
Exercisable at the end	**3,029,212**	3,395,379

c) The fair value per option is measured based on the Black-Scholes option pricing model, which is as below:

Measurement of fair value	Number of options	Range of fair value per option
From 1 April 2021 to 31 March 2022	**4,802,787**	**Rs.10.40 - Rs.16.70**
From 1 April 2020 to 31 March 2021	9,030,753	Rs.10.40 - Rs.16.70

The fair value per options mentioned above is calculated on the grant date using the Black-Scholes option pricing model with the following assumptions:

d) Assumptions

	For the year ended 31 March 2022	For the year ended 31 March 2021
Risk free interest rate	**4.9% - 7.99%**	4.9% - 7.99%
Dividend yield	**–**	–
Expected volatility	**42.3% - 56.1%**	42.3% - 56.1%
Expected life	**5 years**	5 years

e) During the year, the Company recorded a share based payment reversal of negative Rs. 61 lakhs (31 March 2021: Rs. 218 lakhs expense) in the Statement of Profit and Loss.

NOTES TO THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

f) The weighted average contractual life of options granted is 7.5 years (31 March 2021: 7.5 years).

35. Segment reporting

The Company currently operates in a single reportable segment i.e., design and manufacture of electrically powered vehicles and designing and development of related technology for end use vehicles. Consequently, the requirement for a separate disclosure under Ind AS 108 - "Operating Segments" is not applicable.

36. Contingent Liabilities and Commitments

Contingent Liabilities

(Rs. in lakhs)

	Particulars	31 March 2022	31 March 2021
(a)	Central Excise/Service tax matters under dispute #	**147**	147
(b)	Bank Guarantees	**164**	113

(c) In February 2019, Hon'ble Supreme Court of India in its judgement clarified that certain special allowances should be considered to measure obligations under Employees Provident Fund Act, 1952. The Company had been legally advised that there are interpretative challenges on the application of judgement retrospectively and as such does not consider there is any probable obligations for past periods. Accordingly, based on legal advice the Company had made a provision for provident fund contribution from the date of Supreme Court order.

Commitments

(Rs. in lakhs)

	Particulars	31 March 2022	31 March 2021
(a)	Estimated amount of contracts remaining to be executed and not provided for.	**16,768**	23,559

The Company is contesting the demands and the management believes that its position will likely be upheld in the various appellate authorities/Courts and the ultimate outcome will not have a material adverse effect on the Company's financial position and results of its operations.

37. Unrecognised Deferred Tax Assets/(Liability) (Net)

(Rs. in lakhs)

Particulars	31 March 2022	31 March 2021
Deferred tax liability		
Property, Plant and Equipment	**4,134**	1,787
	4,134	1,787
Deferred Tax Assets		
On Carry Forward Business Losses, Unabsorbed Depreciation and unabsorbed capital Research & Development expenditure claimed u/s 35(1)(iv)	**22,009**	25,518
Provisions	**1,098**	1,458
	23,107	26,976
Deferred Tax Assets/(Liability) (Net) (Refer Note below)	**–**	–

Net deferred tax assets have been recognised only to the extent that the Company has sufficient taxable temporary differences or there is convincing evidence that sufficient taxable profit will be available against which such deferred tax assets can be realised.

37.01 Amount and Expiry date of Unused Tax Losses for which no Deferred Tax Assets is recognised:

(Rs. in lakhs)

Particulars	31 March 2022	31 March 2021
Up to Five years	**27,017**	44,173
More than Five years	**7,665**	12,326
No Expiry	**52,759**	41,648
	87,441	98,147

38. Related Party Disclosures

Names of related parties and related party relationship:

a) Related parties where control exists:

Name of the party	Description of relationship
Mahindra & Mahindra Limited ("M&M Ltd.")	Holding Company
Mahindra Vehicles Manufacturers Limited ("MVML")	Holding Company *(till 30 June 2021)*

b) Related parties with whom transactions have taken place:

Name of the party	Description of relationship
NBS International Limited ("NBS")	Fellow subsidiary
Mahindra Intertrade Limited ("MIL")	Fellow subsidiary
Meru Mobility Tech Private Limited ("MMTPL")	Fellow subsidiary
Ssang Yong Motor Company ("SYMC") *(Till 24 December 2020)*	Fellow subsidiary
Mahindra CIE Automotive Limited ("MCAL")	Associate company of the Ultimate Holding Company
Mahindra Engineering and Chemical Products Limited ("MECPL")	Fellow subsidiary
Mahindra Retail Limited ("MRL")	Fellow subsidiary
Lords Freight India Pvt Ltd ("LFIPL")	Fellow subsidiary
Mahindra Logistics Limited ("MLL")	Fellow subsidiary
Mahindra Integrated Business Solutions Private Limited ("MIBSPL")	Fellow subsidiary
Mahindra Auto Steel Private Limited ("MASPL")	Fellow subsidiary
Mahindra & Mahindra Financial Services Limited ("MMFSL")	Fellow subsidiary
Mahindra eMarket Limited ("M E Mkt")	Fellow subsidiary
Mahindra Steel Services Centre Limited ("MSSCL")	Fellow subsidiary

(d) Key management personnel:

Ms. Suman Mishra *(CEO from 14 August 2021)*

Mr. Mahesh Babu *(CEO till 14 August 2021)*

Mr. Ashish Lath *(CFO from 01 June 2020)*

Mr. Saroj Khuntia *(CFO till 31 May 2020)*

Mr. Jignesh Parikh *(Company Secretary)*

NOTES TO THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

38. Related Party Transactions (contd..)

(Rs. in lakhs)

Particulars	Year	M&M Ltd.	MVML	NBS	MIL	MMTPL	SYMC	KMPs	MCAL	MECPL	MRL	LFIPL	MLL	MIBSPL	MASPL	MMFSL	M E Mkt	MSSCL	Total
Transactions during the year																			
Sale of Goods and Services	**31 March 2022**	**1,667**	–	**127**	–	**4**	–	–	–	–	–	–	–	–	–	–	–	–	**1,798**
	31 March 2021	883	159	175	–	–	191	–	–	–	–	–	–	–	–	–	–	–	1,408
Development Fee	**31 March 2022**	**6,253**	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	**6,253**
	31 March 2021	5,202	–	–	–	–	1,062	–	–	–	–	–	–	–	–	–	–	–	6,264
Purchase of Goods and Services	**31 March 2022**	**409**	–	–	**0**	–	–	–	**1,341**	**1**	–	**24**	**641**	**58**	**0**	**42**	**48**	**192**	**2,756**
	31 March 2021	47	–	–	7	–	–	–	498	3	1	34	424	53	2	–		76	1,145
Purchase of Property, Plant & Equipment	**31 March 2022**	**8**	–	–	–	–	–	–	**4**	–	–	–	–	–	–	–	–	**21**	**33**
	31 March 2021	–	–	–	–	–	–	–	263	–	–	–	–	–	–	–	–	–	263
Inter Corporate Deposit Taken	**31 March 2022**	**50,500**	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	**50,500**
	31 March 2021	10,000	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	10,000
Inter Corporate Deposit Repaid	**31 March 2022**	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
	31 March 2021	3,000	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	3,000
Interest Expenses	**31 March 2022**	**2,318**	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	**2,318**
	31 March 2021	60	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	60
Rent Expenses	**31 March 2022**	**6**	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	**6**
	31 March 2021	6	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	6
Reimbursement of expenses by the Company	**31 March 2022**	**1,813**	–	**6**	**2**	–	–	–	–	–	–	**0**	–	–	–	–	–	–	**1,821**
	31 March 2021	1,191	67	1	19	–	–	–	–	–	–	–	–	–	–	–	–	–	1,278
Cross charge of expenses to others	**31 March 2022**	**377**	–	–	–	–	–	–	–	–	–	–	–	–	–	**2**	–	–	**379**
	31 March 2021	489	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	489
Allotment of Equity Shares (including premium)	**31 March 2022**	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
	31 March 2021	–	8,997	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	8,997

NOTES TO THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

(Rs. in lakhs)

Particulars	Year	M&M Ltd.	MVML	NBS	MIL	MMTPL	SYMC	KMPs	MCAL	MECPL	MRL	LFIPL	MLL	MIBSPL	MASPL	MMFSL	M E Mkt	MSSCL	Total
Remuneration to Key Management Personnel																–			
Ashish Lath	**31 March 2022**							**83**											**83**
	31 March 2021							69											69
Suman Mishra	**31 March 2022**							**46**											**46**
	31 March 2021							–											–
Mahesh Babu	**31 March 2022**							**69**											**69**
	31 March 2021							184											184
Saroj Khuntia	**31 March 2022**							–											–
	31 March 2021							11											11
Balances as at year end																			
Deferred Revenue	**31 March 2022**	**68**	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	**68**
	31 March 2021	71	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	71
Unbilled revenue	**31 March 2022**	**4,755**	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	**4,755**
	31 March 2021	2,676	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	2,676
Amount Receivables	**31 March 2022**	**1,751**	–	**2**	–	–	–	–	–	–	–	–	–	–	–	–	–	–	**1,753**
	31 March 2021	716	71	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	787
Amount Payables	**31 March 2022**	**218**	–	**13**	–	**0**	–	–	**399**	–	–	**20**	**63**	**5**	–	**10**	–	**51**	**779**
	31 March 2021	216	8	–	–	0	–	–	207	0	–	0	202	3	–	–		17	653
Advance Paid	**31 March 2022**	**168**	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	**168**
	31 March 2021	171	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	171
Advance from customers	**31 March 2022**	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
	31 March 2021	–	–	4	–	–	–	–	–	–	–	–	–	–	–	–	–	–	4
Inter Corporate Deposit	**31 March 2022**	**57,500**	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	**57500**
	31 March 2021	7,000	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	7,000
Interest Accrued	**31 March 2022**	**1,878**	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	**1,878**
	31 March 2021	43	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	43

NOTES TO THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

Note:

i) The remuneration to the KMP does not include the provisions made for gratuity and leave benefits, as they are determined on an actuarial basis for the Company as a whole.

ii) The remuneration to KMP includes short-term employee benefit of Rs. 80 lakhs and other long-term benefits of Rs. 3 lakhs.

iii) Mahindra Vehicles Manufacturers Limited ("MVML") was the Holding Company of the Company till 30 June 2021 post which it got merged with Mahindra & Mahindra Limited.

Tems and conditions

All transactions with related parties are priced at arm's length basis and resulting outstanding balances are to be settled in cash within six months to one year of reporting date. None of the balances are secured.

39. Research and Development Expenditure

(Rs. in lakhs)

Particulars	31 March 2022	31 March 2021
Debited to Statement of Profit or loss, including certain expenditure based on allocations made by the Company (excluding depreciation and amortization)	**1,231**	317
Development expenditure, computer software, patent and trademark expenditure	**8,085**	8,920
Capital expenditure/Non-recurring expenditure	**746**	750
Total	**10,062**	9,987
Break-up of Research and Development Expenditure		
Raw Material and Components	**908**	436
Salaries and Wages	**3,467**	4,355
Professional Charges	**3,693**	4,059
Rent	**12**	–
Travel expenses	**13**	12
Computer Software	**341**	161
Capital expenditure	**746**	750
Others	**882**	214
Total	**10,062**	9,987

40. Disclosures related to micro, small and medium enterprises

The Company has amounts due to Micro and Small Enterprises under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) as at 31 March 2022 and 31 March 2021.

(Rs. in lakhs)

		31 March 2022	31 March 2021
(i)	The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of the year:		
	– Principal amount	**20**	23
	– Interest on the above	**1**	1
(ii)	The amount of interest paid by the Company in terms of Section 16 of the MSMED Act, 2006 along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.		
(iii)	The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006.	–	–
(iv)	The amount of interest accrued and remaining unpaid at the end of each accounting year.	**1**	1
(v)	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purposes of disallowance as a deductible expenditure under the MSMED Act, 2006	–	–

The above disclosures are provided by the Company based on the information available with the Company in respect of the registration status of its vendors/suppliers.

41. Management's assessment on impairment of non-financial assets:

The Company tests whether Property, plant and equipment, Intangible assets, Capital work-in-progress, Right-of-use assets and Intangible assets under development have suffered any impairment on an annual basis as at 31 March every year. The recoverable amount of a cash generating unit ('CGU') is determined based on Value-In-Use calculations by forecasting the latest cash flows of next eight years and applying a growth rate beyond approved forecast period. The growth rates used in the Value-In-Use calculation reflect those inherent within the Company's budgets, which is primarily a function of the Company's cycle plan assumptions, past performance, and management expectations of future market developments through to 2029-30.The calculations use pre-tax cash flow projections based on financial budgets approved by the management. An average of the range of each assumption used is mentioned below:

Assumptions	31 March 2022	31 March 2021
Revenue growth for 8 years (31 March 2021: 9 years)	**40%**	35%
Operating EBITDA to revenue % (Average)	**10%**	10%
Discount rate	**18%**	18%
Terminal growth rate	**5%**	5%

The above discount rate is based on the Weighted Average Cost of Capital (WACC) which represents the weighted average return attributable to all the assets of the CGU. These estimates are likely to differ from future actual results of the operations and cash flows. Based on the above assessment, there has been no impairment on these assets.

42. Impact of COVID-19

The Company has taken into account all the possible impacts of COVID-19 in preparation of these financial statements, including but not limited to its assessment of liquidity and going concern assumption and recoverable values of its financial and non-financial assets. The Company has carried out this assessment based on available internal and external sources of information up to the date of approval of these financial statements and believes that the impact of COVID-19 is not material to these financial statements and expects to recover the carrying amount of its assets.

NOTES TO THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

43. Additional Regulatory Information

a. Analytical Ratios

Ratio	Numerator	Denominator	As at 31 March 2022	As at 31 March 2021	Variance (%)	Reason for variance
a. Current ratio	Current Assets	Current Liabilities	**1.75**	0.86	103%	Refer note 1
b. Debt-equity ratio	Debt (borrowings + lease liabilities)	Shareholders equity	**3.11**	1.41	121%	Refer note 2
c. Debt service coverage ratio	Earnings available for debt service (1)	Debt Service	**(0.00)**	(0.12)	99%	Refer note 3
d. Return on equity ratio	Net profits after taxes	Average shareholder's equity	**-32%**	-41%	22%	
e. Inventory turnover ratio	Cost of goods sold	Average inventory	3.74	2.25	66%	Refer note 4
f. Trade receivables turnover ratio	Revenue from operations	Average trade receivables	**15.23**	5.49	177%	Refer note 5
g. Trade payables turnover ratio	Adjusted expenses (2)	Average trade payables	**5.17**	3.42	51%	Refer note 5
h. Net capital turnover ratio	Revenue from operations	Working capital	**3.04**	(6.45)	147%	Refer note 6
i. Net profit ratio	Net profit	Revenue from operations	**-17%**	-56%	71%	Refer note 7
j. Return on capital employed	Earning before interest and taxes	Capital employed (3)	**-7%**	-17%	60%	Refer note 7

Notes:

1. Better working capital management has resulted in an improvement in the ratio.
2. During the year, Company has taken additional Inter Corporate Deposit from Holding Company.
3. Improved operational margin has led to an improved debt service coverage ratio.
4. Increase in business volumes during the year resulting in higher COGS.
5. Increase in business volumes during the year resulting in higher revenue from operations and higher expenses.
6. Increase in business volumes during the year resulting in higher revenue from operations
7. Significant improvement in operational margin has resulted in improved net profit ratio and return on capital employed.

(1) Net Profit after taxes + Non-cash operating expenses + Interest + other adjustments like loss on sale of Fixed assets etc.

(2) Adjusted expenses refers sum of purchases and other expenses

(3) Capital Employed = Tangible Net Worth + Total Debt

b. Others

Other than in the normal and ordinary course of business there are no funds that have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever (“Ultimate Beneficiaries”) by or on behalf of the Company; or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

There have been no funds that have been received by the Company from any persons or entities, including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever (“Ultimate Beneficiaries”) by or on behalf of the Funding Party or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

44. Consequent to Schedule III amendments being made effective 1 April 2021, previous year numbers pertaining to:

i. security deposits of Rs. 206 Lakhs has been reclassed from non-current loans to non-current financial assets.

ii. current maturities of long term debt of Rs. 175 Lakhs has been reclassed from other financial liabilities to current borrowings.

As per our report of even date attached:

For B S R & Co. LLP
Chartered Accountants
Firm registration number: 101248W/W-100022

Amrit Bhansali
Partner
Membership Number: 065155

Place: Bengaluru
Date: 26 April 2022

For and on behalf of the Board of Directors of:

Mahindra Electric Mobility Limited

Rajesh Jejurikar	Chairman	DIN: 00046823
Suman Mishra	Whole-Time Director and Chief Executive Officer	DIN: 06727958
Ashish Lath	Chief Financial Officer	
Jignesh Parikh	Company Secretary	

Date: 26 April 2022

INDEPENDENT AUDITOR'S REPORT

To the Members of NBS International Limited

Report on the Audit of the Ind AS Financial Statements

Opinion

We have audited the accompanying Ind AS financial statements of NBS International Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Change in Equity and the Statement of Cash Flows for the year then ended and notes to the Ind AS financial statements, including summary of significant accounting policies and other explanatory information (hereinafter referred to as the "financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2022, its profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Information Other than the Financial Statements and Auditor's report thereon

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

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

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

Responsibility of Management for the Financial Statements

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

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

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

Auditor's Responsibilities for Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to the financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
   b) In our opinion, proper books of account as required by law have been kept by the Company so far, it appears from our examination of those books.
   c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Change in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
   d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.
   e) On the basis of written representations received from the directors as on 31 March 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022, from being appointed as a director in terms of Section 164(2) of the Act.
   f) With respect to the adequacy of the internal financial controls with reference to the financial statements and the operating effectiveness of such controls, refer to our separate report in "Annexure B".
3. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
   a) The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 31 to the financial statements.
   b) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
   c) There were no amounts required to be transferred to the Investor Education and Protection Fund by the Company.
   d) (i) The management has represented that, to the best of it's knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

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

      (iii) Based on the audit procedures that has been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.
   e) The Company has not declared or paid any dividend during the year and has not proposed final dividend for the year.
4. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the Company has not paid or provided remuneration to its directors during the year. Accordingly, compliance with the provision of Section 197(16) read with schedule V of the Act is not required.

For **Suresh Surana & Associates LLP**
Chartered Accountants
Firm's Registration Number: 121750W/W100010

Vinodkumar Varma
Partner
Membership No. 105545
UDIN No. 22105545AHOGAX2301

Mumbai, 21 April, 2022

ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS OF NBS INTERNATIONAL LIMITED FOR THE YEAR ENDED 31 MARCH 2022

(Referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date)

1) (a) (A) The Company has maintained proper records showing full particulars including quantitative details and situation of its Property, Plant and Equipment and relevant details of Right of Use Assets.

(B) The Company has maintained proper records showing full particulars of its Intangible assets.

(b) The Company has a programme of physical verification of its Property, Plant and Equipment (including Right of Use Assets) by which all the assets are verified once in three years, which in our opinion, is reasonable having regard to size of the Company and nature of its assets. Pursuant to the programme, Property, Plant and Equipment have been verified by the Management during the year and no material discrepancies have been noticed on such verification.

(c) According to information and explanations given to us, and on the basis of our examination of the records of the Company, the Company does not have any immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee). Accordingly, reporting under clause 3(i)(c) of the Order is not applicable.

(d) The Company has not revalued its Property, Plant and Equipment (including Right of Use Assets) and Intangible assets during the year.

(e) According to information and explanations given to us, no proceedings have been initiated or are pending against the Company for holding any benami property under the "Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

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

(b) The Company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets at any point of time during the year. Accordingly, the provision of clause 3(ii)(b) of the Order is not applicable to the Company.

3) According to information and explanations given to us, the Company has not made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, reporting under clause 3(iii) of the Order are not applicable.

4) According to information and explanations given to us, the Company has not granted any loan, secured or unsecured, or provided any guarantee or security to the parties covered under section 185 of the Act during the year. With respect to investments provision of Section 186 of the Act have been complied with.

5) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits or amounts which are deemed to be deposits within the meaning of Sections 73 to 76 of the Act and the rules made thereunder. Accordingly, reporting under clause 3(v) of the Order are not applicable to the Company.

6) According to the information and explanations given to us, the requirement for maintenance of cost records specified by the Central Government under Section 148(1) of the Act is not applicable to the Company during the year.

7) (a) According to the information and the explanations given to us, the Company has been regular in depositing undisputed statutory dues including Goods and Services Tax, provident fund, employees' state insurance, income tax, sales tax, service tax, duty of custom, duty of excise, value added tax, cess and other statutory dues with the appropriate authorities. No undisputed amounts payable in respect of aforesaid statutory dues were outstanding as on the last day of the financial year for a period of more than six months from the date they became payable.

(b) According to information and explanations given to us, and record of the Company examined by us, there were no statutory dues referred to in sub-clause (a) that have not been deposited on account of any dispute except following:

Name of the Statue	Nature of dues	Amount* (Rs. in lakhs)	Period to which the amounts relate	Forum where dispute is pending
Income Tax Act, 1961	Income tax	93.43	FY 2011-2012	Commissioner of Income tax (Appeals)

* net of amount paid under protest Rs. 50.00 lakhs

8) According to information and explanations given to us, no unrecorded transactions have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

9) (a) According to information and explanations given to us, the Company has not defaulted in repayment of dues to any lender. Accordingly, reporting under clause 3(ix)(a) of the Order is not applicable.

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

(c) According to information and explanations given to us, the Company has not obtained any term loan and there are no unutilised term loans at the beginning of the year. Accordingly, reporting under clause 3(ix)(c) of the Order is not applicable.

(d) According to information and explanations given to us, and overall examination of the financial statements of the Company, we report that no funds raised on short term basis have been used for long term purposes by the Company.

(e) According to information and explanations given to us, the Company did not have any subsidiary or associate or joint venture during the year. Accordingly, reporting under clause 3(ix)(e) of the Order is not applicable.

(f) According to information and explanations given to us, the Company has not raised loans during the year. Accordingly, reporting under clause 3(ix)(f) of the Order is not applicable.

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

(b) According to information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Accordingly, reporting under clause 3(x)(b) of the Order is not applicable.

11) (a) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanation given to us, we report that no fraud by the Company or on the Company has been noticed or reported during the year.

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

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

12) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, reporting under clause 3(xii) of the Order is not applicable.

13) According to the information and explanations given to us, in our opinion, transactions with related parties are in compliance with Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.

14) (a) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the internal audit reports of the Company for the period under audit.

15) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with them during the year. Accordingly, provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company.

16) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934). Accordingly, reporting under clause 3(xvi)(a) of the Order is not applicable.

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

(c) According to the information and explanations given to us, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India.

(d) According to the information and explanations given to us, the Group has 6 CICs.

17) According to the information and explanations given to us, the Company has not incurred any cash losses in the financial year and in the immediately preceding financial year.

18) There has been no resignation of the statutory auditors during the year. Accordingly reporting under clause 3(xviii) of the Order is not applicable.

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

20) According to the information and explanations given to us, the provisions of Section 135 of the Act are not applicable to the Company during the year. Accordingly, reporting under clause 3(xx) of the Order is not applicable.

For **Suresh Surana & Associates LLP**
Chartered Accountants
Firm's Registration Number: 121750W/W100010

Vinodkumar Varma
Partner
Membership No. 105545
Mumbai, 21 April, 2022
UDIN No. 22105545AHOGAX2301

ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS OF NBS INTERNATIONAL LIMITED FOR THE YEAR ENDED 31 MARCH 2022

(Referred to in paragraph 2(f) under the heading 'Report on Other Legal and Regulatory Requirements' of our report of even date)

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

We have audited the internal financial controls with reference to the Ind AS financial statements of NBS International Limited ("the Company") as of 31 March 2022 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to the Ind AS financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to the Ind AS financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to the Ind AS financial statements were established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls with reference to the Ind AS Financial Statements

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

Opinion

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

For **Suresh Surana & Associates LLP**
Chartered Accountants
Firm's Registration Number: 121750W/W100010

Vinodkumar Varma
Partner

Membership No. 105545
Mumbai, 21 April, 2022 UDIN No. 22105545AHOGAX2301

BALANCE SHEET AS AT 31 MARCH 2022

(Currency: Indian Rupees in Lakhs)

	Particulars	Note No.	As at 31 March 2022	As at 31 March 2021
I	**Assets**			
	Non-current assets			
	(a) Property, plant and equipment	3	**267.92**	352.27
	(b) Right-of-use assets	4	**115.78**	187.49
	(c) Capital work-in-progress	5	–	6.09
	(d) Intangible assets	6	**0.01**	0.02
	(e) Financial assets			
	(i) Other assets	7	**49.57**	44.06
	(f) Deferred tax assets (net)	8	–	–
	(g) Income tax asset (net)	9	**205.73**	197.42
	(h) Other non-current assets	10	–	13.01
	Total non-current assets		**639.01**	800.36
	Current assets			
	(a) Inventories	11	**2,155.22**	1,127.15
	(b) Financial assets			
	(i) Investments	12	**41.94**	506.20
	(ii) Trade receivables	13	**635.66**	646.12
	(iii) Cash and cash equivalents	14	**544.22**	423.30
	(c) Assets held for sale		–	0.66
	(d) Other current assets	10	**252.76**	157.12
	Total current assets		**3,629.80**	2,860.55
	Total assets		**4,268.81**	3,660.91
II	**Equity and liabilities**			
	Equity			
	(a) Equity share capital	15	**4,455.05**	4,455.05
	(b) Other equity		**(4,050.91)**	(4,172.03)
	Total equity		**404.14**	283.02
	Liabilities			
	Non-current liabilities			
	(a) Financial liabilities			
	(i) Lease liabilities	32	**79.19**	125.38
	(b) Provisions	16	**102.84**	87.49
	Total non-current liabilities		**182.03**	212.87
	Current liabilities			
	(a) Financial liabilities			
	(i) Lease liabilities	32	**46.18**	66.40
	(ii) Trade payables	17		
	- total outstanding dues of micro enterprises and small enterprises; and		**3.02**	–
	- total outstanding dues of creditors other than micro enterprises and small enterprises		**2,541.68**	2,584.41
	(iii) Other financial liabilities	18	**193.81**	128.24
	(b) Other current liabilities	19	**834.56**	340.07
	(c) Provisions	16	**63.39**	45.90
	Total current liabilities		**3,682.64**	3,165.02
	Total equity and liabilities		**4,268.81**	3,660.91

The accompanying notes form an integral part of the financial statements

As per our report of even date attached

For Suresh Surana & Associates LLP
Chartered Accountants
Firm Registration No. 121750W/W100010

Vinodkumar Varma
Partner
Membership No. 105545
Place: Mumbai
Date: 21st April, 2022

For and on behalf of the Board of Directors of
NBS International Ltd.

Ramesh G. Iyer Chairman
DIN: 00220759

Vijay Nakra Director
DIN: 02638616

Anil Mediratta CEO
PAN: ADRPM6098A

Amey Chitale CFO
PAN: AEFPC4386N

Divya Mascarenhas Company Secretary
Membership No. FCS 10249
Place: Mumbai
Date: 21st April, 2022

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

(Currency: Indian Rupees in Lakhs)

	Particulars	Note No.	For the year ended 31 March 2022	For the year ended 31 March 2021
	Income			
I	Revenue from operations	20	**21,816.78**	12,890.51
II	Other income	21	**36.88**	337.44
III	**Total income (I + II)**		**21,853.66**	13,227.95
IV	**Expenses**			
	(a) Purchases of stock-in-trade	22(a)	**20,162.30**	11,620.51
	(b) Changes in inventories of stock-in-trade	22(b)	**(1,028.07)**	(589.20)
	(c) Employee benefit expenses	23	**1,295.70**	1,215.87
	(d) Finance costs	24	**14.05**	70.43
	(e) Depreciation and amortisation expenses	3, 4 & 6	**160.68**	251.62
	(f) Other expenses	25	**1,126.18**	758.52
V	**Total expenses**		**21,730.84**	13,327.75
VI	**Profit/(loss) before tax (III - V)**		**122.82**	(99.80)
VII	**Tax Expense**			
	(a) Current tax			–
	(b) Deferred tax	8	**–**	**–**
	(c) Tax adjustment for earlier years		**–**	25.25
	Total tax expense		**–**	25.25
VIII	**Profit/(loss) for the year (VI - VII)**		**122.82**	(125.05)
IX	**Other comprehensive income**			
	(a) Items that will not be reclassified subsequently to profit or loss -Remeasurement of the defined benefit plan		**(1.70)**	(8.00)
X	**Total comprehensive income for the year (VIII + IX)**		**121.12**	(133.05)
XI	**Earnings per equity share:**			
	(Face Value Rs. 10/- per share)			
	(a) Basic (Rs.)	26	**0.27**	(0.38)
	(b) Diluted (Rs.)	26	**0.27**	(0.38)

The accompanying notes form an integral part of the financial statements

As per our report of even date attached

For Suresh Surana & Associates LLP
Chartered Accountants
Firm Registration No. 121750W/W100010

Vinodkumar Varma
Partner
Membership No. 105545
Place: Mumbai
Date: 21st April, 2022

For and on behalf of the Board of Directors of
NBS International Ltd.

Ramesh G. Iyer Chairman
DIN: 00220759

Vijay Nakra Director
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Anil Mediratta CEO
PAN: ADRPM6098A

Amey Chitale CFO
PAN: AEFPC4386N

Divya Mascarenhas Company Secretary
Membership No. FCS 10249
Place: Mumbai
Date: 21st April, 2022

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2022

(Currency: Indian Rupees in Lakhs)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Cash flows from operating activities		
Profit/(loss) before tax for the year	**122.82**	(125.05)
Adjustments for:		
Finance costs	**14.05**	70.43
Property, plant and equipments written-off	**5.29**	–
Gain on disposal of property, plant and equipment	**(7.08)**	(9.70)
Net gain recorded in profit or loss on financial asset at fair value through profit or loss	**(0.34)**	(6.23)
Gain on sale of current investment	**(10.46)**	–
Net gain/(loss) on actuarial valuation	**(1.70)**	(8.00)
Interest on security deposit	**(3.21)**	(2.25)
Write-back of liabilities	**8.05**	293.95
Bad debts/provision for doubtful debt	**69.87**	36.46
Depreciation and amortisation	**160.68**	251.62
	357.97	501.23
Movements in working capital:		
(Increase)/decrease in trade receivables	**(67.46)**	(416.25)
(Increase)/decrease in inventories	**(1,028.07)**	(589.20)
(Increase)/decrease in other assets	**(88.14)**	60.20
(Increase)/decrease in security deposit	–	(8.85)
Increase/(decrease) in trade and other payables	**(39.71)**	1,458.29
Increase/(decrease) in provisions	**32.84**	49.35
(Decrease)/increase in other liabilities	**568.11**	179.44
Cash generated by/(used in) operations	**(264.47)**	1,234.21
Income taxes (paid)/refund received (Net)	**(8.31)**	42.54
Net cash generated by/(used in) operating activities	**(272.78)**	1,276.75
Cash flows from investing activities		
Proceeds from sale of current investment	**1,793.77**	–
Payment for purchase of current investment	**(1,335.74)**	(499.97)
Payments for purchase of property, plant and equipment	**(36.42)**	(9.52)
Proceeds from disposal of property, plant and equipment	**49.32**	70.46
Net cash generated by/(used in) investing activities	**470.93**	(439.03)
Cash flows from financing activities		
Proceeds from issue of equity share capital (net)	–	1,981.00
Repayment of lease liabilities	**(66.40)**	(131.48)
Repayment of borrowings	–	(2,210.70)
Interest paid	**(14.05)**	(70.43)
Interest received	**3.21**	2.25
Net cash (used in)/generated by financing activities	**(77.24)**	(429.36)
Net increase in cash and cash equivalents	**120.92**	408.34
Cash and cash equivalents at the beginning of the year	**423.30**	14.96
Cash and cash equivalents at the end of the year	**544.22**	423.30

The accompanying notes form an integral part of the financial statements

As per our report of even date attached

For Suresh Surana & Associates LLP
Chartered Accountants
Firm Registration No. 121750W/W100010

Vinodkumar Varma
Partner
Membership No. 105545
Place: Mumbai
Date: 21st April, 2022

For and on behalf of the Board of Directors of
NBS International Ltd.

Ramesh G. Iyer Chairman
DIN: 00220759

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PAN: ADRPM6098A

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PAN: AEFPC4386N

Divya Mascarenhas Company Secretary
Membership No. FCS 10249
Place: Mumbai
Date: 21st April, 2022

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

(Currency: Indian Rupees in Lakhs)

a. Equity share capital (ESC)

Particulars	**Opening balance**	**Changes in ESC due to prior period errors**	**Restated balance**	**Changes in ESC during the year**	**Closing balance**
For the year ended 31 March 2021	2,455.05	–	–	2,000.00	4,455.05
For the year ended 31 March 2022	**4,455.05**	–	–	–	**4,455.05**

b. Other Equity

Particulars	**Reserves and Surplus**		**Items of other comprehensive income**	
	General reserve	**Retained earnings**	**Remeasurement of the defined benefit plan**	**Total**
Balance as at 1 April 2020	–	**(4,021.06)**	**1.08**	**(4,019.98)**
Profit/(loss) for the year		(125.05)	–	(125.05)
Equity share issuance costs	–	(19.00)	–	(19.00)
Other comprehensive income/(loss)	–	–	(8.00)	(8.00)
Total Comprehensive Income for the year	–	**(144.05)**	**(8.00)**	**(152.05)**
Balance as at 31 March 2021	–	**(4,165.11)**	**(6.92)**	**(4,172.03)**
Balance as at 1 April 2021	–	**(4,165.11)**	**(6.92)**	**(4,172.03)**
Profit/(loss) for the year	–	122.82	–	122.82
Equity share issuance costs	–	–	–	–
Other comprehensive income/(loss)	–	–	(1.70)	(1.70)
Total comprehensive income for the year	–	**122.82**	**(1.70)**	**121.12**
Balance as at 31 March 2022	–	**(4,042.29)**	**(8.62)**	**(4,050.91)**

The accompanying notes form an integral part of the financial statements

As per our report of even date attached

For Suresh Surana & Associates LLP
Chartered Accountants
Firm Registration No. 121750W/W100010

Vinodkumar Varma
Partner
Membership No. 105545
Place: Mumbai
Date: 21st April, 2022

For and on behalf of the Board of Directors of
NBS International Ltd.

Ramesh G. Iyer Chairman
DIN: 00220759

Vijay Nakra Director
DIN: 02638616

Anil Mediratta CEO
PAN: ADRPM6098A

Amey Chitale CFO
PAN: AEFPC4386N

Divya Mascarenhas Company Secretary
Membership No. FCS 10249
Place: Mumbai
Date: 21st April, 2022

Notes to the financial statements for the year ended 31 March 2022

1. **Nature of Operations:**

NBS International Limited ('the Company'), a wholly owned subsidiary of Mahindra & Mahindra Limited engaged in the business of sales & servicing of motor vehicles.

2. **Significant Accounting Policies:**

a) **Statement of compliance and basis of preparation and presentation**

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

These financial statements of the Company were approved by the Company's Board of Directors and authorised for issue on 21 April 2022.

The financial statements are presented in Indian Rupees (Rs.) which is also the Company's functional currency. All values are rounded to the nearest lakhs, unless otherwise indicated.

b) **Basis of measurement**

The financial statements have been prepared on the historical cost basis except for certain financial instruments which are measured at fair value or amortised cost at the end of each reporting period. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

A number of Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. The Company has established policies and procedures with respect to the measurement of fair values.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

— Level 1: Quoted prices (unadjusted) in active markets for identical assets and liabilities.

— Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

— Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

c) **Use of estimates and judgements.**

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets and liabilities at the date of these financial statements and the reported amounts of revenues and expenses for the years presented. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed at each balance sheet date. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

In the process of applying the Company's accounting policies, management has made the following judgements, estimates and assumptions which have significant risk of causing a material adjustment to the carrying amounts recognised in the financial statements:

Useful lives of property, plant and equipment and intangible assets

The Company reviews the useful lives of property, plant and equipment and intangible assets at the end of each reporting period. This re-assessment may result in change in depreciation and amortisation expense in future periods.

Provision for doubtful trade receivables

The Company is not significantly exposed to credit risk. At present,the Company provides for credit loss/ doubtful receivables as required under Ind AS 109 'Financial Instrument' on the basis of ageing of receivables and judgement about recoverability of amount on evaluation of individual receivables.

Deferred tax assets

Deferred tax assets are recognised to the extent there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax assets in respect of carry forward of unused tax losses or unused tax credit have been recognised to the extent of available taxable temporary differences.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using appropriate valuation techniques. The inputs for these valuations are taken from observable sources where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of various inputs including liquidity risk, credit risk, volatility etc. Changes in assumptions/ judgements about these factors could affect the reported fair value of financial instruments.

Defined benefit plans

The determination of Company's liability towards defined benefit obligation to employees is made through independent actuarial valuation including determination of amounts to be recognised in the Statement of Profit and Loss and in other comprehensive income. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increase and mortality rates, etc. Due to complexities involved in the valuation and its long term nature, a defined benefit obligation is highly sensitive to change in these assumptions. All assumptions are assumed at each reporting date.

d) **Current versus non-current classification:**

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents.

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

An asset is treated as current when:

— It is expected to be realised or intended to be sold or consumed in normal operating cycle

— It is held primarily for the purpose of trading

— It is expected to be realised within twelve months after the reporting period, or

— It is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is treated as current when:

— It is expected to be settled in normal operating cycle; or

— It is held primarily for the purpose of trading; or

— It is due to be settled within twelve months after the reporting period; or

— There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting

All other liabilities are classified as non-current.

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

e) **Property, plant & equipment and intangibles**

Property, plant & equipment and intangible assets are carried at cost of acquisition or construction less accumulated depreciation/ amortisation and accumulated impairment losses, if any.

Cost includes the purchase price (including duties & non-refundable taxes) borrowing cost, any directly attributable cost of bringing the asset to its working condition and location for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

Depreciation/amortisation is provided on straight-line basis so as to expense the depreciable amount, i.e. the cost less estimated residual value, over its estimated useful life. The estimated useful lives and residual values are reviewed annually and the effect of any changes in estimate is accounted for on a prospective basis.

When an asset is scrapped or otherwise disposed off the cost and relevant depreciation are removed from the books of accounts and resultant profit or loss, if any, is reflected in statement of profit and loss.

Assets costing less than or equal to Rs. 5,000 are depreciated fully in the year of purchase.

The management's estimate of useful lives are in accordance with Schedule II of the Companies Act,2013,other than the following asset classes, based on the Company's expected usage pattern supported by technical assessment:

Asset Class		Useful lives
(i)	Certain items of plant and machinery	1 - 15 years
(ii)	Office equipment	1 - 5 years
(iii)	Vehicles	5 years
(iii)	Intangibles – computer software	5 years

Leasehold Improvements are amortized over the period of lease or estimated period of useful life of such improvement, whichever is lower.

f) **Impairment of assets**

At the end of each reporting period, the management reviews the carrying amounts of its property, plant & equipment and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the management estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

g) **Inventories**

Inventories are measured at the lower of cost or net realisable value. The cost of inventory comprise of all costs of purchase and other costs incurred in bringing the inventories to their present location and condition. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale. Finished goods (vehicles) cost is determined using specific identification of cost. Spare parts & accessories cost is determined using weighted average cost formula

h) **Revenue from contract with customer**

The Company derives revenues primarily from sale and servicing of motor vehicles.

Ind AS 115 "Revenue from Contracts with Customers" provides a control-based revenue recognition model and provides a five step application approach to be followed for revenue recognition.

- Identify the contract(s) with a customer;
- Identify the performance obligations;
- Determine the transaction price;
- Allocate the transaction price to the performance obligations; and
- Recognise revenue when or as an entity satisfies performance obligation.

Revenue from contract with customer is recognised when control of the goods or services are transferred to the customer at an amount that reflect the consideration to which the Company expects to be entitled in exchange of the goods and services. Revenue excludes amount collected on behalf of the third parties. Revenue is net of discounts, duties and GST.

Sales of goods:

Sale of spares parts and accessories of vehicles (including customized) is recognised when the title is accepted by the customer.

Sale of services:

Service income is recognized as per the terms of the contract on satisfaction of performance obligation towards rendering of such services.

Interest income:

Interest income is recognized on financial asset at amortised cost using effective interest rate method.

i) **Leases**

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116 and this may require significant judgment. The Company also uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend or terminate the lease if the Company is reasonably certain based on relevant facts and circumstances that the option to extend or terminate will be exercised. If there is a change in facts and circumstances, the expected lease term is revised accordingly.

The discount rate is generally based on the interest rate specific to the lease being evaluated or if that cannot be easily determined the incremental borrowing rate for similar term is used.

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

The Company as a lessee

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and restoration cost, less any lease incentives received.

The right-of-use assets are subsequently depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. In addition, the right-of-use asset is reduced by impairment losses, if any.

The lease liability is initially measured at amortised cost at the present value of the future lease payments. When a lease liability is remeasured, the corresponding adjustment of the lease liability is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

j) <u>Employee Benefits</u>

Short term employee benefits

Short term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid, if the Company has a present obligation and the amount can be estimated reliably.

Defined contribution plans – Provident fund, ESIC and Labour welfare fund

The Company's contribution paid/payable during the year to Provident fund, ESIC and Labour welfare fund are recognised in profit or loss.

Defined benefit plan - Gratuity

Company's liability towards gratuity are determined by independent actuaries, using the projected unit credit method. Past services are recognised at the earlier of the plan amendment/curtailment and the recognition of related restructuring costs/termination benefits.

Long - term compensated absences

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised as a liability at the present value of expected future payments to be made in respect of services provided by employees up the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation.

Remeasurement gains/losses

Remeasurement of defined benefit plans, comprising of actuarial gains or losses are recognised immediately in balance sheet with corresponding debit or credit to other comprehensive income. Remeasurements are not reclassified to profit or loss in subsequent period.

k) <u>Cash and Cash Equivalents</u>

Cash and cash equivalent comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to insignificant risk of changes in value.

l) <u>Borrowing costs</u>

Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

m) <u>Taxation</u>

Tax expense for the period comprise of current and deferred tax. Tax expense is recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

(i) <u>Current Tax</u>

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

(ii) <u>Deferred Tax</u>

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities

n) <u>Provisions and Contingencies</u>

A provision is recognized when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made of the amount of the obligations. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that the outflow of resources would be required to settle the obligation,the provision is reversed. Provisions are not recognised for future operating losses.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Contingent liabilities are disclosed in respect of possible obligations that have arisen from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of future events not wholly within the control of the Company.

o) <u>Financial Instruments</u>

Financial assets and financial liabilities are recognized when the company became a party to the contractual provisions of the instrument.

i) Financial Assets

Initial recognition and measurement

All financial assets are recognised initially at fair value (purchase value plus transaction costs that are attributable to the acquisition of the financial asset). Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

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

- Amortised cost; or
- Fair Value through Other Comprehensive Income (FVTOCI) – debt instruments; or
- Fair Value through Other Comprehensive Income (FVTOCI) – equity instruments; or
- Fair Value through Profit or Loss (FVTPL)

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

All financial assets not classified as measured at amortised cost or FVTOCI are measured at FVTPL.

Subsequent measurement

Financial assets at amortised cost are subsequently measured at amortised cost using effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment expenses are recognised in profit or loss. Any gain and loss on derecognition is also recognised in profit or loss.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Debt investment at FVTOCI are subsequently measured at fair value. Interest income under effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognisedin Other Comprehensive Income (OCI). On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

For equity investments, the Company makes an election on an instrument-by-instrument basis to designate equity investments as measured at FVTOCI. These elected investments are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the reserves. The cumulative gain or loss is not reclassified to profit or loss on disposal of the investments. These investments in equity are not held for trading. Instead, they are held for medium or long-term strategic purpose. Dividend income received on such equity investments are recognised in profit or loss. Equity investments that are not designated to be measured at FVTOCI are designated to be measured at FVTPL. Subsequent changes in fair value are recognised in profit or loss.

Financial liabilities and equity instruments

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company is recognised at the proceeds received, net of directly attributable transaction costs.

Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all of the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for the amount it may have to pay. If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised and the proceeds received are recognised as a collateralised borrowing.

Impairment of financial assets

The Company applies the Expected Credit Loss (ECL) model for recognising impairment loss on financial assets. With respect to trade receivables and loans, the Company measures the loss allowance at an amount equal to lifetime expected credit losses. Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets. For debt securities at FVTOCI, the loss allowance is recognised in OCI and is not reduced from the carrying amount of the financial asset in the balance sheet.

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write- off. However, financial assets that are written off could stillbe subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

ii) Financial liabilities

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading or it is a derivative (that does not meet hedge accounting requirements) or it is designated as such on initial recognition. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

Derecognition of financial liabilities:

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

p) Earnings per share

Basic earnings per share is computed by dividing the profit/(loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit/(loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

q) Segment

Segment information is prepared in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole. The Company's business activity primarily falls within a single business segment, i.e., Automative as primarily segment. There is no geographical segment, thus there are no additional disclosures to be provided under Ind AS 108 - "Operating Segments". There have been no other reportable segments identified by chief operating decision makers.

r) New amendments issued but not effective

The Ministry of Corporate Affairs has vide notification dated 23 March 2022 notified Companies (Indian Accounting Standards) Amendment Rules, 2022 which amends certain accounting standards. These amendments are effective from 1 April 2022. These amendments are not expected to have a material impact on the Company's financial statements.

Note No. 3 - Property, Plant and Equipment

(Currency: Indian Rupees in Lakhs)

Description of Assets	Leasehold improvements	Plant and equipments	EDP equipments	Office Equipment	Furniture and Fixtures	Vehicles	Total
I. Gross Carrying Amount							
Balance as at 1 April 2020	197.02	279.23	84.71	104.81	70.45	405.08	1,141.30
Additions	–	10.50	–	–	–	–	10.50
Disposals	–	–	–	–	–	(128.60)	(128.60)
Balance as at 31 March 2021	197.02	289.73	84.71	104.81	70.45	276.48	1,023.20
Additions	–	6.22	1.27	25.47	–	8.89	41.85
Disposals	–	(28.66)	(14.90)	(8.06)	(1.41)	(90.72)	(143.75)
Balance as at 31 March 2022	**197.02**	**267.29**	**71.08**	**122.22**	**69.04**	**194.65**	**921.30**
II. Accumulated depreciation and impairment							
Balance as at 1 April 2020	74.91	181.32	68.04	80.16	40.52	177.26	622.21
Depreciation expense for the year	7.40	22.85	7.37	13.35	6.33	59.25	116.55
Disposal	–	–	–	–	–	(67.83)	(67.83)
Balance as at 31 March 2021	82.31	204.17	75.41	93.51	46.85	168.68	670.93
Depreciation expense for the year	6.78	29.13	5.24	7.63	4.92	35.27	88.97
Disposal	–	(25.31)	(14.17)	(7.65)	(1.28)	(58.10)	(106.51)
Balance as at 31 March 2022	**89.09**	**207.99**	**66.48**	**93.49**	**50.49**	**145.84**	**653.38**
III. Net carrying amount (I-II)							
Balance as at 31 March 2021	114.71	85.56	9.30	11.30	23.60	107.80	352.27
Balance as at 31 March 2022	**107.93**	**59.30**	**4.60**	**28.73**	**18.55**	**48.81**	**267.92**

Property, plant and equipment comprise of owned and leased assets that do not meet the definition of investment property.

Note No. 4 - Right-of-use assets

(Currency: Indian Rupees in Lakhs)

Particulars	Total
I. Gross Carrying Amount	
Balance as at 1 April 2020	514.72
Additions	73.65
Disposals	–
Balance as at 31 March 2021	588.37
Additions	–
Disposals	–
Balance as at 31 March 2022	**588.37**

(Currency: Indian Rupees in Lakhs)

Particulars	Total
II. Accumulated amortisation and impairment	
Balance as at 1 April 2020	265.83
Amortisation expense for the year	135.05
Eliminated on disposal	–
Balance as at 31 March 2021	400.88
Amortisation expense for the year	71.71
Eliminated on disposal	–
Balance as at 31 March 2022	**472.59**
III. Net carrying amount (I-II)	
Balance as at 31 March 2021	187.49
Balance as at 31 March 2022	115.78

Note No. 5 - Capital work-in-progress (CWIP)

(Currency: Indian Rupees in Lakhs)

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

Particulars	Amount in CWIP for a period of Less than 1 year	1-2 years	2-3 years	More than 3 years	Total As at 31 March 2021
Projects in progress	5.94	0.15	–	–	6.09
Projects temporarily suspended	–	–	–	–	–
TOTAL	**5.94**	**0.15**	**–**	**–**	**6.09**

Note: There is no capital work-in-progress, where completion is overdue or has exceeded its cost compared to its original plan as at 31 March 2022 and 31 March 2021

Note No. 6 - Intangible assets

(Currency: Indian Rupees in Lakhs)

Particulars	Computer Software
I. Gross Carrying Amount	
Balance as at 1 April 2020	5.96
Additions	–
Disposals	–
Balance as at 31 March 2021	5.96
Additions	–
Disposals	–
Balance as at 31 March 2022	**5.96**
II. Accumulated amortisation and impairment	
Balance as at 1 April 2020	5.90
Amortisation expense for the year	0.04
Balance as at 31 March 2021	5.94
Amortisation expense for the year	0.01
Balance as at 31 March 2022	**5.95**
III. Net carrying amount (I-II)	
Balance as at 31 March 2021	0.02
Balance as at 31 March 2022	0.01

Note: There are no intangible assets under development as at 31 March 2022 and 31 March 2021.

Note No. 7 - Other financial assets

(Currency: Indian Rupees in Lakhs)

Particulars	As at 31 March 2022 Non-Current	As at 31 March 2022 Current	As at 31 March 2021 Non-Current	As at 31 March 2021 Current
Carried at amortised cost				
Security deposits	**49.57**	**–**	44.06	–
Total	**49.57**	**–**	44.06	–

Refer Note 27 for disclosures related to credit risk, impairment under expected credit loss model and related financial instrument disclosures.

Note No. 8 - Deferred tax asset (Net)

(Currency: Indian Rupees in Lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
Tax effect of items constituting deferred tax liabilities		
Allowance on right of use of assets and lease liability	**2.49**	1.11
Tax effect of items constituting deferred tax assets		
Property, plant and equipment	**51.70**	48.75
Leave encashment	**13.43**	9.71
Gratuity	**29.78**	24.97
Provision for doubtful debts & advances	**68.80**	13.25
Carried forward losses	**989.67**	996.49
Total	**1,153.38**	1,093.16
Less: Deferred tax asset in respect of above not recognised in absence of certainty of utilisation.	**1,150.89**	1,092.04
Net tax asset/(liabilities)	**–**	–

Income tax recognised in profit or loss

Particulars	As at 31 March 2022	As at 31 March 2021
Current tax:		
In respect of current year	**–**	–
In respect of prior years	**–**	25.25
Deferred tax:		
In respect of current year and prior years origination and reversal of temporary differences	**–**	–
Total Income tax recognised in profit or loss	**–**	25.25

The reconciliation of estimated income tax expense at tax rate to income tax expense reported in profit or loss is as follows:

Particulars	As at 31 March 2022	As at 31 March 2021
Profit before tax	**122.82**	(125.05)
Income tax expense calculated at 26% (PY 26%)	**31.93**	(32.51)
Effect of tax expense savings due to carried forward losses	**(31.93)**	–
Effect of current year losses for which no deferred tax asset is recognised	**–**	32.51
Income tax expense recognised in profit or loss	**–**	–

Note No. 9 - Income tax assets (net)

(Currency: Indian Rupees in Lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
Income tax assets (net) [Net of provision Rs. 120.40 lakhs (31 March 2021: Rs. 120.40 lakhs)]	**205.73**	197.42
Total	**205.73**	197.42

Note No. 10 - Other assets

(Currency: Indian Rupees in Lakhs)

Particulars	As at 31 March 2022		As at 31 March 2021	
	Non-Current	**Current**	Non- Current	Current
Unsecured considered good				
Advances other than capital advances				
(i) Balances with government authorities	**–**	**4.36**	13.01	17.77
(ii) Prepaid expenses	**–**	**19.69**	–	10.95
(iii) Advance against salary	**–**	**4.11**	–	3.35
(iv) Advances to vendors	**–**	**33.26**	–	18.56
(v) Receivable for insurance income	**–**	**15.07**	–	10.68
(vi) Warranty claims receivable	**–**	**8.68**	–	29.53
(vii) GST receivable on goods in transit	**–**	**167.58**	–	66.28
Considered doubtful				
(viii) Advances to vendors	**–**	**10.17**	–	12.79
Less- Provision for doubtful advances	**–**	**(10.17)**	–	(12.79)
(ix) Others*	**–**	**34.19**	–	20.54
Less- Provision for doubtful asset	**–**	**(34.19)**	–	(20.54)
Total	**–**	**252.75**	13.01	157.12

* Others include RTO charges recoverable and Old warranty claims.

Note No. 11 - Inventories

(Currency: Indian Rupees in Lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
(a) Stock-in-trade [includes in transit Rs. 429.52 lakhs (31 March 2021 Rs. 198.44 lakhs)]	**2,155.22**	1,127.15
Total	**2,155.22**	1,127.15

The cost of inventories recognised as an expense during the year was Rs. 19,134.23 lakhs (31 March 2021 Rs. 11,031.32 Lakhs) including write-down of inventories to net realisable value of Rs. 3.60 lakhs (31 March 2021 : Rs. 9.06 lakhs).

Note No. 12 - Investments

(Currency: Indian Rupees in Lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
Current Investment		
Quoted		
Investments carried at fair value through profit & loss A/c		
- Mutual funds units	**41.94**	**506.20**
Total	**41.94**	**506.20**

Note:-

Particulars	No of unit held	Purchase cost
31 March, 2022		
- SBI Overnight Fund Regular -Growth	**444.92**	15.05
- SBI Liquid Fund Regular Growth	**806.36**	26.55
31 March, 2021		
- SBI Overnight Fund Regular -Growth	**15,250.11**	499.97

Note No. 13 - Trade receivables

(Currency: Indian Rupees in Lakhs)

Particulars	**As at March 31, 2022**		As at March 31, 2021	
	Non-Current	**Current**	Non-Current	Current
Trade receivables				
(a) Considered good- Secured,	–	–	–	–
(b) Considered good- Unsecured,	–	**635.66**	–	646.12
(c) Trade Receivables which have significant increase in Credit Risk;	–	–	–	–
(d) Trade Receivables - credit impaired	–	**67.87**	–	**17.61**
Less: Allowance for expected credit loss	–	**(67.87)**	–	**(17.61)**
Total	–	**635.66**	–	**646.12**
Of the above, trade receivables from:				
– Related Parties	–	**31.63**	–	**94.46**
– Others	–	**604.03**	–	**551.66**
Total	–	**635.66**	–	**646.12**

Particulars	**Less than 6 months**	**6 months- 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total As at 31 March 2022**
	Outstanding for following periods from due date of payment					
Undisputed trade receivables						
(i) Considered good	**619.86**	**15.80**	–	–	–	**635.66**
(ii) Which have significant increase in credit risk	–	–	–	–	–	–
(iii) (a) Credit impaired.	**16.77**	**15.80**	**32.38**	**2.41**	**0.51**	**67.87**
(b) Less: Allowance for expected credit loss	**(16.77)**	**(15.80)**	**(32.38)**	**(2.41)**	**(0.51)**	**(67.87)**
Total (A)- Undisputed trade receivables	**619.86**	**15.80**	–	–	–	**635.66**
Disputed trade receivables						
(i) Considered good	–	–	–	–	–	–
(ii) Which have significant increase in credit risk	–	–	–	–	–	–
(iii) (a) Credit impaired.	–	–	–	–	–	–
(b) Less: Allowance for expected credit loss	–	–	–	–	–	–
Total (B) - Disputed trade receivables	–	–	–	–	–	–
Total trade receivables (A + B)	**619.86**	**15.80**	–	–	–	**635.66**

Particulars	Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	Total As at 31 March 2021
	Outstanding for following periods from due date of payment					
Undisputed trade receivables						
(i) Considered good	641.87	4.23	–	–	–	646.12
(ii) Which have significant increase in credit risk	–	–	–	–	–	–
(iii) (a) Credit impaired.	8.08	4.23	5.17	0.12	–	17.60
(b) Less: Allowance for expected credit loss	(8.08)	(4.23)	(5.17)	(0.12)	–	(17.60)
Total (A)- Undisputed trade receivables	641.87	4.23	–	–	–	646.12
Disputed trade receivables						
(i) Considered good	–	–	–	–	–	–
(ii) Which have significant increase in credit risk	–	–	–	–	–	–
(iii) (a) Credit impaired.	–	–	–	–	–	–
(b) Less: Allowance for expected credit loss	–	–	–	–	–	–
Total (B) - Disputed trade receivables	–	–	–	–	–	–
Total trade receivables (A + B)	641.87	4.23	–	–	–	646.12

Note No. 14 - Cash and Cash equivalents

(Currency: Indian Rupees in Lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
(a) Balances with banks	**535.85**	419.86
(b) Cash on hand	**8.37**	3.44
Total	**544.22**	423.30

Note No. 15 - Equity Share Capital

(Currency: Indian rupees in lakhs)

Particulars	As at 31 March 2022 No. of shares	As at 31 March 2022 Amount	As at 31 March 2021 No. of shares	As at 31 March 2021 Amount
Authorised:				
Equity shares of Rs. 10 each with voting rights	**45,000,000**	**4,500.00**	45,000,000	4,500.00
Issued, Subscribed and Fully Paid:				
Equity shares of Rs. 10 each with voting rights	**44,550,476**	**4,455.05**	44,550,476	4,455.05

(i) Reconciliation of the number of shares outstanding at the beginning and at the end of the period.

Particulars		Opening Balance	Fresh Issue	Closing Balance
(a) Equity Shares with Voting rights*				
Year Ended 31 March 2022				
	No. of Shares	44,550,476	–	44,550,476
	Amount	4,455.05	–	4,455.05
Year Ended 31 March 2021				
	No. of Shares	24,550,484	19,999,992	44,550,476
	Amount	2,455.05	2,000.00	4,455.05

*** Rights, preferences and restrictions attached to equity shares**

The Company has only one class of equity shares having par value of Rs. 10 per share. Each holder of equity share is entitled to one vote per share. The company declares and pays dividend in Indian Rupees. The dividend proposed by Board of Directors is subject to approval of the shareholders in the ensuing annual general meeting. Further, the Board of Directors may also announce an interim dividend which would need to be confirmed by the shareholders at the forthcoming Annual General Meeting. In the event of liquidation, the shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholdings.

(ii) Details of shares held by the holding company, the ultimate holding company, their subsidiaries and associates:

Particulars	No. of Equity Shares with Voting rights
As at 31 March 2022	
Mahindra & Mahindra Ltd, the Holding Company	**44,550,476**
As at 31 March 2021	
Mahindra & Mahindra Ltd, the Holding Company	44,550,476

(iii) Details of shares held by each shareholder

(Currency: Indian Rupees in Lakhs)

Class of shares/Name of shareholder	As at 31 March 2022 Number of shares held	As at 31 March 2022 % holding in that class of shares	As at 31 March 2021 Number of shares held	As at 31 March 2021 % holding in that class of shares
Equity shares with voting rights				
Mahindra & Mahindra Ltd, the holding company	**44,550,466**	**100.00%**	44,550,466	100.00%
Mahindra Holdings Limited, (the subsidiary of the holding company)	**10**	**0.00%**	10	0.00%

(iv) Shares held by Promoters

(Currency: Indian Rupees in Lakhs)

Promoter name	Number of shares held	% holding in that class of shares	% change during the year
As at 31 March 2022			
-Mahindra & Mahindra Ltd	**44,550,466**	**100%**	0%
As at 31 March 2021			
-Mahindra & Mahindra Ltd	**44,550,466**	**100%**	**0%**

Note No. 16 - Provisions

(Currency: Indian Rupees in Lakhs)

Particulars	As at 31 March 2022 Non-Current	As at 31 March 2022 Current	As at 31 March 2021 Non-Current	As at 31 March 2021 Current
Provision for long term employee benefits				
- Gratuity	**76.62**	**37.94**	68.59	27.44
- Compensated absences	**26.22**	**25.45**	18.90	18.46
Total	**102.84**	**63.39**	87.49	45.90

Note No. 17 - Trade payables

(Currency: Indian Rupees in Lakhs)

Particulars	As at 31 March 2022 Non Current	As at 31 March 2022 Current	As at 31 March 2021 Non Current	As at 31 March 2021 Current
Total outstanding dues of micro enterprises and small enterprises; and	–	**3.02**	–	–
Total outstanding dues of creditors other than micro enterprises and small enterprises	–	**2,541.68**	–	2,584.41
Total	–	**2,544.70**	–	2,584.41

Particulars	Outstanding for following periods from due date of payment: Less than 1 year	1-2 years	2-3 years	More than 3 years	Total: As at 31 March 2022
MSME	**3.02**	–	–	–	**3.02**
Others	**2,465.53**	**64.76**	**11.39**	–	**2,541.68**
Disputed dues (MSME)	–	–	–	–	–
Disputed dues (Others)	–	–	–	–	–
Total	**2,468.55**	**64.76**	**11.39**	–	**2,544.70**

Particulars	Outstanding for following periods from due date of payment: Less than 1 year	1-2 years	2-3 years	More than 3 years	Total: As at 31 March 2021
MSME	–	–	–	–	–
Others	2,563.15	12.34	8.17	0.75	2,584.41
Disputed dues (MSME)	–	–	–	–	–
Disputed dues (Others)	–	–	–	–	–
Total	2,563.15	12.34	8.17	0.75	2,584.41

Note:

(A) Trade Payables are payables in respect of the amount due on account of goods purchased or services received in the normal course of business.

(B) The fair values (Level 2) of trade payables carried at amortised cost is considered to approximate its carrying value due to its short-term nature.

(C) Micro, Small and Medium enterprises have been identified by the Company on the basis of the information available. Total outstanding dues of Micro and Small enterprises, which are outstanding for more than the stipulated period and other disclosures as per the Micro, Small and Medium Enterprises Development Act, 2006 (hereinafter referred to as "the MSMED Act") are given below :

Particulars	**As at 31 March 2022**	As at 31 March 2021
(a) Dues remaining unpaid at the end of each accounting year for micro and small enterprises		
- Principal	**3.02**	–
- Interest on above	**–**	–
(b) Interest paid in terms of Section 16 of the MSMED Act along with the amount of payment made to the supplier beyond the appointed day during the year		
- Principal paid beyond the appointed date	**–**	–
- Interest paid in terms of Section 16 of the MSMED Act	**–**	–
(c) Amount of interest due and payable for the period of delay on payments made beyond the appointed day during the year	**–**	–
(d) Further interest due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises	**–**	–
(e) Amount of interest accrued and remaining unpaid	**–**	–

Note No. 18 - Other financial liabilities

(Currency: Indian Rupees in Lakhs)

Particulars	**As at 31 March 2022**	As at 31 March 2021
Other financial liabilities measured at amortised cost		
- RTO taxes/charges payable	**192.11**	125.54
- Security deposits	**1.70**	2.70
Total	**193.81**	128.24

Note No. 19 - Other Liabilities

(Currency: Indian Rupees in Lakhs)

Particulars	**As at 31 March 2022 Non-Current**	**As at 31 March 2022 Current**	As at 31 March 2021 Non-Current	As at 31 March 2021 Current
(a) Advances received from customers	**–**	**744.90**	–	295.10
(b) Statutory dues				
– Taxes payable	**–**	**45.80**	–	17.74
– Employee recoveries and employer contributions	**–**	**12.50**	–	12.16
(c) Other payables	**–**	**31.36**	–	15.07
Total Other Liabilities	**–**	**834.56**	281.93	340.07

Note No. 20 - Revenue from Operations

(Currency: Indian Rupees in Lakhs)

Particulars	**For the year ended 31 March 2022**	For the year ended 31 March 2021
(a) From contract with customers for products and services		
(i) Sale of products (vehicle, spares and accessories)	**20,088.07**	11,567.55
(ii) Sale of services (servicing of vehicles)	**918.88**	767.57
(b) Other operating revenue		
(i) Income from sale of scrap	**24.64**	15.20
(ii) Commission	**88.42**	56.59
(iii) Infrastructure service income	**125.59**	78.89
(iv) Dealer incentive	**453.24**	297.76
(v) Other operating income	**117.94**	106.95
Total	**21,816.78**	12,890.51

Reconciliation of revenue recognised in the Statement of Profit and Loss with contracted price

(Currency: Indian Rupees in Lakhs)

Particulars	**For the year ended 31 March 2022**	For the year ended 31 March 2021
Revenue from contract with customer as per the contract price	**21,115.73**	12,429.19
Less: Trade discounts	**(108.78)**	(94.07)
Revenue from contract with customer as per the statement of Profit and Loss	**21,006.95**	12,335.12

Note No. 21 - Other Income

(Currency: Indian Rupees in Lakhs)

Particulars		For the year ended 31 March 2022	For the year ended 31 March 2021
(a)	Interest income on security deposit (On financial instrument carried at amortised cost	**3.21**	2.25
(b)	Profit on sale of property, plant and equipments	**7.08**	9.70
(c)	Gain on sale of financial asset	**10.46**	–
(d)	Net gain arising on financial assets designated as at FVTPL	**0.34**	6.23
(e)	Interest on VAT and income tax refund	**3.18**	2.60
(f)	Write back of liabilities	**8.05**	293.95
(g)	Other income from rent reduction (IndAS 116)	**4.56**	22.71
Total Other Income		**36.88**	337.44

Note No. 22(a) - Purchase of stock-in-trade

(Currency: Indian Rupees in Lakhs)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Purchase (Vehicle, Spares and Accessories)	**20,162.30**	11,620.51

Note No. 22(b) Changes in inventories of stock-in-trade

(Currency: Indian Rupees in Lakhs)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Inventories at the end of the year:		
-Stock-in-trade	**2,155.22**	1,127.15
Inventories at the beginning of the year:		
-Stock-in -trade	**1,127.15**	537.95
Net (increase)/decrease	**(1,028.07)**	(589.20)

Note No. 23 - Employee benefits expense

(Currency: Indian Rupees in Lakhs)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Salaries and wages, including bonus and incentives	**1,159.50**	1,102.15
Contribution to provident/ ESIC funds	**80.28**	81.75
Gratuity expense	**21.33**	14.58
Staff welfare expenses	**34.59**	17.39
Total	**1,295.70**	1,215.87

(a) Defined contribution plan

The Company's contribution to provident fund aggregating Rs. 63.90 lakhs (31 March 2021 : Rs. 66.57 lakhs) has been recognised in the statement of profit or loss under the head employee benefits expense.

(b) Defined benefit plans:

Gratuity

The Company operates a defined benefit final salary gratuity plan which is open to new entrants. The gratuity benefits payable to the employees are based on the employee's service and last drawn salary at the time of leaving. The employees do not contribute towards this plan and the full cost of providing these benefits are met by the Company. There are no minimum funding requirements for a gratuity plan in India. The Company has chosen not to fund the gratuity liabilities of the plan but instead carry a provision based on actuarial valuation in its books of accounts. The only regulatory framework which applies to such plans is if the company is covered by the Payment of Gratuity Act, 1972 then the Company is bound to pay the statutory minimum gratuity as prescribed under this Act. The plan is of a final salary defined benefit in nature which is sponsored by the Company and hence it underwrites all the risks pertaining to the plan. In particular, there is a risk for the Company that any adverse salary growth or demographic experience can result in an increase in cost of providing these benefits to employees in future. Since the benefits are lump sum in nature the plan is not subject to any longevity risks.

Defined benefit plans – as per actuarial valuation on 31 March, 2022

(Currency: Indian Rupees in Lakhs)

		Unfunded Plans Gratuity	
Particulars		**2022**	2021
(i)	Amounts recognised in profit or loss		
	-Current Service Cost	**16.99**	14.71
	-Net interest expense	**3.46**	3.27
Total amount included in employee benefits expense		**20.45**	17.98
(ii)	**Amounts recognised in other comprehensive income**		
Remeasurement (gains)/losses			
Actuarial (gains)/losses arising from changes in			
	-Financial assumptions	**(2.99)**	5.30
	-Experience adjustments	**4.69**	2.70
Total amount recognised in other comprehensive income		**1.70**	8.00
(iii)	**Changes in the defined benefit obligation**		
	Opening defined benefit obligation	**96.03**	75.05
	Current Service Cost	**16.99**	14.71
	Interest Expense (Income)	**3.46**	3.27
	Remeasurements (gains)/losses arising from changes in		
	i. Financial Assumptions	**(2.99)**	5.30
	ii. Experience Adjustments	**4.69**	2.70
	Benefits Paid	**(3.62)**	(5.01)
Closing defined benefit obligation		**114.56**	96.03
	Current portion of the above	**37.94**	27.44
	Non current portion of the above	**76.62**	68.59
Actuarial Assumptions and Sensitivity			
(iv)	**Actuarial assumptions**		
	Discount rate	**5.10%**	4.20%
	Salary escalation rate	**5.00%**	8% until year 1 inclusive, then 5%
(v)	**Quantitative sensitivity analysis for impact of significant assumptions on defined benefit obligation are as below:**		
	100 bps increase in discount rate	**111.39**	93.18
	100 bps decrease in discount rate	**117.89**	99.05
	100 bps increase in salary escalation rate	**117.86**	98.97
	100 bps decrease in salary escalation rate	**111.36**	93.20

Note No. 24 - Finance Cost

(Currency: Indian Rupees in Lakhs)

Particulars		For the year ended 31 March 2022	For the year ended 31 March 2021
(a)	Interest on lease liabilities	**13.63**	17.20
(b)	Other Interest expense	**0.42**	53.23
Total		**14.05**	70.43

Note No. 25 - Other Expenses

(Currency: Indian Rupees in Lakhs)

Particulars		For the year ended 31 March 2022	For the year ended 31 March 2021
(a)	Power & Fuel	**48.02**	41.59
(b)	Rent including lease rentals	**352.86**	255.80
(c)	Rates and taxes	**19.39**	8.79
(d)	Repairs to:		
	- Machinery	**42.12**	42.73
	- Others	**80.91**	40.25
(e)	Insurance	**19.02**	21.39
(f)	Sales promotion expenses	**98.99**	44.94
(g)	Travelling and conveyance expenses	**22.75**	15.56
(h)	Hire and service charges	**175.98**	106.56
(i)	Postage & telephone	**18.06**	19.90
(j)	Printing & stationery	**26.67**	14.51
(k)	Bad debts	**8.58**	7.67
(l)	Provision for doubtful debts & advances	**61.29**	36.46
(m)	Legal and other professional costs	**73.06**	40.02
(n)	Auditors remuneration		
	- Statutory Audit	**3.50**	3.23
(o)	Property, plant and equipments written-off	**5.29**	–
(p)	Miscellaneous expenses	**69.69**	59.12
Total		**1,126.18**	758.52

Note No. 26 - Earnings per Share

(Currency: Indian Rupees in Lakhs)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Profit for the year	**121.12**	**(133.05)**
Weighted average number of equity shares	**44,550,476**	**35,180,617**
Basic and diluted earnings per share (Rs.)	**0.27**	(0.38)

The Company did not have any potentially dilutive shares in any of the years presented.

Note No. 27 - Financial Instruments

Capital management

The Company's capital management objectives are:

– to ensure the company's ability to continue as a going concern

– to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

The Company monitors capital on the basis of the carrying amount of equity and borrowings as presented on the face of the statement of financial position.

The Company sets the amount of capital in proportion to its overall financing structure, i.e. equity and financial liabilities. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

(Currency: Indian Rupees in Lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
Equity	**404.14**	283.02
Borrowings	**–**	–
	404.14	283.02

Note:

The entity bases above capital management disclosures on the information provided internally to key management personnel.

Categories of financial assets and financial liabilities

Particulars	As at 31 March 2022			As at 31 March 2021		
	Amortised Costs	**FVTPL**	**Total**	Amortised Costs	FVTPL	Total
Non-current assets						
Others	**49.57**	**–**	**49.57**	44.06	–	–
Current assets						
Investments	**–**	**41.94**	**41.94**	–	506.20	506.20
Trade receivables	**635.66**	**–**	**635.66**	646.12	–	646.12
Cash and cash equivalents	**544.22**	**–**	**544.22**	423.30	–	423.30
Non-current liabilities						
Lease liability	**79.19**	**–**	**79.19**	125.38	–	125.38
Current liabilities						
Trade payables	**2,541.68**	**–**	**2,541.68**	2,584.41	–	2,584.41
Lease liability	**125.36**	**–**	**125.36**	191.78	–	191.78
Other financial liabilities	**193.81**		**193.81**	128.24		128.24

Financial risk management framework

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk. In order to manage the aforementioned risks, the Company operates a risk management policy and a program that performs close monitoring of and responding to each risk factors.

Credit risk

(i) The Company's exposure to credit risk is limited to the carrying amount of financial assets recognised at the balance sheet date.

(ii) The Company continuously monitors defaults of customers and the other counterparties, identified either individually or by company and incorporates this information into its credit risk controls.

(iii) The Company's management considers that all the financial assets are not impaired for each of the reporting date under review, are of good credit quality, including those that are past due.

(iv) In respect of trade and other receivables, the company is not exposed to any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. Concentration of credit risk to any counterparty did not exceed 10% of gross monetary assets at any time during the year.

(v) The Company applies the simplified approach to providing for expected credit losses prescribed by Ind AS 109, which permits the use of the lifetime expected loss provision for all trade receivables. The company has computed expected credit losses based on a provision matrix which uses historical credit loss experience of the Company and individual receivable specific provision where applicable. Forward-looking information (including macroeconomic information) has been incorporated into the determination of expected credit losses. Due to immateriality company has decided not to provide for any credit losses.

Market risk

(i) Market risk is the risk that changes in market prices – such as interest rates will affect the entity's income. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. There has been no significant changes to the entity's exposure to market risk or the methods in which they are managed or measured.

Liquidity Risk

(i) Liquidity risk management

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

(ii) Maturities of financial liabilities

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The amount disclosed in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows.

To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Company may be required to pay.

(Currency: Indian Rupees in Lakhs)

Particulars	Less than 1 Year Rs.	1-3 Years Rs.	3 Years to 5 Years Rs.	5 years and above Rs.
Non-derivative financial liabilities				
31-Mar-22				
-Non-interest bearing	2,860.85	35.72	43.46	–
-Fixed interest rate instruments	–	–	–	–
-Variable interest rate instruments	–	–	–	–
Total	**2,860.85**	**35.72**	**43.46**	**–**
31-Mar-21				
-Non-interest bearing	2,904.43	74.65	43.38	7.36
-Fixed interest rate instruments	–	–	–	–
-Variable interest rate instruments	–	–	–	–
Total	**2,904.43**	**74.65**	**43.38**	**7.36**

(iii) Financing arrangements

The Company had access to following undrawn borrowing facilities at the end of the reporting period:

(Currency: Indian Rupees in Lakhs)

Particulars	As at 31 March 2022 Rs.	As at 31 March 2021 Rs.
Unsecured bank overdraft facility		
- Expiring within one year	**1,500.00**	1,500.00
- Expiring beyond one year	**–**	–
	1,500.00	1,500.00

(iv) Maturities of financial assets

The following table details the Company's expected maturity for its non-derivative financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Company's liquidity risk management as the liquidity is managed on a net asset and liability basis.

(Currency: Indian Rupees in Lakhs)

Particulars	Less than 1 Year Rs.	1-3 Years Rs.	3 Years to 5 Years Rs.	5 years and above Rs.
Non-derivative financial assets				
31-Mar-22				
Non-interest bearing	1,221.82	49.57	–	–
31-Mar-21				
Non-interest bearing	1,575.62	–	–	–

The amounts included above for variable interest rate instruments for both non-derivative financial assets and liabilities is subject to change if changes in variable interest rates differ to those estimates of interest rates determined at the end of the reporting period.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

Interest rate sensitivity

The sensitivity analyses below have been determined based on exposure to interest rate for both derivative and non-derivative instruments at the end of reporting period. The Company doesn't have financial liabilities bearing floating interest rate as at balance sheet date.

Note No. 28 - Fair Value Measurement

Financial assets and financial liabilities measured at fair value /measured using amortized cost

(Currency: Indian Rupees in Lakhs)

Particulars	As at 31 March 2022 Carrying amount	Fair value	As at 31 March 2021 Carrying amount	Fair value
Financial assets				
Financial assets carried at amortised cost				
– Other assets	**49.57**	**49.57**	44.06	44.06
– Trade and other receivables	**635.66**	**635.66**	646.12	646.12
– Cash and cash equivalents	**544.22**	**544.22**	423.30	423.30
Total	**1,229.45**	**1,229.45**	1,113.48	1,113.48
Financial assets carried at fair value				
– Investments	**41.94**	**41.94**	506.20	506.20
Financial liabilities				
Financial liabilities held at amortised cost				
– Trade and other payables	**2,541.68**	**2,541.68**	2,584.41	2,584.41
– Lease liability	**125.36**	**125.36**	191.78	191.78
– Other	**193.81**	**193.81**	128.25	128.25
Total	**2,860.85**	**2,860.85**	2,904.44	2,904.44

Note No. 29 - Segment information

(a) The Company's business activity falls within a single business segment viz. 'Automotive'. All other activities of the Company revolve around it's main business. Hence there are no separate reportable primary segments. Company deals into trading and servicing of vehicles.

(b) All the non-current assets of the Company are located in India.

(c) Revenue from major products and services

(Currency: Indian Rupees in Lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
Sale and Service of Vehicles	**21,816.78**	12,890.51

(d) Revenues from transactions with a single external customer does not amount to 10% or more of an entity's revenues during the year.

(e) Since there is single segment there is no difference in measurement of profit & loss and measurement of assets and liabilities.

Note No. 30 - Related Party Transactions

Description of relationship	Names of related parties
Holding company	Mahindra & Mahindra Limited
Fellow subsidiary	Mahindra Agri Solutions Pvt. Ltd.
Fellow subsidiary	Mahindra First Choice Wheels Limited
Fellow subsidiary	Mahindra First Choice Services Limited
Fellow subsidiary	Mahindra Electric Mobility Ltd
Fellow subsidiary	Mahindra Integrated Business Solution Pvt. Ltd
Fellow subsidiary	Mahindra Two Wheeler Private Limited
Fellow subsidiary	Mahindra & Mahindra Financial Services Ltd
Fellow subsidiary	Mahindra Insurance Brokers Ltd
Fellow subsidiary	Mahindra Automobile Distributer Pvt ltd
Fellow subsidiary	Mahindra Intertrade Limited
Fellow subsidiary	Mahindra Life Space Developers Ltd
Fellow subsidiary	Mahindra Logistics Ltd
Fellow subsidiary	Mahindra Rural Housing Finance Ltd
Fellow subsidiary	Mahindra Susten Pvt. Ltd.
Fellow subsidiary	Mahindra Greenyard Pvt Ltd
Fellow subsidiary	Meru Mobility Tech Pvt Ltd
Fellow subsidiary	Mahindra eMarket Limited
Fellow subsidiary	Mahindra Holidays & Resorts Limited
Fellow subsidiary	Mahindra Defense Systems Ltd
Joint venture of holding company	Mahindra Manulife Investment Pvt Ltd
Joint venture of holding company	Mahindra Summit Agrisciences Ltd
Joint venture of holding company	Classic Legends Private Ltd
KMP - MD of holding company	Mr. Anand Mahindra
KMP - Company secretary	Ms. Divya Mascarenhas
KMP - Director	Mr. Vijay Nakra
KMP - CEO	Mr. Anil Mediratta
KMP - CFO	Mr Amey Chitale

Details of transaction between the Company and its related parties are disclosed below:

(Currency: Indian Rupees in Lakhs)

	For the year ended	Holding company	Joint venture of holding company	KMP of the company	Fellow subsidiaries	Total
Purchase of goods	31-Mar-22	27,819.31	–	–	187.19	28,006.50
	31-Mar-21	18,111.74	–	–	93.54	18,205.28
Sale of goods	31-Mar-22	44.19	0.80		117.53	162.52
	31-Mar-21	64.90	–	–	106.58	171.47
Sale of services	31-Mar-22	661.67	1.05	–	128.02	790.74
	31-Mar-21	588.77	0.08	–	761.90	1,350.75
Receiving of services**	31-Mar-22	47.10	–	56.75	35.74	139.59
	31-Mar-21	46.51	–	60.48	24.87	131.86
Lease expenses*	31-Mar-22	400.89	–	–	–	400.89
	31-Mar-21	396.31	–	–	–	396.31

	(Currency: Indian Rupees in Lakhs)					
	For the year ended	**Holding company**	**Joint venture of holding company**	**KMP of the company**	**Fellow subsidiaries**	**Total**
Reimbursement made**	31-Mar-22	49.84	–	–	–	49.84
	31-Mar-21	53.68	–	–	–	53.68
Reimbursement received	31-Mar-22	21.60	4.01	17.84	494.42	537.87
	31-Mar-21	140.90	1.60	–	39.92	182.42
Equity contribution to the Company	31-Mar-22	–	–	–	–	–
	31-Mar-21	2,000.00	–	–	–	2,000.00

The above transactions are inclusive of GST.

*Lease expense includes Rs. NIL paid to M/s. Mahindra & Mahindra Limited towards Goregaon Property for which IND AS 116 is applicable. (March 21 INR 224.82 lakhs)

**Out of the above, Company has incurred Rs 74.03 Lakhs for key managerial personnel services provided by M/s. Mahindra & Mahindra Limited. (March 21 INR 19.11 lakhs)

Details of transaction between the Company and its related parties are disclosed below:

	(Currency: Indian Rupees in Lakhs)					
Particulars	**Balance as on**	**Holding company**	**Joint venture of holding company**	**KMP of the company**	**Fellow subsidiaries**	**Total**
Trade payables	31-Mar-22	2,273.43	–	–	2.62	2,276.05
	31-Mar-21	2,306.06	–	–	18.34	2,324.40
Other balances- receivables	31-Mar-22	26.52	0.56	–	4.55	31.63
	31-Mar-21	67.36	0.08	–	56.56	124.00

Details of related party transactions with Key Management Personnel

	(Currency: Indian Rupees in Lakhs)		
Nature of Transaction	Name of KMP	**For the year ended 31 March 2022**	For the year ended 31 March 2021
Reimbursement received	Mr. Anand Mahindra	**17.84**	-
Salary including perquisites	Mr. Anil Mediratta	**56.75**	60.48

Material related party transactions are as follows:

	(Currency: Indian Rupees in Lakhs)		
Nature of Transaction	Name of Related Party	**For the year ended 31 March 2022**	For the year ended 31 March 2021
Purchase of goods	Mahindra Electric Mobility Limited	**141.63**	68.04
Sale of goods	Mahindra Holidays & Resorts Ltd	**25.57**	–
	Mahindra Intertrade Limited	**17.13**	0.15
	Mahindra Logistics Ltd	**0.94**	100.32
Sale of service	Mahindra Holidays & Resorts Ltd	**26.05**	–
	Mahindra Insurance Brokers Limited	**140.53**	43.97
	Mahindra & Mahindra Financial Services Limited	**37.52**	6.09
Receiving of services	Mahindra Integrated Business Solutions Pvt Ltd	**28.28**	14.19
Reimbursement received	Mahindra & Mahindra Financial Services Limited	**464.58**	–

Note No. 31 - Contingent liabilities and commitments

	(Currency: Indian Rupees in Lakhs)	
Particulars	**As at 31 March 2022**	As at 31 March 2021
Contingent liabilities (to the extent not provided for)		
Income tax matter: demands against the company not acknowledged as debts and not provided for, relating to issues of taxability and deductibility, in respect of which the company is in appeal.	143.43	143.43

Note No. 32- Leases

As a Lessee

Most of the leases contracted by Company are related to office premises, godown and item of equipment, as the lessee.

(A) Amounts recognised in balance sheet:

	(Currency: Indian Rupees in Lakhs)	
Right-of-use assets	**As at 31 March 2022**	**As at 31 March 2021**
Balance at 1 April 2021	**187.49**	248.89
Addition during the year	**–**	73.65
Amortisation expense for the year	**(71.71)**	(135.05)
Balance at 31 March 2022	**115.78**	187.49

	(Currency: Indian Rupees in Lakhs)	
Lease liabilities	**As at 31 March 2022**	**As at 31 March 2021**
Non-current	**79.19**	135.17
Current	**46.18**	66.40
Total	**125.37**	201.57

(B) Amounts recognised in the statement of profit or loss:

(Currency: Indian Rupees in Lakhs)		
Particulars	**As at 31 March 2022**	**As at 31 March 2021**
Interest expense on lease liabilities	**13.63**	17.20
Expenses relating to short-term leases	**352.86**	255.80

(C) Amounts recognised in the statement of cash flows:

(Currency: Indian Rupees in Lakhs)		
Particulars	**As at 31 March 2022**	**As at 31 March 2021**
Cash outflow for leases	**66.40**	131.48

Due to the first-time application of Ind AS 116 effective April 1, 2019, Company used the modified retrospective approach for transition and the historical information has not been restated.

(D) Disclosure requirement as per para 46A of the Ind AS -116 : Leases

The Company has applied the practical expedient to all rent concessions that meet the conditions in paragraph 46B

Amounts recognised in the statement of profit and loss for the reporting period to reflect changes in lease payments that arise from rent concessions to which the lessee has applied the practical expedient in paragraph 46A:

(Currency: Indian Rupees in Lakhs)		
Particulars	**For the year ended 31 March 2022**	**For the year ended 31 March 2021**
Amounts recognised in the statement of profit and loss	**4.56**	**22.71**

Note No. 33 - Ratio disclosure

Particulars		**Numerator**	**Denominator**	**As at 31 March 2022**	**As at 31 March 2021**	**% Variance**	**Reason for Variance**
a)	**Current ratio (in times)**	Current assets	Current liabilities	0.99	0.90	–9%	–
b)	**Debt-equity ratio (in times)**	Total debt (lease liability)	Shareholder's equity	0.31	0.68	54%	Profit during current year as compared to loss in previous year.
c)	**Debt service coverage ratio (in times)**	Earnings available for debt service = Net Profit after taxes + Non-cash operating expenses like depreciation and other amortizations + Interest + other adjustments like loss on sale of Fixed assets etc.	Debt service = Interest & Lease payments + Principal repayments	3.53	1.08	–226%	Increase in earnings during the current year as compared to previous year on account of higher sales volume
d)	**Return on equity (in times)**	Net Profits after taxes – Preference dividend	Average shareholder's equity	0.36	0.20	–83%	Profit during current year as compared to loss in previous year.
e)	**Inventory turnover ratio (in times)**	Cost of goods sold	Average inventory = (Opening + Closing balance/2)	11.66	13.25	12%	
f)	**Trade receivable turnover ratio (in times)**	Total sales	Average trade debtors = (Opening + Closing balance/2)	34.04	21.37	–59%	Increase in turnover during the current year as compared to previous year
g)	**Trade payable turnover ratio (in times)**	Total purchases	Average trade payable = (Opening + Closing balance/2)	7.87	6.26	–26%	Increase in purchases during the current year as compared to previous year
h)	**Net capital turnover ratio (in times)**	Total sales	Working capital = Current assets - Current liabilities	–412.90	–42.34	–875%	Increase in turnover during the current year as compared to previous year
i)	**Net profit ratio (in %)**	Net profit	Total sales	1%	–1%	158%	Profit during current year as compared to loss in previous year.
j)	**Return on capital employed (in %)**	Earnings before interest and taxes	Capital employed = Tangible net worth + Total debt + Deferred tax liability	34%	–10%	426%	Profit during current year as compared to loss in previous year.
k)	**Return on investment (in %)**	(Current value of investment - Cost of investment)	Cost of investment	1%	1%	0%	

Note No. 34 - Corporate social responsibility (CSR)

As per the provisions of Section 135 of the Companies Act, 2013, amounts required to be spent by the Company on CSR during the year is Rs. Nil (2021 Rs. Nil).

Note No. 35 - Impact of Covid-19

The Company is engaged in the business of sales and servicing of motor vehicles. The showrooms and workshops operations have been temporarily impacted during Q1 of the current year due to second wave of Covid-19 pandemic. The Company has experienced the resumption of normal activities by start of Q2. The Company, based on internal & external sources of information, has assessed that as a result of Covid-19 outbreak, there is no significant financial impact on the financial statements for the year ended March 31, 2022 as at the date of approval of these financial statements.

Note No. 36 - Code on Social Security, 2020

The Indian Parliament had approved the Code on Social Security, 2020 which could impact the contributions by the Company towards Provident Fund and Gratuity. The Ministry of Labour and Employment has released draft rules for the Code on Social Security, 2020 on November 13, 2020, and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Company will complete its evaluation once the rules are notified and will give appropriate impact in the financial statements in the period in which the Code and related rules becomes effective.

Note No. 37 - Others

Previous year's figures have been regrouped/reclassified wherever necessary.

The accompanying notes 1 to 35 are an integral part of the Financial Statements

As per our report of even date attached

For Suresh Surana & Associates LLP
Chartered Accountants
Firm Registration No. 121750W/W100010

Vinodkumar Varma
Partner
Membership No. 105545
Place: Mumbai
Date: 21st April, 2022

For and on behalf of the Board of Directors of
NBS International Ltd.

Ramesh G. Iyer Chairman
DIN: 00220759

Vijay Nakra Director
DIN: 02638616

Anil Mediratta CEO
PAN: ADRPM6098A

Amey Chitale CFO
PAN: AEFPC4386N

Divya Mascarenhas Company Secretary
Membership No. FCS 10249
Place: Mumbai
Date: 21st April, 2022

INDEPENDENT AUDITOR'S REPORT

To the members of Mahindra Automotive Australia Pty Ltd

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Mahindra Automotive Australia Pty Ltd (the Company), which comprises the statement of financial position as at 31 March 2022, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies, and the directors' declaration.

In our opinion the accompanying financial report of Mahindra Automotive Australia Pty Ltd, is in accordance with the *Corporations Act 2001*, including:

(i) Giving a true and fair view of the Company's financial position as at 31 March 2022 and of its financial performance for the year ended on that date; and

(ii) Complying with Australian Accounting Standards – Reduced Disclosure Requirements and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report. We are independent of the Company in accordance with the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The directors are responsible for the other information. The other information obtained at the date of this auditor's report is information included in the directors' report but does not include the financial report and our auditor's report thereon.

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

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

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

Responsibilities of the directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the Financial Report

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (http://www.auasb.gov.au/Home.aspx) at: http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf

This description forms part of our auditor's report.

BDO Audit Pty Ltd

Randall Bryson

Director

Brisbane,

DIRECTORS' DECLARATION FOR THE YEAR ENDED 31 MARCH 2022

In accordance with a resolution of the directors of Mahindra Automotive Australia Pty Ltd, the directors of the company declare that:

1. The financial statements and accompanying notes are in accordance with the *Corporations Act 2001* and:
   (a) comply with Australian Accounting Standards-Reduced Disclosure Requirements; and
   (b) give a true and fair view of the entity's financial position as at 31 March 2022 and of its performance for the year ended on that date.
2. In the directors' opinion, there are reasonable grounds to believe that Mahindra Automotive Australia Pty Ltd will be able to pay its debts as and when they become due and payable.

Director

Dated this 11th day of May 2022

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2022

	Notes	2022 $	2021 $
Revenue from contracts with customers	3	**29,360,150**	20,422,067
Other income	3	**41,566**	431,499
Purchases of inventories		**(21,144,639)**	(15,400,725)
Employee benefits expense		**(2,097,712)**	(1,964,292)
Depreciation and amortisation		**(332,926)**	(285,044)
Freight and cartage		**(625,646)**	(422,167)
Advertising expense		**(879,028)**	(1,304,659)
Other expenses		**(1,577,744)**	(774,499)
Finance costs		**(75,730)**	(101,364)
Profit before income tax expense		**2,668,291**	600,816
Income tax (expense)/ benefit	4	**407,993**	(288,883)
Profit after income tax expense		**3,076,284**	311,933
Other comprehensive income		**–**	–
Total comprehensive income/(loss) for the year		**3,076,284**	311,933

The above Statement of Profit or loss and other Comprehensive Income should be read in conjunction with the attached notes.

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2022

	Notes	2022 $	2021 $
ASSETS			
Current Assets			
Cash and cash equivalents	6	**1,083,242**	986,019
Trade and other receivables	7	**11,636**	256,451
Inventories	8	**10,353,417**	5,157,152
Other assets	9	**362,352**	70,168
Total Current Assets		**11,810,647**	6,469,790
Non-Current Assets			
Property, plant and equipment	10	**218,871**	174,716
Right-of-use assets	11	**1,448,967**	1,615,389
Deferred tax assets	12	**819,640**	–
Total Non-Current Assets		**2,487,478**	1,790,105
Total Assets		**14,298,125**	8,259,895
LIABILITIES			
Current Liabilities			
Trade and other payables	13	**6,717,061**	3,495,354
Financial liabilities	14	**700,000**	1,600,000
Lease liabilities	11	**260,858**	209,584
Provisions	15	**1,374,030**	1,007,277
Current tax liability	12	**411,647**	–
Total Current Liabilities		**9,463,596**	6,312,215
Non-Current Liabilities			
Lease liabilities	11	**1,264,455**	1,449,106
Provisions	15	**129,867**	134,651
Total Non-Current Liabilities		**1,394,322**	1,583,757
Total Liabilities		**10,857,918**	7,895,972
NET ASSETS		**3,440,207**	363,923
EQUITY			
Share capital	16	**4,575,000**	4,575,000
Accumulated losses		**(1,134,793)**	(4,211,077)
TOTAL EQUITY		**3,440,207**	363,923

The above Statement of Financial Position should be read in conjunction with the attached notes.

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

	Share Capital $	Accumulated Losses $	Total $
Balance at 1 April 2020	4,575,000	(4,523,010)	51,990
Profit after income tax	–	311,933	311,933
Other comprehensive income	–	–	–
Total Comprehensive Income		311,933	311,933
Transactions with owners in their capacity as owners			
Dividends paid during the year	–	–	–
Total transactions with owners	–	–	–
Balance at 31 March 2021	**4,575,000**	**(4,211,077)**	**363,923**
Balance at 1 April 2021	4,575,000	(4,211,077)	363,923
Profit after income tax	–	3,076,284	3,076,284
Other comprehensive income	–	–	–
Total Comprehensive Income	–	3,076,284	3,076,284
Transactions with owners in their capacity as owners			
Dividends paid during the year	–	–	–
Total transactions with owners	–	–	–
Balance at 31 March 2022	**4,575,000**	**(1,134,793)**	**3,440,207**

The above Statement of Changes in Equity should be read in conjunction with the attached notes.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2022

	Notes	2022 $	2021 $
Cash Flows From Operating Activities			
Receipts from customers		**32,586,704**	25,685,300
Payments to suppliers and employees		**(31,220,721)**	(24,437,236)
Interest paid		**(75,730)**	(101,364)
Net cash provided by operating activities		**1,290,253**	1,146,700
Cash Flows From Investing Activities			
Payments for plant and equipment		**(135,482)**	(76,812)
Proceeds from disposal of plant and equipment		**27,787**	–
Net cash used in investing activities		**(107,695)**	(76,812)
Cash Flows from Financing Activities			
Repayment of borrowings		**(900,000)**	(600,000)
Principal repayment of lease		**(185,335)**	(249,987)
Net cash used in financing activities		**(1,085,335)**	(849,987)
Net increase in cash held		**97,223**	219,901
Cash at the beginning of the financial year		**986,019**	766,118
CASH AT THE END OF THE FINANCIAL YEAR	**6**	**1,083,242**	986,019

The above Statement of Cash Flows should be read in conjunction with the attached notes.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are for Mahindra Automotive Australia Pty Ltd (referred hereafter as the 'Entity' or 'Company').

The financial statements were authorised for issue on 9 May 2022 by the directors of the Company.

Basis of preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards-Reduced Disclosure Requirements of the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001*. The company is a for profit entity for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of the financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar.

Accounting Policies

(a) Income Tax

The income tax expense for the year comprises current income tax expense and deferred tax expense (income).

Current income tax expense charged to profit or loss is the tax payable on taxable income for the current period. Current tax liabilities (assets) are measured at the amounts expected to be paid to (recovered from) the relevant taxation authority using tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred income tax expense (income) is charged or credited outside profit or loss when the tax relates to items that are recognised outside profit or loss or arising from a business combination. Except for business combinations, no deferred income tax is recognised from the initial recognition of an asset or liability where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled and their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability. With respect to non-depreciable items of property, plant and equipment measured at fair value and items of investment property measured at fair value, the related deferred tax liability or deferred tax asset is measured on the basis that the carrying amount of the asset will be recovered entirely through sale. When an investment property that is depreciable is held by the entity in a business model whose objective is to consume substantially all of the economic benefits embodied in the property through use over time (rather than through sale), the related deferred tax liability or deferred tax asset is measured on the basis that the carrying amount of such property will be recovered entirely through use.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where: (i) a legally enforceable right of set-off exists; and (ii) the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities, where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

(b) Inventory

Inventory has been valued as follows:

- Finished goods are valued at the lower of cost and net realisable value.
- Raw materials are valued at the lower of cost and net realisable value.

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

(c) Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

Plant and Equipment

Plant and equipment are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses. In the event the carrying amount of plant and equipment is greater than its estimated recoverable amount, the carrying amount is written down immediately to its estimated recoverable amount and impairment losses recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 1(g) for details of impairment).

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are recognised as expenses in profit or loss in the financial period in which they are incurred.

Depreciation

The depreciable amount of all fixed assets including capitalised lease assets is depreciated on a diminishing value basis over the asset's useful life to the entity commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

Plant and equipment	10% – 20%	(DV)
Furniture and fixtures	10% – 20%	(DV)
Motor vehicles	20% – 30%	(DV)
Computer equipment	20% – 40%	(DV)

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are recognised in profit or loss when the item is derecognised. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

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

(d) Leases

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Company. Assets and liabilities arising from a lease are initially measured on a present value basis.

Lease Liabilities

Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the Company under residual value guarantees;
- the exercise price of a purchase option if the Company is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the Company exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases that relate to building premises, the entity's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Company uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received, making adjustments specific to the lease (e.g. term, country, currency and security).

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured whenever:

- The lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liabilities are remeasured by discounting the revised lease payments using a revised discount rate; and
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

Right-of-use Assets

Right-of-use assets are subject to the impairment in accordance with AASB 134: *Impairment of assets*. Any identified impairment loss is accounted for inline with the Company's "impairment of non-current assets" policy.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability, and
- any lease payments made at or before the commencement date less any lease incentives received

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Extension Options

Extension options are included in a number of building premises leases across the Company. These are used to maximise operational flexibility in terms of managing the assets used in the Company's operations. The extension and termination options held are exercisable only by the Company and not by the respective lessor. When exercising lease extensions of building premises, the Company considers the following factors:

- any termination and make-good penalties;
- value of leasehold improvements;
- cost of disruption to the business to relocate, and
- availability and cost other suitable properties.

Extension options are only included in the lease term if the lease is reasonably certain to be extended.

The lease term is reassessed if an option is actually exercised (or not exercised) or the Company becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the lessee.

(e) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

(f) Borrowings

Borrowings are initially recognised at fair value net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the process (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of borrowings using the effective interest rate method.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the balance date.

(g) Financial Assets and Liabilities

(i) Classification and measurement of financial assets

Financial assets are classified in the following measurement categories:

- Those are to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss); and
- Those to be measured at amortised cost.

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

(ii) Impairment of financial assets

Under AASB 9 "general approach", loss allowances are measured on either of the following bases:

- 12-months Expected Credit Losses (ECLs): these are ECLs that result from possible default events within the 12 months after the reporting date; and
- Lifetime ECLs: these are ECLs that result from all possible default events over the expected life of financial instrument.

The Company measures loss allowances at an amount equal to 12-month ECLs, except for loan issued balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has increased significantly since initial recognition.

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

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

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

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

- the borrower is unlikely to pay its credit obligation to the Company in full, without recourse by the Company to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due, but additional analysis is conducted for each such receivable and assessment is updated accordingly.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk. ECLs are a probability weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive). ECLs are discounted at the effective interest rate of the financial asset in case of long-term assets.

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

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets. Impairment losses related to trade and other receivables are presented as part of net other operating expenses.

The accounting policies adopted for specific financial instruments are set out below:

(iii) *Cash and cash equivalents*

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short term borrowings in current liabilities on the statement of financial position.

Financial Guarantees

Where material, financial guarantees issued that require the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due are recognised as financial liabilities at fair value on initial recognition.

The fair value of financial guarantee contracts has been assessed using the probability weighted discounted cash flow approach. The probability has been based on:

- the likelihood of the guaranteed party defaulting during the next reporting period;
- the proportion of the exposure that is not expected to be recovered due to the guaranteed party defaulting; and
- the maximum loss exposure if the guaranteed party were to default.

Derecognition

Financial assets are derecognised when the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised when the related obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

(h) Impairment of Non-current assets

Assets that have an indefinite useful life, including Goodwill is tested annually for impairment.

At each reporting date, the Company reviews the carrying amount of all other non-financial assets to determine whether there is any indication of impairment.

For impairment testing, assets are grouped together into the smallest group of assets that generates independent cash inflows (known as cash-generating units or CGUs). Goodwill arising from a business combination is allocated to CGUs that are expected to benefit from the synergies of the transaction.

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

An impairment loss is recognised in profit or loss if the carrying amount of an asset or CGU exceeds its recoverable amount.

(i) Foreign Currency Transactions and Balances

Functional and presentation currency

The functional currency of the entity is measured using the currency of the primary economic environment in which that entity operates. The financial statements are presented in Australian dollars which is the entity's functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.
Exchange differences arising on the translation of monetary items are recognised in profit or loss, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognised directly in other comprehensive income to the extent that the underlying gain or loss is directly recognised in other comprehensive income, otherwise the exchange difference is recognised in profit or loss.

Exchange differences arising on translation of foreign operations are transferred directly to the entities foreign currency translation reserve in the statement of financial position via other comprehensive income. The cumulative amount of these differences is reclassified into profit or loss in the period in which the operation is disposed of.

(j) Employee Benefits

Short-term employee benefit obligations

Provision is made for the entities obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages and salaries. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The entity's obligations for short-term employee benefits such as wages and salaries are recognised as part of current trade and other payables in the statement of financial position.

Other long-term employee benefit obligations

Provision is made for employees' long service leave and annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service.

The entities obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the entity does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions.

(k) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate taking into account the risks and uncertainties surrounding the obligation.

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

(l) Revenue and Other Income

Sales of goods revenue

Revenue from the sale of goods is recognised when the performance obligation has been satisfied and control is transferred to the customer. The performance obligation is considered to be satisfied at a point in time and control is transferred when the goods are invoiced and physically dispatched or collected.

Interest revenue

Interest revenue is recognised on a time proportional basis, taking into account the effective interest rates applicable to the financial assets.

Government subsidies

During 2021, the Company received the government wage subsidy called 'Jobkeeper'. These are recognised where there is a reasonable assurance that the grant will be received and all attached conditions are complied with.

All revenue is stated net of the amount of goods and services tax.

(m) Trade and other receivables

Trade receivables are recognised initially at the transaction price, less the expected lifetime credit losses to be recognised from initial recognition of the receivables.

The Company applies the simplified approach permitted by AASB 9, which requires expected lifetime credit losses to be recognised from initial recognition of the receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Company historical credit loss experience, as well as the credit losses that are expected in the foreseeable future.

(n) Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

(o) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities, which are recoverable from or payable to the ATO, are presented as operating cash flows included in receipts from customers or payments to suppliers.

(p) Comparative figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

(q) New or Revised Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Company for the annual reporting period ended 31 March 2022. The Company's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the Company, are set out below.

Conceptual Framework for Financial Reporting (Conceptual Framework)

The revised Conceptual Framework is applicable to annual reporting periods beginning on or after 1 July 2021 and early adoption is permitted. The Conceptual Framework contains new definition and recognition criteria as well as new guidance on measurement that affects several Accounting Standards. Where the Company has relied on the existing framework in determining its accounting policies for transactions, events or conditions that are not otherwise dealt with under the Australian Accounting Standards, the Company may need to review such policies under the revised framework. At this time, the application of the Conceptual Framework has not had a material impact on the Company's financial statements.

AASB 2020-1 Amendments to Australian Accounting Standards-Classification of Liabilities as Current or Non-current

This standard is applicable to annual reporting periods beginning on or after 1 January 2023. There are four main changes to the classification requirements:

1. The requirement for an 'unconditional' right has been deleted from paragraph 69(d) because covenants in banking agreements would rarely result in unconditional rights.
2. The right to defer settlement must exist at the end of the reporting period. If the right to defer settlement is dependent upon the entity complying with specified conditions (covenants), the right to defer only exists at reporting date if the entity complies with those conditions at reporting date.
3. Classification is based on the right to defer settlement, and not intention (paragraph 73), and
4. If a liability could be settled by an entity transferring its own equity instruments prior to maturity (e.g. a convertible bond), classification is determined without considering the possibility of earlier settlement by conversion to equity, but only if the conversion feature is classified as equity under IAS 32.

There are also a number of amendments to standards, and interpretations which have been issued by the IASB that are effective in future accounting periods that the Group has decided not to adopt early.

The following amendments are effective for the period beginning 1 January 2022:

- Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37);
- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16);
- Annual Improvements to IFRS Standards 2018-2020 (Amendments to IFRS 1, IFRS 9, IFRS 16 and IAS 41); and
- References to Conceptual Framework (Amendments to IFRS 3).

The following amendments are effective for the period beginning 1 January 2023:

- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2);
- Definition of Accounting Estimates (Amendments to IAS 8); and
- Deferred Tax Related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12).

2. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The management evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Company.

Allowances for expected credit losses

The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience and historical collection rates.

Carrying amount of inventories

In determining the amount of write-downs of inventories, management has made judgements based on the expected net realisable value. This requires certain judgements and assumptions to be made, including but not limited to historical loss experience, inventory aging and current knowledge of the goods.

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

Income tax

The Company is subject to income taxes in the jurisdictions in which it operates. Significant judgement is required in determining the provision for income tax. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Company recognises liabilities for anticipated tax audit issues based on the Company's current understanding of the tax law. Where the final tax outcome of these matters is different from the carrying amounts, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

Impairment

The Company assesses impairment at the end of each reporting period by evaluating the conditions and events specific to the Company that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value in use calculations which incorporate various key assumptions. No impairment to be recognised at reporting date.

Employee benefits

For the purpose of measurement, AASB 119: *Employee Benefits* defines obligations for short-term employee benefits as obligations expected to be settled wholly before 12-months after the end of the annual reporting period in which the employees render the related service. As the Company expects that most employees will not use all of their annual leave entitlements in the same year in which they are earned or during the following 12 month period, obligations for annual leave entitlements are classified under AASB 119 as other long-term employee benefits.

Lease term

The Company included the renewal period as part of the lease term for leases of building premises, (i.e. three to five years per option). The Company has adopted the position that the extended lease term due to exercisable renewable options would not go beyond fifteen years, after which the Company is not reasonably certain of the factors listed in Note 1 (d).

Incremental borrowing rate

Where the interest rate implicit in a lease cannot be readily determined, an incremental borrowing rate (IBR) is estimated to discount future lease payments to measure the present value of the lease liability at the lease commencement date. Such a rate is based on what the Company estimates it would have to pay a third party to borrow the funds necessary to obtain an asset of a similar value to the right-of-use asset, with similar terms, security and economic environment.

The Company estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as credit rating).

Coronavirus (COVID-19) Pandemic

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the Company based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographical regions in which the Company operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the Company unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

	2022 $	2021 $
3. REVENUE		
Revenue from contracts with customers:		
Sale of goods	**29,360,150**	20,422,067
	29,360,150	20,422,067
Other income:		
Government subsidy	–	292,500
Miscellaneous	**41,566**	138,999
	41,566	431,499

4. INCOME TAX

	2022 $	2021 $
i) *Numerical reconciliation of income tax expense and tax at statutory rate of 30%:*		
Profit/(Loss) before income tax from continuing operations	**2,668,291**	600,816
Tax at statutory rate of 30%	**800,487**	180,245
Tax effect amounts which are not deductible/(taxable) in calculating taxable income		
Reversal of previously recognised/ (unrecognised) deferred tax assets	**(819,639)**	288,883
Recoupment of previously unrecognised tax losses	**(662,994)**	(410,697)
Deferred tax assets recognised	**274,153**	230,452
Income tax expense	**(407,993)**	288,883
ii) *Income tax expense*		
Current tax	**137,493**	–
Deferred tax	**(545,486)**	288,883
	(407,993)	288,883

5. KEY MANAGEMENT PERSONNEL COMPENSATION

The totals of remuneration paid to key management personnel (KMP) of the company during the year are as follows.

	2022 $	2021 $
Key management personnel compensation	**350,227**	392,585

6. CASH AND CASH EQUIVALENTS

	2022 $	2021 $
Cash on hand and at bank	**1,083,242**	986,019
	1,083,242	986,019

Cash at bank earns interest at floating rates based on daily bank deposit rates.

7. TRADE AND OTHER RECEIVABLES

	2022 $	2021 $
Current		
Trade accounts receivable	**11,636**	256,451
Provision for impairment	–	–
	11,636	256,451

8. INVENTORIES

	2022 $	2021 $
Parts & accessories at cost	**3,483,731**	2,997,329
Vehicles at cost	**7,332,715**	2,927,811
Provision for obsolescence	**(463,029)**	(767,988)
	10,353,417	5,157,152

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

9. OTHER ASSETS

	2022 $	2021 $
Prepayments	**362,352**	70,168
	362,352	70,168

10. PROPERTY, PLANT AND EQUIPMENT

	2022 $	2021 $
Plant & equipment at cost	**118,502**	57,245
Accumulated depreciation	**(40,871)**	(29,227)
	77,631	28,018
Furniture and fixtures at cost	**339,000**	318,678
Accumulated depreciation	**(256,350)**	(236,307)
	82,650	82,371
Motor vehicles at cost	**247,211**	226,700
Accumulated depreciation	**(203,753)**	(174,421)
	43,458	52,279
Computer equipment at cost	**75,861**	67,899
Accumulated depreciation	**(60,729)**	(55,851)
	15,132	12,048
Total property, plant and equipment	**218,871**	174,716

MOVEMENTS IN PROPERTY, PLANT & EQUIPMENT

2022

	Plant & Equipment $	**Furniture and Fixtures $**	**Motor Vehicles $**	**Computer Equipment $**	**Total $**
Opening written down value	**28,018**	**82,371**	**52,279**	**12,048**	**174,716**
Additions at cost	**67,011**	**20,323**	**40,186**	**7,962**	**135,482**
Disposals at written down value	**(4,079)**	–	**(17,439)**	–	**(21,518)**
Depreciation expense	**(13,319)**	**(20,044)**	**(31,568)**	**(4,878)**	**(69,809)**
Closing written down value	**77,631**	**82,650**	**43,458**	**15,132**	**218,871**

2021

	Plant & Equipment $	Furniture and Fixtures $	Motor Vehicles $	Computer Equipment $	Total $
Opening written down value	**26,417**	**59,774**	**44,225**	**10,224**	**140,640**
Additions at cost	**4,586**	**40,176**	**26,332**	**5,718**	**76,812**
Disposals at written down value	–	–	–	–	–
Depreciation expense	**(2,985)**	**(17,579)**	**(18,278)**	**(3,894)**	**(42,736)**
Closing written down value	**28,018**	**82,371**	**52,279**	**12,048**	**174,716**

11. LEASES

	2022 $	2021 $
Amounts recognised in the Statement of Financial Position		
Right-of-use assets		
Non-Current		
Leased buildings - right-of-use	**1,783,962**	2,158,532
Right-of-use accumulated depreciation	**(334,995)**	(543,143)
	1,448,967	1,615,389
Reconciliation of the Right-of-use assets:		
Carrying value at beginning of year	**1,615,389**	1,403,900
Impact of new lease	**80,772**	–
Impact of lease modifications	–	453,797
Amortisation	**(247,194)**	(242,308)
Closing carrying value at year end	**1,448,967**	1,615,389
Lease liabilities		
Current		
Leases for building premises	**260,858**	209,584
Non-Current		
Leases for building premises	**1,264,455**	1,449,106
Amounts recognised in the Statement of Profit or Loss and Other Comprehensive Income		
Amortisation		
Building premises	**247,194**	242,308
Interest expense on leases (included in finance costs)		
Building premises	**48,257**	53,728
Amounts recognised in the Statement of Cash Flows		
Lease principal repayments - building premises	**185,335**	249,987
Interest payments - building premises	**48,257**	53,728
	233,592	303,715

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

12. TAX ASSETS AND LIABILITIES

	Opening Balance $	Charged to income $	Closing Balance $
Deferred tax assets			
Provisions	357,192	245,387	602,579
Accruals	21,258	(45,534)	(24,276)
AASB 16 Leases adjustment	(11,548)	(1,442)	(12,990)
Tax Losses	1,044,533	(381,539)	662,994
Deferred tax assets not recognised	(1,411,435)	183,128	(1,228,307)
Balance at 31 March 2021	–	–	–
Provisions	602,579	72,934	675,513
Accruals	(24,276)	191,306	167,030
AASB 16 Leases adjustment	(12,990)	(9,913)	(22,903)
Tax Losses	662,994	(662,994)	–
Deferred tax assets not recognised	(1,228,307)	1,228,307	–
Balance at 31 March 2022	**–**	**819,640**	**819,640**

	2022 $	2021 $
Current tax liability		
Provision for income tax	**411,647**	–
	411,647	–

13. TRADE AND OTHER PAYABLES

	2022 $	2021 $
Current		
Trade payables	**5,088,077**	2,792,523
Sundry payables and accrued expenses	**1,628,984**	702,831
	6,717,061	3,495,354

Refer to Note 16 for amounts payable by the entity to related entities which are included in the above total.

14. FINANCIAL LIABILITIES

	2022 $	2021 $
Current		
Bank loans - secured	**700,000**	1,600,000
	700,000	1,600,000

The bank loan matures on 26 April 2022 (2021: 26 April 2021) and rolls over for another 90 days after maturity. Interest is payable on the loan at the rate of 1.96% (2021: 1.96%).

15. PROVISIONS

	2022 $	2021 $
Current		
Employee benefits	**145,563**	136,955
Warranty	**716,875**	457,074
Other provisions	**511,592**	413,248
	1,374,030	1,007,277
Non-Current		
Employee benefits	**129,867**	134,651
	129,867	134,651

16. SHARE CAPITAL

	2022 $	2021 $
Ordinary Shares		
4,575,000 (2021: 4,575,000) Fully paid ordinary shares paid	**4,575,000**	4,575,000

Ordinary shares have equal rights to vote, participate in dividends and share in the distribution of surplus assets in the event of the entity winding up.

17. RELATED PARTY TRANSACTIONS

The group's main related parties are as follows:

i) **Entities exercising control over the company**

The ultimate parent entity is Mahindra & Mahindra Limited, a publically listed company based in Mumbai, India.

ii) **Key management personnel**

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity, is considered key management personnel.

Information of remuneration of directors and key management personnel is disclosed in Note 5.

iii) **Transactions with Related Parties**

Transactions with related parties are on normal commercial terms and conditions no more favourable than available to other parties unless otherwise stated.

The following transactions occurred with related parties:

Purchase and sale of goods and services

Mahindra & Mahindra Limited and its subsidiaries

Mahindra Automotive Australia Pty Ltd made total purchases of inventory from Mahindra & Mahindra Limited and its subsidiaries during the year of $17,326,244 (2021: $8,922,706). Sales made by the Company to Mahindra & Mahindra Limited and its subsidiaries during the year of $nil (2021: $nil).

The Hayden Way (Aust) Pty Limited

On 7 October 2017, Mahindra Automotive Australia Pty Ltd entered into a sponsorship and promotion agreement with The Hayden Way (Aust) Pty Limited (a company associated with M Hayden). The total licence and services fees paid to The Hayden Way (Aust) Pty Limited were $24,000 (2021: $38,000).

Trade and other payables

Mahindra & Mahindra Limited and its subsidiaries have provided inventory to Mahindra Automotive Australia Pty Ltd under vendor finance arrangements. The outstanding amount at year end was $4,554,131 (2021: $2,830,276). These amounts are interest free, unsecured and at call.

Trade and other receivables

Receivables to the Company from Mahindra & Mahindra Limited and its subsidiaries at year end was $69,245 (2021: $61,040). These amounts are interest free, unsecured and at call.

18. EVENTS AFTER THE REPORTING PERIOD

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MAHINDRA TWO WHEELERS LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying Financial Statements of **Mahindra Two Wheelers Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2022, and the Statement of Profit and Loss, (statement of changes in equity) and Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (herein after referred to as "Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, its profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Financial Statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements' section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (the "ICAI") together with the ethical requirements that are relevant to our audit of the Financial Statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Financial Statements.

Information other than the Financial Statements and Auditors' Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the Directors Report and the related annexures, but does not include the Financial Statements and our Auditors' Report thereon.

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

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

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

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

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India.

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

We also:

- Identify and assess the risks of material misstatement of the financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial Statements, including the disclosures, and whether the financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-Section (11) of Section 143 of the Act and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in Annexure B, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
   (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.
   (d) In our opinion, the aforesaid Financial Statements comply with the Accounting Standards specified under Section 133 of the Act.
   (e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.
   (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to financial Statements.
   (g) In our opinion, the managerial remuneration for the year ended March 31, 2022 has been paid / provided by the Company to its directors in accordance with the provisions of Section 197 read with Schedule V to the Act.
   (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in

our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its Financial Statements – Refer Note 29 to the Financial Statements;

ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

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

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

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

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

v. The dividend declared and paid during the year by the Company is in compliance with Section 123 of the Act.

For **B. K. Khare & Co.**
Chartered Accountants
Firm's Registration No.: 105102W

Shirish Rahalkar
Partner
Membership No.: 111212
UDIN: 22111212AIGZSB6846

Mumbai, April 22, 2022

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

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

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

We have audited the internal financial controls with reference to financial statements of **Mahindra Two Wheelers Limited** ("the Company") as of March 31, 2022 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls with reference to financial statements

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

Inherent Limitations of Internal Financial Controls with reference to financial statements

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

Opinion

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

For **B. K. Khare & Co.**
Chartered Accountants
Firm's Registration No.: 105102W

Shirish Rahalkar
Partner
Membership No.: 111212
UDIN: 22111212AIGZSB6846

Mumbai, April 22, 2022

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

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

ii) The Company has a regular programme for physical verification of its property, plant and equipment and investment properties by which the property, plant and equipment and investment properties are verified by the management according to a phased programme designed to cover all the items over a period of 3 years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its property, plant and equipment and investment properties. In accordance with the programme, the Company has physically verified certain property, plant and equipment and investment properties during the year and no material discrepancies were noticed on such verification.

iii) According to the information and explanations given to us, the Company has no immoveable properties registered in its name. Accordingly, the reporting under Clause 3(i)(c) of the Order is not applicable to the Company.

iv) According to the information and explanations given to us, the Company has not revalued any of its property, plant and equipment (including Right of use assets) or intangible assets or both during the year.

v) Based on the audit procedures performed by us and according to the information, explanations and representations given to us, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

2) i) According to the information and explanations given to us, the inventory comprising of traded goods, packing materials and stores and spare parts has been physically verified at reasonable intervals by the management during the year. In our opinion, coverage and procedure of such verification is appropriate and no discrepancies of 10% or more in the aggregate for each class of inventory were noticed on such verification between the physical inventory and the book records.

ii) According to the information and explanations given to us, the Company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate from banks or financial institutions on the basis of security of current assets at any point of time during the year.

3) a) According to the information and explanations given to us, the Company has not made investments in or provided any guarantee or security or secured or unsecured loans to companies, firms, Limited Liability Partnerships. During the year, the company has granted loans to other party, the details of which are as under –

Particulars	**Loans given during the year Rupees**
Aggregate amount during the year:	
- Subsidiaries	Nil
- Joint ventures	Nil
- Associates	Nil
- Limited liability partnership firm	Nil
- Other party	Rs 15 Crores
Balance outstanding as at the Balance Sheet date	
- Subsidiaries	Nil
- Joint ventures	Nil
- Associates	Nil
- Limited liability partnership firm	Nil
- Other party	Nil

b) According to the information and explanation given to us, the terms and conditions of the loans granted by the Company to other party is not prejudicial to the company's interest

c) According to the information and explanations given to us, the other party has been regular in repayment of principal amounts and payments of interest as per the stipulated terms.

d) According to the information and explanations given to us, loan given to other party as mentioned in paragraph (c) above, there is no amount overdue for more than 90 days.

e) According to the information and explanations given to us, the loans granted to the parties mentioned in paragraph (a) above have fallen due during the year but have not been renewed or extended nor fresh loans were granted to settle any overdues of existing loans given to the same parties.

f) According to the information and explanations given to us, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.

4) According to the information and explanations given to us, the Company has not granted any loans or made any investments or provided any guarantees or security to the

parties covered under Section 185 and 186 of the Act. Accordingly, the reporting under Clause 3(iv) of the Order is not applicable to the Company.

5) According to the information and explanations given to us, the Company has not accepted any deposits under the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under. Accordingly, the reporting under Clause 3(v) of the Order is not applicable to the Company.

6) The Central Government has not prescribed the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company. Accordingly, the reporting under Clause 3(vi) of the Order is not applicable to the Company.

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

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

iii) According to the information and explanation given to us and on the basis of our examination of records of the Company, there are no statutory dues in respect of Goods and Service Tax, Provident Fund, Employees State Insurance, Sales Tax, Service Tax , Duty of Customs, Duty of Excise, Value added tax, Cess and any other material statutory dues as at 31 March 2022, which have not been deposited on account of any dispute. The statutory dues in respect of Income tax and other tax as at 31 March 22 which have not been deposited with the appropriate authorities on account of a dispute are as under

Name of the statute	Nature of dues	Amount (Rs in lakhs)	Financial year to which is it pertains	Forum where the disputes is pending
Income Tax Act, 1961	Income tax including interest	146	2014-15	DCIT
Income Tax Act 1961	Income tax including interest	441	2018-19	DCIT
Central sales tax act	C form and F form liability	778	2016-17	DC of state tax
Central sales tax Act	C Form liability	60	2017-18 Q1	Jt Commissioner appeal
West Bengal E Tax	Entry Tax demand	5	2016-17	Jt Commissioner Revisionary appeal
West Bengal CST	C form liability	153	2015-18	Jt Commissioner Appeal

8) According to the information and explanations given to us, there are no transactions not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income-tax Act, 1961. Accordingly, the reporting under Clause 3(viii) of the Order is not applicable to the Company.

9) a) According to the information and explanations given to us and based on the audit procedures performed by us, the Company has not availed any loans or other borrowings during the year. Accordingly, the reporting under Clause 3(ix) (a) of the Order is not applicable to the Company.

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

c) According to the information and explanation given to us, Company has not obtained any term loan during the year. Hence reporting under clause (ix) (c) is not applicable.

d) In our opinion and according to information and explanations given to us and on overall examination of the Balance sheet of the Company, we report that company has not raised any short term or long term loan during the year. Hence reporting under clause (ix) (d) is not applicable to company.

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

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

b) According to the information and explanation given to us, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Accordingly, the reporting under clause 3(x)(b) of the Order is not applicable to the Company.

11) a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the management.

b) There has been no report filed by us under sub-section (12) of Section 143 of the Act in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government. Accordingly, the reporting under Clause 3(xi)(b) of the Order is not applicable to the Company.

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

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

13) In our opinion and according to the information and explanations given to us, the Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required by Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act.

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

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

15) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or directors of its holding company or persons connected with them during the year and hence the provisions of Section 192 of the Act are not applicable to the Company. Accordingly, the reporting under Clause 3(xv) of the Order is not applicable to the Company.

16) a) According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under Clause 3(xvi) of the Order is not applicable to the Company.

b) In our opinion and according to the information and explanations given to us, the Company has not conducted any Non-Banking Financial or Housing finance activities. Accordingly, the reporting under this clause is not applicable to the Company.

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

d) Based on the information and explanations given to us, we report that the Group has six core Investment companies

17) In our opinion and according to the information and explanations given to us, the Company has not incurred cash losses in the current financial year as well as in the immediately preceding financial year. Accordingly, the reporting under Clause 3(xvii) of the Order is not applicable to the Company.

18) There has been no resignation of the statutory auditors during the year. Accordingly, the reporting under Clause 3(xviii) of the Order is not applicable to the Company.

19) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of Balance Sheet as and when they fall due within a period

of one year from the Balance Sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the Balance Sheet date, will get discharged by the Company as and when they fall due.

20) a) According to the information and explanations given to us, in respect of other than ongoing projects, the Company has unspent amount of Rs 8,593/- as on 31 March 22. The Company is in the process of transferring the said amount to a Fund specified in Schedule VII of the Companies Act within a period of six months of the expiry of financial year 2021-22 in compliance with second proviso to sub section (5) of section 135 of the Companies Act, 2013.

b) According to the information and explanations given to us, in respect of ongoing projects, the Company has no unspent amount which needs to be transferred to a special account in compliance with sub-section (6) of Section 135 of the Act.

For **B. K. Khare & Co.**
Chartered Accountants
Firm's Registration No.: 105102W

Shirish Rahalkar
Partner
Membership No.: 111212
UDIN No.: 22111212AIGZSB6846

Mumbai, April 22, 2022

STANDALONE BALANCE SHEET AS ON MARCH 31, 2022

Particulars	Note No.	Rupees in Lakhs As at March 31, 2022	As at March 31, 2021
ASSETS			
1 **Non-current assets**			
(a) Property, plant and equipment	3	**317.78**	622.64
(b) Financial assets			
(i) Investments	4(A)	**13,491.27**	3,885.03
(ii) Trade receivables	5(A)	**141.96**	250.99
(iii) Loans	6	**133.87**	128.55
(c) Deferred tax assets (net)	7	**–**	–
(d) Non-current Tax assets (net)	8	**369.22**	270.88
(e) Other non-current assets	9	**1,350.11**	110.19
Total non - current assets		**15,804.21**	5,268.28
2 **Current assets**			
(a) Inventories	10	**5,436.16**	5,700.20
(b) Financial assets			
(i) Investments	4(B)	**1,873.40**	2,436.07
(ii) Trade receivables	5(B)	**2,557.54**	4,089.51
(iii) Cash and cash equivalents	11	**186.18**	145.90
(iv) Bank balances other than (iii) above	11	**6,042.00**	4,670.57
(v) Other financial assets	12	**143.02**	68.96
(c) Other current assets	13	**267.54**	371.00
Total current assets		**16,505.84**	17,482.21
Total Assets (1+2)		**32,310.05**	22,750.50
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	14	**8,282.38**	8,282.38
(b) Other equity	15	**14,505.24**	6,413.16
Total equity (a+b)		**22,787.62**	14,695.54
LIABILITIES			
1 **Non-current liabilities**			
(a) Financial Liabilities			
(ia) Lease Liabilities	16	**20.22**	125.09
(b) Provisions	16(A)	**39.71**	15.94
(c) Deferred tax liabilities (Net)	7	**2,708.27**	388.91
Total Non - Current Liabilities		**2,768.20**	529.94
2 **Current liabilities**			
(a) Financial liabilities			
(ia) Lease Liabilities	18	**309.22**	515.36
(ii) Trade payables			
(A) Total outstanding dues of Micro and Small enterprises; and	17	**66.84**	88.71
(B) Total outstanding dues of Creditors other than Micro and Small enterprises	17	**5,593.05**	5,882.52
(b) Other current liabilities	20	**757.08**	1,015.00
(c) Provisions	16(B)	**28.04**	23.43
Total Current Liabilities		**6,754.23**	7,525.02
Total Equity and Liabilities (1+2+3)		**32,310.05**	22,750.50

See accompanying notes to the standalone financial statements

In terms of our report attached

For **B. K. Khare & Co**

Chartered Accountants

Firm Registration No. 105102W

Shirish Rahalkar
Partner
M. No. 111212

Date: Apr 22, 2022
Place: Mumbai

For and on behalf of the Board of Directors

Parikshit Ghosh
CEO & Wholetime Director
DIN 09478415

Vinod Sahay
Director
DIN-07884268

Niteen Karve
CFO

Poonam Vaze
Company Secretary

Date: Apr 22, 2022
Place: Mumbai

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

Rupees in Lakhs

	Particulars	**Note No.**	**For the year ended March 31, 2022**	For the year ended March 31, 2021
I	Revenue from operations	21	**27,347.94**	22,772.92
II	Other income	22	**503.00**	406.64
III	**Total Income (I + II)**		**27,850.94**	23,179.56
IV	**EXPENSES**			
	(a) Purchases of stock-in-trade	23(A)	**17,689.16**	14,687.43
	(b) Changes in inventories of stock-in-trade	23(B)	**264.04**	(296.59)
	(c) Employee benefits expense	24	**525.00**	466.57
	(d) Finance costs	25	**44.89**	78.36
	(e) Depreciation expense (Note no 3)		**584.54**	631.79
	(f) Other expenses	26	**4,243.10**	4,050.79
	Total Expenses (IV)		**23,350.73**	19,618.35
V	**Profit before exceptional and extraordinary items and tax (III - IV)**		**4,500.21**	3,561.21
VI	**Exceptional Items**		**–**	–
VII	**Profit before extraordinary items and tax (V - VI)**		**4,500.21**	3,561.21
VIII	**Extraordinary items**		**–**	–
IX	**Profit before tax (VII - VIII)**		**4,500.21**	3,561.21
X	**Tax Expense**			
	(a) Current tax	27	**1,232.09**	1,030.14
	(b) Deferred tax	27	**(97.36)**	62.67
	Total tax expense		**1,134.73**	1,092.81
XI	**Profit after tax for the period from continuing operations (IX - X)**		**3,365.48**	2,468.40
XII	**Profit/(loss) after tax from discontinued operations**		**–**	–
XIII	**Tax expense of discontinuing operations**		**–**	–
XIV	**Profit/(Loss) for the period**		**3,365.48**	2,468.40
XV	**Other comprehensive income**			
	A (i) Items that will not be reclassified to profit or loss			
	(a) Remeasurements of the defined benefit plans		**3.89**	(4.64)
	(ii) Income tax relating to items that will not be reclassified to profit or loss			
	(a) Remeasurements of the defined benefit plans		**0.98**	4.62
	B (i) Items that may be reclassified to profit or loss			
	(a) Share of other comprehensive income of equity accounted investees		**9,606.24**	–
	(ii) Income tax on items that may be reclassified to profit or loss		**(2,417.70)**	–
	Total Other Comprehensive Income		**7,193.41**	(0.02)
XVI	**Total comprehensive income for the period (XIV + XV)**		**10,558.89**	2,468.38
XVII	**Earnings per equity share (Nominal value per share Rs.0.20)**			
	a) Basic	28	**0.01**	0.01
	b) Diluted		**–**	–

See accompanying notes to the standalone financial statements

In terms of our report attached

For **B. K. Khare & Co**

Chartered Accountants

Firm Registration No. 105102W

Shirish Rahalkar
Partner
M. No. 111212

Date: Apr 22, 2022
Place: Mumbai

For and on behalf of the Board of Directors

Parikshit Ghosh
CEO & Wholetime Director
DIN 09478415

Vinod Sahay
Director
DIN-07884268

Niteen Karve
CFO

Poonam Vaze
Company Secretary

Date: Apr 22, 2022
Place: Mumbai

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

Rupees in Lakhs

Particulars		For the year ended March 31, 2022	For the year ended March 31, 2021
Cash flows from operating activities			
Profit before tax for the year		**4,500.21**	3,561.21
Adjustments for:			
Interest on Fixed Deposit		**(241.02)**	(122.31)
Interest on Lease Liability		**41.94**	75.73
Dividend Income from current investments		**(1.51)**	(66.00)
Payment of Lease Liability		**(60.21)**	(257.15)
Depreciation expense		**11.44**	13.12
Interest income on unwinding of security deposit		**(2.91)**	(4.06)
Provision for doubtful trade receivable		**103.46**	178.05
Revaluation through OCI		**4.87**	–
Provision for material buy back		**275.00**	29.75
Asset write off		**0.68**	0.18
Provision for warranty		**3.84**	(4.23)
		4,635.80	3,404.29
Movements in working capital:			
(Increase)/decrease in trade receivables		**1,537.54**	(524.17)
(Increase)/decrease in inventories		**264.04**	(296.59)
(Increase)/decrease in other assets		**(1,138.87)**	59.40
Increase/(decrease) in trade payables		**(586.34)**	1,150.03
Increase/(decrease) in provisions		**24.54**	(128.41)
Increase/(decrease) in other liabilities		**(257.92)**	283.97
Cash generated from operations		**4,478.78**	3,948.51
Income taxes paid		**(1,331.41)**	(1,052.15)
Net cash generated by operating activities	**A**	**3,147.37**	2,896.36
Cash flows from investing activities			
Payments to acquire financial assets - Mutual Fund		**(1,849.90)**	(3,816.51)
Proceeds on sale of financial assets - Mutual Fund		**2,412.57**	5,207.18
Interest received		**166.96**	106.16
Other dividends received		**1.51**	66.00
Inter corporate Deposits given		**(1,500.00)**	(2,300.00)
Inter corporate Deposits received		**1,500.00**	2,300.00
Payments to acquire financial assets - Fixed deposit		**(6,661.42)**	(4,670.57)
Proceeds on sale of financial assets - Fixed deposit		**5,289.99**	2,134.89
Net cash (used in)/generated by investing activities	**B**	**(640.29)**	(972.85)
Cash flows from financing activities			
Dividends paid on equity shares		**(2,466.81)**	(2,379.10)

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2022 (contd...)

Rupees in Lakhs

Particulars		For the year ended March 31, 2022	For the year ended March 31, 2021
Net cash generated by/(used in) financing activities	**C**	**(2,466.81)**	(2,379.10)
Net increase in cash and cash equivalents		**40.27**	(455.59)
Cash and cash equivalents at the beginning of the year		**145.90**	601.49
Cash and cash equivalents at the end of the year (Refer Note 11)	**A+B+C**	**186.18**	145.90

See accompanying notes to the standalone financial statements

In terms of our report attached
For **B. K. Khare & Co**
Chartered Accountants
Firm Registration No. 105102W

Shirish Rahalkar
Partner
M. No. 111212

Date: Apr 22, 2022
Place: Mumbai

For and on behalf of the Board of Directors

Parikshit Ghosh
CEO & Wholetime Director
DIN 09478415

Vinod Sahay
Director
DIN-07884268

Niteen Karve
CFO

Poonam Vaze
Company Secretary

Date: Apr 22, 2022
Place: Mumbai

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

a) Equity share capital

Rupees in Lakhs

Particulars	**Number of Shares**	**Equity share capital (Amount)**
Balance at March 31, 2021	41,41,18,90,946	8,282.38
Changes in equity share capital during the year	–	–
Balance at March 31, 2022	**41,41,18,90,946**	**8,282.38**

b) Other Equity

Rupees in Lakhs

Particulars	**Retained earnings**	**Other comprehensive income (Remeasurements of the defined benefit Plans)**	**Securities premium reserve**	**Capital Reserve**	**Total**
Balance as at March 31, 2021	**4,234.24**	**1,483.69**	**144.31**	**550.91**	**6,413.16**
Profit for the year	3,365.48	–	–	–	3,365.48
Payment of Dividend	(2,466.81)	–	–	–	(2,466.81)
Other comprehensive income for the year, net of Income Tax	–	7,193.41	–	–	7,193.41
Balance as at March 31, 2022	**5,132.91**	**8,677.11**	**144.31**	**550.91**	**14,505.24**

In terms of our report attached

For **B. K. Khare & Co**

Chartered Accountants

Firm Registration No. 105102W

Shirish Rahalkar
Partner
M. No. 111212

Date: Apr 22, 2022
Place: Mumbai

For and on behalf of the Board of Directors

Parikshit Ghosh
CEO & Wholetime Director
DIN 09478415

Vinod Sahay
Director
DIN-07884268

Niteen Karve
CFO

Poonam Vaze
Company Secretary

Date: Apr 22, 2022
Place: Mumbai

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

Note no. 1. GENERAL INFORMATION

Mahindra Two Wheelers Limited is in the business of trading in spare parts and accessories. It deals in parts required for the range of Two wheelers, passenger light motor vehicle and commercial vehicles manufactured and sold by its Holding Company, Mahindra & Mahindra Limited. The Company undertakes procurement, warehousing management, logistics and sale of spare parts and accessories. It has a network of dealers spread across India to ensure timely availability of spare parts to customers.

The Company has elected not to prepare consolidated financial statements, as Mahindra & Mahindra Limited being the Holding Company prepares consolidated financial statements at Group Level. Copies of the annual report of the Mahindra & Mahindra Limited can be obtained from the Company Secretary, Mahindra & Mahindra Limited, Mahindra Towers, Dr. G. M. Bhosale Marg, Worli, Mumbai, 400 018, India.

Note no. 2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Statement of compliance:

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

2.2 Basis of preparation and presentation:

The standalone financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and / or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

1. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
2. Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
3. Level 3 inputs are unobservable inputs for the asset or liability

2.3 Revenue Recognition:

Revenue is recognised at the fair value of the consideration received or receivable. Sale are recognised, net of returns, trade discounts, VAT / Sales Tax on the transfer of risk and rewards of ownership of the products to the customers, which is generally on dispatch of goods.

Sale of goods

Revenue from the sale of goods is recognised when the goods are delivered and titles have passed, at which time all the following conditions are satisfied:

a) The Company has transferred to the buyer the significant risks and rewards of ownership of the goods;

b) The Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;

c) The amount of revenue can be measured reliably;

d) It is probable that the economic benefits associated with the transaction will flow to the company; and

e) The costs incurred or to be incurred in respect of the transaction can be measured reliably.

2.4 Leases:

Ind AS 116 is replaced the existing leases standard, Ind AS 17 Leases. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, onbalance sheet lessee accounting model for lessees. A lessee recognises right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. The standard also contains enhanced disclosure requirements for lessees.

Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17. The amendment is effective for annual periods beginning on or after 01st April 19.

2.5 Foreign exchange transactions:

Transactions in foreign currencies (other than company's functional currency) are recorded at the exchange rates prevailing on the date of transaction. Monetary items are re-translated at the year-end rates. The exchange difference between the rate prevailing on the date of transaction and on the date of settlement as also on re-translation of Monetary items at the end of the year, is recognised as income or expense, as the case may be.

2.6 Employee Benefits:

2.6.1 Defined contribution plan

The Company's contributions paid/payable during the year to Provident Fund are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made as and when services are rendered by the employees.

2.6.2 Defined benefit plan/leave encashment

The Company's liability towards gratuity and leave encashment is determined using the projected unit credit method which considers each period of service as giving rights to an additional unit of benefit entitlement and measure each unit separately to build up the final obligation. Past services are recognised on straight line basis over the average period until the benefits become vested. Actuarial gains and losses are recognised immediately in the statement of other comprehensive income as income or expense. Obligation is measured at the present value of estimated future cash flow using discounted rate i.e. determined by reference to the market yield at the Balance Sheet date on Government Bonds where the currency and terms of the Government Bonds are consistent with the currency and estimated terms of the defined benefit obligation.

2.6.3 Other benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees is recognised during the period when the employee renders the service.

2.7 Taxes on Income:

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and applicable tax laws. Deferred tax is recognised on temporary differences between the carrying amounts assets and liabilities in the standalone financial statements and the corresponding tax bases used in the computation of taxable profit. Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

2.8 Property Plant & Equipment:

Property Plant & Equipments are carried at cost less depreciation. Cost comprises the purchase price and other attributable costs.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Depreciation on assets is calculated on Straight Line Method at the rates and in the manner prescribed in Schedule II to the Companies Act, 2013, except in respect of the following categories of assets, in whose case the useful life of the assets has been assessed as under based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.:

Vehicles	5 years
Plant & Machinery	7 years

2.9 Impairment:

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal / external factors. Impairment loss is provided to the extent the carrying amount of assets exceeds their recoverable amount. Recoverable amount is the higher of an asset's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Net selling price is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the cost of disposal.

2.10 Inventories:

Inventories comprise all costs of purchase and other costs incurred in bringing the inventories to their present location and condition. Stock -in -trade are valued at lower of cost or net realisable value after provision for obsolescence and other losses, where considered necessary. Cost is determined on the basis of weighted average method.

2.11 Product Warranty:

In respect of warranties given by the Company on sale of certain products, the estimated costs of these warranties are accrued at the time of sale on the basis of technical estimate. These estimates are established using historical information on the nature, frequency and average cost of warranty claims. The estimates for accounting of warranties are reviewed and revisions are made as required.

2.12 Financial Instruments:

Financial assets and financial liabilities are recognised when a Company becomes a party to the contractual provisions of the instruments. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial Assets:

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace. All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Financial liabilities and equity instruments: Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

<u>Investments in equity instruments at FVTOCI</u>

A financial asset is held for trading if:

1. It has been acquired principally for the purpose of selling it in the near term; or
2. on initial recognition it is part of a portfolio of identified financial instruments or a financial guarantee
3. it is a derivative that is not designated and effective as a hedging instrument or a financial guarantee

The Company has equity investments in one entity which are not held for trading. The company has elected the FVTOCI irrevocable option for this investment (see note no 4). Fair value is determined in the manner described in note no 30. These elected investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the 'Reserve for equity instruments through other comprehensive income'. The cumulative gain or loss is not reclassified to profit and loss on disposal of the investment.

Dividends on this investment in equity instruments is recognised in profit or loss when the company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably. Dividends recognised in profit or loss are included in the 'Other Income' line item.

2.13 Critical accounting judgements and key sources of estimation uncertainty:

The preparation of standalone financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets, liabilities, income, expenses etc. at the date of these standalone financial statements and the reported amounts of revenues and expenses for the years presented. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected.

Key source of estimation of uncertainty at the date of the financial statements, which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, is in respect of useful lives of property, plant and equipment, obligations relating to employee defined benefits etc. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise."

2.14 Cash and cash equivalents (for purposes of Cash Flow Statement):

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

2.15 Investments:

Investments, which are readily realisable and intended to be held for not more than one year from the date on which such investments are made are classified as current investments. All other investments are classified as non current investments.

2.16 Segment Reporting:

The Company has single reportable business segment namely Automotive vehicles-related spare parts. The Company has only one reportable geographical segment.

Note no. 3 - Property, plant and equipment

Rupees Lakhs

Description of Assets	Plant and Machinery	Computers	Furniture and Fixtures	Vehicles	Right to Use Building	Right to Use Vehicle	Total
I. Gross carrying amount							
Balance as at March 31, 2021	**142.31**	**23.36**	**2.35**	**43.54**	**1,792.05**		**2,003.60**
Additions	–	–	–	–	254.93	25.43	280.36
Disposals	–	–	–	10.30	–		10.30
Balance as at March 31, 2022	**142.31**	**23.36**	**2.35**	**33.23**	**2,046.98**	**25.43**	**2,273.66**
II. Accumulated depreciation							
Balance as at March 31, 2021	**106.53**	**20.72**	**2.19**	**27.99**	**1,223.53**	**–**	**1,380.96**
Depreciation expense for the year	4.57	0.30	0.09	6.48	571.40	1.70	584.54
Eliminated on disposal of assets				9.62		–	9.62
Balance as at March 31, 2022	**111.10**	**21.02**	**2.28**	**24.85**	**1,794.93**	**1.70**	**1,955.88**
III. Net carrying amount (I-II)							
Balance as at March 31, 2022	**31.21**	**2.34**	**0.06**	**8.38**	**252.05**	**23.73**	**317.78**

Note no. 4(A) - Investments

Particulars	**Rupees Lakhs As at March 31, 2022 Quantity**	**Amount**	Rupees Lakhs As at March 31, 2021 Quantity	Amount
<u>**Non-current**</u>				
Unquoted investments (all fully paid)				
Investments in 0.01% compulsorily convertible preference shares at fair value through other comprehensive income				
– Resfeber Labs Private Limited	**1,53,195**	**13,491.27**	1,53,195	3,885.03
Total unquoted investments	**1,53,195**	**13,491.27**	1,53,195	3,885.03
Total Non Current Investments	**1,53,195**	**13,491.27**	1,53,195	3,885.03

Note no. 4(B) - Investments

Particulars	**Rupees Lakhs As at March 31, 2022 Quantity**	**Amount**	Rupees Lakhs As at March 31, 2021 Quantity	Amount
<u>**Current**</u>				
Quoted investments (all fully paid) at fair value through profit or loss				
– Investments in mutual funds	**2,63,623.61**	**1,873.40**	1,05,076.25	2,436.07
Total quoted investments	**2,63,623.61**	**1,873.40**	1,05,076.25	2,436.07

Note: Company has invested in Compulsorily convertible preference share of Smartshift logistic Pvt Ltd. The investment is fair valued at the end of the year using option to fair value through OCI. Smartshift being a start up company, current operations of the company are at normative level. In absence of a reliable valuation as on the balance sheet date, company has taken last available valuation as a basis for disclosing fair value of the investment.

Particulars	**Rupees Lakhs As at March 31, 2022 Quantity**	**Amount**	Rupees Lakhs As at March 31, 2021 Quantity	Amount
Other Disclosures				
<u>**Aggregate carrying value of unquoted investments**</u>				
a. Equity shares	**–**	**–**	–	–
b. 0.01% compulsorily convertible preference shares of Rs.100 each	**1,53,195**	**13,491.27**	1,53,195	3,885.03
	1,53,195	**13,491.27**	1,53,195	3,885.03

Particulars	As at March 31, 2022 Quantity	Rupees Lakhs As at March 31, 2022 Amount	As at March 31, 2021 Quantity	Rupees Lakhs As at March 31, 2021 Amount
Aggregate book value of quoted investments				
a. Mutual funds:				
1. ICICI Pru Liquid Fund (DD)	**2,28,369**	**715.12**		
2. HDFC Overnight Fund(G)	**12,758**	**400.09**	15,348	466 64
3. SBI Overnight Fund-Reg(G)	**11,681**	**400.09**	14,061	466.72
4. SBI Liqid Fund (G)	**10,816**	**358.10**	15,537	497.66
5. Mahindra Overnight fund (G)	**–**	**–**	47,749	507.60
6. HDFC Liquid Fund(G)	**–**	**–**	12,381	497.45
	2,63.624	**1.873.40**	1,05,076	2,436.07
Aggregate market value of quoted investments	**2,63,624**	**1,873.40**	1,05,076	2,436.07
Aggregate amount of impairment in value of investments	**–**	**–**	–	–

Note no. 5(A) - Trade receivables

Particulars	Rupees Lakhs As at March 31, 2022	As at March 31, 2021
Non current		
Trade receivables		
Unsecured, considered good	**141.96**	250.99
Total	**141.96**	250.99

Note no. 5(B) - Trade receivables

Particulars	Rupees Lakhs As at March 31, 2022	As at March 31, 2021
Current		
Trade receivables		
(a) Unsecured, considered good	**2,557.54**	4,089.51
(b) Unsecured, considered doubtful	**461.47**	358.01
Less: Allowance for bad and doubtful debts (expected credit loss allowance) (Refer note no 29)	**(461.47)**	(358.01)
Total	**2,557.54**	4,089.51

Refer note no. 29 for disclosure related to credit risk, expected credit loss and other related disclosure.

2021-22

Particulars	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
	Outstanding for following periods from due date of payment					
(i) Undisputed Trade receivables – considered good	2,593.41	79.07	34.06	162.52	291.91	3,160.97
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	–	–	–	–	–	–
(iii) Undisputed Trade receivables – credit impaired			(7.05)	(162.52)	(291.91)	(461.47)
Total	**2,593.41**	**79.07**	**27.01**	**–**	**–**	**2,699.49**
(iv) Disputed Trade Receivables considered good	–	–	–	–	–	–
(v) Disputed Trade Receivables – which have significant increase in credit risk	–	–	–	–	–	–
(vi) Disputed Trade receivables – credit impaired						
Total Trade Receivables	**2,593.41**	**79.07**	**27.01**	**–**	**–**	**2,699.49**

2020-21

Particulars	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
	Outstanding for following periods from due date of payment					
(i) Undisputed Trade receivables – considered good	3,705.57	95.41	549.93	96.61	250.99	4,698.51
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	–	–	(10.41)	(96.61)	(250.99)	(358.01)
(iii) Undisputed Trade receivables – credit impaired						
Total	**3,705.57**	**95.41**	**539.52**	**–**	**–**	**4,340.50**
(iv) Disputed Trade Receivables considered good						
(v) Disputed Trade Receivables – which have significant increase in credit risk						
(vi) Disputed Trade receivables – credit impaired	–	–	–	–	–	–
Total Trade Receivables	**3,705.57**	**95.41**	**539.52**	**–**	**–**	**4,340.50**

Note no. 6 - Loans

Rupees Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Non current		
Security deposits		
– Unsecured, considered good	**133.87**	128.55
Total	**133.87**	128.55

Note no. 7 - Deferred tax liability (Net)

Rupees Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Recognised in other comprehensive income:		
(i) Defined benefit obligations	**5.52**	4.54
(ii) Fair value of Investment in Resfeber	**(2,910.33)**	(492.63)
Total	**(2,904.81)**	(488.09)
Recognised in Profit or Loss:		
(i) Property, plant and equipment	**5.37**	6.82
(ii) Defined benefit obligations/Leave	**(0.59)**	(0.70)
(iii) Provision for doubtful debt	**116.32**	90.28
(iv) Provision for warranty	**5.76**	4.79
(v) Discounting of security deposit	**0.42**	1.15
(vi) Deferred revenue	**–**	–
(vii) Provision for material buy back	**75.17**	5.95
(viii) Financial asset at Fair value through profit and loss (FVTPL)	**(5.91)**	(9.11)
Total	**196.54**	99.18
Net deferred tax Liability	**(2,708.27)**	(388.91)

Movement of deferred tax

Particular	Opening balance	Recognised in profit and loss	Recognised in other comprehensive income	Closing balance
As at March 31, 2022				
Deferred tax (liabilities)/assets in relation to				
(i) Defined benefit obligations-gratuity	**3.84**	**0.11**	**(0.98)**	**4.93**
(ii) Fair value of Investment in Resfeber	**(492.63)**	**–**	**2,417.70**	**(2,910.33)**
(iii) Property, plant and equipment	**6.82**	**(1.45)**		**5.37**
(iv) Provision for doubtful debt	**90.28**	**26.04**		**116.32**
(v) Provision for warranty	**4.79**	**0.97**		**5.76**
(vi) Discounting of security deposit	**1.15**	**(0.73)**		**0.42**
(vii) Deferred revenue	**–**	**–**		**–**
(viii) Provision for material buy back	**5.95**	**69.22**		**75.17**
(ix) Financial asset at Fair value through profit and loss (FVTPL)	**(9.11)**	**3.20**		**(5.91)**
	(388.91)	**97.36**	**2,416.72**	**(2,708.27)**
As at March 31, 2021				
Deferred tax (liabilities)/assets in relation to				
(i) Defined benefit obligations-gratuity	**9.11**	**(9.89)**	**(4.62)**	**3.84**
(ii) Fair value of Investment in Resfeber	**(492.63)**	**(0.00)**	**–**	**(492.63)**
(iii) Property, plant and equipment	**8.33**	**(1.51)**		**6.82**
(iv) Provision for doubtful debt	**47.02**	**43.26**		**90.28**
(v) Provision for warranty	**5.86**	**(1.07)**		**4.79**
(vi) Discounting of security deposit	**2.18**	**(1.03)**		**1.15**
(vii) Deferred revenue	**82.90**	**(82.90)**		**–**
(viii) Provision for material buy back	**7.49**	**(1.54)**		**5.95**
(ix) Financial asset at Fair value through profit and loss (FVTPL)	**(1.12)**	**(7.98)**		**(9.11)**
	(330.86)	**(62.67)**	**(4.62)**	**(388.91)**

Note no. 8 - Non Current tax assets (net)

Rupees in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Non current		
Tax refund receivable	369.22	270.88
Total	369.22	270.88

Note no. 9 - Other non-current assets

Rupees in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
(a) Prepayments	–	–
(b) Others:		
(i) Balances with government authorities		
– VAT credit receivable	**155.13**	110.19
(ii) Fixed deposits with maturity more than 12 months	**1,194.98**	–
(c) Others assets		
Total	**1,350.11**	110.19

Note no. 10 - Inventories

Rupees in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Stock-in-trade (in respect of goods acquired for trading) (lower of cost and net realisable value)	**5,436.16**	5,700.20
Total	**5,436.16**	5,700.20
Included above, goods-in-transit:		
Stock-in-trade (in respect of goods acquired for trading)	**2.24**	13.63
Total goods-in-transit	**2.24**	13.63

Note no. 11 - Cash and cash equivalents

Rupees in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Cash and cash equivalents		
(a) Unrestricted balances with banks		
- With scheduled banks		
In current account	**186.18**	145.90
Total cash and cash equivalents	**186.18**	145.90
Other bank balances		
Balances with banks:		
(i) Fixed deposits with maturity less than 12 months	**6,042.00**	4,670.57
Total other bank balances	**6,042.00**	4,670.57

Note no. 12 - Other financial assets

Rupees in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Financial assets at amortised cost		
Current		
Interest accrued on fixed deposits	**143.02**	68.96
Total	**143.02**	68.96

Note no. 13 - Other current assets

Rupees in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
(a) Prepayments	**9.49**	0.72
(b) Balances with government authorities:		
(i) Deposit with excise authorities	–	–
(i) Income Tax Authorities	**59.94**	59.94
(ii) GST Authorities	**40.16**	73.18
	100.10	133.12
(c) Others:		
(i) Advance to suppliers	**155.80**	234.49
(ii) Gratuity (net)	**2.15**	2.67
(iii) Others	–	–
	157.95	237.16
Total	**267.54**	371.00

Note no. 14(A) - Equity share capital

Particulars	As at March 31, 2022	As at March 31, 2021
Authorised:		
975,000,000,000 equity shares of Rs 0.02/- each. As per scheme of merger	**1,95,000.00**	1,95,000.00
Issued, subscribed and fully paid:		
2,998,389,216 Equity shares of Rs 0.02/- each with voting rights	**599.68**	599.68
Share issuance according to merger:		
4,668,478,380 Equity shares of Rs 0.02/- each with voting rights	**7,682.70**	7,682.70

Note no. 14(B) - Equity share capital

(i) Reconciliation of the number of shares outstanding at the beginning and at the end of the period.

Particulars	Opening Balance	Fresh Issue	Closing Balance
(a) Equity Shares with voting rights			
MTWL March 31, 2022			
No. of shares	41,41,18,90,946	–	41,41,18,90,946
Amount (Rupees Lakhs)	8,282.38	–	8,282.38

(ii) Terms/rights attached to equity shares

The Company has one class of equity shares having a par value of Rs. 0.02 per share. Each shareholder is eligible for one vote per share. The dividend proposed by the board of directors is subject to approval of the shareholders in the ensuing annual general meeting (AGM), except in the case of interim dividend which is ratified by the shareholders at the AGM.

The Equity Shares of the Company rank pari-passu in all respects including voting rights and entitlement to dividend.

(iii) Details of shares held by the holding company & its nominees

Particulars	No. of Shares Equity Shares with Voting rights
MTWL March 31, 2022	
Mahindra & Mahindra Limited (Holding Company) and its nominees	41,22,50,37,146
Mahindra Holding Limited	18,68,53,800

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

Class of shares/Name of shareholder	MTWL March 31, 2022 Number of shares held	% holding in that class of shares	% Change during the year
Equity shares with voting rights			
Mahindra & Mahindra Limited (Holding Company) and its nominees	41,22,50,37,146	99.55%	7.24%
Mahindra Holdings Limited	18,68,53,800	0.45%	NIL

Note: During the year Maindra Vehicle Manufacturers Limited got merged with Mahindra & Mahindra Limited(MVML)

MVML held 7.24% shares in MTWL. The same got merged in M&M

Note no. 15 - Other equity

Rupees in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Retained earnings	**5,132.91**	4,234.24
Other comprehensive income	**8,677.11**	1,483.70
	13,810.02	5,717.94
a) Securities premium account:		
Balance at the beginning of the year	**144.31**	144.31
Adjustment in accordance with scheme of merger arrangement		
Closing Balance	**144.31**	144.31
b) Capital Reserve:		
Balance at the beginning of the year	**550.91**	550.91
Adjustment in accordance with scheme of merger arrangement		
Closing Balance	**550.91**	550.91

Rupees in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
a) Retained earnings		
Adjustment in accordance with scheme of merger arrangement		
Balance at the beginning of the year	**4,234.24**	4,144.94
Deferred tax assets on MADPL Investment		
Add: Profit for the year	**3,365.48**	2,468.40
Less : Share issue expenses	–	–
Less: Payment of dividend (Refer note below)	**(2,466.81)**	(2,379.10)
Less: Tax paid on dividend	–	–
Closing Balance	**5,132.91**	4,234.24
b) Other comprehensive income		
Balance at the beginning of the year	**1,483.70**	1,483.72
Items that will not be reclassified to profit or loss		
Remeasurements of the defined benefit plans	**3.89**	(4.64)
Income tax relating to defined benefit plans	**0.98**	4.62
Share of other comprehensive income of equity accounted investees	**9,606.24**	–
Income tax relating to equity accounted investees	**(2,417.70)**	–
Closing Balance	**8,677.11**	1,483.70
c) Securities premium resrerve		
Balance at the beginning of the year	**144.31**	144.31
Adjustment in accordance with scheme of merger arrangement		
Closing Balance	**144.31**	144.31
d) Capital reserve		
Balance at the beginning of the year	**550.91**	550.91
Adjustment in accordance with scheme of merger arrangement		
Closing Balance	**550.91**	550.91
Total other equity (a+b+c+d)	**14,505.24**	6,413.16

Note no. 16(A) - Provisions

Rupees in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Non-current		
Provision for employee benefits		
Long-term employee benefits		
a) Compensated absences	**18.98**	15.94
b) Gratuity (net)	–	–
c) Others	**20.73**	–
Liability for purchase of property, plant & equipment	**20.22**	125.09
(As per IND AS-116)		
Total	**59.93**	141.03

Note no. 16(B) - Provisions

Particulars	As at March 31, 2022	As at March 31, 2021
Current		
(a) Provision for employee benefits		
(1) Short-term employee benefits		
– Compensated absences	**5.15**	4.38
– Gratuity (net)	–	–

Particulars	As at March 31, 2022	As at March 31, 2021
(b) Other provisions		
(1) Warranty claims (Refer note no 36)	**22.89**	19.05
(2) Other Provisions for Statutory Liabilities	–	–
Total	**28.04**	23.43

In respect of warranties given by the Company on sale of certain products, the estimated costs of these warranties are accrued at the time of sale on the basis of technical estimate. These estimates are established using historical information on the nature, frequency and average cost of warranty claims.

The estimate for accounting of warranty are reviewed and revisions are made as required.

Note no. 17 - Trade payables

Rupees in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Current		
(i) Total outstanding dues of micro enterprises and small enterprises (Refer Note no. 35)	**66.84**	88.71
(ii) Total outstanding dues other than micro enterprises and small enterprises	**5,593.05**	5,882.52
Total	**5,659.89**	5,971.23

Trade Payables are payables in respect of the amount due on account of goods purchased or services received in the normal course of business. Company's credit risk management processes are explained in Note 29.

	2021-22				
	Outstanding for following periods from due date of payment				
Particulars	**Less than 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
(i) MSME	66.84	–	–	–	66.84
(ii) Others	5,557.51	34.72	–	0.81	5,593.04
(iii) Disputed dues – MSME	–	–	–	–	–
(iv) Disputed dues – Others	–	–	–	–	–
Total Trade Payables	**5,624.35**	**34.72**	**–**	**0.81**	**5,659.88**

	2021-22				
	Outstanding for following periods from due date of payment				
Particulars	**Less than 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
(i) MSME	88.71	–	–	–	88.71
(ii) Others	5,730.00	137.44	10.31	4.77	5,882.52
(iii) Disputed dues – MSME	–	–	–	–	–
(iv) Disputed dues – Others	–	–	–	–	–
Total Trade Payables	**5,818.71**	**137.44**	**10.31**	**4.77**	**5,971.23**

Note no. 18 - Other financial liabilities

Rupees in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Other financial liabilities at amortised cost		
Current		
Trade/Security Deposits	–	–
Interest accrued on trade payables (Refer Note no. 35)		
Liability for purchase of property, plant & equipment	**309.22**	515.36
Total	**309.22**	515.36

Note no. 19 - Current tax liabilities (net)

Rupees in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Income tax payable	–	–
Total	–	–

Note no. 20 - Other current liabilities

Rupees in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
a. Advances received from customers	**589.61**	422.43
b. Others		
– Statutory dues (Excise duty, service tax, sales tax, TDS etc.)	**167.47**	592.57
Total	**757.08**	1,015.00

Note no. 21 - Revenue from operations

Rupees in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
(a) Revenue from sale of products	**27,331.17**	22,760.02
(b) Other operating revenue		
– Sale of scrap	**16.77**	12.90
Total	**27,347.94**	22,772.92

Note no. 22 - Other income

Rupees in Lakhs

Particulars		As at March 31, 2022	As at March 31, 2021
(a)	Interest income		
	On financial assets at amortised cost	243.93	126.37
	Inter corporate deposited cost	70.55	46.10
(b)	Dividend income		
	On equity shares	–	–
	On financial assets at fair value through profit or loss	1.51	66.00
(c)	Net gain/loss on sale of investments (current)	37.28	
(d)	Liabilities & provision no longer required written back	–	–
(e)	Foreign Exchange Gain	3.22	–
(f)	Miscellaneous income	146.51	168.17
Total		**503.00**	406.64

Note no. 23(A) - Purchases of stock-in-trade

Rupees in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Bought out spares	17,689.16	14,687.43
Total	**17,689.16**	14,687.43

Note no. 23(B) - Changes in inventories of stock-in-trade

Rupees in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Inventories at the beginning of the year:		
Stock-in-trade	5,700.20	5,403.61
	5,700.20	5,403.61
Inventories at the end of the year:		
Stock-in-trade	5,436.16	5,700.20
	5,436.16	5,700.20
Total	**264.04**	(296.59)

Note no. 24 - Employee benefit expense

Rupees in Lakhs

Particulars		As at March 31, 2022	As at March 31, 2021
(a)	Salaries and wages	497.53	452.68
(b)	Contribution to provident and other funds	17.50	4.93
(c)	Share based payments		
	Equity-settled share-based payments*	2.06	3.80
(d)	Staff welfare expenses	7.91	5.16
Total		**525.00**	466.57

* Represents cost reimbursed by company towards ESOP's granted by Mahindra & Mahindra Limited, the holding company

Note no. 25 - Finance cost

Rupees in Lakhs

Particulars		As at March 31, 2022	As at March 31, 2021
(a)	Interest expense		
	– Interest on Lease Liability	41.94	75.73
	– Interest on delayed payment of Income Tax		
	– Interest on trade payables (MSME)	3.17	1.30
(b)	Others	(0.22)	1.33
Total		**44.89**	78.36

Analysis of interest expenses by category

Rupees in Lakhs

Particulars		As at March 31, 2022	As at March 31, 2021
Interest Expenses			
(a)	On financial liability at amortised cost	3.17	1.30
(b)	Other interest expenses	41.72	77.06

Note no. 26 - Other expenses

Rupees in Lakhs

Particulars		As at March 31, 2022	As at March 31, 2021
(a)	Rent including lease rentals	101.87	78.60
(b)	Rates and taxes	5.13	381.23
(c)	Insurance	33.34	32.85
(d)	Repairs and maintenance - others	13.14	14.39
(e)	Freight outward	1,527.33	1,172.08
(f)	Advertisement & sales promotion expenses	12.06	23.88
(g)	Travelling and conveyance expenses	6.96	0.29
(h)	Subcontracting, hire and service charges	2,234.79	1,902.35
(i)	CSR Expenditure	61.44	37.12
(j)	Warranty	19.83	11.72
(k)	Provision for doubtful trade receivables	103.47	178.05
(l)	Auditors remuneration and out-of-pocket expenses		
	(i) As auditors	12.60	12.60
	(ii) For other services	3.00	0.75
	(iii) For reimbursement of expenses	–	–
(m)	Legal and other professional costs	70.53	103.23
(n)	Royalty	1.16	18.35
(o)	Packing Expenses	4.31	22.60
(p)	Foreign exchange loss (Net)	–	2.65
(q)	Miscellaneous expenses	32.14	58.05
Total		**4,243.10**	4,050.79

Note no. 27 - Tax expense

Income tax expense

Rupees in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Current tax		
Current income tax charge	1,232.09	1,030.14
Deferred tax		

		Rupees in Lakhs
Particulars	**As at March 31, 2022**	As at March 31, 2021
In respect of current year origination and reversal of temporary differences	**(97.36)**	62.67
Total Tax Expense recognised in the statement of profit and loss	**1,134.73**	1,092.81

Numerical Reconciliation between average effective tax rate and applicable tax rate :

		Rupees in Lakhs
Particulars	**As at March 31, 2022**	As at March 31, 2021
	Amount	Amount
Profit Before tax from Continuing Operations	**4,500.21**	3,561.21
Enacted Tax Rate	**25.17%**	25.17%
Income Tax using the Company's domestic Tax rate #	**1,132.61**	896.29
Effect of Non deductible Expenses	**123.04**	172.63
Effect of Tax - Exempt income	–	–
Difference in Tax rate for current tax & deferred tax	–	–
Others	**(120.92)**	23.89
Unrecognised MAT Credit	–	–
Income Tax recognised in statement of profit and loss from Continuing Operations (Effective Tax Rate)	**1,134.73**	1,092.81

Tax rate considered are as per the tax rates applicable for relevant Assessment Year.

Note no. 28 - Earning per share

Particulars	**As at March 31, 2022**	As at March 31, 2021
Profit for the year attributable to owners of the Company	**3,365.48**	2,468.40
Weighted average number of equity shares	**41,41,18,90,946**	41,41,18,90,946
Earnings per share from continuing operations - Basic & diluted (face value of Rs.0.20 per share)	**0.01**	0.01

Note no. 29 - Financial instruments

Capital management

The company's capital management objectives are:

– to ensure the company's ability to continue as a going concern

– to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

The company monitors capital on the basis of the carrying amount of equity less cash & cash equivalent as presented on the face of the statement of financial position.

The company sets the amount of capital in proportion to its overall financing structure, i.e. equity and financial liabilities. The company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

	As at March 31, 2022	As at March 31, 2021
Equity	**22,787.62**	14,695.54
Less: Cash and cash equivalents	**186.18**	145.90
	22,601.44	14,549.64

Categories of financial assets and financial liabilities

								Rupees in Lakhs
			As at March 31, 2022					As at March 31, 2021
Particulars	**Amortised Costs**	**FVTPL**	**FVOCI**	**Total**	Amortised Costs	FVTPL	FVOCI	Total
Non-current Assets								
Investments	–	–	**13,491.27**	**13,491.27**	–	–	3,885.03	3,885.03
Trade Receivables	**141.96**	–	–	**141.96**	**250.99**	–	–	250.99
Loans	**133.87**	–	–	**133.87**	**128.55**	–	–	128.55
Current Assets								
Investments	–	**1,873.40**	–	**1,873.40**	–	2,436.07	–	2,436.07
Trade Receivables	**2,557.54**	–	–	**2,557.54**	**4,089.51**	–	–	4,089.51
Cash and cash equivalents	**186.18**	–	–	**186.18**	**145.90**	–	–	145.90
Bank Balances	**6,042.00**	–	–	**6,042.00**	**4,670.57**	–	–	4,670.57
Other Financial Assets	**143.02**	–	–	**143.02**	**68.96**	–	–	68.96
Current Liabilities								
Trade Payables	**5,659.89**	–	–	**5,659.89**	**5,971.23**	–	–	5,971.23
Other Financial Liabilities								
– Non Derivative Financial Liabilities	**309.22**	–	–	**309.22**	**515.36**	–	–	515.36
– Derivative Financial Liabilities	–	–	–	–	–	–	–	–

CREDIT RISK

(i) Credit risk management

Credit risk arises when a counterparty defaults on its contractual obligations to pay resulting in financial loss to the Company . The Company has adopted a policy of only dealing with creditworthy counterparties, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Company's exposure and credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by the management as and when required. The Company does not have significant credit risk exposure to any single counterparty.

The loss allowance provision is determined as follows:

As at March 31, 2022 **Rupees in Lakhs**

Particulars	Not due	Less than 6 months past due	More than 6 months past due	Total
Expected loss rate	**0%**	**0%**	**81%**	**15%**
Gross carrying amount	**2,384.83**	**209.24**	**566.90**	**3,160.97**
Loss allowance provision	**–**	**0.66**	**460.82**	**461.47**

As at March 31, 2021 **Rupees in Lakhs**

Particulars	Not due	Less than 6 months past due	More than 6 months past due	Total
Expected loss rate	0%	0%	22%	7%
Gross carrying amount	3,376.80	328.77	1,607.54	5,313.11
Loss allowance provision	–	–	358.01	358.01

Reconciliation of loss allowance provision for Trade Receivables

Rupees in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Balance as at beginning of the year	**358.01**	179.96
Impairment losses recognised in the year based on lifetime expected credit losses (Net of Recovery)	**103.47**	178.05
Balance at end of the year	**461.47**	358.01

LIQUIDITY RISK

(i) Liquidity risk management

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

(ii) Maturities of financial liabilities

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The amount disclosed in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay.

Rupees in Lakhs

Particulars	Less than 1 Year	1-3 Years	3 Years to 5 Years	5 years and above
Non-derivative financial liabilities				
March 31, 2022				
Non-interest bearing	5,969.11			
Total	**5,969.11**	**–**	**–**	**–**
March 31, 2021				
Non-interest bearing	6,486.59	–	–	–
Total	**6,486.59**	–	–	–

(iii) Maturities of financial assets

The following table details the Company's expected maturity for its non-derivative financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Company's liquidity risk management as the liquidity is managed on a net asset and liability basis.

Rupees in Lakhs

Particulars	Less than 1 Year	1-3 Years	3-5 Years	5 years and above
March 31, 2022				
Non-interest bearing	**4,617.12**	**141.96**	–	–
(i) Investments	**1,873.40**	–	–	–
(ii) Trade receivables	**2,557.54**	**141.96**	–	–
(iii) Cash and cash equivalents	**186.18**	–	–	–
(iv) Loans		–	–	–
Fixed interest rate instruments	**6,185.02**	**1,194.98**	–	–
Total	**10,802.14**	**1,336.94**	–	–
March 31, 2021				
Non-interest bearing	6,671.48	250.99	–	–
(i) Investments	2,436.07	–	–	–
(ii) Trade receivables	4,089.51	250.99	–	–
(iii) Cash and cash equivalents	145.90	–	–	–
(iv) Loans		–	–	–
Fixed interest rate instruments	4,739.53	–	–	–
Total	11,411.01	250.99	–	–

Currency Risk

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. The Company's exposure to currency risk relates primarily to the Company's operating activities when transactions are denominated in a different currency from the Company's functional currency.

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

Particulars	Currency	As at March 31, 2022	As at March 31, 2021
Trade Receivables	USD	**10,790.08**	85,545.59
	INR (Rupees Lakhs)	**8.17**	62.95
	EUR	**(2,244.61)**	–
	INR (Rupees Lakhs)	**–1.89**	–
Trade Payables	USD	**27,792.83**	72,551.00
	INR (Rupees Lakhs)	**21.05**	53.06
	EUR	**28,471.64**	2,488.00
	INR (Rupees Lakhs)	**24.07**	2.16

Of the above foreign currency exposures, the following exposures are not hedged by a derivative:

Particulars	Currency	As at March 31, 2022	As at March 31, 2021
Trade Receivables	USD	**10,790.08**	85,545.59
	INR (Rupees Lakhs)	**8.17**	62.95
	EUR	**(2,244.61)**	–
	INR (Rupees Lakhs)	**(1.89)**	–
Trade Payables	USD	**27,792.83**	72,551.00
	INR (Rupees Lakhs)	**21.05**	53.06
	EUR	**28,471.64**	2,488.00
	INR (Rupees Lakhs)	**24.07**	2.16

Foreign Currency Sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD and EURO exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities . The Company's exposure to foreign currency changes for all other currencies is not material.

Rupees in Lakhs

For the year ended	Currency	Change in rate	Effect on profit before tax	Effect on pre-tax equity
March 31, 2022	**USD/EURO**	**+10%**	**(3.88)**	**(3.88)**
	USD/EURO	**-10%**	**3.88**	**3.88**
March 31, 2021	USD/EURO	+10%	0.77	0.77
	USD/EURO	-10%	(0.77)	(0.77)

Note no. 30 - Fair value measurement

Fair Valuation Techniques and Inputs used - recurring Items

Rupees in Lakhs

Financial assets/financial liabilities measured at Fair value	Fair value as at 31-Mar-22	31-Mar-21	Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable input(s)	Relationship of unobservable inputs to fair value and sensitivity
Financial assets						
Mutual fund investments	1,873.40	2,436.06	Level 1	Value published by the respective Asset Management Company which is available in an active market	NA	NA

Fair value of financial assets and financial liabilities that are not measured at fair value

Rupees in Lakhs

Particulars	Level	As at March 31, 2022 Carrying amount	Fair value	As at March 31, 2021 Carrying amount	Fair value
Financial assets					
Financial assets carried at amortised cost					
Security deposit	Level 3	133.87	112.55	128.55	92.23
Investments	Level 3	–	–	–	–
Trade receivables	Level 3	2,699.50	2,699.50	4,339.78	4,339.78
Cash and cash equivalents	Level 1	186.18	186.18	145.90	145.90
Bank balances	Level 1	6,042.00	6,042.00	4,670.57	4,670.57
Other financial assets	Level 3	143.02	143.02	68.96	68.96
Financial liabilities					
Financial liabilities held at amortised cost					
Trade payables	Level 3	5,659.89	5,659.89	5,971.24	5,971.24
Other financial liabilities	Level 3	309.22	309.22	515.36	515.36

Note no. 31 - Related party transactions

1. Name of related party and nature of relationship where control exists

Nature of Relationship	Name of the related party
Parent Company	Mahindra & Mahindra Limited

2. Other parties with whom transactions have taken place during the year

Nature of Relationship	Name of the related party
Fellow Subsidiary	Mahindra Heavy Engines Limited
Fellow Subsidiary	Mahindra Integrated Business Solutions Private Limited
Fellow Subsidiary	Defence Land Systems India Limited
Fellow Subsidiary	Mahindra Holdings Limited
Fellow Subsidiary	Mahindra Logistics Limited
Fellow Subsidiary	Lords Freight (India) Private Limited
Fellow Subsidiary	NBS International Ltd.
Fellow Subsidiary	Mahindra Engineering and Chemical Private Limited
Fellow Subsidiary	Mahindra Retail Private Limited
Joint venture of fellow subsidiary	Classic Legends Private Ltd
Chief Financial Officer	Mr. Niteen Sudheer Karve
Company Secretary	Mrs. Poonam Avinash Vaze

Details of transaction between the Company and its related parties are disclosed below

			Rupees in Lakhs
Name of The Related Party	**Nature of transactions**	**For the year ended March 31, 2022**	**For the year ended March 31, 2021**
Mahindra & Mahindra Limited	Sale of goods	**177.20**	32.86
	Purchase of goods	**1,906.98**	851.06
	Purchase of Fixed asset	**–**	–
	Receiving of services	**2,658.73**	2,219.61
	Sale of services	**–**	–
	Dividend Paid	**2,455.68**	2,267.71
	Reimbursements received from parties	**10.23**	44.90
	Reimbursements made to parties (Note no 2)	**434.14**	386.27
	Others-Warranty Transafers	**11,186.66**	7,267.18
NBS International Ltd.	Sale of goods	**45.56**	25.49
Mahindra Holdings Limited	Dividend Paid	**11.13**	111.39
Mahindra Vehicle Manufactures Limited	Sale of goods	**–**	44.34
	Purchase of Goods	**–**	1,023.94
Mahindra Heavy Engines Limited	Sale of goods	**25.49**	30.32
	Purchase of Goods	**835.97**	951.91
Mahindra Engineering and Chemical Private Limited	Purchase of Goods	**–**	22.47
Classic Legends Private Ltd	Sale of goods	**–**	–
	Sale of services	**183.35**	149.98
Mahindra eMarket Ltd	Sale of goods	**50.98**	36.44
	Purchase of services	**7.17**	6.40
Mahindra Integrated Business Solutions Private Limited	Receiving of services	**25.94**	24.49
Mahindra Logistics Limited	Receiving of services	**495.38**	537.06
Lords Freight (India) Private Limited	Receiving of services	**11.31**	0.55
Defence Land Systems India Limited	Sale of goods	**22.59**	0.03
Mr.Ashok Kumar Panara	CFO remuneration	**–**	10.30
Mrs. Poonam Avinash Vaze	Company Secretary	**2.16**	2.10

Details of balances between the Company and its related parties are disclosed below

			Rupees in Lakhs
Name of The Related Party	**Nature of Balances**	**For the year ended March 31, 2022**	**For the year ended March 31, 2021**
Mahindra & Mahindra Ltd	Receivables	**1,300.72**	2,044.54
	Payables	**114.94**	504.24
NBS International Ltd.	Payables	**3.21**	2.64
Mahindra Vehicle Manufactures Limited	Receivables	**–**	11.64
	Payables	**–**	42.17
Mahindra Heavy Engines Limited	Receivables	**–**	4.57
	Payables	**31.05**	78.60
Mahindra eMarket Ltd	Receivables	**15.58**	4.85
Classic Legends Private Ltd	Receivables	**20.60**	21.71
Mahindra Integrated Business Solutions Private Limited	Payables	**1.77**	1.42
Defence Land Systems India Limited	Receivables	**1.44**	–
Mahindra Logistics Limited	Payables	**233.38**	198.60
Lords Freight (India) Private Limited	Receivables	**9.09**	1.26

Notes:

1. The amount outstanding is unsecured and will be settled in cash. No guarantee has been given or received. No expense has been recognised in current or prior years for bad and doubtful debts in respect of the amounts owed by the related party.
2. Related party transactions for the period are at arm's length.

Note no. 32 - Employee benefits

(a) Defined Contribution Plan

The Company makes Provident Fund contributions to defined contribution plans for qualifying employees. Under the schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised Rs. 9.24 Lakhs (2021: Rs. 8.73 Lakhs) for Provident Fund contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

(b) Defined Benefit Plans:

Gratuity

The Company operates a gratuity plan covering qualifying employees. The benefit payable is the greater of the amount calculated as per the Payment of Gratuity Act, 1972 or the Company scheme applicable to the employee. The benefit vests upon completion of five years of continuous service and once vested, it is payable to employees on retirement or on termination of employment. In case of death while in service, the gratuity is payable irrespective of vesting. The Company makes annual contribution to the group gratuity scheme administered by the Life Insurance Corporation of India through its Gratuity Trust Fund.

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

1) Liability Risks

a. Asset-Liability Mismatch Risk-

Risk which arises if there is a mismatch in the duration of the assets relative to the liabilities. By matching duration with the defined benefit liabilities, the company is successfully able to neutralize valuation which caused by interest rate movements. Hence, companies are encouraged to adopt asset-liability management.

b. Discount Rate Risk-

Variations in the discount rate used to compute the present value of the liabilities may seem small, but in practise can have a significant impact on the defined benefit liabilities.

c. Future Salary Escalation and Inflation Risk -

Since price inflation and salary growth are linked economically, they are combined for disclosure purposes. Rising salaries will often result in higher future defined benefit payments resulting in a higher present value of liabilities especially unexpected salary increases provided at management's discretion may lead to uncertainties in estimating this increasing risk.

2) Asset Risks

All plan assets are maintained in a trust fund managed by a public sector insurer viz; LIC of India.LIC has a sovereign guarantee and has been providing consistent and competitive returns over the years.

The company has opted for a traditional fund wherein all assets are invested primarily in risk averse markets. The company has no control over the management of funds but this option provides a high level of safety for the total corpus. A single account is maintained for both the investment and claims settlement and hence 100% liquidity is ensured. Also, interest rate and inflation risk are taken care of.

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

	Valuation as at	Valuation as at
	31-Mar-22	31-Mar-21
Discount rate(s)	6.30%	5.60%
Expected rate(s) of salary increase	9.00%	9.00%

Defined benefit plans – as per actuarial valuation on March 31, 2022

			Rupees in Lakhs
		Funded Plan	Funded Plan
		Gratuity	Gratuity
Particulars		March 31, 2022	March 31, 2021
Ia.	**Expense recognised in the Statement of Profit and Loss for the year:**	**4.40**	4.03
1.	Current service cost	**4.55**	4.62
2.	Past Service Credit	–	–
3.	Interest cost	**(0.15)**	(0.59)

Ib.	**Included in other Comprehensive Income**	**(3.89)**	4.64
1.	Return on plan assets	–	–
2.	Actuarial (Gain)/Loss on account of :	**(3.89)**	4.64
	- Demographic Assumptions		
	- Financial Assumptions	**(3.89)**	4.64
	- Experience Adjustments		
3.	Others (specify)	–	–

Amounts recognised in comprehensive income in respect of these defined benefit plans are as follows:

a. Service Cost:		
Current Service Cost	**4.55**	4.62
Past service cost and (gains)/losses from settlements		
Net interest expense	**(0.15)**	(0.59)
Components of defined benefit costs recognised in profit or loss	**4.40**	4.03

b. Remeasurement on the net defined benefit liability		
Return on plan assets (excluding amount included in net interest expense)	–	–
Actuarial gains and loss arising form changes in financial assumptions	**(3.89)**	4.64
Actuarial gains and loss arising form experience adjustments	–	–
Components of defined benefit costs recognised in other comprehensive income	**(3.89)**	4.64
Total	**0.51**	8.68

I. Net Asset/(Liability) recognised in the Balance Sheet as at year end		**2.15**	2.67
1.	Present value of defined benefit obligation as at year end	**49.22**	46.35
2.	Fair value of plan assets as at year end	**51.37**	49.02
3.	Surplus/(Deficit)	**2.15**	2.67
4.	Current portion of the above	–	–
5.	Non current portion of the above	**51.37**	49.02
II.	**Change in the obligation during the year ended**		
1.	Present value of defined benefit obligation at the beginning of the year	**46.35**	36.56
2.	Add/(Less) on account of Scheme of Arrangement/Business		
Transfer		–	–

Particulars		Rupees in Lakhs
	Funded Plan	Funded Plan
	Gratuity	Gratuity
	March 31, 2022	March 31, 2021
3. Expenses Recognised in Statement of Profit and Loss		
- Current Service Cost	**4.55**	4.62
- Past Service Cost	–	–
- Transfer In/(Out)		
- Interest Expense (Income)	**2.60**	1.97
4. Recognised in Other Comprehensive Income		
Remeasurement gains/(losses)	**(4.28)**	3.19
5. Benefit payments	–	–
6. Present value of defined benefit obligation at the end of the year	**49.22**	46.35

III. Change in fair value of assets during the year ended 31st March		
1. Fair value of plan assets at the beginning of the year	**49.02**	46.56
2. Add/(Less) on account of Scheme of Arrangement/Business Transfer		
3. Expenses Recognised in Statement of Profit and Loss		
- Expected return on plan assets	**2.75**	2.56
4. Recognised in Other Comprehensive Income		
Remeasurement gains/(losses)		
- Actual Return on plan assets in excess of the expected return	**(0.39)**	(0.10)
5. Contributions by employer (including benefit payments recoverable)	–	–
6. Benefit payments		
7. Fair value of plan assets at the end of the year	**51.37**	49.02

IV. The Major categories of plan assets		
Fund managed by insurer	**100.00%**	100.00%

V. Actuarial assumptions		
1. Discount rate	**6.30%**	5.60%
2. Expected rate of return on plan assets	**5.60%**	5.50%
3. Attrition rate	**20.00%**	20.00%
4. Medical premium inflation	**NA**	NA

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

Rupees in Lakhs

Principal assumption	Changes in assumption	March 31, 2022 Impact on defined benefit obligation		March 31, 2021 Impact on defined benefit obligation	
		Increase in assumption	Decrease in assumption	Increase in assumption	Decrease in assumption
Discount rate	-1.00%		51.53		48.54
	1.00%	47.10		44.35	
Salary growth rate	-1.00%		47.57		44.81
	1.00%	50.98		48.00	

Rupees in Lakhs

Principal assumption	Changes in assumption	March 31, 2022 Impact on defined benefit obligation		March 31, 2021 Impact on defined benefit obligation	
		Increase in assumption	Decrease in assumption	Increase in assumption	Decrease in assumption
Withdrawal rate	-1.00%		49.47		46.67
	1.00%	48.98		46.06	

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as and when calculating the defined benefit liability recognised in the Balance sheet.

The methods and types of assumptions used in preparing the sensitivity analyses did not change compared to previous period.

Mortality : It is assumed that the active members of the scheme will experience in-service mortality in accordance with the Indian Assured Lives Mortality (2012-14) ultimate (IALM ult). A sample pick from this table is given below:

Age	Mortality rate
21	0.000934
22	0.000937
23	0.000936
24	0.000933
25	0.000931

Age of the members at the valuation date is taken as their nearest age at that date.

Maturity profile of defined benefit obligation:

Particulars	March 31, 2022	March 31, 2021
Within 1 year	**9.67**	11.45
1 - 2 year	**9.15**	7.72
2 - 3 year	**12.06**	7.49
3 - 4 year	**9.28**	9.77
4 - 5 year	**6.32**	7.57
5 - 10 years	**25.75**	23.48

Plan Assets

The fair value of Company's pension plan asset as of March 31, 2022 is as follows:

Particulars	March 31, 2022	March 31, 2021
Asset category:		
Cash and cash equivalents	**0%**	0%
Debt instruments (quoted)	**0%**	0%
Debt instruments (unquoted)	**0%**	0%
Equity instruments (quoted)	**0%**	0%
Deposits with Insurance companies	**100%**	100%
Total	**100%**	100%

The expected rate of return on plan assets is based on the average long term rate of return expected on investments of the fund during the estimated term of obligation.

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

Note no. 33 - Segment Reporting

The Company has single reportable business segment namely Automotive vehicles-related spare parts. All other activities of the Company revolve around its main business. Hence there are no separate reportable primary segments. The Company deals into trading of Spare parts. The Company has only one reportable geographical segment.

		Rupees in Lakhs
Geographic information	**As at March 31, 2022**	As at March 31, 2021
Revenue from external customers		
India	**26,674.59**	22,276.45
Outside India	**673.35**	496.47
Total revenue per statement of profit or loss	**27,347.94**	22,772.92

All the non-current assets of the Company are located in India.

Revenue from major products and services

The following is an analysis of the company's revenue from its major products and services:

		Rupees in Lakhs
Particulars	**As at March 31, 2022**	As at March 31, 2021
Sale of spares	27,347.94	22,772.92
Total	27,347.94	22,772.92

Revenues from transactions with a single external customer does not amounts to 10% or more of a Company's revenues during the year.

Since there is single segment there is no difference in measurement of profit & loss and measurement of assets and liabilities.

Note No. 34 - INDAS 116

	Rupees in Lakhs
Maturity Analysis - Contractual Undiscounted Cash Flow	**Total**
Less than one year	19.82
One to Three years	–
Three to five years	–
More than five years	
Total undiscounted lease liabilities at Balance sheet date	
later than one year and not later than five years	–
later than five years	

Note No. 35 - Relationship with Struck off Companies

			Rupees in Lakhs
Name of struck of Company	**Nature of transactions with struck-off company**	**Balance outstanding**	**Relationship with the Struck off company, if any, to be disclosed**
NA	NA	Nil	NA

Note No. 36 : Ratios

						Rupees in Lakhs
Particulars	**Numerator**	**Denominator**	**As at March 31, 2022**	**As at March 31, 2021**	**Variance**	**Reasons**
Current Ratio	Current Assets	Current Liabilities	2.44	2.32	5%	
Debt-Equity Ratio	Total Liabilities	Shareholder's Equity	–	–		
Debt Service Coverage Ratio	Earnings for debt service = Net profit after taxes + Non-cash operating expenses	Debt service = Interest & Lease Payments + Principal Repayments	–	–		
Return on Equity Ratio	Net Profits after taxes - Preference Dividend	Shareholder's Equity	0.15	0.17	–12%	
Inventory turnover ratio	Cost of goods sold	Average Inventory	3.22	2.59	24%	
Trade Receivables turnover ratio	Net credit sales	Average Trade Receivable	7.77	5.46	42%	Due to Covid 19 debtor level was high in F20 & F21
Trade payables turnover ratio	Cost of goods sold	Average Trade Payables	3.09	2.67	15%	
Net capital turnover ratio	Net Sales = Total sales - sales return	Working capital = Current assets - Current liabilities	2.80	2.29	23%	
Net profit ratio	Net Profit	Net sales = Total sales - sales return	0.16	0.16	5%	
Return on Capital employed	Earnings before interest and taxes	Capital Employed = Total Assets - Current Liabilities	0.18	0.24	(26%)	Capital Employed higher in FY 22 due to revaluation of investment in Smartshift
Return on investment	Interest (Finance Income)	Investment	0.02	0.02	(15%)	

Note no. 37 - Additional Information to the Financial Statements

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

			Rupees in Lakhs
	Particulars	**As at March 31, 2022**	As at March 31, 2021
(i)	Principal amount remaining unpaid to MSME suppliers as at the end of the accounting year	**66.84**	88.71
(ii)	Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	**3.17**	1.30
(iii)	The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	**–**	–
(iv)	The amount of interest due and payable for the year	**3.17**	1.30
(v)	The amount of interest accrued and remaining unpaid at the end of the accounting year	**3.17**	2.46
(vi)	The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	**–**	–

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

Note no. 38 - Provision for Warranty:

		Rupees in Lakhs
Particulars	**As at March 31, 2022**	As at March 31, 2021
Carrying Amount at the beginning of the year	**19.05**	43.93
Add: Additional Provision made during the year (net of reversal)	**3.84**	(8.94)
Less: Amounts Used during the year	**–**	(15.94)
Carrying Amounts at the end of the year	**22.88**	19.05

Brief description of the nature of the obligation and the expected timing of any resulting outflows of economic benefits

Provision for warranty relates to provision made in respect of certain products, the estimated costs of which is accrued at the time of sale. The products are generally covered under warranty period ranging upto 6 months or 20,000 kms. from the date of fitment, which ever is earlier.

In respect of warranties given by the Company on sale of certain products, the estimated costs of these warranties are accrued at the time of sale on the basis of technical estimate. These estimates are established using historical information on the nature, frequency and average cost of warranty claims.

The estimate for accounting of warranty are reviewed and revisions are made as required.

Note no. 39 - Auditors' remuneration

		Rupees in Lakhs
Particulars	**As at March 31, 2022**	As at March 31, 2021
Audit fees	**12.60**	12.60
Other services	**3.00**	0.75
Out of pocket expenses reimbursed	**–**	–
Total	**15.60**	13.35

Note no. 40 - Contingent Liability

		Rupees in Lakhs
	As at March 31, 2022	As at March 31, 2021
Particulars As at March 31, 2022	**–**	–
Claims against the company not acknowledged as debt:	**–**	–
(i) Income Tax claims disputed by the company relating to disallowance of sales and promotion expenses, depreciation and other disalllwance	**464.62**	464.62
	–	–

Note no. 41 - Events after the reporting period

Following are the material events occurred after the balance sheet date but before the approval of financial statements by board of directors.

Annual accounts were approved on 22.04.22 by the board of directors.

Note no. 42 - Earnings in foreign exchange

		Rupees in Lakhs
Particulars	**As at March 31, 2022**	As at March 31, 2021
FOB Value of exports	**673.35**	214.34
Total	**673.35**	214.34

Note no. 43 - Employee stock option

Certain employees of the Company are covered by Employee Stock Option Scheme (ESOP scheme) offered by holding Company, Mahindra & Mahindra Limited. Under the scheme, eligible employees are granted an option to purchase shares of Mahindra & Mahindra Limited, in accordance with the terms and conditions of the scheme.

The Company recognises this scheme as an equity settled share based payments arrangement in accordance with IND AS 102 - Share Based Payment. Options granted under Parent's ESOP scheme vests in 4/5 instalments on expiry of 12 months, 24 months, 36 months, 48 months and 60 months from the date of grant. The options may be exercised subject to condition of minimum number of option vesting, on specified day over a period of 4/5 years from the date of vesting. Such ESOP expense in respect of employees of the Company is charged by the holding Company over the vesting period. The charge is based on fair value of options calculated using Black and Scholes Option Pricing Model. The fair value charge is recognised as share based payment expenses under Employee Benefit Expenses.

Note no. 44 - Covid -19 Impact on financials

The Company, based on internal & external sources of information including market research, economic forecast and other information, has assessed that as a result of Covid-19 outbreak, there is no significant financial impact on the financial statements for the year ended March 31, 2022 as at the date of approval of these financial statements

Note No. 45 - Statement showing disclosure for CSR expense

Particulars		As at March 31, 2022	As at March 31, 2021
			Rupees in Lakhs
(i)	Amount required to be spent by the company during the year	**61.43**	36.90
(ii)	Amount of expenditure incurred	**61.44**	37.12
(iii)	Shortfall at the end of the year	**–**	–
(iv)	Total of previous years shortfall	**–**	–
(v)	Reason for shortfall	**NA**	NA
(vi)	Nature of CSR activities	**1. Education of girl child of truck drivers.**	1. Education of Girl Child (Nanhi Kali)
		2. Tree plantation	2. Education of girl child of truck drivers.
		NA	3. School Repair Work.
(vii)	Details of related party transactions, e.g.,contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard,	**NA**	NA
(viii)	Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year shall be shown separately.	**0.10**	NA

Note no. 46 -

Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

In terms of our report attached
For **M/s B. K. Khare & Co**
Chartered Accountants
Firm Registration No. 105102W

Shirish Rahalkar
Partner
M. No. 111212

Date: Apr 22, 2022
Place: Mumbai

For and on behalf of the Board of Directors

Parikshit Ghosh
CEO & Wholetime Director
DIN 09478415

Vinod Sahay
Director
DIN-07884268

Niteen Karve
CFO

Poonam Vaze
Company Secretary

Date: Apr 22, 2022
Place: Mumbai

INDEPENDENT AUDITORS' REPORT

Based on a report originally issued in Korean

To the Shareholders and Board of Directors of
Ssangyong Motor Company

Disclaimer of Opinion

We were engaged to audit the accompanying consolidated financial statements of Ssangyong Motor Company and its subsidiaries ("the Group"), which comprise the consolidated statements of financial position as of December 31, 2021 and 2020, the consolidated statements of comprehensive income(loss), changes in equity and cash flows for the years then ended, and notes, comprising significant accounting policies and other explanatory information.

We do not express an opinion on the accompanying consolidated financial statements of the Group. Because of the significance of the matter described in the Basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these consolidated financial statements.

Basis for Disclaimer of Opinion

The accompanying consolidated financial statements have been prepared assuming that the Group will continue as a going concern and therefore the Group's assets and liabilities are accounted for on the assumption that they can be recovered or repaid at their carrying amount through the normal course of business activities. As discussed in note 34 to the consolidated financial statements, the Group has incurred operating loss of ₩261,261 million and a net loss of ₩257,944 million during the period ended December 31, 2021. As of that date, the Group's current liabilities exceed its current assets by ₩906,757 million and total equity is (₩80,597) million which is a complete capital erosion.

The Group filed for commencement of corporate rehabilitation procedure with the Seoul Bankruptcy Court ("the court") on December 21, 2020. The court commenced rehabilitation procedures on April 15, 2021 and the Group filed a rehabilitation plan to the court on February 25, 2022. Also, the Group is resuming M&A process before the court approval of rehabilitation plan as a way of repaying the rehabilitation debts early and improving the financial structure of the Group under the Section 241 of Practice Rule of Seoul Bankruptcy Court.

These events or conditions indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Whether the Group to continue as a going concern or not includes a material uncertainty that depends on whether the court approves the Group's rehabilitation plan and the final result of M&A deal and the final results of the capital reorganization plan and business improvement plan of the Group including the implementation of the rehabilitation plan after the court approval, as discussed in note 34 to the consolidated financial statement. However, we were not able to obtain sufficient appropriate audit evidence that could reasonably estimate any adjustment of assets, liabilities and related profit or loss items including whether assets are impaired and liquidity classification of liabilities, etc. that might be resulted from the outcome of this uncertainty.

Emphasis of matters

We draw attention to the following matters and our opinion is not modified in respect of these matters.

(1) Criteria for delisting met

As stated in note 36, the Group has faced a risk of being delisted from the Korea Stock Exchange, due to the disclaimer of audit opinion on the Group's consolidated financial statements as of and for the year ended December 31, 2020. The Group filed the official objection to the delisting decision on April 13, 2021 and the Korea Stock Exchange granted a grace period for improvement until April 14, 2022 as a result by the review of the Listing and Disclosure Committee on April 15, 2021.

(2) Commencement of the rehabilitation process by the Seoul Bankruptcy Court and M&A deal before court approval of rehabilitation plan

As stated in Note 35, the Group filed for commencement of corporate rehabilitation procedure with the court on December 21, 2020. The court commenced rehabilitation procedures on April 15, 2021. Also, the Group is resuming M&A process before the court approval of rehabilitation plan as a way of repaying the rehabilitation debts early and improving the financial structure of the Group under the Section 241 of Practice Rule of Seoul Bankruptcy Court.

After the end of reporting period, the Group signed an M&A contract on January 10, 2022 and the Group filed a rehabilitation plan to the court on February 25, 2022. However, immediate cancellation of M&A contract occurred on March 25, 2022. The Group will submit revised rehabilitation plan to the court after seeking a new buyer and reselling process.

Other Matter

The procedures and practices utilized in the Republic of Korea to audit such consolidated financial statements may differ from those generally accepted and applied in other countries.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with K-IFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our responsibility is to audit the Group's consolidated financial statements and issue an audit's reports in accordance with Korean Standards on Auditing (KSAs). However, because of the significance of the matters described in the Basis for Disclaimer of Opinion section of our report, we were not able to obtain sufficient appropriate audit evidence that provide a basis for an opinion on the consolidated financial statements.

We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Republic of Korea, and we have fulfilled our ethical responsibilities in accordance with these requirements.

KPMG Samjong Accounting Corp.

Seoul, Korea
March 31, 2022

Notice to Readers

This report is effective as of March 31, 2022, the audit report date. Certain subsequent events or circumstances, which may occur between the audit report date and the time of reading this report, could have a material impact on the consolidated financial statements and notes thereto. Accordingly, the readers of the audit report should understand that the above audit report has not been updated to reflect the impact of such subsequent events or circumstances, if any.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS OF DECEMBER 31, 2021 AND 2020

(In thousands of won and in thousands of dollar)

		Korean won		US dollar	
	Note	**2021**	2020	**2021**	2020
Assets					
Cash and cash equivalents	4,5,33	₩ **54,668,032**	185,963,321	$ **46,114**	156,865
Current financial instruments	5,33	**21,275,651**	–	**17,947**	–
Trade and other receivables, net	7,13,31,32,33	**136,542,650**	130,441,095	**115,177**	110,030
Inventories, net	8,25	**155,736,354**	192,365,295	**131,368**	162,265
Other current assets	10	**71,146,261**	37,941,810	**60,013**	32,005
Total current assets		**439,368,948**	546,711,521	**370,619**	461,165
Non-current financial instruments	5,33	**4,000**	4,000	**3**	3
Non-current trade and other receivables, net	7,13,31,32,33	**29,045,155**	41,500,122	**24,500**	35,008
Non-current financial assets	6,33	**560,000**	560,000	**472**	472
Property, plant and equipment, net	11,14	**1,191,589,569**	939,096,382	**1,005,137**	792,152
Intangible assets, net	12	**175,723,681**	209,931,257	**148,227**	177,082
Investments in joint venture	9	**22,039,324**	21,055,695	**18,591**	17,761
Other non-current assets	10	**275,957**	275,958	**233**	233
Right-of-use assets	13	**4,363,290**	9,493,636	**3,681**	8,008
Total non-current assets		**1,423,600,976**	1,221,917,050	**1,200,844**	1,030,719
Total assets		₩ **1,862,969,924**	1,768,628,571	$ **1,571,463**	1,491,884
Liabilities					
Trade payables	32,33	₩ **516,983,239**	532,518,517	$ **436,089**	449,193
Other payables	32,33	**282,513,209**	204,241,371	**238,307**	172,283
Short-term borrowings	14,19,30,33	**314,998,021**	314,999,838	**265,709**	265,711
Other financial liabilities	15,33	**101,191,970**	55,063,845	**85,358**	46,448
Provision of warranty for sale - current	16	**46,539,918**	50,043,567	**39,258**	42,213
Provision of others - current	19	**35,426,691**	56,155,989	**29,883**	47,369
Other long-term employee benefits liabilities - current	18	**–**	1,985,709	**–**	1,675
Other current liabilities	17,30,31,32,33	**43,337,383**	38,830,988	**36,556**	32,754
Lease liabilities - current	13,30,33	**5,135,068**	6,279,275	**4,332**	5,297
Total current liabilities		**1,346,125,499**	1,260,119,099	**1,135,492**	1,062,943

See accompanying notes to the consolidated financial statements.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (CONTINUED)
AS OF DECEMBER 31, 2021 AND 2020

(In thousands of won and in thousands of dollar)

		Korean won		US dollar	
	Note	**2021**	2020	**2021**	2020
Long-term borrowings	14,19,30,32,33	**40,000,000**	40,000,000	**33,741**	33,741
Non-current other payables	33	**64,062**	646,636	**54**	545
Other non-current liabilities	17,31	**17,651,651**	19,326,729	**14,889**	16,303
Defined benefit liabilities	18	**363,150,322**	382,379,014	**306,327**	322,547
Other long-term employee benefits liabilities - non-current	18	**14,687,238**	14,587,395	**12,389**	12,305
Provision of warranty for sale - non-current	16	**58,036,733**	69,127,778	**48,955**	58,311
Provision of others - non-current	19	**44,439,158**	68,422,537	**37,486**	57,716
Non-current lease liabilities	13,30,33	**4,106,688**	2,141,499	**3,464**	1,806
Deferred tax liabilities	24	**55,305,230**	–	**46,651**	–
Total non-current liabilities		**597,441,082**	596,631,588	**503,956**	503,274
Total liabilities		**1,943,566,581**	1,856,750,687	**1,639,448**	1,566,217
Equity					
Capital stock	20	**749,200,010**	749,200,010	**631,970**	631,970
Other capital surplus	21	**77,231,312**	78,162,820	**65,147**	65,933
Other equity	22	**224,136,245**	826,888	**189,065**	697
Accumulated deficit	23	**(1,131,164,224)**	(916,311,834)	**(954,167)**	(772,933)
Equity attributable to owners of The Group		**(80,596,657)**	(88,122,116)	**(67,985)**	(74,333)
Non-controlling interests		**–**	–	**–**	–
Total equity		**(80,596,657)**	(88,122,116)	**(67,985)**	(74,333)
Total liabilities and equity		**₩1,862,969,924**	1,768,628,571	$ **1,571,463**	1,491,884

See accompanying notes to the consolidated financial statements.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME(LOSS) FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

(In thousands of won and in thousands of dollar, except earnings per share information)

		Korean won		US dollar	
	Note	**2021**	2020	**2021**	2020
Sales	31,32	₩ **2,429,327,701**	2,950,180,719	$ **2,049,201**	2,488,554
Cost of sales	25,32	**2,371,537,438**	2,870,122,874	**2,000,453**	2,421,023
Gross profit		**57,790,263**	80,057,845	**48,748**	67,531
Selling, general and administrative expenses	25,26	**319,051,059**	529,446,502	**269,128**	446,602
Operating loss		**(261,260,796)**	(449,388,657)	**(220,380)**	(379,071)
Other income	27,32	**22,471,849**	135,443,195	**18,954**	114,250
Other expenses	27,32	**(7,957,658)**	(178,453,241)	**(6,712)**	(150,530)
Finance income	28	**4,490,305**	3,790,620	**3,788**	3,197
Finance costs	28	**(16,585,505)**	(17,729,535)	**(13,990)**	(14,955)
Share of profits of joint venture		**930,540**	2,027,166	**785**	1,710
Loss before income taxes		**(257,911,265)**	(504,310,452)	**(217,555)**	(425,399)
Income tax expenses	24	**33,150**	30,515	**28**	26
Loss for the year		**(257,944,415)**	(504,340,967)	**(217,583)**	(425,425)
Loss attributable to:					
Owners of The Group		**(257,944,415)**	(504,340,967)	**(217,583)**	(425,425)
Non-controlling interests		**–**	–	**–**	–
Other comprehensive income for the year		**266,401,382**	13,095,292	**224,717**	11,047
Items that will never be reclassified to profit or loss:					
Defined benefit plan re-measurements	18,23	**43,038,936**	13,403,052	**36,304**	11,306
Defined benefit plan re-measurements of joint ventures	9,23	**53,089**	(25,252)	**45**	(21)
Gain on asset revaluation	11,22	**223,495,126**	–	**188,524**	–
Items that are or may be reclassified subsequently to profit or loss:					
Foreign currency translation difference for foreign operation	22	**(185,769)**	(282,508)	**(156)**	(238)
Total comprehensive income (loss) for the year		₩ **8,456,967**	(491,245,675)	$ **7,134**	(414,378)
Total comprehensive income (loss) attributable to:					
Owners of The Group		8,456,967	(491,245,675)	7,134	(414,378)
Non-controlling interests		–	–	–	–
Losses per share					
Basic and diluted losses per share	29	₩ **(1,721)**	(3,366)	$ **(1.45)**	(2.84)

See accompanying notes to the consolidated financial statements.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

(In thousands of won)

	Korean won							
		Other capital surplus						
	Capital stock	Paid-in capital in excess of par value	Gain on capital reduction	Debt to be swapped for equity	Other equity	Accumulated deficit	Non-controlling interests	Total
Balance at January 1, 2020	₩ 749,200,010	3,169,615	74,061,697	931,508	1,109,395	(425,348,668)	–	403,123,557
Total comprehensive income (loss) for the year:								
Loss for the year	–	–	–	–	–	(504,340,967)	–	(504,340,967)
Defined benefit plan re-measurements	–	–	–	–	–	13,403,053	–	13,403,053
Defined benefit plan re-measurements of joint ventures	–	–	–	–	–	(25,252)	–	(25,252)
Foreign currency translation difference for foreign operation	–	–	–	–	(282,507)	–	–	(282,507)
Balance at December 31, 2020	₩ 749,200,010	3,169,615	74,061,697	931,508	826,888	(916,311,834)	–	(88,122,116)
Balance at January 1, 2021	₩ 749,200,010	3,169,615	74,061,697	931,508	826,888	(916,311,834)	–	(88,122,116)
Total comprehensive income (loss) for the year:								
Loss for the year	–	–	–	–	–	(257,944,415)	–	(257,944,415)
Defined benefit plan re-measurements	–	–	–	–	–	43,038,936	–	43,038,936
Defined benefit plan re-measurements of joint ventures	–	–	–	–	–	53,089	–	53,089
Debt to be swapped for equity	–	–	–	(931,508)	–	–	–	(931,508)
Gain on asset revaluation	–	–	–	–	223,495,126	–	–	223,495,126
Foreign currency translation difference for foreign operation	–	–	–	–	(185,769)	–	–	(185,769)
Balance at December 31, 2021	₩ 749,200,010	3,169,615	74,061,697	–	224,136,245	(1,131,164,224)	–	(80,596,657)

See accompanying notes to the consolidated financial statements.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (CONTINUED) FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

(In thousands of dollar)

		US dollar							
			Other capital surplus						
		Capital stock	Paid-in capital in excess of par value	Gain on capital reduction	Debt to be swapped for equity	Other equity	Accumulated deficit	Non-controlling interests	Total
Balance at January 1, 2020	$	631,970	2,674	62,473	786	935	(358,793)	–	340,045
Total comprehensive income (loss) for the year:									
Loss for the year		–	–	–	–	–	(425,425)	–	(425,425)
Defined benefit plan re-measurements		–	–	–	–	–	11,306	–	11,306
Defined benefit plan re-measurements of joint ventures		–	–	–	–	–	(21)	–	(21)
Foreign currency translation difference for foreign operation		–	–	–	–	(238)	–	–	(238)
Balance at December 31, 2020	$	631,970	2,674	62,473	786	697	(772,933)	–	(74,333)
Balance at January 1, 2021	$	631,970	2,674	62,473	786	697	(772,933)	–	(74,333)
Total comprehensive income (loss) for the year:									
Loss for the year		–	–	–	–	–	(217,583)	–	(217,583)
Defined benefit plan re-measurements		–	–	–	–	–	36,304	–	36,304
Defined benefit plan re-measurements of joint ventures		–	–	–	–	–	45	–	45
Debt to be swapped for equity		–	–	–	(786)	–	–	–	(786)
Gain on asset revaluation		–	–	–	–	188,524	–	–	188,524
Foreign currency translation difference for foreign operation		–	–	–	–	(156)	–	–	(156)
Balance at December 31, 2021	$	631,970	2,674	62,473	–	189,065	(954,167)	–	(67,985)

See accompanying notes to the consolidated financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

(In thousands of won and in thousands of dollar)

	Korean won		US dollar	
	2021	2020	**2021**	2020
Cash flows from operating activities				
Loss for the year	₩ **(257,944,415)**	(504,340,967)	$ **(217,583)**	(425,425)
Adjustment	**297,334,895**	424,946,409	**250,810**	358,453
Changes in assets and liabilities	**(25,090,755)**	141,538,892	**(21,165)**	119,392
Cash generated from operations (note 30)	**14,299,725**	62,144,334	**12,062**	52,420
Interest received	**1,230,106**	2,025,617	**1,038**	1,709
Interest paid	**(618,725)**	(10,866,814)	**(522)**	(9,166)
Dividends received	**11,000**	11,000	**9**	9
Net cash provided by operating activities	**14,922,106**	53,314,137	**12,587**	44,972
Cash flows from investing activities				
Decrease of loans and others	**4,604,132**	2,853,693	**3,885**	2,407
Proceed from disposal of property, plant and equipment	**1,093,028**	186,780,526	**922**	157,554
Proceed from disposal of intangible assets	**70,120**	–	**59**	–
Increase of loans and others	**(6,000,664)**	(1,900,000)	**(5,062)**	(1,603)
Disposal of subsidiary	**(106,813)**	–	**(90)**	–
Acquisition of property, plant and equipment	**(95,996,080)**	(70,973,764)	**(80,975)**	(59,868)
Acquisition of intangible assets	**(35,390,364)**	(42,984,440)	**(29,853)**	(36,258)
Increased of current financial instruments	**(21,275,651)**	–	**(17,947)**	–
Net cash provided by (used in) investing activities	**(153,002,292)**	73,776,015	**(129,061)**	62,232
Cash flows from financing activities				
Proceeds from borrowings	**59,999,969**	157,000,113	**50,612**	132,434
Proceeds from deposits	**15,512,588**	–	**13,085**	–
Receipts of government grants	**–**	134,837	**–**	114
Repayment of borrowings	**(60,001,785)**	(214,856,723)	**(50,613)**	(181,237)
Payment of finance lease	**(9,225,053)**	(9,756,079)	**(7,782)**	(8,230)
Net cash provided by (used in) financing activities	**6,285,719**	(67,477,852)	**5,302**	(56,919)
Effect of exchange rate fluctuations on cash and cash equivalents	**499,178**	550,827	**421**	464
Net increase (decrease) in cash and cash equivalents	**(131,295,289)**	60,163,127	**(110,751)**	50,749
Cash and cash equivalents at January 1	**185,963,321**	125,800,194	**156,865**	106,116
Cash and cash equivalents at December 31	₩ **54,668,032**	185,963,321	$ **46,114**	156,865

See accompanying notes to the consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

1. General Description of The Group

(1) Organization and description of business of The Group

Ssangyong Motor Company (the "Company") was incorporated on December 6, 1962, in the Republic of Korea and listed its stocks on the Korea Stock Exchange in May 1975. The Group is headquartered in Dongsak-ro, Pyeongtaek, and its factories are located in Pyeongtaek, Gyeonggi-do, and Changwon, Gyeongsangnam-do, Republic of Korea to manufacture, sell and fix multiple types of vehicle, heavy machinery and those parts.

(2) Major shareholders

As of December 31, 2021, The Group's shareholders are as follows:

Name of shareholder	Number of shares (in shares)	Percentage of ownership
Mahindra & Mahindra Ltd.	111,855,108	74.65%
Others	37,984,894	25.35%
	149,840,002	100.00%

The consolidated financial statements comprise the Group and its subsidiaries (the "Group") and the Group's interest in associates and joint ventures.

2. Basis of Preparation and Accounting Policies

(1) Basis of translating consolidated financial statements

The consolidated financial statements are expressed in Korean won and have been translated into US dollars at the rate of ₩1,185.50 to $1 on December 31, 2021, solely for the convenience of the reader. These translations should not be construed as a representation that any or all of the amounts shown could be converted into US dollars at this or any other rate.

(2) Statement of compliance

The Group has prepared its consolidated financial statements in accordance with the K-IFRS.

The consolidated financial statements as of and for the year ended December 31, 2021, were reported to the chief restructuring officer and authorized for issuance on March 23, 2022.

Some of amount in consolidated financial position as of December 31, 2020, was reclassified and modified to ensure comparability with the current period.

(1) Measurement Criteria

The accompanying consolidated financial statements have been prepared on the historical cost basis, except as described below. Historical cost is generally based on the fair value of the consideration given.

1. Derivatives instruments measured at fair value
2. Financial instruments measured at fair value through profit or loss
3. Defined benefit liabilities measured at the present value of the defined benefit obligation less the fair value of the plan assets
4. Land measured by the revaluation

2) Use of estimates and judgments

The preparation of the consolidated financial statements in conformity with K-IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The Group makes estimates and assumptions concerning the future. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The significant estimates and assumptions and those which have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities after the end of the reporting period are addressed below.

- Property, plant and equipment and Intangible assets: Assumptions for estimating recoverable amount for impairment test
- Provision for warranty for sale: Assumptions of expected expenditures based on warranty periods.
- Employee benefits: Actuarial assumptions.
- Trade and other receivables: Estimation of the possibility of impairment of receivables.
- Inventories: Estimation of the possibility of losses of inventories.
- Going concern assumption: Judgment on whether there is any significant uncertainty of going concern assumption.
- Lease term: the possibility of exercising the extension option.
- Deferred tax: Estimation of the feasibility of deferred tax.

From the year ended December 31, 2020, with the COVID-19 pandemic, entities are experiencing conditions often associated with a general economic downturn, and so does the Group both directly and indirectly. The impact of COVID-19 continues as of the end of the reporting period, and it is unclear how long COVID-19 would last and how much its impact would be. Therefore, uncertainties exist in estimates used to measure recoverable amounts of assets held by the Group due to COVID-19.

3) Changes in accounting policies

1 Revaluation on Lands

After initial recognition, land is recognized at a revalued amount, being its fair value at the date of the revaluation date. Revaluations shall be made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period. The effect of the Group's consolidated financial statements is described Note 11.(5).

2 Others

The Group has initially adopted 'Impact of the initial application of Covid-19-Related Rent Concessions beyond June 30, 2021'(K-IFRS No. 1116 Leases) and 'Interest Rate Benchmark Reform (K-IFRS No. 1109 Financial Instruments, K-IFRS No. 1039 Financial Instruments Recognition and Measurement and K-IFRS No. 1107 Financial Instruments Disclosures) from January 1, 2021. A number of other new standards are also effective from January 1, 2021, but they do not have a material effect on the Group's consolidated financial statements.

3. Significant Accounting Policies

The significant accounting policies that we applied to the preparation of the Group's consolidated financial statements in accordance with K-IFRS are described below. Except Note 2.(2).3) Changes in accounting policies, the Group has consistently applied the accounting policies to the Group's consolidated financial statements for the years ended December 31, 2021 and 2020.

(1) New standards and interpretations not yet adopted

As of December 31, 2021, new standards which are amended and effective but not applied for annual periods beginning after 1 January 2021 are the followings. The Group decided not to early adopt the followings in preparation of the consolidated financial statements.

The following amendment standards and interpretation are not expected to have a significant impact on the Group's consolidated financial statements.

- K-IFRS No. 1117 'Insurance Contracts' (Newly adopted)
- K-IFRS No. 1001 'Presentation of Financial Statements' - Classification of Liabilities as Current or Non-current (Amendment)
- K-IFRS No. 1103 'Business Combinations' - Reference to the Conceptual Framework (Amendment)
- K-IFRS No. 1016 'Property, Plant and Equipment' – Proceeds from selling produced before operating in the manner intended by management and related the cost (Amendment)
- K-IFRS No. 1037 'Provisions, Contingent Liabilities and Contingent Assets' - Cost of Fulfilling a Contract (Amendment)

– Annual Improvements to K-IFRS Standards 2018–2020

– K-IFRS No. 1001 'Presentation of Financial Statements' and IFRS Practice Statement 2 the application of 'materiality' (Amendment)

– K-IFRS No. 1008 'Accounting Policies, Changes in Accounting Estimates and Errors' – Definition of accounting estimates (Amendment)

– K-IFRS No. 1012 'Income Taxes' – Deferred tax related to assets and liabilities arising from a single transaction

(2) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Group and the entities (including structured entities) controlled by the Group and its subsidiaries. Control is achieved when the Group 1) has the power over the investee; 2) is exposed, or has rights, to variable returns from its involvement with the investee; and 3) has the ability to use its power to affect its returns. The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Group has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including:

a. the size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;

b. potential voting rights held by the Group, other vote holders or other parties;

c. rights arising from other contractual arrangements; and

d. any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Income and expenses of subsidiaries acquired or disposed of during the year are included in the consolidated statements of comprehensive income from the date the Group gains control to the date when the Group ceases to control the subsidiary. Profit or loss and each component of other comprehensive income are attributed to the owners of the Group and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Group and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in-line with the Group's accounting policies.

All inter-company transactions and related assets and liabilities, income and expenses are eliminated in full on consolidation. Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to the owners of the Group.

When the Group loses control of a subsidiary, a gain or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill) and liabilities of the subsidiary and any non-controlling interests. When assets of the subsidiary are carried at revalued amounts or fair values and the related cumulative gain or loss has been recognized in other comprehensive income and accumulated in equity, the amounts previously recognized in other comprehensive income and accumulated in equity are accounted for as if the Group had directly disposed of the relevant assets (i.e., reclassified to profit or loss or transferred directly to retained earnings). The fair value of any investment retained in the former subsidiary at the date when control is lost is recognized as the fair value on initial recognition for subsequent accounting under K-IFRS No. 1039, Financial Instruments: Recognition and Measurement, or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

(3) Investments in joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a joint arrangement, whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of associates or joint ventures are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment is classified as held for sale; in which case, it is accounted for in accordance with K-IFRS No. 1105, Non-Current Assets Held for Sale and Discontinued Operations. Under the equity method, an investment in an associate or a joint venture is initially recognized in the consolidated statements of financial position at cost and adjusted thereafter to recognize the Group's share of the profit or loss and other comprehensive income of the associate or joint venture. When the Group's share of losses of an associate or a joint venture exceeds the Group's interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate or joint venture), the Group discontinues recognizing its share of further losses. Additional losses are recognized only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of an associate or a joint venture recognized at the date of acquisition is recognized as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognized immediately in profit or loss.

Upon disposal of an associate or a joint venture that results in the Group losing significant influence over that associate or joint venture, any retained investment is measured at fair value at that date and the fair value is regarded as its fair value on initial recognition as a financial asset in accordance with K-IFRS No. 1109. The difference between the previous carrying amount of the associate or joint venture attributable to the retained interest and its fair value is included in the determination of the gain or loss on disposal of the associate or joint venture. In addition, the Group accounts for all amounts previously recognized in other comprehensive income in relation to that associate or joint venture on the same basis it would be required if that associate or joint venture had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognized in other comprehensive income by that associate or joint venture would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as reclassification adjustment) when it loses significant influence over that associate or joint venture.

When the Group reduces its ownership interest in an associate or a joint venture, but continues to use the equity method, it reclassifies to profit or loss the proportion of the gain or loss that had previously been recognized in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities. In addition, the Group applies K-IFRS No. 1105, Non-Current Assets Held for Sale and Discontinued Operations, to a portion of investment in an associate or a joint venture that meets the criteria to be classified as held for sale.

The requirements of K-IFRS No. 1109 are applied to determine whether it is necessary to recognize any impairment loss with respect to the Group's investment in an associate or a joint venture. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with K-IFRS No. 1036, Impairment of Assets, by comparing its recoverable amount (higher of value in use or fair value, less costs to sell) with its carrying amount, and any impairment loss recognized forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognized in accordance with K-IFRS No. 1036 to the extent that the recoverable amount of the investment subsequently increases.

The Group continues to use the equity method when an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate. There is no re-measurement to fair value upon such changes in ownership interests.

When a Group entity transacts with an associate or a joint venture of the Group, profits and losses resulting from the transactions with the associate or joint venture are recognized in the Group's consolidated financial statements only to the extent of interests in the associate or joint venture that are not related to the Group.

(4) Revenue recognition

The Group have identified distinct performance obligations for our products and merchandise contract with our customers, such as (1) sales of vehicles and merchandise, (2) transportation of vehicles, and (3) warranties. The revenue from the sale of goods under the contract is recognized when the goods are transferred to the customer and the performance obligation is transferred. In addition, the Group identified performance obligations for transportation and guarantee and deferred recognition of revenue over the time or period of performance.

Our sales contract with customers has the option of customers purchasing additional warranties. Also, depending on the sales policy, customers may be offered service warranty beyond the assurance warranty when selling a vehicle. When a customer purchases a warranty or provides a service warranty to a customer under a sales policy, sales recognition related to the performance obligations is deferred to the time the performance obligation is fulfilled and is not recognized in provision of warranties.

Transaction price of a service warranty to a customer under a sales policy is allocated by relative individual sales price that is estimated by "expected cost plus a margin approach". The consideration paid to customers defined in K-IFRS No. 1115 are recognized by deducting from related sales.

(5) Foreign currencies

The individual financial statements of each Group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each Group entity are expressed in Korean won, which is the functional currency of the entity and the presentation currency for the consolidated financial statements.

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

(6) Non-derivative financial assets

1) Recognition and initial measurement

Trade receivables and debt securities are recognized for the first time at the time of issue. Other financial instruments and financial liabilities are recognized only when the Group becomes a party to the financial instrument.

Except for trade receivables that do not include significant financial assets, are measured at fair value at the time of initial recognition and except for, financial assets at fair value through profit or loss or financial liabilities at fair value through profit or loss, transaction costs directly related to the acquisition of the financial asset, or the issuance of the financial liability are added to or subtracted from the fair value. Trade receivables that do not include significant financial elements are initially measured at transaction prices.

2) Classification and subsequent measurements

At initial recognition, financial assets are amortized cost, other comprehensive income - fair value debt instruments, other comprehensive income - fair value equity instruments or profit or loss - classified as measured at fair value.

Financial assets are not reclassified after initial recognition, unless the entity modifies the financial asset management model, in which case all of the financial assets impacted are reclassified on the first day of the first reporting period after the change in the business model.

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

- It is held within a business model whose objective is to hold assets to collect contractual cash flows.
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

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

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

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

An assessment of whether contractual cash flows consist solely of principal and interest

The principal is defined as the fair value at the initial recognition of the financial asset. Interest consists of consideration for the time value of money, consideration for credit risk associated with the principal balance in a particular time period, as well as consideration for basic loan risk and costs (e.g., liquidity risk and operating costs) as well as profit.

When evaluating whether the contractual cash flows consist solely of payments for principal and interest, we take into account the terms and conditions of the applicable product. If a financial asset includes a contractual term that changes the timing or amount of a contractual cash flow, then the contractual terms must determine whether the contractual cash flows that may occur over the life of the financial instrument consist solely of principal payments.

When evaluating this, we consider the following:

- Conditional conditions that change the amount or timing of cash flow
- Provision to adjust contractual nominal interest rate, including variable interest rate characteristics
- Moderate repayment characteristics and maturity extension characteristics
- The terms of the contract that limit our claims for cash flows arising from a particular asset (e.g. non-property features)

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

Subsequent measurement and profit and loss

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.
Financial assets at amortized cost	These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.
Debt investments at FVOCI	These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are never reclassified to profit or loss.

3) Elimination

In the event that the contractual rights to cash flows of financial assets have ceased, the Group transfers the contractual rights to receive the cash flows of the financial assets and substantially transfers the risks and rewards of ownership of the transferred financial assets. Or if the Group does not control or control the financial assets without retaining or transferring substantially all the risks and rewards of ownership.

If the Group transacts a recognized asset in its statement of financial position but holds most of the risks and rewards of ownership of the transferred asset, the transferred asset is not removed.

4) Offsetting

Financial assets and financial liabilities are offset, and the net amount presented in the statement of financial position when the Group currently has a legally enforceable right to set off the recognized amounts and there is the intention to settle on a net basis or to realize the asset and settle the liability simultaneously.

(7) Impairment of financial assets

1) Financial instruments and contract assets

The Group recognize a loss reserve for expected credit losses on the following assets:

- Financial assets measured at amortized cost
- Debt instruments measured at fair value- Other comprehensive income
- Contractual assets as defined in K-IFRS No. 1115

The Group measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured as 12-month ECLs:

- Debt securities that are determined to have low credit risk at the reporting date; and
- Other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

The Group has elected to measure loss allowances for trade receivables and contract assets at an amount equal to lifetime ECLs. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

The Group assumes that the credit risk of financial assets increases significantly when the number of overdue days exceeds 30 days.

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

- The borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realizing security (if any is held)
- When the number of overdue days exceeds 90 days unless there is no evidence that borrower is not a default

Total expected credit losses are the expected credit losses due to any default event that may occur during the expected life of the instrument. The expected 12-month credit loss is the total expected period that represents the expected credit loss due to a default event of a financial instrument that can occur within 12 months after the end of the reporting period (or a shorter period if the expected life of the instrument is less than 12 months) Part of credit loss.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

2) Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e., the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

3) Credit-impaired financial assets

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

The evidence that the credit of a financial asset is impaired includes the following observable information.

- Significant financial difficulty of the debtor
- A breach of contract such as a default or being more than 90 days past due
- The restructuring of a loan or advance by the Group on terms that The Group would not consider otherwise
- It is probable that the debtor will enter bankruptcy or other financial reorganization, or
- The disappearance of an active market for a security because of financial difficulties

4) Presentation of allowance for credit loss on statement of financial position

The allowance for losses on financial assets at amortized cost is deducted from the carrying amount of the asset. For debt instruments measured at FVOCI, changes in credit risk are included in profit or loss and changes in non-credit risk are recognized in other comprehensive income.

5) Write-Off

If there is no reasonable expectation of recovery of all or part of the contractual cash flows of a financial asset, the asset is removed. For individual customers, the Group assesses the timing and amount of each individual by assessing whether there is a reasonable expectation of recovery for the enterprise customer, based on historical experience with the recovery of similar assets. The Group has no expectation that the proceeds will be recovered significantly. However, deferred financial assets can be subject to collection activities in accordance with the collection procedure of the amount due.

(8) Financial liabilities and Paid-in capital

1) Paid-in capital

Common stock is classified as equity. Incremental costs directly related to capital transactions are deducted from equity as a net amount reflecting the tax effect.

Repurchase of the Group's own equity instruments is recognized and deducted directly in equity. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments.

2) Financial liabilities

The Group classifies financial liabilities as financial liabilities at fair value through profit or loss and other financial liabilities in accordance with the definition of the substance of contractual contracts and financial liabilities and recognizes them in the consolidated statement of financial position when becoming a party to the contract.

1) Financial liabilities at fair value through profit or loss

Financial liabilities are classified as held for trading if they are classified as held for trading, are derivatives, or are initially recognized at fair value through profit or loss. Financial liabilities at fair value through profit or loss are measured at fair value after initial recognition and changes in fair value are recognized in profit or loss. Transaction costs incurred in connection with the initial recognition are recognized in profit or loss as incurred.

2) Other financial liabilities

Non-derivative financial liabilities that are not classified as financial liabilities at fair value through profit or loss are classified as other financial liabilities. Other financial liabilities are measured initially at fair value, net of transaction costs directly attributable to the issue. Subsequently, other financial liabilities are measured at amortized cost using the effective interest method. Interest expense is recognized using the effective interest method.

3) Elimination of financial liabilities

Group only eliminates financial liabilities when the contractual obligation of the financial liability is fulfilled, cancelled or expired. The Group recognizes new financial liabilities as fair value based on new contracts and removes existing liabilities when the contractual terms of the financial liabilities change, and the cash flows change substantially. When a financial liability is derecognized, the difference between the carrying amount and the consideration paid (including any transferred non-cash assets or liabilities assumed) is recognized in profit or loss.

(9) Derivative financial instruments

Derivatives are initially recognized at fair value at the date the derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. Generally, The resulting gain or loss is recognized in profit or loss immediately.

(10) Inventories

Inventories are stated at the lower of cost or net realizable value. Cost of inventories, except for those in transit, are measured under the weighted-average method and consists of the purchase price, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Net realizable value represents the estimated selling price for inventories, less all estimated costs of completion and costs necessary to make the sale.

When inventories are sold, the carrying amount of those inventories is recognized as an expense (cost of sales) in the period in which the related revenue is recognized. The amount of any write-down of inventories to net realizable value and all losses of inventories is recognized as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realizable value, is recognized as a reduction in the amount of inventories recognized as an expense in the period in which the reversal occurs.

(11) Property, plant and equipment

Except for land, Property, plant and equipment are stated at cost, less subsequent accumulated depreciation and accumulated impairment losses. The cost of an item of property, plant and equipment is directly attributable to their purchase or construction, which includes any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. It also includes the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

Subsequent costs are recognized in the carrying amount of an asset or as a consolidated asset if it is probable that future economic benefits associated with the assets will flow into the Group and the cost of an asset can be measured reliably. Routine maintenance and repairs are expensed as incurred.

The Group does not depreciate land. Depreciation expense is computed using the straight-line method based on the estimated useful lives of the assets as follows:

	Useful lives (Years)
Buildings	24~50
Structures	13~30
Machinery and equipment	10
Vehicles	6~10
Others	6~10

If each part of an item of property, plant and equipment has a cost that is significant in relation to the total cost of the item, it is depreciated separately.

The Group reviews the depreciation method, the estimated useful lives and residual values of property, plant and equipment at the end of each annual reporting period. If expectations differ from previous estimates, the changes are accounted for as a change in an accounting estimate.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on de-recognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognized.

(12) Intangible assets

1) Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost, less accumulated amortization and accumulated impairment losses. Amortization is recognized on a straight-line basis over their estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost, less accumulated impairment losses.

2) Internally generated intangible assets - research and development expenditure

Expenditure on research activities is recognized as an expense in the period in which it is incurred.

Expenditure arising from development (or from the development phase of an internal project) is recognized as an intangible asset if, and only if, the development project is designed to produce new or substantially improved products, and the Group can demonstrate the technical and economic feasibility and measure reliably the resources attributable to the intangible asset during its development.

The amount initially recognized for internally generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria. Where no internally generated intangible asset can be recognized, development expenditure is recognized in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally generated intangible assets are reported at cost, less accumulated amortization and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

The useful life of amortization related to intangible assets is as follows.

	Useful lives (Years)
Development cost	5
Patents	5~10
Software	3
Other intangible assets	Indefinite

3) Derecognition of intangible assets

An intangible asset is derecognized on disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognized in profit or loss when the asset is derecognized.

(13) Impairment of Non-financial assets

The carrying amounts of the Group's non-financial assets other than assets arising from biological assets, investment property, contract assets, employee benefits, inventories and deferred tax assets are reviewed at the end of the reporting period to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Intangible assets that have indefinite useful lives irrespective of whether there is any indication of impairment, Good will and intangible assets not yet available are tested for impairment annually by comparing their recoverable amount to their carrying amount.

The Group estimates the recoverable amount of an individual asset, if it is impossible to measure the individual recoverable amount of an asset, then the Group estimates the recoverable amount of cash-generating unit ("CGU"). A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell.

The value in use is estimated by applying a pre-tax discount rate that reflect current market assessments of the time value of money and the risks specific to the asset or CGU for which estimated future cash flows have not been adjusted, to the estimated future cash flows expected to be generated by the asset or CGU.

An impairment loss is recognized in profit or loss if the carrying amount of an asset or a CGU exceeds its recoverable amount.

Goodwill acquired in a business combination is distributed to each CGU that is expected to benefit from the synergy effect of the business combination. An impairment loss on a CGU reduces the carrying amount of goodwill allocated to the CGU first and then the carrying amount of the asset relative to the carrying amount of each of the other assets in the CGU. Impairment losses recognized for goodwill cannot be reversed in subsequent periods. At the end of each reporting period, review for indicators of a previously recognized impairment loss no longer exists or has decreased for assets other than goodwill and only if there has been a change in estimates used to determine recoverable amounts since the previous impairment was recognized. The carrying amount increased by the reversal of impairment losses shall not exceed the balance after depreciation or amortization of the carrying amount before recognition of the impairment loss in the past.

(14) Retirement benefit costs and termination benefits

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected immediately in the consolidated statement of financial position with a charge or credit recognized in other comprehensive income in the period in which they occur. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss. Past service cost is recognized in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are composed of service cost (including current service cost and past service cost, as well as gains and losses on curtailments and settlements), net interest expense (income) and remeasurement.

The Group presents the service cost and net interest expense (income) components in profit or loss and the remeasurement component in other comprehensive income. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognized in the consolidated statement of financial position represents the actual deficit or surplus in the Group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

A liability for a termination benefit is recognized at the earlier of when the entity can no longer withdraw the offer of the termination benefit or when the entity recognizes any related restructuring costs.

Discretionary contributions made by employees, or third parties reduce service cost upon payment of these contributions to the plan. When the formal terms of the plans specify that there will be contributions from employees or third parties, the accounting depends on whether the contributions are linked to service, as follows:

If the contributions are not linked to services (e.g., contributions are required to reduce a deficit arising from losses on plan assets or from actuarial losses), they are reflected in the remeasurement of the net defined benefit liability (asset).

If contributions are linked to services, they reduce service costs. For the amount of contribution that is dependent on the number of years of service, the entity reduces service cost by attributing the contributions to periods of service using the attribution method required by K-IFRS No. 1019 paragraph 70 for the gross benefits. For the amount of contribution that is independent of the number of years of service, the entity reduces service cost in the period in which the related service is rendered.

Other long-term employee benefits that will not be paid within 12 months from the end of the reporting period in which the employee provides the relevant service are discounted to the present value of future benefits earned in return for the service provided in the current and past periods. Changes resulting from remeasurements are recognized in profit or loss in the period in which they occur.

(15) Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, if it is probable that the Group will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material). The discount rate used is a pretax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage is recognized in profit or loss as borrowing cost.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received, and the amount of the receivable can be measured reliably.

At the end of each reporting period, the remaining provision balance is reviewed and assessed to determine if the current best estimate is being recognized. If the existence of an obligation to transfer economic benefit is no longer probable, the related provision is reversed during the period.

(16) Lease

A contract is, or contains, a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

1) As a lessor

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease. To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this in the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for a major part of the economic life of the asset.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption, then it classifies the sub-lease as an operating lease.

2) As a lessee

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices. However, for the leases of land and buildings in which it is a lessee, the Group has elected not to consolidated non-lease components and account for the lease and non-lease components as a single lease component. The Group recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discounted rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise and extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use assets or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases of machinery that have a lease term of 12 months or less and lease of low-value assets, including IT equipment. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(17) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets is substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings, pending their expenditure on qualifying assets, is deducted from the borrowing costs eligible for capitalization. All other borrowing costs are recognized in profit or loss in the period in which they are incurred.

(18) Government grants

Government grants are not recognized until there is reasonable assurance that the Group will comply with the conditions attached to them and that the grants will be received.

The benefit of a government loan at a below-market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates.

Government grants related to assets are presented in the consolidated statement of financial position by deducting the grant from the carrying amount of the asset. The related grant is recognized in profit or loss over the life of a depreciable asset as a reduced depreciation expense.

Government grants related to income are recognized in profit or loss on a systematic basis over the periods in which the Group recognizes as expenses the related costs for which the grants are intended to compensate. Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognized in profit or loss in the period in which they become receivable.

(19) Finance income and expenses

Finance income comprises interest income on funds invested. Interest income is recognized as it accrues in profit or loss, using the effective interest method.

Finance expenses comprise interest expenses on borrowings. Interest expense is recognized as it accrues in profit or loss, using the effective interest method.

(20) Earnings per share

The Group presents basic and diluted earnings per share(EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholdings of the Group by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held. The Group has no dilutive potential shares, therefore diluted loss per share is equal to the basic earnings(loss) per share.

(21) Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

1) Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the consolidated statement of comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

2) Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences.

Deferred tax assets are generally recognized for all deductible temporary differences to the extent it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent it is probable that there will be sufficient taxable profits against which the benefits of the temporary differences can be utilized, and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if, and only if, the Group has a legally enforceable right to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities that intend either to settle current tax liabilities and assets on a net basis or to realize the assets and settle the liabilities simultaneously in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

3) Current and deferred taxes for the year

Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case the current and deferred taxes are also recognized in other comprehensive income or directly in equity, respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

(22) Fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of K-IFRS No. 1102 Share-based payment; leasing transactions that are within the scope of K-IFRS No. 1116 Leases; and measurements that have some similarities to fair value, but are not fair value, such as net realizable value in K-IFRS No. 1002 Inventories or value in use in K-IFRS No. 1036 Impairment of Assets.

In addition, for financial reporting purposes, fair value measurements are categorized into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

a. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

b. Level 2 inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

c. Level 3 inputs are unobservable inputs for the asset or liability.

(23) Segment information

Segment information is presented in the same format as the reporting material presented to the Group's management. The Group's management is liable for the assessment of the resources to be allocated to the business segments and the performance results of the business segments.

(24) Accounting treatment related to the Emission Rights Cap and Trade Scheme

The Group classifies the emission rights as intangible assets. Emission right allowances the government allocated free of charge are measured at ₩0, and emission right allowances purchased are measured at cost that the Group paid to purchase the allowances. If emission rights that the government allocated free of charge are sufficient to meet the obligation's arising from the emission liabilities for the current period, the emissions liabilities are measured at ₩0. However, for the emission liabilities that exceed the allowances allocated free of charge, the shortfall is measured at best estimate at the end of the reporting period.

4. Cash and Cash Equivalents

Cash and cash equivalents include cash on hand and in banks and highly liquid short-term financial instruments that may be easily converted into cash and whose risk of value fluctuation is not material.

5. Restricted Financial Instruments

Restricted financial Instruments as of December 31, 2021 and 2020 are as follows:

(In thousands of won and in thousands of dollar)

			Korean won			US dollar		
	Financial institution		**2021**	2020		**2021**	2020	**Description**
Cash and cash equivalents	Shinhan Bank	₩	**171,226**	36,488	$	**144**	31	Government grants
	Woori Bank and others		**10,303**	8,121,902		**9**	6,851	Pledged as collateral, etc.
Current financial instruments	Woori Bank and others		**21,275,651**	–		**17,947**	–	Pledged as collateral, etc.
Non-current financial instruments	Shinhan Bank and others		**4,000**	4,000		**3**	3	Bank account deposit
		₩	**21,461,180**	8,162,390	$	**18,103**	6,885	

6. Non-current Financial Assets

Non-current financial assets as of December 31, 2021 and 2020 are as follows:

(In thousands of won)

			2021			2020
	Ownership (%)		Acquisition cost	Net asset value	Book value	Book value
Korea Business Finance Loan(*)	**1.72**	₩	**500,000**	**752,827**	**500,000**	500,000
Korea Management Consultants Association(*)	**1.50**		**60,000**	**1,038,861**	**60,000**	60,000
		₩	**560,000**	**1,791,688**	**560,000**	560,000

(In thousands of dollar)

			2021			2020
	Ownership (%)		Acquisition cost	Net asset value	Book value	Book value
Korea Business Finance Loan(*)	**1.72**	$	**422**	**635**	**422**	422
Korea Management Consultants Association(*)	**1.50**		**50**	**876**	**50**	50
		$	**472**	**1,511**	**472**	472

(*) Investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are measured at acquisition cost.

7. Trade and Other Receivables

(1) Details of trade and other receivables as of December 31, 2021 and 2020 are as follows:

(In thousands of won)

		2021		2020	
		Current	Non-current	Current	Non-current
Trade receivables	₩	**108,910,624**	**–**	100,646,367	–
Less: Allowance for doubtful accounts		**(435,717)**	**–**	(92,268)	–
Other receivables		**8,618,869**	**45,685**	14,963,013	139,755
Less: Allowance for doubtful accounts		**(4,526,416)**	**–**	(3,712,208)	(44,250)
Loans and others(*)		**23,975,290**	**28,999,826**	18,636,191	41,404,974
Less: Allowance for doubtful accounts		**–**	**(356)**	–	(357)
	₩	**136,542,650**	**29,045,155**	130,441,095	41,500,122

(*) The Loans and others listed above include ₩ 6,644,671 thousand and ₩ 4,346,501 thousand for sub lease receivables and the interest revenue received by the sub lease contract is ₩ 606,336 thousand and ₩ 577,204 thousand for the years ended December 31, 2021 and 2020, respectively.

(In thousands of dollar)

		2021		2020	
		Current	Non-current	Current	Non-current
Trade receivables	$	**91,869**	**–**	84,898	–
Less: Allowance for doubtful accounts		**(368)**	**–**	(78)	–
Other receivables		**7,270**	**38**	12,621	119
Less: Allowance for doubtful accounts		**(3,818)**	**–**	(3,131)	(37)
Loans and others(*)		**20,224**	**24,462**	15,720	34,926
Less: Allowance for doubtful accounts		**–**	**–**	–	–
	$	**115,177**	**24,500**	110,030	35,008

(*) The Loans and others listed above include $5,605 thousand and $3,666 thousand for sub lease receivables and the interest revenue received by the sub lease contract is $511 thousand and $487 thousand for the years ended December 31, 2021 and 2020, respectively.

(2) Details of aging analysis of the trade and other receivables as of December 31, 2021 and 2020 are as follows:
(In thousands of won)

		2021		2020	
		Trade receivables	**Others(*)**	Trade receivables	Others(*)
Less than 90 days	₩	**104,998,715**	**55,541,258**	98,794,136	69,621,117
Less than 180 days		**68,864**	**596,568**	160,381	716,835
Less than 270 days		**30,744**	**481,100**	721,249	602,574
Less than 365 days		**1,440,456**	**219,969**	–	226,890
More than 365 days		**2,371,845**	**4,800,775**	970,601	3,976,517
Total	₩	**108,910,624**	**61,639,670**	100,646,367	75,143,933
Impaired receivables		**435,717**	**4,526,772**	92,268	3,756,815

(In thousands of dollar)

		2021		2020	
		Trade receivables	**Others(*)**	Trade receivables	Others(*)
Less than 90 days	$	**88,569**	**46,850**	83,335	58,727
Less than 180 days		**58**	**503**	135	605
Less than 270 days		**26**	**406**	608	508
Less than 365 days		**1,215**	**186**	–	191
More than 365 days		**2,001**	**4,049**	819	3,354
Total	$	**91,869**	**51,994**	84,897	63,385
Impaired receivables		**368**	**3,818**	78	3,168

(*) Others consist of other receivables, loans and others.

(3) Changes in allowance for trade and other receivables for the years ended December 31, 2021 and 2020 are as follows:
(In thousands of won)

		2021		2020	
		Trade receivables	**Others**	Trade receivables	Others
Beginning balance	₩	**92,268**	**3,756,815**	151,326	4,081,404
Bad debt expense		**343,449**	**814,207**	453	–
Reversal of allowance for bad debts		**–**	**(44,250)**	(59,511)	(310,059)
Removal		**–**	**–**	–	(14,530)
Ending balance	₩	**435,717**	**4,526,772**	92,268	3,756,815

(In thousands of dollar)

		2021		2020	
		Trade receivables	**Others**	Trade receivables	Others
Beginning balance	$	**78**	**3,169**	128	3,443
Bad debt expense		**290**	**687**	–	–
Reversal of allowance for bad debts		**–**	**(37)**	(50)	(263)
Removal		**–**	**–**	–	(12)
Ending balance	$	**368**	**3,819**	78	3,168

8. Inventories

Details of inventories as of December 31, 2021 and 2020 are as follows:

(In thousands of won and in thousands of dollar)

		Korean won			US dollar	
		2021	2020		**2021**	2020
Merchandises	₩	**40,739,820**	39,416,800	$	**34,366**	33,249
Finished goods		**30,820,366**	71,539,083		**25,998**	60,345
Work-in-process		**22,449,034**	23,460,664		**18,936**	19,790
Raw materials		**37,651,217**	31,948,093		**31,760**	26,949
Sub-materials		**512,165**	397,082		**432**	335
Supplies		**3,363,625**	3,253,034		**2,837**	2,744
Goods in transit		**20,200,127**	22,350,539		**17,039**	18,853
	₩	**155,736,354**	192,365,295	$	**131,368**	162,265

The Group has measured inventories at the lower of cost or net realizable value. The reversal of loss on valuation of inventories amounted to ₩ 7,071,887 thousand ($5,965 thousand) for the years ended December 31, 2021 and the loss on valuation of inventories amounted to ₩ 4,035,760 thousand ($3,404 thousand) for the years ended December 31, 2020.

9. Investments in Subsidiaries and a Joint venture

(1) Details of investment in subsidiaries and a joint venture as of December 31, 2021 are as follows:

(In thousands of won)

	Company	Location	Ownership	Closing month	Industry
Subsidiaries	Ssangyong Motor (Shanghai) Co., Ltd.(*1)	China	100%	December	Sales of automobile
	Ssangyong European Parts Center B.V.	Netherlands	100%	December	A/S and sales
	Ssangyong Australia Pty Ltd.	Australia	100%	December	Sales of automobile
Joint venture	SY Auto Capital Co., Ltd.(*2)	Korea	51%	December	Finance

(*1) The Group sold the whole shares of Ssangyong Motor(Shanghai) Co., Ltd for the year ended December 31, 2021 and was excluded from subsidiaries.

(*2) SY Auto Capital Co., Ltd was established under joint venture agreement as a joint venture since the Group has rights only to the net assets, and their legal structures of arrangements are consolidated.

(2) Changes in the carrying amounts of investments in a joint venture for the year ended December 31, 2021 are as follows:

(In thousands of won)

		2021			
		Beginning balance	**Share of profit of a joint venture**	**Changes in defined benefit plan re-measurements**	**Ending balance**
SY Auto Capital Co., Ltd.	₩	21,055,695	930,540	53,089	22,039,324

(In thousands of US dollar)

		2021			
		Beginning balance	**Share of profit of a joint venture**	**Changes in defined benefit plan re-measurements**	**Ending balance**
SY Auto Capital Co., Ltd.	$	17,761	785	45	18,591

(3) Summarized financial information of the Group's subsidiaries and joint venture as of and for the year ended December 31, 2021 and 2020 are as follows:

(In thousands of won)

		2021				
		Assets	**Liabilities**	**Equity**	**Sales**	**Net income**
Ssangyong Motor (Shanghai) Co., Ltd.	₩	**340,816**	**59,193**	**281,623**	**133,547**	**42,112**
Ssangyong European Parts Center B.V.		**16,066,167**	**18,990,176**	**(2,924,009)**	**19,724,775**	**171,394**
Ssangyong Australia Pty Ltd.		**28,025,403**	**32,884,354**	**(4,858,951)**	**86,404,848**	**2,133,901**
SY Auto Capital Co., Ltd.(*)		**88,143,983**	**47,664,884**	**40,479,099**	**13,128,823**	**2,193,258**

(In thousands of dollar)

		2021				
		Assets	**Liabilities**	**Equity**	**Sales**	**Net income**
Ssangyong Motor (Shanghai) Co., Ltd.	$	**287**	**50**	**237**	**113**	**36**
Ssangyong European Parts Center B.V.		**13,552**	**16,019**	**(2,467)**	**16,638**	**145**
Ssangyong Australia Pty Ltd.		**23,640**	**27,739**	**(4,099)**	**72,885**	**1,800**
SY Auto Capital Co., Ltd.(*)		**74,352**	**40,207**	**34,145**	**11,075**	**1,850**

(*) Additional financial information for the joint venture for the year ended December 31, 2021 is as follows:

(In thousands of won)

		2021					
		Cash and cash equivalents	**Financial liabilities**	**Depreciation**	**Interest income**	**Interest expense**	**Income tax expense**
SY Auto Capital Co., Ltd.	₩	**5,313,867**	**46,527,944**	**868,800**	**2,474,936**	**1,118,449**	**692,790**

(In thousands of US dollar)

		2021					
		Cash and cash equivalents	**Financial liabilities**	**Depreciation**	**Interest income**	**Interest expense**	**Income tax expense**
SY Auto Capital Co., Ltd.	$	**4,482**	**39,248**	**733**	**2,088**	**943**	**584**

(In thousands of won)

		2020				
		Assets	Liabilities	Equity	Sales	Net income (loss)
Ssangyong Motor (Shanghai) Co., Ltd.	₩	331,398	99,491	231,907	396,724	(196,999)
Ssangyong European Parts Center B.V.		12,840,518	15,925,416	(3,084,898)	17,591,054	152,092
Ssangyong Australia Pty Ltd.		32,225,526	39,035,509	(6,809,983)	51,459,231	(3,039,629)
SY Auto Capital Co., Ltd.(*)		89,381,357	51,199,613	38,181,744	15,642,947	2,048,142

(In thousands of dollar)

		2020				
		Assets	Liabilities	Equity	Sales	Net income (loss)
Ssangyong Motor (Shanghai) Co., Ltd.	$	280	84	196	335	(166)
Ssangyong European Parts Center B.V.		10,831	13,434	(2,603)	14,839	128
Ssangyong Australia Pty Ltd.		27,183	32,927	(5,744)	43,407	(2,564)
SY Auto Capital Co., Ltd.(*)		75,395	43,188	32,207	13,195	1,728

(*) Additional financial information for the joint venture for the year ended December 31, 2020 is as follows:

(In thousands of won)

		2020					
		Cash and cash equivalents	**Financial liabilities**	**Depreciation**	**Interest income**	**Interest expense**	**Income tax expense**
SY Auto Capital Co., Ltd.	₩	**5,282,300**	**49,756,966**	**1,311,251**	**2,296,544**	**1,310,364**	**732,999**

(In thousands of US dollar)

		2020					
		Cash and cash equivalents	**Financial liabilities**	**Depreciation**	**Interest income**	**Interest expense**	**Income tax expense**
SY Auto Capital Co., Ltd.	$	**4,456**	**41,971**	**1,106**	**1,937**	**1,105**	**618**

(4) Reconciliation from the net assets of the Group's joint venture to the carrying amount of investments in joint venture as of December 31, 2021 is as follows:

(In thousands of won)

		Net assets	**Percentage of ownership**	**Share of the net assets of the Group**	**Reconciliation**	**Carrying amount**
SY Auto Capital Co., Ltd.	₩	**40,479,099**	**51%**	**20,644,340**	**1,394,985**	**22,039,325**

(In thousands of US dollar)

		Net assets	**Percentage of ownership**	**Share of the net assets of the Group**	**Reconciliation**	**Carrying amount**
SY Auto Capital Co., Ltd.	$	**34,145**	**51%**	**17,414**	**1,177**	**18,591**

10. Other Assets

Details of other assets as of December 31, 2021 and 2020 are as follows:
(In thousands of won and in thousands of dollar)

	Korean won		US dollar	
	2021	2020	**2021**	2020
Other current assets				
Advance payments	₩ **61,810,782**	29,858,242	$ **52,139**	25,186
Prepaid expenses	**9,291,878**	7,892,865	**7,837**	6,658
Current tax assets	**43,601**	190,703	**37**	161
	₩ **71,146,261**	37,941,810	**$** **60,013**	32,005
Other non-current assets				
Other non-current assets	₩ **275,957**	275,958	$ **233**	233

11. Property, Plant and Equipment

(1) Details of property, plant and equipment as of December 31, 2021 and 2020 are as follows:

(In thousands of won)

	2021					
	Acquisition cost	**Revaluation (*)**	**Government grants**	**Accumulated depreciation**	**Accumulated impairment losses**	**Book value**
Land	₩ **428,185,968**	**278,800,357**	**(7,354)**	**–**	**–**	**706,978,971**
Buildings	**536,087,233**	**–**	**(3,483,831)**	**(245,150,425)**	**(156,914,543)**	**130,538,434**
Structures	**112,229,100**	**–**	**(43,307)**	**(69,549,592)**	**(31,193,283)**	**11,442,918**
Machinery	**1,311,819,455**	**–**	**(133,907)**	**(1,103,122,462)**	**(112,776,324)**	**95,786,762**
Vehicles	**8,072,569**	**–**	**(1,278)**	**(5,217,819)**	**(341,445)**	**2,512,027**
Tools and molds	**1,453,231,689**	**–**	**(54,352)**	**(1,063,291,339)**	**(194,860,930)**	**195,025,068**
Equipment	**66,070,500**	**–**	**(67,235)**	**(57,170,171)**	**(3,625,715)**	**5,207,379**
Construction in progress	**44,875,938**	**–**	**–**	**–**	**(1,269,999)**	**43,605,939**
Machinery in transit	**492,071**	**–**	**–**	**–**	**–**	**492,071**
	₩ **3,961,064,523**	**278,800,357**	**(3,791,264)**	**(2,543,501,808)**	**(500,982,239)**	**1,191,589,569**

(*) The amounts increased as a result of a revaluation on lands for the year ended December 31, 2021. The land revaluation was carried out as of March 31, 2021 and conducted by Dae-il Appraisal Board as an independent appraisal firm from the Group.

(In thousands of won)

	2020				
	Acquisition cost	Government grants	Accumulated depreciation	Accumulated impairment losses	Book value
Land	₩ 402,580,149	(7,354)	–	–	402,572,795
Buildings	535,733,760	(3,579,504)	(237,764,195)	(156,914,544)	137,475,517
Structures	112,084,615	(50,238)	(68,322,549)	(31,207,525)	12,504,303
Machinery	1,303,530,860	(160,070)	(1,077,928,435)	(112,711,983)	112,730,372
Vehicles	7,295,660	(2,811)	(5,263,821)	(396,327)	1,632,701
Tools and molds	1,410,349,036	(72,559)	(987,011,007)	(193,950,222)	229,315,248
Equipment	66,273,245	(92,231)	(54,946,768)	(3,667,211)	7,567,035
Construction in progress	38,184,722	–	–	(3,206,144)	34,978,578
Machinery in transit	319,833	–	–	–	319,833
	₩ 3,876,351,880	(3,964,767)	(2,431,236,775)	(502,053,956)	939,096,382

(In thousands of dollar)

		2021					
		Acquisition cost	**Revaluation (*)**	**Government grants**	**Accumulated depreciation**	**Accumulated impairment losses**	**Book value**
Land	$	**361,186**	**235,175**	**(6)**	**–**	**–**	**596,355**
Buildings		**452,203**	**–**	**(2,939)**	**(206,791)**	**(132,361)**	**110,112**
Structures		**94,668**	**–**	**(37)**	**(58,667)**	**(26,312)**	**9,652**
Machinery		**1,106,554**	**–**	**(113)**	**(930,512)**	**(95,130)**	**80,799**
Vehicles		**6,809**	**–**	**(1)**	**(4,401)**	**(288)**	**2,119**
Tools and molds		**1,225,839**	**–**	**(46)**	**(896,914)**	**(164,370)**	**164,509**
Equipment		**55,732**	**–**	**(57)**	**(48,224)**	**(3,058)**	**4,393**
Construction in progress		**37,854**	**–**	**–**	**–**	**(1,071)**	**36,783**
Machinery in transit		**415**	**–**	**–**	**–**	**–**	**415**
	$	**3,341,260**	**235,175**	**(3,199)**	**(2,145,509)**	**(422,590)**	**1,005,137**

(*) The amounts increased as a result of a revaluation on lands for the year ended December 31, 2021. The land revaluation was carried out as of March 31, 2021 and conducted by Dae-il Appraisal Board as an independent appraisal firm from the Group.

(In thousands of dollar)

		2020				
		Acquisition cost	Government grants	Accumulated depreciation	Accumulated impairment losses	Book value
Land	$	339,587	(6)	–	–	339,581
Buildings		451,905	(3,020)	(200,560)	(132,361)	115,964
Structures		94,546	(42)	(57,632)	(26,324)	10,548
Machinery		1,099,562	(135)	(909,261)	(95,075)	95,091
Vehicles		6,154	(2)	(4,440)	(335)	1,377
Tools and molds		1,189,666	(61)	(832,569)	(163,603)	193,433
Equipment		55,903	(78)	(46,349)	(3,093)	6,383
Construction in progress		32,210	–	–	(2,705)	29,505
Machinery in transit		270	–	–	–	270
	$	3,269,803	(3,344)	(2,050,811)	(423,496)	792,152

(2) Changes in property, plant and equipment for the years ended December 31, 2021 and 2020 are as follows:

(In thousands of won)

		2021						
		Beginning balance	**Acquisition**	**Disposal**	**Depreciation**	**Impairment (*3)**	**Others (*1,2)**	**Ending balance**
Land	₩	**402,572,795**	**33,760**	**(43,411)**	**–**	**–**	**304,415,827**	**706,978,971**
Buildings		**137,475,517**	**6,723**	**–**	**(7,290,556)**	**–**	**346,750**	**130,538,434**
Structures		**12,504,303**	**–**	**(114)**	**(1,237,158)**	**–**	**175,887**	**11,442,918**
Machinery		**112,730,372**	**739**	**(30)**	**(26,050,172)**	**–**	**9,105,853**	**95,786,762**
Vehicles		**1,632,701**	**1,161,927**	**(961,324)**	**(477,435)**	**(10,064)**	**1,166,222**	**2,512,027**
Tools and molds		**229,315,248**	**467,290**	**(134,830)**	**(85,464,068)**	**–**	**50,841,428**	**195,025,068**
Equipment		**7,567,035**	**327,933**	**(46,022)**	**(2,725,522)**	**–**	**83,955**	**5,207,379**
Construction in progress		**34,978,578**	**94,188,057**	**–**	**–**	**–**	**(85,560,696)**	**43,605,939**
Machinery in transit		**319,833**	**172,238**	**–**	**–**	**–**	**–**	**492,071**
	₩	**939,096,382**	**96,358,667**	**(1,185,731)**	**(123,244,911)**	**(10,064)**	**280,575,226**	**1,191,589,569**

(*1) The amounts of ₩ 278,800 million increased as a result of a revaluation on lands and recognized as revaluation surplus(other equity) for the year ended December 31, 2021.

(*2) Others were the amounts of ₩ 675,041 thousand from capitalized borrowing costs and the amounts of ₩ 730,187 thousand replaced from inventories to vehicles for the year ended December 31, 2021.

(*3) As of December 31, 2021, the Group is in progress of commencement for corporate rehabilitation procedure under the Debtor Rehabilitation and Bankruptcy Act of Republic of Korea and judged that there is an indication of impairment to the cash-generating unit due to continuous deterioration of competitiveness and the deterioration of the market due to the spread of COVID-19. Accordingly, the Group conducted an impairment assessment on the cash-generating unit, but the Group do not recognize any impairment loss for property, plant and equipment for the year ended December 31, 2021. The recoverable amount of the cash-generating unit in the impairment assessment was determined on the basis of its fair value less costs to sell(M&A contract price), but there is a material uncertainty in the cash flow of the M&A process. The ultimate impact of this uncertainty may differ from the amount of impairment losses the Group recognized.

(In thousands of won)

		2020						
		Beginning balance	Acquisition	Disposal (*1)	Depreciation	Impairment (*2,3)	Others(*4)	Ending balance
Land	₩	474,747,900	–	(72,175,105)	–	–	–	402,572,795
Buildings		151,331,150	18,767	(4,421,220)	(9,631,680)	–	178,500	137,475,517
Structures		15,397,302	–	(102,561)	(1,381,293)	(1,467,288)	58,143	12,504,303
Machinery		153,337,727	60,539	(158,651)	(32,496,622)	(14,145,255)	6,132,634	112,730,372
Vehicles		2,710,974	930,915	(1,701,890)	(467,973)	–	160,675	1,632,701
Tools and molds		321,098,431	643,905	(711,308)	(99,569,758)	(28,911,604)	36,765,582	229,315,248
Equipment		11,385,439	766,847	(141,589)	(3,559,452)	(996,376)	112,166	7,567,035
Construction in progress		12,020,367	67,897,988	–	–	(2,731,304)	(42,208,473)	34,978,578
Machinery in transit		233,039	564,215	–	–	–	(477,421)	319,833
	₩	1,142,262,329	70,883,176	(79,412,324)	(147,106,778)	(48,251,827)	721,806	939,096,382

(*1) ₩ 76,699 million of land, buildings, and structures located in Guro-dong, Guro-gu, Seoul, and Gamjeon-dong, Sasang-gu, Busan was sold (disposal amount: ₩ 206,250 million), recognizing the related disposal gain of ₩ 115,251 million. Meanwhile, a sales and lease back agreement were signed regarding the disposal of land, buildings and structures in Guro-dong, Guro-gu, Seoul (Notes 13).

(*2) The Group judged that there is an indication of impairment to the cash-generating unit due to continuous deterioration of competitiveness and the deterioration of the market due to the spread of COVID-19. Accordingly, the Group conducted an impairment assessment on the cash-generating unit and recognized impairment loss at ₩ 47,170 million for property, plant and equipment for the period ended March 31, 2020. The recoverable amount of the cash flow generating unit in the impairment assessment was determined on the basis of its fair value less costs to sell. Meanwhile, the Group performed an impairment assessment by calculating the value in use for the year ended December 31, 2020, but there is a material uncertainty in the cash flow of the business plan used to calculate the value in use. The ultimate impact of this uncertainty may differ from the amount of impairment losses the Group recognized.

(*3) The Group recognized ₩ 1,082 million in property, plant and equipment as impairment losses for the year ended December 31, 2020 due to the discontinuation of some development projects.

(*4) Capitalized borrowing costs in respect of construction in progress is ₩ 607,927 thousand and ₩ 160,675 thousand was transferred from inventory to vehicles during the year ended December 31, 2020. Meanwhile, the government grants of ₩ 54,838 thousand is adjusted in others.

(In thousands of dollar)

		2021						
		Beginning balance	**Acquisition**	**Disposal**	**Depreciation**	**Impairment (*3)**	**Others (*1,2)**	**Ending balance**
Land	$	**339,581**	**28**	**(37)**	**–**	**–**	**256,783**	**596,355**
Buildings		**115,964**	**6**	**–**	**(6,150)**	**–**	**292**	**110,112**
Structures		**10,548**	**–**	**–**	**(1,044)**	**–**	**148**	**9,652**
Machinery		**95,091**	**1**	**–**	**(21,974)**	**–**	**7,681**	**80,799**
Vehicles		**1,377**	**979**	**(811)**	**(402)**	**(8)**	**984**	**2,119**
Tools and molds		**193,433**	**394**	**(113)**	**(72,091)**	**–**	**42,886**	**164,509**
Equipment		**6,383**	**277**	**(39)**	**(2,299)**	**–**	**71**	**4,393**
Construction in progress		**29,505**	**79,451**	**–**	**–**	**–**	**(72,173)**	**36,783**
Machinery in transit		**270**	**145**	**–**	**–**	**–**	**–**	**415**
	$	**792,152**	**81,281**	**(1,000)**	**(103,960)**	**(8)**	**236,672**	**1,005,137**

(*1) The amounts of $235 million increased as a result of a revaluation on lands and recognized as revaluation surplus(other equity) for the year ended December 31, 2021.

(*2) Others were the amounts of $569 thousand from capitalized borrowing costs and the amounts of $616 thousand replaced from inventories to vehicles for the year ended December 31, 2021.

(*3) As of December 31, 2021, the Group is in progress of commencement for corporate rehabilitation procedure under the Debtor Rehabilitation and Bankruptcy Act of Republic of Korea and judged that there is an indication of impairment to the cash-generating unit due to continuous deterioration of competitiveness and the deterioration of the market due to the spread of COVID-19. Accordingly, the Group conducted an impairment assessment on the cash-generating unit, but the Group do not recognize any impairment loss for property, plant and equipment for the year ended December 31, 2021. The recoverable amount of the cash-generating unit in the impairment assessment was determined on the basis of its fair value less costs to sell(M&A contract price), but there is a material uncertainty in the cash flow of the M&A process. The ultimate impact of this uncertainty may differ from the amount of impairment losses the Group recognized.

(In thousands of dollar)

	2020							
		Beginning balance	Acquisition	Disposal(*1)	Depreciation	Impairment (*2,3)	Others (*4)	Ending balance
Land	$	400,462	–	(60,882)	–	–	–	339,580
Buildings		127,652	16	(3,729)	(8,125)	–	150	115,964
Structures		12,988	–	(87)	(1,164)	(1,238)	49	10,548
Machinery		129,344	51	(134)	(27,412)	(11,932)	5,174	95,091
Vehicles		2,287	785	(1,436)	(395)	–	136	1,377
Tools and molds		270,855	543	(600)	(83,990)	(24,388)	31,013	193,433
Equipment		9,604	647	(119)	(3,002)	(840)	93	6,383
Construction in progress		10,139	57,274	–	–	(2,304)	(35,604)	29,505
Machinery in transit		197	476	–	–	–	(403)	270
	$	963,528	59,792	(66,986)	(124,088)	(40,702)	608	792,152

(*1) $65 million of land, buildings, and structures located in Guro-dong, Guro-gu, Seoul, and Gamjeon-dong, Sasang-gu, Busan was sold (disposal amount: $174 million), recognizing the related disposal gain of $97 million. Meanwhile, a sales and lease back agreement was signed regarding the disposal of land, buildings and structures in Guro-dong, Guro-gu, Seoul (Notes 13).

(*2) The Group judged that there is an indication of impairment to the cash-generating unit due to continuous deterioration of competitiveness and the deterioration of the market due to the spread of COVID-19. Accordingly, the Group conducted an impairment assessment on the cash-generating unit and recognized impairment loss at $40 million for property, plant and equipment for the period ended March 31, 2020. The recoverable amount of the cash flow generating unit in the impairment assessment was determined on the basis of its fair value less costs to sell. Meanwhile, the Group performed an impairment assessment by calculating the value in use for the year ended December 31, 2020, but there is a material uncertainty in the cash flow of the business plan used to calculate the value in use. The ultimate impact of this uncertainty may differ from the amount of impairment losses the Group recognized.

(*3) The Group recognized $1 million in property, plant and equipment as impairment losses for the year ended December 31, 2020 due to the discontinuation of some development projects.

(*4) Capitalized borrowing costs in respect of construction in progress is $513 thousand and $136 thousand was transferred from inventory to vehicles during the year ended December 31, 2020. Meanwhile, the government grants of $46 thousand is adjusted in others.

(3) Details of pledged assets provided as collateral for the borrowings as of December 31, 2021 are as follows:

(In thousands of won and in thousands of dollar)

		Korean won			US dollar	
		Book value	**Collateralized amount(*)**		**Book value**	**Collateralized amount(*)**
Land	₩	**656,826,641**		$	**554,050**	
Buildings and structures		**101,065,390**	**483,890,112**		**85,251**	**408,174**
Machinery and others		**8,032**			**7**	
	₩	**757,900,063**	**483,890,112**	$	**639,308**	**408,174**

(*) ₩ 135,890,112 thousand ($114,627 thousand) was included due to the Group's provision of tax collateral related to the extension of the special consumption tax and VAT payment deadline for the year ended December 31, 2021.

(4) Capitalized borrowing costs and capitalization interest rate for the years ended December 31, 2021 and 2020 are as follows:

(In thousands of won and in thousands of dollar)

		Korean won			US dollar	
		2021	2020		**2021**	2020
Capitalized interest expenses(*)	₩	**1,818,829**	3,179,542	$	**1,534**	2,682
Capitalization interest rate		**2.44%**	2.95%		**2.44%**	2.95%

(*) The borrowing costs capitalized as intangible assets were ₩1,143,788 thousand ($965 thousand) and ₩2,571,615 thousand ($2,169 thousand) for the years ended December 31, 2021 and 2020, respectively.

(5) Revaluation on Lands

The Group has changed the accounting policy of the subsequent measurement of land classified as property, plant and equipment from the cost model to the revaluation model for the year ended December 31, 2021. The lands were revalued by using appraisal results which conducted by independent and expertise appraisal institution, Dae-il Appraisal Board, as of March 31, 2021. The appraisal board valued land price based on the publicly assessed land price with adjustments and reviewed reasonableness of revaluation amount by comparing appraisal results with the estimated price based on recent market transactions among the independent third parties. After deducting income tax effects, the revaluation income of ₩ 223,495 million ($189 million) was recognized as other comprehensive income as a result of a revaluation on lands for the year ended December 31, 2021.

Details of book amounts of lands both the revaluation model and the cost model as of December 31, 2021 are as follows:

(In thousands of won and in thousands of US dollar)

		Korean won			US dollar	
		Revaluation Model	**Cost Model**		**Revaluation Model**	**Cost Model**
Lands	₩	**706,978,971**	428,178,614	$	**596,355**	361,180

12. Intangible Assets

(1) Details of intangible assets as of December 31, 2021 and 2020 are as follows:

(In thousands of won)

	2021				
	Acquisition cost	Government grants	Accumulated amortization	Accumulated impairment losses	Book value
Development cost	₩ 582,795,578	–	(409,911,195)	(38,947,234)	133,937,149
Patents	5,332,194	(4,913)	(4,402,758)	(225,039)	699,484
Other intangible assets	146,815,002	(37,778)	(39,004,850)	(66,685,326)	41,087,048
	₩ 734,942,774	(42,691)	(453,318,803)	(105,857,599)	175,723,681

(In thousands of won)

	2020				
	Acquisition cost	Government grants	Accumulated amortization	Accumulated impairment losses	Book value
Development cost	₩ 510,279,976	–	(340,566,464)	(32,860,505)	136,853,007
Patents	5,067,550	(9,343)	(4,019,589)	(204,211)	834,407
Other intangible assets	175,815,635	(80,000)	(36,806,466)	(66,685,326)	72,243,843
	₩ 691,163,161	(89,343)	(381,392,519)	(99,750,042)	209,931,257

(In thousands of dollar)

	2021				
	Acquisition cost	Government grants	Accumulated amortization	Accumulated impairment losses	Book value
Development cost	$ 491,603	–	(345,771)	(32,853)	112,979
Patents	4,498	(4)	(3,714)	(190)	590
Other intangible assets	123,842	(32)	(32,901)	(56,251)	34,658
	$ 619,943	(36)	(382,386)	(89,294)	148,227

(In thousands of dollar)

	2020				
	Acquisition cost	Government grants	Accumulated amortization	Accumulated impairment losses	Book value
Development cost	$ 430,434	–	(287,276)	(27,719)	115,439
Patents	4,275	(8)	(3,391)	(172)	704
Other intangible assets	148,305	(67)	(31,048)	(56,251)	60,939
	$ 583,014	(75)	(321,715)	(84,142)	177,082

(2) Changes in intangible assets for the years ended December 31, 2021 and 2020 are as follows:

(In thousands of won)

	2021						
	Beginning balance	Acquisition	Disposal	Amortization	Impairment (*1)	Others (*2)	Ending balance
Internally created intangible assets:							
Development cost	₩ 136,853,007	–	–	(69,344,731)	–	66,428,873	133,937,149
Other intangible assets	67,409,197	34,878,142	–	–	–	(65,285,086)	37,002,253
	204,262,204	34,878,142	–	(69,344,731)	–	1,143,787	170,939,402
Individually acquired intangible assets:							
Patents	834,407	264,643	–	(378,738)	(20,828)	–	699,484
Other intangible assets	4,834,646	1,478,361	(70,120)	(2,163,551)	–	5,459	4,084,795
	5,669,053	1,743,004	(70,120)	(2,542,289)	(20,828)	5,459	4,784,279
	₩ 209,931,257	36,621,146	(70,120)	(71,887,020)	(20,828)	1,149,246	175,723,681

(*1) As of December 31, 2021, the Group is in progress of commencement for corporate rehabilitation procedure under the Debtor Rehabilitation and Bankruptcy Act of Republic of Korea and judged that there is an indication of impairment to the cash-generating unit due to continuous deterioration of competitiveness and the deterioration of the market due to the spread of COVID-19. Accordingly, the Group conducted an impairment assessment on the cash-generating unit, but the Group do not recognize impairment loss for intangible assets for the year ended December 31, 2021. The recoverable amount of the cash-generating unit in the impairment assessment was determined on the basis of its fair value less costs to sell(M&A price), but there is a material uncertainty in the cash flow of the M&A process. The ultimate impact of this uncertainty may differ from the amount of impairment losses The Group recognized.

(*2) Capitalized borrowing costs in respect of other intangible assets is ₩ 1,143,788 thousand for the year ended December 31, 2021 and including exchange rate effect.

(In thousands of won)

	2020					
	Beginning balance	Acquisition	Amortization	Impairment (*1,2)	Others (*3)	Ending balance
Internally created intangible assets:						
Development cost	₩ 222,019,365	–	(65,234,512)	(19,931,846)	–	136,853,007
Other intangible assets	82,875,485	41,667,176	–	(59,705,079)	2,571,615	67,409,197
	304,894,850	41,667,176	(65,234,512)	(79,636,925)	2,571,615	204,262,204
Individually acquired intangible assets:						
Patents	1,157,589	218,808	(494,075)	(47,915)	–	834,407
Other intangible assets	7,052,315	1,098,456	(2,806,323)	(435,907)	(73,895)	4,834,646
	8,209,904	1,317,264	(3,300,398)	(483,822)	(73,895)	5,669,053
	₩ 313,104,754	42,984,440	(68,534,910)	(80,120,747)	2,497,720	209,931,257

(*1) The Group judged that there is an indication of impairment to the cash-generating unit due to continuous deterioration of competitiveness and the deterioration of the market due to the spread of COVID-19. Accordingly, the Group conducted an impairment assessment on the cash-generating unit and recognized impairment loss at ₩ 29,700 million for intangible assets for the period ended March 31, 2020. The recoverable amount of the cash-generating unit in the impairment assessment was determined on the basis of its fair value less costs to sell. Meanwhile, the Group performed an impairment assessment by calculating the value in use for the year ended December 31, 2020, but there is a material uncertainty in the cash flow of the business plan used to calculate the value in use. The ultimate impact of this uncertainty may differ from the amount of impairment losses the Group recognized.

(*2) The Group recognized ₩ 50,393 million in intangible assets as impairment losses for the year ended December 31, 2020 due to the discontinuation of some development projects.

(*3) Capitalized borrowing costs in respect of other intangible assets is ₩ 2,571,615 thousand for the year ended December 31, 2020. Meanwhile, ₩ 80,000 thousand of government grants used for asset acquisition was adjusted by others and including exchange rate effect.

(In thousands of dollar)

	2021						
	Beginning balance	Acquisition	Disposal	Amortization	Impairment (*1)	Others (*2)	Ending balance
Internally created intangible assets:							
Development cost	$ 115,439	–	–	(58,494)	–	56,034	112,979
Other intangible assets	56,861	29,421	–	–	–	(55,070)	31,212
	172,300	29,421	–	(58,494)	–	965	144,192
Individually acquired intangible assets:							
Patents	704	223	–	(319)	(18)	–	590
Other intangible assets	4,078	1,247	(59)	(1,825)	–	5	3,446
	4,782	1,470	(59)	(2,144)	(18)	5	4,036
	$ 177,082	30,891	(59)	(60,638)	(18)	970	148,228

(*1) As of December 31, 2021, the Group is in progress of commencement for corporate rehabilitation procedure under the Debtor Rehabilitation and Bankruptcy Act of Republic of Korea and judged that there is an indication of impairment to the cash-generating unit due to continuous deterioration of competitiveness and the deterioration of the market due to the spread of COVID-19. Accordingly, the Group conducted an impairment assessment on the cash-generating unit, but the Group do not recognize impairment loss for property, plant and equipment for the year ended December 31, 2021. The recoverable amount of the cash-generating unit in the impairment assessment was determined on the basis of its fair value less costs to sell(M&A price), but there is a material uncertainty in the cash flow of the M&A process. The ultimate impact of this uncertainty may differ from the amount of impairment losses The Group recognized.

(*2) Capitalized borrowing costs in respect of other intangible assets is $965 thousand for the year ended December 31, 2021 and including exchange rate effect.

(In thousands of dollar)

	2020					
	Beginning balance	Acquisition	Amortization	Impairment (*1,2)	Others (*3)	Ending balance
Internally created intangible assets:						
Development cost	$ 187,279	–	(55,027)	(16,813)	–	115,439
Other intangible assets	69,908	35,147	–	(50,363)	2,169	56,861
	257,187	35,147	(55,027)	(67,176)	2,169	172,300
Individually acquired intangible assets:						
Patents	976	185	(417)	(40)	–	704
Other intangible assets	5,949	926	(2,367)	(368)	(62)	4,078
	6,925	1,111	(2,784)	(408)	(62)	4,782
	$ 264,112	36,258	(57,811)	(67,584)	2,107	177,082

(*1) The Group judged that there is an indication of impairment to the cash-generating unit due to continuous deterioration of competitiveness and the deterioration of the market due to the spread of COVID-19. Accordingly, the Group conducted an impairment assessment on the cash-generating unit and recognized impairment loss at $25 million for intangible assets for the period ended March 31, 2020. The recoverable amount of the cash-generating unit in the impairment assessment was determined on the basis of its fair value less costs to sell. Meanwhile, the Group performed an impairment assessment by calculating the value in use for the year ended December 31, 2020, but there is a material uncertainty in the cash flow of the business plan used to calculate the value in use. The ultimate impact of this uncertainty may differ from the amount of impairment losses the Group recognized.

(*2) The Group recognized $43 million in intangible assets as impairment losses for the year ended December 31, 2020 due to the discontinuation of some development projects.

(*3) Capitalized borrowing costs in respect of other intangible assets is $2,169 thousand for the year ended December 31, 2020. Meanwhile, $67 thousand of government grants used for asset acquisition was adjusted by others and including exchange rate effect.

(3) Details of capitalized development costs as of December 31, 2021 are as follows:
(In thousands of won and in thousands of dollar)

	Project name	Korean won	US dollar	Remaining amortization period (*1)
Development costs	RV(*2)	₩ 122,923,016	$ 103,689	1~4 years
	Power train and others	11,014,133	9,291	1~4 years
Other intangible assets	RV(*3)	37,002,253	31,212	–
		₩ 170,939,402	$ 144,192	

(*1) If the amortization is initiated, the remaining amortization period is recorded. If the amortization is not started, it is marked with "-" only.
(*2) It is a development project for vehicles under sale as of December 31, 2021.
(*3) On-going development project for vehicles as of December 31, 2021 to respond to consumer needs and market conditions.

(4) Details of expenditures for research and developments for the years ended December 31, 2021 and 2020 are as follows:
(In thousands of won and in thousands of dollar)

	Korean won		US dollar	
	2021	2020	**2021**	2020
Capitalization of intangible assets	₩ **36,021,930**	44,238,791	$ **30,385**	37,317
Manufacturing costs	**55,311,841**	99,292,469	**46,657**	83,756
Selling and administrative expenses	**11,853,410**	12,923,031	**9,999**	10,901
	₩ **103,187,181**	156,454,291	$ **87,041**	131,974

13. Lease

(1) Changes in right-of-use assets for the years ended December 31, 2021 and 2020 are as follows:
(In thousands of won)

	2021					
	Beginning balance	**Increase(*)**	**Depreciation**	**Others**	**Exchange rate effect**	**Ending balance**
Land and building	₩ **6,465,798**	**2,675,532**	**(5,120,264)**	**(112,026)**	**8,555**	**3,917,595**
Vehicle	**2,013,206**	**100,674**	**(1,883,475)**	**(65,356)**	**775**	**165,824**
Equipment	**1,014,632**	**–**	**(734,761)**	**–**	**–**	**279,871**
	₩ **9,493,636**	**2,776,206**	**(7,738,500)**	**(177,382)**	**9,330**	**4,363,290**

(*) ₩2,234 million increased due to a lease contract related to the relocation of the Seoul office.
(In thousands of won)

	2020					
	Beginning balance	Increase(*)	Depreciation	Others	Exchange rate effect	Ending balance
Land and building	₩ 2,316,703	7,632,929	(3,529,529)	–	45,695	6,465,798
Vehicle	3,786,859	161,325	(1,939,049)	(3,071)	7,142	2,013,206
Equipment	1,356,006	417,564	(748,247)	(10,691)	–	1,014,632
	₩ 7,459,568	8,211,818	(6,216,825)	(13,762)	52,837	9,493,636

(*) ₩7,300 million increased due to the lease transaction of the Guro A/S Center.

(In thousands of dollar)

	2021					
	Beginning balance	**Increase(*)**	**Depreciation**	**Others**	**Exchange rate effect**	**Ending balance**
Land and building	$ **5,454**	**2,257**	**(4,319)**	**(94)**	**7**	**3,305**
Vehicle	**1,698**	**85**	**(1,589)**	**(55)**	**1**	**140**
Equipment	**856**	**–**	**(620)**	**–**	**–**	**236**
	$ **8,008**	**2,342**	**(6,528)**	**(149)**	**8**	**3,681**

(*) $2 million increased due to a lease contract related to the relocation of the Seoul office.

(In thousands of dollar)

		2020					
		Beginning balance	**Increase(*)**	Depreciation	Others	Exchange rate effect	Ending balance
Land and building	$	1,954	6,439	(2,977)	–	39	5,455
Vehicle		3,194	136	(1,636)	(3)	6	1,697
Equipment		1,144	352	(631)	(9)	–	856
	$	6,292	6,927	(5,244)	(12)	45	8,008

(*) $6 million increased due to the lease transaction of the Guro A/S Center.

(2) Details of lease liabilities as of December 31, 2021 and 2020 are as follows:

(In thousands of won)

		2021	
		Within a year	**Over 1 year**
Lease liabilities(*)	₩	**5,135,068**	**4,016,688**

(In thousands of won)

		2020	
		Within a year	**Over 1 year**
Lease liabilities(*)	₩	6,279,275	2,141,499

(In thousands of dollar)

		2021	
		Within a year	**Over 1 year**
Lease liabilities(*)	$	**4,332**	**3,464**

(In thousands of dollar)

		2020	
		Within a year	**Over 1 year**
Lease liabilities(*)	$	5,297	1,806

(*) The total amounts of lease liabilities paid are ₩9,225,053 thousand ($7,782 thousand) and ₩9,756,079 thousand ($8,230 thousand) and interests expenses are ₩330,952 thousand ($279 thousand) and ₩370,301 thousand ($312 thousand) for the years ended December 31, 2021 and 2020, respectively.

(3) Expenses from lease contracts with low cost and short-term contract during this year are as follows:

(In thousands of won)

	Exemption of lease recognition		**2021**	**2020**
Office equipment	Low cost	₩	**531,672**	833,314
	Short term		**–**	11,110
Building	Short term		**7,500**	30,000

(In thousands of US dollar)

	Exemption of lease recognition		**2021**	**2020**
Office equipment	Low cost	$	**448**	703
	Short term		**–**	9
Building	Short term		**6**	25

(4) The following table sets out a maturity analysis of lease receivables, showing the undiscounted lease payments to be received after the reporting date.

(In thousands of won and in thousands of dollar)

		2021		
		Korean won		**US dollar**
Less than 1 year	₩	**4,280,274**	$	**3,611**
1 year to 5 years		**2,570,090**		**2,168**
Lease to be received		**6,850,364**		**5,779**
Unrealized interests		**(205,693)**		**(174)**
Net investment in the lease		**6,644,671**		**5,604**
Interests from sublease for this year		**188,456**		**159**

(In thousands of won and in thousands of dollar)

		2020		
		Korean won		**US dollar**
Less than 1 year	₩	**2,764,810**	$	**2,332**
1 year to 5 years		**1,722,020**		**1,453**
Lease to be received		**4,486,830**		**3,785**
Unrealized interests		**(140,330)**		**(118)**
Net investment in the lease		**4,346,500**		**3,667**
Interests from sublease for this year		**152,322**		**128**

(5) Sales and lease back

The Group liquidated the land and buildings of the factory in Guro-dong, Guro-gu, Seoul to enhance asset efficiency and financial stability for the year ended December 31, 2020. The main terms of sales and lease back transactions are as the following:

	Main terms
Type	Sales and lease back
Counterparty	PIA Guro-station PFV Co., ltd.
Transaction amount	₩180 Billion ($152 Million)
Underlying assets	Factory land and building in Guro-dong, Guro-gu, Seoul
Lease term	2 years(July 2020 ~ June 2022)
Extension option(*)	It is possible to extend the lease term up to a year (one time only) prior to 4 months by agreement between the parties.
Lessee's preemption preference	If the lessor intends to sell the lease object to a third party before the expiration of the lease term, the lessee may exercise the right to preferentially purchase the lease object (preemption preference).

(*) The lease was extended for 1 year by exercising the extension option after reporting period.

The details of the Group's recognition for the year ended December 31, 2020 due to sales and lease back transactions are as the following:

- Right-of-use asset: ₩7,300 million ($6 million) increased.
- Property, plant and equipment: ₩60,834 million ($51 million) decreased.
- Gains on disposal of PPE: ₩104,866 million ($88 million) increased.
- Lease deposit: ₩10,800 million ($9 million) increased.

14. Borrowings

(1) Details of short-term borrowings as of December 31, 2021 and 2020 are as follows:

(In thousands of won and in thousands of dollar)

Creditor	Type	Interest rate (%) (*5)	Korean won 2021	Korean won 2020	US dollar 2021	US dollar 2020
Korea Development Bank	Operating fund(*1)	CD+5.10	₩ **20,000,000**	20,000,000	$ **16,871**	16,871
	Facility fund(*1)	CD+4.57	**70,000,000**	70,000,000	**59,047**	59,047
	Facility fund(*2)	CD+4.60	**100,000,000**	100,000,000	**84,353**	84,353
Woori Bank	General loan(*2)	CD+5.00	**24,998,183**	25,000,000	**21,086**	21,088
JP Morgan(*3)	Facility fund and others	–	**–**	40,000,000	**–**	33,741
	Overdraft	–	**–**	19,999,969	**–**	16,870
Mahindra & Mahindra Ltd.(*3,4)	General loan	2.66	**40,000,000**	–	**33,741**	–
	Overdraft	CD+2.00	**19,999,969**	–	**16,870**	–
	Overdraft	CD+2.00	**29,999,869**	29,999,869	**25,306**	25,306
BNP PARIBAS (*6)	Overdraft	CD+4.00	**10,000,000**	10,000,000	**8,435**	8,435
			₩ **314,998,021**	314,999,838	$ **265,709**	265,711

(*1) During the previous year, due to the application for the commencement of court receivership, the Group cannot claim the benefit of time.

(*2) During the previous year, due to the application for the commencement of court receivership, the Group cannot claim the benefit of time and it's reclassified as short-term borrowings.

(*3) During the current year, Mahindra & Mahindra Ltd., the largest shareholder of the Group repaid loans of ₩19,999,969 thousand ($16,870 thousand) and overdraft of ₩40,000,000 thousand ($33,741 thousand) to the JP Morgan on behalf of the Group.

(*4) During the previous year, Mahindra & Mahindra Ltd., the largest shareholder of the Group repaid loans of ₩29,999,869 thousand ($25,306 thousand) to the Bank of America (BOA) on behalf of the Group.

(*5) Failure to make payment on a due date, default interest rate is applied on it.

(*6) The conditions for these loans stipulate that the largest shareholder of the Group, Mahindra & Mahindra's stake in the Group must exceed 51% (Notes 19). After the end of reporting period, the largest shareholder of the Group repaid loans of ₩10,000,000 thousand ($8,435 thousand) on behalf of the Group.

(2) Details of long-term borrowing as of December 31, 2021 and 2020 are as follows:

(In thousands of won and in thousands of dollar)

Creditor	**Type**	**Interest rate(%)(*2)**	Korean won **2021**	Korean won 2020	US dollar **2021**	US dollar 2020
Korea Development Bank	Facility fund	CD+4.57	₩ **70,000,000**	70,000,000	$ **59,047**	59,047
	Facility fund	CD+4.60	**100,000,000**	100,000,000	**84,353**	84,353
JP Morgan (*3)	Facility fund and others	–	**–**	40,000,000	**–**	33,741
Mahindra & Mahindra Ltd. (*1,3)	Facility fund	2.66	**40,000,000**	–	**33,741**	–
	General loan	3.00	**40,000,000**	**40,000,000**	**33,741**	**33,741**
Woori Bank	General loan	CD+5.00	**24,998,183**	25,000,000	**21,087**	21,088
Less: Current portion			**(234,998,183)**	(235,000,000)	**(198,227)**	(198,229)
			₩ **40,000,000**	40,000,000	$ **33,742**	33,741

(*1) The Group has an option of conversion of borrowing to equity, Mahindra & Mahindra cannot refuse without reasonable reason.

(*2) Failure to make payment on a due date, default interest rate is applied on it.

(*3) During the current year, Mahindra & Mahindra Ltd., the largest shareholder of the Group repaid overdraft of ₩40,000,000 thousand ($33,741 thousand) to the JP Morgan on behalf of the Group.

(3) Details of pledged assets as collateral for borrowings as of December 31, 2021 are as follows:

(In thousands of won)

Creditor	**Pledged assets**		**Borrowings amount**	**Maximum credit amount**
Korea Development Bank	Land, buildings, structures and machinery	₩	190,000,000	300,000,000
Woori Bank	Land and buildings		24,998,183	48,000,000
		₩	214,998,183	348,000,000

(In thousands of dollar)

Creditor	Pledged assets		Borrowings amount	Maximum credit amount
Korea Development Bank	Land, buildings, structures and machinery	$	160,270	253,058
Woori Bank	Land and buildings		21,087	40,489
		$	181,357	293,547

15. Other Financial Liabilities

Details of other financial liabilities as of December 31, 2021 and 2020 are as follows:

(In thousands of won and in thousands of dollar)

	Korean won		US dollar	
	2021	2020	**2021**	2020
Accrued expenses	₩ **101,191,970**	55,063,845	$ **85,358**	46,448

16. Provision of Warranty for sale

The Group generally provides warranty for each product sold and accrues warranty expense at the time of sale based on the history of actual claims. Changes in provision of warranty for sale for the years ended December 31, 2021 and 2020 are as follows:

(In thousands of won and in thousands of dollar)

	Korean won		US dollar	
	2021	2020	**2021**	2020
Beginning balance	₩ **119,171,345**	128,285,606	$ **100,524**	108,212
Increase	**19,724,841**	33,281,407	**16,638**	28,074
Decrease	**(34,319,535)**	(42,395,668)	**(28,949)**	(35,762)
Ending balance	₩ **104,576,651**	119,171,345	$ **88,213**	100,524
Current	₩ **46,539,918**	50,043,567	$ **39,258**	42,213
Non-current	**58,036,733**	69,127,778	**48,955**	58,311

17. Other Liabilities

Details of other liabilities as of December 31, 2021 and 2020 are as follows:

(In thousands of won)

		2021		2020	
		Current	Non-current	**Current**	Non-current
Advances from customers	₩	**9,888,538**	–	**6,745,066**	–
Deposits received(*1)		**15,916,385**	–	**652,934**	–
Withholdings		**10,780,078**	–	**23,215,826**	–
Unearned revenue		**5,277,340**	17,651,651	**4,733,234**	19,326,729
Refund liabilities(*2)		**1,475,042**	–	3,483,928	–
	₩	**43,337,383**	17,651,651	**38,830,988**	19,326,729

(In thousands of dollar)

		2021		2020	
		Current	**Non-current**	Current	Non-current
Advances from customers	$	**8,341**	–	5,690	–
Deposits received(*1)		**13,426**	–	551	–
Withholdings		**9,093**	–	19,583	–
Unearned revenue		**4,452**	**14,889**	3,991	16,303
Refund liabilities(*2)		**1,244**	–	2,939	–
	$	**36,556**	**14,889**	32,754	16,303

(*1) The amounts include the performance deposits amounting to ₩15,513 million ($13 million) provided by "Edison Motors Consortium" as a preferred bidder.

(*2) The Group estimates the returnable sales and calculates the expected future return as refund liabilities.

18. Employee Benefits

(1) Details of defined benefit liabilities as of December 31, 2021 and 2020 are as follows:

(In thousands of won and in thousands of dollar)

	Korean won		US dollar	
	2021	2020	**2021**	2020
Present value of defined benefit obligations	₩ **363,990,154**	383,312,042	$ **307,035**	323,334
Fair value of plan assets	**(839,832)**	(933,028)	**(708)**	(787)
	₩ **363,150,322**	382,379,014	$ **306,327**	322,547

(2) Changes in defined benefit liabilities for the years ended December 31, 2021 and 2020 are as follows:

(In thousands of won)

	2021		
Details	**PV of defined benefit obligation**	**Plan assets**	**Total**
Beginning balance	₩ **383,312,042**	**(933,028)**	**382,379,014**
Current service cost	**38,794,084**	–	**38,794,084**
Interest expense (income)	**9,051,194**	**(21,957)**	**9,029,237**
Sub-total	**431,157,320**	**(954,985)**	**430,202,335**

	2021		
Details	**PV of defined benefit obligation**	**Plan assets**	**Total**
Re-measurement factors:			
Re-measurements of plan assets	–	**10,815**	**10,815**
Loss (gain) from experience adjustments	**2,999,303**	–	**2,999,303**
Loss (gain) from changes in financial assumptions	**(46,171,143)**	–	**(46,171,143)**
Loss (gain) from changes in demographic assumptions	**122,089**	–	**122,089**
Sub-total	**(43,049,751)**	**10,815**	**(43,038,936)**
Benefit paid by plan	**(104,338)**	**104,338**	–
Benefit paid directly	**(24,013,077)**	–	**(24,013,077)**
Ending balance	**₩ 363,990,154**	**(839,832)**	**363,150,322**

(In thousands of won)

	2020		
Details	PV of defined benefit obligation	Plan assets	Total
Beginning balance	₩ 357,109,529	(954,268)	356,155,261
Current service cost	40,348,672	–	40,348,672
Interest expense (income)	8,107,730	(21,601)	8,086,129
Sub-total	405,565,931	(975,869)	404,590,062
Re-measurement factors:			
Re-measurements of plan assets	–	9,631	9,631
Loss (gain) from experience adjustments	(11,105,494)	–	(11,105,494)
Loss (gain) from changes in financial assumptions	(2,698,844)	–	(2,698,844)
Loss (gain) from changes in demographic assumptions	391,655	–	391,655
Sub-total	(13,412,683)	9,631	(13,403,052)
Benefit paid by plan	(33,210)	33,210	–
Benefit paid directly	(8,807,996)	–	(8,807,996)
Ending balance	₩ 383,312,042	(933,028)	382,379,014

(In thousands of dollar)

	2021		
Details	**PV of defined benefit obligation**	**Plan assets**	**Total**
Beginning balance	$ **323,334**	**(787)**	**322,547**
Current service cost	**32,724**	–	**32,724**
Interest expense (income)	**7,635**	**(19)**	**7,616**
Sub-total	**363,693**	**(806)**	**362,887**
Re-measurement factors:			
Re-measurements of plan assets	–	**9**	**9**
Loss (gain) from experience adjustments	**2,530**	–	**2,530**
Loss (gain) from changes in financial assumptions	**(38,947)**	–	**(38,947)**
Loss (gain) from changes in demographic assumptions	**103**	–	**103**
Sub-total	**(36,314)**	**9**	**(36,305)**
Benefit paid by plan	**(88)**	**88**	–
Benefit paid directly	**(20,256)**	–	**(20,256)**
Ending balance	$ **307,035**	**(709)**	**306,326**

(In thousands of dollar)

	2020		
Details	PV of defined benefit obligation	Plan assets	Total
Beginning balance	$ 301,231	(805)	300,426
Current service cost	34,035	–	34,035
Interest expense (income)	6,839	(18)	6,821
Sub-total	342,105	(823)	341,282
Re-measurement factors:			
Re-measurements of plan assets	–	8	8
Loss (gain) from experience adjustments	(9,368)	–	(9,368)
Loss (gain) from changes in financial assumptions	(2,277)	–	(2,277)
Loss (gain) from changes in demographic assumptions	330	–	330
Sub-total	(11,314)	8	(11,306)
Benefit paid by plan	(28)	28	–
Benefit paid directly	(7,430)	–	(7,430)
Ending balance	$ 323,334	(787)	322,547

(3) The components of plan assets as of December 31, 2021 and 2020 are as follows:

(In thousands of won and in thousands of dollar)

	Korean won		US dollar	
	2021	2020	**2021**	2020
Insurance contracts	₩ **839,832**	933,028	$ **708**	787

(4) Actuarial assumptions used related to plans as of December 31, 2021 and 2020 are as follows:

	2021	2020
Discount rate (%)	**2.80**	2.40
Rate of future salary growth (%)	**2.97**	3.97

The discount rate is the market yield at the end of the reporting year on high quality corporate bonds (AA+) that have maturity which approximates the terms of the Group's obligations and that are denominated in the same currency in which the benefits are expected to be paid. The discount rate for the calculation of the present value of defined benefit obligations is also used as expected return on plan assets.

Weighted average duration of defined benefit obligation as of December 31, 2021 and 2020 are 9.4 years and 10.5 years, respectively.

(5) The sensitivity of the defined benefit obligations to key assumptions as of December 31, 2021 is as follows:

(In thousands of won and in thousands of dollar)

	Korean won		US dollar	
	1% increase	**1% decrease**	**1% increase**	**1% decrease**
Discount rate	₩ **(29,968,389)**	33,485,336	$ **(25,279)**	28,246
Future salary growth	**32,797,523**	(29,835,582)	**27,666**	(25,167)

There is a correlation between actuarial assumptions, the above sensitivity analysis will not represent actual changes in defined benefit obligations because the assumptions will not change independently.

In the sensitivity analysis, the present value of the defined benefit obligation was measured using the predictive unit accumulation method applied to measure the defined benefit obligation in consolidated financial statements.

(6) Details of other long-term employee benefits liabilities as of December 31, 2021 and 2020 are as follows:

(In thousands of won and in thousands of dollar)

		Korean won			US dollar	
		2021	2020		**2021**	2020
Current	₩	**–**	1,985,709	$	**–**	1,675
Non-current		**14,687,238**	14,587,395		**12,389**	12,305
	₩	**14,687,238**	16,573,104	$	**12,389**	13,980

Since the other long-term employee benefits was suspended until June 2023 by collective agreement between labor and management, other employee benefits liabilities were reclassified as non-current liabilities as of December 31, 2021.

(7) Details of adjustment of other employee benefits liabilities as of December 31, 2021 and 2020 are as follows:

(In thousands of won and in thousands of dollar)

		Korean won			US dollar	
		2021	2020		**2021**	2020
Beginning balance	₩	**16,573,104**	16,253,294	$	**13,980**	13,710
Current service cost		**851,457**	868,262		**718**	732
Interest expense		**261,582**	288,298		**221**	243
Actuarial gains and losses		**(2,998,905)**	(743,720)		**(2,530)**	(627)
Benefit paid directly		**–**	(93,030)		**–**	(78)
Ending balance	₩	**14,687,238**	16,573,104	$	**12,389**	13,980

(8) Actuarial assumptions used related to other long-term employee benefits liabilities as of December 31, 2021 and 2020 are as follows:

		2021	2020
Discount rate (%)		2.40	1.70
Increase rate of gold price (%)		2.00	2.00
Increase rate of travel expense and plaque (%)		0.00	0.00
Gold price(1-don)	₩	260,869	272,429

		2021	2020
Discount rate (%)		2.40	1.70
Increase rate of gold price (%)		2.00	2.00
Increase rate of travel expense and plaque (%)		0.00	0.00
Gold price(1-don)	$	220	230

The Group applies the high-quality corporate bonds rate(AA+) consistent with the currency and expected payment period as a discount rate for calculating the present value of other long-term employee benefit liabilities.

Weighted average duration of other long-term employee benefit liabilities as of December 31, 2021 and 2020 are 4.7 years and 5.2 years, respectively.

19. Commitments and Contingencies

Details of commitments and contingencies as of December 31, 2021 are as follows:

(1) The Group carries product liability insurance for all products that it sells.

(2) As of December 31, 2021, the Group has agreements with Korea Development Bank and others for various borrowings, trading finance and others with limit of ₩354,998 million ($299 million). With regard to the overdraft from BNP Paribas, the conditions for these loans stipulate that the largest shareholder of the Group, Mahindra & Mahindra's stake in the Group must exceeds 51%.

(3) As of December 31, 2021, 4 claims as a plaintiff were filed with the claim amount of ₩3,417 million ($3 million) and 9 claims as a defendant were filed with the claims of ₩1,548 million ($1 million). The provision amounting to ₩7,888 million ($7 million) is recognized as other payable for the foregoing lawsuits and claims, since the amounts for potential loss can be estimated and management expect that it is probable that the Group will be required to incur an outflow.

(4) Details of other provisions as of December 31, 2021 and 2020 are as follows:

(In thousands of won and in thousands of dollar)

		Korean won			US dollar	
		2021	2020		**2021**	2020
Beginning balance	₩	**124,578,526**	27,238,937	$	**105,085**	22,977
Increase		**519,292,953**	141,957,483		**438,037**	119,745
Decrease		**(564,005,631)**	(44,617,894)		**(475,753)**	(37,636)
Ending balance	₩	**79,865,848**	**124,578,526**	$	**67,369**	**105,086**

(*) In relation to CO2 emission regulations in Korea/EU(the Act on Allocation and Trading of Greenhouse Gas Emission), the Group estimates the expenses based on shortage of fuel efficiency comparing to the standard fuel efficiency and emission quantity in excess of free-allocated emission quantity. The Group has recognized a provision of CO2 emission regulations of ₩44,439,537 thousand ($37,485 thousand) and ₩68,422,537 thousand ($57,716 thousand) as of December 31, 2021 and 2020, respectively. In addition, the Group recognized expected costs as other provisions with regard to foregoing lawsuits and sales incentive, etc.

(5) As of December 21, 2020, the Group filed for commencement of rehabilitation procedure and received a disposition of property preservation and an order of comprehensive prohibition from the courts.

(6) Details of payment guarantee provided by others as of December 31, 2021 are as follows:

(In thousands of won and in thousands of dollar)

			Guarantee amount		
Finance Institution	**Guarantee details**		**Korean won**		**US dollar**
Seoul guarantee insurance company	Performance guarantee payment	₩	**3,544,144**	$	2,990
	Approval and license		**6,791**		6
	Deposits		**1,127,500**		951
		₩	**4,678,435**	$	**3,947**

20. Capital Stock

The Group's capital stock as of December 31, 2021 and 2020 are as follows:

(In thousands of won and in thousands of dollar, except for par value and share information)

		Korean won			US dollar	
		2021	2020		**2021**	2020
Number of shares authorized		**3,000,000,000**	3,000,000,000		**3,000,000,000**	3,000,000,000
Shares outstanding		**149,840,002**	149,840,002		**149,840,002**	149,840,002
Par value	₩	**5,000**	5,000	$	**4.22**	4.22
Capital stock		**749,200,010**	749,200,010		**631,970**	631,970

21. Other Capital Surplus

Details of other capital surplus as of December 31, 2021 and 2020 are as follows:

(In thousands of won and in thousands of dollar)

		Korean won			US dollar	
		2021	2020		**2021**	2020
Paid-up capital in excess of par value	₩	**3,169,615**	3,169,615	$	**2,674**	2,674
Gain on capital reduction		**74,061,697**	74,061,697		**62,473**	62,473
Debt to be swapped for equity		**–**	931,508		**–**	786
	₩	**77,231,312**	78,162,820	$	**65,147**	65,933

22. Other Equity

(1) Details of the Group's other equity as of December 31, 2021 and 2020 are as follows:

(In thousands of won and in thousands of dollar)

		Korean won			US dollar	
		2021	2020		**2021**	2020
Reserve from asset revaluation	₩	**223,495,126**	–	$	**188,524**	–
Accumulated foreign currency translation difference for foreign operations		**641,119**	826,888		**541**	697
	₩	**224,136,245**	826,888	$	**189,065**	697

(2) Changes in the Group's gains (losses) on valuation of derivatives for the years ended December 31, 2021 and 2020 are as follows:

(In thousands of won and in thousands of dollar)

		Korean won			US dollar	
		2021	2020		**2021**	2020
Beginning balance	₩	**–**	–	$	**–**	–
Gains on valuation of derivatives		**–**	130,390		**–**	110
Reclassified to net profits		**–**	(130,390)		**–**	(110)
Ending balance	₩	**–**	–	$	**–**	–

(3) Changes in the foreign currency translation difference for foreign operation for the years ended December 31, 2021 and 2020 are as follows:

(In thousands of won and in thousands of dollar)

		Korean won			US dollar	
		2021	2020		**2021**	2020
Beginning balance	₩	**826,888**	1,109,395	$	**697**	935
Foreign currency translation difference for foreign operation for foreign operation		**(185,769)**	(282,507)		**(156)**	(238)
Ending balance	₩	**641,119**	826,888	$	**541**	697

23. Deficit

(1) Details of deficit as of December 31, 2021 and 2020 are as follows:

(In thousands of won and in thousands of dollar)

		Korean won			US dollar	
		2021	2020		**2021**	2020
Deficit	₩	**(1,131,164,224)**	(916,311,834)	$	**(954,167)**	(772,933)

(2) Changes in deficit for the years ended December 31, 2021 and 2020 are as follows:

(In thousands of won and in thousands of dollar)

		Korean won			US dollar	
		2021	2020		**2021**	2020
Beginning balance	₩	**(916,311,834)**	(425,348,668)	$	**(772,933)**	(358,793)
Loss for the year		**(257,944,415)**	(504,340,967)		**(217,583)**	(425,425)
Defined benefit plan re-measurement		**43,038,936**	13,403,052		**36,304**	11,306
Defined benefit plan re-measurement from joint venture		**53,089**	(25,251)		**45**	(21)
Ending balance	₩	**(1,131,164,224)**	(916,311,834)	$	**(954,167)**	(772,933)

24. Income Tax Expense

(1) Income tax expense and deferred income tax assets related to the temporary differences, deficit carried forward and tax credit carried forward as of December 31, 2021 and 2020 are as follows:

(In thousands of won and in thousands of dollar)

		Korean won			US dollar	
		2021	2020		**2021**	2020
Current income tax	₩	**–**	–	$	**–**	–
Deferred income tax		**55,305,230**	–		**46,651**	–
Items credited directly to equity		**(55,305,230)**	–		**(46,651)**	–
Income tax expense of parent company		**–**	–		**–**	–
Income tax expense of subsidiaries		**33,150**	30,515		**28**	26
Total	₩	**33,150**	30,515	$	**28**	26

(2) Changes in temporary differences and deferred income tax assets(liabilities) for the years ended December 31, 2021 and 2020, are as follows:

(In thousands of won)

		2021			
		Beginning	**Decrease**	**Increase**	**Ending**
Allowance for doubtful accounts	₩	**2,324,650**	**2,324,650**	**3,139,259**	**3,139,259**
Government grants		**4,419,025**	**313,531**	**226,239**	**4,331,733**
Provision for warranties		**119,315,790**	**119,315,790**	**104,830,673**	**104,830,673**
Defined benefit liabilities		**384,386,903**	**23,981,104**	**4,589,941**	**364,995,740**
Impairment loss of property, plant and equipment		**106,016,593**	**9,864,331**	**–**	**96,152,262**
Intangible assets		**8,706,456**	**4,339,311**	**205,559**	**4,572,704**
Depreciation		**21,754,033**	**6,285,218**	**1,776,689**	**17,245,504**
Other payables		**124,655,026**	**124,579,026**	**79,865,848**	**79,941,848**
Accrued expenses		**53,051,706**	**53,051,706**	**82,545,087**	**82,545,087**
Investment in joint venture		**(10,855,695)**	**(15,789,889)**	**–**	**4,934,194**
Other long-term employee benefit		**16,573,103**	**16,573,103**	**14,687,238**	**14,687,238**
Trade receivable		**–**	**–**	**6,815,491**	**6,815,492**
Other receivable		**1,225,760**	**1,225,760**	**(1,391,842)**	**(1,391,842)**
Land		**(203,863,621)**	**(22,075)**	**(278,800,357)**	**(482,641,903)**
Impairment loss of Intangible assets		**89,248,173**	**75,701,551**	**67,931,925**	**81,478,547**
Sub-lease receivables		**(4,346,501)**	**(4,346,501)**	**(6,644,671)**	**(6,644,671)**
Right-of-use assets		**(8,654,468)**	**(8,654,468)**	**(4,144,699)**	**(4,144,699)**
Lease liabilities		**7,564,293**	**7,564,293**	**9,022,016**	**9,022,016**
Others		**9,055,998**	**8,567,034**	**6,817,275**	**7,306,239**
Deficit carried over on tax		**920,543,258**	**12,726,357**	**295,395,123**	**1,203,212,024**
Sub-total		**1,641,120,482**	**437,599,832**	**386,866,794**	**1,590,387,445**
Not recognized as deferred tax assets(liabilities)		**1,641,120,482**	**437,599,832**	**386,866,794**	**1,841,774,854**
Recognized as deferred tax assets(liabilities)		**–**	**–**	**–**	**(251,387,409)**
Income tax rate		**22%**			**22%**
Deferred tax assets(liabilities) resulting from temporary differences or deficits carried over on tax		**–**	**–**	**–**	**(55,305,230)**
Tax credit carry-forwards:		**20,598,705**	**–**	**17,102**	**20,615,807**
Not recognized as deferred tax assets		**20,598,705**	**–**	**17,102**	**20,615,807**
Deferred tax assets resulting from tax credit carry-forwards		**–**	**–**	**–**	**–**
Total deferred tax assets(liabilities)	₩	**–**	**–**	**–**	**(55,305,230)**

(In thousands of won)

		2020			
		Beginning balance	Decrease	Increase	Ending balance
Allowance for doubtful accounts	₩	2,946,429	2,946,429	2,324,650	2,324,650
Government grants		4,474,574	646,761	591,212	4,419,025
Provision for warranties		128,531,252	128,531,252	119,315,790	119,315,790
Defined benefit liabilities		358,212,110	8,616,773	34,791,566	384,386,903
Impairment loss of property, plant and equipment		96,656,705	38,891,940	48,251,828	106,016,593
Intangible assets		13,111,032	5,291,532	886,956	8,706,456
Depreciation		22,229,988	2,564,311	2,088,356	21,754,033
Other payables		27,238,937	27,238,937	124,655,026	124,655,026
Accrued expenses		38,787,848	38,787,848	53,051,706	53,051,706
Investment in joint venture		(8,853,781)	2,001,914	–	(10,855,695)
Other long-term employee benefit		16,253,294	16,253,294	16,573,103	16,573,103
Other receivable		297,495	297,495	1,225,760	1,225,760
Land		(260,655,312)	(56,791,691)	–	(203,863,621)
Impairment loss of Intangible assets		17,763,809	14,025,558	85,509,922	89,248,173
Sub-lease receivables		(4,037,510)	(4,037,510)	(4,346,501)	(4,346,501)
Right-of-use assets		(5,851,154)	(5,851,154)	(8,654,468)	(8,654,468)
Lease liabilities		9,992,220	9,992,220	7,564,293	7,564,293
Others		10,412,147	9,959,773	8,603,624	9,055,998
Deficit carried over on tax		867,339,960	162,638,931	215,842,229	920,543,258
Sub-total		1,334,850,043	402,004,613	708,275,052	1,641,120,482
Not recognized as deferred tax assets(liabilities)		1,334,850,043	402,004,613	708,275,052	1,641,120,482
Recognized as deferred tax assets(liabilities)		–	–	–	–
Income tax rate		22%			22%
Deferred tax assets(liabilities) resulting from temporary differences or deficits carried over on tax		–	–	–	–

(2) Changes in temporary differences and deferred income tax assets(liabilities) for the years ended December 31, 2021 and 2020, are as follows, continued:

		2020			
		Beginning balance	Decrease	Increase	Ending balance
Tax credit carry-forwards:		20,433,305	–	165,400	20,598,705
Not recognized as deferred tax assets		20,433,305	–	165,400	20,598,705
Recognized as deferred tax assets		–	–	–	–
Deferred tax assets resulting from tax credit carry-forwards		–	–	–	–
Total deferred tax assets(liabilities)	₩	–	–	–	–

The Group recognize all deferred tax liabilities for taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized, deficits carried over on tax and tax credit carry-forwards from expected future taxable income. Deferred tax assets arising from deductible temporary differences are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future and deferred tax assets and liabilities are offset.

In circumstances where material uncertainty on the judgement to determine whether it's probable that the temporary difference will not reverse in the foreseeable future, a significant uncertainty depends on the future result of M&A deal. The deferred tax liabilities recognized by the Group may differ from the outcome of this uncertainty.

(In thousands of dollar)

		2021			
		Beginning balance	**Decrease**	**Increase**	**Ending balance**
Allowance for doubtful accounts	$	**1,961**	**1,961**	**2,648**	**2,648**
Government grants		**3,728**	**264**	**191**	**3,654**
Provision for warranties		**100,646**	**100,646**	**88,427**	**88,427**
Defined benefit liabilities		**324,240**	**20,229**	**3,872**	**307,883**
Loss on revaluation of property, plant and equipment		**89,428**	**8,321**	**–**	**81,107**
Intangible assets		**7,344**	**3,660**	**173**	**3,857**
Depreciation		**18,350**	**5,302**	**1,499**	**14,547**
Other payables		**105,150**	**105,086**	**67,369**	**67,433**
Accrued expenses		**44,750**	**44,750**	**69,629**	**69,629**
Investment in joint venture		**(9,157)**	**(13,319)**	**–**	**4,162**
Other long-term employee benefit		**13,980**	**13,980**	**12,389**	**12,389**
Trade receivable		**–**	**–**	**5,749**	**5,749**
Other receivable		**1,034**	**1,034**	**(1,174)**	**(1,174)**
Land		**(171,964)**	**(19)**	**(235,175)**	**(407,121)**
Impairment loss of Intangible assets		**75,283**	**63,856**	**57,302**	**68,729**
Sub-lease receivables		**(3,666)**	**(3,666)**	**(5,605)**	**(5,605)**
Right-of-use assets		**(7,300)**	**(7,300)**	**(3,496)**	**(3,496)**
Lease liabilities		**6,381**	**6,381**	**7,610**	**7,610**
Others		**7,639**	**7,227**	**5,751**	**6,163**
Deficit carried over on tax		**776,502**	**10,735**	**249,173**	**1,014,941**
Sub-total		**1,384,328**	**369,127**	**326,332**	**1,341,533**
Not recognized as deferred tax assets(liabilities)		**1,384,328**	**369,127**	**326,332**	**1,553,585**
Recognized as deferred tax assets(liabilities)		**–**	**–**	**–**	**(212,052)**
Income tax rate		**22%**			**22%**
Deferred tax assets(liabilities) resulting from temporary differences		**–**	**–**	**–**	**(46,651)**
Tax credit carry-forwards:		**17,376**	**–**	**14**	**17,390**
Not recognized as deferred tax assets		**17,376**	**–**	**14**	**17,390**
Recognized as deferred tax assets		**–**	**–**	**–**	**–**
Deferred tax assets resulting from tax credit carry-forwards		**–**	**–**	**–**	**–**
Total deferred tax assets(liabilities)	$	**–**	**–**	**–**	**(46,651)**

(2) Changes in temporary differences and deferred income tax assets(liabilities) for the years ended December 31, 2021 and 2020, are as follows, continued:
(In thousands of dollar)

	2020			
	Beginning balance	**Decrease**	**Increase**	**Ending balance**
Allowance for doubtful accounts	$ 2,485	2,485	1,961	1,961
Government grants	3,774	546	499	3,728
Provision for warranties	108,419	108,419	100,646	100,646
Defined benefit liabilities	302,161	7,268	29,348	324,240
Loss on revaluation of property, plant and equipment	81,532	32,806	40,702	89,428
Intangible assets	11,059	4,464	748	7,344
Depreciation	18,752	2,163	1,762	18,350
Other payables	22,977	22,977	105,150	105,150
Accrued expenses	32,719	32,719	44,750	44,750
Investment in joint venture	(7,468)	1,689	–	(9,157)
Other long-term employee benefit	13,710	13,710	13,980	13,980
Other receivable	251	251	1,034	1,034
Land	(219,870)	(47,905)	–	(171,964)
Impairment loss of Intangible assets	14,984	11,831	72,130	75,283
Sub-lease receivables	(3,406)	(3,406)	(3,666)	(3,666)
Right-of-use assets	(4,936)	(4,936)	(7,300)	(7,300)
Lease liabilities	8,429	8,429	6,381	6,381
Others	8,783	8,401	7,257	7,639
Deficit carried over on tax	731,624	137,190	182,069	776,502
Sub-total	1,125,981	339,101	597,448	1,384,328
Not recognized as deferred tax assets(liabilities)	1,125,981	339,101	597,448	1,384,328
Recognized as deferred tax assets(liabilities)	–	–	–	–
Income tax rate	22%			22%
Deferred tax assets(liabilities) resulting from temporary differences	17,236	–	140	17,376
Tax credit carry-forwards:	17,236	–	140	17,376
Not recognized as deferred tax assets	–	–	–	–
Recognized as deferred tax assets	–	–	–	–
Deferred tax assets resulting from tax credit carry-forwards	–	–	–	–
Total deferred tax assets(liabilities)	$ –	–	–	–

The Group recognized all deferred tax liabilities for taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized, deficits carried over on tax and tax credit carry-forwards from expected future taxable income. Deferred tax assets arising from deductible temporary differences are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future and deferred tax assets and liabilities are offset.

In circumstances where material uncertainty on the judgement to determine whether it's probable that the temporary difference will not reverse in the foreseeable future, a significant uncertainty depends on the future result of M&A deal. The deferred tax liabilities recognized by the Group may differ from the outcome of this uncertainty.

(3) Items credited directly to equity as of December 31, 2021 are as follows:
(In thousands of won)

	2021		
Details	**Before tax**	**Tax effect**	**After tax**
Gain(loss) from revaluation of land	₩ 278,800,357	**(55,305,230)**	223,495,127

(In thousands of dollar)

	2021		
Details	**Before tax**	**Tax effect**	**After tax**
Gain(loss) from revaluation of land	$ 235,175	**(46,651)**	188,524

(4) Details of information that the expected expiration of tax losses and deferred tax credits which are not recognized as deferred tax assets as of December 31, 2021 are as follows:
(In thousands of won and in thousands of dollar)

	Korean won		US dollar	
	Deficit carried over on tax	Tax credit carry-forwards	Deficit carried over on tax	Tax credit carry-forwards
0 ~ 1 Year	₩ **145,058,434**	–	$ **122,361**	–
1 ~ 5 Years	**188,633,183**	14,629,209	**159,117**	12,340
5 ~ 10 Years	**574,125,284**	5,986,598	**484,290**	5,050
Over 10 Years	**295,395,123**	–	**249,173**	–
	₩ **1,203,212,024**	20,615,807	$ **1,014,941**	17,390

25. Nature of Expenses

Details of nature of expenses for the years ended December 31, 2021 and 2020 are as follows:

(In thousands of won and in thousands of dollar)

		Korean won			US dollar	
		2021	2020		**2021**	2020
Changes in inventories	₩	**40,407,326**	21,406,722	$	**34,085**	18,057
Raw materials consumed and purchase of merchandise		**1,771,275,193**	2,189,991,115		**1,494,117**	1,847,314
Employee benefits		**415,566,450**	442,731,665		**350,541**	373,456
Depreciation		**123,244,911**	147,106,778		**103,960**	124,088
Amortization		**71,887,020**	68,534,911		**60,639**	57,811
Others		**268,207,597**	529,798,185		**226,239**	446,899
	₩	**2,690,588,497**	3,399,569,376	$	**2,269,581**	2,867,625

Total expenses are equal to the sum of cost of sales and selling, general and administrative expenses.

26. Selling, General and Administrative Expenses

(1) Details of selling expenses for the years ended December 31, 2021 and 2020 are as follows:

(In thousands of won and in thousands of dollar)

		Korean won			US dollar	
		2021	2020		**2021**	2020
Warranty expenses	₩	**33,026,259**	49,939,633	$	**27,859**	42,125
Commissions		**127,197,048**	207,545,138		**107,294**	175,070
Advertising		**6,662,531**	18,811,866		**5,620**	15,868
Export expenses(*)		**(23,423,225)**	43,610,394		**(19,758)**	36,786
Promotion		**23,439,500**	39,716,132		**19,772**	33,502
Others		**11,450,374**	9,091,977		**9,658**	7,670
	₩	**178,352,487**	368,715,140	$	**150,445**	311,021

(*) The amounts were presented as negative due to the reversal of other provision in relation to CO2 emission regulations in overseas for the year ended December 31, 2021.

(2) Details of general and administrative expenses for the years ended December 31, 2021 and 2020 are as follows:

(In thousands of won and in thousands of dollar)

		Korean won			US dollar	
		2021	2020		**2021**	2020
Salaries	₩	**40,706,490**	43,656,101	$	**34,337**	36,825
Retirement benefit costs		**6,183,403**	6,247,699		**5,216**	5,270
Employee welfare		**9,412,332**	9,867,922		**7,940**	8,324
Rent expense		**10,056,502**	9,857,781		**8,483**	8,315
Service fees		**14,375,484**	18,377,992		**12,126**	15,502
Depreciation		**13,716,391**	21,744,902		**11,570**	18,342
R&D expenses		**11,853,410**	12,923,031		**9,999**	10,901
Amortization		**2,542,290**	3,300,398		**2,144**	2,784
(Reversal of) bad debt expense		**343,449**	(59,058)		**290**	(50)
Others		**31,508,821**	34,814,594		**26,578**	29,368
	₩	**140,698,572**	160,731,362	$	**118,683**	135,581

27. Other Income and Expenses

(1) Details of other income for the years ended December 31, 2021 and 2020 are as follows:

(In thousands of won and in thousands of dollar)

		Korean won			US dollar	
		2021	2020		**2021**	2020
Foreign exchange transaction gain	₩	**5,533,006**	5,517,519	$	**4,667**	4,654
Foreign exchange translation gain		**628,024**	1,438,828		**530**	1,214
Gain on disposal of property, plant and equipment		**337,735**	118,295,190		**285**	99,785
Others		**15,973,084**	10,191,658		**13,472**	8,597
	₩	**22,471,849**	135,443,195	$	**18,954**	114,250

(2) Details of other expenses for the years ended December 31, 2021 and 2020 are as follows:

(In thousands of won and in thousands of dollar)

		Korean won			US dollar	
		2021	2020		**2021**	2020
Foreign exchange transaction loss	₩	**4,798,370**	7,188,255	$	**4,048**	6,063
Foreign exchange translation loss		**875,171**	920,020		**738**	776
Loss on disposal of property, plant and equipment		**430,438**	3,626,941		**363**	3,059
Loss on disposal of trade receivables		**31,868**	80,028		**27**	68
Impairment loss on investments in subsidiaries		**10,064**	48,251,827		**8**	40,702
Impairment loss on PP&E		**20,828**	80,120,747		**18**	67,584
Other bad-debt expense		**232,536**	–		**196**	–
Impairment loss on Intangible assets		**814,208**	–		**687**	–
Others		**744,175**	38,265,423		**627**	32,278
	₩	**7,957,658**	178,453,241	$	**6,712**	150,530

28. Finance Income and Costs

(1) Details of finance income for the years ended December 31, 2021 and 2020 are as follows:

(In thousands of won and in thousands of dollar)

		Korean won			US dollar	
		2021	2020		**2021**	2020
Interest income	₩	**1,178,537**	2,074,905	$	**994**	1,750
Dividend income		**11,000**	11,000		**9**	9
Foreign exchange transaction gain		**3,052,685**	1,702,338		**2,576**	1,436
Foreign exchange translation gain		**–**	2,377		**–**	2
Gain on exemption of debts		**248,083**	–		**209**	–
	₩	**4,490,305**	3,790,620	$	**3,788**	3,197

(2) Details of finance costs for the years ended December 31, 2021 and 2020 are as follows:

(In thousands of won and in thousands of dollar)

		Korean won			US dollar	
		2021	2020		**2021**	2020
Interest expense	₩	**15,419,020**	8,900,346	$	**13,006**	7,508
Foreign exchange transaction loss		**1,166,485**	8,826,890		**984**	7,445
Foreign exchange translation loss		**-**	2,299		**-**	2
	₩	**16,585,505**	17,729,535	$	**13,990**	14,955

(3) Details of the Group's financial net profit or loss for the years ended December 31, 2021 and 2020 are as follows:

(In thousands of won and in thousands of dollar)

		Korean won			US dollar	
		2021	2020		**2021**	2020
Financial assets/ liabilities at amortized cost	₩	**(12,106,200)**	(13,949,915)	$	**(10,212)**	(11,767)
Financial assets at FVTPL		**11,000**	11,000		**9**	9
	₩	**(12,095,200)**	(13,938,915)	$	**(10,203)**	(11,758)

29. Losses per Share

(1) Basic losses per share for the years ended December 31, 2021 and 2020 are calculated as follows:

(In thousands of won and in thousands of dollar, except per share information)

		Korean won			US dollar	
		2021	2020		**2021**	2020
Loss for the year	₩	**(257,944,415)**	(504,340,967)	$	**(217,583)**	(425,424)
Loss contributed to common stocks		**(257,944,415)**	(504,340,967)		**(217,583)**	(425,424)
Weighted average number of common shares		**149,840,002**	149,840,002		**149,840,002**	149,096,397
Basic losses per share(*)	₩	**(1,721)**	(3,366)	$	**(1.45)**	(2.84)

(*) Diluted losses per share are not calculated for the years ended December 31, 2021 and 2020, because there are no dilutive shares as of December 31, 2021 and 2020.

(2) Weighted average number of common shares outstanding for the years ended December 31, 2021 and 2020 are calculated as follows:

(In shares)

	2021			
	Outstanding period	**Common shares issued**	**Weighted-average**	**Common shares outstanding**
Beginning	**2021-01-01~2021-12-31**	**149,840,002**	**365/365**	**149,840,002**
				149,840,002

	2020			
	Outstanding period	Common shares issued	Weighted-average	Common shares outstanding
Beginning	2020-01-01~2020-12-31	149,840,002	366/366	149,840,002
				149,840,002

30. Cash Flows

(1) Details of cash flows from operating activities for the years ended December 31, 2021 and 2020 are as follows:

(In thousands of won and in thousands of dollar)

	Korean won		US dollar	
	2021	2020	**2021**	2020
Loss for the year	₩ **(257,944,415)**	(504,340,967)	$ **(217,583)**	(425,425)
Adjustments for:				
Retirement benefit costs	**47,823,320**	48,434,801	**40,340**	40,856
Depreciation	**123,244,911**	147,106,778	**103,960**	124,088
Amortization	**71,887,021**	68,534,910	**60,639**	57,811
Depreciation of right-of-use assets	**7,738,500**	6,216,825	**6,528**	5,244
Losses on disposal of trade receivables	**31,868**	80,028	**27**	68
Foreign exchange translation gain and loss, net	**247,147**	(518,886)	**208**	(438)
Loss (Gain) on disposal of property, plant and equipment	**92,700**	(114,668,249)	**78**	(96,726)
Interest expense and income, net	**14,240,483**	6,825,441	**12,012**	5,757
Dividends income	**(11,000)**	(11,000)	**(9)**	(9)
Losses (Gains) on valuation of inventories	**(7,071,887)**	4,035,760	**(5,965)**	3,404
Increase in provision of warranty for sale	**19,724,840**	33,281,407	**16,638**	28,074
Equity profit on investments	**(930,540)**	(2,027,166)	**(785)**	(1,710)
Impairment loss on Tangible assets	**10,064**	48,251,827	**8**	40,702
Impairment loss on Intangible assets	**20,828**	80,120,747	**18**	67,584
Promotion	**14,825,133**	25,882,537	**12,505**	21,833
Export expenses	**4,987,572**	37,248,248	**4,207**	31,420
Reversal of bad-debt expense	**343,449**	–	**290**	–
Reversal of other bad-debt expense	**769,958**	–	**649**	–
Others	**(639,472)**	36,152,401	**(538)**	30,495
	297,334,895	424,946,409	**250,810**	358,453
Changes in assets and liabilities				
Trade receivables	**(10,283,368)**	20,448,825	**(8,674)**	17,249
Other receivables	**6,667,205**	(8,410,410)	**5,624**	(7,094)
Inventories	**42,920,979**	30,276,265	**36,205**	25,539
Trade payables	**(11,434,993)**	54,819,233	**(9,646)**	46,241
Other payables	**59,693,679**	98,270,842	**50,353**	82,894
Accrued expenses	**29,504,759**	14,351,834	**24,888**	12,106
Usage of provision of warranty for sale	**(34,319,535)**	(42,395,668)	**(28,949)**	(35,762)
Decrease of provisions	**(44,712,677)**	–	**(37,716)**	–
Payment of retirement benefits	**(24,013,077)**	(8,807,996)	**(20,256)**	(7,430)
Others	**(39,113,727)**	(17,014,033)	**(32,994)**	(14,353)
	(25,090,755)	141,538,892	**(21,165)**	119,392
Net cash provided by operating activities	₩ **14,299,725**	62,144,334	$ **12,062**	52,420

(2) Significant non-cash activities for the years ended December 31, 2021 and 2020 are as follows:

(In thousands of won and in thousands of dollar)

	Korean won		US dollar	
	2021	2020	**2021**	2020
Changes in other payables related to the acquisition of property, plant and equipment	₩ **362,587**	90,588	$ **306**	76
Changes in other payables related to the acquisition of intangible assets	**1,230,783**	–	**1,038**	–
Changes in asset revaluations	**278,800,357**	–	**235,175**	–

(3) Changes in liabilities from financial activities for the year ended December 31, 2021 and 2020 are as follows:

(In thousands of won)

	2021						
	Beginning balance	Increase	Decrease	Liquidity	Others	Exchange rate effect	Ending balance
Short-term borrowings	₩ 314,999,838	59,999,968	(60,001,785)	–	–	–	314,998,021
Long-term borrowings	40,000,000	–	–	–	–	–	40,000,000
Lease liabilities	8,420,774	–	(9,225,053)	–	10,036,287	9,748	9,241,756
Other liabilities	–	15,512,588	–	–	–	–	15,512,588
	₩ 363,420,612	75,512,556	(69,226,838)	–	10,036,287	9,748	379,752,365

(In thousands of dollar)

	2021						
	Beginning balance	Increase	Decrease	Liquidity	Others	Exchange rate effect	Ending balance
Short-term borrowings	$ 265,711	50,612	(50,613)	–	–	–	265,710
Long-term borrowings	33,741	–	–	–	–	–	33,741
Lease liabilities	7,103	–	(7,782)	–	8,466	8	7,796
Other liabilities	–	13,085	–	–	–	–	13,085
	$ 306,555	63,697	(58,395)	–	8,466	8	320,331

(In thousands of won)

	2020						
	Beginning balance	Increase	Decrease	Liquidity	Others	Exchange rate effect	Ending balance
Banker's usance(*)	₩ 106,606,448	–	(106,606,448)	–	–	–	–
Short-term borrowings	147,500,000	117,000,113	(108,250,275)	158,750,000	–	–	314,999,838
Long-term borrowings	158,750,000	40,000,000	–	(158,750,000)	–	–	40,000,000
Lease liabilities	11,630,384	–	(9,756,079)	–	6,494,014	52,455	8,420,774
	₩ 424,486,832	157,000,113	(224,612,802)	–	6,494,014	52,455	363,420,612

(In thousands of dollar)

	2020						
	Beginning balance	Increase	Decrease	Liquidity	Others	Exchange rate effect	Ending balance
Banker's usance(*)	$ 89,925	–	(89,925)	–	–	–	–
Short-term borrowings	124,420	98,693	(91,312)	133,910	–	–	265,711
Long-term borrowings	133,910	33,741	–	(133,910)	–	–	33,741
Lease liabilities	9,811	–	(8,230)	–	5,478	44	7,103
	$ 358,066	132,434	(189,467)	–	5,478	44	306,555

(*) The changes in usance borrowings are presented by net amounts.

31. Segment Information

(1) The Group determined itself as a single reportable segment by considering the nature of goods and service as well as the characteristic of assets used in providing service. The Group has not disclosed operating income or loss, profit or loss before income taxes and total assets and liabilities by reportable segment.

(2) Geographic sales information of the Group for the years ended December 31, 2021 and 2020 are as follows:

(In thousands of won and in thousands of dollar)

	Korean won		US dollar	
Sales region	**2021**	2020	**2021**	2020
Republic of Korea	₩ **1,749,267,781**	2,476,227,092	$ **1,475,553**	2,088,762
Europe	**309,896,414**	205,057,124	**261,406**	172,971
South America	**155,720,640**	64,570,489	**131,354**	54,467
Asia Pacific	**245,138,620**	179,171,538	**206,781**	151,136
Others	**63,470,704**	74,210,104	**53,539**	62,598
Consolidated adjustment	**(94,166,458)**	(49,055,628)	**(79,432)**	(41,380)
	₩ **2,429,327,701**	2,950,180,719	$ **2,049,201**	2,488,554

Non-current assets are not separately disclosed since those are located in Korea. Main customer over 10% of sales is not disclosed since most sales are occurred through contract with individual customer and authorized foreign agencies.

(3) Information of sales of goods and service for the years ended December 31, 2021 and 2020 are as follows:

(In thousands of won and in thousands of dollar)

		Korean won			US dollar	
		2021	2020		**2021**	2020
Automobile	₩	**2,023,489,369**	2,530,013,655	$	**1,706,866**	2,134,132
Merchandise and parts		**302,520,130**	330,800,083		**255,184**	279,038
Others		**103,318,202**	89,366,981		**87,152**	75,383
	₩	**2,429,327,701**	2,950,180,719	$	**2,049,201**	2,488,554

(4) Balance of Contracts as of December 31, 2021 and 2020 are as follows:

(In thousands of won and in thousands of dollar)

		Korean won			US dollar	
		2021	2020		**2021**	2020
Receivables from contracts with customers	₩	**108,474,907**	100,554,100	$	**91,501**	84,820
Contract liabilities		**32,817,530**	30,805,029		**27,682**	25,985

Contract liabilities in unearned revenue was occurred from contracts from customers that recognizing over time such as product warranty.

32. Transactions and Balances with Related Parties

(1) Details of parent and Joint venture as of December 31, 2021 are as follows:

Relationship	Company
Largest shareholder	Mahindra & Mahindra Ltd.(*1)
Joint venture	SY Auto Capital Co., Ltd.
Others	Mahindra Vehicle Manufacturing Ltd.(*1,2) Mahindra Electric Mobility Ltd.(*1) Mahindra&Mahindra South Africa Ltd.(*1)

(*1) According to court approval of commencement of rehabilitation procedures on April 15, 2021, Mahindra & Mahindra and other related parties of its affiliates lost control of the Group and were excluded from related parties for the year ended December 31, 2021.

(*2) Mahindra Vehicle Manufacturing Ltd. was excluded from other related parties due to merger by Mahindra & Mahindra Ltd for the year ended December 31, 2021.

(2) Transactions with related parties for the years ended December 31, 2021 and 2020 are as follows:

(In thousands of won)

Relationship	Company	Description		2021	2020
Largest shareholder	Mahindra & Mahindra Ltd.(*1)	Sales	₩	**3,908,170**	28,948,012
		Other income		–	73,365
		Purchases		**2,516,389**	8,691,587
		Other expenses		**592,885**	1,095,026
Joint venture	SY Auto Capital Co., Ltd.	Other income		**106,638**	629,888
		Other expenses		**40,363,851**	81,320,276
Others	Mahindra Vehicle Manufacturing Ltd. and others(*1,2)	Sales		**370,501**	1,847,674
		Purchase		**10,877**	–
		Other income		**906**	–
		Other expenses		**353,272**	3,576,964

(*1) The transaction details before being excluded from the Company's related parties.

(*2) The transaction details before merged by Mahindra & Mahindra Ltd.

(In thousands of dollar)

Relationship	Company	Description		2021	2020
Largest shareholder	Mahindra & Mahindra Ltd.(*1)	Sales	$	**3,297**	24,418
		Other income		–	62
		Purchases		**2,123**	7,332
		Other expenses		**500**	924
Joint venture	SY Auto Capital Co., Ltd.	Other income		**90**	531
		Other expenses		**34,048**	68,596
Others	Mahindra Vehicle Manufacturing Ltd. and others(*1,2)	Sales		**313**	1,559
		Purchase		**9**	–
		Other income		**1**	–
		Other expenses		**298**	3,017

(*1) The transaction details before being excluded from the Company's related parties.

(*2) The transaction details before merged by Mahindra & Mahindra Ltd.

(3) Account balances with related parties as of December 31, 2021 and 2020 are as follows:

(In thousands of won)

Relationship	Company	Description		2021	2020
Largest shareholder	Mahindra & Mahindra Ltd.	Trade receivables	₩	–	2,437,886
		Other receivables		–	252,632
		Trade payables		–	3,624,172
		Other payables		–	2,514,361
		Borrowings		–	69,999,869
Others	Mahindra Vehicle Manufacturing Ltd. and others	Trade receivables		–	531,781
		Other payables		–	3,437,606

(In thousands of dollar)

Relationship	Company	Description		2021	2020
Largest shareholder	Mahindra & Mahindra Ltd.	Trade receivables	$	–	2,056
		Other receivables		–	213
		Trade payables		–	3,057
		Other payables		–	2,121
		Borrowings		–	59,047
Others	Mahindra Vehicle Manufacturing Ltd. and others	Trade receivables		–	449
		Other payables		–	2,900

Allowance for receivables from related parties are not recognized as of December 31, 2021 and 2020.

(4) Capital transactions with related parties for the years ended December 31, 2021 and 2020 are as follows:

(In thousands of won and in thousands of dollar)

				Korean won			US dollar	
Relationship	**Company**	**Description**		**2021**	2020		**2021**	2020
Largest shareholder	Mahindra& Mahindra Ltd.(*)	Loan	₩	–	69,999,869	$	–	59,047

(*) The transaction details before being excluded from the Group's related parties.

(5) Executive compensation of the Group for the years ended December 31, 2021 and 2020 are as follows:

(In thousands of won and in thousands of dollar)

		Korean won			US dollar	
		2021	2020		**2021**	2020
Short-term employee benefits	₩	**2,444,828**	4,636,353	$	**2,062**	3,911
Retirement benefits		**128,778**	394,980		**109**	333

33. Financial Instruments

(1) Capital risk management

The Group manages capital risk in order to maximize shareholders' profit by maintaining sound or optimal capital structure through monitoring of financial ratios, such as debt-to-equity ratio on a monthly basis and implements capital structure improvement plan when necessary.

The Group uses debt ratio as a capital management index and calculates the ratio as total liabilities divided by total equity on financial statements. The Group is not subject to externally enforced capital regulation.

Debt-to-equity ratio as of December 31, 2021 and 2020 are as follows:

(In thousands of won and in thousands of dollar)

		Korean won			US dollar	
		2021	2020		**2021**	2020
Debt (A)	₩	**1,943,566,581**	1,856,750,687	$	**1,639,448**	1,566,217
Equity (B)		**(80,596,657)**	(88,122,116)		**(67,985)**	(74,333)
Debt-to-equity ratio (A/B)(*)		**–**	–		**–**	–

(*) The debt to equity ratio was not calculated because the total equity is the negative amount as of December 31, 2021 and 2020.

(2) Details of financial assets and liabilities by category as of December 31, 2021 and 2020 are as follows:

1) Financial assets

(In thousands of won)

		2021			
		Amortised cost	**Measured at FVTPL**	**Total**	**Fair value**
Cash and cash equivalents	₩	54,668,032	–	54,668,032	54,668,032
Short-term financial instruments		21,275,651	–	21,275,651	21,275,651
Long-term financial instruments		4,000	–	4,000	4,000
Trade and other receivables		164,195,963	–	164,195,963	164,195,963
Non-current financial assets		-	560,000	560,000	560,000
	₩	240,143,646	560,000	240,703,646	240,703,646

(In thousands of won)

		2020			
		Amortised cost	**Measured at FVTPL**	**Total**	**Fair value**
Cash and cash equivalents	₩	185,963,321	–	185,963,321	185,963,321
Long-term financial instruments		4,000	–	4,000	4,000
Trade and other receivables		163,500,821	–	163,500,821	163,500,821
Non-current financial assets		–	560,000	560,000	560,000
	₩	349,468,142	560,000	350,028,142	350,028,142

(2) Details of financial assets and liabilities by category as of December 31, 2021 and 2020 are as follows, continued:

(In thousands of dollar)

	2021			
	Amortised cost	Measured at FVTPL	Total	Fair value
Cash and cash Equivalents	$ 46,114	–	46,114	46,114
Short-term financial instruments	17,947	–	17,947	17,947
Long-term financial instruments	3	–	3	3
Trade and other receivables	138,504	–	138,504	138,504
Non-current financial assets	–	472	472	472
	$ 202,568	472	203,040	203,040

(In thousands of dollar)

	2020			
	Amortised cost	Measured at FVTPL	Total	Fair value
Cash and cash equivalents	$ 156,865	–	156,865	156,865
Long-term financial instruments	3	–	3	3
Trade and other receivables	137,917	–	137,917	137,917
Non-current financial assets	–	472	472	472
	$ 294,785	472	295,257	295,257

2) Financial liabilities

(In thousands of won)

	2021			
	Amortised cost	Measured at FVTPL	Total	Fair value
Trade and other payables	₩ 818,743,396	–	818,743,396	818,743,396
Borrowings	354,998,021	–	354,998,021	354,998,021
Lease liabilities	15,512,588	–	15,512,588	15,512,588
	₩ 1,189,254,005	–	1,189,254,005	1,189,254,005

(In thousands of won)

	2020			
	Amortised cost	Measured at FVTPL	Total	Fair value
Trade and other payables	₩ 721,070,405	–	721,070,405	721,070,405
Borrowings	354,999,838	–	354,999,838	354,999,838
	₩ 1,076,070,243	–	1,076,070,243	1,076,070,243

(In thousands of dollar)

	2021			
	Amortised cost	Measured at FVTPL	Total	Fair value
Trade and other payables	$ 690,631	–	690,631	690,631
Borrowings	299,450	–	299,450	299,450
Lease liabilities	13,085	–	13,085	13,085
	$ 1,003,166	–	1,003,166	1,003,166

(In thousands of dollar)

	2020			
	Amortised cost	Measured at FVTPL	Total	Fair value
Trade and other payables	$ 608,242	–	608,242	608,242
Borrowings	299,452	–	299,452	299,452
	$ 907,694	–	907,694	907,694

(3) Financial risk management

The Group is exposed to credit risk, liquidity risk and market risk. In order to manage the aforementioned risks, the Group operates a risk management policy and a program that performs close monitoring and responds to each risk factors.

Financial assets that are subject to the financial risk management consist of cash and cash equivalents, non-current financial assets, trade receivables, other receivables and others; financial liabilities subject to the financial risk management consist of trade payables, other payables, borrowings, and others.

1) Market risk

a. Foreign exchange risk

The Group undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. The Group assesses, manages and reports, on a regular basis, the foreign exchange risk for its receivables and payables denominated in foreign currency.

The table below shows the sensitivity for each foreign currency when exchange rates change 10%. Sensitivity analysis only includes foreign currency monetary items that are not paid, and it adjusts the translation assuming exchange rate changes 10% as of December 31, 2021.

(In thousands of won and in thousands of dollar)

		Korean won			US dollar	
Currency		**10% increase**	**10% decrease**		**10% increase**	**10% decrease**
USD	₩	2,841,302	(2,841,302)	$	2,397	(2,397)
EUR		4,528,453	(4,528,453)		3,820	(3,820)
JPY		6,461	(6,461)		5	(5)
Others		2,107,765	(2,107,765)		1,778	(1,778)
	₩	9,483,981	(9,483,981)	$	8,000	(8,000)

b. Interest rate risk

Sensitivity analysis was conducted assuming floating rate debt current balance is the same during the whole reporting year. When reporting interest rate risk to management internally, 0.5% variation is used, representing management's assessment about reasonably possible fluctuations of interest rates.

If other variables are constant and the interest rate is lower or higher by 0.5% than the current rate, the Group's current income will decrease or increase in ₩1,775,812 thousand ($1,498 thousand) for the year ended December 31, 2020, due to floating rate debt's interest rate risk.

2) Credit risk

Credit risk arises from transactions in the ordinary course of business and investment activities and when a customer or a transacting party fails to perform obligations defined by respective contract terms. In order to manage the aforementioned credit risk, the Group regularly assesses credit ratings of its customers and transacting parties based on their financial status and past experiences and establishes credit limit for each customer or transacting party.

If a credit risk occurs with respect to a dealership sale, which is a major type of the Group's sales, the respective dealership bears all of the risk; the Group manages credit risk on product sales using two management index, agreed liability rate and agreed excess rate, and when the management index exceeds the agreed rate, it imposes a release restriction on the respective dealership and transfers a credit risk arising from product sales. The Group's trade receivables are usually collected within 30 days but some of the notes receivable are collected within 75 days.

The Group estimates an allowance for the receivables that are over more than 90 days, but less than one year through an individual analysis based on each transacting party; for receivables that are not subject to individual analysis, the Group estimates an allowance based on the historical loss rates.

Maximum exposure in respect of credit risk as of December 31, 2021 and 2020 are as follows:

(In thousands of won and in thousands of dollar)

		Korean won			US dollar	
		2021	2020		**2021**	2020
Trade and other receivables	₩	**164,195,963**	163,500,821	$	**138,504**	137,917
Current financial instruments		**21,275,651**	–		**17,947**	–

3) Liquidity risk

The Group has managed liquidity risk to maintain adequate level of liquidity by periodic projecting cash outflow. To manage the risks, the Group has entered into a factoring agreement with capital financial institutions.

The contractual maturities of financial liabilities as of December 31, 2021 and 2020 are as follows:

(In thousands of won)

		2021		
		Within a year	**Over 1 year**	**Total**
Trade payables	₩	**516,983,239**	**–**	**516,983,239**
Other payables		**259,626,743**	**–**	**259,626,743**
Short-term borrowings(*)		**314,998,021**	**–**	**314,998,021**
Lease liabilities(*)		**5,386,307**	**4,183,954**	**9,570,261**
Other payables		**34,563,268**	**–**	**34,563,268**
Other liabilities		**15,512,588**	**–**	**15,512,588**
Long-term borrowings(*)		**–**	**42,547,945**	**42,547,945**
Long-term other payables		**–**	**64,062**	**64,062**
	₩	**1,147,070,166**	**46,795,961**	**1,193,866,127**

(*) Including expected interest expense but excluded default interest expense due to waiver of benefit of time.

(In thousands of won)

		2020		
		Within a year	Over 1 year	Total
Trade payables	₩	532,518,517	–	532,518,517
Other payables		192,746,263	–	192,746,263
Short-term borrowings(*)		316,199,838	–	316,199,838
Lease liabilities(*)		6,447,861	2,202,076	8,649,937
Other payables		2,665,074	–	2,665,074
Long-term borrowings(*)		–	43,146,301	43,146,301
Long-term other payables		–	646,636	646,636
	₩	1,050,577,553	45,995,013	1,096,572,566

(*) Including expected interest expense but excluded default interest expense due to waiver of benefit of time.

(In thousands of dollar)

		2021		
		Within a year	**Over 1 year**	**Total**
Trade payables	$	**436,089**	**–**	**436,089**
Other payables		**219,002**	**–**	**219,002**
Short-term borrowings(*)		**265,709**	**–**	**265,709**
Lease liabilities(*)		**4,543**	**3,529**	**8,073**
Other payables		**29,155**	**–**	**29,155**
Other liabilities		**13,085**	**–**	**13,085**
Long-term borrowings(*)		**–**	**35,890**	**35,890**
Long-term other payables		**–**	**54**	**54**
	$	**967,583**	**39,474**	**1,007,057**

(*) Including expected interest expense but excluded default interest expense due to waiver of benefit of time.

(In thousands of dollar)

		2020		
		Within a year	Over 1 year	Total
Trade payables	$	449,193	–	449,193
Other payables		162,586	–	162,586
Short-term borrowings(*)		266,723	–	266,723
Lease liabilities(*)		5,439	1,858	7,296
Other payables		2,248	–	2,248
Long-term borrowings(*)		–	36,395	36,395
Long-term other payables		–	545	545
	$	886,189	38,798	924,987

(*) Including expected interest expense but excluded default interest expense due to waiver of benefit of time.

The details of the financing arrangements as of December 31, 2021 and 2020 are as follows:

(In thousands of won and in thousands of dollar)

		Korean won			US dollar	
		2021	2020		**2021**	2020
Used amount	₩	**–**	355,000,000	$	**–**	299,452
Unused amount		**–**	–		**–**	–

(*) Due to filing for commencement of corporate rehabilitation procedure, the existing loan contracts between the Group and financial institutions were cancelled as of December 31, 2021.

(4) Fair value of financial instruments

1) The Group's management deems that the differences between carrying value and fair value of financial assets and financial liabilities recognized as amortized cost on financial statements is not significant.

2) Valuation methods and assumptions applied in fair value measurement

The fair values of financial instruments (i.e., government bonds and unsecured corporate bonds) traded on active markets are determined with reference to quoted market prices. The Group uses the closing price as the quoted market price for its financial assets.

The fair values of derivatives where no active market exists or where quoted prices are not otherwise available are determined by using valuation techniques. Non-option derivatives are evaluated by discounted cash flow method using the yield curve available. Options are evaluated by option-pricing models. Foreign exchange forward contracts are determined using the yield curve derived from market interest rates with the same maturity of forward contracts. To measure interest rate swaps, the cash flows are estimated by the yield curve derived from market interest rate and discounted to calculate the present value of swaps.

3) The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, classified as Level 1, 2 or 3, based on the degree to which the fair value is observable.

Level 1 quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or in indirectly (i.e. derived from prices)

Level 3 input for the asset or liability that are not based on observable market data (unobservable inputs)

No financial instruments are measured at fair value after initial recognition as of December 31, 2021 and 2020.

34. Going concern assumption

The Group's financial statements are prepared on the assumption that it will continue as going concern, and therefore our assets and liabilities are accounted for on the assumption that they can be recovered or repaid at their carrying amount through the normal course of business activities.

However, due to deteriorating financial structure, the Group has incurred operating losses of ₩261,261 million ($221 million) and net losses of ₩257,944 million ($218 million) during the reporting period. In addition, the Group's current liabilities exceed its current assets by W906,757 million ($765 million) as of the end of the reporting period.

As of December 21, 2020, the Group filed for commencement of corporate rehabilitation procedure with the Seoul Bankruptcy Court("the court") under the Debtor Rehabilitation and Bankruptcy Act of South Korea. The Group received a commencement of rehabilitation procedure on April 15, 2021 and filed rehabilitation plan on February 25, 2022 to the court. The Group is resuming M&A process before court approval of rehabilitation plan as a way of repaying the rehabilitation debts early and improving the financial structure of the Group under the Section 241 of Practice Rule of Seoul Bankruptcy Court.

In circumstances where material uncertainty on the ability to continue as a going concern, which is the basis for preparation of the financial statements, a significant uncertainty exists whether the Group will continue as going concern, it will depend on the court approval of rehabilitation plan, success of M&A deal before approval of rehabilitation plan and the implementation of the rehabilitation plan including of business improvement plan after the court approval.

As it will be difficult for the Group to continue as a going concern if the Group fails to succeed M&A deal before approval of rehabilitation plan or achieve its plan according to the final results of corporate rehabilitation procedure, the carrying amount of the Group's assets and liabilities may not be recoverable in the ordinary course of business. The consolidated financial statements do not include any adjustments of carrying amount of assets and liabilities, presentation of classification, and related profit and loss that might result from the outcome of this uncertainty.

35. Commencement of rehabilitation procedure and M&A deal before court approval of rehabilitation plan

As of December 21, 2020, the Group filed for commencement of corporate rehabilitation procedure with the Seoul Bankruptcy Court("the court") under the Debtor Rehabilitation and Bankruptcy Act of Republic of Korea. The Group received a commencement of rehabilitation procedure on April 15, 2021 and filed rehabilitation plan on February 25, 2022 to the court. The Group is resuming M&A process before court approval of rehabilitation plan as a way of repaying the rehabilitation debts early and improving the financial structure of the Group under the Section 241 of Practice Rule of Seoul Bankruptcy Court.

After the end of reporting period, the Group signed an M&A contract with a consortium led by Edison Motors with approval of Seoul Bankruptcy Court and received as down payment of ₩30.5 billion ($25.7 million, 10% of total acquisition price). Meanwhile, the M&A contract with a consortium led by Edison Motors was terminated because the buyer failed to pay the remaining payment of ₩274.3bilion ($25.7 million) by March 25, 2022(5 business days before the date of the assembly of persons designated by the court).

As a result, the received down payment of ₩30.5bilion($25.7million) will be attributed to the Group.

The Group will submit revised rehabilitation plan to the Seoul Bankruptcy Court after promptly seeking a new buyer and reselling process.

36. Delisting issue occurrence & grant a grace period for improvement by filing of objection

The Group has faced a risk of being delisted from the Korea Stock Exchange under Article 48 of KOSPI Market Listing Regulation, due to disclaimer of audit opinion on the Group's consolidated financial statements as of December 31, 2020. The Group filed official objection to delisting decision on April 13, 2021, and Korea Stock Exchange granted a grace period for improvement until April 14, 2022, as a result of the review of the Listing and Disclosure Committee on April 15, 2021.

INDEPENDENT REPORT OF THE AUDITORS OF MAHINDRA EUROPE S.R.L.

TO THE CONTROLLER OF ACCOUNTS, MAHINDRA & MAHINDRA LIMITED

Report on Fit For Consolidation Reporting Package:

We have audited the accompanying Fit for Consolidation Reporting Package of Mahindra Europe S.r.l. which comprise the Balance sheet as at 31st March 2022, the Statement of Profit and Loss and also the cash flow statement of the Company for the year ended on the same date and other reconciliations and information (all collectively referred to as the Fit For Consolidation Reporting Package). The Reporting Package is the responsibility of the Company's management. Our responsibility is to express an opinion on the Reporting Package based on our audit.

Management Responsibility for the FFC Reporting Package

The FFC Accounts Reporting Package has been prepared, on the basis of instructions received in this regard from the Controller of Accounts of Mahindra & Mahindra Limited, by the Company's management, solely for use by Mahindra & Mahindra Limited in the preparation of its consolidated financial statement in accordance with the requirements of Accounting Standard 21 'Consolidated Financial Statements' as notified under the Companies (Accounting Standards) Rules 2006 and not to report on Mahindra Europe S.r.l. as a separate entity.

Auditors' Responsibility for the FFC Reporting Package

Our responsibility is to express an opinion on the FFC Reporting Package based on our audit. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the FFC Reporting Package are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the FFC Reporting Package. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall FFC Reporting Package presentation. We believe that our audit provided a reasonable basis for our opinion.

Other aspects

The auditing of the accounts was carried out in the context of the situation created by the spread of the health emergency known as the COVID 19 pandemic and the related measures, including those restricting circulation, emanated by the Italian government to protect the health of its citizens. Consequently, as a result of objective situations - classifiable as force majeure - the auditing procedures envisaged by the reference professional standards have been carried out in the framework (i) of a remodelled staff organization and (ii) of different approach methods with the corporate referents and consequently of collecting the probatory elements required. The collection of information was, unless otherwise possible, carried out through the use, in the main part, of documentation in electronic format sent to us using distance communication techniques.

The Company, as is clear from the financial statement information, to which reference should be made, communicated to the sales network, made up of distributors and dealers, the termination of commercial relations with 24 months' notice. The Company justified this decision with the need to change its business model in relation to the changed market conditions and the prolonged effects of the pandemic.

Opinion

We report that the attached FFC Reporting Package are properly derived, in accordance with the instructions received from the Controller of Accounts of Mahindra & Mahindra Limited, from the Statutory Accounts of Mahindra Europe S.r.l. audited by us for the year ended 31st March 2022.

The FFC Reporting Package and our auditors report thereon is prepared solely for use by Mahindra & Mahindra Limited in the preparation and audit of its consolidated financial statement as at March 31, 2022 and should not be used for any other purpose.

We further state that, in our judgment and for the purpose as mentioned above, there are no other matters that need to be reported to you.

RB Audit Italia S.r.l.

Roberto Mallardo
Partner

Rome, 19th May 2022

Financial statement as on 31/03/2021

Balance Sheet	3/31/2022 Euro	3/31/2022 INR/Lakhs	3/31/2021 Euro	3/31/2021 INR/Lakhs
Assets				
A) Accounts receivable from shareholders in respect of unpaid share capital	**0**	**0.00**	0	0.00
B) Fixed assets				
I. Intangible assets				
3) Industrial patents & intellectual property rights	**436**	**0.37**	10,760	9.09
7) Others	**4,964**	**4.19**	6,046	5.11
Total I	**5,400**	**4.56**	16,806	14.20
II. Tangible assets				
2) Plant & Machinery	**28,953**	**24.47**	36,116	30.52
3) Industrial & commercial equipment	**6,870**	**5.81**	16,759	14.16
4) Other Assets	**154,725**	**130.74**	229,929	194.29
Total II	**190,548**	**161.01**	282,804	238.97
III. Financial assets				
1) Equity investments in other companies	**262**	**0.22**	262	0.22
2) Receivables				
d) Other companies due beyond 12 months	**130**	**0.11**	7,830	6.62
Total III	**392**	**0.33**	8,092	6.84
Total fixed assets	**196,340**	**165.91**	307,702	260.01
C) Current assets				
I. Stock				
4) Finished goods	**2,837,507**	**2,397.69**	4,156,856	3,512.54
5) Advance	**0**	**0.00**	0	0.00
Total I	**2,837,507**	**2,397.69**	4,156,856	3,512.54
II. Accounts receivable				
1) Trade within 12 months	**957,577**	**809.15**	3,543,366	2,994.14
4) Parent Company within 12 months	**298,880**	**252.55**	958,554	809.98
4-bis) Tax receivables within 12 months	**71,647**	**60.54**	48,661	41.12
4-ter) Deferred Tax assets within 12 months	**200,468**	**169.40**	200,468	169.40
5) Others				
due within 12 months	**4,885**	**4.13**	1,095	0.93
due beyond 12 months	**47,438**	**40.09**	44,440	37.55
Total II	**1,580,895**	**1,336**	4,796,584	4,053
III. Financial assets other than fixed assets				
IV. Liquid assets				
1) Bank & Post office deposit	**856,080**	**723.39**	1,145,799	968.20
2) Bank cheque	**0**	**0.00**	0	0.00
3) Cash on hand	**10,047**	**8.49**	6,368	5.38
Total IV	**866,127**	**731.88**	1,152,167	973.58
Total current assets	**5,284,529**	**4,465.43**	10,105,607	8,539.24
D) Accrued income and prepaid expenses				
Total accrued income and prepaid expenses	**208,768**	**176.41**	114,021	96.35
Total assets	**5,689,637**	**4,807.74**	10,527,330	8,895.59

Financial statement as on 31/03/2021 (Cont.)

	3/31/2022 Euro	3/31/2022 INR/Lakhs	3/31/2021 Euro	3/31/2021 INR/Lakhs
Liabilities				
A) Shareholders' equity				
I. Share capital	**1,421,151**	**1,200.87**	1,421,151	1,200.87
II. Share premium reserve				
III. Revaluation reserve				
IV. Legal reserve	**34,510**	**29.16**	43,945	37.13
V. Reserve for Treasury shares				
VI. Reserves provided for by the articles on association				
VII. Other reserves				
Extraordinary reserve	**0**	**0.00**	596,925	504.40
Advance for share capital				
Rounding off reserve	**0**		0	
Reserve for social initiatives		**0.00**		0.00
VIII. Retained earnings (loss) carry forwards	**0**	**0.00**	(735,752)	(621.71)
IX. Profit (loss) for the year	**531**	**0.45**	129,392	109.34
Total shareholders' equity	**1,456,192**	**1,230.48**	1,455,661	1,230.03
B) Provisions for liabilities and charges				
I. Retirement benefits & similar obligations				
II. Taxes, including deferred				
III. Other	**27,863**	**23.54**	27,863	23.54
Total provision for liabilities & charges	**27,863**	**23.54**	27,863	23.54
C) Employees' leaving indemnity				
Total employees' leaving indemnity	**174,820**	**147.72**	166,594	140.77
D) Debt and Payables				
4) Banks within 12 months	**1,666**	**1.41**	5,857,031	4,949.19
7) Trade within 12 months	**823,635**	**695.97**	1,229,609	1,039.02
11) Parent Company within 12 months	**2,863,748**	**2,419.87**	954,441	806.50
12) Tax payables within 12 months	**116,096**	**98.10**	516,158	436.15
13) Social security within 12 months	**50,221**	**42.44**	52,039	43.97
14) Other within 12 months	**169,625**	**143.33**	258,478	218.41
Total Debt & payables	**4,024,991**	**3,401.12**	8,867,756	7,493.25
E) Accrued liabilities and deferred income				
Total accrued liabilities and deferred income	**5,772**	**4.88**	9,456	7.99
Total shareholders' equity and liabilities	**5,689,638**	**4,807.74**	10,527,330	8,895.59

Profit and loss account

	3/31/2022 Euro	3/31/2022 INR/Lakhs	3/31/2021 Euro	3/31/2021 INR/Lakhs
A) Revenues				
1) From sales and services	**7,997,658**	**6,758.02**	12,532,233	10,589.74
2) Changes in stocks of work in process, semi-finished and finished products				
3) Work in progress on order				
4) Capitalised internal work in progress				
5) Other revenues and income				
a) Other revenues and income	**877,049**	**741.11**	1,530,719	1,293.46
b) Contribution on trading account				
Total revenues	**8,874,707**	**7,499.13**	14,062,952	11,883.19
B) Expenses				
6) Raw materials, subsidiary materials, consumables and goods	**(4,693,282.00)**	**(3,965.82)**	(2,289,747.00)	(1,934.84)
7) Services	**(1,789,266.00)**	**(1,511.93)**	(2,482,282.00)	(2,097.53)
8) Rent/lease	**(112,472.00)**	**(95.04)**	(111,711.00)	(94.40)
9) Personnel costs				
a) salaries and wages	**(562,051.00)**	**(474.93)**	(590,780.00)	(499.21)
b) social contributions	**(163,024.00)**	**(137.76)**	(171,820.00)	(145.19)
c) employees' leaving indemnity	**(45,575.00)**	**(38.51)**	(40,542.00)	(34.26)
d) accruals for pension and similar costs				
e) other costs	**(1,303.00)**	**(1.10)**	(869.00)	(0.73)
Total 9)	**(771,953.00)**	**(652.30)**	(804,011.00)	(679.39)
10) Depreciation and value adjustments				
a) depreciation of intangible assets	**(11,405.00)**	**(9.64)**	(25,107.00)	(21.22)
b) depreciation of tangible assets	**(64,101.00)**	**(54.17)**	(107,078.00)	(90.48)
c) other value adjustments				
d) write down of accounts receivable recorded among current assets and liquid assets	**0.00**	**0.00**	(23,000.00)	(19.44)
Total 10)	**(75,506.00)**	**(63.80)**	(155,185.00)	(131.13)
11) Changes in raw materials, subsidiary materials, consumables and goods	**(1,319,349.00)**	**(1,114.85)**	(7,839,388.00)	(6,624.28)
12) Accruals to provisions for liabilities and charges	**0.00**	**0.00**	(14,944.00)	(12.63)
13) Other accruals	**0.00**	**0.00**	0.00	
14) Other operating costs	**(65,617.00)**	**(55.45)**	(73,037.00)	(61.72)
Total expenses	**(8,827,445.00)**	**(7,459.19)**	(13,770,305.00)	(11,635.91)
Difference between revenues and expenses(A–B)	**47,262.00**	**39.94**	292,647.00	247.29
C) Financial income and expense				
15) Income from shareholdings:				
– in controlled undertakings				
– in affiliated undertakings				
– other income		**0.00**		0.00
Total 15)	**0**	**0.00**	0	0.00
16) Other financial income:				
a) from accounts receivable recorded among fixed assets				
a1) controlled undertakings				
a2) from affiliated undertakings				
a3) from controlling companies				
a4) other financial income				
b) from securities recorded among fixed assets				

Profit and loss account (Cont.)

	3/31/2022		3/31/2021	
	Euro	**INR/Lakhs**	Euro	INR/Lakhs
c) from securities recorded among current assets				
d) other income:				
d1) from controlled undertakings				
d2) from affiliated undertakings				
d3) from controlling companies				
d4) other income	**53.00**	**0.04**	15.00	0.01
Total d)	**53.00**	**0.04**	15.00	0.01
Total 16)	**53.00**	**0.04**	15.00	0.01
17) Interest and other financial costs:				
a) from controlled undertakings				
b) from affiliated undertakings				
c) from controlling companies				
d) others financial costs	**(40,628.00)**	**(34.33)**	(86,537.00)	(73.12)
Total 17)	**(40,628.00)**	**(34.33)**	(86,537.00)	(73.12)
17-bis) Current and deferred exchange gains and losses	**(409.00)**	**(0.35)**	(885.00)	(0.75)
Total financial income and expense	**(40,984.00)**	**(34.63)**	(87,407.00)	(73.86)
D) Value adjustments of financial assets				
18) Write-ups:				
a) of shareholdings				
b) of financial fixed assets				
c) of securities recorded among current assets				
19) Write downs:				
a) of shareholdings				
b) of financial fixed assets		**0.00**		0.00
c) of securities recorded among current assets				
Total value adjustments to financial assets	**0**	**0.00**	0	0.00
E) Extraordinary income and costs				
20) Income:				
– capital gains on disposals of assets				
– other extraordinary income	**0**	**0.00**	0	0.00
Total 20)	**0**	**0.00**	0	0.00
21) Expenses:				
– losses on disposals of assets	**0**	**0.00**	0	0.00
– taxes of previous years		**0.00**	0	0.00
– other extraordinary costs	**0**	**0.00**	0	0.00
Total 21)	**0**	**0.00**	0	0.00
Total extraordinary income and costs	**0**	**0.00**	0	0.00
Result before taxes (A–B±C±D±E)	**6,278.00**	**5.30**	205,240.00	173.43
20) Taxes on the income for the year				
a) Current business year taxes	**(5,707.00)**	**(4.82)**	(30,672.00)	(25.92)
b) Taxes on last business year	**(40.00)**	**(0.03)**		0.00
c) Deferred tax liabilities and (assets)		**0.00**	(45,176.00)	(38.17)
23) Profit (loss) of the year	**531.00**	**0.45**	129,392.00	109.34

"EURO amounts are translated for convenience into Indian Rupees at the exchange rate of Rs 84.50 = Euro 1 which is the average of the telegraphic transfer buying and selling rates quoted by the Mumbai Branch of State Bank of India on 31st March 2022".

A lakh is a unit in the Indian numering system equal to one hundred thousand (100.000).

This Financial Statement is in agreement with results of accountant records.

For The Board of Directors:

Sachin Arolkar

Chairman

Mumbai, 09th May 2022

Notes to the financial statements at 31/03/2022

Indian Rupees at the exchange rate of INR 84.50 = Eur 1

A lakh is a unit in the Indian numeric system equivalent to one hundred thousand (100.000).

Introduction

Dear Quotaholder,

The financial statements for the fiscal year ended 31/03/2022 is submitted for your verification and approval. The fiscal year FY2022 ended with a profit equal to Euro 531 / INR 0.45 Lakhs, net of taxes and after amortization and depreciation for a total of Euro 75.506 / INR 63.80 Lakhs

Area of Business

Your company carries out its activities in the sector of distribution of motor vehicles and spare parts, as official importer of Mahindra vehicles in the European markets like Italy, Spain, Slovakia, Hungary, Bulgaria & other Eastern Europe countries.

Major events occurred during the company's fiscal year

The significant events that occurred during the year are as follows:

The Company obtained the necessary type-approval extensions with related waivers from the Ministry of Transport for its entire range of vehicles, in line with the requirements of the applicable regulations. The Company obtained the renewal of the existing credit lines with Intesa Sanpaolo and Bank of America Merrill Lynch. The credit lines are mainly used to finance the import of vehicles and spare parts and to finance short-term cash flow. All credit lines are settled at market conditions and guarantee the Company adequate financial resources to run its business. The Company has renewed its agreement with Fiditalia to offer its customers retail financing options to support the sales of vehicles. During the financial year, the Company managed trade credit through the factoring company Ifitalia of the BNP Paribas Group. The global economic outlook for 2022 was severely affected by the spread of the SARS-CoV2 Covid-19 infection and the military crisis that broke out in Ukraine in late February 2022.

The Company used the FIS social shock absorbers in the period between July and December 2021 to cope with the drop in business activities that occurred during the critical phase of the pandemic in 2021.

Your Company is experiencing a rapid change in the market with a significant change in customer preferences, purchasing styles and trends in the European market. In this scenario, and also on account of the impact caused by the pandemic in the last 2 years, your company is required to re-evaluate and restructure its business model. As part of the business model restructuring process, a letter of termination of the distribution relationship was sent to distributors and dealers with two years notice. This period will allow the Company to explore the possibilities of developing a business model capable of facing the new challenges that the market requires and enable Mahindra Europe towards new goals.

Layout criteria

The criteria adopted for the preparation of the financial statements at 31/03/2022 take into account the changes introduced into Italian legislation by legislative decree 139/2015, through which EU Directive 2013/34 was implemented. As a result Legislative decree 139/2015 amended the Italian accounting principles issued by the Italian Accounting Body OIC (*Organismo Italiano di Contabilità*).

It was not feasible to calculate the cumulative past effects of the change in accounting principle and the determination of the past effects was too burdensome and therefore the new accounting principle OIC 15 and OIC 19 was not applied.

The financial statements have been drawn up in accordance with arts. 2423 of the Italian Civil Code, as appears from these Notes, which have been prepared pursuant to art. 2427 of the Italian Civil Code and are an integral part of the financial statements within the meaning and for the purposes of art. 2423.

Financial statement figures are expressed in whole Euro and INR/Lakhs by rounding off the relevant amounts to the nearest whole number. Any rounding-off differences were recorded under the item "INR/Lakhs Rounding-off reserve" included among the Shareholders' equity. Pursuant to article 2423(6) of the Italian civil code, the notes were drawn up in units of thousands of Euro and INR/Lakhs/ (in whole Euro and INR/Lakhs).

The explanatory note presents the information of the balance sheet and income statement items in the order in which the related items are indicated in the respective financial statements.

Valuation criteria

(article 2427(1)(1) of the Civil Code, OIC 12)

The valuation of the items in the financial statements was made based on general criteria of prudence and competence, on going-concern basis.

The application of the prudence principle involved the individual valuation of the elements making up the individual items or items of the assets or liabilities, to avoid offsetting between losses that should have been recognized and profits that should not be recognized as unrealized.

In compliance with the accrual principle, the effect of transactions and other events has been recognized and attributed to the year to which these transactions and events refer, and not to the year in which the related cash movements take place (collections and payments).

In application of the principle of relevance, the obligations regarding recognition, evaluation, presentation and disclosure were not respected when their observance had irrelevant effects in order to give a true and correct representation.

The consistent application of accounting principles over time ensures the comparability of the company's financial statements drawn up in different fiscal years.

The recognition and presentation of the balance sheet items was made taking into account the substance of the transaction or contract.

The Company has not made use of the right to exempt from the ordinary rules relating to business continuity.

Exceptional cases pursuant to art. 2423, fifth paragraph, of the Civil Code

(article 2423 (5) of the Civil Code)

There have been no exceptional cases that have made it necessary to resort to exceptions pursuant to art. 2423 paragraph 5 of the Civil Code.

Changes in accounting principles

The Company has not changed the accounting principles.

As regards the application of the national accounting standards OIC 15 (credits) and OIC 19 (debts), relatively

the application of the amortized cost criterion and the discounting of the expected cash flow of the correspondent nominal value of the credit / debit, the company makes use of the relevant presumptions of irrelevance for credits and debts with a maturity of less than twelve months, the effects being irrelevant with respect to the results that would be obtained with the pre-reform criteria, since the sale and purchase transactions are negotiated with deferred payments at market rates and with a negligible amount of transaction costs.

Problems of comparability and adaptation

The evaluation criteria adopted in the preparation of the financial statements closed on 31/03/2022 were the same used for the preparation of the financial statements for the previous fiscal year, therefore it was not necessary to calculate the previous cumulative effect of the change in principle.

Appraisal criteria applied

(Ref. Art. 2426, first paragraph, Civil Code)

Fixed assets

Intangible assets

These have been recorded at their historical purchase cost net of the relevant yearly amortisation charged to the individual items.

The costs relating to industrial patent rights and intellectual property rights, licenses, concessions and trademarks whose effects regard several different years are depreciated over a period of 5 business years, while the costs for the approval of vehicles are amortized over a period of 3 business years.

Software licenses were recorded in the assets and are amortized over a period of 2 business years.

Improvements to third party assets are amortized with rates depending upon the duration of the contract.

In the event that, regardless of the depreciation booked, a permanent loss of value occurs, the asset is written down accordingly. If in the following years the reasons for the write-down cease to exist, the original value, adjusted by depreciation, is restored.

The Company has not made use of the right to suspend the depreciation rates for the 2020 financial year provided for in Article 60, paragraphs 7-bis to 7-quinquies of Law Decree 104/2020 (converted by Law 126/2020).

The Company has not made use of the right to revalue intangible assets as required by Article 110 of the Law Decree 104/2020 (converted by Law 126/2020).

Tangible assets

These have been recorded at their purchase cost and are adjusted by the relevant accumulated depreciation.

The book value includes any ancillary costs and the costs incurred for the use of the asset, less any trade discounts and any significant cash discounts.

The depreciation charged to profit and loss account has been calculated on the basis of the remaining useful life of the assets, taking into account their use, destination and economic-technical life, which we believe are well reflected by the following rates, unchanged compared to the previous fiscal year and halved in the year in which the asset has entered operation:

Type of Asset	**% Depreciation**
Specific Plants & Equipments	15%
Generic Systems	10%
Electronic Machines	20%
Passenger Vehicles	25%
Commercial Vehicles	20%
Office furniture & equipments	12%
Others	10%

In the event that, regardless of the depreciation booked, a permanent loss of value occurs, the fixed assets are written down accordingly. If in the following years the reasons for the write-down cease to exist, the original value, adjusted by depreciation, is restored.

The company has not made use of the right to suspend the depreciation rates for the 2020 financial year provided for in Article 60, paragraphs 7-bis to 7-quinquies of Law Decree 104/2020.

The company has not made use of the right to revalue tangible fixed assets as required by Article 110 of Law Decree 104/2020 (converted by Law 126/2020).

Finance lease transactions

Finance lease transactions are shown in the financial statements using the net asset method, by charging the lease payments to the profit and loss account on an accruals basis. The additional information required by the law on the representation of finance lease agreements under the financial method is contained in a specific section of the notes.

The Company did not take advantage of the suspension of the payment of leasing fees as provided for in Article 56, paragraph 2, letter c), of Law Decree no. 18/2020 (converted by law no.27 of 24 April 2020), therefore the Company has not rescheduled the duration of the financial lease.

Accounts receivable

The amortised cost method was not applied since its effects are immaterial for the purpose of giving a true and fair view. Therefore, accounts receivable have been recorded at their presumed realisable value, without prejudice for the possibility to apply time discounting. The adjustment of the nominal value of receivables to the assumed realizable value is obtained through a reserve for bad debts, taking into consideration the general and industrial economic conditions and country risk.

Accounts receivable recorded in the financial statements before the fiscal year starting 1 January 2016 have been recorded at their presumed realisable value since, as provided by accounting principle OIC 15, it was decided not to apply the amortised cost method and time discounting.

The nominal value of the accounts receivable was adjusted to the presumed realisable value by a bad debt reserve, having regard also to any indicators of permanent impairment.

Accounts receivable originally due within one year and subsequently transformed into long-term receivables were recorded in the balance sheet among financial assets.

Accounts receivable are written off when the contractual rights to receive the relevant cash flows have been extinguished or when the risks in connection with the payment of the receivables have been transferred.

Accounts payable

The amortised cost method was not applied since its effects are immaterial for the purpose of giving a true and fair view. Therefore, accounts payable have been recorded at their nominal value, without prejudice for the possibility to apply time discounting.

Accounts payable recorded in the financial statements before the fiscal year starting 1 January 2016 have been recorded at their nominal value since, as provided by accounting principle OIC 19, it was decided not to apply the amortised cost method and time discounting.

Accrued income/liabilities – pre payments / deferred income

These have been determined on an accruals basis.

With regard to accrued income / liabilities and prepayments/deferred income of a duration exceeding one year, we checked the conditions for their original entry and adopted any necessary changes.

Inventory

Raw materials, auxiliary materials and finished products have been recorded at the lower of purchase or manufacturing cost and realisable value as inferred from market trend, applying the weighted average cost method for spare parts and the specific cost method for vehicles.

Production cost includes the direct and indirect costs incurred during production, which are necessary for stocks to be in the current place and conditions.

On 31/03/2022 the company has not goods-in-process and work-in-progress goods.

The value thus obtained is then adjusted by the “provision for stock obsolescence” in order to take into account those goods which are expected to be realised at a value lower than cost.

Any stocks which were written down but in respect of which in subsequent years the reasons for the write-down to their realisation value ceased to exist, were restored to their original value.

Securities

The company does not hold any securities.

Shareholdings

The company does not hold any shareholdings in subsidiary and affiliated.

The shareholdings included among current assets, which do not represent a long-term investment, have been valued at the lower of purchase cost and realisable value as inferred from market trend.

Treasury shares

The company does not hold any treasury shares.

Derivative financial instruments

The company does not hold any derivative financial instruments.

Provisions for contingent liabilities and charges

These provisions are set aside for the coverage of losses or liabilities that are certain or likely to arise, but whose amount or date of occurrence could not be determined at the year-end.

The provisions have been measured on a prudential and accruals basis and no generic funds without economic justification were created.

Any potential liabilities were carried to the financial statements and recorded in the relevant provisions as they were considered likely to arise and their amount could be reasonably estimated.

Provision for employees’ leaving indemnity (TFR)

This consists of the amounts actually accrued in favour of the employees pursuant to the law and the current collective bargaining agreements, taking into account any elements of remuneration paid on a continuous basis.

The provision includes the total payments accrued for employees at the year-end net of any advances paid, and assuming termination of their employment relationship at such date.

The provision does not include any amounts accrued starting from 1 January 2007 that have been paid into complementary pension schemes pursuant to legislative decree no. 252 dated 5 December 2005 (or transferred to the special-purpose fund managed by the Italian social security authority - INPS).

Income taxes

The provision for taxes has been set aside on an accruals basis and includes the following:

- accruals in respect of the taxes paid or to be paid for the year, determined at the current rates and in accordance with the rules in force;
- the amount of deferred tax assets or liabilities in respect of temporary differences which arose or were written off in the year;
- any adjustments to the balance of deferred taxes to account for changes in the tax rates occurred/for the introduction of the new tax during the year.

Deferred IRES assets and liabilities are calculated on the temporary differences between the assets and liabilities determined in accordance with civil code principles and the corresponding tax values, solely with regard to the company.

Current IRAP and any deferred IRAP assets and liabilities are determined solely with regard to the company.

Recognition of income

Proceeds from sales are recognised at the time of the transfer of ownership which usually coincides with the delivery or forwarding of the goods;

Financial income and income from the provision of services is recognised on an accruals basis.

Revenue and proceeds, costs and charges related to transactions in foreign currency are determined at the exchange rate in force at the date when the relevant transaction takes place.

Only the accrued portion of the income and costs related to buy/sell-back transactions, including the difference between the spot price and the forward price, is recognised.

Adjustment criteria

The company not applied the adjustment criteria.

Criteria for the translation of accounts in foreign currency

Accounts payable and receivable denominated in foreign currency and recorded at the exchange rates in force on the date of the transaction, are retranslated at the exchange rates ruling at the year-end as determined by Bank of Italy.

In particular, assets and liabilities which constitute assets and liabilities in foreign currency are recorded at the spot exchange rate ruling at the year-end and the relevant exchange gains and losses have been taken to the Profit and Loss Account under item 17bis “Exchange gains and losses”.

Any net gain deriving from the adjustment of the items in foreign currency to the year-end exchange rates is included in the result for the year and, at the time of the financial statements approval and appropriation of the operating result to the legal reserve, the part which is not offset against the loss for the year, if any, is apportioned to a reserve which is not distributable until the gain is realised.

Non-current assets and liabilities in foreign currency are recorded at the exchange rate ruling at the time of purchase.

No significant effects of the changes to the exchange rates occurred between the year-end and the financial statements preparation date. (article 2427(1) (6-bis) of the Civil Code).

Commitments, guarantees and potential liabilities

Commitments, which are not recorded in the balance sheet, consist of obligations assumed by the company vis-à-vis third parties and arising from legal arrangements with mandatory effects but not yet implemented by either party. Commitments include both commitments in respect of which both the relevant execution and amount is known (for instance, on buy/sell-back transactions) and commitments which are definitely going to be executed but whose amount is unknown (for example, agreement with a price adjustment clause). The amount of the commitments is their nominal value as inferred from the relevant documentation.

The company didn’t provide guarantees include personal guarantees and collaterals.

I. Intangible assets

EUR

Balance at 31/03/2022	Balance at 31/03/2021	Difference
5.400	16.806	(11.406)

INR

Balance at 31/03/2022	Balance at 31/03/2021	Difference
4,56	14,20	(9,64)

Analysis of changes in intangible assets

(article 2427(1)(2) of the Civil Code)

EUR

	Industrial patent rights	**Other intangible assets**	**Total intangible assets**
Opening balance			
Purchase value	10.760	6.046	16.806
Value in Balance sheet	10.760	6.046	16.806
Changes in the Year			
Increases in the year	(1)		(1)
Amortization in the year	10.323	1.082	11.405
Total changes	(10.324)	(1.082)	(11.406)
Closing balance			
Purchase value	436	4.964	5.400
Value in Balance Sheet	436	4.964	5.400

INR

	Industrial patent rights	**Other intangible assets**	**Total intangible assets**
Opening balance			
Purchase value	9,09	5,11	14,20
Value in Balance sheet	9,09	5,11	14,20
Changes in the Year			
Increases in the year			
Amortization in the year	8,72	0,91	9,64
Total changes	(8,72)	(0,91)	(9,64)
Closing balance			
Purchase value	0,37	4,19	4,56
Value in Balance Sheet	0,37	4,19	4,56

The Company did not deem it appropriate to suspend the amortization rates for the year 2021 and did not make use of the right to re-value intangible assets or exemptions from the statutory valuation criteria.

Reclassifications

(article 2427(1)(2) of the civil code)

No reclassification has been made from the prior year’s financial statements presentation.

Write-downs and reversals of write-downs made during the year

(article 2427(1)(2) and (3-bis) of the Civil Code)

No write-down and reversals of write-downs has been made during the year.

Composition of start-up and expansion costs and development costs

(Article 2427(1)(3) of the civil code)

No Start-up and expansion costs and Development costs has been made.

Contributions toward investments

During the previous year closed on 31/03/2020, the Company has received capital grants, for a total amount of Euro 10,000.00, for purchase of software licenses. The indirect method was chosen to account for these contributions. During the year ended 31/03/2022 the share pertaining to the year was calculated.

II. Tangible assets

EUR

Balance at 31/03/2022	Balance at 31/03/2021	Difference
190.548	282.804	(92.256)

INR

Balance at 31/03/2022	Balance at 31/03/2021	Difference
161,01	238,97	(77,96)

EUR

	Plant and machinery	Industrial and commercial equipment	Other tangible assets	Total tangible assets
Opening balance				
Purchase value	122.833	169.471	545.069	837.373
Accumulated depreciation	86.717	152.712	315.140	554.569
Book Value	36.116	16.759	229.929	282.804
Changes during the year				
Increases in the year	(1.514)		238.382	236.868
Reclassifications (of Book Value)			265.023	265.023
Decreases for disposals and divestments (of the book value)	5.649	9.889	48.563	64.101
Amortization for the year	(7.163)	(9.889)	(75.204)	(92.256)
Total changes				
Closing balance				
Purchase value	122.832	169.471	388.709	681.012
Accumulated depreciation	93.879	162.601	233.98	490.464
Book Value	28.953	6.870	154.725	190.548

INR

	Plant and machinery	Industrial and commercial equipment	Other tangible assets	Total tangible assets
Opening balance				
Purchase value	103,79	143,20	460,58	707,58
Accumulated depreciation	73,28	129,04	266,29	468,61
Book Value	30,52	14,16	194,29	238,97
Changes during the year				
Increases in the year	(1,28)		201,43	200,15
Reclassifications (of Book Value)			223,94	223,94
Decreases for disposals and divestments (of the book value)				
Amortization for the year	4,77	8,36	41,04	54,17
Total changes	(6,05)	(8,36)	(63,55)	(77,96)
Closing balance				
Purchase value	103,79	143,20	328,46	575,46
Accumulated depreciation	79,33	137,40	197,72	414,44
Book Value	24,47	5,81	130,74	161,01

The Company has not made use of the right not to charge the depreciation rates for the year 2021 to the income statement, furthermore the Company has not made use of the right to obtain the revaluation of tangible fixed assets.

No review of the useful life of capital assets has been made during the financial year.

Increases and decreases refers to the purchase and sale of company vehicles.

Write-downs and reversals of write-downs made during the year

(article 2427(1)(2) and (3-bis) of the Civil Code)

No tangible fixed assets were subject to previous revaluations or devaluations.

Total revaluations of tangible assets at the year-end

(Article 2427(1)(2) of the civil code)

No monetary revaluations has been made.

Contributions toward investments

The company during the year ended 31/03/2022 has not applied for contributions toward investments.

Finance lease transactions

The company has in place one main finance lease agreements. We set out below the information regarding the lease agreements pursuant to article 2427 (1)(22) of the civil code:

- lease agreement no. 00928065/001 dated 09/06/2009;
- term of the agreement 216 months;
- asset industrial building;
- cost of the asset in INR/Lakhs 1435,06 / Euro 1.698.300
- initial higher lease payment (maxicanone) of INR/Lakhs 215,26 / Euro 254.745 made on 11/06/2009;

EUR

Description	Amount
Aggregate amount of finance leased assets at the year-end	1.035.963
Amount of depreciation that would have been charged in the year	50.949
Value adjustments and write-ups that would have been recognised in the year	(73.471)
Net present value of outstanding finance lease payments at the year-end	637.613
Financial costs accrued for the year based on the effective interest rate	28.590

Description	INR Amount
Aggregate amount of finance leased assets at the year-end	875,39
Amount of depreciation that would have been charged in the year	43,05
Value adjustments and write-ups that would have been recognised in the year	(62,08)
Net present value of outstanding finance lease payments at the year-end	538,78
Financial costs accrued for the year based on the effective interest rate	24,16

The company has not requested the suspension of the leasing installments provided for in Article 56 of Law Decree no. 18/2020.

III. Financial assets

EUR

Balance at 31/03/2022	Balance at 31/03/2021	Difference
392	8.092	(7.700)

INR

Balance at 31/03/2022	Balance at 31/03/2021	Difference
0,33	6,84	(6,51)

Movements in equity investments, other securities and fixed asset derivative financial instruments

EUR

	Undertakings under control by the controlling companies	Total shareholdings
Opening balance		
Purchase value	262	262
Balance at	262	262
Closing balance		
Purchase value	262	262
Balance at	262	262

INR

	Undertakings under control by the controlling companies	Total shareholdings
Opening balance		
Purchase value	0,22	0,22
Balance at	0,22	0,22
Closing balance		
Purchase value	0,22	0,22
Balance at	0,22	0,22

Shareholdings

The shareholdings recorded among financial fixed assets constitute a long-term strategic investment for the company.

The shareholdings in Other companies are recorded at the purchase or subscription cost.

The shareholdings recorded at purchase cost have not been written down as a result of a permanent value impairment and no cases occurred in which the original value of a written-down shareholding was restored.

The company don't has shareholdings in controlled or affiliated companies.

No destination of shareholding under fixed assets was changed.

No restrictions are put by any investing company on shareholdings recorded under fixed assets, nor pre-emptive or preferential rights exist thereupon.

No significant transaction was carried out with companies belonging to CONAI, CONOU and Ecotyre Groups.

No fixed equity investments have undergone a change of destination

Variations and Accounts Receivables

EUR

	Other companies	Total accounts receivable
Opening balance	7.830	7.830
Changes during the year	(7.700)	(7.700)
Closing balance	130	130
Due within one year		
Due after more than one year	130	130

INR

	Other companies	Total accounts receivable
Opening balance	6,62	6,62
Changes during the year	(6,51)	(6,51)
Closing balance	0,11	0,11
Due within one year		
Due after more than one year	0,11	0,11

No revaluations, write-downs and write-backs were made.

Receivables of a commercial nature have been entered in the item receivables from others for an amount of Euro 130 / INR 0.11 Lakhs refer to the caution deposits made to Italian suppliers of Electricity, Water & Gas,

originally collectable at the end of the existing contract according to the conditions normally applied on the market.

The changes that occurred during the year are as follows.

EUR

	31/03/2021	Changes	31/03/2022
Other companies	7.830	(7.700)	130
Total	**7.830**	**(7.700)**	**130**

INR

	31/03/2021	Changes	31/03/2022
Other companies	6,62	(6,51)	0,11
Total	**6,62**	**(6,51)**	**0,11**

The decrease of Eur 7,700 / INR 6,51 Lakhs refers to the collection of the import / export security deposit at the Livorno Customs Office.

The company has not signed a centralized group Treasury contract to optimize the use of financial resources (cash pooling contract).

Breakdown of the accounts receivable by geographical area

The following table shows a breakdown of the accounts receivable at 31/03/2022 by geographical area (article 2427(1)(6) of the Civil Code).

EUR

Accounts receivable by geographical area	From other companies	Total
Italy	130	130
Total	130	130

INR

Accounts receivable by geographical area	**From other companies**	**Total**
Italy	0,11	0,11
Total	0,11	0,11

Other securities

EUR

Balance at 31/03/2022	Balance at 31/03/2021	Difference
262	262	0
130	7.830	(7.700)

INR

Balance at 31/03/2022	Balance at 31/03/2021	Difference
0,22	0,22	0
0,11	0,11	(6,51)

Analysis of the value of financial fixed assets

EUR

Description	**accounting value**	**Fair value**
Investments in other companies	262	262
Credits to other	130	130

INR

Description	**accounting value**	**Fair value**
Investments in other companies	0,22	0,22
Credits to other	0,11	0,11

Detail of the value of immobilized investments in other companies

EUR

Description	**accounting value**	**Fair value**
CONAI	12	12
Ecotyre	50	50
Conou	200	200
Total	262	262

INR

Description	**accounting value**	**Fair value**
CONAI	0,01	0,01
Ecotyre	0,04	0,04
Conou	0,17	0,17
Total	0,22	0,22

Detail of the value of the loans immobilized towards others

EUR

Description	**accounting value**	**Fair value**
ACEA (water)	104	104
Fratelli De Carolis	26	26
Total	130	130

INR

Description	**accounting value**	**Fair value**
ACEA (water)	0,09	0,09
Fratelli De Carolis	0,02	0,02
Total	0,11	0,11

The financial statements do not include financial fixed assets whose amount is higher than their fair value.

C) Current assets

I. Inventory

EUR

Balance at 31/03/2022	Balance at 31/03/2021	Difference
2.837.507	4.156.856	(1.319.349)

INR

Balance at 31/03/2022	Balance at 31/03/2021	Difference
2397,69	3512,54	(1114,85)

EUR

Description	Opening balance	Changes during the year	Closing balance
Finished products and goods	4.156.856	(1.319.349)	2.837.507
Total	**4.156.856**	**(1.319.349)**	**2.837.507**

EUR

Description	Opening balance	Changes during the year	Closing balance
Finished products and goods	3512,54	(1114,85)	2397,69
Total	**3512,54**	**(1114,85)**	**2397,69**

Accounting policies have been applied consistently with the prior year as explained in the introduction to these notes.

The adopted assessment does not significantly differ from the one using the current cost approach.

The decrease in vehicles in stock is majorly due to sales of the KUV100 model.

The item vehicles in stock refers to cars in storage at the Ariccia headquarters, at the depository company located in Spain and at the depository company located in Livorno.

There are no commitments contractually undertaken for works and services still to be performed at year end.

The Company has not used its stock obsolescence provision.

The Company has not entered the inventory obsolescence provision but has written down the obsolete inventory spare parts (not moved for more than five years) whose realizable value is lower than cost, adjusting the inventory value in the previous year. The company didn't change the write-down during this year, considering adequate the estimated value.

Any contractual undertakings in respect of works and services to be carried out at the year-end.

EUR

Balance at 31/03/2022	Balance at 31/03/2021	Difference
1.580.895	4.796.584	(3.215.689)

INR

Balance at 31/03/2022	Balance at 31/03/2021	Difference
1335,86	4053,11	(2717,26)

Changes and expiration of receivables entered in the circulating assets.

EUR

Description	Opening balance	Changes during the year	Closing balance	Due within one year	Due after more than one year
From customers	3.543.366	(2.585.789)	957.577	957.577	
From group companies	3.120	(3.120)			
From controlling companies	955.434	(656.554)	298.880	298.880	
Tax credits	48.661	22.986	71.647	71.647	
Deferred tax assets	200.468		200.468		
Other accounts receivable	45.535	6.788	52.323	4.885	47.438
Total	4.796.584	(3.215.689)	1.580.895	1.332.989	47.438

INR

Description	Opening balance	Changes during the year	Closing balance	Due within one year	Due after more than one year
From customers	2.994,14	(2.184,99)	809,15	809,15	
From group companies	2,64	(2,64)			
From controlling companies	807,34	(554,79)	252,55	252,55	
Tax credits	41,12	19,42	60,54	60,54	
Deferred tax assets	169,40		169,40		
Other accounts receivable	38,48	5,74	44,21	4,13	40,09
Total	4.053,11	(2.717,26)	1.335,86	1126,38	40,09

The company took advantage of the possibility not to follow the amortised cost method and not to time discount accounts receivable.

Therefore, accounts receivable have been recognised at their presumed realisable value.

The item “Credits towards the Controlling company” includes the credit for repairs and services rendered on behalf or to the benefit of the parent company, as well as the costs for advertising campaigns.

The deferred tax assets of INR/Lakhs 169.40 Eur 200.468 are in connection with tax loss carryovers in an amount of INR/Lakhs 854.14 Eur 1.010.813. For a description of the reasons which make it possible to recognise the potential tax benefit in connection with the losses, please refer to the relevant paragraph of these notes.

Break-down of the accounts receivable by geographical area

The following table shows a break-down of the accounts receivable at 31/03/2022 by geographical area (article 2427(1)(6) of the Civil Code):

EUR

Accounts receivable by geographical area	From customers	From controlling companies	Tax Credit	Deffered Tax Assets	Other accounts receivable
ITALY	941.385		71.647	200.468	52.323
INDIA		298.880			
SPAIN	13.702				
SERBIA	2.490				
TOTAL	**957.577**	**298.880**	**71.647**	**200.468**	**52.323**

INR

Accounts receivable by geographical area	From customers	From controlling companies	Tax Credit	Deffered Tax Assets	Other accounts receivable
ITALY	795,47		60,54	169,40	44,21
INDIA		252,55			
SPAIN	11,58				
SERBIA	2,10				
TOTAL	**809,15**	**252,55**	**60,54**	**169,40**	**44,21**

The nominal value of the accounts receivable has been adjusted by a bad debts reserve that during the year changed as follows:

EUR

Description	**Bad debt reserve pursuant to article 2426 of the civil code**	**Total**
Balance at 31/03/2021	164.755	164.755
Amount used in the year	(102.559)	102.559
Amount accrued in the year		
Balance at 31/03/2022	**62.196**	**62.196**

INR

Description	**Bad debt reserve pursuant to article 2426 of the civil code**	**Total**
Balance at 31/03/2021	139,22	139,22
Amount used in the year	(86,66)	(86,66)
Amount accrued in the year		
Balance at 31/03/2022	**52,56**	**52,56**

No account receivable with significant amount, not transferred with recourse and not accounts receivable put up as collateral of own accounts payable or commitments.

There are not receivables sold “with recourse” as at 31/03/2022.

IV. Cash-in-hand, cash-at-bank and cash equivalents

EUR

Balance at 31/03/2022	Balance at 31/03/2021	Difference
866.127	1.152.167	(286.040)

INR

Balance at 31/03/2022	Balance at 31/03/2022	Difference
731,88	973,58	(241,70)

EUR

Description	**Opening balance**	**Changes during the year**	**Closing balance**
Bank and postal deposits	1.145.799	(289.719)	**856.080**
Cash and cash equivalents	6.368	3.679	**10.047**
Total	1.152.167	(286.040)	**866.127**

INR

Description	**Opening balance**	**Changes during the year**	**Closing balance**
Bank and postal deposits	968,20	(244,81)	**723,39**
Cash and cash equivalents	5,38	3,11	**8,49**
Total	973,58	(241,70)	**731,88**

The balance reflects the cash-in-hand, cash-at-bank and cash equivalents at the year-end.

D) Accrued income/prepayments

EUR

Balance at 31/03/2022	Balance at 31/03/2021	Difference
208.768	114.021	94.747

INR

Balance at 31/03/2022	Balance at 31/03/2021	Difference
176,41	96,35	80,06

They constitute the adjustment to costs and income pertaining to more than one fiscal year, incurred and earned before actual payment or collection and calculated on an accrual basis.

The criteria adopted for the recognition and translation of items in foreign currency have been reported in the first part of these notes.

At 31/03/2022, there were no accrued income/prepayments of a duration exceeding five years.

EUR

	Prepayments	**Total**
Opening balance	114.021	**114.021**
Changes during the year	94.747	**94.747**
Closing balance	208.768	**208.768**

INR

	Prepayments	**Total**
Opening balance	96,35	**96,35**
Changes during the year	80,06	**80,06**
Closing balance	176,41	**176,41**

This item can be broken down as follows (article 2427(1)(7) of the Civil Code):

EUR

Description	**Amount**
Insurance and road tax	**10.160**
Prepaid rate for lease	**73.122**
multifunction copier rental	**293**
Software maintanance	**8.094**
Maintenance expenses	**2.760**
Transportation expenses	**109.986**
Advertisement expenses	**1.336**
Others	**3.017**
TOTAL	**208.768**

INR

Description	**Amount**
Insurance and road tax	**8,59**
Prepaid rate for lease	**61,79**
multifunction copier rental	**0,25**
Software maintanance	**6,84**
Maintenance expenses	**2,33**
Transportation expenses	**92,94**
Advertisement expenses	**1,13**
Others	**2,55**
TOTAL	**176,41**

The maxi rent paid equal to INR 215,26 / Euro 254.745 relates to the financial leasing contract of the industrial building contract in 2009, for which reference should be made to the relevant paragraph of these notes to accounts.

Liabilities

A) Shareholder equity

(article 2427(1)(4),(7) and (7-bis) of the Civil Code)

EUR

Balance at 31/03/2022	Balance at 31/03/2021	Difference
1.456.192	1.455.661	531

INR

Balance at 31/03/2022	Balance at 31/03/2021	Difference
1230,48	1230,03	0,45

EUR

	Opening balance	Allocation of the profit for the previous fiscal year: Allocation of dividends	Allocation of the profit for the previous fiscal year: Other allocations	Other changes: Increases	Other changes: Decreases	Other changes: Reclassifications	Profit for the fiscal year	Closing balance
Share capital	1.421.151							1.421.151
Legal reserve	43.945					(9.435)		34.510
Extraordinary reserve	396.454					(396.454)		
Others …	200.471					(200.471)		
Total various other reserves	596.925					(596.925)		
Retained earnings (losses carried forward)	(735.752)					735.752		
Profit (Loss) for the year	129.392					(129.392)	531	531
Negative reserve for Treasury Shares								
Total	1.455.661						531	1.456.192

INR

	Opening balance	Allocation of the profit for the previous fiscal year: Allocation of dividends	Allocation of the profit for the previous fiscal year: Other allocations	Other changes: Increases	Other changes: Decreases	Other changes: Reclassifications	Profit for the fiscal year	Closing balance
Share capitalal	1.200,87							1.200,87
Legal reserve	37,13					(7,97)		29,16
Extraordinary reserve	335,00					(335,00)		
Others …	169,40					(169,40)		
Total various other reserves	504,40					(504,40)		
Retained earnings (losses carried forward)	(621,71)					621,71		
Profit (Loss) for the year	109,34					(109,34)	0,45	0,45
Negative reserve for Treasury Shares								
Total	1.230,03						0,45	1230,48

Use of shareholders' equity

The items of the shareholders' equity are broken down as follows according to their origin, possible use, distributability and use made in the three prior years (article 2427(1)(7-bis) of the Civil Code)

EUR

Nature/description	Amount	Origin/nature	Possible use (*)	Available amount (**)	Amount used for cover losses	Amount used for other reasons
Share capital	1.421.151	Subscription of Company Quote	B			
Share premium reserve			A,B,C,D			
Revaluation surplus			A,B			
Legal reserve	34.510	Profit	A,B			
Reserves provided for by the articles of association						
Other reserves	–					
Extraordinary reserve						
Various other reserves						
Total various other reserves						
Retained earnings (losses carried forward)						
Total	**1.455.661**					
Non-distributable share						
Residual distributable share						

INR

Nature/description	Amount	Origin/nature	Possible use (*)	Available amount (**)	Amount used for cover losses	Amount used for other reasons
Share capital	1200,87		B			
Share premium reserve			A,B,C,D			
Revaluation surplus			A,B			
Legal reserve	29,16	Profit	A,B			
Reserves provided for by the articles of association						
Other reserves						
Extraordinary reserve						
Various other reserves						
Total various other reserves						
Retained earnings (losses carried forward)						
Total	**1230,03**					
Non-distributable share						
Residual distributable share						

(*) A: for capital increase; B: for loss coverage; C: for distribution to shareholders; D: for other obligations imposed by the articles of association

(**) After deduction of the negative reserve for treasury shares, if any, and of tax loss carryovers.

Information on the creation and use of shareholders' equity

As provided by article 2427(1)(4) of the civil code, we set out below the information on the creation and use of shareholders' equity items:

EUR

	Share capital	Legal reserve	Reserve	Result for the year	Total
At the beginning of the prior year	1.421.151	43.945	(95.799)	(43.031)	1.326.266
– other appropriations				(129.392)	(129.392)
increases			(43.028)	129.392	86.364
reclassification				(43.031)	(43.031)
Result of the prior year				129.392	
At the prior year-end	1.421.151	43.945	(138.827)	129.392	1.455.661
Appropriation of the result for the year					
– other appropriations		(9.435)			
increases					
decreases					
– Reclassifications					
Current year's result				531	
At the current year-end	1.421.151	34.510		531	1.456.192

INR

	Share capital	Legal reserve	Reserve	Result for the year	Total
At the beginning of the prior year	1200,87	37,13	(80,95)	(36,36)	1.120,69
– other appropriations				(109,34)	(109,34)
– Increases			(36,36)	109,34	72,98
– Reclassifications				(36,36)	(36,36)
Result of the prior year				109,34	
At the prior year-end	1200,87	37,13	(117,31)	109,34	1.230,03
Appropriation of the result for the year					
– dividends				(109,34)	
– other appropriations		(7,97)	117,31		
Other changes					
– Increases					
– Decreases					
– Reclassifications					
Current year's result				0,45	
At the current year-end	1200,87	29,16		0,45	1.230,48

The share capital amounts to Euro 1.421.151 - INR/Lakhs 1,200.87 and is made up of quotas with a nominal value of 1 Euro, held by and fully available to the sole shareholder as no burdens exist on them. At year-end the shares subscribed are paid in as the total amount of the share capital was fully paid-up.

B) Provision for contingent liabilities and charges

(article 2427(1)(4) of the Civil Code)

EUR

Balance at 31/03/2022	Balance at 31/03/2021	Difference
27.863	27.863	

INR

Balance at 31/03/2022	Balance at 31/03/2021	Difference
23,54	23,54	

EUR

	Provision for pension and similar benefits	Provision for taxes, including deferred taxes	Derivative financial instruments	Other provisions companies	Total
Value at the beginning of the year				27.863	27.863
Changes in the year:					
Increases as a result of changes in the fair value					
Decreases as a result of changes in the fair value					
Total changes					
Value at the end of the year				27.863	27.863

INR

	Provision for pension and similar benefits	Provision for taxes, including deferred taxes	Derivative financial instruments	Other provisions companies	Total
Value at the beginning of the year				23,54	23,54
Changes in the year:					
Increases as a result of changes in the fair value					
Decreases as a result of changes in the fair value					
Total changes					
Value at the end of the year				23,54	23,54

The increases are in connection with the accrual for the year, while decreases consist of amounts used in the year.

The item "Other provisions" at 31/03/2022, of INR/Lakhs 23.54 Eur 27.863 is composed as follows: (article 2427(1)(7) of the civil code).

EUR

Description	As at 31/03/2022
Fund for warranties	27.863
TOTAL	27.863

INR

Description	As at 31/03/2022
Fund for warranties	23,54
TOTAL	23,54

The accrual to these provisions was justified by the fact that (i) the other provisions were made to the Warranty fund, because it has been considered not adequate to cover contract discrepancies between what has been acknowledged by the Company and what has been received by the Parent company.

During the year, the value of the provision for warranty was reinstated for a value deemed appropriate.

C) Indemnity for Employees leaving the Company
(article 2427(1)(4) of the Civil Code)

EUR

Balance at 31/03/2022	Balance at 31/03/2021	Difference
174.820	166.594	8.226

INR

Balance at 31/03/2022	Balance at 31/03/2021	Difference
147,72	140,77	6,95

The difference can be described as follows.

EUR

	Indemnity for Employees leaving company
Value at the beginning of the year	**166.594**
Changes in the year:	
Increases as a result of changes in the fair value	**15.632**
Decrease for utilization	**(7.406)**
Total changes	**8.226**
Value at the end of the year	**174.820**

INR

	Indemnity for Employees leaving company
Value at the beginning of the year	**140,77**
Changes in the year:	
Increases as a result of changes in the fair value	**13,21**
Decrease for utilization	**(6,26)**
Total changes	**6,95**
Value at the end of the year	**147,72**

The provision consists of the amounts payable at 31/03/2022 to the employees on the company's payroll at that date, net of any advances paid.

This consists of the amounts actually accrued in favour of the employees pursuant to the law and the current collective bargaining agreements, taking into account any elements of remuneration paid on a continuous basis.

The provision includes the total amounts accrued at 31 December 2006 for employees at the year-end, net of any advances paid, and assuming termination of their employment relationship at such date.

The provision does not include any amounts accrued starting from 1 January 2007 that have been paid into complementary pension schemes pursuant to legislative decree no. 252 dated 5 December 2005 (or transferred to the special-purpose fund managed by the Italian social security authority - INPS).

During the year, the company accrued € 45.575 INR/Lakhs 38.51 for this indemnity, of which € 29.943 INR/Lakhs 25.30 transferred to the complementary pension fund and € 15.632 INR/Lakhs 13.21 to the TFR fund.

The use of Euro 7,406 refers to the liquidation of an employee who left the job during the year.

In the year after 31/03/2022 employees are not expected to receive a estimated employees' leaving indemnity as a result of incentivised dismissals and corporate reorganisation plans.

D) Accounts payable

(article 2427(1)(4) of the Civil Code)

EUR

Balance at 31/03/2022	Balance at 31/03/2021	Difference
4.024.991	8.867.756	(4.842.765)

INR

Balance at 31/03/2022	Balance at 31/03/2021	Difference
3401,12	7493,25	(4092,14)

The balance can be broken down by due date as follows (article 2427(1)(6) of the Civil Code):

EUR

	Value at the beginning of the year	Changes in the year	Value at the end of the year	Falling due within one year	Falling due after more than one year	Due after more than five years
Accounts payable to banks	5.857.031	(5.855.365)	1.666	1.666		
Accounts payable to suppliers	1.229.609	(405.974)	823.635	823.635		
Accounts payable to controlling companies	954.441	1.909.307	2.863.748	2.863.748		
Taxes payable	516.158	(400.062)	116.096	116.096		
Accounts payable to social security institutions	52.039	(1.818)	50.221	50.221		
Other accounts payable	258.478	(88.853)	169.625	169.625		
Total	**8.867.756**	**(4.842.765)**	**4.024.991**	**4.024.991**		

INR

	Value at the beginning of the year	Changes in the year	Value at the end of the year	Falling due within one year	Falling due after more than one year	Due after more than five years
Accounts payable to banks	4.949	(4.948)	1,41	1,41		
Accounts payable to suppliers	1.039	(343)	695,97	695,97		
Accounts payable to controlling companies	807	1.613	2.419,87	2.419,87		
Taxes payable	436	(338)	98,10	98,10		
Accounts payable to social security institutions	44	(2)	42,44	42,44		
Other accounts payable	218	(75)	143,33	143,33		
Total	**7.493**	**(4.092)**	**3.401,12**	**3.401,12**		

The balance of the accounts payable to banks at 31/03/2022, in an amount of INR/Lakhs 1,41 / Eur 1.666 total amount debit for credit card, corresponds to the full payable including principal amount, interest and ancillary charges which have come to maturity and can be collected.

The item "Advances" includes any advances from customers on goods and services not yet supplied or rendered; this item includes advance payments, as earnest money or otherwise, received in connection with the sale of tangible, intangible and financial fixed assets.

Accounts payable from suppliers are recognised at their nominal value of net of trade discounts; cash discounts are recorded upon payment. The nominal value of these payables has been adjusted in case of returns or allowances (invoice adjustments) by the corresponding amount agreed with the other party.

The company took advantage of the possibility not to follow the amortised cost method and/or not to time discount accounts payable since 2016.

The company adopted the following accounting policies: no time discounting of accounts payable due within one year; no time discounting of accounts payable if the effective interest rate does not significantly differ from market rate; no adoption of the amortised cost method for accounts payable due within one year, no adoption of the amortised cost method if transaction costs, commission fees and any other difference between initial value and value on expiry are of negligible amount.

With regard to the accounts payable to controlled companies and undertakings under control by the controlling companies, we note that they refer to vehicles' and spare parts' supplies under normal market conditions.

The item "Tax liabilities" only includes the actual taxes payable, while any likely tax liabilities or tax liabilities whose amount or date of occurrence is doubtful or deferred tax liabilities, are recorded in item B.2 of the liabilities section of the balance sheet (Provision for taxes).

The accounts payable falling due within one year not include accounts payable backed by covenants.

No significant changes occurred in the amount of Tax liabilities.

In the tax payables item are registered IVA debt € 100.814 INR/Lakhs 85.19 and WHT € 15.282 INR/Lakhs 12,91.

Breakdown of the accounts payable by geographical area

The following table shows a breakdown of the accounts payable at 31/03/2021 by geographical area (article 2427(1)(6) of the Civil Code).

EUR

	Accounts payable to banks	Accounts payable to suppliers	Accounts payable to controlling companies	Taxes payable	Accounts payable to social security institutions	Other accounts payable	Rounding off
Italy	**1.666**	**806.279**		**116.096**	**50.221**	**169.625**	
India			**2.863.748**				
Spain		**17.356**					
Total	**1.666**	**823.635**	**2.863.748**	**116.096**	**50.221**	**169.625**	

INR

	Accounts payable to banks	Accounts payable to suppliers	Accounts payable to controlling companies	Taxes payable	Accounts payable to social security institutions	Other accounts payable	Rounding off
Italy	**1,41**	**681,31**		**98,10**	**42,44**	**143,33**	
India			**2419,87**				
Spain		**14,67**					
Total	**1,41**	**695,97**	**2419,87**	**98,10**	**42,44**	**143,33**	

Accounts payable secured by collaterals on corporate assets

The accounts payable are not secured by collaterals on corporate assets (article 2427(1)(6) of the Civil Code):

EUR

	Accounts payable secured by collaterals on corporate assets					
	Accounts payable secured by a mortgage	Accounts payable upon pledge	Accounts payable secured by a special lien	Total accounts payable secured by collaterals on corporate assets	Accounts payable not secured by collaterals on corporate assets	Total
Accounts payable to banks					1.666	1.666
Accounts payable to suppliers					823.635	823.635
Accounts payable to controlling companies					2.863.748	2.863.748
Taxes payable					116.096	116.096
Accounts payable to social security institutions					50.221	50.221
Other accounts payable					169.625	169.625
Total					**4.024.991**	**4.024.991**

INR

	Accounts payable secured by collaterals on corporate assets					
	Accounts payable secured by a mortgage	Accounts payable upon pledge	Accounts payable secured by a special lien	Total accounts payable secured by collaterals on corporate assets	Accounts payable not secured by collaterals on corporate assets	Total
Accounts payable to banks					1,41	1,41
Accounts payable to suppliers					695,97	695,97
Accounts payable to controlling companies					2.419,87	2.419,87
Taxes payable					98,10	98,10
Accounts payable to social security institutions					42,44	42,44
Other accounts payable					143,33	143,33
Total					**3.401,12**	**3.401,12**

Debt restructuring operations

The company did not do any debt restructuring.

E) Accrued liabilities/Deferred income

EUR

Balance at 31/03/2022	Balance at 31/03/2021	Difference
5.772	9.456	(3.684)

INR

Balance at 31/03/2022	Balance at 31/03/2021	Difference
4,88	7,99	(3,11)

EUR

	Accrued liabilities	Deferred income	Total
Opening balance	**6.122**	3.334	9.456
Changes during the year	**(350)**	(3.334)	(3.684)
Closing balance	**5.772**		5.772

INR

	Accrued liabilities	Deferred income	Total
Opening balance	**5,17**	2,82	7,99
Changes during the year	**(0,30)**	(2,82)	(3,11)
Closing balance	**4,88**		4,88

This item can be broken down as follows (article 2427(1)(7) of the Civil Code):

EUR

Description	Value
TARIP	**1.890**
IMU	**3.882**
Total	**5.772**

INR

Description	Value
TARIP	**1,60**
IMU	**3,28**
Total	**4,88**

They constitute the adjustment to costs and income calculated on an annual basis.

The criteria adopted for the recognition and translation of items in foreign currency have been reported in the first part of these notes.

At 31/03/2022, there were no accrued liabilities/deferred income of a duration exceeding five years.

Profit and loss account

For the purposes of the correct interpretation of the financial statements closed on 31/12/2022 and the assessment of their possible comparability with the financial statements for the previous year, it is highlighted that the emergency situation deriving from the SARS Covid-19 infection made it necessary the adoption of specific measures to support the activity and the workers involved, with a consequent effect on the documents making up the financial statements and in particular the Income Statement.

In detail, the Company deemed it appropriate to make use of social safety nets to deal with the fall in demand.

A) Revenue

EUR

Balance at 31/03/2022	Balance at 31/03/2021	Difference
8.874.707	14.062.952	(5.188.245)

INR

Balance at 31/03/2022	Balance at 31/03/2021	Difference
7499,13	11883,19	(4384,07)

EUR

Description	Balance at 31/03/2022	Balance at 31/03/2021	Difference
From sales and services	**7.997.658**	12.532.233	(4.534.575)
Other revenues and proceeds	**877.049**	1.530.719	(653.670)
Total	**8.874.707**	14.062.952	(5.188.245)

INR

Description	Balance at 31/03/2022	Balance at 31/03/2021	Difference
From sales and services	**6.758,02**	10.589,74	(3.831,72)
Other revenues and proceeds	**741,11**	1.293,46	(552,35)
Total	**7.499,13**	11.883,19	(4.384,07)

The reason for the changes is explained in the Directors' report.

Services rendered refer to reimbursements for Warranties issued on the European market and for trade incentives or marketing expenses and homologation expenses.

Revenue by activity
(Article 2427(1)(10) of the civil code)

EUR

Activity	31/03/2022
Sale of vehicles	**6.088.932**
Sale of spares	**1.564.151**
Sale of accessories	**280.350**
Service supplies	**64.225**
Total	**7.997.658**

INR

Activity	31/03/2022
Sale of vehicles	**5.145,15**
Sale of spares	**1.321,71**
Sale of accessories	**236,90**
Service supplies	**54,27**
Total	**6.758,02**

Revenue by geographical area
(Article 2427(1)(10) of the civil code)

EUR

Area	31/03/2022
Italy	**7.997.658**
Totale	**7.997.658**

INR

Area	31/03/2022
Italy	**6758,02**
Totale	**6758,02**

The company has not entered revenue of an exceptional amount or incidence.

B) Expenses

EUR

Balance at 31/03/2022	Balance at 31/03/2021	Difference
8.827.445	13.770.305	(4.942.860)

INR

Balance at 31/03/2022	Balance at 31/03/2021	Difference
7459,19	11635,91	(4176,72)

EUR

Description	Balance at 31/03/22	Balance at 31/03/21	Difference
Raw materials, subsidiary materials and goods	**4.693.282**	2.289.747	2.403.535
Services	**1.789.266**	2.482.282	(693.016)
Rent/lease	**112.472**	111.711	761
Salaries and wages	**562.051**	590.780	(28.729)
Social security contributions	**163.024**	171.820	(8.796)
Employees' leaving indemnity	**45.575**	40.542	5.033
Other personnel costs	**1.303**	869	434
Amortisation of intangible assets	**11.405**	25.107	(13.702)
Depreciation of tangible assets	**64.101**	107.078	(42.977)
Bad Debts Provision		23.000	(23.000)
Changes to stocks of raw materials	**1.319.349**	7.839.388	(6.520.039)
Accruals to provisions for contingent liabilities and charges		14.944	(14.944)
Miscellaneous running costs	**65.617**	73.037	(7.420)
Total	**8.827.445**	13.770.305	(4.942.860)

INR

Description	Balance at 31/03/22	Balance at 31/03/21	Difference
Raw materials, subsidiary materials and goods	**3.965,82**	1.934,84	2.030,99
Services	**1.511,93**	2.097,53	(585,60)
Rent/lease	**95,04**	94,40	0,64
Salaries and wages	**474,93**	499,21	(24,28)
Social security contributions	**137,76**	145,19	(7,43)
Employees' leaving indemnity	**38,51**	34,26	4,25
Other personnel costs	**1,10**	0,73	0,37
Amortisation of intangible assets	**9,64**	21,22	(11,58)
Depreciation of tangible assets	**54,17**	90,48	(36,32)
Bad Debts Provision	**0**	19,44	(19,44)
Changes to stocks of raw materials	**1.114,85**	6.624,28	(5.509,43)
Accruals to provisions for contingent liabilities	**0**	12,63	(12,63)
Miscellaneous running costs	**55,45**	61,72	(6,27)
Total	**7.459,19**	11.635,91	(4.176,72)

Costs of raw materials, subsidiary materials, consumables and goods and costs of services

They are closely related to the information provided in the Directors' report and to point A (Revenue) of the Profit and loss account.

Personnel costs

This item includes all employee costs, including bonuses, promotions, cost-of-living increases, untaken holidays and the provisions made pursuant to the law and the national collective bargaining agreements.

During the financial year the Company used the following help from Government to mitigate the adverse economic effect related to Covid-19:

- Extraordinary redundancy fund (C.I.G.S.);
- Benefit from holiday season.

Depreciation of tangible assets

Depreciation has been calculated on the basis of the useful life of the assets and their contribution to the production process.

The Company accrued the depreciation related the financial year closed as at 31/03/2022.

Other write-downs of fixed assets

The item is not reflected in the present financial statements.

Write-downs of accounts receivable included among current assets and of liquid assets

The item is not reflected in the present financial statements.

Accruals to provisions for contingent liabilities and charges

The item is not reflected in the present financial statements.

Other accruals

The item is not reflected in the present financial statements.

Miscellaneous running costs

They refer to taxes other than income tax, subscriptions and other charges.

The company has not entered expenses for exceptional amount or incidence.

C) Financial income and costs

EUR

Balance at 31/03/2022	Balance at 31/03/2021	Difference
(40.984)	(87.407)	46.423

INR

Balance at 31/03/2022	Balance at 31/03/2021	Difference
(34,63)	(73,86)	39,23

Financial income

EUR

Description	Balance at 31/03/2022	Balance at 31/03/2021	Difference
Other income	**53**	15	38
(Interest and other financial costs)	**(40.628)**	(86.537)	45.909
Exchange gains and losses	**(409)**	(885)	476
Total	**(40.984)**	**(87.407)**	**46.423**

INR

Description	Balance at 31/03/2022	Balance at 31/03/2021	Difference
Other income	**0,04**	0,01	0,03
(Interest and other financial costs)	**(34,33)**	(73,12)	38,79
Exchange gains and losses	**(0,35)**	(0,75)	0,40
Total	**(34,63)**	**(73,86)**	**39,23**

Other financial income

EUR

Description	Other companies	Total
Bank and postal interest	39	39
Other proceeds	13	13
Rounding amount	1	1
TOTAL	**53**	**53**

INR

Description	Other companies	Total
Bank and postal interest	0,03	0,03
Other proceeds	0,01	0,01
Rounding amount	0,00	0,00
TOTAL	**0,04**	**0,04**

Interest and other financial costs

EUR

Description	Other companies	Total
Bank interest	40.604	40.604
Other proceeds	24	24
TOTAL	**40.628**	**40.628**

INR

Description	Other companies	Total
Bank interest	34,31	34,31
Other proceeds	0,02	0,02
TOTAL	**34,33**	**34,33**

Exchange gains and losses

The total amount of exchange gains on the income statement of INR/Lakhs 0.01 / Eur 7 refers to exchange differences between forward contracts and spot contracts on the date on which the contract was concluded. There are no gains on unrealized exchange rates at the end of the year.

The total amount of foreign exchange losses resulting in the income statement equal to Eur 416 INR/Lakhs 0.35 refers to exchange differences between forward contracts and spot contracts on the date the contract was signed.

Revaluations and write-downs of financial assets and liabilities

The item is not reflected in the present financial statements.

Taxes on the income of the period

EUR

Balance at 31/03/2022	Balance at 31/03/2021	Difference
5.747	75.848	(70.101)

INR

Balance at 31/03/2022	Balance at 31/03/2021	Difference
4,86	64,09	(59,24)

EUR

Taxes	**Balance at 31/03/22**	**Balance at 31/03/21**	**Difference**
Current taxes:	**5.707**	30.672	(24.965)
IRAP	**5.707**	30.672	(24.965)
taxes for previous years	**40**		40
Deferred tax liabilities/ (assets)		45.176	(45.176)
IRES		45.176	(45.176)
IRAP			
Total	**5.747**	**75.848**	**(70.101)**

INR

Taxes	**Balance at 31/03/22**	**Balance at 31/03/21**	**Difference**
Current taxes:	**4,82**	25,92	(21,10)
IRAP	**4,82**	25,92	(21,10)
taxes for previous years	**0,03**		0,03
Deferred tax liabilities/ (assets)		38,17	(38,17)
IRES		38,17	(38,17)
IRAP			
Total	**4,86**	**64,09**	**(59,24)**

Taxes pertaining to the financial year have been entered.

We set out below the reconciliation between the theoretical tax liability per the financial statements and the tax liability:

Reconciliation between the theoretical tax liability per the financial statements and the tax liability (IRES)

EUR

Description	**Value**	**Tax**
Pre-tax result	6.278	
Theoretical tax liability (%)	24	1.507
Temporary differences taxable in future years:		
Non deductible share of credit write-off		
Business expenses	3.468	
imu	15.527	
deductible interest	4.503	
total	**23.498**	
Reversal of temporary differences of prior years		
Leasing auto		
Business expenses	(2.601)	
Imu	(9.316)	
interest	(6.192)	
Bad Debts utilization	(65.911)	
total	**(84.020)**	
Differences which will not be reversed in future years		**0**
Capital gain	(16.643)	
Reversal of bad debts		
Iper depreciation	(15.886)	
ACE	(3.176)	
Tax losses from previous years 80%	(12.704)	
Irap	(7.109)	**0**
Indemnity for employees leaving		
Insurance reimbursement	(2.818)	
Not deductible expenses	112.580	
Total	**54.244**	

INR

Description	**Value**	**Tax**
Pre-tax result	5,30	
Theoretical tax liability (%)	0.24	1,27
Temporary differences taxable in future years:		
Non deductible share of credit write-off		
Business expenses	2,93	
imu	13,12	
deductible interest	3,81	
total	**19,86**	
Reversal of temporary differences of prior years		
Leasing auto		
Business expenses	(2,20)	
Imu	(7,87)	
interest	(5,23)	
Bad Debts utilization	(55,69)	
total	**(71,00)**	
Differences which will not be reversed in future years		
Capital gain	(14,06)	
Reversal of bad debs		
Iper depreciation	(13,42)	
ACE	(2,68)	
losses from previous years 80%	(10,73)	
Irap	(6,01)	
Indemnity for employees leaving		
Insurance reimbursement	(2,38)	
Not deductible expenses	95,13	
Total	45,84	**0**

Determination of the IRAP taxable amount

EUR

Description	Value	Tax
Difference between revenue and expenses	819.215	
Costs not relevant for IRAP	54.965	
Revenue not relevant for IRAP	(755.770)	
total	**118.410**	
Theoretical tax liability (%)	4,82	5.707
Temporary difference deductible in future years:		
Irap taxable amount	118.410	
Current IRAP for the year		5.707

INR

Description	Value	Tax
Difference between revenue and expenses	692,24	
Costs not relevant for IRAP	46,45	
Revenue not relevant for IRAP	(638,63)	
total	**100,06**	
Theoretical tax liability (%)	4.82	4,82
Temporary difference deductible in future years:	-	
Irap taxable amount	100,06	
Current IRAP for the year		4,82

Pursuant to article 2427(1)(14) of the civil code, we set out below the required information on deferred tax assets and liabilities:

Deferred tax assets and liabilities

Deferred tax assets have been recorded since in the years in which the underlying deductible temporary differences are going to be reversed there is reasonable certainty that taxable income not lower than the amount of the differences to be reversed is going to be realized.

The main temporary differences that have given rise to deferred tax assets and liabilities and their effects are shown in the following table.

Recording of deferred tax assets and liabilities and relevant effects:

EUR

	31/03/2022 Amount of temporary differences IRES	31/03/2022 Tax effect IRES	31/03/2022 Amount of temporary differences IRAP	31/03/2022 Tax effect IRAP	31/03/2021 Amount of temporary differences IRES	31/03/2021 Tax effect IRES	31/03/2021 Amount of temporary differences IRAP	31/03/2021 Tax effect IRAP
Warranty fund								
Business losses					(188.235)	(45.176)		
Total					**(188.235)**	**(45.176)**		
Net deferred tax liabilities (assets)						45.176		
Tax losses	Amount	Tax effect	Amount	Tax effect	Amount	Tax effect	Amount	Tax effect
– for the year	(12.704)				(188.235)			
– carried over from prior years	1.023.517				1.023.517			
TOTAL	**835.282**				**835.282**			
Losses carried forward	835.282				835.282			
Tax rate	**24**	**200.468**			**24**	**200.468**		

	IRES	IRAP
A. Temporary differences		
Total deductible Temporary differences		
net temporary differences		
B Tax effect		
Deferred tax fund (anticipated) at start of exercise	45.176	
Deferred tax (early) of the year	0	
Deferred tax fund (advance) at the end of the year	45.176	

INR

	31/03/2022 Amount of temporary differences IRES	31/03/2022 Tax effect IRES	31/03/2022 Amount of temporary differences IRAP	31/03/2022 Tax effect IRAP	31/03/2021 Amount of temporary differences IRES	31/03/2021 Tax effect IRES	31/03/2021 Amount of temporary differences IRAP	31/03/2021 Tax effect IRAP
Garantee fund								
Business losses					(159,06)	(38,17)		

INR

	31/03/2022 Amount of temporary differences IRES	31/03/2022 Tax effect IRES	31/03/2022 Amount of temporary differences IRAP	31/03/2022 Tax effect IRAP	31/03/2021 Amount of temporary differences IRES	31/03/2021 Tax effect IRES	31/03/2021 Amount of temporary differences IRAP	31/03/2021 Tax effect IRAP
Total					**(159,06)**	**(38,17)**		
Net deferred tax liabilities (assets)						27.07		
Tax losses	Amount	Tax effect	Amount	Tax effect	Amount	Tax effect	Amount	Tax effect
– for the year	(10,73)				(159,06)			
– carried over from prior years	864,87				864,87			
TOTAL	**705,81**				705,81			
Losses carried forward	705,81				705,81			
Tax rate	**24%**	**169,40**			**24%**	**169,40**		

	IRES	IRAP
A. Temporary differences		
Total deductible Temporary differences		
net temporary differences		
B Tax effect		
Deferred tax fund (anticipated) at start of exercise	38,17	
Deferred tax (early) of the year	0	
Deferred tax fund (advance) at the end of the year	38,17	

Detail of deductible temporary differences

EUR

Description	Amount at the end of the previous year	Variation that occurred in the year	Amount at the end of the year	rate IRES	Tax effect IRES	rate IRAP	Tax effecte IRAP
Garantee fund							
Business lossese	1.023.517	(12.704)	1.023.517	24	200.468	4.82	0

INR

Description	Amount at the end of the previous year	Variation that occurred in the year	Amount at the end of the year	rate IRES	Tax effect IRES	rate IRAP	Tax effecte IRAP
Garantee fund							
Business lossese	864,87	(10,73)	864,87	24	169,40	4.82	0

Tax loss Information

EUR

	Current			Previous		
	Amount	Tax rate	Early taxes detected	Amount	Tax rate	Early taxes detected
Tax losses						
Of the year	(12.704)			(188.235)		
of previous exercises	1.023.517			1.023.517		
Total tax losses	835.282			835.282		
tax losses carried forward recoverable with reasonable certainty	835.282	24%	200.468	835.282	24%	200.468

INR

	Current			Previous		
	Amount	Tax rate	Early taxes detected	Amount	Tax rate	Early taxes detected
Tax losses						
Of the yeat	(10,73)			-159,06		
of previous exercises	864,87			864,87		
Total tax losses	705,81			705,81		
tax losses carried forward recoverable with reasonable certainty	705,81	24%	169,40	705,81	24%	169,40

Pre-paid taxes were not recognized for provisions for warranties, due to the elimination of the temporary reabsorb able differences in subsequent years.

Deferred tax assets in connection with tax losses for the year or loss carryovers of prior years have been recorded since the conditions required by the accounting principles for the recognition of the future benefit were met, with particular regard to the reasonable certainty that in future the company will generate sufficient taxable income to offset the losses.

On the basis of the information available also taking into account the contents of the budget for the next financial year being approved, the directors consider the assumption of going concern to be appropriate.

Employee information

(article 2427(1)(15) of the Civil Code)

Compared to the previous year the personnel broken down by category has changed as shown below:

Staff	31/03/2022	31/03/2021	Change
Executives	**1**	1	0
Middle Manager	**2**	2	0
Employees	**7**	8	(1)
Labourers	**4**	4	0
Others	**0**	0	0
	14	**15**	**(1)**

The national collective bargaining agreement for companies in the commercial sector applies.

The decrease is due to the termination of an employee for retirement in October 2021.

Industrial relations are good and there are no litigations with employees still working or dismissed.

	Executives	Quadri	Employees	Labourers	Others	Total
Average	1	2	7	4	0	**14**

Remunerations, advances, and credits granted to directors and statutory auditors, as well as commitments assumed on their behalf

	EUR	
	Directors	**Auditors**
Remunerations	5.469	14.768
Advances		
Credits		
Commitments assumed on their behalf as a result of any type of guarantee provided		

	INR	
	Directors	**Auditors**
Remunerations	4,62	12,48
Advances		
Credits		
Commitments assumed on their behalf as a result of any type of guarantee provided		

Information concerning the Auditor's fees

(article 2427(1)(16-bis) of the civil code)

As required by law, we set out below the amount of fees charged for services rendered by the audit company firm and by entities that are members of its network:

Description	EUR Fee
Audit of annual accounts	9.450
Total fees due to the auditor or audit company	9.450

Description	INR Fee
Audit of annual accounts	7,99
Total fees due to the auditor or audit company	7,99

The members of the Board of Directors renounced the remuneration due for the position held in the Mahindra group companies.

The independent Director's fee is Eur 5.469 INR/Lakhs 4,62.

Information on significant events which occurred after the end of the financial year

The Company has adopted measures to ensure the safety of its employees in compliance with local regulations and the activation of smart-working where possible.

The Company has also taken steps to ensure that employees are as productive as possible while fulfilling their duties to customers and other business partners, despite the company making use of the Salary Supplement Fund in the period between July and December 2021.

In light of the information provided in these notes and in the Directors' Report, the Board of Directors believes that the events relating to Covid-19 will not affect the Company's ability to continue as a going concern over the next 12 months.

Information on the company which prepares the consolidated financial statements for the larger/smaller set of companies which the company is a member of in a capacity as controlled undertaking

As required by law, we set out below the information pursuant to article 2427(1)(22-quinquies and sexies) of the civil code.

Description	Larger set	Smaller set
Company name	Mahindra & Mahindra Ltd	
Registered office	India	
Tax code		
Place of filing of a copy of the consolidated financial statements	India	

Group

Your company belongs to the Mahindra Group and is subject to the management and the coordination of MAHINDRA & MAHINDRA Ltd pursuant to article 2497-bis of the Italian Civil Code.It is controlled by Mahindra Overseas Investment Company (Mauritius) Limited, which is totally controlled by Mahindra & Mahindra Ltd.

The Company does not own shares of parent companies, neither directly nor through third parties or trust companies.

The table below shows essential data from the last financial statements approved by Mahindra & Mahindra Ltd. Values are expressed in thousand INR/LAKS. Please note that Mahindra & Mahindra Ltd prepares yearly consolidated Financial Statements.

Description	Latest available financial statements	EUR Financial statements prior to the latest available ones
BALANCE SHEET		
ASSETS		
A) Accounts receivable from shareholders in respect of unpaid share capital		
B) Fixed assets	4.445.591	3.986.380
C) Current assets	2.320.114	2.122.452
Total assets	6.765.705	6.108.832
LIABILITIES:		
A) Shareholders' equity:		
Share capital	76.494	76.652
Reserves	3.698.240	3.266.327
Profit (loss) for the year	617.343	561.197
	4.392.077	3.904.176
B) Provisions for liabilities and charges		
C) Employees' leaving indemnity		

Description	Latest available financial statements	EUR Financial statements prior to the latest available ones
D) Accounts payable	2.373.628	2.204.656
E) Accrued liabilities and deferred income		
Total liabilities	6.765.705	6.108.832
PROFIT AND LOSS ACCOUNT		
A) Revenue	7.100.274	6.503.652
B) Expenses	6.269.840	5.758.875
C) Financial income and costs	(14.558)	(14.455)
D) Value adjustments to financial assets	(3.817)	55.863
Taxes on income for the year	196.302	224.988
Profit (loss) for the year	615.757	561.197

Description	Latest available financial statements	INR/Lakhs Financial statements prior to the latest available ones
BALANCE SHEET		
ASSETS		
A) Accounts receivable from shareholders in respect of unpaid share capital		
B) Fixed assets	3.756,52	3.368,49
C) Current assets	1.960,50	1.793,47
Total assets	5.717,02	5.161,96
LIABILITIES:		
A) Shareholders' equity:		
Share capital	64,64	64,77
Reserves	3.125,01	2.760,05
Profit (loss) for the year	521,65	474,21
TOTAL	3.711,31	3.299,03

Description	Latest available financial statements	INR/Lakhs Financial statements prior to the latest available ones
B) Provisions for liabilities and charges		
C) Employees' leaving indemnity		
D) Accounts payable	2.005,72	1.862,93
E) Accrued liabilities and deferred income		
Total liabilities	5.717,02	5.161,96
PROFIT AND LOSS ACCOUNT		
A) Revenue	5.999,73	5.495,59
B) Expenses	5.298,01	4.866,25
C) Financial income and costs	(12,30)	(12,21)
D) Value adjustments to financial assets	(3,23)	47,20
Taxes on income for the year	165,88	190,11
Profit (loss) for the year	520,31	474,21

Appropriation of the profit for the year

We hereby suggest that the QuotaHolder appropriate the profit for the year Euro 531 INR/Lakhs 0,45 to legal reserve.

Final considerations

These financial statements, composed of the balance sheet, profit and loss account and notes, are a true and fair view of the company's state of affairs and economic result for the year and are in accordance with the underlying accounting records.

We invite the Quota Holder to approve the financial statements in their current form and all the single items, year.

The Chairman of the Board of Directors
Sachin Arolkar

INDEPENDENT AUDITORS' REPORT

Report on the Financial Statements to the shareholder of Mahindra and Mahindra South Africa Proprietary Limited

Opinion

We have audited the annual financial statements of Mahindra and Mahindra South Africa Proprietary Limited (the company) set out on pages herein, which comprise the statement of financial position as at 31 March 2022, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the annual financial statements, comprising a summary of significant accounting policies and other explanatory information.

In our opinion, the annual financial statements present fairly, in all material respects, the financial position of Mahindra and Mahindra South Africa Proprietary Limited as at 31 March 2022, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the annual financial statements section of our report. We are independent of the company in accordance with the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits of annual financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The directors are responsible for the other information. The other information comprises the information included in the document titled "Mahindra and Mahindra South Africa Proprietary Limited annual financial statements for the year ended 31 March 2022", which includes the Directors' Report as required by the Companies Act of South Africa. The other information does not include the annual financial statements and our auditor's report thereon.

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

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

Responsibilities of the directors for the Annual Financial Statements

The directors are responsible for the preparation and fair presentation of the annual financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the annual financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the Annual Financial Statements

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

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the annual financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the annual financial information of the entity or business activities to express an opinion on the annual financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

N C Kyriacou
SizweNtsalubaGobodo Grant Thornton Inc.
Director
Registered Auditor

13 May 2022
Building 4, Summit Place
221 Garstfontein Road
Menlyn
0181

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2022

	Note(s)	2022 R	2021 R
Assets			
Non-Current Assets			
Property, plant and equipment	3	**12,506,918**	10,744,649
Right-of-use assets	4	**5,004,858**	6,583,398
Investments in subsidiary	5		
Deferred tax	7	**30,076,134**	25,144,769
		47,587,910	42,472,816
Current Assets			
Inventories	8	**526,846,996**	145,833,580
Trade and other receivables	9	**91,241,866**	52,663,973
Cash and cash equivalents	10	**214,522,124**	235,053,958
		832,610,986	433,551,511
Total Assets		**880,198,896**	476,024,327
Equity and Liabilities			
Equity			
Share capital	11	**52,000,000**	52,000,000
Reserves	12	**(16,599,699)**	(16,524,103)
Retained income		**93,929,477**	43,693,463
		129,329,778	79,169,360
Liabilities			
Non-Current Liabilities			
Lease liabilities	13	**3,353,498**	4,918,671
Contract Liabilities	14	**101,381,860**	73,426,556
Provisions	15	**54,025,159**	45,074,838
		158,760,517	123,420,065
Current Liabilities			
Lease liabilities	13	**2,373,580**	2,372,851
Contract Liabilities	14	**50,609,910**	43,156,859
Provisions	15	**44,976,490**	31,880,400
Trade and other payables	16	**485,995,092**	191,140,230
Current tax payable		**8,153,529**	4,884,562
		592,108,601	273,434,902
Total Liabilities		**750,869,118**	396,854,967
Total Equity and Liabilities		**880,198,896**	476,024,327

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Note(s)	2022 R	2021 R
Revenue	17	**2,288,265,832**	1,464,364,567
Cost of sales	18	**(2,083,818,583)**	(1,328,738,563)
Gross profit		**204,447,249**	135,626,004
Other operating income		**1,805,315**	2,241,541
Other operating gains		**2,786,536**	16,667,265
Other operating expenses		**(129,797,994)**	(119,407,837)
Operating profit	19	**79,241,106**	35,126,973
Investment income	20	**8,980,516**	5,346,305
Interest expense	21	**(5,844,992)**	(6,172,083)
Profit before taxation		**82,376,630**	34,301,195
Taxation	22	**(24,340,616)**	(10,340,771)
Profit for the year		**58,036,014**	23,960,424
Other comprehensive income:			
Exchange differences on translating foreign operations		**(75,595)**	923,181
Other comprehensive income for the year net of taxation		**(75,595)**	923,181
Total comprehensive income for the year		**57,960,419**	24,883,605

STATEMENT OF CHANGES IN EQUITY

	Share capital	Foreign currency translation reserve	Retained income	Total equity
	R	R	R	R
Balance at 01 April 2020	**52,000,000**	**(17,447,284)**	**19,733,039**	**54,285,755**
Profit for the year			23,960,424	23,960,424
Other comprehensive income		923,181		923,181
Total comprehensive income for the year	–	**923,181**	**23,960,424**	**24,883,605**
Balance at 01 April 2021	**52,000,000**	**(16,524,103)**	**43,693,463**	**79,169,360**
Profit for the year			58,036,014	58,036,014
Other comprehensive income		(75,596)		(75,596)
Total comprehensive income for the year	–	**(75,596)**	**58,036,014**	**57,960,418**
Dividends			**(7,800,000)**	**(7,800,000)**
Total distributions to owners of company recognised directly in equity	**–**	**–**	**(7,800,000)**	**(7,800,000)**
Balance at 31 March 2022	**52,000,000**	**(16,599,699)**	**93,929,477**	**129,329,778**
Note(s)	11	12		

STATEMENT OF CASH FLOWS

	Note(s)	2022 R	2021 R
Cash flows from operating activities			
Cash generated from operations	23	**19,188,865**	219,999,459
Interest received		**8,980,516**	5,346,305
Interest paid		**(5,844,992)**	(6,172,083)
Tax paid	24	**(26,003,014)**	(7,638,263)
Net cash from operating activities		**(3,678,625)**	211,535,418
Cash flows from investing activities			
Purchase of property, plant and equipment	3	**(8,013,871)**	(6,214,483)
Sale of property, plant and equipment	3	**1,540,916**	39,971,825
Net cash from investing activities		**(6,472,955)**	33,757,342
Cash flows from financing activities			
Repayment of financial liabilities			(30,242,900)
Lease liabilities paid		**(2,580,254)**	(2,595,348)
Dividends paid		**(7,800,000)**	
Net cash from financing activities		**(10,380,254)**	(32,838,248)
Total cash movement for the year		**(20,531,834)**	212,454,512
Cash at the beginning of the year		**235,053,958**	22,599,446
Total cash at end of the year	10	**214,522,124**	235,053,958

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

ACCOUNTING POLICIES

1. Significant accounting policies

The principal accounting policies applied in the preparation of these annual financial statements are set out below.

1.1 Basis of preparation

The annual financial statements have been prepared on the going concern basis in accordance with, and in compliance with, International Financial Reporting Standards ("IFRS") and International Financial Reporting Interpretations Committee ("IFRIC") interpretations issued and effective at the time of preparing these annual financial statements and the Companies Act of South Africa, as amended.

These annual financial statements comply with the requirements of the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council.

The annual financial statements have been prepared on the historic cost convention, unless otherwise stated in the accounting policies which follow and incorporate the principal accounting policies set out below. They are presented in Rands, which is the company s functional currency.

These accounting policies are consistent with the previous period.

1.2 Significant judgements and sources of estimation uncertainty

The preparation of annual financial statements in conformity with IFRS requires management, from time to time, to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. These estimates and associated assumptions are based on experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Critical judgements in applying accounting policies

The critical judgements made by management in applying accounting policies, apart from those involving estimations, that have the most significant effect on the amounts recognised in the financial statements, are outlined as follows:

Lease classification

The company is party to leasing arrangements, both as a lessee and as a lessor. The treatment of leasing transactions in the annual financial statements is mainly determined by whether the lease is considered to be an operating lease or a finance lease. In making this assessment, management considers the substance of the lease, as well as the legal form, and makes a judgement about whether substantially all of the risks and rewards of ownership are transferred.

Key sources of estimation uncertainty

Impairment testing

The company reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. When such indicators exist, management determine the recoverable amount by performing value in use and fair value calculations. These calculations require the use of estimates and assumptions.

Useful lives and depreciation of property, plant and equipment

Management assess the appropriateness of the useful lives of property, plant and equipment at the end of each reporting period. The useful lives of all assets are determined based on company replacement policies for the various assets. Individual assets within these classes, which have a significant carrying amount are assessed separately to consider whether replacement will be necessary outside of normal replacement parameters.

Contract liabilities

The fair value of contract liabilities from service plans is management‘s best estimate of the company's future income and cost based on the estimated service cost that would occur for the selected models over a period of three to five years adjusted for inflation and possible price increases in parts and labour used in the service of the selected model.

Provision for warranties

Warranty provisions are management's best estimate of the company's liability (after the expected reimbursement from the manufacturer) on vehicles under two, three or five year warranties based on the current year warranty claims occurred. The cost per day calculated on those claims is used to estimate the future cost for the remaining warranty days under consideration.

The warranty provision has been discounted to present value and the incremental amount pertaining to the current financial year has been adjusted in cost of sales.

Fair value estimation

The fair values of financial instruments measured at amortised cost are disclosed should it be determined that the carrying value of these instruments do not reasonably approximate their value at each reporting date.

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

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

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

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

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

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

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

Recoverability of receivables

The company makes use of a provision matrix as a practical expedient to the determination of expected credit losses on trade and other receivables. The provision matrix is based on historic credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current and forecast direction of conditions at the reporting date, including the time value of money, where appropriate. Management has incorporated the effect of COVID-19 into the assessment of the recoverability of trade receivables.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Contd.)

Determination of net realisable value of inventory

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. The write down is included in cost of sales.

1.3 Property, plant and equipment

An item of property, plant and equipment is recognised as an asset when it is probable that future economic benefits associated with the item will flow to the company, and the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost. Cost includes all of the expenditure which is directly attributable to the acquisition or construction of the asset, including the capitalisation of borrowing costs on qualifying assets and adjustments in respect of hedge accounting, where appropriate.

Property, plant and equipment is subsequently stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation of an asset commences when the asset is available for use as intended by management. Depreciation is charged to write off the asset's carrying amount over its estimated useful life to its estimated residual value, using a method that best reflects the pattern in which the asset's economic benefits are consumed by the company. Leased assets are depreciated in a consistent manner over the shorter of their expected useful lives and the lease term. Depreciation is not charged to an asset if its estimated residual value exceeds or is equal to its carrying amount. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale or derecognised.

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Depreciation method	Average useful life
Computer equipment	Straight line	4 years
Computer software	Straight line	5 years
Furniture and fixtures	Straight line	3 years
Leasehold improvements	Straight line	3 years
Motor vehicles	Straight line	4 years
Motor vehicles - Held for rental	Straight line	4 years
Office equipment	Straight line	6 years
Plant and machinery	Straight line	3 years

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting year. If the expectations differ from previous estimates, the change is accounted for prospectively as a change in accounting estimate.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

The depreciation charge for each year is recognised in profit or loss unless it is included in the carrying amount of another asset.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its continued use or disposal. Any gain or loss arising from the derecognition of an item of property, plant and equipment, determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item, is included in profit or loss when the item is derecognised.

1.4 Financial instruments

Financial instruments held by the company are classified in accordance with the provisions of IFRS 9 Financial Instruments. Broadly, the classification possibilities, which are adopted by the company, as applicable, are as follows:

Financial assets which are debt instruments:

- Amortised cost. (This category applies only when the contractual terms of the instrument give rise, on specified dates, to cash flows that are solely payments of principal and interest on principal, and where the instrument is held under a business model whose objective is met by holding the instrument to collect contractual cash flows); or
- Fair value through other comprehensive income. (This category applies only when the contractual terms of the instrument give rise, on specified dates, to cash flows that are solely payments of principal and interest on principal, and where the instrument is held under a business model whose objective is achieved by both collecting contractual cash flows and selling the instruments); or
- Mandatorily at fair value through profit or loss. (This classification automatically applies to all debt instruments which do not qualify as at amortised cost or at fair value through other comprehensive income); or
- Designated at fair value through profit or loss. (This classification option can only be applied when it eliminates or significantly reduces an accounting mismatch).

Financial liabilities:

- Amortised cost; or
- Mandatorily at fair value through profit or loss. (This applies to contingent consideration in a business combination or to liabilities which are held for trading); or
- Designated at fair value through profit or loss. (This classification option can be applied when it eliminates or significantly reduces an accounting mismatch; the liability forms part of a group of financial instruments managed on a fair value basis; or it forms part of a contract containing an embedded derivative and the entire contract is designated as at fair value through profit or loss).

Note 28 Financial instruments and risk management presents the financial instruments held by the company based on their specific classifications.

Trade and other receivables

Classification

Trade and other receivables, excluding, when applicable, VAT and prepayments, are classified as financial assets subsequently measured at amortised cost.

They have been classified in this manner because their contractual terms give rise, on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding, and the company's business model is to collect the contractual cash flows on trade and other receivables.

Recognition and measurement

Trade and other receivables are recognised when the company becomes a party to the contractual provisions of the receivables. They are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost.

The amortised cost is the amount recognised on the receivable initially, minus principal repayments, adjusted for any loss allowance.

Application of the effective interest method

For receivables which contain a significant financing component, interest income is calculated using the effective interest method, and is included in profit or loss in finance income.

The application of the effective interest method to calculate interest income on trade receivables is dependent on the credit risk of the receivable as follows:

- The effective interest rate is applied to the gross carrying amount of the receivable, provided the receivable is not credit impaired. The gross carrying amount is the amortised cost before adjusting for a loss allowance.
- If a receivable is a purchased or originated as credit-impaired, then a credit-adjusted effective interest rate is applied to the amortised cost

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Contd.)

in the determination of interest. This treatment does not change over the life of the receivable, even if it is no longer credit-impaired.

- If a receivable was not purchased or originally credit-impaired, but it has subsequently become credit-impaired, then the effective interest rate is applied to the amortised cost of the receivable in the determination of interest. If, in subsequent periods, the receivable is no longer credit impaired, then the interest calculation reverts to applying the effective interest rate to the gross carrying amount.

Trade and other receivables denominated in foreign currencies

When trade and other receivables are denominated in a foreign currency, the carrying amount of the receivables are determined in the foreign currency. The carrying amount is then translated to the Rand equivalent using the spot rate at the end of each reporting period. Any resulting foreign exchange gains or losses are recognised in profit or loss in other operating gains (losses).

Details of foreign currency risk exposure and the management thereof are provided in the financial instruments and risk management note.

Impairment

The company recognises a loss allowance for expected credit losses on trade and other receivables, excluding VAT and prepayments. The amount of expected credit losses is updated at each reporting date.

The company measures the loss allowance for trade and other receivables at an amount equal to lifetime expected credit losses (lifetime ECL), which represents the expected credit losses that will result from all possible default events over the expected life of the receivable.

Measurement and recognition of expected credit losses

The company makes use of a provision matrix as a practical expedient to the determination of expected credit losses on trade and other receivables. The provision matrix is based on historic credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current and forecast direction of conditions at the reporting date, including the time value of money, where appropriate.

An impairment gain or loss is recognised in profit or loss with a corresponding adjustment to the carrying amount of trade and other receivables, through use of a loss allowance account. The impairment loss is included in other operating expenses in profit or loss as a movement in credit loss allowance.

Write off policy

The company writes off a receivable when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Receivables written off may still be subject to enforcement activities under the company recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Credit risk

Details of credit risk are included in the trade and other receivables note and the financial instruments and risk management note.

Derecognition

Refer to the derecognition section of the accounting policy for the policies and processes related to derecognition.

Any gains or losses arising on the derecognition of trade and other receivables is included in profit or loss in the derecognition gains (losses) on financial assets at amortised cost line item.

Trade and other payables

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

Classification

Trade and other payables, excluding VAT and amounts received in advance, are classified as financial liabilities subsequently measured at amortised cost.

Recognition and measurement

They are recognised when the company becomes a party to the contractual provisions, and are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

If trade and other payables contain a significant financing component, and the effective interest method results in the recognition of interest expense, then it is included in profit or loss in interest expense.

Trade and other payables expose the company to liquidity risk and possibly to interest rate risk. Refer to note 28 for details of risk exposure and management thereof.

Trade and other payables denominated in foreign currencies

When trade payables are denominated in a foreign currency, the carrying amount of the payables are determined in the foreign currency. The carrying amount is then translated to the Rand equivalent using the spot rate at the end of each reporting period. Any resulting foreign exchange gains or losses are recognised in profit or loss in the other operating gains (losses).

Details of foreign currency risk exposure and the management thereof are provided in the financial instruments and risk management note.

Derecognition

Refer to the "derecognition" section of the accounting policy for the policies and processes related to derecognition.

Cash and cash equivalents

Cash and cash equivalents are stated at carrying amount which is deemed to be fair value and are subsequently measured at amortised cost.

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially and subsequently recorded at fair value.

Bank overdrafts

Bank overdrafts are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

Derecognition

Financial assets

The company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the company retains substantially all the risks and rewards of ownership of a transferred financial asset, the company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Contd.)

Financial liabilities

The company derecognises financial liabilities when, and only when, the company obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

1.5 Tax

Current tax assets and liabilities

Current is based on taxable profit for the year.

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

Current tax liabilities (assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities

A deferred tax liability is recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised. A deferred tax asset is not recognised when it arises from the initial recognition of an asset or liability in a transaction at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

No transactions giving rise to the exceptions relating to the recognition of deferred tax liabilities and assets were concluded.

A deferred tax asset is recognised for the carry forward of unused tax losses to the extent that it is probable that future taxable profit will be available against which the unused tax losses can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Tax expenses

Current and deferred taxes are recognised as income or an expense and included in profit or loss for the period, except to the extent that the tax arises from:

- a transaction or event which is recognised, in the same or a different period, to other comprehensive income, or
- a business combination.

Current tax and deferred taxes are charged or credited to other comprehensive income if the tax relates to items that are credited or charged, in the same or a different period, to other comprehensive income.

Current tax and deferred taxes are charged or credited directly to equity if the tax relates to items that are credited or charged, in the same or a different period, directly in equity.

1.6 Leases

The company assesses whether a contract is, or contains a lease, at the inception of the contract.

A contract is, or contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

In order to assess whether a contract is, or contains a lease, management determine whether the asset under consideration is "identified", which means that the asset is either explicitly or implicitly specified in the contract and that the supplier does not have a substantial right of substitution throughout the period of use. Once management has concluded that the contract deals with an identified asset, the right to control the use thereof is considered. To this end, control over the use of an identified asset only exists when the company has the right to substantially all of the economic benefits from the use of the asset as well as the right to direct the use of the asset.

In circumstances where the determination of whether the contract is or contains a lease requires significant judgement, the relevant disclosures are provided in the significant judgments and sources of estimation uncertainty section of these accounting policies.

Company as lessee

A lease liability and corresponding right-of-use asset are recognised at the lease commencement date, for all lease agreements for which the company is a lessee, except for short-term leases of 12 months or less, or leases of low value assets. For these leases, the company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Details of leasing arrangements where the company is a lessee are presented in the Lease liability note.

Lease liability

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the company uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed lease payments, including in-substance fixed payments, less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the company under residual value guarantees;
- the exercise price of purchase options, if the company is reasonably certain to exercise the option;
- lease payments in an optional renewal period if the company is reasonably certain to exercise an extension option; and
- penalties for early termination of a lease, if the lease term reflects the exercise of an option to terminate the lease.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability (or right-of-use asset). The related payments are recognised as an expense in the period incurred and are included in operating expenses.

The lease liability is presented as a separate line item on the Statement of Financial Position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect lease payments made. Interest charged on the lease liability is included in interest expense.

The company remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) when:

- there has been a change to the lease term, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- there has been a change in the assessment of whether the company will exercise a purchase, termination or extension option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Contd.)

- there has been a change to the lease payments due to a change in an index or a rate, in which case the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used);
- there has been a change in expected payment under a residual value guarantee, in which case the lease liability is remeasured by discounting the revised lease payments using the initial discount rate;
- a lease contract has been modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised payments using a revised discount rate.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of- use asset, or is recognised in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Right-of-use assets

Right-of-use assets are presented as a separate line item on the Statement of Financial Position.

The right-of-use asset is initially measured at cost which comprise the following:

- the initial amount of the corresponding lease liability;
- any lease payments made at or before the commencement date;
- any initial direct costs incurred;
- any estimated costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, when the company incurs an obligation to do so, unless these costs are incurred to produce inventories; and
- less any lease incentives received.

Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. However, if a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the company expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. Depreciation starts at the commencement date of a lease.

For right-of-use assets which are depreciated over their useful lives, the useful lives are presented in the following table:

Item	Depreciation method	Average useful life
Buildings and infrastructure	Straight line	Over the lease term

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting year. If the expectations differ from previous estimates, the change is accounted for prospectively as a change in accounting estimate. Each part of a right-of-use asset with a cost that is significant in relation to the total cost of the asset is depreciated separately.

The depreciation charge for each year is recognised in profit or loss unless it is included in the carrying amount of another asset.

Company as lessor

Leases for which the company is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. Lease classification is made at inception and is only reassessed if there is a lease modification.

Operating leases

Lease payments from operating leases are recognised on a straight-line basis over the term of the relevant lease, or on another systematic basis if that basis is more representative of the pattern in which the benefits form the use of the underlying asset are diminished. Operating lease income is included in other operating income.

Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and are expensed over the lease term on the same basis as the lease income.

Modifications made to operating leases are accounted for as a new lease from the effective date of the modification. Any prepaid or accrued lease payments relating to the original lease are treated as part of the lease payments of the new lease.

1.7 Inventories

Inventories are measured at the lower of cost and net realisable value.

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

The cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

The cost of inventories is assigned using the weighted average cost formula. The same cost formula is used for all inventories having a similar nature and use to the entity.

1.8 Impairment of assets

The company assesses at each end of the reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the company estimates the recoverable amount of the asset.

Irrespective of whether there is any indication of impairment, the company also:

- tests intangible assets with an indefinite useful life or intangible assets not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test is performed during the annual period and at the same time every period.
- tests goodwill acquired in a business combination for impairment annually.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined.

The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use.

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in profit or loss.

An entity assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets other than goodwill may no longer exist or may have decreased. If any such indication exists, the recoverable amounts of those assets are estimated.

The increased carrying amount of an asset other than goodwill attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation other than goodwill is recognised immediately in profit or loss.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Contd.)

1.9 Share capital and equity

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Ordinary shares are classified as equity.

1.10 Employee benefits

Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

The expected cost of profit sharing and bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

Defined contribution plans

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due.

1.11 Provisions and contingencies

Provisions are recognised when:

- the company has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement shall be recognised when, and only when, it is virtually certain that reimbursement will be received if the entity settles the obligation. The reimbursement shall be treated as a separate asset. The amount recognised for the reimbursement shall not exceed the amount of the provision.

Provisions are not recognised for future operating losses.

If an entity has a contract that is onerous, the present obligation under the contract shall be recognised and measured as a provision.

A constructive obligation to restructure arises only when an entity:

- has a detailed formal plan for the restructuring, identifying at least:
  - the business or part of a business concerned;
  - the principal locations affected;
  - the location, function, and approximate number of employees who will be compensated for terminating their services;
  - the expenditures that will be undertaken; and
  - when the plan will be implemented; and
- has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

After their initial recognition contingent liabilities recognised in business combinations that are recognised separately are subsequently measured at the higher of:

- the amount that would be recognised as a provision; and
- the amount initially recognised less cumulative amortisation.

Contingent assets and contingent liabilities are not recognised.

1.12 Revenue from contracts with customers

Revenue comprises consideration received or receivable on contracts entered into with customers for the sale of goods and services in the ordinary course of the entities' activities. The performance obligation is identified as the distinct goods and services as agreed in the contract(s). Revenue is shown net of trade discounts, volume rebates and value added tax and is recognised when the entity satisfies its' performance obligations as set out in the contracts entered into with its customers. Revenue is recognised at the amount of the transaction price that is allocated to each performance obligation and this is determined at the amount as depicted in the contract for the exchange of the goods and services. Where a contract has multiple performance obligations, the transaction price is allocated to the performance obligations in the contract by reference to their relative standalone selling prices.

The principles of IFRS 15 are applied using the following five-step model:

- Identify the contract(s) with a customer
- Identify the performance obligations in the contract
- Determine the transaction price
- Allocate the transaction price to the performance obligations in the contract
- Recognise revenue when (or as) the entity satisfies a performance obligation.

Revenue streams

- Sale of spares
- Sales of vehicles
- Sale of service plan
- Sale of agricultural produce
- Sale of construction equipment
- Commission income and recoveries

Revenue is recognised when an entity satisfies a performance obligation as control is passed, either over time or at a point in time. The above revenue is recognised at a point in time, except for Service plans which is recognised over time. Service Plan is recognised by reference to the stage of completion of the transaction at the end of the reporting period.

Contract liabilities relates to Service Plan Revenue and is reflected under Liabilities in the Statement of Financial Position. Amounts not yet invoiced, for which revenue has been recognised are reflected under trade and other receivables.

Costs incurred on assembly of vehicles which do not yet meet the revenue recognition criteria are capitalised to inventories as work-in-progress and are expensed when the five principles of IFRS 15 are met

Interest is recognised, in profit or loss, using the effective interest rate method.

1.13 Cost of sales

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

The related cost of providing services recognised as revenue in the current period is included in cost of sales.

1.14 Borrowing costs

Borrowing costs are recognised as an expense in the period in which they are incurred. No borrowing costs were capitalised to any assets during the financial year.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Contd.)

1.15 Translation of foreign currencies

Foreign currency transactions

A foreign currency transaction is recorded, on initial recognition in Rands, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

At the end of the reporting period:

- foreign currency monetary items are translated using the closing rate;
- non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction; and
- non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous annual financial statements are recognised in profit or loss in the period in which they arise.

Cash flows arising from transactions in a foreign currency are recorded in Rands by applying to the foreign currency amount the exchange rate between the Rand and the foreign currency at the date of the cash flow.

1.16 Levies

IFRIC 21 addresses the issue of when to recognise a liability to pay a levy. The Interpretation defines a levy, and specifies that the obligating event that gives rise to the liability is the activity that triggers the payment of the levy, as identified by legislation. The Interpretation provides guidance on how different levy arrangements should be accounted for, in particular, it clarifies that neither economic compulsion nor the going concern basis of financial statements preparation implies that an entity has a present obligation to pay a levy that will be triggered by operating in a future period. The company has inventory stored in a bonded warehouse where duties, levies and taxes are due once the inventory leaves the bonded warehouse, or 24 months, whichever are earlier.

2. New Standards and Interpretations

2.1 Standards and interpretations effective and adopted in the current year

In the current year, the company has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
• Interest Rate Benchmark Reform Phase 2: Amendments to IFRS 4	01 January 2021	The impact of the amendments is not material.
• Interest Rate Benchmark Reform Phase 2: Amendments to IFRS 7	01 January 2021	The impact of the amendments is not material.
• Interest Rate Benchmark Reform Phase 2: Amendments to IFRS 9	01 January 2021	The impact of the amendments is not material.
• Interest Rate Benchmark Reform Phase 2: Amendments to IFRS 16	01 January 2021	The impact of the amendments is not material.
• Interest Rate Benchmark Reform Phase 2: Amendments to IAS 39	01 January 2021	The impact of the amendments is not material.
• COVID 19 Related Rent Concessions Amendment to IFRS 16	01 June 2020	The impact of the amendments is not material.

2.2 Standards and interpretations not yet effective

The company has chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for the company's accounting periods beginning on or after 01 April 2022 or later periods:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
• Deferred tax related to assets and liabilities arising from a single transaction Amendments to IAS 12	01 January 2023	Unlikely there will be a material impact
• Disclosure of accounting policies: Amendments to IAS 1 and IFRS Practice Statement 2.	01 January 2023	Unlikely there will be a material impact
• Definition of accounting estimates: Amendments to IAS 8	01 January 2023	Unlikely there will be a material impact
• Classification of Liabilities as Current or Non Current Amendment to IAS 1	01 January 2023	Unlikely there will be a material impact
• Annual Improvement to IFRS Standards 2018 2020: Amendments to IFRS 1	01 January 2022	Unlikely there will be a material impact
• Reference to the Conceptual Framework: Amendments to IFRS 3	01 January 2022	Unlikely there will be a material impact
• Annual Improvement to IFRS Standards 2018 2020: Amendments to IFRS 9	01 January 2022	Unlikely there will be a material impact
• Property, Plant and Equipment: Proceeds before Intended Use: Amendments to IAS 16	01 January 2022	Unlikely there will be a material impact
• Onerous Contracts Cost of Fulfilling a Contract: Amendments to IAS 37	01 January 2022	Unlikely there will be a material impact
• Annual Improvement to IFRS Standards 2018 2020: Amendments to IAS 41	01 January 2022	Unlikely there will be a material impact

3. Property, plant and equipment

	2022			2021		
	Cost or revaluation	Accumulated depreciation	Carrying value	Cost or revaluation	Accumulated depreciation	Carrying value
Computer equipment....	**2,770,943**	**(2,147,746)**	**623,197**	2,336,505	(1,850,506)	485,999
Computer software	**4,397,594**	**(2,908,384)**	**1,489,210**	2,689,791	(2,548,656)	141,135
Furniture and fixtures.........	**4,148,031**	**(4,051,050)**	**96,981**	4,154,564	(3,492,707)	661,857
Leasehold improvements	**1,024,690**	**(964,560)**	**60,130**	1,024,690	(623,031)	401,659
Motor vehicles	**19,622,768**	**(9,856,087)**	**9,766,681**	15,578,664	(7,360,828)	8,217,836
Motor vehicles - Held for rental...........	**764,886**	**(637,406)**	**127,480**	764,886	(446,185)	318,701
Office equipment....	**858,192**	**(671,726)**	**186,466**	855,842	(572,636)	283,206
Plant and machinery....	**4,643,965**	**(4,487,192)**	**156,773**	4,828,744	(4,594,488)	234,256
Total............	**38,231,069**	**(25,724,151)**	**12,506,918**	32,233,686	(21,489,037)	10,744,649

NOTES TO FINANCIAL STATEMENTS (Contd.)

Reconciliation of property, plant and equipment - 2022

	Opening balance	Additions	Disposals	Depreciation	Total
Computer equipment	**485,999**	**438,462**		**(301,264)**	**623,197**
Computer software	**141,135**	**1,687,203**		**(339,128)**	**1,489,210**
Furniture and fixtures	**661,857**			**(564,876)**	**96,981**
Leasehold improvements	**401,659**			**(341,529)**	**60,130**
Motor vehicles	**8,217,836**	**5,741,661**	**(545,076)**	**(3,647,740)**	**9,766,681**
Motor vehicles-Held for rental	**318,701**			**(191,221)**	**127,480**
Office equipment	**283,206**	**1,565**		**(98,305)**	**186,466**
Plant and machinery	**234,256**	**144,980**	**(39,178)**	**(183,285)**	**156,773**
	10,744,649	**8,013,871**	**(584,254)**	**(5,667,348)**	**12,506,918**

Reconciliation of property, plant and equipment - 2021

	Opening balance	Additions	Disposals	Depreciation	Total
Computer equipment	734,429	1,315		(249,745)	485,999
Computer software	365,296			(224,161)	141,135
Furniture and fixtures	1,380,107			(718,250)	661,857
Leasehold improvements	743,188			(341,529)	401,659
Motor vehicles	12,539,027	6,164,568	(6,533,752)	(3,952,007)	8,217,836
Motor vehicles-Held for rental	28,551,378		(23,071,743)	(5,160,934)	318,701
Office equipment	407,130			(123,924)	283,206
Plant and machinery	551,809	48,600	(73,398)	(292,755)	234,256
	45,272,364	6,214,483	(29,678,893)	(11,063,305)	10,744,649

Property, plant and equipment encumbered as security

The property, plant and equipment have been encumbered as security per note 29.

4. **Right-of-use assets**

The company leases various buildings as the need arises. Lease contracts are typically made for fixed periods between 3 years to 5 years. Lease contracts are negotiated on an individual basis and contain a wide range of different terms and conditions.

The company does not have the option to purchase the plant at a nominal amount on completion of the lease term.

The lease contracts do not impose any covenants.

Details pertaining to leasing arrangements, where the company is lessee are presented below:

	2022			2021		
	Gross carrying amount	Accumulated depreciation	Net carrying amount	Gross carrying amount	Accumulated depreciation	Net carrying amount
Buildings and infrastructure	10,316,018	(5,311,160)	5,004,858	10,796,970	(4,213,572)	6,583,398

Reconciliation of right-of-use assets - 2022

	Opening balance	Additions	Modification	Other adjustments	Depreciation	Total
Buildings and infrastructure	**6,583,398**	**1,028,655**		**5,714**	**(2,612,909)**	**5,004,858**

Reconciliation of right-of-use assets - 2021

	Opening balance	Additions	Modification	Other adjustments	Depreciation	Total
Buildings and infrastructure	**8,214,229**		**1,423,403**	**(1,149,160)**	**(1,905,074)**	**6,583,398**

5. **Investment in subsidiary**

Name of company	% holding 2022	% Holding 2021	Carrying Amount 2022	Carrying Amount 2021
199,999 shares held in Mahindra West Africa Limited	99.99 %	99.99 %	3,014,200	3,014,200
			3,014,200	3,014,200
Impairment of investment in subsidiary			(3,014,200)	(3,014,200)

The company has a subsidiary in Nigeria named Mahindra West Africa Limited. The subsidiary used to focus on market development in the Automotive and Farm Sector apart from business development of Powerol Gensets and Heavy commercial vehicles in the Western African region. Post the COVID 19 pandemic, Mahindra India decided to discontinue their presence in the West Africa market. They terminated the service agreement in June 2020. Mahindra West Africa, thereafter, worked on relocation of its employees and cost reductions. A decision was then taken, in the prior year, by the Mahindra West Africa board of directors to voluntarily liquidate the company. The process of liquidation is ongoing. Accordingly, the investment in Mahindra West Africa Limited remains impaired.

6. **Retirement benefits**

Defined contribution plan

It is the policy of the company to provide retirement benefits to all its employees. A defined contribution provident fund which is subject to the Pensions Fund Act exists for this purpose. The scheme is funded by company and employee contributions only, which are charged to the income statement as they are incurred. The total company contributions to such scheme in 2022 was R2 273 134 (2021: R2 153 983).

The company is under no obligation to cover any unfunded benefits.

7. **Deferred tax**

Deferred tax liability

Deferred tax asset

	2022	2021
	R	R
Deferred revenue less Section 24C allowance	**994,581**	1,100,655
Lease liabilities	**1,266,213**	1,741,320
Prepaid expenses	**(69,659)**	73,776
Property, plant and equipment	**633,661**	885,994
Provisions	**28,338,469**	22,907,624
Right-of-use assets	**(1,087,131)**	(1,564,600)
Total deferred tax asset	**30,076,134**	**25,144,769**

NOTES TO FINANCIAL STATEMENTS (Contd.)

Reconciliation of deferred tax asset

	2022 R	2021 R
At beginning of year	**25,144,769**	18,923,193
Taxable / (deductible) temporary difference on interest on deferred revenue	**(106,074)**	(339,314)
Taxable / (deductible) temporary difference on lease liabilities	**(475,107)**	(286,974)
Taxable / (deductible) temporary difference on prepaid expenses	**(143,435)**	29,948
Taxable / (deductible) temporary difference on property, plant and equipment	**(252,333)**	(262,958)
Taxable / (deductible) temporary difference on provisions	**5,430,845**	6,712,859
Taxable / (deductible) temporary difference on right-of-use assets	**477,469**	368,015
	30,076,134	**25,144,769**

The deferred tax assets and the deferred tax liability relate to income tax in the same jurisdiction, and the law allows net settlement. Therefore, they have been offset in the statement of financial position.

Management expects sufficient future taxable income in the company to enable the company to realise the deferred tax asset.

8. Inventories

	2022 R	2021 R
Agricultural produce	**3,638,842**	3,912,354
Goods in transit	**118,398,481**	44,596,877
Motor vehicles	**350,654,101**	55,003,497
Spares	**66,990,291**	52,898,161
	539,681,715	156,410,889
Provision for write down of inventories to net realisable value - motor vehicles, spares and agricultural produce	**(12,834,719)**	(10,577,309)
	526,846,996	**145,833,580**

Inventory pledged as security

Inventories were pledged as security for overdraft facilities of the company. Refer to note 29 for full details on the facilities granted to the company.

9. Trade and other receivables

	2022 R	2021 R
Financial instruments:		
Trade receivables	**68,960,954**	41,917,990
Deposits	**3,503,159**	1,205,040
Non-financial instruments:		
Prepayments	**6,523,004**	9,120,564
VAT	**12,254,749**	420,379
Total trade and other receivables	**91,241,866**	52,663,973

Financial instrument and non-financial instrument components of trade and other receivables

	2022 R	2021 R
At amortised cost	**72,464,113**	43,123,030
Non-financial instruments	**18,777,753**	9,540,943
	91,241,866	52,663,973

Trade and other receivables pledged as security

Trade and other receivables were pledged as security for overdraft facilities of the company. Refer to note 29 for full details on the facilities granted to the company.

Exposure to credit risk

Trade receivables inherently expose the company to credit risk, being the risk that the company will incur financial loss if customers fail to make payments as they fall due.

In order to mitigate the risk the company deals with reputed banks and customers and also demands bank guarantees or purchase credit insurance where applicable.

There have been no significant changes in the credit risk management policies and processes since the prior reporting period.

The average credit period on trade receivables is 9 days (2021: 11 days). No interest is charged on outstanding trade receivables.

The Company makes use of a provision matrix as a practical expedient to the determination of expected credit losses on trade and other receivables. The provision matrix has been applied to appropriate groupings of receivables based on shared credit risk characteristics. There is no material expected credit losses on application of the provision matrix for the businesses. The negative outlook and cash flow difficulties experienced by customers as a result of COVID 19 has been factored into the entity's forecasts of future conditions.

Furthermore, the company writes off a receivable where there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery. Receivables written off may still be subject to enforcement activities under the company recovery procedure, considering legal advice where appropriate. In the current year there has been no receivables that have been written-off.

Fair value of trade and other receivables

The fair value of trade and other receivables approximates their carrying amounts.

10. Cash and cash equivalents

	2022 R	2021 R
Cash and cash equivalents consist of:		
Cash on hand	**122,752**	92,033
Bank balances	**214,399,372**	234,961,925
	214,522,124	235,053,958

There is a cession amounting to R125 139 (2021: R125 139) relating to the First National Bank Account (Account number: 74865277774).

The carrying amount of cash and cash equivalents reasonably approximates its fair value.

All cash balances are placed with reputable financial institutions which have positive credit ratings. Therefore, there is no significant credit risk associated with cash and cash equivalents.

11. Share capital

	2022 R	2021 R
Authorised		
70,000,000 Ordinary shares with no par value	**70,000,000**	70,000,000
Describe any changes in authorised share capital e.g. Conversion to net present value shares.		
Reconciliation of number of shares issued:		
Reported as at 01 April 2021	**52,000,000**	52,000,000
Issued		
52,000,000 Ordinary shares with no par value	**52,000,000**	52,000,000

NOTES TO FINANCIAL STATEMENTS (Contd.)

12. Foreign currency translation reserve

The Kenya Branch operations in Shilling has been translated to ZAR based on the exchange rate. The foreign currency reserve is a result of the foreign currency translation.

	2022	2021
	R	R
Kenya Branch operations	**(16,599,699)**	(16,524,103)

13. Lease liabilities

	2022	2021
	R	R
The maturity analysis of lease liabilities is as follows:		
- within one year	**2,373,580**	2,372,851
- in second to fifth year inclusive	**3,353,498**	4,918,671
	5,727,078	7,291,522
The lease liability classification at year end is as follows:		
Non-current liabilities	**3,353,498**	4,918,671
Current liabilities	**2,373,580**	2,372,851
	5,727,078	**7,291,522**

The lease liability relates to the right-of-use assets disclosed under note 4.

The company leases various buildings as the need arises under operating leases.

Lease contracts are typically made for fixed periods between 3 years and 5 years.

Interest is based on the incremental borrowing rate of 10.25%.

An incremental borrowing rate of 9.30% was applied to leases that have been previously modified.

	2022	2021
	R	R
Analysis of movement in lease liabilities		
Balance on 01 April 2021	**7,291,522**	8,602,065
New leases	**1,028,655**	
Lease modifications		1,423,403
Foreign Currency Translation Reserve	**(15,700)**	(228,547)
Capital repayments	**(2,577,399)**	(2,505,399)
- Lease payments	**(3,163,509)**	(3,214,033)
- Interest charges	**586,110**	708,634
Balance on 31 March 2022	**5,727,078**	7,291,522

For details of the exposure to liquidity risk related to finance lease liabilities, as well as the maturity analysis of the gross amounts payable, refer to note 28.

14. Contract liabilities

	2022	2021
	R	R
Summary of contract liabilities		
Service plan	**151,991,770**	116,583,415
Reconciliation of contract liabilities		
Opening balance	**116,583,415**	106,647,706
Raised in current year	**85,447,159**	53,561,544
Revenue in current year	**(50,038,804)**	(43,625,835)
	151,991,770	116,583,415
Split between non-current and current portions		
Non-current liabilities	**101,381,860**	73,426,556
Current liabilities	**50,609,910**	43,156,859
	151,991,770	**116,583,415**

Nature: Certain vehicles are sold with a service plan. This service plan then covers certain services for a predetermined number of years and kilometres travelled. The income from these service plans is deferred and recognised as these services are performed.

Assumptions: The fair value of contract liabilities from service plans is management's best estimate of the company's future income and cost based on the estimated service cost that would occur for the selected models over a period of three to five years adjusted for inflation and possible price increases in parts and labour used in the service of the selected model.

15. Provisions

Reconciliation of provisions – 2022

	Opening balance	Additions	Utilised during the year	Change in discount factor	Total
Provision for warranty claims	**76,955,238**	**67,298,216**	**(51,559,761)**	**6,307,956**	**99,001,649**

Reconciliation of provisions – 2021

	Opening balance	Additions	Utilised during the year	Change in discount factor	Total
Provision for warranty claims	55,053,637	44,272,035	(23,854,706)	1,484,272	76,955,238
Non-current liabilities				54,025,159	45,074,838
Current liabilities				44,976,490	31,880,400
				99,001,649	**76,955,238**

Nature: This provision is raised due to the fact that certain vehicles, Gensets and Tractors sold are sold under a warranty, thus this provision estimates cost that would occur in the future for repairs under warranties.

Assumptions: Warranty provisions are managements best estimate of the company's liability (after the expected reimbursement from the manufacturer) on vehicles under two or three year warranties based on three years actual historical sales and warranty claims occurred. The arranty period for Gensets and Tractors being a twelve month period from date of sale.

Further, the warranty provision has been discounted to present value and the incremental amount pertaining to the current financial year has been adjusted in cost of sales.

NOTES TO FINANCIAL STATEMENTS (Contd.)

16. Trade and other payables

	2022	2021
	R	R
Financial instruments:		
Accrued expenses	**43,302,861**	35,405,528
Accrued leave pay	**2,903,031**	2,345,662
Other payables	**1,431,296**	1,710,349
Sundry payables	**1,084,125**	515,375
Trade payables	**437,273,779**	151,163,316
	485,995,092	191,140,230

Fair value of trade and other payables

The fair value of trade and other payables approximates their carrying amounts.

17. Revenue

	2022	2021
	R	R
Revenue from contracts with customers		
Sale of goods	**2,279,576,570**	1,443,166,075
Commissions received	**8,689,262**	21,198,492
	2,288,265,832	1,464,364,567

Disaggregation of revenue from contracts with customers

The company disaggregates revenue from customers as follows:

The amount included in revenue arising from exchanges of goods or services included in revenue are as follows:

	2022	2021
Sale of spares	**201,546,629**	151,591,386
Sale of vehicles	**1,985,055,963**	1,214,741,318
Sale of service plan	**50,038,804**	43,625,835
Sale of agricultural produce	**5,866,625**	306,148
Sale of construction equipment	**24,873,374**	12,025,360
Sale of farm equipment	**12,195,175**	20,876,028
Commissions income and recoveries	**8,689,262**	21,198,492
	2,288,265,832	1,464,364,567

Timing of revenue recognition:

	2022	2021
At a point in time	**2,238,227,028**	1,420,738,732
Over time	**50,038,804**	43,625,835
	2,288,265,832	1,464,364,567

Transaction price allocated to performance obligations that are unsatisfied or partially unsatisfied at the reporting date

The transaction price which has been allocated to performance obligations which are unsatisfied or partially unsatisfied at the reporting date are presented below, together with the expected timing of satisfying the performance obligations:

2022

	1 year	2 years	3-5 years
Transaction price allocated to:			
Service plan	**50,609,947**	**43,077,611**	**58,304,231**

2021

	1 year	2 years	3-5 years
Transaction price allocated to:			
Service plan	43,156,879	34,001,530	39,425,026

18. Cost of sales

	2022	2021
	R	R
Sale of goods	**2,083,818,583,**	1,329,149,550
Write down of inventories to net realisable value		(410,987)
	2,083,818,583,	1,328,738,563

19. Operating profit

Operating profit for the year is stated after charging (crediting) the following, amongst others:

Auditors' remuneration - external

	2022	2021
	R	R
Audit fees	**714,300**	584,200
Tax compliance services	**40,373**	13,470
	754,673	597,670

Leases

	2022	2021
	R	R
Short term leases	**2,119,119**	759,854
Total lease expenses	**2,119,119**	759,854

Other operating gains

	2022	2021
	R	R
Profit on exchange differences	**(1,829,873)**	(6,374,333)
Profit on sale of property, plant and equipment	**(956,663)**	(10,292,932)

Expenses by nature

The operating expenses are analysed by nature as follows:

	2022	2021
	R	R
Depreciation, amortisation and impairment	**8,261,694**	13,978,912
Employee costs	**45,537,791**	46,708,999

20. Investment income

	2022	2021
	R	R
Interest income		
From investments in financial assets:		
Bank	**8,980,516**	5,346,305

21. Interest expense

	2022	2021
	R	R
Bank and other	**2,035**	1,772,125
Lease liabilities	**586,110**	708,634
Vehicle purchase credit	**5,256,847**	3,691,324
Total finance costs	**5,844,992**	6,172,083

NOTES TO FINANCIAL STATEMENTS (Contd.)

22. Taxation

Major components of the tax expense

	2022 R	2021 R
Current		
Local income tax – current period	**29,271,981**	16,562,347
Deferred		
Deferred income tax – current period	**(6,045,296)**	(6,221,576)
Reduction in tax rate	**1,113,931**	
	(4,931,365)	(6,221,576)
	24,340,616	10,340,771

Reconciliation of the tax expense

Reconciliation between accounting profit and tax expense.

	2022 R	2021 R
Accounting profit	**82,376,630**	34,301,195
Tax at the applicable tax rate of 28% (2021: 28%)	**23,065,456**	9,604,335
Tax effect of adjustments on taxable income		
Non deductible expenses	**503,161**	879,708
Non taxable operations Kenya	**(341,932)**	(143,272)
Change in tax rate from 28% to 27% relating to deferred tax	**1,113,931**	
	24,340,616	10,340,771

In February 2022, numerous changes to the tax law were enacted in South Africa, including a decrease in the corporate tax rate from 28% to 27% for years of assessment ending on or after 31 March 2023. The entity therefore, recognised the deferred tax balance at 27%. This resulted in the above R1 113 931 reduction in the deferred tax asset balance.

23. Cash generated from operations

	2022 R	2021 R
Profit before taxation	**82,376,630**	34,301,195
Adjustments for:		
Depreciation and amortisation	**8,261,694**	13,978,912
Profit on sale of assets	**(956,663)**	(10,292,932)
Interest income	**(8,980,516)**	(5,346,305)
Interest expense	**5,844,992**	6,172,083
Movements in provisions	**22,046,411**	21,901,601
Impairment of investment		3,014,200
Changes in working capital:		
Inventories	**(381,013,416)**	227,442,580
Trade and other receivables	**(38,577,893)**	28,402,744
Trade and other payables	**294,779,271**	(109,510,328)
Contract Liabilities	**35,408,355**	9,935,709
	19,188,865	219,999,459

24. Tax paid

	2022 R	2021 R
Balance at beginning of the year	**(4,884,562)**	4,039,522
Current tax for the year recognised in profit or loss	**(29,271,981)**	(16,562,347)
Balance at end of the year	**8,153,529**	4,884,562
	(26,003,014)	(7,638,263)

25. Commitments

Short term leases

	2022 R	2021 R
Minimum lease payments due		
first year	**822,088**	1,058,451

Operating lease payments represents rentals payable by the company for short term leases of its premises (residential and office properties). Short term leases are leases with a lease term of 12 months or less. No contingent rent is payable.

26. Related parties

Relationships

Holding company	Mahindra & Mahindra Limited
Subsidiary	Mahindra West Africa Limited
Fellow subsidiaries	Bristlecone
	Erkunt Tractor Ind Inc.
	SsangYong Motor Company
Members of key management	Vijay Nakra (Appointed 02 April 2021)
	Arvind Mathew (Resigned 01 April 2021)
	Rajeev Goyal (Appointed 02 April 2021)
	Rajesh Gupta
	Sandip Kulkarni

Related party balances

	2022 R	2021 R
Amounts included in Trade receivable regarding related parties		
Mahindra & Mahindra Limited	**11,656,601**	12,145,720
Sandip M Kulkarni	**2,137**	
	11,658,738	12,145,720
Amounts included in Trade Payable regarding related parties		
Mahindra & Mahindra Limited (Payable)	**(367,823,894)**	(116,260,804)
Amounts included in goods-in-transit		
Mahindra & Mahindra Limited	118,398,481	44,506,386

Related party transactions

	2022 R	2021 R
Purchases from related parties		
Erkunt Tractor Ind Inc.	**5,088,869**	
Mahindra & Mahindra Limited	**1,503,364,845**	623,918,587
SsangYong Motor Company		56,473
	1,508,453,714	623,975,060
Commission received from related party		
Mahindra & Mahindra Limited	**861,098**	2,100,751
	861,098	2,100,751

NOTES TO FINANCIAL STATEMENTS (Contd.)

27. Directors' emoluments

Executive

2022	Salary	Performance pay	Benefits and allowances	Total
Services as director or prescribed officer				
Rajesh Gupta	**2,240,854**	**233,864**	**397,174**	**2,871,892**
Sandip Kulkarni	**2,013,427**	**297,770**	**50,366**	**2,361,563**
	4,254,281	**531,634**	**447,540**	**5,233,455**

2021 Directors' emoluments	Salary	Performance pay	Benefits and allowances	Total
Services as director or prescribed officer				
Rajesh Gupta	2,360,058	245,465	431,356	3,036,879
Sandip Kulkarni	2,057,513	94,116	78,620	2,230,249
	4,417,571	339,581	509,976	5,267,128

28. Financial instruments and risk management

Categories of financial instruments

Categories of financial assets

2022	Note(s)	Amortised cost	Total	Fair value
Trade and other receivables	**9**	**72,464,113**	**72,464,113**	**72,464,113**
Cash and cash equivalents	**10**	**214,522,124**	**214,522,124**	**214,522,124**
		286,986,237	**286,986,237**	**286,986,237**

2021	Note(s)	Amortised cost	Total	Fair value
Trade and other receivables	9	43,123,030	43,123,030	43,123,030
Cash and cash equivalents	10	235,053,958	235,053,958	235,053,958
		278,176,988	278,176,988	278,176,988

Categories of financial liabilities

2022	Note(s)	Amortised cost	Leases	Total	Fair value
Lease liabilities	13		**5,727,078**	**5,727,078**	**5,727,078**
Trade and other payables	16	**485,995,114**		**485,995,114**	**485,995,114**
		485,995,114	**5,727,078**	**491,722,192**	**491,722,192**

2021	Note(s)	Amortised cost	Leases	Total	Fair value
Lease liabilities	13		7,291,522	7,291,522	7,291,522
Trade and other payables	16	191,140,230		191,140,230	191,140,230
		191,140,230	7,291,522	198,431,752	198,431,752

Capital risk management

The company's capital management objectives are:

- to ensure the company's ability to continue as a going concern
- to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

The company monitors capital on the basis of the carrying amount of equity less cash and cash equivalents as presented on the face of the statement of financial position.

The company sets the amount of capital in proportion to its overall financing structure, i.e. equity and financial liabilities. The company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

Financial risk management

Credit risk

Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

The company's exposure to credit risk is limited to the carrying amount of financial assets recognised at the balance sheet date.

The maximum exposure to credit risk is presented in notes 9 and 10.

Liquidity risk

The company manages its liquidity needs by carefully monitoring scheduled debt servicing payments for long term financial liabilities as well as cash outflows due in day to day business. Liquidity needs are monitored in various time bands, on a day to day and week to week basis, as well as on the basis of a rolling 30 day projection. Short term liquidity needs for a 120 day or less are identified monthly.

Funding in regards to long-term liquidity needs is additionally secured by an adequate amount of committed credit facilities.

The company has contractual maturities which are summarised below:

31 March 2022	Current	Within 6 months	Within 1 year	2 - 5 years
Trade and other payables	485,995,113	483,817,840		
Lease liabilities contractual maturities			2,225,980	3,837,684
	485,995,113	**483,817,840**	**2,225,980**	**3,837,684**

31 March 2021	Current	Within 6 months	Within 1 year	2 - 5 years
Trade and other payables	191,140,251	189,381,005		
Lease liabilities contractual maturities			4,196,921	6,133,897
	191,140,251	**189,381,005**	**4,196,921**	**6,133,897**

The above contractual maturities reflect the gross cash flows, which may differ to the carrying values of the liabilities at the reporting date.

Foreign currency risk

Most of the company's transactions are carried out in Rands. Exposure to currency exchange rates arise from the operations in Kenya, as well as the company's overseas purchases and sea freight, which are primarily denominated in US Dollars.

Foreign currency denominated financial assets and liabilities, translated in Rands at the closing rate, are as follows:

NOTES TO FINANCIAL STATEMENTS (Contd.)

Foreign currency exposure at the end of the reporting period

		2022 R	2021 R
Assets (Included in Trade and other receivables and Cash and cash equivalents)			
Ameriworld International Limited (2022: USD 41 579; 2021: USD 227 721)		**602,836**	3,398,341
Bank balance (2022: USD 170 232 EGP 280 000 KES 1 217 113; 2021: USD 692 353 EGP 280 000 KES 63 367)		**2,841,850**	11,059,067
Mahindra and Mahindra Limited (2022: USD 490 822; 2021: USD 433954)		**7,116,134**	6,476,026
Liabilities (Included in Trade and other payables)			
Bidvest Panalpina (2022: USD 829 769; 2021: USD 135 700)		**12,030,323**	2,025,092
Deloitte India (2022: USD 10 200; USD 0)		**147,884**	
Erkunt (2022: Euro 98 798; 2021 Euro 0)	16	**1,595,126**	
Hoegh Autoliners (2022: USD 318 637; 2021: USD 96 487)		**4,619,733**	1,439,900
Mahindra and Mahindra Limited (2022: USD 443 531; 2021: USD 211 064)		**6,430,499**	3,149,768
Savino Del Bene (2022: USD 0; 2021: USD 300)			4,474

Foreign currency sensitivity

The following table illustrates the sensitivity of the net result for the year and equity in regards to the company s financial assets and financial liabilities and the US Dollar Rand exchange rate.

It assumes a +6.8% and 6.4% change of the Rand / US Dollar exchange rate for the year ended 31 March 2022 (2021: +13.56% and 9.71%). This has been determined based on the average market volatility in exchange rates in the previous 12 months. The sensitivity analysis is based on the company s foreign currency financial instruments held at balance sheet date and also takes into account forward exchange contracts that offset effects from changes in currency exchange rates.

If the Rand had weakened against the US Dollar by 6.8% (2021: 13.56%) then this would have had the following impact:

	2022 R	2021 R
Net results for the year	**974,838**	1,944,712

If the Rand had strengthened against the US Dollar by 6.4% (2021: 9.71%) then this would have had the following impact:

	2022 R	2021 R
Net results for the year	**(913,175)**	**(1,389,995)**

Exposure to foreign exchange rates vary during the year depending on the volumes of overseas transactions. Nonetheless, the analysis above is considered to be representative of the company s exposure to currency risk.

Interest rate risk

The following table illustrates the sensitivity of the net result for the year and equity to a reasonably possible change in interest rates of +2% and 2% (2021: +2% and 2%), with effect from the beginning of the year. These changes are considered to be reasonably possible based on observation of current market conditions. The calculations are based on the company s financial instruments held at each balance sheet date. All other variables are held constant.

	2022	2022	2021	2021
Net results for the year	**1,426,137**	**(1,426,137)**	1,805,887	(1,805,887)

29. Banking facilities

The company avails credit facilities from ICICI Bank which has sanctioned a ZAR facility of R 100 million (2021: R 100 million with ICICI Bank) for working capital borrowings. At the year end, the company has utilised R Nil of the facility from ICICI Bank. (2021: R Nil).

The above facility has been secured as follows:

- General notarial bond on all present and future moveable assets of the Company including inventory, whether in company's showroom, warehouse or in transit but excluding book debts.
- An unrestricted cessation of all present and future book debts due or to become due.

30. Going concern

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business. The entity has maintained a net asset position and holds sufficient funds to finance future operations. In the current year, COVID 19 has not adversely affected the going concern status of the entity and its operations.

31. Events after the reporting period

The directors are not aware of any material event which occurred after the reporting date and up to the date of this report.

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Mahindra North American Technical Center, Inc.

Opinion

We have audited the accompanying financial statements of Mahindra North American Technical Center, Inc. ('the Company') which comprise the balance sheets as of March 31, 2022, and March 31, 2021, the related statements of loss, stockholder's equity and cash flows for the years ended and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of March 31, 2022, and March 31, 2021, and the results of its operations and its cash flows for the years ended in accordance with accounting principles generally accepted in the United States of America.

Basis for opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Other matter

The presentation of financial information in Indian rupees in the financial statements is not a required part of the basic financial statements. We have verified the arithmetic accuracy of the presentation based upon the exchange rate provided by the Company's management. We did not audit and do not express an opinion on such information. Our opinion is not modified with respect to this matter.

Responsibilities of management for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a period of twelve months from the date the financial statements are issued.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Atlanta, Georgia
May 10, 2022

KNAV P.A.

BALANCE SHEETS

	USD		INR	
	As at March 31,		As at March 31,	
	2022	2021	**2022**	2021
ASSETS				
Current assets				
Cash and cash equivalents	**3,705,134**	958,691	**280,552,746**	72,592,083
Accounts receivable	**12,703**	9,105	**961,871**	689,431
Accounts receivable, related parties	**851,671**	675,423	**64,488,528**	51,143,030
Inventories	**8,773,168**	7,184,111	**664,304,281**	543,980,885
Prepaid expenses and other current assets	**325,455**	383,688	**24,643,453**	29,052,855
Total current assets	**13,668,131**	9,211,018	**1,034,950,879**	697,458,284
Property, plant and equipment, net	**2,640,617**	3,855,523	**199,947,519**	291,940,202
Intangible assets, net	**19,034**	57,085	**1,441,254**	4,322,476
Operating leases right-of-use assets, net	**3,679,958**	5,020,508	**278,646,420**	380,152,866
Other assets	**119,503**	119,504	**9,048,767**	9,048,842
Total assets	**20,127,243**	18,263,638	**1,524,034,839**	1,382,922,670
LIABILITIES AND STOCKHOLDER'S EQUITY				
Current liabilities				
Trade payables	**2,359,104**	1,260,337	**178,631,378**	95,432,718
Operating lease liability	**1,326,159**	1,336,946	**100,416,759**	101,233,551
Accrued expenses	**9,746,471**	1,621,641	**738,002,784**	122,790,657
Intercompany payables	**2,168,161**	266,823	**164,173,127**	20,203,838
Total current liabilities	**15,599,895**	4,485,747	**1,181,224,048**	339,660,764
Operating lease liability – non-current	**2,347,225**	3,677,627	**177,731,877**	278,469,916
Total liabilities	**17,947,120**	8,163,374	**1,358,955,925**	618,130,680
Stockholder's equity				
Common stock, $ 0.10 par value 100,000 shares authorized 1,000 shares issued and outstanding - Refer Note T	**100**	100	**7,572**	7,572
Common stock, $ 25 par value 5,000,000 shares authorized 2,560,709 shares issued and outstanding (March 31, 2021: 2,306,709 shares) - Refer Note T	**64,017,729**	57,667,729	**4,847,422,440**	4,366,600,440
Additional paid in capital	**9,900**	9,900	**749,628**	749,628
Accumulated deficit	**(61,847,606)**	(47,577,465)	**(4,683,100,726)**	(3,602,565,650)
Total stockholder's equity	**2,180,123**	10,100,264	**165,078,914**	764,791,990
Total liabilities and stockholder's equity	**20,127,243**	18,263,638	**1,524,034,839**	1,382,922,670

(The accompanying notes are an integral part of these financial statements)

STATEMENTS OF LOSS

	USD		INR	
	Year ended March 31,		Year ended March 31,	
	2022	2021	**2022**	2021
Operating revenues	**9,812,961**	12,179,821	**743,037,407**	922,256,046
Cost of sales	**16,408,162**	22,622,297	**1,242,426,027**	1,712,960,329
Gross loss	**(6,595,201)**	(10,442,476)	**(499,388,620)**	(790,704,283)
Selling, general and administrative expense	**6,417,369**	5,163,856	**485,923,181**	391,007,176
Depreciation & amortization	**1,249,403**	1,336,686	**94,604,795**	101,213,864
Total costs and expenses	**7,666,772**	6,500,542	**580,527,976**	492,221,040
Operating loss	**(14,261,973)**	(16,943,018)	**(1,079,916,596)**	(1,282,925,323)
Interest expense, net	**–**	1,114,347	**–**	84,378,355
Other income	**(91,236)**	–	**(6,908,391)**	–
Loss on scrappage of assets	**99,404**	–	**7,526,871**	–
Loss before income taxes	**(14,270,141)**	(18,057,365)	**(1,080,535,076)**	(1,367,303,678)
Deferred tax expense	**–**	7,619,577	**–**	576,954,370
Net loss	**(14,270,141)**	(25,676,942)	**(1,080,535,076)**	(1,944,258,048)

(The accompanying notes are an integral part of these financial statements)

STATEMENTS OF STOCKHOLDER'S EQUITY

(All amounts are stated in USD, except number of shares)

	Common stock						
	Authorized		Issued & outstanding		Additional paid in capital	Accumulated deficit	Total stockholder's equity
Particulars	**Shares**	**Value ($)**	**Shares**	**Value ($)**			
Balance as on April 1, 2020	1,100,000	25,010,000	972,000	24,275,100	9,900	(21,900,523)	2,384,477
Common stock issued during the year	–	–	1,335,709	33,392,729	–	–	33,392,729
Net loss for the year	–	–	–	–	–	(25,676,942)	(25,676,942)
Balance as at March 31, 2021	**1,100,000**	**25,010,000**	**2,307,709**	**57,667,829**	**9,900**	**(47,577,465)**	**10,100,264**
Balance as on April 1, 2021	1,100,000	25,010,000	2,307,709	57,667,829	9,900	(47,577,465)	10,100,264
Increase in authorized common stock	4,000,000	100,000,000	–	–	–	–	–
Common stock issued during the year	–	–	254,000	6,350,000	–	–	6,350,000
Net loss for the year	–	–	–	–	–	(14,270,141)	(14,270,141)
Balance as at March 31, 2022	**5,100,000**	**125,010,000**	**2,561,709**	**64,017,829**	**9,900**	**(61,847,606)**	**2,180,123**

(The accompanying notes are an integral part of these financial statements)

	Common stock						
	Authorized		Issued & outstanding		Additional paid in capital	Accumulated deficit	Total stockholder's equity
Particulars	**Shares**	**Value (INR)**	**Shares**	**Value (INR)**			
Balance as on April 1, 2020	1,100,000	1,893,757,200	972,000	1,838,110,572	749,628	(1,658,307,602)	180,552,598
Common stock issued during the year	–	–	1,335,709	2,528,497,440	–	–	2,528,497,440
Net loss for the year	–	–	–	–	–	(1,944,258,048)	(1,944,258,048)
Balance as at March 31, 2021	**1,100,000**	**1,893,757,200**	**2,307,709**	**4,366,608,012**	**749,628**	**(3,602,565,650)**	**764,791,990**
Balance as on April 1, 2021	1,100,000	1,893,757,200	2,307,709	4,366,608,012	749,628	(3,602,565,650)	764,791,990
Increase in authorized common stock	4,000,000	7,572,000,000	–	–	–	–	–
Common stock issued during the year	–	–	254,000	480,822,000	–	–	480,822,000
Net loss for the year	–	–	–	–	–	(1,080,535,076)	(1,080,535,076)
Balance as at March 31, 2022	**5,100,000**	**9,465,757,200**	**2,561,709**	**4,847,430,012**	**749,628**	**(4,683,100,726)**	**165,078,914**

(The accompanying notes are an integral part of these financial statements)

STATEMENTS OF CASH FLOWS

	USD		INR	
	Year ended March 31,		Year ended March 31,	
	2022	2021	2022	2021
Cash flow from operating activities				
Net loss	**(14,270,141)**	(25,676,942)	**(1,080,535,076)**	(1,944,258,048)
Adjustments to reconcile net loss to net cash used in operating activities				
Impairment of construction in progress assets	**–**	84,650	**–**	6,409,698
Loss on scrappage of assets	**99,404**	**–**	**7,526,871**	**–**
Depreciation and amortization expense	**1,249,403**	1,336,686	**94,604,795**	101,213,864
Deferred tax expense	**–**	7,619,577	**–**	576,954,370
Changes in assets and liabilities				
Accounts receivable	**(3,598)**	(9,105)	**(272,441)**	(689,431)
Accounts receivable, related parties	**(176,248)**	1,557,848	**(13,345,499)**	117,960,251
Inventories	**(1,589,057)**	13,303,369	**(120,323,396)**	1,007,331,101
Prepaid expenses and other current assets	**58,234**	(132,975)	**4,409,478**	(10,068,867)
Other assets	**2**	49	**151**	3,710
Operating lease right of use assets	**1,340,550**	1,328,575	**101,506,446**	100,599,699
Trade payables	**1,098,767**	(6,902,047)	**83,198,637**	(522,622,999)
Intercompany payables	**1,901,337**	(2,346,128)	**143,969,238**	(177,648,812)
Operating leases liability	**(1,341,190)**	(1,313,824)	**(101,554,907)**	(99,482,753)
Accrued expenses	**8,124,830**	323,801	**615,212,128**	24,518,212
Net cash used in operating activities	**(3,507,707)**	(10,826,466)	**(265,603,575)**	(819,780,005)
Cash flow from investing activities				
Purchase of property, plant and equipment and intangibles	**(95,850)**	(169,302)	**(7,257,762)**	(12,819,547)
Loan repaid by related party, net	**–**	7,462,012	**–**	565,023,549
Net cash (used in) provided by investing activities	**(95,850)**	7,292,710	**(7,257,762)**	552,204,002
Cash flow from financing activities				
Line of credit paid net	**–**	**(29,500,000)**	**–**	**(2,233,740,000)**
Issuance of common stock	**6,350,000**	–	**480,822,000**	–
Short term borrowing – related party	**–**	33,392,729	**–**	2,528,497,440
Net cash provided by financing activities	**6,350,000**	3,892,729	**480,822,000**	294,757,440
Net increase in cash and cash equivalents	**2,746,443**	358,973	**207,960,663**	27,181,437
Cash and cash equivalents at the beginning of the year	**958,691**	599,718	**72,592,083**	45,410,646
Cash and cash equivalents at the end of the year	**3,705,134**	958,691	**280,552,746**	72,592,083
Supplemental cash flow information				
Income taxes paid	**–**	–	**–**	–
Interest paid	**–**	1,114,347	**–**	84,378,355
Conversion of loan to equity	**–**	33,392,729	**–**	2,528,497,440

(The accompanying notes are an integral part of these financial statements)

NOTES TO FINANCIAL STATEMENTS

NOTE A – ORGANIZATION AND NATURE OF OPERATIONS

Mahindra North American Technical Center, Inc. (hereinafter referred to as the "Company") was incorporated in the state of Delaware on December 18, 2013 and is a wholly owned subsidiary of Mahindra Automotive North America, Inc. ("MANA"). The Company engineers, designs, develops, assembles, and delivers parts and vehicles to the global automotive market, both for on and off-road use, as an Original Equipment Manufacturer ("OEM") headquartered in Auburn Hills, MI.

Ownership of the Company changed on April 30, 2017 when 100% of its stock was acquired by MANA from Mahindra USA, Inc. ("MUSA").

In Michigan, when engaged in automotive manufacturing activities, the Company does business as ("d/b/a") Mahindra Automotive North America Manufacturing ("MANAM"). MANAM produces ROXOR, an off-road side-by-side vehicle. MANAM shipped 602 vehicles during the fiscal year ended March 31, 2022.

The Company was engaged in litigation with FCA US, LLC over FCA's claims relating to unregistered "trade dress" of FCA's Jeep branded vehicles both at the International Trade Commission ("ITC") and at the United States District Court, Eastern District of Michigan. The ITC in its ruling dated June 11, 2020, stated that the Company's ROXOR off-road utility vehicle violated the "trade dress" of FCA's Jeep branded vehicle. The ITC then issued a limited exclusion order prohibiting sale or import of the infringing vehicles and parts, as well as a cease-and desist order to the Company. The cease and desist order was effective from August 11, 2020.

The cease-and desist order relates to the prohibition of marketing, sale, importation, and manufacturing of the model year 2018, 2019 and 2020 ROXOR off-road vehicle by the Company in the United States of America ("US"). The impact of the order on the operations of the Company was significant. The Company was unable to market, import, build or sell ROXORs in the US beginning on or about August 12, 2020. However, the Company could sell ROXORs in Canada since the limited exclusion order prohibited the Company from sale of its vehicles only in the US. Given the impact of the ruling on the operations, the Company did not pursue most of the opportunities since the cost incurred to sell the product would have been too high. Due to the pause in the business along with the onset of COVID-19, the Company furloughed employees and also terminated relationships with few other stakeholders. Per the cease-and desist order since the Company could not carry out marketing activities as well, it had to engage in significant efforts to modify its website and notify its marketing partners for not honoring few contracts.

During the year ended March 31, 2021, the Company performed and prepared expedited proceedings to allow a significantly re-designed ROXOR to be excluded from the cease-and desist order. On October 20, 2020, the Administrative Law Judge ("ALJ") found that the re-designed ROXOR does not violate any trade dress and recommended that the re-designed ROXOR be excluded from the cease-and desist order. On December 22, 2020, the ITC agreed with the ALJ and ruled that the re-designed ROXOR is excluded from the cease-and desist order. FCA in February 2021, shared the "notice to appeal" to the court for review of the final determination of the ITC's exclusion of re-designed ROXOR from the cease-and-desist order. FCA's appeal did not prevail per a decision from the Court of Appeals on March 09, 2022. Therefore, the ITC's decisions for allowing the sale of redesigned ROXOR remains valid.

During the year ended March 31, 2022, the Company launched the redesigned ROXOR and started selling the redesigned ROXOR from November 2021 in the United States and Canada. Before the cease-and-desist order, the Company used to sell and distribute parts and vehicles to the distributors and dealers (collectively "dealerships") through its affiliate company Mahindra Vehicle Sales and Services, Inc ("MVSS") to its customers. However, effective September 01, 2021, the Company entered into the Distribution Agreement ("the agreement") with Mahindra USA Inc. ("MAgNA") to distribute the ROXOR as well as its parts and accessories and services relating thereto (collectively with the ROXOR, the "Products") under the brand name Mahindra and/or ROXOR through MAgNA's dealership network.

Pursuant to the terms of the agreement, the Company will act as a principal in the sale transaction and the agreement includes the following provisions.

- The distribution agreement is applicable throughout the United States and Canada ("the Territory").
- The Company agrees to sell to MAgNA all of the Products, as forecasted and ordered by MAgNA at prices as determined in the terms of the agreement.
- MAgNA shall promote, advertise, merchandise, sell and service the Products in the Territory in a manner consistent with the current sales efforts utilized by MAgNA and in connection therewith.
- All Products shall be sold ex-works by the Company to a destination identified by MAgNA.
- The parties acknowledge that the Company is the exclusive owner of all Mahindra Trademarks. The Company granted MAgNA a non-transferable, royalty-free license to use Mahindra Trademarks solely in connection with the sale and distribution of the Products. MAgNA shall use Mahindra Trademarks only in accordance with the directions, standards and requirements established by the Company from time to time. MAgNA shall not be entitled to use Mahindra Trademarks on any Products other than Products sold under the agreement.
- The Company warrants the Product through limited warranties that are ultimately provided to the end customer purchaser of the Product.

The Company continues to supply the accessories and service parts to its affiliate, MVSS to honor the warranty or product liability on sales made through MVSS before the cease-and-desist order.

NOTE B – ASSET PURCHASE AGREEMENT

On September 30, 2020, the Company purchased the inventory and property and equipment from Mahindra Tractors Assembly Inc. ("MTAI" or "GenZe"). The Company also receives a royalty free license to use GenZe's trademark, patent copyright, trade secrets or proprietary rights of MTAI to the extent owned by MTAI or licensed by MTAI from third parties. The Company is also authorized to access and operate websites owned and operated by GenZe. The aggregate purchase amount paid by MANA was USD 200,000 (INR 15,144,000). When accounting for transfers of assets between entities under common control, using the provisions of Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 805-50-30, the entity that receives the net assets is required to measure the recognized assets and liabilities transferred at their carrying amounts in the accounts of the transferring entity at the date of the transfer.

NOTE C – GOING CONCERN EVALUATION

Due to the cease-and desist order, the Company could not conduct any sale of ROXOR along with its kit and assemblies in the US from August 12, 2020 and had to redesign the ROXOR. The Company started selling the redesigned ROXOR effective November 2021. The Company has reported loss amounting to USD 14,270,141 (INR 1,080,535,076) and USD 25,676,942 (INR 1,944,258,048) for the years ended March 31, 2022, and March 31, 2021, respectively. This has resulted in an accumulated deficit of USD 61,847,606 (INR 4,683,100,726) as at March 31, 2022 and USD 47,577,465 (INR 3,602,565,650) as at March 31, 2021. Although, these events and condition cast significant doubt on the Company's ability to continue as a going concern, in view of the continued support from the ultimate parent company, the management considers that it is appropriate to prepare these financial statements on a going concern basis, which assumes that the Company will continue in operational existence for the foreseeable future. The Company has received funding from its parent company amounting to USD 6,350,000 (INR: 480,822,000) and USD 33,350,000 (INR 2,525,262,000) during the year ended March 31, 2022, and March 31, 2021, respectively, for meeting the cash flow requirements. To revive its operations, through the sale of redesigned ROXOR, the Company has entered into the agreement with MAgNA to sell and distribute ROXOR and its parts through MAgNA's dealership network. Additionally, the other plans of the management to mitigate the adverse effects, inter alia are as follows:

1) Reviving its business operations through organizational restructuring and right sizing.
2) New business development plans for the marketing of redesigned ROXOR and to make the Company business profitable.
3) Obtain capital financing from 'Mahindra Overseas Investment Company Mauritius Limited', the parent company, to meet near term working capital requirements.
4) Obtain a commitment from the parent company to continue to provide financial support and honor the Company's future obligations.

Based on the above mitigating factors, the financial statements have been prepared on the basis that the Company is a going concern and that no adjustments are required to the carrying value of assets and liabilities.

NOTE D – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies are detailed below:

1. *Basis of preparation*

   a. The accompanying financial statements are prepared on the accrual basis of accounting in accordance with the accounting and reporting requirements of generally accepted accounting principles in the United States of America ("US GAAP") to reflect the financial position, results of operation and cash flows of the Company.

   b. The financial statements are for the fiscal years ended March 31, 2022, and March 31, 2021.

   c. Financial information in this report is in US dollars ("USD") and in Indian rupees ("INR"). For the fiscal years ended March 31, 2022, and March 31, 2021, dollar amounts are translated for convenience into Indian rupees at an exchange rate of 75.72 INR per dollar as on March 31, 2022. Within the notes to the financial statements, Indian rupee amounts are shown parenthetically following the U.S. dollar amounts.

   d. Certain reclassifications, regroupings and reworking have been made in the financial statements of prior year to conform to the classifications used in the current year. These changes had no impact on previously reported net loss or stockholder's equity.

2. *Use of estimates*

   The preparation of financial statements in accordance with US GAAP requires management to make estimates and assumptions that affects the amounts reported in the financial statements. Significant items subject to such estimates and assumptions include the useful lives of plant, property and equipment, provision for inventory obsolescence, slow moving and non-moving items, valuation allowance for deferred tax assets and other contingencies. Management believes that the estimates used in the preparation of the financial statements are reasonable. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Any changes in estimates are adjusted prospectively in the financial statements.

3. *Cash and cash equivalents*

   The Company considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. Cash balances in bank accounts are insured by the Federal Deposit Insurance Corporation up to an aggregate per bank of USD 250,000 (INR 18,930,000). The Company believes it is not exposed to any significant risk on cash and cash equivalents.

4. *Inventories*

   Raw materials, work in progress and finished goods inventories are stated at the lower of cost and net realizable value, with cost being determined on a weighted average basis. The measurement of inventories includes the direct cost of materials and labor as well as indirect costs (variable and fixed). A provision is made for obsolete and slow-moving raw materials, finished goods, spare parts and other supplies based on their expected future use and realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs for sale and distribution.

   The Company makes additional adjustments to its inventory reserves based on the identification of specific situations and increases its inventory reserves accordingly. As further changes in future economic or industry conditions occur, the Company will revise the estimates that were used to calculate its inventory reserves. During the year ended March 31, 2021, due to the cease and desist order, the Company was prohibited from selling its 2018, 2019 and 2020 ROXOR model in the US, and considering this the Company created additional inventory reserve.

5. *Income taxes*

Income taxes are provided for the tax effects of transactions reported in the financial statements and consist of taxes currently due, plus deferred taxes related primarily to differences between the basis of certain assets and liabilities for financial and tax reporting. The deferred taxes represent the future tax return consequences of those differences, which will either be taxable or deductible when the assets and liabilities are recovered or settled, respectively.

The Company has determined whether any tax positions have met the recognition threshold and has measured the Company's exposure to those tax provisions. Management believes that the Company has adequately addressed all relevant tax positions and that there are no unrecorded tax liabilities. Federal and state taxing authorities generally have the right to examine and audit the previous three years of tax returns filed. Any interest or penalties from federal and state taxing authorities were recorded in the accompanying financial statements.

6. *Revenue recognition*

<u>Sale of manufactured goods</u>

The Company recognizes revenues from sale of manufactured ROXOR off-road side by side vehicles and their related accessories.

Revenue is recognized when control of the vehicles, parts or accessories have been transferred and the Company's performance obligation to the customer have been satisfied. Revenue is measured as the amount of consideration the Company expects to receive in exchange for transfer of goods. The timing of when the Company transfers the goods to the customer may differ from the timing of the customer's payment.

When the Company gives the customer the right to return eligible goods, the Company estimates the expected returns based on an analysis of historical experiences.

During the year ended March 31, 2021, the Company sold vehicles and service parts to its customers through its affiliate company. Transfer of control, and therefore revenue recognition, generally corresponds to the date when the vehicles or service parts were made available to the customer, or when the vehicles or service parts were released to the carrier responsible for transporting them to the customer. This was also the point at which invoices were issued, with payment terms for vehicles and for service parts. For component part sales, revenue recognition was consistent with that of service parts.

However, after the launch of redesigned 2020 ROXOR, the Company decided to sell the redesigned ROXOR vehicle and its parts to the dealership through its affiliate, Mahindra USA LLC ("MAgNA") in the United States and Canada. Per the distribution agreement with MAgNA, the Company acts as a principal in the sale transaction. Pursuant to the agreement the Company will deliver the ROXOR on MAgNA's direction on ex-works basis. Transfer of control, and therefore revenue recognition, generally corresponds to the date when the vehicles or service parts were released to the carrier responsible for transporting them to the customer. This is also the point at which invoices are issued, with payment terms for vehicles and for service parts. For component part sales, revenue recognition is consistent with that of service parts.

The Company sponsors certain sales incentive programs and accrues liabilities for estimated sales promotion expenses when products are sold to the dealerships to the extent that it is probable. The cost of incentives, if any, is estimated at the inception of a contract at the expected amount that will ultimately be paid. Sales promotion incentive programs include volume incentives, cash discounts, retail financing programs, and co-operative advertising programs. Sales promotions and incentives are recognized as a reduction to sales at the time of sale to the dealership. If the estimate of the incentive changes following the sale to the customer, the change in estimate is recognized as an adjustment to revenue in the period of the change.

7. *Product warranty*

The Company provides a limited warranty for redesigned ROXOR for a period of two years or 12,000 miles whichever is lesser. The warranty reserve is established at the time of sale to the distributorship based on management's best estimate using historical rates and trends. These amounts are recorded as a liability in the balance sheet until they are ultimately paid. Accrued warranty liability was USD 177,157 (INR 13,414,328) as on March 31, 2022 (March 31, 2021: USD NIL (INR NIL)).

8. *Product liability*

The Company is subject to product liability claims in the normal course of business. Adequate insurance coverage is carried for catastrophic product liability claims. The Company self-insures product liability claims up to the purchased catastrophic insurance coverage. The estimated costs resulting from uninsured losses are charged to operating expenses when it is probable a loss has been incurred and the amount of the loss is reasonably determinable.

9. *Property, plant and equipment*

Property, plant, and equipment are stated at cost less accumulated depreciation and impairment. Cost of items of property, plant and equipment comprise cost of purchase and other costs necessarily incurred to bring it to the condition and location necessary for its intended use.

The Company depreciates property, plant and equipment over the estimated useful life using the straight-line method except for production tools. Upon retirement or disposal of assets, the cost and accumulated depreciation will be eliminated from the accounts and the resulting gain or loss will be credited or charged to operations.

The estimated useful life used to determine depreciation is:

Particulars	Useful life
Computers	3-5 years
Furniture	5-7 years
Leasehold improvements	7-15 years
Machinery & equipment	3-5 years
Tooling	3-5 years

The cost of property, plant and equipment not ready for use before such date are disclosed under capital work-in-progress.

The Company expenses all capital expenses below USD 5,000. Expenditures for maintenance and repairs are charged to expense. Property, plant and equipment is reviewed for impairment whenever events or changes in circumstances indicate the carrying value of the asset may not be recoverable.

10. *Intangible assets*

Intangible assets are comprised of computer software which has been recognized at cost and amortized over a period of 3 years or its estimated useful life. Subsequent expenditure is capitalized only when it increases the future economic benefit from the specific assets to which it relates.

11. *Government incentives*

The Company receives incentives from the Michigan Economic Development Corporation ("MEDC") in the form of business development grants. These grants are recognized at their fair values in the statement of loss where there is a reasonable assurance that all grant conditions have been complied with and the grant will be received.

12. *Fair value measurements and financial instruments*

Assets and liabilities recorded at fair value in the financial statements are categorized based upon the level of judgment associated with the inputs used to measure their fair value. Hierarchical levels which are directly related to the amount of subjectivity associated with the inputs to the valuation of these assets or liabilities are as follows:

Level 1 – unadjusted quoted prices in active markets for identical assets or liabilities that the Company has the ability to access as of the measurement date.

Level 2 – inputs other than quoted prices included within Level 1 that are directly observable for the asset or liability or indirectly observable through corroboration with observable market data.

Level 3 – unobservable inputs for the asset or liability only used when there is little, if any, market activity for the asset or liability at the measurement date.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, the level in the fair value hierarchy within which the fair value measurement in its entirety falls is determined based on the lowest level input that is significant to the fair value measurement in its entirety.

This hierarchy requires the Company to use observable market data, when available, and to minimize the use of unobservable inputs when determining fair value.

Some of Company's financial instruments, including cash and cash equivalents, accounts receivable and accounts payable are not measured at fair value on a recurring basis but are recorded at amounts that approximate fair value due to their liquid or short-term nature.

13. *Leases*

Accounting Standard Update ("ASU") 2016-02, Leases

The Company adopted Accounting Standards Codification 842 and all the related amendments ("new lease standard") using the modified retrospective method.

The new lease standard requires all leases to be reported on the balance sheet as operating lease right-of-use assets and lease obligations. The Company elected the practical expedients permitted under the transition guidance of the new standard that retained the lease classification and initial direct costs for any leases that existed prior to adoption of the standard.

Right-of-use assets and lease liabilities are recognized based on the present value of the future minimum lease payments over the lease term at the commencement date for leases exceeding 12 months. Minimum lease payments include only the fixed lease component of the agreement, as well as any variable rate payments that depend on an index, initially measured using the index at the lease commencement date. Lease terms may include options to renew when it is reasonably certain that the Company will exercise that option.

Certain leases include options to purchase the office equipment. The depreciable life of assets are limited by the expected lease term, unless there is a transfer of title or purchase option reasonably certain of exercise.

The Company has entered into noncancelable operating lease agreements related to facility, office equipment, machinery and equipment and vehicles with varying terms

Leases that contain non-lease components are accounted for as a single component and recorded on the balance sheet for certain asset classes including equipment. Non-lease components include, but are not limited to, common area maintenance and service arrangements

The Company estimates its incremental borrowing rate for each lease based on the respective weighted average term of the agreements. This estimation considers the market rates of the Company's outstanding collateralized borrowings and interpolations of rates outside of the terms of the outstanding borrowings, including comparisons to comparable borrowings of similarly rated companies with longer term borrowings.

Operating lease expense is recognized on a straight-line basis over the lease term and is included in cost of revenue or general and administrative expense. Amortization expense for finance leases is recognized on a straight-line basis over the lease term and is included in cost of revenue. Interest expense for finance leases is recognized using the effective interest method. Leases with a lease term of 12 months or less from the commencement date that do not contain a purchase option are recognized as an expense on a straight-line basis over the lease term.

14. *Accounts receivable & allowance for doubtful debts*

Accounts receivable represent amounts due related to sale of goods and services. Accounts receivables are reduced by an estimate of the amount that will ultimately be uncollectible. Management determines the allowance for doubtful accounts by a review of the outstanding amounts on a monthly basis. The allowance is determined by identifying troubled accounts, by using historical experience applied to an aging of accounts. Allowance for doubtful accounts is included in selling, general and administrative expenses in the consolidated statement of loss. The Company charges off uncollectable amounts against the reserves in the period in which it determines they are uncollectable.

15. *Commitments and contingencies*

Liabilities for loss contingencies arising from claims, assessments, litigation, fines, and penalties and other sources are recorded when it is probable that a liability has been incurred and the amount can be reasonably estimated. Legal costs incurred in connection with loss contingencies are expensed as incurred. Contingent liabilities are not recognized but are disclosed in the notes. Contingent assets are neither recognized nor disclosed in the financial statements.

NOTE E – CASH AND CASH EQUIVALENTS

The cash and cash equivalents of the Company comprise of:

	USD		INR	
	As at March 31,		As at March 31,	
Particulars	2022	2021	2022	2021
Bank balances	3,705,134	958,691	280,552,746	72,592,083
Total	3,705,134	958,691	280,552,746	72,592,083

NOTE F – ACCOUNTS RECEIVABLE

Accounts receivable comprise the following:

	USD		INR	
	As at March 31,		As at March 31,	
Particulars	2022	2021	2022	2021
Accounts receivable	12,703	9,105	961,871	689,431
Total	12,703	9,105	961,871	689,431

NOTE G – INVENTORIES

Inventories comprise of:

	USD		INR	
	As at March 31,		As at March 31,	
Particulars	2022	2021	2022	2021
Raw materials	8,696,387	10,938,876	658,490,424	828,291,691
Material in transit	4,965,586	5,150	375,994,172	389,958
Work-in-process	1,242,358	25,321	94,071,348	1,917,306
Finished goods	308,110	197,237	23,330,089	14,934,786
Less: provision for slow moving, damaged goods and obsolescence	(6,439,273)	(3,982,473)	(487,581,752)	(301,552,856)
Total	8,773,168	7,184,111	664,304,281	543,980,885

NOTE H – PREPAID EXPENSES AND OTHER CURRENT ASSETS

Prepaid expenses and other current assets comprise of:

	USD		INR	
	As at March 31,		As at March 31,	
Particulars	2022	2021	2022	2021
Prepaid software license fee	–	12,860	–	973,759
Prepaid insurance	62,315	91,420	4,718,492	6,922,322
Prepaid others	227,845	279,408	17,252,424	21,156,774
Advance to supplier	35,295	–	2,672,537	–
Total	325,455	383,688	24,643,453	29,052,855

NOTE I – PROPERTY, PLANT AND EQUIPMENT, NET

	USD		INR	
	As at March 31,		As at March 31,	
Particulars	2022	2021	2022	2021
Leasehold improvements	2,189,821	2,189,821	165,813,246	165,813,246
Machinery & equipment	2,788,042	2,799,049	211,110,540	211,943,990
Furniture	4,723	4,723	357,626	357,626
Computers	56,139	56,139	4,250,845	4,250,845
Tooling*	2,053,473	2,101,363	155,488,976	159,115,206
	7,092,198	7,151,095	537,021,233	541,480,913
Less: Accumulated depreciation	(4,451,581)	(3,347,072)	(337,073,714)	(253,440,291)
	2,640,617	3,804,023	199,947,519	288,040,622
Capital work in progress	–	51,500	–	3,899,580
Property, plant and equipment, net	2,640,617	3,855,523	199,947,519	291,940,202

Depreciation expense for the year is USD 1,211,352 (INR 91,723,573) (March 31, 2021: USD 1,226,559 (INR 92,875,048).

*During the year ended March 31, 2022, the Company scrapped the tooling assets having a net book value of USD 99,404 (INR 7,526,871). The loss on scrappages of tooling assets amounting to USD 99,404 (INR 7,526,871) have been recorded in the statement of loss. (Gross block was USD 206,247 (INR 15,617,023) and accumulated depreciation was of USD 106,843 (INR 8,090,152)

NOTE J – INTANGIBLE ASSETS, NET

	USD		INR	
	As at March 31,		As at March 31,	
Particulars	2022	2021	2022	2021
Software	325,048	325,048	24,612,635	24,612,635
Less: Accumulated amortization	(306,014)	(267,963)	(23,171,381)	(20,290,159)
Total	19,034	57,085	1,441,254	4,322,476

Amortization expense for the year is USD 38,051 (INR 2,881,222) (March 31, 2021: USD 110,127 (INR:8,338,816)

The estimate of annual amortization expense for the following years for the intangible assets is as follows:

March 31,	USD	INR
2023	19,034	1,441,254
Total	19,034	1,441,254

NOTE K – ACCRUED EXPENSES

	USD		INR	
	As at March 31,		As at March 31,	
Particulars	2022	2021	2022	2021
Accrued vacation	159,091	421,175	12,046,371	31,891,371
Accrued payable	1,282,959	904,137	97,145,655	68,461,254
Dealership closure liability	1,942,035	–	147,050,890	–
Accrual for material in transit	4,965,586	–	375,994,172	–
Accrued merit pay	225,311	186,970	17,060,549	14,157,368
Accrued payroll	107,600	48,000	8,147,472	3,634,560
Accrued warranty expense	177,157	–	13,414,328	–

	USD		INR	
	As at March 31,		As at March 31,	
Particulars	**2022**	2021	**2022**	2021
Co-op liability	**301,000**	–	**22,791,720**	–
Rebate liability	**531,300**	–	**40,230,036**	–
Withholding payroll taxes	**8,223**	24,062	**622,646**	1,821,975
Others	**46,209**	37,297	**3,498,945**	2,824,129
Total	**9,746,471**	1,621,641	**738,002,784**	122,790,657

NOTE L – LINE OF CREDIT

In June 2017, the Company obtained a line of credit with a bank with a maximum permissible withdrawal limit of USD 10,000,000 (INR: 757,200,000). The line of credit limit was subsequently increased to USD 29,500,000 (INR 2,233,740,000). The line of credit has been paid in full as at March 31, 2021. During the current year, the Company closed the line of credit facility

Interest on the line of credit is payable at LIBOR plus 1.75% per annum, calculated at monthly intervals. The weighted average rate of interest for the year ended March 31, 2021, was 3.3% per annum.

Total interest expense on the line of credit for the year ended March 31, 2022, is USD NIL (INR: NIL) (March 31, 2021: USD 1,139,612 (INR: 83,864,047).

NOTE M – RELATED PARTY LOAN

The Company during the year ended March 31, 2018, issued a loan to its parent, Mahindra Automotive North America, Inc. at an interest rate of 5.00% per annum. MANA repaid the entire loan during the year ended March 31, 2021. Interest is calculated based on a 365-day annual term and payable along with the principal.

Interest income for the year ended March 31, 2022, was USD NIL (INR: NIL) (March 31,2021: USD 80,196 (INR: 6,072,441).

The Company during the fiscal year 2018, obtained a loan from its parent, Mahindra Automotive North America, Inc. at an interest rate of 5% per annum. Interest is calculated based on a 365-day annual term and payable along with the principal. This loan along with accrued interest of totaling USD 33,392,729 (INR 2,528,497,440) was converted in equity by issuance of common stock during the year ended March 31, 2021.

Interest expense for the year ended March 31, 2022 and March 31, 2021 amounted to USD NIL(INR: NIL) and USD 54,931 (INR:4,159,375), respectively.

NOTE N – LEASES

The Company has entered various facility and equipment operating leases with varying terms. In most circumstances, management expects that in the normal course of business, leases will be renewed or replaced by other leases.

The table below presents the classification of leasing assets and liabilities as reported on the balance sheet as of March 31, 2022 and March 31, 2021.

	USD		INR	
	As at March 31,		As at March 31,	
Particulars	**2022**	2021	**2022**	2021
Assets				
Operating lease right-of-use assets	**3,679,958**	5,020,508	**278,646,420**	380,152,866
Total lease assets	**3,679,958**	5,020,508	**278,646,420**	380,152,866
Liabilities				
Current				
Operating lease liabilities	**1,326,159**	1,336,946	**100,416,759**	101,233,551
Long term				
Operating lease liabilities	**2,347,225**	3,677,627	**177,731,877**	278,469,916
Total lease liabilities	**3,673,384**	5,014,573	**278,148,636**	379,703,467

The table below presents the classification of lease related expenses as reported in the statements of income.

	USD		INR	
	For the year ended March 31,		For the year ended March 31,	
Particulars	**2022**	2021	**2022**	2021
Operating lease expenses*	**1,736,159**	1,705,445	**131,461,959**	129,136,295
Total lease expenses	**1,736,159**	1,705,445	**131,461,959**	129,136,295

* Operating lease expenses are included in selling, general and administrative expenses in the statements of loss. Operating lease expense include short-term leases, variable lease costs and leases which did not meet the capitalization requirement of the Company.

Future minimum lease payments as of March 31, 2022, for operating leases having an initial or remaining non-cancelable lease term in excess of one year are as follows:

	Amount	
Year ended March 31,	**USD**	**INR**
2023	1,455,188	110,186,835
2024	1,394,727	105,608,728
2025	995,999	75,417,044
2026	45,968	3,480,697
Total minimum lease payments	**3,891,882**	**294,693,304**
Less: Interest	218,498	16,544,668
Present value of lease payments	**3,673,384**	**278,148,636**

The following table presents the weighted-average remaining lease term and discount rates as of March 31, 2022.

Weighted-average remaining lease term (years)	
Operating leases	2.75
Weighted-average discount rate	
Operating leases	4.34%

The following table presents supplemental information for operating leases for the year ended March 31, 2022, and March 31, 2021.

	USD		INR	
	For the year ended March 31,		For the year ended March 31,	
Particulars	**2022**	2021	**2022**	2021
Supplemental information				
Cash paid for amounts included in the measurement of lease liabilities				
Operating cash flows from operating leases	**1,499,802**	1,567,558	**113,565,007**	118,695,492

NOTE O – REVENUE FROM CONTRACT WITH CUSTOMERS

Disaggregation of revenue from contracts with customers

The following table presents revenue disaggregated by product line:

	USD		INR	
	For the year ended March 31,		For the year ended March 31,	
Particulars	**2022**	2021	**2022**	2021
Vehicle sales	**9,009,307**	9,310,161	**682,184,726**	704,965,391
Parts and accessory sales	**505,553**	2,546,466	**38,280,473**	192,818,405
Bike sales	**298,101**	**323,194**	**22,572,208**	**24,472,250**
Total revenue by product line	**9,812,961**	12,179,821	**743,037,407**	922,256,046

The following table presents revenue disaggregated by timing of recognition:

	USD		INR	
	For the year ended March 31,		For the year ended March 31,	
Particulars	**2022**	2021	**2022**	2021
Products transferred at a point in time	**9,812,961**	12,179,821	**743,037,407**	922,256,046
Total revenue by timing of revenue recognition	**9,812,961**	12,179,821	**743,037,407**	922,256,046

The following table presents revenue disaggregated by geography based on Company's locations:

	USD		INR	
	For the year ended March 31,		For the year ended March 31,	
Particulars	**2022**	2021	**2022**	2021
United States of America	**9,812,961**	12,179,821	**743,037,407**	922,256,046

Contract balances

The Company's contracts with customers are comprised of purchase orders along with standard terms and conditions. These contracts with customers typically consist of sale of products which represent performance obligations that are satisfied upon transfer of control of the product to the customer at a point in time.

The following table provides information about contract assets and liability balances as of March 31, 2022 and Mach 31, 2021:

	USD		INR	
	As at March 31,		As at March 31,	
Particulars	**2022**	2021	**2022**	2021
Accounts receivable	**12,703**	**9,105**	**961,871**	**689,431**
Accounts receivable, related parties	**851,671**	675,423	**64,488,528**	51,143,030

NOTE P – INCOME TAXES

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. The Company is subject to federal taxation and in the State of Michigan. The provision for income tax expense is as follows:

	USD		INR	
	Year ended March 31,		Year ended March 31,	
Particulars	**2022**	2021	**2022**	2021
Deferred tax expense	**–**	7,619,577	**–**	576,954,370
Income tax expense	**–**	7,619,577	**–**	576,954,370

The tax effects of significant temporary differences that resulted in deferred tax assets and liabilities and a description of the items that create such differences is as follows:

	USD		INR	
	Year ended March 31,		Year ended March 31,	
Particulars	**2022**	2021	**2022**	2021
Deferred tax asset (liability)				
Net Operating Loss – Federal	**9,976,289**	7,783,564	**755,404,603**	589,371,466
Net Operating Loss - State	**1,906,026**	1,906,026	**144,324,289**	144,324,289
Accrued Vacation	**37,211**	92,380	**2,817,617**	6,995,014
Research and Development Credit	**499,422**	499,422	**37,816,234**	37,816,234
Accrued Warranty	**41,435**	–	**3,137,458**	–
Accrued merit pay	**52,698**	41,010	**3,990,293**	3,105,277
Accrued Payroll Taxes	**–**	17,005	**–**	1,287,619
Accrued MEDC	**124,253**	116,524	**9,408,437**	8,823,197
Obsolescence Reserve	**1,483,167**	873,516	**112,305,405**	66,142,632
Incentive accrual	**168,961**	–	**12,793,727**	–
Flooring interest accrual	**34,560**	–	**2,616,883**	–
Bad Debts	**19,296**	–	**1,461,093**	–
163 (j) Interest limitation adj.	**432,949**	406,018	**32,782,898**	30,743,683
Foreign Tax Credit	**1,206,071**	1,206,071	**91,323,696**	91,323,696
UNICAP	**14,927**	2,102	**1,130,272**	159,163
Lease Assets	**1,538**	(1,302)	**116,457**	(98,587)
Net Operating Loss - MI	**1,049,275**	610,522	**79,451,103**	46,228,726
Prepaid Expenses	**(65,542)**	(50,127)	**(4,962,840)**	(3,795,616)
Fixed Assets	**(628,186)**	(706,568)	**(47,566,244)**	(53,501,329)
Valuation Allowance	**(16,354,350)**	(12,796,163)	**(1,238,351,381)**	(968,925,464)
Total	**–**	–	**–**	–

In assessing the realization of deferred tax assets, the likelihood of whether it is more likely than not that some portion or all the deferred tax assets will not be realized must be considered. The ultimate realization of deferred tax assets is dependent on the generation of future taxable income during the periods in which temporary difference becomes deductible. Management considers the projected future taxable income and tax planning strategies in making this assessment. The management believes that it is more likely than not that the deferred tax assets may not be realized and accordingly, a valuation allowance of USD 16,354,350 (INR 1,238,351,382) is recognized as at March 31, 2022 (March 31, 2021 USD 12,796,162 (INR 968,925,387).

The Company has federal net operating losses ("NOLs") carryforwards of USD 56,582,451(INR 4,284,423,190) and USD 46,140,902 (INR 3,493,789,099) as at March 31, 2022 and March 31, 2021, respectively. Out of the total NOLs of USD 56,582,451(INR 4,284,423,190), if unutilized, NOLs of USD 29,355,508(INR 2,222,799,066) will begin to expire from the year 2035, whereas the remaining NOLs will be carried forward indefinitely

The Company has state NOLs of USD 22,136,594(INR 1,676,182,898) and USD 16,738,566(INR 1,267,444,218) as at March 31, 2022 and March 31, 2021, respectively which if unutilized will begin to expire from the year 2026.

The Company recognizes the financial statement impact of a tax position when it is more likely than not that the position will be sustained upon examination.

The tax years 2018, 2019 and 2020 remains subject to examination by the taxing authorities.

NOTE Q – RELATED PARTY TRANSACTIONS

Name of related party and nature of relationship:

No.	Name of the party	Nature of relationship
1	Mahindra & Mahindra Limited	Ultimate parent company
2	Mahindra Automotive North America, Inc. ("MANA")	Parent company
3	Mahindra Vehicle Manufacturers Limited – US Branch	Affiliate company
4	Mahindra Vehicle Sales and Service, Inc ("MVSS")	Affiliate company
5	Mahindra Tractor Assembly, Inc. ("MTAI")	Affiliate company
6	Mahindra Integrated Business Solutions Private Limited – US Branch ("MIBS")	Affiliate company
7	Mahindra USA, Inc ("MAgNA")	Affiliate company

Summary of transactions and balances with related parties are as follows:

	USD		INR	
	For the year ended March 31		For the year ended March 31	
Particulars	**2022**	2021	**2022**	2021
<u>Transactions during the year</u>				
Mahindra Integrated Business Solution Pvt Limited – US branch (erstwhile MVML)				
Expenses incurred on behalf of the Company	**119,048**	–	**9,014,315**	–
Administrative services received	**205,206**	354,473	**15,538,198**	26,840,696
Mahindra Tractor Assembly, Inc.				
Purchases	**–**	68,870	**–**	5,214,836
Asset purchase	**–**	200,000	**–**	15,144,000
Purchase returns	**–**	–	**–**	–
Expenses incurred on behalf of Mahindra Tractor Assembly, Inc.	**1,005,975**	485,848	**76,172,427**	36,788,411
Mahindra Vehicle Sales and Services, Inc.				
Sale of vehicles	**–**	9,310,150	**–**	704,964,558
Accessories and service parts	**505,533**	2,546,466	**38,278,959**	192,818,406
Expenses incurred on behalf of MVSS	**174,897**	–	**13,243,201**	–
Expenses incurred on behalf of the Company	**19,760**	–	**1,496,227**	–
Mahindra Automotive North America, Inc.				
Corporate cost allocation	**2,636,072**	4,469,919	**199,603,372**	338,462,267
Corporate cost allocation payment	**2,399,644**	4,201,941	**181,701,044**	318,170,973
Loan provided	**–**	26,235,000	**–**	1,986,514,200
Loan payment received	**–**	33,677,675	**–**	2,550,073,551
Loan obtained	**–**	35,550,000	**–**	2,691,846,000
Repayment of loan	**–**	2,200,000	**–**	166,584,000
Interest income	**–**	80,196	**–**	6,072,441
Interest payment received	**–**	99,533	**–**	7,536,639
Conversion of loan obtained to equity	**–**	33,392,729	**–**	2,528,497,440
Issuance of common stock	**6,350,000**	–	**480,822,000**	–
Interest expense	**–**	54,931	**–**	4,159,375
Interest expense payment	**–**	12,201	**–**	923,860
Expenses incurred on behalf of MANA	**529,126**	–	**40,065,421**	–
Mahindra and Mahindra, Limited				
Purchase of raw materials	**3,041,570**	829,496	**230,307,680**	62,809,437
Mahindra USA Inc				
Commission on sale of vehicles	**201,357**	–	**15,246,752**	–
Expense incurred on behalf of the Company	**271,753**	–	**20,577,137**	–
Expense reimbursements by the Company	**10,077**	–	**763,030**	–
Purchase of spare parts	**12,602**	–	**954,223**	–

	USD		INR	
	As at March 31,		**As at March 31,**	
Particulars	**2022**	2021	**2022**	2021
Balances at the end of the year Accounts receivable, related parties				
Mahindra Vehicle Sales and Service, Inc.	**141,239**	387,318	**10,694,617**	29,327,719
Mahindra USA, Inc	**570,227**	–	**43,177,589**	–
Mahindra Integrated Business Solution	**12,460**	–	**943,471**	–
Mahindra Tractor Assembly, Inc.	**127,745**	288,105	**9,672,851**	21,815,311
	851,671	675,423	**64,488,528**	51,143,030
Intercompany payables				
Mahindra Automotive North America, Inc.	**491,370**	266,823	**37,206,536**	20,203,838
Mahindra and Mahindra, Limited	1,676,791	–	126,966,591	–
	2,168,161	266,823	**164,173,127**	20,203,838
Accrued payable expenses	**–**	5,150	**–**	389,958
(Classified under accrued expenses)				
Mahindra and Mahindra, Limited	942,016	–	**71,329,452**	–
(Classified under trade payables)				

NOTE R – COMMITMENTS AND CONTINGENCIES

Litigation

The Company was engaged in litigation over violation of “trade dress” of FCA’s Jeep branded vehicles with FCA US, LLC both at the International Trade Commission (“ITC”) and at the United States District Court, Eastern District of Michigan. The ITC in its ruling dated June 11, 2020, stated that the Company’s ROXOR off-road utility vehicle violated the “trade dress” claimed by FCA. The ITC then issued a limited exclusion order prohibiting sale or import of the infringing vehicles and parts, as well as a cease-and desist order to the Company. The cease-and desist order was effective from August 11, 2020.

In December 2020, the Company received confirmation that they can proceed with selling the post-2020 ROXOR model. The ITC’s decision for allowing the Company to sell post-2020 ROXOR was appealed by FCA and, FCA did not prevail per a decision from the Court of Appeals on March 9, 2022.Therefore the ITC’s decisions for allowing the sale of post-2020 ROXOR remains valid. There is also a federal action which remains pending in which FCA US, LLC is seeking disgorgement of profits and a claim for false advertising relating to one commercial that displayed a military style vehicle. The matter is ongoing. The Company believes it has a strong defense against the claims. At this time, no liability has been incurred and the amount of any future loss or award associated with the Eastern District of Michigan matter cannot be estimated reasonably. Also, a final determination is yet to be made relating to a legal issue FCA has raised with the Sixth Circuit Court of appeals. Once such decision is reached, the Eastern District of Michigan action may continue with resolution of the final claims.

NOTE S – EMPLOYEE BENEFIT PLANS

The Company has voluntary 401(k) retirement plans. The Company may make annual contributions to the plans equal to a uniform percentage of participant compensation. The cost of the Company’s contributions charged to expense related to 401(k) contributions was USD 20,663 (INR 1,564,602) and USD 32,390 (INR 2,452,571) for the years ended March 31, 2022, and March 31, 2021, respectively.

NOTE T – COMMON STOCK

Common stock

The authorized share capital of the Company as of March 31, 2022, and March 31, 2021, was 5,00,000 shares and 1,000,000 shares, respectively of $ 25 each. As at March 31, 2022 and March 31, 2021, total shares issued and outstanding was 2,560,709 and 2,306,709 shares, respectively.

The Company issued 254,000 shares and 1,335,709 shares for USD 25 each for years ended March 31, 2022, and March 31, 2021, respectively.

The authorized share capital of the Company as of March 31,2022 and March 31,2021 was 100,000 shares of $ 0.10 each. As at March 31, 2022 and March 31, 2021, total shares issued and outstanding was 1,000 shares.

Voting

Each holder of common stock is entitled to one vote in respect of each share held by him in the records of the Company for all matters submitted to a vote.

Liquidation

In the event of liquidation of the Company, the holder of common stock shall be entitled to receive all the remaining assets of the Company.

NOTE U – GOVERNMENT INCENTIVE AND CREDITS

Michigan Economic Development Incentive (MEDC)

The Company, during the year ended March 31, 2019, had recorded government grant incentive income received from MEDC amounting to USD 531,250 (INR 40,226,250). The Company had received this incentive on account of creation of 50 qualified jobs in State of Michigan. During the current year, the Company has additionally received USD 318,750 (INR 24,135,750). However, due to the onset of COVID and cease-and-desist order, the Company had furloughed approximately 86 employees and even terminated few employees during the year ended March 31, 2021. The Company terminated and furloughed few other employees in the current year as well on account of its plan of rightsizing and restructuring. Due to these uncertain circumstances, the management believes that it could have potentially violated the conditions stipulated based on which the Company had received the grant in the FY 2018-19 and FY 2021-22 and is currently evaluating its exposure and is in continuous discussions with the MEDC authorities. The Company has, therefore recognized an accrual to repay the amount of USD 850,000 (INR 64,362,000) and USD 531,250 (INR 40,226,250) as at March 31, 2022 and March 31, 2021 respectively for MEDC incentive received in FY 2018-19 and FY 2021-22.

Deferral of employment taxes

Section 2302 of the CARES Act provides that employers may defer the deposit and payment of the employer’s portion of Social Security taxes. The payroll tax deferral period commenced on March 27, 2020 and ended on December 31, 2020. Section 2302(a)(2) of the CARES Act provides that the deferred deposits of the employer’s share of social security tax must be 50 percent deposited by December 31, 2021, and the remaining amount must be deposited by December 31, 2022. The Company in the current year has repaid all the payroll tax deferral amounting to USD 77,529 (INR 5,870,496). The Company has deferred the employment taxes amounting to USD NIL (INR NIL) and USD 77,529 (INR 5,870,496) as on March 31, 2022, and March 31, 2021, respectively.

Employee retention credit

During the year ended March 31, 2021, the Company availed the benefit under the ERC (employee retention credit) scheme, a benefit given by the Federal government under the COVID stimulus package which allows businesses to take credit of the wages paid to employees on furlough and not working. The total ERC credit received by the Company for the years ended March 31, 2022, and March 31, 2021, amounts to USD 165,407 (INR 12,524,618) and USD 114,873 (INR 8,698,184), respectively. The Company has currently repaid all the credits availed to the IRS amounting to USD 280,280 (INR: 21,222,802). The balance outstanding as on March 31, 2022, and March 31, 2021, is USD NIL (INR NIL) and USD 114,873 (INR 8,698,184), respectively.

NOTE V – RISK AND UNCERTANITIES

The Company's future results of operations involve several risks and uncertainties. Factors that could affect the Company's future operating results and cause actual results to vary materially from expectations include, competitive factors, including but not limited to pricing pressures; deterioration in general economic conditions; the Company's ability to effectively manage operating costs and increase operating efficiencies; declines in revenues; technological and market changes; the ability to attract and retain qualified employees and the Company's ability to execute on its business plan.

NOTE W – SUBSEQUENT EVENTS

The Company evaluated all events and transactions that occurred after March 31, 2022, through the date the financial statements were issued. Based on the evaluation, the Company is not aware of any events or transactions that would require recognition or disclosure in the financial statements.

INDEPENDENT AUDITOR'S REPORT

Board of Directors

Mahindra Automotive North America, Inc.

Qualified opinion

We have audited the accompanying separate parent company financial statements of Mahindra Automotive North America, Inc. ("the Company") which comprise the balance sheets as of March 31, 2022, and March 31, 2021, the related statements of profit and loss, stockholder's equity and cash flows for the years then ended, and the related notes to the separate parent company financial statements.

In our opinion, except for the effects of not consolidating the wholly owned subsidiaries and except for the possible effects of the impairment adjustments to the carrying amounts as discussed in the Basis of qualified opinion paragraph, the separate parent company financial statements referred to above present fairly, in all material respects, the financial position of the Company as of March 31, 2022 and March 31, 2021 and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis of qualified opinion

As discussed in Note D. 1(a) to the separate parent company financial statements, the Company reports investment in its wholly owned subsidiaries, Mahindra North American Technical Center, Inc. and Mahindra Vehicle Sales and Service, Inc., on cost basis.

a) Accounting principles generally accepted in the United States of America require that all majority owned subsidiaries be accounted for as consolidated subsidiaries. If the financial statements of these subsidiaries had been consolidated with those of the Company, total assets would have decreased by USD 131,550,756 (INR: 9,961,023,245) and USD 121,582,117 (INR: 9,206,197,900) as on March 31, 2022 and March 31, 2021, respectively; total liabilities would have increased by USD 20,149,262 (INR: 1,525,702,118) and USD 12,272,845 (INR 929,299,823) as on March 31, 2022 and March 31, 2021, respectively; stockholder's equity would have decreased by USD 151,700,018(INR:11,486,725,363) and USD 133,854,962 (INR: 10,135,497,723) as on March 31, 2022 and March 31, 2021, respectively and net loss would have been reported as USD 17,190,224 (INR: 1,301,643,761) and USD 66,556,244 (INR: 5,039,638,796) for each of the years then ended.

b) The Company has not reviewed its investments in Mahindra North American Technical Center, Inc. and Mahindra Vehicle Sales and Services, Inc as of March 31, 2022, and March 31, 2021, for impairment. We have not been able to obtain sufficient and appropriate evidence over the recoverable amounts of those investments as of March 31, 2022, and March 31, 2021. Consequently, we were unable to determine whether any adjustments to these amounts were necessary.

Other matter

The presentation of financial information in Indian rupees in the separate parent company financial statements is not a required part of the basic separate parent company financial statements. We have verified the arithmetic accuracy of the presentation based upon exchange rate provided by the Company's management. We did not audit and do not express an opinion on such information, and our opinion is not modified with respect to this matter.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the separate parent company financial statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of management for the separate parent company financial statements

Management is responsible for the preparation and fair presentation of these separate parent company financial statements in accordance with accounting principles generally accepted in the United States of America and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of separate parent company financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the separate parent company financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a period of twelve months from the date the separate parent company financial statements are issued.

Auditor's responsibilities for the audit of the separate parent company financial statements

Our objectives are to obtain reasonable assurance about whether the separate parent company financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards ("GAAS") will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the separate parent company financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the separate parent company financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the separate parent company financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the separate parent company financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

KNAV P.A.
Atlanta, Georgia
May 10, 2022

Separate Parent Company Financial Statements

BALANCE SHEETS

	USD		INR	
	As at March 31,		As at March 31,	
	2022	2021	2022	2021
ASSETS				
Current assets				
Cash and cash equivalents	5,258,537	4,468,003	398,176,422	338,317,187
Accounts receivable, related partyies	1,712,745	561,492	129,689,051	42,516,174
Prepaid expenses and other current assets	184,612	533,351	13,978,821	40,385,338
Total current assets	**7,155,894**	**5,562,846**	**541,844,294**	**421,218,699**
Investment in subsidiaries	150,893,499	140,193,499	11,425,655,744	10,615,451,744
Investment	1,080,000	750,000	81,777,600	56,790,000
Operating lease right-of-use asset	980,735	1,082,183	74,261,254	81,942,897
Property and equipment, net	7,802,958	8,025,098	590,839,980	607,660,421
Intangible assets, net	25,000	–	1,893,000	–
Other assets	50,240	50,082	3,804,173	3,792,209
Total assets	**167,988,326**	**155,663,708**	**12,720,076,045**	**11,786,855,970**
LIABILITIES AND STOCKHOLDER'S EQUITY				
Current liabilities				
Accounts payable	172,357	815,817	13,050,872	61,773,663
Intercompany payable, related parties	27,000	115,518	2,044,440	8,747,023
Operating lease liability	147,648	119,268	11,179,907	9,030,973
Accrued expenses and other current liabilities	3,330,259	5,828,061	252,167,211	441,300,779
Total current liabilities	**3,677,264**	**6,878,664**	**278,442,430**	**520,852,438**
Other liabilities				
Operating lease liability – non-current	953,362	1,082,176	72,188,571	81,942,367
Total liabilities	**4,630,626**	**7,960,840**	**350,631,001**	**602,794,805**
Stockholder's equity				
Common stock, $ 25 par value March 31, 2022: 8,000,000 shares authorized 7,417,737 shares issued and outstanding (March 31, 2021: 6,700,000 shares authorized 6,817,737 shares issued and outstanding) – Refer Note Q	185,443,430	170,443,430	14,041,776,520	12,905,976,520
Accumulated deficit	(22,085,730)	(22,740,562)	(1,672,331,476)	(1,721,915,355)
Total stockholder's equity	**163,357,700**	**147,702,868**	**12,369,445,044**	**11,184,061,165**
Total liabilities and stockholder's equity	**167,988,326**	**155,663,708**	**12,720,076,045**	**11,786,855,970**

(The accompanying notes are an integral part of these separate parent company financial statements)

Separate Parent Company Financial Statements

STATEMENTS OF PROFIT AND LOSS

	USD		INR	
	Year ended March 31,		Year ended March 31,	
	2022	**2021**	**2022**	**2021**
Operating revenues	8,522,500	12,375,177	645,323,700	937,048,402
Cost of revenue	961,924	2,009,175	72,836,885	152,134,731
Gross profit	**7,560,576**	**10,366,002**	**572,486,815**	**784,913,671**
Selling, general and administrative expenses	7,013,604	13,496,735	531,070,095	1,021,972,774
Depreciation expense	222,140	218,875	16,820,441	16,573,215
Total costs and expenses	**7,235,744**	**13,715,610**	**547,890,536**	**1,038,545,989**
Operating profit(loss)	**324,832**	**(3,349,608)**	**24,596,279**	**(253,632,318)**
Interest income, net	–	(209,782)	–	(15,884,693)
Net gain arising on investments measured at fair value through profit or loss.	330,000	–	24,987,600	–
Restructuring expense	–	3,000,000	–	227,160,000
Profit (loss) before income tax	**654,832**	**(6,139,826)**	**49,583,879**	**(464,907,625)**
Deferred tax expense	–	3,594,208	–	272,153,430
Net profit (loss)	**654,832**	**(9,734,034)**	**49,583,879**	**(737,061,055)**

(The accompanying notes are an integral part of these separate parent company financial statements)

Statements of stockholder's equity

(All amounts are stated in United States Dollars, except number of shares)

	Common stock					
	Authorized		Issued & outstanding			Total
Particulars	**Shares**	**Value ($)**	**Shares**	**Value ($)**	**Accumulated (deficit)**	**stockholder's equity**
Balance as at April 1, 2020	4,500,000	112,500,000	3,750,000	93,750,000	(13,006,528)	80,743,472
Common stock issued during the year	2,200,000	55,000,000	2,636,000	65,900,000	–	65,900,000
Conversion of loan into common stock	–	–	431,737	10,793,430	–	10,793,430
Net loss	–	–	–	–	(9,734,034)	(9,734,034)
Balance as at March 31, 2021	**6,700,000***	**167,500,000**	**6,817,737**	**170,443,430**	**(22,740,562)**	**147,702,868**
Balance as at April 1, 2021	6,700,000	167,500,000	6,817,737	170,443,430	(22,740,562)	147,702,868
Increase in authorized common stock	1,300,000	32,500,000	–	–	–	–
Common stock issued during the year	–	–	600,000	15,000,000	–	15,000,000
Net profit	–	–	–	–	654,832	654,832
Balance as at March 31, 2022	**8,000,000**	**200,000,000**	**7,417,737**	**185,443,430**	**(22,085,730)**	**163,357,700**

** During the year ended March 31, 2021, the Company had issued more shares than the authorized share capital, which was retrospectively ratified in the board meeting.*

(The accompanying notes are an integral part of these separate parent company financial statements)

	Common stock					
	Authorized		Issued & outstanding			Total
Particulars	**Shares**	**Value (INR)**	**Shares**	**Value (INR)**	**Accumulated (deficit)**	**stockholder's equity**
Balance as at April 1, 2020	4,500,000	8,518,500,000	3,750,000	7,098,750,000	(984,854,300)	6,113,895,700
Common stock issued during the year	2,200,000	4,164,600,000	2,636,000	4,989,948,000	–	4,989,948,000
Conversion of loan into common stock	–	–	431,737	817,278,520	–	817,278,520
Net loss	–	–	–	–	(737,061,055)	(737,061,055)
Balance as at March 31, 2021	**6,700,000***	**12,683,100,000**	**6,817,737**	**12,905,976,520**	**(1,721,915,355)**	**11,184,061,165**
Balance as at April 1, 2021	6,700,000	12,683,100,000	6,817,737	12,905,976,520	(1,721,915,355)	11,184,061,165
Increase in authorized common stock	1,300,000	2,460,900,000	–	–	–	–
Common stock issued during the year	–	–	600,000	1,135,800,000	–	1,135,800,000
Net profit	–	–	–	–	49,583,879	49,583,879
Balance as at March 31, 2022	**8,000,000**	**15,144,000,000**	**7,417,737**	**14,041,776,520**	**(1,672,331,476)**	**12,369,445,044**

** During the year ended March 31, 2021, the Company had issued more shares than the authorized share capital, which was retrospectively ratified in the board meeting.*

(The accompanying notes are an integral part of these separate parent company financial statements)

STATEMENTS OF CASH FLOWS

	USD		INR	
	Year ended March 31,		Year ended March 31,	
	2022	2021	2022	2021
Net profit (loss)	654,832	(9,734,034)	49,583,879	(737,061,055)
Adjustments to reconcile net profit (loss) to net cash used in operating activities				
Depreciation expense	222,140	218,875	16,820,441	16,573,215
Net gain arising on investments measured at fair value through profit or loss.	(330,000)	–	(24,987,600)	–
Deferred tax expense	–	3,594,208	–	272,153,430
Changes in assets and liabilities				
Accounts receivable, related parties	(1,151,253)	2,688,971	(87,172,877)	203,608,884
Prepaid expenses and other current assets	348,739	(212,121)	26,406,517	(16,061,802)
Operating lease right- of -use assets	101,448	113,766	7,681,643	8,614,362
Other assets	(158)	–	(11,964)	–
Accounts payable	(643,460)	31,138	(48,722,791)	2,357,769
Intercompany payable, related parties	(113,518)	(1,561,476)	(8,595,583)	(118,234,963)
Operating lease liability	(100,434)	9,044	(7,604,862)	684,812
Accrued expenses and other current liabilities	(2,497,802)	4,253,792	(189,133,568)	322,097,130
Net cash used in operating activities	**(3,509,466)**	**(597,837)**	**(265,736,765)**	**(45,268,218)**
Cash flow from investing activities	**–**			
Sale of property and equipment	–	110,966	–	8,402,346
Investment in subsidiary	(10,700,000)	(54,572,479)	(810,204,000)	(4,132,228,110)
Net cash used in investing activities	**(10,700,000)**	**(54,461,513)**	**(810,204,000)**	**(4,123,825,764)**
Cash flows from financing activities				
Issuance of common stock	15,000,000	65,900,000	1,135,800,000	4,989,948,000
Repayment of related party loan	–	(7,462,012)	–	(565,023,549)
Net cash provided from financing activities	**15,000,000**	**58,437,988**	**1,135,800,000**	**4,424,924,451**
Net increase in cash and cash equivalents	790,534	3,378,638	59,859,235	255,830,469
Cash and cash equivalents at beginning of the year	4,468,003	1,089,365	338,317,187	82,486,718
Cash and cash equivalents at the end of the year	**5,258,537**	**4,468,003**	**398,176,422**	**338,317,187**
Supplemental cash flow information				
Interest paid	–	398,405	–	30,167,227
Software purchased from related party	25,000	–	1,893,000	–
Conversion of loan into equity	–	10,793,430	–	817,278,520

(The accompanying notes are an integral part of these separate parent company financial statements)

NOTES TO SEPARATE PARENT COMPANY FINANCIAL STATEMENTS

NOTE A - ORGANIZATION AND NATURE OF OPERATIONS

Mahindra Automotive North America, Inc. (hereinafter referred to as the "Company") was incorporated in the state of Delaware on March 27, 2017 and is a wholly owned subsidiary of Mahindra Overseas Investment Company Mauritius, Limited ("MOICML"). Both, the Company and MOICML are subsidiaries of Mahindra and Mahindra Limited ("M&M"). The Company engineers, designs, develops, assembles and delivers parts and vehicles to the global automotive market for off-road use, as an Original Equipment Manufacturer ("OEM") headquartered in Auburn Hills, MI.

The Company owns 100% of two separate business units ("Group"); Mahindra Vehicle Sales and Service, Inc. ("MVSS") which is engaged in the sales of off-road recreational vehicles and Mahindra North American Technical Centre, Inc. ("MNATC") which is involved in the manufacture of off-road vehicles as well as the development of prototype on road vehicles. The Company's vehicle brand, ROXOR, is an off-road side-by-side vehicle.

NOTE B - SUBSIDIARIES OPERATIONS

On April 30, 2017, the Company acquired all the stock of MNATC from Mahindra USA, Inc., another wholly owned subsidiary of M&M.

On January 15, 2018, MNATC began producing ROXOR vehicles from its facility in Auburn Hills, MI. In Michigan, when engaged in automotive manufacturing activities, MNATC does business as "d/b/a" Mahindra Automotive North America Manufacturing ("MANAM").

MVSS was formed on May 13, 2017 to function as the sales and distribution business unit for ROXOR. MVSS purchases the ROXORs manufactured by MANAM and wholesales them to MVSS's 363 dealerships.

The Group was engaged in litigation with FCA US, LLC over FCA's claims relating to unregistered "trade dress" of FCA's Jeep branded vehicles both at the International Trade Commission ("ITC") and at the United States District Court, Eastern District of Michigan. The ITC in its ruling dated June 11, 2020, stated that the Company's ROXOR off-road utility vehicle violated the "trade dress" of FCA's Jeep branded vehicle. The ITC then issued a limited exclusion order prohibiting sale or import of the infringing vehicles and parts, as well as a cease-and desist order to the Group. The cease and desist order was effective from August 11, 2020.

The cease-and desist order related to the prohibition of marketing, sale, importation, and manufacturing of the model year 2018, 2019 and 2020 ROXOR off-road vehicle by the Group in the United States of America ("US"). The impact of the order on the operations of the Company was significant. The Company was unable to market, import, build or sell ROXORs in the US beginning on or about August 11, 2020. However, the Group could sell ROXORs in Canada since the limited exclusion order prohibited the Group from sale of its vehicles only in the US. Given the impact of the ruling on the operations, the Company did not pursue most of the opportunities since the cost incurred to sell the product would have been too high. Due to the pause in the business along with the onset of COVID-19, the Group furloughed employees and also terminated relationships with few other stakeholders. Per the cease-and desist order since the Group could not carry out marketing activities as well, it had to engage in significant efforts to modify its website and notify its marketing partners for not honoring few contracts.

During the year ended March 31, 2021, the Company performed and prepared expedited proceedings to allow a significantly re-designed ROXOR to be excluded from the cease-and desist order. On October 20, 2020, the Administrative Law Judge ("ALJ") found that the re-designed ROXOR does not violate any trade dress and recommended that the re-designed ROXOR be excluded from the cease-and desist order. On December 22, 2020, the ITC agreed with the ALJ and ruled that the re-designed ROXOR is excluded from the cease-and desist order. FCA in February 2021, shared the "notice to appeal" to the court for review of the final determination of the ITC's exclusion of re-designed ROXOR from the cease-and-desist order. FCA's appeal did not prevail per a decision from the Court of Appeals on March 09, 2022. Therefore, the ITC's decisions for allowing the sale of redesigned ROXOR stand.

During the year ended March 31, 2022, the Group launched the redesigned ROXOR and started selling the redesigned ROXOR from November 2021, in the United States and Canada. Before the cease-and-desist order, MANAM used to sell and distribute parts and vehicles to the distributors and dealers (collectively "dealerships") through MVSS to its customers. However, effective September 01, 2021, the Group entered into the Distribution Agreement ("the agreement") with Mahindra USA Inc. ("MAgNA") to distribute ROXOR as well as its parts and accessories and services relating thereto (collectively with the ROXOR, the "Products") under the brand name Mahindra and/or ROXOR through MAgNA's dealership network.

Pursuant to the terms of the agreement, MANAM is the principal in the sale transaction and the agreement includes the following provisions.

- The distribution agreement is applicable throughout the United States and Canada ("the Territory").
- MANAM agrees to sell to MAgNA all of the Products, as forecasted and ordered by MAgNA at prices as determined in the terms of the agreement.
- MAgNA shall promote, advertise, merchandise, sell and service the Products in the Territory in a manner consistent with the current sales efforts utilized by MAgNA and in connection therewith.
- All Products shall be sold ex-works by MANAM to a destination identified by MAgNA.
- The parties acknowledge that the Group is the exclusive owner of all Mahindra Trademarks. The Group hereby granted MAgNA a non-transferable, royalty-free license to use Mahindra Trademarks solely in connection with the sale and distribution of the Products. MAgNA shall use Mahindra Trademarks only in accordance with the directions, standards and requirements established by the Group from time to time. MAgNA shall not be entitled to use Mahindra Trademarks on any Products other than Products sold under the agreement.
- The Group warrants the Product through limited warranties that are ultimately provided to the end customer purchaser of the Product.

NOTE C - GOING CONCERN EVALUATION

Due to the cease-and desist order, the Group could not conduct any sale of ROXOR along with its kit and assemblies in the US from August 11, 2020 and had to redesign the ROXOR. The Group started selling the redesigned ROXOR effective November 2021. There is an accumulated deficit of USD 22,085,730 (INR 1,672,331,476) as at March 31, 2022 and USD 22,740,562 (INR 1,721,915,355) as at March 31, 2021. Although, these events and condition cast significant doubt on the Company's ability to continue as a going concern, in view of the continued support from the ultimate parent company, the management considers that it is appropriate to prepare these financial statements on a going concern basis, which assumes that the Company will continue in operational existence for the foreseeable future. The Company has received funding from its parent company amounting to USD 15,000,000 (INR 1,135,800,000) and USD 65,900,000 (INR: 4,989,948,000) during the years ended March 31, 2022, and March 31, 2021, respectively in the form of equity contribution, for meeting the cash flow requirements. To revive its operations, through the sale of redesigned ROXOR, the Company has entered into the agreement with MAgNA to sell and distribute ROXOR and its parts through MAgNA's dealership network. Additionally, the other plans of the management to mitigate the adverse effects, inter alia are as follows:

1) Reviving its business operations through organizational restructuring and right sizing.
2) New business development plans for the marketing of redesigned ROXOR and to make the Company business profitable.
3) Obtain capital financing from 'Mahindra Overseas Investment Company Mauritius Limited', the parent company, to meet near term working capital requirements.
4) Obtain a commitment from the parent company to continue to provide financial support and honor the Company's future obligations

Based on the above mitigating factors, the separate parent company financial statements have been prepared on the basis that the Company is a going concern and that no adjustments are required to the carrying value of assets and liabilities.

NOTE D - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies are detailed below:

1. Basis of preparation

a. The accompanying separate parent company financial statements are prepared under the historical cost convention on the accrual basis of accounting in accordance with the accounting and reporting requirements of generally accepted accounting principles in the United States of America ('US GAAP') to reflect the financial position, results of operations and cash flows of the Company. The Company reports investment in its wholly owned subsidiary, Mahindra North American Technical Center, Inc. and Mahindra Vehicle Sales and Service, Inc., on cost basis. Accounting principles generally accepted in the United States of America require that all majority owned subsidiaries be accounted for as consolidated subsidiaries. If the financial statements of these subsidiaries had been consolidated with those of the Company, total assets would have decreased by USD 131,550,756 (INR: 9,961,023,245) and USD 121,582,117 (INR: 9,206,197,900) as on March 31, 2022 and March 31, 2021, respectively; total liabilities would have increased by USD 20,149,262 (INR: 1,525,702,118) and USD 12,272,845 (INR 929,299,823) as on March 31, 2022 and March 31, 2021, respectively; stockholder's equity would have decreased by USD 151,700,018(INR:11,486,725,363) and USD 133,854,962 (INR: 10,135,497,723) as on March 31, 2022 and March 31, 2021, respectively and net loss would have been reported as USD 17,190,224 (INR: 1,301,643,761) and USD 66,556,244 (INR: 5,039,638,796) for each of the years then ended.

b. The separate parent company financial statements are for the years ended March 31, 2022, and March 31, 2021.

c. Financial information in the separate parent company financial statements is shown in U.S. dollars ("USD") and in Indian rupees ("INR"). For the fiscal years ended March 31, 2022, and March 31, 2021, dollar amounts are translated for convenience into Indian rupees at an exchange rate of 75.72 INR per dollar on March 31, 2022. Within the notes to the financial statements, Indian rupee amounts are shown parenthetically following the U.S. dollar amounts.

d. Certain reclassifications, regroupings and reworking have been made in the separate parent company financial statements of prior year to conform to the classifications used in the current year. These changes had no impact on previously reported separate parent company net loss or stockholder's equity.

2. Use of estimates

The preparation of separate parent company financial statements in accordance with US GAAP requires management to make estimates and assumptions that affect the amounts reported in the separate parent company financial statements. Significant items subject to such estimates and assumptions include the useful lives of property and equipment, valuation allowance for deferred tax assets, and other contingencies. Management believes that the estimates used in the preparation of the separate parent company financial statements are reasonable. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Any changes in estimates are adjusted prospectively in the separate parent company financial statements.

3. Revenue recognition

Revenue of the Company comprise of fees for services rendered to its ultimate parent company and its subsidiaries. These fees have been accrued as the related services have been performed.

Interest on loan to its wholly owned subsidiary is presented with interest expense in the statements of profit and loss. Interest is recognized on a time proportion basis considering the amount outstanding and the applicable rate.

Revenue is recognized upon transfer of control of services promised to customers in an amount that reflects the consideration the Company expects to receive in exchange for these products or services.

4. Cash and cash equivalents

The Company considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. Cash balances in bank accounts are insured by the Federal Deposit Insurance Corporation up to an aggregate per bank of USD 250,000 (INR 18,930,000). The Company believes it is not exposed to any significant risk on cash and cash equivalents.

5. Property and equipment

Property and equipment are stated at cost less accumulated depreciation. Cost of items of property and equipment comprises cost of purchase and other costs necessarily incurred to bring it to the condition and location necessary for its intended use.

The Company depreciates property and equipment over the estimated useful life using the straight-line method. Upon retirement or disposal of assets, the cost and accumulated depreciation are eliminated from the accounts and the resulting gain or loss is credited or charged to statement of loss.

The estimated useful life used to determine depreciation is:

Buildings	39-40 years
Leasehold improvements	7 years or the lease period
Furniture	5-7 years

Expenditures for maintenance and repairs are charged to statement of loss. Property and equipment is reviewed for impairment whenever events or changes in circumstances indicate the carrying value of the asset may not be recoverable.

The cost of property and equipment not ready for use before such date are disclosed under capital work-in-progress.

6. Intangible assets

Intangible assets comprise of computer software which has been recognized at cost and amortized over a period of estimated useful life. Subsequent expenditures are capitalized only when it increases the future economic benefit from the specific assets to which it relates.

Category	Useful life
Software	3 years

7. Income taxes

Income taxes are provided for the tax effects of transactions reported in the separate parent company financial statements and consist of taxes currently due plus deferred taxes related primarily to differences between the basis of certain assets and liabilities for financial and tax reporting. The deferred taxes represent the future tax return consequences of those differences, which will either be taxable or deductible when the assets and liabilities are recovered or settled, respectively.

The Company has determined whether any tax positions have met the recognition threshold and has measured the Company's exposure to those tax provisions. Management believes that the Company has adequately addressed all relevant tax positions and that there are no unrecorded tax liabilities. Federal and state taxing authorities generally have the right to examine and audit the previous three years of tax returns filed. Any interest or penalties from federal and state taxing authorities were recorded in the accompanying separate parent company financial statements.

8. Investments

Investments are carried at fair value. Acquisition related expenditure if any, is expensed in the year of incurring the same.

9. Unbilled receivables

Unbilled receivables represent value of services performed in accordance with the contract terms but not billed.

10. Leases

Accounting Standard Update ("ASU") 2016-02, Leases

The Company adopted Accounting Standards Codification 842 and all the related amendments ("new lease standard") using the modified retrospective method.

The new lease standard requires all leases to be reported on the balance sheet as operating lease right-of-use assets and lease obligations. The Company elected the practical expedients permitted under the transition guidance of the new standard that retained the lease classification and initial direct costs for any leases that existed prior to adoption of the standard.

Right-of-use assets and lease liabilities are recognized based on the present value of the future minimum lease payments over the lease term at the commencement date for leases exceeding 12 months. Minimum lease payments include only the fixed lease component of the agreement, as well as any variable rate payments that depend on an index, initially measured using the index at the lease commencement date. Lease terms may include options to renew when it is reasonably certain that the Company will exercise that option.

Certain leases include options to purchase the office equipment. The depreciable life of assets are limited by the expected lease term, unless there is a transfer of title or purchase option reasonably certain of exercise.

The Company has entered into noncancelable operating lease agreements related to facility, office equipment, machinery and equipment and vehicles with varying terms

Leases that contain non-lease components are accounted for as a single component and recorded on the balance sheet for certain asset classes including equipment. Non-lease components include, but are not limited to, common area maintenance and service arrangements

The Company estimates its incremental borrowing rate for each lease based on the respective weighted average term of the agreements. This estimation considers the market rates of the Company's outstanding collateralized borrowings and interpolations of rates outside of the terms of the outstanding borrowings, including comparisons to comparable borrowings of similarly rated companies with longer term borrowings.

Operating lease expense is recognized on a straight-line basis over the lease term and is included in cost of revenue or general and administrative expense. Amortization expense for finance leases is recognized on a straight-line basis over the lease term and is included in cost of revenue. Interest expense for finance leases is recognized using the effective interest method. Leases with a lease term of 12 months or less from the commencement date that do not contain a purchase option are recognized as an expense on a straight-line basis over the lease term.

11. ***Commitments and contingencies***

Liabilities for loss contingencies arising from claims, assessments, litigation, fines, and penalties and other sources are recorded when it is probable that a liability has been incurred and the amount can be reasonably estimated. Legal costs incurred in connection with loss contingencies are expensed as incurred. Contingent liabilities are not recognized but are disclosed in the notes. Contingent assets are neither recognized nor disclosed in the separate parent company financial statements.

12. ***Fair value measurements and financial instruments***

Assets and liabilities recorded at fair value in the financial statements are categorized based upon the level of judgment associated with the inputs used to measure their fair value. Hierarchical levels which are directly related to the amount of subjectivity associated with the inputs to the valuation of these assets or liabilities are as follows:

Level 1 – unadjusted quoted prices in active markets for identical assets or liabilities that the Company has the ability to access as of the measurement date.

Level 2 – inputs other than quoted prices included within Level 1 that are directly observable for the asset or liability or indirectly observable through corroboration with observable market data.

Level 3 – unobservable inputs for the asset or liability only used when there is little, if any, market activity for the asset or liability at the measurement date.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, the level in the fair value hierarchy within which the fair value measurement in its entirety falls is determined based on the lowest level input that is significant to the fair value measurement in its entirety.

This hierarchy requires the Company to use observable market data, when available, and to minimize the use of unobservable inputs when determining fair value.

Some of Company's financial instruments, including cash and cash equivalents, accounts receivable and accounts payable are not measured at fair value on a recurring basis but are recorded at amounts that approximate fair value due to their liquid or short-term nature.

NOTE E - CASH AND CASH EQUIVALENTS

The cash and cash equivalents of the Company comprise:

Particulars	USD As at March 31, 2022	USD As at March 31, 2021	INR As at March 31, 2022	INR As at March 31, 2021
Bank balances	5,258,537	4,468,003	398,176,422	338,317,187
Total	**5,258,537**	**4,468,003**	**398,176,422**	**338,317,187**

NOTE F - PREPAID EXPENSES AND OTHER CURRENT ASSETS

Prepaid expenses and other current assets comprise the following:

Particulars	USD As at March 31, 2022	USD As at March 31, 2021	INR As at March 31, 2022	INR As at March 31, 2021
Prepaid software license fee	30,451	–	2,305,750	–
Prepaid insurance	153,286	207,322	11,606,816	15,698,422
Prepaid others	875	–	66,255	–
Prepaid rent	–	9,166	–	694,050
Unbilled revenue	–	316,863	–	23,992,866
Total	**184,612**	**533,351**	**13,978,821**	**40,385,338**

NOTE G - INVESTMENT IN SUBSIDIARIES

Investments comprise the following:

Particulars	USD As at March 31, 2022	USD As at March 31, 2021	INR As at March 31, 2022	INR As at March 31, 2021
Investment in MNATC, Inc.	64,027,729	57,677,729	4,848,179,640	4,367,357,640
Investment in MVSS, Inc.	86,865,770	82,515,770	6,577,476,104	6,248,094,104
Total	**150,893,499**	**140,193,499**	**11,425,655,744**	**10,615,451,744**

NOTE H - INVESTMENT

Financial asset	Fair value as at March 31, 2022 USD	Fair value as at March 31, 2021 USD	Fair value as at March 31, 2022 INR	Fair value as at March 31, 2021 INR	Fair value hierarchy
Investment	1,080,000	750,000	81,777,600	56,790,000	Level 3

Valuation technique(s) used and key input(s): Discounted cash flow method

Key inputs-financial projections - These include forecasts of balance sheet, statement of profit and loss along with underlying assumptions

Significant unobservable input(s): Financial projections and discount rates to discount future cash flows

Relationship of unobservable inputs to fair value: Any change in the discount factor, financial projections, etc. would entail corresponding change in valuation of equity component

NOTE I - PROPERTY AND EQUIPMENT, NET

Property and equipment comprise the following:

Particulars	USD As at March 31, 2022	USD As at March 31, 2021	INR As at March 31, 2022	INR As at March 31, 2021
Land	1,350,000	1,350,000	102,222,000	102,222,000
Building	7,005,050	7,005,050	530,422,386	530,422,386
Furniture	62,276	62,276	4,715,539	4,715,539
Leasehold improvements	184,946	184,946	14,004,111	14,004,111
	8,602,272	8,602,272	651,364,036	651,364,036
Less: Accumulated depreciation	(799,314)	(577,174)	(60,524,056)	(43,703,615)
Property and equipment, net	**7,802,958**	**8,025,098**	**590,839,980**	**607,660,421**

Depreciation expense for the year is USD 222,140 (INR: 16,820,441) (March 31, 2021: USD 218,875 (INR: 16,573,215)).

NOTE J - INTANGIBLE ASSETS, NET

Intangible assets comprise the following:

Particulars	USD As at March 31, 2022	USD As at March 31, 2021	INR As at March 31, 2022	INR As at March 31, 2021
Software	25,000	–	1,893,000	–
Less: Accumulated amortization	–	–	–	–
Intangible assets, net	**25,000**	**–**	**1,893,000**	**–**

In the month of March 31, 2022, the Company purchased software from its affiliate company – Mahindra Tractor Assembly, Inc amounting to USD 25,000 (INR 1,893,000). Amortization expense is USD Nil for year ended March 31, 2022, and March 31, 2021, respectively.

The estimate of annual amortization expense for the following years for the intangible assets is as follows:

March 31,	USD	INR
2023	8,333	630,975
2024	8,333	630,975
2025	8,334	631,050
Total	**25,000**	**1,893,000**

NOTE K - ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES

Accrued expenses and other current liabilities comprise the following:

Particulars	USD As at March 31, 2022	USD As at March 31, 2021	INR As at March 31, 2022	INR As at March 31, 2021
Accrued vacation	144,463	518,283	10,938,738	39,244,389
Accrued merit-pay	212,192	213,800	16,067,178	16,188,936
Accrued payroll	117,500	160,100	8,897,100	12,122,772
Accrued federal and state income taxes	110,114	110,114	8,337,832	8,337,832
Accrued accounts payable	381,292	1,693,301	28,871,430	128,216,752
Accrual for restructuring	2,267,972	3,000,000	171,730,840	227,160,000
Withholding payroll taxes	7,627	45,345	577,516	3,433,523
Others	89,099	87,118	6,746,577	6,596,575
Total	**3,330,259**	**5,828,061**	**252,167,211**	**441,300,779**

NOTE L - LEASES

The table below presents the classification of leasing assets and liabilities as reported on the balance sheet as of March 31, 2022 and March 31, 2021.

Particulars	USD As at March 31, 2022	USD As at March 31, 2021	INR As at March 31, 2022	INR As at March 31, 2021
Assets				
Operating lease right-of-use assets	980,735	1,082,183	74,261,254	81,942,897
Total lease assets	**980,735**	**1,082,183**	**74,261,254**	**81,942,897**
Liabilities				
Current				
Operating lease liabilities	147,648	119,268	11,179,907	9,030,973
Long term				
Operating lease liabilities	953,362	1,082,176	72,188,571	81,942,367
Total lease liabilities	**1,101,010**	**1,201,444**	**83,368,478**	**90,973,340**

The table below presents the classification of lease related expenses as reported in the statements of income.

Particulars	USD For the year ended March 31, 2022	USD For the year ended March 31, 2021	INR For the year ended March 31, 2022	INR For the year ended March 31, 2021
Operating lease expense*	310,608	302,022	23,519,238	22,869,106
Total lease expense	**310,608**	**302,022**	**23,519,238**	**22,869,106**

*Operating lease expense are included in selling, general and administrative expenses in the statements of profit and loss. Operating lease expense include short-term leases, variable lease costs and leases which did not meet the capitalization requirement of the Company.

Future minimum lease payments as of March 31, 2022, for operating leases having an initial or remaining non-cancellable lease term in excess of one year are as follows:

Year ended March 31	Amount (USD)	Amount (INR)
2023	191,318	14,486,599
2024	176,673	13,377,680
2025	181,090	13,712,135
2026	185,617	14,054,919
2027	190,258	14,406,336
2028 and onwards	344,000	26,047,680
Total minimum lease payments	**1,268,956**	**96,085,349**
Less: Interest	(167,946)	(12,716,871)
Present value of lease payments	**1,101,010**	**83,368,478**

The following table presents the weighted-average remaining lease term and discount rates as of March 31, 2022.

Weighted-average remaining lease term (years)	
Operating leases	6.65
Weighted-average discount rate	
Operating leases	4.30 %

The following table presents supplemental information for operating leases for the year ended March 31, 2022, and March 31, 2021.

Supplemental information	USD Year ended March 31 2022	USD Year ended March 31 2021	INR Year ended March 31 2022	INR Year ended March 31 2021
Cash paid for amounts included in the measurement of lease liabilities				
Operating cash flows used in operating leases	214,081	164,059	16,210,213	12,422,547
	214,081	**164,059**	**16,210,213**	**12,422,547**

NOTE M - INCOME TAXES

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. The Company is subject to taxation in the United States and the State of Michigan. The income tax expense is as follows:

	USD		INR	
	Year ended March 31,		Year ended March 31,	
	2022	2021	2022	2021
Deferred tax (benefit) expense	–	3,594,208	–	272,153,430
Income tax (benefit) expense	–	**3,594,208**	–	**272,153,430**

The tax effects of significant temporary differences that resulted in deferred tax assets and liabilities and a description of the items that create such differences is as follows:

	USD		INR	
	Year ended March 31,		Year ended March 31,	
	2022	2021	2022	2021
Deferred tax asset (liability)				
Net operating loss – Federal	4,473,879	4,414,393	338,762,118	334,257,838
Net operating loss - MI	288,343	194,192	21,833,332	14,704,218
Accrued vacation	33,788	113,680	2,558,427	8,607,850
Accrued merit pay	49,629	46,895	3,757,908	3,550,889
Accrued payroll tax	–	24,935	–	1,888,078
163 (j) interest limitation adj.	215,010	198,961	16,280,557	15,065,327
Lease Assets	28,131	26,159	2,130,079	1,980,759
Prepaid expenses	(57,509)	(45,474)	(4,354,581)	(3,443,291)
Fixed assets	(32,508)	(34,328)	(2,461,506)	(2,599,316)
Total	**4,998,763**	**4,939,413**	**378,506,334**	**374,012,352**
Less: valuation allowance	(4,998,763)	(4,939,413)	(378,506,334)	(374,012,352)
Total deferred tax assets	–	–	–	–

In assessing the realization of deferred tax assets, the likelihood of whether it is more likely than not that some portion or all the deferred tax assets will not be realized must be considered. The ultimate realization of deferred tax assets is dependent on the generation of future taxable income during the periods in which temporary difference become deductible. Management considers the projected future taxable income and tax planning strategies in making this assessment. The management believes that it is more likely than not that the deferred tax assets may not be realized and accordingly, a valuation allowance of USD 4,998,763 (INR 378,506,334) is recognized as at March 31, 2022 (March 31, 2021 USD 4,939,413 (INR 374,012,352)).

The Company has federal net operating losses ("NOLs") carryforwards of USD 21,304,183 (INR 1,613,152,737) and USD 21,016,332 (INR 1,591,356,659) as at March 31, 2022 and March 31, 2021, which if unutilized, will be carried forward indefinitely.

The Company has state NOLs carryforwards of USD 6,083,177 (INR 460,618,162) and USD 5,935,982 (INR 449,472,557) as at March 31, 2022 and March 31, 2021, which if unutilized will begin to expire from the year 2028.

The Company recognizes the financial statement impact of a tax position when it is more likely than not that the position will be sustained upon examination.

The tax years 2018, 2019 and 2020 remains subject to examination by the taxing authorities.

NOTE N - RELATED PARTY LOAN

Loan transaction with Mahindra North American Technical Center, Inc.

The Company during the year ended March 31, 2021, provided a loan to its subsidiary, Mahindra North American Technical Center, Inc. at an interest rate of 5.00% per annum. Interest is calculated based on a 365-day annual term and receivable along with the principal. The loan amount of USD 33,392,729 (INR 2,528,497,440) including accrued interest was converted into an investment. Interest income for the year ended March 31, 2022, and March 31, 2021, amounted to USD Nil (INR: Nil) and USD 54,931 (INR 4,159,375), respectively.

Loan transaction with Mahindra Vehicle Sales and Services, Inc.

The Company during the year ended March 31, 2021, provided loan amounting to USD 21,090,000 (INR: 1,596,934,800), Mahindra Vehicle Sales and Services, Inc. at an interest rate of 5.00% per annum. The entire loan amount along with interest receivable as at March 31, 2021, was converted into an investment.

Interest income for the year ended March 31, 2022, and March 31, 2021, amounted to USD Nil (INR: Nil) and USD 635,244 (INR: 48,100,676), respectively.

Loan transaction with Mahindra Overseas Investment Company Mauritius Limited

The Company during the fiscal year ended March 31, 2019, obtained multiple loans from its parent company, Mahindra Overseas Investment Company Mauritius Limited with interest rates ranging from 4.51% - 4.87% per annum.

During the year ended March 31, 2021, the outstanding principal balance plus interest totaling to USD 10,793,430 (INR: 817,278,520) was converted to equity in March 2021.

Interest expense for the year ended March 31, 2022, was USD Nil (INR Nil) (March 31, 2021: USD: 387,708 (INR: 29,357,250)

NOTE O - RELATED PARTY TRANSACTIONS

Name of related party and nature of relationship:

No.	Name of the party	Nature of relationship
1	Mahindra & Mahindra Limited	Ultimate parent company
2	Mahindra Overseas Investment Company Mauritius Limited	Parent company
3	Mahindra Vehicles Manufactures Limited – US Company	Affiliate company
4	Mahindra North American Technical Center, Inc.	Wholly owned subsidiary
5	Mahindra Vehicle Sales and Services, Inc.	Wholly owned subsidiary
6	Mahindra Tractors Assembly Inc	Affiliate company
7	Mahindra Integrated Business Solutions- US Branch	Affiliate company
8	Mahindra Integrated Business Solutions Pvt Ltd	Affiliate company
9	Mahindra, USA, Inc ("MAgNA")	Affiliate company

Summary of transactions and balances with related parties are as follows:

	USD		INR	
	For the year ended March 31,		For the year ended March 31,	
	2022	2021	2022	2021
Transactions during the year				
Mahindra Overseas Investment Company Mauritius Limited				
Issuance of common stock	15,000,000	65,900,000	1,135,800,000	4,989,948,000
Conversion of loan into equity	–	10,793,430	–	817,278,520
Interest expense	–	387,708	–	29,357,250
Mahindra & Mahindra Limited				
Management service fee	784,566	1,099,979	59,407,338	83,290,410
Mahindra Vehicles Manufacturers Limited – US Company				
Management service fee allocation*	–	4,500,029	–	340,742,196
Sale of service	–	1,572,951	–	119,103,850
Mahindra Integrated Business Solutions - US Branch				
Management service fee	4,217,915	1,072,355	319,380,524	81,198,721
Sale of service	–	741,168	–	56,121,241
Expenses incurred on behalf of MANA	282,119	–	21,362,051	–
Mahindra North American Technical Centre, Inc.				
Management service fee allocation*	2,636,072	4,469,919	199,603,372	338,462,267
Investment	6,350,000	33,392,729	480,822,000	2,528,497,440
Loan obtained	–	26,235,000	–	1,986,514,200
Loan repaid	–	33,677,675	–	2,550,073,551
Loan provided	–	35,550,000	–	2,691,846,000
Loan repaid	–	2,200,000	–	166,584,000
Interest expense	–	80,196	–	6,072,441
Interest paid	–	99,533	–	7,536,639
Interest income	–	54,931	–	4,159,375
Interest received	–	12,201	–	923,860
Expense incurred on behalf of MANA	529,126	–	40,065,421	–
Mahindra Vehicle Sales and Services, Inc.				
Management service fee allocation*	677,847	986,250	51,326,575	74,678,850
Investment**	4,350,000	21,179,749	329,382,000	1,603,730,594
Loan given	–	21,090,000	–	1,596,934,800
Interest income	–	635,244	–	48,100,676
Interest income received	–	545,496	–	41,304,957
Expenses incurred on behalf of the Company	364,429	–	27,594,564	–
				–
Mahindra Tractors Assembly Inc.			–	–
Purchase of software	25,000	–	1,893,000	–
Expenses incurred on behalf of MTAI	516,991		39,146,559	–
				–
Mahindra USA Inc.				–
Management service fee allocation*	206,099	–	15,605,816	–
Expenses reimbursements to the Company	3,340	–	252,905	–

	USD		INR	
	For the year ended March 31,		For the year ended March 31,	
	2022	2021	2022	2021
Balances at the end of the year				
Accounts receivable, related parties				
Mahindra & Mahindra, Limited	223,601	204,777	16,931,068	15,505,714
Due from related parties				
Mahindra North American Technical Center, Inc.	491,370	266,823	37,206,536	20,203,838
Mahindra Vehicle Sales and Services, Inc.	208,496	45,072	15,787,317	3,412,852
Mahindra USA Inc.	46,659	44,820	3,533,019	3,393,770
Mahindra Integrated Business Solutions	**742,619**	–	**56,231,111**	–
	1,712,745	**561,492**	**129,689,051**	**42,516,174**
Intercompany payable, others				
Mahindra Tractor Assembly Inc.	25,000	–	1,893,000	–
Mahindra Integrated Business Solutions Pvt Ltd	2,000	115,518	151,440	8,747,023
	27,000	**115,518**	**2,044,440**	**8,747,023**

* The Company allocates cost to its wholly owned subsidiaries and affiliate company.

** The loan balance was converted into investment as of March 31, 2021.

NOTE P - COMMITMENTS AND CONTINGENCIES

Long term purchase commitment

On September 24, 2019, the Company signed a Vendor Subscription Agreement("VSA") with Icon International Inc.("ICON"), a subsidiary of Omnicom Media Group, for purchase of certain media advertising for 5 years in an amount not less than USD 2,263,022 (INR: 171,356,026) each year. In addition, the Company signed an indemnity bond amounting to USD 1,600,000 (INR: 121,152,000) with Atlantic Specialty Insurance Company which binds Mahindra Automotive North America, Inc. and its subsidiaries to purchase media advertising through ICON. If the MANA and its subsidiaries fails to place the minimum amount of advertising spend on the contract anniversary each year it will be assessed a penalty of 15% of the shortfall. ICON provides composition and consultation services at no charge for media placements. ICON's placement services include broadcast, digital, and print media advertising which will be billed to the Company at a competitive market rate. During the term of the agreement MANA and its subsidiaries agree to provide ICON with the right of first refusal on any media being placed.

Due to the cease-and desist order, the Company and its subsidiaries were prohibited to sell, market, import and manufacture the model year 2018, 2019 and 2020 ROXOR off-road vehicle in the US. Since the operations were paused and it could not carry out marketing activities, the management had decided to opt out of the long-term contracts and commitments entered by the Company along with its subsidiary. During the year ended March 31, 2021, the Company believed that it would be able to terminate the VSA by paying the penalty and thus an accrual of 625,000 (INR: 47,325,000) was created in the books of MVSS, erstwhile sales and distribution arm of ROXOR as at March 31, 2021.

However, during the year ended March 31, 2022, the Company renegotiated the VSA with ICON and extended the agreement till March 31, 2025. Based on the revised consolidated budget spend of the Company for next financial years it believes that it may not be able to meet the minimum amount of advertising spend at the end of the contract term. Thus, MVSS continues to carry the accrual amounting to USD 690,814 (INR 52,308,436) as at March 31, 2022 as its best estimate for penalty liability mentioned in the VSA.

Litigation

The Company was engaged in litigation over violation of "trade dress" of FCA's Jeep branded vehicles with FCA US, LLC both at the International Trade Commission ("ITC") and at the United States District Court, Eastern District of Michigan. The ITC in its ruling dated June 11, 2020, stated that the Company's ROXOR off-road utility vehicle violated the "trade dress" claimed by FCA. The ITC then issued a limited exclusion order prohibiting sale or import of the infringing vehicles and parts, as well as a cease-and desist order to the Company. The cease-and desist order was effective from August 11, 2020.

In December 2020, the Company received confirmation that they can proceed with selling the post-2020 ROXOR model. The ITC's decision for allowing the Company to sell post-2020 ROXOR was appealed by FCA and, FCA did not prevail per a decision from the Court of Appeals on March 9, 2022. Therefore, the ITC's decisions for allowing the sale of post-2020 ROXOR remains valid. There is also a federal action which remains pending in which FCA US, LLC is seeking disgorgement of profits and a claim for false advertising relating to one commercial that displayed a military style vehicle. The matters is ongoing. The Company believes it has strong defense against the claims. At this time, no liability has been incurred and the amount of any future loss or award associated with the Eastern District of Michigan matter cannot be estimated reasonably. Also, a final determination is yet to be made relating to a legal issue FCA has raised with the Sixth Circuit Court of appeals. Once such decision is reached, the Eastern District of Michigan action may continue with resolution of the final claims.

NOTE Q - STOCKHOLDER'S EQUITY

Common stock

The authorized share capital of the Company as of March 31, 2022 and March 31, 2021 was 8,000,000 shares and 6,700,000 shares, respectively, of $ 25 each. As at March 31, 2022 and March 31, 2021 total shares issued and outstanding was 7,417,737 and 6,817,737 shares, respectively.

The Company issued 600,000 shares and 3,067,737 shares for USD 25 each for years ended March 31, 2022 and March 31, 2021, respectively

As at March 31, 2021, the Company issued 117,737 shares in excess of the authorized capital. The Company had at a later date amended the authorized share capital to 8,000,000 shares.

Voting

Each holder of common stock is entitled to one vote in respect of each share held by him in the records of the Company for all matters submitted to a vote.

Liquidation

In the event of liquidation of the Company, the holder of common stock shall be entitled to receive all the remaining assets of the Company.

NOTE R - RISKS AND UNCERTAINITIES

The Company's future results of operations involve several risks and uncertainties.

Factors that could affect the Company's future operating results and cause actual results to vary materially from expectations include, competitive factors, including but not limited to pricing pressures; deterioration in general economic conditions; the Company's ability to effectively manage operating costs and increase operating efficiencies; declines in revenues; technological and market changes; the ability to attract and retain qualified employees and the Company's ability to execute on its business plan.

NOTE S - REVENUE FROM CONTRACTS WITH CUSTOMERS

Revenue disaggregated by product line:

	USD		INR	
	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2022	Year ended March 31, 2021
Service	8,522,500	12,375,177	645,323,700	937,048,402
Total revenue by product line	**8,522,500**	**12,375,177**	**645,323,700**	**937,048,402**

Revenue disaggregated by timing of recognition:

	USD		INR	
	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2022	Year ended March 31, 2021
Products and services transferred at a point in time	–	–	–	–
Products transferred over time	8,522,500	12,375,177	645,323,700	937,048,402
Total revenue by timing of recognition	**8,522,500**	**12,375,177**	**645,323,700**	**937,048,402**

Revenue disaggregated by geography based on Company's locations:

	USD		INR	
	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2022	Year ended March 31, 2021
United States	7,737,934	11,275,198	585,916,362	853,757,992
India	784,566	1,099,979	59,407,338	83,290,410
Total revenue by geography	**8,522,500**	**12,375,177**	**645,323,700**	**937,048,402**

Contract assets

The Company's contracts with customers with dealer agreements and purchase orders. These contracts with customers typically consist of sale of products which represent performance obligations that are satisfied upon transfer of control of the product to the customer at a point in time.

The following table provides information about contract assets as at March 31, 2022 and March 31, 2021:

	USD		INR	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Accounts receivable	1,712,745	561,492	129,689,051	42,516,174
Unbilled receivable	–	316,863	–	23,992,866

NOTE T - EMPLOYEE BENEFIT PLANS

The Company has voluntary 401(k) retirement plans. The Company may make annual contributions to the plans equal to a uniform percentage of participant compensation. The cost of the Company's contributions charged to expense related to 401(k) contributions was USD 32,050 (INR: 2,426,826) and USD 48,747 (INR: 3,691,123) for the year ended March 31, 2022 and March 31, 2021, respectively.

NOTE U - GOVERNMENT INCENTIVE AND CREDITS

Employee retention credit

During the year ended March 31, 2021, the Company availed the benefit under the ERC (employee retention credit) scheme, a benefit given by the Federal government under the COVID stimulus package which allows businesses to take credit of the wages paid to employees on furlough and not working. The total ERC credit received by the Company for the year ended March 31, 2022, and March 31, 2021, amounts to USD 464,217 (INR 35,150,511) and USD 570,596 (INR 43,205,529), respectively. During the current year, the Company has repaid the credits that is believed to be owed to the IRS amounting to USD 928,532 (INR 70,308,443) and has recorded an accrual to pay back any remaining credits and penalties that may be owed amounting to USD 106,283 (INR 8,047,749) as of March 31, 2022, and USD 570,596 (INR 43,205,529) as of March 31, 2021.

Deferral of employment taxes

Section 2302 of the CARES Act provides that employers may defer the deposit and payment of the employer's portion of social security taxes. The payroll tax deferral period began on March 27, 2020 and ended on December 31, 2020. Section 2302(a)(2) of the CARES Act provides that the deferred deposits of the employer's share of social security tax must be 50 percent deposited by December 31, 2021, and the remaining amount must be deposited December 31, 2022. The Company in the current year has repaid all the payroll tax deferral amounting to USD 113,684 (INR 8,608,152). The Company has deferred the employment taxes amounting to USD NIL and USD 113,684(INR8,608,152) as on March 31, 2022, and March 31, 2021, respectively.

NOTE V - ADVERTISING AND MARKETING EXPENSE

Advertising costs are presented as part of selling, general and administrative expenses in the statement of loss. Advertising costs are expensed as incurred. The amount of advertising and marketing cost incurred by the Company for the year ended March 31, 2022 and March 31, 2021 is USD 46,084 (INR 3,489,480) and USD 87,376 (INR 6,616,111), respectively.

NOTE W - SUBSEQUENT EVENTS

The Company evaluated all events or transactions that occurred after March 31, 2022, up to the date of the separate parent company financial statements were issued. Based on this evaluation, the Company is not aware of any events or transactions that should require recognition or disclosure in the financial statements.

INDEPENDENT AUDITOR'S REPORT

Board of Directors

Mahindra Vehicle Sales and Services, Inc.

Opinion

We have audited the accompanying financial statements of Mahindra Vehicle Sales and Services, Inc. ('the Company') which comprise the balance sheets as of March 31, 2022, and March 31, 2021, and the related statements of loss, stockholder's deficit, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of March 31, 2022, and March 31, 2021, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Other matter

The presentation of financial information in Indian rupees in the financial statements is not a required part of the basic financial statements. We have verified the arithmetic accuracy of the presentation based upon the exchange rate provided by the Company's management. We did not audit and do not express an opinion on such information. Our opinion is not modified with respect to this matter.

Responsibilities of management for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a period of twelve months from the date the financial statements are issued.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Atlanta, Georgia

May 10, 2022

KNAV P.A.

BALANCE SHEETS

	USD		INR	
	As at March 31,		As at March 31,	
	2022	2021	2022	2021
ASSETS				
Current assets				
Cash and cash equivalents	**264,431**	480,485	**20,022,715**	36,382,324
Accounts receivable	**10,473**	163,869	**793,016**	12,408,161
Accounts receivable, related party	**2,481**	–	**187,861**	–
Inventories	**–**	–	**–**	–
Prepaid expenses	**4,247**	69,294	**321,583**	5,246,942
Total Current Assets	**281,632**	713,648	**21,325,175**	54,037,427
Property and equipment, net	**5,383**	112,929	**407,601**	8,550,984
Operating lease right-of-use assets, net	**18,193**	105,717	**1,377,574**	8,004,891
Other assets	**–**	103,557	**–**	7,841,336
Total assets	**305,208**	1,035,851	**23,110,350**	78,434,638
LIABILITIES AND STOCKHOLDER'S DEFICIT				
Current liabilities				
Accounts payable	**157,164**	182,430	**11,900,460**	13,813,601
Operating lease liability	**13,677**	84,359	**1,035,622**	6,387,663
Accrued expenses and other current liabilities	**2,877,871**	4,188,873	**217,912,392**	317,181,464
Intercompany payables	**349,735**	432,392	**26,481,934**	32,740,722
Total current liabilities	**3,398,447**	4,888,054	**257,330,408**	370,123,450
Operating lease liability – non-current	**3,517**	19,639	**266,307**	1,487,065
Total liabilities	**3,401,964**	4,907,693	**257,596,715**	371,610,515
Stockholder's deficit				
Common stock, $ 25 par value 5,000,000 shares authorized, 3,474,631 shares issued and outstanding (March 31, 2021: Common stock, $ 25 par value 3,000,000 shares authorized, 3,300,631 shares issued and outstanding)	**86,865,770**	82,515,770	**6,577,476,104**	6,248,094,104
Accumulated deficit	**(89,962,526)**	(86,387,612)	**(6,811,962,469)**	(6,541,269,981)
Total stockholder's deficit	**(3,096,756)**	(3,871,842)	**(234,486,365)**	(293,175,877)
Total liabilities and stockholder's deficit	**305,208**	1,035,851	**23,110,350**	78,434,638

(The accompanying notes are an integral part of these financial statements)

STATEMENTS OF LOSS

	USD		INR	
	Year ended March 31,		Year ended March 31,	
	2022	**2021**	**2022**	**2021**
Operating revenues	**766,363**	11,177,678	**58,029,006**	846,373,778
Cost of revenue	**754,858**	13,016,289	**57,157,848**	985,593,403
Gross profit (loss)	**11,505**	(1,838,611)	**871,158**	(139,219,625)
Selling, general and administrative expenses	**3,921,202**	13,005,869	**296,913,415**	984,804,401
Depreciation and amortization	**11,468**	321,432	**868,357**	24,338,831
Total costs and expenses	**3,932,670**	13,327,301	**297,781,772**	1,009,143,232
Operating loss	**(3,921,165)**	(15,165,912)	**(296,910,614)**	(1,148,362,857)
Interest expense	**1,915**	909,164	**145,004**	68,841,898
Loss on sale of fixed assets	**11,143**	76,545	**843,748**	5,795,987
Other income	**(359,309)**	–	**(27,206,878)**	–
Loss before income taxes	**(3,574,914)**	(16,151,621)	**(270,692,488)**	(1,223,000,742)
Deferred tax expense	**–**	15,061,620	**–**	1,140,465,866
Net loss	**(3,574,914)**	(31,213,241)	**(270,692,488)**	(2,363,466,608)

(The accompanying notes are an integral part of these financial statements)

STATEMENTS OF STOCKHOLDER'S EQUITY (DEFICIT)

(All amounts are stated in United States Dollars, except number of shares)

	Common stock					
	Authorized		Issued & outstanding			
Particulars	**Shares**	**Value ($)**	**Shares**	**Value ($)**	**Accumulated deficit**	**Total stockholder's equity (deficit)**
Balance as of April 1, 2020	3,000,000	75,000,000	2,453,441	61,336,021	(55,174,371)	6,161,650
Common stock issued during the year	–	–	847,190	21,179,749	–	21,179,749
Net loss for the year	–	–	–	–	(31,213,241)	(31,213,241)
Balance as of March 31, 2021	**3,000,000**	**75,000,000**	**3,300,631**	**82,515,770**	**(86,387,612)**	**(3,871,842)**
Balance as of April 1, 2021	3,000,000	75,000,000	3,300,631	82,515,770	(86,387,612)	(3,871,842)
Common stock issued during the year	2,000,000	50,000,000	174,000	4,350,000	–	4,350,000
Net loss for the year	–	–	–	–	(3,574,914)	(3,574,914)
Balance as of March 31, 2022	**5,000,000**	**125,000,000**	**3,474,631**	**86,865,770**	**(89,962,526)**	**(3,096,756)**

	Common stock					
	Authorized		Issued & outstanding			
Particulars	**Shares**	**Value (INR)**	**Shares**	**Value (INR)**	**Accumulated deficit**	**Total stockholder's equity (deficit)**
Balance as of April 1, 2020	3,000,000	5,679,000,000	2,453,441	4,644,363,510	(4,177,803,373)	466,560,137
Common stock issued during the year	–	–	847,190	1,603,730,594	–	1,603,730,594
Net loss for the year	–	–	–	–	(2,363,466,608)	(2,363,466,608)
Balance as of March 31, 2021	**3,000,000**	**5,679,000,000**	**3,300,631**	**6,248,094,104**	**(6,541,269,981)**	**(293,175,877)**
Balance as of April 1, 2021	**3,000,000**	**5,679,000,000**	**3,300,631**	**6,248,094,104**	**(6,541,269,981)**	**(293,175,877)**
Common stock issued during the year	2,000,000	3,786,000,000	174,000	329,382,000	–	329,382,000
Net loss for the year	–	–	–	–	(270,692,488)	(270,692,488)
Balance as of March 31, 2022	**5,000,000**	**9,465,000,000**	**3,474,631**	**6,577,476,104**	**(6,811,962,469)**	**(234,486,365)**

(The accompanying notes are an integral part of these financial statements)

STATEMENTS OF CASH FLOWS

	USD		INR	
	Year ended March 31,		Year ended March 31,	
	2022	2021	2022	2021
Cash flow from operating activities				
Net loss	**(3,574,914)**	(31,213,241)	**(270,692,488)**	(2,363,466,608)
Adjustments to reconcile net loss to net cash used in operating activities				
Loss on the disposal of fixed assets	**11,143**	76,545	**843,748**	5,795,987
Depreciation and amortization	**11,468**	321,432	**868,357**	24,338,831
Deferred tax expense	**–**	15,061,620	**–**	1,140,465,866
Changes in assets and liabilities				
Accounts receivable	**153,396**	1,343,437	**11,615,145**	101,725,050
Accounts receivable, related party	**(2,481)**	–	**(187,861)**	–
Inventory	**–**	546,089	**–**	41,349,859
Prepaid expenses	**65,047**	223,751	**4,925,359**	16,942,426
Other assets	**103,557**	15,492	**7,841,336**	1,173,054
Accounts payable	**(25,266)**	(2,324,523)	**(1,913,142)**	(176,012,882)
Intercompany payables	**(82,657)**	(1,999,385)	**(6,258,788)**	(151,393,432)
Operating lease right-of-use assets	**87,524**	555,865	**6,627,317**	42,090,098
Operating lease liability	**(86,804)**	(544,801)	**(6,572,799)**	(41,252,332)
Accrued expenses and other current liabilities	**(1,311,002)**	(2,996,462)	**(99,269,071)**	(226,892,103)
Net cash used in operating activities	**(4,650,989)**	(20,934,181)	**(352,172,887)**	(1,585,136,186)
Cash flow from investing activities				
Purchase of property, equipment, and intangibles	**–**	5,985	**–**	453,184
Proceeds from sale of fixed assets	**84,935**	–	**6,431,278**	–
Net cash provided by investing activities	**84,935**	5,985	**6,431,278**	453,184
Cash flows from financing activities				
Short term borrowing – related party	**–**	21,179,749	**–**	1,603,730,594
Issuance of common stock	**4,350,000**	–	**329,382,000**	–
Net cash provided by financing activities	**4,350,000**	21,179,749	**329,382,000**	1,603,730,594
Net (decrease) increase in cash and cash equivalents	**(216,054)**	251,553	**(16,359,609)**	19,047,592
Cash and cash equivalents at the beginning	**480,485**	228,932	**36,382,324**	17,334,732
Cash and cash equivalents at the end	**264,431**	480,485	**20,022,715**	36,382,324
Supplemental cash flow information				
Conversion of loan to equity	**–**	21,179,749	**–**	1,603,730,595
Interest paid	**1,915**	819,415	**145,004**	62,046,104

(The accompanying notes are an integral part of these financial statements)

NOTES TO THE FINANCIAL STATEMENTS

NOTE A - ORGANIZATION AND NATURE OF OPERATIONS

Mahindra Vehicle Sales and Services, Inc. (hereinafter referred to as the "Company") was incorporated in the state of Delaware on April 19, 2017 and is a wholly owned subsidiary of Mahindra Automotive North America, Inc. ("MANA"). The Company delivers parts and vehicles primarily to the North American automotive market for off-road use.

The Company sells and distributes parts and vehicles to distributors and dealers (collectively "dealerships"), the majority of which are independently owned. As at March 31, 2022, the Company has contractual relationships in North America with approximately 363 dealerships. The only vehicle sold by the Company to dealerships is ROXOR, an off-road side-by-side vehicle manufactured by Mahindra North American Technical Center, Inc. d/b/a Mahindra Automotive North America Manufacturing ("MANAM"). During the current year, the parent company MANA, redesigned the ROXOR and launched it in the month of November 2021. However, the management decided to sell the redesigned ROXOR through its affiliate Mahindra USA LLC ("MAgNA"). During the current year, the Company conducted the transactions of catering of warranty services for the previously sold ROXOR. It also made the sales of accessory and service parts of ROXOR under warranty.

During the year ended March 31, 2021, the Company was engaged in litigation with FCA US, LLC over FCA's claims relating to unregistered "trade dress" of FCA's Jeep branded vehicles both at the International Trade Commission ("ITC") and at the United States District Court, Eastern District of Michigan. The ITC in its ruling dated June 11, 2020, stated that the Company's ROXOR off-road utility vehicle violated the "trade dress" of FCA's Jeep branded vehicle. The ITC then issued a limited exclusion order prohibiting sale or import of the infringing vehicles and parts, as well as a cease-and desist order to the Company. The cease and desist order was effective from August 11, 2020.

The cease-and desist order related to the prohibition of marketing, sale, importation and manufacturing of the model year 2018, 2019 and 2020 ROXOR off-road vehicle by the Company in the United States of America ("US"). The impact of the order on the operations of the Company was significant. The Company was unable to market, import, build or sell ROXORs in the US beginning on or about August 11, 2020. However, the Company could sell ROXORs in Canada since the limited exclusion order prohibited the Company from sale of its vehicles only in the US. Given the impact of the ruling on the operations, the Company did not pursue most of the opportunities since the cost incurred to sell the product would have been too high. Due to the pause in the business along with the onset of COVID-19, the Company furloughed employees and also terminated relationships with few other stakeholders. Per the cease-and desist order as the Company could not carry out marketing activities, it had to engage in significant efforts to modify its website and notify its marketing partners for not honoring few contracts.

During the year ended March 31, 2021, the Company performed and prepared expedited proceedings to allow a significantly re-designed ROXOR to be excluded from the cease-and desist order. On October 20, 2020, the Administrative Law Judge ("ALJ") found that the re-designed ROXOR does not violate any trade dress and recommended that the re-designed ROXOR be excluded from the cease-and desist order. On December 22, 2020, the ITC agreed with the ALJ and ruled that the re-designed ROXOR is excluded from the cease-and desist order. FCA in February 2021, shared the "notice to appeal" to the court for review of the final determination of the ITC's exclusion of re-designed ROXOR from the cease-and-desist order. FCA's appeal did not prevail per a decision from the Court of Appeals on March 09, 2022. Therefore, the ITC's decisions for allowing the sale of redesigned ROXOR remains valid.

During the current year, the Company continued catering its services of warranty and selling the accessory & service parts under the warranty agreement of ROXOR previously sold.

NOTE B - GOING CONCERN

There were no sales of redesigned ROXOR in the current year by the Company. In the month of November 2021, the parent company, Mahindra Automotive North America, Inc. ("MANA"), launched the redesigned ROXOR, and management decided to sell ROXOR through its affiliate Mahindra USA LLC ("MAgNA"). However, the Company continued catering its services of warranty and selling the accessory & service parts under the warranty agreement with its dealerships pertaining to the ROXORs previously sold. The Company has an accumulated deficit of USD 3,096,756 (INR 234,486,331) as at March 31, 2022. Although, these events and condition cast significant doubt on the Company's ability to continue as a going concern, in view of the continued support from the ultimate parent company, the management considers that it is appropriate to prepare these financial statements on a going concern basis, which assumes that the Company will continue to be in operational existence for the foreseeable future.

The Company has received funding from its parent company amounting to USD (4,350,000) (INR 329,381,978) during the current year in the form of capital contribution.

Even though the parent company has started selling redesigned ROXOR through its affiliate MAgNA, the Company will still remain in existence because of the dealership liabilities and the warranty services to be served. Based on the above factors, the financial statements have been prepared on the basis that the Company is a going concern and that no adjustments are required to the carrying value of assets and liabilities.

NOTE C - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies are detailed below:

1. *Basis of preparation*
   a. The accompanying financial statements are prepared on the accrual basis of accounting in accordance with the accounting and reporting requirements of generally accepted accounting principles in the United States of America ("US GAAP") to reflect the financial position, results of operation and cash flows of the Company.
   b. The financial statements are for the fiscal years ended March 31, 2022 and March 31, 2021.
   c. Financial information in this report is in U.S. dollars ("USD") and in Indian rupees ("INR"). For the fiscal year ended March 31, 2022 and March 31, 2021, dollar amounts are translated for convenience into Indian rupees at an exchange rate of 75.72 INR per dollar on March 31, 2022. Within the notes to the financial statements, Indian rupee amounts are shown parenthetically following the U.S. dollar amounts.
   d. Certain reclassifications, regroupings and reworking have been made in the financial statements of prior year to conform to the classifications used in the current year. These changes had no impact on previously reported net loss or statement of stockholder's deficit.

2. *Use of estimates*

   The preparation of financial statements in accordance with US GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements. Significant items subject to such estimates and assumptions include the useful lives of property and equipment, warranties, volume incentives, rebates, and co-operative advertising programs, valuation allowance for deferred tax assets and other contingencies. Management believes that the estimates used in the preparation of the financial statements are reasonable. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Any changes in estimates are adjusted prospectively in the financial statements.

3. *Operating leases*

   Accounting Standard Update ("ASU") 2016-02, Leases

   The Company adopted Accounting Standards Codification 842 and all the related amendments ("new lease standard") using the modified retrospective method.

   The new lease standard requires all leases to be reported on the balance sheet as operating lease right-of-use assets and lease obligations. The Company elected the practical expedients permitted under the transition guidance of the new standard that retained the lease classification and initial direct costs for any leases that existed prior to adoption of the standard.

   Right-of-use assets and lease liabilities are recognized based on the present value of the future minimum lease payments over the lease term at the commencement date for leases exceeding 12 months. Minimum lease payments include only the fixed lease component of the agreement, as well as any variable rate payments that depend on an index, initially measured using the index at the lease commencement date. Lease terms may include options to renew when it is reasonably certain that the Company will exercise that option.

   Certain leases include options to purchase the office equipment. The depreciable life of assets is limited by the expected lease term unless there is a transfer of title or purchase option reasonably certain of exercise.

   The Company has entered into noncancelable operating lease agreements related to facility, office equipment, machinery and equipment and vehicles with varying terms

   Leases that contain non-lease components are accounted for as a single component and recorded on the balance sheet for certain asset classes including equipment. Non-lease components include, but are not limited to, common area maintenance and service arrangements

NOTES TO THE FINANCIAL STATEMENTS

The Company estimates its incremental borrowing rate for each lease based on the respective weighted average term of the agreements. This estimation considers the market rates of the Company's outstanding collateralized borrowings and interpolations of rates outside of the terms of the outstanding borrowings, including comparisons to comparable borrowings of similarly rated companies with longer term borrowings.

Operating lease expense is recognized on a straight-line basis over the lease term and is included in cost of revenue or general and administrative expense. Amortization expense for finance leases is recognized on a straight-line basis over the lease term and is included in cost of revenue. Interest expense for finance leases is recognized using the effective interest method. Leases with a lease term of 12 months or less from the commencement date that do not contain a purchase option are recognized as an expense on a straight-line basis over the lease term.

4. *Revenue recognition*

<u>*Sale of manufactured goods*</u>

The Company recognizes revenues from sale of manufactured ROXOR off-road side by side vehicles and their related accessories.

Revenue is recognized when control of the vehicles, parts or accessories have been transferred and the Company's performance obligation to the customers have been satisfied. Revenue is measured as the amount of consideration the Company expects to receive in exchange for transfer of goods. The timing of when the Company transfers the goods to the customer may differ from the timing of the customer's payment.

When the Company gives the customers the right to return eligible goods, the Company estimates the expected returns based on an analysis of historical experiences.

For the year ended March 31, 2021, the Company sponsored certain sales incentive programs and accrues liabilities for estimated sales promotion expenses when products were sold to the dealerships to the extent that it was probable. The cost of incentives, if any, estimated at the inception of a contract was the expected amount that would ultimately be paid. Sales promotion incentive programs included volume incentives, cash discounts, retail financing programs, and co-operative advertising programs. Sales promotions and incentives were recognized as a reduction to sales at the time of sale to the dealership. If the estimate of the incentive changed following the sale to the customer, the change is recognized as an adjustment to revenue in the period of the change.

During the year ended March 31, 2022, Mahindra North American Technical Center, Inc. d/b/a Mahindra Automotive North America Manufacturing ("MANAM") launched and started selling the redesigned ROXOR from November 2021 in the United States of America and Canada. Before the cease-and-desist order, MANAM used to sell and distribute parts and vehicles to the distributors and dealers (collectively "dealerships") through the Company to its customers. However, effective September 01, 2021, MANAM entered into the Distribution Agreement ("the agreement") with Mahindra USA Inc. ("MAgNA") to distribute the redesigned ROXOR as well as its parts and accessories and services relating thereto (collectively with ROXOR, the "Products") under the brand name Mahindra and/or ROXOR through MAgNA's dealership network. Effective September 01, 2021, and onwards, the Company continues to honor the services of warranty and selling the accessory & service parts under the warranty agreement of the ROXORs previously sold.

The Company has determined that the customers from the sale of vehicles and service parts are generally dealers and distributors. Transfer of control, and therefore revenue recognition, generally corresponds to the date when the vehicles or service parts are made available to the customer, or when the vehicles or service parts are released to the carrier responsible for transporting them to the customer. This is also the point at which invoices are issued, with payment terms for vehicles and for service parts vary with the dealers. For component part sales, revenue recognition is consistent with that of service parts.

The Company sponsors certain sales incentive programs and accrues liabilities for estimated sales promotion expenses when products are sold to the dealerships to the extent that it is probable. The cost of incentives, if any, is estimated at the inception of a contract at the expected amount that will ultimately be paid. Sales promotion incentive programs include volume incentives, cash discounts, retail financing programs, and co-operative advertising programs. Sales promotions and incentives are recognized as a reduction to sales at the time of sale to the dealership. If the estimate of the incentive changes following the sale to the customer, the change in estimate is recognized as an adjustment to revenue in the period of the change.

Shipping and handling services

The Company also performs shipping and handling activities for its customers which is treated as a separate performance obligation as these activities are performed after the customer obtains control of the goods. The Company acts as an agent for shipping and handling services and recognizes revenue on net basis.

5. *Other income*

The Company records the following in the other income; (a) interest income and (b) liabilities written back. During the year ended March 31, 2022, the Company has recorded USD 359,309 (INR: 27,206,878) as other income on account of liabilities written back.

6. *Product warranty*

The Company provides a limited warranty for ROXOR for a period of two years or 12,000 miles whichever is lesser. The warranty reserve is established at the time of sale to the distributorship based on management's best estimate using historical rates and trends. These amounts are recorded as a liability in the balance sheet until they are ultimately paid. Accrued warranty liability was USD 1,093,502 (INR: 82,799,971) at March 31, 2022 (March 31, 2021: USD 1,149,524 (INR: 87,041,957)).

7. *Product liability*

The Company is subject to product liability claims in the normal course of business. Adequate insurance coverage is carried for catastrophic product liability claims. The Company self-insures product liability claims up to the purchased catastrophic insurance coverage. The estimated costs resulting from uninsured losses are charged to operating expenses when it is probable a loss has been incurred and the amount of the loss is reasonably determinable.

8. *Cash and cash equivalents*

The Company considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. Cash balances in bank accounts are insured by the Federal Deposit Insurance Corporation up to an aggregate per bank of USD 250,000 (INR: 18,930,000). The Company believes it is not exposed to any significant risk on cash and cash equivalents.

9. *Property and equipment*

Property and equipment are stated at cost less accumulated depreciation. Cost of items of property and equipment comprises cost of purchase and other costs necessarily incurred to bring it to the condition and location necessary for its intended use.

The Company depreciates property and equipment over the estimated useful life using the straight-line method. Upon retirement or disposal of assets, the cost and accumulated depreciation are eliminated from the accounts and the resulting gain or loss is credited or charged to operations.

The estimated useful life used to determine depreciation is:

Computers	3 years
Vehicles	5 - 10 years

Expenditures for maintenance and repairs are charged to expense. Property and equipment is reviewed for impairment whenever events or changes in circumstances indicate the carrying value of the asset may not be recoverable.

10. *Intangible assets*

Intangible assets are comprised of computer software which has been recognized at cost and amortized over a period of 3 years or its estimated useful life. Subsequent expenditure is capitalized only when it increases the future economic benefit from the specific assets to which it relates.

11. *Government incentives*

The Company receives incentives from the Michigan Economic Development Corporation in the form of business development grants. These grants are recognized at their fair values in the statement of loss where there is a reasonable assurance that all grant conditions have been complied with and the grant will be received.

12. *Accounts receivable & allowance for doubtful debts*

Accounts receivable represent amounts due related to sale of goods and services. Accounts receivable are reduced by an estimate of the amount that will ultimately be uncollectible. Management determines the allowance

NOTES TO THE FINANCIAL STATEMENTS

for doubtful accounts by a review of the outstanding amounts on a monthly basis. The allowance is determined by identifying troubled accounts, by using historical experience applied to an aging of accounts. Allowance for doubtful accounts is included in selling, general and administrative expenses in the statement of loss. The Company charges off uncollectable amounts against the reserves in the period in which it determines they are uncollectable.

13. *Income taxes*

Income taxes are provided for the tax effects of transactions reported in the financial statements and consist of taxes currently due plus deferred taxes related primarily to differences between the basis of certain assets and liabilities for financial and tax reporting. The deferred taxes represent the future tax return consequences of those differences, which will either be taxable or deductible when the assets and liabilities are recovered or settled, respectively.

The Company has determined whether any tax positions have met the recognition threshold and has measured the Company's exposure to those tax provisions. Management believes that the Company has adequately addressed all relevant tax positions and that there are no unrecorded tax liabilities. Federal and state taxing authorities generally have the right to examine and audit the previous three years of tax returns filed. Any interest or penalties from federal and state taxing authorities were recorded in the accompanying financial statements.

14. *Fair value measurements and financial instruments*

Assets and liabilities recorded at fair value in the financial statements are categorized based upon the level of judgment associated with the inputs used to measure their fair value. Hierarchical levels which are directly related to the amount of subjectivity associated with the inputs to the valuation of these assets or liabilities are as follows:

Level 1 – unadjusted quoted prices in active markets for identical assets or liabilities that the Company has the ability to access as of the measurement date.

Level 2 – inputs other than quoted prices included within Level 1 that are directly observable for the asset or liability or indirectly observable through corroboration with observable market data.

Level 3 – unobservable inputs for the asset or liability only used when there is little, if any, market activity for the asset or liability at the measurement date.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, the level in the fair value hierarchy within which the fair value measurement in its entirety falls is determined based on the lowest level input that is significant to the fair value measurement in its entirety.

This hierarchy requires the Company to use observable market data, when available, and to minimize the use of unobservable inputs when determining fair value.

Some of Company's financial instruments, including cash and cash equivalents, accounts receivable and accounts payable are not measured at fair value on a recurring basis but are recorded at amounts that approximate fair value due to their liquid or short-term nature.

15. *Commitments and contingencies*

Liabilities for loss contingencies arising from claims, assessments, litigation, fines, and penalties and other sources are recorded when it is probable that a liability has been incurred and the amount can be reasonably estimated. Legal costs incurred in connection with loss contingencies are expensed as incurred. Contingent liabilities are not recognized but are disclosed in the notes. Contingent assets are neither recognized nor disclosed in the financial statements.

NOTE D - CASH AND CASH EQUIVALENTS

The cash and cash equivalents of the Company comprise:

	USD		INR	
	As at March 31,		As at March 31,	
Particulars	**2022**	**2021**	**2022**	**2021**
Bank balances	**264,431**	480,485	**20,022,715**	36,382,324
Total	**264,431**	480,485	**20,022,715**	36,382,324

NOTE E - ACCOUNTS RECEIVABLE

Accounts receivable comprise the following:

	USD		INR	
	As at March 31,		As at March 31,	
Particulars	**2022**	**2021**	**2022**	**2021**
Accounts receivable	**9,195**	133,740	**696,245**	10,126,793
Dealer financing receivable	**1,278**	30,129	**96,771**	2,281,368
Total	**10,473**	163,869	**793,016**	12,408,161

Interest expense on dealer financing receivable for the year ended March 31, 2022 was USD 1,915 (INR: 145,004) and the year ended March 31, 2021 was USD 273,920 (INR: 20,741,222).

NOTE F - PREPAID EXPENSES

Prepaid expenses comprise the following:

	USD		INR	
	As at March 31,		As at March 31,	
Particulars	**2022**	**2021**	**2022**	**2021**
Prepaid software license fee	**4,247**	34,633	**321,583**	2,622,411
Prepaid insurance	**–**	34,661	**–**	2,624,531
Total	**4,247**	69,294	**321,583**	5,246,942

NOTE G - PROPERTY AND EQUIPMENT, NET

Property and equipment comprise the following:

	USD		INR	
	As at March 31,		As at March 31,	
Particulars	**2022**	**2021**	**2022**	**2021**
Computers	**16,362**	16,362	**1,238,931**	1,238,931
Vehicles*	**8,500**	219,419	**643,620**	16,614,407
	24,862	235,781	**1,882,551**	17,853,338
Less: Accumulated depreciation	**(19,479)**	(122,852)	**(1,474,950)**	(9,302,354)
Property and equipment, net	**5,383**	112,929	**407,601**	8,550,984

Depreciation expense for the year is USD 11,468 (INR: 868,357) (March 31, 2021: USD 61,304 (INR: 4,641,939)).

* During the year ended March 31, 2022, the Company sold assets having net block of USD 96,078 (INR: 7,275,026) for USD 84,935 (INR: 6,431,278). The loss on sale of assets amounting to USD 11,143 (INR: 843,748) has been recorded in the statements of loss for the year ended March 31, 2022 (March 31,2021 USD 76,545 (INR: 5,795,987)). (Gross block of USD 210,919 (INR: 15,970,787); accumulated depreciation of USD 114,841 (INR: 8,695,761))

NOTE H - INTANGIBLE ASSETS, NET

Intangible assets comprise the following:

	USD		INR	
	As at March 31,		As at March 31,	
Particulars	**2022**	**2021**	**2022**	**2021**
Software	**1,170,574**	1,170,574	**88,635,863**	88,635,863
Less: Accumulated amortization	**(1,170,574)**	(1,170,574)	**(88,635,863)**	(88,635,863)
Intangible assets, net	**–**	–	**–**	–

Amortization expense for the year is USD NIL (March 31, 2021: USD 260,128 (INR: 19,696,892)).

NOTES TO THE FINANCIAL STATEMENTS

NOTE I - ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES
Accrued expenses and other current liabilities comprise the following:

	USD		INR	
	As at March 31,		As at March 31,	
Particulars	**2022**	**2021**	**2022**	**2021**
Accrued warranty	**1,093,502**	1,149,524	**82,799,971**	87,041,957
Accrued accounts payable	**711,553**	878,276	**53,878,870**	66,503,059
Rebate and incentive liability	**197,500**	180,000	**14,954,700**	13,629,600
Accrued merit pay	–	187,861	–	14,224,835
Accrued vacation	–	417,591	–	31,619,991
Accrued payroll	–	60,700	–	4,596,204
Accrued state taxes	**3,035**	76,867	**229,810**	5,820,369
Buyback liability*	–	338,882	–	25,660,145
Dealership closure liability	**602,500**	262,500	**45,621,300**	19,876,500
Withholding payroll taxes	**29,231**	56,566	**2,213,371**	4,283,178
Others	**240,550**	580,106	**18,214,447**	43,925,626
Total	**2,877,871**	4,188,873	**217,912,392**	317,181,464

* Due to the cease-and desist order (Refer Note A), the Company was unable to carry out business in the United States of America. The Company estimates the liability for buy-back and disposal to be USD NIL (INR: NIL) as at March 31, 2022. (March 31, 2021: USD 338,882 (INR: 25,660,145)).

NOTE J - SHORT TERM BORROWING – RELATED PARTY

The Company had no balance outstanding of short-term borrowing as at March 31, 2022.

During the year ended March 31, 2021, the Company obtained loan amounting to USD 21,090,000 (INR: 1,596,934,800) from MANA at an interest rate of 5.00% per annum. The entire loan amount along with interest payable as at March 31, 2021, was converted to equity.

Interest expense for the year is USD NIL (INR: NIL) (March 31, 2021: USD 635,244 (INR: 48,100,676).

NOTE K - LEASES

The Company has entered various facility and equipment operating leases with varying terms. In most circumstances, management expects that in the normal course of business, leases will be renewed or replaced by other leases

The table below presents the classification of leasing assets and liabilities as reported on the balance sheet as of March 31, 2022 and March 31, 2021.

	USD		INR	
	As at March 31,		As at March 31,	
Particulars	**2022**	**2021**	**2022**	**2021**
Assets				
Operating lease right-of-use assets	**18,193**	105,717	**1,377,574**	8,004,891
Total lease assets	**18,193**	105,717	**1,377,574**	8,004,891
Liabilities				
Current				
Operating lease liabilities	**13,677**	84,359	**1,035,622**	6,387,663
Long term				
Operating lease liabilities	**3,517**	19,639	**266,307**	1,487,065
Total lease liabilities	**17,194**	103,998	**1,301,929**	7,874,728

The table below presents the classification of lease related expenses as reported in the statements of income.

	USD		INR	
	Year ended March 31,		Year ended March 31,	
Particulars	**2022**	**2021**	**2022**	**2021**
Operating lease expense*	**215,790**	587,201	**16,339,619**	44,462,860
Total lease expense	**215,790**	587,201	**16,339,619**	44,462,860

* Operating lease expenses are included in selling, general and administrative expenses in the statements of loss. Operating lease expense includes short-term leases, variable lease costs and leases which do not meet the capitalization requirement of the Company.

Future minimum lease payments as of March 31, 2022, for operating leases having an initial or remaining non-cancellable lease term in excess of one year are as follows.

Year ended March 31	**Amount (USD)**	**Amount (INR)**
2023	14,160	1,072,195
2024	3,540	268,049
Total minimum lease payments	**17,700**	**1,340,244**
Less: interest imputed	(506)	(38,315)
Present value of lease payments	**17,194**	**1,301,929**

The following table presents the weighted-average remaining lease term and discount rates as of March 31, 2022.

Weighted-average remaining lease term (years)	
Operating leases	1.33
Weighted-average discount rate	
Operating leases	4.51%

The following table presents supplemental information for operating leases for the year ended March 31, 2022 and March 31, 2021.

	USD		INR	
	Year ended March 31,		Year ended March 31,	
Particulars	**2022**	**2021**	**2022**	**2021**
Supplemental information				
Cash paid for amounts included in the measurement of lease liabilities				
Operating cash flows from operating leases	82,648	465,889	6,258,107	35,277,115

NOTE L - REVENUE FROM CONTRACT WITH CUSTOMERS

Disaggregation of revenue from contracts with customers

The following table presents revenue disaggregated by product line:

	USD		INR	
	As at March 31,		As at March 31,	
Particulars	**2022**	**2021**	**2022**	**2021**
Vehicle sales	–	8,028,190	–	607,894,547
Parts and accessories sales	**766,363**	3,149,488	**58,029,006**	238,479,231
Total revenue by product line	**766,363**	11,177,678	**58,029,006**	846,373,778

NOTES TO THE FINANCIAL STATEMENTS

The following table presents revenue disaggregated by timing of recognition:

	USD		INR	
	As at March 31,		As at March 31,	
Particulars	2022	2021	2022	2021
Products and services transferred at a point in time	**766,363**	11,177,678	**58,029,006**	846,373,778
Products transferred over time	–	–	–	–
Total revenue by timing of revenue recognition	**766,363**	11,177,678	**58,029,006**	846,373,778

The following table presents revenue disaggregated by geography based on Company's locations:

	USD		INR	
	As at March 31,		As at March 31,	
Particulars	2022	2021	2022	2021
United States of America	**609,834**	9,870,522	**46,176,630**	747,395,926
Canada	**156,529**	1,307,156	**11,852,376**	98,977,852
Total revenue by geography	**766,363**	11,177,678	**58,029,006**	846,373,778

Contract balance

The Company's contracts with customers are comprised of dealer agreements and purchase orders. These contracts with customers typically consist of sale of products which represent performance obligations that are satisfied upon transfer of control of the product to the customer at a point in time.

The following table provides information about contract assets and liability balances as of March 31, 2022 and March 31, 2021:

	USD		INR	
	As at March 31,		As at March 31,	
Particulars	2022	2021	2022	2021
Accounts receivable (Refer Note E)	**10,473**	163,869	**793,016**	12,408,161

NOTE M - INCOME TAXES

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. The Company is subject to taxation in the United States of America and the State of Michigan. The Company is a member of the federal consolidated tax group of its parent company, MANA.

The provision for income tax expense (benefit) for the current year is as follows:

	USD		INR	
	Year ended March 31,		Year ended March 31,	
	2022	2021	2022	2021
Current tax expense	–	–	–	–
Deferred tax expense	–	15,061,620	–	1,140,465,866
Income tax expense	–	15,061,620	–	1,140,465,866

The tax effects of significant temporary differences that resulted in deferred tax assets and liabilities and a description of the items that create such differences is as follows:

	USD		INR	
	As at March 31,		As at March 31,	
	2022	2021	2022	2021
Deferred tax asset (liability)				
Net operating loss - Federal	**17,732,162**	17,027,047	**1,342,679,307**	1,289,287,999
Net operating loss - MI	**1,078,180**	770,378	**81,639,790**	58,333,022
Interest expense limitation	**734,765**	688,640	**55,636,406**	52,143,821
Accrued merit pay	–	41,205	–	3,120,043
Accrued warranty	**255,758**	252,139	**19,365,996**	19,091,965
Accrued vacation	–	91,594	–	6,935,498
Accrued payroll taxes	–	24,697	–	1,870,057
Bad debts	**2,125**	1,084	**160,905**	82,080
Contributions	**8,321**	7,803	**630,066**	590,843
Lease assets	**(234)**	(377)	**(17,718)**	(28,546)
Previous year incentive accrual	**182,260**	–	**13,800,727**	–
Flooring interest accrual	**468**	–	**35,437**	–
Prepaid expenses	**(993)**	(15,199)	**(75,190)**	(1,150,868)
Property and equipment	**(432)**	(10,321)	**(32,711)**	(781,506)
Valuation allowance	**(19,992,380)**	(18,878,690)	**(1,513,823,015)**	(1,429,494,408)
Total	–	–	–	–

In assessing the realization of deferred tax assets, the likelihood of whether it is more likely than not that some portion or all the deferred tax assets will not be realized must be considered. The ultimate realization of deferred tax assets is dependent on the generation of future taxable income during the periods in which temporary difference becomes deductible. Management considers the projected future taxable income and tax planning strategies in making this assessment. The management believes that it is more likely than not that the deferred tax assets may not be realized and accordingly, a valuation allowance of USD 19,992,380 (INR: 1,513,823,014) is recognized as at March 31, 2022 (March 31, 2021 USD 18,878,690 (INR: 1,429,494,408)).

The Company has federal net operation losses ("NOLs") carry forwards of USD 84,438,867 (INR: 6,393,711,009) as at March 31, 2022 (March 31, 2021: USD 81,084,911 (INR: 6,139,749,461). Out of the total NOLs of USD 84,438,867 (INR: 6,393,711,009), if unutilized, NOLs of USD 6,721,616 (INR: 508,960,764) will begin to expire from the year 2037, whereas the remaining NOLs will be carried forward indefinitely.

The Company has state net operating losses carry forwards of USD 22,746,408 (INR: 1,722,358,014) as at March 31, 2022 (March 31, 2021: USD 21,051,175 (INR: 1,593,994,971), which if unutilized will begin to expire from the year 2027.

The Company recognizes the financial statement impact of a tax position when it is more likely than not that the position will be sustained upon examination.

The tax years 2018, 2019 and 2020 remain subject to examination by the taxing authorities.

NOTES TO THE FINANCIAL STATEMENTS

NOTE N - RELATED PARTY TRANSACTIONS

Name of related party and nature of relationship:

No.	Name of the party	Nature of relationship
1	Mahindra & Mahindra Limited	Ultimate parent company
2	Mahindra Automotive North America, Inc. ("MANA")	Parent company
3	Mahindra Integrated Business Solutions Pvt Ltd - US Branch ("MIBS")	Affiliate company
4	Mahindra North American Technical Center, Inc. ("MNATC")	Affiliate company
5	Mahindra Finance USA LLC	Affiliate company
6	Mahindra USA Inc. ("MAgNA")	Affiliate company

Summary of transactions and balances with related parties are as follows:

	USD		INR	
	Year ended March 31,		Year ended March 31,	
	2022	2021	2022	2021
Transactions during the year				
Mahindra Automotive North America, Inc.				
Capital contribution received (loan converted to equity)	**4,350,000**	21,179,749	**329,382,000**	1,603,730,594
Corporate cost allocation	**677,847**	986,250	**51,326,575**	74,678,850
Loan obtained	–	20,690,000	–	1,566,646,800
Interest expense	–	635,244	–	48,100,676
Interest expense payment	–	545,496	–	41,304,957
Expense incurred on behalf MANA	**364,429**	–	**27,594,564**	–
Mahindra Integrated Business Solutions Pvt Ltd - US Branch (erstwhile - Mahindra Vehicles Manufacturers Limited)				
Expense incurred on behalf MIBS	**45,534**	–	**3,447,834**	–
Engineering services received	–	973,365	–	73,703,198
Mahindra North American Technical Center, Inc.				
ROXOR vehicle purchases	–	9,310,150	–	704,964,558
Accessories and service parts purchases	**505,533**	2,546,466	**38,278,959**	192,818,406
Expense incurred on behalf MVSS	**174,897**	–	**13,243,201**	–
Expenses incurred on the behalf of MNATC	**19,760**	–	**1,496,227**	–
Mahindra Finance USA LLC				
Dealer financing interest expense	**1,077**	273,920	**81,550**	20,741,222
Mahindra USA Inc.				
Disposal of asset	**42,511**	–	**3,218,933**	–
Expense reimbursements by the Company	**224,707**	–	**17,014,814**	–
Mahindra and Mahindra Ltd.				
Expenses incurred on the behalf of MVSS	**1,347**	–	**101,995**	–
Balances at the end of the year				
Intercompany payables, net				
Mahindra North American Technical Center, Inc.	**141,239**	387,318	**10,694,617**	29,327,719
Mahindra Automotive North America, Inc.	**208,496**	45,074	**15,787,317**	3,413,003
	349,735	432,392	**26,481,934**	32,740,722

	USD		INR	
	Year ended March 31,		Year ended March 31,	
	2022	2021	2022	2021
Intercompany receivable, net				
Mahindra Integrated Business Solutions Pvt Ltd - US Branch				
Mahindra Vehicles Manufacturers Limited	**2,481**	–	**187,861**	–
	2,481	–	**187,861**	–

	USD		INR	
	Year ended March 31,		Year ended March 31,	
	2022	2021	2022	2021
Mahindra Finance USA LLC				
Dealer financing receivables	–	30,129	–	2,281,368
(classified under accounts receivable)				

NOTE O - COMMITMENT AND CONTINGENCIES

Long term purchase commitment

On September 24, 2019, MANA signed a Vendor Subscription Agreement ("VSA") with Icon International Inc. ("ICON"), a subsidiary of Omnicom Media Group, for purchase of certain media advertising for 5 years in an amount not less than USD 2,263,022 (INR: 171,356,026) each year. In addition, MANA signed an indemnity bond amounting to USD 1,600,000 (INR: 121,152,000) with Atlantic Specialty Insurance Company which binds MANA and its subsidiaries to purchase media advertising through ICON. If MANA and its subsidiaries fails to place the minimum amount of advertising spend on the contract anniversary each year it will be assessed a penalty of 15% of the shortfall. ICON provides composition and consultation services at no charge for media placements. ICON's placement services include broadcast, digital, and print media advertising which will be billed to the parent company at a competitive market rate. During the term of the agreement MANA agrees to provide ICON with the right of first refusal on any media being placed.

Due to the cease-and desist order, MANA and its subsidiaries was prohibited to sell, market, import and manufacture the model year 2018, 2019 and 2020 ROXOR off-road vehicle in the US. Since the Company's operations were paused and it could not carry out marketing activities, the management had decided to opt out of the long-term contracts and commitments entered by MANA. During the year ended March 31, 2021, MANA believed that it would be able to terminate the VSA by paying the penalty and thus an accrual of 625,000 (INR: 47,325,000) was created in the books of the Company as at March 31, 2021.

However, during the year ended March 31, 2022, MANA renegotiated the VSA with ICON and extended the agreement till March 31, 2025. Based on the revised budget spend for next financial years MANA believes that it may not be able to meet the minimum amount of advertising spend at the end of the contract term. Thus, the Company continues to carry the accrual amounting to USD 690,814 (INR: 52,308,436) as at March 31, 2022 as its best estimate for penalty liability mentioned in the VSA.

Litigation

The Company was engaged in litigation over violation of "trade dress" of FCA's Jeep branded vehicles with FCA US, LLC both at the International Trade Commission ("ITC") and at the United States District Court, Eastern District of Michigan. The ITC in its ruling dated June 11, 2020, stated that the Company's ROXOR off-road utility vehicle violated the "trade dress" claimed by FCA. The ITC then issued a limited exclusion order prohibiting sale or import of the infringing vehicles and parts, as well as a cease-and desist order to the Company. The cease-and desist order was effective from August 11, 2020.

In December 2020, the Company received confirmation that they can proceed with selling the post-2020 ROXOR model. The ITC's decision for allowing the Company to sell post-2020 ROXOR was appealed by FCA and, FCA did not prevail per a decision from the Court of Appeals on March 9, 2022. Therefore, the ITC's decisions for allowing the sale of post-2020 ROXOR remains valid.

NOTES TO THE FINANCIAL STATEMENTS

There is also a federal action which remains pending in which FCA US, LLC is seeking disgorgement of profits and a claim for false advertising relating to one commercial that displayed a military style vehicle. The matter is ongoing. The Company believes it has strong defense against the claims. At this time, no liability has been incurred and the amount of any future loss or award associated with the Eastern District of Michigan matter cannot be estimated reasonably. Also, a final determination is yet to be made relating to a legal issue FCA has raised with the Sixth Circuit Court of appeals. Once such decision is reached, the Eastern District of Michigan action may continue with resolution of the final claims.

NOTE P - RISK AND UNCERTANITIES

The Company's future results of operations involve several risks and uncertainties. Factors that could affect the Company's future operating results and cause actual results to vary materially from expectations include, competitive factors, including but not limited to pricing pressures; deterioration in general economic conditions; the Company's ability to effectively manage operating costs and increase operating efficiencies; declines in revenues; technological and market changes and the Company's ability to execute on its business plan. Also, there was a significant decline in revenue in the current year as there were no sale of ROXOR through the Company which limits the operations of the Company.

NOTE Q - ADVERTISING AND MARKETING EXPENSE

Advertising costs are presented as part of selling, general and administrative expenses in the statements of loss. Advertising costs are expensed as incurred. The amount of advertising and marketing cost incurred by the Company for the year ended March 31, 2022 and March 31, 2021 is USD 1,208,502 (INR: 91,507,771) and USD 3,416,071 (INR: 258,664,896) respectively.

NOTE R - COMMON STOCK

Common stock

The authorized share capital of the Company as of March 31, 2022, and March 31, 2021 was 5,000,000 and 3,000,000 shares of $ 25 each respectively. As at March 31, 2022 and March 31, 2021 total shares issued and outstanding was 3,474,631 and 3,300,631 shares, respectively.

The Company issued 174,000 shares and 847,190 shares for USD 25 each for years ended March 31, 2022 and March 31, 2021, respectively.

As at March 31, 2021, the Company has issued 300,631 shares in excess of the authorized capital and it amended the authorized capital to 5,00,000 shares in the current year.

Voting

Each holder of common stock is entitled to one vote in respect of each share held by him in the records of the Company for all matters submitted to a vote.

Liquidation

In the event of liquidation of the Company, the holder of common stock shall be entitled to receive all the remaining assets of the Company.

NOTE S - EMPLOYEE BENEFIT PLANS

The Company has voluntary 401(k) retirement plans covering substantially all employees. The Company may make annual contributions to the plans equal to a uniform percentage of participant compensation. The cost of the Company's contributions charged to expense related to 401(k) contributions was USD 11,959 (INR: 905,535) and USD 55,351 (INR: 4,191,178) for the year ended March 31, 2022, and year ended March 31, 2021, respectively.

NOTE T - GOVERNMENT INCENTIVE AND CREDITS

Employee retention credit

During the year, the Company availed the benefit under the ERC (employee retention credit) scheme, a benefit given by the Federal government under the COVID stimulus package which allows businesses to take credit of the wages paid to employees on furlough and not working. The total ERC credit received by the Company for the year ended March 31, 2022 amounts to USD 237,578 (INR: 17,989,406) and USD 351,982 (INR: 26,652,077) for the year ended March 31, 2021. The Company has currently repaid the credits that is believed to be owed to the IRS amounting to USD 588,328 (INR: 44,548,196) and has recorded an accrual to pay back any remaining credits and penalties that may be owed amounting to USD 1,232 (INR: 93,287) as of March 31, 2022 and USD 351,982 (INR: 26,652,077) as of March 31, 2021.

Deferral of employment taxes

Section 2302 of the CARES Act provides that employers may defer the deposit and payment of the employer's portion of Social Security taxes. The payroll tax deferral period commenced on March 27, 2020 and ended on December 31, 2020. Section 2302(a)(2) of the CARES Act provides that the deferred deposits of the employer's share of social security tax must be 50 percent deposited by December 31, 2021, and the remaining amount must be deposited

December 31, 2022. The Company in the current year has repaid all the payroll tax deferral amounting to USD 112,587 (INR: 8,525,088). The Company has deferred the employment taxes amounting to USD NIL (INR: NIL) as on March 31, 2022, and USD 112,587 (INR: 8,525,088) as on March 31,2021, respectively.

NOTE U - SUBSEQUENT EVENTS

The Company evaluated all events and transactions that occurred after March 31, 2022 through the date the financial statements were issued. Based on the evaluation, the Company is not aware of any events or transactions that would require recognition or disclosure in the financial statements.

INDEPENDENT AUDITOR'S REPORT

Audit Opinions

We have audited the annual financial statements of Automobili Pininfarina GmbH, Munich, which comprise the balance sheet as at 31 March 2022, and the statement of profit and loss for the financial year from 1 April 2021 to 31 March 2022, and notes to the financial statements, including the presentation of the recognition and measurement policies. In addition, we have audited the management report of Automobili Pininfarina GmbH, Munich, for the financial year from 1 April 2021 to 31 March 2022.

In our opinion, on the basis of the knowledge obtained in the audit,

- the accompanying annual financial statements comply, in all material respects, with the requirements of German commercial law applicable to business corporations and give a true and fair view of the assets, liabilities and financial position of the Company as at 31 March 2022 and of its financial performance for the financial year from 1 April 2021 to 31 March 2022 in compliance with German Legally Required Accounting Principles, and
- the accompanying management report as a whole provides an appropriate view of the Company's position. In all material respects, this management report is consistent with the annual financial statements, complies with German legal requirements and appropriately presents the opportunities and riskwwwquirements and principles are further described in the "Auditor's Responsibilities for the Audit of the Annual Financial Statements and of the Management Report" section of our auditor's report. We are independent of the Company in accordance with the requirements of German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions on the annual financial statements and on the management report.

Responsibilities of the Executive Directors for the Annual Financial Statements and the Management Report

The executive directors are responsible for the preparation of the annual financial statements that comply, in all material respects, with the requirements of German commercial law applicable to business corporations and that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German Legally Required Accounting Principles. In addition, the executive directors are responsible for such internal control as they, in accordance with German Legally Required Accounting Principles, have determined necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the annual financial statements, the executive directors are responsible for assessing the Company's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting, provided no actual or legal circumstances conflict therewith.

Furthermore, the executive directors are responsible for the preparation of the management report that as a whole provides an appropriate view of the Company's position and is, in all material respects, consistent with the annual financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, the executive directors are responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the management report.

Auditor's Responsibilities for the Audit of the Annual Financial Statements and of the Management Report

Our objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the management report as a whole provides an appropriate view of the Company's position and, in all material respects, is consistent with the annual financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our audit opinions on the annual financial statements and on the management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with section 317 HGB and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual financial statements and this management report.

We exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

- Obtain an understanding of internal control relevant to the audit of the annual financial statements and of arrangements and measures (systems) relevant to the audit of the management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of these systems of the Company.
- Evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures.
- Conclude on the appropriateness of the executive directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the annual financial statements and in the management report or, if such disclosures are inadequate, to modify our respective audit opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to be able to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements present the underlying transactions and events in a manner that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German Legally Required Accounting Principles.
- Evaluate the consistency of the management report with the annual financial statements, its conformity with German law, and the view of the Company's position it provides.
- Perform audit procedures on the prospective information presented by the executive directors in the management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the executive directors as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate audit opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

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

Munich, 3 May 2022

Warth & Klein Grant Thornton AG
Wirtschaftsprüfungsgesellschaft

Stephan Mauermeier Wirtschaftsprüfer [German Public Auditor]	Andrea Stoiber-Harant Wirtschaftsprüfer [German Public Auditor]

BALANCE SHEET AS AT 31 MARCH 2022

ASSETS

	EUR	31/03/2022 EUR	31/03/2021 EUR
A. FIXED ASSETS			
I. Intangible fixed assets			
1. Internally generated commercial protective rights and Rights and assets	**0.00**		27,366,600.24
2. Purchased concessions, industrial property rights and similar rights and assets, and licenses in such assets	240,355.00		306,501.00
		240,355.00	27,673,101.24
II. Tangible fixed assets			
1. Other equipment, operating and office equipment	**2,718,125.04**		253,356.02
2. Prepayments and assets under construction	**4,756,015.86**		8,259,024.21
		7,474,140.90	8,512,380.23
III. Investments			
Shares in affiliates	**37,140.18**		24,712.31
		37,140.18	24,712.31
B. CURRENT ASSETS			
I. Inventories			
1. Raw materials and supplies	**1,807,911.14**		0.00
2. Work in progress	**963,949.00**		0.00
3. Advance payments made on inventories	**582,297.92**		0.00
		3,354,157.06	0.00
II. Receivables and other assets			
Other assets	**1,934,405.09**		1,555,940.16
		1,934,405.09	**1,555,940.16**
III. Cash-in-hand, bank balances, and cheques		**3,420,359.90**	3,393,070.87
C. DEFERRED INCOME		**292,425.20**	329,221.64
D. DEFERRED TAX ASSETS		**0.00**	9,024,136.43
		16,752,983.33	50,512,562.88

EQUITY AND LIABILITIES

	EUR	31/03/2022 EUR	31/03/2021 EUR
A. EQUITY			
I. Subscribed capital	**150,000,000.00**		119,475,000.00
II. Capital reserves	**20,525,000.00**		20,525,000.00
III. Accumulated losses brought forward	**(123,763,560.21)**		(28,582,413.80)
IV. Net loss for the financial year	**(61,718,972.94)**		(95,181,146.41)
		(14,957,533.15)	1,62,36,439.79
B. CONTRIBUTIONS MADE FOR THE DECIDED INCREASE IN EQUITY		**16,900,000.00**	10,825,062.00
C. PROVISIONS			
1. Tax provisions	**140,949.00**		66,749.66
2. Other provisions	**4,226,054.31**		2,308,237.78
		43,67,003.31	2,374,987.44
D. LIABILITIES			
1. Trade payables	**7,991,123.18**		9,640,082.44
2. Other liabilities	**2,451,664.99**		2,408,387.48
of which tax	**227,233.12**		215,345.67
of which relating to social security	**206,100.53**		159,750.62
		10,442,788.17	12,048,469.92
E. PREPAID EXPENSES		**725.00**	3,467.30
F. DEFERRED TAX LIABILITIES		**0.00**	9,024,136.43
		16,752,983.33	50,512,562.88

STATEMENT OF PROFIT AND LOSS FOR THE PERIOD FROM 01 APRIL 2021 TO 31 MARCH 2022

			Financial Year (FY 22)	Previous Year (FY 21)
		EUR	**EUR**	EUR
1.	Gross profit		**4,339,241.25**	4,739,352.02
2.	Personnel expenses:			
	a) Wages and salaries	**(11,816,818.83)**		(11,229,622.27)
	b) Social security, post employment and other employee benefit costs	**(2,017,850.70)**		(1,940,383.81)
			(13,834,669.53)	(13,170,006.08)
3.	Amortization of intangible assets depreciation and write-downs of tangible fixed assets		**(42,635,224.04)**	(74,845,657.78)
4.	Other operating expenses		**(9,242,016.30)**	(6,326,290.90)
5.	Other interest and similar income		**17.26**	3,747.24
6.	Interest and similar expenses		**0.00**	(11,907.52)
7.	Income taxes		**(344,812.10)**	(5,570,587.39)
8.	**Earnings after tax**		**(61,717,463.46)**	(95,181,350.41)
9.	Other taxes		**(1,509.48)**	204.00
10.	**Net loss**		**(61,718,972.94)**	(95,181,146.41)

CASH FLOW STATEMENT FROM 1 APRIL 2021 TO 31 MARCH 2022

	Financial Year (FY 22) EUR	Previous Year (FY 21) EUR
Net loss for the period	**(61,718,972.94)**	(95,181,146.41)
+ Depreciation, amortisation and write-downs of fixed assets	**42,635,224.04**	74,845,657.78
+/- Increase/Decrease in provisions	**1,884,890.87**	(257,723.94)
- Other non-cash income/ Exp	**(33,820.22)**	5,428,643.33
+/- Interest income	**(17.26)**	(3,747.24)
+/- Increase/Decrease of Inventory	**(2,771,860.14)**	0.00
+/- Increase/Decrease in other assets	**(923,965.41)**	(45,928.26)
+/- Increase/Decrease in trade payables other liabilities	**(101,870.63)**	(612,194.00)
Cash flows from operating activities	**(21,030,391.69)**	(15,826,438.74)
- Purchase of intangible fixed assets	**(13,741,297.84)**	(37,967,122.00)
+ Sale of tangible fixed assets	**0.00**	174,527.80
- Purchase of tangible fixed assets	**(1,788,548.83)**	(4,031,927.21)
- Purchase of long-term financial assets	**(12,427.87)**	0.00
Cash flows from investing activities	**(15,542,274.54)**	(41,824,521.41)
+ Cash receipts from issue of capital and funding	**36,599,938.00**	55,633,437.00
+/- Interest received/paid	**17.26**	3,747.24
Cash flows from financing activities	**36,599,955.26**	55,637,184.24
Net change in cash fund (total cash flows)	**27,289.03**	(2,013,775.91)
+/- Cash funds at beginning of period	**3,393,070.87**	5,406,846.78
Cash funds at end of period	**3,420,359.90**	3,393,070.87

NOTES TO THE FINANCIAL STATEMENTS

General details relating to the financial statements

The company was formed based on the articles of association dated 05 February 2018.

The financial statements have been prepared in accordance with the provisions of the German Commercial Code [*Handelsgesetzbuch - HGB*] applicable to business corporations and the Limited Liability Companies Act [*GmbH-Gesetz - GmbHG*].

According to the size classes defined in Sec. 267 Commercial Code [*Handelsgesetzbuch – HGB*] the company falls into the category of a medium-sized corporation.

As in the prior year, the statement of profit and loss for the financial year 2021/2022 is prepared according to the nature of expense method pursuant to Section 275 (2) HGB.

The exemption options for medium-sized corporations pursuant to Sections 286 and 288 (2) HGB were exercised in part.

Details relating to the identification of the company according to the Court of Registration

Business name acc. to Court of Registration:	Automobili Pininfarina GmbH
Registered office acc. to Court of Registration:	Munich
Register entry:	Commercial Register
Registrar of Companies:	Munich Local Court
Register number:	HRB 239596

Details relating to accounting policies

Accounting and valuation principles

Purchased intangible fixed assets are recognised at acquisition cost and, if they have a limited life, are amortized subject to straight-line depreciation.

Internally generated assets are valued at manufacturing cost according to Sec. 255 (2a) HGB, i.e. included as assets in the balance sheet with the expenses incurred as of development. After completion and from the beginning of sales, they are amortised over the expected useful life using the straight-line method. The expected useful life is determined based on the sales period of the developed vehicles. The Company did not make use of the option regarding the capitalisation of costs according to Sec. 255 (2) sentence 3 HGB.

The Company does not engage in basic research. Hence, a separation of research and development is not required. Occasionally, feasibility studies are conducted before the development of a vehicle which are not capitalised. After completion of the feasibility study, development costs recorded if the following criteria are fulfilled:

- It is very probable that the planned intangible asset is created
- The development costs can be attributed reliably to the specific intangible asset
- No prohibition within the sense of Sec. 248 (2) sentence 2 HGB

The Company starts capitalising the development costs as soon as these criteria are met.

Property plant and equipment were recognised at acquisition costs subject to straight-line depreciation. Straight-line regular depreciation was applied pro rata temporis in accordance with the expected useful life.

Low-value assets with acquisition costs of up to EUR 800 are expensed as incurred in the year of their acquisition, assuming that it is disposed of in the year of acquisition.

Financial assets were valued at acquisition cost.

If the value of fixed assets as determined based on the principles mentioned above is expected to exceed the fair value as of reporting date permanently, this is taken into account by an impairment.

Inventories were recognised at acquisition and manufacturing costs in conformity with the lower of cost or market principle.

Receivables and other assets are valued at nominal value and reflect all identifiable risks.

Prepayments and accrued income include expenditures before the reporting date representing costs for a certain time after this date.

The option for recognising an asset for deferred tax assets according to Sec. 274 (1) sentence 2 HGB was not exercised.

Other provisions were created for all identifiable risks and contingent liabilities and are recognised at the settlement amount required, according to prudent commercial judgement.

Assets and liabilities denominated in foreign currencies are translated at the closing rate on the reporting date in accordance with Sec. 256a HGB.

Liabilities were reported at the settlement amount.

In contrast to the prior year, the surplus of deferred taxes pursuant to Section 274 (1) sentence 2 is not recognised. For the purpose of uniform accounting, the option was exercised within the Mahindra & Mahindra Group. If the option had been exercised the same way in the prior year, the balance sheet total would have amounted to EUR 41,488,426.45 and the net loss for the year to EUR 89,610,559.02.

Notes to the balance sheet

Development of assets for individual fixed assets items.

The depreciation applicable to the individual items for the financial year can be derived from the development of assets.

STATEMENT OF MOVEMENT OF FIXED ASSETS FOR FINANCIAL YEAR 2021/22

	Acquisition/ Production costs as at 01.04.2021	Additions	Transfers	**Acquisition/ Production costs as at 31/03/2022**	Depreciations/ Amortizations as at 01.04.2021	Additions	**Depreciations/ Amortizations as at 31/03/2022**	**Book Value as at 31/03/2022**	Book Value as at 01.04.2021
I. Intangible Assets									
1. Self–created industrial property rights and similar rights and values	101,966,600.24	13,164,190.35	-	**115,130,790.59**	74,600,000.00	40,530,790.59	**115,130,790.59**	-	27,366,600.24
2. Purchased concessions, industrial and similar rights and assets and licences in such rights and assets	513,976.85	42,720.00	-	**556,696.85**	207,475.85	108,866.00	**316,341.85**	**240,355.00**	306,501.00
3. Prepayments on intangible assets	79,000.00	-	-	**79,000.00**	79,000.00	-	**79,000.00**	**-**	-
Subtotal	102,559,577.09	13,206,910.35	-	**115,766,487.44**	74,886,475.85	40,639,656.59	**115,526,132.44**	**240,355.00**	27,673,101.24
II. Tangibles Assets									
1. Other equipment, operating and office equipment	631,217.35	60,286.61	3,634,970.43	**4,326,474.39**	377,861.33	1,230,488.02	**1,608,349.35**	**2,718,125.04**	253,356.02
2. Prepayments and assets under construction	8,259,024.21	897,041.51	-3,634,970.43	**5,521,095.29**	-	765,079.43	**765,079.43**	**4,756,015.86**	8,259,024.21
Subtotal	8,890,241.56	957,328.12	-	**9,847,569.68**	377,861.33	1,995,567.45	**2,373,428.78**	**7,474,140.90**	8,512,380.23
III. Long–term financial assets									
1. Shares in affiliated companies	24,712.31	12,427.87		**37,140.18**	-	-	**-**	**37,140.18**	24,712.31
Subtotal	24,712.31	12,427.87	-	**37,140.18**	-	-	**-**	**37,140.18**	24,712.31
Total	111,474,530.96	14,176,666.34	-	**125,651,197.30**	75,264,337.18	42,635,224.04	**117,899,561.22**	**7,751,636.08**	36,210,193.78

NOTES TO THE FINANCIAL STATEMENTS

Research and development

The development expenditure incurred in the financial year was capitalised. It concerns the internally generated intangible assets described in the following. In the financial year, no research costs incurred.

Internally generated intangible assets

Expenses for internally generated intangible assets were capitalised at their manufacturing costs in the amount of EUR 13,164,190.35. The manufacturing costs amount to a total of EUR 115,130,790.59 (prior year: EUR 101,966,600.24).

Due to a permanent impairment within the sense of Sec. 253 (3) sentence 5 HGB as of reporting date, a extraordinary amortization of internally generated intangible assets in the amount of EUR 40,530,790.59 was recognised.

As of reporting date, capitalised internally generated intangible assets therefore amount to EUR 0.00 (prior year: EUR 27,366,600.24).

Property, plant and equipment

Due to a permanent impairment within the sense of Sec. 253 (3) sentence 5 HGB as of reporting date, a extraordinary amortization of property, plant and equipment in the amount of EUR 1,269,209.41 was recognised.

Other liabilities - Customer advances

Contributions by customers are recognised as other liabilities. The contributions do not constitute advances within the sense of German Commercial Law as they do not relate to a binding order. Advances made amount to a total of EUR 939,574.00 (prior year: EUR 1,479,269.13). Other liabilities include liabilities to affiliated companies in the amount of EUR 1,005,578.49 (prior year: EUR 509,966.00).

Share capital

The Company's share capital registered in the Commercial Register and fully paid up as of 31/03/2022 amounts to EUR 150,000,000.00. EUR 16,900,000.00 of an additional capital increase in the amount of EUR 20,000,000.00 in the past financial year were already paid in but not yet registered.

Authorized capital

The nominal amount of the authorised capital (resolutions of general meeting on 07/07/2020 with addendum dated 08/07/2020) was EUR 37,299,938.00. The authorized capital is completely utilised as of 31/03/2022.

As of registration in the Commercial Register as of 06/04/2022, the nominal amount of the authorized capital (resolution of general meeting as of 13/09/2021) was EUR 25,000,000.00. The authorised capital may be used until 06/04/2027 by issuance of new shares once or multiple times up to the nominal amount.

Amount not available for distribution

The total amount not available for distribution in accordance with Sec. 268 (8) HGB is EUR 0.00 (prior year: EUR 27,366,600.24).

Notes on provisions

Other provisions amount to a total of EUR 4,226,054.31 (prior year: EUR 2,308,237.78). They mainly include provisions for outstanding invoices and provisions for personnel.

Remaining maturities

Payables due within one year amount to EUR 10,442,788.17 (prior year: EUR 12,048,469.92). Trade payables and other assets have a remaining maturity of up to one year (EUR 1,934,405.09, prior year: EUR 1,555,940.16).

Deferred taxes

Deferred tax assets mainly result from tax loss carryforwards and are valued at a tax rate of 32.975 % in Germany. The deferred taxes for Italy are valued at a tax rate of 24.00 % for the Italian branch and mainly result from the valuation of provisions.

Notes to the income statement

Notes on income and expenses in exceptional amounts or of exceptional incidence

Expenses in exceptional amounts or of exceptional incidence significant within the meaning of Sec. 285 No. 31 HGB include in detail:

- Advertising costs of different service providers in the amount of EUR 423,198.42 (prior year: EUR 824,469.17)
- Event expenses in the amount of EUR 1,560,546.24 (prior year: EUR 797,323.41)
- External services in the amount of EUR 2,315,682.61 (prior year: EUR 713,468.80)
- Impairment of internally generated intangible assets in the amount of EUR 40,530,790.59 (prior year: EUR 74,600,000.00), and property, plant and equipment in the amount of EUR 1,269,209.41 (prior year: EUR 0.00)

Income from currency translation is recorded in the statement of profit and loss under "Gross profit" in the amount of EUR 53,018.13 (prior year: EUR 75,831.82). Expenses from currency translation are recorded separately under "Other operating expenses" in the amount of EUR 63,743.43 (prior year: EUR 37,779.27).

Other disclosures

Average number of staff employed in the financial year

The average number of staff employed by the company during the financial year was 104.5 (prior year: 108.5).

	2022	**2021**
DESIGN & ENIGNEERING	**76.75**	77.75
OTHER DEPARTMENTS	**27.75**	30.75
Total	**104.5**	108.5

Other financial obligations

Other financial obligations within the meaning of Section 285 no. 3a HGB result from leasing contracts in the amount of EUR 122,698.74 and rent payments from long-term contracts in the amount of EUR 462,986.85.

Names of the managing directors

During the reporting year, the management of the company was in the hands of the following persons:

Director: Svantesson, Per Erland, CEO *19/05/1960

In accordance with Sec. 286 (4) HGB, the Company did not disclose the information pursuant to section 285 no. 9 characters a) and b) HGB.

Information on shareholding in other companies of at least 20 percent of the shares

In accordance with Sec. 285 No. 11 HGB, the following companies are included:

Company name, place of business	**Share**	**Profit or loss**	**Equity**
		EUR	**EUR**
Automobili Pininfarina Americas Inc. Delaware	100 %	-9,746.59	7,712.62

Group affiliation

Automobili Pininfarina GmbH (based in: Munich) prepares consolidated financial statements for the smallest group of companies.

NOTES TO THE FINANCIAL STATEMENTS

Mahindra & Mahindra Limited prepares consolidated financial statements for the largest group of companies. The consolidated financial statements are available on the homepage of the parent company (https://www.mahindra.com/investors/ reports-and-filings).

Suggestion of the appropriation of profits

In accordance with the shareholders, the Company proposes the following appropriation of profits:

The net loss for the financial year amounts to EUR 61,718,972.94. It is carried forward to the next year.

Signature of management

Munich, 02 May 2022 Per Svantesson

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Automobili Pininfarina Americas Inc.

Opinion

We have audited the accompanying financial statements of Automobili Pininfarina Americas Inc. (the "Company"), which comprise of the balance sheets as of March 31, 2022 and March 31, 2021, and the related statements of (loss) profit, stockholder's equity and cash flows for the years then ended and the related notes to the financial statements.

In our opinion, financial statements referred to above present fairly, in all material respects, the financial position of the Company, as of March 31, 2022 and March 31, 2021, and the results of its operations and the cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

Basis for opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of management for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audits.

KNAV P.A.

Atlanta, Georgia

April 16, 2022

BALANCE SHEETS

(All amounts are stated in United States Dollars, unless otherwise stated)

	As of	
	March 31, 2022	March 31, 2021
ASSETS		
Current assets		
Cash and cash equivalents	**6,474,237**	11,710
Receivable from related party *(Refer Note G)*	**1,119,960**	599,960
Total current assets	**7,594,197**	611,670
Total assets	**7,594,197**	611,670
LIABILITIES AND STOCKHOLDER'S EQUITY		
Current liabilities		
Advances from customers *(Refer Note C)*	**7,579,910**	599,960
Other current liabilities	**5,725**	5,820
Total current liabilities	**7,585,635**	605,780
Total liabilities	**7,585,635**	605,780
Stockholder's equity		
Common stock (Authorized, 2,000 common shares of $ 25 par value) Issued and outstanding as of March 31, 2022 and March 31, 2021, 1,600 and 1,040 common shares, respectively)	**40,000**	26,000
Accumulated deficit	**(31,438)**	(20,110)
Total stockholder's equity	**8,562**	5,890
Total liabilities and stockholder's equity	**7,594,197**	611,670

(The accompanying notes are an integral part of these financial statements)

STATEMENTS OF (LOSS) PROFIT

(All amounts are stated in United States Dollars, unless otherwise stated)

	For the year ended **March 31, 2022**	March 31, 2021
Cost and expenses		
Selling, general and administrative expenses	**10,683**	11,265
Total costs and expenses	**10,683**	11,265
Other income		
Provision no longer required *(Refer note E)*	**–**	(13,875)
(Loss) profit before tax	**(10,683)**	2,610
Income tax expense	**645**	1,980
Net (loss) profit	**(11,328)**	630

(The accompanying notes are an integral part of these financial statements)

STATEMENTS OF CASH FLOWS

(All amounts are stated in United States Dollars, unless otherwise stated)

	For the year ended	
	March 31, 2022	March 31, 2021
Cash flow from operating activities		
Net (loss) profit	**(11,328)**	630
Changes in operating assets and liabilities		
Receivable from related party	**(520,000)**	–
Other current liabilities	**6,979,855**	(11,540)
Net cash provided by (used in) operating activities	**6,448,527**	(10,910)
Cash flow from financing activities		
Issuance of common stock	**14,000**	–
Net cash provided by financing activities	**14,000**	–
Net increase (decrease) in cash and cash equivalents	**6,462,527**	(10,910)
Cash and cash equivalents at the beginning of the year	**11,710**	22,620
Cash and cash equivalents at the end of the year	**6,474,237**	11,710
Supplemental cash flow information		
Income taxes paid	**800**	800

(The accompanying notes are an integral part of these financial statements)

STATEMENT OF STOCKHOLDER'S EQUITY

For the years ended March 31, 2022 and March 31, 2021

(All amounts are stated in United States Dollars except number of shares)

Particulars	Common stock					
	Authorized		Issued & outstanding		Accumulated deficit	Total stock-holder's equity
	Shares	Value	Shares	Value		
Balance as of April 01, 2020	2,000	50,000	1,040	26,000	(20,740)	5,260
Net profit	–	–	–	–	630	630
Balance as of March 31, 2021	**2,000**	**50,000**	**1,040**	**26,000**	**(20,110)**	**5,890**
Balance as of April 01, 2021	**2,000**	**50,000**	**1,040**	**26,000**	**(20,110)**	**5,890**
Issuance of common stock	–	–	560	14,000	–	14,000
Net loss	–	–	–	–	(11,328)	(11,328)
Balance as of March 31, 2022	**2,000**	**50,000**	**1,600**	**40,000**	**(31,438)**	**8,562**

Notes to Financial Statements

NOTE A – NATURE OF OPERATIONS

Automobili Pininfarina Americas Inc. (herein after referred to as "APA" or "the Company") was converted to a Delaware corporation on January 23, 2019 through the conversion of a Delaware Limited Liability Company, under the name of Harkey Acquisition, LLC. The Company is a wholly owned subsidiary of Automobili Pininfarina GmbH (hereinafter referred to as "the Parent Company").

The Parent Company acquired 100% membership interest of Harkey Acquisition, LLC (hereinafter referred to as "the LLC") on January 15, 2019 from Oakland Standard Co., LLC ("the Seller"). No capital contribution was made by the Seller in the LLC. Post acquisition, a plan of conversion to a Corporation was adopted and the LLC was converted and renamed as "Automobili Pininfarina Americas Inc.".

The Company is engaged directly or indirectly in designing, developing, manufacturing, selling, distributing, servicing and promoting automobiles globally (including electric vehicles) and spare parts as well as all activities in connection thereto.

The Company is in the start-up phase. The Parent Company plans to manufacture and distribute, directly or indirectly, to retail customers, a luxury vehicle known as the Battista. Distribution in the United States of America will be through the Company. In lieu of the above, the Company entered into contracts with customers pursuant to which the Company will sell to the customer a Batistta, built to standard specifications with special customizations ordered by the customer.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies are detailed below:

1. *Basis of preparation*

   a) The accompanying financial statements are prepared under the historical cost convention on the accrual basis of accounting in accordance with the accounting and reporting requirements of generally accepted accounting principles in the United States of America ('US GAAP') to reflect the financial position, results of operations and cash flows of the Company.

   b) The financial statements are for the years April 01, 2021 to March 31, 2022 and April 01, 2020 to March 31, 2021. All amounts are stated in United States Dollars, unless specified otherwise.

2. *Use of estimates*

   The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. The management's estimates for realization of deferred tax assets and accruals at the balance sheet date represent certain of these particularly sensitive estimates. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Actual results could differ from these estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Any revision in accounting estimates are recognized prospectively in the current and future periods.

3. *Cash and cash equivalents*

   Cash equivalents consist of highly liquid investments with a maturity of three months or less on the date of purchase. The carrying value of cash and cash equivalents approximates fair value because of the short maturities of those financial instruments. Cash balances in bank accounts are insured by the Federal Deposit Insurance Corporation up to $ 250,000 for each insured bank for each account per depositor.

4. *Leases*

   Lease rent expenses on operating leases are charged to expense over the lease term. Certain operating lease agreements may provide for scheduled rent increases over the lease term. Rent expense for such leases is recognized on a straight-line basis over the lease term.

5. *Income taxes*

   In accordance with the provisions of Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 740 "Income Taxes," income taxes are accounted for using the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss carry-forwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. The deferred tax asset is reduced by a valuation allowance if it is more likely than not that some portion or all of the asset will not be realized. All deferred tax assets and liabilities, along with any related valuation allowance, are classified as non-current on the balance sheet.

6. *Fair value measurements and financial instruments*

   Assets and liabilities recorded at fair value in the financial statements are categorized based upon the level of judgment associated with the inputs used to measure their fair value. Hierarchical levels, which are directly related to the amount of subjectivity, associated with the inputs to the valuation of these assets or liabilities are as follows:

Notes to Financial Statements

Level 1 – unadjusted quoted prices in active markets for identical assets or liabilities that the Company has the ability to access as of the measurement date.

Level 2 – inputs other than quoted prices included within Level 1 that are directly observable for the asset or liability or indirectly observable through corroboration with observable market data.

Level 3 – unobservable inputs for the asset or liability only used when there is little, if any, market activity for the asset or liability at the measurement date.

This hierarchy requires the Company to use observable market data, when available, and to minimize the use of unobservable inputs when determining fair value.

The Company's financial instruments consist of cash and cash equivalents and other current liabilities. The estimated fair value of cash and cash equivalents and other current liabilities approximate their carrying amounts due to the short-term nature of these instruments. None of these instruments is held for trading purposes.

7. *Commitments and contingencies*

Liabilities for loss contingencies arising from claims, assessments, litigations, fines, penalties and other sources are recorded when it is probable that a liability has been incurred and the amount can be reasonably estimated. Legal costs incurred in connection with loss contingencies are expensed as incurred.

8. *Recently issued accounting standard not yet adopted*

In February 2016, the FASB issued Accounting Standards Update ("ASU") No. 2016-02, Leases. Under the new guidance, lessees are required to recognize a right-of-use asset and a lease liability on the balance sheet for all leases, other than those that meet the definition of a short-term lease. This update will establish a lease asset and lease liability by lessees for those leases classified as operating under current GAAP. Leases will be classified as either operating or finance under the new guidance. Operating leases will result in straight-line expense in the income statement, similar to current operating leases, and finance leases will result in more expense being recognized in the earlier years of the lease term, similar to current capital leases. This ASU is effective for the Company beginning April 01, 2022. The Company is currently evaluating the impact of this standard on its financial statements.

NOTE C – ADVANCES FROM CUSTOMERS

The Company has entered into contracts with multiple customers, wherein the Company will sell a luxury vehicle Batistta ("the vehicle") to the customers. The vehicle will be manufactured by the Parent Company and sold to the Company. The Company in turn will sell the vehicle to the customers through a dealer. Pursuant to the aforesaid arrangement the customer will pay advances on milestone basis to the Company. As of March 31, 2022, the advances received from customer amounted to $ 7,579,910 (March 31, 2021: $ 599,960).

NOTE D – OTHER CURRENT LIABILITIES

Other current liabilities include the following:

	As of	
	March 31, 2022	March 31, 2021
Professional fees	**4,150**	4,150
Accured taxes	**1,025**	1,180
Bank service fees	**550**	490
Total	**5,725**	5,820

NOTE E – COMMITMENTS AND CONTINGENCIES

Premises

On July 31, 2019, the Company entered into a sub-lease arrangement with Issimi Inc. (herein after referred to as "Sub-lessor"). The lease arrangement consisted of approximately 600 square feet of warehouse space and 210 square feet of office space for a period of 2 years commencing from October 1, 2019. In accordance with the agreement, the Company shall share all the common area operating expenses with the Sub-lessor in addition to the lease rentals of $ 2,025 per month. The lease rentals for the year ended March 31, 2020 amounted to $ 12,150. The common area operating expenses for the year ended March 31, 2020 amounted to $ 1,725.

On October 1, 2020, the agreement was terminated with the Sub-lessor and accordingly, the provisions pertaining to the lease obligations and related payments amounting to $ 13,875 were reversed during the year ended March 31, 2021.

NOTE F – INCOME TAXES

For the year ended March 31, 2022, the Company will file federal and state tax returns as per regulations applicable to Chapter C corporations in the United States.

The components of the provision for income taxes are as follows:

	Year ended	
	March 31, 2022	March 31, 2021
Current taxes		
Federal tax (benefit) expense	**(155)**	380
State	**800**	1,600
Provision for income taxes	**645**	1,980

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Significant components of the Company's net deferred income taxes are as follows:

Notes to Financial Statements

	As of March 31, 2022	March 31, 2021
Non-current deferred tax assets		
Net operating losses	**563**	336
Startup costs	**5,975**	3,799
Total deferred tax assets	**6,538**	4,135
Net deferred taxes	**6,538**	4,135
Less: deferred tax asset valuation allowance	**(6,538)**	(4,135)
Total	**–**	–

Realization of net deferred tax assets is dependent upon generation of sufficient taxable income in future years, benefit from the reversal of taxable temporary differences and tax planning strategies. Management assesses the available positive and negative evidence to estimate whether sufficient future taxable income will be generated to permit use of the existing deferred tax assets. The amount of net deferred tax assets considered realizable is subject to adjustment in future periods if estimates of future taxable income change.

Based on the current year and previous year losses, the management believes that it is more likely than not that the deferred tax assets may not be realized during forseeable future and accordingly, a valuation allowance of $ 6,538 and $ 4,135 has been recorded as of March 31, 2022 and March 31, 2021, resepctively.

No deferred tax assets were recognized as of March 31, 2022 and March 31, 2021.

The Company has federal net operating losses of $ 2,679 and $ 1,601 as of March 31, 2022 and March 31, 2021, respectively.

Accounting for uncertain tax position

The Company recognizes the benefit of a tax position only after determining that the relevant tax authority would more likely than not sustain the position following an audit. For tax positions meeting the more-likely-than-not threshold, the amount recognized in the financial statements is the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement with the relevant tax authority. The Company has no unrecognized tax positions as of March 31, 2022 and March 31, 2021.

The tax years of 2018 and 2020 remain subject to examination by the taxing authorities.

NOTE G – RELATED PARTY TRANSACTION

Related party with whom transactions have taken place during the year:

- Automobili Pininfarina GmbH- the Parent Company

Particulars	**March 31, 2022**	March 31, 2021
<u>Transaction for the year</u>		
Advance collected by the Parent Company on behalf of the Company	520,000	–
<u>Balance</u>		
Receivable from related party	1,119,960	599,960

NOTE H – COMMON STOCK

Common stock authorized, issued and outstanding

The authorized share capital of the Company consists of 2,000 common shares of par value $ 25 each as of March 31, 2022.

During the year ended March 31, 2022 the Company issued 560 common shares of par value $ 25 each.

Common stock issued as of March 31, 2022 was 1,600 shares of $ 25 each. (March 31, 2021: 1,040 shares of $ 25 each).

Voting

Each holder of common stock is entitled to one vote in respect of each share held by him in the records of the Company for all matters submitted to a vote.

Liquidation

In the event of liquidation of the Company, the holders of common stock shall be entitled to receive all of the remaining assets of the Company, after distribution of all preferential amounts, if any. Such amounts will be in proportion to the number of equity shares held by the shareholders.

NOTE I – FAIR VALUE MEASUREMENT

Financial assets and liabilities held by the Company are not measured at fair value on a recurring basis but are recorded at amounts that approximate fair value due to their liquid or short-term nature.

NOTE J – RISK AND UNCERTAINTIES

The Company has evaluated the possible effect of COVID – 19 on the financial statement of the Company and believes that the current COVID-19 scenario is not/will not materially impact the Company for the year ended on March 31, 2022. The Company will continue to monitor developments to identify significant uncertainties surrounding COVID-19 and its impact on performance of the Company for future periods.

NOTE K – SUBSEQUENT EVENTS

The Company evaluated all events and transactions that occurred after March 31, 2022 through April 16, 2022, the date the financial statements are issued. Based on the evaluation, the Company is not aware of any events or transactions that would require recognition or disclosure in the financial statements.

STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED 31 MARCH 2022

	Unaudited 2022	Dec Audited Dec 2021
	₦	₦
Revenue	**–**	34,487,096
Other Income	**4,291,134**	5,893,083
	4,291,134	40,380,179
Less Expenses		
Administrative Expenses	**14,489,869**	91,646,720
Other Expenses	**875,952**	1,310,552
Operating Profit	**(11,074,687)**	(52,577,093)
Finance Cost	**–**	499,553
Profit / Loss Before Taxation	**(11,074,687)**	(53,076,646)
Taxation	**–**	3,718,515
Profit/Loss for the Year	**(11,074,687)**	(56,795,161)

The company is under liquidation from December, 2021 when the liquidator was appointed. As the company is in liquidation and has ceased to do any trade, there is no requirement to complete the statutory audit or file any financial disclosures under the applicable laws and regulations of the country of its incorporation. Accordingly, the unaudited financial statements have been reported for the year ending 31st March, 2022.

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2022

	Unaudited 2022	Dec Audited Dec 2021
ASSETS	**₦**	₦
NON CURRENT ASSETS		
Property, Plant and Equipment	**–**	–
	–	–
CURRENT ASSETS		
Non Current Assets held by sale	**–**	8,101,387
Receivables and Prepayments	**–**	2,812,500
Cash and Cash Equivalent	**2,461,406**	21,652,381
	2,461,406	32,566,268
TOTAL ASSETS	**2,461,406**	32,566,268
EQUITY AND LIABILITIES		
Equity Attributable to Owners		
Share Capital	**39,220,000**	39,220,000
Deposit for Equity Issue	**21,254,000**	21,254,000
Retained Earnings	**(60,981,354)**	(39,091,959)
	(507,354)	21,382,041
NON CURRENT LIABILITIES		
Deferred Tax Liabilities	**–**	–
	–	–
CURRENT LIABILITIES		
Trade and Other Payables	**2,968,760**	8,095,784
Short Term Borrowings	**–**	–
Tax Payable	**–**	3,088,441
	2,968,760	11,184,225
TOTAL EQUITY AND LIABILITIES	**2,461,406**	32,566,266

The company is under liquidation from December, 2021 when the liquidator was appointed. As the company is in liquidation and has ceased to do any trade, there is no requirement to complete the statutory audit or file any financial disclosures under the applicable laws and regulations of the country of its incorporation. Accordingly, the unaudited financial statements have been reported for the year ending 31st March, 2022.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2022

	Unaudited 2022	Dec Audited Dec 2021
	₦	₦
Cash Flows from Operating Activities		
Profit(loss)Before Tax	**(11,074,687)**	(53,076,646)
Adjustments:		
Depreciation	**1,467,078**	11,548,292
Profit on asset disposal	**(4,291,134)**	(5,893,083)
Operating Profit (loss)before Working Capital Changes	**(13,898,743)**	(47,421,437)
Working Capital Changes		
(Increase)/Decrease Receivable and Prepayment	**(2,812,500)**	47,928,706
Increase/(Decrease) in Trade Payables	**(5,127,024)**	(12,959,883)
	(2,314,524)	34,968,823
Tax Paid	**(3,088,441)**	(10,798,784)
Net Cash Flow from Operating Activities	**(19,301,708)**	(23,251,398)
Cash flow from Investing Activities		
Purchase of Property, Plant and Equipment	**–**	
Proceed from disposal of Property, Plant & Equipment	**110,733**	12,638,825
Net Cash Flow from Investing Activities	**110,733**	12,638,825
Cash Flow from Financing Activities		
Repayment of Short Term Borrowings	**–**	(7,055,275)
Net Cash Flow from Financing Activities	**–**	(7,055,275)
Net Cash Flow for the period	**(19,190,975)**	(17,667,848)
Cash and Cash Equivalents at 1 Jan 2021	**21,652,381**	39,320,229
Cash and Cash Equivalents at 31 March	**2,461,406**	21,652,381
Cash and Cash Equivalent Consists of:		
Cash in hand		53,262
Cash at bank	**2,461,406**	21,599,119
Total	**2,461,406**	21,652,381

The company is under liquidation from December, 2021 when the liquidator was appointed. As the company is in liquidation and has ceased to do any trade, there is no requirement to complete the statutory audit or file any financial disclosures under the applicable laws and regulations of the country of its incorporation. Accordingly, the unaudited financial statements have been reported for the year ending 31st March, 2022.

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF

MAHINDRA BANGLADESH PVT. LTD.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **Mahindra Bangladesh Pvt. Ltd.** ("the Company"), which comprise the statement of financial position as at 31 March 2022, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 March 2022, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Bangladesh, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Management is responsible for the preparation of the financial statements that give a true and fair view in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Report on Other Legal and Regulatory Requirements

In accordance with the Companies Act 1994, we also report the following:

(a) we have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;

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

(c) the statement of financial position and statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of account.

Adeeb H Khan, Senior Partner, Enrolment number: 652
Rahman Rahman Huq, Chartered Accountants
Firm Registration Number: [N/A]
Dhaka, 11th May, 2022
DVC: 2205290652AS940383

STATEMENT OF FINANCIAL POSITION

In Taka	Note	31 March 2022	31 March 2021
ASSETS			
Non-current assets		**–**	–
Other receivables	10	**62,337**	16,471,558
Cash and cash equivalents	11	**36,912,504**	25,615,074
Current assets		**36,974,841**	42,086,632
Total assets		**36,974,841**	42,086,632
Equity			
Share capital	12	**42,000,100**	42,000,100
Accumulated loss	13	**(5,695,388)**	(5,050,461)
Total equity		**36,304,712**	36,949,639
Liabilities			
Non-current liabilities		**–**	–
Current tax liabilities	9(C)	**217,176**	1,570,930
Other payables	14	**–**	28,474
Provision for expenses	15	**452,953**	3,537,589
Current liabilities		**670,129**	5,136,993
Total liabilities		**670,129**	5,136,993
Total equity and liabilities		**36,974,841**	42,086,632

The notes on pages herein are an integral part of these financial statements.

As per our report of same date.

Mr. Prakash Wakankar
Director

Adeeb H Khan
Auditor

Mr. Nikhil Sohoni
Director

Dhaka, 11th May, 2022
DVC: 2205290652AS940383

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March

In Taka	**Note**	**2022**	2021
Revenue	5	**–**	5,355,000
Cost of sales	6	**–**	(4,942,182)
Gross profit		**–**	412,818
Other income	7	**1,081,130**	679,786
Administrative expenses	8	**(1,525,101)**	(1,693,392)
Loss before tax		**(443,971)**	(600,788)
Income tax expense	9	**(200,956)**	(1,703,936)
Loss for the year		**(644,927)**	(2,304,724)
Other comprehensive income for the year		**–**	–
Total comprehensive loss for the year		**(644,927)**	(2,304,724)
Earnings per share			
Basic earnings per share	16(A)	**(1.54)**	(5.49)
Diluted earnings per share	16(B)	**(1.54)**	(5.49)

The notes on pages herein are an integral part of these financial statements.

As per our report of same date.

Mr. Prakash Wakankar
Director

Adeeb H Khan
Auditor

Mr. Nikhil Sohoni
Director

Dhaka, 11th May, 2022
DVC: 2205290652AS940383

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2022

In Taka	Share capital	Accumulated losses	Total equity
Balance at 1 April 2020	42,000,100	(2,745,737)	39,254,363
Total comprehensive income for the year			
Loss for the year	–	(2,304,724)	(2,304,724)
Other comprehensive income for the year	–	–	–
Total comprehensive loss for the year	–	(2,304,724)	(2,304,724)
Balance at 31 March 2021	**42,000,100**	**(5,050,461)**	**36,949,639**
Balance at 1 April 2021	**42,000,100**	**(5,050,461)**	36,949,639
Total comprehensive income for the year			
Loss for the year	**–**	**(644,927)**	**(644,927)**
Other comprehensive income for the year	**–**	**–**	**–**
Total comprehensive loss for the year	**–**	**(644,927)**	**(644,927)**
Balance at 31 March 2022	**42,000,100**	**(5,695,388)**	**36,304,712**

The notes on pages herein are an integral part of these financial statements.

As per our report of same date.

Mr. Prakash Wakankar
Director

Adeeb H Khan
Auditor

Mr. Nikhil Sohoni
Director

Dhaka, 11th May, 2022
DVC: 2205290652AS940383

STATEMENT OF CASH FLOWS

For the year ended 31 March

In Taka	**Note**	**2022**	2021
Cash flows from operating activities			
Loss for the year		**(644,927)**	(2,304,724)
Adjustments for:			
– Income tax expense	9(A)	**200,956**	1,703,936
		(443,971)	(600,788)
Changes in:			
– Inventories		**–**	4,910,435
– Other receivables	10	**16,409,221**	(16,181,314)
– Advances, deposits and prepayments		**–**	170,000
– Other payables	14	**(28,474)**	(284,082)
– Provision for expenses	15	**(3,084,636)**	2,248,676
Cash generated from/used in operating activities		**12,852,140**	(9,737,073)
Income tax paid	9(E)	**(1,554,710)**	(133,006)
Net cash from/(used in) operating activities		**11,297,430**	(9,870,079)
Cash flows from investing activities			
Net cash from investing activities		**–**	–
Cash flows from financing activities		**–**	–
Net cash from financing activities		**–**	–
Net increase/(decrease) in cash and cash equivalents		**11,297,430**	(9,870,079)
Cash and cash equivalents at the beginning of year		**25,615,074**	35,485,153
Cash and cash equivalents at 31 March	11	**36,912,504**	25,615,074

The notes on pages herein are an integral part of these financial statements.

As per our report of same date.

Mr. Prakash Wakankar
Director

Adeeb H Khan
Auditor

Mr. Nikhil Sohoni
Director

Dhaka, 11th May, 2022
DVC: 2205290652AS940383

NOTES TO THE FINANCIAL STATEMENTS

1. Reporting entity

Mahindra Bangladesh Pvt. Ltd. ("the Company") was incorporated as a private limited Company on 12 September 2019 under the Companies Act, 1994. It is a subsidiary of Mahindra & Mahindra Ltd, a Company registered in India. The registered office of the company is at 4th Floor, Taj Casilina, SW (1) 4, 25 Gulshan Avenue Dhaka - 1212 Bangladesh.

The principal activities of the Company are to carry on the businesses of trading, distributing, supplying, storing, exporting, importing, servicing, repairing, manufacturing, developing, assembling, leasing, selling on hire-purchase or instalment systems, research & development, of all kinds of passenger, transportation and utility vehicles including but not limited to tankers, tractors, agricultural machinery, multi-utility vehicles, trailers, lorries, trucks, buses, motor cars, motor cycles, three-wheelers or other motor vehicles of all kinds and descriptions.

2. Basis of accounting

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs). They were authorised for issue by the Company's board of directors on ....

These financial period of the Company covers 1 year from 1 April to 31 March and is followed consistently. Comparative information has been disclosed for all numerical, narrative and descriptive information where it is relevant for understanding of the current year financial statements. Comparative figures have been rearranged/reclassified wherever considered necessary, to ensure better comparability with the current year financial statements and to comply with relevant IFRSs.

Details of the company's accounting policies are included in Note 24.

3. Functional and presentation currency

These financial statements are presented in Bangladesh Taka (Taka/Tk), which is the company's functional currency. All amounts have been rounded to the nearest taka, unless otherwise indicated.

4. Use of estimates and judgments

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

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

A. Judgements

Management has made no such judgement in applying accounting policies that have significant effects on the amounts recognised in the financial statements of this year.

B. Assumptions and estimation uncertainties

No significant assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending 31 March 2022 made by management of the Company.

5. Revenue

See accounting policy in note 24(A)

In Taka	Note	For the year ended 31 March 2022	2021
Gross Sales		**–**	5,622,750
Value Added Tax (VAT)		**–**	(267,750)
		–	5,355,000

6. Cost of sales

	Note	For the year ended 31 March 2022	2021
Opening stock in trade		**–**	4,910,435
Purchase of stock in trade		**–**	–
Closing stock in trade		**–**	–
Warehouse expenses	6(A)	**–**	31,747
		–	4,942,182

A. Warehouse expenses

In Taka	Note	For the year ended 31 March 2022	2021
Fuel expenses		**–**	1,369
Security guard bill		**–**	30,378
		–	31,747

7. Other income

In Taka	Note	For the year ended 31 March 2022	2021
Interest on Fixed Deposit Receipt (FDR)		**1,081,130**	679,786
		1,081,130	679,786

8. Administrative expenses

In Taka	Note	For the year ended 31 March 2022	2021
Bank charges		**15,362**	48,825
Salary and allowance of local employees		**182,234**	–
Professional fees	**8(A)**	**1,093,534**	1,560,802
Membership fees		**62,995**	35,842
Renewal of registration expenses		**125,736**	47,923
Travelling and conveyance expenses		**45,240**	–
		1,525,101	1,693,392

A. Professional fees

In Taka	For the year ended 31 March 2022	2021
Audit fee	**166,750**	171,063
Tax service fees	**677,171**	931,400
Other consulting fees	**249,613**	458,339
	1,093,534	1,560,802

9. Income tax expenses

See accounting policy in note 24(D)

A. Amount recognised in profit or loss

In Taka	For the year ended 31 March 2022	2021
Current tax expense		
Current year	**324,339**	1,636,100
Adjustment for prior year	**(123,383)**	67,836
	200,956	1,703,936
Deferred tax expense (income)		
Origination from temporary differences	**–**	–
	–	–
Tax expense	**200,956**	1,703,936

NOTES TO THE FINANCIAL STATEMENTS

B. Reconciliation of effective tax rate

	For the year ended 31 March			
	2022		2021	
In Taka	Percentage	Amount	Percentage	Amount
Loss before tax	30%	(443,971)	32.50%	(600,788)
Income tax using applicable tax rate		–		–
Tax using the Company's applicable tax rate				
Minimum tax: Business income	0.00%	–	-5.35%	32,130
Tax on other income	-73.05%	324,339	-36.77%	220,931
Tax on inadmissible expenses as per 30B	0.00%	–	-230.20%	1,383,039
Adjustment for prior year	27.79%	(123,383)	-11.29%	67,836
	-45.26%	200,956	-283.62%	1,703,936

C. Current tax liabilities (assets)

In Taka	Note	31 March 2022	31 March 2021
Provision for income tax	9(D)	324,339	2,042,832
Advance income tax	9(E)	(107,163)	(471,902)
		217,176	1,570,930

D. Provision for income tax

In Taka	Note	31 March 2022	31 March 2021
Opening balance		2,042,832	338,896
- Current year	9(A)	324,339	1,636,100
- Prior Year (2020)		–	67,836
- Prior Year (2021)		(123,383)	-
		2,243,788	2,042,832
Adjustment for completed assessment			
Financial year 2020		(406,732)	–
Financial year 2021		(1,512,717)	–
Closing balance		324,339	2,042,832

i. Year wise break up for provision for income tax

	31 March 2022	31 March 2021
Tax provision 2020	–	406,732
Tax provision 2021	–	1,636,100
Tax provision 2022	324,339	–
	324,339	2,042,832

E. Advance income tax

In Taka	31 March 2022	31 March 2021
Opening balance	471,902	338,896
- Payment for current year	1,554,710	133,006
Adjustment for completed assessment		
Financial year 2020	(406,732)	–
Financial year 2021	(1,512,717)	–
Closing balance	107,163	471,902

i. Year wise break up for advance income tax

	31 March 2022	31 March 2021
Advance tax 2020	–	338,896
Advance tax 2021	–	133,006
Advance tax 2022	107,163	–
	107,163	471,902

10. Other receivables

See accounting policy in note 24(F).

In Taka	31 March 2022	31 March 2021
Intercompany receivable	–	16,443,476
Interest on Fixed Deposit Receipt (FDR) receivables	37,587	28,082
VAT receivables	24,750	–
	62,337	16,471,558

11. Cash and cash equivalents

See accounting policies in note 24(F)

In Taka	Note	31 March 2022	31 March 2021
Bank balances	11(A)	36,912,504	25,615,074
		36,912,504	25,615,074

A. Bank balances

In Taka	Note	31 March 2022	31 March 2021
Citibank, N.A.		678,041	5,345,074
Fixed Deposit with State Bank of India	11(B)	36,234,463	20,270,000
		36,912,504	25,615,074

NOTES TO THE FINANCIAL STATEMENTS

B. Fixed Deposit with State Bank of India

In Taka	31 March 2022	31 March 2021
FDR -SBI-0001	**5,256,087**	**5,067,500**
FDR -SBI-0002	**5,256,087**	**5,067,500**
FDR -SBI-0003	**5,256,087**	**5,067,500**
FDR -SBI-0005	**5,229,022**	5,067,500
FDR -SBI-0006	**5,079,060**	–
FDR -SBI-0007	**5,079,060**	–
FDR -SBI-0008	**5,079,060**	–
	36,234,463	20,270,000

12. Share capital

See accounting policy in note 24(H).

In Taka	31 March 2022	31 March 2021
A. Authorised:		
5,000,000 ordinary shares of Tk 100 each	**500,000,000**	500,000,000
B. Issued, subscribed and paid up:		
420,001 ordinary shares of Tk 100 each	**42,000,100**	42,000,100

C. Status of shareholdings:

	Percentage of shareholding	Number of shares	
Mahindra & Mahindra Ltd.	**99.9998%**	**420,000**	420,000
Sanjay Jadhav	**0.00024%**	**1**	1
	100%	**420,001**	420,001

13. Accumulated loss

In Taka	31 March 2022	31 March 2021
Opening balance	**(5,050,461)**	(2,745,737)
Loss for the year	**(644,927)**	(2,304,724)
Closing balance	**(5,695,388)**	(5,050,461)

14. Other payables

See accounting policy in note 24(F).

In Taka	31 March 2022	31 March 2021
Withholding tax	**–**	24,349
VAT payables	**–**	4,125
	–	28,474

15. Provision for expenses

See accounting policies in note 24(G)

In Taka	31 March 2022	31 March 2021
Salary of local employee	**13,923**	–
Professional fees	**432,210**	3,452,589
House Rent	**–**	85,000
Travelling and conveyance	**6,820**	–
	4,52,953	3,537,589

16. Earnings per share

A. Basic earnings per share

The calculation of basic earnings per share has been based on the following profit attributable to ordinary shareholders and weighted-average number of ordinary shares outstanding.

i. Profit (loss) attributable to ordinary shareholders (basic)

		For the year ended 31 March	
In Taka	Note	2022	2021
Net loss after tax for the year		**(644,927)**	(2,304,724)
Loss attributable to ordinary shareholders		**(644,927)**	(2,304,724)

ii. Weighted-average number of ordinary shares (basic)

		For the year ended 31 March	
In Taka	Note	2022	2021
Issued ordinary shares at 31 March	12	**420,001**	420,001
Weighted-average number of ordinary shares at 31 March		**420,001**	420,001
Basic earnings per share (BEPS)		**(1.54)**	(5.49)

B. Diluted earnings per share

The calculation of diluted earnings per share has been based on the following profit attributable to ordinary shareholders and weighted average number of ordinary shares outstanding.

i. Profit (loss) attributable to ordinary shareholders (basic)

		For the year ended 31 March	
In Taka	Note	2022	2021
Net loss after tax for the year		**(644,927)**	(2,304,724)
Loss attributable to ordinary shareholders		**(644,927)**	(2,304,724)

ii. Weighted-average number of ordinary shares (diluted)

		For the year ended 31 March	
In Taka		2022	2021
Issued ordinary shares at 31 March	12	**420,001**	420,001
Weighted-average number of ordinary shares at 31 March		**420,001**	420,001
Diluted earnings per share (DEPS)		**(1.54)**	(5.49)

17. Financial instruments - Fair values and risk management

A. Accounting classifications and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

NOTES TO THE FINANCIAL STATEMENTS

In Taka	Note	Carrying amount: Fair value - hedging instruments	Mandatorily at FVTPL - Others	FVOCI - debt instruments	FVOCI - equity instruments	Financial assets at amortised cost	Other financial liabilities	Total
31 March 2022								
Financial assets not measured at fair value								
Other receivables	**10**	**–**	**–**	**–**	**–**	**62,337**	**–**	**62,337**
Cash and cash equivalents	**11**	**–**	**–**	**–**	**–**	**36,912,504**	**–**	**36,912,504**
		–	**–**	**–**	**–**	**36,974,841**	**–**	**36,974,841**
Financial liabilities not measured at fair value								
Other payables	**14**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Provision for expenses	**15**	**–**	**–**	**–**	**–**	**–**	**452,953**	**452,953**
		–	**–**	**–**	**–**	**–**	**452,953**	**452,953**
31 March 2021								
Financial assets not measured at fair value								
Other receivables	10	–	–	–	–	16,471,558	–	16,471,558
Cash and cash equivalents	11	–	–	–	–	25,615,074	–	25,615,074
		–	–	–	–	42,086,632	–	42,086,632
Financial liabilities not measured at fair value								
Other payables	14	–	–	–	–	–	28,474	28,474
Provision for expenses	15	–	–	–	–	–	3,537,589	3,537,589
		–	–	–	–	–	3,566,063	3,566,063

B. Financial risk management

The Company has exposure to the following risks arising from financial instrument:

- Credit risks (See (B)(ii));
- Liquidity risks (See (B)(iii)); and
- Market risks (See (B)(iv)).

i. Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board oversees how management monitors compliance with risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to risks faced by the Company. The Board is assisted in its oversight role by Group Internal Audit. Group Internal Audit undertakes both regular and adhoc reviews of risk management controls and procedures, the results of which are reported to the Board.

ii. Credit risk

Credit risk is the risk of a financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from its customers and investments in bank deposits.

The maximum exposure to credit risk (note (a)) is represented by the carrying amount of each financial asset in the statement of financial position.

(a) Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

Financial assets

In Taka	Note	31 March 2022	31 March 2021
Intercompany receivable	10	**–**	16,443,476
Interest on Fixed Deposit Receipt (FDR) receivables	10	**62,337**	28,082
Cash at bank	11	**36,912,504**	25,615,074
		36,974,841	42,086,632

(b) Ageing of financial assets

In Taka	Note	31 March 2022	31 March 2021
Intercompany receivable	10	**–**	16,443,476
Interest on Fixed Deposit Receipt (FDR) receivables	10	**62,337**	28,082
		62,337	16,471,558

The ageing of intercompany receivable and interest on Fixed Deposit Receipt (FDR) receivables at 31 March is zero to ninety days.

(c) Impairment losses

There is no impairment loss to be recognised on the any financial assets during the year.

iii. Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Typically, the Company ensures that it has sufficient cash and cash equivalent to meet expected operational expenses, including the servicing of financial obligation through preparation of the cash forecast, prepared based on time line of payment of the financial obligation and accordingly arrange for sufficient liquidity/fund to make the expected payment within due date. The requirement is determined in advance through cash flows projections and credit lines facilities with banks are negotiated accordingly.

NOTES TO THE FINANCIAL STATEMENTS

The followings are the contractual maturities of non-derivative financial liabilities:

In Taka	Note	Carrying amount	Total	Contractual cash flows 2 months or less	2-12 months	1-2 years	2-5 years	More than 5 years
At 31 March 2022								
Other payables	14	–	–	–	–	–	–	–
		–	–	–	–	–	–	–

In Taka	Note	Carrying amount	Total	Contractual cash flows 2 months or less	2-12 months	1-2 years	2-5 years	More than 5 years
At 31 March 2021								
Other payables	14	28,474	28,474	28,474	–	–	–	–
		28,474	28,474	28,474	–	–	–	–

iv. Market risk

Market risk is the risk that changes in the market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of it's holdings of instruments. The objective of market risk management is to manage and control risk exposures within acceptable parameters, while optimising the return.

iv(a) Currency risk

The Company is exposed to transactional foreign currency risk to the extent that there is a mismatch between the currencies in which sales, purchases, receivables and borrowings are denominated. The company's foreign currency transactions are denominated in USD. There is no outstanding foreign currency balance as at 31 March 2022 for the Company.

18. Commitments

There is no outstanding commitments as at 31 March 2022 for the Company.

19. Contingencies

There is no contingent liabilities as at 31 March 2022 for the Company.

20. Related party disclosures

During the year, the Company carried out transactions with related parties in the normal course of business. The name of the related party and nature of the transactions have been set out below in accordance with the provisions of IAS 24 Related party disclosures.

In Taka	Country	Relationship	Transaction values for the year ended 31 March 2022	2021	Balance outstanding as 31 January 2022	2021
Administrative expenses						
Mahindra & Mahindra Ltd.	India	Parent company	–	16,443,476	–	16,443,476
Purchase of goods						
Mahindra & Mahindra Ltd.	India	Parent company	–	–	–	–
			–	16,443,476	–	16,443,476

21. Number of employees

The number of employees engaged for the whole year/ period or part thereof who received a total remuneration of Taka 36,000 and above was 1 (2021: 6).

22. Basis of measurement

These financial statements have been prepared on accrual basis following going concern concept.

23. Events after the reporting period

See accounting policy in note 24(K).

There is no significant events after balance sheet date that may affect financial statements of the Company for the year ended 31 March 2022.

24. Significant accounting policies

The Company has applied the following accounting policies to be presented in these financial statements.

Set out below is an index of the significant accounting policies, the details of which are available on the pages that follow.

A. Revenue from contract with customers

B. Foreign currency

C. Employee benefits

D. Income tax

E. Inventories

F. Financial instruments

G. Provisions

H. Share capital

I. Contingencies

J. Statement of Cash flows

K. Events after the reporting period

NOTES TO THE FINANCIAL STATEMENTS

A. Revenue from contract with customer

General information

The Company recognises as revenue the amount that reflects the consideration to which the Company expects to be entitled in exchange for goods or services when (or as) it transfers control to the customer. To achieve that core principle, the Company follows the five-step model as below :

- Identify the contract with a customer;
- Identify the performance obligations in the contract;
- Determine the transaction price;
- Allocate the transaction price to the performance obligations in the contract; and
- Recognise revenue when (or as) the entity satisfies a performance obligation.

Considering the five steps model, the Company recognises revenue when (or as) the Company satisfies a performance obligation by transferring a promised good to a customer. Goods is considered as transfer when (or as) the customer obtains control of that goods. Then the Company recognises the net revenue from sale of goods in its financial statement.

B. Foreign currency

Transactions in foreign currencies are translated to the respective functional currencies of the Company at exchange rates at the date of the transactions. Monetary assets and liabilities in foreign currencies at the date of statement of financial position are translated into Bangladesh taka at the rate of exchange prevailing at the date of statement of financial position. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year which is adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the year.

C. Employee benefits

Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

D. Income tax

Income tax expenses comprise current and deferred tax. Current tax and deferred tax are recognised in the profit or loss except to the extent that it relates to an item recognised directly in equity in which case it is recognised in equity.

i. Current tax

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date.

ii. Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

a) Temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that effects neither accounting nor taxable profit or loss.

b) Temporary differences related to investment in subsidiaries and joint arrangements to the extent that it is probable that they will not reverse in the foreseeable future, and

c) Taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for the Company. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it becomes probable that future taxable profits will be available against which they can be used.

Deferred tax assets and liabilities are offset if there is legally enforceable right to offset tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or the tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

E. Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the above and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated cost to completion and selling expenses.

F. Financial instruments

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

i. Recognition and initial measurement

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

A trade receivable without a significant financing component is initially measured at the transaction price.

ii. Classification and subsequent measurement

COn initial recognition, a financial asset is classified as measured at: amortised cost; FVOCI – debt investment; FVOCI – equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

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

NOTES TO THE FINANCIAL STATEMENTS

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

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

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

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

Financial assets – Business model assessment

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

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

Financial assets – Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
Debt investments at FVOCI	These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

Financial assets comprise cash and cash equivalents, trade and other receivables.

i. Cash and cash equivalents

Cash and cash equivalents comprise cash balances and all cash deposits with maturities of three months or less from the acquisition date that are subject to an insignificant risk of changes in their fair value, and are used by the Company in the management of its short-term commitments.

ii. Trade and other receivables

Trade and other receivables are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses.

Financial liabilities

All financial liabilities are recognised initially on the transaction date at which the Company becomes a party to the contractual provisions of the liability.

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

Financial liability includes trade and other payables.

iii. Trade and other payables

The Company recognises financial liabilities when its contractual obligations arising from past events are certain and the settlement of which is expected to result in an outflow from the entity of resources embodying economic benefits.

G. Provisions

A provision is recognised in the statement of financial position when the company has a legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provision is ordinarily measured at the best estimate of the expenditure required to settle the present obligation at the date of statement of financial position. Where the effect of time value of money is material, the amount of provision is measured at the present value of the expenditures expected to be required to settle the obligation.

H. Share capital

Only ordinary shares are classified as equity. Incremental cost directly attributable to the issue of ordinary shares is recognised as a deduction from equity net off any tax effects.

Paid up share capital represents total amount contributed by the shareholders. Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to vote at shareholders' meetings.

NOTES TO THE FINANCIAL STATEMENTS

I. Contingencies

i. Contingent liability

Contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

Contingent liability should not be recognised in the financial statements, but may require disclosure. A provision should be recognised in the period in which the recognition criteria of provision have been met.

ii. Contingent asset

Contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

A contingent asset must not be recognised. Only when the realisation of the related economic benefits is virtually certain recognition should take place. Provided that, it can be measured reliably because, at that point, the asset is no longer contingent.

J. Statement of cash flows

Cash flows from operating activities are presented under indirect method as per IAS 7: Statement of Cash Flows.

K. Events after the reporting period

Events after the date of statement of financial position that provide information about the Company's position at the date of statement of financial position are reflected in the financial statements. Events after the reporting period that are non-adjusting events are disclosed in the notes when material.

25. Going concern

The accompanying financial statements have been prepared on a going concern assumption that the Company will continue in operation over the foreseeable future. The Company has neither any intention nor any legal or regulatory compulsion to liquidate or curtail materially the scale of any of its operations. Also, the management is not aware of any other material uncertainties that may cast significant doubt upon the company's ability to continue as a going concern.

26. Standards issued but not yet effective

A number of new standards are effective for annual periods beginning after 1 April 2021 and earlier application is permitted; however, the Company has not early adopted the new or amended standards in preparing these financial statements.

A. Onerous contracts – Cost of Fulfilling a Contract (Amendments to IAS 37)

The amendments specify which costs an entity includes in determining the cost of fulfilling a contract for the purpose of assessing whether the contract is onerous. The amendments apply for annual reporting periods beginning on or after 1 January 2022 to contracts existing at the date when the amendments are first applied. At the date of initial application, the cumulative effect of applying the amendments is recognised as an opening balance adjustment to retained earnings or other components of equity, as appropriate. The comparatives are not restated. The Company has no such onerous contract.

B. Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)

The amendments narrow the scope of the initial recognition exemption to exclude transactions that give rise to equal and offsetting temporary differences – e.g. leases and decommissioning liabilities. The amendments apply for annual reporting periods beginning on or after 1 January 2023. For leases and decommissioning liabilities, the associated deferred tax asset and liabilities will need to be recognised from the beginning of the earliest comparative period presented, with any cumulative effect recognised as an adjustment to retained earnings or other components of equity at that date. For all other transactions, the amendments apply to transactions that occur after the beginning of the earliest period presented. The Company has no such deferred tax on leases and decommissioning liabilities.

C. Other standards

The following new and amended standards are not expected to have a significant impact on the Company's financial statements.

- COVID-19-Related Rent Concessions (Amendment to IFRS 16).b
- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16).
- Reference to Conceptual Framework (Amendments to IFRS 3).
- Classification of Liabilities as Current or Non-current (Amendments to IAS 1).
- IFRS 17 Insurance Contracts and amendments to IFRS 17 Insurance Contracts.

As per our report of same date.

Mr. Prakash Wakankar
Director

Adeeb H Khan
Auditor

Mr. Nikhil Sohoni
Director

Dhaka, 11th May, 2022
DVC: 2205290652AS940383

INDEPENDENT AUDITORS' REPORT

To

The Members of

GROMAX AGRI EQUIPMENT LIMITED

Report on the audit of the Financial Statements

Opinion

We have audited the accompanying Financial Statements of **Gromax Agri Equipment Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (herein after referred to as "the Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, its profit and total comprehensive income, its changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Information other than the Financial Statements and Auditors' Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the Directors Report and the related annexures, but does not include the Financial Statements and our Auditors' Report thereon.

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

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

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

Responsibilities of management for the Financial Statements

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

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

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

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

Auditors' Responsibilities for the audit of the Financial Statements

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

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

We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
   (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this report are in agreement with the books of account.
   (d) In our opinion, the aforesaid Financial Statements comply with the Accounting Standards specified under Section 133 of the Act.
   (e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164(2) of the Act.
   (f) With respect to the adequacy of the internal financial controls with reference to Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure B. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to Financial Statements.

(g) The Company has not paid/provided any remuneration to managerial personnel as defined in the Act. Accordingly, the provisions of Section 197 of the Act related to the managerial remuneration are not applicable to the Company.

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

(i) The Company has disclosed the impact of pending litigations on its financial position in its Financial Statements – Refer Note 34 to the Financial Statements;

(ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

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

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

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

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

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

For B.K. Khare & Co.
Chartered Accountants
Firm Registration No. 105102W

Himanshu Goradia
Partner
Membership No. 045668
UDIN: 22045668AHOAEB5812

Place: Mumbai
Date: April 21, 2022

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

[Referred to in paragraph 1 under 'Report on other Legal and Regulatory Requirements' section of our report of even date]

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

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

(b) The Company has a regular programme for physical verification of its property, plant and equipment by which the property, plant and equipment are verified by the management once in a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its property, plant and equipment. In accordance with the programme, the Company has physically verified property, plant and equipment during the financial year 2019-2020 and no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us, the title deeds of immovable properties are held in the name of the Company.

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

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

ii. (a) According to the information and explanations given to us, the inventory comprising of raw materials, work-in-progress, finished and semi-finished goods, stores and spares,loose tools and stock-in-trade has been physically verified at reasonable intervals by the management during the year. In our opinion, the coverage and procedure of such verification by the management is appropriate and no discrepancies of 10% or more in the aggregate for each class of inventory were noticed on such verification between the physical inventory and the book records.

(b) According to the information and explanations given to us, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from Axis Bank Limited on the basis of security of inventory and trade receivables during the year. The statements of inventory and trade receivables filed by the Company with Axis Bank Limited on a quarterly basis are materially in agreement with the unaudited books of account as certified by the management.

iii. According to the information and explanations given to us, the Company has not made investments in or provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year. Accordingly, the reporting under Clauses 3(iii)(a) to 3(iii)(f) of the Order is not applicable to the Company.

iv. According to the information and explanations given to us, the Company has not granted any loans or made any investments or provided any guarantees or security to the parties covered under Sections 185 and 186 of the Act. Accordingly, the reporting under Clause 3(iv) of the Order is not applicable to the Company.

v. According to the information and explanations given to us, the Company has not accepted deposits under the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. Accordingly, the reporting under Clause 3(v) of the Order is not applicable to the Company.

vi. The Central Government has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company. Accordingly, the reporting under Clause 3(vi) of the Order is not applicable to the Company.

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

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

(b) According to the information and explanations given to us and on the basis of our examination of records of the Company, there are no statutory dues in respect of Goods and Services Tax, Provident Fund, Employees' State Insurance, Sales tax, Service tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and any other material statutory dues as at March 31, 2022, which have not been deposited with the appropriate authorities on account of any dispute. The statutory dues in respect of Income-tax as at March 31, 2022, which have not been deposited with the appropriate authorities on account of a dispute, are as under:

Name of statute	Nature of dues	Amount (Rs. in lakhs)	Period to which amount relates	Forum where pending
The Income Tax Act, 1961	Income Tax	161.82	Assessment year 2014-2015	Commissioner of Income Tax (Appeals)

viii. According to the information and explanations given to us, there are no transactions not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income-tax Act, 1961. Accordingly, the reporting under Clause 3(viii) of the Order is not applicable to the Company.

ix. (a) According to the information and explanations given to us and based on the audit procedures performed by us, the Company has not availed any loans or other borrowings during the year. Accordingly, the reporting under Clause 3(ix)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us, the Company has not been declared a wilful defaulter by any bank or financial institution or any other lender till the date of our audit report.

(c) According to the information and explanations given to us and based on the audit procedures performed by us, the Company has not availed any term loans during the year. Accordingly, the reporting under Clause 3(ix)(c) of the Order is not applicable to the Company.

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

(e) The Company does not have any subsidiaries, joint ventures or associates. Accordingly, the reporting under Clauses 3(ix)(e) and 3(ix)(f) of the Order is not applicable to the Company.

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

(b) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Accordingly, the reporting under Clause 3(x)(b) of the Order is not applicable to the Company.

xi. (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company noticed or reported during the year, nor have we been informed of any such case by the management.

(b) There has been no report filed by us under sub-section (12) of Section 143 of the Act in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government. Accordingly, the reporting under Clause 3(xi)(b) of the Order is not applicable to the Company.

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

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

xiii. In our opinion and according to the information and explanations given to us, the Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the Financial Statements as required by Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act.

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

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

xv. According to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or directors of its holding company or persons connected with them during the year and hence, the provisions of Section 192 of the Act are not applicable to the Company. Accordingly, the reporting under Clause 3(xv) of the Order is not applicable to the Company.

xvi. (a) According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under Clause 3(xvi)(a) of the Order is not applicable to the Company.

(b) In our opinion and according to the information and explanations given to us, the Company has not conducted any Non-Banking Financial or Housing Finance activities. Accordingly, the reporting under Clause 3(xvi)(b) of the Order is not applicable to the Company.

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

xvii. In our opinion and according to the information and explanations given to us, the Company has not incurred cash losses in the current financial year as well as in the immediately preceding financial year. Accordingly, the reporting under Clause 3(xvii) of the Order is not applicable to the Company.

xviii. There has been no resignation of the statutory auditors during the year. Accordingly, the reporting under Clause 3(xviii) of the Order is not applicable to the Company.

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

xx. According to the information and explanations given to us, the provisions of Section 135 of the Act relating to expenditure on corporate social responsibility are not applicable to the Company for the current financial year. Accordingly, the reporting under Clauses 3(xx)(a) and 3(xx)(b) of the Order is not applicable to the Company.

For B.K. Khare & Co.
Chartered Accountants
(Firm Registration No. 105102W)

Himanshu Goradia
Partner
Membership No. 045668
UDIN: 22045668AHOAEB5812

Place: Mumbai
Date: April 21, 2022

ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT

[Referred to in paragraph 2(f) under ‘Report on other Legal and Regulatory Requirements’ section of our report of even date]

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

We have audited the internal financial controls with reference to financial statements of **Gromax Agri Equipment Limited** (“the Company”) as of March 31, 2022 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

Auditors’ Responsibility

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

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

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

Meaning of Internal Financial Controls with reference to financial statements

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

Inherent Limitations of Internal Financial Controls with reference to financial statements

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

Opinion

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

For B.K. Khare & Co.
Chartered Accountants
(Firm’s Registration No. 105102W)

Himanshu Goradia
Partner
Membership No. 045668
UDIN: 22045668AHOAEB5812

Place: Mumbai
Date: April 21, 2022

BALANCE SHEET AS AT 31ST MARCH, 2022

All amounts are in Rupees Lakhs unless otherwise stated

	Particulars	Note No.	As at 31st March, 2022	As at 31st March, 2021
I	**ASSETS**			
	NON-CURRENT ASSETS			
	(a) Property, Plant and Equipment	3	**1,912.17**	1,974.81
	(b) Capital Work-in-Progress		**–**	14.70
	(c) Other Intangible Assets	4	**5.13**	8.36
	(d) Financial Assets			
	(i) Investments	5	**–**	–
	(ii) Loans	7	**52.53**	45.06
	(iii) Other Financial Asset	7	**109.32**	108.02
	(e) Non-Current Tax Assets (Net)	9	**140.04**	89.15
	(f) Other Non-current Assets	10	**–**	–
	SUB-TOTAL		**2,219.19**	2,240.10
	CURRENT ASSETS			
	(a) Inventories	11	**1,988.49**	2,032.40
	(b) Financial Assets			
	(i) Trade Receivables	6	**2,428.94**	2,668.72
	(ii) Cash and Cash Equivalents	12a	**0.11**	0.77
	(iii) Other Bank Balances	12b	**2,838.09**	120.22
	(iv) Loans	7	**14.61**	61.91
	(v) Other Financial Assets	8	**7.19**	8.96
	(c) Current Tax Assets (Net)	9	**–**	–
	(d) Other Current Assets	10	**1,849.90**	1,728.60
	SUB-TOTAL		**9,127.33**	6,621.57
	TOTAL ASSETS		**11,346.52**	8,861.67
II	**EQUITY AND LIABILITIES**			
	EQUITY			
	(a) Equity Share Capital	13	**5,430.20**	5,430.20
	(b) Other Equity	14	**(432.13)**	(3,127.47)
	SUB-TOTAL		**4,998.07**	2,302.73
	LIABILITIES			
	NON-CURRENT LIABILITIES			
	(a) Provisions	17	**184.10**	162.32
	(b) Financial Liabilities			
	(i) Borrowings	19	**–**	–
	(ii) Lease Liability		**0.17**	5.37
	(iii) Other Financial Liabilities	16	**311.55**	56.87
	(c) Non-Current Tax Liabilities (Net)	9	**–**	–
	SUB-TOTAL		**495.82**	224.56
	CURRENT LIABILITIES			
	(a) Financial Liabilities			
	(i) Borrowings	19	**135.30**	166.92
	(ii) Trade Payables	15		
	– Total outstanding dues of micro and small enterprises		**48.89**	79.80
	– Total outstanding dues of creditors other than micro and small enterprises		**3,026.42**	3,596.40
	(iii) Lease Liability		**4.70**	4.96
	(iv) Other Financial Liabilities	16	**2,459.55**	2,337.63
	(b) Provisions	17	**141.05**	105.69
	(c) Current Tax Liabilities	9	**–**	–
	(d) Other Current Liabilities	18	**36.72**	42.99
	SUB-TOTAL		**5,852.63**	6,334.39
	TOTAL LIABILITIES		**11,346.52**	8,861.67
	Summary of Significant Accounting Policies	1 and 2		

In terms of our report attached
For **B.K. Khare & Co.**
Chartered Accountants
Firm Registration No. 105102W

Himanshu Goradia
Partner
Membership No. 045668
Place : Mumbai
Date : 21st April 2022

For and on behalf of the Board of Directors

Harish Gupta
(Director)

Harish Chavan
(Director)

Manish Arora
(Manager)

Avdhesh Rathi
(Chief Financial Officer)

Sumeet Maheshwari
(Company Secretary)
Place : Mumbai
Date : 21st April 2022

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

All amounts are in Rupees Lakhs unless otherwise stated

	Particulars	Note No.	Year Ended on 31st March, 2022	Year Ended on 31st March, 2021
I	**Revenue from operations**	20	**18,984.52**	14,754.91
II	**Other Income**	21	**172.60**	154.18
III	**Total Revenue (I + II)**		**19,157.12**	14,909.09
IV	**EXPENSES**			
	(a) Cost of materials consumed	22(a)	**14,242.60**	9,617.90
	(b) Purchases of Stock-in-trade		**398.49**	458.75
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	22(b)	**(263.12)**	685.31
	(d) Employee benefits expense	23	**1,755.01**	1,449.68
	(e) Finance costs	24	**69.91**	90.64
	(f) Depreciation and amortisation expense	3 and 4	**252.64**	229.72
	(g) Other expenses	25	**2,715.04**	2,435.18
	Total Expenses (IV)		**19,170.57**	14,967.17
	Profit/(loss) before exceptional item and tax (III - IV)		**(13.45)**	(58.08)
	Exceptional Item	37	**2,732.65**	–
V	**Profit/(loss) before tax**		**2,719.20**	(58.08)
VI	**Tax Expense**			
	(1) Current tax	9	**9.03**	26.55
	(2) Deferred tax	9	**–**	–
	Less: MAT Credit entitlement		**–**	8.24
	Total tax expense		**9.03**	18.31
VII	**Profit/(loss) after tax (V - VI)**		**2,710.17**	(76.39)
VIII	**Other comprehensive income**			
	a. Will not be reclassified subsequently to profit or loss			
	Actuarial Gain/(Loss) of as per Actuarial valuation		**(14.82)**	(3.20)
	b. Will be reclassified subsequently to profit or loss when specific conditions are met		**–**	–
IX	**Total comprehensive income for the period (VII + VIII)**		**2,695.35**	(79.59)
X	**Earnings/(loss) per equity share**			
	(1) Basic	27	**4.99**	(0.14)
	(2) Diluted	27	**4.99**	(0.14)
	Summary of Significant Accounting Policies	1 and 2		

In terms of our report attached
For **B.K. Khare & Co.**
Chartered Accountants
Firm Registration No. 105102W

Himanshu Goradia
Partner
Membership No. 045668
Place : Mumbai
Date : 21st April 2022

For and on behalf of the Board of Directors

Harish Gupta
(Director)

Harish Chavan
(Director)

Manish Arora
(Manager)

Avdhesh Rathi
(Chief Financial Officer)

Sumeet Maheshwari
(Company Secretary)
Place : Mumbai
Date : 21st April 2022

STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31ST MARCH, 2022

All amounts are in Rupees Lakhs unless otherwise stated

	Particulars	Year Ended on 31st March, 2022	Year Ended on 31st March, 2021
I	**Cash flows from operating activities**		
	Profit / (loss) before tax for the year and OCI	**(28.27)**	(61.28)
	Finance costs	**68.51**	86.52
	(Gain)/loss on disposal of property, plant and equipment	**(5.50)**	(2.24)
	Depreciation and amortisation expense	**252.64**	229.72
	Provision for doubtful debts and advances	**468.87**	624.79
	Write back of credit balances	**(22.19)**	(74.44)
	GL balances written back	**(16.06)**	–
	Stale cheques written back	**(10.79)**	–
		707.21	803.07
	Movements in working capital:		
	(Increase)/decrease in trade and other receivables	**(310.11)**	594.88
	(Increase)/decrease in inventories	**43.91**	515.23
	(Decrease)/increase in liabilities	**(166.86)**	(765.08)
	Cash generated from/(used in) operations	**274.15**	1,148.10
	Income taxes refunded/(paid)	**(59.93)**	15.30
	Net cash from/(used in) operating activities	**214.22**	1,163.40
II	**Cash flows from investing activities**		
	Payments for property, plant and equipment	**(180.82)**	(287.55)
	Proceeds from disposal of property, plant and equipment	**2,746.91**	6.89
	Net cash used in investing activities	**2,566.09**	(280.66)
III	**Cash flows from financing activities**		
	Repayment of borrowings	**(31.62)**	(1,052.07)
	Repayment of Lease Liability	**(5.47)**	(20.86)
	Interest paid	**(26.01)**	(44.02)
	Net cash (used in)/from financing activities	**(63.10)**	(1,116.95)
IV	**Net decrease in cash and cash equivalents**	**2,717.21**	(234.21)
	Cash and cash equivalents at the beginning of the year	**121.00**	355.20
	Effects of exchange rate changes on the balance of cash held in foreign currencies	**–**	–
V	**Cash and cash equivalents at the end of the year**	**2,838.21**	121.00

Note:
The Cash and Cash Equivalents consist of cash on hand, cheques on hand and bank balances.

In terms of our report attached
For **B.K. Khare & Co.**
Chartered Accountants
Firm Registration No. 105102W

Himanshu Goradia
Partner
Membership No. 045668
Place : Mumbai
Date : 21st April 2022

For and on behalf of the Board of Directors

Harish Gupta
(Director)

Harish Chavan
(Director)

Manish Arora
(Manager)

Avdhesh Rathi
(Chief Financial Officer)

Sumeet Maheshwari
(Company Secretary)
Place : Mumbai
Date : 21st April 2022

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

All amounts are in Rupees Lakhs unless otherwise stated

A. Equity share capital

Particulars	As at 31st March, 2022	As at 31st March, 2021
Balance at the beginning of the current reporting period	**5,430.20**	5,430.20
Changes in Equity Share Capital due to prior period errors	**–**	–
Restated balance at the beginning of the current reporting period	**–**	–
Changes in equity share capital during the current year	**–**	–
Changes in Equity Share Capital due to prior period errors	**–**	–
Balance at the end of the current reporting period	**5,430.20**	5,430.20

Note:

During the Financial Year 2016-2017, Company has raised fund through right issue of equity shares 3,90,00,000 of Rs. 10 each to existing equity shareholders in their shareholding ratio.

Utilisation of proceeds from right equity issue:

Particulars	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22
Capex (on the basis of actual outflow)	615.96	545.17	385.33	274.38	287.55	42.61
Repayment of shareholders' loan	1,749.00	–	–	–	–	–
Total	**2,364.96**	**545.17**	**385.33**	**274.38**	**287.55**	**42.61**

Shares held by promoters as on 31st March 2022

Sr	Promoter Name	No. of Shares	% of total shares	% Change during the year
1	Mahindra Holdings Limited	**26,607,970**	**49.00%**	**No**
2	Mahindra & Mahindra Limited	**5,973,218**	**11.00%**	**No**
3	Government of Gujarat	**21,720,791**	**40.00%**	**No**

B. Other Equity

Particulars	Reserves and Surplus		Total
	Capital Reserve	Retained Earnings	
As at 1st April, 2020	**217.13**	**(3,265.02)**	**(3,047.89)**
Changes in accounting policy or prior period errors	–	–	**–**
Restated balance at the beginning of the current reporting period	–	–	**–**
Profit / (Loss) for the year	–	(76.39)	**(76.39)**
Comprehensive Income / (Loss) for the current year	–	(3.20)	**(3.20)**
Total Income/(Loss) for the year	–	(79.59)	**(79.59)**
Dividends	–	–	**–**
Transfer to retained earnings	–	–	**–**
Any other changes	–	–	**–**
As at 31st March, 2021	**217.13**	**(3,344.60)**	**(3,127.47)**
Changes in accounting policy or prior period errors	–	–	**–**
Restated balance at the beginning of the current reporting period	–	–	**–**
Profit / (Loss) for the year	–	2,710.17	**2,710.17**
Comprehensive Income / (Loss) for the current year	–	(14.82)	**(14.82)**
Total Income/(Loss) for the year	–	2,695.35	**2,695.35**
Dividends	–	–	**–**
Transfer to retained earnings	–	–	**–**
Any other changes	–	–	**–**
As at 31st March, 2022	**217.13**	**(649.25)**	**(432.12)**

In terms of our report attached
For **B.K. Khare & Co.**
Chartered Accountants
Firm Registration No. 105102W

Himanshu Goradia
Partner
Membership No. 045668
Place : Mumbai
Date : 21st April 2022

For and on behalf of the Board of Directors

Harish Gupta
(Director)

Harish Chavan
(Director)

Manish Arora
(Manager)

Avdhesh Rathi
(Chief Financial Officer)

Sumeet Maheshwari
(Company Secretary)
Place : Mumbai
Date : 21st April 2022

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

All amounts are in Rupees Lakhs unless otherwise stated

Note Nos. 1 and 2 : Summary of Significant Accounting Policies

1. Corporate Information

Gujarat Tractor Corporation Limited (GTCL) a Public Limited Company domiciled in India and incorporated on 31st March, 1978 under the provisions of the Companies Act, 1956 (CIN : U34100GJ1978PLC003127) and a Government of Gujarat Undertaking. As a part of Disinvestment by Government of Gujarat, the Mahindra & Mahindra Limited. acquired 60% stake in Equity Shares of the Company in 1999-2000. The name of the Company changed to Mahindra Gujarat Tractor Limited (MGTL / the Company) in the year 2000. The name of company further changed to Gromax Agri Equipment Limited with effect from 24th August, 2017.

Currently Mahindra Group holds 60% and Government of Gujarat holds 40% Equity in the Company. The Company is mainly engaged in the Manufacture and Sale of Tractors under the brand name “Shaktimaan”, “Hindustan”, “Farm Plus”, “Trakstar” and spares of the same. The Company carries out its business activities in India and Nepal. The Factory and Registered Office of the Company is located at Vishwamitri, Vadodara, Gujarat and Sales and Distribution Offices and Yards in major States of India.

2. Significant Accounting Policies

2.1 Statement of compliance

The financial statements have been prepared taking into consideration all material aspects with Indian Accounting Standards (Ind-AS) notified under section 133 of the Companies Act, 2013 (the “Act”) [Companies (Indian Accounting Standards) Rules, 2015, as amended] and the other relevant provisions of the Act.

2.2 Basis of preparation and presentation

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the value paid for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 116, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

The financial statements have been prepared on historical convention except Defined benefit plans.

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3 inputs are unobservable inputs for the asset or liability.

The principal accounting policies are set out below:

2.3 Revenue recognition

The Company has applied Ind AS 115 – ‘Revenue from Contracts with customers’ (“hereinafter referred to as Ind AS 115”), using modified retrospective approach for the purpose of transition. The application of Ind AS 115 did not have any material impact on the financial results of the Company.

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances. Upon satisfaction of performance obligation which is at a point in time when control of the goods is transferred to the customer, generally on delivery of the goods. Depending on the terms of the contract, which differs from contract to contract, the goods are sold on a reasonable credit term. The Revenue is excluding taxes and after deducting various Dealer Incentives and Discounts.

2.3.1. Sale of goods

1) Timing of recognition- Sales are recognized when control parameters as laid down in IND AS 115 are satisfied. Control means customer has accepted the product, legal title has been transferred, transfer of significant risk and rewards, right to receive the payment and transfer of physical possession. Sales are recognised at a point in time based on the revenue recognition standard.

2) Measurement of revenue:-

A) Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Company recognises revenue when it transfers control of a product.

B) Any change resulting in increase or decrease in estimated revenue or cost are reflected in the profit or loss in the period in which the circumstances that give rise to the revision become known by Management.

C) Transaction price is the amount of consideration expected to be entitled to in exchange for transferring of goods and services excluding the amount collected from third party.

D) Revenue from sales is based on the price specified in the sales contracts, net of the estimated volume discounts and returns at the time of sale. Accumulated experience is used to estimate and provide for the discounts and returns. The volume discounts are assessed based on anticipated annual purchases

2.3.2 Royalties

Royalty revenue is recognised on an accrual basis in accordance with the substance of the relevant agreement (provided that it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably). Royalties determined on a time basis are recognised on a straight-line basis over the period of the agreement. Royalty arrangements that are based on production, sales and other measures are recognised by reference to the underlying arrangement.

2.3.3 Dividend and interest income

Dividend income from investments is recognised when the shareholder’s right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

2.4 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

2.5 Employee benefits

2.5.1 Retirement benefit costs and termination benefits

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- remeasurement

The Company presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

2.5.2 Short-term and other long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

2.5.3 Contributions from employees or third parties to defined benefit plans

Discretionary contributions made by employees or third parties reduce service cost upon payment of these contributions to the plan.

When the formal terms of the plans specify that there will be contributions from employees or third parties, the accounting depends on whether the contributions are linked to service, as follows:

If the contributions are not linked to services (e.g. contributions are required to reduce a deficit arising from losses on plan assets or from actuarial losses), they are reflected in the remeasurement of the net defined benefit liability (asset).

If contributions are linked to services, they reduce service costs. For the amount of contribution that is dependent on the number of years of service, the Company reduces service cost by attributing the contributions to periods of service using the attribution method required by Ind AS 19.70 for the gross benefits. For the amount of contribution that is independent of the number of years of service, the Company reduces service cost in the period in which the related service is rendered / reduces service cost by attributing contributions to the employees' periods of service in accordance with Ind AS 19.70.

2.6 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

2.6.1 Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

2.6.2 Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

2.6.3 Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

2.7 Property, plant and equipment

Land and buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses. Freehold land is not depreciated.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Company's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Freehold land is not depreciated.

Fixtures and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Assets held under lease are depreciated over the lease term of the ROU (Right of use).

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

On transition to Ind AS, the company has elected to continue with the carrying value of all its property, plant and equipment recognised as at April 1, 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment which will be depreciated over its remaining useful life.

2.7.1 Useful lives of tangible assets

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives as prescribed in Part C of Schedule II of the Companies Act, 2013

Particulars	Life (Years)
Building -Non Factory	60
Building - Factory	30
Plant & Machineries, Jig& Fixtures and Pattern & Moulds	15
Furniture & Fixtures, Electrical Installation	10
Motor Vehicles- Cars & Tractors	8
Computer-Servers and Network	6
Office Equipment	5
Computer-End-use devices (Desktop, Laptop, Printer etc.)	3
Assets Value < Rs.5000	1

2.8 Intangible assets

2.8.1 Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

Under IND AS First time adoption Exemptions company has adopted historical cost as carrying amount for various tangible assets

2.8.2 Internally-generated intangible assets - research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

2.8.3 Useful lives of intangible assets

Estimated useful lives of the intangible assets are as follows:

Particulars	Life (Years)
Development Expenditure	5
Software	3

2.9 Impairment of tangible and intangible assets other than goodwill

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest Company of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

2.10 Inventories

Inventories are stated at the lower of cost and net realisable value after providing for obsolescence and other losses, where considered necessary. Costs of inventories are determined on a weighted average basis. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

Cost of raw material and traded goods comprises of purchases. Cost of work-in-progress and finished goods comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Cost of Inventories also include all other cost incurred in bringing the inventories to their present location and condition. Cost of purchase inventory are determined after deducting rebates and discounts.

2.11 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Provisions are not recognised for future operating losses.

2.11.1 Onerous contracts

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Company has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

2.11.2 Warranties

Provisions for the expected cost of warranty obligations under local sale of goods legislation are recognised at the date of sale of the relevant products, at the directors' best estimate of the expenditure required to settle the Company's obligation.

2.11.3 Contingent liabilities acquired in a business combination

A disclosure for a contingent liability is made where there is a possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from the past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

2.12 Financial instruments

Financial assets and financial liabilities are recognised when a entity becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

2.12.1 Cash and cash equivalents:-

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents.

2.13 Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets

2.13.1 Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortised cost (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

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

Interest income is recognised in profit or loss for FVTOCI debt instruments. For the purposes of recognising foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortised cost. Thus, the exchange differences on the amortised cost are recognised in profit or loss and other changes in the fair value of FVTOCI financial assets are recognised in other comprehensive income and accumulated under the heading of 'Reserve for debt instruments through other comprehensive income'. When the investment is disposed of, the cumulative gain or loss previously accumulated in this reserve is reclassified to profit or loss.

All other financial assets are subsequently measured at fair value.

2.13.2 Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in profit or loss and is included in the "Other income" line item.

2.13.3 Financial assets at fair value through profit or loss (FVTPL)

Investments in equity instruments are classified as at FVTPL, unless the Company irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading.

Debt instruments that do not meet the amortised cost criteria or FVTOCI criteria (see above) are measured at FVTPL. In addition, debt instruments that meet the amortised cost criteria or the FVTOCI criteria but are designated as at FVTPL are measured at FVTPL.

A financial asset that meets the amortised cost criteria or debt instruments that meet the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Company has not designated any debt instrument as at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other income' line item. Dividend on financial assets at FVTPL is recognised when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

2.13.4 Impairment of financial assets

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, debt instruments at FVTOCI, lease receivables, trade receivables, other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Company estimates cash flows by considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument.

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. 12-month expected credit losses are portion of the life-time expected credit losses and represent the lifetime cash shortfalls that will result if default occurs within the 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.

If the Company measured loss allowance for a financial instrument at lifetime expected credit loss model in the previous period, but determines at the end of a reporting period that the credit risk has not increased significantly since initial recognition due to improvement in credit quality as compared to the previous period, the Company again measures the loss allowance based on 12-month expected credit losses.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Company uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

The impairment requirements for the recognition and measurement of a loss allowance are equally applied to debt instruments at FVTOCI except that the loss allowance is recognised in other comprehensive income and is not reduced from the carrying amount in the balance sheet.

2.14 Financial Liabilities

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

2.14.1 Classification of financial liabilities

The company classifies all financial liabilities as subsequently measured at amortised cost.

2.14.2 Initial recognition of financial liabilities

Financial liabilities are carried at amortised cost using the effective interest method.

2.14.3 Subsequent measurement of financial liabilities

The measurement of financial liabilities depends on their classification (Refer Note 29)

2.15 Leases

The Company has applied IND AS 116 Determining whether an Arrangement contains a Lease to determine whether an arrangement existing at the transition date contains a lease on the basis of facts and circumstances existing at that date.

2.15.1 Initial Recognition:

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement. For arrangements entered into prior to April 1, 2016, the Company has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

2.15.2 Company as a lessee:

Leases, other than short term lease and low value assets, of property, plant and equipment are classified as finance leases. Finance leases are capitalized at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

2.16 EPS

The Company reports basic and diluted earnings per share in accordance with Ind AS 33 on Earnings per share. Basic earnings per share is computed by dividing the net profit or loss for the period by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed by dividing the net profit or loss for the period by the weighted average number of equity shares outstanding during the period as adjusted for the effects of all diluted potential equity shares except where the results are anti-dilutive.

The number of equity shares and potentially dilutive equity shares are adjusted retrospectively for all years presented for any share splits and bonus shares issues including for changes effected prior to the authorization for issue of the financial statements by the Board of Directors.

2.17 Cash flow statement

The Cash Flow Statement is prepared by the indirect method set out in Ind AS 7 on Cash Flow Statements and presents cash flows by operating, investing and financing activities of the Company.

2.18 Rounding off amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirement of Schedule III, unless otherwise stated.

2.19 Current v/s Non-Current classification:-

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

a) Expected to be realized or intended to be sold or consumed in normal operating cycle

b) Held primarily for the purpose of trading

c) Expected to be realized within twelve months after the reporting period, or

d) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

a) It is expected to be settled in normal operating cycle

b) It is held primarily for the purpose of trading

c) It is due to be settled within twelve months after the reporting period, or

d) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

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

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents.

The Company has identified twelve months as its operating cycle for the purpose of current and non-current classification of assets and liabilities

2.20 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 2.1 to 2.18, the management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed.

Detailed information about each of these estimates and judgements included in relevant notes together with information about the basis of calculation of each different line item in the financial statements.

Areas involving judgements and estimations:

1) Provision for warranty and service coupon

2) Provision for ECL

3) Provision for Employee Benefits

Note No. 3 - Property, Plant and Equipment

	Particulars	As at 31st March, 2022	As at 31st March, 2021
a.	Property, plant and equipment owned	**1,907.31**	1,964.48
b.	Right of use assets	**4.86**	10.33
		1,912.17	**1,974.81**

a. Property, plant and equipment owned

	Description of Assets	Land – Freehold	Buildings – Freehold	Plant and Equipment	Office Equipment	Furniture and Fixtures	Vehicles	Total
I.	**Gross Carrying Amount**							
	Balance as at 1 April 2021	1.03	544.74	2,246.50	76.18	81.47	226.34	3,176.27
	Additions	–	19.02	95.41	5.11	–	75.98	195.53
	Disposals	(0.01)	(0.46)	(106.48)	(2.81)	(0.10)	–	(109.85)
	Balance as at 31st March 2022	**1.03**	**563.31**	**2,235.43**	**78.49**	**81.37**	**302.32**	**3,261.94**
II.	**Accumulated depreciation and impairment**							
	Balance as at 1 April 2021	–	136.57	911.12	56.32	40.11	67.66	1,211.78
	Depreciation expense for the year	–	27.95	173.15	8.66	7.34	26.83	243.93
	Eliminated on disposal of assets	–	(0.43)	(97.89)	(2.67)	(0.10)	–	(101.09)
	Balance as at 31st March 2022	**–**	**164.09**	**986.39**	**62.31**	**47.35**	**94.49**	**1,354.63**
III.	**Net carrying amount (I-II)**	**1.03**	**399.22**	**1,249.05**	**16.18**	**34.02**	**207.83**	**1,907.31**

	Description of Assets	Land – Freehold	Buildings – Freehold	Plant and Equipment	Office Equipment	Furniture and Fixtures	Vehicles	Total
I.	**Gross Carrying Amount**							
	Balance as at 1 April 2020	1.03	508.67	2,132.43	69.99	80.50	125.29	**2,917.90**
	Additions	–	36.08	114.07	6.20	0.96	105.84	**263.15**
	Disposals	–	–	–	–	–	(4.78)	**(4.78)**
	Balance as at 31st March, 2021	**1.03**	**544.74**	**2,246.50**	**76.19**	**81.46**	**226.35**	**3,176.27**
II.	**Accumulated depreciation and impairment**							
	Balance as at 1 April 2020	–	115.27	755.27	48.76	32.72	49.84	**1,001.87**
	Depreciation expense for the year	–	21.30	155.86	7.56	7.38	17.96	**210.06**
	Eliminated on disposal of assets	–	–	–	–	–	(0.14)	**(0.14)**
	Balance as at 31st March, 2021	**–**	**136.57**	**911.13**	**56.32**	**40.10**	**67.67**	**1,211.79**
III.	**Net carrying amount (I-II)**	**1.03**	**408.17**	**1,335.37**	**19.87**	**41.36**	**158.68**	**1,964.48**

b. Right of use assets

	Description of Assets	Buildings– Leasehold	Total
I.	**Gross Carrying Amount**		
	Balance as at 1 April 2021	**12.77**	12.77
	Additions	**–**	–
	Deletions	**–**	–
	Balance as at 31 March 2022	**12.77**	12.77
II.	**Accumulated depreciation and impairment**		
	Balance as at 1 April 2021	**2.44**	2.44
	Additions	**5.47**	5.47
	Deletions	**–**	–
	Balance as at 31 March 2022	**7.91**	7.91
III.	**Net carrying amount (I-II)**	**4.86**	4.86

	Description of Assets	Buildings– Leasehold	Total
I.	**Gross Carrying Amount**		
	Recognised on initial application of Ind AS 116 as at 1 April 2020	**47.57**	47.57
	Additions	**–**	–
	Deletions	**34.80**	34.80
	Balance as at 31 March 2021	**12.77**	12.77
II.	**Accumulated depreciation and impairment**		
	Recognised on initial application of Ind AS 116 as at 1 April 2020	**23.07**	23.07
	Additions	**18.31**	18.31
	Deletions	**38.94**	38.94
	Balance as at 31 March 2021	**2.44**	2.44
III.	**Net carrying amount (I-II)**	**10.33**	10.33

Notes:

Property, plant and equipment comprise of owned and leased assets that do not meet the definition of Investment property.

Impairment losses not recognised in the year:

During the year ended on 31 March 2022, there were no impairment indicators. Hence, impairment loss has not been recognised.

Depreciation Method and Useful Life

The depreciation methods used and the useful lives or the depreciation rates used are mentioned in Note on Significant Accounting Policies.

Tangible Asset given to Co-operative Society on Hire Purchase

Certain fixed assets were transferred to various Industrial Co-operative Societies on hire purchase basis, had been reduced from the Gross Block of Fixed Assets of the Company in the year of actual transactions in past, but they still remain the property of this Company till the last instalment is paid.

Secured Loans repayable on demand from Bank

Cash Credit facilities from Banks are secured by hypothecation of entire current assets, present and future, and first charge over movable machinery.

The leases that the Company has entered with lessors towards properties used as sales offices are long term in nature and no changes in terms of those leases are expected due to the COVID-19.

Note No. 4 - Other Intangible Assets

	Description of Assets	Development Expenditure	Computer Software	Total
I.	**Gross Carrying Amount**			
	Balance as at 1st April, 2021	–	57.57	57.57
	Additions from acquisitions	–	–	–
	Eliminated from Books of Accounts (Refer Note)	–	–	–
	Balance as at 31st March, 2022	**–**	**57.57**	**57.57**
II.	**Accumulated depreciation and impairment**			
	Balance as at 1st April, 2021	–	49.21	49.21
	Amortisation expense for the year	–	3.23	3.23
	Eliminated from Books of Accounts (Refer Note)	–	–	–
	Balance as at 31st March, 2022	**–**	**52.44**	**52.44**
III.	**Net carrying amount (I-II)**	**–**	**5.13**	**5.13**

	Description of Assets	Development Expenditure	Computer Software	Total
I.	**Gross Carrying Amount**			
	Balance as at 1st April, 2020	–	47.87	47.87
	Additions from acquisitions	–	9.70	9.70
	Eliminated from Books of Accounts (Refer Note)	–	–	–
	Balance as at 31st March, 2021	–	57.57	57.57
II.	**Accumulated depreciation and impairment**			
	Balance as at 1st April, 2020	–	47.86	47.86
	Amortisation expense for the year	–	1.35	1.35
	Eliminated from Books of Accounts (Refer Note)	–	–	–
	Balance as at 31st March, 2021	–	49.21	49.21
III.	**Net carrying amount (I-II)**	–	8.36	8.36

Note:

The asset is already amortised fully over the years . Elimination from Intangible asset when useful life is over.

Note No. 5 - Investments (Non-Current)

Particular	As at 31st March, 2022 QTY	As at 31st March, 2022 Amount Rs.	As at 31st March, 2021 QTY	As at 31st March, 2021 Amount Rs.
Investments Carried at:				
Designated as Fair Value Through Profit and Loss				
I. Unquoted Investments (all fully paid)				
Other Non-Current Investments	**–**	**4.45**	–	4.45
Total Unquoted Investments	**–**	**4.45**	–	4.45
TOTAL INVESTMENTS CARRIED AT FAIR VALUE	**–**	**4.45**	–	4.45
TOTAL INVESTMENTS	**–**	**4.45**	–	4.45
Total Impairment value for investment carried at FVTPL	**–**	**(4.45)**	–	(4.45)
TOTAL INVESTMENTS CARRYING VALUE	**–**	**–**	–	–

Note:

Details of Investments in the Shares of Industrial Co-Operative Societies within Gromax Premises

Sr.	Name of Industrial Co-Operative Societies	% of Holding of Company	No. of shares held by Company	As at 31st March, 2021	As at 31st March, 2020
1	Pragati Industrial Co-operative Society Limited	41.61%	228	1.14	1.14
2	Sarvoday Industrial Co-operative Society Limited	40.00%	140	0.70	0.70
3	Parishram Industrial Co-operative Society Limited	37.93%	154	0.77	0.77
4	Adarsh Industrial Co-operative Society Limited	36.84%	140	0.70	0.70
5	Akshay Industrial Co-operative Society Limited	40.04%	227	1.14	1.14
	TOTAL			**4.45**	4.45

Note No. 6 - Trade receivables

Particulars	**As at 31st March, 2022**	As at 31st March, 2021
Trade receivables		
1) Secured, considered good	**780.01**	562.24
2) Unsecured, considered good	**1,648.93**	2,106.48
3) Which have significant increase in Credit Risk	**–**	–
4) Credit impaired	**1,067.69**	1,066.02
Less: Allowance for expected credit loss	**(1,067.69)**	(1,066.02)
TOTAL	**2,428.94**	2,668.72

Trade Receivables as on 31st March 2022 — Outstanding for following periods from due date of payment#

	Particulars	Less than 6 months	6 months –1 year	1–2 Years	2–3 years	More than 3 years	Total
(i)	Undisputed Trade receivables — considered good	1,755.04	566.57	86.61	7.81	3.68	2,419.70
(ii)	Undisputed Trade Receivables — which have significant increase in credit risk	–	18.03	477.72	137.29	24.76	657.81
(iii)	Undisputed Trade Receivables — credit impaired	–	(18.03)	(477.72)	(137.29)	(24.76)	(657.81)
(iv)	Disputed Trade Receivables — considered good	–	–	4.99	2.61	1.64	9.24
(v)	Disputed Trade Receivables — which have significant increase in credit risk	–	–	74.26	199.43	136.19	409.88
(vi)	Disputed Trade Receivables — credit impaired	–	–	(74.26)	(199.43)	(136.19)	(409.88)
	Trade Receivables as on 31st March 2022 >	**1,755.04**	**566.57**	**91.60**	**10.43**	**5.32**	**2,428.94**

Trade Receivables as on 31st March 2021 — Outstanding for following periods from due date of payment#

	Particulars	Less than 6 months	6 months –1 year	1–2 Years	2–3 years	More than 3 years	Total
(i)	Undisputed Trade receivables — considered good	2,142.53	366.37	52.33	1.38	0.39	2,562.99
(ii)	Undisputed Trade Receivables — which have significant increase in credit risk	–	11.17	157.75	31.24	9.79	209.94
(iii)	Undisputed Trade Receivables — credit impaired	–	(11.17)	(157.75)	(31.24)	(9.79)	(209.94)
(iv)	Disputed Trade Receivables — considered good	11.79	84.05	6.32	3.56	–	105.73
(v)	Disputed Trade Receivables — which have significant increase in credit risk	–	8.89	425.60	316.56	105.03	856.08
(vi)	Disputed Trade Receivables — credit impaired	–	(8.89)	(425.60)	(316.56)	(105.03)	(856.08)
	Trade Receivables as on 31st March 2021 >	**2,154.32**	**450.42**	**58.64**	**4.95**	**0.39**	**2,668.72**

Note:

The Company has Bank Guarantees as security as on 31 March 2022: INR 822.72 Lakhs, (31 March 2021: INR. 359.10 Lakhs), where appropriate, as a means of mitigating the risk of financial loss from defaults. Other than these, the Company also has Security Deposits of various dealers as necessary amount, classified under Note No. 16.

Note No. 7 - Loans

Particulars	As at 31st March, 2022 Current	As at 31st March, 2022 Non–Current	As at 31st March, 2021 Current	As at 31st March, 2021 Non–Current
Other Advances	**9.33**	**52.53**	54.10	45.06
Advances to Employees	**5.28**	**–**	7.80	–
GRAND TOTAL	**14.61**	**52.53**	61.91	45.06

Note No. 7 - Other Financial Asset

Particulars	As at 31st March, 2022 Current	As at 31st March, 2022 Non–Current	As at 31st March, 2021 Current	As at 31st March, 2021 Non–Current
a) Security Deposits				
Utility Deposits and others	**–**	**109.32**	–	108.02
GRAND TOTAL	**–**	**109.32**	–	108.02

Note No. 8 - Other Financial assets - Current

Particulars	As at 31st March, 2022	As at 31st March, 2021
Interest accrued on Deposits	**0.74**	0.64
Security Deposits	**1.27**	2.07
Other Receivables	**5.18**	6.25
Total	**7.19**	8.96

Note No. 9 - Current Tax and Deferred Tax

(a) Income Tax recognised in profit or loss

Particulars	As at 31st March, 2022	As at 31st March, 2021
Advance Payment of Income Tax	**294.21**	490.00
Provisions for Income Tax	**(154.17)**	(400.85)
Total	**140.04**	89.15

Particulars	As at 31st March, 2022	As at 31st March, 2021
Current Tax:		
In respect of current year	**9.03**	18.31
In respect of prior years	**–**	–
Total income tax expense on continuing operations	**9.03**	18.31

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

Particulars	As at 31st March, 2022	As at 31st March, 2021
Profit before tax from continuing operations and OCI	**(28.28)**	(61.28)
Income tax expense calculated at 25.168% (Previous year - 27.82%)	**(7.12)**	(17.05)
Effect of expenses that is non-deductible in determining taxable profit	**10.72**	11.84
Effect of Expenses on which deferred tax asset is not created	**7.94**	47.68
Effect of current year losses for which no deferred tax asset is recognised	**–**	–
Others	**(2.52)**	(24.17)
Income tax expense recognised In profit or loss from continuing operations	**9.03**	18.31

The tax rate used for 31 March 2022 and 31 March 2021 reconciliations above is the corporate tax rate of 25.168% and 27.82% respectively payable by the Company on taxable profit under Indian Income Tax Laws.

(c) Amounts on which deferred tax asset has not been created:

Deferred tax assets have not been recognised in respect of following items because it is not probable that future taxable profit will be available against which the Company can use the benefit therefrom.

Particulars	**As at 31st March, 2022**	As at 31st March, 2021
Deferred Tax Asset (DTA)		
Gratuity and Leave Encashment	**34.86**	57.09
Provision for Doubtful Debts and Advances	**167.26**	185.06
Unabsorbed Depreciation	**–**	24.17
	202.12	266.32
Deferred Tax Liability (DTL)		
Depreciation	**(186.53)**	(205.66)
Bonus	**(0.02)**	(0.40)
	(186.55)	(206.06)
Total DTA/(DTL)	**15.57**	60.26

Note No. 10 - Other assets

Particulars	**As at 31st March, 2022 Current**	**As at 31st March, 2022 Non–Current**	As at 31st March, 2021 Current	As at 31st March, 2021 Non–Current
1 Capital advances				
(i) For Capital work in progress	**1.73**	**–**	–	–
2 Advances other than capital advances				
(i) Balances with government authorities (other than income taxes)	**1,835.04**	**–**	1,710.77	–
(ii) Prepaid Expenses	**13.13**	**–**	17.83	–
Total	**1,849.90**	**–**	1,728.60	–

Note:
Details of Balances with Government Authorities (other than Income Tax) by Category

	Particulars	**As at 31st March, 2022**	As at 31st March, 2021
1	Balances with VAT/GST Authorities	**1,835.04**	1,710.77
	Total	**1,835.04**	1,710.77

Note No. 11 - Inventories

	Particulars	**As at 31st March, 2022**	As at 31st March, 2021
1	Raw materials	**851.95**	1,158.86
2	Work-in-progress	**14.83**	35.56
3	Finished and semi-finished goods	**1,082.49**	800.44
4	Stores and spares	**–**	–
5	Loose Tools	**30.25**	30.38
6	Stock-in-trade	**8.96**	7.16
	Total Inventories (at lower of cost and net realisable value)	**1,988.49**	2,032.40

Note:

Inventory (Raw Material & Finished Goods) of Rs. 99.34/- Lacs is in transit as on 31 March 2022.

The carrying amount of inventories pledged as security for Cash Credit Facility from Bank is Rs. 1988.49 as on 31 March 2022 (31 March 2021: Rs. 2032.40).

Mode of valuation of inventories is at lower of cost and net realisable value.

Note No. 12a - Cash and cash equivalents

	Particulars	**As at 31st March, 2022**	As at 31st March, 2021
	Cash and cash equivalents		
1	Balances with banks	**0.06**	0.08
2	Cheques, drafts on hand	**–**	–
3	Cash on hand	**0.05**	0.69
4	Cash Credit Account	**–**	–
	Total Cash and cash equivalents	**0.11**	0.77

Note No. 12b - Other Bank Balances

	Particulars	**As at 31st March, 2022**	As at 31st March, 2021
	Other Bank Balances		
1	Balances with Banks:		
	(i) On Margin Accounts	**19.53**	18.65
	(ii) Fixed Deposits with maturity greater than 3 months	**2,818.55**	101.57
	Total Other Bank balances	**2,838.09**	120.22

Note:

Margin Money Deposits are against the Company's Cash Credit Limit, Letter of Credit and Bank Guarantee issued.

Cash and cash equivalents include cash in hand and balance in banks.

Note No. 13 - Equity Share Capital

Particulars	**As at 31st March, 2022 No. of shares**	**As at 31st March, 2022 Amount**	As at 31st March, 2021 No. of shares	As at 31st March, 2021 Amount
Authorised:				
Equity Shares of Rs. 10 each	**5,50,00,000**	**5,500.00**	5,50,00,000	5,500.00
Issued, Subscribed and Fully Paid:				
Equity Shares of Rs. 10 each	**5,43,01,979**	**5,430.20**	5,43,01,979	5,430.20
Total	**5,43,01,979**	**5,430.20**	5,43,01,979	5,430.20

Note:

(i) Issued and Subscribed Capital includes -

a. 15,00,000 Equity Shares of Rs. 10 each issued to Government of Gujarat in Financial Year 1979-1980 as fully paid up, without receiving payment in cash, being the consideration for transfer of the undertaking of Hindustan Tractors Limited to the Company.

b. 9,00,000 Equity Shares of Rs. 10 each issued to Government of Gujarat in Financial Year 1981-1982 consequent upon conversion of loan of Rs. 90,00,000 into Equity Share Capital.

c. 11,979 Equity Shares of Rs. 10 each issued to Government of Gujarat in Financial Year 1981-1982 as fully paid up, being the reimbursement of preliminary expenses incurred by them on the formation of the Company.

d. 20,90,000 Equity Shares of Rs. 10 each issued to Government of Gujarat in Financial Year 1985-1986 consequent upon conversion of loan of Rs. 2,09,00,000 into Equity Share Capital.

e. 1,08,00,000 Equity Shares of Rs. 10 each issued to Government of Gujarat in Financial Year 1992-1993 consequent upon conversion of loan of Rs. 10,80,00,000 into Equity Share Capital.

f. Out of 1,53,01,979 Equity Shares, as stated above held by the Government of Gujarat, 91,81,188 Equity Shares were divested by sale to Mahindra Group. The holding by Mahindra Group is as follows. 16,83,218 Equity Shares are held by Mahindra & Mahindra Limited, the holding Company, including 7 Equity Shares jointly with its nominees and 74,97,970 Equity shares are held by Mahindra Holdings Limited.

g. During the financial year Financial Year 2016-2017, the Company has raised fund through right issue of equity shares 3,90,00,000 of Rs. 10 each to existing equity shareholders in their shareholding ratio.

(ii) Reconciliation of the number of shares outstanding at the beginning and at the end of the period.

Particulars	Opening Balance	Fresh Issue	Closing Balance
(a) Equity Shares of Rs. 10 each			
Year ended 31 March 2022			
No. of Shares	5,43,01,979	–	5,43,01,979
Amount	5,430.20	–	5,430.20
Year ended 31 March 2021			
No. of Shares	5,43,01,979	–	5,43,01,979
Amount	5,430.20	–	5,430.20

(iii) Details of shares held by the holding company, the ultimate holding company, their subsidiaries and associates:

Particulars	No. of Shares
As at 31st March, 2022	
Mahindra Holdings Limited, the Holding Company	2,66,07,970
Mahindra & Mahindra Limited, the Ultimate Holding Company	59,73,218
As at 31st March, 2021	
Mahindra Holdings Limited, the Holding Company	2,66,07,970
Mahindra & Mahindra Limited, the Ultimate Holding Company	5,973,218

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

Class of shares/ Name of shareholder	As at 31st March, 2022 Number of shares held	% holding in that class of shares	As at 31st March, 2021 Number of shares held	% holding in that class of shares
Equity Shares of Rs. 10 each				
Mahindra Holdings Limited, the Holding Company	**2,66,07,970**	**49%**	2,66,07,970	49%
Mahindra & Mahindra Limited, the Ultimate Holding Company	**59,73,218**	**11%**	59,73,218	11%
Government of Gujarat	**2,17,20,791**	**40%**	2,17,20,791	40%

Preference Share Capital

Particulars	As at 31st March, 2022 No. of shares	Amount	As at 31st March, 2021 No. of shares	Amount
Authorised:				
8.5% Cumulative Redeemable Preference Shares of Rs. 10 each	**50,00,000**	**500.00**	50,00,000	500.00
Issued, Subscribed and Fully Paid:				
8.5% Cumulative Redeemable Preference Shares of Rs. 10 each	**50,00,000**	**500.00**	50,00,000	500.00
Total	**50,00,000**	**500.00**	50,00,000	500.00

As per IND AS preference share capital is excluded from Share Capital of the Company and disclosed as Other Financial Liability as "Unpaid Matured Preference Shares.

Note No. 14 - Other Equity

Particulars	As at 31st March, 2022	As at 31st March, 2021
Capital Reserve	217.13	217.13
Retained Earning	(649.25)	(3,344.60)
Total	**(432.13)**	(3,127.47)

Movement in Reserves

Particulars	As at 31st March, 2022	As at 31st March, 2021
(I) Capital Reserve		
Balance as at the beginning of the year	**217.13**	217.13
Add / Less: Additions/ Utilised during the year	**–**	–
Balance as at the end of the year	**217.13**	217.13
(II) Retained Earnings		
Balance as at the beginning of the year	**(3,344.60)**	(3,265.02)
Add :		
Profit / (Loss) for the period	**2,710.17**	(76.39)
Other Comprehensive Income / (Loss)	**(14.82)**	(3.20)
Balance as at the end of the year	**(649.25)**	(3,344.60)

Note No. 15 - Trade Payables

Particulars	As at 31st March, 2022	As at 31st March, 2021
Trade payable - Micro and small enterprises	**48.89**	79.80
Trade payable - Other than micro and small enterprises	**3,026.42**	3,596.40
Total trade payables	**3,075.31**	3,676.20

Trade Payable Ageing schedule as on 31st March 2022

	Particulars	Outstanding for following periods from due date of payment# Less than 1 year	1–2 years	2–3 years	More than 3 years	Total
(i)	MSME	48.89	–	–	–	48.89
(ii)	Others	3,025.34	0.85	0.23	–	3,026.42
(iii)	Disputed dues — MSME	–	–	–	–	–
(iv)	Disputed dues - Others	–	–	–	–	–
	Trade Payable as on 31st March 2022 >	**3,074.24**	**0.85**	**0.23**	**–**	**3,075.31**

Trade Payable Ageing schedule as on 31st March 2021

	Particulars	Outstanding for following periods from due date of payment# Less than 1 year	1–2 years	2–3 years	More than 3 years	Total
(i)	MSME	79.80	–	–	–	79.80
(ii)	Others	3,584.95	4.24	2.69	4.51	3,596.40
(iii)	Disputed dues — MSME	–	–	–	–	–
(iv)	Disputed dues - Others	–	–	–	–	–
	Trade Payable as on 31st March 2021 >	**3,664.75**	**4.24**	**2.69**	**4.51**	**3,676.20**

Note:

1. Trade Payables are payables in respect of the amount due on account of goods purchased or services received in the normal course of business.
2. There are some Micro and Small Enterprises, to whom the Company owes dues, which are outstanding for more than the stipulated period. The information regarding micro and small enterprises have been determined to the extent such parties have been identified on the basis of information available with the Company. The disclosures required to be made as per the Micro, Small and Medium Enterprises Development Act, 2006 are as follows:

	Particulars	As at 31st March, 2022	As at 31st March, 2021
I.	Dues remaining unpaid		
	- Principal	**–**	–
	- Interest	**–**	–
II.	Interest paid in terms of Section 16 of the Act	**–**	–
III.	Amount of interest due and payable for the period of delay on payments made beyond the appointed day during the year	**0.11**	0.07
IV.	Amount of interest accrued and remaining unpaid	**0.11**	0.07
V.	Amount of interest due and payable on previous year's outstanding amount	–	–

Note No. 16 - Other Financial Liabilities

	Particulars		As at 31st March, 2022	As at 31st March, 2021
	Other Financial Liabilities Measured at Amortised Cost			
A	**Non Current**			
1	Trade and Security Deposits		**311.55**	56.87
	Total Other Non Current Financial Liabilities		**311.55**	56.87
B	**Current**			
1	Unpaid dividends (Preference dividend, considered as interest)		**928.95**	886.45
2	Trade and Security Deposits		**185.52**	332.25
3	Unpaid matured preference shares		**500.00**	500.00
4	Other liabilities			
	a)	Payables for purchase of fixed assets	**3.09**	23.68
	b)	Contract Liabilities	**524.26**	325.27
	c)	Expenses accruals	**298.34**	240.62
	d)	Others	**19.40**	29.36
	Total Other Current Financial Liabilities		**2,459.55**	**2,337.63**

Note:

5,000,000 8.5% Cumulative Redeemable Preference Shares of Rs. 10 each issued solely to Government of Gujarat (GOG) as fully paid up on 23rd May, 2000 consequent upon conversion of loan of Rs. 50,000,000.

These shares were redeemable at par at the end of fours years from the date of allotment i.e. 22nd May, 2004 and the terms of the issue of the shares can be varied with the express consent of the Company and the holders of the shares at any time during the period the shares are outstanding.

The Preference Shares issued have right to receive dividend from year to year as decided by terms of Issue i.e. 8.5% per annum from the date of allotment.

The Preference share holders will not be entitled to any of the rights and privileges available to the members of the company including right to receive notice of or to attend and vote at general meeting or to receive annual reports of the company. If, however any resolution affecting the rights attached to the share is placed before the member of the Company, such resolution will first be placed before the Preference shareholders for their consideration.

Considering book losses, the Board of Directors had not declared dividend on preference share since allotment. Thus no provision was made for 8.5% dividend, amounting to Rs. 631.46 lakhs on preference shares for the period from 23rd May, 2000 (being the date of allotment) to the year ended 31st March, 2015 and additional tax thereon as per the accounting treatment under IGAAP.

Under IND AS, accrued Dividend on Preference Shares is defined as Other Current Financial Liabilities under Unpaid Dividends and are currently excluding taxes.

Note No. 17 - Provisions

Particulars	As at 31st March, 2022 Current	As at 31st March, 2022 Non-Current	As at 31st March, 2021 Current	As at 31st March, 2021 Non-Current
1. Provision for employee benefits				
a) Employee Benefits	**41.91**	**184.10**	19.86	162.32
2. Other Provisions				
a) Provision for Warranty	**55.96**	–	52.97	–
b) Provision for Service Coupon	**43.18**	–	32.86	–
Total Provisions	**141.05**	**184.10**	105.69	162.32

Note:

Movement of Warranty Provision

Provision for Warranties	Balance at the beginning of the year	Provision made during the period	Provision used during the period	Provision written back during the period	Balance at the end of the period
Financial Year 2021-2022	**52.97**	**37.37**	**34.38**	**–**	**55.96**
Financial Year 2020-2021	55.92	26.83	9.99	19.79	52.97

Provision for warranty has been recognised for expected warranty claims on products sold during the last two financial years. It is expected that the majority of this expenditure will be incurred in the next financial year.

Movement of Service Coupon Provision

Provision for Service Coupon	Balance at the beginning of the year	Provision made during the period	Provision used during the period	Provision written back during the period	Balance at the end of the period
Financial Year 2021-2022	**32.86**	**30.95**	**20.63**	**–**	**43.18**
Financial Year 2020-2021	46.04	30.66	17.89	25.95	32.86

Note No. 18 - Other Current Liabilities

Particulars	As at 31st March, 2022	As at 31st March, 2021
1. Other Current Liabilities		
a) Statutory dues	**34.43**	30.65
b) Interest Payable	**2.29**	12.34
Total Other Liabilities	**36.72**	42.99

Note No. 19 - Borrowings

Particulars	As at 31st March, 2022	As at 31st March, 2021
A. Non Current Borrowings		
1. Unsecured Borrowings		
a. Loans repayable on demand		
– From Banks	**–**	–
Total Non Current Borrowings	**–**	–
B. Current Borrowings		
1. Secured Borrowings		
a. Loans repayable on demand		
– From Banks	**135.30**	166.92
Total Current Borrowings	**135.30**	166.92

Note:
Secured Loans repayable on demand from Bank

Cash Credit facilities from Banks are secured by hypothecation of entire current assets, present and future, and first charge over movable machinery.

Further quarterly returns or statements of current assets filed by Gromax Agri Equipment Limited with banks or financial institutions are in agreement with the books of accounts and there are no descripancies.

Note No. 20 – Revenue from Operations

	Particulars	Year Ended on 31st March, 2022	Year Ended on 31st March, 2021
1	Revenue from sale of products	**18,875.87**	14,733.73
2	Other operating revenue	**108.66**	21.18
Total Revenue from Operations		**18,984.52**	14,754.91

Note:
Breakup of Revenue into contracts entered in previous year and in current year as per IND AS 115

	Particulars	Year Ended on 31st March, 2022	Year Ended on 31st March, 2021
1	Revenue from PO/ contract/agreement entered into in previous year	–	–
2	Revenue from New PO/ contract/ agreement entered into in current year	18,984.52	14,754.91
Total		**18,984.52**	14,754.91

Note No. 21 – Other Income

Particulars		Year Ended on 31st March, 2022	Year Ended on 31st March, 2021
(a)	Interest Income		
	1. Bank Deposits	**41.66**	14.57
	2. Others	**8.95**	13.51
(b)	Royalties income	**67.45**	49.42
(c)	Profit on sale of capital assets (net of loss on assets sold)	**5.50**	2.24
(d)	Write back of credit balances	**22.19**	74.44
(e)	GL balances written back	**16.06**	–
(f)	Stale cheques written back	**10.79**	–
Total Other Income		**172.60**	154.18

Note No. 22(a) - Cost of materials consumed

Particulars	Year Ended on 31st March, 2022	Year Ended on 31st March, 2021
Opening stock	**1,158.86**	989.57
Add: Purchases	**13,935.69**	9,787.18
	15,094.55	10,776.76
Less: Closing stock	**851.95**	1,158.86
Cost of materials consumed	**14,242.60**	9,617.90

Note No. 22(b) Changes in inventories of finished goods, work-in-progress and stock-in-trade

Particulars	Year Ended on 31st March, 2022	Year Ended on 31st March, 2021
Inventories at the end of the year:		
Finished goods	**1,082.49**	800.44
Work-in-progress	**14.83**	35.56
Stock-in-trade	**8.96**	7.16
	1,106.28	843.16
Inventories at the beginning of the year:		
Finished goods	**800.44**	1,453.16
Work-in-progress	**35.56**	40.93
Stock-in-trade	**7.16**	34.38
	843.17	1,528.47
Net (increase) / decrease	**(263.12)**	685.31

Note No. 23 - Employee Benefits Expense

	Particulars	Year Ended on 31st March, 2022	Year Ended on 31st March, 2021
1	Salaries, wages and bonus	**1,587.27**	1,303.45
2	Contribution to provident and other funds	**94.97**	80.74
3	Staff welfare expenses	**72.77**	65.49
Total Employee Benefits Expense		**1,755.01**	1,449.68

Note:

Analysis of Contribution to provident and other funds by Category

	Particulars	Year Ended on 31st March, 2022	Year Ended on 31st March, 2021
1	Contribution to Provident Fund	**80.88**	71.44
2	Contribution to Group Insurance	**14.08**	9.30
Total		**94.97**	80.74

Analysis of Staff welfare expenses by Category

	Particulars	Year Ended on 31st March, 2022	Year Ended on 31st March, 2021
1	Contribution to Employees State Insurance	**6.50**	6.26
2	Contribution to Labour Welfare Fund	**0.02**	0.02
3	Gratuity Provisions	**43.64**	26.53
4	Other Welfare Expenses	**37.42**	35.88
5	Defined Benefit Obligation Recognised as Other Comprehensive Income	**(14.82)**	(3.20)
Total		**72.77**	65.49

Note No. 24 – Finance Costs

	Particulars	Year Ended on 31st March, 2022	Year Ended on 31st March, 2021
1	Interest expense	**26.01**	44.02
2	Dividend on redeemable preference shares	**42.50**	42.50
3	Other borrowing costs	**1.40**	4.12
Total finance costs		**69.91**	90.64

Note:

Analysis of Interest Expenses by Category

	Particulars	Year Ended on 31st March, 2022	Year Ended on 31st March, 2021
Interest Expenses			
(a)	On Secured Borrowings - Loan from Banks	**23.48**	40.96
(b)	On Others (Including Interest unwinding on Lease Liability)	**2.54**	3.06
Total		**26.01**	44.02

Analysis of Other Borrowing Costs by Category

	Particulars	Year Ended on 31st March, 2022	Year Ended on 31st March, 2021
(a)	Bank Charges	**1.40**	4.12
Total		**1.40**	4.12

Note No. 25 - Other Expenses

	Particulars	Year Ended on 31st March, 2022	Year Ended on 31st March, 2021
1	Stores consumed	**25.97**	18.89
2	Tools consumed	**4.17**	1.42
3	Power and fuel	**75.54**	60.11
4	Rent including lease rentals	**9.80**	13.77
5	Rates and taxes	**69.87**	15.51
6	Insurance	**27.01**	21.62
7	Repairs and maintenance		
	– Buildings	**19.65**	2.55
	– Machinery	**26.36**	16.14
	– Others	**8.75**	12.61
8	Postage, Telephone and Communication	**16.31**	14.33
9	Legal and Professional Charges	**415.75**	481.32
10	Freight outward	**628.28**	451.74
11	Sales promotion expense	**171.92**	97.59
12	Travelling and Conveyance Expenses	**349.92**	181.02
13	Subcontracting, Hire and Service Charges	**233.55**	248.77
14	Provision for doubtful trade and other receivables, loans and advances	**468.87**	624.79
15	Auditors' remuneration	**4.95**	4.35
16	Miscellaneous expenses	**121.03**	161.61
17	Provision for warranty	**37.36**	7.04
18	Bad Debts Written off	**449.77**	446.94
	Less: Provision for Doubtful Debts written back	**(449.77)**	(446.94)
19	Bad Advances Written off	**16.89**	-
	Less: Provision for Doubtful Advances written back	**(16.89)**	-
Total Other Expenses		**2,715.04**	**2,435.18**

Note:

Details of Payment to Statutory Auditor for Various purpose

	Particulars	Year Ended on 31st March, 2022	Year Ended on 31st March, 2021
1	Provision for Statutory Audit Fees	**3.25**	3.00
2	Tax Audit Fees	**1.20**	1.10
3	Other Services (Certification)	**0.50**	0.25
Total		**4.95**	4.35

Note No. 26 - Disclosures under Ind AS 105

Particulars	Year Ended on 31st March, 2022	Year Ended on 31st March, 2021
Cash flows from Continued operations		
Net Cash inflows/outflows from operating activities	**214.22**	1,163.40
Net cash inflows/outflows from investing activities	**2,566.09**	(280.66)
Net cash inflows/outflows from financing activities	**(63.10)**	(1,116.95)
Net Cash inflows	**2,717.21**	(234.21)

Note No. 27 - Earnings/(loss) per Share

Particulars	Year Ended on 31st March, 2022	Year Ended on 31st March, 2021
Basic Earnings/(loss) per share		
From continuing operations	**4.99**	(0.14)
Total basic earnings/(loss) per share	**4.99**	(0.14)
Diluted Earnings/(loss) per share		
From continuing operations	**4.99**	(0.14)
Total diluted earnings/(loss) per share	**4.99**	(0.14)

Basic earnings/(loss) per share

The earnings/(loss) and weighted average number of ordinary shares used in the calculation of basic earnings/(loss) per share are as follows:

Particulars	Year Ended on 31st March, 2022	Year Ended on 31st March, 2021
Profit / (loss) for the year attributable to owners of the Company	**2,710.17**	(76.39)
Profit/(loss) used in the calculation of basic earnings/(loss) per share	**2,710.17**	(76.39)
Weighted average number of equity shares	**543.02**	543.02
Nominal value of Shares	**10.00**	10.00
Earnings/(loss) per share from continuing operations - Basic	**4.99**	(0.14)

Diluted earnings/(loss) per share

Particulars	Year Ended on 31st March, 2022	Year Ended on 31st March, 2021
Profit / (loss) for the year used in the calculation of basic earnings per share	**2,710.17**	(76.39)
Profit/(loss) used in the calculation of diluted earnings per share	**2,710.17**	(76.39)

The weighted average number of ordinary shares for the purpose of diluted earnings/(loss) per share reconciles to the weighted average number of ordinary shares used in the calculation of basic earnings/(loss) per share as follows:

Particulars	Year Ended on 31st March, 2022	Year Ended on 31st March, 2021
Weighted average number of equity shares used in the calculation of Basic EPS	**543.02**	543.02
Add:		
ESOPs	**–**	–
Convertible bonds	**–**	–
Weighted average number of equity shares used in the calculation of Diluted EPS	**543.02**	543.02

Note:

The Company reports basic and diluted earnings/(loss) per share in accordance with Ind AS 33 on Earnings per share. Basic earnings/(loss) per share is computed by dividing the net profit or loss for the period by the weighted average number of equity shares outstanding during the period. Diluted earnings/(loss) per share is computed by dividing the net profit or loss for the period by the weighted average number of equity shares outstanding during the period as adjusted for the effects of all diluted potential equity shares except where the results are anti-dilutive.

The number of equity shares and potentially dilutive equity shares are adjusted retrospectively for all years presented for any share splits and bonus shares issues including for changes effected prior to the authorization for issue of the financial statements by the Board of Directors.

Note No. 28 - Financial Instruments

Capital management

The Company manages capital risk in order to maximize shareholders' profit by maintaining optimal capital structure through monitoring of financial ratios, such as debt-to-equity ratio and net borrowings-to-equity ratio on a monthly basis and implements capital structure improvement plan when necessary. There is no change in the overall capital risk management strategy of the Company compared to last year.

The Company uses debt ratio as a capital management index and calculates the ratio as total liabilities divided by total equity. Total liabilities and total equity are based on the amounts stated in the separate financial statements.

The Company is not subject to externally enforced capital regulation.

Debt-to-equity ratio is as follows:

Particulars	As at 31st March, 2022	As at 31st March, 2021
Debt (A)	**1,564.25**	1,553.37
Equity (B)	**4,998.07**	2,302.73
Debt Ratio (A / B)	**0.31**	0.67

Categories of financial assets and financial liabilities

As at 31st March 2022

Particulars	Amortised Costs	FVTPL	FVOCI	Total
Non-current Assets				
Investments	–	–	–	–
Loans	**52.53**	–	–	**52.53**
Current Assets				
Trade Receivables	**2,428.94**	–	–	**2,428.94**
Other Bank Balances	**2,838.20**	–	–	**2,838.20**
Loans	**14.61**	–	–	**14.61**
Other Financial Assets	**7.19**	–	–	**7.19**

Particulars	Amortised Costs	FVTPL	FVOCI	Total
Non-current Liabilities				
Borrowings	**–**	**–**	**–**	**–**
Other Financial Liabilities	**311.55**	**–**	**–**	**311.55**
Current Liabilities				
Borrowings	**135.30**	**–**	**–**	**135.30**
Trade Payables	**3,075.31**	**–**	**–**	**3,075.31**
Other Financial Liabilities	**2,459.55**	**–**	**–**	**2,459.55**

As at 31st March, 2021

Particulars	Amortised Costs	FVTPL	FVOCI	Total
Non-current Assets				
Investments	–	–	–	–
Loans	45.06	–	–	45.06
Current Assets				
Trade Receivables	2,668.72	–	–	2,668.72
Other Bank Balances	120.99	–	–	120.99
Loans	61.91	–	–	61.91
Other Financial Assets	8.96	–	–	8.96
Non-current Liabilities				
Borrowings	–	–	–	–
Other Financial Liabilities	56.87	–	–	56.87
Current Liabilities				
Borrowings	166.92	–	–	166.92
Trade Payables	3,676.20	–	–	3,676.20
Other Financial Liabilities	2,337.63	–	–	2,337.63

Financial Risk Management Framework

The Company's activities expose it to credit risk. In order to manage the aforementioned risk, the Company operates a risk management policy and a program that performs close monitoring of and responding to risk factors.

CREDIT RISK

(i) Credit risk management

Credit risk arises when a counterparty defaults on its contractual obligations to pay resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral (As on 31 March 2022: INR 822.72 Lakhs, 31 March 2021: INR 359.10 Lakhs), where appropriate, as a means of mitigating the risk of financial loss from defaults. Credit exposure is controlled by counterparty limits that are reviewed and approved by the risk management committee periodically.

Trade receivables consist of a large number of customers, spread across diverse geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivable. In case of Exports to Nepal credit guarantee insurance cover is purchased.

In addition, the Company is exposed to credit risk in relation to financial guarantees given to banks provided by the Company. The Company's maximum exposure in this respect is the maximum amount the Company could have to pay if the guarantee is called on as at 31 March 2022, an amount of INR 6.00 Lakhs (31 March 2021: INR 266.77 Lakhs) has been recognised as contingent.

The Company applies the simplified approach to providing for expected credit losses prescribed by Ind AS 109, which permits the use of the lifetime expected loss provision for all trade receivables. The company has computed expected credit losses based on a provision matrix which uses historical credit loss experience of the Company and individual receivable specific provision where applicable. Forward-looking information (including macroeconomic information) has been incorporated into the determination of expected credit losses. The Company has taken dealer deposit and bank guarantees of Dealer which is considered as collateral and these are considered in determination of expected credit losses, where applicable.

The financial instruments of the company mainly consist of trade receivables carried at amortised cost after providing for expected credit loss based on historical credit loss experience and adjusted for forward looking information. None of the assets are marked to active market thereby relieving the company from market uncertainties arising out of COVID-19

In calculating expected credit loss, the Company has also considered other related credit information for its customers to estimate the probability of default in future and has taken into account estimates of possible effect from the pandemic relating to COVID -19.

There is no change in estimation techniques or significant assumptions during the reporting period.

The loss allowance provision is determined as follows:

	As at 31st March 2022		
Particulars	**Less than 6 months past due**	**More than 6 months past due**	**Total**
Expected loss rate	**–**	**0.61**	**0.31**
Gross carrying amount (Unsecured)	**1,755.04**	**1,741.59**	**3,496.63**
Loss allowance provision	–	**1,067.69**	**1,067.69**

	As at 31st March 2021		
Particulars	Less than 6 months past due	More than 6 months past due	Total
Expected loss rate	–	0.67	0.29
Gross carrying amount (Unsecured)	2,154.32	1,580.42	3,734.74
Loss allowance provision	–	1,066.02	1,066.02

Reconciliation of loss allowance provision for Trade Receivables

Particulars	**As at 31st March, 2022**	As at 31st March, 2021
Balance as at beginning of the year	**1,066.02**	892.32
As per ECL in Opening Provisions	**–**	–
Impairment losses recognised in the year based on lifetime expected credit losses		
- On receivables originated in the year	**451.44**	620.64
Amounts written off during the year as uncollectible	**(449.77)**	(446.94)
Balance at end of the year	**1,067.69**	1,066.02

The loss allowance provision has changed during the period due to amounts written off as uncollectible.

LIQUIDITY RISK

(i) Liquidity risk management

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

(ii) Maturities of financial liabilities

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The amount disclosed in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows.

Particulars	Less than 1 Year	1-3 Years	3 Years to 5 Years	5 years and above
Non-derivative financial liabilities				
As at 31st March, 2022				
Non-interest bearing	**4,241.23**	–	–	–
Fixed interest rate instruments	**1,428.95**	–	–	–
Total	**5,670.17**	–	–	–
As at 31st March, 2021				
Non-interest bearing	4,794.31	–	–	–
Fixed interest rate instruments	1,386.45	–	–	–
Total	6,180.76	–	–	–

(iii) Financing arrangements

The Company had access to following undrawn borrowing facilities at the end of the reporting period:

Particulars	As at 31st March, 2022	As at 31st March, 2021
Secured Cash Credit facility		
- Expiring within one year	**2,000.00**	2,000.00
Secured Letter of Credit facility		
- Expiring within one year	**–**	**–**
Secured Bank Guarantee facility		
- Expiring within one year	**–**	**–**
Working Capital Facilities with Bank	**2,000.00**	2,000.00
Commercial Card Facility		
Continuing Agreement till Termination	**–**	–
Credit Card Facility	**–**	–

(iv) Maturities of financial assets

The following table details the Company's expected maturity for its non-derivative financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Company's liquidity risk management as the liquidity is managed on a net asset and liability basis.

Particulars	Less than 1 Year	1-3 Years	3 Years to 5 Years	5 years and above
Non-derivative financial assets				
As at 31st March, 2022				
Non-interest bearing	**5,341.47**	–	–	–
Total	**5,341.47**	–	–	–
As at 31st March, 2021				
Non-interest bearing	2,905.63	–	–	–
Total	2,905.63	–	–	–

(v) Unhedged Foreign Currency Exposure

Pursuant to the RBI guidelines on "Capital and Provisioning Requirements for Exposures to entities with Unhedged Foreign Currency Exposure" issued vide circular DBOD.No.BP.BC.85/21.06.200/2013-14 dated January 15, 2014, clarifications issued by RBI subsequently vide circular DBOD.No.BP.BC.116/21.06.200/2013-14 dated June 3, 2014 and RBI circular RBI/15-16/431 permitting writing of options dated June 23, 2016 The Company, as on March 31, 2022, does not have any Unhedged Foreign Currency Exposure (UFCE), as defined in the above mentioned RBI circulars.

Note No. 29 – Fair Value Measurement

Fair value of financial assets and financial liabilities that are not measured at fair value:

Particulars	As at 31st March, 2022 Carrying Amount	As at 31st March, 2022 Fair Value	As at 31st March, 2021 Carrying Amount	As at 31st March, 2021 Fair Value
Financial assets				
Financial assets carried at Amortised Cost:				
1) Trade and other receivables	**2,428.94**	**2,428.94**	2,668.72	2,668.72
2) Loans	**67.15**	**67.15**	106.97	106.97
3) Deposits and similar assets	**1,857.08**	**1,857.08**	1,737.55	1,737.55
Financial liabilities				
Financial liabilities held at amortised cost:				
1) Bank loans	**135.30**	**135.30**	166.92	166.92
2) Loans from Related Party	**–**	**–**	–	–

Note No. 30 - Segment information

Revenue from Major Geographic Location

Particulars	Year Ended on 31st March, 2022	Year Ended on 31st March, 2021
Revenue from India		
Revenue from External Customers	**17,485.13**	13,536.06
Revenue from Related Parties	**784.81**	554.88
	18,269.94	14,090.94
Outside India		
Nepal	**714.59**	663.97
Total revenue as per profit or loss	**18,984.52**	14,754.91

Revenue from major products and services

The following is an analysis of the company's revenue from continuing operations from its major products and services:

Particulars	Year Ended 31st March, 2022	Year Ended 31st March, 2021
Manufactured Goods	**18,537.88**	14,238.56
Traded Goods	**446.64**	516.35
Total	**18,984.52**	14,754.91

Extent of the reliance on its major customers:

There is no Dealer whose revenue is more then 10% as against the total turnover of the company for the Financial Year 2021-2022.

Note No. 31 - Employee benefits

(a) Defined Benefit Plans:

Gratuity

The Company operates a gratuity plan covering qualifying employees. The benefit payable is the greater of the amount calculated as per the Payment of Gratuity Act, 1972 or the Company scheme applicable to the employee. The benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. In case of death while in service, the gratuity is payable irrespective of vesting.

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

Asset volatility

The plan liabilities are calculated using a discount rate set with references to government bond yields; if plan assets under perform compared to the government bonds discount rate, this will create or increase a deficit. The defined benefit plans hold a significant proportion of equity type assets, which are expected to outperform government bonds in the long-term while providing volatility and risk in the short-term.

As the plans mature, the Company intends to reduce the level of investment risk by investing more in assets that better match the liabilities.

However, the Company believes that due to the long-term nature of the plan liabilities and the strength of the supporting group, a level of continuing equity type investments is an appropriate element of the Company's long term strategy to manage the plans efficiently.

Changes in bond yields

A decrease in government bond yields will increase plan liabilities, although this is expected to be partially offset by an increase in the value of the plans' bond holdings and interest rate hedging instruments.

Inflation risk

Some of the Company's pension obligations are linked to inflation, and higher inflation will lead to higher liabilities (although, in most cases, caps on the level of inflationary increases are in place to protect the plan against extreme inflation). The plans hold a significant proportion of assets in index linked gilts, together with other inflation hedging instruments and also assets which are more loosely correlated with inflation. However an increase in inflation will also increase the deficit to some degree.

Life expectancy

The majority of the plan's obligations are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the plan's liabilities. This is particularly significant in the Company's defined benefit plans, where inflationary increases result in higher sensitivity to changes in life expectancy.

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

	Valuation as at	
Particulars	**31-Mar-22**	31-Mar-21
Discount rate	**6.88%**	6.90%
Expected rate of salary increase	**6.00%**	5.00%
Average Longevity	**20**	20

Defined benefit plans – as per actuarial valuation on 31st March, 2022

	Unfunded Plan Gratuity	
Particulars	**2022**	2021
Amounts recognised in comprehensive income in respect of these defined benefit plans are as follows:		
Service Cost:		
Current Service Cost	**19.64**	14.47
Net interest expense	**9.18**	8.87
Components of defined benefit costs recognised in profit or loss	**28.82**	23.33
Remeasurement on the net defined benefit liability:		
Actuarial gains and loss arising from changes in Demographic Assumptions	**2.26**	–
Actuarial gains and loss arising from changes in financial assumptions	**10.78**	(0.20)
Actuarial gains and loss arising from experience adjustments	**1.78**	3.40
Components of defined benefit costs recognised in other comprehensive income	**14.82**	3.20
Total	**43.64**	**26.53**

	Unfunded Plan Gratuity	
Particulars	**2022**	2021
I. Net Asset/(Liability) recognised in the Balance Sheet as at 31st March 2022		
1. Present value of defined benefit obligation as at 31st March 2022	**146.84**	130.97
2. Fair value of plan assets as at 31st March 2022	**–**	–
3. Surplus/(Deficit)	**146.84**	130.97
4. Current portion of the above	**29.40**	15.49
5. Non current portion of the above	**117.44**	115.48
II. Change in the obligation during the year ended 31st March 2022		
1. Present value of defined benefit obligation at the beginning of the year	**130.97**	153.31
2. *Expenses Recognised in Profit and Loss Account*		
– Current Service Cost	**19.64**	14.47
– Interest Expense (Income)	**9.18**	8.87
3. *Recognised in Other Comprehensive Income*		
Remeasurement gains/(losses)		
– Actuarial Gain (Loss) arising from:		
i. Demographic Assumptions	**2.26**	–
ii. Financial Assumptions	**10.78**	(0.20)
iii. Experience Adjustments	**1.78**	3.40
4. Benefit payments	**(27.78)**	(48.86)
5. Present value of defined benefit obligation at the end of the year	**146.84**	130.97
III. Actuarial assumptions		
1. Discount rate	**6.88%**	6.90%

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

Principal assumption	**Year**	**Changes in assumption**	**Impact on defined benefit obligation**	
			Increase in assumption	**Decrease in assumption**
Discount rate	**2022**	**1.00%**	**-4.77%**	**5.34%**
	2021	1.00%	-6.60%	7.70%
Salary growth rate	**2022**	**1.00%**	**5.51%**	**-5.04%**
	2021	1.00%	8.30%	-7.20%
Withdrawal Rate	**2022**	**1.00%**	**0.01%**	**-0.03%**
	2021	1.00%	0.90%	-1.00%

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the Balance sheet.

The methods and types of assumptions used in preparing the sensitivity analyses did not change compared to previous period.

Maturity profile of defined benefit obligation:

Particulars	2022	2021
Within 1 year	**30.40**	15.49
1 - 2 year	**30.73**	19.49
2 - 3 year	**21.42**	15.85
3 - 4 year	**19.23**	15.91
4 - 5 year	**12.19**	14.82
5 - 10 years	**46.06**	27.78

The Company's policy is driven by considerations of maximizing returns while ensuring credit quality of the debt instruments. The asset allocation for plan assets is determined based on investment criteria prescribed under the Indian Income Tax Act, 1961, and is also subject to other exposure limitations. The Company evaluates the risks, transaction costs and liquidity for potential investments. To measure plan asset performance, the Company compares actual returns for each asset category with published benchmarks.

The weighted average duration of the defined benefit obligation as at 31 March 2022 is 7.42 years (2021: 13.66 years)

Experience Adjustments :

	Gratuity				
	Period Ended				
Particulars	**2022**	2021	2020	2019	2018
1. Defined Benefit Obligation	**146.84**	130.97	153.31	162.82	199.11
2. Fair value of plan assets	**–**	–	–	–	–
3. Surplus/(Deficit)	**146.84**	130.97	153.31	162.82	199.11
4. Experience adjustment on plan liabilities [(Gain)/ Loss]	**14.82**	3.20	(1.61)	(24.44)	(2.60)
5. Experience adjustment on plan assets [Gain/(Loss)]	**–**	–	–	–	–

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

The current service cost and the net interest expense for the year are included in the employee benefits expense in profit or loss of the expense for the year.

Note No. 32 - Related Party Transactions

Analysis of Related Parties:

Sr.	Name of Company	Relationship	Parent
1	Mahindra & Mahindra Limited (M & M)	Ultimate Holding Company	–
2	Mahindra Holdings Limited	Holding Company	M & M
3	Mahindra Logistics Limited	Fellow Subsidiary Company	M & M
4	Mahindra CIE Automotive Limited	Associates Company of Parent Company	M & M
5	Mahindra Integrated Business Solutions Limited	Fellow Subsidiary Company	M & M
6	Mahindra & Mahindra Financial Services Limited	Fellow Subsidiary Company	M & M
7	Fifth Gear Ventures Limited	Fellow Subsidiary Company	M & M
8	Government of Gujarat	Significant Influence over the Company	–

Details of transaction between the Company and its related parties are disclosed below:

Nature of transactions with Related Parties (Without GST)	**For the year ended**	**Parent Company**	**Entities having significant influence over Company**	**Other related parties**
Sale of goods	**31-Mar-22**	**784.81**	**–**	**–**
	31-Mar-21	554.88	–	–
Purchase of Tractors	**31-Mar-22**	**–**	**–**	**–**
	31-Mar-21	–	–	–
Receiving of services	**31-Mar-22**	**347.42**	**–**	**–**
	31-Mar-21	375.65	–	–
Royalty	**31-Mar-22**	**13.84**	**–**	**–**
	31-Mar-21	9.97	–	–
Purchase of Other Components	**31-Mar-22**	**4,421.42**	**–**	**751.62**
	31-Mar-21	3,147.56	–	499.71
Purchase of Assets	**31-Mar-22**	**48.21**	**–**	**–**
	31-Mar-21	61.03	–	–
Expenses Reimbursed - Receipt	**31-Mar-22**	**0.09**	**–**	**–**
	31-Mar-21	0.28	–	–
Expenses Reimbursed - Payment	**31-Mar-22**	**39.19**	**–**	**514.38**
	31-Mar-21	39.62	–	219.57

Nature of transactions with Related Parties (GST amount)	**For the year ended**	**Parent Company**	**Entities having significant influence over Company**	**Other related parties**
Sale of goods	**31-Mar-22**	**130.08**	**–**	**–**
	31-Mar-21	97.57	–	–
Purchase of Tractors	**31-Mar-22**	**–**	**–**	**–**
	31-Mar-21	–	–	–
Receiving of services	**31-Mar-22**	**58.45**	**–**	**–**
	31-Mar-21	62.34	–	–
Royalty	**31-Mar-22**	**1.78**	**–**	**–**
	31-Mar-21	1.20	–	–
Purchase of Other Components	**31-Mar-22**	**837.15**	**–**	**98.26**
	31-Mar-21	507.99	–	64.30
Purchase of Assets	**31-Mar-22**	**13.08**	**–**	**–**
	31-Mar-21	16.04	–	–
Expenses Reimbursed (Receipt)	**31-Mar-22**	**–**	**–**	**–**
	31-Mar-21	–	–	–
Expenses Reimbursed (Payment)	**31-Mar-22**	**7.04**	**–**	**8.94**
	31-Mar-21	7.16	–	6.16

Nature of transactions with Related Parties	Balance as on	Parent Company	Entities having significant influence over Company	Other related parties
Trade payables	**31-Mar-22**	**1,579.41**	**–**	**76.26**
	31-Mar-21	2,042.17	–	159.22
Loans and advances taken	**31-Mar-22**	**–**	**–**	**–**
	31-Mar-21	–	–	–

Note:

Related Party Transactions are made on arm's length basis.

Note No. 33 - IND AS 115

1 Movement of Contract Assets

Sr. No.	Particulars	As at 31st March, 2022
	Opening Balance	–
i)	Additions during the year	–
ii)	*Reclassification Adjustments:*	–
	- Reclass of opening balances of contract assets to trade receivables	–
	- Reclass of contract assets (out of additions during the year) to trade receivables	–
iii)	Cumulative catch up adjustment recognised during the year	–
iv)	Adjustments due to contract modification	–
v)	Impairment losses of contract asset	–
vi)	Addition on account of merger / acquisition of subsidiary	–
vii)	Deletion on account of demerger / sale of subsidiary	–
viii)	Currency Translation Adjustments	–
	Closing Balance	–

2 Movement of Contract Liabilities

Sr. No.	Particulars	As at 31st March, 2022
i)	Opening Balance	**325.27**
ii)	Addition during the year	**524.26**
iii)	*Reclassification Adjustments: -*	
	– Reclass of opening balances of contract liabilities to revenue	**(325.27)**
	– Reclass of contract liabilities (out of additions during the year) to revenue	–
iv)	Cumulative catch up adjustment recognised during the year	–
v)	Adjustments due to contract modification	–
vi)	Addition on account of merger / acquisition of subsidiary	–
vii)	Deletion on account of demerger / sale of subsidiary	–
viii)	Currency Translation adjustments	–
	Closing Balance	**524.26**

Note No. 34 - Effect of COVID-19 on Financial Statements

From December 2019, COVID-19, has spread globally, including India. This event has significantly affected economic activity globally and in India and as a result could / would impact the operations and financial results of the Company. The Company has performed an assessment of the likely impact this would have on the operations of the Company and its financial performance in the coming year.

For Financial Year 21-22 financial reporting, the Company has used the principles of prudence in applying judgments, estimates and assumptions in significant areas like inventory valuation, estimating the remaining useful life of the tangible and intangible assets, cost to complete provision for long term contracts, evaluating the long term contracts for any onerous elements, recoverability of receivables including unbilled receivables, provision for receivables under ECL model, provision for warranties, recoverability of contract assets and contract costs, projection used to test goodwill and investments for impairment, evaluation of financial implications of probable cancellations of any long term commitments, impact of cancellation or modifications to the terms of the revenue contracts, cancellation or deferment of revenue contracts, penalties due to non-fulfillment of service legal obligations, fair valuation of financial assets and liabilities etc.

The Company has considered internal and external information up to the date of approval of these financial statements including credit reports and economic forecasts. The Company has performed sensitivity analysis on the assumptions used and based on current indicators of future economic conditions, the Company expects to recover the carrying amount of these assets.

The impact of the global health pandemic may be different from that estimated as at the date of approval of these financial statements and the Company will continue to closely monitor any material changes to future economic conditions.

The Company has also evaluated the cash flows for Financial Year 21-22 and based on the present estimate of the management, the Company does not foresee any impact on its ability to meet the statutory dues and creditors payment on due dates and honouring its loan repayment and forward contract contractual commitments. There has been no downgrade in ratings of the existing borrowing facilities of the Company. The Company also has undrawn sanctioned limits and this could be availed to meet the obligations. Accordingly based on the projected cash flows for the next twelve months, the management is of the view that the use of going concern assumption in preparing these financial statements is appropriate.

Note No. 35 - Contingent liabilities and commitments

Contingent liabilities (to the extent not provided for)

	Particulars	As at 31st March, 2022	As at 31st March, 2021
	Contingent liabilities		
1	Bank guarantees	**6.00**	113.40
2	Bills discounted but not matured	**–**	153.37
3	Claims against the company not acknowledged as debt	**53.20**	42.25
4	Outstanding Demand of Income Tax Against Company		
(i)	Assessment Year 2014-2015 Note: Already filed with CIT Appeals for further assessment being aggrieved with the disallowance of right bad debts claimed in the year	**161.82**	66.73
(ii)	TDS mismatch	**10.17**	10.17

5 The Company is anticipating to enter into an agreement / MoU for Settlement with various non Hire Purchase Industrial Co-Operative Societies and Ancillaries within Company's Premises, therefore may require to pay Compensation to Co-Operative Societies or its members. Amount of such Compensation is not yet quantified.

6 The Company has entered into an agreement/MoU with Private Sector Banks and NBFCs for retail funding for providing loan to customer who buy company's Tractors. The said MOU also contains a clause on loss sharing in case of default in repayment by customer or loss incurred in case of repossession of asset and its resale. Anticipated loss from these agreements/ MoUs are not quantified as of now. The Company is obtaining undertaking from its dealers to ensure no default in terms of these agreements.

Commitments

	Particulars	As at 31st March, 2022	As at 31st March, 2021
	Commitments		
1	Estimated amount of contracts remaining to be executed for capital expenditure	**37.21**	4.67

Note No. 36 - Ratios

Sr	Particulars	As at 31st March, 2022	As at 31st March, 2021
1	Current Ratio	**1.56 : 1**	1.05 : 1
2	Debt-Equity Ratio	**0.31 : 1**	0.67 : 1
3	Debt Service Coverage Ratio	**4.42 : 1**	2.89 : 1
4	Return on Equity Ratio	**-0.69%**	-1.47%
5	Inventory turnover ratio	**9.53 Times**	6.51 Times
6	Trade Receivables turnover ratio	**7.52 Times**	4.49 Times
7	Trade payables turnover ratio	**5.67 Times**	3.59 Times
8	Net capital turnover ratio	**5.85 Times**	51.92 Times
9	Net profit ratio	**-0.19%**	-0.53%
10	Return on Capital employed	**0.6%**	0.8%
11	Return on investment	**-0.6%**	-2.7%

Note No. 37 - Exceptional Item

Sr	Particulars	As at 31st March, 2022	As at 31st March, 2021
1	During the year, the Company has received compensation for compulsory acquisition of land under bullet train project from NHSRCL (National High-Speed Rail Corporation Limited) under The Right to Fair Compensation and Transparency in Land Acquisition, Rehabilation and Resettlement Act, 2013.	**2,732.65**	–

Note No. 38 - Previous Year Figures

Previous year's figures have been regrouped / reclassified where necessary.

In terms of our report attached
For **B.K. Khare & Co.**
Chartered Accountants
Firm Registration No. 105102W

Himanshu Goradia
Partner
Membership No. 045668
Place : Mumbai
Date : 21st April 2022

For and on behalf of the Board of Directors

Harish Gupta
(Director)

Harish Chavan
(Director)

Manish Arora
(Manager)

Avdhesh Rathi
(Chief Financial Officer)

Sumeet Maheshwari
(Company Secretary)
Place : Mumbai
Date : 21st April 2022

INDEPENDENT AUDITOR'S REPORT

To the members of Trringo.com Limited

Report on the audit of the Financial Statements

Opinion

We have audited the accompanying Financial Statements of **Trringo.com Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, its loss and total comprehensive loss, its changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Information Other than the Financial Statements and Auditors' Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the Directors Report and the related annexures, but does not include the Financial Statements and our Auditors' Report thereon.

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

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

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

Responsibilities of management for the Financial Statements

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

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

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

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

Auditors' Responsibilities for the audit of the Financial Statements

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

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

We also:

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

auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

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

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

Report on other Legal and Regulatory requirements

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

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

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

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

(d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act.

(e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.

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

(g) With respect to other matters to be included in auditor's report in accordance with the requirements of section 197(16) of the Act, as amended, we report that in our opinion and to the best of our information and according to the explanations given to us, the Company has not paid any remuneration to its directors during the year.

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

(i) The Company does not have any pending litigations which would impact its financial position;

(ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and

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

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

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

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

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

For **B. K. Khare & Co**.
Chartered Accountants
Firm's Registration No. 105102W

Aniruddha Joshi
Partner
Membership No. 040852
UDIN: 22040852AHXOGR2146

Mumbai, April 26, 2022

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

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

We have audited the internal financial controls over financial reporting of **Trringo.com Limited** ("the Company") as of March 31, 2022 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **B. K. Khare & Co.**
Chartered Accountants
Firm's Registration No. 105102W

Aniruddha Joshi
Partner
Membership No. 040852
UDIN: 22040852AHXOGR2146

Mumbai, April 26, 2022

ANEXURE B TO THE AUDITOR'S REPORT

Referred to in paragraph 1 under **Report on Other Legal and Regulatory Requirements section** of our report of even date on the financial statements of **Trringo.com Limited** for the year ended March 31, 2022

Annexure to the Auditor's Report referred to in our report of even date:

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

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

(b) According to the information and explanations given to us, certain fixed assets have been physically verified by management, which in our opinion is reasonable having regard to the size of the Company and nature of its assets. The frequency of physical verification is reasonable and no discrepancies were noticed on such verification.

(c) The Company does not have any immovable property. Accordingly, reporting under Clause 3(i)(c) of the Order is not applicable to the Company.

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

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

ii. (a) Company is into service industry and does not hold any inventory, hence, reporting under Clause 3(ii)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us, the Company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets at any point of time during the year.

iii. (a) According to the information and explanations given to us, the Company has not made investments in or provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year. Accordingly, the reporting under Clauses 3(iii)(a) to 3(iii)(f) of the Order is not applicable to the Company.

iv. According to the information and explanations given to us, the Company has not granted any loans or made any investments or provided any guarantees or security to the parties covered under Sections 185 and 186 of the Act. Accordingly, the reporting under Clause 3(iv) of the Order is not applicable to the Company.

v. According to the information and explanations given to us, the Company has not accepted deposits under the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. Accordingly, the reporting under Clause 3(v) of the Order is not applicable to the Company.

vi. The Central Government has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company. Accordingly, the reporting under Clause 3(vi) of the Order is not applicable to the Company.

vii. (a) According to the information and explanations given to us and on the basis of our examination of records of the Company, the amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Services tax, Provident Fund, Employees' State Insurance, Income-tax, Cess and other statutory dues have been regularly deposited during the year by the Company with the appropriate authorities.

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

(b) According to the information and explanations given to us and on the basis of our examination of records of the Company, there are no statutory dues in respect of Goods and Services Tax, Provident Fund, Employees' State Insurance, Sales tax, Service tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and any other statutory dues as at 31 March 2022, which have not been deposited with the appropriate authorities on account of any dispute.

viii. According to the information and explanations given to us, there are no transactions not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income-tax Act, 1961. Accordingly, the reporting under Clause 3(viii) of the Order is not applicable to the Company.

ix. (a) The Company does not have any loans or borrowings. Accordingly, reporting under Clause 3(ix)(a) of the Order is not applicable to the Company.

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

(c) The Company has not raised any term loans during the year. Hence, reporting under Clause 3(ix)(c) of the Order is not applicable to the Company.

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

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

(f) According to the information and explanations given to us and based on the audit procedures performed by us, we report that the Company has not raised any loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies. Accordingly, the reporting under Clause 3(ix)(f) of the Order is not applicable to the Company.

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

(b) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Accordingly, the reporting under Clause 3(x)(b) of the Order is not applicable to the Company.

xi. (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of fraud by the Company or on the Company noticed or reported during the year, nor have we been informed of any such case by the management.

(b) There has been no report filed by us under sub-section (12) of Section 143 of the Act in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government. Accordingly, the reporting under Clause 3(xi)(b) of the Order is not applicable to the Company.

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

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

xiii. In our opinion and according to the information and explanations given to us, the Company has entered into transactions with related parties in compliance with the provisions of Section 188 of the Act. The details of such related party transactions have been disclosed in the standalone (remove if there is no consolidation) financial statements as required by Indian Accounting Standard (Ind AS) 24, Related Party Disclosures, specified under Section 133 of the Act. Further, the Company is not required to constitute an Audit Committee under Section 177 of the Act, and accordingly, to this extent, the reporting under Clause 3(xiii) of the Order is not applicable to the Company.

xiv. The Company is not required to have any internal audit system. Accordingly, reporting under Clause 3(xiv) of the Order is not applicable to the Company.

xv. According to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with them during the year and hence, the provisions of Section 192 of the Act are not applicable to the Company. Accordingly, the reporting under Clause 3(xv) of the Order is not applicable to the Company.

xvi. (a) According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under Clause 3(xvi)(a) of the Order is not applicable to the Company.

(b) In our opinion and according to the information and explanations given to us, the Company has not conducted any Non-Banking Financial or Housing Finance activities. Accordingly, the reporting under Clause 3(xvi)(b) of the Order is not applicable to the Company.

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

Based on the information and explanations given to us and the audit procedures performed by us, we report that the Group has 3 Core Investment Companies.

xvii. In our opinion and according to the information and explanations given to us, the Company has not incurred cash losses in the current financial year as well as in the immediately preceding financial year. Accordingly, the reporting under Clause 3(xvii) of the Order is not applicable to the Company.

xviii. There has been no resignation of the statutory auditors during the year. Accordingly, the reporting under Clause 3(xviii) of the Order is not applicable to the Company.

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

xx. According to the information and explanations given to us, CSR is not applicable to the Company. Accordingly, reporting under Clause 3(xx) of the Order is not applicable to the Company.

xxi. According to the information and explanations given to us, company does not have any subsidiary company. Accordingly, the reporting Clause 3(xxi)of the Order is not applicable to the Company.

For **B. K. Khare & Co.**
Chartered Accountants
Firm's Registration Number 105102W

Aniruddha Joshi
Partner
Membership No. 040852
UDIN: 22040852AHXOGR2146

Mumbai, April 26, 2022

BALANCE SHEET AS AT 31ST MARCH, 2022

Rupees in Lakhs

Particulars	Note No.	As at 31st March, 2022	As at 31st March, 2021
I ASSETS			
1 NON-CURRENT ASSETS			
(a) Property, Plant and Equipment	3	0.00	53.45
(b) Income tax Assets (Net)	4	0.68	5.45
SUB-TOTAL		0.68	58.90
2 CURRENT ASSETS			
(a) Financial Assets			
(i) Trade Receivables	6	7.17	5.08
(ii) Cash and Cash Equivalents	7	49.24	64.03
(iii) Other Financial Assets	8	7.66	8.89
(b) Other Current Assets	5	173.76	174.06
SUB-TOTAL		237.83	252.06
TOTAL ASSETS		238.51	310.96
II EQUITY AND LIABILITIES			
1 EQUITY			
(a) Equity Share Capital	9	2,746.00	2,746.00
(b) Other Equity	SOCE - B	(2,534.95)	(2,503.57)
SUB-TOTAL		211.05	242.43
LIABILITIES			
2 NON-CURRENT LIABILITIES			
(a) Other Non-current Liabilities	12	–	19.47
SUB-TOTAL		–	19.47
3 CURRENT LIABILITIES			
(a) Financial Liabilities			
(i) Trade Payables	10		
- Total outstanding dues of micro and small enterprise		–	–
- Total outstanding dues of creditors other than micro and small enterprise (including acceptances)		7.63	15.38
(ii) Other Financial Liabilities	11	19.54	20.37
(b) Other Current Liabilities	12	0.29	13.31
SUB-TOTAL		27.46	49.06
TOTAL		238.51	310.96

The accompanying notes are an integral part of the Financial Statements

In terms of our report attached.

For **B. K. Khare & Co**
Chartered Accountants
FRN: 105102W

Aniruddha Joshi
Partner
Membership No: 040852

For Trringo.com Limited

Nikhil Madgavkar
Chairman
DIN: 05163088

Gadadhar Jalad Baran Roy
Wholetime Director
DIN: 08585524

Subandhu Arya
Director
DIN: 08585533

Gaurav Juwatkar
Company Secretary

Nikhil Pai
Chief Financial Officer

Place: Mumbai
Date: 26th April, 2022

STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 31ST MARCH, 2022

Rupees in Lakhs

	Particulars	Note No.	Period ended 31st March, 2022	Period ended 31st March, 2021
	Continuing Operations			
I	Revenue from operations	**13**	**50.68**	52.07
II	Other Income	**14**	**33.90**	19.52
III	**Total Revenue (I + II)**		**84.58**	71.59
IV	**EXPENSES**			
	(a) Employee benefit expense	**15**	**2.27**	2.64
	(b) Depreciation and amortisation expense	**16**	**53.43**	22.11
	(c) Other expenses	**17**	**60.26**	60.68
	Total Expenses (IV)		**115.96**	85.43
V	**Profit/(loss) before tax (III - IV)**		**(31.38)**	(13.84)
VI	**Tax Expense**			
	(1) Current tax		**–**	–
	(2) Deferred tax		**–**	–
	Total tax expense		**–**	–
VII	**Profit/(loss) after tax for the period (V - VI)**		**(31.38)**	(13.84)
VIII	**Other comprehensive income/(Loss):**		**–**	–
IX	**Total comprehensive income for the period**		**(31.38)**	(13.84)
X	**Earnings per equity share:**	**18**		
	(1) Basic		**(0.11)**	(0.05)
	(2) Diluted		**(0.11)**	(0.05)

The accompanying notes are an integral part of the Financial Statements
In terms of our report attached.

For **B. K. Khare & Co**
Chartered Accountants
FRN: 105102W

Aniruddha Joshi
Partner
Membership No: 040852

For Trringo.com Limited

Nikhil Madgavkar
Chairman
DIN: 05163088

Gadadhar Jalad Baran Roy
Wholetime Director
DIN: 08585524

Subandhu Arya
Director
DIN: 08585533

Gaurav Juwatkar
Company Secretary

Nikhil Pai
Chief Financial Officer

Place: Mumbai
Date: 26th April, 2022

STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 31ST MARCH, 2022

Rupees in Lakhs

	Particulars	Note No.	Period ended 31st March, 2022	Period ended 31st March, 2021
A	**Cash flows from operating activities**			
	Profit before tax for the year	**PL**	**(31.38)**	(13.84)
	Adjustments for:			
	Investment income recognised in profit or loss		**(1.50)**	(1.54)
	Depreciation, amortisation and Impairment expenses	**3**	**53.43**	22.11
			20.55	6.73
	Movements in working capital:			
	(Increase)/decrease in trade and other receivables		**(2.09)**	1.36
	(Increase)/decrease in other assets		**1.53**	2.21
	Decrease in trade and other payables		**(41.06)**	(18.08)
	Income taxes paid (net of refunds)		**4.77**	3.08
	Net cash generated by operating activities		**(16.30)**	(4.70)
B	**Cash flows from investing activities**			
	Payments for property, plant and equipment		–	(2.88)
	Proceeds from tangible assets		**0.01**	8.43
	Net cash (used in)/generated by investing activities		**0.01**	5.55
C	**Cash flows from financing activities**			
	Interest Received		**1.50**	1.54
	Net cash used in financing activities		**1.50**	1.54
	Net increase in cash and cash equivalents		**(14.79)**	2.39
	Cash and cash equivalents at the beginning of the year		**64.03**	61.64
	Cash and cash equivalents at the end of the year		**49.24**	64.03

The accompanying notes are an integral part of the Financial Statements

In terms of our report attached.

For **B. K. Khare & Co**
Chartered Accountants
FRN: 105102W

Aniruddha Joshi
Partner
Membership No: 040852

For Trringo.com Limited

Nikhil Madgavkar
Chairman
DIN: 05163088

Gadadhar Jalad Baran Roy
Wholetime Director
DIN: 08585524

Subandhu Arya
Director
DIN: 08585533

Gaurav Juwatkar
Company Secretary

Nikhil Pai
Chief Financial Officer

Place: Mumbai
Date: 26th April, 2022

STATEMENT OF CHANGES IN EQUITY

A. Equity share capital

(1) Current reporting period

Particulars	Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period
No. of Shares	**27,460,000.00**	**–**	**27,460,000.00**	**–**	**27,460,000.00**
Rupees in Lakhs	**2,746.00**	**–**	**2,746.00**	**–**	**2,746.00**

(2) Previous reporting period

Particulars	Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period
No. of Shares	27,460,000.00	–	27,460,000.00	–	27,460,000.00
Rupees in Lakhs	2,746.00	–	2,746.00	–	2,746.00

B. Other Equity

(1) Current reporting period

Rupees in Lakhs

Particulars	Reserves & Surplus	Other Comprehensive Income	
Particulars	Retained Earnings	Remeasurements of the defined benefit liabilities/(assets)	Total
Balance at the beginning of the current reporting period	(2,506.32)	2.75	(2,503.57)
Changes in accounting policy/prior period errors	–	–	–
Restated balance at the beginning of the current reporting period	(2,506.32)	2.75	(2,503.57)
Total Comprehensive Income for the current year	(31.38)	–	(31.38)
Dividends	–	–	–
Transfer to retained earnings	–	–	–
Any other change (to be specified)	–	–	–
Balance at the end of the current reporting period	(2,537.70)	2.75	(2,534.95)

STATEMENT OF CHANGES IN EQUITY (CONTD.)

(2) Previous reporting period

Rupees in Lakhs

Particulars	Reserves & Surplus	Other Comprehensive Income	
	Retained Earnings	Remeasurements of the defined benefit liabilities/(assets)	Total
Particulars			
Balance at the beginning of the current reporting period	(2,492.48)	2.75	(2,489.73)
Changes in accounting policy/prior period errors	–	–	–
Restated balance at the beginning of the current reporting period	(2,492.48)	2.75	(2,489.73)
Total Comprehensive Income for the current year	(13.84)	–	(13.84)
Dividends	–	–	–
Transfer to retained earnings	–	–	–
Any other change (to be specified)	–	–	–
Balance at the end of the current reporting period	(2,506.32)	2.75	(2,503.57)

In terms of our report attached.

For **B. K. Khare & Co**
Chartered Accountants
FRN: 105102W

Aniruddha Joshi
Partner
Membership No: 040852

For Trringo.com Limited

Nikhil Madgavkar
Chairman
DIN: 05163088

Gadadhar Jalad Baran Roy
Wholetime Director
DIN: 08585524

Subandhu Arya
Director
DIN: 08585533

Gaurav Juwatkar
Company Secretary

Nikhil Pai
Chief Financial Officer

Place: Mumbai
Date: 26th April, 2022

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

1. Corporate Information

Trringo.com Limited is a 100 % subsidiary of Mahindra and Mahindra Limited and incorporated on 23rd May, 2016 under the provisions of the Companies Act, 2013 (CIN: U01409MH2016PLC281449). The Company is in the business of organized farm equipment rentals through a franchisee based model.

2. Significant accounting policies

(A) Statement of compliance

The financial statements of the Company have been prepared in accordance with Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended.

(B) Basis of preparation and presentation

The financial statements have been prepared on the historical cost basis, presented in Indian rupees and rounded off to nearest lacs.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

(C) Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, the management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only the period of the revision and future periods if the revision affects both current and future periods.

(D) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

(E) Intangible assets

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

Useful lives of intangible assets

Estimated useful lives of the intangible assets are as follows:

IT Software	3 to 6 years

(F) Impairment of tangible and intangible assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

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

(G) Foreign exchange gains and losses

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

- For foreign currency denominated financial assets measured at amortised cost and FVTPL, the exchange differences are recognised in profit or loss except for those which are designated as hedging instruments in a hedging relationship.
- Changes in the carrying amount of investments in equity instruments at FVTOCI relating to changes in foreign currency rates are recognised in other comprehensive income.

For the purposes of recognising foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortised cost. Thus, the exchange differences on the amortised cost are recognised in profit or loss and other changes in the fair value of FVTOCI financial assets are recognised in other comprehensive income.

(H) Financial instruments

Financial assets and financial liabilities are recognised when a Company entity becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Impairment of financial assets

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, trade receivables, other contractual rights to receive cash and other financial asset.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls).

Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired.

(I) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable.

Sale of Services

Revenue from the rental services is recognised when the service is delivered and completed, all the following conditions are satisfied:

- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the services rendered;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Company; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Interest income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding.

(J) Government Grants

The Company directly or indirectly is entitled to incentives from government authorities in respect of custom hiring and service centers. The Company accounts for its entitlement as income on accrual basis.

Government grants are recognized in profit or loss on a systematic basis over the periods in which the Company recognizes as expenses the related costs for which the grants are intended to compensate. When the grants relates to an asset, it is recognized as income in equal amounts over the useful life of the related asset.

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

(K) Employee benefits

Retirement benefit costs and termination benefits

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method. Re-measurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- re-measurement

The Company presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

Short-term and other long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

(L) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

(M) Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax:

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax:

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax for the year:

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

(N) Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks & rewards of ownership to the leases. All other leases are classified as operating leases.

The Company as lessee:

The assets held under finance leases are initially recongnised as assets of the company at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Lease payments are apportioned between finance expense and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognized immediately in profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policies on borrowing cost. Contingent rentals are recognized as expense in the period in which they are incurred.

Rental expense from the operating lease is generally recognized on a straight line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessors expected inflationary cost increases, such increases are recognized in the year in which such benefits accrue.

(O) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

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

Note No. 3 - Property, Plant and Equipment

Rupees in Lakhs

Description of Assets	Plant & Machinery	Vehicles	Computers & Edp Equipments	Office Equipment	Furniture & Fixtures	Total
I. Gross Carrying Amount						
Balance as at 1st April 2021	132.34	–	–	0.60	2.16	135.09
Additions during the year	–	–	–	–	–	–
Disposals during the year	0.23	–	–	–	–	0.23
Balance as at 31st March 2022	**132.11**	**–**	**–**	**0.60**	**2.16**	**134.86**
Balance as at 1st April 2020	141.93	–	–	0.60	2.16	144.69
Additions during the year	5.59	–	–	–	–	5.59
Disposals during the year	15.18	–	–	–	–	15.18
Balance as at 31st March 2021	132.34	–	–	0.60	2.16	135.10
II. Accumulated depreciation						
Balance as at 1st April 2021	80.31	–	–	0.56	0.78	81.65
Depreciation expense for the year	52.02	–	–	0.03	1.38	53.43
Eliminated on disposal of assets	0.22	–	–	–	–	0.22
Balance as at 31st March 2022	**132.10**	**–**	**–**	**0.59**	**2.16**	**134.86**
Balance as at 1st April 2020	65.16	–	–	0.56	0.57	66.29
Depreciation expense for the year	21.90	–	–	–	0.21	22.11
Eliminated on disposal of assets	6.75	–	–	–	–	6.75
Balance as at 31st March 2021	80.31	–	–	0.56	0.78	81.65
III. Net carrying amount (I-II)						
Balance as at 31st March 2022	**0.00**	**–**	**–**	**0.00**	**–**	**0.00**
Balance as at 31st March 2021	52.03	–	–	0.04	1.38	53.45

Note No. 4 - Current Tax and Deferred Tax

Rupees in Lakhs

Particulars / **Description of Assets**	**Period ended 31st March 2022**	**Period ended 31st March 2021**
Income tax Assets (Net)	0.68	5.45
TOTAL	**0.68**	**5.45**

Following deferred tax asset has not been created:

Deferred tax assets have not been recognised in respect of following items, because it is not certain that future taxable profit will be available against which the Company can use the benefit therefrom.

Rs in Lakhs

Particulars	**As at 31st March 2022**	**As at 31st March 2021**
Excess depreciation as per book vs. Income Tax Act	**6.50**	0.09
Provision for doubtful debts	**2.82**	3.06
Section 43B items	**–**	–
Unabsorbed loss and depreciation	**551.10**	555.07
Others	**0.04**	0.04
Total	**560.46**	558.26

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

Note No. 5 Other assets (Non financials)

Rs in Lakhs

Particulars	As at 31st March, 2022 Current	As at 31st March, 2022 Non-Current	As at 31st March, 2021 Current	As at 31st March, 2021 Non-Current
(a) Advances other than capital advances				
(i) Balances with government authorities	**173.24**	**–**	173.54	–
(ii) Other advances				
Advance to suppliers	**–**	**–**	–	–
Advance to employees	**–**	**–**	–	–
Prepaid Expenses	**0.51**	**–**	**0.51**	–
Other current Assets	**0.01**	**–**	**–**	–
TOTAL OTHER ASSETS	**173.76**	**–**	174.06	–

Note No. 6 – Trade receivables

Rs in Lakhs

Particulars	As at 31st March, 2022 Current	As at 31st March, 2022 Non-Current	As at 31st March, 2021 Current	As at 31st March, 2021 Non-Current
(a) Trade Receivable considered good - Unsecured	**7.17**	**–**	5.08	–
(b) Trade Receivable which have significant increase in Credit Risk	**89.25**	**–**	78.41	–
(c) Trade Receivables credit impaired	**–**	**–**	–	–
Less: Allowance for expected credit loss	**89.25**	**–**	78.41	–
TOTAL TRADE RECEIVABLES	**7.17**	**–**	5.08	–

Trade Receivables ageing schedule

Rs in Lakhs
as at 31st March, 2022

Particulars	**Outstanding for following periods from due date of payment**					
	Less than 6 months	**6 months - 1 year**	**1-2 Years**	**2-3 years**	**More than 3 years**	**Total**
(i) Undisputed Trade receivables — considered good	**–**	**–**	**–**	**–**	**–**	**–**
(ii) Undisputed Trade Receivables — which have significant increase in credit risk	**–**	**–**	**–**	**–**	**–**	**–**
(iii) Undisputed Trade Receivables — credit impaired	**–**	**–**	**–**	**–**	**–**	**–**
(iv) Disputed Trade Receivables — considered good	**7.17**	**–**	**–**	**–**	**–**	**7.17**
(v) Disputed Trade Receivables — which have significant increase in credit risk	**–**	**7.27**	**13.05**	**12.00**	**56.93**	**89.25**
(vi) Disputed Trade Receivables — credit impaired	**–**	**(7.27)**	**(13.05)**	**(12.00)**	**(56.93)**	**(89.25)**

Rs in Lakhs
as at 31st March, 2021

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months - 1 year	1-2 Years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables — considered good	**–**	**–**	**–**	**–**	**–**	**–**
(ii) Undisputed Trade Receivables — which have significant increase in credit risk	**–**	**–**	**–**	**–**	**–**	**–**
(iii) Undisputed Trade Receivables — credit impaired	**–**	**–**	**–**	**–**	**–**	**–**
(iv) Disputed Trade Receivables — considered good	**5.08**	**–**	**–**	**–**	**–**	**5.08**
(v) Disputed Trade Receivables — which have significant increase in credit risk	**–**	**9.02**	**12.00**	**38.22**	**19.19**	**78.41**
(vi) Disputed Trade Receivables — credit impaired	**–**	**(9.02)**	**(12.00)**	**(38.22)**	**(19.19)**	**(78.41)**

Note No. 7 – Cash and Cash Equivalent

Rs in Lakhs

Particulars	**As at 31st March, 2022**	As at 31st March, 2021
(a) Balances with banks	**10.54**	13.70
(b) Fixed Deposits with maturity less than 3 months	**38.24**	49.18
(c) Cash on hand	**0.46**	1.14
TOTAL CASH AND CASH EQUIVALENT	**49.24**	64.03

Note No. 8 – Other financial assets

Rs in Lakhs

Particulars	**As at 31st March, 2022 Current**	**As at 31st March, 2022 Non- Current**	As at 31st March, 2021 Current	As at 31st March, 2021 Non-Current
Security Deposits	7.76	–	8.89	–
TOTAL OTHER FINANCIAL ASSETS	**7.76**	**–**	8.89	**–**

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

Note No. 9 – Equity Share Capital

Particulars	As at 31st March, 2022 No of Shares	As at 31st March, 2022 Rupees in Lakhs	As at 31st March, 2021 No of Shares	As at 31st March, 2021 Rupees in Lakhs
Authorised:				
Equity shares of Rs 10 each with voting rights	**28,000,000**	**2,800.00**	28,000,000	2,800.00
Issued, Subscribed and Fully Paid:				
Equity shares of Rs 10 each with voting rights	**27,460,000**	**2,746.00**	27,460,000	2,746.00
Total	**27,460,000**	**2,746.00**	27,460,000	2,746.00

Terms/Rights attached to Equity Shares

The company has only one class of Equity shares having a par value of Rs 10/- per share. Each holder of equity shares is entitled to one vote. Repayment of capital on liquidation will be in proportion to the number of equity shares held.

(i) Reconciliation of the number of Ordinary (Equity) Shares and amount outstanding:

Particulars	2022 No. of Shares	2022 Rupees Lakhs	2021 No. of Shares	2021 Rupees Lakhs
Balance as at the beginning of the year	**27,460,000**	**2,746.00**	27,460,000	2,746.00
Add: Issue of Shares during the year	**–**	**–**	–	–
Balance as at the end of the year	**27,460,000**	**2,746.00**	27,460,000	2,746.00

(ii) Details of Ordinary (Equity) Shares held shareholders holding more than 5% of the aggregate shares in the Company:

Name of the Shareholder	As at 31st March, 2022 No. of Shares	As at 31st March, 2022 % Shareholding	As at 31st March, 2021 No. of Shares	As at 31st March, 2021 % Shareholding
Equity shares with voting rights				
Mahindra and Mahindra Limited	**27,460,000**	**100%**	27,460,000	100%

A company shall disclose Shareholding of Promoters as under:

Shares held by promoters at the end of the year

S. No	Promoter name	No. of Shares	%of total shares	% Change during the year No. of Shares
1	Mahindra and Mahindra Limited	27,460,000	100%	NIL

Note No. 10 - Trade Payables

Rs in Lakhs

Particulars	As at 31st March, 2022 Current	As at 31st March, 2022 Non-Current	As at 31st March, 2021 Current	As at 31st March, 2021 Non-Current
Trade payable - Micro and small enterprises	**–**	**–**	–	–
Trade payable - Other than micro and small enterprises	**7.63**	**–**	15.38	–
TOTAL TRADE PAYABLES	**7.63**	**–**	15.38	–

Trade Payables ageing schedule

Rs in Lakhs
As at 31st March, 2022

Particulars	**Outstanding for following periods from due date of payment**				
	Less than 1 year	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
(i) MSME	**–**	**–**	–	–	–
(ii) Others	**4.87**	**1.08**	1.67	–	7.63
(iii) Disputed dues — MSME	**–**	**–**	–	–	–
(iv) Disputed dues - Others	**–**	**–**	–	–	–

Rs in Lakhs
As at 31st March, 2021

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	–	–	–	–	–
(ii) Others	9.40	5.52	0.47	–	15.38
(iii) Disputed dues — MSME	–	–	–	–	–
(iv) Disputed dues - Others	–	–	–	–	–

Note No. 11 – Other financial liabilities

Rs in Lakhs

Particulars	As at 31st March, 2022 Current	As at 31st March, 2022 Non-Current	As at 31st March, 2021 Current	As at 31st March, 2021 Non-Current
a) Other Financial liabilities				
Capital Creditors	**8.29**	**–**	9.12	–
Others	**11.25**	**–**	11.25	–
TOTAL OTHER FINANCIAL LIABILITIES	**19.54**	**–**	20.37	–

Note No. 12 – Other Liabilities (Non financial)

Rs in Lakhs

Particulars	As at 31st March, 2021 Current	As at 31st March, 2021 Non-Current	As at 31st March, 2021 Current	As at 31st March, 2021 Non-Current
a. Advances received from customers	**–**	**–**	–	–
b. Employee related payables	**–**	**–**	–	–
c. Statutory dues	**0.29**	**–**	0.50	–
d. Deferred Government Grants	**–**	**–**	12.81	19.47
e. Other	**–**	**–**	–	–
TOTAL OTHER LIABILITIES	**0.29**	**–**	13.31	19.47

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

Note No. 13 – Revenue from Operations

Rs in Lakhs

Particulars	For the Period ended 31st March, 2022	For the Period ended 31st March, 2021
Revenue from rendering of services	**50.68**	52.07
TOTAL REVENUE FROM OPERATIONS	**50.68**	52.07

Note No. 14 – Other Income

Rs in Lakhs

Particulars	For the Period ended 31st March, 2022	For the Period ended 31st March, 2021
Interest Income from Fixed Deposits	**1.16**	1.33
Deferred Government Grants Income	**32.27**	15.21
Interest Income on Income Tax Refund	**0.34**	0.21
Miscellaneous Income	**0.13**	2.78
TOTAL OTHER INCOME	**33.90**	19.52

Note No. 15 - Employee Benefit Expense

Rs in Lakhs

Particulars	For the Period ended 31st March, 2022	For the Period ended 31st March, 2021
(a) Salaries and wages, including bonus	**2.03**	2.60
(b) Contribution to provident and other funds	**0.01**	0.01
(c) Staff welfare expenses	**0.23**	0.03
TOTAL EMPLOYEE BENEFIT EXPENSE	**2.27**	2.64

Note No. 16 – Depreciation and amortisation expense

Particulars	For the Period ended 31st March, 2022	For the Period ended 31st March, 2021
(a) Depreciation	**53.43**	22.11
(b) Amortisation expense	**–**	–
TOTAL DEPRECIATION AND AMORTISATION EXPENSE	**53.43**	22.11

Note No. 17 – Other Expenses

Rs in Lakhs

	Particulars	For the Period ended 31st March, 2022	For the Period ended 31st March, 2021
(a)	Rent expenses	**5.82**	6.63
(b)	Rates and taxes	**0.08**	0.02
(c)	Repairs and maintenance - Others	**6.95**	8.93
(d)	Stores consumed	**20.18**	17.84
(e)	Hire and Service Charges	**6.93**	5.96
(f)	Auditors remuneration and out-of-pocket expenses		
	(i) As Auditors	**1.50**	1.50
	(ii) For Taxation matters	**0.50**	0.50
(g)	Legal and other professional costs	**4.28**	5.67
(h)	Provision for doubtful debts	**10.84**	11.79
(i)	Other expenses	**3.18**	1.85
	TOTAL OTHER EXPENSES	**60.26**	60.68

Note No. 18 – Earnings per Share

Rs in Lakhs

Particulars	For the Period ended 31st March, 2022 Rs per Share	For the Period ended 31st March, 2021 Rs per Share
Basic Earnings per share		
From continuing operations	(0.11)	(0.05)
Diluted Earnings per share		
From continuing operations	(0.11)	(0.05)

Basic & Diluted earnings per share

The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:

Rs in Lakhs

Particulars	For the Period ended 31st March, 2022	For the Period ended 31st March, 2021
Profit/(loss) for the year attributable to owners of the Company	**(31.38)**	(13.84)
Profits used in the calculation of basic earnings per share	**(31.38)**	(13.84)
Weighted average number of equity shares	**27,460,000**	27,460,000
Earnings per share - Basic & Diluted	**(0.11)**	(0.05)

Note No. 19 – Financial Instruments

Capital management

The company's capital management objectives are:

- to ensure the company's ability to continue as a going concern
- to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

The company monitors capital on the basis of the carrying amount of equity as presented on the face of the statement of financial position.

The capital structure is monitored on the basis of debt to equity and maturity profile of overall debt portfolio of the Company.

Rs in Lakhs

	31st March, 2022	31st March, 2021
Equity	**2,746.00**	2,746.00
Debt	–	–
Total Capital	**2,746.00**	2,746.00

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

Categories of financial assets and financial liabilities

Rs in Lakhs

	Amortised Costs	FVTPL	FVOCI	Total
				As at 31st March, 2022
As at 31st March, 2022				
Current Assets				
Trade Receivables	**7.17**	**–**	**–**	**7.17**
Loans	**–**	**–**	**–**	**–**
Other Financial Assets	**7.66**	**–**	**–**	**7.66**
Current Liabilities				
Trade Payables	**7.63**	**–**	**–**	**7.63**
Other Financial Liabilities	**19.54**	**–**	**–**	**19.54**
As at 31st March, 2021				
Current Assets				
Trade Receivables	**5.08**	**–**	**–**	**5.08**
Loans	**–**	**–**	**–**	**–**
Other Financial Assets	**8.89**	**–**	**–**	**8.89**
Current Liabilities				
Trade Payables	**15.38**	**–**	**–**	**15.38**
Other Financial Liabilities	**20.37**	**–**	**–**	**20.37**

Financial Risk Management Framework

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk . In order to manage the aforementioned risks, the Company operates a risk management policy and a program that performs close monitoring of and responding to each risk factor.

CREDIT RISK

Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. Credit risk arises from cash and cash equivalents, investments carried at amortised cost, deposits with banks and financial institutions as well as credit exposures to customers including outstanding receivables.

Trade Receivables:

The Companys trade receivables include receivables on sale of residential flats. As per the Company's flat handover policy, a flat is handed over to a customer only upon payment of entire amount of consideration. Thus, the Company is not exposed to any credit risk on receivables from sale of residential flats.

Balances with Banks, mutual funds and other financial assets:

For banks and financial institutions, only high rated banks/institutions are accepted. The Company holds cash and cash equivalents with bank and financial institution counterparties, which are having highest safety ratings based on ratings published by various credit rating agencies. The Company considers that its cash and cash equivalents have low credit risk based on external credit ratings of the counterparties.

For other financial assets, the Company assesses and manages credit risk based on reasonable and supportive forward looking information. The Company does not have significant credit risk exposure for these items.

LIQUIDITY RISK

(i) *Liquidity risk management*

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

(ii) *Maturities of financial liabilities*

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

Rs in Lakhs

Particulars	Less than 1 Year	1-3 Years	3 Years to 5 Years
31 March, 2022			
Current Liabilities			
Trade Payables	**7.63**		
Other Financial Liabilities	**19.54**		
Total	**27.17**	**–**	–
31 March, 2021			
Current Liabilities			
Trade Payables	**15.38**		
Other Financial Liabilities	**20.37**		
Total	**35.75**	**–**	–

(iii) *Maturities of financial assets*

The following table details the Company's expected maturity for its non-derivative financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Company's liquidity risk management as the liquidity is managed on a net asset and liability basis.

Rs in Lakhs

Particulars	Less than 1 Year	1-3 Years	3 Years to 5 Years
31 March, 2022			
Current Assets			
Trade receivables	**7.17**		
Loans	**–**		
Other Financial **Assets**	**7.66**		
Total	**14.83**	**–**	–
31 March, 2021			
Current Liabilities			
Trade receivables	**5.08**		
Loans	**–**		
Other Financial **Assets**	**8.89**		
Total	**13.97**	**–**	–

MARKET RISK

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk and other price risk such as equity price risk and commodity price risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. All such transactions are carried out within the guidelines set by the Board of Directors.

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

Note No. 20 – Fair Value Measurement

Fair Valuation Techniques and Inputs used – recurring Items

Rs in Lakhs

			Fair value hierarchy as at 31st March, 2022			
Financial assets	**Carrying Value**	**Fair value***	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets carried at Amortised Cost						
– trade and other receivables	**7.17**	**7.17**	–	**7.17**	–	**7.17**
– deposits and similar assets	–	–	–	–	–	–
– Other Financial Assets	**7.66**	**7.66**	–	**7.66**	–	**7.66**
Total	**14.83**	**14.83**	–	**14.83**	–	**14.83**
Financial liabilities						
Financial Instruments not carried at Fair Value						
– trade and other payables	**7.63**	**7.63**	–	**7.63**	–	**7.63**
– other liabilities	**19.54**	**19.54**	–	**19.54**	–	**19.54**
Total	**27.17**	**27.17**	–	**27.17**	–	**27.17**

Rs in Lakhs

			Fair value hierarchy as at 31st March, 2021			
Financial assets	**Carrying Value**	**Fair value***	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets carried at Amortised Cost						
– trade and other receivables	5.08	5.08	–	5.08	–	5.08
– deposits and similar assets	–	–	–	–	–	–
– others Financial Assets	8.89	8.89	–	8.89	–	8.89
Total	13.97	13.97	–	13.97	–	13.97
Financial liabilities						
Financial Instruments not carried at Fair Value						
– trade and other payables	15.38	15.38	–	15.38	–	15.38
– other liabilities	20.37	20.37	–	20.37	–	20.37
Total	35.75	35.75	–	35.75	–	35.75

Note No. 21 – Related Party Transactions

Name of the Parent Company Mahindra & Mahindra Limited

Name of KMP of the Company Mr. Gadadhar Jalad Roy (Whole Time Director)#
Mr Nikhil Pai (Chief Financial Officer)
Mr. Gaurav Juvatkar (Company Secretary)

w.e.f. 01st November, 2019

Details of transaction between the Company and its related parties are disclosed below:

Rs in Lakhs

Particulars	**For the year ended**	**Parent Company**
Nature of transactions with Related Parties		
Sale of Assets	31-Mar-22	0.01
	31-Mar-21	9.34
Receiving of services	31-Mar-22	6.68
	31-Mar-21	5.42
purchase of property and other assets	31.Mar.22	–
	31-Mar-21	2.83

Rs in Lakhs

Nature of Balances with Related Parties	**Balance as on**	**Parent Company**
Trade Payables	31-Mar-22	8.01
	31-Mar-21	13.38

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

Note No. 22 - Ratios

Ratio	Formula	As at 31 March, 2022	As at 31 March, 2021	Change	Remarks
Current Ratio	Current Assets/ Current Liability	8.66	5.14	68.58	There is write back of deferred government grants in the current year
Debt Equity ratio	Total Debt/ Shareholder Equity	–	–	–	NA as there is no debt
Debt Service coverage ratio	Earning Available to Debt service/ Debt Service	–	–	–	NA as there is no debt
Return on Equity	NPAT/ Average Shareholder Equity	(0.01)	(0.01)	–	
Inventory Turnover ratio	COGS/ Average invnetory	–	–	–	NA as company is into service industry
Trade receivable Turnover ratios	Net Sales/ Avg Debtors	4.14	4.33	(4.50)	
Trade Payable ratios	Purchase/ Average Creditors	5.24	3.51	49.05	In current year payment made to creditors
Net capital turnover ratio	Sales/ Working capital	0.24	0.26	(6.08)	
Net profit ratio	Net profit / Net sales	(0.62)	(0.27)	132.97	In current year additional depreciation provided and there is write back of govt. grant liability
Return on capital employed	EBIT/ Capital Employed	(0.15)	(0.06)	160.46	In current year additional depreciation provided and there is write back of govt. grant liability
Return on Investment		0.03	0.03	0.13	

Note No. 23 – Micro Small and Medium Enterprises Development Act 2006

The amount due to Micro and Small Enterprises as defined in the "Micro, Small and Medium Enterprises Development, Act, 2006" has been determined to the extent such parties have been identified on the basis of information available with the Company. The disclosure relating to Micro and Small Enterprises as at 31 March 2022 are as under:

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

Rs in Lakhs

Particulars		**31st March, 2022**	31st March, 2021
(i)	The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
	– Principal amount due to micro and small enterprises	**–**	–
	– Interest due on above	**–**	–
(ii)	The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	**–**	–
(iii)	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006.	**–**	–
(iv)	The amount of interest accrued and remaining unpaid at the end of each accounting year.	**–**	–
(v)	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006.	**–**	–

Note No. 24 – Segment Reporting

The Company operates in one segment namely renting of organised farm equipments, hence separate segment reporting has not been made under Indian Accounting Standard (Ind- AS 108)-"Operating Segment". The operation of company comprises a single geographical segment, India.

Note No. 25

The compnay's ongoing projects have got completed in March 2022 and management is evaluating new projects for execution in the company in upcoming years and believes the going concern assumption in preparation of these financial statements is appropriate.

Note No. 26 – Comparitives

The figures for previous year have been regrouped wherever necessary to conform to current year's classification.

In terms of our report attached.

For **B. K. Khare & Co**
Chartered Accountants
FRN: 105102W

Aniruddha Joshi
Partner
Membership No: 040852

For Trringo.com Limited

Nikhil Madgavkar
Chairman
DIN: 05163088

Gadadhar Jalad Baran Roy
Wholetime Director
DIN: 08585524

Subandhu Arya
Director
DIN: 08585533

Gaurav Juwatkar
Company Secretary

Nikhil Pai
Chief Financial Officer

Place: Mumbai
Date: 26th April, 2022

INDEPENDENT AUDITOR'S REPORT

To the Stockholder and the Board of Directors,

Mahindra USA, Inc.

Qualified Opinion

We have audited the accompanying separate parent company financial statements of Mahindra USA, Inc. (the "Company"), a Texas Corporation, which comprise the balance sheets as of March 31, 2022, and March 31, 2021, and the related statements of comprehensive income (loss), stockholder's equity, and cash flows for the years then ended, and the related notes to the separate parent company financial statements.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying separate parent company financial statements present fairly, in all material respects, the financial position of the Company as of March 31, 2022, and March 31, 2021, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Qualified Opinion

As discussed in Note B.1 to the separate parent company financial statements, the Company reports its investment in its wholly owned subsidiary at cost. Accounting principles generally accepted in the United States of America require all majority-owned subsidiaries be accounted for as consolidated subsidiaries. If the financial statements of the subsidiary had been consolidated with those of Mahindra USA, Inc., total assets and total liabilities and stockholder's equity would have increased by $193,809 as at March 31, 2022 (March 31, 2021: $2,385,442) and net income or loss would have increased by $NIL for the year ended March 31, 2022 (March 31, 2021: $1,139,530).

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Responsibilities of Management for the Separate Parent Company Financial Statements

Management is responsible for the preparation and fair presentation of the separate parent company financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of separate parent company financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the separate parent company financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Company's ability to continue as a going concern within one year after the date that the separate parent company financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Separate Parent Company Financial Statements

Our objectives are to obtain reasonable assurance about whether the separate parent company financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the separate parent company financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional scepticism throughout the audit.
- Identify and assess the risks of material misstatement of the separate parent company financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the separate parent company financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the separate parent company financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

KNAV P.A.

Atlanta, Georgia
May 06, 2022

BALANCE SHEETS

(All amounts are stated in United States Dollars, unless otherwise stated)

		As at	
ASSETS	**Note**	**March 31, 2022**	**March 31, 2021**
Current assets			
Cash and cash equivalents	C	**37,302,508**	12,263,639
Accounts receivable, net	D	**10,688,942**	18,069,370
Inventories, net	E	**130,950,397**	128,170,881
Accounts and other receivable from related parties	O	**344,939**	1,064,585
Receivable from employees		**8,290**	12,559
Other current assets		**442,488**	1,533,408
Total current assets		**179,737,564**	161,114,442
Property, plant and equipment, net	F	**7,301,770**	9,361,810
Deferred tax asset	M	**34,226,738**	37,365,938
Operating lease - right of use asset		**20,718,848**	22,914,756
Total assets		**241,984,920**	230,756,946
LIABILITIES AND STOCKHOLDER'S EQUITY			
Current liabilities			
Accounts payable	H	**39,735,590**	26,701,216
Accounts and other payable to related parties	O	**75,048,248**	52,920,929
Notes payable, current portion	G	**5,000,000**	53,000,000
Other current liabilities	I	**77,270,501**	52,232,287
Operating lease - current lease liability		**2,660,544**	2,450,434
Total current liabilities		**199,714,883**	187,304,865
Non-current liabilities			
Operating lease – non-current lease liability		**18,717,804**	20,850,112
Total liabilities		**218,432,687**	208,154,977
Commitments & contingencies *(Refer note U)*			
Stockholder's equity			
Common stock [Class A - $ 0.25 par value and Class B - $0.16 par value, aggregate authorized 1,153,750,000 shares, aggregate issued and outstanding 1,128,500,000 shares]	S	**221,600,000**	221,600,000
Accumulated other comprehensive loss		–	(404,256)
Accumulated deficit		**(198,047,767)**	(198,593,776)
Total stockholder's equity		**23,552,233**	22,601,968
Total liabilities and stockholder's equity		**241,984,920**	230,756,946

(The accompanying notes are an integral part of these separate parent company financial statements)

STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

(All amounts are stated in United States Dollars, unless otherwise stated))

	For the year ended	
	March 31, 2022	March 31, 2021
Operating revenues		
Sale of tractors, vehicles and parts and other operating revenues	**519,600,785**	393,335,860
Less: sales incentives	**(59,668,695)**	(47,590,302)
Total net revenue	**459,932,090**	345,745,558
Less: cost of sales (excluding depreciation)	**(372,732,733)**	(295,124,141)
Gross profit	**87,199,357**	62,987,784
Cost and expenses		
Selling, general and administrative expenses	**(81,870,968)**	(63,975,318)
Operating income (loss)	**5,328,389**	(13,353,901)
Finance cost	**(527,585)**	(3,608,947)
Other income	**216,710**	125,083
Loss on disposal of assets	**(16,422)**	(205)
Net income (loss) before impairment and income tax expense	**5,001,092**	(16,837,970)
Impairment for investment in subsidiary	**(350,000)**	(9,604,330)
Net income (loss) before income tax expense	**4,651,092**	(26,442,300)
Income tax expense		
Current tax expense	**(965,883)**	(102,580)
Deferred tax expense	**(3,139,200)**	-
Net income (loss) after income tax	**546,009**	(26,544,880)
Other comprehensive income (loss), net of income taxes		
Cash flow hedge reserve, net of tax	**404,256**	129,655
Total net comprehensive income (loss)	**950,265**	(26,415,225)

(The accompanying notes are an integral part of these separate parent company financial statements)

STATEMENTS OF STOCKHOLDER'S EQUITY
For the years April 01, 2021 to March 31, 2022 and April 01, 2020 to March 31, 2021

(All amounts are stated in United States Dollars, except number of shares)

Particulars	Common stock – Class A (All shares and US$ in 000's)				Common stock – Class B (All shares and US$ in 000's)				Other comprehensive income (loss)	Accumulated deficit	Total stockholder's equity (deficit)
	Authorized		Issued and outstanding		Authorized		Issued and outstanding				
	Shares	Value US$	Shares	Value US$	Shares	Value US$	Shares	Value US$			
As at April 01, 2020	**460,000**	**115,000**	**456,000**	**114,000**	**–**	**–**	**–**	**–**	**(533,910)**	**(172,048,896)**	**(58,582,806)**
Issuance of Class B common stock	–	–	–	–	693,750	111,000	672,500	107,600	–	–	107,600,000
Hedging reserve, net of tax position of $0 included in accumulated other comprehensive income	–	–	–	–	–	–	–	–	129,654	–	129,654
Net loss for the year	–	–	–	–	–	–	–	–	–	(26,544,880)	(26,544,880)
As at March 31, 2021	**460,000**	**115,000**	**456,000**	**114,000**	**693,750**	**111,000**	**672,500**	**107,600**	**(404,256)**	**(198,593,776)**	**22,601,968**
As at April 01, 2021	**460,000**	**115,000**	**456,000**	**114,000**	**693,750**	**111,000**	**672,500**	**107,600**	**(404,256)**	**(198,593,776)**	**22,601,968**
Hedging reserve, net of tax position of $0 included in accumulated other comprehensive income	–	–	–	–	–	–	–	–	404,256	–	404,256
Net income for the year	–	–	–	–	–	–	–	–	–	546,009	546,009
As at March 31, 2022	**460,000**	**115,000**	**456,000**	**114,000**	**693,750**	**111,000**	**672,500**	**107,600**	**–**	**(198,047,767)**	**23,552,233**

(The accompanying notes are an integral part of these separate parent company financial statements)

STATEMENTS OF CASH FLOWS

(All amounts are stated in United States Dollars, unless otherwise stated)

	For the year ended	
	March 31, 2022	March 31, 2021
Cash flows from operating activities		
Net income (loss) after income tax	**546,009**	(26,544,880)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation	**3,475,768**	3,242,711
Unrealized foreign exchange loss	**1,806,121**	1,515,458
Impairment of investment in wholly owned subsidiary	**350,000**	9,604,330
Deferred income tax	**3,139,200**	–
Changes in net operating assets and liabilities		
Accounts receivable	**8,110,608**	21,778,996
Inventories	**(2,779,516)**	85,103,854
Other current assets	**1,090,920**	955,221
Accounts payable	**33,729,878**	(53,242,722)
Operating lease-right of use assets	**2,195,907**	2,436,440
Operating lease-lease liability	**(1,922,198)**	(2,050,650)
Other current liabilities	**25,452,921**	(22,057,884)
Net cash provided by operating activities	**75,195,618**	20,740,874
Cash flows from investing activities		
Investment in wholly owned subsidiary	**(350,000)**	(7,600,000)
Purchase of property, plant, and equipment	**(1,432,149)**	(1,403,398)
Net cash used in investing activities	**(1,782,149)**	(9,003,398)
Cash flows from financing activities		
Payment of finance lease obligation	**(10,450)**	(421,074)
Additional issue of share capital	–	107,600,000
Other notes payable, net	**(48,000,000)**	(119,041,657)
Net cash used in financing activities	**(48,010,450)**	(11,862,731)
Effect of exchange rate changes on cash and cash equivalents held in foreign currency	**(364,150)**	(157,625)
Net increase (decrease) in cash and cash equivalents	**25,038,869**	(282,880)
Cash and cash equivalents at the beginning of the year	**12,263,639**	12,546,519
Cash and cash equivalents at the end of the year	**37,302,508**	12,263,639
Supplemental cash flow information		
Income taxes paid	**1,347,222**	227,286
Interest paid	**629,610**	3,811,779

Supplemental non-cash flow information

Capital work-in-progress written down by netting against accounts payable amounted to $651,767 during the year ended March 31, 2021.

(The accompanying notes are an integral part of these separate parent company financial statements)

NOTES TO SEPARATE PARENT COMPANY FINANCIAL STATEMENTS

NOTE A – NATURE OF OPERATIONS

Mahindra USA, Inc. (the "Company") ("MUSA") was incorporated on June 8, 1994 in the State of Texas and commenced business on March 15, 1995. The Company is owned by Mahindra and Mahindra Ltd. ("M&M"). M&M is a publicly traded corporation, headquartered in Mumbai, India, which, among other activities, manufactures farming equipment and automobiles. The Company sells tractors, parts, attachments, and accessories in North America under wholesale distribution agreements.

The Company formed a subsidiary on August 9, 2016, Mahindra Mexico S de. R.L. de. C.V. ("MML"), to assemble and sell tractors, parts, attachments and accessories in Mexico and Latin America. MML commenced commercial operations in July 2018.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies are detailed below:

1. **Basis of preparation**

   a. The accompanying separate parent company financial statements (or "financial statements") are prepared under the historical cost convention on the accrual basis of accounting in accordance with the accounting and reporting requirements of generally accepted accounting principles in the United States of America ('US GAAP'), except for investments in its wholly owned subsidiary. The Company reported its investment in Mahindra Mexico S de. R.L. de. C.V. ("MML") using the cost basis for the reporting requirements of its ultimate parent company and shareholder; Mahindra and Mahindra Ltd.

   b. All amounts are stated in United States Dollars (USD), except as otherwise specified.

   c. The financial statements are presented for the years ended March 31, 2022 and March 31, 2021.

   d. Certain reclassifications, regroupings and reworking have been made in the financial statements of prior periods to conform to the classifications used in the current year. These changes had no impact on previously reported net loss or stockholder's equity.

2. **Use of estimates**

   The preparation of financial statements in conformity with accounting principles generally accepted in US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Management's estimates for determination of useful lives for property, plant & equipment, and long-lived assets for impairment, revenue recognition, allowance for incentives and warranties, legal and tax contingencies, provision for doubtful debts, accounting for leases and inventory valuation at the balance sheet date represent certain of these particularly sensitive estimates. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Actual results could differ from these estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates prospectively in the current and future periods.

3. **Cash and cash equivalents**

   The Company's cash and cash equivalents comprise of cash and bank balances. The Company does not have any cash equivalents. The carrying value of cash and cash equivalents approximates fair value because of the short maturities of those financial instruments. Cash balances in US bank accounts are insured by the Federal Deposit Insurance Corporation up to an aggregate of $250,000. The Company believes it is not exposed to any significant risk on cash and cash equivalents.

4. **Revenue recognition**

   Financial Accounting Standards Board ('FASB') issued Accounting Standards Codification ('ASC') 606 – Revenue from Contracts with Customers in May 2014. The Company early adopted the standard during the year ended March 31, 2019 using modified retrospective method of transition to change its accounting policies.

   Revenue from sale of tractors, parts, attachments and accessories is recognized when each of the following criteria is met:

   1. The Company and an independent dealer approve a contract with commercial substance.

   2. The sales price is determinable, and collectability of the payment is probable based on the terms outlined in the contract

   3. Control of the goods is transferred to the dealer when the ordered goods are invoiced to the dealer after credit approval and when the ordered items are ready for shipment.

   Transfer of control, and therefore revenue recognition is recorded at a point in time on the date when the tractors, parts, attachments or accessories are made available to the dealers.

   The Company participates in various retail sales incentives with its dealers. The Company records the estimated retail sales incentive programs offered to dealers as a reduction to revenue at the time of sale to the dealer. The estimate is based on historical data, announced incentive programs, field inventory levels, and retail sales volumes.

   <u>Revenue from sale of off-road vehicle products</u>

   During the year ended March 31, 2022, the Company entered into a distribution agreement with Mahindra North American Technical Center, Inc. ("MNATC"), its related party, for sale of off-road vehicle and its parts and accessories manufactured by MNATC, in North America. The Company recognizes revenue from sales of these off-road vehicle and its parts and accessories on net basis as it is an agent in the transaction, in accordance with 'Principal versus Agent Considerations' guidance of ASC 606. Additionally, the Company receives reimbursements including a markup of certain directly related costs and expenses from MNATC which is recognized as 'other operating revenue' on the statements of comprehensive income (loss). The Company also has an arrangement to pass through sales incentive costs and warranty claims at actuals to MNATC.

   Product warranties

   The Company establishes reserves for product warranties at the time the related sale is recognized. The Company issues product warranties under which the performance of products delivered is generally guaranteed for a certain term. The accrual for product warranties includes the expected costs of warranty obligations imposed by law or contract, as well as the expected costs for policy coverage.

5. **Accounts receivable and allowance for doubtful debts**

   Accounts receivable are stated at the amount invoiced to the dealers. The Company follows the specific identification method for recognizing allowance for doubtful debts. All amounts deemed to be uncollectible are charged against the allowance for doubtful debts in the period that determination is made. The Company charges off uncollectable amounts against the allowance for doubtful debts in the period in which it determines they are uncollectable. Allowance for doubtful debts is included in other selling, general and administrative expenses in the statements of comprehensive income/loss.

6. **Inventories**

   Inventories are stated at moving average price or net realizable value whichever is lower. Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Net realizable value is the estimated selling price less applicable selling expenses. The Company writes-down obsolete or otherwise unmarketable inventory to its estimated realizable value.

7. Investment in subsidiary

The Company accounts for its investment in subsidiary using the cost method. During the years ended March 31, 2022 and March 31, 2021, the Company has fully impaired the value of investment in the wholly owned subsidiary considering the series of operating losses of the subsidiary, thereby resulting in absence of an ability to recover the carrying amount of the investment.

8. Property, plant and equipment, net

Property, plant and equipment are stated at cost less accumulated depreciation and impairment. Cost of items of property, plant and equipment comprise cost of purchase, improvements and other costs necessarily incurred to bring it to the condition and location necessary for its intended use. Depreciation is provided over the useful lives of the related assets using the straight-line method for financial reporting and the modified accelerated cost recovery method for tax purposes. Leasehold improvements are amortized over the shorter of the lease term or their respective estimated useful lives.

The estimated useful life used to determine depreciation is:

Buildings and building improvements	7-10 Years
Furniture and fixtures	3-10 Years
Office equipment	3-7 Years
Computer and software	3-5 Years
Vehicles	3-5 Years

Deposits paid towards the acquisition of property, plant and equipment outstanding as of each balance sheet date and the cost of property, plant and equipment not ready for use before such date are disclosed under capital work-in-progress. Upon retirement or disposal of assets, the cost and accumulated depreciation are eliminated from the accounts and the resulting gain or loss is a part of net operating loss.

Development costs related to internally generated software are capitalized once a project has progressed beyond a conceptual, preliminary stage to that of the application development stage. Costs of significant improvements on existing software for internal use, both internally developed and purchased, are also capitalized. Costs related to the preliminary project stage, data conversion and post-implementation/operation stage of an internal use software development project are expensed as incurred.

9. Leases

Accounting Standard Update ("ASU") 2016-02, Leases. On April 1, 2020, the Company early adopted Accounting Standards Codification 842 and all the related amendments ("new lease standard") using the modified retrospective method. The new lease standard requires all leases to be reported on the balance sheet as operating lease right-of-use assets and lease obligations. The Company elected the practical expedients permitted under the transition guidance of the new standard that retained the lease classification and initial direct costs for any leases that existed prior to adoption of the standard. The Company has not applied the recognition and measurement requirements of ASC 842 to certain assets on lease where the Management believes it to be immaterial.

The Company's leases are classified as operating leases, which are included in operating lease right-of-use assets and operating lease liabilities in the Company's balance sheet. Lease arrangements, which effectively transfer control of the underlying leased item, are capitalized and recognized as finance lease.

Right-of-use ("ROU") assets and lease liabilities are recognized based on the present value of the future minimum lease payments over the lease term at the commencement date for leases exceeding 12 months. Minimum lease payments include only the fixed lease component of the agreement, as well as any variable rate payments that depend on an index, initially measured using the index at the lease commencement date. Lease terms may include options to renew when it is reasonably certain that the Company will exercise that option.

The Company estimates its incremental borrowing rate for each lease based on the respective weighted average term of the agreements. This estimation considers the market rates of the Company's outstanding collateralized borrowings and interpolations of rates outside of the terms of the outstanding borrowings, including comparisons to comparable borrowings of similarly rated companies with longer term borrowings.

Operating lease expense is recognized on a straight-line basis over the lease term and is included in cost of revenue or general and administrative expense. Amortization expense for finance leases is recognized on a straight-line basis over the lease term and is included in cost of revenue. Interest expense for finance leases is recognized using the effective interest method. Leases with a lease term of 12 months or less from the commencement date that do not contain a purchase option are recognized as an expense on a straight-line basis over the lease term.

As a result of the Company's adoption of ASC 842, the Company recognized operating lease right-of-use of assets and lease liabilities amounting to $25,351,196 as at April 1, 2020.

10. Income taxes

In accordance with the provisions of FASB ASC Topic 740 "Income Taxes," income taxes are accounted for using the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. The deferred tax asset is reduced by a valuation allowance if it is more likely than not that some portion or all of the assets will not be realized.

11. Foreign currency transactions

Transactions in foreign currencies are translated into the functional currency at the rates of exchange prevailing at the date of the transaction. Monetary items denominated in foreign currency remaining unsettled at the end of the year are translated at the closing rates as at the last day of the year. Gains or losses, if any, on account of exchange difference either on settlement or translation are recognized in statements of comprehensive loss, except those relating to acquisition of fixed assets which are adjusted to the cost of the respective asset.

12. Fair value measurements and financial instruments

The fair value hierarchy requires the use of observable market data when available. In instances where the inputs used to measure fair value fall into different levels of the fair value hierarchy, the fair value measurement has been determined based on the lowest level input significant to the fair value measurement in its entirety. The Company's assessment of the significance of a particular item to the fair value measurement in its entirety requires judgment, including the consideration of inputs specific to the asset or liability. The following table sets forth by level within the fair value hierarchy, the Company's financial assets and liabilities that are accounted for at fair value on a recurring basis at March 31, 2022 and 2021, according to the valuation techniques the Company used to determine their fair values.

- Level 1 - Quoted prices in active markets for identical assets or liabilities.
- Level 2 - Observable inputs other than quoted prices include in Level 1, such as quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets and liabilities in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.
- Level 3 - Unobservable inputs that are support by little or no market activity. This includes certain pricing models, discounted cash flow methodologies and similar techniques that use significant unobservable inputs.

The fair value of the interest rate swaps is the estimated amount that the Company would receive or pay to terminate such agreements, taking into account market interest rates and the remaining time to maturities or using market inputs with mid-market pricing as a practical expedient for bid-ask spread.

This hierarchy requires the Company to use observable market data, when available, and to minimize the use of unobservable inputs when determining fair value.

The Company's financial instruments consist of cash and cash equivalents, accounts receivable, accounts payable and related party dues. The estimated fair value of cash, accounts receivable, accounts payable and related party dues approximate their carrying amounts due to the short-term nature of these instruments. The Company has entered into cash flow hedge so as to protect the variability of the cash flow stemming from the floating rate interest payments on facility arrangement. None of these instruments are held for trading purposes.

13. Interest rate swaps

The Company has interest rate swaps with counterparties to reduce its exposure to variability in cash flows relating to interest payments on portion of its notes payable. The Company applies hedge accounting and has designated these instruments as cash flow hedges of the risk associated with floating interest rates on designated future monthly interest payments. Management assumes the hedge is highly effective and therefore changes in the value of the hedging instrument are recorded in accumulated other comprehensive loss in the balance sheets. Any ineffectiveness is recorded in earnings. Amounts in accumulated other comprehensive loss are reclassified into earnings in the same period during which the hedged transactions affect earnings, or upon termination of the hedging relationship.

14. Derivative financial instruments

The Company has obtained floating rate borrowings which are linked to 1 months revolving LIBOR. For managing the interest rate risk arising from changes in LIBOR on such borrowings, the Company has entered into interest rate swap (IRS). The Company has designated the IRS (hedging instrument) and the floating rate financial liability (hedged item) into a hedging relationship and applies hedge accounting.

Under the terms of the IRS, the Company pays interest at the fixed rate to the swap counterparty in USD and receives the floating interest payments based on LIBOR in USD. As the critical terms of the hedged item and the hedging instrument (notional, interest periods, underlying and fixed rates) are matching and the interest cashflows are off setting, an economic relationship exists between the two. This ensures that the hedging instrument and hedged item have values that generally move in the opposite direction.

Hedge effectiveness testing is assessed at designation date of the hedging relationship, and on an ongoing basis. The ongoing assessment is performed at a minimum at each reporting date or upon a significant change in circumstances affecting the hedge effectiveness requirements, whichever comes first.

15. Advertising and marketing expenses

The Company subsidizes product advertising carried on by dealers within each dealer's local market and conducts dealer conferences. The Company also advertises in trade magazines, at trade shows and uses various other means of promotion, including product brochures and digital media to increase brand awareness and sale of products in the market. Expenditures without extended advertising value are expensed in the year accrued. The amount of advertising and marketing costs incurred by the Company for the year ended March 31, 2022, amounting to $3,717,043 (March 31, 2021: $2,203,482) is included in 'selling, general and administrative expenses' on the statement of comprehensive income/loss.

16. Shipping and handling cost

The Company generally classifies freight billed to dealers as sales revenue. Shipping and handling activities are considered to be a separate performance obligation.

17. Commitments and contingencies

Liabilities for loss contingencies arising from claims, assessments, litigation, fines, and penalties and other sources are recorded when it is probable that a liability has been incurred and the amount can be reasonably estimated. Legal costs incurred in connection with loss contingencies are expensed as incurred.

NOTE C – CASH AND CASH EQUIVALENTS

Cash and cash equivalents include the following:

	As at	
	March 31, 2022	March 31, 2021
Balances with banks	**37,302,508**	12,263,078
Cash in hand	**–**	561
Total	**37,302,508**	12,263,639

NOTE D – ACCOUNTS RECEIVABLE, NET

Accounts receivable, net, include the following:

	As at	
	March 31, 2022	March 31, 2021
Accounts receivable from customers	**12,429,712**	21,745,766
Less: allowance for doubtful debts	**(1,740,770)**	(3,676,396)
Accounts receivable, net of allowances	**10,688,942**	18,069,370

Accounts receivable as at March 31, 2022 and March 31, 2021 are stated net of provision for doubtful debt and other allowances. The Company follows the specific identification method for recognizing allowance for doubtful debts. Accordingly, the Company maintains an allowance for doubtful debts on accounts receivable, based on present and prospective financial condition of the dealer and ageing of accounts receivable after considering historical experience and the current economic environment.

NOTE E – INVENTORIES, NET

Major classes of inventory include the following:

	As at	
	March 31, 2022	March 31, 2021
Finished goods	**50,759,755**	57,358,124
Raw materials	**80,190,642**	70,812,757
Total	**130,950,397**	128,170,881

NOTE F – PROPERTY, PLANT AND EQUIPMENT, NET

Property, plant and equipment, and intangibles include the following:

	As at	
	March 31, 2022	March 31, 2021
Building and building improvements	**5,442,446**	5,321,012
Vehicles	**42,511**	63,467
Furniture and fixtures	**832,457**	**1,891,122**
Office equipment	**855,848**	**1,329,112**
Computers and software	**10,296,444**	**10,107,224**
Less: accumulated depreciation and amortization	**(10,995,275)**	**(9,405,319)**
Property, plant and equipment, and intangible assets	**6,474,431**	9,306,618
Capital work-in-progress	**827,339**	**55,192**
Property, plant and equipment, and intangible assets net	**7,301,770**	9,361,810

Depreciation and amortization expense for the year ended March 31, 2022, amounting to $3,475,768 (March 31, 2021: $3,242,711) is included in 'other selling, general and administrative expenses' on the statements of comprehensive income (loss).

During the years ended March 31, 2022, and March 31, 2021, capital work-in-progress of $660,003 and $1,979,651, respectively, was completed and capitalized to computer and software, building and building improvements and the other property, plant and equipment.

NOTE G – NOTES PAYABLE

As at March 31, 2022, the total loan outstanding amounts to $5,000,000. The average interest rate during the year on these loans was 2.01%. The maturity date for the loan is in June 2022. Facilities from banks do not carry any restrictive covenants. The Company has unutilized line of credit of $105,000,000.

As at March 31, 2021, the total loan outstanding amounts to $53,000,000. The average interest rate during the year on these loans was 2.7%. The maturity dates for all the loans are in April 2021 and June 2021. Facilities from banks do not carry any restrictive covenants. The Company has unutilized line of credit of $97,000,000.

As at March 31, 2022 and March 31, 2021, Company has irrevocable standby letter of credit for $12,000,000.

	As at	
	March 31, 2022	March 31, 2021
Current portion		
Notes payable	**5,000,000**	53,000,000
Total	**5,000,000**	53,000,000

NOTE H – ACCOUNTS PAYABLE

	As at	
	March 31, 2022	March 31, 2021
Trade payables	**39,735,590**	26,701,216
Total	**39,735,590**	26,701,216

NOTE I – OTHER CURRENT LIABILITIES

Other current liabilities comprise of:

	As at	
	March 31, 2022	March 31, 2021
Accrued payables	**77,270,501**	52,221,837
Current obligations under finance leases	–	10,450
Total	**77,270,501**	52,232,287

Expenses accrued for the years ending March 31, 2022, and March 31, 2021, include advertising, marketing program costs, retail rate buy-downs, cash discounts, state franchise taxes, payroll and payroll taxes, employee bonuses, salesmen and customer bonuses, legal fees, property taxes, insurance deductibles, other expenses and warranty reserves. The Company participates in various retail incentives with its dealers and has accrued for the costs of these programs in effect as of the date of these separate parent company financial statements.

NOTE J – DERIVATIVE FINANCIAL INSTRUMENTS

The following tables summarize the gross fair values of the financial instruments as of March 31, 2022, and March 31, 2021:

	As at	
	March 31, 2022	March 31, 2021
Derivatives designated as hedging instruments		
Interest rate swap	**–**	404,256
Total derivatives designated as hedging instruments	**–**	**404,256**
Total derivatives not designated as hedging instruments	**–**	–
Total derivative fair value	**–**	**404,256**

The fair value of the derivative instruments and their location in the separate parent financial statements of the Company is summarized in the table below:

	As at	
	March 31, 2022	March 31, 2021
Other current liabilities	**–**	404,256
Total	**–**	**404,256**

Gain (loss) recognition

There was no gain recognized with respect to fair value of derivative instruments not designated as hedges and ineffectiveness of designated derivative recognized in other income, net.

The following table summarizes the impact on accumulated other comprehensive income and earnings of derivative instruments designated as cash flow hedges and the amount of gain recognised in other comprehensive income for the year ended March 31, 2022 and March 31, 2021.

	Before-tax amount	**Tax (expense) or benefit**	**Net of tax Amount**
Opening balance as of March 31, 2021	404,256	–	404,256
Net losses reclassified into statement of income on completion of hedged transactions	(404,256)	–	(404,256)
Loss on cash flow hedging derivatives, net	–	–	–
Closing balance as of March 31, 2022	**–**	**–**	**–**

NOTE K – FAIR VALUE MEASUREMENT

The following table presents liabilities as of March 31, 2022 and March 31, 2021 that are measured and recognized at fair value on a recurring basis:

	Quoted price in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant other unobservable inputs (Level 3)
Balance as on March 31, 2021	–	404,256	–
Interest rate swap	–	(404,256)	–
Balance as of March 31, 2022	**–**	**–**	**–**

The fair value of the interest rate swaps is the estimated amount that the Company would receive or pay to terminate such agreements, taking into account market interest rates and the remaining time to maturities or using market inputs with mid-market pricing as a practical expedient for bid-ask spread.

NOTE L – LEASES

General description of the lease

The Company has entered into noncancelable operating lease agreements related to facility, office equipment, and vehicles with varying terms.

Non-lease components: Leases that contain non-lease components are accounted for as a single component and recorded on the balance sheet for certain asset classes including equipment. Non-lease components include, but are not limited to, common area maintenance and service arrangements.

Package of practical expedients: The Company will not reassess whether any expired or existing contracts are leases or contain leases, the lease classification for any expired or existing leases or any initial direct costs for any expired or existing leases as of the transition date. The Company has not applied the recognition and measurement requirements of ASC 842 to certain assets on lease where the Management believes it to be immaterial.

Additional transition method: The Company adopted the standard using a modified retrospective approach, applying the standard's transition provisions at the beginning of the period of adoption and maintain previous disclosure requirements for comparative periods.

The Company used the following policies and/or assumptions in evaluating the lease population:

Lease determination: The Company considers a contract to be or to contain a lease if the contract conveys the right to control the use of identified property, plant, or equipment (an identified asset) for a period of time in exchange for consideration.

Discount rate: When the lease contracts do not provide a readily determinable implicit rate, the Company uses the estimated incremental borrowing rate based on information available at the inception of the lease. The discount rate is determined by asset class.

Variable payments: The Company includes payments that are based on an index or rate within the calculation of right of use leased assets and lease liabilities, initially measured at the lease commencement date. There are variable payments in the nature of origination fees for office equipment, machinery and equipment and therefore are not treated as a part of lease payments.

Purchase options: Certain leases include options to purchase the office equipment. The depreciable life of assets are limited by the expected lease term, unless there is a transfer of title or purchase option reasonably certain of exercise.

Renewal options: Most leases include one or more options to renew, with renewal terms that can extend the lease term from one or more years. The exercise of lease renewal options is at the Company's sole discretion.

Residual value guarantees, restrictions, or covenants: The lease agreements do not contain any material residual value guarantees or material restrictive covenants.

Short-term leases: Leases with an initial term of 12 months or less are not recorded on the balance sheet; the Company recognizes lease expense for these leases on a straight-line basis over the lease term and expense the associated operating lease costs to administrative expenses on the statements of income.

Right of use (ROU) asset relating to capital lease of $ 293,992 as of March 31, 2022 (March 31, 2021: $661,656), is included in "property, plant and equipment, net" and lease liability relating to capital lease is NIL as of March 31, 2022 (March 31, 2021: $10,450).

The table below presents the classification of lease related expenses as reported in the statements of comprehensive income/ (loss).

	For the year ended	
Particulars	**March 31, 2022**	March 31, 2021
Amortization of ROU asset on finance lease (a)	**367,664**	370,869
Interest on capital lease liability (b)	**208**	6,522
Operating lease expense (c)	**3,600,281**	3,714,098
Total lease expense	**3,968,153**	4,091,489

(a) Amortization of ROU asset relating to capital lease is included in 'other selling, general and administrative expenses' in the statements of comprehensive income/loss.

(b) Interest on capital lease liability is included in 'finance cost' in the statement of comprehensive loss.

(c) Operating lease expenses are included in 'other selling, general and administrative expenses' in the statements of comprehensive income/loss. Operating lease expense include short-term leases, variable lease costs and leases which did not meet the capitalization requirement of the Company.

Future minimum lease payments as of March 31, 2022, for operating and capital leases having an initial or remaining non-cancelable lease term in excess of one year are as follows.

Year ended March 31,	**Operating lease**	**Capital lease**
2023, 2024 and 2025	10,407,585	–
2026 and 2027	6,614,968	–
2028 onwards	9,846,699	–
Total minimum lease payments	**26,869,253**	**–**
Less: Interest	5,490,905	–
Present value of lease payments	**21,378,348**	**–**

The following table presents the weighted-average remaining lease term and discount rates as of:

	March 31, 2022	**March 31, 2021**
Weighted-average remaining lease term (years)		
Operating leases	**7.92**	8.66
Capital leases	**–**	0.5
Weighted-average discount rate		
Operating leases	**4.5%**	4.5%
Capital leases	**–**	6.8%

The following table presents supplemental information for operating leases for the year ended March 31, 2022.

	For the year ended	
	March 31, 2022	**March 31, 2021**
Supplemental cash flow information		
Cash paid for amounts included in the measurement of lease liabilities		
Operating cash flows from operating leases	**3,590,861**	3,522,389
Financing cash flows from capital leases	**10,450**	421,074
Operating cash flows from capital leases	**208**	6,522
Non-cash lease assets obtained in exchange for new lease liabilities		
Operating leases	**41,846**	25,351,196

Long term finance lease obligation is calculated as:

	As at	
	March 31, 2022	March 31, 2021
Total finance lease obligation	**–**	10,450
Less: Current portion	**–**	(10,450)
Long term capital lease obligation	**–**	**–**

NOTE M – INCOME TAXES

The Company files state tax returns and federal tax returns at the standalone level. The components of the provision for income tax expense are as follows:

	For the year ended	
	March 31, 2022	March 31, 2021
Current taxes		
Federal	**659,622**	–
State	**306,261**	102,580
Deferred taxes		
Federal	**2,638,488**	–
State	**500,712**	–
Total	**4,105,083**	**102,580**

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes.

As of March 31, 2022, the Company has net deferred tax assets of $58,072,080. This is mainly attributable to three components, deferred tax on accrued dealer incentive of $7,954,607, accrued expenses of $5,664,699 and on net operating losses $38,351,173. Other components refer to deferred taxes on various other expenses, including slow moving inventory, warranty reserves and allowance for uncollectible accounts receivable. Out of total deferred tax assets, the Company has recognized deferred tax assets of $34,226,738 and created valuation allowance on the remaining balance of $23,845,342.

As of March 31, 2021, the Company has net deferred tax assets of $59,525,437. This is mainly attributable to two components, deferred tax on accrued dealer incentive of $7,022,320 and on net operating losses $42,076,331. Other components refer to deferred taxes on various expenses, including slow moving inventory, warranty reserves, allowance for uncollectible accounts receivable and other comprehensive loss related items such as cash flow hedge reserve. Out of total deferred tax assets, the Company has recognized deferred tax assets of $37,365,938 and created valuation allowance on the remaining balance of $22,159,498.

Realization of net deferred tax assets is dependent upon generation of sufficient taxable income in future years, benefit from the reversal of taxable temporary differences and tax planning strategies. Management assesses the available positive and negative evidence to estimate whether sufficient future taxable income will be generated to permit use of the existing deferred tax assets. The amount of net deferred tax assets considered realizable is subject to adjustment in future periods if estimates of future taxable income change.

Based on the evaluation of positive and negative evidences, the Company has determined that the entire amount of deferred tax assets may not be realizable in near future and accordingly created a valuation allowance of $23,845,342 and $22,159,498 as of March 31, 2022 and March 31, 2021, respectively.

The Company has federal net operating losses of $154,430,679 and $ 168,862,581 as at March 31, 2022 and March 31, 2021, respectively. These net operating losses generated will be carried forward indefinitely. The Company has state net operating loss carryforwards of approximately $95,294,621 and $ 107,138,742 as at March 31, 2022 and March 31, 2021, which if unutilized will expire based on the statutes of various states.

Accounting for uncertain tax position

The Company recognizes the benefit of a tax position only after determining that the relevant tax authority would more likely than not sustain the position following an audit. For tax positions meeting the more-likely-than-not threshold, the amount recognized in the financial statements is the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement with the relevant tax authority. The Company has no unrecognized tax positions as at March 31, 2022 and March 31, 2021.

The tax years 2018 to 2020 remain subject to examination by the taxing authorities.

NOTE N – EMPLOYEE BENEFIT PLANS

The Company adopted a 401(k)-retirement plan effective April 1, 1998. The total expense for employee retirement contribution plans for the year ended March 31, 2022 was $337,321 (March 31, 2021 – $257,343). The amounts have been included in other selling, general and administrative expenses.

NOTE O – RELATED PARTY TRANSACTIONS

The Company had transactions relating to loans, advances, issue of shares and investments with following related parties:

A. Parent Company

1. Mahindra and Mahindra Ltd.

B. Fellow Subsidiaries

1. Mahindra Integrated Business Solution Limited
2. Bristlecone India Limited
3. Bristlecone Inc.
4. Mahindra and Mahindra Financial Services Ltd
5. Mahindra Automotive Australia Pty Ltd.
6. Hisarlar Makina Sanayi Ve Ticaret A.S
7. Mahindra Vehicle Manufacturers Limited
8. Mahindra do Brasil Industrial Ltd.
9. Mahindra Overseas Investment Company Mauritius Limited
10. Mahindra Automotive North America Inc.
11. Mahindra North American Technical Center, Inc.
12. Hisarlar Makina Sanayi Ve Ticaret A.S

C. Associates

1. Mitsubishi Mahindra Agricultural Machinery Co., Ltd
2. Mahindra Finance USA, LLC

D. Subsidiary of the Company

1. Mahindra Mexico S de RL de CV

The Company purchases tractors and parts from related parties, including M&M and Mitsubishi Mahindra Agricultural Machinery Co. Ltd., on an open account, which is paid when due. Accounts payable are net of amounts the Company has paid for warranty claims and legal fees.

The Company has the following payables:

	As at	
	March 31, 2022	March 31, 2021
Mahindra and Mahindra Ltd., Farm Equipment Sector	**44,342,563**	21,082,793
Mitsubishi Mahindra Agricultural Machinery Co., Ltd	**29,888,598**	31,695,701
Mahindra and Mahindra Ltd., Head Office	**91,281**	56,551
Mahindra Integrated Business Solution Limited	**86,218**	9,750
Bristlecone India Limited	**23,077**	31,314
Mahindra North American Technical Center, Inc.	**569,852**	–
Mahindra Automotive North America Inc.	**46,659**	44,820
Total	**75,048,248**	52,920,929

In addition, the Company conducts business and records transactions with related parties for goods and services. As a result, the Company has the following receivables:

	As at	
	March 31, 2022	March 31, 2021
Mahindra and Mahindra Ltd., Farm Equipment Sector	**205,636**	832,584
Mahindra Mexico S de RL de CV	**–**	4,372
Mahindra and Mahindra Financial Services Ltd.	**21,148**	34,401
Mahindra and Mahindra Ltd., Auto Sector	**–**	12,709
Mahindra Automotive Australia Pty Ltd.	**118,155**	146,726
Hisarlar Makina Sanayi Ve Ticaret A.S	**–**	6,036
Mahindra do Brasil Industrial Ltd.	**–**	27,757
Total	**344,939**	1,064,585

The Company entered into transactions with its related parties in the normal course of business. The Company's purchases of tractors and parts from M&M Ltd. and Mitsubishi Mahindra Agricultural Machinery Co. Ltd. for the years ended March 31, 2022, and March 31, 2021 were $ 179,391,802 and $ 84,826,880, respectively. The dealers of Mahindra USA, Inc. avail financing facility from Mahindra Finance USA LLC.

The Company's net revenue from sale of off-road vehicle products amounted to $201,357 and total cost and expense reimbursements amounted to $284,355, with Mahindra North American Technical Center, Inc. for the year ended March 31, 2022 (March 31, 2021: NIL).

NOTE P – FINANCIAL INSTRUMENTS AND CONCENTRATION OF CREDIT RISK

Financial instruments that potentially subject the Company to significant credit risk consist principally of cash and accounts receivable. Risks associated with cash are mitigated by banking with financial institutions that management believes to be of high credit quality. The Company performs ongoing credit evaluations of its dealers and maintains reserves for potential credit losses. To date, such losses have been within management's expectations.

NOTE Q – RISK AND UNCERTAINTIES

The Company's future results of operations involve several risks and uncertainties.

Factors that could affect the Company's future operating results and cause actual results to vary materially from expectations include, competitive factors, including but not limited to pricing pressures; deterioration in general economic conditions; the Company's ability to effectively manage operating costs and increase operating efficiencies; declines in revenues; technological and market changes; the ability to attract and retain qualified employees and the Company's ability to execute on its business plan.

The effects of coronavirus (COVID) and the related actions of governments and other authorities to contain COVID continue to affect the Company's operations, results, cash flows, and forecasts. The future financial effects of COVID are unknown due to many factors. The extent of the impact of coronavirus (COVID 19) outbreak on operations of the Company will depend on future developments, including the duration and spread of the outbreak, related advisories and restrictions, government actions, the impact on financial markets and the overall economy, all of which are highly uncertain and cannot be predicted.

NOTE R – ASSEMBLY AND SERVICE AGREEMENT

The Company has entered into agreements with third party assemblers for the final assembly of tractors. These agreements stipulate that assemblers are to assemble the tractors in accordance with procedures provided by the Company so that the tractors are ready for sale to dealers. The assemblers store inventory owned by the Company in a secure location.

The assemblers are paid based on a piecemeal basis at various rates depending on the respective model and related accessories. These rates are reviewed and negotiated at regular intervals.

NOTE S – STOCKHOLDER'S EQUITY

Authorized common stock

The authorized Class A common stock is 460,000,000 shares with a par value of $ 0.25 and the authorized Class B common stock is 693,750,000 shares with a par value of $0.16 as at March 31, 2022 and as at March 31, 2021.

Common stock issued

Class A common stock issued and outstanding is 456,000,000 shares at $ 0.25 par value each and Class B common stock issued and outstanding is 672,500,000 shares at $0.16 par value each.

Voting

Each holder of common stock is entitled to one vote in respect of each share held by him in the records of the Company for all matters submitted to a vote.

Liquidation

In the event of liquidation of the Company, the holders of common stock shall be entitled to receive all of the remaining assets of the Company, after distribution of all preferential amounts, if any. Such amounts will be in proportion to the number of equity shares held by the shareholders.

NOTE T – SUBSEQUENT EVENTS

Subsequent events have been evaluated through the date at which financial statements were issued. There were no subsequent events or transactions identified which require disclosure.

NOTE U – COMMITMENTS AND CONTINGENT LIABILITIES

The Company is involved in various proceedings which are considered ordinary litigation incident to its business. In management's opinion, adequate provisions have been made for the contingencies and none of the current litigation will have a materially adverse effect on the Company's financial position.

As of March 31, 2022, and March 31, 2021, the Company did not have any capital commitment outstanding.

STATEMENT OF FINANCIAL POSITION AS OF MARCH 31, 2022, AND 2021

		(In Mexican pesos)
	2022	2021
Assets		
Current assets		
Cash & Cash Equivalent	**$ 3,818,889**	$ 30,356,174
Other Current Assets	**–**	184,984
Inventory	**–**	659,232
VAT Receivable	**1,002**	5,362,038
Total Current Assets	**3,819,890**	36,562,428
Non-current Assets		
Furniture & Equipment	**–**	531
Other Long Term Assets	**–**	737,199
Tax in favour	**–**	14,637,790
Total Non-Current Assets	**–**	15,375,520
Total Assets	**$ 3,819,890**	$ 51,937,948
Liabilities		
Current Liabilities		
Bank Loans	**$ –**	$ –
Suppliers	**26,093**	851,228
Due to Related Parties	**–**	18,821,231
Other Payables	**28,160,613**	63,705,805
Total Current Liabilities	**$ 28,186,706**	$ 83,378,264
Stockholders' deficit		
Common Stock	**$ 217,186,300**	$ 210,112,800
Accumulated Deficit	**(241,553,116)**	(218,257,131)
Net loss for the year	**–**	(23,295,985)
Total Stockholders' equity	**(24,366,816)**	(31,440,316)
Total Liabilities and Stockholders equity	**$ 3,819,890**	$ 51,937,948

The company is under liquidation from 1st November, 2021 when the liquidator was appointed. As the company is in liquidation it has ceased to do any trade. As per applicable local laws and regulations of the country of its incorporation there is no need to carry out any statutory audit or file any other financial closures for the Company. Accordingly Unaudited Financials Statements are being reported for the year ending 31st March, 2022.

STATEMENT OF INCOME FOR THE YEARS ENDED MARCH 31, 2022 AND 2021

		(In Mexican pesos)
	2022	2021
Net sales	**$ 6,743,408**	$ 143,162,963
Cost of sales	**4,211,821**	126,211,843
Gross profit	**2,531,587**	16,951,120
Expenses:		
Administrative expenses	**908,394**	38,731,672
Selling expenses	**1,526,690**	(1,023,414)
Total	**2,435,084**	37,708,258
Interest Costs and Foreign Exchange Gain, net	**96,503**	2,538,847
Loss before income taxes	**–**	(23,295,985)
Income Tax	**–**	–
Net loss of the year	**$ –**	$ (23,295,985)

The company is under liquidation from 1st November, 2021 when the liquidator was appointed. As the company is in liquidation it has ceased to do any trade. As per applicable local laws and regulations of the country of its incorporation there is no need to carry out any statutory audit or file any other financial closures for the Company. Accordingly Unaudited Financials Statements are being reported for the year ending 31st March, 2022.

STATEMENT OF CHANGES IN STOCKHOLDERS' FOR THE YEAR ENDED MARCH 31, 2022 AND 2021

(In Mexican pesos)

	Common stock	Accumulated losses	Stockholder´s total
Balances as at March 31, 2020	38,732,800	(218,257,131)	(179,524,331)
Common Stock Increase	171,380,000	–	171,380,000
Loss of the year	–	(23,295,985)	(23,295,985)
Balances as at March 31, 2021	**$ 210,112,800**	**$ (241,553,116)**	**$ (31,440,316)**
Common stock increase	**7,073,500**		**7,073,500**
Loss of the year		**–**	**–**
Balances as at March 31, 2022	**$ 217,186,300**	**$ (241,553,116)**	**$ (24,366,816)**

The company is under liquidation from 1st November, 2021 when the liquidator was appointed. As the company is in liquidation it has ceased to do any trade. As per applicable local laws and regulations of the country of its incorporation there is no need to carry out any statutory audit or file any other financial closures for the Company. Accordingly Unaudited Financials Statements are being reported for the year ending 31st March, 2022.

STATEMENT OF CASH FLOWS

FOR THE YEAR THEN ENDED MARCH 31, 2022 AND 2021

	2022	(In Mexican pesos $) 2021
Loss before income taxes	**$ –**	$ (23,295,985)
Depreciation & Amortisation	**737,731**	134,627
Total	**737,731**	(23,161,358)
Increase/(decrease) in:		
Accounts Receivables	**–**	14,482,601
Inventory	**659,232**	60,473,665
Recoverable VAT	**5,361,036**	(131,597)
Taxes in Favor	**14,637,790**	(3,081,178)
Other Current Assets	**922,184**	429,303
Suppliers	**(825,135)**	(6,361,978)
Due to Related Parties	**(18,821,231)**	(155,019,891)
Other Payables	**(35,545,194)**	14,971,305
Net cash used in operating activities	**(32,873,586)**	(97,399,128)
Investment Activities		
Machinery and Equipment, net	**(737,199)**	409,801
Net Cash used in Investing Activities	**(737,199)**	409,801
Excess cash to apply in financing activities	**(33,610,785)**	(96,989,327)
FINANCING ACTIVITIES:		
Bank Loans and Interest Paid	**–**	(64,776,986)
Common stock	**7,073,500**	171,380,000
	7,073,500	106,603,014
Increase in cash and cash equivalents	**(26,537,285)**	9,613,687
Cash at the beginning of the period	**30,356,174**	20,742,487
Cash at the end of the period	**$ 3,818,889**	$ 30,356,174

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS

To the
Directors of
Mahindra do Brasil Industrial Ltda.
Dois Irmãos - RS

Opinion

We have examined the financial statements of Mahindra do Brasil Industrial Ltda., which comprise the balance sheet as of March 31st, 2022 and the related statements of income, changes in equity and cash flows for the fiscal year then ended, as well as the summary of the main accounting practices and other explanatory notes.

In our opinion, the aforementioned financial statements present fairly, in all material respects, the equity and financial position of **Mahindra do Brasil Industrial Ltda.** as of March 31st, 2022, the performance of its operations and its cash flows for the fiscal year then ended, in accordance with accounting practices adopted in Brazil.

Opinion Basis

Our audit was conducted in accordance with Brazilian and international auditing standards. Our responsibilities, in accordance with such standards, are described in the following section entitled "Auditor's Responsibilities for Auditing the Financial Statements". We are independent from the company, in accordance with the relevant ethical principles set out in the Accountant's Code of Professional Ethics and in the professional standards issued by the Federal Accounting Council, and we comply with other ethical responsibilities in accordance with these standards. We believe that the audit evidence obtained is sufficient and adequate to support our opinion.

Management and governance responsibilities for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting practices adopted in Brazil and for the internal controls that it has determined to be necessary to enable the preparation of financial statements free of material misstatement, whether caused by fraud or error.

In preparing the financial statements, management is responsible for evaluating the Company's ability to continue operating, disclosing, when applicable, matters related to its going concern and the use of this accounting basis in the preparation of the financial statements, unless the management intends to liquidate the Company or cease operations, or has no realistic alternative to avoid closing operations.

Those responsible for the governance of the Company are those responsible for supervising the process of preparing the financial statements.

Auditor's responsibilities for auditing the financial statements

Our goals are to obtain reasonable assurance that the financial statements, taken as a whole, are free from material misstatement, whether due to fraud or error, and to issue an audit report containing our opinion. Reasonable assurance is a high level of assurance, but not a guarantee that the audit performed in accordance with Brazilian and international auditing standards always detects any material misstatements that exist. The misstatements can be due to fraud or error and are considered relevant when, individually or jointly, they can influence, within a reasonable perspective, the economic decisions of users made based on said financial statements.

As part of the audit performed in accordance with Brazilian and international auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. In addition to that:

- We identify and assess the risks of material misstatement in the financial statements, whether due to fraud or error, plan and perform audit procedures in response to such risks, and obtain sufficient and appropriate audit evidence to support our opinion. The risk of not detecting material misstatement resulting from fraud is greater than that arising from error, since fraud can involve the act of circumventing internal controls, collusion, forgery, omission or intentional misrepresentation.
- We gathered an understanding of internal controls relevant to the audit in order to plan audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal controls.
- We assessed the adequacy of the accounting policies used and the reasonableness of the accounting estimates and respective disclosures made by management.
- We conclude on the appropriateness of the use, by management, of the accounting basis for operational continuity and, based on the audit evidence obtained, whether there is significant uncertainty in relation to events or conditions that may raise significant doubts regarding the Company's operational continuity capacity. If we conclude that material uncertainty exists, we must draw attention in our audit report to the related disclosures in the financial statements or include a modification of our opinion if the disclosures are inadequate. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the financial statements, including the disclosures and whether the financial statements represent the corresponding transactions and events in a manner consistent with the purpose of proper presentation.

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

Porto Alegre, RS, April 25th, 2022.

Sérgio Laurimar Fioravanti
Accountant – CRCRS No. 48.601

Viviane Barcelos Cangussu Machado
Accountant – CRCRS No. 68.068

Baker Tilly Brasil RS Auditores Independentes S/S
CRCRS No. 006706/O
CVM 12.360
CNAIPJ 000023

MAHINDRA DO BRASIL INDUSTRIAL LTDA.
CNPJ 23.972.590/0001-10

BALANCE SHEET

FOR THE FISCAL YEARS ENDED ON MARCH 31ST, 2022 AND 2021
IN THOUSANDS OF BRAZILIAN REAIS

Asset	**03/31/2022**	03/31/2021
Current		
Cash and cash equivalents (Note 3)	**10,615**	4,074
Accounts receivable from customers (Note 4)	**19,132**	12,450
Advances to suppliers	**96**	284
Taxes collectable (Note 6)	**6,833**	7,804
Inventories (Note 5)	**40,124**	26,234
Other credits (Note 2)	**2,678**	939
Goods kept for sale	**–**	968
	79,478	52,753
Non-Current Asset		
Financial Application	**65**	140
	65	140
Fixed asset (Note 8)	**1,707**	2,986
Intangible (Note 9)	**41**	62
Total Non-current	**1,813**	3,188
Total Assets	**81,291**	55,941

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

BALANCE SHEET

FOR THE FISCAL YEARS ENDED ON MARCH 31ST, 2022 AND 2021

IN THOUSANDS OF BRAZILIAN REAIS

Liabilities	03/31/2022	03/31/2021
Current		
Suppliers (Note 10)	45,891	33,471
Loans and Financings (Note 11)	10,426	17,246
Taxes and installments collectable (Note 12)	2,756	1,464
Salaries and vacation payable	1,180	1,060
Customer Advances	739	1
Miscellaneous Provisions	1,616	1,791
Other bills payable	21	4
	62,629	55,037
Non-Current		
Fiscal/Tax Installments (Note 12)	**38**	251
Warranty provisions	**5,001**	2,314
Long Term Provisions	**–**	1,145
Total Non-Current	**5,039**	3,710
Total liabilities	**67,668**	58,747
Net equity		
Share Capital (Note 15)	**60,975**	60,975
Equity evaluation adjustment	**(2,618)**	(2,618)
Accumulated losses	**(44,734)**	(61,163)
	13,623	(2,806)
Total liabilities and net equity	**81,291**	55,941

The explanatory notes are part of these financial statements.

MAHINDRA DO BRASIL INDUSTRIAL LTDA.
CNPJ 23.972.590/0001-10

FINANCIAL STATEMENT

FOR THE FISCAL YEARS ENDED ON MARCH 31ST, 2022 AND 2021
IN THOUSANDS BRAZILIAN REAIS

	03/31/2022	03/31/2021
Revenues (Note 16)	**177,856**	72,878
Sale costs (Note 17)	**(135,949)**	(62,245)
Gross profit	**41,907**	10,633
Mkt and sales expenses (Note 18)	**(8,406)**	(5,291)
Managerial and tax expenses in general (Note 19)	**(4,797)**	(3,952)
Other revenues and Operating Expenses	**(1,432)**	(16)
Operating profit	**27,272**	1,374
Financial statement (note 20)		
Financial expenses	**(4,872)**	(3,777)
Financial revenues	**620**	205
	(4,252)	(3,572)
Net income (loss) before income tax and social contribution	**23,020**	(2,198)
Income tax and Social contribution		
Current	**(6,591)**	(312)
	(6,591)	(312)
Net income (loss) for the year	**16,429**	(2,510)
Quantity of shares at the end of the fiscal year	**60,975,100**	60,975,100
Result per share in BRL	**0.27**	(0.04)

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

NET EQUITY CHANGES' STATEMENT

FOR THE FISCAL YEARS ENDED ON MARCH 31ST, 2022 AND 2021

IN THOUSANDS BRAZILIAN REAIS

In BRL	Share capital	Equity evaluation adjustment	Accumulated losses	Total
Balance on Tuesday, March 31, 2020	**24,038**	**(2,618)**	**(58,653)**	**(37,233)**
Share Capital	36,937	–	–	36,937
Fiscal Year (Loss)	–	–	(2,510)	(2,510)
Balance on Wednesday, March 31, 2021	**60,975**	**(2,618)**	**(61,163)**	**(2,806)**
Share Capital	–	**–**	**–**	–
Fiscal Year Profit	**–**	**–**	**16,429**	**16,429**
Balance on Thursday, March 31, 2022	**60,975**	**(2,618)**	**(44,734)**	**13,623**

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

MAHINDRA DO BRASIL INDUSTRIAL LTDA.
CNPJ 23.972.590/0001-10

CASH FLOW STATEMENTS

FOR THE FISCAL YEARS ENDED ON MARCH 31ST, 2022 AND 2021

IN THOUSANDS BRAZILIAN REAIS

	03/31/2022	03/31/2021
Operating activities cash flow		
Net income (loss) for the year	**16,429**	(2,510)
Adjustments for:		
Inventory Adjustment	**656**	–
Slow turn provision	**(1,406)**	–
Fixed asset write–off	**1,699**	–
Scrap write–off	**1,092**	–
Depreciation and amortization	**278**	225
Fiscal credit write–off	**1,078**	–
Unrealized financial result	**(320)**	–
	18,428	(2,285)
Variations on assets and liabilities		
(Increase) Decrease on customers' accounts receivable	**(6,682)**	212
(Increase) Decrease in Inventories	**(13,890)**	(10,102)
(Increase) Decrease in Advances	**188**	69
(Increase) Decrease in Taxes Collectable	**(107)**	(2,766)
(Increase) Decrease on Other Credits	**(1,739)**	285
(Increase) Decrease on Goods kept for Sale	**968**	–
Increase (Decrease) on Suppliers and Related Parties	**12,420**	4,471
Increase (Decrease) on Taxes and Installments Collectable	**1,079**	358
Increase (Decrease) on Salaries and vacation payable	**120**	182
Increase (Decrease) in Customer Advances	**738**	(197)
Increase (Decrease) in Miscellaneous Provisions	**1,367**	917
Increase (Decrease) in Other bills payable	**17**	(1,375)
Cash flow applied in operating activities	**(5,521)**	(7,946)
Cash flow from investment activities		
Acquisition of Fixed and Intangible Assets	**(699)**	(1,286)
Cash flow applied in investment activities	**(699)**	(1,286)
Cash flow from financing activities		
Share Capital Payment	**–**	36,937
Loans and financing	**(6,820)**	(22,592)
Long Term Investments	**75**	100
Cash from (used in) financing activities	**(6,745)**	14,445
Net increase in cash and cash equivalents	**6,541**	2,928
Cash and cash equivalents on April 1st	**4,074**	1,146
Cash and cash equivalents on March 31st	**10,615**	4,074
Net increase in cash and cash equivalents	**6,541**	2,928

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

MANAGEMENT'S EXPLANATORY NOTES ON THE FINANCIAL STATEMENTS

FOR THE FISCAL YEARS ENDED ON MARCH 31ST, 2022 AND 2021

IN THOUSANDS BRAZILIAN REAIS

1. Operating context

Mahindra do Brasil Industrial Ltda is a company headquartered in Dois Irmãos-RS, at Rua 10 de Setembro, 1097, in Bairro Centro [Downtown Neighborhood]. The company was incorporated on January 14th, 2016.

The company's main objective is the Manufacture of Agricultural Tractors, Parts and Accessories, as well as the wholesale trade of new and used cars, vans and utility vehicles; retail sale of new cars, vans and SUVs; retail trade of used parts and accessories for motor vehicles; wholesale trade of machinery, apparatus and equipment for agricultural use; parts and pieces; maintenance and mechanical repair services for motor vehicles; installation of industrial machines; manufacture of other equipment and devices not previously specified; wholesale trade of new parts and accessories for motor vehicles; other holding companies, except holding companies; Other service activities provided primarily to companies not previously specified; body shop or bodywork and painting services for motor vehicles.

2. Summary of the main accounting policies

The main accounting policies applied in the preparation of these financial statements are set out below. These policies have been applied consistently in all the years presented, unless otherwise stated.

These financial statements were approved by the board on March 31st, 2022.

2.1 Base of preparation

The preparation of financial statements requires the use of certain critical accounting estimates and the exercise of judgment by management in the process of applying the Company's accounting policies. Those areas that require a higher level of judgment and are more complex, as well as areas in which assumptions and estimates are significant for the financial statements, are disclosed in Note 2.15.

(a) Financial statements

The financial statements were prepared in accordance with accounting practices adopted in Brazil, including the pronouncements, guidelines and interpretations issued by NBC TG in accordance with Laws no. 6.404/1976 and 11.638/2007.

2.2 Foreign currency conversion

Functional currency and presentation currency

Items included in the Company's financial statements are measured using the currency of the primary economic environment in which the Company operates ("the functional currency"). The financial statements are presented in Brazilian Reais (BRL), which is the Company's functional currency.

Foreign currency transactions

Transactions in foreign currency are converted into Brazilian reais at exchange rates on the dates of the transactions. Monetary assets and liabilities denominated and calculated in foreign currencies on the reporting date are translated into the functional currency at the exchange rate calculated on that date. The foreign exchange gain or loss on monetary items is the difference between the amortized cost in the functional currency at the beginning of the period, adjusted for interest and payments effective during the period, and the amortized cost in a foreign currency at the exchange rate at the end of the reporting period. Foreign currency differences resulting from the conversion are recognized in profit or loss.

2.3 Result calculation

The result of operations is determined in accordance with the accrual basis of accounting.

2.4 Cash and cash equivalents

They are comprised of financial resources held in cash, bank accounts and financial investments. Financial investments are valued at cost, plus income earned through the balance sheet date. These financial instruments are intended for trading and are recorded at realizable values (Note 4).

2.5 Financial instruments

Classification and measurement

The Company classifies its financial assets under the following categories: loans and receivables are measured at fair value through profit or loss. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets on initial recognition.

Loans and receivables

This category includes receivables that are non-derivative financial assets with fixed or determinable payments, not quoted in an active market. They are included in current assets, except for those maturing more than 12 months after the balance sheet date (these are classified in non-current assets). The Company's receivables comprise trade accounts receivable, other accounts receivable and cash and cash equivalents, except for short-term investments. Receivables are accounted for at amortized cost, using the effective interest rate method.

Financial assets measured at fair value through profit or loss

Financial assets measured at fair value through profit or loss are financial assets held for active and frequent trading. Assets in this category are classified in current assets. Gains or losses arising from changes in the fair value of financial assets measured at fair value through profit or loss are presented in the income statement under "Financial statement" in the period in which they occur. They basically refer to short-term financial investments.

2.6 Non-derivative financial liabilities

The Company recognizes debt securities issued and subordinated liabilities initially on the date they are originated. All other financial liabilities are initially recognized on the trade date on which the Company becomes a party to the contractual provisions of the instrument. The Company writes off a financial liability when its contractual obligations are discharged, canceled or expired.

Financial assets and liabilities are offset and the net amount is presented on the balance sheet when, and only when, the Company has the legal right to offset the amounts and intends to settle on a net basis or to realize the asset and settle the passive simultaneously. The Company has the following non-derivative financial liabilities: loans with related parties, suppliers, loans and other accounts payable.

Such financial liabilities are initially recognized at fair value plus any attributable transaction costs. After initial recognition, these financial liabilities are measured at amortized cost using the effective interest method.

2.7 Inventories

The cost of inventories is based on the weighted average principle and includes expenses incurred in acquiring inventories, production and transformation costs and other costs incurred in bringing them to their existing locations and conditions.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and selling expenses.

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2.8 Fixed Assets

(a) Recognition and measurement

The Company chose to revalue property, plant and equipment at deemed cost (deemed cost) on October 31, 2016. The effects of deemed cost decreased property, plant and equipment against shareholders' equity, net of tax effects (Note 10).

After the transition of the NBC TG's, property, plant and equipment items are now measured at the historical cost of acquisition or construction, less accumulated depreciation and accumulated impairment losses.

Cost includes expenses that are directly attributable to the acquisition of an asset. Purchased software that forms an integral part of the functionality of a device is capitalized as part of that device.

Gains and losses on the sale of an item of property, plant and equipment are determined by comparing the proceeds from the sale with the book value of the property, plant and equipment, and are recognized net within other income in the income statement.

(b) Subsequent costs

The replacement cost of a component of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the economic benefits embodied within the component will flow to the Company and its cost can be measured reliably. The carrying amount of the component that has been replaced by another is written off. Property, plant and equipment maintenance costs are recognized in income as incurred.

(c) Depreciation

Depreciation is recognized in profit or loss based on the straight-line method with respect to the estimated useful lives of each part of an item of property, plant and equipment, as this method is the one that most closely reflects the pattern of consumption of future economic benefits embodied in the asset.

2.9 Impairment

The Company analyzes the existence of evidence that the carrying amount of an asset will not be recovered. If evidence is identified, the Company estimates the asset's recoverable amount. The recoverable amount of an asset is the greater of: (a) its fair value less costs that would be incurred to sell it, and (b) its value in use. The value in use is equivalent to the discounted cash flows (before taxes) derived from the continuous use of the asset until the end of its useful life.

When the carrying amount of the asset exceeds its recoverable value, the Company recognizes a reduction in the carrying amount of this asset (impairment or deterioration). For assets recorded at cost, the impairment is recorded in profit or loss for the period. If the recoverable amount of an individual asset is not determined, an analysis of the recoverable amount of the cash-generating unit to which the asset belongs is performed.

2.10 Provisions

A provision is recognized, depending on a past event and if the Company has a legal or constructive obligation that can be estimated reliably and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and specific risks to the liability.

Financial liabilities are classified as financial liabilities at fair value through profit or loss, as the case may be. The Company determines the classification of its financial liabilities at the time of their initial recognition. The Company's financial liabilities include accounts payable to suppliers, tax and labor obligations.

2.11 Share capital

The shares are all paid in and classified as equity. Mandatory minimum dividends, if any, as defined in the articles of association, are recognized as a liability.

2.12 Operating income

Operating income from the sale of goods in the ordinary course of business is measured at the fair value of the consideration received or receivable. Operating income is recognized when there is convincing evidence that: i) the most significant risks and benefits inherent in the ownership of the goods have been transferred to the buyer, which in the Company's case is when the products are delivered to its customers, ii) that it is probable that the economic and financial benefits will flow to the Company, iii) that the associated costs and the possible return of goods can be estimated reliably, iv) that there is no ongoing involvement with the goods sold, v) and that the value of operating income can be measured reliably. If it is probable that discounts will be granted and the amount can be measured reliably, then the discount is recognized as a reduction in operating income as sales are recognized.

2.13 Financial income and expenses

Financial income basically comprises interest income, discounts, income from financial investments and gains from exchange variation.

Financial expenses include interest expenses, financial expenses and loans and financing, as well as the respective passive exchange variations.

2.14 Income tax and social contribution

Current and deferred income tax and social contribution are calculated based on the rates of 15%, plus an additional 10% on taxable income exceeding BRL 240 thousand for income tax and 9% on taxable income for contribution social contribution, and consider the offset of tax losses and negative basis of social contribution, limited to 30% of taxable income.

2.15 Critical accounting estimates and judgments

Accounting estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events, considered reasonable under the circumstances.

Based on assumptions, the Company makes estimates regarding the future. By definition, the resulting accounting estimates will rarely be equal to the related actual results. The estimates and assumptions that present a significant risk, likely to cause a material adjustment in the carrying amounts of assets and liabilities for the next fiscal year, are contemplated below.

3. Cash and Cash Equivalents

	03/31/2022	03/31/2021
Cash	**1**	1
Bank account movement	**669**	38
Financial investments	**9,945**	4,035
	10,615	4,074

The Company makes financial investments in large financial institutions with the purpose of generating financial income while not using the resources. Investments in Brazilian reais are made in CDBs issued by the bank and repo (repurchase) operations, the repo (repurchase) is an investment in bank leasing debentures with daily liquidity and guarantee of repurchase by the bank.

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4. Accounts receivables from customers

	03/31/2022	03/31/2021
National customers	**20,478**	13,796
(-) Provision for estimated losses	**(1,346)**	(1,346)
	19,132	12,450

The Company sells its products directly to its dealers, through its commercial department. In the fiscal year in question. The provision for expected losses is considered sufficient by management, considering the company's history of losses.

5. Inventories

	03/31/2022	03/31/2021
Raw material	**9,614**	13,458
Inventory in transit	**17,192**	8,326
Finished products	**1,370**	3,684
Third parties' inventory in our possession	**27**	–
Resale merchandise	**2,672**	25
Statement Tractor Inventory	**827**	582
(-) Provision for Inventory Loss - Others	**(1,324)**	(2,730)
Third Party Tractor Inventory - General Warehouse	**9,603**	1,719
Products in possession of third parties	**143**	24
Third parties' goods in our possession	**–**	1,146
	40,124	26,234

6. Taxes Collectable

	03/31/2022	03/31/2021
ICMS Collectable	**1,580**	2,006
PIS Collectable	**996**	1,031
COFINS Collectable	**4,000**	4,716
Other taxes	**257**	51
	6,833	7,804

7. Other Credits

	03/31/2021	03/31/2020
Accounts receivable	**1,189**	522
Amounts to be appropriated	**477**	369
Salary advances	**46**	34
Import advances	**–**	–
Forwarding agents advance	**966**	14
	2,678	939

Amounts in Accounts Receivable refer to reimbursement from the controller, in addition to consortium quotas, awaiting consideration.

8. Fixed Assets

a) Composition

								03/31/2021
		Cost			Depreciation			
	Depreciation rate	Cost	Equity evaluation adjustment	Total	Cost	Equity evaluation adjustment	Total	Net
Machines and equipment	10% a.a.	1,075	672	1,747	(326)	(297)	(623)	1,124
Tools		1		1	–	–	–	1
Improvements in third party goods	20% a.a.	129		129	(2)	–	(2)	127
Furniture and utensils	10% a.a.	728	(639)	89	(315)	277	(37)	52
Computing - equipment	20% a.a.	256	(24)	232	(140)	22	(118)	113
Installations	10% a.a.	263	(245)	18	(108)	108	0	18
Tractors in Test		403	–	403	–	–	–	403
Fixed assets in possession of third parties		33	–	33	–	–	–	33
Tractors used in exhibitions/fairs		74	–	74	–	–	–	74
Fixed Asset in Progress		526	–	526	–	–	–	526
Development/prototype		515	–	515	–	–	–	515
Total		**4,003**	**(237)**	**3,766**	**(891)**	**110**	**(781)**	**2,986**

IN THOUSANDS BRAZILIAN REAIS

								03/31/2022
		Cost			Depreciation			
	Depreciation rate	Cost	Equity evaluation adjustment	Total	Cost	Equity evaluation adjustment	Total	Net
Machines and equipment	10% a.a.	979	672	**1,651**	(271)	(379)	**(649)**	**1,002**
Tools		41	–	**41**	(6)	–	**(6)**	**35**
Improvements in third party goods	20% a.a.	208	–	**208**	(61)	–	**(61)**	**147**
Furniture and utensils	10% a.a.	386	(639)	**(253)**	(197)	341	**145**	**(109)**
Computing - equipment	20% a.a.	245	(24)	**221**	(160)	26	**(133)**	**87**
Installations	10% a.a.	263	(245)	**18**	(133)	133	**–**	**18**
Tractors in Test		267	–	**267**	–		**–**	**267**
Fixed assets in possession of third parties		–	–	**–**	–		**–**	**–**
Tractors used in exhibitions/fairs		–	–	**–**	–		**–**	**–**
Fixed Asset in Progress		–	–	**–**	–		**–**	**–**
Development/prototype		260	–	**260**	–		**–**	**260**
Total		**2,650**	**(237)**	**2,413**	**(827)**	**122**	**(705)**	**1,707**

b) Movement

	Machines and equipment	Tools	Improvements in third party goods	Furniture and utensils	Computing - equipment	Installations	Tractors in Test	Fixed assets in possession of third parties	Tractors used in exhibitions/ fairs	Fixed Asset in Progress	Development/ prototype	Total
Cost												
Opening balance	1,747	1	129	89	232	18	403	33	74	526	515	3,766
Addition	241	40	197	6	2	–	–	–	–	–	213	699
Write-off	(347)	–	(118)	(348)	(13)	–	(136)	–	(107)	(526)	(458)	(2,053)
Transfer	10	–	–	–	–	–	–	(33)	33	–	(10)	–
Final balance	**1,651**	**41**	**208**	**(253)**	**221**	**18**	**267**	**–**	**–**	**–**	**260**	**2,413**
Depreciation												
Opening balance	(623)	–	(2)	(37)	(118)	–	–	–	–	–	–	(781)
Addition	(181)	(6)	(58)	(6)	(27)	–	–	–	–	–	–	(278)
Write-off	155	–	–	187	12	–	–	–	–	–	–	354
Transfer	–	–	–	–	–	–	–	–	–	–	–	–
Final balance	**(649)**	**(6)**	**(61)**	**144**	**(133)**	**–**	**–**	**–**	**–**	**–**	**–**	**(705)**
Net 3/31/2021	**1,124**	**1**	**127**	**52**	**113**	**18**	**403**	**33**	**74**	**526**	**515**	**2,986**
Net 3/31/2022	**1,002**	**35**	**147**	**(109)**	**87**	**18**	**267**	**–**	**–**	**–**	**260**	**1,707**

9. Intangible assets

		03/31/2021		03/31/2022	
	Amortization Fee	Net	Cost	accumulated Amortization	Net
Computing - Software and Licenses	20% p.a.	62	3	**(24)**	**41**
		62	3	**(24)**	**41**

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10. Suppliers

The Company has suppliers abroad of inputs that are related parties: Mahindra USA and Mahindra Mumbai.

	03/31/2022	03/31/2021
National Suppliers	**7,189**	3,893
International Suppliers	**38,702**	29,578
	45,891	33,471

The obligations with the controller refer to the purchase of inputs and finished products without foreign exchange exposure, whose payment term is 180 days from the date of shipment.

11. Loans and financing

	03/31/2022	03/31/2021
Citibank S.A.	**10,426**	17,246
	10,426	17,246

The rates raised vary between 7.85% p.a. and 8.05% p.a. Loans are guaranteed by the controller. The contract expires in June 2022.

12. Taxes and installments collectable

	03/31/2022	03/31/2021
IRRF	**48**	45
CSRF	**8**	7
ICMS ST	**1,825**	977
IRPJ/CSLL	**691**	269
Others	**20**	11
RFB Simplified Installments	**202**	200
(-) Interest to be incurred	**(38)**	(45)
Total current	**2,756**	1,464
RFB Simplified Installments	**47**	299
(-) Interest to be incurred	**(9)**	(48)
Total non-current	**38**	251

13. Contingency

The Company is a party to labor and civil proceedings. For those lawsuits whose loss was considered probable, if applicable, the respective provision for losses was fully recorded. For the possible loss, 50% of the estimated amount was provisioned.

Civil provisions refer mainly to claims before representatives, while labor provisions refer substantially to various labor claims involving former employees of the Company.

As of March 31, 2022, the Company has the amount of BRL326.6 in labor and civil lawsuits, involving risk of possible loss as classified by management and its legal advisors.

The Company maintains lawsuit No. 5016813-20.2019.4.04.7108, against the National Treasury Union, referring to the exclusion of ICMS from the PIS/COFINS calculation basis. Which in 2018 had its appeal judged in December, with the merits of the action, with publication of the Judgment in January 2019, the action has not yet become final. Management is not using the right to use these credits, considering that there are still points to be clarified about the calculation method.

14. Tax Losses and Negative Basis

The company has a balance of BRL 44,916 of tax loss carry forwards and negative basis of social contribution, these credits represent a right to set up deferred tax credits in the amount of BRL 15,271, which are not activated, based on the expectation of generating future taxable income. These credits are realized by offsetting their base, limited to 30% of taxable income in subsequent years. No tax credits were recorded on temporary tax differences, which are provision for inventory losses, provision for expected losses, provision for guarantees, miscellaneous provision and long-term provisions.

Annually, management assesses this expectation of future taxable income and, when it identifies its recoverability, it will proceed with the necessary adjustments to bring the amount of said credits recorded to their probable realizable value. Deductible temporary differences do not expire in accordance with current tax legislation.

15. Net equity

a) Share capital

On March 31, 2022, the paid-in capital stock was represented by 60,975,100 shares, with a par value of BRL 1.00 (one real) each, distributed among the partners as follows:

	03/31/2022	03/31/2021
Mahindra & Mahindra Ltd.	**60,911**	60,911
Mahindra Overseas Investment Company (Mauritius)	**64**	64
	60,975	60,975

b) Equity evaluation adjustment

The reserve for equity valuation adjustments includes adjustments for adopting the deemed cost of the asset on the transition date.

c) Destination of the results

The Company's Articles of Incorporation determines the distribution of results in the proportion that the shareholders who hold the majority of the capital stock approve. The Company did not allocate the results for this year, as it must first absorb the accumulated losses from previous periods.

16. Revenues

	03/31/2022	03/31/2021
Product sales	**199,932**	82,516
(-) Tax on sales	**(21,896)**	(9,321)
(-) Returns and rebates	**(180)**	(317)
Net Revenue	**177,856**	72,878

17. Sales Cost

	03/31/2022	03/31/2021
Cost of product sold	**133,192**	60,696
Cost of sold merchandise	**1,945**	1,454
Turnover/inventory adjustment provision	**812**	(5)
	135,949	62,245

MANAGEMENT'S EXPLANATORY NOTES ON THE FINANCIAL STATEMENTS

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IN THOUSANDS BRAZILIAN REAIS

18. Sales and mkt expenses

	03/31/2022	03/31/2021
Salaries, benefits, and social charges	**2,636**	2,357
Third parties provided services	**440**	715
Advertising and publicity	**431**	437
Vehicle expenses	**3**	9
Trips and lodging	**294**	225
Fairs, congresses and symposia	**345**	56
Expenses with promotions and events	**56**	17
Extended warranties	**3,963**	1,450
Other sale expenses	**238**	25
	8,406	5,291

19. Managerial and tax expenses

	03/31/2022	03/31/2021
Salaries, benefits, and social charges	**2,726**	2,303
Third parties provided services	**332**	273
Communications and electric power	**57**	227
Trips and lodging	**68**	34
Depreciation and amortization	**1,023**	923
Fairs, congresses and symposia	**4**	-
Vehicle expenses	**7**	14
Insurances	**10**	6
Office supplies	**23**	20
Tax expenses	**350**	66
Import expenses	**14**	14
Projects expenses	**0**	4
Others	**183**	68
	4,797	3,952

20. Financial statement

	03/31/2022	03/31/2021
Financial expenses		
Passive exchange variation	**370**	303
Interest payable	**4,448**	3,091
IOF	**15**	154
Others	**39**	229
	4,872	3,777
Financial revenues		
Income w/ Financial Investments	**204**	78
Active exchange variations	**396**	94
Others	**20**	33
	620	205

21. Insurance

The management of the companies adopts the policy of taking out insurance for the headquarters of the Companies, whose coverage is considered sufficient by the Management and insurance agents to cover the occurrence of claims, and the management is responsible for defining the risk assumptions adopted.

22. Financial risk management

(a) Overview

The Company is exposed to the following risks arising from the use of financial instruments:

- Credit risks
- Liquidity risks
- Market risks
- Currency risks
- Operating risks

We present information on the Company's exposure to each of the aforementioned risks, the Company's objectives, policies and processes for risk measurement and management, and the Company's capital management. Additional quantitative disclosures are included throughout these financial statements.

(b) Risk management framework

Management has overall responsibility for establishing and overseeing the Company's risk management framework. Risk management policies are established to identify and analyze the risks faced by the Company, to define appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are frequently revised to reflect changes in market conditions and the Company's activities. The Company, through its training and management rules and procedures, aims to develop a disciplined and constructive control environment, in which all employees understand their roles and obligations.

(c) Credit risks

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, which arise primarily from customer receivables and investment securities.

Accounts receivable from customers and other credits

The Company's exposure to credit risk is mainly influenced by the individual characteristics of each customer. However, management also considers the demographics of the customer base, including the credit risk of the region where customers operate, as these factors can influence credit risk.

Management has established a credit policy in which all new customers have their creditworthiness analyzed individually before the Company's payment and delivery terms and conditions are offered. The analysis includes external assessments, when available, including a prior analysis of the bank records carried out by the financial institutions themselves. Purchase limits are established for each customer, guaranteed by financial institutions, which represent the maximum amount outstanding without requiring prior approval. These limits are periodically reviewed. Customers who fail to meet the established credit limit may only operate with the Company on an advance payment basis. Once the transaction is approved by the financial institution, the sale is carried out and the risk becomes entirely with the financial institution.

In monitoring customers' credit risk, they are grouped according to their credit characteristics, including geographic location, maturity and existence of previous financial difficulties.

(d) Liquidity risks

Liquidity risk is the risk in which the Company will find it difficult to meet the obligations associated with its financial liabilities that are settled with cash payments or with another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it always has sufficient liquidity to meet its maturing obligations, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Based on the calculation of the Liquidity ratios, the current liquidity ratio corresponds to 1.27 on March 31, 2022, a result that demonstrates balance in a possible settlement of short-term obligations.

(e) Market risks

Market risk is the risk that changes in market prices, such as exchange rates, interest rates and share prices, may have on the Company's earnings or the value of its holdings in financial instruments. The objective of market risk management is to manage and control exposures to market risks, within acceptable parameters, while optimizing returns.

The Company complies with financial obligations to manage market risks. All these operations are conducted within the guidelines established by Management.

(f) Currency risks

The Company is subject to currency risk in purchases, loans and financing denominated in a currency other than its functional currency, the Real (R$). The currency in which these transactions are primarily denominated is the US dollar.

With respect to other monetary assets and liabilities denominated in foreign currency, the Company ensures that its net exposure is maintained at an acceptable level to address short-term instabilities.

(g) Operating risks

Operating risks are the risks of direct or indirect losses arising from a variety of causes associated with the Company's processes, personnel, technology and infrastructure and from external factors, except credit, market and liquidity risks, such as those arising from legal and regulatory requirements and generally accepted standards of business behavior. Operating risks arise from all of the Company's operations.

The Company's objective is to manage operational risks to avoid the occurrence of financial losses and damage to its reputation, as well as to seek cost effectiveness and to avoid control procedures that restrict initiative and creativity.

Primary responsibility for the development and implementation of controls to address operational risks is assigned to senior management. Accountability is supported by the development of the Company's general standards for the management of operational risks in the following areas:

- Requirements for proper segregation of duties, including independent authorization of operations;
- Requirements for reconciliation and monitoring of operations;
- Compliance with regulatory and legal requirements;
- Documentation of controls and procedures;
- Requirements for the periodic assessment of operational risks faced and the adequacy of controls and procedures to address the identified risks;
- Requirements to report operating losses and proposed corrective actions;
- Development of contingency plans;
- Training and professional development;
- Ethical and business standards;
- Risk mitigation, including insurance where effective.

(h) Capital management

The Executive Board has been monitoring the loss generated by the operation, in order to mitigate its causes and generate returns on capital, which the Company defines as results of operating activities divided by total equity.

Shareholders provide advances for future capital increases when necessary and/or contributions to maintain cash flow and support investments, whichever is more profitable for the Company.

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Erkunt Traktör Sanayii Anonim Şirketi;

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Erkunt Traktör Sanayii Anonim Şirketi (the "Company"), which comprise the statement of financial position as at December 31, 2021, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2021, and its financial performance and its cash flows for the year then ended in accordance with Turkish Financial Reporting Standards ("TFRS"s).

Basis for opinion

Our audit was conducted in accordance with the Standards on Independent Auditing (the "SIA") that are part of Turkish Standards on Auditing issued by the Public Oversight Accounting and Auditing Standards Authority (the "POA"). Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We here by declare that we are independent of the Company in accordance with the Ethical Rules for Independent Auditors (the "Ethical Rules") and the ethical requirements regarding independent audit in regulations issued by POA that are relevant to our audit of the financial statements. We have also fulfilled our other ethical responsibilities in accordance with the Ethical Rules and regulations. We believe that the audit evidence we have obtained during the independent audit provides a sufficient and appropriate basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. Key audit matters were addressed in the context of our independent audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters	
Recoverability of trade receivables	**How our audit addressed the key audit matter**
Trade receivables amounting to TL 378.905.119 constitute a significant portion of the assets of the Company as of December 31, 2021. Furthermore, the assessment of the recoverability of these assets involves significant level of management estimates. Such estimation includes considering the following for each customer- the amount of guarantees/collateral held, past collection performance, credit quality and aging of receivables. The outcome of such estimates is very sensitive to changes in market conditions. Therefore, recoverability of trade receivables is a key matter for our audit.	We performed the following procedures in relation to the recoverability of trade receivables: Understanding the business process for collections from customers, evaluating the operational effectiveness of controls embedded in the business process and testing of selected controls, Comparing trade receivable turnover days to the prior period Testing collections in the subsequent period from selected customers Inquiries with management in relation to any disputes with customers and written inquiries with the Company's legal counsels on outstanding litigation in relation to trade receivables Testing receivables by obtaining confirmation letters from customers and reconciling them to the Company's accounting records.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with TFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

Eren Bağımsız Denetim A.Ş.
Member Firm of GRANT THORNTON International

Emir Taşar,
Partner
Ankara, Turkey
April 8, 2022

STATEMENT FINANCIAL POSITION AS OF DECEMBER 31, 2021

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

	Notes	**Current Period Audited December 31, 2021**	Prior Period Audited December 31, 2020
Assets			
Current assets			
Cash and cash equivalents	**3**	**18,574,616**	18,629,530
Trade receivables:			
– Due from third parties	**5**	**378,905,119**	142,568,294
Other receivables:			
– Due from third parties	**6**	**21,126,820**	22,459,699
Financial investments	**7**	**22,921**	286,282
Inventories	**8**	**202,547,882**	137,432,796
Prepaid expenses	**10**	**31,639,871**	5,773,936
Other current assets	**9**	**64,202,434**	45,604,523
Total current assets		**717,019,663**	372,755,060
Non-current assets			
Investment accounted by the equity method	**12**	**107,862,689**	65,342,037
Property, plant and equipment	**13**	**47,428,929**	37,274,081
Intangible assets	**14**	**24,318,583**	–
Right of use assets	**15**	**188,982**	2,459,421
Deferred tax assets	**27**	**18,331,965**	–
Total non-current assets		**198,131,148**	105,075,539
Total assets		**915,150,811**	477,830,599

STATEMENT FINANCIAL POSITION AS OF DECEMBER 31, 2021

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

	Notes	**Current Period Audited December 31, 2021**	Prior Period Audited December 31, 2020
Liabilities			
Current liabilities			
Financial liabilities	**4**	**70,734,233**	121,826,318
Trade payables:			
– Due to related parties	**5**	**37,173,089**	29,601,023
– Due to third parties	**5**	**247,364,120**	153,313,996
Other payables:	**6**	***16,259,559***	14,835,869
Deferred income	**10**	**177,986,333**	16,552,781
Employee benefit obligations	**16**	**1,146,664**	841,304
Other provisions	**17**	**23,257,741**	16,555,212
Provision for employee benefits	**17**	**1,912,243**	1,639,437
Other current liabilities	**18**	**36,693,902**	20,709,953
Total current liabilities		**612,527,884**	375,875,893
Non-current liabilities			
Financial liabilities	**4**	**3,072,569**	5,331,156
Provision for employee benefits	**17**	**4,217,760**	2,575,408
Total non-current liabilities		**7,290,329**	7,906,564
Total liabilities		**619,818,213**	383,782,457
Shareholders' equity			
Paid-in share capital	**20**	**365,000,000**	265,000,000
Investment accounted by equity method not to be reclassified to profit or loss:		**(7,241,608)**	(5,727,914)
– Property plant and equipment revaluation fund		**20,500,262**	20,500,262
– Actuarial loss fund arising from employee benefits		**(1,767,148)**	(997,972)
Legal reserves		**3,442,629**	3,442,629
Accumulated losses		**(188,168,863)**	(108,466,340)
Net profit for the year		**103,567,326**	(79,702,523)
Total equity		**295,332,598**	94,048,142
Total liabilities and equity		**915,150,811**	477,830,599

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED DECEMBER 31, 2021

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

	Notes	Current Period Audited January 1, – December 31, 2021	Prior Period Audited January 1 – December 31, 2020
Sales	22	1,115,683,779	610,629,690
Cost of sales (-)	22	(967,129,228)	(552,006,645)
Gross profit		148,554,551	58,623,045
General administrative expenses (-)	23	(17,674,331)	(16,604,940)
Marketing, sales and distribution expenses (-)	23	(58,619,569)	(38,464,366)
Research and development expenses (-)	23	(4,509,409)	(4,493,632)
Other operating income	24	43,076,550	27,522,845
Other operating expenses (-)	24	(50,856,574)	(77,958,172)
Operating profit/(loss)		59,971,218	(51,375,220)
Income from investment accounted by equity method	12	44,034,346	8,019,529
Income from investment activities	25	969	–
Expenses from investment activities (-)	25	(74,339)	(5,863,911)
Operating Profit/(loss) before financial income		103,932,194	(49,219,601)
Financial income	26	36,466,104	3,095,508
Financial expenses (-)	26	(54,906,545)	(17,446,779)
Profit/(loss) before tax		85,491,753	(63,570,872)
Current year tax expenses (-)	27	–	–
Deferred tax income/(expenses)	27	18,075,573	(16,131,651)
Net Profit/(loss) for the year		103,567,326	(79,702,523)
Attribution of net profit for the period			
Owners of the parent		103,567,326	(79,702,523)
Non-controlling interests		–	–
Profit/(loss) per share	28	284	(301)
Not to be reclassified to profit or loss:			
- Investment accounted by equity method not to be reclassified to profit or loss		(1,513,694)	(2,735,579)
- Actuarial loss arising from employee benefits (-)	17	(1,025,568)	(133,631)
- Tax effect		256,392	29,399
Other comprehensive income		(2,282,870)	(2,839,811)
Total comprehensive income		101,284,456	(82,542,334)

STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR ENDED DECEMBER 31, 2021

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

	Paid-in share capital	Property, plant and equipment revaluation fund	Actuarial loss fund arising from employee benefits	Investment accounted by equity method not to be reclassified to profit or loss	Reserves	Accumulated losses	Net profit /(loss) for the year	Total equity
January 1, 2020	200,000,000	20,500,262	(893,740)	(2,992,335)	3,442,629	(63,819,302)	(44,647,038)	111,590,476
Transfers	–	–	–	–	–	(44,647,038)	44,647,038	–
Capital increase	65,000,000	–	–	–	–	–	–	65,000,000
Net profit for the year	–	–	–	–	–	–	(79,702,523)	(79,702,523)
Other comprehensive income/(expenses)	–	–	(104,232)	(2,735,579)	–	–	–	(2,839,811)
December 31, 2020	265,000,000	20,500,262	(997,972)	(5,727,914)	3,442,629	(108,466,340)	(79,702,523)	94,048,142
January 1, 2021	265,000,000	20,500,262	(997,972)	(5,727,914)	3,442,629	(108,466,340)	(79,702,523)	94,048,142
Transfers	**–**	**–**	**–**	**–**	**–**	**(79,702,523)**	**79,702,523**	**–**
Capital increase	**100,000,000**	**–**	**–**	**–**	**–**	**–**	**–**	**100,000,000**
Net profit for the year	**–**	**–**	**–**	**–**	**–**	**–**	**103,567,326**	**103,567,326**
Other comprehensive income/(expenses)	**–**	**–**	**(769,176)**	**(1,513,694)**	**–**	**–**	**–**	**(2,282,870)**
December 31, 2021	365,000,000	20,500,262	(1,767,148)	(7,241,608)	3,442,629	(188,168,863)	103,567,326	295,332,598

(*) In the Trade Registry Gazette published on September 27, 2021, the share capital of the Company was increased at the amount of TL 100.000.000 which was paid cash.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31, 2021

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

		Audited January 1- December 31, 2021	Audited January 1 – December 31, 2020
A. Cash flows from operating activities			
I. Profit before taxation on income for the year		**103.567.326**	(79.702.523)
II. Adjustments for reconciliation of profit before taxation:		**(18,914,327)**	76,020,083
Adjustment for depreciation and amortization	**13,14,15**	**6,254,369**	7,411,580
Adjustment for gain on sales of fixed assets	**25**	**–**	7,185
Adjustments related to provisions for employee benefits	**17**	**1,551,004**	1,110,055
Adjustment for provision for warranty	**17**	**6,546,053**	1,624,195
Adjustment for provision for lawsuits	**17**	**156,476**	601
Adjustment for impairment of inventories	**8**	**–**	25,229
Adjustment for impairment	**14,15**	**–**	41,478,078
Adjustment for doubtful receivables provision	**5**	**3,716,193**	(379,878)
Adjustments for undisturbed profits of investments accounted for using equity	**12**	**(44,034,346)**	(8,019,529)
Adjustments related to interest income	**26**	**(26,195)**	(13,038)
Adjustments related to interest expenses	**26**	**24,635,430**	16,287,586
Adjustments related to discount expenses		**1,018,142**	1,046,072
Adjustments related to discount income		**(919,241)**	(919,241)
Adjustments related to fair value gain on derivative financial instruments	**26**	**263,361**	229,538
Adjustment for tax expenses	**27**	**(18,075,573)**	16,131,651
III. Changes in working capital:		**(70,144,210)**	(24,256,882)
Changes in trade receivables		**(239,133,777)**	(74,463,860)
Changes in trade payables		**7,572,066**	129,366,928
Changes in other liabilities		**1,423,690**	9,899,247
Changes in employee benefit obligations		**305,360**	(1,060,181)
Changes in prepaid expenses		**(26,122,327)**	4,793,364
Changes in other assets		**73,508,363**	(24,148,320)
Changes in deferred income		**161,433,552**	7,412,915
Changes in inventories		**(65,115,086)**	(87,020,221)
Changes in other working capital		**15,983,949**	10,963,246
Cash flows from operating activities:		**(25,014,257)**	(16,357,754)
Employment termination benefits paid	**17**	**(405,022)**	(70,168)
Interest paid	**26**	**(24,635,430)**	(16,287,586)
Taxes paid		**26,195**	–
B. Cash flows from investing activities		**(38,457,361)**	(17,945,733)
Cash outflow from purchases of property, plant and equipment	**13**	**(13,255,259)**	(3,790,004)
Cash outflow from purchases of intangible assets	**14**	**(25,306,791)**	(14,192,315)
Proceeds from sale of tangible assets		**104,689**	36,586
C. Cash flows from financing activities		**48,907,915**	71,387,877
Change in the financial liabilities		**–**	8,910,552
Cash outflow from payment of lease liabilities		**(1,937,206)**	(2,522,675)
Cash outflows for debt payments		**(51,413,466)**	–
Share capital increase in cash		**100,000,000**	65,000,000
Net increase in cash and cash equivalents		**(54.914)**	9,145,068
D. Cash and cash equivalents at the beginning of the year		**18,629,530**	9,484,462
E. Cash and cash equivalents at the end of the year		**18,629,530**	18,629,530

NOTES TO THE FINANCIAL STATEMENTS AS OF DECEMBER 31, 2021
(Currency – TL unless otherwise indicated)

1. Organization and nature of activities

Erkunt Traktör Sanayii Anonim Şirketi ("Erkunt" or the "Company") was established on November 12, 2013.

The main activity of the Company is the production, sales, maintenance and repair of agricultural machinery, engine and transmission units, machinery and equipment.

The registered address of Company is Organize Sanayi Bölgesi, Batı Hun Caddesi, No: 2, Sincan, Ankara.

As of December 31, 2021, the number of personnel working within the Company is 295 (December 31, 2020: 265).

2. Basis of preparation of financial statements and significant accounting policies

2.1. Basis of preparation

The Company and its subsidiary maintain its books of account and prepare its statutory financial statements in accordance with accounting principles in the Turkish Commercial Code ("TCC") and tax legislation.

The accompanying financial statements are prepared in accordance with Turkish Accounting Standards/Turkish Financial Reporting Standards ("TAS/TFRS") and its addendum and interpretations issued by Public Oversight Accounting and Auditing Standards Authority ("POA").

The financial statements are prepared in accordance with Turkish Accounting Standards for the purpose of fair presentation with booking of additional adjustments and reclassifications issued by Public Oversight Accounting and Auditing Standards Authority ("POA"). These adjustments consist of warranty provision, calculation of severance payment, useful lives and prorate of depreciation of tangible assets, provision accounting, provision of impaired inventories accounting, doubtful trade receivables and rediscount of trade payables.

Approval of financial statements

These financial statements have been approved and authorized to be published by the Board of Directors on April 8, 2022. The Board of Directors has the authority to revise the financial statements after issuance.

Functional and presentation currency

The Company's financial statements are prepared and presented in Turkish Lira ("TL"), which is the currency of the primary economic environment in which the entity operates.

Comparative information and amendments on past year financial statements

The accompanying financial statements are prepared comparatively with the previous period in order for the determination of the Company's financial position, performance, and cash flow trends. When there is a change in the presentation and reclassification of the items of the financial statements, the Company reclassifies the financial statements of the previous period to conform the comparability and discloses information related to these matters.

2.1 The new standards, amendments and interpretations

The accounting policies adopted in preparation of the financial statements as at December 31, 2021 are consistent with those of the previous financial year, except for the adoption of new and amended IFRS and IFRIC interpretations effective as of 1 January 2021 and thereafter. The effects of these standards and interpretations on the Company financial position and performance have been disclosed in the related paragraphs.

i) The new standards, amendments and interpretations which are effective as at 1 January 2021 are as follows:

- Interest Rate Benchmark Reform – Phase 2 – Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16
- Practical expedient for changes in the basis for determining the contractual cash flows as a result of IBOR reform
- Amendments to IFRS 16 - Covid-19-Related Rent Concessions and Covid-19-Related Rent Concessions beyond 30 June 2021

ii) Standards issued but not yet effective and not early adopted

- Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
- Amendments to IFRS 3 – Reference to the Conceptual Framework
- Amendments to IAS 16 – Proceeds before intended use
- Amendments to IAS 37 – Onerous contracts – Costs of Fulfilling a Contract
- IFRS 17 - The new Standard for insurance contracts
- Amendments to IAS 1- Classification of Liabilities as Current and Non-Current Liabilities
- Amendments to IAS 8 - Definition of Accounting Estimates
- Amendments to IAS 1 and IFRS Practice Statement 2 - Disclosure of Accounting Policies
- Amendments to IAS 12 – Deferred Tax related to Assets and Liabilities arising from a Single Transaction
- Annual Improvements – 2018–2020 Cycle

The amendments did not have a significant impact on the financial position or performance of the Company.

2.2 Summary of significant accounting policies

The accounting policies applied in the preparation of these financial statements have been presented below.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, cash in banks, other cash and cash equivalents, short-term deposits, highly liquid short-term investments and investments which has insignificant risk of change in fair value with maturity less than three months.

Related parties

a) A person or a member of that person's immediate family is related to reporting entity under the following conditions:

If the person;

i. Has control or joint control over the reporting entity;

ii. Has a significant impact on the reporting entity;

iii. The reporting entity or the entity reporting the case of a member of the key management personnel of the parent company

b) In the presence of any one of the following conditions entity related to the reporting entity:

i. If a firm and reporting entity are member of the same Company.

ii. If the firm is other entity's (or other entity of a member of a Company is a member), subsidiary, or the joint venture.

iii. Both entities are joint ventures of the same third party.

iv. One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

v. The entity, reporting entity or the entity which is in relation to the reporting entity or an entity associated with operating employees reporting if the post-employment benefit plans is provided in. If the reporting entity has such a plan, the sponsoring employers are also related to the reporting entity.

vi. Entity is jointly controlled by a person identified in the event (a).

vii. (a) event (ii) the presence or a significant impact on a person's business as defined in the company (or of a parent of the entity) is a member of the key management personnel.

Trade receivables

Trade receivables are recognized at original invoice amount less an allowance for any uncollectible-amount and recorded at amortized cost. The amount of imputed interests is calculated by considering the effective interest rates in line with the maturity of the receivables. When the Company will not be able to collect its receivable, the estimation for provision for doubtful receivable is recognized. Provision is set when doubtful receivables have been identified. When the receivable become uncollectible, it is written-off.

Trade payables

Trade payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method. Maturity differences related with trade payables are presented in other income/expense from main operations.

Prepaid expenses

Prepaid expenses are the amounts generally made to suppliers and which will be transferred to expense and cost accounts in the following period or periods.

Inventories

Inventories are valued at the lower of cost or net realizable value less costs to sell. Cost is determined by the most recent purchase method. Net realizable value represents the estimated selling price less all estimated costs of completion and costs necessary to make the sale. When the net realizable value of inventory is less than cost, the inventory is written down to the net realizable value and the expense is included in statement of income in the period the write-down or loss occurred. When the circumstances that previously caused inventories to be written down below cost no longer exist or when there is clear evidence of an increase in net realizable value because of changed economic circumstances, the amount of the write-down is reversed. The reversal amount is limited to the amount of the original write-down.

Impairment of financial assets

The Company assesses at each balance sheet date whether a financial asset is impaired. If there is objective evidence that an impairment loss on assets carried at amortized cost has been incurred, the amount of the loss is measured as the difference between the assets' carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through use of an allowance account. The amount of the loss is recognized in the statement of income. If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed, to the extent that the carrying value of the asset does not exceed its amortized cost at the reversal date. Provision for impairment is provided when there is an objective evidence of non-collectability of trade receivables. Reserve is provided for the overdue uncollectible receivables. Also, portfolio reserve is provided for the not due receivables based on certain criteria. The carrying amount of the receivable is reduced through use of an allowance account. Changes in provision account are recorded under the comprehensive income statement.

Offsetting

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation and accumulated impairment loss. Depreciation is provided on cost or revalued amount of property and equipment except for land and construction in progress on a straight-line basis. For the property plant and equipment that has fixed useful life, depreciation period and method is investigated at least once a year by Company management.

The depreciation periods for property, plant and equipment, which approximate the estimated economic useful lives of such assets, are as follows:

Accounts	Useful lives
Buildings	10–50
Machinery and equipment	3–15
Motor vehicles	3–6
Furniture and fixtures	2–25
Leasehold improvements	5–15

Assets that are subject to depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable and an asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. The recoverable amount is the higher of the asset's fair value less cost to sell and value in use.

The costs of major renovations are included in the carrying amount of the asset when it is probable that future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the entity. All other repairs and maintenance are charged to the statement of profit or loss during the financial period in which they are incurred.

Gains or losses on disposals of property, plant and equipment are included in the other income and expense accounts, as appropriate.

Intangible assets

Intangible assets mainly comprise of software licenses, research and development cost and are measured initially at cost. Intangible assets are recognized if it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise; and the cost of the asset can be measured reliably. After initial recognition, intangible assets are measured at cost less accumulated amortization and any accumulated impairment losses.

Intangible assets with finite lives are amortized on a straight-line basis over the best estimate of their useful live. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at each financial year-end.

The depreciation periods for licenses and software, which approximate the estimated economic useful lives of such assets, are as follows:

	Useful life
Licenses and software	3 – 10 year

Research and development expenses

Research expenses are recorded in the income statement in the incurred period. Expenses resulting from development activities (relating to the design and testing of new or improved products), are recorded as intangible assets when the following conditions are all met:

- It is technically feasible to complete the intangible asset so that it will be available for use;
- Management intends to complete the intangible asset and use or sell it;
- There is an ability to use or sell the intangible asset;
- It can be demonstrated how the intangible asset will generate probable future economic benefits;
- Adequate technical, financial and other resources to complete the development and to use or sell the intangible asset are available; and
- The expenditure attributable to the intangible asset during its development can be reliably measured.

Other development expenditures that do not meet these criteria are recognized as an expense as incurred. Development costs previously recognized as an expense are not recognized as an asset in a subsequent period. Capitalized development costs are recorded as intangible assets and amortized from the point at which the asset is ready for use on a straight-line basis over its useful life, not exceeding five years.

Financial instruments

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

Financial assets:

- cash
- a contractual right to receive cash or another financial asset from another enterprise
- a contractual right to exchange financial instruments from another enterprise under conditions that are potentially favorable,
- an equity instrument of another enterprise

A financial liability that is a contractual obligation:

- to deliver cash or another financial asset to another enterprise,
- to exchange financial instruments with another enterprise under conditions that are potentially unfavorable

A financial asset or financial liability is calculated with the given (for financial asset) and uncovered (financial obligations) fair value on transaction costs by adding transaction expenses (deducting the financial liability) if any.

Fair value of financial instruments

Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced sale or liquidation. It is best evidenced by a quoted market price, if one exists.

Impairment of assets

Whenever the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognized in the statements of comprehensive income.

On the other hand; the recoverable amount of property, plant and equipment is the greater of fair value less cost to sell and value in use. Value in use is assessed by discounting future cash flows to their present value using a pre-tax discount rate that reflects current market conditions and the risks specific to the asset.

Current income taxes and deferred tax

Tax expense for the period comprises current and deferred tax. Current taxes on income comprise tax payable calculated on the basis of expected taxable income for the period using the tax rates enacted at the balance sheet date and any adjustment in taxes payable for previous periods.

Deferred income tax is recognized, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying values in the financial statements. Deferred income tax is determined using tax laws that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred tax liabilities are recognized for all taxable temporary differences, where deferred tax assets resulting from deductible temporary differences are recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary difference can be utilized.

Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Provisions are reviewed in every period end and necessary changes performed to the best estimates of Management.

Contingent assets and liabilities

Possible assets or obligations that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not totally within the control of the Company are disclosed as contingent assets or liabilities.

Employee benefits

Employee termination benefit

In accordance with existing social legislation in Turkey, the Company is required to make lump-sum termination indemnity payments to each employee who has completed over one year of service and whose employment is terminated due to retirement or for reasons other than resignation or misconduct.

The Company has calculated the provision for employment termination benefits using the “Projection method” and based on the Company’s past experience in personnel’s completion of service time and entitlement to employment termination rights and recognized its discounted value as of the balance sheet date. All actuarial gains and losses calculated have been reflected to the statement of other comprehensive income.

Unused vacation

Unused vacation rights accrued in the financial statements represents estimated total provision for potential liabilities related to employees’ unused vacation days and daily gross as of the balance sheet date. These amounts are reflected in the personnel expenses when incurred.

Wages and deductions

These are the amounts owed as the scope of benefits provided to employees during the period which are wages, salaries and social security contributions. These amounts are reflected in the personnel expenses when incurred.

Foreign currency transactions

Transactions in foreign currencies during the period have been translated at the exchange rates prevailing at the dates of such transactions. Monetary assets and liabilities denominated in foreign currencies are translated into Turkish Lira at the Central Bank of the Republic of Turkey’s buying exchange rates prevailing at the balance sheet dates.

Exchange rate differences arising on reporting monetary items at rates different from those at which they were initially recorded or on the settlement of monetary items or are recognized in the comprehensive income statement in the period in which they arise. The foreign currency gain/loss related to the Company’s trade payables and receivables shown in operating income/loss account and the other foreign currency gain/loss except the Company’s operations shown in financial gain/loss account.

Revenue recognition

Company performs manufacturing and assembling of raw materials, spare parts and work-in progress of any vehicles, cars, truck, bus, tow truck, tractors, refrigerated vehicle, ambulance, forklift, railway wagon, rail vehicles, locomotives, any vehicles related with the automotive industry, all kinds of sea, air, land and rail vehicles within its own manufacturing plant and performs import, export, marketing, sales and purchasing at the same time. Agreements with customers are generally made after tenders have been won. The Company provides repair and maintenance services for the customers covered by the warranty during the period of 2 years for the vehicles for which the Company has sold. Income related to services that are not yet completed when they are billed accounted as deferred income.

Revenues are recognized on an accrual basis at the time deliveries or acceptances are made, the amount of the revenue can be measured reliably and it is probable that the economic benefits associated with the transaction will flow to the Company, at the fair value of consideration received or receivable. Net sales represent the invoiced value of goods shipped less sales returns and commission and excluding sales taxes.

Other revenues

Other revenues earned by the Company consist of rent income and interest income which is recognized on an accrual basis.

Loans

Loans are recognized initially at fair value and at directly attributable transaction costs after initial recognition. Loans are subsequently measured at amortized cost by using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the redemption value is recognized in the income statement over the period of the financial liabilities.

Financial leases

Assets acquired under finance lease agreements are capitalized at the inception of the lease at the fair value of the leased asset, net of grants and tax credits receivable, or at the present value of the lease payment, whichever is the lower. Lease payments are treated as comprising capital and interest elements, the capital element is treated as reducing the capitalized obligation under the lease and the interest element is charged as expense to the statement of income. Depreciation on the relevant asset is also charged to the statement of income over its useful life.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognized in the statement of income/(loss) in the period in which they are incurred. Borrowing costs include other costs related to interest and funding.

Significant accounting judgments, estimates and assumptions

The preparation of the financial statement requires Company management to make judgments, estimates and assumptions that are reflected in the measurement of income and expense in the income statement and in the carrying value of assets and liabilities in the balance sheet. The actual future results from operations may be different than those estimated. Estimates are reviewed periodically, and adjustments become necessary, they are reported in the income statement in which they become known. However, the actual results may be different than those estimated.

The key assumptions concerning the future and other key resources of estimation at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year and the significant judgments with the most significant effect on amounts recognized in the financial statements are as follows:

a) Provisions for employment termination benefits have been calculated according to various actuarial assumptions (discount rate, estimated future wage increase, and rate of retirement of the employees).

b) Provision for doubtful receivables is an estimated amount that management believes to reflect for possible future losses on existing receivables that have collection risk due to current economic conditions. During the impairment test for the receivables, the debtors, other than the key accounts and related parties, are assessed with their prior year performances, their credit risk in the current market, their performance after the balance sheet date up to the issuing date of the financial statements and furthermore, the renegotiation conditions with these debtors are considered.

c) Provisions for lawsuits are determining by the management with support of Company's legal advisers that can result a cash outflow for the Company in every period at the date of preparation of financial statements.

d) The Company management made significant assumptions on the useful economic lives of the tangible assets according to experiences of technical team, especially in buildings and equipment.

e) Research expenses are recorded as expense when realized. Costs incurred in development projects (related to the design and testing of new or improved products) are recorded as intangible assets if the conditions described in Note 2.3 are met.

Statement of cash flows

Cash flow for the period shown in the cash flow statements is based on operating, investing and financing activities which are classified and reported. Cash flows generated from operating activities consist of cash flows that fare generated from the Company's main operating activities. Cash flows related to investing activities consist of the Company's cash flows used and obtained in the investment activities (asset investments & financial investments).

Cash flows related to financing activities consist of the resources used in financing activities of the Company and the repayment of these sources.

Cash and cash equivalents include cash on hand, deposits at banks, short-term deposits, highly liquid short-term investments and investments which has insignificant risk of change in fair value with maturity less than three months.

Subsequent events

The Company recognizes the subsequent events that require adjustment which provide additional information to the status of the Company at the balance sheet date on its financial statements. If non-adjusting events after the balance sheet date have certain significance, then, they are disclosed in the notes to the financial statements.

3. Cash and cash equivalents

	December 31, 2021	December 31, 2020
Cash	**22.715**	12.126
Banks:		
Demand deposits	**18.542.531**	18.583.209
Other	**9.370**	34.195
Total	**18.574.616**	18.629.530

As of December 31, 2021, the Company has restricted bank deposits amounting to TL 16.263.536 (31 December 2020: TL 14.667.084).

4. Financial liabilities

	December 31, 2021	December 31, 2020
Short-term bank borrowings	**68.219.000**	119.884.887
Other financial liabilities	**256.647**	4.226
Lease liabilities	**2.258.586**	1.937.205
Short-term financial liabilities	**70.734.233**	121.826.318
Lease liabilities	**3.072.569**	5.331.156
Long-term financial liabilities	**3.072.569**	5.331.156
Total	**73.806.802**	127.157.474

As of December 31, 2021 and 2020, balances denominated in original currencies of the Company's financial liabilities and effective interest rates are as follows:

			December 31, 2021
	Interest rate (%)	**Original currency**	**TL**
Bank borrowings:			
- TL	**19,75%**	**68.219.000**	**68.219.000**
Total			**68.219.000**

			December 31, 2020
	Interest rate (%)	Interest rate (%)	Interest rate (%)
Bank borrowings:			
- TL	16,59%	119.884.887	119.884.887
Total			119.884.887

5. Trade receivables and payables

a) Trade receivables

	December 31, 2021	December 31, 2020
Trade receivables (*)	**244,623,893**	92,470,277
Notes receivables	**134,281,217**	50,098,017
Doubtful receivables	**19,672,559**	15,956,366
Provision for doubtful receivables	**(19,672,559)**	(15,956,366)
Total	**378,905,119**	142,568,294

(*) The average maturity of trade receivables is 90-120 days as of December 31, 2021 (December 31, 2020: 90-120 days).

Movement of provision for doubtful receivables as follows:

	2021	2020
January 1	**15,956,366**	16,336,244
Addition (Note 23 b) (*)	**3,716,193**	352,945
Collections and reversals (*)	**–**	(732,823)
December 31	**19,672,559**	15,956,366

(*) Includes the IFRS 9 adjustments for the receivables.

b) Trade payables

	December 31, 2021	December 31, 2020
Trade payables (**)	**247,364,120**	153,313,996
Due to related parties	**37,173,089**	29,601,023
	284,537,209	182,915,019

(**) The average maturity of trade payables is 90-120 days as of December 31, 2021 (December 31, 2020: 90-120 days).

6. Other receivables and payables

a) Other receivables

	December 31, 2021	December 31, 2020
Receivables from tax authorities	**21,089,150**	22,424,216
Deposits and guarantees given	**37,670**	35,483
	21,126,820	22,459,699

b) Other payables

	December 31, 2021	December 31, 2020
Other payables (*)	**16,259,559**	14,835,869
	16,259,559	14,835,869

(*) The Company's other payables account mainly consists of loans used on behalf of customers.

7. Financial investments

	December 31, 2021	December 31, 2020
Derivative financial liabilities at fair value designated through expense	**22,921**	286,282
Total	**22,921**	286,282

8. Inventories

	December 31, 2021	December 31, 2020
Raw materials	**68,241,794**	53,045,545
Work-in progress	**5,318,028**	9,708,944
Finished goods	**56,402,081**	24,970,362
Merchandise goods	**14,777,103**	2,732,394
Other inventories	**57,985,282**	47,151,957
Less: Allowances for impairment on inventories (-)	**(176,406)**	(176,406)
Total	**202,547,882**	137,432,796

For the years ended December 31, 2021 and 2020, the movements of allowances for impairment on inventories are as follows:

	2021	2020
January 1	**176,406**	151,177
Additional provisions/ (releases), net (Note 24)	**–**	25,229
December 31	**176,406**	176,406

9. Other current assets

	December 31, 2021	December 31, 2020
VAT receivables	**63,874,281**	42,913,975
Income accruals	**155,536**	2,605,177
Personnel advances	**131,926**	–
Job advances	**40,691**	85,371
Total	**64,202,434**	45,604,523

10. Prepaid expenses and deferred income

a) Prepaid expenses

	December 31, 2021	December 31, 2020
Advances given	**31,114,632**	5,260,081
Prepaid expenses	**522,015**	511,847
Prepaid tax and funds	**3,224**	2,008
Total	**31,639,871**	5,773,936

b) Deferred income

	December 31, 2021	December 31, 2020
Deferred revenue (*) (**)	**36,392,025**	15,499,477
Advances received	**141,594,308**	1,053,304
	177,986,333	16,552,781

(*) Deferred revenue is related with the sales which are invoiced but related risk and rewards have not been transferred yet to customers as of the balance sheet date.

(**) As a result of the agreement made by the company, Hisarlar Makina San. ve Tic. A.Ş.'s fixed assets were purchased by the Company and consist of the 10-year usage right fee deducted to Hisarlar due to the fact that Hisarlar continues to produce with these fixed assets.

12. Investment accounted by the equity method

	Percentage of shares	December 31, 2021
Erkun Sanayi A.Ş.	**35%**	**107,862,689**
Total		

	Percentage of shares	December 31, 2020
Erkun Sanayi A.Ş.	%35	65,342,037
Total		65,342,037

	December 31, 2021	December 31, 2020
Current assets	**486,038,440**	180,185,835
Non-current assets	**168,715,705**	132,555,207
Total assets	**654,754,145**	312,741,042
Short term liabilities	**295,712,369**	82,931,633
Long term liabilities	**50,862,665**	43,117,877
Equity	**308,179,111**	186,691,533
Total liabilities	**654,754,145**	312,741,043

	December 31, 2021	December 31, 2020
Opening	**65,342,037**	60,058,086
Current period profit per share of Erkunt Traktör	**44,034,346**	8,019,529
Other comprehensive income per share of Erkunt Traktör	**(1,513,694)**	(2,735,579)
Closing	**107,862,689**	65,342,037

	December 31, 2021	December 31, 2020
Income from investment accounted by the equity method	**44,034,346**	8,019,529
	44,034,346	8,019,529

13. Property, plant and equipment

Movement of property, plant and equipment and accumulated depreciation between the dates of January 1 – December 31, 2021 is as follows:

	January 1, 2021	Additions	Disposals	December 31, 2021
Cost:				
Land	**16,135,000**	–	–	**16,135,000**
Land improvements	**631,608**	–	–	**631,608**
Buildings	**15,055,860**	–	–	**15,055,860**
Machinery and equipment	**4,926,820**	**4,070,397**	–	**8,997,217**
Vehicles	**118,799**	**68,001**	–	**186,800**
Furniture and fixtures	**5,060,551**	**1,168,396**	–	**6,228,947**
Other tangible assets	**20,858,187**	**5,952,436**	**(139,871)**	**26,670,752**
Leasehold improvements	**537,229**	–	–	**537,229**
Construction in progress (*)	**94,287**	**1,996,029**	–	**2,090,316**
Total	**63,418,341**	**13,255,259**	**(139,871)**	**76,533,729**
Accumulated depreciation:				
Land improvements	**(411,696)**	**(32,281)**	–	**(443,977)**
Buildings	**(8,588,547)**	**(285,102)**	–	**(8,873,649)**
Machinery and equipment	**(3,526,706)**	**(369,384)**	–	**(3,896,090)**
Vehicles	**(83,710)**	**(7,678)**	–	**(91,388)**
Furniture and fixtures	**(3,416,967)**	**(507,960)**	**28,920**	**(3,896,007)**
Othre tangible assets	**(9,782,790)**	**(1,736,160)**	**6,262**	**(11,512,688)**
Leasehold improvements	**(333,844)**	**(57,157)**	–	**(391,001)**
Total	**(26,144,260)**	**(2,995,722)**	**35,182**	**(29,104,800)**
Net book value	**37,274,081**			**47,428,929**

Movement of property, plant and equipment and accumulated depreciation between the dates of January 1 – December 31, 2020 is as follows:

	January 1, 2020	Additions	Disposals	Transfers	December 31, 2020
Cost:					
Land	16,135,000	–	–	16,135,000	16,135,000
Land improvements	631,608	–	–	631,608	631,608
Buildings	15,055,860	–	–	15,055,860	15,055,860
Machinery and equipment	4,564,053	382,906	(20,139)	4,926,820	4,564,053
Vehicles	118,799	–	–	118,799	118,799
Furniture and fixtures	4,148,107	920,009	(7,565)	5,060,551	4,148,107
Other tangible assets	18,415,199	2,471,089	(28,101)	20,858,187	18,415,199
Leasehold improvements	521,229	16,000	–	537,229	521,229
Construction in progress (*)	94,287	–	–	94,287	94,287
Total	59,684,142	3,790,004	(55,805)	63,418,341	59,684,142
Accumulated depreciation:					
Land improvements	(372,173)	(39,523)	–	(411,696)	(372,173)
Buildings	(8,302,665)	(285,882)	–	(8,588,547)	(8,302,665)
Machinery and equipment	(3,098,807)	(439,392)	11,493	(3,526,706)	(3,098,807)
Vehicles	(76,010)	(7,700)	–	(83,710)	(76,010)
Furniture and fixtures	(2,953,406)	(464,103)	542	(3,416,967)	(2,953,406)
Other tangible assets	(8,219,522)	(1,563,268)	–	(9,782,790)	(8,219,522)
Leasehold improvements	(278,305)	(55,539)	–	(333,844)	(278,305)
Total	(23,300,888)	(2,855,407)	12,035	(26,144,260)	(23,300,888)
Net book value	36,383,254			37,274,081	36,383,254

As of December 31, 2021 there is no pledge on property, plant and equipment (December 31, 2020: None).

As of December 31, 2021, total insurance on property, plant and equipment amounts to TL 60.460.319 (December 31, 2020: TL 38,500,000).

14. Intangible assets

Movement of intangible assets and accumulated amortization between the dates of January 1, 2021 and December 31, 2021 is as follows:

	January 1, 2021	**Additions**	**Impairment**	**December 31, 2021**
Cost:				
Licenses and software	**2,629,364**	**19,343,778**	**–**	**21,973,142**
Research and development (*)	**51,982,255**	**5,594,106**	**–**	**57,576,361**
Other	**1,684,399**	**368,907**	**–**	**2,053,306**
Total	**56,296,018**	**25,306,791**	**–**	**81,602,809**
Accumulated amortization:				
Licenses and software	**(2,629,364)**	**(475,813)**	**–**	**(3,105,177)**
Research and development	**(51,982,255)**	**(438,972)**	**–**	**(52,421,227)**
Other	**(1,684,399)**	**(73,423)**	**–**	**(1,757,822)**
Total	**(56,296,018)**	**(988,208)**	**–**	**(57,284,226)**
Net book value	**–**			**24,318,583**

Movement of intangible assets and accumulated amortization between the dates of January 1, 2020 and December 31, 2020 is as follows:

	January 1, 2020	Additions	Impairment	December 31, 2020
Cost:				
Licenses and software	2,629,364	–	–	2,629,364
Research and development (*)	37,922,609	14,059,646	–	51,982,255
Other	1,551,730	132,669	–	1,684,399
Total	42,103,703	14,192,315	–	56,296,018
Accumulated amortization:				
Licenses and software	(2,176,759)	(177,725)	(274,880)	(2,629,364)
Research and development	(11,269,268)	(2,875,051)	(37,837,936)	(51,982,255)
Other	(983,363)	(323,006)	(378,030)	(1,684,399)
Total	(14,429,390)	(3,375,782)	(38,490,846)	(56,296,018)
Net book value	27,674,313			–

The recoverable amount of intangible fixed assets as of December 31, 2020 has been compared with the amounts calculated by discounting cash flows within the framework of financial budget projections covering the next five years and approved by the Company management, and it has been determined that the recoverable amount is lower than the current value. For this reason, the company has allocated a provision for impairment for the entire intangible assets.

15. Right of use assets

	December 31, 2020	**Additions**	**Impairment**	**December 31, 2021**
Cost:				
Right of use assets	8,151,211	–	–	**8,151,211**
Total	8,151,211	–	–	**8,151,211**
Accumulated amortization:				
Right of use assets amortization	(2,704,558)	(2,270,439)	–	**(4,974,997)**
Impairment	(2,987,232)	–	–	**(2,987,232)**
Total	(5,691,790)	(2,270,439)	–	**(7,962,229)**
Net book value	2,459,421			**188,982**

	December 31, 2020	**Additions**	**Impairment**	**December 31, 2021**
Cost:				
Right of use assets	8,151,211	4,362,873	–	**8,151,211**
Total	8,151,211	4,362,873	–	**8,151,211**
Accumulated amortization:				
Right of use assets amortization	(2,704,558)	(1,180,392)	–	**(2,704,558)**
Impairment	(2,987,232)	–	(2,987,232)	**(2,987,232)**
Total	(5,691,790)	(1,180,392)	(2,987,232)	**(5,691,790)**
Net book value	2,459,421			**2,459,421**

16. Employee benefit obligations

	December 31, 2021	December 31, 2020
Payables to personnel	**28,161**	21,547
Social security payables	**1,118,503**	819,757
Total	**1,146,664**	841,304

17. Provisions, contingent assets and liabilities

a) Short term provisions for employee benefits

	December 31, 2021	December 31, 2020
Provision for unused vacation liabilities	**1,912,243**	1,639,437
Total	**1,912,243**	1,639,437

Movements of the provision for unused vacation liabilities are as follows:

	2021	2020
Opening	**1,639,437**	1,310,205
Additional provisions/ (releases), net	**272,806**	329,232
December 31,	**1,912,243**	1,639,437

b) Long term provisions for employee benefits

Under the Turkish Labour Law, the Company is required to pay termination benefits to each employee who has completed one year of service and whose employment is terminated without due cause, is called up for military service, or who retires or resigns. The indemnity is one month's salary for each working year and is limited to TL 10.848,59 as of December 31, 2021 (December 31, 2020: TL 7.638,96).

The Company reflected a liability calculated using the Projected Unit Credit Method and based upon factors derived using their experience of personnel terminating their services and eligible to receive retirement pay and discounted by using the current market yield on government bonds at the statement of financial position date. This provision is calculated by expecting the present value of the future liability which will be paid for the retired personnel.

	December 31, 2021	December 31, 2020
Provision for employee termination benefits	**4,217,760**	2,575,408
Total	**4,217,760**	2,575,408

Movements of the provision for employee termination benefits are as follows:

	2021	2020
January 1	**2,575,408**	1,760,521
Interest costs (Note 25)	**352,831**	202,460
Service costs	**668,975**	548,964
Severance paid (-)	**1,025,568**	(70,168)
Actuarial loss	**(405,022)**	133,631
December 31	**4,217,760**	2,575,408

Other current provisions

	December 31, 2021	December 31, 2020
Provisions for litigation (*)	**2,417,330**	2,260,854
Provision for warranty	**20,840,411**	14,294,358
	23,257,741	16,555,212

(*) As of December 31, 2021, the majority of the provisions for lawsuits is for employee related lawsuits, and the remainder of the lawsuits related to commercial activities.

Movements of provision for litigation are as follows:

	2021	2020
Opening	**2,260,854**	2,260,253
Additional provisions (Note 23)	**156,476**	601
Releases (Note 23b)		–
	2,417,330	
December 31,	**2,260,854**	2,260,854

Movements of provision for warranty are as follows:

	2021	2020
January 1	**14,294,358**	12,670,163
Additional provision/ (releases), net (Note 24)	**6,546,053**	1,624,195
December 31	**20,840,411**	14,294,358

18. Other current liabilities

	December 31, 2021	December 31, 2020
Expense accruals (*)	**35,751,331**	19,758,128
Taxes and fund payables	**942,570**	951,825
Total	**36,693,901**	20,709,953

(*) As of December 31, 2021, the Company's expense accruals mainly consist of turnover premiums accrued to dealers.

19. Contingent liabilities

The detail of the guarantees and pledges given is summarized in below:

	December 31, 2021	December 31, 2020
Guarantee letters recieved (*)	**138,326,000**	81,811,000
Guarantee letters given	**8,274,417**	7,702,375
Mortgages (**)	**2,702,000**	2,702,000
Total	**149,302,417**	92,215,375

(*) Guarantee letters consist of guarantees given to municipalities for contracted works, custom offices, suppliers, electricity and natural gas distribution companies.

(**) Mortgages consist of tangible asset mortgage due to bank borrowings.

20. Shareholder's equity

The Company's share-capital structure as of December 31, 2021 and 2020 are as follows:

	December 31, 2021		December 31, 2020	
	Share (%)	**TL**	Share (%)	TL
Mahindra Overseas Investment Company	**100%**	**365,000,000**	100%	265,000,000
Total	**100%**	**365,000,000**	100%	265,000,000

There are TL 1.000 units of shares with nominal value of TL 365.000 (2020: 265.000 units of share with nominal value of TL 1.000).

In the Trade Registry Gazette published on September 27, 2021, the share capital of the Company was increased at the amount of TL 100.000.000 which was paid cash.

21. Sales

	January 1 – December 31, 2021	January 1 – December 31, 2020
Domestic sales	**971,246,794**	527,322,660
Export sales	**260,100,470**	138,014,644
Other sales	**5,014,845**	5,307,516
Gross sales	**1,236,362,109**	670,644,820
Sales returns (-)	**8,796,035**	5,234,247
Sales discounts (-)	**111,882,295**	54,780,883
Net sales	**1,115,683,779**	610,629,690

22. Cost of sales

	January 1 – December 31, 2021	January 1 – December 31, 2020
Cost of trade good sold	**69,931,856**	29,376,019
Cost of goods sold	**897,197,372**	522,630,626
Total	**967,129,228**	552,006,645

23. Expense by nature

Expenses by nature for the period between January 1 – December 31, 2021 and 2020 are as follows:

	January 1 – December 31, 2021	January 1 – December 31, 2020
Marketing, selling and distribution expenses	**58,619,569**	38,464,366
General administrative expenses	**17,674,331**	16,604,940
Research and development expenses	**4,509,409**	4,493,632
Total	**80,803,309**	59,562,938

a) Marketing, selling and distribution expenses

	January 1 – December 31, 2021	January 1 – December 31, 2020
Warranty expenses	**28,411,019**	18,452,223
Personnel expenses	**10,393,335**	7,805,728
Transportation expenses	**9,251,040**	4,541,201
Depreciation and amortization expenses	**1,367,121**	329,024
Export expenses	**1,080,633**	448,889
Exhibition expenses	**1,008,590**	601,755
Sales incentive expenses	**941,192**	2,166,314
Dealer expenses	**847,478**	730,172
Rent expenses	**846,587**	821,547
Guarantee given expenses	**821,838**	433,699
Travel expenses	**589,216**	243,093
Advertisement expenses	**527,712**	252,708
Other	**2,533,808**	1,638,013
Total	**58,619,569**	38,464,366

b) General administrative expenses

	January 1 – December 31, 2021	January 1 – December 31, 2020
Personnel expenses	**11,949,839**	10,793,038
Outsourcing expenses	**2,044,418**	1,545,989
Rent expenses	**693,745**	837,726
Security expenses	**604,483**	520,670
Depreciation and amortization expenses	**557,201**	1,044,921
Travel expenses	**225,960**	47,831
Insurance expenses	**142,691**	83,904
Vehicles maintenance expenses	**123,504**	87,241
Communication expenses	**122,560**	96,444
Tax expenses	**102,090**	112,909
Training expenses	**81,967**	392,052
Maintenance expenses	**17,875**	8,417
Office expenses	**–**	16,776
Non-deductible expenses	**–**	222,511
Other	**1,007,998**	794,511
Total	**17,674,331**	16,604,940

c) Research and development expenses

	January 1 – December 31, 2021	January 1 – December 31, 2020
Depreciation and amortization expenses	**2,059,608**	2,650,334
Personnel expenses	**1,289,854**	1,038,872
Project expenses	**898,601**	110,683
Other	**261,346**	693,743
Total	**4,509,409**	4,493,632

24. Other operating income and expenses

a) Other operating income

	1 Ocak – 31 Aralık 2021	1 Ocak – 31 Aralık 2020
Foreign exchange gain from trade receivables and payables	**20,797,555**	19,589,737
Provisions no longer required for litigation	**11,201,735**	–
Rediscount interest income	**6,720,024**	4,104,000
Income and profits of the previous period	**2,425,762**	2,792,560
Provisions no longer required for trade receivables (Note 5)	**–**	732,823
Other	**1,931,474**	303,725
Total	**43,076,550**	27,522,845

b) Other operating expenses

	1 Ocak – 31 Aralık 2021	1 Ocak – 31 Aralık 2020
Foreign exchange loss from trade receivables and payables	**43,700,604**	29,582,114
Provision for doubtful receivables (Note 5)	**3,716,192**	352,945
Idle capacity expenses and losses	**2,481,022**	2,585,984
Provision for unused vacation (Note 16)	**272,806**	329,232
Expenses and losses of the previous period	**224,487**	420,466
Provision for litigation (Note 16)	**156,476**	601
Rediscount interest expenses	**10,486**	40,376
Impairment expenses (Note 14, 15) (*)	**–**	41,478,077
Abandoned receivables (**)	**–**	2,866,441
Allowance for impairment on inventories (Note 8)	**–**	25,229
Other	**294,501**	276,707
Total	**50,856,574**	77,958,172

(*) The Company allocated a provision for impairment of TL 38.490.845 from intangible assets and TL 2.987.232 from right of use assets.

(**) Signed between Nevin Erkunt, Tuna Armağan, Zeynep Armağan, Murat Armağan, Aslıgül Armağan, Ayşe Bölükbaşı and Haluk Armağan ("Former Partners") and current main partner Mahindra Overseas Investment Company Limited regarding the sale of the shares of the Company on September 20, 2017. In accordance with the provisions of this share purchase agreement, provided that certain terms and conditions regarding the VAT refund arising from the period before the sale are met, the said VAT refund has been paid to the former Partners by the Company.

25. Income or expenses from investing activities

a) Income from investing activities

	January 1 – December 31, 2021	January 1 – December 31, 2020
Gain on sale of property, plant and equipment	**969**	–
Total	969	–

b) Expenses from investing activities

	January 1 – December 31, 2021	January 1 – December 31, 2020
Losses from subsidiary purchase (Note 11)	**73,380**	5,856,725
Losses from sale of property, plant and equipment	**959**	7,186
	74,339	5,863,911

26. Financial income and expenses

a) Financial income

	January 1 – December 31, 2021	January 1 – December 31, 2020
Foreign exchange gain	**30,978,109**	1,188,588
Gain on derivative instruments	**5,461,800**	1,893,882
Interest income	**26,195**	13,038
Total	**36,466,104**	3,095,508

b) Financial expenses

	January 1 – December 31, 2021	January 1 – December 31, 2020
Foreign exchange losses (*)	**26,797,153**	478,085
Interest expenses	**24,635,430**	16,287,586
Losses on derivative instruments	**3,473,962**	681,108
Total	**54,906,545**	17,446,779

27. Taxation

Current and deferred income tax

The tax expense for the year comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised directly in equity. In such case, the tax is also recognised in shareholders' equity.

The current income tax charge is calculated in accordance with the tax laws enacted or substantively enacted at the balance sheet date in the countries where the subsidiaries and associates of the Company operate. Under the Turkish Tax Code, companies having head office or place of business in Turkey are subject to corporate tax.

Under the Turkish taxation system, tax losses can be carried forward to be offset against future taxable income for five years. Tax losses cannot retrospectively offset against the profits of previous years.

Deferred income tax is provided in full, using the liability method, on all temporary differences arising between the tax bases of assets and liabilities and their carrying values in the financial statements. Currently enacted tax rates are used to determine deferred income tax at the balance sheet date.

Deferred tax liabilities are recognized for all taxable temporary differences, where deferred tax assets resulting from deductible temporary differences are recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary difference can be utilized.

Provided that deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority and it is legally eligible, they may be offset against one another.

Tax amounts recognized in the income statement as of December 31, 2021 and 2020 are as follows:

	January 1 – December 31, 2021	January 1 – December 31, 2020
Current year corporate tax expenses (-)	**–**	–
Deferred tax income/ (expenses)	**18,075,573**	(16,131,651)
Total tax expenses	**18,075,573**	(16,131,651)

As of 31 December 2021 and 2020, the details of temporary differences and deferred tax assets and liabilities are as follows;

	Cumulative temporary differences		Deferred tax assets/(liabilities)	
	December 31, 2021	December 31, 2020	**December 31, 2021**	December 31, 2020
Tangible assets	**1,634,262**	(3,376,470)	**326,852**	(742,823)
Revaluation differences of property, plant and equipment	**(11,207,708)**	(11,207,708)	**(1,120,771)**	(1,120,771)
Provision for employee termination	**2,935,800**	2,832,949	**587,160**	566,590
Right of use assets	**5,785,916**	8,353,031	**1,157,183**	1,837,667
Provision for warranty	**20,840,411**	14,294,358	**4,168,082**	3,144,759
Provision for doubtful receivables	**19,846,523**	10,625,607	**3,969,305**	2,337,634
Unused vacation	**1,912,243**	1,803,381	**382,449**	360,676
Provision for litigation	**2,417,330**	2,260,854	**483,466**	497,388
Financial instruments	**(22,921)**	(286,282)	**(4,584)**	(62,982)
Impairment for intangible assets	**36,659,858**	41,416,744	**7,331,972**	9,111,684
Other	**3,972,295**	(3,663,812)	**794,459**	(732,764)
Deferred tax asset/liability – net	**84,774,009**	63,052,652	**18,075,573**	15,197,058

Deferred tax liability or asset is determined by calculating the tax effects of the temporary differences between the amounts of assets and liabilities shown in the financial statements and the amounts considered in the calculation of the legal tax base according to the balance sheet method, considering. While deferred tax liabilities are calculated for all taxable temporary differences, deferred tax assets consisting of deductible temporary differences are calculated on the condition that it is highly likely to benefit from these differences by obtaining taxable profit in the future. As the company does not expect to generate taxable profit in the next 5 years in the current period, it has been evaluated that it is not possible to benefit from these differences and the deferred tax has not been recorded in the financial statements.

As of December 31, 2021, the reported tax provision is different from the amount calculated using the statutory tax rate on profit before tax. The relevant memorandum of understanding is as follows:

	2021	2020
Loss before tax	**85,491,753**	(63,570,872)
Theoretical tax charge at statutory rate (%22)	**(21,372,938)**	(13,985,592)
Current year losses on which no deferred tax assets recognized	**11,861,498)**	(12,542,933)
Non-deductible expenses	**2,391,835**	2,104,814
Tax reversals	**(11,008,587)**	9,113,523
Other	**52,619**	(821,464)
Income tax (expense)/ income for the year	**(18,075,573)**	(16,131,651)

28. Earnings per share

Earnings per share ("EPS") are determined by dividing the net comprehensive income by the weighted average number of shares that have been outstanding during the year.

Earnings per share as of December 31, 2021 and 2020:

	December 31, 2021	December 31, 2020
Net comprehensive income or loss attributable to the equity holders of the parent	**103,567,326**	(79,702,523)
Weighted average number of share certificates (piece)	**291,027**	265,000
Earnings per share, (0,001)	**284**	(301)

29. Related part disclosures

Due to related parties	**December 31, 2021**		December 31, 2020	
	Trade	**Other**	Trade	Other
Erkunt Sanayi A.Ş.[(1) (*)]	**30,497,111**	**–**	24,781,933	–
Hisarlar Makina San. ve Tic. A.Ş.[(2) (**)]	**6,675,978**	**–**	4,819,090	–
Total	**37,173,089**	**–**	29,601,023	–

(*) Subsidiary

(**) Long term securities

(1) The company purchases casting parts from Erkunt Sanayi A.Ş.

(2) The company purchases cabin parts from Hisarlar Makina Sanayi ve Ticaret A.Ş. to be used in cabin production.

The details of goods and services purchase and sales made with related parties are as follows:

	January 1, December 31, 2021		January 1, December 31, 2020	
	Purchase	**Sale**	Purchase	Sale
Related parties				
Erkunt Sanayi A.Ş.	**69,370,326**	**898,383**	48,015,246	259,281
Hisarlar Makina San. ve Tic. A.Ş.	**18,846,654**	**2,202,052**	7,714,765	1,488,470
Total	**88,216,980**	**3,100,435**	55,730,011	1,747,751

30. Financial instruments and nature and extent of risks arising from financial instruments

The Company's principal financial instruments are comprised of bank loan, liabilities under finance lease, other financial liabilities, cash and short-term bank deposits. The main purpose of these financial instruments is to raise finance for the Company's operations. The Company has various other financial instruments such as trade receivables and trade payables, which arise directly from its operations.

The main risks arising from the Company's financial instruments are interest rate risk, foreign currency risk, credit risk and liquidity risk. The Company management reviews and agrees policies for managing each of the risks as summarized below. The Company also monitors the market price risk arising from all financial instruments.

Capital risk management

The management of the Company considers the cost of capital and the risks associated with each class of capital. The Company's capital structure consists of payables, cash and short-term deposits, and shareholder's equity components mentioned in Note 19 such as issued capital, capital reserves, and profit reserves for its net debt to equity ratio analysis.

The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may incur new payables or repay the existing payables and adjust the dividend payment to shareholders or the shareholders may make a direct cash contribution of the needed working capital to the Company.

The Company follows equity by using the rate of liabilities/equity. This ratio is calculated by division of net liabilities to total equities. Net debt is calculated by excluding the cash and cash equivalents from total debt amount (financial liabilities include trade and other payables and short term and long-term other liabilities like as indicated on financial statement).

	December 31, 2021	December 31, 2020
Financial liabilities (Note 4)	**70,734,233**	121,826,318
Less: Cash and cash equivalents (Note 3)	**18,574,616**	18,629,530
Net debt	**52,159,617**	103,196,788
Total equity	**295,332,598**	94,048,142
Net debt/total equity ratio	**18%**	110%

Foreign currency risk

The Company is exposed to foreign exchange risk arising from denominated foreign currency transactions. The Company exposed to foreign exchange risk primarily to USD and EUR bank loans. These exposures are managed by balancing interest rate sensitive assets and liabilities.

The Company's net foreign currency position as of December 31, 2021 and 2020 is presented below:

In totals;	**December 31, 2021**	December 31, 2020
A. Foreign currency assets	**88,774,074**	31,665,832
B. Foreign currency liabilities	**(83,530,544)**	(47,894,462)
Net foreign exchange position (A+B)	**5,243,530**	(16,228,630)

As of December 31, 2021 and 2020, details of foreign currency positions of the Company are as follows:

December 31, 2021	**USD**	**EUR**	**GBP**	**Total TL equivalent (Presentation currency)**
Cash and cash equivalents	**1,734,733**	**3,207,371**	**–**	**69,604,081**
Trade receivables	**174,951**	**218**	**180**	**2,276,758**
Current assets	**1,909,684**	**3,207,589**	**180**	**71,880,839**
Total assets	**718,200**	**515,777**	**–**	**16,893,235**
Financial liabilities	**718,200**	**515,777**	**–**	**16,893,235**
Trade payables	**2,627,884**	**3,723,366**	**180**	**88,774,074**
Current liabilities	**1,309,192**	**4,516,533**	**60**	**83,304,177**
Total liabilities	**–**	**8,871**	**5,508**	**226,367**
Net foreign currency position	**1,309,192**	**4,525,404**	**5,568**	**83,530,544**

December 31, 2020	USD	EUR	GBP	Total TL equivalent (Presentation currency)
Cash and cash equivalents	169,275	250,989	188	3,505,318
Trade receivables	87,597	3,015,081	35,999	28,160,514
Current assets	256,872	3,266,070	36,187	31,665,832
Total assets	256,872	3,266,070	36,187	31,665,832
Financial liabilities	–	–	–	–
Trade payables	79,151	5,252,440	–	47,894,462
Current liabilities	79,151	5,252,440	–	47,894,462
Total liabilities	79,151	5,252,440	–	47,894,462
Net foreign currency position	177,721	(1,986,370)	36,187	(16,228,630)

In foreign currency sensitivity analysis' gain/loss section as of December 31, 2021 and 2020 the exposure of the 10% loss/gain of TL against USD and EUR currencies on the comprehensive financial income statement is shown. During the foreign currency sensitivity analysis, all variables, especially interest rates are assumed to be fixed.

Foreign currency sensitivity analysis as of December 31, 2021 and 2020 are as follows:

			December 31, 2021
			Profit/Loss
		Appreciation of foreign currency	**Depreciation of foreign currency**
	Appreciation/depreciation of USD against TL at 10%:		
1-	**USD net asset/liability**	**1,711,332**	**(1,711,332)**
2-	**Portion protected from USD risk (-)**	**–**	**–**
3-	**USD net effect (1+2)**	**1,711,332**	**(1,711,332)**
	Appreciation/depreciation of EUR against TL at 10%:		
4-	**EUR net asset/liability**	**(1,177,576)**	**1,177,576**
5-	**Portion protected from EUR risk (-)**	**–**	**–**
6-	**EUR net effect (4+5)**	**(1,177,576)**	**1,177,576**
	Appreciation/depreciation of GBP against TL at 10%:		
7-	**GBP net asset/liability**	**(9,404)**	**9,404**
8-	**Portion protected from GBP risk (-)**	**–**	**–**
9-	**GBP net effect (4+5)**	**(9,404)**	**9,404**
	Total (3+6+9)	**524,353**	**(524,353)**

			December 31, 2020
			Profit/Loss
		Appreciation of foreign currency	Depreciation of foreign currency
	Appreciation/depreciation of USD against TL at 10%:		
1-	**USD net asset/liability**	130,456	(130,456)
2-	**Portion protected from USD risk (-)**	–	–
3-	**USD net effect (1+2)**	130,456	(130,456)
	Appreciation/depreciation of EUR against TL at 10%:		
4-	**EUR net asset/liability**	(1,789,302)	1,789,302
5-	**Portion protected from EUR risk (-)**	–	–
6-	**EUR net effect (4+5)**	(1,789,302)	1,789,302
	Appreciation/depreciation of GBP against TL at 10%:		
7-	**GBP net asset/liability**	35,983	(35,983)
8-	**Portion protected from GBP risk (-)**	–	–
9-	**GBP net effect (4+5)**	35,983	(35,983)
	Total (3+6+9)	(1,622,863)	1,622,863

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation who has invested in financial instruments. The Company manages its credit risk by restricting its transactions that are carried out by third parties and reviewing those third parties credit risks continuously.

Concentrations of credit risk arise when a number of counterparties are engaged in similar business activities or activities in the same geographic region or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions.

The Company seeks to manage its credit risk exposure through diversification of sales activities to avoid undue concentrations of risks with individuals or Companies of customers in specific locations or businesses. The maximum credit risk the Company exposure is reflected by presenting all financial assets from carrying amount on financial statements

	Receivables				
	Trade receivables		Other receivables		
December 31, 2021	Related party	Third party	Related party	Third party	Deposits at banks
Maximum exposure to credit risk at the reporting date (A+B+C+D+E)	–	**378,905,119**	–	**21,126,820**	**18,542,531**
- The part of maximum risk under guarantee with collateral, etc.*	–	**141,028,000**	–	–	–
A. Net book value of financial assets that are neither past due nor impaired	–	**378,905,119**	–	**21,126,820**	**18,542,531**
B. Net book value of financial assets that are negotiated if not that will be accepted as past due or impaired	–	–	–	–	–
C. Net book value of assets that are past due but not impaired	–	–	–	–	–
- The part under guarantee with collateral, etc.	–	–	–	–	–
D. Net book value of impaired assets	–	–	–	–	–
- Past due (gross book value)	–	**19,672,559**	–	–	–
- Impairment (-)	–	**(19,672,559)**	–	–	–
- The part of net value under guarantee with collateral, etc.	–	–	–	–	–
- Not due (gross book value)	–	–	–	–	–
- Impairment (-)	–	–	–	–	–
E. Off-balance sheet items with credit risk	–	–	–	–	–

	Receivables				
	Trade receivables		Other receivables		
	Related party	Third party	Related party	Third party	Deposits at banks
Maximum exposure to credit risk at the reporting date (A+B+C+D+E)	–	**142,568,294**	–	**22,459,699**	**18,583,209**
- The part of maximum risk under guarantee with collateral,etc.*	–	**84,513,000**	–	–	–
A. Net book value of financial assets that are neither past due nor impaired	–	**142,568,294**	–	**22,459,699**	**18,583,209**
B. Net book value of financial assets that are negotiated if not that will be accepted as past due or impaired	–	–	–	–	–
C. Net book value of assets that are past due but not impaired	–	–	–	–	–
- The part under guarantee with collateral, etc.	–	–	–	–	–
D. Net book value of impaired assets	–	–	–	–	–
- Past due (gross book value)	–	**15,956,366**	–	–	–
- Impairment (-)	–	**(15,956,366)**	–	–	–
- The part of net value under guarantee with collateral, etc.	–	–	–	–	–
- Not due (gross book value)	–	–	–	–	–
- Impairment (-)	–	–	–	–	–
E. Off-balance sheet items with credit risk	–	–	–	–	–

Liquidity risk

Liquidity risk is the risk of the Company not meeting its net funding requirements. Liquidity risk is managed by cash inflows and outflows which are balanced by credit institutions in scope of the pre-determined credit limits. Remaining period to maturity as of the balance sheet date is taken into consideration when presenting the breakdown of financial liabilities according to their maturities.

The following table presents the maturity analyses of the Company's financial liabilities' contractual undiscounted cash outflows as of December 31, 2021 and 2020.

December 31, 2021

Maturities according to the agreements	**Book value**	**Total contract based cash outflow (I+II+III)**	**Up to 3 months (I)**	**3 months to 1 year (II)**	**1 to 5 years (III)**
Financial liabilities (Note 4)	**73,806,802**	**91,291,569**	**21,575,000**	**66,644,000**	**3,072,569**
Trade payables to third parties (Note 5)	**247,364,120**	**247,364,120**	**247,364,120**	**–**	**–**
Trade payables to related parties (Note 29)	**37,173,089**	**37,173,089**	**37,173,089**	**–**	**–**
Other liabilities (Note 6)	**16,259,559**	**16,259,559**	**16,259,559**	**–**	**–**
Total liabilities	**374,603,570**	**392,088,337**	**322,371,768**	**66,644,000**	**3,072,569**

December 31, 2020

Maturities according to the agreements	Book value	Total contract based cash outflow (I+II+III)	Up to 3 months (I)	3 months to 1 year (II)	1 to 5 years (III)
Financial liabilities (Note 4)	121,826,318	125,220,269	22,378,113	97,511,000	5,331,156
Trade payables to third parties (Note 5)	153,313,996	153,313,996	153,313,996	–	–
Trade payables to related parties (Note 29)	29,601,023	29,601,023	29,601,023	–	–
Other liabilities (Note 6)	14,835,869	14,835,869	14,835,869	–	–
Total liabilities	319,577,206	322,971,157	220,129,001	97,511,000	5,331,156

31. Subsequent events after balance sheet date

None.

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Erkunt Sanayi Anonim Şirketi;

A) Report on the Audit of the Financial Statements

1) Opinion

We have audited the financial statements of **Erkunt Sanayi A.Ş.** (the "Company"), which comprise the statement of financial position as at December 31, 2021, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2021, and its financial performance and its cash flows for the year then ended in accordance with the Turkish Accounting Standards ("TAS").

2) Basis for opinion

We conducted our audit in accordance with Independent Auditing Standards ("IAS"s). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Turkey, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

3) Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters	How key audit matters addressed in the audit
Trade Receivables Trade receivables are significant for the Company as it represents approximately 43% of the Company's total assets. The collectability of trade receivables is one of the most important elements of the Company's working capital management. The Company's management has used certain estimates and assumptions in the calculation of the provision for doubtful trade receivables related to trade receivables. Due to the reasonableness of the size of the amounts and the collectability of trade receivables, the existence and collectability of trade receivables is considered as a key audit matter.	– Evaluating the process regarding the collection follow-up of the Company's trade receivables and the operational effectiveness of the relevant internal controls. – Understanding, evaluating and testing the effectiveness of internal controls regarding financial reporting for credit risk. – Examining the aging table of receivables analytically. – Testing trade receivable balances by sending confirmation letters through sample selections. – Testing the collections made in the subsequent period through sample selections. – Testing the collaterals received for receivables by sampling and evaluating their ability to be converted to cash – Evaluating the compliance of the applied accounting policies with TFRS 9, the company's past performance, local and global practices, – Investigating the disputes and lawsuits related to the receivables in order for the auditing appropriateness of the special provisions and obtaining a confirmation letter from the legal advisors regarding the ongoing lawsuits. – Evaluating the adequacy of the explanations regarding the impairment of trade receivables and their compliance with TFRS. We also tested management's periodicity testing procedures and selected samples independently to test segments of revenue and purchases with verification of invoices. Details on trade receivables are given in Note 5.

Key audit matters	How key audit matters addressed in the audit
Property, plant and equipment As of December 31, 2021, property, plant and equipment amounting to TL 137,371,087 represents significant part of total assets in the statement of financial position. Property, plant and equipment is considered as key audit matter due to their size as of the statement of financial position date.	– The appropriateness of the estimated useful lives of the tangible assets is evaluated by considering the expected economic benefits associated with each asset. – Supporting documents for the movements of tangible assets were obtained and material accuracy tests were carried out. – Whether the depreciation methodology reflects the profile of expected future economic benefits in the best way/accurate way was evaluated and the current year depreciation expenses were tested. Details on tangible fixed assets are given in Note 10.

4) Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with TASs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

5) Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

B) Other legal and regulatory requirements

1) In accordance with paragraph 4 of Article 402 of the TCC, no significant matter has come to our attention that causes us to believe that the Company's bookkeeping activities for the period January 1 - December 31, 2021 and financial statements are not in compliance with laws and provisions of the Company's articles of association in relation to financial reporting.

2) In accordance with paragraph 4 of Article 402 of the TCC, the Board of Directors submitted to us the necessary explanations and provided required documents within the context of audit.

The name of the engagement partner who supervised and concluded this audit is Emir Taşar.

Eren Bağımsız Denetim Anonim Şirketi
A member firm of Grant Thornton

Emir Taşar, SMMM
Partner

April 19, 2022
Ankara, Turkey

ERKUNT SANAYİ ANONİM ŞİRKETİ
STATEMENT OF FINANCIAL POSITION AS OF DECEMBER 31, 2021

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

	Note	**Audited Current year December 31, 2021**	Audited Prior year December 31, 2020
Current Assets		**486,439,439**	180,185,835
Cash and Cash Equivalents	3	**20,811,358**	24,821,042
Trade Receivables:			
- Due from related parties	*5-26*	**35,198,404**	24,623,451
- Other parties	*5*	**249,266,989**	67,189,352
Other Receivables:			
- Due from related parties	*6-26*	**73,302**	46,092
- Other parties	*6*	**127,072**	79,090
Inventories	7	**144,150,044**	55,117,704
Prepaid expenses	8	**2,930,737**	1,635,729
Other current assets	14	**33,881,533**	6,673,375
Non-current assets		**168,715,705**	132,555,207
Investment accounted for using the equity method	16	**8,419,294**	6,371,562
Other receivables:			
- Other parties	*6*	**674,788**	481,305
Investment properties	9	**381,083**	395,552
Property, plant and equipment	10	**137,926,139**	108,152,550
Intangible assets	11	**333,218**	357,972
Right of use asset	12	**8,785,111**	11,414,848
Prepaid expenses	8	**3,631,711**	–
Deferred tax asset	25	**8,564,361**	5,381,418
TOTAL ASSETS		**655,155,144**	312,741,042

ERKUNT SANAYİ ANONİM ŞİRKETİ
STATEMENT OF FINANCIAL POSITION AS OF DECEMBER 31, 2020 (CONTD...)
(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

	Note	**Audited Current year December 31, 2021**	Audited Prior year December 31, 2020
Current Liabilities		**296,104,842**	82,931,633
Short-term financial liabilities	4	**5,949,000**	7,903,316
Other financial liabilities	4	**134,312**	348,011
Short-term lease liabilities	4	**2,148,102**	2,743,280
Trade payables:			
- Due to related parties	*5-26*	**1,723,441**	719,666
- Other parties	*5*	**246,219,825**	51,131,008
Employee benefit obligations	13	**12,468,172**	10,295,000
Other payables:			
- Due to related parties	*6-26*	**–**	8,525
- Other parties	*6*	**2,496,227**	918,621
Derivative instruments		**–**	57,589
Deferred income	8	**3,155,220**	2,457,210
Current income tax liability	25	**11,594,036**	1,911,762
Short-term provisions:			
- For employee benefits	*13*	**9,802,316**	3,766,609
- Other	*15*	**414,191**	671,036
Non-current liabilities		**50,871,190**	43,117,877
Long-term lease liabilities	4	**11,081,410**	12,105,352
Other payables:			
- Due to related parties	6-26	**8,525**	–
Long-term provisions			
- For employee benefits	*13*	**39,781,255**	31,012,525
Equity		**308,179,112**	186,691,532
Paid-in share capital	17	**15,120,000**	15,120,000
Adjustment to share capital		**(7,064,199)**	(7,064,199)
Actuarial loss arising from defined benefit plans	17	**(19,605,221)**	(15,280,382)
Restricted reserves	17	**11,099,374**	11,099,374
Retained earnings		**182,816,739**	159,903,798
Net profit for the year		**125,812,419**	22,912,941
Total liabilities and equity		**655,155,144**	312,741,042

ERKUNT SANAYİ ANONİM ŞİRKETİ
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2021

(Amounts expressed in Turkish Lira ("TL"), unless otherwise indicated.)

	Note	**Audited Current year January 1- December 31, 2021**	Audited Prior year January 1- December 31, 2020
Revenue	18	**1,016,417,902**	369,194,257
Cost of sales (-)	18	**(825,998,149)**	(304,300,028)
Gross profit		**190,419,753**	64,894,229
Research and development expenses (-)	19	**(4,708,627)**	(1,877,870)
Marketing, selling and distribution expenses (-)	20	**(32,317,433)**	(10,183,912)
General administrative expenses (-)	21	**(23,401,609)**	(19,123,991)
Other income from operating activities	22	**2,701,417**	655,751
Other expense from operating activities (-)	22	**(5,431,956)**	(9,995,257)
Operating profit		**127,261,545**	24,368,950
Income from investment activities	23	**184,733**	263,963
Share of profit/ (loss) of investments accounted for using the equity method	16	**2,198,332**	1,102,102
Operating profit before financial expenses		**129,644,610**	25,735,015
Financial income	24	**150,791,675**	22,763,485
Financial expenses (-)	24	**(128,130,552)**	(21,647,151)
Profit before taxation		**152,305,733**	26,851,349
Tax income/ (expenses)		**(26,493,314)**	(3,938,408)
Tax expenses for the year	25	**(28,595,047)**	(6,208,795)
Deferred tax income	25	**2,101,733**	2,270,387
Net profit for the year		**125,812,419**	22,912,941
Items not to be reclassified to profit or loss		**(4,324,839)**	(7,815,939)
Actuarial loss arising from defined benefit plans		**(5,406,049)**	(9,769,924)
Tax effect of actuarial loss:	25	**1,081,210**	1,953,985
Other comprehensive expenses		**(4,324,839)**	(7,815,939)
Total comprehensive income		**121,487,580**	15,097,002

ERKUNT SANAYİ ANONİM ŞİRKETİ
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31, 2021
(Amounts expressed in Turkish Lira ("TL"), unless otherwise indicated.)

	Note	**January 1- December 31, 2021**	January 1- December 31, 2020
A. CASH FLOWS FROM OPERATING ACTIVITIES		**55,711,200**	34,777,936
Profit for the year		**125,812,419**	22,912,941
Adjustments to reconcile profit:			
Adjustments for depreciation and amortization expenses	9, 10, 11, 12	**25,457,358**	25,139,269
Adjustments for impairment of receivables	5	**503,327**	1,743,785
Adjustment for provisions related with employee benefits		**14,182,248**	6,630,008
Adjustments for litigation provision	15	**(256,845)**	185,894
Adjustments for interest income and expenses		**3,707,095**	4,822,560
Adjustments related to fair value losses of derivative financial instruments	24	**(57,589)**	(45,265)
Adjustments for tax income or expenses	25	**26,493,314**	3,938,408
Adjustments for losses (gains) arising from disposal of property, plant and equipment	23	**(184,733)**	(263,963)
Adjustments for undistributed profits of investment accounted for using the equity method	16	**(2,198,332)**	(1,101,973)
Changes in working capital:			
Trade receivables		**(193,155,917)**	(44,594,732)
Other receivables		**(268,675)**	(96,310)
Inventories		**(89,032,340)**	(2,001,096)
Prepaid expenses		**(4,926,719)**	937,184
Trade payables		**196,092,592**	18,202,591
Payables of employee benefits		**2,173,172**	2,248,294
Other payables		**1,577,606**	387,780
Deferred income		**698,010**	1,785,250
Other current and non-current assets		**(27,208,158)**	880,993
Cash flows from operating activities:			
Employment termination benefits paid	13	**(4,783,860)**	(2,636,649)
Taxes paid	25	**(18,912,773)**	(4,297,033)
B. CASH FLOWS FROM INVESTING ACTIVITIES		**(52,163,309)**	(16,260,309)
Proceeds from sale of property, plant and equipment and intangible assets	10	**194,121**	381,634
Cash outflow from purchases of property, plant and equipment and intangible assets	10-11	**(52,508,030)**	(16,792,543)
Dividend received	16	**150,600**	150,600
C. CASH FLOWS FROM FINANCING ACTIVITIES		**(7,557,575)**	(2,168,228)
Cash inflows from borrowings	4	**39,780,312**	100,733,176
Cash outflow related to borrowing payments	4	**(41,948,327)**	(98,050,737)
Cash outflow related to leasing payments		**(4,531,081)**	(4,156,464)
Interest paid	24	**(1,134,690)**	(733,855)
Interest received	24	**276,211**	39,652
Net change in cash and cash equivalents		**(4,009,684)**	16,349,399
D. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		**24,821,042**	8,471,643
E. CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	3	**20,811,358**	24,821,042

ERKUNT SANAYİ ANONİM ŞİRKETİ

STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR ENDED DECEMBER 31, 2021

(Amounts expressed in Turkish Lira ("TL"), unless otherwise indicated.)

	Paid-in share capital	Adjustment to share capital	Actuarial losses arising from defined benefit plans	Restricted reserves	Retained earnings	Net profit for the year	Total
Balance as of January 1, 2020	**15,120,000**	**(7,064,199)**	**(7,464,443)**	**11,099,374**	**133,965,306**	**25,938,492**	**171,594,530**
Transfers	–	–	–	–	25,938,492	(25,938,492)	–
Total comprehensive loss	–	–	7,815,939	–	–	22,912,941	15,097,002
Balance as of December 31, 2020	**15,120,000**	**(7,064,199)**	**(15,280,382)**	**11,099,374**	**159,903,798**	**22,912,941**	**186,691,532**
Transfers	–	–	–	–	22,912,941	(22,912,941)	–
Total comprehensive loss	**–**	**–**	**4,324,839**	**–**	**–**	**125,812,419**	**121,487,580**
Balance as of December 31, 2021	**15,120,000**	**(7,064,199)**	**(19,605,221)**	**11,099,374**	**182,816,739**	**125,812,419**	**308,179,112**

EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED AT DECEMBER 31, 2021

(Amounts expressed in Turkish Lira ("TL"), unless otherwise indicated.)

1. Organization and operations of the Company

Erkunt Sanayi A.Ş. (the "Company") was established in 1961 and its main activity is to manufacture and trade all kinds of parts, machined parts and main products based on casting technology for automotive, tractors and construction equipment.

The Company has Casting-1 and Machining-1 facilities in Etimesgut Ankara, which is its headquarters, as well as Casting-2 established in Sincan Ankara "Organized Industrial Zone" in 1996 and Processing-2 facilities at the same location.

The Company's share capital consists of 1.512.000.000 units of shares with the nominal value of TL 0,01.

The shareholders of the Company and their shareholding structures as of December 31, 2021 and 2020 are as follows:

	December 31, 2021		**December 31, 2020**	
Shareholders	**Amount in TL**	Share (%)	Amount in TL	Share (%)
Mahindra Overseas Investment Company Ltd.	**9,633,788**	**%63.7**	9,633,788	%63.7
Erkunt Traktör Sanayii A.Ş.	**5,288,795**	**%35.0**	5,288,795	%35.0
Bürge Ceylan Kaleli	**110,950**	**%0.7**	110,950	%0.7
Ahmet Nalbur	**15,120**	**%0.1**	15,120	%0.1
Rezzan Oral	**147**	**–**	147	–
Other	**71,200**	**%0.5**	71,200	%0.5
Total	**15,120,000**	**100,0**	15,120,000	100,0

Total number of employees of the Company as of December 31, 2020 is 1.510 (December 31, 2019: 1.342).

2. Basis of presentation of financial statements and summary of accounting policies

2.1 Basis of presentation

The Company maintains its legal books of account and prepare its statutory financial statements ("Statutory Financial Statements") in accordance with accounting principles issued by the Turkish Commercial Code ("TCC") and tax legislation.

The accompanying financial statements of the Company have been prepared in accordance with the principles of Turkish Accounting Standards ("TAS"), as issued by the Public Oversight Accounting and Auditing Standards Authority ("POA").

Financial statements and footnotes are presented in accordance with the financial statement examples and user guide announced by the POA with the principle decision dated April 15, 2019.

The financial statements have been prepared under the historical cost convention. In determining the historical cost, generally the fair value of the price paid for the assets is taken as basis.

Functional and reporting presentation currency

The currency and functional currency of the country of residence of the Company is Turkish Lira ("TL"). The Company uses Turkish Lira ("TL") the measurement items in its financial statements.

Going concern

The Company prepared its financial statements in accordance with the going concern assumption.

Approval of the financial statements

The financial statements have been approved and authorized to be published on April 19, 2022 by the Board of Directors. The General Assembly has the authority to revise the financial statements.

2.2 Restatement and errors in the accounting policies and estimates

Any change in the accounting policies resulted from the first time adoption of a new standards, if any, is made either retrospectively or prospectively. Changes without any transition requirement, material changes in accounting policies or material errors are corrected retrospectively by restating the prior period financial statements. If changes in accounting estimates are related to only one period, they are recognized in the period applied; if changes in estimates are related to future periods, they are recognized both in the period where the change is applied and future periods prospectively.

2.3 Comparative information and restatement of financial statements with prior periods

The Company's financial statements are prepared in comparison with the previous period in order to allow for the determination of the financial position and performance trends in accordance with a new illustrative financial statements. Comparative information is reclassified when necessary and important differences are explained in order to ensure compliance with the presentation of the current period financial statements.

2.4 The new standards, amendments and interpretations

The accounting policies adopted in preparation of the financial statements as at December 31, 2021 are consistent with those of the previous financial year, except for the adoption of new and amended TFRS and TFRIC interpretations effective as of 1 January 2021 and thereafter. The effects of these standards and interpretations on the Company financial position and performance have been disclosed in the related paragraphs.

i) The new standards, amendments and interpretations which are effective as at 1 January 2021 are as follows:

- Interest Rate Benchmark Reform – Phase 2 – Amendments to TFRS 9, TAS 39, TFRS 7, TFRS 4 and TFRS 16
    - Practical expedient for changes in the basis for determining the contractual cash flows as a result of IBOR reform
    - Relief from discontinuing hedging relationships
    - Separately identifiable risk components
    - Additional disclosures

– Amendments to TFRS 16 – Covid-19-Related Rent Concessions and Covid-19-Related Rent Concessions beyond June 30, 2021

ii) Standards issued but not yet effective and not early adopted

- Amendments to TFRS 10 and TAS 28 – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
- Amendments to TFRS 3 – Reference to the Conceptual Framework
- Amendments to TAS 16 – Proceeds before intended use
- Amendments to TAS 37 – Onerous contracts – Costs of Fulfilling a Contract
- TFRS 17 – The new Standard for insurance contracts
- Amendments to TAS 1– Classification of Liabilities as Current and Non-Current Liabilities
- Amendments to TAS 8 – Definition of Accounting Estimates
- Amendments to TAS 1 and IFRS Practice Statement 2 – Disclosure of Accounting Policies
- Amendments to TAS 12 – Deferred Tax related to Assets and Liabilities arising from a Single Transaction

Annual Improvements – 2018–2020 Cycle

Overall, the Company expects no significant impact on its balance sheet and equity.

2.5 Summary of significant accounting policies

Cash and cash equivalents

Cash and cash equivalents are cash in hand, demand deposits and other short-term investments with a maturity of 3 months or less than 3 months, which are easily convertible into cash and do not carry a significant risk of change in value (Note 3). Bank deposits with a maturity of longer than 3 months and less than 1 year are classified as short-term financial investments.

Financial insturments

Financial assets and financial liabilities are recognised in the Company's statement of financial position when the Company becomes a part of the the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis.

The Company classifies its financial assets as (a) Business model used for managing financial assets, (b) financial assets subsequently measured at amortised cost, at fair value through other comprehensive income or at fair value through profit or loss based on the characteristics of contractual cash flows. The Company reclassifies all financial assets effected from the change in the business model it uses for the management of financial assets. The reclassification of financial assets is applied prospectively from the reclassification date. In such cases, no adjustment is made to gains, losses (including any gains or losses of impairment) or interest previously recognized in the financial statements.

Classification of financial assets

Financial assets that meet the following conditions are measured subsequently at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets that meet the following conditions are measured subsequently at fair value through other comprehensive income (FVTOCI):

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

By default, all other financial assets are measured subsequently at fair value through profit or loss (FVTPL).

Despite the foregoing, the Company may make the following irrevocable election/designation at initial recognition of a financial asset; the Company may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met.

(i) Amortised cost and effective interest method

Interest income on financial assets carried at amortized cost is calculated using the effective interest method. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. This income is calculated by applying the effective interest rate to the gross carrying amount of the financial asset:

a) Credit-impaired financial assets when purchased or generated. For such financial assets, the Company applies the effective interest rate on the amortized cost of a financial asset based on the loan from the date of the recognition in the financial statements.

b) Non-financial assets that are impaired at the time of acquisition or generation but subsequently become a financial asset that has been impaired. For such financial assets, the Company applies the effective interest rate to the amortized cost of the asset in the subsequent reporting periods.

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost and at FVTOCI.

Interest income is recognised in profit or loss and is included in the "finance income – interest income" line item.

(ii) Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI are measured at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognized in profit or loss to the extent they are not part of a designated hedging relationship.

Equity instruments designated as at FVTOCI

On initial recognition, the Company may make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as at FVTOCI. Designation at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognised by an acquirer in a business combination.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has evidence of a recent actual pattern of short-term profit-taking; or
- it is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in the investments revaluation reserve. The cumulative gain or loss is not reclassified to profit or loss on disposal of the equity investments, instead, it is transferred to retained earnings.

Foreign exchange gains and losses

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. Specifically,

- for financial assets measured at amortized cost that are not part of a designated hedging relationship, exchange differences are recognized in profit or loss;
- for debt instruments measured at FVTOCI that are not part of a designated hedging relationship, exchange differences on the amortized cost of the debt instrument are recognized in profit or loss.

Other exchange differences are recognized in other comprehensive income in the investments revaluation reserve;

- for financial assets measured at FVTPL that are not part of a designated hedging relationship, exchange differences are recognized in profit or loss and
- for equity instruments measured at FVTOCI, exchange differences are recognized in other comprehensive income in the investments revaluation reserve.

Impairment of financial assets

The Company recognizes a loss allowance for expected credit losses on investments in debt instruments that are measured at amortized cost or at FVTOCI, lease receivables, trade receivables and contract assets, as well as financial guarantee contracts. The amount of expected credit losses is updated at each Reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Company utilizes a simplified approach for trade receivables, contract assets and lease receivables that does not have significant financing component and calculates the allowance for impairment against the lifetime ECL of the related financial assets.

For all other financial instruments, the Company recognizes lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12 month ECL.

Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date.

For financial assets, the expected credit losses is estimated as the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive, discounted at the original effective interest rate.

Derecognition of financial assets

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss. In addition, on derecognition of an investment in a debt instrument classified as at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss. In contrast, on derecognition of an investment in equity instrument which the Company has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

Financial liabilities

Financial liabilities are classified as at FVTPL on initial recognition. On initial recognition of liabilities other than those that are recognised at FVTPL, transaction costs directly attributable to the acquisition or issuance thereof are also recognised in the fair value. A financial liability is subsequently classified at amortized cost except:

a) Financial liabilities at FVTPL: These liabilities including derivative instruments are subsequently measured at fair value.

b) Financial liabilities arising if the transfer of the financial asset does not meet the conditions of derecognition from the financial statements or if the ongoing relationship approach is applied: When the Company continues to present an asset based on the ongoing relationship approach, a liability in relation to this is also recognised in the financial statements. The transferred asset and the related liability are measured to reflect the rights and liabilities that the Company continues to hold. The transferred liability is measured in the same manner as the net book value of the transferred asset.

c) A contingent consideration recognized in the financial statements by the entity acquired in a business combination where TFRS 3 is applied: After initial recognition, the related contingent consideration is measured as at FVTPL.

The Entity does not reclassify any financial liability.

Derecognition of financial liabilities

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

Derivative financial instruments

The Company enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including foreign exchange forward contracts, options and interest rate swaps.

Derivatives are recognized initially at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The resulting gain or loss is recognized in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognized as a financial asset whereas a derivative with a negative fair value is recognized as a financial liability. Derivatives are not offset in the financial statements unless the Company has both legal right and intention to offset. A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not expected to be realized or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

Related parties

Parties are considered related to the Company if:

a) A person or a close member of that person's family is related to a reporting entity if that;

The related person or entity that is related to the entity preparing its financial statements (for this note will be named as reporting entity'):

(i) Has control or joint control over the reporting entity;

(ii) Has significant influence over the reporting entity; or

(iii) Is a member of the key management personnel of the reporting entity or of a parent of the reporting entity

(b) An entity is related to a reporting entity if any of the following conditions applies:

(i) The entity and the reporting entity are members of the same company (which means that each Parent, subsidiary and fellow subsidiary is related to the others).

(ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a company of which the other entity is a member).

(iii) Both entities are joint ventures of the same third party.

(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

(v) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.

(vi) The entity is controlled or jointly controlled by a person identified in (a).

(vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

A related party transaction is a transfer of resources, services or obligations between a reporting entity and a related party, regardless of whether a price is charged.

Inventories

Inventories are valued at the lower of cost or net realizable value. The costs, including an appropriate portion of fixed and variable overhead expenses, are assigned to inventories held by the method most appropriate to the particular class of inventory, with the majority valued by using the monthly weighted average method. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Property, plant and equipment

Property, plant and equipment are carried at cost less accumulated depreciation and any accumulated impairment losses. Land is not depreciated and carried at cost less accumulated impairment.

Properties in the course of construction for production, supply or administrative purposes, or for purposes not yet determined, are carried at cost, less any recognized impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalized in accordance with the Company's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Depreciation is recognized so as to write off the cost or valuation of assets, other than freehold land and properties under construction, less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

	Useful life
Building	50 years
Machinery and equipment	2-33 years
Vehicles	5 years
Furniture and fixtures	2-50 years
Leasehold improvements	4-15 years

Expenses after the capitalization are added to the cost of related asset and reflected in financial statements as a separate asset if they shall mostly provide an economic benefit and their cost is measured in a trustable manner. Property, plant and equipment are reviewed for impairment if there are conditions showing that the securities are more than amount recoverable. Assets are grouped at the lowest level which is cash-generating unit in order to determine impairment (cash-generating unit).

Carrying amount of a tangible asset and recoverable value is the one which is higher than the net sales price following the deduction of commensurable value for the sale of the asset. Useful life of assets are reviewed as of date of balance sheet and adjusted, if required.

Maintenance and repair expenses are recorded as expense to the statement of profit or loss of the related period. The Company omits the carrying values of the changed pieces occurred with respect to renovations from the balance sheet without considering whether they are subject to depreciation in an independent manner from other sections. Main renovations are subject to deprecation based on the shortest of residual life of the related tangible asset or useful life of the renovation itself.

Intangible assets

Out of the purchased intangible fixed assets, those with a finite life are presented at cost less accumulated amortization and accumulated impairment losses.

Intangible assets are amortized principally on a straight-line basis over their estimated useful lives and production amounts. The estimated useful life and amortization method are reviewed at the end of each annual reporting period, and any changes in the estimate are accounted for on a prospective basis.

Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation, including property under construction for such purposes. Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value.

When the use of a property changes such that it is reclassified as property, plant and equipment, its fair value at the date of reclassification becomes its cost for subsequent accounting. An investment property is derecognized upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognized.

IFRS 16 "Leases" standard

<u>Company - as a lessee</u>

The Company assesses whether a contract is or contains a lease, at inception of the contract. The Company recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

– fixed lease payments (including in-substance fixed payments), less any lease incentives;
– variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
– the amount expected to be payable by the lessee under residual value guarantees;
– the exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
– payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the statement of financial position. The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made. The Company remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

– The lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
– The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
– A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Company did not make any such adjustments during the periods presented.

Right-of-use assets include the initial measurement of the corresponding lease liability, lease payments incurred on or before the lease actually commences, and other direct initial costs. These assets are subsequently measured at cost less accumulated depreciation and impairment losses.

The Company applies TAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the 'Property, Plant and Equipment' policy. Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the rightof- use asset. The related payments are recognized as an expense in the period in which the event or condition that triggers those payments occurs and are included in 'Other expenses' in profit or loss.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Company expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

Revenue recognition

Company recognizes revenue when the goods or services are transferred to the customer and when performance obligation is fulfilled. Goods are counted to be transferred when the control belongs to the customer. The principal activities of the Company are production of iron and steel rolled products, alloyed and non-alloyed iron, steel and pig iron castings, cast and pressed products and their by-products.

Company recognizes revenue based on the following main principles:

a) Identification of customer contracts
b) Identification of performance obligations
c) Determination of transaction price in the contract
d) Allocation of price to performance obligations
e) Recognition of revenue when the performance obligations are fulfilled

The Company evaluates the products it has committed in each contract with customers and determines each commitment it has made to transfer the said goods or services as a separate performance obligation. Whether the performance obligation for each contract will be realized at a certain time or over time is evaluated at the beginning of the contract. If the Company realizes the transfer of control of its goods and services over time and fulfills its performance obligation over time, it measures the progress in fulfilling the performance obligation and records the revenues in the financial statements.

Employee termination benefits

According to the Turkish law, employee termination payments are made to employees in the case of retiring or involuntarily leaving. Such payments are considered as a part of defined retirement benefit plan in accordance with TAS 19 (revised) Employee Benefits ("TAS 19").

The employment termination benefit has been calculated by estimating the present value of the future probable obligation of the Company arising from the retirement of employees. TAS 19 ("Employee Benefits") requires actuarial valuation methods to be developed to estimate the Company's obligation under defined benefit plans. The actuarial assumptions used in the calculation of the present value of the future probable obligation are as follows:

	December 31, 2021	December 31, 2020
Interest rate (%)	21,50	13,25
Inflation rate (%)	19,90	9,00

Provisions, contingent liabilities and contingent assets

Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Contingent liabilities and contingent assets

A possible obligation or asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company have not been recognized in these financial statements and treated as contingent liabilities and contingent assets.

Taxation and deferred income taxes

Income tax expense represents the sum of the current tax and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of profit or loss because it excludes items of income or expense that are taxable or deductible in future and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is determined by calculating the temporary differences between the carrying amounts of assets/liabilities in the financial statements and the corresponding tax bases, used in the computation of the taxable profit, using currently enacted tax rates.

Deferred tax liabilities are generally recognized for all taxable temporary differences where deferred tax assets resulting from deductible temporary differences are recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary difference can be utilized. Such assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized if it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax for the period

Current and deferred tax are recognized as an expense or income in the statement of profit or loss, except when they relate to the items credited or debited directly to the equity (in this case the deferred tax related to these items is also recognized directly in the equity), or where they arise from the initial accounting of a business combination. In the case of a business combination, the tax effect is taken into account in calculating goodwill or determining the excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over cost.

Statement of cash flows

Cash flows during the period are classified and reported as operating, investing and financing activities in the statement of cash flows.

Cash flows arising from operating activities represent the cash flows that are used in or provided by the sales activities.

Cash flows arising from investment activities represent the cash flows that are used in or provided by the investing activities (direct investments and financial investments) of the Company.

Cash flows arising from financing activities represent the cash proceeds from the financing activities of the Company and the repayments of these funds.

Cash and cash equivalents comprises of the cash on hand, the demand deposits and highly liquid other short-term investments which their maturities are three months or less from the date of acquisition, are readily convertible to cash and are not subject to a significant risk of changes in value.

The translation difference that occurs due to translation from functional currency to presentation currency is shown as translation difference on cash flow statement.

Subsequent events

Subsequent events include all events that take place between the balance sheet date and the date of authorization for the release of the balance sheet, although the events occurred after the announcements related to the net profit/loss or even after the public disclosure of other selective financial information.

In the case that events occur requiring an adjustment, the Company adjusts the amounts recognized in its financial statements to reflect the adjustments after the balance sheet date. Post period end events that are not adjusting events are disclosed in the notes when material.

2.6 Critical accounting judgments, estimates and assumptions

The preparation of financial statements requires estimates and assumptions to be made regarding the amounts for the assets and liabilities at the balance sheet date, and explanations for the contingent assets and liabilities as well as the amounts of income and expenses realized in the reporting period. These estimates and assumptions are reviewed regularly, taking into account past experiences and factors expected to arise in the future under certain conditions. Uncertainty about these estimates and assumptions may require significant adjustments in the carrying values of assets and liabilities. Actual results may differ from estimates and assumptions.

Comments that may have a significant impact on the amounts reflected in the financial statements and the significant assumptions and evaluations made by considering the main sources of the estimates that may or may occur at the balance sheet date are as follows:

a) Provisions for employment termination benefits have been calculated according to the (discount rate, estimated future wage increase, and rate of retirement of the employees) based on actuarial assumptions.

b) Provisions for lawsuits are determined by the management with support of the Company's legal advisers that can result a cash outflow for the Company in every period at the date of preparation of financial statements.

c) The Company's management has made certain important assumptions based on experiences of their technical personnel in determining useful economic life of the property, plant and equipment.

d) The Company reviews its assets for any possible impairmentif there is an indication of assets cannot be sold at their book value in accordance with current developments and changing circumstances. In case of such an indication and book value of assets exceed their estimated recoverable values, assets and cash providing units are stated at estimated recoverable values. The recoverable value of assets is stated at greater of net selling price or value in use.

3. Cash and Cash Equivalents

	December 31, 2021	December 31, 2020
Cash on hand	**6,014**	12,242
Cash in banks:		
– Time deposit	**–**	1,982,000
– Demand deposit	**20,805,344**	22,826,800
Total	**20,811,358**	24,821,042

The details of the time deposits as of December 31, 2020 are as follows:

	Maturity	**Interest rate (%)**	**December 31, 2020**
Turkish Lira	Ocak 2021	**17**	**1,982,000**
Total			**1,982,000**

The currency details of the time and demand deposits as of December 31, 2021 and 2020 are as follows:

	December 31, 2021	December 31, 2020
Euro	**20,123,369**	13,541,636
British Pound	**667,211**	9,111,881
US Dollar	**10,129**	165,665
Turkish Lira	**4,635**	1,989,618
Total	**20,805,344**	24,808,800

As of December 31, 2021, there are no blockage, pledges or mortgages on cash and cash equivalents (December 31, 2020: None).

4. Financial liabilities

The details of financial liabilities as of December 31, 2021 and 2020 are as follows:

	December 31, 2021	December 31, 2020
Short-term financial liabilities:		
Short-term bank loans	**5,949,000**	7,903,316
Current portion of long-term operation lease liabilities	**2,148,102**	2,743,280
Other financial liabilities (*)	**134,312**	348,011
Total	**8,231,414**	10,994,607
Long-term financial liabilities:		
Long-term operation lease liabilities	**11,081,410**	12,105,352
Total	**11,081,410**	12,105,352

(*) Other financial liabilities consist of credit card payables.

Movements of bank loans as follows:

	2021	2020
January 1	**7,903,316**	5,220,877
Addition	**39,780,312**	100,733,176
Principal paid	**(41,734,628)**	(98,050,737)
December 31	**5,949,000**	7,903,316

5. Trade receivables and payables

a) Trade receivables

The details of trade receivables as of December 31, 2021 and 2020 are as follows:

	December 31, 2021	December 31, 2020
Trade receivables from third parties	**251,322,194**	67,685,299
Doubtful receivables	**329,806**	329,806
Trade receivables from related parties (Note 26)	**35,449,776**	25,930,754
Total	**287,101,776**	93,945,859
Minus: Provision for doubtful receivables	**(329,806)**	(329,806)
Minus: Expected credit loss		
Third parties	**(2,055,205)**	(495,947)
Related parties (Note 26)	**(251,372)**	(1,307,303)
Trade receivables, net	**284,465,393**	91,812,803

The maturity of the Company's trade receivables varies depends on the contracts signed. However, the average maturity for the trade receivables as of December 31, 2021 is 47 days (2020: 69 days). As of December 31, 2021, there was no calculation of unearned finance income as it had no significant influence on trade receivables.

The movement of the Company's provision for doubtful receivables as of December 31, 2021 and 2020 is as follows:

	2021	2020
January 1	**(329,806)**	(329,806)
Charge during the year (Note 22)	**–**	–
Provision no longer required (Note 22)	**–**	–
December 31	**(329,806)**	(329,806)

The movement of the Company's expected credit loss as of December 31, 2021 and 2020 is as follows:

	2021	2020
January 1	**(1,803,250)**	(59,465)
Charge during the year (Note 22)	**(2,306,577)**	(1,803,250)
Provision no longer required (Note 22)	**1,803,250**	59,465
December 31	**(2,306,577)**	(1,803,250)

b) Trade payables

The details of trade payables as of December 31, 2021 and 2020 are as follows:

	December 31, 2021	December 31, 2020
Trade payables to third parties	**246,219,825**	51,131,008
Trade payables to related parties (Note 26)	**1,723,441**	719,666
Total	**247,943,266**	51,850,674

The maturity of the Company's trade payables varies depends on the contracts signed. However, the average maturity for the trade payables as of December 31, 2021 is 50 days (2020: 50 days).

6. Other receivables and payables

a) Other receivables

The details of short-term other receivables as of December 31, 2021 and 2020 are as follows:

	December 31, 2021	December 31, 2020
Other receivables from third parties	**127,072**	79,090
Other receivables from related parties (Note 26)	**73,302**	46,092
Total	**200,374**	125,182

The details of long-term other receivables as of December 31, 2021 and 2020 are as follows:

	December 31, 2021	December 31, 2020
Deposits and guarantees given	**674,788**	481,305
Total	**674,788**	481,305

b) Other payables

The details of short-term other payables as of December 31, 2021 and 2020 are as follows:

	December 31, 2021	December 31, 2020
Other payables to third parties	**2,496,227**	918,621
Other payables to related parties (Note 26)	**–**	8,525
Total	**2,496,227**	927,146

The details of long-term other payables as of December 31, 2021 and 2020 are as follows:

	December 31, 2021	December 31, 2020
Other payables to related parties (Note 26)	**8,525**	–
Total	**8,525**	–

7. Inventories

The details of inventories as of December 31, 2021 and 2020 are as follows:

	December 31, 2021	December 31, 2020
Raw materials and supplies	**87,029,030**	30,621,983
Work in process	**44,197,876**	16,161,433
Finished goods	**12,591,216**	8,095,093
Goods in transit	**331,922**	239,195
Total	**144,150,044**	55,117,704

The amount of insurance cover on inventories is EUR 2,100,000 for the year ended December 31, 2021 (December 31, 2020: EUR 2.000,000).

8. Prepaid expenses and deferred income

a) Prepaid expenses

The details of short-term prepaid expenses as of December 31, 2021 and 2020 are as follows:

	December 31, 2021	December 31, 2020
Prepaid expenses for next months	**1,619,230**	1,204,657
Advances given	**1,309,507**	430,972
Other	**2,000**	100
Total	**2,930,737**	1,635,729

The details of long-term prepaid expenses as of December 31, 2021 and 2020 are as follows:

	December 31, 2021	December 31, 2020
Advances given	**3,631,711**	–
Total	**3,631,711**	–

b) Deferred income

The details of deferred income as of December 31, 2021 and 2020 are as follows:

	December 31, 2021	December 31, 2020
Income related to future months (*)	**3,047,368**	1,221,924
Advances received	**107,852**	1,235,286
Total	**3,155,220**	2,457,210

(*) Delivered duty paid ("DDP") is a delivery agreement whereby the seller assumes all of the responsibility, risk, and costs associated with transporting goods until the buyer receives or transfers them at the destination port. Income related to future months consist of sales which are not recorded as revenue due to delivery method.

9. Investment properties

Movement of investment properties and accumulated amortization for the year ended December 31, 2021 and 2020 are as follows:

	January 1, 2021	Addition	December 31, 2021
Cost:			
Building	**721,459**	**–**	**721,459**
Total cost	**721,459**	**–**	**721,459**
Accumulated depreciation:			
Buildings	**325,907**	**14,469**	**340,376**
Total accumulated depreciation	**325,907**	**14,469**	**340,376**
Book value	**395,552**		**381,083**

	January 1, 2020	Addition	December 31, 2020
Cost:			
Building	721,459	–	721,459
Total cost	721,459	–	721,459
Accumulated depreciation:			
Buildings	311,438	14,469	325,907
Total accumulated depreciation	311,438	14,469	325,907
Book value	410,021		395,552

The Company included the depreciation expenses from investment properties for the year ended December 31, 2021 amounting to TL 14,469 under the general administration expenses (2020: TL 14,469).

Investment properties consist of 3.550 m^2 of administrative buildings with an area of 15,461 m^2 in Ankara Sincan Organized Industrial Zone Batıhun Street.

10. Property, plant and equipment

Movement of property, plant and equipment and accumulated depreciation between January 1 - December 31, 2021 are as follows:

Cost	Land	Land improvements	Buildings	Plant, machinery and equipment	Vehicles	Furniture and fixtures	Other tangible fixed assets	Leasehold improvements	Construction in progress	Total
Opening Balance as of January 1, 2020	**1,386,469**	**7,433,733**	**15,069,597**	**305,543,065**	**449,371**	**9,085,034**	**5,372,183**	**348,454**	**10,203,784**	**354,891,690**
Additions	**–**	**–**	**–**	**8,266,378**	**–**	**925,933**	**200,059**	**206,558**	**42,819,377**	**52,418,306**
Disposals (-)	**–**	**–**	**–**	**(1,947,741)**	**(16,626)**	**(250,411)**	**(438,027)**	**–**	**–**	**(2,652,804)**
Transfers from constructions in progress	**–**	**–**	**–**	**15,200,888**	**–**	**–**	**–**	**–**	**(15,200,888)**	**–**
Closing Balance as of December 31, 2021	**1,386,469**	**7,433,733**	**15,069,597**	**327,062,590**	**432,745**	**9,760,556**	**5,134,216**	**555,012**	**37,822,274**	**404,657,192**
Accumulated depreciation										
Opening Balance as of January 1, 2021	**–**	**4,885,371**	**3,440,833**	**229,072,794**	**327,399**	**4,028,013**	**4,932,950**	**51,780**	**–**	**246,739,140**
Charge fort he year	**–**	**423,390**	**401,662**	**20,266,544**	**53,506**	**1,192,615**	**224,892**	**72,721**	**–**	**22,635,331**
Disposals (-)	**–**	**–**	**–**	**(1,944,207)**	**(16,626)**	**(244,558)**	**(438,027)**	**–**	**–**	**(2,643,417)**
Closing Balance as of December 31, 2021	**–**	**5,308,761**	**3,842,495**	**247,395,131**	**364,280**	**4,976,070**	**4,719,816**	**124,501**	**–**	**266,731,054**
Book value as of December 31, 2021	**1,386,469**	**2,124,972**	**11,227,102**	**79,667,459**	**68,466**	**4,784,486**	**414,400**	**430,511**	**37,822,274**	**137,926,139**

Depreciation expenses of TL 21,198,892 has been charged in 'Cost of Goods Sold', TL 427,755 in 'General Administrative Expenses', TL 70,805 has been charged in 'Research And Development Expenses' and TL 937,878 in 'Idle Capacity Expenses'.

The amount of insurance cover on plant, machinery and equipment is TL 1,056,810,000, on buildings is TL 135,395,000 and furniture and fixtures is TL 87,285,000 for the year ended December 31, 2021.

As of December 31, 2020, there is no mortgage on propery, plant and equipment.

Movement of property, plant and equipment and accumulated depreciation between January 1 - December 31, 2020 are as follows:

Cost	Land	Land improvements	Buildings	Plant, machinery and equipment	Vehicles	Furniture and fixtures	Other tangible fixed assets	Leasehold improvements	Construction in progress	Total
Opening Balance as of January 1, 2020	1,386,469	7,433,733	15,069,597	305,543,065	449,371	9,085,034	5,372,183	348,454	10,203,784	354,891,690
Additions	–	–	–	8,266,378	–	925,933	200,060	206,558	42,819,378	52,418,307
Disposals (-)	–	–	–	(1,947,741)	(16,626)	(250,411)	(438,027)	–	–	(2,652,805)
Transfers from constructions in progress	–	–	–	15,200,888	–	–	–	–	(15,200,888)	–
Closing Balance as of December 31, 2020	1,386,469	7,433,733	15,069,597	327,062,590	432,745	9,760,556	5,134,216	555,012	37,822,274	404,657,192
Accumulated depreciation										
Opening Balance as of January 1, 2020	–	4,885,371	3,440,833	229,072,794	327,399	4,028,013	4,932,950	51,780	–	246,739,140
Charge for the Year	–	423,390	401,662	20,266,544	53,506	1,192,615	224,892	72,721	–	22,635,330
Disposals (-)	–	–	–	(1,944,207)	(16,625)	(244,558)	(438,027)	–	–	(2,643,417)
Closing Balance as of December 31, 2020	–	5,308,761	3,842,495	247,395,131	364,280	4,976,070	4,719,815	124,501	–	266,731,053
Book value as of December 31, 2020	1,386,469	2,124,972	11,227,102	79,667,459	68,465	4,784,486	414,401	430,511	37,822,274	137,926,139

Depreciation expenses of TL 18,503,177 has been charged in 'Cost of Goods Sold', TL 635,200 in 'General Administrative Expenses' and TL 3,195,424 in 'Idle Capacity Expenses'.

The amount of insurance cover on plant, machinery and equipment is TL 469,283,050, on buildings is TL 64,045,000 and furniture and fixtures is TL 40,760,000 for the year ended December 31, 2020.

As of December 31, 2020, there is no mortgage on propery, plant and equipment.

11. Intangible assets

Movement of intangible assets and right of use assets and their accumulated amortization between January 1 - December 31, 2021 and 2020 are as follows:

	January 1, 2021	**Addition**	**December 31, 2021**
Cost:			
Rights	**2,575,878**	**89,723**	**2,665,601**
Total cost	**2,575,878**	**89,723**	**2,665,601**
Accumulated amortization:			
Rights	**2,217,906**	**114,477**	**2,332,383**
Accumulated amortization	**2,217,906**	**114,477**	**2,332,383**
Book value	**357,972**		**333,218**

	January 1, 2020	Addition	December 31, 2020
Cost:			
Rights	2,474,085	101,793	2,575,878
Total cost	2,474,085	101,793	2,575,878
Accumulated amortization:			
Rights	2,119,989	97,917	2,217,906
Accumulated amortization	2,119,989	97,917	2,217,906
Book value	354,096		357,972

Amortization expense of TL 114.477 has been charged in 'General Administrative Expenses' for the year ended December 31, 2021 (December 31, 2020: TL 97,917)

12. Right of use assets

Right-of-use assets consist of buildings amounting to TL 14,013,836 and vehicles amounting to TL 2,280,416. Amortization expenses for the period ended December 31, 2020 amounting to 2,693,082 TL. Amortization expenses of TL 1,932,943 has been charged in 'Cost of Sales', TL 760,139 in 'General Administrative Expenses'.

13. Employee benefits

a) Employee benefit obligations

The details of employee benefit obligations as of December 31, 2021 and 2020 are as follows:

	December 31, 2021	December 31, 2020
Payables to personnel	**6,671,441**	6,174,136
Taxes and funds payable	**2,309,090**	1,837,466
Social security premium payable	**3,487,641**	2,283,398
Total	**12,468,172**	10,295,000

b) Provisions for employee benefits

The details of provisions for employee benefits as of December 31, 2021 and 2020 are as follows:

	December 31, 2021	December 31, 2020
Short-term provision:		
Provision for unused vacation	**5,188,887**	3,766,609
Bonus provision	**4,613,429**	–
Total	**9,802,316**	3,766,609
Long-term provision:		
Provision for employee termination benefits	**39,781,255**	31,012,525
Total	**39,781,255**	31,012,525

The movements of the provision for unused vacation are as follows:

	2021	2020
January 1	**3,766,609**	1,206,456
Addition/ (used) during year, net	**1,422,278**	2,560,153
December 31	**5,188,887**	3,766,609

The movements of the provision for bonus payments are as follows:

	2021	2020
January 1	**–**	–
Addition	**4,613,429**	–
December 31	**4,613,429**	–

According to the articles of Turkish Labor Law in force, the Company have obligation to pay the legal employee termination benefits to each employee whose are 25 years of working life by completing at least one year of service, leaving for military services and deceased.

As of December 31, 2021, the amount payable consists of one month's salary limited to a maximum of TL 8,284,59 (December 31, 2020: TL 7.117,17) for each year of service. As of January 1, 2022, the employment termination benefit has been updated to a maximum of TL 10,848,59 (January 1, 2021: 7,638,96 TL).

The employment termination benefit legally is not subject to any funding requirement.

As of December 31, 2021 and 2020, movements of the provision for employee termination benefits are as follows:

	2021	2020
January 1	**31,012,525**	19,809,395
Service cost	1,478,848	1,445,110
Interest cost (Note 24)	6,667,693	2,624,745
Payments (-)	(4,783,860)	(2,636,649)
Actuarial loss	**5,406,049**	9,769,924
December 31	**39,781,255**	31,012,525

The employment termination benefit has been calculated by estimating the present value of the future probable obligation of the Company arising from the retirement of employees. IAS 19 ("Employee Benefits") requires actuarial valuation methods to be developed to estimate the Company's obligation under defined benefit plans.

The actuarial assumptions used in the calculation of the present value of the future probable obligation are as follows:

	December 31, 2021	December 31, 2020
Interest rate (%)	21,50	13,20
Inflation rate (%)	16,90	9,00
Probablity of retirement (%)	93,44	92,77

The principal assumptions used in the calculation of retirement pay liability are interest rate and inflation rate. All other variables were held constant, the sensitivity analysis of the assumptions which was used for the calculation of provision for employment termination benefits as of December 31, 2021 as follows:

Sensitivity level	**Interest rate**	
Change in rate	1% increase	1% decrease
Change in employee benefits liability	(3,343,369)	3,847,047

Sensivity level	Inflation rate	
Change in rate	1% increase	1% decrease
Change in employee benefits liability	3,973,410	(3,493,580)

14. Other assets

	December 31, 2021	December 31, 2020
VAT carried forward	**33,695,212**	6,487,054
Other VAT	**186,321**	186,321
Total	**33,881,533**	6,673,375

As of December 31, 2021, the Company made an application to the tax office for the refund of the VAT amounting to TL 13,466,569.

15. Provisions, commitments and contingencies

a) Provisions

The details of provisions for litigation as of December 31, 2021 and 2020 are as follows:

	December 31, 2021	December 31, 2020
Litigation provision	**414,191**	671,036
Total	**414,191**	671,036

As of December 31, 2021 and 2020, movements of the provision for litigation are as follows:

	2021	2020
January 1	**671,036**	485,142
Charge during the year (Note 22)	**106,089**	491,946
Provision no longer required (Note 22)	**(362,934)**	(306,052)
December 31	**414,191**	671,036

b) Commitments and contingencies

The details of the collaterals, pledges and mortgages ("CPM") as of December 31, 2021 and 2020 are as follows:

	December 31, 2021	December 31, 2020
Letters of guarantees received:		
Turkish Lira	**3,049,368**	946,302
Us Dollar	**116,100**	–
Euro	**–**	198,245
Pledges received (*):		
Turkish Lira	**512,475,000**	512,475,000
Euro	**5,000,000**	5,000,000
Letters of guarantees given:		
Turkish Lira	1,202,632	120,000
Euro	912,241	–
Collateral bond given:		
Turkish Lira	24,000	24,000
Euro	138,600	138,600
Collateral cheque given:		
Turkish Lira	80,000	80,000
Peldges given (*):		
Turkish Lira	28,000,000	28,000,000
Euro	500,000	500,000

(*) Amounts related to the peldges received and given consist of the pledges received from Erkunt Traktör and given to Erkunt Traktör.

16. Investment accounted for using the equity method

Investment accounted for using the equity method as of December 31, 2021 and 2020 is as follows:

	December 31, 2021	December 31, 2020
Kumsan Döküm ve Malz. San. ve Tic A.Ş. ("Kumsan")	**8,419,294**	6,371,562
Total	**8,419,294**	6,371,562

As of December 31, 2021, share capital of Kumsan Döküm ve Malz. San. ve Tic. A.Ş. is TL 1,200,000 (2020: TL 1,200,00)

Details of share of profit/ (loss) of investments accounted for using the equity method for the periods ended December 31, 2021 and 2020 are as follows:

	2021	2020
January 1	**6,371,562**	5,420,189
Profit for the year	**2,198,332**	1,101,973
Dividend payment	**(150,600)**	(150,600)
December 31	**8,419,294**	6,371,562

17. Equity

a) Share capital

The shareholders and share capital structure of the Company as of December 31, 2021 and 2020 are as follows:

	December 31, 2021		December 31, 2020	
	Share (%)	**Turkish Lira**	Share (%)	Turkish Lira
Mahindra Overseas Investment Company Ltd.	**63,72**	**9,633,788**	63,72	963,378
Erkunt Traktör Sanayi A.Ş.	**34,98**	**5,288,795**	34,98	528,879
Bürge Ceylan Kaleli	**0,73**	**110,950**	0,73	110,950
Ahmet Nalbur	**0,10**	**15,120**	0,10	15,120
Rezzan Oral	**0,00**	**147**	0,00	147
Other	**0,47**	**71,200**	0,47	71,200
Total	**100**	**15,120,000**	100	15,120,000

The Company's share capital consists of 1,512,000,000 units of shares with the nominal value of TL 0,01 (2020: 1,512,000,000 units of shares). As of December 31, 2021, legal reserves in statutory financial statements is amounting to TL 11,099,374 (2020: TL 11,099,374).

b) Actuarial gain/ (loss) arising from defined benefit plans

The employment termination benefit has been calculated by estimating the present value of the future probable obligation of the Company arising from the retirement of employees. The actuarial gains and losses are recognized in other comprehensive income. Ac of December 31, 2021, the actuarial losses amounting to TL 5,406,049 (December 31, 2020: TL 9,769,924) accounted in equity.

c) Reserves

The legal reserves are established by annual appropriations amounting to 5 percent of income disclosed in the Company's statutory accounts until it reaches 20 percent of paid-in share capital (first legal reserve). Without limit, a further 10 percent of dividend distributions in excess of 5 percent of paid-in capital is to be appropriated to increase legal reserves (second legal reserve). The first legal reserve is restricted and is not available for distribution as dividend unless it exceeds 50 percent of share capital.

d) Profit distribution

The Company takes a profit distribution decision and distributes profits in line with the provisions of the Turkish Commercial Code, Tax Laws, other relevant legislation, the Articles of Association and the General Assembly Resolution. Profit distribution principles are determined by the Profit Distribution Policy. The company did not take a profit distribution decision for the periods end as of December 31, 2021 and 2020.

18. Revenue and cost of sales

	January 1 – December 31, 2021	January 1 – December 31, 2020
Domestic sales:		
As-cast sales	**84,761,490**	45,236,505
Refined-cast sales	**97,411,970**	35,087,618
Model and other sales	**17,325,718**	7,365,698
Export sales:		
As-cast sales	**668,970,393**	242,462,676
Refined-cast sales	**158,048,064**	35,437,556
Model and other sales	**17,168,589**	7,188,072
Sales returns (-)	**(11,876,988)**	(2,979,747)
Sales discounts (-)	**(15,391,334)**	(604,121)
Net sales	**1,016,417,902**	369,194,257
Cost of cast sales:		
Direct raw materials and supplies expenses	**(518,022,474)**	(160,867,291)
Personnel expenses	**(146,214,450)**	(71,323,588)
Electric, gas and water expenses	**(93,776,699)**	(35,587,302)
Amortization and depreciation expenses	**(23,131,835)**	(20,523,507)
Other	**(32,698,377)**	(9,395,108)
Cost of model and other sales	**(12,154,314)**	(6,603,232)
Gross profit	**190,419,753**	64,894,229

19. Research and development expenses

Details of research and development expenses for the periods ended December 31, 2021 and 2020 are as follows:

	January 1 – December 31, 2021	January 1 – December 31, 2020
Personnel expenses	**3,908,364**	1,858,335
Raw materials and supplies expenses	**276,040**	2,957
Amortization and depreciation expenses	**70,805**	–
Other	**453,418**	16,578
Total	**4,708,627**	1,877,870

20. Marketing, selling and distribution expenses

Details of marketing, selling and distribution expenses for the periods ended December 31, 2021 and 2020 are as follows:

	January 1 – December 31, 2021	January 1 – December 31, 2020
Raw materials and supplies expenses (*)	**17,363,173**	5,671,741
Freight expenses	7,609,119	2,376,716
Comission expenses	**5,824,252**	1,222,102
Personnel expenses	**943,550**	708,951
Other	**577,339**	204,402
Total	**32,317,433**	10,183,912

(*) Raw materials and supplies expenses consist of packing expenses.

21. General administration expenses

Details of general administration expenses for the periods ended December 31, 2021 and 2020 are as follows:

	January 1 – December 31, 2021	January 1 – December 31, 2020
Personnel expenses	**14,815,955**	13,046,543
General office expenses	**2,054,112**	1,309,091
Travel expenses	**1,760,730**	1,408,231
Outsourced benefits and services	**1,570,291**	1,000,179
Amortization and depreciation expenses	**1,316,840**	1,405,104
Taxes, duties and charges	**537,780**	453,864
Other	**1,345,901**	500,979
Total	**23,401,609**	19,123,991

22. Other operating income and expenses

a) Other operating income

Details of other operating income for the periods ended December 31, 2021 and 2020 are as follows:

	January 1 – December 31, 2021	January 1 – December 31, 2020
Provision no longer required (Note 5, 15)	**2,166,184**	290,316
Corporate tax discount	**310,440**	–
Insurance indemnity income	**25,497**	107,180
Other	**199,296**	258,255
Total	**2,701,417**	655,751

b) Other operating expenses

Details of other operating expenses for the periods ended December 31, 2021 and 2020 are as follows:

	January 1 – December 31, 2021	January 1 – December 31, 2020
Provision expenses (Note 5, 15)	**2,412,666**	2,219,994
Idle capacity personnel expenses	1,366,160	4,445,229
Idle capacity amortization and depreciation expenses	**937,878**	3,210,658
Taxes, duties and charges	**31,710**	–
Other (*)	**683,542**	119,376
Total	**5,431,956**	9,995,257

(*) Other expenses mainly consist of non-collectible receivables amounting to TL 340.000.

23. Income from investment activities

Details of income from investment activities for the periods ended December 31, 2021 and 2020 are as follows:

	January 1 – December 31, 2021	January 1 – December 31, 2020
Profit on sales of PPE	**184,733**	263,963
Total	**184,733**	263,963

24. Income and expenses from financial activities

a) Income from financial activities

Details of income from financial activities for the periods ended December 31, 2021 and 2020 are as follows:

	January 1 – December 31, 2021	January 1 – December 31, 2020
Foreign exchange gains	**150,457,875**	22,619,372
Interest income from time deposit	**276,211**	39,652
Income from derivative transactions	**57,589**	104,461
Total	**150,791,675**	22,763,485

b) Expenses from financial activities

Details of expenses from financial activities for the periods ended December 31, 2021 and 2020 are as follows:

	January 1 – December 31, 2021	January 1 – December 31, 2020
Foreign exchange loss	**116,995,676**	14,007,372
Interest expenses related to employee termination benefit (Note 13)	6,667,693	2,624,745
Interest expenses related to operation lease liability	2,783,096	4,128,358
Interest expenses related to borrowings	1,134,690	733,855
Late interest expenses	413,142	–
Commission and other interest expenses	**136,255**	93,625
Expenses related to deriative transactions	**–**	59,196
Total	**128,130,552**	21,647,151

25. Taxation

	December 31, 2021	December 31, 2020
Current income tax expense	**28,595,047**	6,208,795
Less: Prepaid current income taxes	**(17,001,011)**	(4,297,033)
Tax asset/ liabilities, net	**11,594,036**	1,911,762

Corporate tax is applied on taxable corporate income, which is calculated from the statutory accounting profit by adding non-deductible expenses, and by deducting dividends received from resident companies, other exempt income and investment incentives utilized.

In addition to corporate taxes, companies should also calculate income withholding taxes on dividends distributed, except for the dividends distributed to fully fledged taxpayer companies receiving and declaring these dividends and to Turkish branches of foreign companies. As of December 22, 2021, with the President's Decision No. 4936, income tax withholding is applied as 10%. Undistributed dividends incorporated in share capital are not subject to the income withholding taxes.

In Turkey, a definite and distinct reconciliation procedure for tax assessment does not exist. Companies file their tax returns between 1 April - 25 April following the closing period of the related year's accounts. Tax returns and related accounting records may be examined and revised within five years.

Except for the changes in the corporate tax rate, the 75% exemption applied to the earnings generated from the sale of intangibles is reduced to 50% and the deferred tax rate to be applied based on the temporary differences arising on the revaluation of the related assets, is required to be taken into consideration as 10% instead of 5%.

Losses can be carried forward to offset the future taxable income for up to maximum 5 years. However, losses cannot be carried back to offset the profits of the previous periods, retrospectively.

Pursuant to the Provisional 7316 added with the Article 11 of the Law on Corporate Income Tax, published in the Official Gazette dated 22 April 2021 and numbered 31462, the corporate tax rate for the corporate earnings for the 2021 taxation period has been determined as 25%, and the corporate tax rate for the corporate earnings for the 2022 taxation period has been determined as 23%. With the amendment added to Article 32 of the Corporate Tax Law, these rates will be applied with a discount of 1 point to the earnings from production activities and earnings from exports. In Turkey, advance tax returns are filed on a quarterly basis. The temporary tax of 2021 has been calculated over the corporate earnings using the rate 25%, during the temporary taxation period. (December 31, 2020: 22%).

Deferred tax assets and liabilities tax rate used for calculating is 20%.

In the announcement published by the Public Oversight Accounting and Auditing Standards Authority on January 20, 2022, it is stated that TAS 29 Financial Reporting in Hyperinflationary Economies does not apply to the TFRS financial statements as of December 31, 2021, since the cumulative change in the general purchasing power of the last three years according to Consumer Price Index (CPI) is 74.41%. In this respect, financial statements as of December 31, 2021 are not adjusted for inflation in accordance with TAS 29.

Movement of deferred income tax assets and liabilities for the year ended December 31, 2021 and 2020 are as follows:

	2021	2020
January 1	**5,381,418**	1,157,046
Deferred tax expense recognized in income statement	**2,101,733**	2,270,387
Deferred tax income recognized in equity	**1,081,210**	1,953,985
December 31	**8,564,361**	5,381,418

The Company recognizes deferred tax assets and liabilities based upon the temporary differences arising between its taxable statutory financial statements and its financial statements prepared in accordance with the TFRS. These differences usually result in the recognition of income and expenses tax bases in different reporting periods in the financial statements prepared according to TFRS.

The breakdown of cumulative temporary differences and the resulting deferred tax assets/ liabilities provided using effective tax rates as of December 31, 2020 and 2021 are as follows:

	Cumulative temporary differences	Deferred tax assets/ (liabilities)	Cumulative temporary differences	Deferred tax assets/ (liabilities)
	December 31, 2021	December 31, 2021	December 31, 2020	December 31, 2020
Deferred tax asset/ (liabilities), net:				
Property plant and equipment and intangible assets	**13,926,935**	**(2,785,386)**	14,898,433	(2,979,686)
Provision for employee termination benefits	**(15,274,729)**	**3,054,946**	(11,912,048)	2,382,410
Provision for unused vacation	**(5,188,887)**	**1,037,777**	(3,766,609)	828,654
Provision for lawsuits	**(414,191)**	**82,838**	(671,036)	134,207
Expected credit loss	**(2,306,577)**	**461,315**	(1,803,250)	396,715
Bonus provision	**(4,613,429)**	**922,686**	–	–
Deriative insturments	**–**	**–**	(57,589)	12,670
TFRS 16 leasing	**(4,444,401)**	**888,880**	(3,433,784)	755,432

	Cumulative temporary differences	Deferred tax assets/ (liabilities)	Cumulative temporary differences	Deferred tax assets/ (liabilities)
	December 31, 2021	**December 31, 2021**	December 31, 2020	December 31, 2020
Actuarial loss	**(24,506,526)**	**4,901,305**	(19,100,477)	3,820,095
Other	**–**	**–**	(154,607)	30,921
Deferred tax (liability) / asset, net		**8,564,361**		5,381,418

26. Related parties

a) Related party balances

a.1) Receivables from related parties

As of December 31, 2021 and 2020 balances between related parties and the company explained in detail below:

	December 31, 2021		**December 31, 2020**	
	Short-term		**Short-term**	
	Trade receivables (*)	**Other receivables (**)**	**Trade receivables (*)**	**Other receivables (**)**
Erkunt Traktör	**30,438,177**	**73,302**	**24,819,149**	**46,092**
Mahindra	**5,011,599**	**–**	**1,111,605**	**–**
Total	**35,449,776**	**73,302**	**25,930,754**	**46,092**

(*) Trade receivables from related parties are presented in gross balances. As of December 31, 2021, the expected credit loss for trade receivables from related parties is TL 251.372 (December 31, 2020: TL 1.307.303).

(**) As of December 31, 2021 and 2020, other receivables from related parties related to renting.

a. 2) Payables to related parties

As of December 31, 2021 and 2020, short-term payables to related parties are disclosed in detail below:

	December 31, 2021		December 31, 2020	
	Short-term		Short-term	
	Trade payables	**Other payables**	Trade payables	Other payables
Kumsan	**1,723,441**	**–**	719,666	–
Other	**–**	**–**	–	8,525
Total	**1,723,441**	**–**	719,666	8,525

As of December 31, 2021 and 2020, long-term payables to related parties are disclosed in detail below:

	December 31, 2021		December 31, 2020	
	Long-term		Long-term	
	Trade payables	**Other payables**	Trade payables	Other payables
Other	**–**	**8,525**	–	–
Total	**–**	**8,525**	–	–

b) Related party transactions

The details of transactions for the year ended December 31, 2021 between the Company and related parties are explained below:

	Sales of good and service	**Rent income**	**Purchase of good and service**	**Rent expenses**
Erkunt Traktör	68,864,938	94,920	9,609	–
Mahindra	45,234,906	–	–	–
Kumsan	–	–	6,604,782	–
Erkunt Gayrimenkul A.Ş.	–	–	–	3,678,986
Total	**114,099,844**	**94,920**	**6,614,391**	**3,678,986**

The details of transactions for the year ended December 31, 2020 between the Company and related parties are explained below:

	Sales of good and service	Rent income	Purchase of good and service	Rent expenses
Erkunt Traktör	40,219,603	82,800	6,540	–
Mahindra	2,628,347	–	–	–
Kumsan	–	–	2,288,537	–
Erkunt Gayrimenkul A.Ş.	5,418	–	–	3,157,228
Total	42,853,368	82,800	2,295,077	3,157,228

27. Nature and level of risks arising from financial instruments

The primary financial instruments of the Company consist of cash and short-term deposits. The main objective of the related financial instruments is to finance Company's business activities.

a) Capital risk management

The Company manages its capital to ensure that it will be able to continue as a going concern while maximizing the return to shareholders through the optimization of the equity balance.

Net financial debt calculated as total financial liabilities (including short and long-term bank borrowings) less cash and cash equivalents. This ratio is calculated as net financial debt divided by paid in capital.

	December 31, 2021	December 31, 2020
Financial liabilities	**19,312,824**	23,099,959
Less: Cash and cash equivalents	**(20,811,358)**	(24,821,042)
Net debt	**(1,498,534)**	(1,721,083)
Total paid in capital	**15,120,000**	15,120,000
Net debt/ paid in capital	**<0**	<0

b) Financial risk factors

The Company's activities expose it to a variety of financial risks: foreign exchange risk, credit risk and liquidity risk. Company Management and Board of Directors examines and approves the policies on the management of risks stated below. In addition, Company also considers the market risk of all of its financial instruments.

b.1) Credit risk management

Current period	**Receivables**				
December 31, 2021	**Trade Receivables**		**Other Receivables**		
	Related Party	**Third Party**	**Related Party**	**Third Party**	**Bank deposits**
Maximum net credit risk as of balance sheet date (A+B+C+D)(*)	**35,198,404**	**249,266,989**	**73,302**	**801,860**	**20,805,344**
-The part of maximum risk under guarantee with collateral	–	–	–	–	–
A. Net book value of financial assets that are neither overdue nor impaired	–	–	**73,302**	**801,860**	**20,805,344**
B. Net book value of financial assets that are renegotiated	–	–	–	–	–
C. Net book value of impaired asset	**35,198,404**	**249,266,989**	–	–	–
- Overdue (gross net book value)	**19,917,328**	**28,301,813**	–	–	–
- Impairment (-)	**(149,324)**	**(917,600)**	–	–	–
- The part of net value under guarantee with collateral etc.	–	–	–	–	–
- Undue (gross net book value)	**15,532,448**	**223,350,187**	–	–	–
- Impairment (-)	**(102,048)**	**(1,467,411)**	–	–	–
- The part of net value under guarantee with collateral etc.	–	–	–	–	–
D. Credit risk off the statement of financial position	–	–	–	–	–

(*) The factors that increase the credit reliability, such as guarantee received are not considered in the determination of the balance.

Prior period	Receivables				
December 31, 2020	Trade Receivables		Other Receivables		
	Related Party	Third Party	Related Party	Third Party	Bank deposits
Maximum net credit risk as of balance sheet date (A+B+C+D)(*)	24,623,451	67,189,352	46,092	560,395	24,808,800
-The part of maximum risk under guarantee with collateral	–	–	–	–	–
A. Net book value of financial assets that are neither overdue nor impaired	–	–	–	–	24,808,800
B. Net book value of financial assets that are renegotiated	–	–	–	–	–
C. Net book value of impaired asset	24,623,451	67,189,352	–	–	–
- Overdue (gross net book value)	14,014,574	2,480,524	–	–	–
- Impairment (-)	(1,229,014)	(395,191)	–	–	–
- The part of net value under guarantee with collateral etc.	–	–	–	–	–
- Undue (gross net book value)	11,916,180	65,534,581	–	–	–
- Impairment (-)	(78,289)	(430,562)	–	–	–
- The part of net value under guarantee with collateral etc.	–	–	–	–	–
D. Credit risk off the statement of financial position	–	–	–	–	–

(*) The factors that increase the credit reliability, such as guarantee received are not considered in the determination of the balance.

b.2) Liquidity risk management

Liquidity risk is the risk of Company not meeting its net funding requirements.

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The table includes both interest and principal cash flows.

Contractual Maturity Analysis December 31, 2021	**Carrying Value**	**Total Cash Outflow According To Contract (I+II+III)**	**Less Than 3 Months (I)**	**3-12 Months (II)**	**1-5 Years (III)**
Bank loans	5,949,000	5,949,000	–	5,949,000	–
Other financial liabilities	134,312	134,312	134,312		
Operational leasing liability	**13,229,512**	**13,229,512**	**537,025**	**1,611,077**	**11,081,410**
Trade payables	**247,943,266**	**247,943,266**	**–**	**247,943,266**	**–**
Other payables	**2,504,752**	**2,504,752**	**–**	**2,496,227**	**8,525**
Total liabilities	**269,760,842**	**269,760,842**	**671,337**	**257,999,570**	**11,089,935**

Contractual Maturity Analysis December 31, 2020	Carrying Value	Total Cash Outflow According To Contract (I+II+III)	Less Than 3 Months (I)	3-12 Months (II)	1-5 Years (III)
Bank loans	7,903,316	7,903,316	–	7,903,316	–
Other financial liabilities	348,011	348,011	348,011	–	–
Operational leasing liability	14,848,632	14,848,632	685,820	2,057,460	12,105,352
Trade payables	51,850,674	51,850,674	–	51,850,674	–
Other payables	927,146	927,146	–	927,146	–
Total liabilities	75,877,779	75,877,779	1,033,831	62,738,596	12,105,352

b.3) Market risk management

As the details can be seen below, the Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates.

Market risk exposures are supplemented by sensitivity analysis.

b.3.1) Foreign currency risk management

The Company is exposed to foreign exchange risk arising from foreign currency transactions.

As of December 31, 2021 and 2020, details of foreign currency positions of assets and liabilities of the Company are as follows:

	Current period			
	December 31, 2021			
Foreign exchange position	**TL Equivalent**	**USD**	**EUR**	**GBP**
1. Monetary financial assets	20,800,709	781	1,370,587	38,229
2. Trade receivables	226,566,118	447,249	8,874,571	5,183,225
3. Other	908,509	29,822	25,928	8,068
4. Current assets (1+2+3)	248,275,336	477,852	10,271,086	5,229,522
5. Total assets (4)	248,275,336	477,852	10,271,086	5,229,522
6. Trade payables	(142,105,460)	(4,480,861)	(5,579,829)	(116,333)
7. Other	(107,755)	–	(7,339)	–
8. Current liabilities (6+7)	(142,213,215)	(4,480,861)	(5,587,168)	(116,333)
9. Total liabilities (8)	(142,213,215)	(4,480,861)	(5,587,168)	(116,333)
10. Net foreign currency asset/ (liability) position (5+9)	106,062,121	(4,003,009)	4,683,918	5,113,189

	Prior period			
	December 31, 2020			
Foreign exchange position	**TL Equivalent**	**USD**	**EUR**	**GBP**
1. Monetary financial assets	22,828,513	22,694	1,503,507	917,003
2. Trade receivables	57,326,349	205,341	3,906,806	2,074,350
3. Current assets (1+2)	80,154,862	228,035	5,410,313	2,991,353
4. Total assets (3)	80,154,862	228,035	5,410,313	2,991,353
5. Trade payables	(4,650,906)	(2,732)	(452,109)	(56,146)
6. Current liabilities (5)	(4,650,906)	(2,732)	(452,109)	(56,146)
7. Total liabilities (6)	(4,650,906)	(2,732)	(452,109)	(56,146)
8. Net foreign currency asset/ (liability) position (4+7)	75,503,956	225,303	4,958,204	2,935,207

Foreign currency sensitivity

The Company is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US Dollar and the Euro.

In foreign currency sensitivity analysis gain/ loss section as of December 31, 2021 and 2020 the exposure of the %10 loss/ gain of TL against foreign currencies on the comprehensive financial income statement is disclosed. During the foreign currency sensitivity analysis, all variables, especially interest rates are assumed to be fixed.

Current period	**Foreign currency sensitivity table**	
	December 31, 2021	
	Profit/ loss	
	Appreciation of foreign currency	**Appreciation of foreign currency**
Appreciation of USD against TL by 10%:		
1- USD denominated net assets / liabilities	**(5,194,905)**	**5,194,905**
2- Hedged amount against USD risk(-)	**–**	**–**
3- Net effect of USD (1+2)	**(5,194,905)**	**5,194,905**
Appreciation of EUR against TL by 10%:		
4- EUR denominated net assets / liabilities	**6,877,068**	**(6,877,068)**
5- Hedged amount against EUR risk(-)	**–**	**–**
6- Net effect of eur (4+5)	**6,877,068**	**(6,877,068)**
Appreciation of other currency against TL by 10%:		
7- Other currency denominated net assets/liabilities	**8,924,049**	**(8,924,049)**
8- Hedged amount against other currency risk (-)	**–**	**–**
9- Net Effect of other currency (7+8)	**8,924,049**	**(8,924,049)**
Total (3+6+9)	**10,606,212**	**(10,606,212)**

Prior period	Foreign currency sensitivity table	
	December 31, 2020	
	Profit/ loss	
	Appreciation of foreign currency	Appreciation of foreign currency
Appreciation of USD against TL by 10%:		
1- USD denominated net assets / liabilities	165,384	(165,384)
2- Hedged amount against USD risk(-)	–	–
3- Net effect of USD (1+2)	165,384	(165,384)
Appreciation of EUR against TL by 10%:		
4- EUR denominated net assets / liabilities	4,466,301	(4,466,301)
5- Hedged amount against EUR risk(-)	–	–
6- Net effect of eur (4+5)	4,466,301	(4,466,301)
Appreciation of other currency against TL by 10%:		
7- Other currency denominated net assets/liabilities	2,918,711	(2,918,711)
8- Hedged amount against other currency risk (-)	–	–
9- Net Effect of other currency (7+8)	2,918,711	(2,918,711)
Total (3+6+9)	7,550,396	(7,550,396)

28. Subsequent events

None.

AUDITOR'S REPORT

To the Annual General Meeting of Sampo-Rosenlew Oy

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Sampo-Rosenlew Oy (business identity code 0773638-7) for the year ended 31 March, 2022. The financial statements comprise the balance sheet, income statement, cash flow statement and notes.

In our opinion, the financial statements give a true and fair view of the company's financial performance and financial position in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements.

Basis for Opinion

We conducted our audit in accordance with good auditing practice in Finland. Our responsibilities under good auditing practice are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the company in accordance with the ethical requirements that are applicable in Finland and are relevant to our audit, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board of Directors and the Managing Director for the Financial Statements

The Board of Directors and the Managing Director are responsible for the preparation of financial statements that give a true and fair view in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors and the Managing Director are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting. The financial statements are prepared using the going concern basis of accounting unless there is an intention to liquidate the company or cease operations, or there is no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such

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

– Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events so that the financial statements give a true and fair view.

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

Other Reporting Requirements

Other Information

The Board of Directors and the Managing Director are responsible for the other information. The other information comprises the report of the Board of Directors. Our opinion on the financial statements does not cover the other information.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. Our responsibility also includes considering whether the report of the Board of Directors has been prepared in accordance with the applicable laws and regulations.

In our opinion, the information in the report of the Board of Directors is consistent with the information in the financial statements and the report of the Board of Directors has been prepared in accordance with the applicable laws and regulations.

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

KPMG OY AB
Mikko Haavisto
Authorised Public Accountant, KHT

Turku, 23 May, 2022

BALANCE SHEET AS AT 31 MARCH, 2022

ASSETS		**31 March, 2022**	31 March, 2021
Non-current assets			
Intangible assets	(App. C1.1)	**26,25,629.13**	30,37,264.48
Tangible assets	(App. C1.1)	**4,60,534.36**	7,14,860.87
Investments	(App. C1.2)	**36,80,000.01**	36,80,001.01
Non-current assets total		**67,66,163.50**	74,32,126.36
Current assets			
Inventory	(App. C2)	**2,23,56,970.36**	1,84,61,357.91
Short-term receivables	(App. C3)	**1,49,47,137.47**	1,96,35,692.52
Cash and cash equivalents		**4,61,609.12**	8,17,713.26
Current assets total		**3,77,65,716.95**	3,89,14,763.69
ASSETS TOTAL		**4,45,31,880.45**	4,63,46,890.05
EQUITY AND LIABILITIES			
Shareholders' equity			
Share capital		**5,60,626.42**	5,60,626.42
Revaluation reserve		**33,00,000.00**	33,00,000.00
Invested non-restricted equity fund		**1,10,38,896.00**	1,10,38,896.00
Retained earnings		**(63,36,227.54)**	(64,42,213.85)
Profit/loss for the financial year		**(49,82,983.58)**	1,05,986.29
Shareholders' equity total	(App. C4)	**35,80,311.30**	85,63,294.86
Liabilities			
Long-term liabilities	(App. C5)	**2,17,12,754.47**	2,20,38,761.75
Short-term liabilities	(App. C5)	**1,92,38,814.68**	1,57,44,833.44
Liabilities total		**4,09,51,569.15**	3,77,83,595.19
EQUITY AND LIABILITIES TOTAL		**4,45,31,880.45**	4,63,46,890.05

PROFIT AND LOSS ACCOUNT

		31 March, 2022	31 March, 2021
NET SALES	(App. B1)	**5,20,71,948.53**	5,46,69,921.86
Increase(+)/decrease(-) in finished goods and WIP inventories		**19,66,160.96**	(30,82,999.85)
Production for own use		**39,460.00**	2,34,294.00
Other operating income		**3,57,151.71**	5,98,258.77
Raw materials and services	(App. B2)	**(4,09,91,718.81)**	(3,65,97,099.89)
Personnel expenses	(App. B3)	**(1,00,35,467.43)**	(98,15,903.18)
Depreciations	(App. B4)	**(8,28,969.11)**	(9,38,091.73)
Other operating expenses		**(67,44,499.28)**	(74,86,856.12)
NET OPERATING PROFIT/LOSS		**(41,65,933.43)**	(24,18,476.14)
Financial income and expenses	(App. B5)	**(8,16,416.50)**	25,52,055.20
PROFIT/LOSS BEFORE APPROPRIATIONS AND TAXES		**(49,82,349.93)**	1,33,579.06
Deferred tax	(App. B6)	**(633.65)**	(27,592.77)
PROFIT/LOSS FOR THE PERIOD		**(49,82,983.58)**	1,05,986.29

STATEMENT OF CHANGES IN FINANCIAL POSITION

	31 March, 2022	31 March, 2021
Net operating profit/loss	**(41,65,933.43)**	(24,18,476.14)
Adjustments		
Depreciation	**8,28,969.11**	9,38,091.73
Other adjustments	**(633.65)**	(27,592.77)
Cash flow before changes in working capital	**(33,37,597.97)**	(15,07,977.18)
Change in working capital		
Increase (-) decrease (+) in short-term zero-interest receivables	**46,88,555.05**	(29,94,127.32)
Increase (-) decrease (+) in inventories	**(38,95,612.45)**	41,05,898.45
Increase (+) decrease (-) in short-term zero-interest liabilities	**34,93,981.24**	(6,90,090.00)
Cash flow from operating activities before financials and taxes	**9,49,325.87**	(10,86,296.05)
Interest and other financial expenses paid	**(8,18,016.50)**	25,50,583.20
Cash flow from operations (A)	**1,31,309.37**	14,64,287.15
Investments in intangible and tangible assets	**(1,63,006.98)**	(58,054.63)
Dividends received from investments	**1,600.00**	1,472.00
Cash flow from investing activities (B)	**(1,61,406.98)**	(56,582.63)
Cash flow from financing activities		
Proceeds from borrowings	**2,73,993.47**	(42,43,797.86)
Repayments of borrowings	**(6,00,000.00)**	(31,85,818.12)
Increase in reserve for invested free own capital		63,79,362.00
Cash flow from financing activities (C)	**(3,26,006.53)**	(10,50,253.98)
CHANGE IN CASH AND CASH EQUIVALENTS	**(3,56,104.14)**	3,57,450.54

NOTES TO THE FINANCIAL STATEMENT 31 MARCH 2022

A. Basis of preparation

1. Valuation Principles

Valuation of Fixed Assets:
Fixed assets are carried at direct purchase cost with deduction of planned depreciations. Depreciation according to plan has been computed according to either the total useful lives of the fixed assets goods or with maximum reducing balance method. The depreciation principles are given in the notes in item B(4).

Valuation of Inventories:
Inventories have been entered at the amount of the acquisition cost or at a sales price if likely to be lower than the acquisition cost. Variable manufacturing expenses of goods have been included in the acquisition costs of inventories.

Receivables and Payables in Foreign Currencies:
Receivables and payables in foreign currencies have been converted into EUR using the average exchange rates of fiscal year closing date. With minor transactions, the rate of the recording date is used.

Research and Development Expenses:
The R&D expenses are entered in the year incurred.

2. Financial Statements

Sampo-Rosenlew Oy has also branch in Sweden and joint venture in Algeria. The figures for the Swedish branch have been combined with those of Sampo-Rosenlew.

B. Notes to Profit and Loss Account

1. Sales by market

	2022	2021
Market areas		
Finland	**99,20,873.53**	1,50,53,171.19
EU	**82,64,185.47**	1,18,51,978.80
Outside EU	**3,38,86,889.53**	2,77,64,771.87
Total	**5,20,71,948.53**	5,46,69,921.86

2. Materials and Services

	2022	2021
Materials and supplies		
Purchases in the fiscal year	**4,20,23,462.83**	3,41,93,917.24
Increase/decrease -/+ in stock	**(19,29,451.00)**	11,26,996.97
Materials and supplies	**4,00,94,011.83**	3,53,20,914.21
Services bought from outside	**8,97,706.98**	12,76,185.68
Total materials, supplies and services	**4,09,91,718.81**	3,65,97,099.89

3. Personnel expenses and average no of personnel

	2022	2021
Wages and salaries	**83,50,058.23**	82,14,193.19
Pension expenses	**12,86,653.49**	13,02,616.23
Other personnel expenses	**3,98,755.71**	2,99,093.76
Personnel expenses, total	**1,00,35,467.43**	98,15,903.18

The average number of personnel employed by the Group and the Parent Company during the fiscal year

	2022	2021
White collars	**56**	60
Blue collars	**166**	163
Personnel, total	**222**	223

4. Depreciations

Depreciation plan prepared in advance has been used for determining the depreciation of the depreciable assets. The amounts of depreciation are based on estimated useful lives as follows:

intangible rights	5 and 10 years
machinery and equipment	25% reducing-balance method
other tangible assets	10 years

Depreciations according to plan	2022	2021
Intangible rights	**1,203.35**	1,839.96
Buildings and constructions	**3,570.88**	22,445.86
Machinery and equipment	**3,10,402.57**	3,37,005.60
Other tangible assets	**5,13,792.31**	5,76,800.31
Depreciations according to plan, total	**8,28,969.11**	9,38,091.73

5. Financing income and expenses

Dividends received	2022	2021
From other companies	**1,600.00**	1,472.00
Dividends received, total	**1,600.00**	1,472.00
Interests and other financial income		
Other interests and financial income	**34,989.41**	41,22,854.49
Interest and other financial income, total	**34,989.41**	41,22,854.49
Interest and other financing expenses		
Interest expenses for other companies	**(6,13,897.04)**	(10,29,266.40)
Currency exchange losses	**(28,853.69)**	(1,29,559.99)
Other financing expenses	**(2,10,255.18)**	(4,13,444.90)
Interest and other financing expenses, total	**(8,53,005.91)**	(15,72,271.29)
Financing income and expenses, total	**(8,16,416.50)**	25,52,055.20

Exchange gains and losses are netted.

6. During financial period the company deducted 633,65 Euro prior year's taxes

NOTES TO THE FINANCIAL STATEMENT 31 MARCH 2022

C. Notes to Balance Sheet

1. Fixed Assets

1.1. Acquisition Costs of Fixed Assets (excluding investments)

	Intangible assets Intangible rights and other long term expenditure	Tangible assets Buildings	Machinery and equipment	Other tangible assets	Tangible assets total
Acquisition costs 31.3.2021	66,16,343.08	0.00	2,02,10,603.42	53,562.00	2,02,64,165.42
Increase	1,03,360.31	–	59,646.94	–	59,646.94
Decrease	–	–	–	–	0.00
Acquisition costs 31.3.2022	**67,19,703.39**	**0.00**	**2,02,70,250.36**	**53,562.00**	**2,03,23,812.36**
Accumulated depr. 31.3.2021	(35,79,078.60)	–	(1,95,01,578.20)	(47,726.35)	(1,95,49,304.55)
Depreciation for the fiscal year	(5,14,995.66)	–	(3,10,402.57)	(3,570.88)	(3,13,973.45)
Accumulated depr. 31.3.2022	**(40,94,074.26)**	**0.00**	**(1,98,11,980.77)**	**(51,297.23)**	**(1,98,63,278.00)**
Book value 31.3.2022	**26,25,629.13**	**0.00**	**4,58,269.59**	**2,264.77**	**4,60,534.36**

1.2 Investments

Shares	In group comp.	In associated comp.	Total
Book value 31.3.2019	0.00	3,80,000.00	3,80,000.00
Revaluation	0.00	33,00,000.00	33,00,000.00
Book value 31.3.2022	0.00	36,80,000.00	36,80,000.00

Associated companies	Shareholding-%
Sampo-CMA, Algeria	38%

Other shares and ownerships	Shareholding-%
Metsäliitto osuuskunta	0%
Finda Oy	0%
Other shares and ownerships total	0%

2. Inventories

	2022	2021
Materials and supplies	**1,00,90,445.40**	81,60,994.40
Goods in production	**69,67,386.00**	57,75,274.00
Finished goods	**52,99,138.96**	45,25,089.51
Inventories, total	**2,23,56,970.36**	1,84,61,357.91

3. Receivables

	2022	2021
Short-term receivables		
Receivables from other companies		
Accounts receivable	**95,60,314.14**	1,50,47,701.62
Other receivables	**14,98,226.53**	9,63,394.40
Deferred tax receivable	**30,97,059.79**	30,97,059.79
Accrued receivables	**7,91,537.01**	5,27,536.71
Short-term receivables, total	**1,49,47,137.47**	1,96,35,692.52
Receivables, total	**1,49,47,137.47**	1,96,35,692.52

The Board of Directors see that it is reasonable that the company can use the booked deferred tax from the current and previous year total of 3.097.059,79 against income taxes based on forthcoming years taxable results.

4. Shareholders' Equity

Restricted equity	**2022**	**2021**
Share capital	**5,60,626.42**	5,60,626.42
Revaluation reserve	**33,00,000.00**	33,00,000.00
Share capital 31.3.	**38,60,626.42**	**38,60,626.42**
Unrestricted equity		
Retained earnings	–	–
Invested equity fund	**1,10,38,896.00**	1,10,38,896.00
Other restatement	–	–
Retained earnings 31.3.	**1,10,38,896.00**	1,10,38,896.00
Retained earnings	**(63,36,227.54)**	(64,42,214.02)
Distribution of dividends	–	–
Other restatements, rate diff. branch consolidation	–	–
Earnings from previous period 31.3	**(63,36,227.54)**	(64,42,214.02)
Results for the fiscal year	**(49,82,983.58)**	1,05,986.46
Unrestricted equity 31.3	**(2,80,315.12)**	**47,02,668.44**
Shareholders' Equity total 31.3	**35,80,311.30**	**85,63,294.86**
Capitalized R&D 31.3	**26,25,629.13**	**30,37,264.48**
Distributable funds 31.3	**9,54,682.17**	**55,26,030.38**

NOTES TO THE FINANCIAL STATEMENT 31 MARCH 2022

5. Liabilities

Short-term liabilities	2022	2021
Debts to other companies		
Loans from credit institututions	–	–
Advance payments received	**41,82,018.70**	35,84,925.58
Accounts payable	**1,11,36,186.37**	84,39,309.25
Other debts	**3,05,510.70**	3,96,743.72
Accrued expenses	**36,15,098.91**	33,23,854.89
Short-term liabilities total	**1,92,38,814.68**	**1,57,44,833.44**
Longterm liabilities		
Loans from credit institututions	**2,17,12,754.47**	**2,20,38,761.75**
Liabilities total	**4,09,51,569.15**	**3,77,83,595.19**

Debts that will mature after five years of time

Neither parent or group compenies have debts with maturity date after five years of time during current or previous fiscal year.

6. Related party transactions

Company operates in the rented premises owned by the related parties. The rent paid is based on average rent level in the district and the rental terms are ordinary.

7. Securities and contingent liabilities

Securities	2022	2021
Loans from credit institututions with mortgage on company assets and pledge on accounts receivable	**1,04,46,754.47**	1,57,72,761.75
Pledged securities and pledged accounts receivable total	**1,41,39,289.95**	1,96,74,419.44

Contingent liabilities	2022	2021
Rental agreement date 30.4.2012		
Rental agreement liability left in months	**49**	61
Annual rent	**13,08,000.00**	13,14,936.00
Monthly rent	**1,09,000.00**	1,09,578.00
Rent liability at the end of fiscal year	**53,41,000.00**	66,84,258.00
Lease liability at the end of fiscal year	**1,64,048.79**	3,00,565.87

In Pori, April 26th 2022

Jali Prihti
Member of the BoD

Olli Vaartimo
Chairman of the BoD

Kairas Vakharia
Member of the BoD

Ami Goda
Member of the BoD

Jussi Malmi
CEO

Separate Auditor’s report has today been given regarding audit performed.

INDEPENDENT AUDITORS' REPORT

To The Board Of Directors

Carnot Technologies Private Limited

Report on the Standalone Financial Statements

We have audited the accompanying Standalone Financial statements of **Carnot Technologies Private Limited**, which comprise the Balance Sheet as at March 31, 2022, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended, and a summary of the significant accounting policies and other explanatory information **(hereinafter referred to as"the standalone financial statements")**.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation and presentation of the standalone financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Board of Directors, as well as evaluating the overall presentation of the standalone financial statements. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at March 31, 2022, its Loss, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Report on other Legal and Regulation requirements

1. As required by the companies (Auditor's Report) Order, 2016, as amended, issued by the Central Government of India in term of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in the paragraph 3 and 4 of the Order.
2. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
3. The Balance sheet, the Statement of Profit and Loss, and the Cash flow Statement deal with by this report are in agreement with the books of account.
4. In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015 as amended.
5. On the basis of the written representations received from the directors as on March 31, 2022, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022, from being appointed as a director in terms of Section 164(2) of the Act.
6. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report In "Annexure B".
7. With respect to the other matters to be included in the Auditor's Reporting accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
   - I. The Company does not have pending litigation which would not impact its financial position.
   - II. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
   - III. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the company

For Nayak & Rane
Chartered Accountants
FRN No: 117249W

Suraj P.Nayak
Partner
M No: 049645
UDIN:22049645AHTHOH4299

Place: Mumbai
Date: 25th April, 2022

"ANNEXURE A" TO THE INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CARNOT TECHNOLOGIES PVT LTD ON THE ACCOUNTS OF THE COMPANY FOR THE YEAR ENDED 31ST MARCH, 2022.

(i) a)(A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property Plant and equipment ;

a)(B) company is maintaining proper records showing full particulars of intangible assets.

b) The Property plant and equipment have been physically verified by the management atregular intervals; as informed to us and no material discrepancies between the books records and the physical Property plant and equipment have been noticed.

c) There are no immovable properties in the name of the company during the year under report.

d) Company has not revalued its property, plant and equipment and intangible assets during the year.

e) No proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibitions) Act ,1988.

(ii) a) During the year, the Inventories have been physically verified by the management. In our opinion,the frequency of verification is reasonable. Also, there are no discrepancies of 10% or more in the aggregate of each class of inventory.

b) The Company has not been sanctioned working capital limits in excess of ₹ 5 crore, in aggregate, at any points of time during the year, from banks or financial institutions on the basis of security of current assets and hence reporting under clause 3(ii)(b) of the Order is not applicable.

(iii) The Company has not made any investments in, granted any loans, secured or unsecured guarantees to companies, firms, Limited Liability partnerships or other parties covered in the Register maintained under section 189 of the Act. Accordingly, the provisions of clause 3 (iii) (a) to (f) of the Order are not applicable.

(iv) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 In respect of loans, investments, guarantees, and security.

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

(vi) As informed to us, the maintenance of Cost Records has not been specified by the Central Government under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the company

(vii) a) According to the information and explanations given to us and on the basis of our examination ofthe records of the company, the Company has been generally regular subject to certain delay in depositing undisputed statutory dues, including Income-Tax,Service Tax, Goods & Service Tax, Cess and other material statutory dues, as applicable, with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts are payable as on March 31, 2022.

b) According to the information and explanations given to us and based on the records of company examined by us, there are no dues of Income Tax, Service Tax, Goods & Service Tax and Cess which have not been deposited on account of any disputes.

(viii) There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

(ix) a) The Company has not taken any loans or other borrowings from any lender. Hence reporting under clause 3(ix)(a) of the Order is not applicable.

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

c) The Company has not taken any term loan during the year and there are no outstanding term loans at the beginning of the year and hence, reporting under clause 3(ix)(c) of the Order is not applicable.

d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.

e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.

f) The Company has not raised any loans during the year and hence reporting on clause 3(ix)(f) of the Order is not applicable..

(x) a) According to the information and explanations given to us, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans.

b) During the year, the Company has made a preferential allotment of 1,613 Compulsory Convertible Cumulative Preference Shares of Face Value of Rs.100 at a premium of Rs.15,391.65 each on 17th March, 2022.

(xi) a) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.

c) We have taken into consideration the whistle blower complaints received by the Company during the year (and up to the date of this report), while determining the nature, timing and extent of our audit procedures.

(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.

(xiii) In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

(xiv) The company does not have any internal audit system in place and hence provisions of clause 3 (xiv) (a) and (xiv) (b) are not applicable.

(xv) In our opinion during the year the Company has not entered into any non-cash transactions with itsDirectors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

(xvi) a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi) (a), (b) and (c) of the Order is not applicable.

b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.

(xvii) The Company has incurred cash losses during the year amounting to Rs.1,14,08,871 and (previous year) Rs.1,66,64,630 /-

(xviii) There has been no resignation of statutory auditor during the year. The provisions of this clause are hence not applicable.

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

(xx) The provisions of CSR are not applicable to the company. Hence provisions of clause 3 (XX) (a) and (b) are not applicable.

(xxi) The provisions of consolidated financials and consolidated CARO report are not applicable to the company and hence the aforementioned clause is not applicable.

For Nayak & Rane
Chartered Accountants
FRN No: 117249W

Suraj P.Nayak
Partner
M No: 049645
UDIN:22049645AHTHOH4299

Place: Mumbai
Date: 25th April, 2022

"ANNEXURE B" TO INDEPENDENT AUDITOR'S REPORT

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

We have audited the internal financial controls over financial reporting of Car not technologies Private Limited as at the year March 31, 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over Financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

(1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and

(3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For Nayak & Rane
Chartered Accountants
FRN No: 117249W

Suraj P.Nayak
Partner
M No: 049645
UDIN:22049645AHTHOH4299

Place: Mumbai
Date: 25th April, 2022

BALANCE SHEET AS AT 31ST MARCH 2022

Particulars	Notes	As at 31st March, 2022	As at 31st March, 2021
I ASSETS			
(1) Non-current assets			
(a) Property, Plant and Equipment	1	**23,41,211**	24,96,150
(b) Other Intangible assets	1	**77,84,230**	1,16,76,346
(c) Intangible assets under development		–	–
(d) Deferred tax Assets (Net)	2	**8,90,093**	6,00,952
(e) Non-current financial assets		–	–
(i) Long-term loans		–	–
(ii) Other non-current financial assets	3	**3,27,155**	3,60,000
(f) Other non-current assets	4	**42,102**	35,000
		1,13,84,791	1,51,68,448
(2) Current assets			
(a) Inventories	5	**28,65,000**	71,79,976
(b) Financial Assets		–	–
(i) Investments		–	–
(ii) Trade receivables	6	**40,53,848**	1,17,18,755
(iii) Cash and cash equivalents	7	**3,36,55,496**	57,18,186
(iv) Other Bank Balances	8	**3,17,58,054**	2,82,62,353
(vi) Other current financial assets	9	**5,18,785**	95,844
(c) Current Tax Assets(Net)	10	**86,29,134**	46,68,421
(d) Other current assets	11	**13,80,261**	22,98,895
		8,28,60,577	5,99,42,430
Total Assets		**9,42,45,368**	7,51,10,878
II EQUITY AND LIABILITIES			
Equity			
(a) Equity Share capital	12	**17,05,500**	15,44,200
(b) Other Equity	13	**7,14,15,226**	6,29,15,997
		7,31,20,726	6,44,60,197
LIABILITIES			
(1) Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings		–	–
(b) Provisions	14	**20,28,970**	–
(c) Other Non- current liabilities		–	–
		20,28,970	–
(2) Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	15	**88,99,048**	–
(ii) Trade Payables	16	**15,20,166**	35,43,065
(iii) Other Current Financial Liabilities		–	–
(b) Current provisions	17	**42,23,171**	37,45,486
(c) Other current liabilities	18	**44,53,287**	33,62,130
		1,90,95,672	1,06,50,681
Total Equity and Liabilities		**9,42,45,368**	7,51,10,878

Notes forming part of the financial statements (all amounts in rupees)

For Nayak & Rane
Chartered Accountants
Firm Registration No. 117249W

Suraj P Nayak
Partner
Membership No. 049645
Place : Mumbai
Date : 25th April , 2022

For and on behalf of the Board of Directors

Rohan Vadgaonkar
Director
DIN 05197482

Pushkar Limaye
Whole Time Director & CEO.
DIN 07270209

STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 31ST MARCH 2022

Particulars	Notes	2021-22	2020-21
Revenue from operations	18	**10,34,83,665**	6,49,02,095
Other income	19	**17,31,022**	12,77,891
Total income		**10,52,14,687**	6,61,79,986
Expenses			
Consumption of Direct Material	20	**2,31,35,336**	3,36,81,386
Changes in inventories	21	**43,14,976**	(58,63,919)
Employee benefits expense	22	**6,17,40,985**	3,64,03,222
Finance costs	23	**2,83,921**	–
Depreciation and amortisation expense	1	**52,07,772**	62,47,532
Other expenses	24	**2,71,48,340**	1,86,23,927
Total expenses		**12,18,31,330**	8,90,92,148
Profit/(Loss) before exceptional items and tax		**(1,66,16,643)**	(2,29,12,162)
Exceptional items		**–**	–
Profit/(Loss) before tax		**(1,66,16,643)**	(2,29,12,162)
Tax expense			
(1) Current tax provision (FY19-20)		**–**	1,39,426
(2) Deferred tax asset(liability)		**2,89,141**	3,64,737
Profit/(Loss) for the period/year		**(1,63,27,502)**	(2,26,86,851)
Other comprehensive income:			
Items that will not be reclassified to profit or loss			
Remeasurement of net defined benefit liability		**–**	–
Income tax relating to items not reclassified		**–**	–
Items that will be reclassified subsequently to profit or loss		**–**	–
Income tax relating to items that will be reclassified		**–**	–
Total comprehensive income/(expense) for the period/year		**(1,63,27,502)**	(2,26,86,851)
Earnings per share			
Basic earnings (loss) per share		**(816)**	(1,134)
Diluted earnings (loss) per share		**(487)**	(678)

See accompanying notes forming part of consolidated financial statements

In terms of our report attached

For Nayak & Rane
Chartered Accountants
Firm Registration No. 117249W

For and on behalf of the Board of Directors

Suraj P Nayak
Partner
Membership No. 049645
Place : Mumbai
Date : 25th April , 2022

Rohan Vadgaonkar
Director
DIN 05197482

Pushkar Limaye
Whole Time Director & CEO.
DIN 07270209

CASH FLOW STATEMENT FOR THE PERIOD ENDED 31ST MARCH 2022

Particulars	Period ended 31st March 2022	Year ended 31st March 2021
Profit before tax	**(1,66,16,643)**	(2,29,12,162)
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation and Impairment of Property, Plant and Equipment	**52,07,772**	62,47,532
Sundry Balances written back	**–**	–
Sundry balances written off	**–**	–
Interest from security deposit	**(15,242)**	(31,566)
Preliminary expenses		
Operating profit before working capital changes	**(1,14,24,113)**	(1,66,96,196)
Working capital adjustments:		
(Increase)/decrease in Non current Assets	**(7,102)**	8,872
(Increase)/decrease in Non Current Financial Assets	**32,845**	2,39,733
(Increase)/decrease in trade receivables	**76,64,907**	(53,19,021)
(Increase)/decrease in Inventories	**43,14,976**	(58,63,919)
(Increase)/decrease in Current Assets	**(39,60,713)**	(8,94,125)
(Increase)/decrease in Current Financial Assets	**(4,22,941)**	(21,218)
(Increase)/decrease in other current assets	**9,18,634**	20,40,567
Increase/(decrease) in trade and other payables	**(20,22,899)**	19,42,779
Increase/(decrease) in other liabilities	**10,91,157**	26,17,606
Increase/(decrease) in Non Current Provisions	**20,28,970**	–
Increase/(decrease) in Provisions	**4,77,685**	34,40,418
Increase/(decrease) in Non Current liabilities	**–**	(1,00,000)
Net cash flows from operating activities	**(13,08,594)**	(1,86,04,503)
Investing activities		
Purchase of property, plant and equipment	**(11,74,601)**	(8,43,671)
Sale of property, plant and equipment	**13,884**	–
Net cash flows used in investing activities	**(11,60,717)**	(8,43,671)
Financing activities		
Proceeds from Share Capital	**1,61,300**	2,29,800
Proceeds from Share Premium	**2,48,26,731**	2,97,69,257
Proceeds from borrowings	**88,99,048**	–
Income from Secuirty deposit	**15,242**	31,566
Net cash flows from/(used in) financing activities	**3,39,02,321**	3,00,30,623
Net increase in cash and cash equivalents	**3,14,33,009**	1,05,82,447
Cash and cash equivalents at the beginning of the period/year	**3,39,80,536**	2,33,98,088
Cash and cash equivalents at period/year end	**6,54,13,549**	3,39,80,536

The accompanying notes form an integral part of the financial statements

As per our report of even date attached

For Nayak & Rane
Chartered Accountants
Firm Registration No. 117249W

For and on behalf of the Board of Directors

Suraj P Nayak
Partner
Membership No. 049645
Place : Mumbai
Date : 25th April , 2022

Rohan Vadgaonkar
Director
DIN 05197482

Pushkar Limaye
Whole Time Director & CEO.
DIN 07270209

SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE PERIOD ENDED MARCH 31ST 2022

1 OVERVIEW

1.1 Company overview

CARNOT Technologies Pvt Ltd was incorporated in India as private limited company under the Companies Act , 2013 on 24th August, 2015. The company is engaged in the business of the following:

I. Service Sector- Technology enabled applications in different fields including automobiles products both in India & Overseas.

II. Trading Sector- Retail in information technology products and applications

1.2 Basis of Preparation of financial statement

These financial statements have been prepared in accordance with the Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of the Companies Act, 2013 (the “”Act””) and other relevant provisions of the Act.

The financial statements up to and for the year ended March 31, 2017 were prepared in accordance with accounting standards notified under Companies (Accounting Standards) Rules, 2006, as amended and the relevant provisions of the Act (Previous GAAP).

These are the first Ind AS financial statements of the Company prepared in accordance with Ind AS. Ind AS 101, First-time Adoption of Indian Accounting Standards has been applied for the pupose of transition to Ind AS from previous GAAP

These financial statements have been prepared on a historical cost and accrual basis.

All assets and liabilities have been classified as current or non-current as per the Company’s operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current non- current classification of assets and liabilities.

1.3 Use of Estimates

The preparation of the financial statements in conformity with IndAS requires the management to make estimates, judgments and assumptions. The seestimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets a nd liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period.The application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in the sefinancial statements have been disclosed in Note no.1.4. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements

1.4 Significant accounting policies

a. Property plant and equipment (including Capital Work-in-Progress)

All items of property, plant and equipment are stated at historical cost less depreciation. Historical cost are stated at cost of acquisition inclusive of all attributable cost of bringing the assets to their working condition, accumulated depreciation and accumulated impairment losses, if any.

Subsequent expenditure related to an item of property plant and equipment are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.

The Company provides depreciation on all assets on written down value basis over its useful life of asset which is in line with Schedule II of Comapnies Act,2013.

Gains or losses arising from the retirement or disposal of property plant and equipment are determined as the difference between the net disposal proceeds and the carrying amount of the property plant and equipment and recognised as income or expense in the Statement of Profit and Loss.

Assets not yet ready for use are recognised as capital work in progress.

On transition to Ind AS, the company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1 April 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

b. Intangible Assets

Intangible assets are accounted at actual cost incurred less accumulated amortisation and impairment, if any.

Intangible assets i.e. software are amortised on a straight line basis over their estimated useful life of approximately five years, so as to effectively depreciate the assets over the specified useful life.

Gains or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognised as income or expense in the Statement of Profit and Loss.

On transition to Ind AS, the company has elected to continue with the carrying value of all of its intangible assets recognised as at 1 April 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of the intangible assets

c. Impairment of non-financial assets

The carrying amount of the non-financial assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal /external factors. An impairment loss is recognised whenever the carrying amount of an asset or a cash generating unit exceeds its recoverable amount. The recoverable amount of the assets (or where applicable, that of the cash generating unit to which the asset belongs) is estimated as the higher of its net selling price and its value in use. Impairment loss is recognised in the statement of profit and loss.

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

A previosuly recognised impairment loss is increased or reversed depending on changes in circumstances. However, the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation/amortisation if there were no impairment.

d Investments and financial assets

Classification

The company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortised cost.

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

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

The company reclassifies debt investments when and only when its business model for managing those assets changes.

e Inventories

The stock of raw materials and components, goods in process, finished goods and stores, spares, property under development etc. are stated at lower of cost or net realisable value (NRV).

In determining the cost of the raw materials and components FIFO method is used. Cost of goods in process and manufactured finished products includes the cost of materials, labour and other manufacturing overhead. Average cost method is used to determine cost of work in progress and finished goods.

Obsolete slow moving and defective inventories are identified at the time of physical verification of inventories and where necessary, provision is made for such inventories.(a) Traded goods, raw materials and packing materials: At cost or net realisable value, whichever is lower. (b)Process stock: At cost or estimated realisable value, whichever is lower. (c) Finished goods: At cost or net realisable value, whichever is lower and are inclusive of input tax credit thereon.

f Revenue Recognition

Revenue is recognised based on fair value of consideration receive or receivable and to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Turnover, which represents invoiced value of goods sold is recognized net of goods and service tax, trade and volume discounts or rebates, etc. The following specific recognition criteria must also be met before revenue is recognised:

Supply contracts - Sale of products

Revenue from supply contract is recognized when the substantial risk and rewards of ownership is transferred to the buyer. Revenue from product sales are shown as net of all applicable taxes and discounts.

Interest Income

Interest Income is accounted on accrual basis.

Dividend Income

Dividend is recognized when the right to receive the payment is established.

g Employee Benefits

Short term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees is recognised during the period when the employee renders the services. These benefits include compensated absences such as paid annual leave, bonuses and performance incentives.

ii. Long term employee benefits

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as a liability at the present value of the defined benefit obligation determined actuarially by using Projected Unit Credit Method at the Balance Sheet date.

iii. Post-employment benefit plan

Payments to defined contribution retirement benefit plans are recognized as an expense when employees have rendered the service entitling them to the contribution.

The Company's contribution to the Provident Fund is remitted to provident fund authorities and are based on a fixed percentage of the eligible employee's salary and debited to Statement of Profit and Loss.

h Current and Deferred Tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period.

Deferred income tax is provided in full, using the balance sheet approach, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

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

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

i Foreign Currency Transactions

Foreign currency transactions are recorded at the exchange rates prevailing on the date of such transactions. Monetary assets and liabilities as at the Balance Sheet date are translated at the rates of exchange prevailing at the date of the Balance Sheet. Gains and losses arising on account of differences in foreign exchange rates on settlement/ translation of monetary assets and liabilities are recognised in the Statement of Profit and Loss. Non-monetary foreign currency items are carried at cost.

j Provisions and Contingent Liabilities

Provisions are recognised when the company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

k Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss (excluding other comprehensive income) for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for events such as bonus issue, bonus element in a right issue, shares split and reserve share splits (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit or loss (excluding other comprehensive income) for the year attributable to equity share holders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

l Cash flow statement

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

m Critical estimates and judgements

The preparation of Financial Statements in conformity with Ind AS which requires management to make estimates, assumptions and exercise judgement in applying the accounting policies that affect the reported amount of assets, liabilities and disclosure of contingent liabilities at the date of financial statements and the reported amounts of income and expenses during the year.

The Management believes that these estimates are prudent and reasonable and are based upon the Management's best knowledge of current events and actions. Actual results could differ from these estimates and differences between actual results and estimates are recognised in the periods in which the results are known or materialised.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed.

Note 1. Property Plant & Equipment

Amount in Rs.

	Gross block - at cost						Depreciation/ Amortisation					Net block
Particulars	**As at 1 April 2021**	**GAAP Adjustments**	**Additions**	**Adjustments**	**Deductions**	**As at 31 Mar 2022**	**As at 1 April 2021**	**For the year**	**Adjustments**	**Deductions**	**As at 31 Mar 2022**	**As at 31 Mar 2022**
Tangible assets												
Computers	13,20,652	–	11,32,450	–	–	24,53,102	5,81,965	8,17,539	–	–	13,99,504	10,53,598
Furniture and fixtures	32,65,749	–	15,077	–	–	32,80,826	17,85,225	3,87,126	–	–	21,72,351	11,08,475
Office Equipments	6,19,988	–	27,074	–	13,884	6,33,178	4,29,349	89,007	–	–	5,18,356	1,14,822
Plant & Machinery.......	7,500	–		–	–	7,500	2,903	832	–	–	3,735	3,765
Electrical Equipments	1,67,733	–		–	–	1,67,733	86,031	21,152	–	–	1,07,183	60,550
Total	**53,81,622**	**–**	**11,74,601**	**–**	**13,884**	**65,42,339**	**28,85,474**	**13,15,656**	**–**	**–**	**42,01,129**	**23,41,211**

						Gross block - at cost					Depreciation/ Amortisation	Net block
Particulars	**As at 1 April 2021**	**GAAP Adjustments**	**Additions**	**Adjustments**	**Deductions**	**As at 31 Mar 2022**	**As at 1 April 2021**	**For the year**	**Adjustments**	**Deductions**	**As at 31 Mar 2022**	**As at 31 Mar 2022**
Intangible Assets............	2,60,22,523		–			2,60,22,523	1,43,46,177	38,92,116			1,82,38,293	77,84,230
Total	**2,60,22,523**	**–**	**–**	**–**	**–**	**2,60,22,523**	**1,43,46,177**	**38,92,116**	**–**	**–**	**1,82,38,293**	**77,84,230**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

2 Deferred tax Assets (Net)

Particulars	**2021-2022**	2020-2021
Deferred tax asset arising on account of (A)		
Opening DTA	**6,00,952**	2,36,215
Timing difference between book depreciation and depreciation as per Income Tax Act ,1961	**–**	–
Employees benefit expenses	**–**	–
Brought depreciation/Unabsorbed losses	**–**	–
Others	**–**	–
	6,00,952	2,36,215
Deferred tax liability arising on account of (B)		
Others	**(2,89,141)**	(3,64,737)
Total	**8,90,093**	6,00,952

3 Other non-current financial assets

Particulars	**2021-2022**	2020-2021
Deposit with maturity more than 12 months from reporting date	**3,27,155**	3,60,000
Total	**3,27,155**	3,60,000

4 Other non-current assets

Particulars	**2021-2022**	2020-2021
(a) Advances other than Capital advances		
i) Security Deposit	**10,000**	35,000
ii) Other advances - Deferred Notional rent expense	**32,102**	–
Total	**42,102**	35,000

5 Inventories

Particulars	**2021-2022**	2020-2021
Stock in Trade	**28,65,000**	71,79,976
Total	**28,65,000**	71,79,976

6 Trade receivable

Particulars	**2021-2022**	2020-2021
Secured ,Considered good		
Unsecured, Considered good	**40,53,848**	1,17,18,755
Considered doubtful	**–**	–
	40,53,848	1,17,18,755
Less: Allowance for doubtful receivables	**–**	–
Total	**40,53,848**	1,17,18,755

No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

7 Cash and cash equivalents

Particulars	**2021-2022**	2020-2021
Balances with banks in:		
– Current accounts	**3,35,12,664**	56,14,642
Cash in hand	**1,42,831**	1,03,543
Total	**3,36,55,496**	57,18,186

8 Other bank balances

Particulars	**2021-2022**	2020-2021
Fixed Deposit with Bank	**3,17,58,054**	2,82,62,353
Total	**3,17,58,054**	2,82,62,353

9 Other current financial assets

Particulars	**2021-2022**	2020-2021
Loans & Advances to Employees	**5,18,785**	95,844
Total	**5,18,785**	95,844

10 Current Tax Assets

Particulars	**2021-2022**	2020-2021
TDS Receivable	**78,01,918**	38,41,205
TCS receivable	**9,287**	9,287
MAT credit	**8,17,929**	8,17,929
Total	**86,29,134**	46,68,421

11 Other current assets

Particulars	**2021-2022**	2020-2021
Advances other than capital advances-		
a) other advances	**4,26,359**	1,85,272
Others		
Balances with revenue authorithies	**–**	18,43,228
Prepaid expenses	**9,53,902**	2,70,395
Total	**13,80,261**	22,98,895

12 Equity share capital

Authorised

Particulars	**Number of equity shares**	Amount in INR (at par value)
Equity shares of INR 10 each		
As at 01 April 2021	**60,000**	6,00,000
Increase/(decrease) during the period	**–**	–
As at 31 March 2022	**60,000**	6,00,000
Preference Shares of INR 100 each		
As at 01 April 2021	**16,300**	16,30,000
Increase/(decrease) during the period	**–**	–
As at 31 March 2022	**16,300**	16,30,000

Particulars	**Number of equity shares**	Amount in INR (at par value)
Equity shares of INR 10 each		
As at 01 April 2020	**60,000**	6,00,000
Increase/(decrease) during the year	**–**	–
As at 31 March 2021	**60,000**	6,00,000
Preference Shares of INR 100 each		
As at 01 April 2020	**14,000**	14,00,000
Increase/(decrease) during the year	**2,300**	2,30,000
As at 31 March 2021	**16,300**	16,30,000

Issued, Subscribed and fully paid up

Particulars	Number of equity shares	Amount in INR (at par value)
Equity shares of INR 10 each		
As at 01 April 2021	**20,010**	2,00,100
Increase/(decrease) during the period	**–**	–
As at 31 March 2022	**20,010**	2,00,100
Preference Shares of INR 100 each		
As at 01 April 2021	**13,441**	13,44,100
Increase/(decrease) during the period	**1,613**	1,61,300
As at 31 March 2022	**15,054**	15,05,400

a) Reconciliation of Equity & Preference shares outstanding at the beginning and at the end of the reporting period

Particulars	Number of equity shares	Amount in INR (at par value)
Equity shares of INR 10 each		
As at 01 April 2021	**20,010**	2,00,100
Increase/(decrease) during the period	**–**	–
As at 31 March 2022	**20,010**	2,00,100
Preference Shares of INR 100 each		
As at 01 April 2021	**13,441**	13,44,100
Increase/(decrease) during the period	**1,613**	1,61,300
As at 31 March 2022	**15,054**	15,05,400

Particulars	Number of equity shares	Amount in INR (at par value)
Equity shares of INR 10 each		
As at 01 April 2020	**20,010**	2,00,100
Increase/(decrease) during the year	**–**	–
As at 31 March 2021	**20,010**	2,00,100

Particulars	2021-2022	2020-2021
Preference Shares of INR 100 each		
As at 01 April 2020	**11,143**	11,14,300
Increase/(decrease) during the year	**2,298**	2,29,800
As at 31 March 2021	**13,441**	13,44,100

b). Terms/rights attached to equity shares/Preference Shares

1) The Company has only one class of equity shares having a par value of Rs 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. The dividend, if proposed by the Board of Directors, is subject to the approval of the shareholders in the ensuing Annual General Meeting, except interim dividend.

   In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts, if any. The distribution will be in proportion to the number of equity shares held by the shareholders.

2) 4,480 Compulsary Convertible Participating Preference shares having par value of Rs 100/- each issued at a premium of Rs. 6,581.51/- each in FY 2016-2017 & 6,663 Compulsary Convertible Participating Preference shares having par value of Rs 100/- each issued at a premium of Rs. 8131.81- each during the financial year 2017-2018.

   Each Seed CCCPS may be converted into Equity Shares at any time at the option of the holder of that Seed CCCPS. Subject to compliance with applicable Laws, each Seed CCCPS shall automatically be converted into Equity Shares upon the earlier of (i) one day prior to the expiry of 20 years from the First Closing Date; or (ii) in connection with a IPO (or any subsequent IPO), prior to the filing of a prospectus (or equivalent document, by whatever name called) by the Company with the competent authority or such later date as may be permitted under applicable Laws.

3) 2,298 Compulsary Convertible Participating Preference shares having par value of Rs 100/- each issued at a premium of Rs. 12,954.42/- IN FY 2020-21.

   Each Seed CCCPS may be converted into Equity Shares at any time at the option of the holder of that Seed CCCPS. Subject to compliance with applicable Laws, each Seed CCCPS shall automatically be converted into Equity Shares upon the earlier of (i) one day prior to the expiry of 20 years from the First Closing Date; or (ii) in connection with a IPO (or any subsequent IPO), prior to the filing of a prospectus (or equivalent document, by whatever name called) by the Company with the competent authority or such later date as may be permitted under applicable Laws.

4) 1613 Compulsary Convertible Participating Preference shares having par value of Rs 100/- each issued at a premium of Rs. 15,391.65/- IN FY 2021-22.

   Each Seed CCCPS may be converted into Equity Shares at any time at the option of the holder of that Seed CCCPS. Subject to compliance with applicable Laws, each Seed CCCPS shall automatically be converted into Equity Shares upon the earlier of (i) one day prior to the expiry of 20 years from the First Closing Date; or (ii) in connection with a IPO (or any subsequent IPO), prior to the filing of a prospectus (or equivalent document, by whatever name called) by the Company with the competent authority or such later date as may be permitted under applicable Laws.

c). Shareholders holding more than 5% of the shares in the Company

Particulars		2021-2022	2020-2021
Equity shares of Rs 10 each, fully paid up			
Rohan Vadgaonkar			
	Number	**2,260**	5,251
	% Holding	**11.29**	26.24
Prathamesh Joshi			
	Number	**1,233**	2,866
	% Holding	**6.16**	14.32
Pushkar Limaye			
	Number	**2,115**	4,914
	% Holding	**10.57**	24.56
Urmil Shah			
	Number	**3,858**	3,858
	% Holding	**19.28**	19.28
Mahindra & Mahindra Ltd			
	Number	**10,544**	3,121
	% Holding	**52.69**	15.60

13 Other Equity

Particulars	2021-2022	2020-2021
Retained Earnings		
As per last Balance Sheet	**(5,05,87,395)**	(2,79,00,544)
Increase/(decrease) during the period/year	**(1,63,27,502)**	(2,26,86,851)
	(6,69,14,897)	(5,05,87,395)
Share Premium		
As per last Balance Sheet	**11,35,03,392**	8,37,34,135
Increase/(decrease) during the period/year	**2,48,26,731**	2,97,69,257
	13,83,30,123	11,35,03,392
Total	**7,14,15,226**	6,29,15,997

14 Other non - current liabilities

Particulars	2021-2022	2020-2021
a) Provisions - Gratuity	**20,28,970**	–
Total	**20,28,970**	–

15 Borrowings

Particulars	2021-2022	2020-2021
a) Borrowings (OD against FD)	**88,99,048**	–
Total	**88,99,048**	–

16 Trade Payable

Particulars	2021-2022	2020-2021
Dues to micro, small and medium enterprises	**–**	–
Dues to other than micro, small and medium enterprises	**15,20,166**	35,43,065
Total	**15,20,166**	35,43,065

17 Current Provisions

Particulars	2021-2022	2020-2021
a) Provision for employee benefits	**41,34,632**	36,06,060
b) Others		
– Expenses	**88,539**	–
– Taxation (FY 19-20)	**–**	1,39,426
Total	**42,23,171**	37,45,486

18 Other Current Liabilities

Particulars	2021-2022	2020-2021
a) Advance from customers	**3,57,418**	3,22,065
b) other Advances	**1,89,552**	3,04,698
c) Statutory dues payable		
– GST & VAT Payable	**15,60,713**	21,14,678
– Statutory Dues - GST RCM	**–**	41,443
– TCS Payable	**–**	22,607
– TDS Payable	**21,31,487**	3,19,739
– PF Payable	**1,89,264**	–
– Profession Tax Payable	**8,825**	1,96,270
– Custom duty payable	**–**	10,200
– ESIC payable	**16,028**	30,430
Total	**44,53,287**	33,62,130

19 Revenue from Operations

Particulars	2021-2022	2020-2021
Sale of products	**3,30,25,072**	4,16,64,282
Sale of Services	**7,04,58,593**	2,32,37,813
Total	**10,34,83,665**	6,49,02,095

20 Other Income

Particulars	2021-2022	2020-2021
Interest income:		
– on bank deposits	**14,54,079**	11,61,724
– on security deposits	**15,242**	31,566
– on others	**1,78,177**	52,311
Sundry balances written back	**61,502**	5,339
Other Receipts	**22,022**	26,951
Total	**17,31,022**	12,77,891

21 Consumption of Direct Material

Particulars	2021-2022	2020-2021
Raw Material & Direct Expense	**2,31,35,336**	3,36,81,386
Total	**2,31,35,336**	3,36,81,386

22 Changes in Inventories

Particulars	2021-2022	2020-2021
Opening Inventory	**71,79,976**	13,16,057
Less: Closing Inventory	**28,65,000**	71,79,976
Total	**43,14,976**	(58,63,919)

23 Employee Benefit Expenses

Particulars	2021-2022	2020-2021
Salaries, wages and bonus	**4,67,21,092**	2,99,32,421
Director's Remuneration	**1,02,66,658**	48,00,000
Less: Capitalised under Capital WIP	**–**	–
	5,69,87,750	3,47,32,421
Salary to Interns	**8,90,924**	6,17,713
Staff welfare expense	**2,83,477**	48,700
Employer Contribution -PF , ESIC	**35,78,834**	10,04,388
Total	**6,17,40,985**	3,64,03,222

24 Finance Cost

Particulars	2021-2022	2020-2021
Interest on Overdraft against FD	**2,67,936**	-
Finance Charges	**15,985**	-
Total	**2,83,921**	-

25 Other Expenses

Particulars	2021-2022	2020-2021
Audit Fees	**2,17,620**	1,40,000
Legal, Design and Consultancy	**28,59,396**	16,38,732
Comission charges	**32,004**	–
Gateway fees	**29,762**	–
Call centre Support services	**25,91,461**	12,98,732
Electricity expenses	**37,254**	34,970
M Tto M Subscription Charges	**1,00,60,365**	30,59,021
Hotel and Food Expenses	**10,93,891**	14,25,301
Platform Hosting Charges	**36,72,939**	20,69,451
Software expenses	**3,22,431**	2,84,019
Sponsership	**–**	25,000
General Office Expenses	**1,61,299**	2,57,925
Repairs and maintenance	**42,120**	43,827
Printing & Stationery	**34,783**	14,610
Courier Charges	**4,09,607**	8,18,717

Particulars	2021-2022	2020-2021
Interest & Late fees	**26,118**	47,404
Leave & License Fees	**–**	30,316
Marketing Expenses	**15,96,588**	18,65,181
Rent Expenses	**5,85,722**	9,16,803
Telephone & Internet expenses	**1,03,529**	62,815
Travelling and conveyance	**19,05,708**	18,38,920
Rates & Taxes	**1,36,981**	1,70,804
Bank Charges	**94,119**	46,822
Prior Period expenses	**–**	13,92,781
Foreign Exchange Gain/Loss	**18,009**	29,661
Advertisement	**6,59,244**	5,86,357
Training Expenses	**66,753**	–
Membership fees	**55,000**	–
Business promotion	**2,32,536**	3,39,568
Balances written off	**25,177**	46,315
Miscellaneous expenses	**77,924**	1,39,873
Total	**2,71,48,340**	1,86,23,927

25 Earnings per Share

	Particulars	2021-2022	2020-2021
i)	Net profit after tax as per statement of profit and loss attributable to equity shareholders	**(1,63,27,502)**	(2,26,86,851)
ii)	Weighted average number of equity shares used as denominator for calculating basic ESPS	**20,010**	20,010
iii)	Weighted average potential equity shares on account of compulsory convirtible Preference Shares	**13,507**	13,441
iv)	Total weighted average number of equity shares used as denominator for calculating diluted EPS	**33,517**	33,451
v)	Net profit after tax for diluted EPS	**(1,63,27,502)**	(2,26,86,851)
vi)	Basic earnings per share (₹)	**(815.97)**	(1,133.78)
vii)	Diluted earnings per share (₹)	**(487.14)**	(678.21)
viii)	Face value per equity share (₹)	**10**	10

26 Foreign Exchange Expenditure

Particulars	2021-2022	2020-2021
Software expenses	26,62,224	4,40,873
Platform HostingFess	**12,22,607**	12,43,992
Hardware purchased	**1,07,805**	10,96,348
Profeesional Fees	**10,51,425**	788
Marketing Expenses	**32,000**	30,600
Total	**50,76,061**	28,12,601

27 Details of related party transactions during the period ended 31 March , 2022

Particulars	2021- 2022	2020- 2021
Holding Company -		
Mahindra & Mahindra ltd		
Key Mangement Personnel		
Rohan Vadgaonkar	**–**	–
Pushkar Limaye	**–**	–
Payment to key Management Personnel		
Remnuneration to Directors		
Rohan Vadgaonkar	**51,33,329**	24,00,000
Pushkar Limaye	**51,33,329**	24,00,000
Transactions during the period		
Sales/service		
Mahindra & Mahindra Ltd	**9,07,55,179**	4,89,21,878
Purchase		
Mahindra & Mahindra ltd	**–**	10,35,012
Total	**10,10,21,837**	5,47,56,890

28 Auditors' Remuneration

Particulars	2021-2022	2020-2021
Audit fees	**2,17,620**	1,40,000
Total	**2,17,620**	1,40,000

For Nayak & Rane
Chartered Accountants
Firm Registration No. 117249W

For and on behalf of the Board of Directors

Suraj P Nayak
Partner
Membership No. 049645
Place : Mumbai
Date : 25th April , 2022

Rohan Vadgaonkar
Director
DIN 05197482

Pushkar Limaye
Whole Time Director & CEO.
DIN 07270209

SECURITY AND OTHER DEPOSITS

Particulars	**As at 31st March, 2022**	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2019
Security and other deposits	**3,60,000**	5,99,733	6,15,964	3,60,000
Less Transferred to Deferred notional rent expense	**(48,087)**	–	(53,342)	(62,417)
Add Finance income on interest free security deposits	**15,242**	33,493	37,111	18,381
Less: Rent expenses adjusted form April 20 to Sept 20		(2,73,226)		
Total	**3,27,155**	3,60,000	5,99,733	3,15,964

Deferred notional rent expense

Particulars	**As at 31st March, 2022**	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2019
Transferred from Security deposits	**48,087**	57,937	96,184	62,417
Less Transferred to pofit & loss account	**(15,985)**	(4,595)	(38,247)	(19,575)
Less Current portion of notional rent expense	**–**	–	(39,065)	(21,392)
Less: Rent expenses adjusted form April to sep 20	**–**	(53,342)		
Total	**32,102**	–	18,872	21,450

Independent Auditors' Report

To the Members of
Mahindra & Mahindra Financial Services Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Mahindra & Mahindra Financial Services Limited (the "Company"), which comprise the Balance Sheet as at 31 March 2022, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2022, and its profit and total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Emphasis of Matter

We draw attention to Note 2.5 to the Standalone Financial Statements in which the Company describes the continuing uncertainties arising from the COVID 19 pandemic.

Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Description of Key Audit Matters

Sr. No.	Key audit matter	Auditor's Response
1	Allowances for Expected Credit Losses ("ECL"): As at 31 March 2022, the carrying value of loan assets measured at amortised cost, aggregated Rs. 60,444.64 crore (net of allowance of expected credit loss Rs. 4,500.54 crore) constituting approximately 80% of the Company's total assets. Significant judgement is used in classifying these loan assets and applying appropriate measurement principles. ECL on such loan assets measured at amortised cost is a critical estimate involving greater level of management judgement. As part of our risk assessment, we determined that the ECL on such loan assets has a high degree of estimation uncertainty, with a potential range of reasonable outcomes for the Standalone Financial Statements. The elements of estimating ECL which involved increased level of audit focus are the following: • Qualitative and quantitative factors used in staging the loan assets measured at amortised cost; • Basis used for estimating Probabilities of Default ("PD"), Loss Given Default ("LGD") and Exposure at Default ("EAD") at product level with past trends;	We have examined the policies approved by the Board of Directors of the Company that articulate the objectives of managing each portfolio and their business models. We have also verified the methodology adopted for computation of ECL ("ECL Model") that addresses policies approved by the Board of Directors, procedures and controls for assessing and measuring credit risk on all lending exposures measured at amortised cost. Additionally, we have confirmed that adjustments to the output of the ECL Model is consistent with the documented rationale and basis for such adjustments and that the amount of adjustment has been approved by the Audit Committee of the Board of Directors. Our audit procedures related to the allowance for ECL included the following, among others: Testing the design and operating effectiveness of the following: • completeness and accuracy of the EAD and the classification thereof into stages consistent with the definitions applied in accordance with the policy approved by the Board of Directors including the appropriateness of the qualitative factors to be applied;

Sr. No.	Key audit matter	Auditor's Response
	• Judgements used in projecting economic scenarios and probability weights applied to reflect future economic conditions; and • Adjustments to model driven ECL results to address emerging trends. (Refer Note 2.5, 7 and 51.2 to the Standalone Financial Statements).	• completeness, accuracy and appropriateness of information used in the estimation of the PD and LGD for the different stages depending on the nature of the portfolio; and • accuracy of the computation of the ECL estimate including reasonableness of the methodology used to determine macro-economic overlays and adjustments to the output of the ECL Model. Test of details on a sample in respect of the following: • accuracy and completeness of the input data such as period of default and other related information used in estimating the PD; • the mathematical accuracy of the ECL computation by using the same input data as used by the Company; • completeness and accuracy of the staging of the loans and the underlying data based on which the ECL estimates have been computed; • evaluating the adequacy of the adjustment made to the output as per the ECL Model to ensure that the adjustment was in conformity with the amount approved by the Audit Committee of the Company.
2	Information Technology and General Controls: The Company is dependent on its Information Technology ("IT") systems due to the significant number of transactions that are processed daily across such multiple and discrete IT systems. Also, IT application controls are critical to ensure that changes to applications and underlying data are made in an appropriate manner and under controlled environments. Appropriate controls contribute to mitigating the risk of potential fraud or errors as a result of changes to applications and data. On account of the pervasive use of its IT systems, the testing of the general computer controls of the IT systems used in financial reporting was considered to be a Key Audit Matter.	With the assistance of our IT specialists, we obtained an understanding of the Company's IT applications, databases and operating systems relevant to financial reporting and the control environment. For these elements of the IT infrastructure the areas of our focus included access security (including controls over privileged access), program change controls, database management and network operations. In particular: • We tested the design, implementation, and operating effectiveness of the Company's general IT controls over the IT systems relevant to financial reporting. This included evaluation of Company's controls over segregation of duties and access rights being provisioned / modified based on duly approved requests, access for exit cases being revoked in a timely manner and access of all users being recertified during the period of audit. • We also tested key automated business cycle controls and logic for the reports generated through the IT infrastructure that were relevant for financial reporting or were used in the exercise of internal financial controls with reference to financial statements. Our tests included testing of the compensating controls or alternate procedures to assess whether there were any unaddressed IT risks that would materiality impact the Financial Statements.

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

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's Report (including annexures thereto), Business Responsibility Statement and Management Discussion and Analysis ("MD&A") (collectively referred to as "other information"), but does not include the financial statements and our auditor's report thereon.

- Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

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

Management's Responsibility for the Standalone Financial Statements

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in respect of financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the standalone financial statements made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:

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

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

   c. The standalone Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.

   d. In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.

   e. On the basis of the written representations received from the directors as on 31 March, 2022 taken on record by the Board of Directors, none of the directors are disqualified as on 31 March, 2022 from being appointed as a director in terms of Section 164(2) of the Act.

   f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

   g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended,

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

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

      i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements.

      ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.

      iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

      iv. (a) The Management has represented that, to the best of it's knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

      (b) The Management has represented that, to the best of it's knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(c) Based on the audit procedures that has been considered reasonable and appropriate in the circumstances, nothing has come to their notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. The final dividend proposed with respect to previous year, declared and paid by the Company during the year is in compliance with section 123 of the Act, as applicable.

As stated in Note no. 23(ii) to the standalone financial statements, the Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members in the ensuing Annual General Meeting. The amount of the dividend proposed is in accordance with the section 123 of the Act, as applicable.

2. As required by the Companies (Auditor's Report) Order, 2020 (the "Order") issued by the Central Government in terms of section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **Mukund M. Chitale & Co.**
Chartered Accountants
(Firm's Registration No. 106655W)

M. M. Chitale
Partner
(Membership No. 14054)
(UDIN: 22014054AJOWIR2824)

Mumbai
2 May 2022

For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm's Registration No. 117365W)

Rupen K. Bhatt
Partner
(Membership No. 046930)
(UDIN: 22046930AIGOOW2317)

Mumbai
2 May 2022

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

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

We have audited the Internal Financial Controls with reference to standalone financial statements of Mahindra & Mahindra Financial Services Limited (the "Company") as of March 31, 2022 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining Internal Financial Controls based on the internal control with reference to Standalone Financial Statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's Internal Financial Controls with reference to Standalone Financial Statements of the Company based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate Internal Financial Controls with reference to Standalone Financial Statements was established and maintained and if such controls operated effectively in all material respects.

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

Meaning of Internal Financial Controls with reference to Standalone Financial Statements

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

Inherent Limitations of Internal Financial Controls with reference to Financial Statements

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate Internal Financial Controls system with reference to Financial Statements and such Internal Financial Controls with reference to Financial Statements were operating effectively as at March 31, 2022, based on the criteria for Internal Financial Controls with reference to Financial Statements established by the respective Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Mukund M. Chitale & Co.**
Chartered Accountants
(Firm's Registration No. 106655W)

M. M. Chitale
Partner
(Membership No. 14054)
(UDIN: 22014054AJOWIR2824)

Mumbai
2 May 2022

For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm's Registration No. 117365W)

Rupen K. Bhatt
Partner
(Membership No. 046930)
(UDIN: 22046930AIGOOW2317)

Mumbai
2 May 2022

ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the members of Mahindra & Mahindra Financial Services Limited on the financial statements as at and for the year ended March 31, 2022)

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of right-of-use assets.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) The Property, Plant and Equipment, were physically verified during the year by the management, in accordance with a regular programme of verification, which in our opinion, provides for physical verification of all the property, plant and equipment at reasonable intervals. No material discrepancies were noticed on such verification.

(c) Based on the examination of the documents provided to us, we report that, the title deeds of all the immovable properties (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the Company), disclosed in the financial statements included in Property, Plant and Equipment are held in the name of the Company as at the balance sheet date.

(d) The Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year. Accordingly, paragraph 3(i)(d), of the Order is not applicable to the Company.

(e) No proceedings have been initiated during the year or are pending against the Company as at 31 March 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

(ii) (a) The Company is engaged primarily in lending activities and consequently does not hold any physical inventories. Accordingly, paragraph 3(ii)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us, the Company has been sanctioned working capital limits in excess of Rs. 5 crore, in aggregate, at points of time during the year, from banks on the basis of security of loans (assets). We have observed differences / reconciliation items in the quarterly returns or statements filed by the Company with such banks or financial institutions as compared to the books of account maintained by the Company. However, we have not carried out a specific audit of such statements. The details of such differences / reconciliation items are given in note no. 17 of the standalone financial statements of the Company.

(iii) As explained in note 1 to the standalone financial statements, the Company is a deposit-taking non-banking financial company ("NBFC") registered with the Reserve Bank of India ("RBI") and as a part of its business activities is engaged in the business of lending across various types of customers which include retail and SMEs.

During the year, in the ordinary course of its business, the Company has made investments in, provided guarantee / security to and granted loans and advances in the nature of loans, secured and unsecured, to companies, firms, limited liability partnerships and other parties. With respect to such investments, guarantees / security and loans and advances:

(a) The principal business of the Company is to give loans and hence reporting under clause (iii)(a) of the Order is not applicable;

(b) In our opinion, having regard to the nature of the Company's business, the investments made, guarantees provided, security given and the terms and conditions of the grant of all loans and advances in the nature of loans and guarantees provided are not prejudicial to the Company's interest;

(c) in respect of loans and advances in the nature of loans (together referred to as "loan assets"), the schedule of repayment of principal and payment of interest has been stipulated. Note 2.5(ii) to the standalone financial statements explains the Company's accounting policy relating to impairment of financial assets which include loans assets. In accordance with that policy, loan assets with balances as at 31 March 2022, aggregating Rs. 4,976.30 crore were categorised as credit impaired ("Stage 3") and Rs. 9,257.46 crore were categorised as those where the credit risk has increased significantly since initial recognition ("Stage 2"). Disclosures in respect of such loans have been provided in Note 60 to the standalone financial statements. Additionally, out of loans and advances in the nature of loans with balances as at 31 March 2022 aggregating Rs. 50,727.01 crore, where credit risk has not significantly increased since initial recognition (categorised as "Stage 1"), delinquencies in the repayment of principal and payment of interest aggregating Rs. 1,932.56 crore were also identified, albeit of less than 31 days. In all other cases, the repayment of principal and interest is regular as at 31 March 2022. Having regard to the nature of the Company's business and the volume of information involved, it is not practicable to provide an itemised list of loan assets where delinquencies in the repayment of principal and interest have been identified.

(d) The total amount overdue for more than ninety days, in respect of loans and advances in the nature of loans, as at 31 March 2022 is Rs. 2,243.83 crore. Reasonable steps are been taken by the Company for recovery of the principal and interest.

(e) The principal business of the Company is to give loans and hence reporting under clause (iii)(e) of the Order is not applicable.

(f) The Company has not granted any loans or advances in the nature of loans that were either repayable on demand or without specifying any terms or period of repayment.

(iv) The Company has not advanced loans or made investments in or provided guaranty or security to parties covered by section 185 of the Act and the provisions of Section 186 of the Act are not applicable to the Company. Hence reporting under clause 3 (iv) of the Order is not applicable.

(v) In our opinion, the Company had complied with the directives issued by the Reserve Bank of India with regards to the deposits accepted and amounts deemed to be deposits during the year. According to the information and explanations given to us, the Company being Non-banking finance company registered with RBI, provisions of section 73 to 76 or any other relevant provisions of the Companies Act, 2013 & the Companies (Acceptance of deposits) Rules, 2014, as amended, are not applicable. We are informed by the management that no order has been passed by the Company Law Board, National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal against the Company in this regard.

(vi) The maintenance of cost records has not been specified by the Central Government under Section 148(1) of the Companies Act, 2013 for the business activities carried out by the Company. Hence reporting under clause 3 (vi) of the Order is not applicable.

(vii) In respect of statutory dues:

(a) The Company has been regular in depositing undisputed statutory dues, including Goods and Service Tax, Provident Fund, Employees' State Insurance, Income-tax, Cess and other material statutory dues applicable to it, to the appropriate authorities. As explained to us, the Company does not have any dues on account of sales tax, service tax, duty of customs, duty of excise and value added tax.

There were no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employees' State Insurance, Income-tax, Cess and other material statutory dues in arrears as at 31st March, 2022, for a period of more than six months from the date they became payable.

(b) Details of dues of Income-tax, Value Added Tax and Service Tax Act which have not been deposited as on 31st March, 2022, on account of disputes are given below:

Name of the statute	Nature of dues	Amount Involved	Amount Unpaid	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	4.33	2.05	2002-03	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	10.34	10.34	2012-13	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	14.24	14.24	2013 -14	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	33.53	33.53	2014-15	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	0.01	0.01	2015 -16	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	125.60	13.28	2016 -17	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	1.97	2.01	2017 -18	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	10.77	11.19	2018 -19	Commissioner of Income Tax (Appeals)
Andhra Pradesh VAT	Value Added Tax	1.24	1.24	April 2008 -October 2013	Andhra Pradesh High Court
Madhya Pradesh VAT	Value Added Tax	0.01	–	2013-14	Appellate Authority of Commercial Taxes, Bhopal
Madhya Pradesh VAT	Value Added Tax	0.02	0.01	2014-15	Appellate Authority of Commercial Taxes, Bhopal
Madhya Pradesh VAT	Value Added Tax	0.03	0.02	2015-16	Appellate Authority of Commercial Taxes, Bhopal
Madhya Pradesh VAT	Value Added Tax	0.03	0.03	2016-17	Appellate Authority of Commercial Taxes, Bhopal
Maharashtra VAT	Value Added Tax	5.24	0.87	2010-11	Maharashtra Sales Tax Tribunal
Maharashtra VAT	Value Added Tax	3.54	0.45	2011-12	Dy Comm. of Sales Tax (Appeal)
Maharashtra VAT	Value Added Tax	7.47	1.02	2012-13	Dy Comm. of Sales Tax (Appeal)

Name of the statute	Nature of dues	Amount Involved	Amount Unpaid	Period to which the amount relates	Forum where dispute is pending
Maharashtra VAT	Value Added Tax	9.93	1.79	2013-14	Dy Comm. of Sales Tax (Appeal)
Maharashtra VAT	Value Added Tax	8.94	1.77	2014-15	Dy Comm. of Sales Tax (Appeal)
Maharashtra VAT	Value Added Tax	8.38	2.05	2015-16	Dy Comm. of Sales Tax (Appeal)
Rajasthan VAT	Value Added Tax	0.82	–	2007-2013	Supreme Court
Rajasthan VAT	Value Added Tax	0.15	–	2007-2013	Supreme Court
Rajasthan VAT	Value Added Tax	0.16	–	2013-14	Supreme Court
Rajasthan VAT	Value Added Tax	0.03	–	2014-15	Supreme Court
Maharashtra - Service Tax	Service Tax	83.56	81.88	2008-2015	CESTAT, Mumbai
Income Tax Act, 1961	Income Tax	4.33	2.05	2002-03	Commissioner of Income Tax (Appeals)

(viii) There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.

(ix) (a) The Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.

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

(c) In our opinion, term loans availed by the Company during the year, were applied by the Company for the purposes for which the loans were obtained.

(d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.

(e) On an overall examination of the standalone financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.

(f) The Company has not raised any loans during the year on the pledge of securities held in its subsidiaries or joint ventures or associate companies. Accordingly, paragraph 3 (ix)(f) of the Order is not applicable.

(x) (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause (x)(a) of the Order is not applicable.

(b) The Company has not made preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) during the year under review and hence reporting under clause 3(x)(b) of the Order is not applicable to the Company.

(xi) (a) To the best of our knowledge, no material fraud on the Company and no fraud by the Company has been noticed or reported during the year.

(b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year by the Statutory Auditors and upto the date of this report.

(c) We have taken into consideration, the whistle blower complaints received by the Company during the year and provided to us while determining the nature, timing and extent of audit procedures.

(xii) The Company is not a Nidhi Company and hence reporting under clause 3(xii) of the Order is not applicable.

(xiii) In our opinion, the Company is in compliance with Section 188 and 177 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements, etc., as required by the applicable accounting standards.

(xiv) (a) In our opinion and based on our examination, the Company has an internal audit system commensurate with the size and nature of its business. The company needs to enhance the coverage / scope of the internal audit in certain areas.

(b) We have taken into consideration, the reports of the Internal Auditors received by the company during the year and provided to us while determining the nature, timing and extent of audit procedures.

(xv) In our opinion, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

(xvi) (a) The Company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and it has obtained the registration.

(b) The Company has conducted the Non-Banking Financial activities with a valid Certificate of Registration (CoR) from the Reserve Bank of India

(RBI) as per the Reserve Bank of India Act, 1934. The Company has not conducted any Housing Finance activities and is not required to obtain CoR for such activities from the RBI.

(c) The Company is not a Core Investment Company (CIC) and hence reporting under clause 3(xvi)(c) of the Order is not applicable to the Company.

(d) The Group (as defined under Master Direction DNBR. PD.008/03.10.119/2016-17 - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016) has more than one CIC as part of the group. There are 6 CIC forming part of the group.

(xvii) The Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.

(xviii) During the year, consequent to the issuance of the Circular No. DoS.CO.ARG/SEC.01/08.91.001/2021-22 dated 27 April 2021, by the RBI, the predecessor auditors resigned as they had completed three continuous years as statutory auditors of the Company. The predecessor statutory auditors have confirmed to us that they were not aware of reasons as to why we should not accept the statutory audit of the Company.

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

(xx) (a) There are no unspent amounts towards Corporate Social Responsibility (CSR) other than ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Companies Act, 2013 in compliance with second proviso to sub-section (5) of section 135 of the said Act. Accordingly, reporting under paragraph 3(xx)(a) of the Order is not applicable for the year.

(b) In respect of ongoing projects, the Company has transferred unspent Corporate Social Responsibility (CSR) amount, to a Special account before the date of this report and within a period of 30 days from the end of the financial year in compliance with the provision of section 135(6) of the Act.

For **Mukund M. Chitale & Co.**
Chartered Accountants
(Firm's Registration No. 106655W)

M. M. Chitale
Partner
(Membership No. 14054)
(UDIN: 22014054AJOWIR2824)

Mumbai
2 May 2022

For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm's Registration No. 117365W)

Rupen K. Bhatt
Partner
(Membership No. 046930)
(UDIN: 22046930AIGOOW2317)

Mumbai
2 May 2022

STANDALONE BALANCE SHEET

Rs. in crores

	Particulars	Note	As at 31 March 2022	As at 31 March 2021
	ASSETS			
	Financial Assets			
a)	Cash and cash equivalents	3	**327.87**	570.58
b)	Bank balance other than (a) above	4	**3,822.82**	2,751.47
c)	Derivative financial instruments	5	**26.63**	25.72
d)	Receivables			
	– Trade receivables	6	**9.09**	8.40
e)	Loans	7	**60,444.64**	59,947.42
f)	Investments	8	**8,440.27**	11,705.35
g)	Other financial assets	9	**223.13**	363.54
			73,294.45	75,372.48
	Non-financial Assets			
a)	Current tax assets (Net)		**562.89**	401.65
b)	Deferred tax assets (Net)	10 (i)	**836.42**	862.36
c)	Property, plant and equipment	11	**383.10**	311.49
d)	Capital work-in-progress	12	**–**	10.34
e)	Other Intangible assets	12	**9.77**	18.63
f)	Other non-financial assets	13	**202.10**	59.50
			1,994.28	1,663.97
	Total Assets		**75,288.73**	77,036.45
	LIABILITIES AND EQUITY			
	LIABILITIES			
	Financial Liabilities			
a)	Derivative financial instruments	14	**182.22**	173.18
b)	Payables	15		
	I) Trade payables			
	i) total outstanding dues of micro enterprises and small enterprises		**–**	–
	ii) total outstanding dues of creditors other than micro enterprises and small enterprises		**954.88**	596.35
	II) Other payables			
	i) total outstanding dues of micro enterprises and small enterprises		**3.53**	0.01
	ii) total outstanding dues of creditors other than micro enterprises and small enterprises		**46.87**	46.73
c)	Debt securities	16	**18,252.71**	16,834.57
d)	Borrowings (Other than debt securities)	17	**26,005.17**	29,142.08
e)	Deposits	18	**8,426.19**	9,450.66
f)	Subordinated liabilities	19	**3,129.85**	3,149.37
g)	Other financial liabilities	20	**2,316.17**	2,604.26
			59,317.59	61,997.21

STANDALONE BALANCE SHEET (CONTD...)

Rs. in crores

	Particulars	Note	As at 31 March 2022	As at 31 March 2021
	Non-Financial Liabilities			
a)	Current tax liabilities (net)		**13.92**	13.92
b)	Provisions	21	**221.35**	214.91
c)	Other non-financial liabilities	22	**107.78**	98.90
			343.05	327.73
	EQUITY	23		
a)	Equity share capital		**246.60**	246.40
b)	Other equity		**15,381.49**	14,465.11
			15,628.09	14,711.51
	Total Liabilities and Equity		**75,288.73**	77,036.45

The accompanying notes form an integral part of the financial statements. 1 to 64

In terrms of our report attached.

For and on behalf of the Board of Directors
Mahindra & Mahindra Financial Services Limited

For **Deloitte Haskins & Sells**
Chartered Accountants
Firm's Registration No: 117365W

For **Mukund M. Chitale & Co.**
Chartered Accountants
Firm's Registration No: 106655W

Dr. Anish Shah
Chairman
[DIN: 02719429]

Ramesh Iyer
Vice-Chairman & Managing Director
[DIN: 00220759]

Rupen K. Bhatt
Partner
Membership No: 046930

M. M. Chitale
Partner
Membership No: 14054

Vivek Karve
Chief Financial Officer

Brijbala Batwal
Company Secretary

Mumbai
02 May 2022

Mumbai
02 May 2022

STANDALONE STATEMENT OF PROFIT AND LOSS

Rs. in crores

		Particulars	Note	Year ended 31 March 2022	Year ended 31 March 2021
		Revenue from operations			
	i)	Interest income	24	**9,475.61**	10,266.95
	ii)	Dividend income		**–**	0.02
	iii)	Rental income		**26.31**	17.11
	iv)	Fees and commission income	25	**105.29**	70.73
	v)	Net gain on fair value changes	26	**50.76**	101.30
I		**Total revenue from operations**		**9,657.97**	10,456.11
II		Other income	27	**60.83**	60.70
III		**Total income (I+II)**		**9,718.80**	10,516.81
		Expenses			
	i)	Finance costs	28	**3,920.18**	4,733.19
	ii)	Fees and commission expense		**44.91**	31.14
	iii)	Impairment on financial instruments	29	**2,368.30**	3,734.82
	iv)	Employee benefits expenses	30	**1,171.40**	1,015.23
	v)	Depreciation, amortization and impairment	31	**126.83**	125.88
	vi)	Others expenses	32	**730.27**	460.22
IV		**Total expenses**		**8,361.89**	10,100.48
V		**Profit before exceptional items and tax (III-IV)**		**1,356.91**	416.33
VI		Exceptional items	33	**–**	6.10
VII		**Profit before tax (V+VI)**		**1,356.91**	422.43
VIII		**Tax expense:**	10 (ii)		
		(i) Current tax		**348.16**	434.80
		(ii) Deferred tax		**20.00**	(347.52)
				368.16	87.28
IX		**Profit for the year (VII-VIII)**		**988.75**	335.15
X		**Other Comprehensive Income (OCI)**			
		(A) (i) Items that will not be reclassified to profit or loss			
		– Remeasurement gain/(loss) on defined benefit plans		**(3.10)**	(2.82)
		– Net gain/(loss) on equity instruments through OCI		**26.01**	(4.56)
		(ii) Income tax relating to items that will not be reclassified to profit or loss	10 (iii)	**(5.77)**	1.86
		Subtotal (A)		**17.14**	(5.52)
		(B) (i) Items that will be reclassified to profit or loss			
		– Net gain/(loss) on debt instruments through OCI		**0.70**	(92.82)
		(ii) Income tax relating to items that will be reclassified to profit or loss	10 (iii)	**(0.18)**	23.36
		Subtotal (B)		**0.52**	(69.46)
		Other Comprehensive Income (A+B)		**17.67**	(74.98)
XI		**Total Comprehensive Income for the year (IX+X)**		**1,006.42**	260.17
XII		**Earnings per equity share (face value Rs. 2/- per equity share)**	34		
		Basic (Rupees)		**8.02**	3.03
		Diluted (Rupees)		**8.01**	3.02

The accompanying notes form an integral part of the financial statements. 1 to 64

In terrms of our report attached.

For and on behalf of the Board of Directors
Mahindra & Mahindra Financial Services Limited

For **Deloitte Haskins & Sells**
Chartered Accountants
Firm's Registration No: 117365W

For **Mukund M. Chitale & Co.**
Chartered Accountants
Firm's Registration No: 106655W

Dr. Anish Shah
Chairman
[DIN: 02719429]

Ramesh Iyer
Vice-Chairman & Managing Director
[DIN: 00220759]

Rupen K. Bhatt
Partner
Membership No: 046930

M. M. Chitale
Partner
Membership No: 14054

Vivek Karve
Chief Financial Officer

Brijbala Batwal
Company Secretary

Mumbai
02 May 2022

Mumbai
02 May 2022

STATEMENT OF CHANGES IN EQUITY FOR STANDALONE FINANCIAL STATEMENTS

A. Equity share capital

Particulars	Rs. in crores Amount
Issued, Subscribed and fully paid up:	
Balance as at 1 April 2020	123.07
Changes due to prior period errors	–
Restated balance as at 1 April 2020	123.07
Changes during the year:	
Add: Fresh allotment of shares through Rights Issue during the year (refer note 39)	123.55
Less: Allotment of shares to ESOP Trust through Rights Issue during the year	(0.40)
Add : Allotment of shares by ESOS Trust to employees on exercise of options (refer note 36)	0.18
Balance as at 31 March 2021	246.40
Balance as at 1 April 2021	246.40
Changes due to prior period errors	–
Restated balance as at 1 April 2021	246.40
Changes during the year:	
Add: Allotment of shares by ESOS Trust to employees on exercise of options (refer note 36)	0.20
Balance as at 31 March 2022	246.60

B. Other Equity

Rs. in crores

Particulars	Reserves and Surplus								
	Statutory reserve as per Section 45-IC of the RBI Act, 1934	Capital redemption reserve	Securities premium	General reserve	Employee stock options outstanding	Retained earnings	Debt instruments through OCI (Refer note 35)	Equity instruments through OCI (Refer note 35)	Total
Balance as at 1 April 2020	**1,867.35**	**50.00**	**4,167.15**	**797.27**	**48.62**	**4,293.64**	**11.64**	**5.12**	**11,240.79**
Changes in accounting policy/ prior period errors	–	–	–	–	–	–	–	–	–
Restated balance as at 1 April 2020	**1,867.35**	**50.00**	**4,167.15**	**797.27**	**48.62**	**4,293.64**	**11.64**	**5.12**	**11,240.79**
Profit/(loss) for the year						335.15			335.15
Other Comprehensive Income / (loss)						**(2.39)**	**(69.46)**	**(3.13)**	(74.98)
Total Comprehensive Income for the year	–	–	–	–	–	**332.76**	**(69.46)**	**(3.13)**	**260.17**
Securities premium on fresh issue of equity share capital (refer note 39)			**2,965.27**						2,965.27
Expenses incurred in respect of issue of equity shares (refer note 39)			**(8.54)**						(8.54)
Transfers to Securities premium on exercise of employee stock options			**21.68**		**(21.68)**				–
Securities premium on shares allotted to ESOP Trust through Rights Issue			**(9.91)**						(9.91)
Securities premium on transfer of ESOP Shares to employees			**1.23**						1.23
Employee stock options expired				**0.02**	**(0.02)**				–
Share based payment expense					**15.84**				15.84
Transfers to Statutory reserves	**68.00**					**(68.00)**			–
Others			0.26						0.26
Balance as at 31 March 2021	**1,935.35**	**50.00**	**7,137.14**	**797.29**	**42.76**	**4,558.40**	**(57.82)**	**1.99**	**14,465.11**

STATEMENT OF CHANGES IN EQUITY FOR STANDALONE FINANCIAL STATEMENTS (CONTD...)

Rs. in crores

Particulars	Reserves and Surplus								
	Statutory reserve as per Section 45-IC of the RBI Act, 1934	Capital redemption reserve	Securities premium	General reserve	Employee stock options outstanding	Retained earnings	Debt instruments through OCI (Refer note 35)	Equity instruments through OCI (Refer note 35)	Total
Balance as at 1 April 2021	**1,935.35**	**50.00**	**7,137.14**	**797.29**	**42.76**	**4,558.40**	**(57.82)**	**1.99**	**14,465.11**
Changes in accounting policy/ prior period errors	–	–	–	–	–	–	–	–	–
Restated balance as at 1 April 2021	**1,935.35**	**50.00**	**7,137.14**	**797.29**	**42.76**	**4,558.40**	**(57.82)**	**1.99**	**14,465.11**
Profit/(loss) for the year						988.75			988.75
Other Comprehensive Income / (loss)						**(2.32)**	**0.52**	**19.47**	17.67
Total Comprehensive Income for the year	–	–	–	–	–	**986.43**	**0.52**	**19.47**	**1,006.42**
Dividend paid on equity shares (including tax thereon)						**(98.84)**			(98.84)
Transfers to Securities premium on exercise of employee stock options			**17.85**		**(17.85)**				–
Securities premium on transfer of ESOP Shares to employees			**2.30**						2.30
Employee stock options expired				**0.12**	**(0.12)**				–
Share based payment expense					**6.50**		–		6.50
Transfers to Statutory reserves	**198.00**					**(198.00)**			–
Balance as at 31 March 2022	**2,133.35**	**50.00**	**7,157.29**	**797.41**	**31.29**	**5,247.99**	**(57.30)**	**21.46**	**15,381.49**

The accompanying notes 1 to 64 form an integral part of the financial statements.

In terrms of our report attached.

For and on behalf of the Board of Directors
Mahindra & Mahindra Financial Services Limited

For **Deloitte Haskins & Sells**
Chartered Accountants
Firm's Registration No: 117365W

For **Mukund M. Chitale & Co.**
Chartered Accountants
Firm's Registration No: 106655W

Dr. Anish Shah
Chairman
[DIN: 02719429]

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Vice-Chairman & Managing Director
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Membership No: 046930

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Partner
Membership No: 14054

Vivek Karve
Chief Financial Officer

Brijbala Batwal
Company Secretary

Mumbai
02 May 2022

Mumbai
02 May 2022

STATEMENT OF STANDALONE CASH FLOWS

	Particulars	Year ended 31 March 2022	Year ended 31 March 2021
			Rs. in crores
A)	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Profit before exceptional items and taxes	**1,356.91**	416.33
	Adjustments for:		
	Depreciation, amortization and impairment	**126.83**	125.88
	Impairment on financial instruments (excluding bad debts and write offs)	**(144.77)**	1,564.12
	Bad debts and write offs	**2,513.07**	2,170.70
	Interest expense	**3,866.50**	4,481.64
	Interest income from loans	**(8,909.59)**	(9,843.07)
	Interest income from other deposits with banks	**(181.36)**	(159.56)
	Net (Gain) / loss on fair value of derivative financial instruments	**7.99**	201.20
	Unrealized foreign exchange gain/loss	**(90.38)**	(124.74)
	Share based payments to employees	**9.20**	15.99
	Net gain on fair value changes	**(11.70)**	(9.20)
	Interest income on investments	**(384.66)**	(264.32)
	Dividend income	**(2.47)**	(0.02)
	Net gain on derecognition of property, plant and equipment	**(1.27)**	(0.41)
	Net (gain) / loss on sale of investments	**64.80**	(92.21)
	Operating profit / (loss) before working capital changes	**(1,780.90)**	(1,517.67)
	Adjustments for changes in working capital -		
	Loans	**(4,610.88)**	(197.71)
	Trade receivables	**(0.43)**	(2.32)
	Other financial assets	**(8.92)**	(37.16)
	Other financial liabilities	**125.09**	(9.47)
	Other non-financial assets	**(11.08)**	(5.65)
	Trade Payables	**362.19**	7.35
	Other non-financial liabilities	**8.88**	1.12
	Derivative financial instruments	**0.14**	(0.97)
	Provisions	**4.35**	68.82
	Cash generated from / (used in) operations before adjustments for interest received and interest paid	**(5,911.56)**	(1,693.66)
	Interest paid	**(4,234.25)**	(4,177.57)
	Interest received from loans	**10,654.89**	11,353.61
	Cash generated from / (used in) operations	**509.08**	5,482.38
	Income taxes paid (net of refunds)	**(509.40)**	(596.49)
	NET CASH GENERATED FROM/(USED IN) OPERATING ACTIVITIES (A)	**(0.32)**	4,885.89
B)	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Purchase of Property, plant and equipment and intangible assets	**(275.45)**	(43.79)
	Proceeds from sale of Property, plant and equipment	**5.26**	3.66
	Purchase of investments measured at amortized cost	**(223.76)**	(338.96)
	Proceeds from sale of investments measured at amortized cost	**77.44**	168.13
	(Increase) / decrease in Investment in Triparty Repo Dealing System (TREPS) (net)	**2,404.00**	(2,404.00)
	Purchase of investments measured at FVOCI	**(17.75)**	(4,547.94)
	Proceeds from sale of investments measured at FVOCI	**39.06**	–
	Purchase of investments measured at FVTPL	**(9,939.03)**	(31,839.71)
	Proceeds from sale of investments measured at FVTPL	**10,941.90**	33,256.50
	Purchase of investments measured at cost	**(33.99)**	(0.01)

STATEMENT OF STANDALONE CASH FLOWS (CONTD...)

Rs. in crores

	Particulars	Year ended 31 March 2022	Year ended 31 March 2021
	Consideration received on partial disposal of subsidiary, net of cash (loss of control)	**–**	20.80
	Proceeds from / (Investments in) term deposits with banks (net)	**(871.82)**	(1,845.96)
	Dividend income received	**2.47**	0.02
	Interest received from other deposits with banks	**128.74**	130.75
	Interest income received on investments measured at amortized cost, FVOCI, FVTPL and at cost	**375.78**	188.58
	Change in Earmarked balances with banks	**0.02**	0.09
	NET CASH GENERATED FROM / (USED IN) IN INVESTING ACTIVITIES (B)	**2,612.88**	(7,251.84)
C)	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Proceeds from issue of Equity shares, including securities premium (net of issue expenses)	**–**	3,080.28
	Proceeds from borrowings through Debt Securities	**6,425.50**	6,415.90
	Repayment of borrowings through Debt Securities	**(5,019.80)**	(7,317.15)
	Proceeds from Borrowings (Other than Debt Securities)	**39,444.31**	14,257.41
	Repayment of Borrowings (Other than Debt Securities)	**(42,505.96)**	(14,485.57)
	Proceeds from borrowings through Subordinated Liabilities	**132.91**	–
	Repayment of borrowings through Subordinated Liabilities	**(155.16)**	(272.98)
	Increase / (decrease) in Public deposits (net)	**(1,034.09)**	626.99
	Payments for principal portion of lease liability	**(44.14)**	(45.14)
	Dividend paid	**(98.84)**	–
	NET CASH GENERATED FROM / (USED IN) FINANCING ACTIVITIES (C)	**(2,855.27)**	2,259.74
	NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	**(242.71)**	(106.21)
	CASH AND CASH EQUIVALENTS AT THE BEGINING OF THE YEAR	**570.58**	676.79
	CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	**327.87**	570.58
	Components of Cash and Cash Equivalents		
	Cash and cash equivalents at the end of the year		
	– Cash on hand	**40.58**	42.29
	– Cheques and drafts on hand	**36.30**	33.12
	– Balances with banks in current accounts	**250.99**	445.17
	– Term deposits with original maturity up to 3 months	**–**	50.00
	Total	**327.87**	570.58

Notes:

The above Statement of Standalone Cash Flow has been prepared under the 'Indirect method' as set out in Ind AS 7 on 'Statement of Cash Flows'.

Purchase of Property, plant and equipment and intangible assets represents additions to Property, plant and equipment and intangible assets adjusted for movement of capital-work-in-progress during the year.

In terrms of our report attached.

For and on behalf of the Board of Directors
Mahindra & Mahindra Financial Services Limited

For **Deloitte Haskins & Sells**
Chartered Accountants
Firm's Registration No: 117365W

Rupen K. Bhatt
Partner
Membership No: 046930

Mumbai
02 May 2022

For **Mukund M. Chitale & Co.**
Chartered Accountants
Firm's Registration No: 106655W

M. M. Chitale
Partner
Membership No: 14054

Dr. Anish Shah
Chairman
[DIN: 02719429]

Ramesh Iyer
Vice-Chairman & Managing Director
[DIN: 00220759]

Vivek Karve
Chief Financial Officer

Brijbala Batwal
Company Secretary

Mumbai
02 May 2022

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 31 March 2022

1 COMPANY INFORMATION

Mahindra & Mahindra Financial Services Limited ('the Company'), incorporated in India, is a public limited company, headquartered in Mumbai. The Company is a Non-Banking Financial Company ('NBFC') engaged in providing asset finance through its pan India branch network. The Company is registered as a Systemically Important Deposit Accepting NBFC as defined under Section 45-IA of the Reserve Bank of India ('RBI') Act, 1934 with effect from 4 September 1998. The equity shares of the Company are listed on the National Stock Exchange of India Limited ("NSE") and the BSE Limited ("BSE") in India. The Company is a subsidiary of Mahindra & Mahindra Limited.

The Company's registered office is at Gateway Building, Apollo Bunder, Mumbai 400001, India.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Statement of compliance and basis for preparation and presentation of financial statements

These standalone or separate financial statements of the Company have been prepared in accordance with the Indian Accounting Standards ("Ind AS") as per the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under section 133 of the Companies Act, 2013 ("the Act"), and in conformity with the accounting principles generally accepted in India and other relevant provisions of the Act. Further, the Company has complied with all the directions related to Implementation of Indian Accounting Standards prescribed for Non-Banking Financial Companies (NBFCs) in accordance with the RBI notification no. RBI/2019-20/170 DOR NBFC).CC.PD.No.109/22.10.106/2019-20 dated 13 March 2020.

Any application guidance/ clarifications/ directions/ expectations issued by RBI or other regulators are implemented as and when they are issued/ applicable.

Accounting policies have been consistently applied except where a newly-issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

These standalone or separate financial statements have been approved by the Company's Board of Directors and authorized for issue on 02 May 2022.

2.2 Functional and presentation currency

These financial statements are presented in Indian Rupees ('INR' or 'Rs.') which is also the Company's functional currency. All amounts are rounded-off to the nearest crore, unless indicated otherwise.

2.3 Basis of measurement

The financial statements have been prepared on a historical cost convention and on an accrual basis, except for certain financial instruments which are measured at fair values as required by relevant Ind AS.

2.4 Measurement of fair values

A number of Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. The Company has established policies and procedures with respect to the measurement of fair values. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

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

2.5 Use of estimates and judgements and Estimation uncertainity

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income, expenses and the disclosures of contingent assets and liabilities. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions of estimates are recognized prospectively.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were issued. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Following are areas that involved a higher degree of estimate and judgement or complexity in determining the carrying amount of some assets and liabilities.

i) Effective Interest Rate (EIR) Method

The Company recognizes interest income / expense using a rate of return that represents the best estimate of a constant rate of return over the expected life of the loans given / taken. This estimation, by nature, requires an element of judgement regarding the expected behaviour and life-cycle of the instruments, as well as expected changes to other fee income/expense that are integral parts of the instrument.

ii) Impairment of Financial Assets

The measurement of impairment losses on loan assets and commitments, requires judgement, in estimating the amount and timing of future cash flows and recoverability of collateral values while determining the impairment losses and assessing a significant increase in credit risk.

The Company's Expected Credit Loss (ECL) calculation is the output of a complex model with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL model that are considered accounting judgements and estimates include:

- The Company's criteria for assessing if there has been a significant increase in credit risk
- The segmentation of financial assets when their ECL is assessed on a collective basis
- Development of ECL model, including the various formulae and the choice of inputs
- Selection of forward-looking macroeconomic scenarios and their probability weights, to derive the economic inputs into the ECL model
- Management overlay used in circumstances where management judges that the existing inputs, assumptions and model techniques do not capture all the risk factors relevant to the Company's lending portfolios.

It has been the Company's policy to regularly review its model in the context of actual loss experience and adjust when necessary (refer note 51).

iii) Provisions and other contingent liabilities

The Company does not recognise a contingent liability but discloses its existence in the financial statements.

Contingent assets are neither recognised nor disclosed in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

Contingent Liabilities in respect of show cause notices are considered only when converted into demands.

The reliable measure of the estimates and judgments pertaining to litigations and the regulatory proceedings in the ordinary course of the Company's business are disclosed as contingent liabilities.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

iv) Provision for income tax and deferred tax assets:

The Company uses estimates and judgements based on the relevant rulings in the areas of allocation of revenue, costs, allowances and disallowances which is exercised while determining the provision for income tax, including the amount expected to be paid / recoverd for uncertain tax positions. A deferred tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized. Accordingly, the Company exercises its judgement to reassess the carrying amount of deferred tax assets at the end of each reporting period.

v) Defined Benefit Plans:

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

vi) Estimation uncertainty relating to the global health pandemic from COVID-19 and current Macro-economic scenario:

The COVID-19 outbreak and its effect on the economy has impacted our customers and our performance, though the pandemic's spread remains curtailed by the roll out of vaccines through out the world. The outbreak necessitated government to respond at unprecedented levels to protect public health, local economies and livelihoods. There remains a risk of subsequent waves of infection, as evidenced by the past variants of the virus.

Economic forecasts are still subject to a varied degree of uncertainty in the current environment. Limitations of forecasts and economic models require a greater reliance on management judgement in addressing both the error inherent in economic forecasts and in assessing associated ECL outcomes.

The calculation of ECL under Ind AS 109 involves significant judgements, assumptions and estimates. The level of estimation uncertainty and judgement is moderately low during financial year due to the curtailed impact of the pandemic spread, including significant judgements relating to:

- the selection and weighting of economic scenarios, given rapidly changing economic conditions in an unprecedented manner, uncertainty as to the effect of government and RBI support measures designed to alleviate adverse economic impacts, and a wider distribution of economic forecasts than before the pandemic. The key judgements are the length of time over which the economic effects of the pandemic will occur, the speed and shape of spread and recovery. The main factors include the effectiveness of pandemic containment measures, effectiveness of vaccines, and the emergence of new variants of the virus, plus a range of geopolitical uncertainties, which together may represent a high degree of estimation uncertainty, particularly in assessing worst case scenario;
- estimating the economic effects on the scenarios on ECL, though the historical trends now include a little history post the outbreak of the pandemic that can be reflected in the models to represent the effects of the economic changes of the severity and speed brought about by the COVID-19 outbreak. Modelled assumptions and linkages between economic factors and credit losses may underestimate or overestimate ECL in these conditions, and there is significant uncertainty in the estimation of parameters such as collateral values and loss severity; and
- the identification of customers experiencing significant increases in credit risk and credit impairment, particularly where those customers have accepted payment deferrals and other reliefs designed to address short-term liquidity issues given muted default experience to date.

Judgements (including overlays) in relation to credit impairments and the impact of macro-economic risks on the credit environment, in particular those arising from the COVID-19 pandemic, are continuously discussed throughout the year. The management focused on the key assumptions, methodologies and in-model and post model adjustments applied to provisions under Ind AS 109. The economic uncertainty and unprecedented conditions not experienced since the implementation of Ind AS 109 challenged the usefulness of model outputs. While the use of judgemental overlays and post-model adjustments should ideally be limited, their extensive use was deemed appropriate during the financial year, and might likely to continue to be required in future reporting periods.

As a result of government and bank support measures, significant credit deterioration has not yet occurred. This delay increases uncertainty on the timing of the stress and the realisation of defaults. Management has applied COVID-19 specific adjustments to modelled outputs to reflect the temporary nature of ongoing government support, the uncertainty in relation to the timing of stress and the degree to which economic consensus has yet captured the range of economic uncertainty. As a result, ECL is higher than would be the case if it were based on the forecast economic scenarios alone.

The Company has developed various accounting estimates in these Financial Statements based on forecasts of economic conditions which reflect expectations and assumptions as at 31 March 2022 about future events that the management believe are reasonable in the circumstances. There is a considerable degree of judgement involved in preparing forecasts. The underlying assumptions are also subject to uncertainties which are often outside the control of the Company. Accordingly, actual economic conditions are likely to be different from those forecast since anticipated events frequently do not occur as expected, and the effect of those differences may significantly impact accounting estimates included in these financial statements.

The significant accounting estimates impacted by these forecasts and associated uncertainties are predominantly related to expected credit losses, fair value measurement, and recoverable amount assessments of non-financial assets.

The impact of the COVID-19 pandemic on each of these accounting estimates is discussed further in the relevant note to these Financial Statements. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements and the Company will continue to closely monitor any material changes to future economic conditions (refer note 51).

vii) Going Concern

COVID 19 has an adverse impact on the functioning of the financial sector companies, notwithstanding this, the financial statements of the Company are prepared on a going concern basis.

Management is of the view that it is considered appropriate to prepare these financial statements on a going concern basis as the Company expects to generate sufficient cash flows from operating activities and unused lines of credit to meet its obligations in the foreseeable future (refer note 51 and note 51.3).

2.6 Revenue recognition:

a) Recognition of interest income on loans

Interest income is recognized in Statement of profit and loss using the effective interest method for all financial instruments measured at amortized cost, debt instruments measured at FVOCI and debt instruments designated at FVTPL. The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument.

The calculation of the effective interest rate includes transaction costs and fees that are an integral part of the contract. Transaction costs include incremental costs that are directly attributable to the acquisition of financial asset.

If expectations regarding the cash flows on the financial asset are revised for reasons other than credit risk, the adjustment is recorded as a positive or negative adjustment to the carrying amount of the asset in the balance sheet with an increase or reduction in interest income. The adjustment is subsequently amortized through interest income in the Statement of profit and loss.

The Company calculates interest income by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets.

When a financial asset becomes credit-impaired, the Company calculates interest income by applying the effective interest rate to the net amortized cost of the financial asset. If the financial asset cures and is no longer credit-impaired, the Company reverts to calculating interest income on a gross basis.

Additional interest and interest on trade advances, are recognized when they become measurable and when it is not unreasonable to expect their ultimate collection. Income from bill discounting is recognized over the tenure of the instrument so as to provide a constant periodic rate of return.

b) Recognition of interest income on securitized loans

The Company securitizes certain pools of loan receivables in accorance with applicable RBI guidelines. The Company, being Originator of these loan receivables, also acts as Servicer with a responsibility of collection of receivables from its borrowers and depositing the same in Collection and Payout Account maintained by the SPV Trust for making scheduled payouts to the investors in Pass Though Certificates (PTCs) issued by the SPV Trust. These securitization transactions also requires the Company to provide for first loss credit enhancement in various forms, such as corporate guarantee, cash collateral, subscription to subordinated PTCs. as credit support in the event of shortfall in collections from underlying loan contracts. By virtue of existence of credit enhancement, the Company is exposed to credit risk, being the expected losses that will be incurred on the transferred loan receivables to the extent of the credit enhancement provided.

In view of the above, the Company has retained substantially all the risks and rewards of ownership of the financial asset and thereby does not meet the recognition criteria as set out in Ind AS 109. Consideration received in this transaction is presented as "Associated liability related to Securitization transactions" and the loan receivables securitized are continued to be reflected as loan assets. These loan assets are carried at amortized cost and the interest income is recognized by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets.

When a financial asset becomes credit-impaired, the Company calculates interest income by applying the effective interest rate to the net amortized cost of the financial asset. If the financial asset cures and is no longer credit-impaired, the Company reverts to calculating interest income on a gross basis.

c) Subvention income

Subvention income received from manufacturer / dealers at the inception of the loan contracts which is directly attributable to individual loan contracts in respect of vehicles financed is recognized in the Statement of profit and loss using the effective interest method over the tenor of such loan contracts measured at amortized cost. In case of subvention income which is subject to confirmation from manufacturer and received later than inception date is recognized in the Statement of profit and loss using straight line method over the tenor of such loan contracts.

d) Rental Income

Income from operating leases is recognized in the Statement of profit and loss on a straight-line basis over the lease term. In certain lease arrangements, variable rental charges are also recognized over and above minimum commitment charges based on usage pattern and make/model of the asset.

e) Fee and commission income :

Fee based income are recognized when they become measurable and when it is probable to expect their ultimate collection.

Commission and brokerage income earned for the services rendered are recognized as and when they are due.

f) Dividend and interest income on investments:

- Dividends are recognized in Statement of profit and loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company and the amount of the dividend can be measured reliably.
- Interest income from investments is recognized when it is certain that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

2.7 Property, Plant and Equipments (PPE)

PPE are stated at cost of acquisition (including incidental expenses), less accumulated depreciation and accumulated impairment loss, if any. Cost of acquisition consists of purchase price or construction cost which is the amount paid & the fair value of any other consideration issued, if any, to acquire the asset.

Assets held for sale or disposals are stated at the lower of their carrying amount & fair value less costs to sell.

Advances paid towards the acquisition of PPE outstanding at each balance sheet date are disclosed separately under other non-financial assets. Capital work in progress comprises the cost of PPE that are not ready for its intended use at the reporting date. Capital work-in-progress is stated at cost, net of impairment loss, if any.

Subsequent expenditure is recognized as an increase in the carrying amount of the asset when it is probable that future economic benefits deriving from the cost incurred will flow to the enterprise and the cost of the item can be measured.

Depreciation on PPE is provided on straight-line basis in accordance with the useful lives specified in Schedule II to the Companies Act, 2013 on a pro-rata basis. Depreciation methods, useful lives and residual values are reviewed in each financial year, and changes, if any, are accounted for prospectively.

In accordance with Ind AS 116 - Leases, the Right-Of-Use assets (Leasehold premises) are initially recognized at cost which comprises of initial amount of lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. These are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-Of-Use assets (Leasehold premises) are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The estimated useful lives used for computation of depreciation are as follows:

Buildings	60 years
Computers and Data processing units	3 to 6 years
Furniture and fixtures	10 years
Office equipments	5 years
Vehicles	8 years and 10 years
Vehicles under lease	Over the lease term of the respective agreements
Right-Of-Use assets (Leasehold premises)	Over the lease term of the respective agreements

Assets costing less than Rs.5000/- are fully depreciated in the period of purchase.

Vehicles provided to employees as part of Cost-To-Company (CTC) scheme are depreciated using estimated useful life of 4 years.

PPE is derecognized on disposal or when no future economic benefits are expected from its use. Assets retired from active use and held for disposal are generally stated at the lower of their carrying amount & fair value less costs to sell. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the net carrying amount of the asset) is recognized in other income / netted off from any loss on disposal in the Statement of profit and loss in the year the asset is derecognized.

2.8 Intangible assets:

Intangible assets are stated at cost less accumulated amortization and accumulated impairment loss, if any.

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognized in profit or loss as incurred.

Intangible assets comprises of computer software. The amortization period is lower of license period or 36 months which is based on management's estimates of useful life. Amortization is calculated using the straight line method to write down the cost of intangible assets over their amortization period.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in the Statement of Profit and Loss when the asset is derecognised.

2.9 Investments in subsidiaries, associate and joint ventures:

Investments in subsidiaries, associate and joint ventures are measured at cost less accumulated impairment, if any.

2.10 Foreign exchange transactions and translations:

a) Initial recognition

Transactions in foreign currencies are recognized at the prevailing exchange rates between the reporting currency and a foreign currency on the transaction date.

b) Conversion

Transactions in foreign currencies are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognized in Statement of profit and loss.

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the statement of profit and loss, within finance costs. All other foreign exchange gains and losses are presented in the Statement of profit and loss on a net basis.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. Thus, translation differences on non- monetary assets and liabilities such as equity instruments held at fair value through profit or loss are recognized in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equity investments classified as FVOCI are recognized in other comprehensive income.

Non-monetary items that are measured at historical cost in foreign currency are not retranslated at reporting date.

2.11 Financial instruments:

a) Recognition and initial measurement -

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognized immediately in Statement of profit and loss.

b) Classification and Subsequent measurement of financial assets

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

- Amortized cost;
- FVOCI - debt instruments;
- FVOCI - equity instruments;
- FVTPL

Amortized cost -

The Company's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios being the level at which they are managed. The financial asset is held with the objective to hold financial asset in order to collect contractual cash flows as per the contractual terms that give rise on specified dates to cash flows that are solely payment of principal and interest ('SPPI') on the principal amount outstanding. Accordingly, the Company measures Bank balances, Loans, Trade receivables and other financial instruments that meet the SPPI criterion at amortized cost.

FVOCI - debt instruments -

The Company measures its debt instruments at FVOCI when the instrument is held within a business model, the objective of which is achieved by both collecting contractual cash flows and selling financial assets; and the contractual terms of the financial asset meet the SPPI test.

FVOCI - equity instruments -

The Company subsequently measures all equity investments at fair value through profit or loss, unless the Company's management has elected to classify irrevocably some of its equity instruments at FVOCI, when such instruments meet the definition of Equity under Ind AS 32 Financial Instruments and are not held for trading.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in other comprehensive income. This cumulative gain or loss is not reclassified to statement of profit and loss on disposal of such instruments. Investments representing equity interest in subsidiary and associate are carried at cost less any provision for impairment.

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

All financial assets not classified as measured at amortized cost or FVOCI are measured at FVTPL. This includes all derivative financial assets.

Subsequent measurement of financial assets

Financial assets at amortized cost are subsequently measured at amortized cost using effective interest method. The amortized cost is reduced by impairment losses. Interest income, and impairment provisions are recognized in Statement of profit and loss. Any gain and loss on derecognition is recognized in Statement of profit and loss.

Debt investment at FVOCI are subsequently measured at fair value. Interest income at coupon rate and impairment provision, if any, are recognized in Statement of profit and loss. Net gains or losses on fair valuation are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to Statement of profit and loss.

For equity investments, the Company makes an election on an instrument-by-instrument basis to designate equity investments as measured at FVOCI. These elected investments are measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in the reserves. The cumulative gain or loss is not reclassified to Statement of profit and loss on disposal of the investments. These investments in equity are not held for trading. Instead, they are held for strategic purpose. Dividend income received on such equity investments are recognized in Statement of profit and loss.

Equity investments that are not designated as measured at FVOCI are designated as measured at FVTPL and subsequent changes in fair value are recognized in Statement of profit and loss.

Financial assets at FVTPL are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in Statement of profit and loss.

c) Financial liabilities and equity instruments:

Classification as debt or equity -

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments -

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by Company are recognized at the proceeds received. Transaction costs of an equity transaction are recognized as a deduction from equity.

Financial liabilities -

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading or it is a derivative or it is designated as such on initial recognition. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in Statement of profit and loss. Any gain or loss on derecognition is also recognized in Statement of profit and loss.

d) Financial guarantee contracts:

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by a Company are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109 - Financial Instruments; and
- the amount initially recognized less, when appropriate, the cumulative amount of income recognized in accordance with the principles of Ind AS 115 - Revenue from Contracts with Customers.

e) Derecognition

Financial assets

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

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

Financial liabilities

A financial liability is derecognized when the obligation in respect of the liability is discharged, cancelled or expires. The difference between the carrying value of the financial liability and the consideration paid is recognized in Statement of profit and loss.

The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value.

f) Offsetting

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

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

g) Derivative financial instruments

The Company enters into derivative financial instruments, primarily foreign exchange forward contracts, currency swaps and interest rate swaps, to manage its borrowing exposure to foreign exchange and interest rate risks.

Derivatives embedded in non-derivative host contracts are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at FVTPL.

Derivatives are initially recognized at fair value at the date the contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain/loss is recognized in Statement of profit and loss.

Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when fair value is negative.

h) Impairment of financial instruments

Equity instruments are not subject to impairment under Ind AS 109.

The Company recognizes lifetime expected credit losses (ECL) when there has been a significant increase in credit risk since initial recognition and when the financial instrument is credit impaired. If the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12 month ECL. The assessment of whether lifetime ECL should be recognized is based on significant increases in the likelihood or risk of a default occurring since initial recognition. 12 month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

When determining whether credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, including on historical experience and forward-looking information. (refer note 51).

Management overlay is used to adjust the ECL allowance in circumstances where management judges that the existing inputs, assumptions and model techniques do not capture all the risk factors relevant to the Company's lending portfolios. Emerging local or global macroeconomic, micro economic or political events, and natural disasters that are not incorporated into the current parameters, risk ratings, or forward looking information are examples of such circumstances. The use of management overlay may impact the amount of ECL recognized.

The Company recognizes lifetime ECL for trade advances, lease and other receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate. Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets. For debt securities at FVOCI, the loss allowance is recognized in OCI and carrying amount of the financial asset is not reduced in the balance sheet.

Loan contract renegotiation and modifications:

Loans are identified as renegotiated and classified as credit impaired when we modify the contractual payment terms due to significant credit distress of the borrower. Renegotiated loans remain classified as credit impaired until there is sufficient evidence to demonstrate a significant reduction in the risk of non-payment of future cash flows and retain the designation of renegotiated until maturity or derecognition.

A loan that is renegotiated is derecognised if the existing agreement is cancelled and a new agreement is made on substantially different terms, or if the terms of an existing agreement are modified such that the renegotiated loan is a substantially different financial instrument. Any new loans that arise following derecognition events in these circumstances are considered to be originated credit impaired financial asset and will continue to be disclosed as renegotiated loans.

Other than originated credit-impaired loans, all other modified loans could be transferred out of stage 3 if they no longer exhibit any evidence of being credit impaired and, in the case of renegotiated loans, there is sufficient evidence to demonstrate a significant reduction in the risk of non-payment of future cash flows over the minimum observation period, and there are no other indicators of impairment. These loans could be transferred to stage 1 or 2 based on the risk assessment mechanism by comparing the risk of a default occurring at the reporting date (based on the modified contractual terms) and the risk of a default occurring at initial recognition (based on the original, unmodified contractual terms). Any amount written off as a result of the modification of contractual terms would not be reversed.

Loan modifications that are not identified as renegotiated are considered to be commercial restructuring. Where a commercial restructuring results in a modification (whether legalised through an amendment to the existing terms or the issuance of a new loan contract) such that the Company's rights to the cash flows under the original contract have expired, the old loan is derecognised and the new loan is recognised at fair value. The rights to cash flows are generally considered to have expired if the commercial restructure is at market rates and no payment-related concession has been provided. Mandatory and general offer loan modifications that are not borrower-specific, for example market-wide customer relief programmes announced by the Regulator or other statutory body, have not been classified as renegotiated loans and so have not resulted in derecognition, but their stage allocation is determined considering all available and supportable information under our ECL impairment policy.

i) Collateral repossessed -

Based on operational requirements, the Company's policy is to determine whether a repossessed asset can be best used for its internal operations or should be sold. Assets determined to be useful for the internal operations are transferred to their relevant asset category for capitalization at their fair market value.

In the normal course of business, the Company does not physically repossess assets/properties in its loan portfolio, but engages external agents to repossess and recover funds, generally by selling at auction, to settle outstanding debt. Any surplus funds are returned to the customers/ obligors. As a result of this practice, the assets / properties under legal repossession processes are not separately recorded on the balance sheet.

j) Write offs -

The gross carrying amount of a financial asset is written off when there is no realistic prospect of further recovery. This is generally the case when the Company determines that the debtor/borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write- off. However, financial assets that are written off could still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made from written off assets are netted off against the amount of financial assets written off during the year under "Bad debts and write offs" forming part of "Impairment on financial instruments" in the Statement of profit and loss.

2.12 Employee benefits:

a) Short-term employee benefits

All employee benefits payable wholly within twelve months of receiving employee services are classified as short-term employee benefits. These benefits include salaries and wages, bonus and ex-gratia. Short-term employee benefit obligations are measured on an undiscounted basis and these are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

b) Contribution to provident fund, Superannuation fund, ESIC and National Pension Scheme -

The defined contribution plans i.e. provident fund (administered through Regional Provident Fund Office), superannuation fund and employee state insurance corporation and National Pension Scheme are post-employment benefit plans under which a Company pays fixed contributions and will have no legal and constructive obligation to pay further amounts beyond its contributions. The Superannuation scheme, a defined contribution scheme, administered by Life Insurance Corporation of India and the Company has no obligation to the scheme beyond its contributions.

Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

Company's contribution paid/payable during the year to provident fund, Superannuation scheme, ESIC and National Pension Scheme is recognized in the Statement of profit and loss.

c) Gratuity -

The Company's liability towards gratuity scheme is determined by independent actuaries, using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. Past services are recognized at the earlier of the plan amendment / curtailment and recognition of related restructuring costs/termination benefits.

The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in the Statement of Profit and Loss.

When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contribution to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurement gains/losses -

Remeasurement of defined benefit plans, comprising of actuarial gains / losses, return on plan assets excluding interest income are recognized immediately in the balance sheet with corresponding debit or credit to Other Comprehensive Income (OCI). Remeasurements are not reclassified to Statement of profit and loss in the subsequent period.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in Statement of profit and Loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Remeasurement gains or losses on long-term compensated absences that are classified as other long-term benefits are recognized in Statement of profit and loss.

d) Leave encashment/compensated absences/sick leave -

The Company provides for the encashment / availment of leave with pay subject to certain rules. The employees are entitled to accumulate leave subject to certain limits for future encashment / availment. The liability is provided based on the number of days of unutilized leave at each balance sheet date on the basis of an independent actuarial valuation.

e) Employee stock options:

Equity-settled share-based payments to employees are recognized as an expense at the fair value of equity stock options at the grant date. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the graded vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity.

2.13 Finance costs:

Finance costs include interest expense computed by applying the effective interest rate on respective financial instruments measured at Amortized cost. Financial instruments include bank term loans, non-convertible debentures, fixed deposits mobilized, commercial papers, subordinated debts and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Finance costs are charged to the Statement of profit and loss.

Interest expense on lease liabilities computed by applying the Company's weighted average incremental borrowing rate has been included under finance costs.

2.14 Taxation - Current and deferred tax:

Income tax expense comprises of current tax and deferred tax. It is recognized in Statement of profit and loss except to the extent that it relates to an item recognized directly in equity or in other comprehensive income.

a) Current tax:

Current tax comprises amount of tax payable in respect of the taxable income or loss for the year determined in accordance with Income Tax Act, 1961 and any adjustment to the tax payable or receivable in respect of previous years. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period. Significant judgments are involved in determining the provision for income taxes including judgment on whether tax positions are probable of being sustained in tax assessments. A tax assessment can involve complex issues, which can only be resolved over extended time periods.

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

Current tax is recognised in statement of profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current tax is also recognised in other comprehensive income or directly in equity respectively.

The management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

b) Deferred tax:

Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases. Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequence that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary difference could be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are offset only if there is a legally enforceable right to set off current tax assets against current tax liabilities & the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities on a net basis or simultaneously.

2.15 Securities issue expenses:

Expenses incurred in connection with fresh issue of Share capital are adjusted against Securities premium.

2.16 Impairment of assets other than financial assets:

The Company reviews the carrying amounts of its tangible (including assets given on operating lease) and intangible assets at the end of each reporting period, to determine whether there is any indication that those assets have impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Recoverable amount is determined for an individual asset, unless the asset does not generate cash flows that are largely independent of those from other assets or group of assets.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount such that the increased carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had been recognized for the asset (or cash-generating unit) in prior years. The reversal of an impairment loss is recognized in Statement of profit and loss.

2.17 Provisions:

Provisions are recognized when there is a present obligation as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that the outflow of resources would be required to settle the obligation, the provision is reversed. Provisions are not recognised for future operating losses.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

2.18 Leases:

The Company as a lessee -

As a lessee, the Company's lease asset class primarily consist of buildings or part thereof taken on lease for office premises, certain IT equipments and general purpose office equipements used for operating activities. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease. The carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain hat they will be exercised.

The right-of-use assets are initially recognized at cost which comprises of initial amount of lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. These are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at amortized cost at the present value of the future lease payments that are not paid at the commencement date, discounted using the Company's incremental average borrowing rate. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment of whether it will exercise an extension or a termination option.

In the Balance Sheet, ROU assets have been included in property, plant and equipment and Lease liabilities have been included in Other financial liabilities and the principal portion of lease payments have been classified as financing cash flows. The Company has used a single discount rate to a portfolio of leases with similar characteristics.

Where the Company is the lessor -

At the inception of the lease, the Company classifies each of its leases as either a finance lease or an operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

The Company has given certain vehicles on lease where it has substantially retained the risks and rewards of ownership and hence these are classified as operating leases. These assets given on operating lease are included in PPE. Lease income is recognized in the Statement of profit and loss as per contractual rental unless another systematic basis is more representative of the time pattern in which the benefit derived from the leased asset is diminished. Costs including depreciation are recognized as an expense in the Statement of profit and loss. Initial direct costs are recognized immediately in Statement of profit and loss.

In accordance with Ind AS 116, Leases, the financial information have been presented in the following manner.

a) ROU assets and lease liabilities have been included within the line items "Property, plant and equipment" and "Other financial liabilities" respectively in the Balance sheet;

b) Interest expenses on the lease liability and depreciation charge for the right-to-use asset have been included within the line items "Finance costs" and "Depreciation, amortization and impairment" respectively in the statement of profit or loss;

c) Short-term lease payments and payments for leases of low-value assets, where exemption as permitted under this standard is availed, have been recognized as expense on a straight line basis over the lease term in the statement of profit or loss.

d) Cash payments for the principal of the lease liability have been presented within "financing activities" in the statement of cash flows;

Further, on application of Ind AS 116 effective from 1 April 2019, the nature of expense in the Statement of profit or loss has changed from lease rent in previous periods to depreciation cost for the ROU asset and finance cost for interest on lease liability.

The disclosures as required in accordance with Ind AS 116, Leases, are set out under note no. 42.

2.19 Cash and cash equivalents:

Cash and cash equivalents in the balance sheet comprise cash on hand, cheques and drafts on hand, balance with banks in current accounts and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of change in value.

2.20 Earnings Per Share:

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the Company's earnings per share is the net profit for the period after deducting preference dividends for the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, sub-division of shares etc. that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders is divided by the weighted average number of equity shares outstanding during the period, considered for deriving basic earnings per share and weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Diluted earnings per share reflects the potential dilution that could occur if securities or other contracts to issue equity shares were exercised or converted during the year.

2.21 Dividend:

The Company recognises a liability to make cash distributions to equity holders when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

2.22 New standards or amendments to the existing standards and other pronouncements:

Recent pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On 23 March 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from 1 April 2022, as below:

Ind AS 103 – Reference to Conceptual Framework

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 16 – Proceeds before intended use

The amendments mainly prohibit an entity from deducting from the cost of Property, Plant and Equipments amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Company does not expect the amendments to have any significant impact in its recognition of its property, plant and equipment in its financial statements.

Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract

The amendments specify that that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 109 – Annual Improvements to Ind AS (2021)

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 106 – Annual Improvements to Ind AS (2021)

The amendments remove the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives were described in that illustration. The Company does not expect the amendment to have any significant impact in its financial statements.

3 Cash and cash equivalents

Rs. in crores

	31 March 2022	31 March 2021
Cash on hand	**40.58**	42.29
Cheques and drafts on hand	**36.30**	33.12
Balances with banks in current accounts	**250.99**	445.17
Term deposits with original maturity up to 3 months	**–**	50.00
	327.87	570.58

4 Bank balances other than cash and cash equivalents

Rs. in crores

	31 March 2021	31 March 2020
Earmarked balances with banks -		
– Unclaimed dividend accounts	**0.58**	0.60
Term deposits with maturity less than 12 months -		
– Free	**3,241.13**	2,100.34
– Under lien #	**471.19**	598.12
Interest accrued on Term deposits	**109.92**	52.41
	3,822.82	2,751.47

 # Details of Term deposits - Under lien

Rs. in crores

	As at 31 March 2022			As at 31 March 2021		
Particulars	**Bank balances other than cash and cash equivalents (Note 4)**	**Other financial assets (Note 9)**	**Total**	Bank balances other than cash and cash equivalents (Note 4)	Other financial assets (Note 9)	Total
For Statutory Liquidity Ratio	**135.00**	**100.00**	**235.00**	100.00	200.00	300.00
For securitization transactions	**305.42**	**–**	**305.42**	439.67	46.19	485.86
Legal deposits	**0.21**	**–**	**0.21**	0.21	–	0.21
For Constituent Subsidiary General Ledger (CSGL) account	**30.00**	**–**	**30.00**	30.00	–	30.00
Collateral deposits with banks for Aadhaar authentication and others & Rights Issue	**0.56**	**1.00**	**1.56**	28.24	1.00	29.24
Total	**471.19**	**101.00**	**572.19**	598.12	247.19	845.31

5 Derivative financial instruments

Rs. in crores

	31 March 2022		31 March 2021	
	Notional amounts	**Fair value of Assets**	Notional amounts	Fair value of Assets
Currency derivatives:				
Options	**645.01**	**26.63**	1,408.12	25.72
Total derivative financial instruments	**645.01**	**26.63**	1,408.12	25.72

6 Receivables

Rs. in crores

	31 March 2022	31 March 2021
Trade receivables		
i) Secured, considered good		
– Lease rental receivable on operating lease transactions	**3.36**	**2.25**
Less: Impairment loss allowance	**(2.14)**	**(2.04)**
	1.22	**0.21**
ii) Unsecured, considered good:		
– Subvention and other income receivables	**7.87**	8.19
iii) Credit impaired:		
– Trade receivable on hire purchase transactions	**–**	3.73
– Subvention and other income receivables	**4.37**	1.00
	4.37	**4.73**
Less: Impairment loss allowance	**(4.37)**	(4.73)
	–	–
	9.09	8.40

There is no due by directors or other officers of the company or any firm or private company in which any director is a partner, a director or a member.

Trade Receivables aging schedule
As at 31 March 2022

Particulars	**Outstanding for following periods from due date of payment**					Rs. in crores
	Less than 6 months	**6 months – 1 year**	**1 – 2 years**	**2 – 3 years**	**More than 3 years**	Total
i) Undisputed Trade receivables –						
– considered good	**8.87**	**–**	**–**	**–**	**–**	8.87
– which have significant increase in credit risk	**0.27**	**–**	**–**	**–**	**–**	0.27
– credit impaired	**1.24**	**4.63**	**0.45**	**–**	**0.14**	6.46
ii) Disputed Trade Receivables –						
– considered good	**–**	**–**	**–**	**–**	**–**	–
– which have significant increase in credit risk	**–**	**–**	**–**	**–**	**–**	–
– credit impaired	**–**	**–**	**–**	**–**	**–**	–
Total	**10.38**	**4.63**	**0.45**	**–**	**0.14**	15.60

There is neither an instance where due date is not specified nor unbilled due.
As at 31 March 2021

Particulars	**Outstanding for following periods from due date of payment**					Rs. in crores
	Less than 6 months	**6 months – 1 year**	**1 – 2 years**	**2 – 3 years**	**More than 3 years**	Total
i) Undisputed Trade receivables –						
– considered good	**8.16**	**–**	**–**	**–**	**–**	8.16
– which have significant increase in credit risk	**0.11**	**–**	**–**	**–**	**–**	0.11
– credit impaired	**0.01**	**3.02**	**–**	**–**	**3.87**	6.90
ii) Disputed Trade Receivables –						
– considered good	**–**	**–**	**–**	**–**	**–**	–
– which have significant increase in credit risk	**–**	**–**	**–**	**–**	**–**	–
– credit impaired	**–**	**–**	**–**	**–**	**–**	–
Total	**8.28**	**3.02**	**–**	**–**	**3.87**	15.17

There is neither an instance where due date is not specified nor unbilled due.

7 Loans

		31 March 2022	31 March 2021
			Rs. in crores
A)	**Loans (at amortised cost):**		
	Retail loans	**60,970.46**	61,638.86
	Small and Medium Enterprise (SME) financing	**1,196.15**	1,014.73
	Bills of exchange	**944.33**	743.10
	Trade advances	**1,807.42**	1,194.98
	Inter corporate deposits to related parties	**–**	1.00
	Finance lease	**26.82**	–
	Total (Gross)	**64,945.18**	64,592.67
	Less: Impairment loss allowance	**(4,500.54)**	(4,645.25)
	Total (Net)	**60,444.64**	59,947.42
B)	i) Secured by tangible assets	**61,088.34**	61,715.64
	ii) Secured by intangible assets	**–**	–
	iii) Covered by bank/Government guarantees	**493.49**	526.57
	iv) Unsecured	**3,363.35**	2,350.46
	Total (Gross)	**64,945.18**	64,592.67
	Less: Impairment loss allowance	**(4,500.54)**	(4,645.25)
	Total (Net)	**60,444.64**	59,947.42
C)	**i) Loans in India**		
	a) Public Sector	**–**	–
	b) Others	**64,945.18**	64,592.67
	Total (Gross)	**64,945.18**	64,592.67
	Less: Impairment loss allowance	**(4,500.54)**	(4,645.25)
	Total (Net) – C (i)	**60,444.64**	59,947.42
	ii) Loans outside India	**–**	–
	Less: Impairment loss allowance	**–**	–
	Total (Net) – C (ii)	**–**	–
	Total (Net) – C (i+ii)	**60,444.64**	59,947.42

Note:

– There is no loan asset measured at FVOCI or FVTPL or designated at FVTPL.

– Refer note no. 51 for information related to stage–wise classification of loan assets and ECL movement.

8 Investments

Rs. in crores

Investments	31 March 2022 Amortised cost	31 March 2022 At Fair Value Through OCI	31 March 2022 At Fair Value Through profit or loss	31 March 2022 At Fair Value Sub–total	31 March 2022 Others (at cost)	31 March 2022 Total	31 March 2021 Amortised cost	31 March 2021 At Fair Value Through OCI	31 March 2021 At Fair Value Through profit or loss	31 March 2021 At Fair Value Sub–total	31 March 2021 Others (at cost)	31 March 2021 Total
Units of mutual funds	–	–	834.47	834.47	–	834.47		–	1,667.18	1,667.18	–	1,667.18
Government securities #	1,305.64	4,402.39		4,402.39		5,708.03	1,287.78	4,448.73	–	4,448.73	–	5,736.51
Debt securities –												
i) Investments in Pass Through Certificates under securitization transactions	177.52	–	–	–	–	177.52	47.44	–	–	–	–	47.44
ii) Commercial Papers	–	–	–	–	–	–	–	–	197.67	197.67	–	197.67
iii) Investment in Bonds #	26.10	260.45		260.45	–	286.55	26.22	262.15		262.15		288.37
iv) Investment in Triparty Repo Dealing System (TREPS)	–	–	–	–	–	–	2,404.00	–	–	–	–	2,404.00
v) Non–Convertible Debentures of Jyoti Structures Limited (Assets acquired in satisfaction of debt)		1.59		1.59		1.59	–	–	–	–	–	–
Equity instruments –												
i) ‘Equity investment in Smartshift Logistics Solutions Private Limited	–	35.24	–	35.24	–	35.24	–	13.61	–	13.61	–	13.61
ii) ‘New Democratic Electoral Trust		–	–	–	0.02	0.02	–	–	–	–	0.02	0.02
iii) Equity shares of Jyoti Structures Limited (Assets acquired in satisfaction of debt)			0.24	0.24		0.24						
a) Subsidiaries												
i) Mahindra Insurance Brokers Limited (82,47,424 equity shares of face value of Rs.10/– each)	–	–	–	–	0.45	0.45	–	–	–	–	0.45	0.45
ii) Mahindra Rural Housing Finance Limited (12,09,52,678 equity shares of face value of Rs.10/– each)	–	–	–	–	799.30	799.30		–	–	–	799.30	799.30
iii) Mahindra Finance CSR Foundation **(1,000 equity shares of face value of Rs.10/– each)**	–	–	–	–	–	–					–	–
iv) Mahindra Ideal Finance Limited, Sri Lanka (58.20% of equity share capital)	–	–	–	–	77.97	77.97					–	–
Associates												
49% Ownership in Mahindra Finance USA, LLC (Joint venture entity with De Lage Landen Financial Services INC. in United States of America)	–	–	–	–	210.55	210.55	–	–	–	–	210.55	210.55
Joint Venture	–	–	–	–	195.30	195.30	–	–	–	–	44.00	44.00
i) 38.20% Ownership in Ideal Finance Limited, Sri Lanka												
(Joint venture entity with Ideal Finance Limited in Sri Lanka)								–	–	–	195.30	195.30
ii) Mahindra Manulife Investment Management Private Ltd. (51:49 Joint Venture with Manulife Asset Management (Singapore) Pte. Ltd. (Manulife)) (19,53,00,000 equity shares of face value of Rs.10/– each)												
iii)Mahindra Manulife Trustee Private Ltd (51:49 Joint Venture with Manulife Asset Management (Singapore) Pte. Ltd. (Manulife)) (5,00,000 equity shares of face value of Rs.10/– each)	–	–	–	–	0.50	0.50	–	–	–	–	0.50	0.50
Others												
i)Compulsorily Convertible Cumulative Participating Preference Shares (CCCPS) in Smartshift Logistics Solutions Private Limited "	–	7.15	–	7.15	–	7.15		2.76		2.76		2.76
ii) Interest accrued on Government securities	22.42	77.64	–	77.64		100.06	21.57	70.34	–	70.34		91.91
iii) Interest accrued on Bonds	0.06	6.80	–	6.80		6.86	0.05	5.95	–	5.95		6.00
iv) Interest accrued on Pass Through Certificates under securitization transactions	0.08	–	–	–		0.08	0.19	–	–	–		0.19
Total – Gross (A)	1,531.82	4,791.26	834.71	5,625.97	1,284.09	8,441.88	3,787.25	4,803.54	1,864.85	6,668.39	1,250.12	11,705.76
i) Investments outside India	–	–	–	–	288.52	288.52	–	–	–	–	254.55	254.55
ii) Investments in India	1,531.82	4,791.26	834.71	5,625.97	995.57	8,153.36	3,787.25	4,803.54	1,864.85	6,668.39	995.57	11,451.21
Total – Gross (B)	1,531.82	4,791.26	834.71	5,625.97	1,284.09	8,441.88	3,787.25	4,803.54	1,864.85	6,668.39	1,250.12	11,705.76
Less: Allowance for Impairment loss (C)	1.61	–	–	–	–	1.61	0.41	–	–	–	–	0.41
Total – Net D (A–C)	1,530.21	4,791.26	834.71	5,625.97	1,284.09	8,440.27	3,786.84	4,803.54	1,864.85	6,668.39	1,250.12	11,705.35

The investments in Government securities for Rs. 1,305.64 crore (31 March 2021: Rs. 1,287.78 crore) and investments in Bonds for Rs. 26.10 crore (31 March 2021: Rs. 26.72 crore) as shown under Amortized cost category are Statutory Liquid Assets as required under section 45 - IB of the Reserve Bank of India Act, 1934, with a floating charge created in favour of public deposit holders through a “Trust Deed” with an independent Trust.

9 Other financial assets

	31 March 2022	31 March 2021
		Rs. in crores
Security Deposits	**32.33**	48.23
Term deposits with banks (remaining maturity more than 12 months)		
– Free	**15.92**	11.77
– Under lien (refer note 4)	**101.00**	247.19
Interest accrued on Term deposits	**17.58**	22.47
Others #	**56.30**	33.88
	223.13	363.54

includes receivables related to insurance claims and online payment aggregators.

10 Deferred tax assets (net) and Tax expense

(i) Deferred tax assets (net)

Rs. in crores

	Balance as at 1 April 2020	**Charge/ (credit) to profit and loss**	**Charge/ (credit) to equity**	**Charge/ (credit) to OCI**	**Balance as at 31 March 2021**	**Charge/ (credit) to profit and loss**	**Charge/ (credit) to OCI**	**Balance as at 31 March 2022**
Tax effect of items constituting deferred tax liabilities:								
– Application of EIR on financial assets	(78.92)	2.65	–	–	(76.27)	(8.70)		**(84.97)**
– Application of EIR on financial liabilities	(22.18)	3.01	–	–	(19.17)	6.75		**(12.42)**
– Share based payments	(0.39)	–	–	–	(0.39)	–		**(0.39)**
– FVTPL financial asset	(8.37)	(2.34)	–	–	(10.71)	(2.97)		**(13.68)**
– Others #	(59.82)	(50.52)	–	–	(110.34)	(21.25)		**(131.59)**
	(169.68)	**(47.20)**	**–**	**–**	**(216.88)**	**(26.17)**	**–**	**(243.05)**
Tax effect of items constituting deferred tax assets:								
– Provision for employee benefits	17.36	0.86	–	0.71	18.93	(0.04)	0.78	**19.67**
– Derivatives	64.26	(31.47)	–		32.79	19.45		**52.24**
– Allowance for ECL	512.33	432.11	–		944.44	(102.84)		**841.60**
– Provision on standard assets	69.80	(6.89)	–	–	62.91	90.01	–	**152.92**
– Other provisions	(4.44)	0.11	–	24.51	20.18	(0.41)	(6.72)	**13.05**
	659.31	394.72	–	25.22	1,079.25	6.17	(5.94)	**1,079.48**
Net deferred tax assets	**489.63**	**347.52**	**–**	**25.22**	**862.36**	**(20.00)**	**(5.94)**	**836.42**

includes deferred tax on account of securitization transactions, fair valuation of Govt. securities / bonds and timing differences arising on PPE.

(ii) Income tax recognized in Statement of profit and loss

	31 March 2022	31 March 2021
		Rs. in crores
Current tax:		
In respect of current year	**321.90**	450.30
In respect of prior years	**26.26**	(15.50)
	348.16	434.80
Deferred tax:		
In respect of current year origination and reversal of temporary differences	**28.99**	(347.52)
In respect of prior years	**(8.99)**	–
	20.00	(347.52)
Total Income tax recognised in Statement of profit and loss	**368.16**	87.28

(iii) Income tax recognized in Other Comprehensive Income

Rs. in crores

	31 March 2022	31 March 2021
Deferred tax related to items recognised in Other Comprehensive Income during the year:		
Remeasurement of defined employee benefits	**0.79**	0.71
Net gain / (loss) on equity instruments through OCI	**(6.55)**	1.15
Net gain / (loss) on debt instruments through OCI	**(0.18)**	23.36
Total Income tax recognized in Other Comprehensive Income	**(5.94)**	25.22

(iv) Reconciliation of estimated Income tax expense at tax rate to income tax expense reported in the Statement of profit and loss:

Rs. in crores

	As at 31 March 2022	As at 31 March 2021
Profit before tax	**1,356.91**	422.43
Applicable income tax rate	**25.168%**	25.168%
Expected income tax expense	**341.51**	106.32
Tax effect of adjustments to reconcile expected Income tax expense at tax rate to reported income tax expense:		
Effect of income exempt from tax	**(0.65)**	(0.78)
Effect of expenses / provisions not deductible in determining taxable profit	**8.57**	9.37
Effect of changes in estimates related to prior years	**1.39**	(16.80)
Adjustment related to tax of prior years	**17.27**	(15.50)
Others	**0.07**	4.67
Reported income tax expense	**368.16**	87.28
Effective tax rate	**27.13%**	20.66%

11 Property, plant and equipments

Rs. in crores

Particulars	Land (Freehold)	Buildings #	Computers and Data processing units	Furniture and fixtures	Office equipments	Vehicles	Vehicles under lease	Plant & Machineries under lease	Right–Of–Use Assets (Leasehold premises)	Total
GROSS CARRYING AMOUNT										
Balance as at 1 April 2020	0.81	1.09	101.92	94.23	97.33	85.13	52.85	0.19	226.93	660.48
Additions during the year	–	–	4.75	1.14	1.50	4.04	24.42	–	50.11	85.96
Disposals/deductions during the year	–	–	3.81	2.38	11.65	5.16	3.12	–	4.53	30.65
Balance as at 31 March 2021	**0.81**	**1.09**	**102.86**	**92.99**	**87.18**	**84.01**	**74.15**	**0.19**	**272.51**	**715.79**
Balance as at 1 April 2021	0.81	1.09	102.86	92.99	87.18	84.01	74.15	0.19	272.51	715.79
Additions during the year	–	–	40.97	2.63	8.86	22.68	76.14	–	46.24	197.52
Disposals/deductions during the year	–	–	15.47	3.97	15.68	14.25	3.14	–	52.76	105.27
Balance as at 31 March 2022	**0.81**	**1.09**	**128.36**	**91.65**	**80.36**	**92.44**	**147.15**	**0.19**	**265.99**	**808.04**

Rs. in crores

Particulars	Land (Freehold)	Buildings #	Computers and Data processing units	Furniture and fixtures	Office equipments	Vehicles	Vehicles under lease	Plant & Machineries under lease	Right–Of–Use Assets (Leasehold premises)	Total
ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES										
Balance as at 1 April 2020	–	0.29	78.56	65.78	74.91	51.12	4.84	–	47.04	322.53
Additions during the year	–	0.02	12.86	7.10	9.32	13.59	9.85	0.02	52.73	105.49
Disposals/deductions during the year	–	–	3.80	2.10	11.59	4.64	0.74	–	0.85	23.72
Balance as at 31 March 2021	**–**	**0.31**	**87.62**	**70.78**	**72.64**	**60.07**	**13.95**	**0.02**	**98.92**	**404.30**
Balance as at 1 April 2021	–	0.31	87.62	70.78	72.64	60.07	13.95	0.02	98.92	404.30
Additions during the year	–	0.02	14.99	5.46	7.89	13.47	25.57	0.11	47.47	114.98
Disposals/deductions during the year	–	–	15.41	3.83	15.49	13.19	0.59	–	45.83	94.34
Balance as at 31 March 2022	**–**	**0.33**	**87.20**	**72.41**	**65.04**	**60.35**	**38.92**	**0.13**	**100.56**	**424.94**
NET CARRYING AMOUNT										
As at 31 March 2021	**0.81**	**0.78**	**15.24**	**22.21**	**14.54**	**23.94**	**60.20**	**0.17**	**173.59**	**311.49**
As at 31 March 2022	**0.81**	**0.76**	**41.16**	**19.24**	**15.32**	**32.09**	**108.23**	**0.06**	**165.43**	**383.10**

Secured Non–convertible debentures (NCDs) have an exclusive pari–passu charges on Buildings.

There is no immovable property where title deed of such immovable property is not held in name of the Company or jointly held with others.

The Company has not revalued its Property, Plant and Equipment (including Right–of–Use Assets)

12 Intangible assets

Rs. in crores

Particulars	Computer Software
GROSS CARRYING AMOUNT	
Balance as at 1 April 2020	86.25
Additions during the year	13.48
Deductions during the year	–
Balance as at 31 March 2021	**99.73**
Balance as at 1 April 2021	99.73
Additions during the year	2.99
Deductions during the year	–
Balance as at 31 March 2022	**102.72**
ACCUMULATED AMORTISATION AND IMPAIRMENT LOSSES	
Balance as at 1 April 2020	60.70
Additions during the year	20.40
Deductions during the year	–
Balance as at 31 March 2021	**81.10**
Balance as at 1 April 2021	81.10

Intangible assets – Continued

Rs. in crores

Particulars	Computer Software
Additions during the year	11.85
Deductions during the year	–
Balance as at 31 March 2022	**92.95**
NET CARRYING AMOUNT	
As at 31 March 2021	**18.63**
As at 31 March 2022	**9.77**

The Company has not revalued its Intangible Assets.

Capital–Work–in Progress (CWIP) Aging schedule:

As at 31 March 2022: Nil

As at 31 March 2021

Rs. in crores

CWIP	Less than 1 year	1–2 years	2–3 years	More than 3 years	Total
Projects in progress	10.34	–	–	–	10.34
Projects temporarily suspended	–	–	–	–	–
Total	**10.34**	**–**	**–**	**–**	**10.34**

There is no CWIP / Intangible assets under development whose completion is overdue / exceeded cost.

13 Other non–financial assets

	31 March 2022	31 March 2021
		Rs. in crores
Capital advances	**132.89**	1.37
Prepaid expenses	**51.45**	31.37
Unamortised placement and arrangement fees paid on borrowing instruments	**1.00**	2.60
Insurance advances	**2.01**	1.81
Other advances	**14.75**	22.35
	202.10	59.50

14 Derivative financial instruments

Rs. in crores

	31 March 2022		31 March 2021	
	Notional amounts	**Fair value of Liabilities**	Notional amounts	Fair value of Liabilities
Currency/Interest rate Derivatives: (refer note 55 (III)				
Forward contracts	**549.99**	**36.03**	763.99	55.24
Options	**1,600.19**	**146.19**	2,067.86	117.94
Total derivative financial instruments	**2,150.18**	**182.22**	2,831.85	173.18

15 Payables

Rs. in crores

	31 March 2022	31 March 2021
I) Trade Payables		
i) total outstanding dues of micro enterprises and small enterprises	**–**	–
ii) total outstanding dues of creditors other than micro enterprises and small enterprises	**954.88**	596.35
II) Other Payables		
i) total outstanding dues of micro enterprises and small enterprises	**3.53**	0.01
ii) total outstanding dues of creditors other than micro enterprises and small enterprises	**46.87**	46.73
	1,005.28	643.09

Micro, Small and Medium Enterprises:

Based on and to the extent of the information received by the Company from the suppliers during the year regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act), the total outstanding dues of Micro and Small enterprises, which are outstanding for more than the stipulated period and other disclosures as per the Micro, Small and Medium Enterprises Development Act, 2006 (hereinafter referred to as "the MSMED Act") are given below :

Rs. in crores

	31 March 2022	31 March 2021
a) Dues remaining unpaid to any supplier at the year end		
– Principal	**3.53**	0.01
– Interest on the above		
b) Interest paid in terms of Section 16 of the MSMED Act along with the amount of payment made to the supplier beyond the appointed day during the year	**–**	–
– Principal paid beyond the appointed date	**–**	–
– Interest paid in terms of Section 16 of the MSMED Act		
c) Amount of interest due and payable for the period of delay on payments made beyond the appointed day during the year	**–**	–
d) Amount of interest accrued and remaining unpaid		
e) Further interest due and payable even in the succeeding years, until such date when the interest due as above are actually paid to the small enterprises	**–**	–
	3.53	0.01

Trade Payables aging schedule

As at 31 March 2022 — **Rs. in crores**

	Particulars	**Outstanding for following periods from due date of payment**				
		Less than 1 year	1–2 years	2–3 years	More than 3 years	Total
i)	MSME	3.53	–	–	–	3.53
ii)	Others	890.49	22.34	28.43	60.49	1,001.75
	Total	**894.02**	**22.34**	**28.43**	**60.49**	1,005.28
	Disputed dues –					
	– MSME	**–**	**–**	**–**	**–**	–
	– Others	**–**	**–**	**–**	**0.59**	0.59

There is neither an instance where due date is not specified nor there is any unbilled due.

As at 31 March 2021 — **Rs. in crores**

	Particulars	**Outstanding for following periods from due date of payment**				
		Less than 1 year	1–2 years	2–3 years	More than 3 years	Total
i)	MSME	0.01	0.00	–	–	0.01
ii)	Others	536.72	46.45	31.32	28.58	643.08
	Total	**536.73**	**46.45**	**31.32**	**28.58**	643.09
	Disputed dues –					
	– MSME	**–**	**–**	**–**	**–**	–
	– Others	**–**	**–**	**–**	**0.59**	0.59

There is neither an instance where due date is not specified nor there is any unbilled due.

16 Debt Securities

Rs. in crores

	31 March 2022	31 March 2021
At Amortised cost		
Non–convertible debentures (Secured)	**16,610.55**	15,393.64
Non–convertible debentures (Unsecured)	**795.82**	596.66
Commercial Papers (Unsecured)	**496.56**	494.52
Rupee Denominated Secured Bonds overseas (Masala Bonds)	**349.78**	349.75
Total (A+B)	**18,252.71**	16,834.57
Debt securities in India	**17,902.93**	16,484.82
Debt securities outside India	**349.78**	349.75
Total	**18,252.71**	16,834.57

Note: There is no debt securities measured at FVTPL or designated at FVTPL.

The Secured Non–convertible debentures are secured by pari–passu charges on Buildings (forming part of PPE) and exclusive charges on receivables under loan contracts having carrying value of Rs 21,093.21 crore (March 2021: Rs 18,193.98 crore).

There are no redeemed bonds/debentures which the Company has power to reissue.

Details of Non–convertible debentures (Secured):

From the Balance Sheet date	**As at 31 March 2022**		As at 31 March 2021	
	Interest rate range	**Amount**	Interest rate range	Amount
A) Issued on private placement basis (wholesale) –				
Repayable on maturity:				
Maturing within 1 years	**4.80%–8.95%**	**3,677.90**	4.54%–9.49%	3,069.80
Maturing between 1 years to 3 years	**4.93%–8.95%**	**6,383.00**	4.80%–8.95%	6,280.90

From the Balance Sheet date	As at 31 March 2022		As at 31 March 2021	
	Interest rate range	**Amount**	Interest rate range	Amount
Maturing between 3 year to 5 years	**6.25%–9.00%**	**1,565.00**	7.45%–9.00%	2,195.00
Maturing beyond 5 year	**7.75%–8.48%**	**2,978.00**	7.75%–8.48%	2,077.50
Sub–total at face value		**14,603.90**		13,623.20
Repayable in Half yearly installments :				
Maturing between 1 year to 3 years	**6.35%**	**56.25**		
Maturing between 3 years to 5 years	**6.35%**	**168.75**		
Sub–total at face value		**225.00**		
Total at face value (A)		**14,828.90**		
B) Issued on retail public issue –				
Repayable on maturity:				
Maturing within 1 year	**9.00%–9.05%**	**405.41**		
Maturing between 1 year to 3 years	**9.10%–9.15%**	**535.56**	9.00%–9.15%	940.97
Maturing between 3 years to 5 years	**9.20%–9.30%**	**869.15**		–
Maturing beyond 5 years		**–**	9.20%–9.30%	869.15
Sub–total at face value (B)		**1,810.12**		1,810.12
Total at face value (A+B)		**16,639.02**		15,433.32
Less: Unamortised discounting charges		**28.47**		39.68
Total amortised cost		**16,610.55**		15,393.64

Details of Non–convertible debentures (Unsecured) –:

From the Balance Sheet date	As at 31 March 2022		As at 31 March 2021	
	Interest rate range	**Amount**	Interest rate range	Amount
Repayable on maturity:				
Maturing beyond 5 years	**8.53%**	**800.00**	8.53%	600.00
Total at face value		**800.00**		600.00
Less: Unamortised discounting charges		**4.18**		3.34
Total amortised cost		**795.82**		596.66

Details of Commercial Papers (Unsecured):

Rs. in crores

From the Balance Sheet date	As at 31 March 2022		As at 31 March 2021	
	Interest rate range	**Amount**	Interest rate range	Amount
Repayable on maturity:				
Maturing within 1 year	**4.70%**	**500.00**	6.65%	500.00
Total at face value		**500.00**		500.00
Less: Unamortised discounting charges		**3.44**		5.48
Total amortised cost		**496.56**		494.52

Rupee Denominated Secured Bonds overseas (Masala Bonds)

Rs. in crores

From the Balance Sheet date	As at 31 March 2022		As at 31 March 2021	
	Interest rate range	**Amount**	Interest rate range	Amount
Repayable on maturity:				
Maturing between 1 year to 3 years	**7.40%**	**350.00**	7.40%	350.00
Total at face value		**350.00**		350.00
Less: Unamortised discounting charges		**0.22**		0.25
Total amortised cost		**349.78**		349.75

17 Borrowings (Other than Debt Securities)

		Rs. in crores
	31 March 2022	31 March 2021
At Amortised cost		
a) Term loans		
i) Secured –		
– from banks	**15,305.19**	14,292.90
– External Commercial Borrowings	**2,177.52**	3,680.55
– Associated liabilities in respect of securitization transactions	**8,089.20**	10,390.77
ii) Unsecured –		
– from banks	**85.00**	90.00
b) Loans from related parties		
Unsecured –		
– Inter–corporate deposits (ICDs)	**348.26**	687.86
Total (A+B)	**26,005.17**	29,142.08
Borrowings in India	**23,827.65**	25,461.53
Borrowings outside India	**2,177.52**	3,680.55
Total	**26,005.17**	29,142.08

Note: There is no borrowings measured at FVTPL or designated at FVTPL.

The secured term loans from banks and External Commercial Borrowings are secured by exclusive charges on receivables under loan contracts having carrying amount of Rs 21,830.92 crore (March 2021: Rs 20,996.82 crore).

The borrowings have not been guaranteed by directors or others. Also the Company has not defaulted in repayment of principal and interest.

Details of term loans from banks (Secured)

From the Balance Sheet date	**As at 31 March 2022**		As at 31 March 2021	
	Interest rate range	**Amount**	Interest rate range	Amount
1) Repayable on maturity:				
Maturing within 1 year	**4.40%–6.95%**	**821.00**	4.00%–7.25%	496.00
Maturing between 1 year to 3 years	**5.25%–6.10%**	**1,100.00**	4.94%–5.25%	875.00
Total for repayable on maturity		**1,921.00**		1,371.00
2) Repayable in installments:				
i) Quarterly –				
Maturing within 1 year	**4.50%–7.35%**	**3,502.99**	4.26%–7.40%	3,079.67
Maturing between 1 year to 3 years	**4.50%–6.95%**	**3,768.70**	4.15%–7.40%	3,116.07
Maturing between 3 years to 5 years	**4.50%–5.80%**	**451.00**		–
Sub–Total		**7,722.69**		6,195.74
ii) Half yearly –				
Maturing within 1 year	**4.47%–10.50%**	**1,431.99**	6.10%–10.50%	1,897.07
Maturing between 1 year to 3 years	**4.47%–10.50%**	**3,063.58**	4.75%–10.50%	2,989.83
Maturing beyond 3 years to 5 years	**4.47%–4.90%**	**249.13**	4.90%–7.60%	1,007.00
Sub–Total		**4,744.70**		5,893.90
iii) Yearly –				
Maturing within 1 year	**5.40%–6.85%**	**380.00**	6.70%–7.65%	366.67
Maturing between 1 year to 3 years	**4.46%–6.00%**	**395.00**	6.00%–6.85%	391.67
Maturing between 3 years to 5 years	**4.46%–6.00%**	**141.67**	6.00%	75.00

From the Balance Sheet date	As at 31 March 2022		As at 31 March 2021	
	Interest rate range	**Amount**	Interest rate range	Amount
Sub–Total		**916.67**		833.34
Total for repayable in installments		**13,384.06**		12,922.97
Total (1+2) (As per contractual terms)		**15,305.06**		14,293.97
Less Unamortized Finance Cost		**(0.13)**		1.07
Total Amortized Cost		**15,305.19**		14,292.90

The rates mentioned above are the applicable rates as at the year end date linked to MCLR (Marginal Cost of funds based Lending Rate) and Treasury bills plus spread.

Disclosure of information related to borrowings from banks or financial institutions on the basis of security of current assets

The quarterly returns or statements comprising (book debt statements and other stipulated financial information) filed by the Company with such banks are in agreement with the books of account of the Company except for certain differences which has been duly reconciled and presented here below.

Summary of reconciliation

From the Balance Sheet date	Quarter ended			
	June 2021	**September 2021**	December 2021	March 2022
Value as per quarterly returns / statements filed with Banks	**2,739.54**	**2,739.48**	2,739.57	2,739.50
Difference due to future interest considered in Book debt statements	**(100.13)**	**(97.18)**	(95.66)	(83.58)
Difference in Overdue balance due to credits not considered in returns	**70.59**	**58.28**	44.75	29.38
Ind AS adjustments related to Effective Interest Rate (EIR) / Amortized cost	**4.07**	**4.53**	5.03	5.29
Value as per Ind AS books of account	**2,714.07**	**2,705.11**	2,693.69	2,690.59

Details of External Commercial Borrowings (USD, Euro & JPY)

From the Balance Sheet date	As at 31 March 2022		As at 31 March 2021	
	Interest rate range	**Amount**	Interest rate range	Amount
Maturing within 1 year	**8.15%–8.36%**	**1,250.82**	9.00%–9.37%	1,492.97
Maturing between 1 year to 3 years	**6.61%–6.91%**	**721.87**	6.91%–8.36%	1,544.63
Maturing beyond 3 years to 5 years	**6.61%**	**211.58**	6.61%	663.60
		2,184.27		3,701.20
Less Unamortized Finance Cost		**6.75**		20.65
		2,177.52		3,680.55

Details of associated liabilities related to Securitization transactions

From the Balance Sheet date	As at 31 March 2022		As at 31 March 2021	
	Interest rate range	**Amount**	Interest rate range	Amount
Maturing within 1 year	**3.70%–8.10%**	**4,051.07**	4.10% – 9.25%	4,788.55
Maturing between 1 year to 3 years	**3.70%–8.10%**	**3,681.57**	4.10% – 9.25%	5,206.12
Maturing between 3 years to 5 years	**3.70%–4.76%**	**356.45**	4.10% – 7.55%	396.10
Maturing beyond 5 years	**4.76%**	**0.11**		–
		8,089.20		10,390.77
Less Unamortized Finance Cost		**–**		–
		8,089.20		10,390.77

Details of Unsecured term loans from banks

From the Balance Sheet date	As at 31 March 2022		As at 31 March 2021	
	Interest rate range	**Amount**	Interest rate range	Amount
Repayable on maturity:				
Maturing within 1 year	**4.98%**	**85.00**	4.00%	90.00
Total		**85.00**		90.00
Less Unamortized Finance Cost		**–**		–
Total Amortized Cost		**85.00**		90.00

Details of Loans from related parties (Unsecured) – Inter–corporate deposits (ICDs)

From the Balance Sheet date	As at 31 March 2022		As at 31 March 2021	
	Interest rate range	**Amount**	Interest rate range	Amount
Repayable on maturity:				
Maturing within 1 year	**–**	**–**	3.00%–7.50%	687.86
Maturing between 1 year to 3 years	**5.40%–6.25%**	**348.26**		–
Total		**348.26**		687.86
Less Unamortized Finance Cost		**–**		–
Total Amortized Cost		**348.26**		687.86

18 Deposits

	Rs. in crores	
	31 March 2022	31 March 2021
At amortized cost		
Deposits (Unsecured)		
– Public deposits *	**8,426.19**	9,450.66
Total	**8,426.19**	9,450.66

Note: There is no deposits measured at FVTPL or designated at FVTPL.

*as defined in chapter II, para 3 (xiii) of Master directions – Non–Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 2016 as issued by RBI.

There are no amounts that are due and remain unpaid to Investor Education and Protection Fund as at the close of the year.

Details of Deposits (Unsecured) – Public deposits

Rs. in crores

From the Balance Sheet date	As at 31 March 2022		As at 31 March 2021	
	Interest rate range	**Amount**	Interest rate range	Amount
Repayable on maturity:				
Maturing within 1 year	**4.95% – 9.15%**	**4,769.74**	5.00% – 9.15%	3,893.07
Maturing between 1 year to 3 years	**5.30% – 9.15%**	**3,141.74**	5.25% – 9.15%	4,627.10
Maturing beyond 3 years	**5.90% – 8.45%**	**535.58**	5.90% – 9.15%	960.98
Total at face value		**8,447.06**		9,481.15
Less: Unamortised discounting charges		**20.87**		30.49
Total amortised cost		**8,426.19**		9,450.66

19 Subordinated liabilities

Rs. in crores

	31 March 2022	31 March 2021
At Amortized cost (Unsecured)		
Subordinated redeemable non–convertible debentures – private placement	**719.08**	686.82
Subordinated redeemable non–convertible debentures – retail public issue	**2,410.77**	2,462.55
Total	**3,129.85**	3,149.37
Subordinated liabilities in India	**3,129.85**	3,149.37
Subordinated liabilities outside India	**–**	–
Total	**3,129.85**	3,149.37

Note: There is no Subordinated liabilities measured at FVTPL or designated at FVTPL.

Details of Subordinated liabilities (at Amortized cost) – Unsecured subordinated redeemable non–convertible debentures

Rs. in crores

From the Balance Sheet date	**As at 31 March 2022**		As at 31 March 2021	
	Interest rate range	**Amount**	Interest rate range	Amount
A) Issued on private placement basis –				
Repayable on maturity:				
Maturing within 1 year	**9.80%–10.15%**	**70.00**	10.05%–10.50%	100.50
Maturing between 1 year to 3 years	**9.18%–9.70%**	**342.80**	9.50%–10.50%	197.80
Maturing between 3 years to 5 years	**8.90%–9.10%**	**175.00**	8.90%–9.50%	390.00
Maturing beyond 5 years	**7.35%**	**132.90**	–	–
Sub–total at face value (A)		**720.70**		688.30
B) Issued on retail public issue –				
Repayable on maturity:				
Maturing within 1 year	**–**	**–**	8.34%–8.70%	54.65
Maturing between 1 year to 3 years	**7.75%–8.80%**	**71.66**	8.44%–8.80%	12.34
Maturing between 3 years to 5 years	**8.53%–9.00%**	**933.01**	7.75%–7.85%	59.32
Maturing beyond 5 years	**7.90%–9.50%**	**1,428.08**	7.90%–9.50%	2,361.09
Sub–total at face value (B)		**2,432.75**		2,487.40
Total at face value (A+B)		**3,153.45**		3,175.70
Less: Unamortized discounting charges		**23.60**		26.33
Total amortized cost		**3,129.85**		3,149.37

The Company has used the borrowings from banks and financial institutions as per note numbers 16 to 19 for the specific purpose for which these were availed.

In respect of all the borrowings, there is no default in payment of either principal or interest.

The Company has not been declared as wilful defaulter by any bank or financial Institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India.

20 Other financial liabilities

	31 March 2022	31 March 2021
		Rs. in crores
Interest accrued but not due on borrowings	**1,863.05**	2,230.80
Unclaimed dividends #	**0.58**	0.59
Unclaimed matured deposits and interest accrued thereon #	**11.23**	5.43
Deposits / advances received against loan agreements	**89.54**	82.84
Insurance premium payable	**3.21**	1.43
Salary, Bonus and performance payable	**8.14**	**5.14**
Provision for expenses	**128.73**	80.55
Lease liabilities (refer note 42)	**185.26**	190.09
Others	**26.43**	7.39
Total	**2,316.17**	2,604.26

There are no amounts due for transfer to the Investor Education and Protection Fund under Section 125 of Companies Act, 2013 as at the year end.

21 Provisions

	31 March 2022	31 March 2021
		Rs. in crores
Provision for employee benefits		
– Gratuity (refer note 37)	**39.21**	32.82
– Leave encashment	**75.32**	72.37
– Bonus, incentives and performance pay	**106.65**	108.54
Provision for loan commitment	**0.17**	1.18
Total	**221.35**	214.91

22 Other non–financial liabilities

	31 March 2022	31 March 2021
		Rs. in crores
Deferred subvention income	**12.81**	17.46
Statutory dues and taxes payable	**84.50**	68.44
Others *	**10.47**	13.00
Total	**107.78**	98.90

* Others include monies adjusted from share capital and other equity on account of shares held by MMFSL ESOP Trust pending transfer to the eligible employees and lease rental advances.

23 Equity Share capital

	31 March 2022	31 March 2021
		Rs. in crores
Authorized:		
250,00,00,000 (31 March 2021: 250,00,00,000) Equity shares of Rs.2/– each (refer note 39)	**500.00**	140.00
50,00,000 (31 March 2021: 50,00,000) Redeemable preference shares of Rs.100/– each	**50.00**	50.00
Issued, Subscribed and paid–up:		
123,55,29,920 (31 March 2021: 123,55,29,920) Equity shares of Rs.2/– each fully paid up	**247.11**	247.10
Less : 25,74,163 (31 March 2021: 35,64,302) Equity shares of Rs.2/– each fully paid up issued to ESOS Trust but not yet allotted to employees, including fresh equity shares allotted to ESOS Trust under rights issue during the year	**0.51**	0.70
Adjusted Issued, Subscribed and paid–up Share capital	**246.60**	246.40

	As at 31 March 2022 No. of shares	**As at 31 March 2022** Rs. in crores	As at 31 March 2021 No. of shares	As at 31 March 2021 Rs. in crores
a) Reconciliation of number of equity shares and amount outstanding:				
Issued, Subscribed and paid–up:				
Balance at the beginning of the year	**1,23,55,29,920**	**247.10**	61,77,64,960	123.55
Add: Fresh allotment of shares:				
– Through Rights Issue (refer note 39)	**–**	**–**	61,77,64,960	123.55
Balance at the end of the year	**1,23,55,29,920**	**247.10**	1,23,55,29,920	247.10
Less: Shares issued to ESOS Trust but not yet allotted to employees	**25,74,163**	**0.50**	35,64,302	0.70
Adjusted Issued, Subscribed and paid–up Share capital	**1,23,29,55,757**	**246.60**	1,23,19,65,618	246.40
b) Number of equity shares held by holding company or ultimate holding company including shares held by its subsidiaries/associates:				
Holding company: Mahindra & Mahindra Limited	**64,43,99,987**	**128.88**	64,43,99,987	128.88
Percentage of holding (%)	**52.16%**		52.16%	
c) Shareholders holding more than 5 percent of the aggregate shares:				
Mahindra & Mahindra Limited	**64,43,99,987**	**128.88**	64,43,99,987	128.88
Percentage of holding (%)	**52.16%**		52.16%	

d) Terms / rights attached to equity shares :

The Company has only one class of equity shares having a par value of Rs.2/– per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the board of directors and approved by the shareholders in the annual general meeting is paid in Indian rupees. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

e) Shareholding of Promoters

	Shares held by promoters as at 31 March 2022			Shares held by promoters as at 31 March 2021		
Name of the Promoter	**No. of Shares**	**%of total shares**	**% Change during the year**	No. of Shares	%of total shares	% Change during the year
Mahindra & Mahindra Limited	644,399,987	52.16%	**–**	**644,399,987**	52.16%	–

Other Equity

Description of the nature and purpose of Other Equity (refer Statement of Changes in Equity) :

Statutory reserve as per Section 45–IC of the RBI Act, 1934

Statutory reserve represents reserve fund created pursuant to Section 45–IC of the RBI Act, 1934 through transfer of specified percentage of net profit every year before any dividend is declared. The reserve fund can be utilized only for limited purposes as specified by RBI from time to time and every such utilization shall be reported to the RBI within specified period of time from the date of such utilization.

Capital redemption reserve (CRR)

Capital redemption reserve represents reserve created pursuant to Section 55 (2) (c) of the Companies Act, 2013 by transfer of an amount equivalent to nominal value of the Preference shares redeemed. The CRR may be utilized by the Company, in paying up unissued shares of the Company to be issued to the members of the Company as fully paid bonus shares in accordance with the provisions of the Companies Act, 2013.

Securities premium

Securities premium is used to record the premium on issue of shares. The reserve can be utilized only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

General reserve

General reserve is created through annual transfer of profits at a specified percentage in accordance with applicable regulations under the erstwhile Companies Act, 1956. Consequent to introduction of the Companies Act, 2013, the requirement to mandatorily transfer specified percentage of net profits to General reserve has been withdrawn. However, the amount previously transferred to the General reserve can be utilized only in accordance with the specific requirements of the Companies Act, 2013.

Employee stock options outstanding

The Employee Stock Options outstanding represents amount of reserve created by recognition of compensation cost at grant date fair value on stock options vested but not exercised by employees and unvested stock options in the Statement of profit and loss in respect of equity–settled share options granted to the eligible employees of the Company and its subsidiaries in pursuance of the Employee Stock Option Plan.

Retained earnings

Retained earnings or accumulated surplus represents total of all profits retained since Company's inception. Retained earnings are credited with current year profits, reduced by losses, if any, dividend payouts, transfers to General reserve or any such other appropriations to specific reserve.

Dividend distributions made and proposed

i) Dividend on equity shares declared and paid during the year

Rs. in crores

	31 March 2022	31 March 2021
Dividend paid	**98.84**	–
Profit for the relevent year	**335.15**	906.40
Dividend as a precentage of profit for the relevant year	**29.5%**	–

ii) Dividends proposed for approval at the annual general meeting (not recognised as a liability as at respective reporting date)

Rs. in crores

	31 March 2022	31 March 2021
Face value per share (Rupees)	**2.00**	2.00
Dividend percentage	**180%**	40%
Dividend per share (Rupees)	**3.60**	0.80
Total Dividend on Equity shares (a)	**444.79**	98.84
Profit after tax for the relevant year (b)	**988.75**	335.15
Dividend proposed as a precentage of profit after tax (a/b)	**45.0%**	29.5%

The dividend declared or paid during the year by the company is in compliance with section 123 of the Companies Act, 2013, as applicable.

24 Interest income

Rs. in crores

	31 March 2022	31 March 2021
On financial instruments measured at Amortized cost (refer not 2.6)		
Interest on loans (refer note 59)	**8,831.98**	9,784.05
Income from bill discounting	**77.61**	59.02
Interest income from investments	**142.49**	132.44
Interest on term deposits with banks	**181.36**	159.56
On financial instruments measured at fair value through OCI (refer note 2.11 (b))		
Interest income from investments in debt instrument	**242.17**	131.88
Total	**9,475.61**	10,266.95

Note: There is no loan asset measured at FVTPL.

25 Fees and commission income

Rs. in crores

	31 March 2022	31 March 2021
Service charges and other fees on loan transactions	**72.74**	49.92
Fees, commission/brokerage received from mutual fund distribution/other products	**13.46**	8.84
Collection fees related to transferred assets under securitization transactions	**19.09**	11.97
Total	**105.29**	70.73

26 Net gain/(loss) on fair value changes

Rs. in crores

	31 March 2022	31 March 2021
Net gain / (loss) on financial instruments at FVTPL		
– On trading portfolio		
– Investments	**0.09**	0.11
Others – Mutual fund units	**50.67**	101.19
Total Net gain / (loss) on financial instruments at FVTPL	**50.76**	101.30
Fair value changes:		
– Realized	**39.06**	92.10
– Unrealized	**11.70**	9.20
Total Net gain / (loss) on financial instruments at FVTPL	**50.76**	101.30

Note: Fair value changes in this schedule are other than those arising on account of accrued interest income/expense.

27 Other income

Rs. in crores

	31 March 2022	31 March 2021
Net gain on derecognition of property, plant and equipment	**1.27**	0.41
Net gain on sale investments measured at amortized cost	**–**	0.11
Dividend income from Equity investments in subsidiaries	**2.47**	–
Income from shared services	**56.90**	45.79
Others	**0.19**	14.39
Total	**60.83**	60.70

28 Finance costs

		Rs. in crores
	31 March 2022	31 March 2021
On financial liabilities measured at Amortized cost		
Interest on deposits	**766.91**	817.51
Interest on borrowings	**1,421.33**	1,831.13
Interest on debt securities	**1,394.91**	1,539.67
Interest on subordinated liabilities	**283.35**	293.33
Net loss / (gain) in fair value of derivative financial instruments	**7.99**	201.20
Interest expense on lease liabilities (refer note 42)	**14.36**	15.40
Others	**31.33**	34.95
Total	**3,920.18**	4,733.19

Note: There are no financial liabilities measured at FVTPL.

29 Impairment on financial instruments

		Rs. in crores
	31 March 2022	31 March 2021
On financial instruments measured at Amortized cost		
Bad debts and write offs	**2,513.07**	2,170.70
Loans	**(144.71)**	1,562.52
Investments	**1.21**	(0.96)
Loan commitment	**(1.01)**	0.04
Trade receivables and other contracts	**(0.26)**	2.52
Total	**2,368.30**	3,734.82

Note: There are no financial instruments measured at FVOCI.

30 Employee benefits expenses

		Rs. in crores
	31 March 2022	31 March 2021
Salaries and wages	**1,057.11**	917.15
Contribution to provident funds and other funds	**83.26**	76.70
Share based payments to employees	**9.20**	15.99
Staff welfare expenses	**21.83**	5.39
Total	**1,171.40**	1,015.23

31 Depreciation, amortization and impairment

		Rs. in crores
	31 March 2022	31 March 2021
Depreciation on Property, Plant and Equipment #	**67.51**	52.75
Amortization and impairment of intangible assets	**11.85**	20.40
Depreciation on Right of Use Asset (refer note 42)	**47.47**	52.73
Total	**126.83**	125.88

During the year, the Company has revised the estimate of useful life considered for depreciating the vehicles under operating lease from useful life as spcecified in Schedule II of the Companies Act, 2013, as amended, to useful life representing the lease period of respective lease agreements. This change in estimate has resulted in an additional depreciation charge of Rs. 12.20 crore which is included above under the head “Depreciation on Property, Plant and Equipment”.

32 Other expenses

		Rs. in crores
	31 March 2022	31 March 2021
Rent	**17.13**	18.39
Rates and taxes, excluding taxes on income	**4.82**	5.52
Electricity charges	**13.46**	10.05
Repairs and maintenance	**5.05**	5.23
Communication costs	**29.37**	18.49
Printing and stationery	**9.25**	5.55
Advertisement and publicity	**15.36**	7.61
Directors' fees, allowances and expenses	**2.29**	3.56
Auditor's fees and expenses –		
– Audit fees	**1.33**	0.97
– Other services	**0.41**	0.47
– Reimbursement of expenses	**0.05**	0.04
Legal and professional charges	**119.78**	78.44
Insurance	**37.79**	40.14
Manpower outsourcing cost	**159.81**	78.32
Donations (refer note 47)	**28.69**	26.58
Corporate Social Responsibility (CSR) expenses (refer note 47)	**0.79**	0.64
Conveyance and travel expenses	**82.39**	53.35
Other expenditure	**202.50**	106.87
Total	**730.27**	460.22

33 Exceptional items

		Rs. in crores
	31 March 2022	31 March 2021
Profit on sale of investments in shares of Mahindra Asset Management Company Private Limited, then wholly–owned subsidiary of the Company under 51:49 Joint Venture with Manulife Asset Management (Singapore) Pte. Ltd. (refer note 40 (ii))	**–**	6.10
Total	**–**	6.10

34 Earning Per Share (EPS)

		Rs. in crores
	31 March 2022	31 March 2021
Profit for the year (Rs in crore)	**988.75**	335.15
Weighted average number of Equity Shares used in computing basic EPS	**1,23,22,87,519**	1,10,58,95,353
Effect of potential dilutive Equity Shares	**14,58,085**	23,83,647
Weighted average number of Equity Shares used in computing diluted EPS	**1,23,37,45,604**	1,10,82,79,000
Basic Earnings per share (Rs.) (Face value of Rs. 2/– per share)	**8.02**	3.03
Diluted Earnings per share (Rs.)	**8.01**	3.02

35 Accumulated Other Comprehensive Income

Rs. in crores

	31 March 2022	31 March 2021
A) Items that will not be reclassified to profit or loss		
Balance at the beginning of the year	**1.99**	5.12
– Net gain / (loss) on equity instruments through OCI	**26.01**	(4.28)
– Income tax relating to items that will not be reclassified to profit or loss	**(6.54)**	1.15
Balance at the end of the year: Subtotal (A)	**21.46**	1.99
B) Items that will be reclassified to profit or loss		
Balance at the beginning of the year	**(57.82)**	11.64
– Net gain / (loss) on debt instruments through OCI	**0.70**	(92.82)
– Income tax relating to items that will be reclassified to profit or loss	**(0.18)**	23.36
Balance at the end of the year: Subtotal (B)	**(57.30)**	(57.82)
Accumulated Other Comprehensive Income (A + B)	**(35.84)**	(55.83)

36 Employee Stock Option Plan

The Company had allotted 48,45,025 Equity shares (face value of Rs.2/– each) under Employee Stock Option Scheme 2010 at par on 3 February 2011 to Mahindra and Mahindra Financial Services Limited Employees' Stock Option Trust ("the Trust") set up by the Company. The Trust holds these shares for the benefit of the employees and issues them to the eligible employees as per the recommendation of the Compensation Committee.

Pursuant to the Rights issue of one equity share for every equity share held as on record date, at an issue price of Rs.50 per Equity Share (including a premium of ₹ 48 per Equity Share), made by the Company, 20,63,662 equity shares have been allotted to the Trust in respect of its rights entitlement on 17 August 2020. All the option holders (beneficiaries) under existing grants have automatically became entitled to additional options at Rs.50/– per option as rights adjustment and accordingly, the number of outstanding options stand augmented in the same ratio as the rights issue. All the terms and conditions applicable to these additional options issued under rights issue shall remain same as original grant.

Upon exercise of stock options, including additional options issued as per Rights issue, under the scheme by eligible employees, the Trust had issued 51,19,799 equity shares to employees up to 31 March 2022 (31 March 2021: 41,29,660 equity shares), of which 9,90,139 equity shares (31 March 2021: 9,16,616 equity shares) were issued during the current year. This has resulted in an increase in equity share capital by Rs. 0.20 crore for the year ended 31 March 2022 (31 March 2021: Rs. 0.18 crore).

a) The terms and conditions of the Employees Stock Option Scheme 2010 are as under:

Particulars	Terms and conditions
Type of arrangement	Employees share based payment plan administered through ESOS Trust
Contractual life	3 years from the date of each vesting
Number of vested options exercisable	Minimum of 50 or number of options vested whichever is lower
Method of settlement	By issue of shares at exercise price
Vesting conditions	20% on expiry of 12 months from the date of grant
	20% on expiry of 24 months from the date of grant
	20% on expiry of 36 months from the date of grant
	20% on expiry of 48 months from the date of grant
	20% on expiry of 60 months from the date of grant

b) Options granted during the year:

During the year ended 31 March 2022, the Company has not granted any stock options (31 March 2021: nil) to the employees under the Employees' Stock Option Scheme 2010.

c) Summary of stock options:

Particulars	As at 31 March 2022 No. of stock options	As at 31 March 2022 Weighted average exercise price (Rs.) #	As at 31 March 2021 No. of stock options	As at 31 March 2021 Weighted average exercise price (Rs.) #
Options outstanding at the beginning of the year	**33,54,484**	**2.00**	23,50,342	2.00
Options granted during the year	–	–	–	–
Adjustment pertaining to Rights Issue	–	–	19,87,633	50.00
Options forfeited / lapsed during the year	**1,89,050**	**26.00**	65,073	23.00
Options expired during the year	**7,955**	**28.37**	1,802	30.00
Options exercised during the year	**9,90,139**	**25.20**	9,16,616	15.00
Options outstanding at the end of the year	**21,67,340**	**26.91**	33,54,484	26.00
Options vested but not exercised at the end of the year	**6,11,688**	**29.21**	7,07,970	28.00

Adjusted for additional options issued in the ratio of one equity share for every one equity share held under Rights issue made by the Company during August 2020. The options issued under ESOP scheme 2010 are exercisable at Rs.2/– per option and adjustment options issued under Rights issue are exercisable at Rs.50/– each, including premium of Rs. 48/– per option (being the issue price under Rights allotment).

d) Information in respect of options outstanding:

Exercise price	As at 31 March 2022 No. of stock options	As at 31 March 2022 Weighted average remaining life	As at 31 March 2021 No. of stock options	As at 31 March 2021 Weighted average remaining life
i) At Rs.2.00 per option	**10,42,783**	43 months	16,52,454	50 months
ii) At Rs.50.00 per option	**11,24,557**	42 months	17,02,030	49 months
	21,67,340		33,54,484	

e) Average share price at recognized stock exchange on the date of exercise of the option is as under:

Year ended 31 March 2022 Date of Exercise	Year ended 31 March 2022 Weighted average share price (Rs.) #	Year ended 31 March 2021 Date of Exercise	Year ended 31 March 2021 Weighted Average share price (Rs.)
01 April 2021 to 31 March 2022	**158.78**	01 April 2020 to 31 March 2021	167.30

Adjusted for additional options issued in the ratio of one equity share for every one equity share held under Rights issue made by the Company during the year ended 2020–21.

f) Determination of expected volatility

The measure of volatility used in the Black–Scholes option pricing model is the annualized standard deviation of the continuously compounded rates of return on the stock over a period of time.

The determination of expected volatility is based on historical volatility of the stock over the most recent period that is generally commensurate with the expected life of the option being valued. The period considered for volatility is adequate to represent a consistent trend in the price movements and the movements due to abnormal events are evened out.

Accordingly, since each vest has been considered as a separate grant, the model considers the volatility for periods, corresponding to the expected lives of different vests, prior to the grant date. Volatility has been calculated based on the daily closing market price of the Company's stock price on NSE over these years. Similar approach was followed in determination of expected volatility based on historical volatility for all the grants under the scheme.

In respect of stock options granted under Employee Stock Option Scheme 2010, the accounting is done as per the requirements of Ind AS 102 – Share–based payment. Consequently, Rs.9.20 crore (31 March 2021: Rs.15.99 crore) has been included under 'Employee Benefits Expense' as 'Share–based payment to employees' based on respective grant date fair value, after adjusting for reversals on account of options forfeited. The amount includes cost reimbursements to the holding company of Rs.2.70 crore (31 March 2021: Rs. 0.47 crore) in respect of options granted to employees of the Company and excludes net recovery of Rs.0.30 crore (31 March 2021: Rs.0.32 crore) from its subsidiaries for options granted to their employees.

37 Employee benefits

General description of defined benefit plans

Gratuity

The Company provides for the gratuity, a defined benefit retirement plan covering qualifying employees . The plan provides for lump sum payments to employees upon death while in employment or on separation from employment after serving for the stipulated period mentioned under The Payment of Gratuity Act, 1972. The Company makes annual contribution to the Gratuity scheme administered by the Life Insurance Corporation of India through its Gratuity fund.

Post retirement medical cover

The Company provides for post retirement medical cover to select grade of employees to cover the retiring employee and their spouse upto a specified age through mediclaim policy on which the premiums are paid by the Company. The eligibility of the employee for the benefit as well as the amount of medical cover purchased is determined by the grade of the employee at the time of retirement. Through its defined benefit plans the Company is exposed to a number of risks, the most significant of which are detailed below:

Asset volataity –

The plan liabilities are calculated using a discount rate set with references to government bond yields; if plan assets underperform compared to this yield, this will create or increase a deficit. The defined benefit plans may hold equity type assets, which may carry volatility and associated risk.

Change in bond yields –

A decrease in government bond yields will increase plan liabilities, although this is expected to be partially offset by an increase in the value of the plan's investment in debt instruments.

Variability in withdrawal rates –

If actual withdrawal rates are higher than assumed withdrawal rate assumption then the gratuity benefits will be paid earlier than expected. The impact of this will depend on whether the benefits are vested as at the resignation date.

Regulatory Risk –

Gratuity Benefit must comply with the requirements of the Payment of Gratuity Act, 1972 (as amended up–to–date). There is a risk of change in the regulations requiring higher gratuity payments (e.g. raising the present ceiling of Rs. 20,00,000, raising accrual rate from 15/26 etc.).

Inflation risk –

The present value of some of the defined benefit plan obligations are calculated with reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability. The post retirement medical benefit obligation is sensitive to medical inflation and accordingly, an increase in medical inflation rate would increase the plan's liability.

Life expectancy –

The present value of defined benefit plan obligation is calculated by reference to the best estimate of the mortality of plan participants, both during and after the employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

If actual mortality rates are higher than assumed mortality rate assumption than the gratuity benefits will be paid earlier than expected. Since there is no condition of vesting on the death benefit, the acceleration of cashflow will lead to an actuarial loss or gain depending on the relative values of the assumed salary growth and discount rate.

Details of defined benefit plans as per actuarial valuation are as follows:

	Particulars	Funded Plan Gratuity Year ended 31 March 2022	2021
I.	**Amounts recognised in the Statement of Profit & Loss**		
	Current service cost	**11.21**	11.26
	Net Interest cost	**1.92**	1.39
	Past service cost	**–**	–
	Adjustment due to change in opening balance of Plan assets	**(5.04)**	(4.24)
	Total expenses included in employee benefits expense	**8.09**	8.41
II.	**Amount recognized in Other Comprehensive income**		
	Remeasurement (gains)/losses:		
	a) Actuarial (gains)/losses arising from changes in –		
	– financial assumptions	**(3.10)**	(2.82)
	– experience adjustments	**–**	–
	b) Return on plan assets, excluding amount included in net interest expense/ (income)	**–**	–
	Total amount recognized in other comprehensive income	**(3.10)**	(2.82)
III.	**Changes in the defined benefit obligation**		
	Opening defined benefit obligation	**95.44**	85.40
	Add/(less) on account of business combination/transfers		
	Current service cost	**11.21**	11.26
	Past service cost	**–**	–
	Interest expense	**6.59**	5.89
	Remeasurement (gains)/losses arising from changes in –		
	– demographic assumptions	**0.56**	0.55
	– financial assumptions	**(5.36)**	(0.11)
	– experience adjustments	**3.23**	(2.13)
	Benefits paid	**(7.41)**	(5.42)
	Closing defined benefit obligation	**104.26**	95.44
IV.	**Change in the fair value of plan assets during the year**		
	Opening Fair value of plan assets	**62.62**	61.09
	Interest income	**4.67**	4.51
	Expected return on plan assets	**(4.67)**	(4.51)
	Contributions by employer	**4.81**	2.72
	Adjustment due to change in opening balance of Plan assets	**5.04**	4.23
	Actual Benefits paid	**(7.41)**	(5.42)
	Closing Fair value of plan assets	**65.06**	62.62
V.	**Net defined benefit obligation**		
	Defined benefit obligation	**104.26**	95.44
	Fair value of plan assets	**65.05**	62.62
	Surplus/(Deficit)	**(39.21)**	(32.82)

Particulars	Funded Plan Gratuity Year ended 31 March 2022	2021
Current portion of the above	**–**	–
Non current portion of the above	**(39.21)**	(32.82)
VI. Expected contribution for the next reporting year	**19.85**	18.68
Actuarial assumptions and Sensitivity		
I. Actuarial assumptions		
Discount Rate (p.a.)	**7.32%**	6.91%
Attrition rate	**25.52 for age upto 30, 16.17 for age 31–44, 5.98 for 44 and above**	6.61 for age upto 30, 5.47 for age 31–44, 0.12 for 44 and above
Expected rate of return on plan assets (p.a.)		–
Rate of Salary increase (p.a.)	**7.00%**	7.00%
In–service Mortality	**Indian Assured Lives Mortality (2012–14) Ultimate**	Indian Assured Lives Mortality (2012–14) Ultimate
II. Quantitative sensitivity analysis for impact of significant assumptions on defined benefit obligation are as follows:		
One percentage point increase in discount rate	**(8.47)**	(11.07)
One percentage point decrease in discount rate	**5.65**	13.25
One percentage point increase in Salary growth rate	**5.60**	13.11
One percentage point decrease in Salary growth rate	**(8.55)**	(11.15)
III. Maturity profile of defined benefit obligation		
Within 1 year	**19.24**	6.32
Between 1 and 5 years	**95.92**	27.76

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

The plan assets have been primarily invested in government securities and corporate bonds.

The cost of the defined benefit plans and other long term benefits are determined using actuarial valuations. Actuarial valuations involve making various assumptions that may differ from actual developments in the future. These includes the determination of the discount rate, future salary increases and mortality rate. Due to these complexity involved in the valuation it is highly sensitive to the changes in these assumptions. All assumptions are reviewed at each reporting date. The present value of the defined benefit obligation and the related current service cost and planned service cost were measured using the projected unit cost method.

The Company's contribution to provident fund, superannuation fund and national pension scheme aggregating to Rs 59.17 crore (31 March 2021: Rs.58.41 crore) has been recognized in the Statement of profit and loss under the head Employee benefits expense.

38 Additional disclosures

i) During the financial years ended 31 March 2022 and 31 March 2021, the Company has not granted any loans or advances in the nature of loans to promoters, directors, KMPs and the related parties (as defined under the Companies Act, 2013), either severally or jointly with any other person (a) repayable on demand or (b) without specifying any terms or period of repayment.

ii) There is no Benami Property held by the Company and there is no proceedings have been initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

iii) Disclosure of transactions with the companies struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956

As at 31 March 2022

Name of Struck off Company	Nature of transactions with struck–off Company	Balance outstanding as at 31 March 2022 (Rs. in crore)	Relationship with the Struck off company, if any, to be disclosed
1 CONSOLE CARGO LOGISTICS SERVICES (I) PRIVATE LIMITED	Receivables	0.09	External
2 ANUSHREE CONSTROTECH PRIVATE LIMITED	Receivables	–	External
3 SHAN STRATEGIC SOLUTIONS PRIVATE LIMITED	Receivables	–	External
4 HIMHYDRO CONSTRUCTION PRIVATE LIMITED	Receivables	–	External
5 G. V. FOODS PRIVATE LIMITED	Receivables	–	External
6 SINGHAL BRICKS PRIVATE LIMITED	Receivables	–	External
7 MODESTY INDUSTRIES PRIVATE LIMITED	Receivables	0.01	External
8 RA GLOBALCITY HOUSING PRIVATE LIMITED	Receivables	(0.00)	External
9 GRACIOUS BOTTLES PRIVATE LIMITED	Receivables	0.01	External
10 SARASWATIPUR TEA AND INDUSTRIES PVT.LTD.	Receivables	0.00	External
11 FAST BUSINESS CENTRE LIMITED	Receivables	0.02	External
12 KIRAN ENVIRO–TECH ENERGY PRIVATE LIMITED	Receivables	0.03	External
13 ASHI INFRAPROJECTS AND ASSOCIATES PRIVATE LIMITED	Receivables	0.01	External
14 SATKAR SECURITY PROVIDER PRIVATE LIMITED	Receivables	0.01	External
15 ATCOM INFRATECH PRIVATE LIMITED	Receivables	0.08	External
16 GOLUDEV INFRASTRUCTURE PRIVATE LIMITED	Receivables	0.07	External
17 M.Y. TRANSPORT COMPANY PRIVATE LIMITED	Receivables	0.32	External
18 GOMATESHWAR INVESTMENTS PVT LTD	Shares held by stuck off Company	50*	External
19 DREAMS BROKING PRIVATE LIMITED	Shares held by stuck off Company	476*	External
20 UNICKON FINCAP PRIVATE LIMITED	Shares held by stuck off Company	689*	External

* Number of Equity Shares

As at 31 March 2021

	Name of Struck off Company	Nature of transactions with struck–off Company	Balance outstanding as at 31 March 2021 (Rs. in crore)	Relationship with the Struck off company, if any, to be disclosed
1	ANUSHREE CONSTROTECH PRIVATE LIMITED	Receivables	0.36	External
2	SHAN STRATEGIC SOLUTIONS PRIVATE LIMITED	Receivables	(0.00)	External
3	HIMHYDRO CONSTRUCTION PRIVATE LIMITED	Receivables	–	External
4	G. V. FOODS PRIVATE LIMITED	Receivables	–	External
5	SINGHAL BRICKS PRIVATE LIMITED	Receivables	–	External
6	MODESTY INDUSTRIES PRIVATE LIMITED	Receivables	0.02	External
7	RA GLOBALCITY HOUSING PRIVATE LIMITED	Receivables	0.00	External
8	GRACIOUS BOTTLES PRIVATE LIMITED	Receivables	0.02	External
9	SARASWATIPUR TEA AND INDUSTRIES PVT.LTD.	Receivables	0.01	External
10	FAST BUSINESS CENTRE LIMITED	Receivables	0.03	External
11	KIRAN ENVIRO–TECH ENERGY PRIVATE LIMITED	Receivables	0.04	External
12	SATKAR SECURITY PROVIDER PRIVATE LIMITED	Receivables	0.03	External
13	ATCOM INFRATECH PRIVATE LIMITED	Receivables	0.10	External
14	M.Y. TRANSPORT COMPANY PRIVATE LIMITED	Receivables	0.73	External
15	GOMATESHWAR INVESTMENTS PVT LTD	Shares held by stuck off Company	50*	External
16	DREAMS BROKING PRIVATE LIMITED	Shares held by stuck off Company	476*	External
17	UNICKON FINCAP PRIVATE LIMITED	Shares held by stuck off Company	689*	External

* Number of Equity Shares

iv) There is no charges or satisfaction in relation to any debt / borrowings yet to be registered with ROC beyond the statutory period.

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

vi) Utilisation of Borrowed funds and share premium:

A) The Company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall –

(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or

(ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries;

B) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall –

(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

vii) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

viii) There are no transactions which have not been recorded in the books of accounts and has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961. Also, there are no previously unrecorded income and related assets.

ix) All secured NCDs issued by the Company are secured by pari–passu charge on Aurangabad office (wherever applicable) and / or exclusive charge on receivables under loan contracts, owned assets and book debts to the minimum extent of 100% or such higher security as per the respective term–sheets of outstanding secured NCDs. The asset cover available as on 31 March 2022 in respect of listed secured debt securities is 1.09 and on unsecured debt is to the extent of 1.74.

39 Funds raised during the year ended 31 March 2021 by issue of equity shares through Rights Issue

Pursuant to authorization of further infusion of capital through Rights Issue by the Board of Directors of the Company at its meeting held on 1 June 2020, other resolutions passed on 18 July 2020 approving the issue size, rights entitlement ratio, fixing the issue price, fixing the record date and in accordance with the provisions of the Companies Act, 2013 and the applicable Rules prescribed thereunder, the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended, the Company had issued 61,77,64,960 fully paid–up equity shares of face value of Rs. 2 each for cash at a price of Rs. 50 per equity share (including a premium of Rs. 48 per equity share) aggregating to Rs. 3,088.82 crore on a rights basis to eligible equity shareholders in the ratio of one equity share for every one fully paid–up equity share held on the record date, that is 23 July 2020. These equity shares were allotted on 17 August 2020. The Company had utilized the entire proceeds (net of issue related expenses) from the above referred Rights Issue for the purposes as stated in its 'Letter of Offer'.

The fresh allotment of equity shares through Rights Issue as stated above had resulted in an increase of equity share capital by Rs.123.55 crore and securities premium reserve by Rs. 2,965.27 crore.

The share issue expenses of Rs.8.54 crore had been adjusted against securities premium reserve as per the accounting policy.

Increase in the Authorised Share Capital of the Company:

In view of Rights Issue and pursuant to the consent accorded by passing Special Resolutions by the Shareholders of Mahindra & Mahindra Financial Services Limited at the Extraordinary General Meeting ("EGM") held on Tuesday, 30 June, 2020, the Authorised share capital of the Company had been increased from Rs. 190.00 crore divided into 70,00,00,000 (Seventy crore) equity shares of Rs. 2 (Rupees Two) each of the Company and 50,00,000 (Fifty crore) Redeemable Preference shares of Rs. 100 (Rupees hundred) each of the Company to Rs. 550.00 crore divided into 250,00,00,000 (Two hundred fifty crore) equity ehares of Rs. 2 (Rupees two) each of the Company and 50,00,000 (Fifty Lakh) Redeemable Preference shares of Rs. 100 (Rupees hundred) each of the Company.

40 Transactions in the nature of change in ownership in other entities

Transactions pertaining to current year ended 31 March 2022:

i) Pursuant to the Share Subscription, Share Purchase and Shareholders' Agreement dated 20 August, 2019 with Ideal Finance Limited, Sri Lanka ("Ideal Finance") and its existing shareholders for investment of the third and final tranche for acquisition of shares of Ideal Finance from its existing shareholders, the Company has completed the acquisition of the balance 20% of the Equity Share Capital aggregating 2,91,29,032 Equity Shares of

Ideal Finance from its existing shareholders for Rs. 33.97 crore on 8 July 2021, resulting in an increase in the Company's stake in Ideal Finance from 38.20% to 58.20% with a cumulative investment of Rs.77.97 Crore. Consequent to this investment, Ideal Finance has become a Subsidiary of the Company effective 8 July, 2021 and the name has been changed to Mahindra Ideal Finance Limited.

Transactions pertaining to previous year ended 31 March 2021:

ii) The Company, on 21 June 2019, along with Mahindra Asset Management Company Private Limited ('MAMCPL') and Mahindra Trustee Company Private Limited ('MTCPL'), then wholly–owned subsidiaries of the Company, had entered in to a share subscription agreement and shareholders' agreement to form a 51:49 Joint Venture with Manulife Asset Management (Singapore) Pte. Ltd. ('Manulife').

The transaction was settled on 29 April 2020 in accordance with share subscription and shareholders' agreements to acquire a 49% stake in MIAMCPL and MTCPL by Manulife. Accordingly, Manulife has made a fresh equity investment infusion aggregating to US $ 35.00 million to acquire 42% of the share capital of MAMCPL & MTCPL. The said agreements have also provided for sale of certain number of equity shares of MAMCPL by MMFSL at an agreed valuation within the overall stake divestment of 49% to Manulife. Accordingly, under the sale transaction, 1,47,00,000 equity shares of MAMCPL, equivalent to 7% of the fully paid up equity share capital of MAMCPL, for a consideration of Rs. 20.80 crore (equivalent to USD 2.73 million), have been transferred in dematerialized form to Manulife. On this sale transaction, the Company recognized a pre–tax profit of Rs.6.10 crore on a standalone basis and the same has been disclosed as exceptional item in the statement of profit and loss for the year ended 31 March 2021.

Consequent to the above, the shareholding of the Company in MAMCPL and MTCPL has come down from 100% to 51% of the fully paid up equity share capital. The erstwhile names of MAMCPL and MTCPL have been changed to Mahindra Manulife Investment Management Private Limited (MMIMPL) and Mahindra Manulife Trustee Private Limited (MMTPL), respectively.

41 Capital management

The Reserve Bank of India vide its circular reference RBI/2019–20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019–20 dated 13 March 2020 outlined the regulatory guidance in relation to Ind AS financial statements from financial year 2019–20 onwards. This included guidance for computation of 'owned funds' , 'net owned funds' and 'regulatory capital'. Accordingly, effective from the financial year ended 31 March 2020, the 'regulatory capital' has been computed in accordance with these requirements read with the requirements of the Master Direction DNBR. PD. 008/03.10.119/2016–17 dated September 01, 2016 (as amended).

'The Company's capital management strategy is to effectively determine, raise and deploy capital so as to create value for its shareholders. The same is done through a mix of either equity and/or convertible and/or combination of short term /long term debt as may be appropriate.

The Company determines the amount of capital required on the basis of operations, capital expenditure and strategic investment plans. The capital structure is monitored on the basis of net debt to equity and maturity profile of overall debt portfolio.

The Company is subject to the capital adequacy requirements of the Reserve Bank of India (RBI). Under RBI's capital adequacy guidelines, the Company is required to maintain a capital adequacy ratio consisting of Tier I and Tier II Capital. The total of Tier II Capital at any point of time, shall not exceed 100 percent of Tier I Capital. The minimum capital ratio as prescribed by RBI guidelines and applicable to the Company, consisting of Tier I and Tier II capital, shall not be less than 15 percent of its aggregate risk weighted assets on–balance sheet and of risk adjusted value of off–balance sheet.

The Company has complied with all regulatory requirements related capital and capital adequacy ratios as prescribed by RBI.

Regulatory capital

		Rs. in crores
	As at 31 March 2022	As at 31 March 2021
Tier – I capital	**13,694.10**	12,653.79
Tier – II capital	**1,982.55**	2,141.99
Total Capital	**15,676.65**	14,795.78
Aggregate of Risk Weighted Assets	**56,482.56**	56,944.01
Tier – I capital ratio	**24.3%**	22.2%
Total Capital ratio	**27.8%**	26.0%

"Tier I Capital" means owned fund as reduced by investment in shares of other non–banking financial companies and in shares, debentures, bonds, outstanding loans and advances including hire purchase and lease finance made to and deposits with subsidiaries and companies in the same group exceeding, in aggregate, ten per cent of the owned fund.

"owned fund" means paid up equity capital, preference shares which are compulsorily convertible into equity, free reserves, balance in share premium account and capital reserves representing surplus arising out of sale proceeds of asset, excluding reserves created by revaluation of asset, as reduced by accumulated loss balance, book value of intangible assets and deferred revenue expenditure, if any.

"Tier II capital" includes the following –

(a) preference shares other than those which are compulsorily convertible into equity;

(b) revaluation reserves at discounted rate of fifty five percent;

(c) General provisions (including that for Standard Assets) and loss reserves to the extent these are not attributable to actual diminution in value or identifiable potential loss in any specific asset and are available to meet unexpected losses, to the extent of one and one fourth percent of risk weighted assets. 12 month expected credit loss (ECL) allowances for financial instruments i.e. where the credit risk has not increased significantly since initial recognition, shall be included under general provisions and loss reserves in Tier II capital within the limits specified by extant regulations. Lifetime ECL shall not be reckoned for regulatory capital (numerator) while it shall be reduced from the risk weighted assets.

(d) hybrid debt capital instruments; and

(e) subordinated debt to the extent the aggregate does not exceed Tier I capital.

Aggregate Risk Weighted Assets –

Under RBI Guidelines, degrees of credit risk expressed as percentage weightages have been assigned to each of the on–balance sheet assets and off– balance sheet assets. Hence, the value of each of the on–balance sheet assets and off– balance sheet assets requires to be multiplied by the relevant risk weights to arrive at risk adjusted value of assets. The aggregate shall be taken into account for reckoning the minimum capital ratio.

42 Leases

I) In the cases where assets are taken on operating lease (as lessee) –

As a lessee, the Company's lease asset class primarily consist of buildings or part thereof taken on lease for office premises, certain IT equipments and general purpose office equipments used for operating activities.

In accordance with the requirements under Ind AS 116, Leases, the Company has recognized the lease liability at the present value of the future lease payments discounted at the incremental borrowing rate at the date of initial application as at 1 April 2019, and thereafter, at the inception of respective lease contracts, ROU asset equal to lease liability is recognized at the incremental borrowing rate prevailed during that relevant period subject to certain practical expedients as allowed by the standard. The weighted average incremental borrowing rate of 7.92% has been applied to lease liabilities recognised in the balance sheet at the date of initial application.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

a) Maturity Analysis – Contractual Undiscounted Cash Flow:

Rs. in crores

	As at 31 March 2022	As at 31 March 2021
Less than 1 year	**54.53**	52.41
1 – 3 years	**84.02**	85.50
3 – 5 years	**51.87**	54.42
More than 5 years	**34.17**	43.07
Total undiscounted lease liabilities	**224.59**	235.40

b) Other disclosures:

Following table summarizes other disclosures including the note references for the expense, asset and liability heads under which certain expenses, assets and liability items are grouped in the financial statements.

Rs. in crores

		Amount for the year ended/ As at	
		31 March 2022	31 March 2021
i)	Depreciation charge for Right–Of–Use assets for Leasehold premises (presented under note – 31 “Depreciation, amortization and impairment”)	**47.47**	52.73
ii)	Interest expense on lease liabilities (presented under note – 28 “Finance costs”)	**14.36**	15.40
iii)	Expense relating to short–term leases (included in Rent expenses under note 32 “Other expenses”)	**10.83**	12.23
iv)	Expense relating to leases of low–value assets (included in Rent expenses under note 32 “Other expenses”)	**8.99**	8.55
v)	Payments for principal portion of lease liability	**40.45**	42.75
vi)	Additions to right–of–use assets during the year	**46.24**	50.11
vii)	Carrying amount of right–of–use assets at the end of the reporting period by class of underlying asset –		
	– Property taken on lease for office premises (presented under note – 11 “Property, plant and equipments”)	**165.42**	173.58
viii)	Lease liabilities (presented under note – 20 “Other financial liabilities”)	**185.26**	190.09

Pursuant to amendments brought in by the Ministry of Corporate Affairs through the Companies (Indian Accounting Standards) Amendment Rules, 2021 vide notification dated 18 June 2021, Ind AS 116 – Leases paragraph 46B was amended to extend the application of practical expedient related to Covid–19–Related Rent Concessions to lease payments originally due on or before 30th June 2022. The Company had applied this practical expedient to all such rent concessions received during the year ended 31 March 2022 from certain Lessors that meet the conditions specified in paragraph 46B. The amount of rent concessions recognized in the statement of profit or loss for the previous year ended 31 March 2022 was Rs. 2.69 crore.

II) In the cases where assets are given on operating lease (as lessor) –

Key terms of the lease are as below:

i) Both New and Used vehicles are offered on Lease for a tenure ranging from 24 to 60 months.

ii) Customised leasing solutions are offered with value–added services like Fleet Management with regards to vehicle maintenance, Insurance management including claim settlement, pick–up and drop, replacement vehicle etc

iii) The consideration payable is the monthly lease rental which varies based on the make / model of the vehicle and tenure leased.

Rental income arising from these operating leases is accounted for on a straight–line basis over the lease terms and is included in rental income in the Statement of profit and loss. Costs, including depreciation, incurred in earning the lease income are recognized as an expense.

Other details are as follows:

Rs. in crores

Particulars		**Year ended 31 March 2022**	Year ended 31 March 2021"
i)	**New vehicles to retail customers on operating lease –**		
	Gross carrying amount	**144.44**	71.40
	Depreciation for the year	**23.42**	8.92
	Accumulated Depreciation	**36.60**	13.20
ii)	**Used and refurbished vehicles to travel operators/taxi aggregators –**		
	Gross carrying amount	**2.71**	2.75
	Depreciation for the year	**1.56**	0.19
	Accumulated Depreciation	**2.32**	0.75

The total future minimum lease rentals receivable for the non–cancellable lease period as at the Balance sheet date is as under:

Rs. in crores

Particulars		**As at 31 March 2022**	As at 31 March 2021
i)	**New vehicles to retail customers on operating lease –**		
	Not later than one year	**43.20**	19.69
	Later than one year but not later than five years	**89.15**	43.05
	Later than five years	**–**	–
		132.35	**62.74**
ii)	**Used and refurbished vehicles to travel operators/taxi aggregators –**		
	Not later than one year	**0.20**	**0.21**
	Later than one year but not later than five years	**0.12**	**0.32**
	Later than five years	**–**	–
		0.32	0.53

Since there is no contingent rent applicable in respect of these lease arrangements, the Company has not recognized any income as contingent income during the year.

III) In the cases where assets are given on finance lease (as lessor) –

Rentals receivable on finance lease:

Particulars	**As at 31 March 2022**	As at 31 March 2021
Gross Rental Receivable	**33.88**	–
Less: Unearned Income	**7.18**	–
Net Receivable before charging allowance for Impairment loss	**26.70**	–
Less: Allowance for Impairment losses	**0.25**	–
Total Net Receivables	**26.45**	–

Particulars	Within 1 year	1 to 5 years	Over 5 years	Total
Gross Rental Receivables	9.01	24.87	–	33.88
Less: Unearned Income	2.92	4.26		7.18
Net Receivable before charging allowance for Impairment loss	6.09	20.61	–	26.70

43 Operating segments

There is no separate reportable segment as per Ind AS 108 on 'Operating Segments' in respect of the Company.

The Company operates in single segment only. There are no operations outside India and hence there is no external revenue or assets which require disclosure.

No revenue from transactions with a single external customer amounted to 10% or more of the Company's total revenue in year ended 31 March 2022 or 31 March 2021.

44 Frauds reported during the year

There were 178 cases (31 March 2021: 80 cases) of frauds amounting to Rs. 5.13 crore (31 March 2021: Rs. 2.52 crore) reported during the year. The Company has recovered an amount of Rs. 2.24 crore (31 March 2021: Rs. 0.61 crore) and has initiated appropriate legal actions against the individuals involved. The claims for the un-recovered losses have been lodged with the insurance companies on merit basis.

45 Contingent liabilities and commitments (to the extent not provided for)

Rs. in crores

		31 March 2022	31 March 2021
i)	**Contingent liabilities**		
	Claims against the Company not acknowledged as debts	**170.99**	159.41
	Guarantees	**1,720.34**	1,577.23
		1,891.33	1,736.64
ii)	**Commitments**		
	Estimated amount of contracts remaining to be executed on capital account and not provided for	**58.17**	**12.66**
	Other commitments (loan sanctioned but not disbursed)	**44.77**	**61.62**
		102.94	74.28
Total		**1,994.27**	1,810.92

The Company's pending litigations comprise of claims against the Company primarily by the customers and proceedings pending with Income Tax, sales tax/VAT and other authorities. The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed the contingent liabilities where applicable, in its financial statements. The amount of provisions/contingent liabilities is based on management's estimate, and no significant liability is expected to arise out of the same.

The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial performance and financial position. Regarding the amounts disclosed above, it is not practicable to disclose information on the possibility of any reimbursements as it is determinable only on the occurrence of uncertain future events.

46 Transfer of financial assets

Transferred financial assets that are not derecognized in their entirety

The Company has transferred certain pools of fixed rate loan receivables backed by underlying assets in the form of tractors, vehicles, equipments etc. by entering in to securitization transactions with the Special Purpose Vehicle Trusts ("SPV Trust") sponsored by Commercial banks for consideration received in cash at the inception of the transaction.

The Company, being Originator of these loan receivables, also acts as Servicer with a responsibility of collection of receivables from its borrowers and depositing the same in Collection and Payout Account maintained by the SPV Trust for making scheduled payouts to the investors in Pass Though Certificates (PTCs) issued by the SPV Trust. These securitization transactions also requires the Company to provide for first loss credit enhancement in various forms, such as corporate guarantee, cash collateral, subscription to subordinated PTCs. as credit support in the event of shortfall in collections from underlying loan contracts. By virtue of existence of credit enhancement, the Company is exposed to credit risk, being the expected losses that will be incurred on the transferred loan receivables to the extent of the credit enhancement provided.

In view of the above, the Company has retained substantially all the risks and rewards of ownership of the financial asset and thereby does not meet the recognition criteria as set out in Ind AS 109. Consideration received in this transaction is presented as "Associated liability related to Securitization transactions" under Note no. 17.

The following table provide a summary of financial assets that have been transferred in such a way that part or all of the transferred financial assets do not qualify for derecognition, together with the associated liabilities:

Rs. in crores

Particulars	**As at 31 March 2022**	As at 31 March 2021
Securitizations –		
Carrying amount of transferred assets measured at amortized cost	**8,319.61**	10,524.45
Carrying amount of associated liabilities	**8,089.20**	10,390.77
Fair value of transferred assets (A)	**8,120.33**	10,345.25
Fair value of associated liabilities (B)	**8,209.70**	9,592.85
Net position (A–B)	**(89.37)**	752.40

47 Corporate Social Responsibility (CSR)

The Corporate Social Responsibility Committee ('CSR Committee' Board level) is responsible to formulate and recommend to the Board the CSR Policy indicating the activities falling within the purview of Schedule VII to the Companies Act, 2013, to be undertaken by the Company, to recommend the amount to be spent on CSR activities presented by the Financial Services Sector CSR Council ('FSS CSR Council') and to monitor the CSR Policy periodically.

Funding and Allocation:

For achieving the CSR objectives through implementation of meaningful and sustainable CSR Projects, the CSR Committee will allocate for its Annual CSR Budget, 2% of the average net profits of the Company made during the three immediately preceding financial years, calculated in accordance with the relevant Sections of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014.

The Company may spend upto 5% of the total CSR expenditure in one financial year on building CSR capabilities. The Company may also make contributions to its Corporate Foundations/Trusts i.e. K. C. Mahindra Education Trust and Mahindra Foundation, towards its corpus for projects approved by the Board. The CSR Committee will approve the CSR budget annually on receiving the recommendations from FSS CSR Council.

Any unspent amount at the end of the financial year will be treated as per the provisions of the existing CSR Law. Any surplus arising out of the CSR Projects or Programs or activities shall not form part of the business profit of the Company.

The Company has set up the Mahindra Finance CSR Foundation (incorporated on 2nd April, 2019) as a wholly-owned subsidiary company registered under Section 8 of the Companies Act, 2013 to promote and support CSR projects and activities of the Company and its subsidiary companies. The Company implements its CSR programs through the Mahindra Finance CSR Foundation.

The Company has identified CSR Thrust Areas for undertaking CSR Projects/ programs/activities in India. The actual distribution of the expenditure among these thrust areas will depend upon the local needs as may be determined by the need identification studies or discussions with local government/ Grampanchayat/ NGOs. The Company shall give preference to the local area and areas around which the Company operates for CSR spending. Thrust areas include health, education, environment and other activities.

The amount spent or contribution / donations made towards CSR activities is charged to Donations and Corporate Social Responsibility (CSR) expenses respectively, in the statement of Profit and Loss.

The CSR activities of the Company shall include, but not limited to any or all of the sectors/activities as may be prescribed by Schedule VII of the Companies Act, 2013 amended from time to time. Further, the Company reviews the sectors/activities from time to time and make additions/ deletions/ clarifications to the above sectors/activities.

During the year ended 31 March 2022, the Company has incurred an expenditure of Rs. 28.69 crore (31 March 2021: Rs. 26.58 crore) towards CSR activities which includes contribution / donations made to the trusts which are engaged in activities prescribed under section 135 of the Companies Act, 2013 read with Schedule VII to the said Act and expense of Rs. 0.79 crore (31 March 2021: Rs. 0.64 crore) towards the CSR activities undertaken by the Company.

The CSR activities of the Company shall include, but not limited to any or all of the sectors/activities as may be prescribed by Schedule VII of the Companies Act, 2013 amended from time to time. Further, the Company will review the sectors/activities from time to time and make additions/ deletions/ clarifications to the above sectors/activities.

Detail of amount spent towards CSR activities :

a) Gross amount required to be spent by the Company during the year is Rs. 37.51 crore (31 March 2021: Rs. 27.29 crore).

b) Amount spent by the Company during the year :

Rs. in crores

Particulars	For the year ended 31 March 2021			For the year ended 31 March 2020		
	In cash	**Yet to be paid in cash**	**Total**	In cash	Yet to be paid in cash	Total
i) Construction/acquisition of any asset	**–**	**–**	**–**	–	–	–
ii) On purpose other than (i) above	**29.72**	**–**	**29.72**	27.37	–	27.37

The above expenditure includes Rs. 0.24 crore (31 March 2021: Rs. 0.15 crore) as salary cost in respect of certain employees who have been exclusively engaged in CSR administrative activities which qualifies as CSR expenditure under section 135 of the Companies Act, 2013.

c) Amount of shortfall at the end of the year: Rs. 7.79 Crore.

The Company has transferred Rs. 7.79 crore to a fund specified in schedule VII, within a period of thirty days.

d) Total of previous years shortfall: Nil

e) Reasons for shortfall: Amount pertaining to ongoing project 'Swabhimaan'

f) Nature of CSR activities: Contributions / donations made to the trusts which are engaged in activities prescribed under section 135 of the Companies Act, 2013 read with Schedule VII to the said Act and CSR activities undertaken by the Company.

g) Details of related party transactions:

Contribution to a trust controlled by the Company in relation to CSR expenditure : Rs. 0.01 crore paid to the Mahindra Finance CSR Foundation (Subsidiary)

h) Provision made with respect to a liability already incurred by entering into a contractual obligation : Nil

48 There was no Scheme of Arrangements approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013 during the year.

49 The Company has a process whereby periodically all long term contracts (including derivative contracts) are assessed for material foreseeable losses. At the year end, the Company has reviewed and ensured that adequate provision as required under any law/accounting standards for material foreseeable losses on such long term contracts (including derivative contracts) has been made in the books of accounts.

50 Reconciliation of movement of liabilities to cash flows arising from financing activities

Year ended 31 March 2022

Rs. in crores

Particulars	1 April 2021	Cash flows (net)	Exchange difference	Amortization of loan origination costs	New leases	31 March 2022
Debt securities	16,834.57	1,405.70	–	12.44	–	**1,825,271.00**
Borrowings (Other than debt securities)	29,142.08	(3,061.65)	(90.38)	15.11	–	**2,600,516.50**
Deposits	9,450.66	(1,034.09)	–	9.62	–	**842,619.00**
Subordinated liabilities	3,149.37	(22.25)	–	2.73	–	**312,985.00**
Lease liabilities	190.10	(44.14)	–		39.30	**18,526.00**
Total	**58,766.77**	**(2,756.43)**	**(90.38)**	**39.90**	**39.30**	**55,999.18**

Year ended 31 March 2021

Rs. in crores

Particulars	1 April 2020	Cash flows (net)	Exchange difference	Amortization of loan origination costs	New leases	31 March 2021
Debt securities	17,744.87	(901.25)	–	(9.05)	–	16,834.57
Borrowings (Other than debt securities)	29,487.35	(228.16)	(124.75)	7.64	–	29,142.08
Deposits	8,812.14	626.99	–	11.53	–	9,450.66
Subordinated liabilities	3,417.95	(272.98)	–	4.40	–	3,149.37
Lease liabilities	188.81	(45.14)	–	–	46.43	190.10
Dividend paid (including tax on dividend)	–		–	–	–	
Total	**59,651.11**	**(820.54)**	**(124.75)**	**14.52**	**46.43**	**58,766.77**

51 Financial Risk Management Framework

In the course of its business, the Company is exposed to certain financial risks namely credit risk, interest risk, currency risk & liquidity risk. The Company's primary focus is to achieve better predictability of financial markets and seek to minimize potential adverse effects on its financial performance.

The financial risks are managed in accordance with the Company's risk management policy which has been approved by its Board of Directors.

Board of Directors of the Company have established Asset and Liability Management Committee (ALCO), which is responsible for developing and monitoring risk management policies for its business. The Company's financial services businesses are exposed to high credit risk given the unbanked rural customer base and diminishing value of collateral. The credit risk is managed through credit norms established based on historical experience.

51.1 Market Risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, foreign exchange rates, etc. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while maximizing the return.

a) Pricing Risk

The Company's Investment in Mutual Funds is exposed to pricing risk. Other financial instruments held by the Company does not possess any risk associated with trading. A 5 percent increase in Net Assets Value (NAV) would increase profit before tax by approximately Rs 41.72 crore (31 March 2021 : Rs 83.36 crore). A similar percentage decrease would have resulted equivalent opposite impact.

b) Currency Risk

Currency Risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Foreign currency risk arise majorly on account of foreign currency borrowings. The Company's foreign currency exposures are managed in accordance with its Foreign Exchange Risk Management Policy which has been approved by its Board of Directors. The Company manages its foreign currency risk by entering into forward contract and cross currency swaps.

The carrying amounts of the Company's foreign currency exposure at the end of the reporting period are as follows :

Rs. in crores

	JPY	US Dollar	Euro	Total
As at 31 March 2022				
Financial Assets	**–**	**–**	**–**	**–**
Financial Liabilities	**928.75**	**1248.77**	**0.00**	**2,177.52**
As at 31 March 2021				
Financial Assets	–	–	–	–
Financial Liabilities	988.13	2,485.78	206.64	3,680.55

Foreign Currency Sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in exchange rates, with all other variables held constant.

Rs. in crores

	Currency	Change in rate	Effect on Profit Before Tax
Year ended 31 March 2022	**INR/JPY**	**(+/-) 1.00%**	**(+/-) 9.29**
	INR/USD	**(+/-) 1.00%**	**(+/-) 12.49**
Year ended 31 March 2021	INR/JPY	(+/-) 1.00%	(+/-) 9.88
	INR/USD	(+/-) 1.00%	(+/-) 24.86
	INR/EUR	(+/-) 1.00%	(+/-) 2.07

c) **Interest Rate Risk**

The company uses a mix of cash and borrowings to manage the liquidity & fund requirements of its day-to-day operations. Further, certain interest bearing liabilities carry variable interest rates.

Interest Rate risk on variable rate borrowings is managed by way of interest rate swaps.

Interest Rate sensitivity

The sensitivity analyses below have been determined based on exposure to interest rate for both derivative and non-derivative instruments at the end of reporting period. For floating rate liabilities, analysis is prepared assuming the amount of liability outstanding at the end of the reporting period was outstanding for the whole year.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the company's profit before tax is affected through the impact on floating rate borrowings, as follows:

Rs. in crores

	Currency	Increase / decrease in basis points	Effect on profit before tax
Year ended 31 March 2022	**INR**	**100**	**123.29**
Year ended 31 March 2021	INR	100	135.71

d) **Off-setting of balances**

The table below summarizes the financial liabilities offsetted against financial assets and shown on a net basis in the balance sheet :

Financial assets subject to offsetting

Rs. in crores

	Offsetting recognized on the balance sheet		
Particulars	**Gross assets before offset**	**Financial liabilities netted**	**Assets recognized in balance sheet**
Loan assets			
At 31 March' 2022	**60,542.37**	**97.73**	**60,444.64**
At 31 March' 2021	60,029.98	82.56	59,947.42

Financial liabilities subject to offsetting

Rs. in crores

	Offsetting recognized on the balance sheet		
Particulars	**Gross liabilities before offset**	**Financial assets netted**	**Liabilities recognized in balance sheet**
Other financial liabilities			
At 31 March' 2022	**2,413.90**	**97.73**	**2,316.17**
At 31 March' 2021	2,686.82	82.56	2,604.26

51.2 Credit Risk Management

Credit risk is the risk that the Company will incur a loss because its customers fail to discharge their contractual obligations. The Company has a comprehensive framework for monitoring credit quality of its retail and other loans primarily based on Days past due monitoring at period end. Repayment by individual customers and portfolio is tracked regularly and required steps for recovery are taken through follow ups and legal recourse.

Credit Quality of Financial Loans and Investments

The following table sets out information about credit quality of loans and investments measured at amortized cost primarily based on days past due information. The amount represents gross carrying amount.

Rs. in crores

Particulars	31 March 2022	31 March 2021
Gross carrying value of Retail loans including Finance Lease		
Neither Past due nor impaired	**42,798.40**	41,694.34
Past Due but not impaired		
30 days past due	**4,222.47**	6,315.88
31-90 days past due	**9,112.22**	7,947.58
Impaired (more than 90 days)	**4,864.19**	5,681.06
Total Gross carrying value as at reporting date	**60,997.28**	61,638.86

Rs. in crores

Particulars	31 March 2022	31 March 2021
Gross carrying value of SME loans including Bills of exchange		
Neither Past due nor impaired	**1,912.31**	1,499.69
Past Due but not impaired		
30 days past due	**102.78**	81.13
31-90 days past due	**80.42**	138.98
Impaired (more than 90 days)	**44.97**	38.03
Total Gross carrying value as at reporting date	**2,140.48**	1,757.83

Rs. in crores

Particulars	31 March 2022	31 March 2021
Gross carrying value of Trade Advances		
Less than 60 days past due	**1,682.21**	1,113.33
61-90 days past due	**64.55**	22.57
Impaired (more than 90 days)	**60.66**	59.08
Total Gross carrying value as at reporting date	**1,807.42**	1,194.98

Rs. in crores

Particulars	31 March 2022	31 March 2021
Gross carrying value of Financial Investments measured at amortised cost		
Neither Past due nor impaired	**1,531.82**	3,787.25
Past Due but not impaired		
30 days past due	**–**	–
31-89 days past due	**–**	–
Impaired (more than 90 days)	**–**	–
Total Gross carrying value as at reporting date	**1,531.82**	3,787.25

The Company reviews the credit quality of its loans based on the ageing of the loan at the period end. Since the company is into retail lending business, there is no significant credit risk of any individual customer that may impact company adversely, and hence the Company has calculated its ECL allowances on a collective basis.

Inputs considered in the ECL model

In assessing the impairment of financial loans under Expected Credit Loss (ECL) Model, the assets have been segmented into three stages. The three stages reflect the general pattern of credit deterioration of a financial instrument. The differences in accounting between stages, relate to the recognition of expected credit losses and the measurement of interest income.

The Company categorizes loan assets into stages primarily based on the Days Past Due status.

Stage 1: 0-30 days past due

Stage 2: 31-89 days past due

Stage 3: 90 days and above

The Company applies the simplified approach to providing for expected credit losses prescribed by Ind AS 109, which permits the use of the lifetime expected loss provision for trade advances, lease and other receivables. The Company has computed expected credit losses based on a provision matrix which uses historical credit loss experience of the company.

(i) RBI COVID-19 Regulatory framework

Assessment of loan modifications on credit risk:

In response to the economic fall-out on account of Covid-19 pandemic, the RBI on August 6, 2020 announced resolution plan framework vide circular no. RBI/2020-21/16 DOR.No.BP.BC/3/21.04.048/2020-21 for personal loan customers. Further owing to the second wave of the Pandemic in India, RBI on May 5, 2021 announced resolution framework 2.0 vide circular No. RBI/2021-22/32 DOR.STR.REC.12/21.04.048/2021-22. Loan modifications executed under both these schemes have not been classified as renegotiated as they are as a result of market-wide customer relief programme and not borrower-specific. The Company has implemented resolution plans under the resolution framework 2.0 for loans amounting to Rs 4,335.94 crore, which have an outstanding balance of Rs.3,967.59 crore as of 31 March 2022. The Company continues to monitor the recoverability of loans granted in accordance with these circulars and is continuing to carry the required overlays over and above the model provisioning based on the repayment behaviour on these loan accounts. (refer Note 57 for detailed disclosure as per formats provided by the RBI).

(ii) Impact of COVID-19

During the previous year, in accordance with the Board approved moratorium policy read with the Reserve Bank of India (RBI) guidelines dated 27 March 2020, 17 April 2020 and 23 May 2020 relating to 'COVID-19 - Regulatory Package', the Company had granted moratorium up to six months on the payment of instalments which became due between 01 March 2020 and 31 August 2020 to all eligible borrowers. This relaxation did not automatically trigger a significant increase in credit risk. The Company, in the previous year, continued to recognize interest income during the moratorium period.

The outbreak of COVID-19 led to nationwide lockdown from March 2020, which gradually phased out over the next few months basis the local level spread of the pandemic. The nation was impacted by the second wave of the pandemic in the first half of the fiscal year 2022 which again slowed down the economic activities to a limited extent. Despite the successful roll out of vaccines around the world, a varying degree of uncertaininty remained through out the year ended 31 March 2022. This was caused by new variants of COVID -19, varying vaccine effectiveness and the need for reimposing of government - imposed restrictions. This uncertainty is reflected in the Company's assessment of impairment loss allowance on its loans which are subject to a number of management judgements and estimates. In relation to COVID-19, judgements and assumptions include the extent and duration of the pandemic, the changes in the macro economic outlook and its associated impact on the impairment calculations.

The methodologies and assumptions applied in the impairment loss allowance calculations have primarily remained unchanged from those applied while preparing the financial statements for the year ended 31 March 2021. The Company has been updating the ECL model with the latest set of data on reasonable periodic intervals for the year ended 31 March 2022, to capture the significant changes in economic and market drivers, customer behaviours and government actions caused by COVID-19 to reduce the risk of uncertainty due to judgements and estimations considering economic outlook data as per Government agencies around the growth parameters.

The Company also continues to undertake a risk assessment of their credit exposures in addition to the model determined ECL provision, to reflect deterioration in the macroeconomic outlook and uncertainty in credit evaluations. The Company holds expected credit loss on financial assets as at 31 March 2022 aggregating Rs. 4,508.83 crore (as at 31 March 2021: Rs. 4,653.61 crore) which includes overlay provisions to cover the potential impact on account of the pandemic.

The significant changes in economic and market drivers, customer behaviours and Government actions caused by COVID-19 have materially impacted the performance of financial models. ECL model performance has been significantly impacted, which has increased reliance on management judgement in determining the appropriate level of ECL estimates. The reliability of ECL models under these circumstances has also been impacted by the unprecedented response from governments to provide a variety of economic stimulus packages to support livelihoods and businesses. Historical observations on which the models were built do not reflect these unprecedented support measures. We continue to monitor credit performance against the level of Government support and customer relief programmes.

In accordance with the instructions in aforementioned RBI circular dated 07 April 2021, and the Indian Banks' Association ('IBA') advisory letter dated 19 April 2021, the Company has put in place a Board approved policy to refund/ adjust the 'interest on interest' charged to borrowers during the moratorium period .i.e. 01 March 2020 to 31 August 2020. The Company had estimated the said amount and made a provision of Rs. 31.75 crore in the financial statements for the year ended 31 March 2021.

(iii) In accordance with the regulatory expectation of the Reserve Bank of India to bring down the net NPA ratio below 4%, which management had agreed with, the Company, had recorded an additional provision of Rs.1,320 crore on Stage 3 loans during the year ended 31 March 2021. Resultantly, the net NPA ratio of the Company stood at 3.97% as at 31 March 2021.

The Company's net NPA (net Stage-3 assets) ratio stood at 3.36% as at 31 March 2022 which is in line with regulatory expectation of the RBI.

(iv) Definition of default

The Company considers a financial asset to be in "default" and therefore Stage 3 (credit impaired) for ECL calculations when the borrower account becomes 90 days past due on its contractual payments except for personal loans, where the Company has an early recognition norm of classification in to stage 3 on the basis of overdue more than 30 days past due.

(v) Exposure at default

"Exposure at Default" (EAD) represents the gross carrying amount of the assets subject to impairment calculation. Future Expected Cash flows (Principal and Interest) for future years has been used as exposure for Stage 2.

(vi) Estimations and assumptions considered in the ECL model

The Company has made the following assumptions in the ECL Model:

a. "Loss given default" (LGD) is common for all three Stages and is based on loss in past portfolio. Actual cash flows on the past portfolio are discounted at portfolio EIR rate for arriving loss rate.

b. "Probability of Default" (PD) is applied on Stage 1 and Stage 2 on portfolio basis and for Stage 3 PD at 100%. This is calculated as an average of the last 60 months yearly movement of default rates and future adjustment for macro-economic factor.

(vii) Measurement of ECL

ECL is measured as follows:

- financial assets that are not credit impaired at the reporting date: for Stage 1, gross exposure is multiplied by PD and LGD percentage to arrive at the ECL. For Stage 2, future Expected Cash flows (Principal and Interest) for respective future years is multiplied by respective years Marginal PDs and LGD percentage and thus arrived ECL is then discounted with the respective loan EIR to calculate the present value of ECL. In addition, in case of Bills discounting and Channel finance, as the average lifetime is of 90 days, a time to maturity factor of 0.25 is used in the ECL computation.
- financial assets that are credit impaired at the reporting date: the difference between the gross exposure at reporting date and computed carrying amount considering EAD net of LGD and actual cash flows till reporting date;
- undrawn loan commitments: as the present value of the difference between the contractual cash flows that are due to the Company if the commitment is drawn down and the cash flows that the Company expects to receive.

(viii) Forward Looking Information

Historical PDs has been converted into forward looking PD which incorporates the forward looking economic outlook. Considering that major chunk of borrowers in the retail portfolio is from rural area, Agriculture (real change % p.a.) is used as a macroeconomic variable. Agriculture (real change % p.a.) stands for Percentage change in real agricultural value-added, including livestock, forestry and fishing, over previous year). In case of SME and Bills Discounting portfolio, Real GDP (% change p.a.) is used as the macroeconomic variable.

The macroeconomic variables considered by the Company are robust reflections of the state of economy which result into systematic risk for the respective portfolio segments.

Additionally, three different scenarios have been considered for ECL calculation. Along with the actual numbers (considered for Base case scenario), other scenarios take care of the worsening as well as improving forward looking economic outlook. As at 31 March 2021, the probability assigned to base case scenario assumptions have been updated to reflect the rapidly evolving situation with respect to COVID-19. This includes an assessment of the effectiveness of stimulus packages announced by government and regulatory measures imparted by RBI. These are considered in determining the length and severity of the forecast economic downturn. The Company's base case economic forecast scenarios reflects a deterioration in economic conditions in the first quarter with a gradual improvement thereafter. In addition to the base case forecast which reflects largely the negative economic consequences of COVID-19, greater weighting has been applied to the downside scenarios given the Company's assessment of downside risks.

During the current year, the Company has continued with the similar probability weightage as considered for previous year ended 31 March 2021.

(ix) Assessment of significant increase in credit risk

When determining whether the credit risk has increased significantly since initial recognition, the Company considers both quantitative and qualitative information and analysis based on the Company's historical experience, including forward-looking information. The Company considers reasonable and supportable information that is relevant and available without undue cost and effort. The Company's accounting policy is not to use the practical expedient that the financial assets with 'low' credit risk at the reporting date are deemed not to have had a significant increase in credit risk. As a result the Company monitors all financial assets and loan commitments that are subject to impairment for significant increase in credit risk.

Based on the assessment by the Company, the RBI resolution framework in current year and moratorium relaxation offered in the previous year to the borrowers recognising the potential detrimental impact of COVID-19 has not been deemed to be automatically triggering significant increase in credit risk. The Company continued to recognize interest income during the current and previous year on such cases and in the absence of other credit risk indicators, the granting of a stress resolution framework and moratorium period did not result in accounts becoming past due and automatically triggering Stage 2 or Stage 3 classification criteria.

As a part of the qualitative assessment of whether a customer is in default, the Company also considers a variety of instances that may indicate unlikeliness to pay. In such instances, the Company treats the customer at default and therefore assesses such loans as Stage 3 for ECL calculations, following are such instances:

- A Stage 3 customer having other loans which are in Stage 1 or 2.
- Customers who have failed to pay their first EMI.
- Physical verification status of the repossessed asset related to the loan.
- Cases where Company suspects fraud and legal proceedings are initiated.

'Further, the Company classifies certain category of exposures in to Stage 3 and makes accelerated provision upto 100% based on qualitative assessment implying the significant deterioration in asset quality or increase in credit risk on selective basis.

The Company regularly reviews it's ECL model based on actual loss experience and update the parameters used for ECL calculations.

(x) Policy for write off of Loan Assets

The gross carrying amount of a financial asset is written off when there is no realistic prospect of further recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write- off. However, financial assets that are written off could still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made from written off assets are netted off against the amount of financial assets written off during the year under "Bad debts and write offs" forming part of "Impairment on financial instruments" in Statement of profit and loss.

(xi) Analysis of inputs to the ECL model with respect to macro economic variable

The below table shows the values of the forward looking macro economic variable used in each of the scenarios for the ECL calculations. For this purpose, the Company has used the data source of Economist Intelligence Unit. The upside and downside % change has been derived using historical standard deviation from the base scenario based on previous 8 years change in the variable.

ECL scenario for Macro Economic Variable	Year	Upside	Base	Downside
		%	%	%
Probability Assigned		0	85	15
Agriculture (% real change p.a)	**2022**	**6.4**	**4.0**	**1.6**
	2023	5.7	3.3	0.9
	2024	5.4	3.0	0.6
	2025	5.9	3.5	1.1
	2026	6.0	3.6	1.2
Real GDP (% change p.a)	**2022**	**12.4**	**7.2**	**2.0**
	2023	10.5	5.3	0.1
	2024	10.3	5.1	(0.1)
	2025	10.8	5.6	0.4
	2026	10.5	5.3	0.1

Impairment loss

The expected credit loss allowance provision for **Retail Loans including Finance lease** is determined as follows:

Rs. in crores

	Performing Loans - 12 month ECL	Underperforming loans - 'lifetime ECL not credit impaired'	Impaired loans - 'lifetime ECL credit impaired	Total
Gross Balance as at 31 March 2022	**47,020.87**	**9,112.22**	**4,864.19**	**60,997.28**
Expected credit loss rate	**0.91%**	**12.72%**	**57.56%**	
Carrying amount as at 31 March 2022 (net of impairment provision)	**46,592.65**	**7,953.28**	**2,064.33**	**56,610.26**
Gross Balance as at 31 March 2021	48,010.22	7,947.58	5,681.06	61,638.86
Expected credit loss rate	0.86%	10.88%	57.54%	
Carrying amount as at 31 March 2021 (net of impairment provision)	47,599.49	7,082.67	2,412.08	57,094.24

The expected credit loss allowance provision for **SME Loans including Bills of exchange** is determined as follows:

Rs. in crores

	Performing Loans - 12 month ECL	Underperforming loans - 'lifetime ECL not credit impaired'	Impaired loans - 'lifetime ECL credit impaired	Total
Gross Balance as at 31 March 2022	**2,015.09**	**80.42**	**44.97**	**2,140.48**
Expected credit loss rate	**0.37%**	**13.70%**	**51.93%**	
Carrying amount as at 31 March 2022 (net of impairment provision)	**2,007.67**	**69.40**	**21.62**	**2,098.69**
Gross Balance as at 31 March 2021	1,580.82	138.98	38.03	1,757.83
Expected credit loss rate	0.36%	9.06%	42.70%	
Carrying amount as at 31 March 2021 (net of impairment provision)	1,575.07	126.39	21.79	1,723.25

The expected credit loss allowance provision for **Trade Advances** is determined as follows:

Rs. in crores

	Less than 60 days past due	61-90 days past due	Credit impaired (more than 90 days)	Total
Gross Balance as at 31 March 2022	**1,682.21**	**64.55**	**60.66**	**1,807.42**
Expected credit loss rate	**0.40%**	**6.73%**	**100.00%**	
Carrying amount as at 31 March 2022 (net of impairment provision)	**1,675.48**	**60.21**	**–**	**1,735.68**
Gross Balance as at 31 March 2021	1,113.33	22.57	59.08	1,194.98
Expected credit loss rate	0.40%	6.52%	100.00%	
Carrying amount as at 31 March 2021 (net of impairment provision)	1,108.87	21.10	–	1,129.97

The expected credit loss allowance provision for **Financial Investments measured at amortized cost** is determined as follows:

Rs. in crores

	Performing Loans - 12 month ECL	Underperforming loans - 'lifetime ECL not credit impaired'	Impaired loans - 'lifetime ECL credit impaired	Total
Gross Balance as at 31 March 2022	**1,531.82**	**–**	**–**	**1,531.82**
Expected credit loss rate	**0.11%**			
Carrying amount as at 31 March 2022 (net of impairment provision)	**1,530.21**	**–**	**–**	**1,530.21**
Gross Balance as at 31 March 2021	3,787.25	–	–	3,787.25
Expected credit loss rate	0.01%			
Carrying amount as at 31 March 2021 (net of impairment provision)	3,786.84	–	–	3,786.84

Level of Assessment - Aggregation Criteria

The Company recognizes the expected credit losses (ECL) on a collective basis that takes into account comprehensive credit risk information.

Considering the economic and risk characteristics, pricing range, sector concentration (e.g. vehicle loans in unorganized sectors) the Company calculates ECL on a collective basis for all stages - Stage 1, Stage 2 and Stage 3 assets.

An analysis of changes in the gross carrying amount and the corresponding ECLs in relation to Retail Loans including Finance Lease is, as follows :

Gross exposure reconciliation

As at 31 March 2021

Rs. in crores

Particulars	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Gross carrying amount balance as at 1 April 2020	52,793.19	6,162.09	5,484.50	64,439.78
Changes due to loans recognized in the opening balance that have:				
- Transfers to Stage 1	1,725.54	(1,543.73)	(181.81)	–
- Transfers to Stage 2	(5,564.66)	5,732.57	(167.91)	–
- Transfers to Stage 3	(1,873.76)	(1,164.20)	3,037.96	–
- Loans that have been derecognized during the period	(4,366.75)	(566.31)	(1,332.89)	(6,265.95)
New loans originated during the year	15,963.76	284.04	80.38	16,328.18
Write-offs	(0.37)	(2.53)	(1,238.19)	(1,241.09)
Impact of changes on items within the same stage	(10,666.73)	(954.35)	(0.98)	(11,622.06)
Gross carrying amount balance as at 31 March 2021	48,010.22	7,947.59	5,681.06	61,638.86

As at 31 March 2022 Rs. in crores

Particulars	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Gross carrying amount balance as at 1 April 2021	**48,010.22**	**7,947.59**	**5,681.06**	**61,638.86**
Changes due to loans recognized in the opening balance that have:				
- Transfers to Stage 1	**1,780.81**	**(1,366.89)**	**(413.92)**	**–**
- Transfers to Stage 2	**(4,850.04)**	**5,070.06**	**(220.02)**	**–**
- Transfers to Stage 3	**(1,178.97)**	**(1,125.45)**	**2,304.42**	**–**
- Loans that have been derecognized during the period	**(7,638.99)**	**(3,087.39)**	**(1,370.07)**	**(12,096.45)**
New loans originated during the year	**23,809.27**	**3,865.09**	**505.56**	**28,179.92**
Write-offs	**(4.61)**	**(52.89)**	**(1,495.37)**	**(1,552.87)**
Impact of changes on items within the same stage	**(12,906.81)**	**(2,137.90)**	**(127.47)**	**(15,172.18)**
Gross carrying amount balance as at 31 March 2022	**47,020.88**	**9,112.22**	**4,864.19**	**60,997.28**

Reconciliation of ECL balance

As at 31 March 2021 Rs. in crores

Particulars	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
ECL allowance balance as at 1 April 2020	538.33	723.94	1,552.76	2,815.03
Changes due to loans recognized in the opening balance that have:				
- Transfers to Stage 1	232.83	(181.36)	(51.47)	–
- Transfers to Stage 2	(56.74)	104.28	(47.54)	–
- Transfers to Stage 3	(19.11)	(136.77)	155.88	–
- Loans that have been derecognized during the period	(44.53)	(66.53)	(377.37)	(488.43)
New loans originated during the year	136.57	30.91	13.48	180.96
Write-offs	–	(0.30)	(350.55)	(350.85)
Impact of changes on items within the same stage	(376.63)	390.74	2,373.79	2,387.90
ECL allowance balance as at 31 March 2021	410.72	864.91	3,268.98	4,544.61

As at 31 March 2022 Rs. in crores

Particulars	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
ECL allowance balance as at 1 April 2021	**410.72**	**864.91**	**3,268.98**	**4,544.61**
Changes due to loans recognized in the opening balance that have:				
- Transfers to Stage 1	**386.93**	**(148.75)**	**(238.18)**	**–**
- Transfers to Stage 2	**(41.49)**	**168.10**	**(126.61)**	**–**
- Transfers to Stage 3	**(10.09)**	**(122.48)**	**132.57**	**–**
- Loans that have been derecognized during the period	**(65.35)**	**(335.99)**	**(788.36)**	**(1,189.70)**
New loans originated during the year	**216.84**	**491.58**	**291.00**	**999.42**
Write-offs	**(0.04)**	**(5.76)**	**(860.46)**	**(866.26)**
Impact of changes on items within the same stage	**(469.30)**	**247.33**	**1,120.92**	**898.95**
ECL allowance balance as at 31 March 2022	**428.22**	**1,158.94**	**2,799.86**	**4,387.02**

The contractual amount outstanding on financial assets that has been written off by the Company during the year ended 31 March 2022 and that were still subject to enforcement activity was **Rs 1638.80** crore (31 March 2021: Rs 1354.86 crore).

The overall decrease in ECL allowance on the portfolio was driven by movements between stages and higher amount of write offs.

An analysis of changes in the gross carrying amount and the corresponding ECLs in relation to SME Loans including Bills of exchange is, as follows :
Gross exposure reconciliation

As at 31 March 2021 Rs. in crores

Particulars	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Gross carrying amount balance as at 1 April 2020	2,124.59	78.49	192.98	2,396.07
Changes due to loans recognized in the opening balance that have:				
- Transfers to Stage 1	23.51	(9.86)	(13.65)	–
- Transfers to Stage 2	(46.47)	49.15	(2.68)	–
- Transfers to Stage 3	(31.51)	(1.38)	32.89	–
- Loans that have been derecognised during the period	(1,173.17)	(61.05)	(16.02)	(1,250.24)
New loans originated during the year	1,128.74	96.98	0.22	1,225.94
Write-offs	(13.19)	(5.82)	(154.01)	(173.02)
Impact of changes on items within the same stage	(431.67)	(7.53)	(1.71)	(440.91)
Gross carrying amount balance as at 31 March 2021	1,580.83	138.98	38.02	1,757.84

As at 31 March 2022				Rs. in crores
Particulars	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Gross carrying amount balance as at 1 April 2021	**1,580.83**	**138.98**	**38.02**	**1,757.84**
Changes due to loans recognized in the opening balance that have:				
- Transfers to Stage 1	**30.73**	**(30.03)**	**(0.70)**	**–**
- Transfers to Stage 2	**(38.10)**	**38.67**	**(0.57)**	**–**
- Transfers to Stage 3	**(13.23)**	**(11.68)**	**24.91**	**–**
- Loans that have been derecognized during the period	**(1,041.81)**	**(38.27)**	**(1.33)**	**(1,081.41)**
New loans originated during the year	**1,705.78**	**8.84**	**0.22**	**1,714.84**
Write-offs	**(0.03)**	**–**	**(13.28)**	**(13.31)**
Impact of changes on items within the same stage	**(209.09)**	**(26.09)**	**(2.30)**	**(237.48)**
Gross carrying amount balance as at 31 March 2022	**2,015.08**	**80.42**	**44.97**	**2,140.48**

Reconciliation of ECL balance

As at 31 March 2021				Rs. in crores
Particulars	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
ECL allowance balance as at 1 April 2020	4.91	21.36	158.24	184.51
Changes due to loans recognized in the opening balance that have:				
- Transfers to Stage 1	12.35	(1.66)	(10.69)	–
- Transfers to Stage 2	(0.19)	1.18	(0.99)	–
- Transfers to Stage 3	(0.15)	(0.31)	0.46	–
- Loans that have been derecognised during the period	(1.36)	(18.33)	(11.78)	(31.47)
New loans originated during the year	2.58	7.60	0.16	10.34
Write-offs	(0.02)	(1.00)	(132.34)	(133.36)
Impact of changes on items within the same stage	(12.36)	3.76	13.18	4.58
ECL allowance balance as at 31 March 2021	5.76	12.60	16.24	34.60

As at 31 March 2022				Rs. in crores
Particulars	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
ECL allowance balance as at 1 April 2021	**5.76**	**12.60**	**16.24**	**34.60**
Changes due to loans recognized in the opening balance that have:				
- Transfers to Stage 1	**2.98**	**(2.57)**	**(0.41)**	**–**
- Transfers to Stage 2	**(0.20)**	**0.53**	**(0.33)**	**–**
- Transfers to Stage 3	**(0.10)**	**(1.12)**	**1.22**	**–**
- Loans that have been derecognized during the period	**(2.12)**	**(3.51)**	**(0.95)**	**(6.58)**
New loans originated during the year	**5.49**	**0.61**	**0.15**	**6.25**
Write-offs	**–**	**–**	**(5.89)**	**(5.89)**
Impact of changes on items within the same stage	**(4.38)**	**4.49**	**13.31**	**13.42**
ECL allowance balance as at 31 March 2022	**7.43**	**11.03**	**23.34**	**41.80**

The contractual amount outstanding on financial assets that has been written off by the Company during the year ended 31 March 2022 and that were still subject to enforcement activity was **Rs. 14.72** crore (31 March 2021: Rs.161.91 crore).

The increase in ECL provisions was driven by increase in the gross size of the portfolio.

An analysis of changes in the outstanding exposure and the corresponding ECLs in relation to other undrawn commitments is as follows:

Gross exposure reconciliation

As at 31 March 2021				Rs. in crores
Particulars	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Opening balance of outstanding exposure as at 1 April 2020	239.46	–	–	239.46
New Exposures	61.62	–	–	61.62
Exposure derecognized or matured/ lapsed (excluding write-offs)	(239.46)	–	–	(239.46)
- Transfers to Stage 1	–	–	–	–
- Transfers to Stage 2	–	–	–	–
- Transfers to Stage 3	–	–	–	–
Write-offs	–	–	–	–
Impact of changes on items within the same stage	–	–	–	–
Closing balance of outstanding exposure as at 31 March 2021	61.62	–	–	61.62

As at 31 March 2022 Rs. in crores

Particulars	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Opening balance of outstanding exposure as at 1 April 2021	**61.62**	**–**	**–**	**61.62**
New Exposures	**44.77**	**–**	**–**	**44.77**
Exposure derecognized or matured/ lapsed (excluding write-offs)	**(61.62)**	**–**	**–**	**(61.62)**
- Transfers to Stage 1	**–**	**–**	**–**	**–**
- Transfers to Stage 2	**–**	**–**	**–**	**–**
- Transfers to Stage 3	**–**	**–**	**–**	**–**
Write-offs	**–**	**–**	**–**	**–**
Impact of changes on items within the same stage	**–**	**–**	**–**	**–**
Closing balance of outstanding exposure as at 31 March 2022	**44.77**	**–**	**–**	**44.77**

Reconciliation of ECL balance

As at 31 March 2021 Rs. in crores

Particulars	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
ECL allowance balance as at 1 April 2020	1.14	–	–	1.14
New Exposures	1.18	–	–	1.18
Exposure derecognized or matured/ lapsed (excluding write-offs)	(1.14)	–	–	(1.14)
- Transfers to Stage 1	–	–	–	–
- Transfers to Stage 2	–	–	–	–
- Transfers to Stage 3	–	–	–	–
- Loans that have been derecognized during the period	–	–	–	–
Impact of changes on items within the same stage	–	–	–	–
ECL allowance balance as at 31 March 2021	**1.18**	**–**	**–**	**1.18**

As at 31 March 2022 Rs. in crores

Particulars	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
ECL allowance balance as at 1 April 2021	**1.18**	**–**	**–**	**1.18**
New Exposures	**0.17**	**–**	**–**	**0.17**
Exposure derecognized or matured/ lapsed (excluding write-offs)	**(1.18)**	**–**	**–**	**(1.18)**
- Transfers to Stage 1	**–**	**–**	**–**	**–**
- Transfers to Stage 2	**–**	**–**	**–**	**–**
- Transfers to Stage 3	**–**	**–**	**–**	**–**
- Loans that have been derecognized during the period	**–**	**–**	**–**	**–**
Impact of changes on items within the same stage	**–**	**–**	**–**	**–**
ECL allowance balance as at 31 March 2022	**0.17**	**–**	**–**	**0.17**

An analysis of changes in the gross carrying amount and the corresponding ECLs in relation to Financial Investments measured at amortized cost is as follows :
Gross exposure reconciliation

As at 31 March 2021 Rs. in crores

Particulars	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Gross carrying amount balance as at 1 April 2020	1,129.59	–	–	1,129.59
Changes due to loans recognized in the opening balance that have:				
- Transfers to Stage 1	–	–	–	–
- Transfers to Stage 2	–	–	–	–
- Transfers to Stage 3	–	–	–	–
- Investments that have been derecognized during the period	(106.54)	–	–	(106.54)
New Investments originated during the year	2,742.57	–	–	2,742.57
Write-offs	–	–	–	–
Impact of changes on items within the same stage	21.63	–	–	21.63
Gross carrying amount balance as at 31 March 2021	3,787.25	–	–	3,787.25

As at 31 March 2022 Rs. in crores

Particulars	Stage 1	Stage 2	Stage 3	Total
Changes due to loans recognized in the opening balance that have:	**3,787.25**	**–**	**–**	**3,787.25**
- Transfers to Stage 1				
- Transfers to Stage 2	**–**	**–**	**–**	**–**
- Transfers to Stage 3	**–**	**–**	**–**	**–**
- Investments that have been derecognized during the period	**(2,481.44)**	**–**	**–**	**(2,481.44)**
New Investments originated during the year	**230.86**	**–**	**–**	**230.86**
Write-offs		**–**	**–**	
Impact of changes on items within the same stage	**(4.85)**	**–**	**–**	**(4.85)**
Gross carrying amount balance as at 31 March 2022	**1,531.81**	**–**	**–**	**1,531.81**

Reconciliation of ECL balance

As at 31 March 2021 Rs. in crores

Particulars	Stage 1	Stage 2	Stage 3	Total
ECL allowance balance as at 1 April 2020	**1.36**	**–**	**–**	**1.36**
Changes due to loans recognized in the opening balance that have:				
- Transfers to Stage 1	–	–	–	–
- Transfers to Stage 2	–	–	–	–
- Transfers to Stage 3	–	–	–	–
- Investments that have been derecognized during the period	(0.92)	–	–	(0.92)
New Investments originated during the year	–	–	–	–
Write-offs	–	–	–	–
Impact of changes on items within the same stage	(0.03)	–	–	(0.03)
ECL allowance balance as at 31 March 2021	0.41	–	–	0.41

As at 31 March 2022 Rs. in crores

Particulars	Stage 1	Stage 2	Stage 3	Total
ECL allowance balance as at 1 April 2021	**0.41**	**–**	**–**	**0.41**
Changes due to loans recognized in the opening balance that have:				
- Transfers to Stage 1	**–**	**–**	**–**	**–**
- Transfers to Stage 2	**–**	**–**	**–**	**–**
- Transfers to Stage 3	**–**	**–**	**–**	**–**
- Investments that have been derecognized during the period	**(0.41)**	**–**	**–**	**(0.41)**
New Investments originated during the year	**1.61**	**–**	**–**	**1.61**
Write-offs	**–**	**–**	**–**	**–**
Impact of changes on items within the same stage	**–**	**–**	**–**	**–**
ECL allowance balance as at 31 March 2022	**1.61**	**–**	**–**	**1.61**

The contractual amount outstanding on financial investments that has been written off by the Company during the year ended 31 March 2022 and that were still subject to enforcement activity was nil (31 March 2021 : nil).

Significant changes in the gross carrying value that contributed to change in loss allowance

The Company mostly provide loans to retail individual customers in Rural and Semi urban area which is of small ticket size. Change in any single customer repayment will not impact significantly to Company's provisioning. All customers are being monitored based on past due and corrective actions are taken accordingly to limit the Company's risk.

Concentration of Credit Risk

The Company's loan portfolio is predominantly to finance retail automobile loans. The Company manages concentration of risk primarily by geographical region in India. The following tables show the geographical concentrations of trade advances and loans:

Rs. in crores

Particulars	31 March 2022	31 March 2021
Concentration by Geographical region in India:		
North	**19,268.21**	18,814.13
East	**16,293.45**	17,165.38
West	**16,784.94**	16,146.31
South	**12,598.58**	12,466.85
Total Carrying Value	**64,945.18**	**64,592.67**

Maximum Exposure to credit Risk

The maximum exposure to credit risk of loans and investment securities is their carrying amount. The maximum exposure is before considering both the effect of mitigation through collateral.

Narrative Description of Collateral

Collateral primarily include vehicles purchased by retail loan customers and machinery & property in case of SME customers. The financial investments are secured by way of a first ranking pari-passu and charge created by way of hypothecation on the receivables of the other company.

Quantitative Information of Collateral

The Company monitors its exposure to loan portfolio using the Loan To Value (LTV) ratio, which is calculated as the ratio of the gross amount of the loan to the value of the collateral. The value of the collateral for Retail loans is derived by writing down the asset cost at origination by 20% p.a on reducing balance basis. And the value of the collateral of Stage 3 Retail loans is based on the Indian Blue Book value for the particular asset. The value of collateral of SME loans is based on fair market value of the collaterals held.

Gross value of total secured loans to value of collateral:

Rs. in crores

Loan To Value	Gross Value of Secured Retail loans		Gross Value of Secured SME loans	
	31 March 2022	31 March 2021	**31 March 2022**	31 March 2021
Upto 50%	**5,209.78**	4,877.24	**606.87**	496.42
51 - 70%	**9,540.86**	8,524.92	**229.98**	123.27
71 - 100%	**32,258.89**	28,756.00	**51.12**	94.70
Above 100%	**13,161.38**	19,302.86	**29.46**	66.80
	60,170.91	61,461.02	**917.43**	781.19

Gross value of credit impaired loans to value of collateral:

Rs. in crores

Loan To Value	Gross Value of Retail loans in Stage 3		Gross Value of SME loans in Stage 3	
	31 March 2022	31 March 2021	**31 March 2022**	31 March 2021
Upto 50%	**185.68**	119.87	**13.60**	11.22
51 - 70%	**176.51**	152.99	**22.23**	2.30
71 - 100%	**504.33**	466.71	**0.26**	20.07
Above 100%	**3,997.67**	4,941.49	**8.88**	4.43
	4,864.19	5,681.06	**44.97**	38.02

The below tables provide an analysis of the current fair values of collateral held for Stage 3 assets. The value of collateral has not been considered while recognizing the loss allowances.

Fair value of collateral held against Credit Impaired assets

Rs. in crores

31 March 2022	Maximum exposure to Credit Risk	Vehicles	Plant and Machinery	Land and Building	Book Debts, Inventory and other Working Capital items	Surplus Collateral	Total Collateral	Net Exposure	Associated ECL
Retail Loans	**4,864.19**	**3,818.05**	**–**	**–**	**–**	**(694.56)**	**3,123.49**	**1,740.70**	**2,799.86**
SME Loans	**44.97**	**1.80**	**40.90**	**76.47**	**1.85**	**(83.07)**	**37.94**	**7.03**	**23.35**

Rs. in crores

31 March 2021	Maximum exposure to Credit Risk	Vehicles	Plant and Machinery	Land and Building	Book Debts, Inventory and other Working Capital items	Surplus Collateral	Total Collateral	Net Exposure	Associated ECL
Retail Loans	5,681.06	4,088.89	–	–	–	(539.93)	3,548.96	2,132.10	3,268.98
SME Loans	38.02	3.00	47.87	50.26	1.29	(68.18)	34.25	3.77	16.24

51.3 Liquidity Risk Management

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established Asset and Liability Management Committee (ALCO) for the management of the Company's short, medium and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

a) Maturity profile of non-derivative financial liabilities

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The amount disclosed in the tables have been drawn up based on the undiscounted contractual cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows.

To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Company may be required to pay.

Rs. in crores

Particulars	Less than 1 Year	1-3 Years	3 Years to 5 Years	5 years and above
Non-derivative financial liabilities				
As at 31 March 2022				
Trade Payable :	**1,005.28**	**–**	**–**	**–**
Debt Securities :				
- Principal	**4,583.31**	**7,324.81**	**2,602.90**	**3,778.00**
- Interest	**1,334.02**	**1,879.26**	**935.55**	**1,403.35**
Borrowings (Other than Debt Securities) :				
- Principal	**11,522.87**	**13,078.99**	**1,409.82**	**0.11**
- Interest	**861.31**	**845.99**	**40.86**	**0.00**
Deposit :				
- Principal	**4,769.74**	**3,141.74**	**535.58**	**–**
- Interest	**733.25**	**597.90**	**101.26**	**–**
Subordinated liabilities :				
- Principal	**70.00**	**414.46**	**1,108.01**	**1,560.98**
- Interest	**271.42**	**517.52**	**533.55**	**480.56**
Other financial liabilities :	**1,816.73**	**388.94**	**78.97**	**31.51**
Total	**26,967.93**	**28,189.61**	**7,346.50**	**7,254.51**
As at 31 March 2021				
Trade Payable:	707.09	–	–	–
Debt Securities :				
- Principal	3,569.80	7,571.87	2,195.00	3,546.65
- Interest	1,605.77	1,995.21	918.26	1,257.05
Borrowings (Other than Debt Securities) :				
- Principal	12,898.78	14,123.31	2,141.71	–
- Interest	1,410.26	1,028.84	103.75	–
Deposit :				
- Principal	3,893.07	4,627.10	960.99	–
- Interest	774.72	881.25	218.13	–
Subordinated liabilities :				
- Principal	155.16	210.14	449.32	2,361.09
- Interest	278.49	520.06	518.81	700.34
Other financial liabilities :	2,016.61	452.61	81.83	53.21
Total	27,309.75	31,410.39	7,587.80	7,918.34

b) Maturity profile of derivative financial liabilities

The following table details the Company's liquidity analysis for its derivative financial instruments. The table has been drawn up based on the undiscounted gross inflows and outflows on those derivatives that require gross settlement. There is no derivative instruments that is settled on a net basis. When the amount payable or receivable is not fixed, the amount disclosed has been determined by reference to the projected interest rates as illustrated by the yield curves at the end of the reporting period.

Rs. in crores

Particulars	Less than 1 Year	1-3 Years	3 Years to 5 Years	5 years and above
Derivative financial instruments				
As at 31 March 2022				
Gross settled:				
Foreign exchange forward contracts				
- Payable	**37.17**	**–**	**–**	**–**
- Receivable	**–**	**–**	**–**	**–**
Interest Rate swaps				
- Payable	**2.67**	**–**	**–**	**–**
- Receivable	**–**	**–**	**–**	**–**
Currency swaps				
- Payable	**–**	**48.93**	**102.62**	**–**
- Receivable	**27.43**	**–**	**–**	**–**
Total Payable	**39.84**	**48.93**	**102.62**	**–**
Total Receivable	**27.43**	**–**	**–**	**–**
As at 31 March 2021				
Gross settled:				
Foreign exchange forward contracts				
- Payable	32.64	25.98	–	–
- Receivable	–	–	–	–
Interest Rate swaps				
- Payable	–	13.01	–	–
- Receivable	–	–	–	–
Currency swaps				
- Payable	–	35.32	65.89	–
- Receivable	26.38	2.67	–	–
Total Payable	**32.64**	**74.31**	**65.89**	**–**
Total Receivable	26.38	2.67	–	–

51.4 a) Financial Instruments regularly measured using Fair Value - recurring items

Rs. in crores

Type of instrument	Fair Value				Fair value hierarchy	Valuation technique(s)	Key inputs	Significant unobservable input(s) for level 3 hierarchy	Relationship of unobservable inputs to fair value and sensitivity
	Financial assets / financial liabilities	Category	As at 31 March 2022	As at 31 March 2021					
1) Foreign currency forwards, Interest rate swaps & commodity derivatives	Financial Assets / (Liabilities)	Financial Instruments measured at FVTPL	**(38.70)**	(68.21)	Level 2	Discounted Cash Flow	Future cash flows are estimated based on forward exchange rates (from observable forward exchange rates at the end of the reporting period) and contract forward rates, discounted at a rate that reflects the credit risk of various counter parties.		
2) Currency options	Financial Assets / (Liabilities)	Financial Instruments measured at FVTPL	**(116.90)**	(79.25)	Level 2	Black Scholes valuation model	Strike rate, spot rate, time to maturity, volatility and risk free interest rate		
3) Investment in Mutual Funds	Financial Assets	Financial instrument measured at FVTPL	**834.47**	1,667.18	Level 1	Quoted market price			
4) Investment in Commercial Paper	Financial Assets	Financial instrument measured at FVTPL	**–**	197.67	Level 1	Quoted market price			
5) Investment in equity instruments-Quoted	Financial Assets	Financial instrument measured at FVTPL	**0.24**	–	Level 1	Quoted market price			
6) Investment in equity instruments-Unquoted	Financial Assets	Financial instrument designated at FVOCI	**42.39**	16.37	Level 3	Discounted Cash Flow	The discounted cash flow method used the future free cash flows of the Company discounted by firm's WACC plus a risk factor measured by beta, to arrive at the present value. The key inputs includes projection of financial statements (key value driving factors), the cost of capital to discount the projected cash flows.	Terminal growth rate, Weighted average cost of capital.	Increase or decrease in multiple will result in increase or decrease in valuation.
7) Investment in Bonds and Govt securities.	Financial Assets	Financial instrument measured at FVOCI	**4,662.84**	**4,710.88**	Level 1	Quoted market price			

The Company doesn't carry any financial asset or liability which it fair values on a non recurring basis.

51.4 b) Reconciliation of Level 3 fair value measurements of financial instruments measured at fair value

Rs. in crores

Particulars	Unquoted Equity investment	Convertible debentures	Total
Year ended 31 March 2022			
Opening balance	**16.37**	**–**	**16.37**
Total gains or losses recognized:			
In Profit or loss			
a) in profit or loss			
b) in other comprehensive income	**26.01**		**26.01**

Rs. in crores

Particulars	Unquoted Equity investment	Convertible debentures	Total
Fair value of–			
Purchases made during the year			–
Disposals made during the year			
Transfers into Level 3			
Transfers out of Level 3			
Closing balance	**42.38**	**–**	**42.38**
Year ended 31 March 2021			
Opening balance	28.91	–	28.91
Total gains or losses recognized:			
In Profit or loss			
a) in profit or loss	–	–	–
b) in other comprehensive income	(12.54)	–	(12.54)
Fair value of -			
Purchases made during the year	–	–	–
Issues made during the year			
Disposals made during the year		–	–
Transfers into Level 3	–	–	
Transfers out of Level 3	–	–	
Closing balance	16.37	–	16.37

51.4 c) Equity Investments designated at Fair value through Other Comprehensive Income

The Company has made the below equity investments neither for the purpose of trading nor for the purpose of acquiring controlling stake, and accordingly, the investment has been classified in other comprehensive income as per Ind AS 109.5.7.5.

Rs. in crores

	31 March 2022	31 March 2021
Equity investment in Smartshift Logistic Solutions Private Limited (formerly Known as Orizonte Business Solutions Limited)		
Fair Value of Investments	**42.38**	16.37

There are no disposal of investment during the year ended 31 March 2022 and 2021 respectively.

51.4 d) Financial Instruments measured at amortized cost

Rs. in crores

Particulars	Carrying Value	Fair value	Fair value Level 1	Fair value Level 2	Fair value Level 3
As at 31 March 2022					
Financial assets					
a) Cash and cash equivalent	**327.87**	**327.87**	**327.87**		
b) Bank balances other than cash and cash equivalent	**3,822.82**	**3,822.82**	**3,822.82**		
c) Trade Receivables	**9.09**	**9.09**		**9.09**	
d) Loans and advances to customers	**60,444.64**	**60,767.89**			**60,767.89**
e) Financial investments - at amortized cost	**1,530.21**	**1,583.85**	**1,358.47**	**225.38**	
f) Other financial assets	**223.13**	**226.63**		**226.63**	
Total	**66,357.76**	**66,738.15**	**5,509.16**	**461.10**	**60,767.89**

Rs. in crores

Particulars		Carrying Value	Fair value	Fair value Level 1	Level 2	Level 3
Financial liabilities						
a)	Trade Payables	**1,005.28**	**1,005.28**		**1,005.28**	**–**
b)	Debt securities	**18,252.71**	**19,771.64**	**19,771.64**		**–**
c)	Borrowings other than debt securities	**26,005.17**	**26,054.92**		**26,054.92**	**–**
d)	Deposits	**8,426.19**	**9,318.36**		**9,318.36**	**–**
e)	Subordinated Liabilities	**3,129.85**	**3,570.69**	**3,570.69**		**–**
f)	Other financial liability	**2,316.17**	**2,318.77**		**2,318.77**	**–**
Total		**59,135.37**	**62,039.66**	**23,342.33**	**38,697.33**	**–**

Rs. in crores

Particulars		Carrying Value	Fair value	Fair value Level 1	Level 2	Level 3
As at 31 March 2021						
Financial assets						
a)	Cash and cash equivalent	570.58	570.58	570.58	–	–
b)	Bank balances other than cash and cash equivalent	2,699.06	2,699.06	2,699.06	–	–
c)	Trade Receivables	8.40	8.40	–	8.40	–
d)	Loans and advances to customers	59,947.42	60,424.68	–	–	60,424.68
e)	Financial investments - at amortized cost	3,765.03	3,841.07	1,362.72	2,478.35	–
f)	Other financial assets	514.05	525.65	–	525.65	–
Total		67,504.54	68,069.44	4,632.36	3,012.40	60,424.68
Financial liabilities						
a)	Trade Payables	643.09	642.92	–	642.92	–
b)	Debt securities	16,834.57	18,652.51	18,652.51	–	–
c)	Borrowings other than debt securities	29,142.08	28,367.45	–	28,367.45	–
d)	Deposits	9,450.66	10,519.07	–	10,519.07	–
e)	Subordinated Liabilities	3,149.37	3,650.02	3,650.02	–	–
f)	Other financial liability	2,604.26	2,606.86	–	2,606.86	–
Total		61,824.03	64,438.83	22,302.53	42,136.30	–

There were no transfers between Level 1 and Level 2 during the year.

Valuation methodologies of financial instruments not measured at fair value

Below are the methodologies and assumptions used to determine fair values for the above financial instruments which are not recorded and measured at fair value in the Company's financial statements. These fair values were calculated for disclosure purposes only.

Short-term financial assets and liabilities

For financial assets and financial liabilities that have a short-term maturity (less than twelve months), the carrying amounts, which are net of impairment, are a reasonable approximation of their fair value. Such instruments include: cash and balances, trade receivables, balances other than cash and cash equivalents, trade payables and investment & borrowings in commercial papers. Such amounts have been classified as Level 2 on the basis that no adjustments have been made to the balances in the balance sheet.

Loans and advances to customers

The fair values of loans and receivables are calculated using a portfolio-based approach, grouping loans as far as possible into homogenous groups based on similar characteristics. The fair value is then extrapolated to the portfolio using discounted cash flow models that incorporate interest rate estimates considering all significant characteristics of the loans. This fair value is then reduced by impairment allowance which is already calculated incorporating probability of defaults and loss given defaults to arrive at fair value net of risk.

Financial Investments

For Government Securities, the market value of the respective Government Stock as on date of reporting has been considered for fair value computations. And since market quotes are not available in the absence of any trades, the carrying amount of Secured redeemable non-convertible debentures is considered as the fair value.

Issued debt

The fair value of issued debt is estimated by a discounted cash flow model incorporating interest rate estimates from market-observable data such as secondary prices for its traded debt itself.

Deposits from public

The fair value of deposits received from public is estimated by discounting the future cash flows considering the interest rate applicable on the reporting date for that class of deposits segregated by their tenure and cumulative/non-cumulative scheme.

Except for the above, carrying value of other financial assets/liabilities represent reasonable estimate of fair value.

52 Maturity analysis of assets and liabilities

The table below shows the maturity analysis of assets and liabilities according to when they are expected to be recovered or settled.

Rs. in crores

	As at 31 March 2022			As at 31 March 2021		
Assets	**Within 12 months**	**After 12 months**	**Total**	**Within 12 months**	**After 12 months**	**Total**
Cash and cash equivalents	**327.87**	–	**327.87**	570.58	–	570.58
Bank balance	**3,822.82**	–	**3,822.82**	2,751.47	–	2,751.47
Derivative financial instruments	**26.63**	–	**26.63**	23.63	2.09	25.72
Trade receivables	**9.09**	–	**9.09**	8.40	–	8.40
Loans	**26,878.84**	**33,565.80**	**60,444.64**	26,478.55	33,468.87	59,947.42
Investments	**1,472.42**	**6,967.85**	**8,440.27**	4,443.78	7,261.57	11,705.35
Other financial assets	**63.90**	**159.23**	**223.13**	41.17	322.37	363.54
Current tax assets (Net)	–	**562.89**	**562.89**	–	401.65	401.65
Deferred tax Assets (Net)	–	**836.42**	**836.42**	–	862.36	862.36
Property, plant and equipment	–	**383.10**	**383.10**	–	311.49	311.49
Capital work-in-progress	–	–	–	–	10.34	10.34
Other Intangible assets		**9.77**	**9.77**		18.63	18.63
Other non-financial assets	**51.75**	**150.35**	**202.10**	53.99	5.51	59.50
Total Assets	**32,653.32**	**42,635.41**	**75,288.73**	34,371.57	42,664.88	77,036.45
Liabilities						
Financial Liabilities						
Derivative financial instruments	**38.70**	**143.52**	**182.22**	31.27	141.91	173.18
Trade Payables			–	–	–	–
i) total outstanding dues of micro enterprises and small enterprises	–	–	–	–	–	–
ii) total outstanding dues of creditors other than micro enterprises and small enterprises	**1,005.28**	–	**1,005.28**	643.09	–	643.09
Debt Securities	**4,575.71**	**13,677.00**	**18,252.71**	3,557.51	13,277.06	16,834.57
Borrowings (Other than Debt Securities)	**11,520.88**	**14,484.29**	**26,005.17**	12,890.02	16,252.06	29,142.08
Deposits	**4,764.54**	**3,661.65**	**8,426.19**	3,880.55	5,570.11	9,450.66
Subordinated Liabilities	**69.94**	**3,059.91**	**3,129.85**	154.39	2,994.98	3,149.37
Other financial liabilities	**1,826.51**	**489.66**	**2,316.17**	2,016.61	587.65	2,604.26
Non-Financial Liabilities						–
Current tax liabilities (Net)	–	**13.92**	**13.92**	–	13.92	13.92
Provisions	**118.27**	**103.08**	**221.35**	111.89	103.02	214.91
Other non-financial liabilities	**105.35**	**2.43**	**107.78**	96.80	2.10	98.90
Total Liabilities	**24,025.18**	**35,635.46**	**59,660.64**	23,382.13	38,942.81	62,324.94
Net	**8,628.14**	**6,999.95**	**15,628.09**	10,989.44	3,722.07	14,711.51
Other undrawn commitments	**44.77**	–	**44.77**	61.62	–	61.62
Total commitments	**44.77**	–	**44.77**	61.62	–	61.62

53 Related party disclosures:

i) As per Ind AS 24 on 'Related party disclosures', the related parties of the Company are as follows:

a)	**Holding Company**	Mahindra & Mahindra Limited
b)	**Subsidiary Companies:**	Mahindra Insurance Brokers Limited
	(entities on whom control is exercised)	Mahindra Rural Housing Finance Limited
		Mahindra Ideal Finance Limited (w.e.f. 8 July 2021)
		Mahindra & Mahindra Financial Services Ltd Employees' Stock Option Trust
		MRHFL Employees Welfare Trust
		Mahindra Finance CSR Foundation
c)	**Fellow Subsidiaries:**	
	(entities with whom the Company has transactions)	Mahindra USA, Inc
		NBS International Limited
		Mahindra First Choice Wheels Limited
		Mahindra Defence Systems Limited
		Mahindra Integrated Business Solutions Ltd.
		Meru Mobility Tech Private Limited
		Mahindra Construction Co. Ltd.
		Bristlecone India Limited
		Mahindra Water Utilities Limited
		Gromax Agri Equipment Limited
		Mahindra Electric Mobility Ltd
		Mahindra Holidays & Resorts India Ltd
		New Democratic Electoral Trust
		Mahindra Susten Pvt Ltd
		Mahindra & Mahindra Contech Pvt Ltd
d)	**Joint Ventures/Associates:**	Mahindra Finance USA, Inc
	(entities on whom control is exercised)	Mahindra Manulife Investment Management Pvt. Ltd. (w.e.f. 30th April, 2020) #
		Mahindra Manulife Trustee Pvt. Ltd. (w.e.f. 30th April, 2020) #
e)	**Joint Ventures/Associates of Holding Company:**	Tech Mahindra Limited
	(entities with whom the Company has transactions)	Swaraj Engines Ltd
		Smartshift Logistics Solutions Pvt Ltd.
		PSL Media & Communications Ltd
f)	**Key Management Personnel:**	Mr. Anish Shah
		Mr. Ramesh Iyer
		Mr. Dhananjay Mungale
		Mr. C. B. Bhave
		Ms. Rama Bijapurkar
		Mr. Milind Sarwate
		Mr. Amit Kumar Sinha
		Mr. Amit Raje
		Dr. Rebecca Nugent
g)	**Relatives of Key Management Personnel**	Ms. Janaki Iyer
	(where there are transactions)	Ms. Ramlaxmi Iyer
		Ms. Girija Subramanium
		Ms Pallavi Kotwal
		Mr. Abhijit Mungale
		Ms. Prema Mahadevan

Pursuant to share subscription agreement and shareholders' agreement to form a 51:49 Joint Venture between Mahindra Asset Management Company Private Limited ('MAMCPL') along with Mahindra Trustee Company Private Limited ('MTCPL'), then wholly-owned subsidiaries of the Company with Manulife Asset Management (Singapore) Pte. Ltd. ('Manulife'), the erstwhile names of MAMCPL and MTCPL have been changed to Mahindra Manulife Investment Management Private Limited (MMIMPL) and Mahindra Manulife Trustee Private Limited (MMTPL), respectively effective from 30 April 2020. Consequently, MMIMPL and MMTPL have beeen considered as joint ventures of the Company.

ii) The nature and volume of transactions of the Company during the year with above related parties were as follows:

Rs. in crore

	Holding Company		Subsidiary Companies		Fellow Subsidiaries / Associate of Holding Company		Associate companies		Key Management Personnel		Relatives of Key Management Personnel	
Particulars	**Current Year**	Previous Year	**Current Year**	Previous Year	**Current Year**	Previous Year	**Current Year**	Previous Year	**Current Year**	Previous Year	**Current Year**	Previous Year
Loan income												
- Smartshift Logistics Solutions Pvt Ltd.	–	–	–	–	–	0.14	–	–	–	–	–	–
Subvention / Incentive income												
- Mahindra & Mahindra Limited	**16.34**	14.11	–	–	–	–	–	–	–	–	–	–
- Mahindra Electric Mobility Limited	–	–	–	–	**0.30**	–	–	–	–	–	–	–
Lease rental income												
- Mahindra & Mahindra Limited	**20.38**	13.66	–	–	–	–	–	–	–	–	–	–
- Mahindra Electric Mobility Limited	–	–	–	–	**0.20**	–	–	–	–	–	–	–
- Mahindra & Mahindra Contech Private Limited	–	–	–	–	**0.01**	–	–	–	–	–	–	–
Interest income												
- Mahindra & Mahindra Limited	**3.61**	2.80	–	–	–	–	–	–	–	–	–	–
Income from sharing services												
- Mahindra & Mahindra Limited	**0.57**	0.42	–	–	–	–	–	–	–	–	–	–
- Mahindra Rural Housing Finance Limited	–	–	**6.48**	8.65	–	–	–	–	–	–	–	–
- Mahindra Insurance Brokers Limited	–	–	**2.18**	2.50	–	–	–	–	–	–	–	–
- Mahindra Manulife Investment Management Pvt Ltd	–	–	–	–	–	–	**0.62**	1.08	–	–	–	–
- Mahindra Manulife Trustee Company Pvt Ltd	–	–	–	–	–	–	**0.01**	0.01	–	–	–	–
Dividend Income												
- Mahindra Rural Housing Finance Limited	–	–	–	–	–	–	–	–	–	–	–	–
- Mahindra Insurance Brokers Limited	–	–	**2.47**	–	–	–	–	–	–	–	–	–
Interest expense												
- Mahindra & Mahindra Limited	**3.20**	16.76	–	–	–	–	–	–	–	–	–	–
- Mahindra Insurance Brokers Limited	–	–	**7.66**	5.15	–	–	–	–	–	–	–	–
- Tech Mahindra Limited	–	–	–	–	**15.84**	25.78	–	–	–	–	–	–
- Swaraj Engines Limited	–	–	–	–	–	0.51	–	–	–	–	–	–
- Mahindra Vehicle Manufacturers Limited	–	–	–	–	–	–	–	–	–	–	–	–
- Mahindra Intertrade Limited	–	–	–	–	–	–	–	–	–	–	–	–
- Mahindra Water Utilities Limited	–	–	–	–	**0.28**	0.31	–	–	–	–	–	–
- Mahindra Engineering & Chemical Products Ltd	–	–	–	–	–	–	–	–	–	–	–	–
- PSL Media & Communications Ltd	–	–	–	–	**0.06**	0.07	–	–	–	–	–	–

Rs. in crore

Particulars	Holding Company		Subsidiary Companies		Fellow Subsidiaries / Associate of Holding Company		Associate companies		Key Management Personnel		Relatives of Key Management Personnel	
	Current Year	Previous Year	**Current Year**	Previous Year	**Current Year**	Previous Year	**Current Year**	Previous Year	**Current Year**	Previous Year	**Current Year**	Previous Year
- Mahindra Holidays & Resorts India Ltd	–	–	–	–	**9.45**	10.30	–	–	–	–	–	–
- Mr Ramesh Iyer	–	–	–	–	–	–	–	–	**0.05**	0.12	–	–
- Mr C. B. Bhave	–	–	–	–	–	–	–	–	**0.03**	0.06	–	–
- Others	–	–	–	–	–	–	–	–	–	–	**0.27**	0.29
Other expenses												
- Mahindra & Mahindra Limited	**40.32**	26.37	–	–	–	–	–	–	–	–	–	–
- Mahindra Insurance Brokers Limited	–	–	**49.49**	38.25	–	–	–	–	–	–	–	–
- Mahindra Rural Housing Finance Limited	–	–	**0.02**	0.04	–	–	–	–	–	–	–	–
- Mahindra First Choice Wheels Limited	–	–	–	–	**17.86**	10.66	–	–	–	–	–	–
- Mahindra Defence Systems Ltd	–	–	–	–	**3.68**	1.30	–	–	–	–	–	–
- Bristlecone India Limited	–	–	–	–	**0.35**	0.46	–	–	–	–	–	–
- Mahindra Vehicle Manufacturers Limited	–	–	–	–	–	–	–	–	–	–	–	–
- Mahindra Integrated Business Solutions Limited	–	–	–	–	**24.47**	16.19	–	–	–	–	–	–
- Mahindra Engineering & Chemical Products Ltd	–	–	–	–	–	–	–	–	–	–	–	–
- Mahindra Finance CSR Foundation	–	–	**0.01**	10.59	–	–	–	–	–	–	–	–
- NBS International Ltd	–	–	–	–	**0.20**	0.08	–	–	–	–	–	–
- Others	–	–	–	–	**0.06**	0.02	–	–	–	–	–	–
Donations												
- National Democratic Electoral Trust	–	–	–	–	–	–	–	–	–	–	–	–
Remuneration												
- Mr Ramesh Iyer	–	–	–	–	–	–	–	–	**7.46**	7.11	–	–
- Mr Amit Raje	–	–	–	–	–	–	–	–	**3.51**	–	–	–
Sitting fees and commission												
- Mr C. B. Bhave	–	–	–	–	–	–	–	–	**0.46**	0.37	–	–
- Mr Dhananjay Mungale	–	–	–	–	–	–	–	–	**0.47**	0.45	–	–
- Ms Rama Bijapurkar	–	–	–	–	–	–	–	–	**0.42**	0.35	–	–
- Mr Milind Sarwate	–	–	–	–	–	–	–	–	**0.47**	0.38	–	–
- Dr Rebecca Nugent	–	–	–	–	–	–	–	–	**0.38**	0.03	–	–
Reimbursement from parties												
- Mahindra & Mahindra Limited	**35.20**	21.31	–	–	–	–	–	–	–	–	–	–
- Gromax Agri Equipment Limited	–	–	–	–	**4.65**	1.85	–	–	–	–	–	–
- Mahindra Manulife Investment Management Pvt Ltd	–	–	–	–	–	–	**0.06**	0.29	–	–	–	–
- Mahindra Rural Housing Finance Limited	–	–	–	0.01	–	–	–	–	–	–	–	–
- Mahindra Insurance Brokers Limited	–	–	–	–	–	–	–	–	–	–	–	–
Reimbursement to parties									–	–	–	–

												Rs. in crore
	Holding Company		**Subsidiary Companies**		**Fellow Subsidiaries / Associate of Holding Company**		**Associate companies**		**Key Management Personnel**		**Relatives of Key Management Personnel**	
Particulars	**Current Year**	Previous Year	**Current Year**	Previous Year	**Current Year**	Previous Year	**Current Year**	Previous Year	**Current Year**	Previous Year	**Current Year**	Previous Year
- Mahindra Insurance Brokers Limited	–	–	–	–	–	–	–	–	–	–	–	–
- Mahindra Rural Housing Finance Limited	–	–	**1.76**	–	–	–	–	–	–	–	–	–
- Mahindra USA, Inc	–	–	–	–	**2.33**	1.99	–	–	–	–	–	–
- Mahindra Electric Mobility Limited	–	–	–	–	**0.02**	–	–	–	–	–	–	–
- NBS International Limited	–	–	–	–	–	–	–	–	–	–	–	–
Purchase of fixed assets (incl Capital advances)												
- Mahindra & Mahindra Limited	**114.27**	11.63	–	–	–	–	–	–	–	–	–	–
- Mahindra First Choice Services Limited	–	–	–	–	–	–	–	–	–	–	–	–
- NBS International Limited	–	–	–	–	**5.51**	–	–	–	–	–	–	–
Sale of fixed assets												
- Mahindra Rural Housing Finance Limited	–	–	**0.21**	–	–	–	–	–	–	–	–	–
Investments made												
- Mahindra Manulife Investment Management Pvt Ltd	–	–	–	–	–	–	–	–	–	–	–	–
- Mahindra Ideal Finance Ltd	–	–	**33.97**	–	–	–	–	–	–	–	–	–
- Mahindra Finance CSR Foundation	–	–	–	–	–	–	–	–	–	–	–	–
- New Democratic Electoral Trust	–	–	–	–	–	0.01	–	–	–	–	–	–
- Smartshift Logistics Solutions Pvt Ltd.	–	–	–	–	–	–	–	–	–	–	–	–
Fixed deposits taken												
- Mahindra Insurance Brokers Limited	–	–	**184.65**	53.75	–	–	–	–	–	–	–	–
- Mahindra & Mahindra Limited	**11.99**	5.43	–	–	–	–	–	–	–	–	–	–
- PSL Media & Communications Ltd	–	–	–	–	**0.90**	0.70	–	–	–	–	–	–
- Mahindra Holidays & Resorts India Ltd	–	–	–	–	**5.00**	15.00	–	–	–	–	–	–
- Mr Ramesh Iyer	–	–	–	–	–	–	–	–	**0.91**	0.69	–	–
- Mr C. B. Bhave	–	–	–	–	–	–	–	–	–	–	–	–
- Others	–	–	–	–	–	–	–	–	–	–	**1.82**	3.65
Fixed deposits matured												
- Mahindra Insurance Brokers Limited	–	–	**73.50**	–	–	–	–	–	–	–	–	–
- PSL Media & Communications Ltd	–	–	–	–	**0.90**	0.80	–	–	–	–	–	–
- Mahindra & Mahindra Limited	**2.32**	1.24	–	–	–	–	–	–	–	–	–	–
- Mahindra Holidays & Resorts India Ltd	–	–	–	–	**15.00**	15.90	–	–	–	–	–	–
- Mr Ramesh Iyer	–	–	–	–	–	–	–	–	**0.79**	1.61	–	–
- Mr C. B. Bhave	–	–	–	–	–	–	–	–	**0.30**	0.15	–	–
- Others	–	–	–	–	–	–	–	–	–	-	**1.73**	2.58

												Rs. in crore
	Holding Company		**Subsidiary Companies**		**Fellow Subsidiaries / Associate of Holding Company**		**Associate companies**		**Key Management Personnel**		**Relatives of Key Management Personnel**	
Particulars	**Current Year**	Previous Year	**Current Year**	Previous Year	**Current Year**	Previous Year	**Current Year**	Previous Year	**Current Year**	Previous Year	**Current Year**	Previous Year
Dividend paid												
- Mahindra & Mahindra Limited	**51.55**	–	–	–	–	–	–	–	–	–	–	–
- Mahindra & Mahindra Financial Services Ltd Employees' Stock Option Trust	–	–	**0.27**	–	–	–	–	–	–	–	–	–
- Mr Ramesh Iyer	–	–	–	–	–	–	–	–	**0.14**	–	–	–
- Ms Rama Bijapurkar	–	–	–	–	–	–	–	–	**0.00**	–	–	–
- Mr Dhananjay Mungale	–	–	–	–	–	–	–	–	**0.00**	–	–	–
- Mr V. S. Parthasarthy	–	–	–	–	–	–	–	–	–	–	–	–
- Others	–	–	–	–	–	–	–	–	–	–	–	–
Inter corporate deposits taken												
- Mahindra & Mahindra Limited	–	–	–	–	–	–	–	–	–	–	–	–
- Mahindra Insurance Brokers Limited	–	–	**4.00**	–	–	–	–	–	–	–	–	–
- Tech Mahindra Limited	–	–	–	–	**200.00**	500.00	–	–	–	–	–	–
- Swaraj Engines Limited	–	–	–	–	–	–	–	–	–	–	–	–
- Mahindra Water Utilities Limited	–	–	–	–	**4.26**	–	–	–	–	–	–	–
- Mahindra Holidays & Resorts India Ltd	–	–	–	–	**140.00**	180.00	–	–	–	–	–	–
Inter corporate deposits repaid / matured												
- Mahindra & Mahindra Limited	–	100.00	–	–	–	–	–	–	–	–	–	–
- Mahindra Insurance Brokers Limited	–	–	**4.00**	17.25	–	–	–	–	–	–	–	–
- Tech Mahindra Limited	–	–	–	–	**500.00**	–	–	–	–	–	–	–
- Mahindra Vehicle Manufacturers Limited	–	–	–	–	–	–	–	–	–	–	–	–
- Swaraj Engines Limited	–	–	–	–	–	10.00						
- Mahindra Water Utilities Limited	–	–	–	–	**3.75**	5.00	–	–	–	–	–	–
- Mahindra Holidays & Resorts India Ltd	–	–	–	–	**180.00**	–	–	–	–	–	–	–
- Mahindra Intertrade Limited	–	–	–	–	–	–	–	–	–	–	–	–
Debentures issued												
- Mahindra & Mahindra Limited	–	–	–	–	–	–	–	–	–	–	–	–
Debentures matured												
- Mahindra & Mahindra Limited	**95.00**	100.00	–	–	–	–	–	–	–	–	–	–
Issue of Share Capital (incl Securities premium)												
- Mahindra & Mahindra Limited	–	1,640.96	–	–	–	–	–	–	–	–	–	–
- Mahindra & Mahindra Financial Services Ltd Employees' Stock Option Trust	–	–	–	10.32	–	–	–	–	–	–	–	–
Balances as at the end of the period												

												Rs. in crore
	Holding Company		**Subsidiary Companies**		**Fellow Subsidiaries / Associate of Holding Company**		**Associate companies**		**Key Management Personnel**		**Relatives of Key Management Personnel**	
Particulars	**Current Year**	Previous Year	**Current Year**	Previous Year	**Current Year**	Previous Year	**Current Year**	Previous Year	**Current Year**	Previous Year	**Current Year**	Previous Year
Receivables												
- Mahindra & Mahindra Limited	**6.81**	–	–	–	–	–	–	–	–	–	–	–
- Mahindra Rural Housing Finance Limited	–	–	**1.06**	1.68	–	–	–	–	–	–	–	–
- Mahindra Manulife Investment Management Pvt Ltd	–	–	–	–	–	–	**0.05**	0.05	–	–	–	–
- Mahindra Manulife Trustee Company Pvt Ltd	–	–	–	–	–	–	**0.01**	0.01	–	–	–	–
- NBS International Limited	–	–	–	–	**1.41**	–	–	–	–	–	–	–
- Mahindra Electric Mobility Limited	–	–	–	–	**0.10**	–	–	–	–	–	–	–
- Mahindra & Mahindra Contech Private Limited					–							
- Gromax Agri Equipment Limited	–	–	–	–	–	–	–	–	–	–	–	–
Loan given (including interest accrued but not due)												
- Mahindra Construction Co. Ltd.	–	–	–	–	–	3.34	–	–	–	–	–	–
- Smartshift Logistics Solutions Pvt Ltd.	–	–	–	–	–	–	–	–	–	–	–	–
Inter corporate deposits given (including interest accrued but not due)												
- Mahindra Construction Co. Ltd.	–	–	–	–	–	1.13	–	–	–	–	–	–
Investments												
- Mahindra Rural Housing Finance Limited	–	–	**799.30**	799.30	–	–	–	–	–	–	–	–
- Mahindra Insurance Brokers Limited	–	–	**0.45**	0.45	–	–	–	–	–	–	–	–
- Mahindra Manulife Investment Management Pvt Ltd	–	–	–	–	–	–	**195.30**	195.30	–	–	–	–
- Mahindra Manulife Trustee Company Pvt Ltd	–	–	–	–	–	–	**0.50**	0.50	–	–	–	–
- Mahindra Finance CSR Foundation	–	–	**0.00**	0.00	–	–	–	–	–	–	–	–
- Mahindra Finance USA, Inc	–	–	–	–	–	–	**210.55**	210.55	–	–	–	–
- Mahindra Ideal Finance Ltd	–	–	**77.97**	44.00	–	–	–	–	–	–	–	–
- New Democratic Electoral Trust	–	–	–	–	**0.02**	0.02	–	–	–	–	–	–
- Smartshift Logistics Solutions Pvt Ltd.	–	–	–	–	**9.50**	9.50	–	–	–	–	–	–
Payables												
- Mahindra & Mahindra Limited	–	8.75	–	–	–	–	–	–	–	–	–	–
- Mahindra Insurance Brokers Limited	–	–	**10.72**	11.77	–	–	–	–	–	–	–	–
- Mahindra First Choice Wheels Limited	–	–	–	–	**6.71**	5.41	–	–	–	–	–	–

												Rs. in crore
	Holding Company		**Subsidiary Companies**		**Fellow Subsidiaries / Associate of Holding Company**		**Associate companies**		**Key Management Personnel**		**Relatives of Key Management Personnel**	
Particulars	**Current Year**	Previous Year	**Current Year**	Previous Year	**Current Year**	Previous Year	**Current Year**	Previous Year	**Current Year**	Previous Year	**Current Year**	Previous Year
- Mahindra USA, Inc	–	–	–	–	**0.16**	0.25	–	–	–	–	–	–
- Mahindra Integrated Business Solutions Limited	–	–	–	–	**0.40**	1.59	–	–	–	–	–	–
- NBS International Limited	–	–	–	–	–	0.18	–	–	–	–	–	–
- Mahindra Defence Systems Ltd	–	–	–	–	–	0.80	–	–	–	–	–	–
- Mahindra Engineering & Chemical Products Ltd	–	–	–	–	–	–	–	–	–	–	–	–
- Others	–	–	–	–	**0.01**	0.06	–	–	–	–	–	–
Inter corporate deposits taken (including interest accrued but not due)												
- Mahindra & Mahindra Limited	–	–	–	–	–	–	–	–	–	–	–	–
- Mahindra Insurance Brokers Limited	–	–	**4.02**	4.02	–	–	–	–	–	–	–	–
- Tech Mahindra Limited	–	–	–	–	**207.54**	523.85	–	–	–	–	–	–
- Swaraj Engines Limited	–	–	–	–	–	–	–	–	–	–	–	–
- Mahindra Water Utilities Limited	–	–	–	–	**4.28**	4.03	–	–	–	–	–	–
- Mahindra Holidays & Resorts India Ltd	–	–	–	–	**145.35**	188.55	–	–	–	–	–	–
Debentures (including interest accrued but not due)												
- Mahindra & Mahindra Limited	–	102.71	–	–	–	–	–	–	–	–	–	–
Fixed deposits (including interest accrued but not due)												
- Mahindra & Mahindra Limited	**15.69**	5.51	–	–	–	–	–	–	–	–	–	–
- Mahindra Insurance Brokers Limited	–	–	**199.88**	90.49								
- Mahindra Engineering & Chemical Products Ltd	–	–	–	–	–	–	–	–	–	–	–	–
- PSL Media & Communications Ltd	–	–	–	–	**0.93**	0.94	–	–	–	–	–	–
- Mahindra Holidays & Resorts India Ltd	–	–	–	–	**5.01**	15.02	–	–	–	–	–	–
- Mr Ramesh Iyer	–	–	–	–	–	–	–	–	**0.92**	0.83	–	–
- Mr C. B. Bhave	–	–	–	–	–	–	–	–	**0.37**	0.71	–	–
- Others	–	–	–	–	–	–	–	–	–	–	**4.02**	3.93

Key Management Personnel as defined in Ind AS 24 - Related Party Disclosures

iii) Details of related party transactions with Key Management Personnel (KMP) are as under :

Key management personnel are those individuals who have the authority and responsibility for planning and exercising power to directly or indirectly control the activities of the Company or its employees. Accordingly, the Company considers any Director, including independent and non-executive directors, to be key management personnel for the purposes of IND AS 24 - Related Party Disclosures.

Rs. in crore

Name of the KMP	Nature of transactions	31 March 2022	31 March 2021
Name of the KMP - Mr. Ramesh Iyer (Vice-Chairman & Managing Director)			
	Gross Salary including perquisites	**4.47**	4.69
	Commission	**1.28**	1.28
	Stock Option	**1.45**	0.90
	Others - Contribution to Funds	**0.33**	0.31
		7.53	7.18
Name of the KMP - Mr. Amit Raje (Whole-time Director & Chief Operating Officer - Digital Finance - Digital Business Unit) (w.e.f. 1 April 2021)			
	Gross Salary including perquisites	**2.79**	–
	Commission	–	–
	Stock Option	**0.70**	–
	Others - Contribution to Funds	**0.09**	–
		3.58	–
Name of the KMP - Mr. Dhananjay Mungale (Independent Director)			
	Commission	**0.32**	0.28
	Other benefits	**0.17**	0.13
		0.49	0.41
Name of the KMP - Ms. Rama Bijapurkar (Independent Director)			
	Commission	**0.25**	0.21
	Other benefits	**0.12**	0.10
		0.37	0.31
Name of the KMP - Mr. C.B. Bhave (Independent Director)			
	Commission	**0.25**	0.21
	Other benefits	**0.16**	0.12
		0.41	0.33
Name of the KMP - Mr. Milind Sarwate (Independent Director)			
	Commission	**0.25**	0.21
	Other benefits	**0.17**	0.13
		0.42	0.34
Name of the KMP - Dr. Rebecca Nugent			
(Appointed w.e.f. 5 March 2021)	(Appointed w.e.f. 5 March 2021)		
	Commission	**0.02**	–
	Other benefits	**0.07**	0.01
		0.09	0.01

iv) Disclosure required under Section 186 (4) of the Companies Act, 2013

As at 31 March 2022

Rs. in crore

Particulars	**Relationship**	**Balance as on 1 April 2021**	**Advances/ investments**	**Repayments/ sale**	**Balance as on 31 March 2022**
(A) Loans and advances		–	–	–	–
		–	**–**	**–**	**–**
(B) Unsecured redeemable non-convertible subordinate debentures		–	–	–	–
		–	**–**	**–**	**–**
(C) Investments					
Mahindra Insurance Brokers Limited	Subsidiary	0.45	–		0.45
Mahindra Rural Housing Finance Limited	Subsidiary	799.30	–		799.30
Mahindra Manulife Investment Management Private Limited	Joint Venture	195.30	–	–	195.30
Mahindra Manulife Trustee Private Limited	Joint Venture	0.50	–	–	0.50
Mahindra Finance CSR Foundation	Wholly owned Subsidiary	0.00	–	–	0.00
Mahindra Finance USA, LLC	Joint Venture	210.55	–	–	210.55

Rs. in crore

Particulars	Relationship	Balance as on 1 April 2021	Advances/ investments	Repayments/ sale	Balance as on 31 March 2022
Mahindra Ideal Finance Limited, Sri Lanka (considered as Subsidiary w.e.f. 8 July 2021) (Formarly known as Ideal Finance Limited)	Subsidiary	44.00	33.97	–	77.97
Smartshift Logistics Solutions Private Limited (refer note no. (iii))	Fellow Associate	9.50	–	–	9.50
New Democratic Electoral Trust	Fellow subsidiary	0.02	–	–	0.02
		1,259.62	**33.97**	**–**	**1,293.59**
Total		**1,259.62**	**33.97**	**–**	**1,293.59**

As at 31 March 2021

Rs. in crore

Particulars	Relation	Balance as on 1 April 2020	Advances/ investments	Repayments/ sale	Balance as on 31 March 2021
(A) Loans and advances					
Mahindra Rural Housing Finance Ltd.	Subsidiary	–	–	–	–
Mahindra Retail Private Limited	Fellow subsidiary	–	–	–	–
2 x 2 Logistics Private Limited	Fellow subsidiary	–	–	–	–
Smartshift Logistics Solutions Private Limited (refer note no. (iii))	Fellow Associate	18.63	–	18.63	–
		18.63	**–**	**18.63**	**–**
(B) Unsecured redeemable non-convertible subordinate debentures					
		–	**–**	**–**	**–**
(C) Investments					
Mahindra Insurance Brokers Limited	Subsidiary	0.45	–		0.45
Mahindra Rural Housing Finance Limited	Subsidiary	799.30	–		799.30
Mahindra Manulife Investment Management Private Limited (w.e.f. 30 April 2020) (Formerly known as Mahindra Asset Management Company Private Limited. (up to 29 April 2020))	Joint Venture	210.00	–	14.70	195.30
Mahindra Manulife Trustee Private Limited (w.e.f. 30 April 2020) (Formerly known as Mahindra Trustee Company Private Limited. (up to 29 April 2020))	Joint Venture	0.50	–	–	0.50
Mahindra Finance CSR Foundation	Wholly owned Subsidiary	0.00	–	–	0.00
Mahindra Finance USA, LLC	Joint Venture	210.55	–	–	210.55
Ideal Finance Limited, Sri Lanka	Joint Venture	44.00	–	–	44.00
Smartshift Logistics Solutions Private Limited (refer note no. (iii))	Fellow Associate	9.50	–	–	9.50
New Democratic Electoral Trust	Fellow subsidiary	0.01	0.01	–	0.02
		1,274.31	**0.01**	**14.70**	**1,259.62**
Total		**1,292.94**	**0.01**	**33.33**	**1,259.62**

Notes:

i) Above loans & advances and investments have been given for general business purposes of the recipient and figures are at historical cost.

ii) There were no guarantees given / securities provided during the year.

54 Schedule to the Balance Sheet of a Non-Banking Financial Company as required under Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, as amended.

Rs. in crore

Sr. No.	Particulars	As at 31 March 2022		As at 31 March 2021	
	Liabilities	**Amount Outstanding**	**Amount Overdue**	Amount Outstanding	Amount Overdue
1)	**Loans and advances availed by the NBFC inclusive of interest accrued thereon but not paid:**				
	(a) Debentures:				
	- Secured	**17,843.39**	–	16,895.90	–
	- Unsecured	**860.69**	–	645.41	–

Rs. in crore

Sr. No.	Particulars	As at 31 March 2022		As at 31 March 2021	
	Liabilities	**Amount Outstanding**	**Amount Overdue**	Amount Outstanding	Amount Overdue
	(b) Deferred Credits	–	–	–	–
	(c) Term Loans	**15,335.00**	–	14,354.51	–
	(d) Inter-corporate loans and Other Borrowings	**361.18**	–	720.56	–
	(e) Commercial Paper	**496.56**	–	494.52	–
	(f) Public Deposits	**7,352.38**	–	9,319.48	–
	(g) Fixed Deposits accepted from Corporates	**1,658.15**	–	770.05	–
	(h) External Commercial Borrowings	**2,216.79**	–	3,726.99	–
	(i) Associated liabilities in respect of securitisation transactions	**8,094.52**	–	10,400.11	–
	(j) Subordinate debt (including NCDs issued through Public issue)	**3,373.29**	–	3,389.93	–
	(k) Other Short Term Loans and credit facilities from banks	**85.00**	–	90.01	–
2)	**Break-up of (1) (f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid):**				
	(a) In the form of Unsecured debentures	–	–	–	–
	(b) In the form of partly secured debentures i.e. Debentures where there is a shortfall in the value of security	–	–	–	–
	(c) Other public deposits	**7,352.38**	–	9,319.48	–

		Amount Outstanding	
Asset side:		**As at 31 March 2022**	As at 31 March 2021
3)	**Break-up of Loans and Advances including bills receivables [other than those included in (4) below]:**		
	(a) Secured	–	–
	(b) Unsecured	**3,265.62**	2,271.29
4)	**Break up of Leased Assets and stock on hire and hypothecation loans counting towards AFC activities:**		
	(i) Lease assets including lease rentals under sundry debtors:		
	(a) Financial lease	–	–
	(b) Operating lease	**1.22**	0.21
	(ii) Stock on hire including hire charges under sundry debtors:		
	(a) Assets on hire	–	–
	(b) Repossessed Assets	–	–
	(iii) Other loans counting towards AFC activities:		
	(a) Loans where assets have been repossessed	**167.27**	179.23
	(b) Loans other than (a) above	**57,019.62**	57,505.09
5)	**Break-up of Investments:**		
	Current Investments:		
	1. Quoted:		
	(i) Shares:		
	(a) Equity	–	–
	(b) Preference	–	–
	(ii) Debentures and Bonds	**6.86**	6.00
	(iii) Units of mutual funds	**834.47**	1,667.18
	(iv) Government Securities	**467.15**	121.91
	2. Unquoted:		

	Amount Outstanding	
Asset side:	**As at 31 March 2022**	As at 31 March 2021
(i) Shares:		
(a) Equity	–	–
(b) Preference	–	–
(ii) Debentures and Bonds	–	–
(iii) Units of mutual funds	–	–
(iv) Government Securities	–	–
(v) Certificate of Deposits with Banks	–	–
(vi) Commercial Papers	–	197.67
(vil) Investments in Pass Through Certificates under securitization transactions	**163.93**	47.01
(viii) Investment in Triparty Repo Dealing System (TREPS)	–	2,404.00
Long Term Investments:		
1. Quoted:		
(i) Shares:		
(a) Equity	**0.24**	–
(b) Preference	–	–
(ii) Debentures and Bonds (Bonds of FCI NCDs of NABARD)	**286.55**	288.37
(iii) Units of mutual funds	–	–

Asset side:	Amount Outstanding As at 31 March 2022	As at 31 March 2021
(iv) Government Securities	**5340.94**	5706.51
2. Unquoted:		
(i) Shares:		
(a) Equity	**1326.48**	1266.49
(b) Preference	–	–
(ii) Debentures and Bonds	**1.59**	–
(iii) Units of mutual funds	–	–
(iv) Government Securities	–	–
(v) Investments in Pass Through Certificates under securitization transactions	**12.06**	0.21

6) Borrower group-wise classification assets financed as in (3) and (4) above:

Category	As at 31 March 2022			As at 31 March 2021		
	Amount net of provisions			Amount net of provisions		
	Secured	**Unsecured**	**Total**	Secured	Unsecured	Total
1. Related Parties						
(a) Subsidiaries	–	–	–	–	–	–
(b) Companies in the same group	–	–	–	–	–	–
(c) Other related parties	–	–	–	–	–	–
2. Other than related parties	**57,186.89**	**3,266.84**	**60,453.73**	57,684.32	2,271.50	59,955.82
Total	**57,186.89**	**3,266.84**	**60,453.73**	57,684.32	2,271.50	59,955.82

7) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted) :

Category	As at 31 March 2022		As at 31 March 2021	
	Market Value/ Break up or fair value or NAV	**Book Value (net of provisions)**	Market Value/ Break up or fair value or NAV	Book Value (net of provisions)
1. Related Parties				
(a) Subsidiaries	**877.72**	**877.72**	799.75	799.75
(b) Companies in the same group	**448.76**	**448.76**	466.74	466.74
(c) Other related parties	–	–	–	–
2. Other than related parties	**7,115.40**	**7,113.79**	10,439.27	10,438.86
Total	**8,441.88**	**8,440.27**	**11,705.76**	**11,705.35**

8) Other information:

Particulars	As at 31 March 2022 Amount	As at 31 March 2021 Amount
i) Gross Non-Performing Assets:		
(a) Related parties	–	4.73
(b) Other than related parties	**4,976.30**	5,781.21
ii) Net Non-Performing Assets:		
(a) Related parties	–	–
(b) Other than related parties	**2,085.95**	2,433.88
iii) Assets acquired in satisfaction of debt:	**1.83**	–

55 Disclosures as required under Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, as amended

The Reserve Bank of India, vide its circular reference RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated 13 March 2020 outlined the regulatory guidance in relation to Ind AS financial statements from financial year 2019-20 onwards. This included guidance for computation of 'owned funds' , 'net owned funds' and 'regulatory capital'.

I) Capital

Particulars	As at 31 March 2022	As at 31 March 2021
CRAR (%)	**27.75%**	25.98%
CRAR-Tier I Capital (%)	**24.24%**	22.22%
CRAR-Tier II Capital (%)	**3.51%**	3.76%
Amount of subordinated debt raised as Tier-II capital (Rs. in crores)	**132.90**	–
Amount raised by issue of Perpetual Debt Instruments	–	–

II) Investments

Rs. in crores

Particulars	As at 31 March 2022	As at 31 March 2021
Value of Investments		
(i) Gross Value of Investments		
(a) In India	**8,153.36**	11,353.11
(b) Outside India	**288.52**	254.55
(ii) Provisions for Depreciation		
(a) In India	**1.61**	0.41
(b) Outside India	–	–
(iii) Net Value of Investments		
(a) In India	**8,151.75**	11,352.70
(b) Outside India	**288.52**	254.55
Movement of provisions held towards depreciation on investments.		
(i) Opening balance	**0.41**	1.36
(ii) Add: Provisions made during the year	**1.61**	–
(iii) Less: Write-off/write-back of excess provisions during the year	**(0.41)**	(0.95)
(iv) Closing balance	**1.61**	0.41

III) Derivatives

a) Forward Rate Agreement (FRA) / Interest Rate Swap (IRS)

		As at 31 March 2022	As at 31 March 2021
(i)	The notional principal of swap agreements	**2,258.50**	3,703.29
(ii)	Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements	–	–
(iii)	Collateral required by the Company upon entering into swaps	–	–
(iv)	Concentration of credit risk arising from the swaps	–	–
(v)	The fair value of the swap book (Asset / (Liability (net))	**(155.60)**	(147.46)

Exchange Traded Interest Rate (IR) Derivative

The Company has not entered into any exchange traded derivative.

b) Exchange Traded Interest Rate (IR) Derivatives

The Company is not carrying out any activity of providing Derivative cover to third parties.

c) Disclosures on Risk Exposure in Derivatives

Qualitative Disclosures –

i) The Company undertakes the derivatives transaction to prudently hedge the risk in context of a particular borrowing or to diversify sources of borrowing and to maintain fixed and floating borrowing mix. The Company does not indulge into any derivative trading transactions. The Company reviews, the proposed transaction and outline any considerations associated with the transaction, including identification of the benefits and potential risks (worst case scenarios); an independent analysis of potential savings from the proposed transaction. The Company evaluates all the risks inherent in the transaction viz., counter party risk, Market Risk, Operational Risk, basis risk etc.

ii) Credit risk is controlled by restricting the counterparties that the Company deals with, to those who either have banking relationship with the Company or are internationally renowned or can provide sufficient information. Market/Price risk arising from the fluctuations of interest rates and foreign exchange rates or from other factors shall be closely monitored and controlled. Normally transaction entered for hedging, will run till its life, irrespective of profit or loss. However in case of exceptions it has to be un-winded only with prior approval of M.D / CFO / Treasurer. Liquidity risk is controlled by restricting counterparties to those who have adequate facility, sufficient information, and sizable trading capacity and capability to enter into transactions in any markets around the world.

iii) The respective functions of trading, confirmation and settlement should be performed by different personnel. The front office and back-office role is well defined and segregated. All the derivatives transactions is quarterly monitored and reviewed by CFO and Treasurer. All the derivative transactions have to be reported to the board of directors on every quarterly board meetings including their financial positions.

Quantitative Disclosures –

d) Foreign currency non-repatriate loans availed:

Rs. in crores

		As at 31 March 2022		As at 31 March 2021	
		Currency Derivatives	Interest Rate Derivatives	Currency Derivatives	Interest Rate Derivatives
(i)	Derivatives (Notional Principal Amount)				
	– For hedging		**2,258.50**		3,703.29
(ii)	Marked to Market Positions [1]				
	(a) Asset (+) Estimated gain	**26.63**	**–**	25.72	–
	(b) Liability (-) Estimated loss	**(179.56)**	**(2.67)**	(160.21)	(12.97)
(iii)	Credit Exposure [2]	**–**	**–**	–	–
(iv)	Unhedged Exposures	**–**	**–**	–	–

IV) Disclosures relating to Securitisation

a) Disclosures in the notes to the accounts in respect of securitization transactions as required under Master Direction – Reserve Bank of India (Securitisation of Standard Assets) Directions, 2021 vide circular no. RBI/DOR/2021-22/85 DOR.STR.REC.53/21.04.177/2021-22 dated 24 September 2021.

Rs. in crores

Sr. No.	Particulars	As at 31 March 2022	As at 31 March 2021
1)	No. of Special Purpose Entities (SPEs) holding assets for securitisation transactions originated by the NBFC (only the Special Purpose Vehicles (SPVs) relating to outstanding securitization exposures to be reported here)	**21**	21
2)	Total amount of securitised assets as per books of the SPEs	**8,089.20**	10,390.77
3)	Total amount of exposures retained by the NBFC to comply with MRR as on the date of balance sheet -		
	a) Off-balance sheet exposures		
	First loss-		
	- Credit enhancement in form of corporate undertaking	**1,718.05**	1,547.25
	Others	–	–
	b) On-balance sheet exposures		
	First loss-		
	- Cash collateral term deposits with banks	**305.05**	485.34
	Others-		
	- Retained interest in pass through certificates (excluding accrued interest)	–	–
4)	Amount of exposures to securitization transactions other than MRR		
	a) Off-balance sheet exposures		
	(i) Exposure to own securitizations		
	First loss	–	–
	Others -	–	–
	- Excess Interest Spread	**1,083.90**	1,428.78
	(ii) Exposure to third party securitisations		
	First loss		
	Others	–	–
	b) On-balance sheet exposures		
	(i) Exposure to own securitisations		
	First loss	–	–
	Others -	–	–
	- Cash collateral term deposits with banks	–	–
	(ii) Exposure to third party securitisations		
	First loss	–	–
	Others	–	–
5)	Sale consideration received for the securitised assets (for transactions executed during the year)	**3,569.13**	5,120.30
	Gain/loss on sale on account of securitisation	**Nil**	Nil
6)	Form and quantum (outstanding value) of services provided by way of, liquidity support, post-securitisation asset servicing, etc. * The Company has assumed Role of Servicer for all outstanding securitization transactions. Servicing fee received during the financial year is disclosed.	**21.08**	12.85
7)	Performance of facility provided. Please provide separately for each facility viz. Credit enhancement, liquidity support, servicing agent etc. Mention percent in bracket as of total value of facility provided.		
	Credit Enhancement :		
	a) Opening Balance Outstanding	**2,032.59**	1,600.67
	b) Additions during the year (Fresh Transactions)	**395.19**	556.03
	c) Top Up during the year	**47.44**	148.96
	d) Reductions during the year (Matured Transactions)	**404.68**	124.22
	e) Withdrawal during the year	**47.44**	148.85
	f) Closing Balance Outstanding	**2,023.10**	2,032.59
	Excess Interest Spread (EIS) (Amount Held In Trust):		
	a) Opening Balance Outstanding	**438.12**	439.34
	b) Additions during the year (Fresh Transactions)	**46.90**	7.51
	c) Top Up during the year	**421.41**	423.48
	d) Reductions during the year (Matured Transactions)	**116.48**	134.04
	e) Withdrawal during the year	**110.49**	298.17
	f) Closing Balance Outstanding	**679.46**	438.12
8)	Average default rate of portfolios observed in the past. Please provide breakup separately for each asset class i.e. RMBS, Vehicle Loans etc # # (may mention average default rate of previous 5 years		
	a) Agriculture & allied activities*	**10.82%**	11.06%
	b) Auto Loans *	**7.48%**	7.68%
	* % of NPA to total advances to that asset class		
9)	Amount and number of additional/top up loan given on same underlying asset. Please provide breakup separately for each asset class i.e. RMBS, Vehicle Loans etc	**Nil**	Nil
10)	Investor complaints -		
	a) Directly/Indirectly received	**Nil**	Nil
	b) Complaints outstanding	**Nil**	Nil

b) Details of Financial Assets sold to Securitization / Reconstruction Company for Asset Reconstruction

During the current year and the previous year, the Company has not sold any financial assets to Securitization /Reconstruction Company for asset reconstruction.

V) Disclosures relating to loans transferred / acquired through assignment / novation and loan participation

During the current year and the previous year, the Company has not transferred or acquired any loan exposures through assignment / novation and loan participation.

During the current year and the previous year, the Company has not transferred or acquired any stressed loans.

VI) Exposures

a) Exposure to Real Estate Sector

Rs. in crores

Particulars	As at 31 March 2022	As at 31 March 2021
a) Direct exposure		
i) Residential Mortgages -		
Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented.	**–**	–
ii) Commercial Real Estate -		
Lending secured by mortgages on commercial real estates (office buildings, retail space, multi-purpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure shall also include non-fund based limits.	**–**	3.92

Rs. in crores

Particulars	As at 31 March 2022	As at 31 March 2021
iii) Investments in Mortgage Backed Securities (MBS) and other securitized exposures -		
Lending secured by mortgages on commercial real estates (office buildings, retail space, multi-purpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure shall also include non-fund based limits.	–	–
a. Residential	–	–
b. Commercial Real Estate	–	–
Total Exposure to Real Estate Sector	–	3.92

b) Exposure to Capital Market

Rs. in crores

Particulars	As at 31 March 2022	As at 31 March 2021
(i) direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	–	–
(ii) advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	–	–
(iii) advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	–	–
(iv) advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds 'does not fully cover the advances;	–	–
(v) secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	–	–
(vi) loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	–	–
(vii) bridge loans to companies against expected equity flows / issues;	–	–
(viii) all exposures to Venture Capital Funds (both registered and unregistered)	–	–
Total Exposure to Capital Market	–	–

c) Details of financing of parent company products

Of the total financing activity undertaken by the Company during the financial year 2021-22, 47 % (31 March 2021: 49%) of the financing was towards parent company products.

d) Details of Single Borrower Limit (SGL) /Group Borrower Limit (GBL) exceeded by the NBFC

During the current year and the previous year, the Company has not exceeded the prudential exposure limits for Single Borrower Limit (SGL) /Group Borrower Limit (GBL).

e) Unsecured Advances

As at 31 March 2022, the amount of unsecured advances stood at Rs. 3363.35 crore (31 March 2021: Rs. 2350.46 crore). There are no advances secured against intangible assets.

VII) Miscellaneous

a) Registration obtained from other financial sector regulators

During the current year and the previous year, the Company has not obtained any registration from other financial sector regulators.

b) Disclosure of Penalties imposed by RBI and other regulators

During the current year and the previous year, there are no penalties imposed by RBI and other regulators.

c) Related Party Transactions

(refer note 53)

d) Rating assigned by credit rating agencies and migration of ratings during the year

Credit Rating -

During the year under review, CRISIL Ratings Limited (CRISIL), has reaffirmed the rating to the Company's Long-term Debt Instruments,Subordinated Debt programe and Bank Facilities as 'CRISIL AA+/ Stable' and the Company's Fixed Deposit Programme as 'FAAA/Stable', respectively. The 'AA+/Stable' rating indicates a high degree of safety with regard to timely payment of financial obligations. The rating on the Company's Short-term Bank Loans,Commercial Paper and Cash Credit facility has been reaffirmed at 'CRISIL A1+' which is the highest level of rating.

During the year under review, India Ratings & Research Private Limited (IND), which is part of Fitch Group, reaffirmed the rating of Company's Long-term instrument and Subordinated Debt programme to 'IND AAA/Stable'and Principal protected market linked debenture: IND PP-MLD AAA emr/Stable. The Company's Short Term Commercial Paper has been rated at IND A1+.

During the year under review, CARE Ratings, also reaffirmed the 'CARE AAA/ Stable' rating to Company's Long-term debt instrument and Subordinated Debt programme.

During the year under review, Brickwork Ratings India Private Limited (BWR) has, reaffirmed the 'BWR AAA/stable' rating of the Company's Long-term Subordinated Debt Issue.

The 'AAA' ratings denote the highest degree of safety regarding timely servicing of financial obligations. Such instruments carry lowest credit risk.

VIII) Net Profit of Loss for the period ,prior period items and change in accounting policies

There are no such material items which require disclosures in the notes to Accounts in terms of the relevant Accounting Standard.

IX) Revenue Recognition

Refer note no. 2.6 under Summary of Significant Accounting Policies

X) Indian Accounting Standard 27 (Ind AS 27) - Consolidated and Separate Financial Statements (CFS)

All the subsidiaries of the Company have been consolidated as per Ind AS 27. Refer consolidated financial statements (CFS)

Additional Disclosures:

All the subsidiaries of the Company have been consolidated as per Ind AS 27. Refer consolidated financial statements (CFS)

XI) Provisions and Contingencies

Particulars	As at 31 March 2022	As at 31 March 2021
		Rs. in crores
Break up of 'Provisions and Contingencies' shown under the head Expenditure in Profit and Loss Account		
Provisions for depreciation on Investment	**1.21**	(0.96)
Provision towards non-performing assets (Stage 3 assets)	**(461.71)**	1,571.77
Provision made towards Income tax	**348.16**	434.80
Other Provision and Contingencies	**(1.01)**	0.04
Provision for diminution in the fair value of restructured advances	**–**	–
Provision for Standard Assets (Stage 1 and Stage 2 assets)	**316.94**	(6.73)

Draw Down from Reserves

Year ended March 31, 2022: Nil

Year ended March 31, 2021: Nil

XII) Concentration of Deposits, Advances, Exposures and NPAs

a) Concentration of Deposits (for deposit taking NBFCs)

Rs. in crores

Particulars	As at 31 March 2022	As at 31 March 2021
Total Deposits of twenty largest depositors	**1,164.66**	637.37
Percentage of Deposits of twenty largest depositors to Total Deposits of the NBFC.	**13.8%**	6.7%

b) Concentration of Advances

Rs. in crores

Particulars	As at 31 March 2022	As at 31 March 2021
Total Advances to twenty largest borrowers	**873.40**	750.56
Percentage of Advances to twenty largest borrowers to Total Advances of the NBFC	**1.3%**	1.2%

c) Concentration of Exposures

Rs. in crores

Particulars	As at 31 March 2022	As at 31 March 2021
Total Exposure to twenty largest borrowers/customers	**873.40**	750.56
Percentage of Exposures to twenty largest borrowers/customers to Total Exposure of the NBFC on borrowers/customers	**1.3%**	1.2%

d) Concentration of NPAs

Rs. in crores

Particulars	As at 31 March 2022	As at 31 March 2021
Total Exposure to top four NPA accounts	**52.60**	85.55

e) Sector-wise NPAs*

	Particulars	As at 31 March 2022 Percentage of NPAs to Total Advances in that sector	As at 31 March 2021 Percentage of NPAs to Total Advances in that sector
i)	Agriculture & allied activities	**9.9%**	12.5%
ii)	Auto loans	**7.5%**	8.2%
iii)	MSME	**2.1%**	2.5%
iv)	Corporate borrowers	**4.2%**	11.7%
v)	Unsecured personal loans	**3.9%**	10.5%
vi)	Other personal loans	**–**	–
vii)	Services	**–**	–

* NPA represent stage 3 assets

f) Movement of NPAs*

Rs. in crores

			As at 31 March 2022	As at 31 March 2021
i)	Net NPAs to Net Advances (%)		**3.36%**	3.97%
ii)	Movement of NPAs (Gross)			
	(a)	Opening balance	**5,785.94**	5,746.74
	(b)	Additions during the year	**2,706.62**	3,151.30
	(c)	Reductions during the year	**(3,516.26)**	(3,112.10)
	(d)	Closing balance	**4,976.30**	5,785.94
iii)	Movement of Net NPAs			
	(a)	Opening balance	**2,433.88**	3,966.47
	(b)	Additions during the year	**1,147.16**	591.84
	(c)	Reductions during the year	**(1,495.09)**	(2,124.43)
	(d)	Closing balance	**2,085.95**	2,433.88
iv)	Movement of provisions for NPAs			
	(a)	Opening balance	**3,352.06**	1,780.26
	(b)	Provisions made during the year	**1,559.46**	2,559.47
	(c)	Write-off/write-back of excess provisions	**(2,021.17)**	(987.67)
	(d)	Closing balance	**2,890.35**	3,352.06

* NPA represent stage 3 assets

XIII) Overseas Assets (for those with Joint Ventures and Subsidiaries abroad)

Rs. in crores

Name of the Joint Venture/Subsidiary	Other Partner in the JV / Subsidiary	Country	Total Assets As at 31 March 2022	Total Assets As at 31 March 2021
Mahindra Finance USA, LLC	De Lage Landen Financial Services	USA	**4,076.51**	3,669.50
Mahindra Ideal Finance Limited #	Ideal Finance Limited, Sri Lanka	Sri Lanka	**127.95**	77.98

post investment of third and final tranche for acquisition of the balance 20% of the Equity Share Capital, resulted in an increase in the Company's stake in Ideal Finance from 38.20% to 58.20%. Consequent to this investment, Ideal Finance has become a Subsidiary of the Company effective 8 July, 2021

XIV) Off-balance Sheet SPVs sponsored (which are required to be consolidated as per accounting norms)

Name of the SPV sponsored -

Domestic	Overseas
N/A	N/A

XV) Asset Liability Management Maturity pattern of certain items of Assets and Liabilities
As at March 31 2022

Rs. in crores

Particulars	1 to 7 days	8 to 14 days	15 days to 31 days	Over 1 month up to 2 months	Over 2 months up to 3 months	Over 3 months & up to 6 months	Over 6 months & up to 1 year	Over 1 year & up to 3 years	Over 3 year & up to 5 years	Over 5 years	Total
Deposits	57.66	86.96	226.38	383.69	443.20	1,504.95	2,061.71	3,128.86	532.78	–	8,426.19
Advances	1,103.66	1,031.26	3,502.25	2,738.61	2,650.45	5,748.74	10,103.87	26,602.71	6,739.79	223.30	60,444.64
Investments	845.95	–	21.16	54.37	43.34	112.73	394.87	1,006.60	2,578.41	3,382.84	8,440.27
Borrowings	–	–	976.01	1,032.14	2,392.83	3,094.66	7,422.12	20,083.87	4,892.90	5,315.68	45,210.21
Foreign Currency Assets	–	–	–	–	–	–	–	–	–	–	–
Foreign Currency liabilities	–	–	–	–	–	681.86	566.91	718.23	210.52	–	2,177.52

As at March 31, 2021

Rs. in crores

Particulars	1 to 7 days	8 to 14 days	15 days to 31 days	Over 1 month up to 2 months	Over 2 months up to 3 months	Over 3 months & up to 6 months	Over 6 months & up to 1 year	Over 1 year & up to 3 years	Over 3 year & up to 5 years	Over 5 years	Total
Deposits	32.48	41.65	110.71	202.67	254.76	997.02	2,241.26	4,612.21	957.90	–	9,450.66
Advances	1689.14	1689.14	3378.29	2199.23	2156.17	5,177.86	10,188.72	27,159.17	6,269.69	40.01	59,947.42
Investments	4076.21	–	13.54	40.79	40.86	238.25	34.13	880.83	2,315.14	4,065.60	11,705.35
Borrowings	56.98	21.00	572.27	1581.41	2713.09	3,238.94	6,933.59	20,340.49	4,116.08	5,871.62	45,445.47
Foreign Currency Assets	–	–	–	–	–	–	–	–	–	–	–
Foreign Currency liabilities	–	–	–	–	–	–	1,484.64	1,536.01	659.90	–	3,680.55

XVI) Disclosure of complaints

	Customer Complaints	Year ended 31 March 2022	Year ended 31 March 2021
(a)	No. of complaints pending at the beginning of the year	**763**	1,693
(b)	No. of complaints received during the year	**19,050**	22,032
(c)	No. of complaints redressed during the year	**19,634**	22,962
(d)	No. of complaints pending at the end of the year	**179**	763

56 Disclosures as required under Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, as amended

(A) Public disclosure on liquidity risk:

i) Funding Concentration based on significant counterparty (both deposits and borrowings)

As at 31 March 2022

Sr. no.	Type of instrument	Number of Significant Counterparties	Amount (Rs. in crores)	% of Total deposits	% of Total Liabilities
1	Deposits	Nil	Nil	Nil	Nil
2	Borrowings	21	34,251.07	406.5%	57.41%

As at 31 March 2021

Sr. no.	Type of instrument	Number of Significant Counterparties	Amount (Rs. in crores)	% of Total deposits	% of Total Liabilities
1	Deposits	Nil	Nil	Nil	Nil
2	Borrowings	18	36,036.19	381.3%	57.82%

ii) Top 20 large deposits (amount in Rs. in crores and% of total deposits)

As at 31 March 2022

Description	Amount (Rs. in crores)	% of Total deposits
Total for Top 20 large deposits	1,164.66	13.8%

As at 31 March 2021

Description	Amount (Rs. in crores)	% of Total deposits
Total for Top 20 large deposits	637.37	6.74%

iii) Top 10 borrowings (amount in Rs. in crores and% of total borrowings)

As at 31 March 2022

Description	Amount (Rs. in crores)	% of Total borrowings
Total for Top 10 borrowings	25,577.93	45.83%

As at 31 March 2021

Description	Amount (Rs. in crores)	% of Total borrowings
Total for Top 10 borrowings	30,294.10	51.72%

iv) Funding Concentration based on significant instrument/product

		As at 31 March 2022		As at 31 March 2021	
Sr. no.	Name of the instrument/product	Amount (Rs. in crores)	% of Total liabilities	Amount (Rs. in crores)	% of Total liabilities
1	Non-convertible debentures (Secured)	**17,406.37**	**29.18%**	15,990.30	25.66%
2	Term loans from banks (including FCNR loans)	**15,390.19**	**25.80%**	14,382.90	23.08%
3	External Commercial Borrowings	**2,177.52**	**3.65%**	3,680.55	5.91%
4	Associated liabilities in respect of securitization transactions	**8,089.20**	**13.56%**	10,390.77	16.67%
5	Public deposits	**8,426.19**	**14.12%**	9,450.66	15.16%
6	Subordinated redeemable non-convertible debentures	**3,129.85**	**5.25%**	3,149.37	5.05%
7	Commercial Papers (Unsecured)	–	–	–	–
8	Inter-corporate deposits (ICDs)	–	–	687.86	1.10%
		54,619.32	**91.55%**	57,732.41	92.63%
	Funding Concentration pertaining to insignificant instruments/products	**1,194.60**	**2.00%**	844.27	1.35%
	Total borrowings under all instruments/products	**55,813.92**	**93.55%**	58,576.68	93.99%

v) Stock Ratios

As at 31 March 2022

Sr. no.	Name of the instrument/product	Amount (Rs. in crores)	% of total public funds	% of total liabilities	% of total assets
a)	Commercial papers (CPs)	496.56	0.89%	0.83%	0.66%
b)	Non-convertible debentures (NCDs) with original maturity of less than 1 year	Nil	Nil	Nil	Nil
c)	Other short-term liabilities	1,924.20	3.45%	3.23%	2.56%

As at 31 March 2021

Sr. no.	Name of the instrument/product	Amount (Rs. in crores)	% of total public funds	% of total liabilities	% of total assets
a)	Commercial papers (CPs)	494.52	0.84%	0.79%	0.64%
b)	Non-convertible debentures (NCDs) with original maturity of less than 1 year	Nil	Nil	Nil	Nil
c)	Other short-term liabilities	1,899.49	3.24%	3.05%	2.47%

vi) Institutional set-up for liquidity risk management

The Liquidity Risk Management framework of the Company is governed by its Liquidity Risk Management Policy and Procedures approved by the Board. The Asset Liability Committee of the Board (ALCO) and Asset Liability Management Committee (ALMCO) oversee the implementation of liquidity risk management strategy of the Company and ensure adherence to the risk tolerance/limits set by the Board.

The Company maintains a robust funding profile with no undue concentration of funding sources. In order to ensure a diversified borrowing mix, concentration of borrowing through various sources is monitored. The Company maintains a positive cumulative mismatch in all buckets. As on March 31, 2022, the Company maintained a liquidity buffer of approximately Rs. 8,700 crores.

Definition of terms as used in the table above:

a) *Significant counterparty:*

A “Significant counterparty” is defined as a single counterparty or group of connected or affiliated counterparties accounting in aggregate for more than 1% of the NBFC’s total liabilities.

b) *Significant instrument/product:*

A “Significant instrument/product” is defined as a single instrument/product of group of similar instruments/products which in aggregate amount to more than 1% of the NBFC’s total liabilities.

c) *Total liabilities:*

Total liabilities include all external liabilities (other than equity).

d) *Public funds:*

“Public funds” includes funds raised either directly or indirectly through public deposits, inter-corporate deposits, bank finance and all funds received from outside sources such as funds raised by issue of Commercial Papers, Debentures etc. but excludes funds raised by issue of instruments compulsorily convertible into equity shares within a period not exceeding 5 years from the date of issue.

It includes total borrowings outstanding under all types of instruments/products.

e) *Other short-term liabilities:*

All short-term borrowings other than CPs and NCDs with original maturity less than 12 months.

56 Disclosures as required under Guidelines on Liquidity Risk Management Framework for NBFCs issued by RBI vide notification no. RBI/2019-20/88 DOR. NBFC (PD) CC. No.102/03.10.001/2019-20 dated 4 November 2019

As per the Guidelines on Liquidity Risk Management Framework for NBFCs issued by RBI vide notification no. RBI/2019-20/88 DOR.NBFC (PD) CC. No.102/03.10.001/2019-20, all deposit taking NBFCs are required to maintain Liquidity Coverage Ratio (LCR) from 1 December 2020, with the minimum LCR to be 50%, progressively increasing, till it reaches the required level of 100%, by 1 December 2024.

(B) Liquidity Coverage Ratio (LCR) for the year ended 31 March 2022

Rs. in crores

Particulars	Quarter ended 31 March 2022		Quarter ended 31 December 2021		Quarter ended 30 September 2021		Quarter ended 30 June 2021	
	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)
High Quality Liquid Assets								
1 Total High Quality Liquid Assets (HQLA) (refer note 1 below)	5,839.72	5,242.66	4,178.88	3,747.90	4,787.14	4,295.33	4,396.15	3,943.44
Cash Outflows								
2 **Deposits (for deposit taking companies)**	415.83	415.83	349.67	349.67	345.16	345.16	267.31	267.31
3 **Unsecured wholesale funding**	235.48	235.48	331.23	331.23	30.13	30.13	393.37	393.37
4 **Secured wholesale funding**	1,849.38	1,849.38	875.49	667.83	698.33	698.33	1,383.34	996.74
5 **Additional requirements, of which**	–	–	–	–	–	–	–	–
i) Outflows related to derivative exposures and other collateral requirements	–	–	–	–	–	–	–	–
ii) Outflows related to loss of funding on debt products	–	–	–	–	–	–	–	–
iii) Credit and liquidity facilities	–	–	–	–	–	–	–	–
6 **Other contractual funding obligations**	1,648.28	1,648.28	1,364.08	1,364.08	1,193.70	1,193.70	1,244.28	1,244.28
7 **Other contingent funding obligations**	44.23	44.23	42.50	42.50	28.03	28.03	48.16	48.16
8 **TOTAL CASH OUTFLOWS**	4,193.20	4,193.20	2,962.97	2,755.31	2,295.35	2,295.35	3,336.46	2,949.86
Cash Inflows								
9 **Secured lending**	–	–	–	–	–	–	–	–
10 **Inflows from fully performing exposures**	4,086.58	4,086.58	4,108.14	4,108.14	3,836.70	3,836.70	3,726.89	3,726.89
11 **Other cash inflows**	2,185.72	2,185.72	2,931.03	2,931.03	2,063.57	2,063.57	2,527.95	1,640.61
12 **TOTAL CASH INFLOWS**	6,272.30	6,272.30	7,039.17	7,039.17	5,900.27	5,900.27	6,254.84	5,367.50

Rs. in crores

	Particulars	Quarter ended 31 March 2022 Total Unweighted Value (average)	Quarter ended 31 March 2022 Total Weighted Value (average)	Quarter ended 31 December 2021 Total Unweighted Value (average)	Quarter ended 31 December 2021 Total Weighted Value (average)	Quarter ended 30 September 2021 Total Unweighted Value (average)	Quarter ended 30 September 2021 Total Weighted Value (average)	Quarter ended 30 June 2021 Total Unweighted Value (average)	Quarter ended 30 June 2021 Total Weighted Value (average)
	TOTAL ADJUSTED VALUES								
13	**TOTAL HQLA**	5,839.72	5,242.66	4,178.88	3,747.90	4,787.14	4,295.33	4,396.15	3,943.44
14	TOTAL NET CASH OUTFLOWS	(2,079.10)	(2,079.10)	(4,076.20)	(4,283.86)	(3,604.92)	(3,604.92)	(2,918.38)	(2,417.64)
	25% of Total Cash Out Flow	1,048.30	1,048.30	740.74	688.83	573.84	573.84	834.11	737.47
15	**LIQUIDITY COVERAGE RATIO (%)**	557%	500%	564%	544%	834%	749%	527%	535%

Computation of Net cash outflows

Rs. in crores

	Net Cash outflows over the 30 days period	Quarter ended 31 March 2022 Total Unweighted Value (average)	Quarter ended 31 March 2022 Total Weighted Value (average)	Quarter ended 31 December 2021 Total Unweighted Value (average)	Quarter ended 31 December 2021 Total Weighted Value (average)	Quarter ended 30 September 2021 Total Unweighted Value (average)	Quarter ended 30 September 2021 Total Weighted Value (average)	Quarter ended 30 June 2021 Total Unweighted Value (average)	Quarter ended 30 June 2021 Total Weighted Value (average)
A	Stressed Cash Outflows @ 115% of Outflows	4,822.18	4,822.18	3,407.41	3,168.60	2,639.65	2,639.65	3,836.93	3,392.34
B	Stressed Cash Inflows @ 75% of Inflows	4,704.22	4,704.22	5,279.38	5,279.38	4,425.20	4,425.20	4,691.13	4,025.63
C	Net Stressed Cash Flows (Stressed Cash Out Flow - Stressed Cash Inflow)	117.96	117.96	(1,871.97)	(2,110.78)	(1,785.55)	(1,785.55)	(854.20)	(633.29)
D	25% of Stressed Cash Outflows	1,205.55	1,205.55	851.85	792.15	659.91	659.91	959.23	848.08
E	Greater Value of C or D	1,205.55	1,205.55	851.85	792.15	659.91	659.91	959.23	848.08
F	Liquidity Coverage Ratio (%) After Applying Stress Factor - (1/E)	484%	435%	491%	473%	725%	651%	458%	465%

Notes:

1) The average weighted and unweighted amounts are calculated taking simple average based on monthly observation for the respective quarter. The weightage factor applied to compute weighted average value is constant for all the quarters.
2) Prior to introduction of LCR framework, the Company used to maintain a substantial share of its liquidity in form of fixed deposits with banks and investment in debt mutual funds. Post the introduction of LCR framework, the Company has consciously worked towards increasing its investment in High Quality Liquid Assets (HQLA) as per the RBI guidelines in order to meet the LCR requirement.
3) Weighted values have been calculated after the application of respective haircuts (for HQLA) and stress factors on inflow and outflow.
4) Components of High Quality Liquid Assets (HQLA)

1) Components of High Quality Liquid Assets (HQLA)

Rs. in crores

	Particulars	Quarter ended 31 March 2022 Total Unweighted Value (average)	Quarter ended 31 March 2022 Total Weighted Value (average)	Quarter ended 31 December 2021 Total Unweighted Value (average)	Quarter ended 31 December 2021 Total Weighted Value (average)	Quarter ended 30 September 2021 Total Unweighted Value (average)	Quarter ended 30 September 2021 Total Weighted Value (average)	Quarter ended 30 June 2021 Total Unweighted Value (average)	Quarter ended 30 June 2021 Total Weighted Value (average)
I	**Assets to be included as HQLA without any haircut:**								
	- Government securities	5,577.87	5,020.08	3,917.02	3,525.32	4,525.28	4,072.75	4,134.29	3,720.86
II	**Assets to be considered for HQLA with a minimum haircut of 15%:**								
	- Corporate Bonds	261.86	222.58	261.86	222.58	261.86	222.58	261.86	222.58
III	**Assets to be considered for HQLA with a minimum haircut of 50%:**								
	- Commercial Papers	–	–	–	–	–	–	–	–
	TOTAL	**5,839.73**	**5,242.66**	**4,178.88**	**3,747.90**	**4,787.14**	**4,295.33**	**4,396.15**	**3,943.44**

Qualitative information:

The Company has implemented the guidelines on Liquidity Risk Management Framework prescribed by the Reserve Bank of India requiring maintenance of Liquidity Coverage Ratio (LCR), which aim to ensure that an NBFC maintains an adequate level of unencumbered HQLAs that can be converted into cash to meet its liquidity needs for a 30 calendar day time horizon under a significantly severe liquidity stress scenario.

LCR = Stock of High-Quality Liquid Assets (HQLAs)/Total Net Cash Outflows over the next 30 calendar days

HQLAs comprise of Cash*, Investment in Central and State Government Securities, and highly-rated Corporate Bonds and Commercial papers, including those of Public Sector Enterprises, as adjusted after assigning the haircuts as prescribed by RBI.

** Cash would mean cash on hand and demand deposits with Scheduled Commercial Banks.*

Total net cash outflows are arrived after taking into consideration total expected cash outflows minus total expected cash inflows for the subsequent 30 calendar days. As prescribed by RBI, total net cash outflows over the next 30 days = Stressed Outflows - [Min (stressed inflows; 75% of stressed outflows)]. Total expected cash outflows (stressed outflows) are calculated by multiplying the outstanding balances of various categories or types of liabilities and off-balance sheet commitments by 115% (15% being the rate at which they are expected to run off further or be drawn down). Total expected cash inflows (stressed inflows) are calculated by multiplying the outstanding balances of various categories of contractual receivables by 75% (25% being the rate at which they are expected to under-flow).

The Liquidity Risk Management framework of the Company is governed by its Liquidity Risk Management Policy and Procedures approved by the Board. The Asset Liability Committee of the Board (ALCO) and Asset Liability Management Committee (ALMCO) oversee the implementation of liquidity risk management strategy of the Company and ensure adherence to the risk tolerance/limits set by the Board.

The Company maintains a robust funding profile with no undue concentration of funding sources. In order to ensure a diversified borrowing mix, concentration of borrowing through various sources is monitored. Further, the Company has prudential limits on investments in different instruments to maintain a healthy investment profile. Risks relating to foreign currency and interest rate is mitigated by entering in corresponding hedge transactions. Any potential collateral calls from the same forms a miniscule part of cash outflows. There is no currency mismatch in the LCR. The above is periodically monitored by ALMCO and reviewed by ALCO.

56 Disclosures as required under Guidelines on Liquidity Risk Management Framework for NBFCs issued by RBI vide notification no. RBI/2019-20/88 DOR. NBFC (PD) CC. No.102/03.10.001/2019-20 dated 4 November 2019

As per the Guidelines on Liquidity Risk Management Framework for NBFCs issued by RBI vide notification no. RBI/2019-20/88 DOR.NBFC (PD) CC. No.102/03.10.001/2019-20, all deposit taking NBFCs are required to maintain Liquidity Coverage Ratio (LCR) from 1 December 2020, with the minimum LCR to be 50%, progressively increasing, till it reaches the required level of 100%, by 1 December 2024.

(B) Liquidity Coverage Ratio (LCR) for the year ended 31 March 2021

Rs. in crores

	Particulars	Quarter ended 31 March 2021		Quarter ended 31 December 2020		Quarter ended 30 September 2020		Quarter ended 30 June 2020	
		Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)
High Quality Liquid Assets									
1	Total High Quality Liquid Assets (HQLA) (refer note 1 below)	4,900.95	4,385.84	3,333.05	2,970.54	982.93	860.88	231.38	203.61
Cash Outflows									
2	**Deposits (for deposit taking companies)**	165.86	165.86	158.32	158.32	144.61	144.61	126.75	126.75
3	**Unsecured wholesale funding**	358.20	358.20	141.34	141.34	427.18	427.18	27.57	27.57
4	**Secured wholesale funding**	1,024.93	1,024.93	1,145.75	1,145.75	942.87	942.87	2,014.30	2,014.30
5	**Additional requirements, of which**	–	–	–	–	–	–	–	–
	i) Outflows related to derivative exposures and other collateral requirements								
	ii) Outflows related to loss of funding on debt products								
	iii) Credit and liquidity facilities								
6	**Other contractual funding obligations**	1,437.31	1,437.31	1,424.33	1,424.33	1,443.41	1,443.41	1,254.85	1,254.85
7	**Other contingent funding obligations**	46.84	46.84	53.75	53.75	40.01	40.01	169.49	169.49
8	**TOTAL CASH OUTFLOWS**	**3,033.14**	**3,033.14**	**2,923.49**	**2,923.49**	**2,998.08**	**2,998.08**	**3,592.96**	**3,592.96**
Cash Inflows									
9	**Secured lending**	–	–	–	–	–	–	–	–
10	**Inflows from fully performing exposures**	3,787.72	3,787.72	4,024.93	4,024.93	2,581.35	2,581.35	1,369.71	1,369.71
11	**Other cash inflows**	3,738.17	2,418.84	4,595.06	3,207.40	4,273.51	2,912.53	3,557.87	2,710.27
12	**TOTAL CASH INFLOWS**	**7,525.89**	**6,206.56**	**8,619.99**	**7,232.33**	**6,854.85**	**5,493.87**	**4,927.58**	**4,079.98**
	TOTAL ADJUSTED VALUES								
13	**TOTAL HQLA**	**4,900.95**	**4,385.84**	**3,333.05**	**2,970.54**	**982.93**	**860.88**	**231.38**	**203.61**
14	**TOTAL NET CASH OUTFLOWS**	**(4,492.75)**	**(3,173.42)**	**(5,696.50)**	**(4,308.84)**	**(3,856.78)**	**(2,495.80)**	**(1,334.62)**	**(487.02)**
	25% of Total Cash Out Flow	758.29	758.29	730.87	730.87	749.52	749.52	898.24	898.24
15	**LIQUIDITY COVERAGE RATIO (%)**	646%	578%	456%	406%	131%	115%	26%	23%

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Computation of Net cash outflows

Rs. in crores

Net Cash outflows over the 30 days period		Quarter ended 31 March 2021 Total Unweighted Value (average)	Quarter ended 31 March 2021 Total Weighted Value (average)	Quarter ended 31 December 2020 Total Unweighted Value (average)	Quarter ended 31 December 2020 Total Weighted Value (average)	Quarter ended 30 September 2020 Total Unweighted Value (average)	Quarter ended 30 September 2020 Total Weighted Value (average)	Quarter ended 30 June 2020 Total Unweighted Value (average)	Quarter ended 30 June 2020 Total Weighted Value (average)
A	Stressed Cash Outflows @ 115% of Outflows	3,488.12	3,488.12	3,362.01	3,362.01	3,447.79	3,447.79	4,131.90	4,131.90
B	Stressed Cash Inflows @ 75% of Inflows	5,644.42	4,654.92	6,464.99	5,424.25	5,141.14	4,120.41	3,695.68	3,059.98
C	Net Stressed Cash Flows (Stressed Cash Out Flow - Stressed Cash Inflow)	(2,156.30)	(1,166.80)	(3,102.98)	(2,062.24)	(1,693.35)	(672.62)	436.22	1,071.92
D	25% of Stressed Cash Outflows	872.03	872.03	840.50	840.50	861.95	861.95	1,032.98	1,032.98
E	Greater Value of C or D	872.03	872.03	840.50	840.50	861.95	861.95	1,032.98	1,071.92
F	Liquidity Coverage Ratio (%) After Applying Stress Factor - (1/E)	562%	503%	397%	353%	114%	100%	22%	19%

Notes:

1) Components of High Quality Liquid Assets (HQLA)

Rs. in crores

Particulars		Quarter ended 31 March 2021 Total Unweighted Value (average)	Quarter ended 31 March 2021 Total Weighted Value (average)	Quarter ended 31 December 2020 Total Unweighted Value (average)	Quarter ended 31 December 2020 Total Weighted Value (average)	Quarter ended 30 September 2020 Total Unweighted Value (average)	Quarter ended 30 September 2020 Total Weighted Value (average)	Quarter ended 30 June 2020 Total Unweighted Value (average)	Quarter ended 30 June 2020 Total Weighted Value (average)
I	**Assets to be included as HQLA without any haircut:**								
	- Government securities	4,400.60	3,960.54	2,749.00	2,474.10	507.81	457.02	138.77	124.89
II	**Assets to be considered for HQLA with a minimum haircut of 15%:**								
	- Corporate Bonds	261.86	222.58	245.00	208.25	210.67	179.07	92.61	78.72
III	**Assets to be considered for HQLA with a minimum haircut of 50%:**								
	- Commercial Papers	238.50	202.72	339.05	288.19	264.45	224.78	–	–
	TOTAL	**4,900.96**	**4,385.84**	**3,333.05**	**2,970.54**	**982.93**	**860.87**	**231.38**	**203.61**

57 Disclosure as required under Guidelines on Resolution Framework for COVID-19-related Stress issued by RBI

During the year, to relieve COVID-19 pandemic related stress, the Company has invoked resolution plans for eligible borrowers based on the parameters laid down in accordance with the resolution policy approved by the Board of Directors of the Company and in accordance with the guidelines issued by the RBI on Resolution Framework 2.0 dated 5 May 2021.

i) Disclosure on Resolution Framework 2.0 implemented in terms of RBI circular no. RBI/2021-22/31 DOR.STR.REC.11/21.04.048/2021-22 dated 5 May 2021 (Resolution of Covid-19 related stress of Individuals and Small Businesses).

Format - B: For the year ended 31 March 2022

Rs. in crores

Type of borrower	(A) Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of the previous half-year	(B) Of (A), aggregate debt that slipped into NPA during the half-year	(C) Of (A) amount written off during the half-year	(D) Of (A) amount paid by the borrowers during the half-year	(E) Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of this half-year *
Personal Loans	1,439.63	45.43	6.60	90.03	1,297.57
Corporate persons ^	41.64	–	–	2.44	39.20
Of which, MSMEs	–	–	–	–	–
Others	0	–	–	–	–
- Vehicle loans for commercial purpose	2,366.04	152.79	48.95	162.73	2,001.57
Total	**3,847.31**	**198.22**	**55.55**	**255.20**	**3,338.34**

^ As defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016

* In respect of OTR 2.0, above includes restructuring implemented till 30 September 2021

ii) Disclosure on Resolution Framework 2.0 implemented in terms of RBI circular no. RBI/2021-22/32 DOR.STR.REC.11/21.04.048/2021-22 dated 5 May 2021 (Resolution of Covid-19 related stress of Micro, Small and Medium Enterprises (MSMEs)

No. of accounts restructured*	Amount (Rs in Crores)**
2062	232.47

*** accounts restructured are retail loans used for commercial purpose.**

**** represents the closing balance of loan accounts as on 31 March 2022**

Relevant disclosure for the previous year ended 31 March 2021

Disclosure as per format prescribed under Notification no. RBI/2020-21/16 DOR.No.BP.BC/3/21.04.048/ 2020-21 and RBI/2020-21/17 DOR.No.BP.BC/4/21.04.048/2020-21 dated 6 August 2020

i) Format - A: For the year ended 31 March 2021

Rs. in crore

Type of borrower	(A) Number of accounts where resolution plan has been implemented under this window	(B) Exposure to accounts mentioned at (A) before implementation of the plan	(C) Of (B), aggregate amount of debt that was converted into other securities	(D) Additional funding sanctioned, if any, including between invocation of the plan and implementation	(E) Increase in provisions on account of the implementation of the resolution plan
Personal Loans	0	–	–	–	–
Corporate persons*	3	43.59	–	–	1.21
Of which, MSMEs	0	–	–	–	–
Others	0	–	–	–	–
Total	3	43.59	–	–	1.21

* As defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016

ii) Disclosure related to restructuring of accounts of Micro, Small and Medium Enterprises (MSME) sector – Restructuring of Advances having exposure less than or equal to Rs. 25 crore) as at 31 March 2021

No. of accounts restructured*	Amount (Rs in Crores)**
259	19.59

*** accounts restructured are retail loans used for commercial purpose.**
**** represents the amount of loan restructured.**

58 On 12 November 2021, the Reserve Bank of India (RBI) had issued circular no. RBI/2021-2022/125 DOR.STR.REC.68/21.04.048/2021-22, requiring changes to and clarifying certain aspects of Income Recognition, Asset Classification and Provisioning norms (IRACP norms) pertaining to Advances. On 15 February 2022, the RBI had issued another circular no. RBI/2021-2022/158 DOR.STR.REC.85/21.04.048/2021-22 providing time till 30 September 2022. Accordingly, the Company will implement the updated norms under IRACP w.e.f. 1 October 2022.

59 Based on the inspection carried out by RBI, the Company has been advised to refund the excess interest upto 31 March 2022, with respect to certain contracts. Accordingly, the Company has made provision of Rs. 181.70 crore (net of charges due) for the year ended 31 March 2022, which is adjusted against interest income. The Company is in the process of refunding the said amounts.

60 Disclosure as required under RBI notification no. RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated 13 March 2020 on Implementation of Indian Accounting Standards

i) A comparison between provisions required under extant prudential norms on Income Recognition, Asset Classification and Provisioning (IRACP) and impairment allowances made under Ind AS 109

Year ended 31 March 2022

Rs. in crore

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5)= (3) - (4)	(6)	(7) = (4) - (6)
Performing Assets						
Substandard						
	Stage 1	50,727.01	442.37	50,284.64	202.91	239.46
	Stage 2	9,257.46	1,174.33	8,083.13	385.10	789.23
Subtotal for standard		**59,984.47**	**1,616.70**	**58,367.77**	**588.01**	**1,028.69**
Non-Performing Assets (NPA)						
Substandard	Stage 3	2,221.13	943.67	1,277.45	240.33	703.35
Doubtful - up to 1 year	Stage 3	1,870.78	1,062.28	808.50	1,158.52	(96.24)
1 to 3 years	Stage 3	801.54	801.54	–	644.77	156.77
More than 3 years	Stage 3	4.37	4.37	–	4.34	0.03
Subtotal for doubtful		**2,676.69**	**1,868.19**	**808.50**	**1,807.63**	**60.56**
Loss	Stage 3	78.49	78.49	–	78.49	–
Subtotal for NPA		**4,976.30**	**2,890.35**	**2,085.95**	**2,126.44**	**763.91**
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1		1.78	(1.78)	–	1.78
	Stage 2	–	–	–	–	–
	Stage 3	–	–	–	–	–
Subtotal		–	**1.78**	**(1.78)**	–	**1.78**

Rs. in crore

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5)= (3) - (4)	(6)	(7) = (4) - (6)
Total	**Stage 1**	**50,727.01**	**444.15**	**50,282.86**	**202.91**	**241.24**
	Stage 2	**9,257.46**	**1,174.33**	**8,083.13**	**385.10**	**789.23**
	Stage 3	**4,976.30**	**2,890.35**	**2,085.95**	**2,126.44**	**763.91**
Total		**64,960.77**	**4,508.83**	**60,451.94**	**2,714.45**	**1,794.38**

Year ended 31 March 2021

Rs. in crore

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5)= (3) - (4)	(6)	(7) = (4) - (6)
Performing Assets						
Substandard						
	Stage 1	50,712.64	421.34	50,291.30	202.92	218.42
	Stage 2	8,109.25	879.02	7,230.23	40.62	838.40
Subtotal for standard		**58,821.89**	**1,300.36**	**57,521.53**	**243.54**	**1,056.82**
Non-Performing Assets (NPA)						
Substandard	Stage 3	3,236.78	2,306.28	930.50	398.76	1,907.52
Doubtful - up to 1 year	Stage 3	1,360.05	388.76	971.29	761.11	(372.35)
1 to 3 years	Stage 3	1,023.68	511.89	511.79	816.06	(304.17)
More than 3 years	Stage 3	60.66	40.36	20.30	59.33	(18.97)
Subtotal for doubtful		**2,444.39**	**941.01**	**1,503.38**	**1,636.50**	**(695.49)**
Loss	Stage 3	104.77	104.77	–	104.77	–
Subtotal for NPA		**5,785.94**	**3,352.06**	**2,433.88**	**2,140.03**	**1,212.03**
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1		1.18	(1.18)	–	1.18
	Stage 2	–	–	–	–	–
	Stage 3	–	–	–	–	–
Subtotal		–	**1.18**	**(1.18)**	–	**1.18**
Total	**Stage 1**	**50,712.64**	**422.52**	**50,290.12**	**202.92**	**219.60**
	Stage 2	**8,109.25**	**879.02**	**7,230.23**	**40.62**	**838.40**
	Stage 3	**5,785.94**	**3,352.06**	**2,433.88**	**2,140.03**	**1,212.03**
Total		**64,607.83**	**4,653.60**	**59,954.23**	**2,383.57**	**2,270.03**

i) A comparison between provisions required under extant prudential norms on Income Recognition, Asset Classification and Provisioning (IRACP) and impairment allowances made under Ind AS 109 (Continued)

Since the total impairment allowances under Ind AS 109 is higher than the total provisioning required under IRACP (including standard asset provisioning) as at 31 March 2022 and 31 March 2021, no amount is required to be transferred to 'Impairment Reserve' for both the financial years. The gross carrying amount of asset as per Ind AS 109 and Loss allowances (Provisions) thereon includes interest accrual on net carrying value of stage - 3 assets as permitted under Ind AS 109. While, the provisions required as per IRACP norms does not include any such interest as interest accrual on NPAs is not permitted under IRACP norms.

The balance in the 'Impairment Reserve' (as and when created) shall not be reckoned for regulatory capital. Further, no withdrawals shall be permitted from this reserve without prior permission from the Department of Supervision, RBI.

ii) In terms of recommendations as per above referred notification, the Company has adopted the same definition of default for accounting purposes as guided by the definition used for regulatory purposes.

As at 31 March 2022 and 31 March 2021, there were no loan accounts that are past due beyond 90 days but not treated as impaired, i.e. all 90+ DPD ageing loan accounts have been classified as Stage-3 and no dispensation is considered in stage-3 classification.

iii) Policy for sales / transfers out of amortized cost business model portfolios

Sale/transfer of portfolios out of amortized cost business model:

As a short-term financing arrangement, the Company has been transferring or selling certain pools of fixed rate loan receivables backed by underlying assets in the form of tractors, vehicles, equipments etc. by entering in to securitization transactions with the Special Purpose Vehicle Trusts ("SPV Trust") sponsored by Commercial banks for consideration received in cash at the inception of the transaction. As a part of annual budgetary planning and with the objective of better liquidity and risk management, the Company, at the beginning of the year, obtains approval of Asset Liability Committee and Risk Management Committee of the Board of Directors for undertaking securitization transactions of certain value of standard assets comprising the collateral based loan receivables at appropriate times during the year.

These transactions are carried out after complying with RBI guidelines on securitization of standard assets. The consideration received through such securitization transactions is utilized for funding regular vehicle loan disbursements to customers who service their loans through fixed installments over a specified period of loan tenor. Besides using securitization as alternate financing tool, it is also being used as a effective Balance sheet management through better liquidity and risk management by transfer of assets from risk averse to risk takers.

When the assets in the form of loan receivables are sold / transferred to an SPV/Bank through securitization transaction, then on a consolidated portfolio level, such sale/transfer does not change the Company's business objective of holding financial assets to collect contractual cash flows.

The Company remains exposed to credit risk, being the expected losses that will be incurred on the securitized loan portfolio to the extent of the credit enhancement provided. Any increase in losses as compared to the expected loss shall require the Company to present its credit enhancement / cash collateral to help compensate the investors. This is as per the requirement of the Reserve Bank of India. Thus, the Company as per Ind AS 109 has retained substantially all the risks and rewards of ownership of the financial asset.

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

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

Accordingly, these financial assets are not de-recognized by the Company from the financial statements prepared under Ind AS. Since the contractual terms of these financial assets give rise to cash flows, that are solely payments of principal and interest, on specified dates, these assets meet the SPPI criterion and are thus continued to be recognized in the books at amortized cost.

61 Disclosures pertaining to Fund raising by issuance of Debt Securities by Large Corporates as per SEBI notification no. SEBI/HO/DDHS/CIR/P/2018/144 dated 26 November 2018

As per the definition given in above referred notification, the Company is a Large Corporate and hence is required to disclose the following information about its borrowings.

i) Initial Disclosure as per Annexure - 'A' filed within 30 days from the beginning of the financial year for the FY: 2022-23

Sr.no.	Particulars	Details
(1)	Name of the company:	Mahindra & Mahindra Financial Services Limited
(2)	CIN:	L65921MH1991PLC059642
(3)	Outstanding borrowing of the Company as on 31 March 2022 #	Rs. 42,847.65 Crore
(4)	Highest Credit Rating During the previous FY along with name of the Credit Rating Agency	• IND AAA / Stable by India Ratings & Research Private Limited • CARE AAA / Stable by CARE Ratings Limited • BWR AAA / Stable by Brickwork Ratings India Private Limited
(5)	Name of Stock Exchange in which the fine shall be paid, in case of shortfall in the required borrowing under the framework	BSE Limited

ii) Annual disclosure as per Annexure - B2 for the year ended 31 March 2022

(1)	Name of the company	Mahindra & Mahindra Financial Services Limited
(2)	CIN	L65921MH1991PLC059642
(3)	Report filed for FY:	2021-22
(4)	Details of the Current block (Rs. in Crore)	

Sr.no.	Particulars	Details
i)	2-year block period	FY 2021-22
ii)	Incremental borrowing done in FY 2021-22 (a) #	12,930.49
iii)	Mandatory borrowing to be done through debt securities in FY 2021-22 (b) = (25% of a)	3,232.62
iv)	Actual borrowing done through debt securities in FY 2021-22 (c)	4,608.40
v)	Shortfall in the borrowing through debt securities, if any, for FY 2020-21 carried forward to FY 2021-22 (d)	NIL
vi)	Quantum of (d), which has been met from (c) (e)	N.A
vii)	Shortfall, if any, in the mandatory borrowing through debt securities for FY 2021-22 {after adjusting for any shortfall in borrowing for FY 2020-21 which was carried forward to FY 2021-22} (f)= (b)-[(c)-(e)] {If the calculated value is zero or negative, write "nil"}	NIL

(5) Details of penalty to be paid, if any, in respect to previous block (Rs. in Crore):

Sr.no.	Particulars	Details
i)	2-year Block period (Specify financial years)	FY 2021-22
ii)	Amount of fine to be paid for the block, if applicable Fine = 0.2% of {(d)-(e)}	N.A.

Notes:

(i) Figures pertain to long-term borrowing basis original maturity of more than one year (excludes External Commercial Borrowings, Inter-corporate borrowings between a parent & subsidiaries and securitization portfolio outstanding); and

(ii) Figures are taken on the basis of cash flows/principal maturity value, excluding accrued interest, if any.

62 Disclosure on COVID-19 Relief Scheme - "Emergency Credit Line Guarantee Scheme" (ECLGS) announced by the Government of India, Ministry of Finance, for the previous financial year ended 31 March 2021

In view of COVID-19 crisis, the Government of India, Ministry of Finance had announced a special scheme, namely, ECLGS for providing 100% guarantee coverage for additional term loan facility to the existing customers on the books of the Company. The fund and the scheme is managed and operated by National Credit Guarantee Trustee Company Limited, which is a wholly owned trustee company of Government of India. During the year ended 31 March 2021, in accordance with the operational guidelines of the scheme (as amended), the Company has disbursed an amount of Rs. 528.34 crore as additional term loan facility to 36138 eligible customer accounts of the Company.

Since the above referred scheme was one-time special relief scheme with specific window period, there is no additional disbursements during the current financial year ended 31 March 2022.

63 Events after the reporting date

There have been no other events after the reporting date that require disclosure in these financial statements.

64 Previous year figures have been regrouped /reclassified wherever nessesary to conform to current year presentation.

Signatures to Notes 1 to 64

In terrms of our report attached.

For and on behalf of the Board of Directors
Mahindra & Mahindra Financial Services Limited

For **Deloitte Haskins & Sells**
Chartered Accountants
Firm's Registration No: 117365W

Rupen K. Bhatt
Partner
Membership No: 046930

Mumbai
02 May 2022

For **Mukund M. Chitale & Co.**
Chartered Accountants
Firm's Registration No: 106655W

M. M. Chitale
Partner
Membership No: 14054

Dr. Anish Shah
Chairman
[DIN: 02719429]

Ramesh Iyer
Vice-Chairman & Managing Director
[DIN: 00220759]

Vivek Karve
Chief Financial Officer

Brijbala Batwal
Company Secretary

Mumbai
02 May 2022

INDEPENDENT AUDITOR'S REPORT

To the Members of Mahindra Insurance Brokers Limited

Report on the Audit of Ind AS Financial Statements

1. Opinion

We have audited the accompanying Ind AS financial statements of Mahindra Insurance Brokers Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended and notes to the Ind AS financial statements including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act) in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, its profit, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

2. Basis for Opinion

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

3. Information other than the Ind AS financial statements and Auditor's report thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Directors Report and Management Discussion and Analysis, but does not include the Ind AS financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of our auditor's report.

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

In connection with our audit of the Ind AS financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the Ind AS financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the other information included in the above reports, if we conclude that there is material misstatement therein, we are required to communicate the matter to those charged with governance and determine the actions under the applicable laws and regulations.

4. Management's Responsibility for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS accounting standards specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended.

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

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

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

5. Auditor's Responsibilities for the Audit of the Ind AS Financial Statements

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

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

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

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

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

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

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

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

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

6. Emphasis of matter

We draw your attention to Note no. 33.4 to the Ind AS financial statement which explain the uncertainties and management's assessment of the financial impact due to the lockdown and other restrictions imposed by the Government and condition related to the COVID-19 pandemic situation, for which definitive assessment of the impact would highly depend upon circumstances as they evolve in the subsequent period.

Our opinion is not modified in respect of this matter.

7. Report on Other Legal and Regulatory Requirements

i) As required by the Companies (Auditor's report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

ii) As required by section 143 (3) of the Act, based on our audit we report that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of Ind AS Financial Statements.

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

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

d) In our opinion, the aforesaid Ind AS financial statements comply with the Ind AS specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

e) On the basis of written representations received from the directors as on March 31, 2022, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022, from being appointed as a director in terms of section 164 (2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting of the

Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure B” to this report.

g) With respect to the other matters to be included in the Auditor’s Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

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

i. The Company has disclosed the impact of pending litigations on the financial position in its Ind AS financial statements – Refer Note 32 to the Ind AS financial statements;

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and

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

iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries. Based on reasonable audit procedures adopted by us, nothing has come to our notice that such representation contains any material misstatement.

(b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries. Based on reasonable audit procedures adopted by us, nothing has come to our notice that such representation contains any material misstatement.

V. As stated in Note 32.1 to the standalone financial statements

(a) The final dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with Section 123 of the Act, as applicable.

(b) The Board of Directors of the Company has proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act, as applicable.

For **Mukund M. Chitale & Co.**
Chartered Accountants
Firm Regn. No. 106655W

(S. M. Chitale)
Partner
M. No. 111383
UDIN : 22111383AIFFYU3094

Place : Mumbai
Date : April 25, 2022

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE IND AS FINANCIAL STATEMENTS OF MAHINDRA INSURANCE BROKERS LIMITED

Referred to in paragraph [7(i)] under Report on Other Legal and Regulatory Requirements of our report of even date

According to the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

(i) a) A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment, other Intangible assets, Intangible asset under development, Right-of-use Assets.

B) The Company has maintained proper records showing full particulars of intangible assets.

b) The Property, Plant and Equipment and Right-of-use Assets of the company have been physically verified by the Management, in the phased manner during the year. The company is in the process of reconciling the same with the fixed asset register. The discrepancies if any, arising out of reconciliation will be considered in the books of accounts in the period in which the reconciliation is complete.

c) According to the information and explanations given to us and on the basis of our examination of the records of the company, there are no immovable properties held in the name of the Company. Accordingly, paragraph 3(i)(c) of the order is not applicable to the Company.

d) The Company has not revalued its Property, Plant and Equipment (including Right-of-Use assets) or other intangible assets during the year.

e) No proceedings have been initiated or is pending against the Company as at March 31,2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

(ii) a) The company is in the business of providing insurance broking services and does not hold any inventory. Therefore, the provision of paragraph 3(ii)(a) of the said order is not applicable to the Company.

b) According to the information and explanations given to us, the Company has not been sanctioned any working capital limits in excess of Rs. 5 crores , in aggregate, at any point of time during the year, from banks or financial institutions on the basis of security of current assets. Therefore, the provision of paragraph 3(ii)(b) of the said order is not applicable to the Company.

(iii) The Company has made investments in, provided guarantees (letter of comfort) and granted loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year, in respect of which:

a) The Company has not provided any loans or advances in the nature of loans or stood guarantee, or provided security to any other entity during the year, and hence reporting under clause 3(iii)(a) of the Order is not applicable.

b) In our opinion, the investments made and the terms and conditions of the grant of loans, during the year are, prima facie, not prejudicial to the Company's interest.

c) In respect of loans granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments of principal amounts and receipts of interest have been regular as per stipulation.

d) In respect of loans granted by the Company, there is no overdue amount remaining outstanding as at the balance sheet date.

e) No loan granted by the Company which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.

f) The Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under clause 3(iii)(f) is not applicable.

The Company has not provided any guarantee or security to companies, firms, Limited Liability Partnerships or any other parties.

(iv) The Company has not granted any loans or made any investment, or provided any guarantees or security to the parties covered under Section 185. In our opinion, and according to the information and explanations given to us, the company has complied with the provisions of Section 186 of the Companies Act, 2013 in respect of loans and investments made, and guarantees and security provided by it, as applicable.

(v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended) or amounts which are deemed to be deposits. Hence, reporting under clause 3(v) of the Order is not applicable.

(vi) The maintenance of cost records has not been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 for the business activities carried out by the Company. Hence, reporting under clause (vi) of the Order is not applicable to the Company.

(vii) According to the information and explanations given to us, in respect of statutory dues:

a) the Company is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Goods and Services Tax, Value Added Tax, Customs Duty, Excise Duty, Cess and other material statutory dues applicable to it with the appropriate authorities as per the available records as far as ascertained by us on our verification.

According to the information and explanations given to us, there are no undisputed dues in respect of provident fund, income-tax, service tax, sales-tax, duty of customs, value added tax, cess and other material statutory dues which are outstanding, at the end, for a period of more than six months from the date they became payable.

b) According to the records of the Company, the dues outstanding of income-tax, sales tax, service tax, duty of customs, value added tax and cess on account of any dispute, are as follows:

Name of the statue	Nature of the dues	Amount (Rs.)	Period to which amount relates	Forum where the dispute is pending
Tax Deducted at Source	Interest on TDS	43,784	F.Y. 2011-12 to F.Y. 2021-2022	Rectification filed with the AO
Tax Deducted at Source	Short deduction of TDS	2,61,896	F.Y. 2011-12 to F.Y. 2021-2022	Rectification filed with the AO

(viii) There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961

(ix) a) The Company has not taken any loans or other borrowings from any lender. Hence reporting under clause 3(ix)(a) of the Order is not applicable.

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

c) The Company has not taken any term loan during the year and there are no outstanding term loans at the beginning of the year and hence, reporting under clause 3(ix)(c) of the Order is not applicable.

d) No funds have been raised on short-term basis and hence, reporting under clause 3(ix)(d) of the Order is not applicable.

e) The Company did not have any subsidiary or associate or joint venture during the year and hence reporting under clause (ix)(e) of the Order is not applicable to the Company

f) The Company has not raised any loans during the year and hence reporting on clause 3(ix)(f) of the Order is not applicable.

(x) a) According to the information and explanations given by the management, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under paragraph 3(x)(a) of the Order is not applicable to the Company.

b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.

(xi) a) During the course of our examination of books of accounts and as far as records/details made available and verified by us and according to the information and explanations given to us, there has been no instance of any material fraud reported during the year.

b) To the best of our knowledge, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.

c) As represented to us by the Management, there were no whistle blower complaints received by the Company during the year and upto the date of this report.

(xii) The Company is not a nidhi company and hence reporting under clause 3 (xii) of the Order is not applicable to the Company.

(xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of the Act where applicable and the details have been disclosed in the notes to the Ind AS financial statements, as required by the applicable accounting standards.

(xiv) a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.

b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date of our audit report, in determining the nature, timing and extent of our audit procedures.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or person connected with them. Accordingly provisions of clause 3 (xv) of the Order are not applicable to the Company.

(xvi) a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.

b) According to the information and explanations given to us, there are six Core Investment Companies within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016).

(xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors of the Company during the year.

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

(xx) The Company has fully spent the required amount towards Corporate Social Responsibility (CSR) and there is no unspent CSR amount for the year requiring a transfer to a Fund specified in Schedule VII to the Companies Act or special account in compliance with the provision of sub-section (6) of section 135 of the said Act. Accordingly, reporting under clause 3(xx) of the Order is not applicable for the year.

For **Mukund M. Chitale & Co.**
Chartered Accountants
Firm Regn. No. 106655W

(S.M.Chitale)
Partner
M. No. 111383
UDIN : 22111383AIFFYU3094

Place: Mumbai
Date: April 25, 2022

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE IND AS FINANCIAL STATEMENTS OF MAHINDRA INSURANCE BROKER LIMITED

Referred to in paragraph [7(ii)(f)] under Report on Other Legal and Regulatory Requirements of our report of even date

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

1. We have audited the internal financial controls over financial reporting of **Mahindra Insurance Broker Limited** ("the Company") as of March 31, 2022 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

2. The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India" (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

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

For **Mukund M. Chitale & Co.**
Chartered Accountants
Firm Regn. No. 106655W

(S.M.Chitale)
Partner
M. No. 111383
UDIN : 22111383AIFFYU3094

Place: Mumbai
Date: April 25, 2022

BALANCE SHEET AS AT 31 MARCH 2022

₹ in Lakhs

		Note No.	As at 31 March 2022	As at 31 March 2021
I	**ASSETS**			
1	**NON-CURRENT ASSETS**			
	(a) Property, Plant and Equipment	1	**726.35**	633.67
	(b) Right of use assets	21	**1,140.43**	1,587.55
	(c) Other Intangible Assets	2	**32.65**	74.86
	(d) Intangible Assets Under Development	22	**210.10**	139.13
	(e) Financial Assets			
	(i) Investments	3	**10,200.00**	1,100.00
	(ii) Loans	4	**9,525.00**	22,475.00
	(iii) Other Financial Assets	5	**413.99**	251.62
	(f) Deferred Tax Assets (net)	6	**552.65**	587.19
	(g) Other Non-current Assets	7	**2,086.07**	1,184.21
	SUB-TOTAL		**24,887.24**	28,033.23
2	**CURRENT ASSETS**			
	(a) Financial Assets			
	(i) Investments	3	**11,015.44**	9,320.92
	(ii) Trade Receivables	8	**6,669.55**	5,823.04
	(iii) Cash and Cash Equivalents	9	**1,013.84**	1,179.75
	(iv) Loans	4	**16,575.00**	11,865.00
	(v) Other Financial Assets	5	**1,036.23**	1,569.99
	(b) Other Current Assets	7	**1,762.16**	1,221.10
	SUB-TOTAL		**38,072.22**	30,979.80
	TOTAL ASSETS		**62,959.46**	59,013.03
II	**EQUITY AND LIABILITIES**			
	EQUITY			
	(a) Equity Share Capital	10	**1,030.93**	1,030.93
	(b) Other Equity	11	**49,374.17**	44,473.43
	SUB-TOTAL		**50,405.10**	45,504.36
	LIABILITIES			
1	**NON-CURRENT LIABILITIES**			
	(a) Financial Liabilities			
	(i) Lease liabilities		**840.37**	1,277.44
	(b) Provisions	12	**1,063.67**	1,211.55
	SUB-TOTAL		**1,904.04**	2,488.99
2	**CURRENT LIABILITIES**			
	(a) Financial Liabilities			
	(i) Trade Payables			
	(a) total outstanding dues of Micro enterprises and small enterprises	13	**6.68**	5.50
	(b) total outstanding dues of credtiors other than Micro enterprises and small enterprises	13	**6,054.66**	6,548.90
	(ii) Lease liabilities		**437.11**	434.51
	(iii) Other Financial Liabilities	14	**85.26**	48.78
	(b) Provisions	12	**2,718.00**	2,991.81
	(c) Other Current Liabilities	15	**1,348.60**	990.18
	SUB-TOTAL		**10,650.31**	11,019.68
	TOTAL EQUITY AND LIABILITIES		**62,959.46**	59,013.03

The accompanying statement of accounting policies and notes 1 to 37 are an integral part of the Financial Statements.

As per our report of even date
For Mukund M. Chitale & Co.
Chartered Accountants
Firm Regn No. 106655W

Saurabh M. Chitale
Partner
Membership No. 111383
Place: Mumbai
Date: April 25, 2022

For and on behalf of the Board of Directors

Rajeev Dubey **Chairman** DIN: 00104817	Ramesh Iyer **Director** DIN: 00220759	Vivek Karve **Director** DIN: 06840707	Hemant Sikka **Director** DIN: 00922281	Jyotin Mehta **Director** DIN: 00033518
Anjali Raina **Director** DIN: 02327927	Derek Nazareth **Director** DIN: 07031760	Rajnish Agarwal **Director** DIN: 03335692	Niranjan Karde **Company Secretary** Mem No.: ACS 26372	Saurabh V. Dharadhar **Chief Financial Officer**

Vedanarayanan Seshadri
Managing Director & Principal Officer
DIN: 08864477

Place: Mumbai
Date: April 25, 2022

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

₹ in Lakhs

	Particulars	Note No.	Year ended 31 March 2022	Year ended 31 March 2021
I	Revenue from operations	16	**31,388.35**	23,602.06
II	Other Income	17	**3,412.63**	3,253.59
III	**Total Revenue (I + II)**		**34,800.98**	26,855.65
IV	**EXPENSES**			
	(a) Employee benefit expense	18	**11,285.57**	10,542.06
	(b) Finance costs	25	**129.05**	165.70
	(c) Depreciation and amortisation expense	1,2,21	**757.15**	867.81
	(d) Other expenses	19	**15,591.20**	10,881.79
	Total Expenses [(a) + (b) + (c)+ (d)]		**27,762.97**	22,457.36
V	**Profit/(loss) before tax (III - IV)**		**7,038.01**	4,398.29
VI	**Tax Expense**			
	(1) Current tax	6	**1,821.00**	1,322.00
	(2) Deferred tax	6	**27.61**	(126.41)
	Total tax expense [(1) + (2)]		**1,848.61**	1,195.59
VII	**Profit/(loss) for the Year (V-VI)**		**5,189.40**	3,202.70
VIII	**Other comprehensive income**		**20.62**	33.42
	A (i) Items that will not be reclassified to profit or loss		**–**	–
	Remeasurements of the defined benefit plans		**27.55**	44.66
	(ii) Income tax relating to items that will not be reclassified to profit or loss		**(6.93)**	(11.24)
IX	**Total comprehensive income for the Period (VII+VIII)**		**5,210.02**	3,236.12
X	**Earnings per equity share**			
	(1) Basic	20	**50.34**	31.07
	(2) Diluted	20	**50.34**	31.07

The accompanying statement of accounting policies and notes 1 to 37 are an integral part of the Financial Statements.

As per our report of even date
For Mukund M. Chitale & Co.
Chartered Accountants
Firm Regn No. 106655W

Saurabh M. Chitale
Partner
Membership No. 111383
Place: Mumbai
Date: April 25, 2022

For and on behalf of the Board of Directors

Rajeev Dubey **Chairman** DIN: 00104817	Ramesh Iyer **Director** DIN: 00220759	Vivek Karve **Director** DIN: 06840707	Hemant Sikka **Director** DIN: 00922281	Jyotin Mehta **Director** DIN: 00033518
Anjali Raina **Director** DIN: 02327927	Derek Nazareth **Director** DIN: 07031760	Rajnish Agarwal **Director** DIN: 03335692	Niranjan Karde **Company Secretary** Mem No.: ACS 26372	Saurabh V. Dharadhar **Chief Financial Officer**

Vedanarayanan Seshadri
Managing Director & Principal Officer
DIN: 08864477

Place: Mumbai
Date: April 25, 2022

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2022

₹ in Lakhs

Particulars	Note No.	Year ended 31 March 2022	Year ended 31 March 2021
Cash flows from operating activities			
Cash receipts towards brokerage	PL	**31,388.33**	23,602.07
Other Receipts	PL	**3,552.32**	3,046.85
Payment towards expenses	PL	**(27,254.74)**	(21,658.56)
Income taxes paid		**(2,713.94)**	(1,648.55)
(Increase)/decrease in trade and other receivables		**(875.40)**	(333.06)
(Increase)/decrease in other assets		**(504.24)**	186.06
(Decrease)/increase in trade and other payables		**(456.58)**	1,596.86
Increase/(decrease) in provisions		**(430.78)**	90.45
(Decrease)/increase in other liabilities		**358.40**	102.37
		3,063.37	4,984.49
Cash generated from operations		**3,063.37**	4,984.49
Cash flows from investing activities			
Amounts advanced - to related parties		**(3,625.00)**	(25,440.00)
Repayments by related parties		**11,865.00**	26,025.00
Amounts advanced - other investments		**(25,190.00)**	(29,591.46)
Repayments - other investments		**14,450.00**	23,997.00
Payments for property, plant and equipment		**(409.33)**	(32.67)
Proceeds from disposal of property, plant and equipment		**60.29**	26.70
Payments for intangible assets/intangible assets under developments		**(70.96)**	(99.55)
Net cash (used in)/generated by investing activities		**(2,920.00)**	(5,114.98)
Cash flows from financing activities			
Dividends paid to owners of the Company		**(309.28)**	–
Net cash (used in)/generated from financing activities		**(309.28)**	–
Net increase/(decrease) in cash and cash equivalents		**(165.91)**	(130.49)
Cash and cash equivalents at the beginning of the year		**1,179.75**	1,310.24
Cash and cash equivalents at the end of the year		**1,013.84**	1,179.75

Note:

The above cash flow statement has been prepared under the "direct method" as set out in 'Indian Accounting Standard (Ind AS 7)- Statement of Cash Flows

The accompanying statement of accounting policies and notes 1 to 37 are an integral part of the Financial Statements.

As per our report of even date
For Mukund M. Chitale & Co.
Chartered Accountants
Firm Regn No. 106655W

Saurabh M. Chitale
Partner
Membership No. 111383
Place: Mumbai
Date: April 25, 2022

For and on behalf of the Board of Directors

Rajeev Dubey
Chairman
DIN: 00104817

Ramesh Iyer
Director
DIN: 00220759

Vivek Karve
Director
DIN: 06840707

Hemant Sikka
Director
DIN: 00922281

Jyotin Mehta
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Anjali Raina
Director
DIN: 02327927

Derek Nazareth
Director
DIN: 07031760

Rajnish Agarwal
Director
DIN: 03335692

Niranjan Karde
Company Secretary
Mem No.: ACS 26372

Saurabh V. Dharadhar
Chief Financial Officer

Vedanarayanan Seshadri
Managing Director & Principal Officer
DIN: 08864477

Place: Mumbai
Date: April 25, 2022

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

A. Equity share capital

₹ in Lakhs

Issued, Subscribed and Fully Paid up:	
Balance as at 1 April 2020	**1,030.93**
Changes due to prior period errors	–
Restated balance as at 1 April 2020	1,030.93
Changes during the year	–
As at 31 March 2021	**1,030.93**
Balance as at 1 April 2021	1,030.93
Changes due to prior period errors	–
Restated balance as at 1 April 2021	1,030.93
Changes during the year	–
Balance as at 31 March 2022	**1,030.93**

B. Other Equity

₹ in Lakhs

	Reserves and Surplus			Items of other comprehensive income	
	Securities Premium	General Reserve	Retained Earnings	Remeasurement (loss)/gain (net) on defined benefit plans	Total
As at 1 April 2020	1,589.50	1,658.43	38,403.43	(414.05)	41,237.31
Changes in accounting policy/prior period errors	–	–	–	–	–
Restated balance as at 1 April 2020	1,589.50	1,658.43	38,403.43	(414.05)	41,237.31
Profit / (Loss) for the Period	–	–	3,202.70	–	3,202.70
Other Comprehensive Income / (Loss)			–	33.42	33.42
Dividend paid on Equity Shares	–	–	–	–	-
As at 31 March 2021	1,589.50	1,658.43	41,606.13	(380.63)	44,473.43
Changes in accounting policy/prior period errors	–	–	–	–	–
Restated balance as at 1 April 2021	1,589.50	1,658.43	41,606.13	(380.63)	44,473.43
Profit / (Loss) for the Period			5,189.40	–	5,189.40
Other Comprehensive Income / (Loss)			–	20.62	20.62
Dividend paid on Equity Shares	–	–	(309.28)	–	(309.28)
As at 31 March 2022	**1,589.50**	1,658.43	46,486.25	(360.01)	49,374.17

The accompanying statement of accounting policies and notes 1 to 37 are an integral part of the Financial Statements.

As per our report of even date
For Mukund M. Chitale & Co.
Chartered Accountants
Firm Regn No. 106655W

Saurabh M. Chitale
Partner
Membership No. 111383
Place: Mumbai
Date: April 25, 2022

For and on behalf of the Board of Directors

Rajeev Dubey	Ramesh Iyer	Vivek Karve	Hemant Sikka	Jyotin Mehta
Chairman	**Director**	**Director**	**Director**	**Director**
DIN: 00104817	DIN: 00220759	DIN: 06840707	DIN: 00922281	DIN: 00033518
Anjali Raina	Derek Nazareth	Rajnish Agarwal	Niranjan Karde	Saurabh V. Dharadhar
Director	**Director**	**Director**	**Company Secretary**	**Chief Financial Officer**
DIN: 02327927	DIN: 07031760	DIN: 03335692	Mem No.: ACS 26372	

Vedanarayanan Seshadri
Managing Director & Principal Officer
DIN: 08864477

Place: Mumbai
Date: April 25, 2022

STATEMENT OF ACCOUNTING POLICIES FOR THE YEAR ENDED 31ST MARCH, 2022

1 Company overview

Mahindra Insurance Brokers Limited is a Public Limited Company incorporated and domiciled in India. The Company's registered office is at Mahindra Towers, P. K. Kurne Chowk, Worli, Mumbai - 400 018. The Company is primarily involved in the business of rendering insurance broking services.

The immediate parent Company is Mahindra & Mahindra Financial Services Limited and ultimate parent Company is Mahindra & Mahindra Limited, a company incorporated in Mumbai, India.

2 Basis of preparation

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

a. Statement of compliance and basis of preparation

These financial statements have been prepared in accordance with Indian Accounting Standards as per the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) notified under Section 133 of the Companies Act, 2013 (the 'Act') and other relevant provisions of the Act.

All the assets and liabilities have been classified as current and non-current as per the Company's normal operating cycle and other criteria set out in the schedule III of the Act. Based on nature of services and the time between the acquisition of the assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as up to twelve months for the purpose of current/non-current classification of assets and liabiities.

The financial statements of the Company for the year ended March 31, 2022 were approved for issue by the Company's Board of Directors on April 25, 2022.

b. Functional and presentation currency

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

c. Basis of measurement

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

Items	Measurement basis
– financial assets and liabilities which are generally derivative instruments	Fair value
– Liabilities for cash-settled share-based payment arrangements	Fair value
– Net defined benefit (asset) / liability	Fair value of plan assets less present value of defined benefit obligations

d. Measurement of fair values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Company has established policies and procedures with respect to the measurement of fair values. The Chief Financial Officer and person entrusted has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, including assessments that these valuations meet the requirements of Ind AS 113. Significant valuation issues are reported to audit committee.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets and liabilties.
- Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: Inputs for the asset ot liability that are not based on observable market data (unobservable inputs).

e. Use of judgements and estimates

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

Assumptions and estimation uncertainties

Following are areas that involved a higher degree of judgement or complexity in determining the carrying amount of some assets and liabilities. Detailed information about each of these estimates and judgements that have a significant risk of resulting in material adjustment in the year ending March 31, 2022 is included in relevant notes.

- Estimation of current tax expense and payable
- Estimated useful life of property, plant and equipments
- Estimated useful life of intangible assets
- Estimation of defined benefit obligation
- Impairment of trade receivables
- Impairment of financial assets

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

3 Significant accounting policies

a. Property, plant and equipment :

Recognition and measurement

All the items classified under property plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

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

When significant parts of an item of property, plant and equipment have different useful lives, they are depreciated as separate items (major components) of property, plant and equipment.

Gains or losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognized net within statement of profit and loss.

STATEMENT OF ACCOUNTING POLICIES FOR THE YEAR ENDED 31ST MARCH, 2022

Subsequent costs

The cost of replacing a part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company, and its cost can be measured reliably. The carrying amount of the replaced part is derecognised.

Depreciation

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values over their estimated useful lives as specified in the Schedule II of the Act or estimated by the management using straight-line method and is generally recognised in the statement of profit and loss except:

i. Motor cars where useful life is estimated at 4 years as against 8 years per Schedule II since the employees to whom these cars have been allotted as part of their terms of employment are entitled to change their vehicles every four years, and

ii. Property Plant & Equipmnets having value individually less than INR 5000 where useful life is estimated at less than one year having regard to the nature of these assets and the difficulty in estimating the useful life.

“Further, residual value for all assets is considered Nil having regard to the difficulty in reasonably estimating the same and, in the case of motor cars, having regard to terms of employment under which these are allotted to the employees.

The estimated useful lives of items of property, plant and equipment for the current and comparative periods are as follows:

Class of asset	**Year ended 31 March 2022**	Year ended 31 March 2021
Plant and equipment (including Computers)	**2-6 years**	2-6 years
Office equipments	**5 years**	5 years
Furniture and fixtures	**10 years**	10 years
Leasehold Premises	**Over the period of lease**	Over the period of lease
Vehicles	**4 years**	4 years

Depreciation methods, useful lives are reviewed at each financial year-end and adjusted if appropriate. The effect of change in estimate of useful life is accounted on prospective basis

b. Intangible Assets :

Intangible Assets are initially recognised at cost.

Amortisation

Subsequent to initial recognition, amortisation of intangible assets with finite useful lives is calculated on cost of intangible assets less their estimated residual values over their estimated useful lives using straight-line method and is recognised in the statement of profit and loss.

The estimated useful lives for the current and comparative periods are as follows:

Class of assets	**Year ended 31 March 2022**	Year ended 31 March 2021
Computer software	**3 years**	3 years

Amortisation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate. The effect of change in estimate of useful life is accounted on prospective basis.

Intangible assets under development

The Company capitalizes the expenditure on intangible asset under development in accordance with the accounting policy. Initial capitalization of costs is based on management’s judgement that technological and economic feasibility is confirmed and the capability to demonstrate the ability to use or sell the intangible assets, the probability of generating future economic benefit and the ability to measure reliably the attributable expenditure.

Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

c. Impairment of assets other than financial assets :

Impairment of tangible and intangible assets other than goodwill

The Company reviews the carrying amounts of its tangible and intangible assets at the end of each reporting period, to determine whether there is any indication that those assets have impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in statement of profit and loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in statement of profit and loss.

d. Foreign currency :

Transactions in foreign currencies are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at period end exchange rates are generally recognised in statement of profit and loss. They are deferred in equity if they relate to qualifying cash flow hedges.

STATEMENT OF ACCOUNTING POLICIES FOR THE YEAR ENDED 31ST MARCH, 2022

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the statement of profit and loss, within finance costs. All other foreign exchange gains and losses are presented in the statement of profit and loss on a net basis within other gains/(losses).

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

e. Financial instruments:

Recognition and initial measurement

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in statement of profit and loss.

Classification and subsequent measurement

Financial assets

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

- Amortised cost;
- fair value through other comprehensive income (FVOCI) - debt investment;
- fair value through other comprehensive income (FVOCI) - equity investment;
- fair value through profit or loss (FVTPL)

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

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

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Investment in debt instrument is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

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

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

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument or a financial guarantee

All financial asset not classified as measured at amortised cost or FVOCI as described above are measured at fair value through profit or loss (FVTPL). This includes all derivative financial assets.

On initial recognition, the Company irrevocably designates a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI or at FVTPL if doing so eliminates or significantly reduces accounting mismatch that would otherwise arise.

Financial Assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other income' line item. Dividend on financial assets at FVTPL is recognised when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably

Financial assets: Subsequent measurement and gains and losses

- Financial assets at amortised cost are subsequently measured at amortised cost using effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain and loss derecognition is recognised in profit or loss.
- Debt investment at FVOCI are subsequently measured at fair value. Interest income under effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.
- Equity investment at FVOCI are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI. On derecognition, gains & losses are not reclassified to statement of profit and loss.
- Financial assets at FVTPL are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in statement of profit and loss.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition. Income is recognised on an effective interest basis for debt instruments other than those which are classified as at FVTPL. Interest income is recognised in statement of profit and loss and is included in the "Other income" line item.

STATEMENT OF ACCOUNTING POLICIES FOR THE YEAR ENDED 31ST MARCH, 2022

Financial liabilities and equity instruments:

Classification as debt or equity

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by Company are recognised at the proceeds received. Transaction costs of an equity transaction are recognised as a deduction from equity.

Financial liabilities

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

Compound financial instruments

The component parts of compound instruments (convertible notes) issued by the Company are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. A conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is an equity instrument.

At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recorded as a liability on an amortised cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date. Interest related to the financial liability is recognised in profit or loss (unless it qualifies for inclusion in the cost of an asset).

Conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognised and included in equity, net of income tax effects, and is not subsequently remeasured. In addition, the conversion option classified as equity remains in equity until the conversion option is exercised, in which case, the balance recognised in equity is transferred to [share premium/other equity . Where the conversion option remains unexercised at the maturity date of the convertible instrument, the balance recognised in equity is transferred to [retained profits/other equity]. No gain or loss is recognised in profit or loss upon conversion or expiration of the conversion option.

Transaction costs that relate to the issue of the convertible notes are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are recognised directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component and are amortised over the lives of the convertible notes using the effective interest method.

Derecognition

Financial assets

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

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

Financial liabilities

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

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

Offsetting

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

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write- off. However, financial assets that are written off could still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Impairment of financial instruments

The Company recognises a loss allowance for expected credit losses (ECL) on:

– Financial assets measured at amortised cost;

– Financial assets measured at FVOCI - debt investments;

The Company always recognises lifetime ECL for trade receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Company recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12 month ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. 12 month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

STATEMENT OF ACCOUNTING POLICIES FOR THE YEAR ENDED 31ST MARCH, 2022

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

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.For debt securities at FVOCI, the loss allowance is recognised in OCI and carrying amount of the financial asset is not reduced in the balance sheet.

f. Revenue Recognition :

Revenue is measured at the fair value of the consideration received or receivable. Amount disclosed as revenue are exclusive of GST and net of revenue on policy cancellations and endorsements.

Rendering of services

Brokerage Income, Handling Charges & Broker Retainer Fees is accounted for net of GST amount on rendition of services. Brokerage income is recognized on receiving details of the policy issued by the insurance company or receipt of brokerage whichever is earlier.

The Company recognises revenue from rendering of consultancy services in proportion to the stage of completion of the transaction at the reporting date. The stage of completion is assessed based on surveys of work performed.

Dividend and interest income

Dividends are recognised in the statement of profit and loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of the dividend can be measured reliably.

Interest income is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

g. Employee benefits:

Superannuation Fund, ESIC and Labour Welfare Fund

The Company's contribution paid/payable during the year to Superannuation Fund, ESIC and Labour Welfare Fund are recognised in statement of profit and loss.

Provident Fund

Contributions to Provident Fund are charged to the statement of profit and loss as incurred. The Company is liable for the contribution and any shortfall in interest between the amount of interest realised by the investments and the interest payable to the members at the rate declared by the Government of India.

Gratuity

The liability or asset recognised in the balance sheet in respect of defined benefit pension and gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuary using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

Compensated Absences

The Company has a policy on compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by acturial valuation performed by an independent actuary at each balance sheet date using projected unit credit method on the additional amount expected to be paid or availed as a result of the unused entitllement that has accumulated at the balance sheet date. Expense on non accumulating compensated absences is recognised in the period in which the absences occur.

Cash settled share based payments

Cash Settled Share Based Payments, the fair value of the amount payable to employees is recognized as 'employee benefit expenses with corresponding increase in liabilities, over the period of non market vesting conditions getting fulfilled. The fair value of the option at the grant date is calculated by an independent valuer basis Black Scholes model. The Liability is remeasured at each reporting period up to, and including the settlement date, with changes in fair value recognized in employee benefit expenses.

h. Taxation:

"Income tax expense comprises current tax and deferred tax. It is recognised in the statement of profit and loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income.

Current tax

Current tax comprises expected tax payable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

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

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

STATEMENT OF ACCOUNTING POLICIES FOR THE YEAR ENDED 31ST MARCH, 2022

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax for the year

Current and deferred tax are recognised in the statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Minimum Alternate Tax (MAT)

Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT is recognised as deferred tax asset in the balance sheet when the asset can be measured reliably, and it is probable that the future economic benefit associated with asset will be realised.

i. Provisions, Contingent Liabilities and Contingent Assets :

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

Contingent liability is:

a) A possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or

b) a present obligation that arises from past events but is not recognised because:

   (i) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or

   (ii) the amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities are disclosed. Claims against the Company, where the possibility of any outflow of resources in settlement is remote, are not disclosed as contingent liabilities.

A contingent asset is disclosed where an inflow of economic benefits is probable.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Provisions, contingent liabilities and contingent assets are reviewed at each Balance Sheet date.

j. Leasing :

As a Lessee

The company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the company's estimate of the amount expected to be payable under a residual value guarantee, or if company changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The company presents right-of-use assets that do not meet the definition of investment property and lease liabilities; both in the 'balance sheet' as a separate line items, in the statement of financial position.

k. Segment Reporting

Operating Segments are reported consistently with the internal reporting provided to the Managing Director. The highest decision making executive is reposnsible for allocating resources to and assessing the performance of the operating segments. The highest decision making body is Managing Director.

l. Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the Company's earnings per share is the net profit for the period after deducting preference dividends and any attributable tax thereto for the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, sub-division of shares etc. that have changed the number of equity shares outstanding, without corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average numbers of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

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

Note No. 1 - Property, Plant and Equipment

₹ in Lakhs

	Description of Assets	**Plant and Equipment (including computers)**	**Leasehold Improvements**	**Office Equipment**	**Furniture and Fixtures**	**Vehicles**	**Total**
I.	**Gross Carrying Amount**						
	Balance as at 1 April 2021	659.84	214.41	237.49	141.79	698.29	1,951.82
	Additions	193.51	–	0.10	–	208.32	401.93
	Disposals	10.70	–	5.20	1.80	192.19	209.89
	Balance as at 31 March 2022	**842.65**	**214.41**	**232.39**	**139.99**	**714.42**	**2,143.86**
II.	**Accumulated depreciation and impairment**						
	Balance as at 1 April 2021	599.12	60.34	144.14	59.27	455.27	1,318.14
	Depreciation expense for the year	66.58	25.15	38.91	12.70	121.24	264.58
	Eliminated on disposal of assets	10.40	–	5.20	1.77	147.84	165.21
	Balance as at 31 March 2022	**655.30**	**85.49**	**177.85**	**70.20**	**428.67**	**1,417.51**
III.	**Net carrying amount (I-II)**	**187.35**	**128.92**	**54.54**	**69.79**	**285.75**	**726.35**

₹ in Lakhs

	Description of Assets	Plant and Equipment (including computers)	Leasehold Improvements	Office Equipment	Furniture and Fixtures	Vehicles	Total
I.	Gross Carrying Amount						
	Balance as at 1 April 2020	691.42	214.41	251.12	145.20	732.70	2,034.85
	Additions	1.63	–	0.45	–	30.59	32.67
	Disposals	33.22	–	14.08	3.42	65.00	115.72
	Balance As at 31 March 2021	659.83	214.41	237.49	141.78	698.29	1,951.80
II.	Accumulated depreciation and impairment						
	Balance as at 1 April 2020	546.52	35.19	116.27	49.58	345.83	1,093.39
	Depreciation expense for the year	85.81	25.15	41.72	12.94	146.89	312.51
	Eliminated on disposal of assets	33.22	–	13.85	3.25	37.45	87.77
	Balance As at 31 March 2021	599.11	60.34	144.14	59.27	455.27	1,318.13
III.	Net carrying amount (I-II)	60.72	154.07	93.35	82.51	243.02	633.67

Note No. 2 - Other Intangible Assets

₹ in Lakhs

	Description of Assets	**Computer Software**	**Total**
I.	**Gross Carrying Amount**		
	Balance as at 1 April 2021	307.27	307.27
	Additions from separate acquisitions	7.40	7.40
	Disposals	7.00	7.00
	Balance as at 31 Mar 2022	**307.67**	**307.67**
II.	**Accumulated depreciation and impairment**		
	Balance as at 1 April 2021	232.41	232.41
	Amortisation expense for the year	45.46	45.46
	Disposals	2.85	2.85
	Balance as at 31 Mar 2022	**275.02**	**275.02**
III.	**Net carrying amount (I-II)**	**32.65**	**32.65**

₹ in Lakhs

	Description of Assets	Computer Software	Total
	Intangible Assets		
I.	Gross Carrying Amount		–
	Balance as at 1 April 2020	291.17	291.17
	Additions from separate acquisitions	16.10	16.10
	Disposals	–	–
	Balance as at 31 March 2021	307.27	307.27
II.	Accumulated depreciation and impairment		
	Balance as at 1 April 2020	162.74	162.74
	Amortisation expense for the year	69.67	69.67
	Eliminated on disposal of assets	–	–
	Balance as at 31 March 2021	232.41	232.41
III.	Net carrying amount (I-II)	74.86	74.86

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

Note No. 3 - Investments

₹ in Lakhs

Particular	As at 31 March 2022		As at 31 March 2021	
	Amounts Current	Amounts Non Current	Amounts Current	Amounts Non Current
Investments Carried at Amortised Cost				
Investment in Fixed Deposits with Mahindra & Mahindra Financial Services Limited	**9,365.00**	**10,200.00**	7,350.00	1,100.00
TOTAL INVESTMENTS CARRIED AT AMORTISED COST	**9,365.00**	**10,200.00**	7,350.00	1,100.00
Investments Carried at Fair Value Through Profit and Loss				
Quoted investments				
Investments in Mutual Funds	**1,650.44**	–	1,970.92	–
TOTAL INVESTMENTS CARRIED AT FAIR VALUE	1,650.44	–	1,970.92	–
TOTAL INVESTMENTS	**11,015.44**	**10,200.00**	9,320.92	1,100.00

Investments in Mutual Funds	As at 31 March 2022		As at 31 March 2021	
Particulars	**Units**	**Amt in ₹ in lakhs**	Units	Amt in ₹ in lakhs
Mahindra Manulife Liquid Reg-G	**1,20,080.423**	**1,650.44**	1,66,352.118	1,970.92
Total	**1,20,080.423**	**1,650.44**	1,66,352.118	1,970.92
Quoted				
Aggregate book value		1,647.16		1,956.71
Aggregate market value		1,650.44		1,970.92
Unquoted				
Aggregate book value		–		–

Note No. 4 - Loans

₹ in Lakhs

Particulars	As at 31 March 2022		As at 31 March 2021	
	Current	**Non-Current**	Current	Non-Current
Loans to related parties (Refer Note Below)				
– Unsecured, considered good	**16,575.00**	**9,525.00**	11,865.00	22,475.00
TOTAL LOANS	**16,575.00**	**9,525.00**	11,865.00	22,475.00

Note: Intercorporate Deposits (ICDs) placed with related parties.

₹ in Lakhs

Particulars	As at 31 March 2022	As at 31 March 2021
ICDs with Mahindra & Mahindra Financial Services Limited	400.00	400.00
ICDs with Mahindra Rural Housing Finance Limited	25,700.00	33,940.00
Total	26,100.00	34,340.00

The above Intercorporate Deposits have been given for general business purpose of the receipient.

₹ in Lakhs

Particulars	As at 31 March 2022		As at 31 March 2021	
	Amount outstanding	**% of total**	Amount outstanding	% of total
ICDs with Promoters	**400.00**	**2%**	400.00	1%
ICDs with Related Parties	**25,700.00**	**98%**	33,940.00	99%
TOTAL	**26,100.00**		34,340.00	

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

Note No. 5 - Other financial assets

₹ in Lakhs

Particulars	As at 31 March 2022		As at 31 March 2021	
	Current	**Non-Current**	Current	Non-Current
Financial assets at amortised cost				
Interest Accrued but not due	**1,035.96**	**293.59**	1,569.74	94.48
Security Deposits	**–**	**60.40**	–	97.14
Bank Deposit with more than 12 months maturity	**–**	**60.00**	–	60.00
Others	**0.27**	**–**	0.25	–
TOTAL	**1,036.23**	**413.99**	1,569.99	251.62

The Bank Deposit with more than 12 months maturity is under lien to the IRDAI as per the IRDAI (Insurance Brokers) Regulations 2018.

Note No. 6 - Current Tax and Deferred Tax

(a) Income Tax recognised in profit or loss

₹ in Lakhs

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Current Tax:		
In respect of current year	**1,821.00**	1,322.00
In respect of prior years	**–**	–
	1,821.00	1,322.00
Deferred Tax:		
In respect of current year origination and reversal of temporary differences	**27.61**	(126.41)
	27.61	(126.41)
Total income tax expense	**1,848.61**	1,195.59

(b) Income Tax recognised in other comprehensive income

₹ in Lakhs

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Current Tax:		
Deferred tax related to items recognised in other comprehensive income during the year:		
Remeasurement of defined benefit obligations	**(6.93)**	(11.24)
Unrecognised tax loss used to reduce current tax expense	**–**	–
Others		
	(6.93)	(11.24)
Classification of income tax recognised in other comprehensive income		
Income taxes related to items that will not be reclassified to profit or loss	**(6.93)**	(11.24)
Total income tax expense	**(6.93)**	(11.24)

(c) Reconciliation of income tax expense and the accounting profit multiplied by Company's domestic tax rate:

₹ in Lakhs

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Profit before tax	**7,038.01**	4,398.29
Income tax expense calculated at 25.17%	**1,771.47**	1,107.05
Effect of expenses that is non-deductible in determining taxable profit	**340.11**	298.39
Effect of tax incentives and concessions (other allowances)	**(262.97)**	(209.86)
Income tax expense recognised In profit or loss	**1,848.61**	1,195.59

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

Note No. 6 - Current Tax and Deferred Tax (Cont)

(d) Movement in deferred tax balances

₹ in Lakhs

	For the year ended 31 March 2022			
Particulars	**Opening Balance**	**Recognised in profit and Loss**	**Recognised in OCI**	**Closing Balance**
Tax effect of items constituting deferred tax assets				
Employee Benefits	**314.67**	**26.12**	**(6.93)**	**333.86**
Property, Plant and Equipment	**122.70**	**7.68**	**–**	**130.38**
Amortization and Interest in respect of lease payments	**12.70**	**(9.52)**	**–**	**3.18**
Provisions	**137.12**	**(51.89)**	**–**	**85.23**
	587.19	**(27.61)**	**(6.93)**	**552.65**
Net Tax Asset (Liabilities)	**587.19**	**(27.61)**	**(6.93)**	**552.65**

₹ in Lakhs

	For the year ended 31 March 2021			
Particulars	Opening Balance	Recognised in profit and Loss	Recognised in OCI	Closing Balance
Tax effect of items constituting deferred tax assets				
Employee Benefits	309.16	16.75	(11.24)	314.67
Property, Plant and Equipment	89.87	32.83	–	122.70
Amortization and Interest in respect of lease payments	18.61	(5.91)	–	12.70
Provisions	54.38	82.74	–	137.12
	472.02	126.41	(11.24)	587.19
Net Tax Asset (Liabilities)	472.02	126.41	(11.24)	587.19

Note No. 7 - Other assets

₹ in Lakhs

Particulars	**As at 31 March 2022**		As at 31 March 2021	
	Current	**Non-Current**	Current	Non- Current
(a) Advances other than capital advances				
(i) Earnest Money Deposit	**0.15**	**–**	0.15	–
(ii) Balances with government authorities (other than income taxes)	**1,158.38**	**–**	708.49	–
(iii) Other assets	**603.63**	**0.90**	512.46	0.98
(b) Capital Advance	**–**	**–**	–	–
(c) Advance payment of tax	**–**	**2,085.17**	–	1,183.23
Total Other Assets	**1,762.16**	**2,086.07**	1,221.10	1,184.21

Note No. 8 - Trade receivables

₹ in Lakhs

Particulars	**As at 31 March 2022**	As at 31 March 2021
	Current	Current
Trade receivables		
(a) Secured, considered good	**–**	–
(b) Unsecured, considered good	**6,669.55**	5,823.04
(c) Significant increase in credit risk	**–**	–
(d) Credit Impaired	**409.89**	380.99
Less: Allowance for Expected Credit Loss	**409.89**	380.99
Total	**6,669.55**	5,823.04
Of the above, trade receivables from:		
– Related Parties	**1,095.39**	1,267.00
– Others	**5,574.16**	4,556.04
Total	**6,669.55**	5,823.04

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

Note No. 8 - Trade receivables (Cont)

₹ in Lakhs

Particulars	As at 31 March 2022					
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed						
(a) Considered good	5,269.24	1,058.80	248.48	42.48	50.55	6,669.55
(b) Significant increase in credit risk	–	–	–	–	–	–
(c) Credit Impaired	28.90	–	–	59.25	321.74	409.89
Total	5,298.14	1,058.80	248.48	101.73	372.29	7,079.44
Less: Allowance for Expected Credit Loss	–	–	–	–	–	409.89
Total Undiputed Trade Receivables	–	–	–	–	–	6,669.55
Disputed						
(a) Considered good	–	–	–	–	–	–
(b) Significant increase in credit risk	–	–	–	–	–	–
(c) Credit Impaired	–	–	–	–	–	–
Total	–	–	–	–	–	–
Less: Allowance for Expected Credit Loss	–	–	–	–	–	–
Total Diputed Trade Receivables	–	–	–	–	–	–
Total Trade Receivables	–	–	–	–	–	6,669.55

₹ in Lakhs

Particulars	As at 31 March 2021					
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed						
(a) Considered good	5,547.01	57.71	211.76	6.56	–	5,823.04
(b) Significant increase in credit risk	–	–	–	–	–	–
(c) Credit Impaired	20.50	–	–	38.75	321.74	380.99
Total	5,567.51	57.71	211.76	45.31	321.74	6,204.03
Less: Allowance for Expected Credit Loss	–	–	–	–	–	380.99
Total Undiputed Trade Receivables	–	–	–	–	–	5,823.04
Disputed						
(a) Considered good	–	–	–	–	–	–
(b) Significant increase in credit risk	–	–	–	–	–	–
(c) Credit Impaired	–	–	–	–	–	–
Total	–	–	–	–	–	–
Less: Allowance for Expected Credit Loss	–	–	–	–	–	–
Total Diputed Trade Receivables	–	–	–	–	–	–
Total Trade Receivables	–	–	–	–	–	5,823.04

Note No. 9 - Cash and Bank Balances

₹ in Lakhs

Particulars	As at 31 March 2022	As at 31 March 2021
Cash and cash equivalents		
(a) Balances with banks	1,012.08	1,163.97
(b) Cash on hand	1.76	15.78
Total Cash and cash equivalent	1,013.84	1,179.75

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

Note No. 10 - (a) Equity Share Capital

Particulars	As at 31 March 2022		As at 31 March 2021	
	No. of shares	**₹ in Lakhs**	No. of shares	₹ in Lakhs
Authorised:				
Equity shares of Rs. 10/- each with voting rights	**1,50,00,000**	**1,500.00**	1,50,00,000	1,500.00
Issued, Subscribed and Fully Paid:				
Equity shares of Rs. 10/- each with voting rights	**1,03,09,280**	**1,030.93**	1,03,09,280	1,030.93
Total	**1,03,09,280**	**1,030.93**	1,03,09,280	1,030.93

(b) Shares held by promoters

Particulars	As at 31 March 2022			As at 31 March 2021		
	No. of shares	**% of total shares**	**% change during the year**	**No. of shares**	**% of total shares**	**% change during the year**
Mahindra and Mahindra Financial Services Limited						
- Equity shares of Rs. 10/- each with voting rights	**82,47,424**	**80%**	**0%**	82,47,424	80%	0%

(i) Reconciliation of the number of shares outstanding at the beginning and at the end of the year

Particulars	Opening Balance	Fresh Issue	Bonus	ESOP	Closing Balance
(a) Equity Shares with Voting rights*					
Year ended 31 March 2022					
No. of Shares	1,03,09,280	–	–	–	1,03,09,280
Amount (₹ in Lakhs)	1,030.93	–	–	–	1,030.93
Year ended 31 March 2021					
No. of Shares	1,03,09,280	–	–	–	1,03,09,280
Amount (₹ in Lakhs)	1,030.93	–	–	–	1,030.93

*** Rights, preferences and restrictions attached to equity shares**

"The Company has only one class of equity shares having par value of Rs. 10 per share. Each holder of equity share is entitled to one vote per share. The company declares and pays dividend in Indian Rupees. The dividend proposed by Board of Directors is subject to approval of the shareholders in the ensuing annual general meeting. Further, the Board of Directors may also announce an interim dividend which would need to be confirmed by the shareholders at the forthcoming Annual General Meeting. In the event of liquidation, the shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholdings."

(ii) Details of shares held by the holding company, the ultimate holding company, their subsidiaries and associates:

Particulars	No. of Shares		
	Equity Shares with Voting rights	**Equity Shares with Differential Voting rights**	**Others**
As at 31 March 2022			
Mahindra and Mahindra Financial Services Limited, the Holding Company	**82,47,424**	**–**	**–**
As at 31 March 2021			
Mahindra and Mahindra Financial Services Limited, the Holding Company	82,47,424	–	–

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

Note No. 10 - (a) Equity Share Capital (Cont)

(iii) Details of shares held by each shareholder holding more than 5% shares:

Class of shares/Name of shareholder	As at 31 March 2021		As at 31 March 2020	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares with voting rights				
Mahindra and Mahindra Financial Services Limited	**82,47,424**	**80%**	82,47,424	80%
Inclusion Resource Pte Limited	**20,61,856**	**20%**	20,61,856	20%

Note No. 11 - Other Equity

Description of the Nature and Purpose of Other Equity

Securities Premium: The securities premium is used to record the premium on issue of shares. The reserve can be utilized in accordance with the provisions of Companies Act, 2013.

General Reserve: The general reserve comprises of transfer of profits from retained earnings for appropriation purposes. The reserve can be distributed / utilized in accordance with the provisions of Companies Act, 2013.

₹ in Lakhs

	Reserves and Surplus			Items of other comprehensive income	
	Securities Premium	General Reserve	Retained Earnings	Remeasurement (loss) / gain (net) on defined benefit plans	Total
As at 1 April 2020	**1,589.50**	**1,658.43**	**38,403.43**	**(414.05)**	**41,237.31**
Profit / (Loss) for the Period	–	–	3,202.70	–	3,202.70
Other Comprehensive Income / (Loss)	–	–	–	33.42	33.42
Dividend paid on Equity Shares	–	–	–	–	–
As at 1 April 2021	1,589.50	1,658.43	41,606.13	(380.63)	44,473.43
Profit / (Loss) for the Period	–	–	5,189.40	–	5,189.40
Other Comprehensive Income / (Loss)	–	–	–	20.62	20.62
Dividend paid on Equity Shares	–	–	**(309.28)**	–	**(309.28)**
As at 31 March 2022	**1,589.50**	**1,658.43**	**46,486.25**	**(360.01)**	**49,374.18**

Details of dividend

₹ in Lakhs

Particulars	31-Mar-22	31-Mar-21
Cash dividends on equity shares declared and paid		
Final dividend for the year ended on 31 March 2021: Rs.3.00 per share (31 March 2020: Rs. NIL per share)	**309.28**	–
	309.28	–

Note: The board of directors in their meeting on April 25, 2022 recommended final dividend of Rs5. per equity share for the financial year ended March 31, 2022. This payment is subject to the approval of shareholders in the Annual General Meeting (AGM) of the company and if approved would result in a net cash outflow of approximately Rs.515.46 Lakhs.

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

Note No. 12 - Provisions

₹ in Lakhs

Particulars		As at 31 March 2022		As at 31 March 2021	
		Current	**Non- Current**	Current	Non- Current
(a)	**Provision for employee benefits**				
	– Gratuity (Note 27)	**115.79**	**456.97**	83.53	529.29
	– Leave Encashment (Note 27)	**145.06**	**606.70**	103.20	682.26
	– Others	**2,431.92**	**–**	2,788.95	–
(b)	**Other Provisions**				
	– Provision for tax (net of advance tax paid)	**25.23**	**–**	16.13	–
Total Provisions		**2,718.00**	**1,063.67**	2,991.81	1,211.55

Note No. 13 - Trade Payables

₹ in Lakhs

Particulars		As at 31 March 2022	As at 31 March 2021
		Current	Current
Payables			
(I)	**Trade Payables**		
(i)	total outstanding dues of micro enterprises and small enterprises#	**6.68**	5.50
(ii)	total outstanding dues of creditors other than micro enterprises and small enterprises**	**6,054.66**	6,548.90
(II)	**Other Payables**		
(i)	total outstanding dues of micro enterprises and small enterprises	**–**	–
(ii)	total outstanding dues of creditors other than micro enterprises and small enterprises	**–**	–
Total		**6,061.34**	6,554.40

On the basis of confirmations received from parties

** Including amount payable to related parties of Rs.68.29 lakhs (PY: Rs.51.01 lakhs)

₹ in Lakhs

Particulars		As at 31 March 2022				
		Less than 1 year	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
Undisputed dues						
(a)	MSME	**6.68**	–	–	–	6.68
(b)	Others	**5,608.36**	**7.75**	298.24	140.31	6,054.66
Disputed dues						
(a)	MSME	–	–	–	–	–
(b)	Others	–	–	–	–	–

₹ in Lakhs

Particulars		As at 31 March 2022				
		Less than 1 year	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
Undisputed dues						
(a)	MSME	**5.51**	–	–	–	5.50
(b)	Others	**5,955.72**	**442.07**	138.36	12.74	6,548.90
Disputed dues						
(a)	MSME	–	–	–	–	–
(b)	Others	–	–	–	–	–

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

Note No. 14 - Other Financial Liabilities

₹ in Lakhs

Particulars	As at 31 March 2022		As at 31 March 2021	
	Current	**Non-Current**	Current	Non-Current
Other Financial Liabilities Measured at Amortised Cost				
(i) Other liabilities				
(1) Salary Payable	**85.26**	–	48.78	–
Total other financial liabilities	**85.26**	–	48.78	–

Note No. 15 - Other Liabilities

₹ in Lakhs

Particulars	As at 31 March 2022		As at 31 March 2021	
	Current	**Non-Current**	Current	Non-Current
Statutory dues				
– taxes payable (other than income taxes)	**794.80**	–	601.23	–
– Employee Recoveries and Employer Contributions	**553.80**	–	388.95	–
TOTAL OTHER LIABILITIES	**1,348.60**	–	990.18	–

Note No. 16 - Revenue from Operations

₹ in Lakhs

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Revenue from rendering of services		
Brokerage	**22,195.97**	16,524.50
Broker retainer fees	**4,965.83**	3,802.70
Handling charges	**4,193.86**	3,241.35
Consultancy fees	**32.69**	33.51
Total Revenue from Operations	**31,388.35**	23,602.06

Note No. 17 - Other Income

₹ in Lakhs

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
(a) Interest Income		
– On Financial Assets at Amortised Cost	**3,203.48**	3,031.67
(b) Dividend Income		
– On Financial Assets Fair Value through Profit or Loss	**1.09**	10.03
(c) Miscellaneous Income	**17.25**	17.81
(d) Capital Gain on redemption of mutual funds	**64.91**	62.26
(e) Profit due to change in fair value of investments	–	14.22
(f) Profit on sale of property, plant and equipments	**11.92**	–
(g) Gain on foreign exchange	–	2.85
(h) Rent Concessions (on account of Covid-19)*	**113.98**	114.75
Total Other Income	**3,412.63**	3,253.59

*shown separately as required as per notification no.359 issued by Ministry of Corporate Affairs dated July 24, 2020.

Note No. 18 - Employee Benefits Expense

₹ in Lakhs

Particulars	Year Ended 31 March 2022	Year Ended 31 March 2021
(a) Salaries and wages, including bonus*	**10,613.74**	8,843.45
(b) Contribution to provident and other funds	**517.95**	488.32
(c) Gratuity Expenses	**163.85**	176.38
(d) Share based payment transactions expenses		
Cash-settled share-based payments	**(79.01)**	1,007.12
(e) Staff welfare expenses	**69.04**	26.79
Total Employee Benefit Expense	**11,285.57**	10,542.06

* Including payments to Key Mangerial Person of Rs.596.54 Lakhs (PY: Rs.294.44 Lakhs)

Cash-settled share-based payments

"In respect of the Cash-settled share-based payments, Employee Stock Options (ESOS) of the ultimate holding company Mahindra & Mahindra Limited and the holding company Mahindra & Mahindra Financial Services Limited (MMFSL) are issued to eligible employees of the Company. The Company makes the necessary payment to the respective Ultimate holding company and holding company. Further refer Note No. 28 for Employees Phantom Stock Option Plan 2019"

Note No. 19 - Other Expenses

₹ in Lakhs

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
(a) Distribution fees*	**10,756.50**	7,169.16
(b) Power & fuel	**47.56**	36.82

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

Note No. 19 - Other Expenses (Cont)

₹ in Lakhs

Particulars		Year ended 31 March 2022	Year ended 31 March 2021
(c)	Rent including lease rentals	**36.97**	–
(d)	Rates and taxes	**10.89**	7.27
(e)	Insurance	**415.36**	373.08
(f)	Postage, Telephone and Communication	**180.01**	151.40
(g)	Software Charges	**9.09**	6.84
(h)	Repairs - Others	**93.58**	95.29
(i)	Administration Support Charges	**174.80**	188.11
(j)	Manpower Contracting Charges	**777.20**	636.30
(k)	Advertisement	**0.42**	–
(l)	Sales promotion expenses	**786.53**	369.01
(m)	Travelling and Conveyance Expenses	**482.11**	256.87
(n)	Expenditure on corporate social responsibilty (CSR) under section 135 of the Companies Act, 2013. (Note 33.3)	**153.05**	180.71
(o)	Provision for doubtful trade and other receivables (Note 23)	**28.90**	189.78
(p)	Bad debts written off	**0.12**	–
(q)	Auditors remuneration and out-of-pocket expenses	**13.00**	13.08
	(i) As Auditors	**5.00**	5.00
	(ii) For Other services	**8.00**	8.00
	(iii) For reimbursement of expenses	**–**	0.08
(r)	Directors' Commission	**116.77**	171.27
(s)	Directors' Sitting Fees	**10.60**	11.20
(t)	Legal and other professional costs	**643.40**	412.66
(u)	Loss on sale of property, plant and equipments	**–**	1.23
(v)	Loss due to change in fair value of investments	**10.40**	–
(w)	Loss on foreign exchange	**2.42**	–
(x)	Miscellaneous expenses	**841.52**	611.71
Total Other Expenses		**15,591.20**	10,881.79

* Distribution fees are the payments made to Motor Insurance Service Providers (Automotive Dealers) as per the Guidelines issued under section 34 of the Insurance Act, 1938 and section 14 of the IRDA Act, 1999 on Motor Insurance Service Provider with effect from 1st November 2017

Note No. 20 - Earnings per Share

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
	₹	₹
	Per Share	Per Share
Basic Earnings per share	**50.34**	31.07
Diluted Earnings per share	**50.34**	31.07

Equity shares of Rs. 10/- each with voting rights

Basic earnings per share

The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:

₹ in Lakhs

	For the year ended 31 March 2022	For the year ended 31 March 2021
Profit / (loss) for the year attributable to owners of the Company	**5,189.40**	3,202.70
Less: Preference dividend and tax thereon	**–**	–
Profit / (loss) for the year used in the calculation of basic earnings per share	**5,189.40**	3,202.70
Weighted average number of equity shares (nos)	**1,03,09,280**	1,03,09,280
Earnings per share - Basic (`)	**50.34**	31.07

Diluted earnings per share

The diluted earnings per share has been computed by dividing the Net profit after tax available for Equity shareholders by the weighted average number of equity shares, after giving dilutive effect of the outstanding Warrants, Stock options and Convertible bonds for the respective Periods, if any.

₹ in Lakhs

	For the year ended 31 March 2022	For the year ended 31 March 2021
Profit / (loss) for the year used in the calculation of basic earnings per share	**5,189.40**	3,202.70
Add: Adjustments, if any	**–**	–
Profit / (loss) for the year used in the calculation of diluted earnings per share	**5,189.40**	3,202.70
Profits used in the calculation of diluted earnings per share	**5,189.40**	3,202.70

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

Note No. 20 - Earnings per Share (Cont)

The weighted average number of ordinary shares for the purpose of diluted earnings per share reconciles to the weighted average number of ordinary shares used in the calculation of basic earnings per share as follows:

	For the year ended 31 March 2022	For the year ended 31 March 2021
Weighted average number of equity shares used in the calculation of Basic EPS	**1,03,09,280**	1,03,09,280
Add: Effect of Warrants, if any	**–**	–
ESOPs, if any	**–**	–
Convertible bonds, if any	**–**	–
Others if any	**–**	–
Weighted average number of equity shares used in the calculation of Diluted EPS	**1,03,09,280**	1,03,09,280

Note No. 21 - Right of use assets

₹ in Lakhs

Description of Assets	**Right to use assets-Building**	**Total**
I. Gross Carrying Amount		
Balance as at 1 April 2021	**2,562.89**	2,562.89
Reclassifciation on account of adoption of Ind AS 116	**–**	–
Additions	**–**	–
Balance as at 1 April 2022	**2,562.89**	2,562.89
II. Accumulated depreciation and impairment		
Balance as at 1 April 2021	**975.35**	975.35
Amortisation expense for the year	**447.11**	447.11
Balance as at 31 Mar 2022	**1,422.46**	1,422.46
III. Net carrying amount (I-II)	**1,140.43**	1,140.43

₹ in Lakhs

Description of Assets	**Right to use assets-Building**	**Total**
I. Gross Carrying Amount		
Cost		
Balance as at 1 April 2020	**2,562.89**	2,562.89
Reclassifciation on account of adoption of Ind AS 116	**–**	–
Additions	**–**	–
Balance as at 31 Mar 2021	**2,562.89**	2,562.89
II. Accumulated depreciation and impairment		
Balance as at 1 April 2020	**489.71**	489.71
Amortisation expense for the year	**485.63**	485.63
Balance as at 31 Mar 2021	**975.34**	975.34
III. Net carrying amount (I-II)	**1,587.55**	1,587.55

Note No. 22 - Intangible Assets Under Development

₹ in Lakhs

Particulars	**As at 31 Mar 2022**	As at 31 Mar 2021
Intangible Assets Under Development	**210.10**	139.13
Total	**210.10**	139.13

₹ in Lakhs

	As at 31 Mar 2022				
Particulars	**Less than 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
Intangible Assets Under Development	**85.39**	**82.58**	**–**	**42.13**	210.10
Total	**85.39**	**82.58**	**–**	**42.13**	210.10

₹ in Lakhs

	As at 31 Mar 2021				
Particulars	**Less than 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
Intangible Assets Under Development	**89.95**	**4.65**	**2.40**	**42.13**	139.13
Total	**89.95**	**4.65**	**2.40**	**42.13**	139.13

Note No. 23 - Financial Instruments

Capital management

The company's capital management objectives are:

– to ensure the company's ability to continue as a going concern

– to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk."

The company monitors capital on the basis of the carrying amount of equity less cash and cash equivalents as presented on the face of the statement of financial position. The Company is subject to minimum capital requirements as stipulated by the IRDAI (Insurance Brokers) Regulations, 2018.

The company sets the amount of capital in proportion to its overall financing structure, i.e. equity and financial liabilities. The company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

₹ in Lakhs

	31-Mar-22	31-Mar-21
Equity	**50,405.10**	45,504.36
Less: Cash and cash equivalents	**(1,013.84)**	(1,179.75)
	49,391.26	44,324.61

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

Categories of financial assets and financial liabilities

₹ in Lakhs

As at 31 March 2022

	Amortised Costs	FVTPL	FVOCI	Total
Non-current Assets				
Investments	**10,200.00**	**–**	**–**	**10,200.00**
Loans	**9,525.00**	**–**	**–**	**9,525.00**
Other Financial Assets	**413.99**	**–**	**–**	**413.99**
Current Assets				
Investments	**9,365.00**	**1,650.44**	**–**	**11,015.44**
Trade Receivables	**6,669.55**	**–**	**–**	**6,669.55**
Other Bank Balances	**1,013.84**	**–**	**–**	**1,013.84**
Loans	**16,575.00**	**–**	**–**	**16,575.00**
Other Financial Assets	**1,036.23**	**–**	**–**	**1,036.23**
Non-current Liabilities				
Lease liabilities	**840.37**	**–**	**–**	**840.37**
Current Liabilities				
Trade Payables	**6,061.34**	**–**	**–**	**6,061.34**
Lease liabilities	**437.11**	**–**	**–**	**437.11**
Other Financial Liabilities	**85.26**			**85.26**

₹ in Lakhs

As at 31 March 2021

	Amortised Costs	FVTPL	FVOCI	Total
Non-current Assets				
Investments	1,100.00	–	–	1,100.00
Loans	22,475.00	–	–	22,475.00
Other Financial Assets	251.62	–	–	251.62
Current Assets				
Investments	7,350.00	1,970.92	–	9,320.92
Trade Receivables	5,823.04	–	–	5,823.04
Other Bank Balances	1,179.75	–	–	1,179.75
Loans	11,865.00	–	–	11,865.00
Other Financial Assets	1,569.99	–	–	1,569.99
Non-current Liabilities				
Lease liabilities	1,277.44	–	–	1,277.44
Current Liabilities				
Trade Payables	6,554.40	–	–	6,554.40
Lease liabilities	434.51	–	–	434.51
Other Financial Liabilities	48.78			48.78

Financial Risk Management Framework

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk. In order to manage the aforementioned risks, the Company operates a risk management policy and a program that performs close monitoring of and responding to each risk factors.

CREDIT RISK

(i) Credit risk management

Credit risk arises when a counterparty defaults on its contractual obligations to pay resulting in financial loss to the Company.

Trade receivables consist of institutional customers, largely insurance companies. The Company deals only with those insurance companies who have obtained an acceptable level of credit rating. The Company does not have significant credit risk exposure to any single external counterparty. Out of total outstanding 20% of the debtors are pertaining to group companies.

The credit risk on liquid funds invested in Fixed Deposits with companies and Intercorporate Deposits is limited because the counterparties are group companies.

The Company applies the simplified approach to providing for expected credit losses prescribed by Ind AS 109, which permits the use of the expected loss provision for all trade receivables. The company has computed expected credit losses based on a provision matrix which uses historical credit loss experience of the Company and individual receivable specific provision where applicable. Forward-looking information (including macroeconomic information) has been incorporated into the determination of expected credit losses.

There is no change in estimation techniques or significant assumptions during the reporting period.

The loss allowance provision is determined as follows:

As at 31 March 2022

	Not due	Less than 6 months past due	More than 6 months past due	Total
Gross carrying amount		**5,298.14**	**1,781.30**	**7,079.44**
Loss allowance provision		**28.90**	**380.99**	**409.89**
		5,269.24	**1,400.31**	**6,669.55**

As at 31 March 2021

	Not due	Less than 6 months past due	More than 6 months past due	Total
Gross carrying amount		5,816.33	387.70	6,204.03
Loss allowance provision		20.50	360.49	380.99
		5,795.83	27.21	5,823.04

Reconciliation of loss allowance provision for Trade Receivables

₹ in Lakhs

Particulars	**31-Mar-22**	31-Mar-21
Balance as at beginning of the year	**380.99**	191.21
Impairment losses recognised in the year based on lifetime expected credit losses	**–**	–
– On receivables originated in the year	**28.90**	189.78
Impairment losses recognised in the year based on 12 months expected credit losses		
– On receivables originated in the year		
Balance at end of the year	**409.89**	380.99

The loss allowance provision has changed during the period due to delays in recovery of brokerage on insurance contracts brokered.

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

LIQUIDITY RISK

(i) Liquidity risk management

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

(ii) Maturities of financial liabilities

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The amount disclosed in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows.

₹ in Lakhs

Particulars	Less than 1 Year	1-3 Years	3 Years to 5 Years	5 years and above
Non-derivative financial liabilities				
31-Mar-22				
Non-interest bearing	**6,583.71**	**840.37**	**–**	**–**
Total	**6,583.71**	**840.37**	**–**	**–**
31-Mar-21				
Non-interest bearing	7,037.69	1,277.44	–	–
Total	**7,037.69**	**1,277.44**	**–**	**–**

(iii) Financing arrangements

The Company does not feel the need to have any borrowing facilities at this stage

(iv) Maturities of financial assets

The following table details the Company's expected maturity for its non-derivative financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Company's liquidity risk management as the liquidity is managed on a net asset and liability basis.

₹ in Lakhs

Particulars	Less than 1 Year	1-3 Years	3 Years to 5 Years	5 years and above
Non-derivative financial assets				
31-Mar-22				
Non-interest bearing	**10,369.79**	**353.99**	**–**	**–**
Fixed interest rate instruments	**25,940.27**	**19,785.00**	**–**	**–**
Total	**36,310.06**	**20,138.99**	**–**	**–**
31-Mar-21				
Non-interest bearing	10,543.45	191.62	–	–
Fixed interest rate instruments	19,215.25	23,635.00	–	–
Total	**29,758.70**	**23,826.62**	**–**	**–**

MARKET RISK

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. The Company invests in fixed rate instruments taking into account the current liquidity requirements. All such transactions are carried out within the guidelines set by the Board of Directors.

There has been no significant changes to the company's exposure to market risk or the methods in which they are managed or measured.

Note No. 24 - Fair Value Measurement

Fair value of financial assets and financial liabilities that are not measured at fair value

₹ in Lakhs

Particulars	**31-Mar-22** Carrying amount	**31-Mar-22** Fair value	31-Mar-21 Carrying amount	31-Mar-21 Fair value
Financial assets				
Financial assets carried at Amortised Cost				
– loans to related parties	**26,100.00**	**26,100.00**	34,340.00	34,340.00
– trade and other receivables	**7,079.44**	**6,669.55**	6,204.03	5,823.04
– other financial assets	**1,450.22**	**1,450.22**	1,821.61	1,821.61
– fixed Deposits with Companies	**19,565.00**	**19,565.00**	8,450.00	8,450.00
Total	**54,194.66**	**53,784.77**	50,815.64	50,434.65

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

₹ in Lakhs

Particulars	**31-Mar-22** Carrying amount	Fair value	31-Mar-21 Carrying amount	Fair value
Financial liabilities				
Financial liabilities held at amortised cost				
– trade and other payables	**6,061.34**	**6,061.34**	6,554.40	6,554.40
– Lease Liabilities	**1,277.48**	**1,277.48**	1,711.95	1,711.95
– other financial laibilities	**85.26**	**85.26**	48.78	48.78
Total	**7,424.08**	**7,424.08**	8,315.13	8,315.13

Fair value hierarchy as at 31 March 2022

	Level 1	**Level 2**	**Level 3**	**Total**
Financial assets				
Financial assets carried at Amortised Cost				
– loans to related parties	**–**	**26,100.00**	**–**	**26,100.00**
– trade and other receivables	**–**	**6,669.55**	**–**	**6,669.55**
– other financial assets	**–**	**1,450.22**	**–**	**1,450.22**
– fixed Deposits with companies	**–**	**19,565.00**	**–**	**19,565.00**
Total	**–**	**53,784.77**	**–**	**53,784.77**
Financial liabilities				
Financial liabilities held at Amortised Cost				
– trade and other payables	**–**	**6,061.34**	**–**	**6,061.34**
– Lease Liabilities	**–**	**1,277.48**	**–**	**1,277.48**
– other financial liabilities	**–**	**85.26**	**–**	**85.26**
Total	**–**	**7,424.08**	**–**	**7,424.08**

Fair value hierarchy as at 31st March 2021

	Level 1	Level 2	Level 3	Total
Financial assets carried at Amortised Cost				
– loans to related parties	–	34,340.00	–	34,340.00
– trade and other receivables	–	5,823.04	–	5,823.04
– other financial assets	–	1,821.61	–	1,821.61
– fixed Deposits with companies	–	8,450.00	–	8,450.00
Total	–	50,434.65	–	50,434.65
Financial liabilities				
Financial liabilities held at amortised cost				
– trade and other payables	**–**	**6,554.40**	**–**	6,554.40
– Lease Liabilities	**–**	**1,711.95**	**–**	1,711.95
– other financial laibilities		**48.78**		48.78
Total	–	8,315.13	–	8,315.13

The fair values of the financial assets and financial liabilities included in the level 2 categories above have been determined in accordance with generally accepted pricing models based on a discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the credit risk of counterparties. In the opinion of the management, the difference between the carrying value of the above stated financial assets and liabilities is not materially different from their fair value . Accordingly, the fair value and carrying amount are the same.

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

Note No. 25 - Leases

25.1 Company as as a lessee

Following are the changes in the carrying value of Right to use asset for the year ended March 31, 2022

₹ in Lakhs

	Category of Asset	
	Building	
Particulars	**For the year ended 31 March 2022**	For the year ended 31 March 2021
Balance at the beginning	**1,587.55**	2,073.18
Reclassifciation on account of adoption of Ind AS 116	**–**	–
Additions	**–**	–
Deletions	**–**	–
Depreciation	**447.12**	485.63
Balance at the end	**1,140.43**	1,587.55

Following is the movement in the lease liabilties during the year ended March 31, 2022

₹ in Lakhs

Particulars	**For the year ended 31 March 2022**	For the year ended 31 March 2021
Balance at the beginning	**1,711.95**	2,147.11
Reclassifciation on account of adoption of Ind AS 116	**–**	–
Additions	**–**	–
Deletions	**–**	–
Finance Cost accured during the year	**129.05**	165.70
Payment of lease liabilties	**563.52**	600.86
Balance at the end	**1,277.48**	1,711.95
Non Current	**840.37**	1,277.44
Current	**437.11**	434.51
Total	**1,277.48**	1,711.95

25.2 Depreciation and Amortisation

₹ in Lakhs

Particulars	**For the year ended 31 March 2022**	For the year ended 31 March 2021
Property, Plant & Equipment (Note 1)	**264.58**	312.51
Other Intangible Assets (Note 2)	**45.46**	69.67
Right of use Assets (Note 21)	**447.11**	485.63
Total	**757.15**	867.81

Note No. 26 - Segment information

The Company has determined the operating segment based of structure of reports reviewed by the Strategic Management Council. For management purposes, the Company is organised into a single business unit and has only one reportable segment namely “Insurance Broking services”. The geographical segment is based on the location of client, whether in India or outside India. The Strategic Management Council of the Company monitors the operating results of its business unit for the purpose of making decisions about resource allocation and performance assessment

₹ in Lakhs

Geographic information	**Year Ended 31 March 2022**	Year Ended 31 March 2021
Revenue from external customers		
India	**31,388.35**	23,602.06
Outside India	**–**	–
Total Income as per statement of profit or loss	**31,388.35**	23,602.06

All Non-current operating assets comprising property, plant and equipment, investment properties and intangible assets, if any are located in India.

Income from major products and services

The following is an analysis of the Company’s revenue from continuing operations from its major products and services:

₹ in Lakhs

	Year Ended 31 March 2022	Year Ended 31 March 2021
Insurance Broking and auxillary activities	**31,388.35**	23,602.06
Total	**31,388.35**	23,602.06

Income from transactions with a single external customer amounts to 10% or more of the entity’s revenues.

Note No. 27 - Employee benefits

(a) Defined Contribution Plan

The Company’s contribution to Provident Fund and Superannuation Fund aggregating Rs. 478.20 Lakhs (F-2021 : Rs.444.73 Lakhs) has been recognised in the Statement of Profit or Loss under the head Employee Benefits Expense.

(b) Defined Benefit Plans:

Gratuity

The Company operates a gratuity plan covering qualifying employees. The benefit payable is the greater of the amount calculated as per the Payment of Gratuity Act, 1972 or the Company scheme applicable to the employee. The benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. In case of death while in service, the gratuity is payable irrespective of vesting. The Company makes annual contribution to the group gratuity scheme administered by the Life Insurance Corporation of India through its Gratuity Trust Fund.

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

Asset volatility

The plan liabilities are calculated using a discount rate set with references to government bond yields; if plan assets under perform compared to the government bonds discount rate, this will create or increase a deficit. The defined benefit plans hold a significant proportion of equity type assets, which are expected to outperform government bonds in the long-term while providing volatility and risk in the short-term.

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

Note No. 27 - Employee benefits (Cont)

As the plans mature, the Company intends to reduce the level of investment risk by investing more in assets that better match the liabilities.

However, the Company believes that due to the long-term nature of the plan liabilities and the strength of the supporting group, a level of continuing equity type investments is an appropriate element of the Company's long term strategy to manage the plans efficiently.

Changes in bond yields

A decrease in government bond yields will increase plan liabilities, although this is expected to be partially offset by an increase in the value of the plans' bond holdings and interest rate hedging instruments.

Inflation risk

Some of the Company's pension obligations are linked to inflation, and higher inflation will lead to higher liabilities (although, in most cases, caps on the level of inflationary increases are in place to protect the plan against extreme inflation). The plans hold a significant proportion of assets in index linked gilts, together with other inflation hedging instruments and also assets which are more loosely correlated with inflation. However an increase in inflation will also increase the deficit to some degree.

Life expectancy

The majority of the plan's obligations are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the plan's liabilities. This is particularly significant in the Company's defined benefit plans, where inflationary increases result in higher sensitivity to changes in life expectancy.

Leave Encashment

The Company has a policy on compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by acturial valuation performed by an independent actuary at each balance sheet date using projected unit credit method on the additional amount expected to be paid or availed as a result of the unused entitllement that has accumulated at the balance sheet date. Expense on non accumulating compensated absences is recognised in the period in which the absences occur.

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

	Valuation as at		
	31-Mar-22	**31-Mar-21**	**31-Mar-20**
Discount rate(s)	**7.32%**	6.91%	6.41%
Expected rate(s) of salary increase	**7%**	7%	7%
Attrition Rate	**Attrition rate of 30% up to the age of 30, 19% up to age of 44 and 12% thereafter**	Attrition rate of 24% up to the age of 30, 11% up to age of 44 and 9% thereafter	Attrition rate of 25% up to the age of 30, 12% up to age of 44 and 9% thereafter

Defined benefit plans – as per actuarial valuation on 31st March, 2021

₹ in Lakhs

Particulars	**Funded Plan**		**Unfunded Plans**	
	Gratuity		**Exigency leave / Earned leave**	
	2022	2021	**2022**	2021
Amounts recognised in comprehensive income in respect of these defined benefit plans are as follows:				
Service Cost				
Current Service Cost	**121.51**	136.45	**128.28**	140.91
Past service cost and (gains)/losses from settlements	**–**	–	**–**	–
Net interest expense	**42.35**	39.93	**54.28**	46.29
Acquisition adjustment due to transfer out	**–**	–	**–**	–
Components of defined benefit costs recognised in profit or loss	**163.86**	176.38	**182.56**	187.20
Remeasurement on the net defined benefit liability				
Return on plan assets (excluding amunt included in net interest expense)	**–**	–	**–**	–
Actuarial gains and loss arising form changes in financial assumptions	**–**	–	**–**	–
Actuarial gains and loss arising form experience adjustments	**(27.55)**	(44.66)	**–**	–
Others	**–**	–	**–**	–
Componenets of defined benefit costs recognised in other comprehensive income	**(27.55)**	(44.66)	**–**	–
Total	**(27.55)**	(44.66)	**–**	–
I. Net Asset/(Liability) recognised in the Balance Sheet as at 31st March				
1. Present value of defined benefit obligation as at 31st March	**1,160.99**	1,197.24	**751.76**	785.46
2. Fair value of plan assets as at 31st March	**588.23**	584.43	**–**	–
3. Net Asset/(Liability) recognised in the Balance Sheet as at 31st March	**(572.76)**	(612.82)	**(751.76)**	(785.46)
4. Current portion of the above	**115.79**	83.53	**145.06**	103.20
5. Non current portion of the above	**456.97**	529.29	**606.70**	682.26
II. Change in the obligation during the year ended 31st March				
1. Present value of defined benefit obligation at the beginning of the year	**1,197.24**	1,089.09	**785.46**	722.14
2. Add/(Less) on account of Scheme of Arrangement/Business	**–**	–	**–**	–
Transfer	**–**	–	**–**	–
3. Expenses Recognised in Profit and Loss Account				
– Current Service Cost	**121.51**	136.45	**72.19**	140.91

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

Note No. 27 - Employee benefits (Cont)

₹ in Lakhs

Particulars		Funded Plan Gratuity 2022	Funded Plan Gratuity 2021	Unfunded Plans Exigency leave / Earned leave 2022	Unfunded Plans Exigency leave / Earned leave 2021
	– Past Service Cost	**–**	–	**–**	–
	– Interest Expense (Income)	**82.73**	69.81	**110.36**	46.29
4.	*Recognised in Other Comprehensive Income*	**–**	–	**–**	–
	Remeasurement gains/(losses)				
	– Actuarial Gain (Loss) arising from:	**–**	–	**–**	–
	i. Demographic Assumptions	**(2.07)**	3.96	**–**	0.20
	ii. Financial Assumptions	**(36.81)**	(37.33)	**(216.25)**	(29.33)
	iii. Experience Adjustments	**(29.06)**	(41.17)	**–**	(94.75)
5.	Benefit payments	**(172.55)**	(23.57)	**–**	–
6.	Others	**–**	–	**–**	–
7.	**Present value of defined benefit obligation at the end of the year**	**1,160.99**	1,197.24	**751.76**	785.46
III.	**Change in fair value of assets during the year ended 31st March**				
1.	Fair value of plan assets at the beginning of the year	**584.43**	466.12	**–**	–
2.	Add/(Less) on account of Scheme of Arrangement/Business Transfer	**–**	–	**–**	–
3.	*Expenses Recognised in Profit and Loss Account*	**–**	–	**–**	–
	– Expected return on plan assets	**40.38**	29.88	**–**	–
4.	*Recognised in Other Comprehensive Income*	**–**	–	**–**	–
	Remeasurement gains/(losses)	**–**	–	**–**	–
	– Actual Return on plan assets in excess of the expected return	**(40.38)**	(29.88)	**–**	–
	– Others (Specify)	**–**	–	**–**	–
5.	Contributions by employer (including benefit payments recoverable)	**176.38**	141.87	**–**	–
6.	Recoverable/Recovered from LIC	**(0.02)**	–	**–**	–
7.	Benefit payments	**(172.56)**	(23.57)	**–**	–
8.	**Fair value of plan assets at the end of the year**	**588.23**	584.43	**–**	–
IV.	**The Major categories of plan assets**				
	– Insurer managed funds	**100%**	100%	**–**	–
V.	**Actuarial assumptions**				
1.	Discount rate	**7.32%**	6.91%	**7.32%**	6.91%
2.	Expected rate of return on plan assets	**7.00%**	6.41%	**–**	–
3.	Attrition rate	**Attrition rate of 30% up to the age of 30, 19% up to age of 44 and 12% thereafter**	Attrition rate of 24% up to the age of 30, 11% up to age of 44 and 9% thereafter	**Attrition rate of 30% up to the age of 30, 19% up to age of 44 and 12% thereafter**	Attrition rate of 24% up to the age of 30, 11% up to age of 44 and 9% thereafter

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

Principal assumption		Changes in assumption	Impact on defined benefit obligation: Increase in assumption	Impact on defined benefit obligation: Decrease in assumption
Discount rate	**2022**	**1**	**(63.19)**	**60.78**
	2021	1	(84.83)	93.16
Salary growth rate	**2022**	**1**	**60.35**	**(63.89)**
	2021	1	92.14	(85.50)
Life expectancy	**2022**	**+/- 1 year**	**Negligible**	**Negligible**
	2021	+/- 1 year	Negligible	Negligible

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

Principal assumption		Changes in assumption	Impact on defined benefit obligation: Increase in assumption	Impact on defined benefit obligation: Decrease in assumption
Discount rate	**2022**	**1**	**(44.77)**	**49.62**
	2021	1	(66.06)	75.51
Salary growth rate	**2022**	**1**	**48.03**	**46.56**
	2021	1	74.70	(66.59)
Life expectancy	**2022**	**+/- 1 year**	**Negligible**	**Negligible**
	2021	+/- 1 year	Negligible	Negligible

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

Note No. 27 - Employee benefits (Cont)

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the Balance sheet.

The methods and types of assumptions used in preparing the sensitivity analyses did not change compared to previous period.

The Company expects to contribute Rs. 150 lakhs to the gratuity trusts during the next financial year of 2021.

Maturity profile of defined benefit obligation:

		₹ in Lakhs
Gratuity	**2022**	2021
Within 1 year	**310.42**	206.15
1 - 2 year	**281.24**	210.73
2 - 3 year	**330.08**	228.12
3 - 4 year	**371.19**	251.56
4 - 5 year	**428.23**	285.89

		₹ in Lakhs
Leave Encashment	**2022**	2021
Within 1 year	**128.66**	132.39
1 - 2 year	**115.39**	121.17
2 - 3 year	**119.92**	117.87
3 - 4 year	**122.94**	124.12
4 - 5 year	**129.28**	128.27

The Company's policy is driven by considerations of maximizing returns while ensuring credit quality of the debt instruments. The asset allocation for plan assets is determined based on investment criteria prescribed under the Indian Income Tax Act, 1961, and is also subject to other exposure limitations. The Company evaluates the risks, transaction costs and liquidity for potential investments. To measure plan asset performance, the Company compares actual returns for each asset category with published benchmarks.

	Period Ended				
VIII. Experience Adjustments:	**2022**	**2021**	**2020**	**2019**	**2018**
			Gratuity		
1. Defined Benefit Obligation	**1,160.99**	1,197.24	1,089.09	715.12	563.39
2. Fair value of plan assets	**588.23**	584.43	466.12	392.35	343.42
3. Surplus/(Deficit)	**(572.76)**	612.82	622.97	322.77	219.97
4. Experience adjustment on plan liabilities [(Gain)/Loss]	**(67.94)**	(74.54)	266.85	36.38	178.81
5. Experience adjustment on plan assets [Gain/(Loss)]	**(40.38)**	(29.88)	(30.09)	(25.62)	(21.80)

The expected rate of return on plan assets is based on the average long term rate of return expected on investments of the fund during the estimated term of obligation.

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

The current service cost and the net interest expense for the year are included in the employee benefits expense in profit or loss of the expense for the year.

Note No 28: Employees Share Based Payments (Employees Phantom Stock Option Plan 2019)

On January 18, 2019, Board of Directors approved the MIBL Employees Phantom Stock Option Plan 2019 (MIBL EPSOP 2019) for grant of stock options to the employees, within the meaning of the MIBL-EPSOP 2019 plan. The specific employees to whom the options would be granted and their eligibility criteria shall be determined by the Nomination and Remuneration Committee of the Board (Committee) from time to time on the basis of one or more factors including but not limited to longevity, total experience and role of the Employee. The options granted under EPSOP 2019 would vest after 1 (one) year but not later than the maximum vesting Period of 4 (four) years from the grant date of such options.

The Committee has prescribe the vesting schedule of the options granted under the plan, unless otherwise decided in exceptional cases like retirements:

Vesting Dates	**Vesting Percentage**
1st Anniversary from date of Grant	25% of Options granted
2nd Anniversary from date of Grant	25% of Options granted
3rd Anniversary from date of Grant	25% of Options granted
4th Anniversary from date of Grant	25% of Options granted

The Company will process vested options for settlement at each vesting date and determines appreciation in respect of all such Options with reference to Fair Market Value prevailing as on date of Vesting calculated as prescribed by MIBL EPSOP 2019. The Company recognises the fair value of the liability and expense for these plans over the vesting period based on the management's estimate of the vesting and forfeiture conditions.

Employees Phantom Stock Option Plan

Grant date	Exercise Price	Total Options granted	Options vested and Exercisable	Options unvested	Options exercised	Options cancelled	Options outstanding
Grant I	10.00	3,02,326.00	2,04,982.00	97,344.00	2,04,982.00	38,989.00	58,355.00
Grant II	10.00	4,905.00	4,905.00	–	4,905.00	–	–
Grant III	10.00	9,070.00	5,400.00	3,670.00	5,400.00	2,178.00	1,492.00
Grant IV	10.00	7,268.00	2,595.00	4,673.00	2,595.00	2,784.00	1,889.00
Grant V	10.00	2,468.00	–	2,468.00	–	–	2,468.00
Total		**3,26,037.00**	**2,17,882.00**	**1,08,155.00**	**2,17,882.00**	**43,951.00**	**64,204.00**

Movement of Phantom stock options during the year

Total for all grants	**No. of Options**	**Range of exercise prices Rs.**	**Weighted average exercise price Rs.**	**Weighted average remaining contractual life (Years)**
Outstanding at the beginning of the year	1,41,874	10.00	10.00	NA
Granted during the year	7,268			2.00
Forfeited/ Lapsed during the year	14,762			NA
Exercised during the year	65,376			NA
Outstanding at the end of the year	69,004			2.00
Exercisable at the end of the year	0			NA

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

Note No 28: Employees Share Based Payments (Employees Phantom Stock Option Plan 2019) (Cont)

Significant assumptions used to estimate the fair value of options granted during the year.

Variables	
1. Risk Free Interest Rate	3.69
2. Expected Life	0.78
3. Expected Volatility	22.28
4. Dividend Yield	1.41
5. Price of the underlying share in market at the time of the option grant (Rs.)	1280

Total Expenses recognised for the year ended on 31st March 2022.

The total expense recognised from share-based payment transactions (including options granted to Directors & employees of other group companies) for the year ended on 31st March 2022 is Rs. -10.08 Lakhs (PY. Rs.1,155.62 Lakhs)

Note No 28: Employees Share Based Payments (Employees Phantom Stock Option Plan 2019)

Annex 2

Requirements under Companies Act, 2013

Summary of Status of EPSOPs Granted

The position of the existing schemes is summarized as under -

Sr. No.	Particulars	Employees Phantom Stock Option Plan 2019
I. Details of the EPSOPS		
1.	Date of Shareholder's Approval	18-01-2019
2.	Total Number of Options approved	5,15,464
3.	Vesting Requirements	As per vesting schedule
4.	ExercisePrice or Pricing formula (Rs.)	₹ 10.00
5.	Maximum term of Options granted (years)	4 years
6.	Source of shares	
7.	Variation in terms of ESOP	N.A
II. Option Movement during the year		
1.	No. of Options Outstanding at the beginning of the year	1,41,874
2.	Options Granted during the year	7,268
3.	Options Forfeited	14,762
4.	Options Lapsed during the year	0
5.	Options Vested during the year	65,376
6.	Options Exercised during the year	65,376
7.	Total number of shares arising as a result of exercise of options	0
8.	Money realised by exercise of options (Rs.)	0
9.	Number of options Outstanding at the end of the year	69,004
10.	Number of Options exercisable at the end of the year	0

III. Weighted average exercise price of Options granted during the year whose

(a) Exercise price equals market price NA

III. Weighted average exercise price of Options granted during the year whose

(b) Exercise price is greater than market price NA

(c) Exercise price is less than market price 10.00

Weighted average fair value of options granted during the year whose

(a) Exercise price equals market price NA

(b) Exercise price is greater than market price NA

(c) Exercise price is less than market price 952.64

The weighted average market price of options exercised during the year

No Options Exercised during the year

IV. Employee-wise details of options granted during the financial year 2020-21 to:

(i) Senior managerial personnel :

Name	No. of options granted
	–
	–
	–

(ii) Employees who were granted, during the year, options amounting to 5% or more

Name	No. of options granted
NITIN FIRKE	2,468

(iii) Identified employees who were granted option, during the year equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant.

Name	No. of options granted
Not Applicable	NIL

V. Method and Assumptions used to estimate the fair value of options granted during the year:

The fair value has been calculated using the Black Scholes Option Pricing model

The Assumptions used in the model are as follows:

Date of grant	Particulars
1. Risk Free Interest Rate	3.72
2. Expected Life	0.82
3. Expected Volatility	22.78
4. Dividend Yield	1.41
5. Price of the underlying share in market at the time of the option grant (Rs.)	1,280

Assumptions:

Stock Price: Closing price on National Stock Exchange on the date of grant has been considered.

Volatility: The historical volatility over the expected life has been considered to calculate the fair value.

Risk-free rate of return: The risk-free interest rate being considered for the calculation is the interest rate applicable for a maturity equal to the expected life of the options based on the zero-coupon yield curve for Government Securities.

Exercise Price: Exercise Price of each specific grant has been considered.

Time to Maturity: Time to Maturity / Expected Life of options is the period for which the Company expects the options to be live.

Expected divided yield: Expected dividend yield has been calculated as an average of dividend yields for five financial years preceding the date of the grant.

VI	Diluted Earnings Per Share pursuant to issue of shares on exercise of options calculated in accordance with Accounting Standard (AS) 20	Not Applicable

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

Note No. 29 - Related Party Transactions

Name of the parent Company	**: Mahindra & Mahindra Financial Services Limited**
Name of the Ultimate parent Company	**: Mahindra & Mahindra Limited**
Name of the Associate	**: Inclusion Resource Pte Limited**
Name of the Fellow subsidiaries	**: Mahindra Rural Housing Finance Limited**
	: Mahindra Integrated Business Solutions Limited
	: Mahindra First Choice Services Limited
	: N.B.S. International Limited
	: Mahindra Retail Limited
	: Mahindra Engineering & Chemical Products Ltd
Key Management Personnel (KMP)	**: Dr Jaideep Devare, Managing Director (Till 25th Dec 2020)**
	: Vedanarayanan Seshadri, Managing Director (w.e.f. 21st May 2021)
	: Rupa Joshi, Company Secretary (Till 09th Nov 2021)
	: Saurabh Dharadhar, Chief Financial Officer
	: Niranajan Karde (w.e.f. 18th Jan 2022)
Directors	**: Rajeev Dubey, Chairman**
	: Ramesh Iyer, Non Executive Director
	: V Ravi, Non Executive Director (Till 15th Sep 2020)
	: Hemant Sikka, Non Executive Director
	: Jyotin Mehta, Independent Director
	: Anjali Raina, Independent Director
	: Derek Nazareth, Nominee Director
	: Vivek Karve, Non Executive Director (w.e.f 05th Jan 2021)
	: Rajnish Agarwal, Non Executive Director (w.e.f 05th Jan 2021)

Details of transaction between the Company and its related parties are disclosed below:

₹ in Lakhs

Particulars	**For the year ended**	**Parent Company and Ultimate Parent company**	**KMP/ Directors of the Company**	**Associate**	**Fellow subsidiaries**
Nature of transactions with Related Parties					
Purchase of property and other assets	31-Mar-22	21.69	–	–	49.01
including intangibles	*31-Mar-21*	–	–	–	–
Rendering of services	31-Mar-22	4,193.86	–	–	–
	31-Mar-21	*3,241.35*	–	–	–
Receiving of services	31-Mar-22	244.39	596.54	–	415.81
	31-Mar-21	*226.84*	*294.44*	–	*464.89*
Interest Income	31-Mar-22	766.40	–	–	2,430.41
	31-Mar-21	*514.62*	–	–	*2,477.01*
Loans given (including Fixed Deposits &	31-Mar-22	18,865.00	–	–	3,225.00
Intercorporate Deposits placed during the year)	*31-Mar-21*	*5,375.00*	–	–	*25,440.00*
Repayment of loans (incl Fixed Deposits matured &	31-Mar-22	7,750.00	–	–	11,465.00
Intercorporate Deposits withdrawn during the year)	*31-Mar-21*	*1,725.00*	–	–	*24,300.00*
Dividend Paid	31-Mar-22	247.42	–	61.86	–
	31-Mar-21	–	–	–	–
Commission and other benefits to directors	31-Mar-22	–	116.77	–	–
	31-Mar-21	–	*182.47*	–	–

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

Note No. 29 - Related Party Transactions (Cont)

Nature of Balances with Related Parties	Balance as on	Parent Company and Ultimate Parent company	KMP/Directors of the Company	Associate	Fellow subsidiaries
Trade payables	31-Mar-22	68.19	–	–	0.10
	31-Mar-21	*50.25*	–	–	*0.75*
Loans & advances given (incl. Fixed Deposits	31-Mar-22	19,965.00	–	–	25,700.00
and Intercorporate Deposits placed)	*31-Mar-21*	*8,850.00*	–	–	*33,940.00*
Other balances (including Trade Receivables	31-Mar-22	1,520.07	–	–	899.15
and Interest Accrued)	*31-Mar-21*	*1,868.19*	–	–	*1,060.19*

Compensation of key managerial personnel

The remuneration of directors and other members of key managerial personnel during the year was as follows:

₹ in Lakhs

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Short-term employee benefits	**596.54**	294.44
Post-employment benefits[1]	–	–
Other long-term benefits[1]	–	–
Termination benefits	–	–
Share-based payment[2]	–	–

[1] Figures not available separately for gratuity and leave encashment

[2] Included in the Stock Option Charge paid to parent company for its Stock Options granted to Key Managerial Personnel

The remuneration of directors and key executives is determined by the remuneration committee having regard to the performance of individuals and market trends.

Note No. 30 - Income from contract with customers

A. Country-wise break up of Income

₹ in Lakhs

31-Mar-22

Country	Income from contracts with customers (IndAS 115)	Income from operations from other than customers	Total Income from Operations	Other Income	Total Income
India	31,388.35	–	31,388.35	3,412.63	34,800.98
Total	31,388.35	–	31,388.35	3,412.63	34,800.98

₹ in Lakhs

31-Mar-21

Country	Income from contracts with customers (IndAS 115)	Income from operations from other than customers	Total Income from Operations	Other Income	Total Income
India	23,602.06	–	23,602.06	3,253.59	26,855.65
Total	23,602.06	–	23,602.06	3,253.59	26,855.65

B. Breakup of Income into contracts entered in previous year and in current year

₹ in Lakhs

Particulars	31-Mar-22	31-Mar-21
Income from PO/ contract / agreement entered into previous year	**30,491.57**	23,542.45
Income from New PO/ contract / agreement entered into current year	**896.76**	59.62
Total Income recognised during the period	**31,388.33**	23,602.07

C. Reconciliation of Income from contract with customer

₹ in Lakhs

Particulars	31-Mar-22	31-Mar-21
Income from contract with customer as per the contract price	**31,388.35**	23,602.06
Adjustments made to contract price on account of :-		
a) Discounts / Rebates / Incentives	–	–
b) Sales Returns / Reversals	–	–
c) Deferrment of revenue	–	–
d) Changes in estimates of variable consideration	–	–
e) Recognition of revenue from contract liability out of opening balance of contract liability	–	–
f) Any other adjustments	–	–
Income from contract with customer as per the statement of Profit and Loss	**31,388.35**	23,602.06

D. Income to be recognised for performance obligation(s) not satisfied or partially satisfied at the end of the current year in respect of contracts with customer that are in place (i.e. signed agreements/ Pos/Wos/ SOWs, etc) at the end of reporting period.

The company has reviewed the contract with insurers and customers and indentified claims handling services as an area that is affected by the new accounting standard. The application of new standard results in the indentifiaction of separate performance obligation for handeling claims on behalf of customers as part of insurance brokerage customary business practice. The new standard requires the deferral of Income recognition untill the performance obligation is satisifed. Based on the results of the review, the company does not expect a material imapct on the statement of profit and loss.

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

Note No. 30 - Income from contract with customers (Cont)

E. Break-up of Provision for Expected Credit Losses recognised in P&L

₹ in Lakhs

Particulars	31-Mar-22	31-Mar-21
Expected Credit loss recognised during the year on trade receivables	**28.90**	189.78
Expected Credit loss recognised during the year on contract assets	**–**	–
Expected Credit loss recognised during the year on others	**–**	–
Total	**28.90**	189.78

Note No. 31 - Income received from Insurer and Insurer's group companies

As per regulation 34 (6) of IRDAI (Insurance Brokers) Regulations, 2018, following are the details of all the incomes received from insurers and insurer's group companies

A. Details of incomes received from insurers (Top 15+ Others)

₹ in Lakhs

Particulars	Year Ended 31 March 2022
ICICI Lombard General Insurance Ltd	**2,677.32**
Tata AIG General Insurance Co Ltd	**2,633.05**
Iffco Tokio General Insurance Co Ltd	**2,123.26**
Liberty Videocon General Insurance Co Ltd	**1,570.23**
Cholamandalam MS General Insurance Co Ltd	**1,202.04**
Royal Sundaram Alliance Insurance Co Ltd	**1,179.31**
Future Generali Insurance Co Ltd	**1,130.73**
New India Assurance Co Ltd	**1,103.11**
SBI General Insurance Co Ltd	**1,037.19**
United India Insurance Co Ltd	**837.82**
Reliance General Insurance Co Ltd	**829.38**
Religare Health Insurance Co Ltd	**782.25**
GO DIGIT General Insurance Limited	**720.35**
HDFC Ergo General Insurance Company Limited	**670.17**
Bajaj Allianz General Insurance Co Ltd	**581.43**
Others	**3,118.33**
Total Revenue	**22,195.97**

₹ in Lakhs

Particulars	Year Ended 31 March 2021
Tata AIG General Insurance Co Ltd	2,257.59
ICICI Lombard General Insurance Ltd	2,092.25
Liberty Videocon General Insurance Co Ltd	1,443.87
Iffco Tokio General Insurance Co Ltd	1,415.99
Royal Sundaram Alliance Insurance Co Ltd	1,126.55
New India Assurance Co Ltd	1,065.28
Future Generali Insurance Co Ltd	1,005.99
Cholamandalam MS General Insurance Co Ltd	810.88
United India Insurance Co Ltd	745.60
Bharti AXA General Insurance Co Ltd	726.32
Bajaj Allianz General Insurance Co Ltd	570.94
Oriental Insurance Co Ltd	569.31
HDFC Ergo General Insurance Company Limited	518.35
MAGMA HDI General Insurance Co Ltd	402.91
GO DIGIT General Insurance Limited	326.57
Others	1,446.10
Total Revenue	**16,524.50**

B. The Company has not received any income from any of the insurers' group companies.

Note No. 31 - Details of Payments received by the group companies and/or associates and/or related parties of the insurance broker from any insurer and the details thereof.

As per regulation 34 (6) of IRDAI (Insurance Brokers) Regulations, 2018, following are the details of payments received by the group companies and/or associates and/ or related parties of the insurance broker from any insurer and the details thereof.

As per the information received from the group companies, payments received by Mahindra & Mahindra Financial Services Limited ("MMFSL")

₹ in Lakhs

Name of Insurance Company	Year Ended 31 March 2022*
Bajaj Allianz General Insurance Co Ltd	**25.48**
Cholamandalam MS General Insurance Co Ltd	**382.12**
Future Generali India Insurance Co Ltd	**103.50**
Go Digit General Insurance Company Ltd	**171.09**
ICICI Lombard General Insurance Ltd	**349.85**
IFFCO Tokio General Insurance Co Ltd	**176.45**
Reliance General Insuranc Co Ltd	**230.65**
Royal Sundaram Alliance Insurance Co Ltd	**1,530.00**
Tata AIG General Insurance Co Ltd	**375.40**
Total	**3,344.54**

* Payments are received towards usage of office space of MMFSL branches for display of marketing material/ advertisements of insurnace companies.

₹ in Lakhs

Name of Insurance Company	Year Ended 31 March 2021*
Bajaj Allianz General Insurance Co Ltd	17.70
Cholamandalam MS General Insurance Co Ltd	169.21
Future Generali India Insurance Co Ltd	166.03
Go Digit General Insurance Company Ltd	6.84
ICICI Lombard General Insurance Ltd	291.10
IFFCO Tokio General Insurance Co Ltd	169.92
Royal Sundaram Alliance Insurance Co Ltd	1,879.56
Tata AIG General Insurance Co Ltd	276.95
Total	**2,977.31**

* Payments are received towards usage of office space of MMFSL branches for display of marketing material/ advertisements of insurnace companies.

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

Note No. 32 - Contingent liabilities and commitments

₹ in Lakhs

Contingent liabilities (to the extent not provided for)	**As at 31 March 2022**	**As at 31 March 2021**
Contingent liabilities		
Short Deduction of TDS and Interest thereon	**3.06**	3.19

₹ in Lakhs

Particulars	**As at 31 March 2022**	**As at 31 March 2021**
Commitments #		
Estimated amount of contracts remaining to be executed on capital account and not provided for:		
Commitments for the acquisition of intangible assets	**65.56**	75.83

Note No. 33- Additional Information to the Financial Statements

33.1 Dividend

In respect of the current year, the directors propose that a dividend of Rs.5 per share be paid on equity shares on 25th April 2022. This equity dividend is subject to approval by shareholders at the Annual General Meeting and has not been included as a liability in these financial statements. The proposed equity dividend is payable to all shareholders on the Register of Members on July 8, 2022. The total estimated equity dividend to be paid is Rs.515.46 Lakhs.

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

₹ in Lakhs

Particulars	**31-Mar-22**	**31-Mar-21**
(i) Principal amount remaining unpaid to MSME suppliers as on	**6.68**	5.50
(ii) Interest due on unpaid principal amount to MSME suppliers as on	**–**	–
(iii) The amount of interest paid along with the amounts of the payment made to the MSME suppliers beyond the appointed day	**–**	–
(iv) The amount of interest due and payable for the year (without adding the interest under MSME Development Act)	**–**	–
(v) The amount of interest accrued and remaining unpaid as on	**–**	–
(vi) The amount of interest due and payable to be disallowed under Income Tax Act, 1961	**–**	–

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

33.3 Corporate Social Responsibility (CSR)

₹ in Lakhs

Particulars	**31-Mar-22**	**31-Mar-21**
Amount required to be spent as per section 135 of the Act	**153.01**	180.71
Amount spent during the year on:		
(i) Construction/acquistion of an asset	**–**	–
(ii) On purpose other than (i) above	**153.05**	180.71
Total Spent	**153.05**	180.71
Shortfall at the end of year		
Nature of CSR activities	Promoting Education & Healthcare	
Details of Related Party Transactions		
Contribution to a trust controlled by the Company in relation to CSR expenditure.	**–**	–
Provision made with respect to a liability already incurred by entering into a contractual obligation	**–**	–

33.4 Note on COVID 19

The "severe acute respiratory syndrome coronavirus 2 (SARS-Co-V-2)", generally known as COVID -19, which was declared as a pandemic by WHO on March 11, 2020, continues to spread across India albeit with lesser intensity as in the first Phase. There continues to be some level of disruption on the socio-economic front across the country. Globally, countries and businesses are under intermittent lockdowns. Considering the severe health hazard associated with COVID-19 pandemic, the Government of India and respective State Governments have been intermittently declaring newer guidelines and some restrictions. However such guidelines and restrictions have not affected the company's financial statements for the year ended March 31, 2022. However there is a moderate level of uncertainty about the time required for things to get normal, the extent to which COVID-19 pandemic will impact the company's future operations and the financial result is dependent upon further developments, which are to an extent, still uncertain.

Note No. 34 – Ratios

Ratio	**Numerator**	**Denominator**	**As at 31 Mar 2022**	**As at 31 Mar 2021**	**% variance**	**Reason for variance**
Current ratio	Current Assets	Current Liabilities	357%	281%	27%	Increase in current assets in F22 majorly on account of Loans & Investments

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

Note No. 34 – Ratios (Cont)

Ratio	Numerator	Denominator	As at 31 Mar 2022	As at 31 Mar 2021	% variance	Reason for variance
Return on equity ratio	Profit After Tax	Avg. shareholders' equity	11%	7%	48%	Percentage increase in Profit after taxes is more than percentage increase in Average net-worth
Trade receivables turnover ratio	Net sales	Avg. trade receivables	5.03	4.10	22%	–
Return on Investments	Interest and Dividend Income	Investments and ICDs	7%	7%	0%	–
Net capital turnover ratio	Net sales	Working Capital	114%	118%	-3%	–
Net profit ratio	Profit After Tax	Net sales	17%	14%	22%	–
Return on capital employed	EBIT	Capital Employed	14%	10%	42%	Percentage increase in Earnings before interest and taxes is more than percentage increase in capital employed

Note No. 35 - Previous year figures

- Previous year figures have been regrouped /reclassified wherever found necessary.

The financial statements of Mahindra Insurance Brokers Limited were approved by the Board of Directors and authorised for issue on April 25, 2022.

Note No. 36 - Details of transactions with Struck off companies

Name of the Struck off Company	Nature of transactions with struck off company	Relationship with struck off company	Balance as at 31 March 2022	Balance as at 31 March 2021
		NIL		

Note No. 37 - Additional Disclosures

1. During the financial years ended 31 March 2022 and 31 March 2021, the Company has not granted any loans or advances in the nature of loans to promoters, directors, KMPs and the related parties (as defined under the Companies Act, 2013), either severally or jointly with any other person (a) repayable on demand or (b) without specifying any terms or period of repayment.
2. There is no Benami Property held or there are no proceedings initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
3. The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year
4. There was no Scheme of Arrangements approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013 during the year

The accompanying statement of accounting policies and notes 1 to 37 are an integral part of the Financial Statements.

As per our report of even date
For Mukund M. Chitale & Co.
Chartered Accountants
Firm Regn No. 106655W

Saurabh M. Chitale
Partner
Membership No. 111383

Place: Mumbai
Date: April 25, 2022

For and on behalf of the Board of Directors

Rajeev Dubey **Chairman** DIN: 00104817	Ramesh Iyer **Director** DIN: 00220759	Vivek Karve **Director** DIN: 06840707	Hemant Sikka **Director** DIN: 00922281	Jyotin Mehta **Director** DIN: 00033518
Anjali Raina **Director** DIN: 02327927	Derek Nazareth **Director** DIN: 07031760	Rajnish Agarwal **Director** DIN: 03335692	Niranjan Karde **Company Secretary** Mem No.: ACS 26372	Saurabh V. Dharadhar **Chief Financial Officer**

Vedanarayanan Seshadri
Managing Director & Principal Officer
DIN: 08864477

Place: Mumbai
Date: April 25, 2022

INDEPENDENT AUDITORS' REPORT

To the Members of **Mahindra Rural Housing Finance Limited**

Report on the Audit of Financial Statements

Opinion

We have audited the financial statements of Mahindra Rural Housing Finance Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2022, and the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2022, and profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Emphasis of Matter

We draw attention to Note 45(a) to the Financial Statements, regarding monitoring the impact of Covid-19 pandemic on the company's operations and restructuring of borrower accounts in accordance with the "Resolution Framework-2.0: Resolution of Covid -19 related stress of Individual and Small Businesses" announced by the Reserve Bank of India vide notification dated 5 May 2021. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Description of Key Audit Matters

Key audit matter	**How the matter was addressed in our audit**
Impairment of loans and advances	
Refer to the accounting policies in "Note 2.5 (ii) and (vi) to the Financial Statements: Impairment of Financial Statements and Estimation uncertainty relating to the global health pandemic from COVID-19 and current Macro-economic scenario", "Note 4 to the Financial Statements: Loans" and "Note 45 (ii) to the Financial Statements: Credit Risk Management"	
The Company has recognized impairment loss allowance of Rs. 57,810 lakhs in its statement of profit and loss during the year 2021-2022. The Company has maintained impairment provisions amounting to Rs. 43,306 lakhs as at 31 March 2022 and overlay provisions of Rs. 14,504 lakhs. Under Ind AS 109, Financial Instruments, allowance for loan losses are determined using expected credit loss (ECL) model. The estimation of impairment loss allowance on financial instruments involves significant judgement and estimates. The key areas where we identified greater levels of management judgement and therefore increased levels of audit focus in the Company's estimation of ECLs are: • Data inputs - The application of ECL model requires several data inputs. This increases the risk that the data that has been used to derive assumptions in the model, which are used for ECL calculations, may not be complete and accurate.	Our key audit procedures included: • Performed end to end process walkthroughs to identify the key systems, applications and controls used in the impairment loss allowance processes. We tested the relevant manual, general IT and application controls over key systems used in the impairment loss allowance process. • Assessed the design and implementation of controls in respect of the Company's impairment allowance process such as the timely recognition of impairment loss, the completeness and accuracy of reports used in the impairment allowance process and management review processes over the calculation of impairment allowance and the related disclosures on credit risk management. • Testing management's controls over authorization and calculation of post model adjustments and management overlays.

<table>
<tr><th>Key audit matter</th><th>How the matter was addressed in our audit</th></tr>
<tr><td colspan="2">Impairment of loans and advances</td></tr>
<tr><td>

Model estimations – Inherently judgmental models are used to estimate ECL which involves determining Exposures at Default (“EAD”), Probabilities of Default (“PD”) and Loss Given Default (“LGD”). The PD and the LGD are the key drivers of estimation complexity in the ECL and as a result are considered the most significant judgmental aspect of the Company’s modelling approach.
Economic scenarios – Ind AS 109 requires the Company to measure ECLs on an unbiased forward-looking basis reflecting a range of future economic conditions. Significant management judgement is applied in determining the economic scenarios used and the probability weights applied to them especially when considering the current uncertain economic environment arising from COVID-19.
Qualitative adjustments / management overlays – Adjustments to the model-driven ECL results as overlays are recorded by management to address known impairment model limitations or emerging trends as well as risks not captured by models. As at 31 March 2022, overlays represent approximately 25% of the ECL balances. These adjustments are inherently uncertain and significant management judgement is involved in estimating these amounts especially in relation to economic uncertainty as a result of COVID-19.

The underlying forecasts and assumptions used in the estimates of impairment loss allowance are subject to uncertainties which are often outside the control of the Company. The extent to which the COVID-19 pandemic will impact the Company’s current estimate of impairment loss allowances is dependent on future developments, which are highly uncertain at this point. Given the size of loan portfolio relative to the balance sheet and the impact of impairment allowance on the financial statements, we have considered this as a key audit matter.
Disclosures:
The disclosures regarding the Company’s application of Ind AS 109 are key to explaining the key judgements and material inputs to the Ind AS 109 ECL results.
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Evaluated whether the methodology applied by the Company is compliant with the requirements of the relevant accounting standards and confirmed that the calculations are performed in accordance with the approved methodology, including checking mathematical accuracy of the workings.
Sample testing over key inputs, data and assumptions impacting ECL calculations to assess the completeness, accuracy and relevance of data and reasonableness of periods considered, economic forecasts, weights, and model assumptions applied.
Test of details on post model adjustments, considering the size and complexity of management overlays with a focus on COVID-19 related overlays, in order to assess the reasonableness of the adjustments by inspecting the calculation methodology and tracing a sample of the data used back to source data.
Testing the ‘Governance Framework’ over validation, implementation and model monitoring in line with the RBI guidance.
Assessed whether the disclosures on key judgements, assumptions and quantitative data with respect to impairment loss allowance in the financial statements are appropriate and sufficient.
We have also obtained management representations wherever considered necessary.

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</table>

IT Systems and Controls	
Key audit matter	**How the matter was addressed in our audit**
The company has separate software applications for management of its loan portfolio from origination to servicing and closure and for the routine accounting. Transfer of data from / to these applications is critical for accurate compilation of financial information. Further, the Company's financial accounting and reporting processes are dependent on information systems including automated controls in systems, such that there exists a risk that gaps in the IT control environment could result in the financial accounting and reporting records being misstated. We have identified 'IT systems and controls' as key audit matter because of the high-level automation, number of systems being used by the management and the inherent risks/ complexity of the IT architecture.	We have performed the following key audit procedures: • Performed control testing on user access management, change management, segregation of duties, system and system application controls over key financial accounting and reporting systems. • Tested key controls operating over information technology in relation to financial accounting and reporting systems, including system access and system change management, program development and computer operations. • Tested the design and operating effectiveness of key controls over user access management which includes granting access / right, new user creation, removal of user rights and preventive controls designed to enforce segregation of duties. • Other areas that were tested include security configurations, system interface controls, controls over changes to applications and databases and controls to ensure that developers and production support did not have access to change applications, the operating system, or databases in the production environment.

Information Other than Financial Statements and Auditor's Report Thereon

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report but does not include the financial statements and our auditors' report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

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

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

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

iii. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the financial statements made by the Management and Board of Directors.

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

The Financial Statements of the Company for the year ended 31 March 2021, were audited by other auditors who expressed an unmodified opinion on those Financial Statements vide their report dated 20 April 2021. Our opinion on the Financial Statements is not modified in respect of the above matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2020 ("the Order") issued by the Central Government in terms of section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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

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

   b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;

   c. the Balance Sheet, the Statement of Profit and Loss, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

   d. in our opinion, the aforesaid Financial Statements comply with the Accounting Standards specified under Section 133 of the Act read with relevant rules issued thereunder;

   e. on the basis of written representations received from the directors as on 31 March 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022, from being appointed as a director in terms of Section 164(2) of the Act;

   f. with respect to the adequacy of the internal financial controls with reference to Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B";

g. with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

   i. the Company has disclosed the impact of pending litigations on its financial position in its Financial Statements – Refer Note 37 to the Financial Statements.

   ii. the Company has made provisions, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts. The company has not entered into derivative contracts during the year - Refer Note 39 to the financial statements.

   iii. there has been no delay in transferring amounts, required to be transferred, to the Investor, Education and Protection Fund by the Company.

   iv. In respect of Rule 11(e) of the Companies (Audit and Auditors) Rules, 2014,

      a. The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

      b. The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

      c. Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

3. As required by Section 197(16) of the Act, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For **Gokhale & Sathe**
Chartered Accountants
Firm Regn. No.10326W

Rahul Joglekar
Partner
Membership No.:129389
UDIN: 22129389AHRORW6519

Place: Mumbai
Date: 23 April 2022

Annexure A to Independent Auditor's Report

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Mahindra Rural Housing Finance Limited of even date)

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

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property Plant and Equipment including intangible assets.

(b) The Company has a regular programme of physical verification of Property, Plant and Equipment under which property, plant and equipment are verified annually. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification during the year.

(c) The title deeds (comprising of registered sale deeds/ transfer deeds /conveyance deeds) of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) provided to us, are held in the name of the Company as at the balance sheet date.

(d) The Company has not revalued any of its Property, Plant and Equipment (including right-of-use assets) and intangible assets during the year.

(e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

(ii) (a) The nature of the Company's business is such that it is not required to hold any inventories and, hence, reporting under paragraph 3(ii) of the order is not applicable to the Company.

(b) The Company has been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate, from banks and financial institutions on the basis of security of current assets. The quarterly returns and statements filed by the Company with such banks and financial institutions are in agreement with the books of account and records of the Company.

(iii) (a) Since the Company is a Housing Finance Company whose principal business is to give loans, paragraph 3(iii)(a) of the Order is not applicable to the Company.

(b) In our opinion, the investments made and the terms and conditions of the grant of loans, during the year are, prima facie, not prejudicial to the Company's interest

(c) in respect of loans and advances in the nature of loans (together referred to as "loan assets"), the schedule of repayment of principal and payment of interest has been stipulated. Note 2.10 to the financial statements explains the Company's accounting policy relating to impairment of financial assets which include loans assets. In accordance with that policy, loan assets with balances as at the year end aggregating Rs.86,102.74 lakhs were categorised as credit impaired ("Stage 3") and Rs.202,370.17 lakhs were categorised as those where the credit risk has increased significantly since initial recognition ("Stage 2"). Disclosures in respect of such loans have been provided in Note 45(ii)(j) to the financial statements. Additionally, out of loans and advances in the nature of loans with balances as at the year-end aggregating Rs.471,872.38 lakhs, where credit risk has not significantly increased since initial recognition (categorised as "Stage 1"), delinquencies in the repayment of interest and/ or principal aggregating Rs.1,741.47 lakhs were also identified, albeit of less than 30 days. In all other cases, the repayment of principal and interest is regular. Having regard to the nature of the Company's business and the volume of information involved, it is not practicable to provide an itemised list of loan assets where delinquencies in the repayment of principal and interest have been identified.

(d) The total overdue amount for more than 90 days as on 31 March 2022 is provided below:

No. of cases	Principal amount overdue (Rs. Lakhs)	Interest overdue (Rs. Lakhs)	Total overdue (Rs. Lakhs)	Remarks (if any)
65,551	7,690.83	22,064.12	29,754.95	None

In our opinion, the Company has taken reasonable steps for the recovery of principal and interest.

(e) Since the Company is a Housing Finance Company whose principal business is to give loans, paragraph 3(iii)(e) of the Order is not applicable to the Company.

(f) The Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.

(iv) There are no loans, investments, guarantees and securities granted in respect of which provisions of section 185 and 186 of the Act are attracted. Accordingly, paragraph 3(iv) of the Order is not applicable to the Company.

(v) The Company has not accepted any deposits from the public to which the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Act and Rules framed thereunder are applicable. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.

(vi) The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any activities conducted/services rendered by the Company. Accordingly, paragraph 3(vi) of the Order is not applicable to the Company.

(vii) (a) In our opinion, the Company is regular in depositing with the appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income tax, sales-tax, goods and service tax, cess and other material statutory dues applicable to it. According to information and explanations given to us, no undisputed amounts payable were outstanding, at the year end, for a period of more than six months from the date they became payable.

(b) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on 31 March 2022 on account of disputes are given below:

Name of the statute	**Nature of Dues**	**Period to which the amount pertains**	**Amount (Rs. in lakhs)**	**Forum where dispute is pending**
Income Tax Act, 1961	Income Tax	2011-2012	8.11	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	2012-2013	7.62	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	2013-2014	23.22	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	2016-2017	30.99	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	2017-2018	46.92	Commissioner of Income Tax (Appeals)

(viii) There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

(ix) (a) The Company has not defaulted repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.

(b) The Company has not been declared a willful defaulter by any bank or financial institution or other lender.

(c) The Company has utilized the money raised by way of terms loans during the year for the purpose for which they were raised.

(d) On an overall examination of the financial statements of the Company, funds raised on short term basis have, prima facie, not been used during the year for long-term purposes by the Company.

(e)&(f) The Company does not have subsidiaries, associates or joint ventures during the year and therefore paragraphs 3(ix)(e) and (f) of the Order is not applicable to the Company.

(x) (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.

(b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.

(xi) (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have not come across any instance of material fraud by or on the Company, noticed or reported during the year, nor have we been informed of such case by management.

(b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.

(c) We have taken into consideration the whistle blower complaints received by the Company during the year (and upto the date of this report), while determining the nature, timing and extent of our audit procedures

(xii) The Company is not a Nidhi Company and hence, reporting under paragraph 3 (xii) of the Order is not applicable.

(xiii) In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv) (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.

(b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.

(xv) In our opinion during the year the Company has not entered into any non-cash transactions with its Directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

(xvi) (a) The Company is not required to be registered under Section 45- IA of the Reserve Bank of India Act, 1934 (2 of 1934).

(b) The Company is a Housing Finance Company and it holds a valid Certificate of Registration (CoR) from the National Housing Bank issued under Section 29A(2) of the National Housing Bank Act 1987 for conducting housing finance business. Prior to 9th August 2019, the power of registration of Housing Finance Companies was vested with the National Housing Bank and not the Reserve Bank of India.

(c)&(d) In our opinion, the Company is not a Core Investment Company and there is no other Core Investment Company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(c) and (d) of the Order is not applicable.

(xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

(xviii) During the year, there has been a resignation of the statutory auditors which was necessitated by the requirements of rotation of statutory auditors under the Guidelines for appointment of Statutory Auditors NBFCs (including HFCs) issued by RBI in April 2021 and there were no issues, objections or concerns raised by the outgoing auditors.

(xix) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and it should not be construed as a guarantee or assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) (a) There are no unspent amounts towards Corporate Social Responsibility (CSR) on other than ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of Section 135 of the said Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable for the year.

(b) There are no unspent amounts under sub-section (5) of section 135 of the Act, pursuant to any ongoing project requiring transfer to special account in compliance with the provision of sub-section (6) of section 135 of the Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable for the year.

(xxi) The Company is not required to prepare Consolidated Financial Statements and therefore reporting under clause 3(xxi) of the Order is not applicable for the year.

For **Gokhale & Sathe**
Chartered Accountants
Firm Regn. No.10326W

Rahul Joglekar
Partner
Membership No.:129389
UDIN: 22129389AHRORW6519

Place: Mumbai
Date: 23 April 2022

Annexure B to the Independent Auditors' report on the financial statements of Mahindra Rural Housing Finance Limited for the year ended 31 March 2022

Report on the internal financial controls with reference to the financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

Referred to in paragraph 2(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date

Opinion

We have audited the internal financial controls with reference to financial statements of Mahindra Rural Housing Finance Limited ("the Company") as of 31 March 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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

Management's Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and whether such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

A company's internal financial controls with reference to financial statements include those policies and procedures that –

1. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
2. provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
3. provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial controls with Reference to Financial Statements

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

For **Gokhale & Sathe**
Chartered Accountants
Firm Regn. No.10326W

Rahul Joglekar
Partner
Membership No.:129389
UDIN: 22129389AHRORW6519

Place: Mumbai
Date: 23 April 2022

BALANCE SHEET AS AT 31 MARCH 2022

Particulars	Note	(Rs. in Lakhs) As at 31 March 2022	(Rs. in Lakhs) As at 31 March 2021
ASSETS			
1) Financial Assets			
a) Cash and cash equivalents	3	**42,369.05**	21,813.65
b) Bank balance other than (a) above		**23,145.05**	47,437.81
c) Loans	4	**702,884.34**	712,810.50
d) Investments	5	**61,961.34**	81,328.67
e) Other financial assets	6	**1,193.50**	617.66
		831,553.28	864,008.29
2) Non-financial Assets			
a) Current tax assets (Net)		**317.86**	81.48
b) Deferred tax assets (Net)	7	**11,800.89**	8,594.36
c) Property, Plant and Equipments	8	**5,029.44**	4,553.38
d) Other intangible assets	9	**22.57**	41.92
e) Other non-financial assets	10	**2,635.91**	4,332.99
		19,806.67	17,604.13
Total Assets		**851,359.95**	881,612.42
LIABILITIES AND EQUITY			
LIABILITIES			
1) Financial Liabilities			
a) Payables	11		
I) Trade payables			
i) total outstanding dues of micro enterprises and small enterprises		**21.28**	1.45
ii) total outstanding dues of creditors other than micro enterprises and small enterprises		**7,505.96**	8,367.15
II) Other Payables			
i) total outstanding dues of micro enterprises and small enterprises		**–**	–
ii) total outstanding dues of creditors other than micro enterprises and small enterprises		**22.28**	22.89
b) Debt securities	12	**334,445.20**	283,647.72
c) Borrowings (Other than Debt Securities)	13	**283,476.77**	365,559.99
d) Subordinated liabilities	14	**46,028.50**	46,009.47
e) Other financial liabilities	15	**30,916.87**	35,739.78
		702,416.86	739,348.45
2) Non-Financial Liabilities			
a) Current tax liabilities (Net)		**1,237.61**	–
b) Provisions	16	**1,635.79**	1,482.17
c) Other non-financial liabilities	17	**618.97**	507.75
		3,492.37	1,989.92
3) EQUITY			
a) Equity share capital	18	**12,186.88**	12,166.19
b) Other equity	19	**133,263.84**	128,107.86
		145,450.72	140,274.05
Total Liabilities and Equity		**851,359.95**	881,612.42
Summary of significant accounting policies	2		
The accompanying notes form an integral part of the financial statements.	1 to 53		

As per our report of even date attached.

For **Gokhale & Sathe**
Chartered Accountants
Firm's Registration No: 103264W

For and on behalf of the Board of Directors
Mahindra Rural Housing Finance Limited

Rahul Joglekar
Partner
Membership No: 129389

Ramesh Iyer
Director
[DIN: 00220759]

Jyotin Mehta
Director
[DIN: 00033518]

Rajnish Agarwal
Managing Director
[DIN: 03335692]

Dharmesh Vakharia
Chief Financial Officer

Navin Joshi
Company Secretary

Mumbai
23 April 2022

Mumbai
23 April 2022

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

Particulars	Note	**(Rs. in Lakhs) Year ended 31 March 2022**	(Rs. in Lakhs) Year ended 31 March 2021
REVENUE FROM OPERATIONS			
i) Interest income	20	**134,469.03**	143,407.61
ii) Fees and commission income	21	**248.70**	485.80
iii) Net gain on fair value changes	22	**67.46**	950.65
iv) Net gain / (loss) on derecognised financial instruments	23	**2,909.24**	585.56
I Total revenue from operations		**137,694.43**	145,429.62
II Other income	24	**54.51**	37.21
III Total Income (I+II)		**137,748.94**	145,466.83
EXPENSES			
i) Finance costs	25	**51,808.48**	60,264.78
ii) Fees and commission expense	26	**363.48**	197.28
iii) Impairment on financial instruments	27	**31,884.47**	26,202.02
iv) Employee benefits expenses	28	**32,131.33**	26,342.69
v) Depreciation and amortization	29	**1,510.48**	1,596.22
vi) Other expenses	30	**14,278.69**	11,333.13
IV Total Expenses (IV)		**131,976.93**	125,936.12
V Profit before tax (III - IV)		**5,772.01**	19,530.71
VI Tax expense:			
i) Current tax		**4,385.77**	4,785.00
ii) Deferred tax		**(3,150.64)**	(137.63)
iii) (Excess) / Short Provision for Income Tax - earlier years		**(236.39)**	(217.25)
		998.74	4,430.12
VII Profit for the year (V - VI)		**4,773.27**	15,100.59
VIII Other Comprehensive Income			
(A) (i) Items that will not be reclassified to profit or loss			
– Remeasurement loss on defined benefit plans		**(135.82)**	(31.72)
(ii) Income tax impact thereon		**34.18**	7.98
Subtotal (A)		**(101.64)**	(23.74)
(B) (i) Items that will be reclassified to profit or loss			
– Net gain / (loss) on debt instruments through OCI		**(86.22)**	–
(ii) Income tax impact thereon		**21.70**	–
Subtotal (B)		**(64.52)**	–
Other Comprehensive Income		**(166.16)**	(23.74)
IX Total Comprehensive Income / (Loss) for the year (VII+VIII) (Comprising Profit / (Loss) and other Comprehensive Income for the year)		**4,607.11**	15,076.85
X Earnings per equity share (for continuing operations)	31		
(Face value - Rs. 10/- per share)			
Basic (Rupees)		**3.92**	12.43
Diluted (Rupees)		**3.90**	12.35

As per our report of even date attached.

For **Gokhale & Sathe**
Chartered Accountants
Firm's Registration No: 103264W

Rahul Joglekar
Partner
Membership No: 129389

Mumbai
23 April 2022

For and on behalf of the Board of Directors
Mahindra Rural Housing Finance Limited

Ramesh Iyer
Director
[DIN: 00220759]

Jyotin Mehta
Director
[DIN: 00033518]

Rajnish Agarwal
Managing Director
[DIN: 03335692]

Dharmesh Vakharia
Chief Financial Officer

Navin Joshi
Company Secretary

Mumbai
23 April 2022

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

		(Rs. in Lakhs)	(Rs. in Lakhs)
A	**Equity Share Capital**	**31 March 2022**	31 March 2021
	Balance at the beginning of the year	**12,288.79**	12,288.79
	Changes in Equity share capital during the year		
	Add: Fresh allotment of shares:		
	– Issue of Shares	**–**	–
	– Shares issued under Employees' Stock Option Scheme	**–**	–
		12,288.79	12,288.79
	Less: Shares issued to ESOS Trust but not allotted to employees	**101.91**	122.60
	Balance at the end of the year	**12,186.88**	12,166.19

B Other Equity

	Reserves and Surplus					
	Statutory reserves	Securities premium	General reserves	Employee stock options outstanding	Retained earnings or Profit & loss account	Total
Balance as at 01 April 2020	25,729.93	42,819.32	290.00	394.14	43,436.51	112,669.90
Profit for the year	–	–	–	–	15,100.59	15,100.59
Other Comprehensive Income	–	–	–	–	(23.74)	(23.74)
Total Comprehensive Income for the year	–	–	–	–	15,076.85	15,076.85
Transfers to Securities premium on exercise of employee stock options	–	89.23	–	(89.23)	–	–
Allotment of equity shares by ESOP Trust to employees	–	125.10	–	–	–	125.10
ESOP outstanding reserve account	–	–	–	159.14	–	159.14
Share based payment expense	–	–	–	76.87	–	76.87
Transfers to Statutory reserves	3,075.00	–	–	–	(3,075.00)	–
Balance as at 31 March 2021	**28,804.93**	**43,033.65**	**290.00**	**540.92**	**55,438.36**	**128,107.86**
Balance as at 01 April 2021	**28,804.93**	**43,033.65**	**290.00**	**540.92**	**55,438.36**	**128,107.86**
Profit for the year	**–**	**–**	**–**	**–**	**4,773.27**	**4,773.27**
Other Comprehensive Income	**–**	**–**	**–**	**–**	**(166.16)**	**(166.16)**
Total Comprehensive Income	**–**	**–**	**–**	**–**	**4,607.11**	**4,607.11**
Transfers to Securities premium on exercise of employee stock options	**–**	**129.61**	**–**	**(129.61)**	**–**	**–**
Allotment of equity shares by ESOP Trust to employees	**–**	**117.93**	**–**	**–**	**–**	**117.93**
ESOP outstanding reserve account	**–**	**–**	**–**	**343.05**	**–**	**343.05**
Share based payment expense	**–**	**–**	**–**	**87.89**	**–**	**87.89**
Transfers to Statutory reserves	**2,530.00**	**–**	**–**	**–**	**(2,530.00)**	**–**
Balance as at 31 March 2022	**31,334.93**	**43,281.19**	**290.00**	**842.25**	**57,515.47**	**133,263.84**

As per our report of even date attached

For **Gokhale & Sathe**
Chartered Accountants
Firm's Registration No: 103264W

For and on behalf of the Board of Directors
Mahindra Rural Housing Finance Limited

Rahul Joglekar
Partner
Membership No: 129389

Ramesh Iyer
Director
[DIN: 00220759]

Jyotin Mehta
Director
[DIN: 00033518]

Rajnish Agarwal
Managing Director
[DIN: 03335692]

Dharmesh Vakharia
Chief Financial Officer

Navin Joshi
Company Secretary

Mumbai
23 April 2022

Mumbai
23 April 2022

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2022

Particulars		(Rs. in Lakhs) Year ended 31 March 2022	(Rs. in Lakhs) Year ended 31 March 2021
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before taxes		**5,772.01**	19,530.71
Add/(Less):			
Adjustments to reconcile profit before tax to net cash flows			
Depreciation and amortisation expense		**1,510.48**	1,596.22
Impairment on financial instruments		**34,810.46**	28,143.38
Interest income		**(134,469.03)**	(143,407.61)
Interest expense		**51,373.01**	59,869.19
Loss/ (profit) on sale of Property, Plant and Equipment		**(6.41)**	9.59
Share based payments to employees		**430.93**	236.00
Profit on sale of investments in mutual funds		**(2,909.24)**	(585.56)
Net gain / (loss) on financial instruments at FVTPL		**(67.46)**	(950.65)
Operating profit before working capital changes	**I**	**(43,555.25)**	(35,558.73)
Working capital changes in			
Loans		**(24,817.00)**	45,584.94
Other financial assets		**(532.48)**	(41.25)
Other non-financial assets		**1,889.83**	(3,439.78)
Trade payable		**(841.97)**	3,461.36
Other liabilities		**2,539.35**	707.10
Provisions		**17.80**	(642.76)
	II	**(21,744.47)**	45,629.61
Cash used in operations	**(I+II)**	**(65,299.72)**	10,070.88
Interest received		**134,401.74**	143,876.76
Interest paid		**(59,234.28)**	(56,465.40)
Income tax paid (net of refunds)		**(3,148.15)**	(4,466.45)
NET CASH GENERATED FROM / USED IN OPERATING ACTIVITIES (A)		**6,719.59**	93,015.80
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of Property, Plant and Equipment and Intangible assets		**(1,189.17)**	(41.14)
Proceeds from sale of Property, Plant and Equipment		**33.21**	39.52
Purchase of investments		**(183,761.91)**	(281,289.43)
Proceeds from sale of investments		**205,976.36**	213,006.33
Investments in term deposits with banks		**(81,399.75)**	(170,999.84)
Proceeds from term deposits with banks		**105,692.51**	123,562.03
NET CASH USED IN INVESTING ACTIVITIES (B)		**45,351.25**	(115,722.53)
CASH FLOW FROM FINANCING ACTIVITIES			
Debt securities issued		**136,000.00**	168,500.00
Debt securities repaid		**(84,800.00)**	(84,350.00)
Subordinated liabilities issued		**–**	5,000.00
Borrowings other than debt securities issued		**136,725.00**	234,860.00
Borrowings other than debt securities repaid		**(218,822.94)**	(288,224.45)
Payment for principal portion of lease liability		**(617.50)**	(503.95)
NET CASH GENERATED FROM FINANCING ACTIVITIES (C)		**(31,515.44)**	35,281.60
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)		**20,555.40**	12,574.87
Cash and Cash equivalents at the beginning of the year		**21,813.65**	9,238.78
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		**42,369.05**	21,813.65

Particulars	(Rs. in Lakhs) Year ended 31 March 2022	(Rs. in Lakhs) Year ended 31 March 2021
Cash and cash equivalents at the end of the year		
– Cash on hand	**1,313.36**	1,196.84
– Balances with banks in current accounts	**2,006.03**	2,161.88
– Term deposits with original maturity up to 3 months	**39,049.66**	18,454.93
Total	**42,369.05**	21,813.65

Notes:

1) The above Statement of Cash Flow has been prepared under the ‘Indirect method’ as set out in the Ind AS 7 ‘Statement of Cash Flows’.

2) During the year, the Company has spent an amount of Rs. 657.05 Lakhs in cash (31 March 2021: Rs. 756.25 Lakhs) towards corporate social responsibility (CSR) expenditure (refer note 38)

As per our report of even date attached.

For **Gokhale & Sathe**
Chartered Accountants
Firm's Registration No: 103264W

Rahul Joglekar
Partner
Membership No: 129389

Mumbai
23 April 2022

For and on behalf of the Board of Directors
Mahindra Rural Housing Finance Limited

Ramesh Iyer
Director
[DIN: 00220759]

Jyotin Mehta
Director
[DIN: 00033518]

Rajnish Agarwal
Managing Director
[DIN: 03335692]

Dharmesh Vakharia
Chief Financial Officer

Navin Joshi
Company Secretary

Mumbai
23 April 2022

Notes to the Financial Statements for the year ended 31 March 2022

1 COMPANY INFORMATION

Mahindra Rural Housing Finance Limited ('the Company'), incorporated in India is a Housing Finance Company ('HFC') engaged in providing housing finance through its pan India branch network. In exercise of the powers conferred on the National Housing Bank vide Section 29A of The National Housing Bank Act, 1987, the Company has been granted Certificate of Registration dated 13 August 2007 to commence the business of a housing finance institution without accepting public deposits. The Company fulfils the Principal Business Criteria as laid down under paragraph 4.1.17, of the Master Direction - Non-Banking Financial Company - Housing Finance Company (Reserve Bank) Directions, 2021 ('Master Directions'). The Company's financial assets constitute more than 60% of its total assets and out of the total assets, the Company has financed over 50% towards housing loans to individuals.

The Company is a subsidiary of Mahindra & Mahindra Financial Services Limited. Mahindra & Mahindra Limited is the ultimate holding company.

The Company's registered office is at Mahindra Towers, 4th Floor, Dr. G. M. Bhosale Marg, Worli, Mumbai 400018, India.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Statement of compliance and basis for preparation and presentation of financial statements

These standalone or separate financial statements of the Company have been prepared in accordance with the Indian Accounting Standards as per the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under section 133 of the Companies Act, 2013 ("the Act") and in conformity with the accounting principles generally accepted in India and other relevant provisions of the Act. Further, the Company has complied with all the directions related to Implementation of Indian Accounting Standards prescribed for Non-Banking Financial Companies (NBFCs) in accordance with the Reserve Bank of India Master Direction DOR. FIN.HFC.CC.No.120/03.10.136/2020-21 dated February 17, 2021 (as amended).

Any application guidance/ clarifications/ directions issued by Reserve Bank of India (RBI), National Housing Bank (NHB) or other regulators are implemented as and when they are issued/ applicable.

Accounting policies have been consistently applied except where a newly-issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

These separate financial statements were approved by the Company's Board of Directors and authorised for issue on 23 April 2022.

2.2 Functional and presentation currency

These financial statements are presented in Indian Rupees ('INR' or 'Rs.') which is also the Company's functional currency. All amounts are rounded-off to the nearest lakhs, unless otherwise indicated.

2.3 Basis of measurement

The financial statements have been prepared on the historical cost basis except for certain financial instruments which are measured at fair value.

2.4 Measurement of fair values

A number of Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. The Company has established policies and procedures with respect to the measurement of fair values. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

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

2.5 Use of estimates and judgements

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income, expenses and the disclosures of contingent assets and liabilities. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company has based its assumptions and estimates on parameters available when the financial statements were issued. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions as and when they occur.

Following are the areas that involve a higher degree of estimate and judgement or complexity in determining the carrying amount of some assets and liabilities.

(i) Effective Interest Rate (EIR) Method

The Company recognizes interest income / expense using a rate of return that represents the best estimate of a constant rate of return over the life of the loans given / taken. This estimation, by nature, requires an element of judgement regarding the expected behaviour and life-cycle of the instruments, as well as expected changes to other fee income/expense that are integral parts of the instrument.

(ii) Impairment of Financial Assets

The measurement of impairment losses on loan assets and commitments, requires judgement, in estimating the amount and timing of future cash flows and recoverability of collateral values while determining the impairment losses and assessing a significant increase in credit risk.

The Company's Expected Credit Loss (ECL) calculation is the output of a complex model with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL model that are considered accounting judgements and estimates include:

- The Company's criteria for assessing if there has been a significant increase in credit risk
- The segmentation of financial assets when their ECL is assessed on a collective basis
- Development of ECL model, including the various formulas and the choice of inputs
- Selection of forward-looking macroeconomic scenarios and their probability weights, to derive the economic inputs into the ECL model
- Management overlay used in circumstances where management judges that the existing inputs, assumptions and model techniques do not capture all the risk factors relevant to the Company's lending portfolios.

It has been the Company's policy to regularly review its model in the context of actual loss experience and adjust when necessary (refer note 45).

(iii) Provisions and other contingent liabilities:

The Company does not recognise a contingent liability but discloses its existence in the financial statements. Contingent assets are neither recognised nor disclosed in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs. Contingent Liabilities in respect of show cause notices are considered only when converted into demands.

The reliable measure of the estimates and judgements pertaining to litigations and the regulatory proceedings in the ordinary course of the Company's business are disclosed as contingent liabilities.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of

Notes to the Financial Statements for the year ended 31 March 2022

future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

(iv) Provision for income tax and deferred tax assets:

The Company uses estimates and judgements based on the relevant rulings in the areas of allocation of revenue, costs, allowances and disallowances which is exercised while determining the provision for income tax, including the amount expected to be paid / recovered for uncertain tax positions. A deferred tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised. Accordingly, the Company exercises its judgement to reassess the carrying amount of deferred tax assets at the end of each reporting period.

(v) Defined Benefit Plans:

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

(vi) Estimation uncertainty relating to the global health pandemic from COVID-19 and current Macro-economic scenario:

The COVID-19 outbreak and its effect on the economy has impacted our customers and our performance, though the pandemic's spread remains curtailed by the roll out of vaccines through out the world. The outbreak necessitated government to respond at unprecedented levels to protect public health, local economies and livelihoods. There remains a risk of subsequent waves of infection, as evidenced by the past variants of the virus.

Economic forecasts are still subject to a varied degree of uncertainty in the current environment. Limitations of forecasts and economic models require a greater reliance on management judgement in addressing both the error inherent in economic forecasts and in assessing associated ECL outcomes.

The calculation of ECL under Ind AS 109 involves significant judgements, assumptions and estimates. The level of estimation uncertainty and judgement is moderately low during financial year due to the curtailed impact of the pandemic spread, including significant judgements relating to:

- the selection and weighting of economic scenarios, given rapidly changing economic conditions in an unprecedented manner, uncertainty as to the effect of government and RBI support measures designed to alleviate adverse economic impacts, and a wider distribution of economic forecasts than before the pandemic. The key judgements are the length of time over which the economic effects of the pandemic will occur, the speed and shape of spread and recovery. The main factors include the effectiveness of pandemic containment measures, effectiveness of vaccines, and the emergence of new variants of the virus, plus a range of geopolitical uncertainties, which together may represent a high degree of estimation uncertainty, particularly in assessing worst case scenario;
- estimating the economic effects on the scenarios on ECL, though the historical trends now include a little history post the outbreak of the pandemic that can be reflected in the models to represent the effects of the economic changes of the severity and speed brought about by the COVID-19 outbreak. Modelled assumptions and linkages between economic factors and credit losses may underestimate or overestimate ECL in these conditions, and there is significant uncertainty in the estimation of parameters such as collateral values and loss severity; and
- the identification of customers experiencing significant increases in credit risk and credit impairment, particularly where those customers have accepted payment deferrals and other reliefs designed to address short-term liquidity issues given muted default experience to date.

Judgements (including overlays) in relation to credit impairments and the impact of macro-economic risks on the credit environment, in particular those arising from the COVID-19 pandemic, are continuously discussed throughout the year. The management focused on the key assumptions, methodologies and in-model and post model adjustments applied to provisions under Ind AS 109. The economic uncertainty and unprecedented conditions not experienced since the implementation of Ind AS 109 challenged the usefulness of model outputs. While the use of judgemental overlays and post-model adjustments should ideally be limited, their extensive use was deemed appropriate during the financial year, and might likely to continue to be required in future reporting periods.

As a result of government and bank support measures, significant credit deterioration has not yet occurred. This delay increases uncertainty on the timing of the stress and the realisation of defaults. Management has applied COVID-19 specific adjustments to modelled outputs to reflect the temporary nature of ongoing government support, the uncertainty in relation to the timing of stress and the degree to which economic consensus has yet captured the range of economic uncertainty. As a result, ECL is higher than would be the case if it were based on the forecast economic scenarios alone.

The Company has developed various accounting estimates in these Financial Statements based on forecasts of economic conditions which reflect expectations and assumptions as at 31 March 2022 about future events that the management believe are reasonable in the circumstances. There is a considerable degree of judgement involved in preparing forecasts. The underlying assumptions are also subject to uncertainties which are often outside the control of the Company. Accordingly, actual economic conditions are likely to be different from those forecast since anticipated events frequently do not occur as expected, and the effect of those differences may significantly impact accounting estimates included in these financial statements.

The significant accounting estimates impacted by these forecasts and associated uncertainties are predominantly related to expected credit losses, fair value measurement, and recoverable amount assessments of non-financial assets.

The impact of the COVID-19 pandemic on each of these accounting estimates is discussed further in the relevant note to these Financial Statements. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements and the Company will continue to closely monitor any material changes to future economic conditions (refer note 45).

(vii) Going Concern

COVID 19 has an adverse impact on the functioning of the financial sector companies, notwithstanding this the financial statements of the Company are prepared on a going concern basis.

Management is of the view that it is considered appropriate to prepare these financial statements on a going concern basis as the Company expects to generate sufficient cash flows from operating activities and unused lines of credit to meet its obligations in the foreseeable future (refer note 44 and note 45 (iii)).

2.6 Revenue recognition :

a) Recognition of interest income

Effective Interest Rate (EIR) method

Interest income is recognised in the Statement of Profit and Loss using the effective interest method for all financial instruments measured at amortised cost. The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument.

The calculation of the effective interest rate includes transaction costs and fees that are an integral part of the contract. Transaction costs include incremental costs that are directly attributable to the acquisition of financial asset.

If expectations regarding the cash flows on the financial asset are revised for reasons other than credit risk, the adjustment is recorded as a positive or negative adjustment to the carrying amount of the asset in the balance sheet with an increase or reduction in interest

Notes to the Financial Statements for the year ended 31 March 2022

income. The adjustment is subsequently amortised through interest income in the Statement of Profit and Loss.

Interest income

The Company calculates interest income by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets.

When a financial asset becomes credit-impaired, the Company calculates interest income by applying the effective interest rate to the net amortised cost of the financial asset. If the financial assets cures and is no longer credit-impaired, the Company reverts to calculating interest income on a gross basis.

Additional interest income is recognised when it becomes measurable and when it is not unreasonable to expect its ultimate collection.

b) Fee and commission income

Fee based income are recognised when they become measurable and when it is probable to expect their ultimate collection.

c) Dividend and interest income on investments

Dividends are recognised in the Statement of Profit and Loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company and the amount of the dividend can be measured reliably.

Interest income from investment is recognised when it is certain that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principle outstanding and at the effective interest rate applicable.

2.7 Property, Plant and Equipments (PPE)

PPE are stated at cost of acquisition (including incidental expenses), less accumulated depreciation and accumulated impairment loss, if any. The purchase price or construction cost is the aggregate amount paid and the fair value of any other consideration given to acquire the asset.

Assets held for sale or disposals are stated at the lower of their net book value and net realisable value.

Advances paid towards the acquisition of PPE outstanding at each balance sheet date are disclosed separately under Other non-financial assets. Capital work in progress comprises the cost of Property, Plant and Equipments that are not ready for its intended use at the reporting date. Capital work-in-progress is stated at cost, net of impairment loss, if any.

Depreciation on PPE is provided on straight-line basis in accordance with the useful lives specified in Schedule II to the Companies Act, 2013 on a pro-rata basis. Depreciation methods, useful lives and residual values are reviewed in each financial year, and changes, if any, are accounted for prospectively.

In accordance with Ind AS 116 - Leases, applicable effective from 01 April 2019, the Right-Of-Use assets are initially recognized at cost which comprises of initial amount of lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. These are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-Of-Use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

Subsequent expenditure is recognized as an increase in the carrying amount of the asset when it is probable that future economic benefits deriving from the cost incurred will flow to the enterprise and the cost of the item can be measured.

The estimated useful lives used for computation of depreciation are as follows:

Assets	Useful life
Buildings	60 years
Computers	3 years
Furniture and fixtures	10 years
Vehicles	8 years
Office equipments	5 years
Right-Of-Use assets (Leasehold premises)	upto 10 years

For following assets the useful life is taken as estimated by the management based on the actual usage pattern of the assets:

- Assets costing less than Rs.5000/- are fully depreciated in the period of purchase.
- Vehicles used by employees are depreciated over the period of 48 months considering this period as the useful life of the vehicle for the Company, as against the useful life of 8 years as mentioned in Schedule II.

Property Plant and Equipments is derecognised on disposal or when no future economic benefits are expected from its use. Assets retired from active use and held for disposal are generally stated at the lower of their net book value and net realizable value. Any gain or loss arising on derecognition of the asset (caculated as the difference between the net disposal proceeds and the net carrying amount of the asset) is recognised in other income / netted off from any loss on disposal in the Statement of Profit and Loss in the year the asset is derecognised.

2.8 Intangible assets:

Intangible assets are stated at cost less accumulated amortization and accumulated impairment loss, if any.

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognized in profit or loss as incurred.

Intangible assets comprises of computer software which is amortized over the estimated useful life. The maximum period for such amortization is taken as 36 months based on management's estimates of useful life. Amortisation is calcualted using the Straight line method to write down the cost of intangible assets over their estimated useful lives.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in the Statement of Profit and Loss when the asset is derecognised.

2.9 Cash and cash equivalent:

Cash and cash equivalents in the balance sheet comprise cash on hand, cheques and drafts on hand, balance with banks in current accounts and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of change in value.

2.10 Financial instruments:

Recognition and initial measurement

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at Fair Value Through Profit and Loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in the Statement of Profit and Loss.

Classification and subsequent measurement

- ***Financial assets***

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

  - *Amortised cost;*
  - *Fair Value Through Other Comprehensinve Income (FVTOCI) - debt instruments;*
  - *Fair Value Through Other Comprehensinve Income (FVTOCI) - equity instruments;*
  - *Fair Value Through Profit and Loss (FVTPL)*

Amortized cost -

The Company's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios being the level at which they are managed. The financial asset is held with the objective to hold financial asset in order to collect contractual cash flows as per the contractual terms that give rise on specified dates to cash flows that are solely payment of principal and interest ('SPPI') on the principal amount outstanding. Accordingly, the Company measures bank balances and loans at amortised cost.

Notes to the Financial Statements for the year ended 31 March 2022

FVOCI - debt instruments -

The Company measures its debt instruments at FVOCI when the instrument is held within a business model, the objective of which is achieved by both collecting contractual cash flows and selling financial assets; and the contractual terms of the financial asset meet the SPPI test.

FVOCI - equity instruments -

The Company subsequently measures all equity investments at fair value through profit or loss, unless the Company's management has elected to classify irrevocably some of its equity instruments at FVOCI, when such instruments meet the definition of Equity under Ind AS 32 Financial Instruments and are not held for trading.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in Other Comprehensive Income. This cumulative gain or loss is not reclassified to Statement of Profit and Loss on disposal of such instruments. Investments representing equity interest in subsidiary and associate are carried at cost less any provision for impairment.

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets. If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in other comprehensive income. This cumulative gain or loss is not reclassified to Statement of Profit and Loss on disposal of such instruments. Investments representing equity interest in subsidiary and associate are carried at cost less any provision for impairment.

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

All financial assets not classified as measured at amortised cost or FVTOCI are measured at FVTPL.

Subsequent measurement and gains and losses:

Financial assets at amortised cost are subsequently measured at amortised cost using effective interest method. The amortised cost is reduced by impairment losses. Interest income and impairment are recognised in Statement of profit and loss. Any gain and loss on derecognition is recognised in Statement of Profit and Loss.

Financial assets at FVTPL are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in Statement of Profit and Loss.

Financial liabilities and equity instruments:

Classification as debt or equity -

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments -

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received. Transaction costs of an equity transaction are recognised as a deduction from equity.

Financial liabilities -

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

Derecognition

Financial assets

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

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

Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. The difference between the carrying value of the financial liability and the consideration paid is recognised in the Statement of Profit and Loss.

The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value.

Offsetting

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

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

Impairment of financial instruments

Equity instruments are not subject to impairment under Ind AS 109.

Financial assets carried at amortised cost:

The Company recognises lifetime expected credit loss (ECL) when there has been a significant increase in credit risk since initial recognition and when the financial assets carried at amortised cost is credit impaired. If the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12 month ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition. 12 month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

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

Management overlay is used to adjust the ECL allowance in circumstances where management judges that the existing inputs, assumptions and model techniques do not capture all the risk factors relevant to the Company's lending portfolio. Emerging local or global macro economic, micro economic or political events, and natural disasters that are not incorporated in to the current parameters, risk ratings, or forward looking information are examples of such circumstances. The use of management overlay may impact the amount of ECL recognised.

The expected credit losses on these financial assets are estimated using a historical credit loss experience, adjusted for factors that are specific to the general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate. Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. It has been the Company's policy to regularly review its model in the context of actual loss experience and provide for additional impairment allowance due to management overlay when necessary (refer note 45).

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

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not

Notes to the Financial Statements for the year ended 31 March 2022

have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made from written off assets are netted off against the amount of financial assets written off during the year under "bad debts/loss on termination" forming part of "impariment on financial instruments" in Statement of Profit and Loss.

Loan contract renegotiation and modifications:

Loans are identified as renegotiated and classified as credit impaired when the Company modify the contractual payment terms due to significant credit distress of the borrower. Renegotiated loans remain classified as credit impaired until there is sufficient evidence to demonstrate a significant reduction in the risk of non payment of future cash flows and retain the designation of renegotiated until maturity or derecognition.

A loan that is renegotiated is derecognised if the existing agreement is cancelled and a new agreement is made on substantially different terms, or if the terms of an existing agreement are modified such that the renegotiated loan is a substantially different financial instrument. Any new loans that arise following derecognition events in these circumstances are considered to be originated credit impaired financial asset and will continue to be disclosed as renegotiated loans.

Other than originated credit-impaired loans, all other modified loans could be transferred out of stage 3 if they no longer exhibit any evidence of being credit impaired and, in the case of renegotiated loans, there is sufficient evidence to demonstrate a significant reduction in the risk of non-payment of future cash flows over the minimum observation period, and there are no other indicators of impairment. These loans could be transferred to stage 1 or 2 based on the risk assessment mechanism by comparing the risk of a default occurring at the reporting date (based on the modified contractual terms) and the risk of a default occurring at initial recognition (based on the original, unmodified contractual terms). Any amount written off as a result of the modification of contractual terms would not be reversed.

Loan modifications that are not identified as renegotiated are considered to be commercial restructuring. Where a commercial restructuring results in a modification (whether legalised through an amendment to the existing terms or the issuance of a new loan contract) such that the Company's rights to the cash flows under the original contract have expired, the old loan is derecognised and the new loan is recognised at fair value. The rights to cash flows are generally considered to have expired if the commercial restructure is at market rates and no payment-related concession has been provided. Mandatory and general offer loan modifications that are not borrower-specific, for example market-wide customer relief programmes announced by the Regulator or other statutory body, have not been classified as renegotiated loans and so have not resulted in derecognition, but their stage allocation is determined considering all available and supportable information under our ECL impairment policy.

2.11 Employee benefits:

a) Short-term employee benefits

All employee benefits payable wholly within twelve months of receiving employee services are classified as short-term employee benefits. These benefits include salaries and wages, bonus and ex-gratia. Short-term employee benefit obligations are measured on an undiscounted basis and these are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

b) Contribution to Provident Fund, ESIC and National Pension Scheme

The defined contribution plans i.e. provident fund (administered through Regional Provident Fund Office), superannuation fund and employee state insurance corporation and National Pension Scheme are post-employment benefit plans under which a Company pays fixed contributions and will have no legal and constructive obligation to pay further amounts beyond its contributions. The Superannuation scheme, a defined contribution scheme, administered by Life Insurance Corporation of India.

Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

Company's contribution paid/payable during the year to provident fund, superannuation scheme, employees state insurance corporation (ESIC) and national pension scheme (NPS) is recognised in the Statement of Profit and Loss.

c) Gratuity

The Company's liability towards gratuity scheme is determined by actuaries, using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. Past services are recognised at the earlier of the plan amendment / curtailment and recognition of related restructuring costs/termination benefits.

The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in the Statement of Profit and Loss.

When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contribution to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurement gains/losses

Remeasurement of defined benefit plans, comprising of acturial gains / losses, return on plan assets excluding interest income are recognised immediately in the balance sheet with corresponding debit or credit to Other Comprehensive Income (OCI). Remeasurements are not reclassified to the Statement of Profit and Loss in the subsequent period

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in Statement of Profit and Loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Remeasurement gains or losses on long-term compensated absences that are classified as other long-term benefits are recognised in the Statement of Profit and Loss.

d) Superannuation fund

The Company makes contribution to the Superannuation scheme, a defined contribution plan, administered by Life Insurance Corporation of India, which are charged to the Statement of Profit and Loss. The Company has no obligation to the scheme beyond its contributions.

e) Leave encashment / compensated absences / sick leave

The Company provides for the encashment / availment of leave with pay subject to certain rules. The employees are entitled to accumulate leave subject to certain limits for future encashment / availment. The liability is provided based on the number of days of unutilized leave at each balance sheet date on the basis of an independent actuarial valuation.

f) Employee stock options :

Equity-settled share-based payments to employees are recognised as an expense at the fair value of stock options at the grant date. The fair value determined at the grant date of the Equity-settled share-based payments is expensed on a stright-line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity.

(Rs. in Lakhs)

Notes to the Financial Statements for the year ended 31 March 2022

2.12 Finance costs:

Finance costs include interest expense computed by applying the effective interest rate on respective financial instruments measured at amortised cost, i.e., bank term loans, non-convertible debentures, inter corporate deposits, commercial papers and subordinated debts, to the extent they are regarded as an adjustment to the interest cost. Finance costs are charged to the Statement of Profit and Loss.

Interest expense on lease liabilities (Ind AS 116 - Leases) computed by applying the Company's weighted average incremental borrowing rate has been included under finance costs.

2.13 Taxation - Current and deferred tax:

Income tax expense comprises of current tax and deferred tax. Current and deferred tax are recognised in the Statement of Profit and Loss, except when they relate to items that are recognised in Other Comprehensive Income or directly in equity, in which case, the current and deferred tax are also recognised in Other Comprehensive Income or directly in equity respectively. Significant judgments are involved in determining the provision for income taxes including judgment on whether tax positions are probable of being sustained in tax assessments. A tax assessment can involve complex issues, which can only be resolved over extended time periods.

a) Current tax:

Current tax comprises amount of tax payable in respect of the taxable income or loss for the year determined in accordance with Income Tax Act, 1961 and any adjustment to the tax payable or receivable in respect of previous years. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

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

Current tax is recognised in statement of profit or loss, except when they relate to items that are recognised in Other Comprehensive Income or directly in equity, in which case, the current tax is also recognised in other comprehensive income or directly in equity respectively. The management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

b) Deferred tax:

Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases. Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequence that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary difference could be utilized. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

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

2.14 Securities issue expenses:

Expenses incurred in connection with the fresh issue of Share capital are adjusted against Securities premium reserve.

2.15 Impairment of non financial assets:

The Company reviews the carrying amounts of its tangible and other intangible assets at the end of each reporting period, to determine whether there is any indication that those assets have impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Recoverable amount is determined for an individual asset, unless the asset does not generate cash flows that are largely independent of those from other assets or group of assets.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the assets is considered impaired, and is written down to its recoverable amount.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount such that the increased carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had been recognised for the asset (or cash-generating unit) in prior years. The reversal of an impairment loss is recognised in the Statement of Profit and Loss.

2.16 Provisions:

Provisions are recognised when there is a present obligation as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that the outflow of resources would be required to settle the obligation, the provision is reversed. Provisions are not recognised for future operating losses.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

2.17 Leases:

The Company as a lessee -

As a lessee, the Company's lease asset class primarily consist of buildings or part thereof taken on lease for office premises and certain IT equipments and general purpose office equipements used for operating activities. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

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

The carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

(Rs. in Lakhs)

Notes to the Financial Statements for the year ended 31 March 2022

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost which comprises of initial amount of lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. These are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at amortized cost at the present value of the future lease payments that are not paid at the commencement date, discounted using the Company's incremental borrowing rate. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

In the Balance Sheet, ROU assets have been included in Property, Plant and Equipments and Lease liabilities have been included in Other financial liabilities and the principal portion of lease payments have been classified as financing cash flows. The Company has used a single discount rate to a portfolio of leases with similar characteristics.

In accordance with Ind AS 116, Leases, the financial information have been presented in the following manner.

a) ROU assets and lease liabilities have been included within the line items "Property, Plant and Equipments" and "Other financial liabilities" respectively in the Balance sheet;

b) Interest expenses on the lease liability and depreciation charge for the right-to-use asset have been included within the line items "Finance costs" and "Depreciation, amortization and impairment" respectively in the statement of profit or loss;

c) Short-term lease payments and payments for leases of low-value assets, where exemption as permitted under this standard is availed, have been recognized as expense on a straight line basis over the lease term in the statement of profit or loss.

d) Cash payments for the principal of the lease liability have been presented within "financing activities" in the statement of cash flows;

The disclosures pertaining to Ind AS 116 are set out under note no. 35.

2.18 Corporate Social Responsibility (CSR) expenses

The Corporate Social Responsibility Committee ('CSR Committee' Board level) is responsible to formulate and recommend to the Board the CSR Policy indicating the activities falling within the purview of Schedule VII to the Companies Act, 2013, to be undertaken by the Company, to recommend the amount to be spent on CSR activities and to monitor the CSR Policy periodically.

Funding and Allocation:

For achieving the CSR objectives through implementation of meaningful and sustainable CSR Projects, the CSR Committee allocates for its Annual CSR Budget, 2% of the average net profits of the Company made during the three immediately preceding financial years, calculated in accordance with the relevant Sections of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014.

The Company may spend upto 5% of the total CSR expenditure in one financial year on building CSR capabilities. The Company may also make contributions to its Corporate Foundations/Trusts i.e. K. C. Mahindra Education Trust and Mahindra Foundation, towards its corpus for projects approved by the Board. The CSR Committee will approve the CSR budget annually.

Any unspent amount at the end of the financial year shall be treated as per the provisions of the existing CSR Law. Any surplus arising out of the CSR Projects or Programs or activities shall not form part of the business profit of the Company.

The Company has identified CSR Thrust Areas for undertaking CSR Projects/ programs/activities in India. The actual distribution of the expenditure among these thrust areas will depend upon the local needs as may be determined by the need identification studies or discussions with local Government/Grampanchayat/NGOs. The Company shall give preference to the local area and areas around which the Company operates for CSR spending. Thrust areas include health, education, environment and other activities.

The amount spent or contribution / donations made towards CSR activities is charged to Corporate Social Responsibility (CSR) expenses respectively, in the Statement of Profit and Loss (Refer note 30).

2.19 Earnings Per Share:

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the Company's earnings per share is the net profit for the period after deducting preference dividends and any attributable tax thereto for the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, sub-division of shares etc. that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders is divided by the weighted average number of equity shares outstanding during the period, considered for deriving basic earnings per share and weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Diluted earnings per share reflects the potential dilution that could occur if securities or other contracts to issue equity shares were exercised or converted during the year.

2.20 New standards or amendments to the existing standards and other pronouncements:

Recent pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On 23 March 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from 1 April 2022, as below:

Ind AS 103 – Reference to Conceptual Framework

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 16 – Proceeds before intended use

The amendments mainly prohibit an entity from deducting from the cost of Property, Plant and Equipments amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Company does not expect the amendments to have any significant impact in its recognition of its property, plant and equipment in its financial statements.

Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract

The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 109 – Annual Improvements to Ind AS (2021)

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 106 – Annual Improvements to Ind AS (2021)

The amendments remove the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives were described in that illustration. The Company does not expect the amendment to have any significant impact in its financial statements.

(Rs. in Lakhs)

Notes to the Financial Statements for the year ended 31 March 2022

3 Cash and cash equivalents

	31 March 2022	31 March 2021
Cash on hand	**1,313.36**	1,196.84
Balances with banks in current accounts	**2,006.03**	2,161.88
Term deposits with original maturity up to 3 months	**39,049.66**	18,454.93
Total	**42,369.05**	21,813.65

4 Loans

		31 March 2022	31 March 2021
A)	**Loans (at amortised cost):**		
	i) Loans against assets	**760,212.46**	764,604.31
	ii) Other loans and advances	**132.83**	66.43
	Total (A) - Gross	**760,345.29**	764,670.74
	Less: Impairment loss allowance	**(57,460.95)**	(51,860.24)
	Total (A) - Net	**702,884.34**	712,810.50
B)	i) Secured by tangible assets (hypothecation on land and/or building)	**758,202.55**	761,339.58
	ii) Unsecured	**2,142.74**	3,331.16
	Total (B) - Gross	**760,345.29**	764,670.74
	Less: Impairment loss allowance	**(57,460.95)**	(51,860.24)
	Total (B) - Net	**702,884.34**	712,810.50
C)	**I) Loans in India**		
	i) Public Sector	**–**	–
	ii) Others	**760,345.29**	764,670.74
	Total (C) - Gross	**760,345.29**	764,670.74
	Less: Impairment loss allowance	**(57,460.95)**	(51,860.24)
	Total (C) (I) - Net	**702,884.34**	712,810.50
	II) Loans outside India	**–**	–
	Less: Impairment loss allowance	**–**	–
	Total (C) (II) - Net	**–**	–
	Total C (I) and C (II)	**702,884.34**	712,810.50

5 Investments

		31 March 2022	31 March 2021
A)	**At Fair Value**		
	Through Profit or Loss		
	Units of mutual funds	**53,604.25**	81,328.67
	Total (Gross)	**53,604.25**	81,328.67
	Less: Impairment loss allowance	**–**	–
	Total (Net) - A	**53,604.25**	81,328.67
B)	**At Fair Value**		
	Through Other Comprehensive Income		
	Government securities*	**8,357.09**	–
	Total (Gross)	**8,357.09**	–
	Less: Impairment loss allowance	**–**	–
	Total (Net) - B	**8,357.09**	–
	Investments in India	**61,961.34**	81,328.67
	Investments outside India	**–**	–
	Total (Net)	**61,961.34**	81,328.67

* The company has not recognised any provision under Expected Credit Loss on Investments made in Government Securities being risk free.

6 Other financial assets

	31 March 2022	31 March 2021
Security deposits for office premises / others	**490.08**	376.17
Insurance claims receivable	**19.35**	18.11
Interest accrued on Term Deposit	**684.07**	223.38
Total	**1,193.50**	617.66

7 Deferred tax assets

	31 March 2022	31 March 2021
Tax effect of items constituting deferred tax liabilities:		
FVTPL financials assets	**257.55**	239.78
FVTOCI financial assets (G-Sec)	**(21.70)**	–
Total (A)	**235.85**	239.78
Tax effect of items constituting deferred tax assets:		
Provision for employee benefits	**416.11**	343.35
Allowance for Expected Credit Loss (ECL)	**9,004.79**	5,675.24
Effective Interest Rate (EIR) - financial instruments	**2,056.92**	2,335.25
Depreciation on property, plant and equipment	**354.73**	345.42
Leases	**116.51**	85.96
Other provisions	**87.68**	48.92
Total (B)	**12,036.74**	8,834.14
Total (A+B)	**11,800.89**	8,594.36

(Rs. in Lakhs)

Notes to the Financial Statements for the year ended 31 March 2022

8 Property, plant and equipments

Particulars	Buildings*	Computers	Furniture and fixtures	Vehicles	Office equipments	Right-of-use assets (Leasehold Premises)	Total
GROSS CARRYING AMOUNT							
Balance as at 1 April 2020	23.12	1,787.91	941.65	1,453.61	1,768.95	3,798.86	9,774.10
Additions during the year	–	162.35	61.92	33.95	174.24	408.28	840.74
Disposals / deductions during the year	–	99.81	42.09	94.12	282.74	–	518.76
Balance as at 31 March 2021	**23.12**	**1,850.45**	**961.48**	**1,393.44**	**1,660.45**	**4,207.14**	**10,096.08**
Balance as at 1 April 2021	23.12	1,850.45	961.48	1,393.44	1,660.45	4,207.14	10,096.08
Additions during the year	–	394.42	64.25	375.41	162.34	997.56	1,993.98
Disposals / deductions during the year	–	154.45	17.41	142.79	421.42	–	736.07
Balance as at 31 March 2022	**23.12**	**2,090.42**	**1,008.32**	**1,626.06**	**1,401.37**	**5,204.70**	**11,353.99**
ACCUMULATED DEPRECIATION							
Balance as at 1 April 2020	1.67	1,380.24	563.40	584.05	1,289.75	660.64	4,479.75
Additions during the year	0.39	302.20	86.76	235.42	275.15	632.68	1,532.60
Disposals / deductions during the year	–	99.08	34.54	66.29	269.74	–	469.65
Balance as at 31 March 2021	**2.06**	**1,583.36**	**615.62**	**753.18**	**1,295.16**	**1,293.32**	**5,542.70**
Balance as at 1 April 2021	2.06	1,583.36	615.62	753.18	1,295.16	1,293.31	5,542.69
Additions during the year	0.38	213.09	89.59	245.65	203.53	738.89	1,491.13
Disposals / deductions during the year	–	154.43	15.40	123.66	415.78	–	709.27
Balance as at 31 March 2022	**2.44**	**1,642.02**	**689.81**	**875.17**	**1,082.91**	**2,032.20**	**6,324.55**
NET CARRYING AMOUNT							
As at 31 March 2021	**21.06**	**267.09**	**345.86**	**640.26**	**365.29**	**2,913.82**	**4,553.38**
As at 31 March 2022	**20.68**	**448.40**	**318.51**	**750.89**	**318.46**	**3,172.50**	**5,029.44**

*** Secured non convertible debentures (NCDs) have pari passu charges on buildings whose carrying amount is Rs. 21.06 Lakhs (31 March 2021 - Rs. 21.45 Lakhs)**

9 Other intangible assets

Particulars	Computer software
GROSS CARRYING AMOUNT	
Balance as at 01 April 2020	207.44
Additions during the year	58.04
Disposals / deductions during the year	–
Balance as at 31 March 2021	**265.48**
Balance as at 01 April 2021	265.48
Additions during the year	–
Disposals / deductions during the year	–
Balance as at 31 March 2022	**265.48**
ACCUMULATED DEPRECIATION	
Balance as at 01 April 2020	159.94
Additions during the year	63.62
Disposals / deductions during the year	–
Balance as at 31 March 2021	**223.56**

Particulars	Computer software
Balance as at 01 April 2021	223.56
Additions during the year	19.35
Disposals / deductions during the year	–
Balance as at 31 March 2022	**242.91**
NET CARRYING AMOUNT	
As at 31 March 2021	**41.92**
As at 31 March 2022	**22.57**

10 Other non-financial assets

	31 March 2022	31 March 2021
Capital advances	**211.37**	18.62
Prepaid expenses	**1,568.20**	929.24
Other advances	**856.34**	3,385.13
Total	**2,635.91**	4,332.99

(Rs. in Lakhs)

Notes to the Financial Statements for the year ended 31 March 2022

11 Payables

		31 March 2022	31 March 2021
I)	**Trade payables**		
	i) total outstanding dues of micro enterprises and small enterprises	**21.28**	1.45
	ii) total outstanding dues of creditors other than micro enterprises and small enterprises	**7,505.96**	8,367.15
II)	**Other payables**		
	i) total outstanding dues of micro enterprises and small enterprises	**–**	–
	ii) total outstanding dues of creditors other than micro enterprises and small enterprises	**22.28**	22.89
TOTAL		**7,549.52**	8,391.49

Micro, Small and Medium Enterprises:

Based on and to the extent of the information received by the Company from the suppliers during the period regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act), the total outstanding dues of Micro and Small enterprises, which are outstanding for more than the stipulated period and other disclosures as per the Micro, Small and Medium Enterprises Development Act, 2006 (hereinafter referred to as "the MSMED Act") are given below :

		31 March 2022	31 March 2021
a)	Dues remaining unpaid to any supplier at the year end		
	– Principal	**21.28**	1.45
	– Interest on the above	**–**	–
b)	Interest paid in terms of Section 16 of the MSMED Act along with the amount of payment made to the supplier beyond the appointed day during the year		
	– Principal paid beyond the appointed date	**169.18**	187.88
	– Interest paid in terms of Section 16 of the MSMED Act	**1.86**	1.49
c)	Amount of interest due and payable for the period of delay on payments made beyond the appointed day during the year	**–**	–
d)	Amount of interest accrued and remaining unpaid	**–**	–
e)	Further interest due and payable even in the succeeding years, until such date when the interest due as above are actually paid to the small enterprises	**–**	–

Ageing for trade payables outstanding as at 31 March 2022 is as follows:

	Outstanding for following periods from due date of payment				
	Less than 1 year	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
(i) MSME *	**21.28**	**–**	**–**	**–**	**21.28**
(ii) Others	**7,358.76**	**131.24**	**9.23**	**6.73**	**7,505.96**
(iii) Disputed dues – MSME	**–**	**–**	**–**	**–**	**–**
(iv) Disputed dues – Others	**–**	**–**	**–**	**–**	**–**

Ageing for trade payables outstanding as at 31 March 2021 is as follows:

	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME *	1.45	–			1.45
(ii) Others	8,260.75	33.73	31.87	40.80	8,367.15
(iii) Disputed dues – MSME	–	–	–	–	–
(iv) Disputed dues – Others	–	–	–	–	–

*As per MSMED Act, 2006.

12 Debt Securities

	31 March 2022	31 March 2021
At Amortised cost		
i) Bonds / Debentures (Secured)		
– Non-convertible debentures	**131,755.50**	205,389.16
ii) Bonds / Debentures (Unsecured)		
– Non-convertible debentures	**202,689.70**	78,258.56
Total	**334,445.20**	283,647.72
Debt securities in India	**334,445.20**	283,647.72
Debt securities outside India	**–**	–
Total	**334,445.20**	283,647.72

(Rs. in Lakhs)

Notes to the Financial Statements for the year ended 31 March 2022

There are no debt securities measured at FVTPL or designated at FVTPL

Details of Bonds / Debentures (Secured) - Non-convertible debentures# :

From the Balance Sheet date	**As at 31 March 2022**		As at 31 March 2021	
	Interest rate range	**Amount**	Interest rate range	Amount
Repayable on maturity:				
Maturing within 1 year	**6.90%-8.25%**	**37,000.00**	8.10%-9.75%	84,800.00
Maturing between 1 year to 3 years	**7.15%-9.25%**	**69,500.00**	6.90%-9.25%	106,500.00
Maturing between 3 years to 5 years	**7.75%-8.30%**	**11,000.00**	7.75%	10,000.00
Maturing beyond 5 years	**7.90%-9.18%**	**14,510.00**	8.30%-9.18%	4,510.00
Total at face value		**132,010.00**		205,810.00
Less: Unamortised finance cost		**254.50**		420.84
Total amortised cost		**131,755.50**		205,389.16

Secured by pari passu charges on the property of the Company located at Chinchwad, Pune in the State of Maharashtra and/ or exclusive charge on book debt and receivables under loan contracts and/ or owned assets to the extent of 100% of outstanding secured debentures.

The rates mentioned above are the applicable rates as at the year end. These includes floating rate loans which are based on Marginal Cost of fund based Lending Rate (MCLR) & external benchmark based spreads.

The funds raised by the Company during the period by issue of Secured Non Convertible Debentures/Bonds were utilised for the purpose intended i.e. towards lending, financing, to refinance the existing indebtedness of the Company or for long-term working capital or General Corporate purposes of the Company in compliance with applicable laws.

Details of Bonds / Debentures (Unsecured) - Non-convertible debentures:

From the Balance Sheet date	**As at 31 March 2022**		As at 31 March 2021	
	Interest rate range	**Amount**	Interest rate range	Amount
Repayable on maturity:				
Maturing within 1 year	**6.85%-7.35%**	**38,500.00**	–	–-
Maturing between 1 year to 3 years	**5.61%-7.55%**	**165,000.00**	6.85%-7.55%	78,500.00
Total at face value		**203,500.00**		78,500.00
Less: Unamortised discounting charges		**810.30**		241.44
Total amortised cost		**202,689.70**		78,258.56

The rates mentioned above are the applicable rates as at the year end. These includes floating rate loans which are based on Marginal Cost of fund based Lending Rate (MCLR) & external benchmark based spreads.

The funds raised by the Company during the period by issue of Unsecured Non Convertible Debentures/Bonds were utilised for the purpose intended i.e. towards lending, financing, to refinance the existing indebtedness of the Company or for long-term working capital or General Corporate purposes of the Company in compliance with applicable laws.

(Rs. in Lakhs)

Notes to the Financial Statements for the year ended 31 March 2022

13 Borrowings (Other than Debt Securities)

	31 March 2022	31 March 2021
At Amortised cost		
i) Term loans		
Secured -		
– from banks	**231,251.58**	277,894.80
– from other parties (National Housing Bank)	**17,525.19**	23,925.19
ii) Loans from related parties		
Unsecured -		
– Inter-corporate deposits (ICDs)	**34,700.00**	63,740.00
Total	**283,476.77**	365,559.99
Borrowings in India	**283,476.77**	365,559.99
Borrowings outside India	**–**	–
Total	**283,476.77**	365,559.99

There are no borrowings measured at FVTPL or designated at FVTPL

Details of term loans from banks (Secured)

From the Balance Sheet date	As at 31 March 2022		As at 31 March 2021	
	Interest rate range	**Amount**	Interest rate range	Amount
1) Repayable on maturity:				
Maturing within 1 year	**5.05%-7.9%**	**31,000.00**	5.40%-8.20%	46,500.00
Maturing between 1 year to 3 years	**7.55%**	**20,000.00**	7.60%-9.50%	65,000.00
Maturing between 3 years to 5 years	**7.05%**	**15,000.00**	–	–
Total		**66,000.00**		111,500.00
2) Repayable in installments:				
i) Quarterly -				
Maturing within 1 year	**5.86%-8.10%**	**18,120.03**	5.60%-8.50%	25,972.22
Maturing between 1 year to 3 years	**5.86%-6.95%**	**20,892.86**	5.60%-8.50%	22,048.61
Maturing between 3 years to 5 years	**6.30%-6.90%**	**9,642.86**	5.60%-6.90%	3,750.00
Maturing beyond 5 years	**6.30%-6.86%**	**5,357.14**	–	–
Sub total		**54,012.89**		51,770.83
ii) Half yearly -				
Maturing within 1 year	**7.35%**	**5,000.00**	7.50%	10,000.00
Maturing between 1 year to 3 years	**–**	**–**	7.50%	5,000.00
Maturing between 3 years to 5 years	**7.20%**	**30,000.00**	–	–
Sub total		**35,000.00**		15,000.00
iii) Yearly -				
Maturing within 1 year	**7.15%-9.05%**	**17,250.00**	7.35%-9.50%	24,100.00
Maturing between 1 year to 3 years	**7.00%-9.05%**	**42,625.00**	7.35%-9.50%	56,300.00
Maturing between 3 years to 5 years	**7.00%-7.35%**	**16,375.00**	7.55%-7.70%	19,250.00
Sub total		**76,250.00**		99,650.00
Total		**165,262.89**		166,420.83
Total (1+2) (As per contractual terms)		**231,262.89**		277,920.83
Less: Unamortized finance cost		**11.31**		26.03
Total amortized cost		**231,251.58**		277,894.80

Secured by an exclusive charge on book debt and receivables under loan contracts to the minimum of 100% of outstanding secured loans plus applicable margin.

The rates mentioned above are the applicable rates as at the period end. These includes floating rate loans which are based on Marginal Cost of fund based Lending Rate (MCLR) & external benchmark based spreads.

(Rs. in Lakhs)

Notes to the Financial Statements for the year ended 31 March 2022

Details of Secured term loans from other parties (National Housing Bank)

From the Balance Sheet date	**As at 31 March 2022**		As at 31 March 2021	
	Interest rate range	**Amount**	Interest rate range	Amount
Repayable on Installments:				
Maturing within 1 year	**7.40%**	**4,800.00**	8.00%	4,800.00
Maturing between 1 year to 3 years	**7.40%**	**12,725.19**	8.00%	12,800.00
Maturing between 3 years to 5 years		**–**	8.00%	6,325.19
Total		**17,525.19**		23,925.19
Less: Unamortized finance cost		**–**		–
Total amortized cost		**17,525.19**		23,925.19

Secured by exclusive charge on receivables under loan contracts and book debts to the minimum of 100% of outstanding secured loans plus applicable margin. These are floating rate loans which are based on National Housing Bank's internal assessment norms.

Details of Inter-corporate deposits (ICDs) (Unsecured):

From the Balance Sheet date	**As at 31 March 2022**		As at 31 March 2021	
	Interest rate range	**Amount**	Interest rate range	Amount
Repayable on maturity:				
Maturing within 1 year	**6.25%-8.95%**	**16,575.00**	6.25%-8.55%	41,265.00
Maturing between 1 year to 3 years	**6.50%-7.00%**	**18,125.00**	6.25%-8.95%	22,475.00
Total		**34,700.00**		63,740.00
Less: unamortized finance cost		**–**		–
Total amortized cost		**34,700.00**		63,740.00

The rates mentioned above are the applicable rates as at the year end.

14 Subordinated liabilities

	31 March 2022	31 March 2021
At Amortised cost		
Unsecured Subordinated redeemable non-convertible debentures	**46,028.50**	46,009.47
Total	**46,028.50**	46,009.47
Subordinated liabilities in India	**46,028.50**	46,009.47
Subordinated liabilities outside India	**–**	–
Total	**46,028.50**	46,009.47

There are no subordinated liabilities measured at FVTPL or designated at FVTPL

Details of Subordinated liabilities (at Amortised cost) - Unsecured Subordinated redeemable non-convertible debentures#:

From the Balance Sheet date	**As at 31 March 2022**		As at 31 March 2021	
	Interest rate range	**Amount**	Interest rate range	Amount
A) Issued on private placement basis				
Repayable on maturity:				
Maturing between 1 year to 3 years	**8.40%**	**1,000.00**	–	–
Maturing between 3 years to 5 years	**8.40%-9.50%**	**18,200.00**	8.40%-9.50%	7,000.00
Maturing beyond 5 years	**7.90%-9.40%**	**27,000.00**	7.90%-9.40%	39,200.00
Sub-total at face value		**46,200.00**		46,200.00
Less: Unamortised finance cost		**171.50**		190.53
Total amortised cost		**46,028.50**		46,009.47

The funds raised by the Company by issue of Unsecured Subordinated reedemable Non Convertible Debentures/Bonds were utilised for the purpose intended i.e. towards lending, financing, to refinance the existing indebtedness of the Company or for long-term working capital or General Corporate purposes of the Company, in compliance with applicable laws.

(Rs. in Lakhs)

Notes to the Financial Statements for the year ended 31 March 2022

15 Other financial liabilities

	31 March 2022	31 March 2021
Interest accrued but not due on borrowings	**18,368.57**	26,757.30
Credit balances in current accounts with banks as per books	**2,811.65**	1.77
Insurance premium payable (on behalf of borrowers)	**1,458.66**	1,393.73
Salary, bonus and performance pay payable	**3,871.20**	3,837.36
Provision for expenses	**751.03**	411.96
Lease liabilities	**3,635.43**	3,255.36
Other liabilities	**20.33**	82.30
Total	**30,916.87**	35,739.78

16 Provisions

	31 March 2022	31 March 2021
Provision for employee benefits		
– Gratuity	**188.62**	–
– Leave encashment	**1,097.68**	994.81
Provision for loan commitment	**349.49**	487.36
Total	**1,635.79**	1,482.17

17 Other non-financial liabilities

	31 March 2022	31 March 2021
Statutory dues payable	**618.97**	507.75
Total	**618.97**	507.75

18 (i) Equity Share capital

	31 March 2022	31 March 2021
Authorised capital:		
150,000,000 (31 March 2021 : 150,000,000) Equity shares of Rs.10/- each	**15,000.00**	15,000.00
	15,000.00	15,000.00
Issued capital:		
122,887,870 (31 March 2021 : 122,887,870) Equity shares of Rs.10/- each	**12,288.79**	12,288.79
Subscribed and paid-up capital:		
122,887,870 (31 March 2021: 122,887,870) Equity shares of Rs.10/- each fully paid up	**12,288.79**	12,288.79
Less: Shares issued to ESOS Trust but not allotted to employees	**101.91**	122.60
Total	**12,186.88**	12,166.19

		31 March 2022		31 March 2021	
		No. of shares	**Rs. in lakhs**	No. of shares	Rs. in lakhs
a)	**Reconciliation of number of equity shares:**				
	Balance at the beginning of the year	**122,887,870**	**12,288.79**	122,887,870	12,288.79
	Add: Fresh allotment of shares:				
	Issue of Shares	**–**	**–**	–	–
	Shares issued under Employees' Stock Option Scheme	**–**	**–**	–	–
	Less: Shares issued to ESOS Trust but not allotted to employees	**(1,019,075)**	**(101.91)**	(1,225,967)	(122.60)
	Balance at the end of the year	**121,868,795**	**12,186.88**	121,661,903	12,166.19
b)	**Number of equity shares held by holding company or ultimate holding company including shares held by its subsidiaries / associates:**				
	Holding Company: Mahindra & Mahindra Financial Services Limited	**120,952,678**	**12,095.27**	120,952,678	12,095.27
	(including 12 shares held jointly with nominees)				
	Percentage of holding (%)	**98.43%**	**98.43%**	98.43%	98.43%
c)	**Shareholders holding more than 5 percent shares:**				
	Mahindra & Mahindra Financial Services Limited	**120,952,678**	**12,095.27**	120,952,678	12,095.27
	Percentage of holding (%)	**98.43%**	**98.43%**	98.43%	98.43%

d) Terms / rights attached to equity shares:

The Company has only one class of equity shares having a par value of Rs. 10/- per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the board of directors and approved by the shareholders in the annual general meeting is paid in Indian rupees. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(Rs. in Lakhs)

Notes to the Financial Statements for the year ended 31 March 2022

18 (ii) Disclosure of shareholding of promoters

Disclosure of shareholding of promoters as at 31 March 2022 is as follows

	Shares held by promoter				
	As at 31 March 2022		As at 31 March 2021		
Promoter name	**No of shares**	**% of total shares**	No of shares	% of total shares	% Change during the year
Mahindra & Mahindra Financial Services Limited (including 12 shares held jointly with nominees)	**120,952,678**	**98.43%**	120,952,678	98.43%	–
Total	**120,952,678**	**98.43%**	120,952,678	98.43%	–

Disclosure of shareholding of promoters as at 31 March 2021 is as follows

	Shares held by promoter				
	As at 31 March 2021		As at 31 March 2020		
Promoter name	No of shares	% of total shares	No of shares	% of total shares	% Change during the year
Mahindra & Mahindra Financial Services Limited (including 12 shares held jointly with nominees)	120,952,678	98.43%	120,952,678	98.43%	–
Total	120,952,678	98.43%	120,952,678	98.43%	–

19 Other Equity

Description of the nature and purpose of Other Equity:

Statutory reserve

As per Section 29C of the National Housing Bank Act, 1987, the Company is required to transfer at least 20% of its net profits every year to a reserve before any dividend is declared. The Company transfers an amount to Special Reserve at year end. The Company does not anticipate any withdrawal from Special Reserve in the foreseeable future.

Securities premium

Securities premium is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

General reserve

General reserve is created through annual transfer of profits at a specified percentage in accordance with applicable regulations under the erstwhile Companies Act, 1956. The purpose of these transfers was to ensure that if a dividend distribution in a given year is more than 10% of the paid up capital of the Company for that year, then the total dividend distribution is less than the total distributable profits for that year. Consequent to introduction of the Companies Act, 2013, the requirement to mandatorily transfer specified percentage of net profits to General reserve has been withdrawn. However, the amount previously transferred to the General reserve can be utilised only in accordance with the specific requirements of the Companies Act, 2013.

Employee stock options outstanding

The Employee Stock Options outstanding represents amount of reserve created by recognition of compensation cost at grant date fair value on stock options vested but not exercised by employees.

Retained earnings

Retained earnings or accumulated surplus represents total of all profits retained since Company's inception. Retained earnings are credited with current year profits, reduced by losses, if any, dividend payouts, transfers to General reserve or any such other appropriations to specific reserves.

20 Interest income

	31 March 2022	31 March 2021
(A) On financial assets measured at amortised cost		
Interest on loans	**132,357.67**	141,036.74
Other interest income	**1.51**	0.50
(B) Interest income from investments		
Interest income from investments	**239.66**	–
(C) Interest on deposits with banks		
Interest on deposits with banks	**1,870.19**	2,370.37
Total (A+B+C)	**134,469.03**	143,407.61

21 Fees and commission income

	31 March 2022	31 March 2021
Service charges and other fees on loan transactions	**248.70**	485.80
Total	**248.70**	485.80

22 Net gain / (loss) on fair value changes

	31 March 2022	31 March 2021
Net gain / (loss) on financial instruments at FVTPL		
– Mutual fund units	**67.46**	950.65
Total	**67.46**	950.65

(Rs. in Lakhs)

Notes to the Financial Statements for the year ended 31 March 2022

23 Net gain / (loss) on derecognised financial instruments

	31 March 2022	31 March 2021
Net gain on sale of investments (net)	**2,909.24**	585.56
Total	**2,909.24**	585.56

24 Other income

	31 March 2022	31 March 2021
Net gain on derecognition of property, plant and equipment	**6.41**	–
Others	**48.10**	37.21
Total	**54.51**	37.21

25 Finance costs

	31 March 2022	31 March 2021
On financial liabilities measured at amortised cost		
Interest on borrowings	**22,786.92**	34,450.03
Interest on debt securities	**24,189.49**	21,334.94
Interest on subordinated liabilities	**4,100.32**	3,812.52
Interest on lease liability	**296.27**	271.70
Other borrowing costs	**435.48**	395.59
Total	**51,808.48**	60,264.78

26 Fees and commission expense

	31 March 2022	31 March 2021
Fees, commission / brokerage	**363.48**	197.28
Total	**363.48**	197.28

27 Impairment on financial instruments

	31 March 2022	31 March 2021
On financial instruments measured at amortised cost		
Loans	**5,600.71**	(5,521.11)
Bad debts / Loss on termination	**26,421.62**	31,615.20
Loan commitment	**(137.86)**	107.93
Total	**31,884.47**	26,202.02

28 Employee benefits expenses

	31 March 2022	31 March 2021
Salaries and wages	**28,316.24**	24,063.85
Contribution to provident and other funds	**2,535.53**	1,873.26
Share based payments to employees	**456.26**	249.05
Staff welfare expenses	**823.30**	156.53
Total	**32,131.33**	26,342.69

29 Depreciation, amortization and impairment

	31 March 2022	31 March 2021
Depreciation on property, plant and equipment	**752.24**	899.92
Amortization of intangible assets	**19.35**	63.62
Amortization on right of use assets	**738.89**	632.68
Total	**1,510.48**	1,596.22

30 Other expenses

	31 March 2022	31 March 2021
Rent	**120.56**	56.38
Rates and taxes, excluding taxes on income	**79.24**	69.95
Electricity charges	**178.63**	144.96
Repairs and maintenance	**178.59**	137.66
Communication costs	**583.75**	494.77
Printing and stationery	**353.92**	203.52
Travelling and conveyance expenses	**3,358.78**	2,679.46
Advertisement and publicity	**72.22**	113.79
Administration support charges	**529.81**	725.87
Directors' fees, allowances and expenses	**45.83**	42.13
Auditor's fees and expenses -		
- Audit fees	**28.43**	30.76
- Taxation matters	**2.68**	1.64
- Other services	**14.06**	17.55
- Reimbursement of expenses	**2.08**	1.43
Legal and professional charges	**2,205.21**	1,445.40
Insurance	**1,095.90**	917.92
Manpower outsourcing cost	**3,612.79**	2,314.18
Net loss on derecognition of property, plant and equipment	–	9.59
Donations	**0.25**	–
Corporate Social Responsibility (CSR) expenditure	**657.05**	756.25
Other expenditure	**1,158.91**	1,169.92
Total	**14,278.69**	11,333.13

31 Earning Per Share

	31 March 2022	31 March 2021
Profit/(loss) for the year attributable to equity shareholders (Rupees in lakhs)	**4,773.27**	15,100.59
Weighted average number of equity shares used in computing basic EPS	**121,731,095**	121,463,073
Effect of potential dilutive equity shares	**601,411**	852,229
Weighted average number of equity shares used in computing diluted EPS	**122,332,506**	122,315,302
Basic earnings per share (Rs.) (Face value of Rs. 10/- per share)	**3.92**	12.43
Diluted earnings per share (Rs.)	**3.90**	12.35

(Rs. in Lakhs)

Notes to the Financial Statements for the year ended 31 March 2022

32 Employee Stock Option Scheme:

The Company has used fair value method to account for the compensation cost of stock options. Fair value of options is based on the valuation of the independent valuer using the Black -Scholes model.

Description of ESOP Scheme:

Particulars	ESOP
Vesting requirements	Stock Options due for vesting on each vesting date shall vest on the basis of time i.e. mere continuance of employment as on relevant date of vesting
Vesting Conditions	25% on expiry of 12 months from the date of grant
	25% on expiry of 24 months from the date of grant
	25% on expiry of 36 months from the date of grant
	25% on expiry of 48 months from the date of grant
Method of Settlement	Equity settled

The Fair value of options, based on the valuation of the independent valuer as on the date of grant are:

	31 March 2022			31 March 2021		
Vesting Date	**No of years vesting**	**Fair Value (Rs.) per share**	**Exercise Price (Rs.)**	No of years vesting	Fair Value (Rs.) per share	Exercise Price (Rs.)
Grant Dated 21 October 2021	**4 Years**	**150.52**	**10.00**	–	–	–
Grant Dated 18 January 2021	**–**	**–**	**–**	4 Years	176.31	10.00

The Key assumptions used in Black-Scholes model for calculating fair value as on the date of grant are:

Variables#		31 March 2022	31 March 2021
1)	Risk free interest rate	**4.15%**	3.55%
2)	Expected life	**4 Years**	4 Years
3)	Expected volatility	**45.50%**	44.68%
4)	Price of the underlying share at the time of option grant (Rs.)	**159.00**	185.00

the value mentioned against each of the variables are based on the weighted average percentage of vesting.

Number and weighted average exercise price of options

		31 March 2022		31 March 2021	
Sr. No	**Particulars**	**Number of options**	**Weighted Average Exercise Price**	Number of options	Weighted Average Exercise Price
1	Outstanding at the beginning of the year	**1,457,728**	**52.84**	1,596,158	57.00
2	Granted during the year	**943,708**	**10.00**	155,891	10.00
3	Forfeited / Lapsed during the year	**208,737**	**34.07**	74,839	30.75
4	Exercised during the year	**206,892**	**54.52**	219,482	61.69
5	Outstanding at the end of the year	**1,985,807**	**34.28**	1,457,728	52.84
6	Exercisable at the end of the year	**907,931**	**63.34**	690,032	63.91

Range of exercise price and weighted average remaining contractual life of outstanding options:

	31 March 2022			31 March 2021		
Grant date	**Number of Options Outstanding**	**Weighted Average Remaining Contractual Life (in years)**	**Weighted Average Exercise Price (Rs.)**	Number of Options Outstanding	Weighted Average Remaining Contractual Life (in years)	Weighted Average Exercise Price (Rs.)
07-Oct-17	**633,153**	**1.92**	**67.00**	849,887	2.69	67.00
08-Dec-17	**128,557**	**1.69**	**67.00**	128,557	2.69	67.00
16-Jan-18	**84,250**	**1.85**	**67.00**	117,250	2.56	67.00
16-Oct-19	**139,107**	**3.42**	**10.00**	209,105	4.19	10.00
18-Jan-21	**98,197**	**4.46**	**10.00**	152,929	5.30	10.00
21-Oct-21	**902,543**	**5.06**	**10.00**	–	–	–

(Rs. in Lakhs)

Notes to the Financial Statements for the year ended 31 March 2022

33 Employee Benefits

General description of defined benefit plans:

Gratuity

The Company provides for gratuity, a defined benefit retirement plan covering qualifying employees. The plan provides for lump sum payments to employees upon death while in employment or on separation from employment after serving for the stipulated period mentioned under The Payment of Gratuity Act, 1972. The Company makes annual contribution to the gratuity scheme adminstered by the Life Insurance Corporation of India through its gratuity fund.

Post retirement medical cover

The Company provides for post retirement medical cover to select grade of employees to cover the retiring employee and their spouse upto a specified age through mediclaim policy on which the premiums are paid by the Company. The eligibility of the employee for the benefit as well as the amount of medical cover purchased is determined by the grade of the employee at the time of retirement.

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

Asset volatility -

The plan liabilities are calculated using a discount rate set with references to government bond yields; if plan assets underperform compared to this yield, this will create or increase a deficit. The defined benefit plans may hold equity type assets, which may carry volatility and associated risk.

Change in bond yields -

A decrease in government bond yields will increase plan liabilities, although this is expected to be partially offset by an increase in the value of the plan's investment in debt instruments.

Variability in withdrawal rates -

If actual withdrawal rates are higher than assumed withdrawal rate assumption then the gratuity benefits will be paid earlier than expected. The impact of this will depend on whether the benefits are vested as at the resignation date.

Regulatory Risk -

Gratuity Benefit must comply with the requirements of the Payment of Gratuity Act, 1972 (as amended up-to-date). There is a risk of change in the regulations requiring higher gratuity payments (e.g. raising the present ceiling of Rs. 20.00 Lakhs, raising accrual rate from 15/26 etc.).

Inflation risk -

The present value of some of the defined benefit plan obligations are calculated with reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability. The post retirement medical benefit obligation is sensitive to medical inflation and accordingly, an increase in medical inflation rate would increase the plan's liability.

Life expectancy -

The present value of defined benefit plan obligation is calculated by reference to the best estimate of the mortality of plan participants, both during and after the employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

If actual mortality rates are higher than assumed mortality rate assumption than the gratuity benefits will be paid earlier than expected. Since there is no condition of vesting on the death benefit, the acceleration of cashflow will lead to an actuarial loss or gain depending on the relative values of the assumed salary growth and discount rate.

Defined benefit plans:

		Funded Plan Gratuity	
	Particulars	**31 March 2022**	31 March 2021
I	**Amount recognised in the Statement of Profit and Loss for the year ended:**		
1	Current service cost	**146.29**	137.53
2	Interest cost on benefit obligation (Net)	**(2.54)**	16.94
3	Past service cost	**–**	(284.11)
4	Adjustment due to opening balance	**(1.88)**	(6.64)
5	**Total expenses included in employee benefits expense**	**141.87**	(136.28)
II	**Amount recognised in Other Comprehensive income for the year**		
1	Actuarial (gains)/losses arising from changes in demographic assumption	**(27.21)**	29.17
2	Actuarial (gains)/losses arising from changes in financial assumption	**(22.27)**	4.38
3	Actuarial (gains)/losses arising from changes in experience adjustment	**185.30**	(1.83)
4	Return on plan assets	**–**	–
	Recognised in other comprehensive income	**135.82**	31.72
III	**Change in the present value of obligation during the year**		
1	Present value of defined benefit obligation at the beginning of the year	**822.45**	937.77
2	Current service cost	**146.29**	137.53
3	Past service cost	**–**	(284.11)
4	Interest cost/income	**55.60**	63.39

(Rs. in Lakhs)

Notes to the Financial Statements for the year ended 31 March 2022

	Particulars	Funded Plan Gratuity	
		31 March 2022	31 March 2021
5	Remeasurements (gains)/ losses		
	(i) Actuarial (gains)/losses arising from changes in demographic assumption	**(27.21)**	29.17
	(ii) Actuarial (gains)/losses arising from changes in financial assumption	**(22.27)**	4.38
	(iii) Actuarial (gains)/losses arising from changes in experience adjustment	**185.30**	(1.83)
6	Benefits paid	**(141.28)**	(63.86)
7	Present value of defined benefit obligation at the end of the year	**1,018.88**	822.44
IV	**Change in fair value of plan assets during the year**		
1	Fair value of plan assets at the beginning of the year	**858.21**	680.56
2	Interest income	**–**	–
3	Contributions by employer	**53.30**	188.41
4	Benefits paid	**(141.28)**	(63.86)
5	Return on plan assets excluding interest income	**58.14**	46.46
6	Adjustment to the change in opening balance of plan assets	**1.88**	6.64
7	Fair value of plan assets at the end of the year	**830.25**	858.21
V	**Net Asset/(Liability) recognised in the Balance Sheet as at year end**		
1	Present value of defined benefit obligation	**1,018.88**	822.44
2	Fair value of plan assets	**830.25**	858.21
3	Surplus/(Deficit)	**(188.63)**	35.77
4	Current portion of the above	**(188.63)**	35.77
5	Non current portion of the above	**–**	–
VI	**Actuarial assumptions and Sensitivity**		
1	Discount rate	**7.32%**	6.76%
2	Expected rate of return on plan assets	**–**	–
3	Salary growth rate	**7.00%**	7.00%
4	Attrition rate	**46.35% for age upto 30, 42.82% for age 31-44, 26.03% for above 44**	37% for age upto 30, 32% for age 31-44, 15% for above 44
5	In-service mortality	**Indian Assured Lives Mortality (2012-14) Ultimate**	Indian Assured Lives Mortality (2012-14) Ultimate

(Rs. in Lakhs)

Notes to the Financial Statements for the year ended 31 March 2022

Quantitative sensitivity analysis for impact of significant assumptions on defined benefit obligation are as below:

Assumptions	**31 March 2022**	31 March 2021
One percentage point increase in discount rate	**(26.57)**	(29.49)
One percentage point decrease in discount rate	**27.06**	32.11
One percentage point increase in salary growth rate	**26.89**	30.74
One percentage point decrease in salary growth rate	**(26.89)**	(29.69)

Expected contribution for the next annual reporting year	**31 March 2022**	31 March 2021
Service Cost	**187.07**	171.86
Net Interest Cost	**74.58**	54.03
Expected Expense for the next annual reporting year	**261.65**	225.89

Maturity profile of defined benefit obligation

	31 March 2022	31 March 2021
Within 1 year	**667.80**	423.44
Between 1 and 5 years	**4,383.62**	2,603.93

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

The plan assets have been primarily invested in government securities and corporate bonds.

The cost of the defined benefit plans and other long term benefits are determined using actuarial valuations. Actuarial valuations involve making various assumptions that may differ from actual developments in the future. These includes the determination of the discount rate, future salary increases and mortality rate. Due to these complexity involved in the valuation it is highly sensitive to the changes in these assumptions. All assumptions are reviewed at each reporting date. The present value of the defined benefit obligation and the related current service cost and planned service cost were measured using the projected unit cost method.

During the previous year ended 31 March 2021, there was a revision in salary structure by reduction of basic pay with corresponding increase in variable pay of employees in certain grades, which resulted in reduction in valuation of defined benefit obligation on account of gains recorded in past service cost amounting to Rs. 284.11 lakhs and the same was netted against expenses recognized in Statement of Profit and Loss under the head Employee Benefits Expense for the previous year ended 31 March 2021. Accordingly, the Company had recognized a net gain of Rs. 136.28 lakhs for the year ended 31 March 2021 in the Statement of Profit and Loss under the head Employee Benefits Expense.

The Company's contribution to provident fund and superannuation fund aggregating Rs. 1,852.41 lakhs (31 March 2021 : Rs. 1,426.12 lakhs) has been recognised in the statement of profit and loss under the head employee benefits expenses.

34 Operating segments

There is no separate reportable segment as per Ind AS 108 on "Operating Segments" in respect of the Company.

The Company operates in single segment only. There are no operations outside India and hence there is no external revenue or assets which require disclosure.

No revenue from transactions with a single external customer or counterparty amounted to 10% or more of the Company's total revenue in the year ended 31 March 2022 or 31 March 2021.

35 Leases

In the cases where assets are taken on operating lease (as lessee) -

As a lessee, the Company's lease asset class primarily consist of buildings or part thereof taken on lease for office premises and certain IT equipments and general purpose office equipments used for operating activities.

In accordance with the requirements under Ind AS 116, Leases, the Company has recognized the lease liability at the present value of the future lease payments discounted at the incremental borrowing rate.

Maturity analysis – contractual undiscounted cash flows	**31 March 2022**	31 March 2021
Less than 1 year	**966.64**	799.66
1-3 years	**1,754.71**	1,471.13
3-5 years	**1,191.33**	1,231.98
More than 5 years	**645.71**	706.89
Total undiscounted lease liabilities	**4,558.39**	4,209.66

Other disclosures:

Following table summarizes other disclosures including the note references for the expense, asset and liability heads under which certain expenses, assets and liability items are grouped in the financial statements.

Particulars		**31 March 2022**	31 March 2021
i)	Depreciation charge for Right-Of-Use assets for Leasehold premises (presented under note - 29 "Depreciation, amortization and impairment")	**738.89**	632.68
ii)	Interest expense on lease liabilities (presented under note - 25 "Finance costs")	**296.27**	271.70
iii)	Expense relating to short-term leases	**–**	–
iv)	Expense relating to leases of low-value assets	**120.56**	100.16
v)	Payments for lease liability	**913.78**	775.65
vi)	Additions to right-of-use assets during the year	**997.57**	408.28
vii)	Carrying amount of right-of-use assets at the end of the reporting period by class of underlying asset -	**–**	
	– Property taken on lease for office premises (presented under note - 8 "Property, plant and equipments")	**3,172.50**	2,913.82
viii)	Lease liabilities (presented under note - 15 "Other financial liabilities")	**3,635.43**	3,255.36

Pursuant to amendments brought in by the Ministry of Corporate Affairs through the Companies (Indian Accounting Standards) Amendment Rules, 2020 vide notification dated 24 July 2020, Ind AS 116 - Leases was amended by inserting certain paragraphs (46A and 46B) related to application of practical expedient to Covid-19-Related Rent Concessions. The Company had applied the practical expedient to all such rent concessions received during the previous year ended 31 March 2021 from certain Lessors that meet the conditions specified in paragraph 46B. The amount of rent concessions recognized in the statement of profit or loss for the previous year is not material.

(Rs. in Lakhs)

Notes to the Financial Statements for the year ended 31 March 2022

36 Frauds reported during the period

There were 95 cases (31 March 2021: 95 cases) of frauds amounting to Rs. 108.19 Lakhs (31 March 2021: Rs. 255.91 Lakhs) reported during the year. The Company has recovered amount of Rs. 68.24 Lakhs (31 March 2021: Rs.266.36 Lakhs) and wherever required has initiated appropriate legal actions against the individuals involved. The claims for the un-recovered losses are lodged with the insurance companies on merit basis.

37 Contingent liabilities and commitments (to the extent not provided for)

	31 March 2022	31 March 2021
i) Claims against the Company not acknowledged as debt		
Legal suits filed by customers	**171.34**	134.36
Income Tax	**116.87**	116.87
ii) Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for	**852.45**	155.02
Other commitments :		
Amount on account of loan sanctioned but not disbursed	**43,299.41**	37,435.01
Total	**44,440.07**	37,841.26

The Company's pending litigations comprise of claims against the Company primarily by the customers and proceedings pending with Income Tax authorities. The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed the contingent liabilities where applicable, in its financial statements. The amount of provisions / contingent liabilities is based on management's estimate, and no significant liability is expected to arise out of the same.

The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial performance and financial position regarding the amounts disclosed above, it is not practicable to disclose information on the possibility of any reimbursements as it is determinable only on the occurrence of uncertain future events.

38 Corporate Social Responsibility (CSR)

The CSR activities of the Company shall include, but not limited to any or all of the sectors/activities as may be prescribed by Schedule VII of the Companies Act, 2013 amended from time to time. Further, the Company reviews the sectors/activities from time to time and make additions/ deletions/ clarifications to the above sectors/activities.

During the year, the Company has incurred an expenditure of Rs. 657.05 Lakhs (31 March 2021 : Rs. 756.25 Lakhs) towards CSR activities which includes contribution / donations made to the trusts which are engaged in activities prescribed under section 135 of the Companies Act, 2013 read with Schedule VII to the said Act and expense of Rs. NIL Lakhs (31 March 2021 : Rs. NIL Lakhs) towards the CSR activities undertaken by the Company.

Detail of amount spent towards CSR activities :

a) Gross amount required to be spent by the Company during the year is Rs. 657.05 lakhs (31 March 2021 : Rs. 756.24 lakhs).

b) Amount spent by the Company during the year :

		For the year ended 31 March 2022			For the year ended 31 March 2021		
Particulars		**In cash**	**Yet to be paid in cash**	**Total**	In cash	Yet to be paid in cash	Total
i)	Construction/acquisition of any asset	**–**	**–**	**–**	–	–	–
ii)	On purpose other than (i) above	**657.05**	**–**	**657.05**	756.25	–	756.25

39 The Company has a process whereby periodically all long term contracts (including derivative contracts) are assessed for material foreseeable losses. At the year end, the Company has reviewed and ensured that adequate provision as required under any law / accounting standards for material foreseeable losses on such long term contracts has been made in the books of accounts. The Company has not entered into derivative contracts during the year.

40 Capital Management

The Reserve Bank of India Master Direction DOR.FIN.HFC. CC.No.120/03.10.136/2020-21 dated February 17, 2021 (as amended), outlines the regulatory guidance in relation to Ind AS financial statements. This includes the guidance for computation of 'owned funds' , 'net owned funds' and 'regulatory capital'. Accordingly, the 'regulatory capital' has been computed in accordance with these requirements.

The Company's capital management strategy is to effectively determine, raise and deploy capital so as to create value for its shareholders. The same is done through a mix of either equity and/or convertible and/or combination of short term /long term debt as may be appropriate.

The Company determines the amount of capital required on the basis of its operations, capital expenditure and strategic investment plans. The capital structure is monitored on the basis of net debt to equity and maturity profile of overall debt portfolio.

The Company is subject to the capital adequacy requirements as per Chapter IV "Capital" of Master Directions. As per Capital requirement guidelines, the Company is required to maintain a capital adequacy ratio on an going basis consisting of Tier I and Tier II Capital which shall not be less than 15% on or before 31st March 2022 of its aggregate risk weighted assets on-balance sheet and of risk adjusted value of off-balance sheet. The Tier I capital at any point of time shall not be less than 10 percent. The total of Tier II Capital at any point of time, shall not exceed 100 percent of Tier I Capital.

Company has complied with all regulatory requirements related to regulatory capital and capital adequacy ratios as prescribed by RBI.

Regulatory capital

	31 March 2022	31 March 2021
Tier 1 capital	**133,559.80**	130,685.04
Tier 2 capital	**45,877.67**	49,530.31
Total capital	**179,437.47**	180,215.35
Risk weighted assets	**431,634.96**	413,345.61
Tier 1 capital ratio	**30.94%**	31.62%
Tier 2 capital ratio	**10.62%**	11.98%
Total capital ratio	**41.56%**	43.60%

(Rs. in Lakhs)

Notes to the Financial Statements for the year ended 31 March 2022

"Tier I Capital" means owned fund as reduced by investment in shares of other non-banking financial companies including housing finance companies and in shares, debentures, bonds, outstanding loans and advances including hire purchase and lease finance made to and deposits with subsidiaries and companies in the same group exceeding, in aggregate, ten per cent of the owned fund.

"Owned Fund" means paid up equity capital, preference shares which are compulsorily convertible into equity, free reserves including balance in share premium account and capital reserves representing surplus arising out of sale proceeds of asset, excluding reserves created by revaluation of asset, as reduced by accumulated loss balance, book value of intangible assets and deferred revenue expenditure, if any.

Tier II capital" includes the following -

a. Preference shares other than those which are compulsorily convertible into equity;

b. Revaluation reserves at discounted rate of fifty-five per cent.

c. General provisions (including that for Standard Assets) and loss reserves to the extent these are not attributable to actual diminution in value or identifiable potential loss in any specific asset and are available to meet unexpected losses, to the extent of one and one fourth per cent of risk weighted assets;

d. Hybrid debt capital instruments and

e. Subordinated debt;

to the extent the aggregate does not exceed Tier I capital.

41 Taxation

Deferred tax assets

	Balance as at 01 April 2020	Charge/ (credit) to profit and loss	Charge/ (credit) to OCI	Balance as at 31 March 2021	**Charge/ (credit) to profit and loss**	**Charge/ (credit) to OCI**	**Balance as at 31 March 2022**
Tax effect of items constituting deferred tax liabilities :							
– FVTPL financials assets	0.52	239.26	–	239.78	**17.77**	**–**	**257.55**
– FVTOCI financial assets (G-Sec)	–	–	–	–	**–**	**(21.70)**	**(21.70)**
	0.52	**239.26**	**–**	**239.78**	**17.77**	**(21.70)**	**235.85**
Tax effect of items constituting deferred tax assets:							
– Provision for employee benefits & others	539.05	(203.68)	7.98	343.35	**38.58**	**34.18**	**416.11**
– Allowance for Expected Credit Loss (ECL)	4,641.77	1,033.47	–	5,675.24	**3,329.55**	**–**	**9,004.79**
– Effective Interest Rate (EIR) on financial instruments	2,897.68	(562.43)	–	2,335.25	**(278.33)**	**–**	**2,056.92**
– Depreciation on property, plant and equipment	273.33	72.09	–	345.42	**9.31**	**–**	**354.73**
– Lease liabilities	53.56	32.40	–	85.96	**30.55**	**–**	**116.51**
– Other provisions	43.88	5.04	–	48.92	**38.76**	**–**	**87.68**
	8,449.27	**376.89**	**7.98**	**8,834.14**	**3,168.42**	**34.18**	**12,036.74**
Total deferred tax assets (net)	8,448.75	137.63	7.98	8,594.36	**3,150.65**	**55.88**	**11,800.89**

Income tax recognised in Statement of Profit and loss

	31 March 2022	31 March 2021
Current tax:		
In respect of current year	**4,385.77**	4,785.00
In respect of prior years	**(236.39)**	(217.25)
	4,149.38	4,567.75
Deferred tax:		
In respect of current year origination and reversal of temporary differences	**(3,150.64)**	(137.63)
In respect of prior years	**–**	–
	(3,150.64)	(137.63)
Total income tax recognised in Statement of Profit and Loss	**998.74**	4,430.12

Income tax recognised in Other Comprehensive Income

	31 March 2022	31 March 2021
Deferred tax related to items recognised in Other Comprehensive Income during the year :		
Remeasurement of defined employee benefits for current year	**(34.18)**	(7.98)
Remeasurement of Debt Instruments for current year	**(21.70)**	–
Total income tax recognised in Other Comprehensive Income	**(55.88)**	(7.98)

Reconciliation of estimated income tax expense at tax rate to income tax expense reported in the statement of profit and loss:

	31 March 2022	31 March 2021
Profit before tax	**5,772.01**	19,530.71
Applicable income tax rate	**25.168%**	25.168%
Expected income tax expense	**1,452.70**	4,915.49
Tax effect of adjustments to reconcile expected Income tax expense at tax rate to reported income tax expense:		
Effect of income exempt from tax	–	–
Effect of expenses / provisions not deductible in determining taxable profit	**(217.57)**	(268.12)
Tax of earlier years	**(236.39)**	(217.25)
Income tax expense	**998.74**	4,430.12

(Rs. in Lakhs)

Notes to the Financial Statements for the year ended 31 March 2022

42 Change in liabilities arising from financing activities

Particulars	31 March 2021	Cash flows	Amortisation of loan origination costs	New lease origination	31 March 2022
Debt securities	**283,647.72**	**51,200.00**	**(402.52)**	**–**	**334,445.20**
Borrowings other than debt securities	**365,559.99**	**(82,097.94)**	**14.72**	**–**	**283,476.77**
Subordinated liabilities	**46,009.47**	**–**	**19.02**	**–**	**46,028.49**
Lease liability	**3,255.36**	**(617.50)**	**–**	**997.57**	**3,635.43**
Total liabilities from financing activities	**698,472.54**	**(31,515.44)**	**(368.78)**	**997.57**	**667,585.89**

Particulars	31 March 2020	Cash flows	Amortisation of loan origination costs	New lease origination	31 March 2021
Debt securities	199,973.34	84,150.00	(475.62)	–	283,647.72
Borrowings other than debt securities	418,904.33	(53,364.45)	20.11	–	365,559.99
Subordinated liabilities	41,015.78	5,000.00	(6.31)	–	46,009.47
Lease liability	3,351.03	(503.95)	–	408.28	3,255.36
Total liabilities from financing activities	663,244.48	35,281.60	(461.82)	408.28	698,472.54

43 Maturity analysis of assets and liabilities

The table below shows an analysis of assets and liabilities according to when they are expected to be recovered or settled.

	31 March 2022			31 March 2021		
	Within 12 months	**After 12 months**	**Total**	Within 12 months	After 12 months	Total
Assets						
Financial Assets						
Cash and cash equivalents	**42,369.05**	**–**	**42,369.05**	21,813.65	–	21,813.65
Bank balance other than above	**23,145.05**	**–**	**23,145.05**	47,437.81	–	47,437.81
Loans	**197,333.27**	**505,551.07**	**702,884.34**	231,864.74	480,945.76	712,810.50
Investments	**61,961.34**	**–**	**61,961.34**	81,328.67	–	81,328.67
Other financial assets	**759.53**	**433.97**	**1,193.50**	307.05	310.61	617.66
Non-financial Assets						
Current tax assets (Net)	**–**	**317.86**	**317.86**	–	81.48	81.48
Deferred tax assets (Net)	**–**	**11,800.89**	**11,800.89**	–	8,594.36	8,594.36
Property, plant and equipment	**–**	**5,029.44**	**5,029.44**	–	4,553.38	4,553.38
Other intangible assets	**–**	**22.57**	**22.57**	–	41.92	41.92
Other non-financial assets	**2,396.91**	**239.00**	**2,635.91**	4,281.90	51.09	4,332.99
Total	**327,965.15**	**523,394.80**	**851,359.95**	387,033.82	494,578.60	881,612.42
Liabilities						
Financial Liabilities						
Payables						
I) Trade Payables						
i) total outstanding dues of micro enterprises and small enterprises	**21.28**	**–**	**21.28**	1.45	–	1.45
ii) total outstanding dues of creditors other than micro enterprises and small enterprises	**7,505.96**	**–**	**7,505.96**	8,367.15	–	8,367.15
II) Other Payables						
i) total outstanding dues of micro enterprises and small enterprises	**–**	**–**	**–**	–	–	–
ii) total outstanding dues of creditors other than micro enterprises and small enterprises	**22.28**	**–**	**22.28**	22.89	–	22.89
Debt securities	**74,907.66**	**259,537.54**	**334,445.20**	84,621.13	199,026.59	283,647.72
Borrowings (other than debt securities)	**92,736.35**	**190,740.42**	**283,476.77**	152,620.45	212,939.54	365,559.99
Subordinated liabilities	**–**	**46,028.50**	**46,028.50**	–	46,009.47	46,009.47
Other financial liabilities	**27,580.30**	**3,336.57**	**30,916.87**	33,007.44	2,732.34	35,739.78

(Rs. in Lakhs)

Notes to the Financial Statements for the year ended 31 March 2022

	31 March 2022			31 March 2021		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Non-Financial Liabilities						
Current tax liabilities (Net)	1,237.61	–	1,237.61	–	–	–
Provisions	994.02	641.77	1,635.79	818.03	664.14	1,482.17
Other non-financial liabilities	618.97	–	618.97	507.75	–	507.75
Total	205,624.43	500,284.80	705,909.23	279,966.29	461,372.08	741,338.37
Net	122,340.72	23,110.00	145,450.72	107,067.53	33,206.52	140,274.05

44 Analysis of financial assets and liabilities and loan commitments

a The table below summarises the maturity pattern of certain items of assets and liabilities:

31 March 2022	Upto 1 month	Over 1 month & up to 2 months	Over 2 months & up to 3 months	Over 3 months & up to 6 months	Over 6 months & up to 1 year	Over 1 year & up to 3 years	Over 3 years & up to 5 years	Over 5 years & up to 7 years	Over 7 years & up to 10 years	Over 10 years	Total
Financial Assets											
Cash and cash equivalents	13,104.29	15,214.76	14,050.00	–	–	–	–	–	–	–	42,369.05
Bank balance other than above	1,999.90	3,184.73	4,359.74	7,169.34	6,431.34	–	–	–	–	–	23,145.05
Financial investments	53,604.25	–	–	–	8,357.09	–	–	–	–	–	61,961.34
Loans	22,828.34	18,675.55	17,886.24	35,677.90	102,265.24	234,139.36	117,352.87	37,129.18	44,843.05	72,086.60	702,884.33
Other financial assets	66.35	128.31	125.26	323.87	115.73	198.32	111.73	75.81	48.12	–	1,193.50
Total Financial Assets	91,603.13	37,203.35	36,421.24	43,171.11	117,169.40	234,337.68	117,464.60	37,204.99	44,891.17	72,086.60	831,553.27
Financial Liabilities											
Debt securities	–	2,348.44	–	38,318.52	34,240.70	234,050.46	10,989.67	3,504.17	10,993.24	–	334,445.20
Borrowings (other than debt securities)	2,225.00	12,397.54	29,435.00	28,621.66	20,057.16	114,365.43	71,017.84	5,357.14	–	–	283,476.77
Subordinated liabilities	–	–	–	–	–	920.02	18,151.00	11,973.35	14,984.13	–	46,028.50
Other financial liabilities	12,738.54	7,505.10	3,641.62	9,845.83	1,398.72	1,518.14	1,133.71	452.03	203.31	29.39	38,466.39
Total Financial Liabilities	14,963.54	22,251.08	33,076.62	76,786.01	55,696.58	350,854.05	101,292.22	21,286.69	26,180.68	29.39	702,416.86
Total Financial Assets / (Liabilities) - Net	76,639.59	14,952.27	3,344.62	(33,614.90)	61,472.82	(116,516.37)	16,172.38	15,918.30	18,710.49	72,057.21	129,136.41

b The table below summarises the contractual expiry by maturity of the undiscounted cash flows of the Company's loan commitments

31 March 2022	Up to 3 months	Over 3 months & upto 12 months	Total
Loan commitments	34,055.46	9,243.95	43,299.41

(Rs. in Lakhs)

Notes to the Financial Statements for the year ended 31 March 2022

a The table below summarises the maturity pattern of certain items of assets and liabilities:

31 March 2021	Upto 1 month	Over 1 month & up to 2 months	Over 2 months & up to 3 months	Over 3 months & up to 6 months	Over 6 months & up to 1 year	Over 1 year & up to 3 years	Over 3 years & up to 5 years	Over 5 years & up to 7 years	Over 7 years & up to 10 years	Over 10 years	Total
Financial Assets											
Cash and cash equivalents	7,338.65		14,475.00	–	–	–	–	–	–	–	21,813.65
Bank balance other than above	19,499.65	1,582.33	26,355.83	–	–	–	–	–	–	–	47,437.81
Financial investments	81,328.67	–	–	–	–	–	–	–	–	–	81,328.67
Loans	24,831.23	23,683.65	22,927.61	39,962.56	120,459.69	251,783.46	99,831.01	28,198.20	38,883.24	62,249.84	712,810.50
Other financial assets	203.53	18.76	57.97	14.00	12.79	82.34	64.20	132.32	31.74	–	617.66
Total Financial Assets	133,201.72	25,284.74	63,816.41	39,976.56	120,472.48	251,865.80	99,895.22	28,330.52	38,914.99	62,249.84	864,008.29
Financial Liabilities											
Debt securities	9,974.42	466.23	26,472.83	45,273.50	2,434.15	184,542.77	9,976.78	999.19	3,507.85	–	283,647.72
Borrowings (other than debt securities)	28,276.29	14,998.44	12,949.89	22,999.81	73,396.02	183,614.35	29,325.19	–	–	–	365,560.00
Subordinated liabilities	–	–	–	–	–	–	6,873.52	20,664.27	18,471.68	–	46,009.47
Other financial liabilities	10,591.65	6,488.37	10,666.72	12,318.54	1,333.65	1,065.64	1,023.37	538.97	104.36	–	44,131.27
Total Financial Liabilities	48,842.36	21,953.04	50,089.44	80,591.85	77,163.82	369,222.77	47,198.86	22,202.43	22,083.90	–	739,348.47
Total Financial Assets / (Liabilities) - Net	84,359.36	3,331.70	13,726.97	(40,615.29)	43,308.66	(117,356.96)	52,696.36	6,128.09	16,831.09	62,249.84	124,659.83

b The table below summarises the contractual expiry by maturity of the undiscounted cash flows of the Company's loan commitments

31 March 2021	Up to 3 months	Over 3 months & upto 12 months	Total
Loan commitments	29,511.57	7,923.44	37,435.01

45 Financial Risk Management Framework

In the course of its business, the Company is exposed to certain financial risks namely credit risk, interest risk, currency risk & liquidity risk.The Company's primary focus is to achieve better predictability of financial markets and seek to minimize potential adverse effects on its financial performance.

The financial risks are managed in accordance with the Company's risk management policy which has been approved by its Board of Directors.

Board of Directors of the Company have established Asset and Liability Management Committee (ALCO), which is responsible for developing and monitoring risk management policies for its business. The Company's financial services businesses are exposed to high credit risk given the unbanked rural customer base. The credit risk is managed through credit norms established based on historical experience and regulatory requirements.

i) Market Risk

Market the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, etc. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while maximizing the return.

a) Pricing Risk

The Company's investment in Mutual Funds is exposed to pricing risk. Other financial instruments held by the company does not possess any risk associated with trading. A 1 percent increase in Net Assets Value (NAV) would increase profit before tax by approximately Rs 536.04 lakhs (31st March 2021 : Rs 813.29 lakhs). A similar percentage decrease would have resulted equivalent opposite impact.

b) Currency Risk

The Company does not have significant foreign currency exposure. As a result, the Company is not exposed to currency risk.

c) Interest Rate Risk

The Company uses a mix of cash and borrowings to manage the liquidity & fund requirements of its day-to-day operations. Further, certain interest bearing liabilities carry variable interest rates.

Interest Rate sensitivity

The sensitivity analyses below have been determined based on exposure to financial instruments at the end of the reporting year. For floating rate liabilities, analysis is prepared assuming the amount of liability outstanding at the end of the reporting year was outstanding for the whole year. The following table demonstrates the sensitivity to a reasonably possible change in interest rates on the financial assets & liabilities.

With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings and floating rate advances given, as follows:

	Currency	Increase/ decrease in basis points	Effect on profit before tax	Effect on pre-tax equity
Year ended 31 March 2022	**INR**	**100**	**945.74**	–
Year ended 31 March 2021	INR	100	720.29	–

Offsetting of balances: The Company has not offset financial assets and financial liabilities.

(Rs. in Lakhs)

Notes to the Financial Statements for the year ended 31 March 2022

ii) **Credit Risk Management**

Credit risk is the risk that the Company will incur a loss because its customers fail to discharge their contractual obligations. The Company has a comprehensive framework for monitoring credit quality of its loans primarily based on days past due monitoring as at a period end. Repayment by individual customers and portfolio is tracked regularly and required steps for recovery are taken through follow ups and legal recourse.

Credit quality of financial assets

The following table sets out information about credit quality of loan assets measured at amortised cost primarily based on days past due information. The amount represents gross carrying amount.

Particulars	**31 March 2022**	31 March 2021
Gross carrying value of loan assets		
Neither Past due nor impaired	**434,718.63**	373,684.69
30 days past due	**37,153.75**	81,516.30
31 - 90 days past due	**202,370.17**	208,876.36
Impaired (more than 90 days past due)	**86,102.74**	100,593.39
Total Gross carrying value as at reporting date	**760,345.29**	764,670.74

The Company reviews the credit quality of its loans based on the ageing of the loan at the period end. Since the company is into retail home loan lending business, there is no significant credit risk of any individual customer that may impact company adversely, and hence, the Company has calculated its ECL allowances on a collective basis.

Inputs considered in the ECL model

In assessing the impairment of loan assets under Expected Credit Loss (ECL) Model, the assets have been segmented into three stages. The three stages reflect the general pattern of credit deterioration of a financial instrument. The differences in accounting between stages, relate to the recognition of expected credit losses and the measurement of interest income.

The Company categorises loan assets into stages primarily based on the Days Past Due status.

Stage 1 : 0-30 days past due

Stage 2 : 31-90 days past due

Stage 3 : More than 90 days past due

(a) RBI COVID-19 Resolution Framework

Assessment of loan modifications on credit risk:

In response to the economic fall-out on account of Covid-19 pandemic, RBI on August 6, 2020 announced resolution plan framework vide circular no. RBI/2020-21/16 DOR.No.BP.BC/3/21.04.048/2020-21 for personal loan customers. Further owing to the second wave of the Pandemic in India, RBI on May 5, 2021 announced resolution framework 2.0 vide circular No. RBI/2021-22/32 DOR.STR.REC.12/21.04.048/2021-22. Loan modifications executed under both these schemes have not been classified as renegotiated as they are as a result of market-wide customer relief programme and not borrower-specific. The Company has implemented resolution plans under the resolution framework 2.0 for loans amounting to Rs 2,51,788.76 Lakhs , which have an outstanding balance of Rs. 2,42,770.85 Lakhs as of 31 March 2022. The Company continues to monitor the recoverability of loans granted in accordance with these circulars and is continuing to carry the required overlays over and above the model provisioning based in the repayment behaviour on these loan accounts. (refer Note 46 for detailed RBI disclosure).

During previous year, in accordance with the board approved moratorium policy read with the RBI guidelines dated 27 March 2020, 17 April 2020 and 23 May 2020 relating to 'COVID-19 - Regulatory Package', the Company had granted moratorium upto six months on the payment of installments falling due between 1 March 2020 and 31 August 2020 to all eligible borrowers. This relaxation did not automatically trigger a significant increase in credit risk. The Company in previous year continued to recognise interest income during the moratorium period.

(b) Impact of COVID-19

The outbreak of COVID-19 led to nationwide lockdown from March 2020, which gradually phased out over the next few months basis the local level spread of the pandemic. The nation was impacted by the second wave of the pandemic in the first half of the fiscal year 2022 which again slowed down the economic activities to a limited extent. Despite the successful roll out of vaccines around the world, a varying degree of uncertaininty remained through out the year ended 31 March 2022. This was caused by new variants of COVID -19, varying vaccine effectiveness and the need for reimposing of government - imposed restrictions. This uncertainty is reflected in the Company's assessment of impairment loss allowance on its loans which are subject to a number of management judgements and estimates. In relation to COVID-19, judgements and assumptions include the extent and duration of the pandemic, the changes in the macro economic outlook and its associated impact on the impairment calculations.

The methodologies and assumptions applied in the impairment loss allowance calculations have primarily remained unchanged from those applied while preparing the financial results for the year ended 31 March 2021. The Company has been updating the ECL model with the latest set of data on reasonable periodic intervals for the year ended 31 March 2022, to capture the significant changes in economic and market drivers, customer behaviours and government actions caused by COVID-19 to reduce the risk of uncertaininty due to judgements and estimations considering economic outlook as per Government agencies data around the growth parameters.

The final impact of this pandemic and the Company's impairment loss allowance estimates may still remain uncertain to a lower extent, and hence, the Company has separately incorporated estimates, assumptions and judgements specific to the impact of the COVID-19 pandemic and the associated support packages in the measurement of impairment loss allowance and has included management overlay amounting to Rs. 14,504.04 lakhs (31 March 2021: Rs. 9,745.41 lakhs) in the total impairment provision recognised in the statement of profit and loss. The management will continue to closely monitor the material changes in the macro-economic factors impacting the operations of the Company.

(c) Definition of default

The Company considers a financial asset to be in "default" and therefore Stage 3 (credit impaired) for ECL calculations when the borrower exceeds 90 days past due on its contractual payments.

(d) Exposure at default

"Exposure at Default" (EAD) represents the gross carrying amount of the assets subject to impairment calculation. Future Expected Cash flows (Principal and Interest) for future years has been used as exposure for Stage 2.

(e) Estimations and assumptions considered in the ECL model

"The Company has made the following assumptions in the ECL Model:

a. "Loss given default" (LGD) is common for all three Stages and is based on loss in past portfolio. Actual cashflows on the past portfolio are discounted at portfolio EIR rate for arriving at the loss rate.

(Rs. in Lakhs)

Notes to the Financial Statements for the year ended 31 March 2022

b. “Probability of Default”” (PD) is applied on Stage 1 and Stage 2 on portfolio basis and for Stage 3 PD at 100%. This is calculated as an average of the last 60 months yearly movement of default rates and further adjusted for macro economic factors.

(f) Measurement of ECL

ECL is measured as follows:

– financial assets that are not credit impaired at the reporting date: for Stage 1, gross exposure is multiplied by PD and LGD percentage to arrive at the ECL. For Stage 2, future Expected Cash flows (Principal and Interest) for respective future years is multiplied by respective years Marginal PDs and LGD percentage and thus arrived ECL is then discounted with the respective loan EIR to calculate the present value of ECL.

– financial assets that are credit impaired at the reporting date: the difference between the gross exposure at reporting date and computed carrying amount considering EAD net of LGD and actual cash flows till reporting date;

– undrawn loan commitments: as the present value of the difference between the contractual cash flows that are due to the Company if the commitment is drawn down and the cash flows that the Company expects to receive.

(g) Forward Looking Information

Historical PDs have been converted into forward looking PD which incorporates the forward looking economic outlook. Considering that major chunk of borrowers in the retail portfolio is from rural area, Agriculture (real change % p.a.) is used as a macroeconomic variable.

The macroeconomic variables considered by the Company are robust reflections of the state of economy which result into systematic risk for the respective portfolio segments.

Additionally, three different scenarios have been considered for ECL calculation. Along with the actual numbers (considered for base case scenario), other scenarios take care of the worsening as well as improving forward looking economic outlook. As at 31 March 2021, the probability assigned to base case scenario assumptions had been updated to reflect the rapidly evolving situation with respect to COVID-19. This includes an assessment of the effectiveness of stimulus packages announced by government and regulatory measures imparted by RBI. These are considered in determining the length and severity of the forecast economic downturn. The Company’s base case economic forecast scenarios reflects a deterioration in economic conditions in the first quarter for both current and previous year with a gradual improvement thereafter. In addition to the base case forecast which reflects largely the negative economic consequences of COVID-19, greater weighting has been applied to the downside scenarios given the Company’s assessment of downside risks.

The Company in the current year has continued with the similar probability weightage as considered for previous year ending 31 March 2021.

(h) Assessment of significant increase in credit risk

When determining whether the credit risk has increased significantly since initial recognition, the Company considers both quantitative and qualitative information and analysis based on the Company’s historical experience, including forward-looking information. The Company considers reasonable and supportable information that is relevant and available without undue cost and effort. The Company’s accounting policy is not to use the practical expedient that the financial assets with ‘low’ credit risk at the reporting date are deemed not to have had a significant increase in credit risk. As a result, the Company monitors all financial assets and loan commitments that are subject to impairment for significant increase in credit risk.

Based on the assessment by the Company, the RBI resolution framework in current year and moratorium relaxation offered in the previous year to the borrowers recognising the potential detrimental impact of COVID-19 has not been deemed to be automatically triggering significant increase in credit risk. The Company continues to recognize interest income during the current and previous year on such cases and in the absence of other credit risk indicators, the granting of a stress resolution framework and moratorium period does not result in accounts becoming past due and automatically triggering Stage 2 or Stage 3 classification criteria.

As a part of the qualitative assessment of whether a borrower is in default, the Company also considers a variety of instances that may indicate unlikeliness to pay. In such instances, the Company treats the customer at default and therefore, assesses such loans as Stage 3 for ECL calculations, following are such instances:

– A Stage 3 borrower having other loans which are in Stage 1 or 2.

– Cases where Company suspects fraud and legal proceedings are initiated.

Further, the Company classifies certain category of exposures in to Stage 3 and makes accelerated provision upto 100% based on qualitative assessment implying the significant deterioration in asset quality or increase in credit risk on selective basis

(i) Policy for write off of Loan Assets

The gross carrying amount of a financial asset is written off to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the customer does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the loan outstanding dues. However, financial assets that are written off could still be subject to enforcement activities under the Company’s recovery procedures, taking into account legal advice where appropriate. Any recoveries made from written off assets are netted off against the amount of financial assets written off during the year under “bad debts/loss on termination” forming part of “impariment on financial instruments” in statement of profit and loss.

(j) Analysis of inputs to the ECL model with respect to macro economic variable

The below table shows the values of the forward looking macro economic variable used in each of the scenarios for the ECL calculations. For this purpose, the Company has used the data source of The Economist Intelligence Unit Limited.The upside and downside % change has been derived using historical standard deviation from the base scenario based on previous 8 years change in the variable.

(Rs. in Lakhs)

Notes to the Financial Statements for the year ended 31 March 2022

ECL scenario for Macro Economic Variable	Year		Best Case	Base Case	Worst Case
Probability Assigned			**10%**	**65%**	**25%**
Agriculture (% real change p.a)					
	2021	%	6.6	4.2	1.8
	2022	%	5.5	3.1	0.7
	2023	%	5.7	3.3	0.9
	2024	%	5.4	3.0	0.6
	2025	%	5.9	3.5	1.1
	2026	%	6.1	3.7	1.3
	2027	%	5.5	3.1	0.7
	Subsequent Years	%	6.0	3.6	1.2

Impairment loss

The expected credit loss allowance provision for loans is determined as follows:

	Performing Loans - 12 month ECL	Under performing loans - lifetime ECL not credit impaired	Impaired loans - lifetime ECL credit impaired	Total
Gross Balance as at 31 March 2022	**471,872.38**	**202,370.17**	**86,102.74**	**760,345.29**
Expected credit loss rate	**2.01%**	**11.99%**	**27.54%**	
Carrying amount as at 31 March 2022 (net of impairment provision)	**462,390.46**	**178,105.65**	**62,388.23**	**702,884.34**
Gross Balance as at 31 March 2021	455,200.99	208,876.36	100,593.39	764,670.74
Expected credit loss rate	1.34%	8.55%	27.73%	
Carrying amount as at 31 March 2021 (net of impairment provision)	449,095.07	191,017.30	72,698.14	712,810.51

Level of Assessment - Aggregation Criteria

The Company recognises the expected credit losses (ECL) on a collective basis that takes into account comprehensive credit risk information.

Considering the economic and risk characterstics, pricing range, sector concentration, the Company calculates ECL on a collective basis for all stages - Stage 1, Stage 2 and Stage 3 assets.

An analysis of changes in the gross carrying amount and the corresponding ECLs in relation to loans is, as follows :

Gross exposure reconciliation - Loans

Particulars	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Gross carrying amount balance as at 1 April 2020	551,885.04	164,783.15	127,721.16	844,389.35
Changes due to loans recognised in the opening balance that have:				
– Transfers to Stage 1	(106,033.41)	96,339.22	9,694.19	–
– Transfers to Stage 2	33,037.11	(42,261.47)	9,224.36	–
– Transfers to Stage 3	3,199.59	1,927.71	(5,127.30)	–
– Loans that have been derecognised during the period	(31,372.27)	(8,593.21)	(23,917.77)	(63,883.25)
New loans originated during the year	58,242.67	2,701.28	–	60,943.95
Write-offs	(0.76)	–	(26,040.06)	(26,040.82)
Remeasurement of net exposure	(53,756.98)	(6,020.32)	9,038.81	(50,738.49)
Gross carrying amount balance as at 31 March 2021	**455,200.99**	**208,876.36**	**100,593.39**	**764,670.74**
New loans originated during the year				
– Transfers to Stage 1	**(87,579.91)**	**80,434.33**	**7,145.58**	**–**
– Transfers to Stage 2	**61,025.68**	**(76,450.12)**	**15,424.44**	**–**
– Transfers to Stage 3	**2,388.28**	**998.81**	**(3,387.09)**	**–**
– Loans that have been derecognised during the period	**(37,396.73)**	**(10,862.26)**	**(20,865.89)**	**(69,124.88)**
New loans originated during the year	**131,547.64**	**4,032.70**	**25.16**	**135,605.50**
Write-offs	**–**	**–**	**(20,554.30)**	**(20,554.30)**
Remeasurement of net exposure	**(53,313.57)**	**(4,659.65)**	**7,721.45**	**(50,251.77)**
Gross carrying amount balance as at 31 March 2022	**471,872.38**	**202,370.17**	**86,102.74**	**760,345.29**

* The contractual amount outstanding on financial assets that have been written off during the year ended 31 March 2022 and are under enforcement activity was Rs. 10,274.05 Lakhs (31 March 2021 : Rs. 8,009.65 Lakhs)

(Rs. in Lakhs)

Notes to the Financial Statements for the year ended 31 March 2022

Gross exposure reconciliation - Loan commitments

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount balance as at 1 April 2020	41,603.42	377.01	0.60	41,981.03
Changes due to loans recognised in the opening balance that have:				
– Transfers to Stage 1	(949.23)	946.43	2.80	–
– Transfers to Stage 2	19.35	(21.75)	2.40	–
– Transfers to Stage 3	–	–	–	–
– Loans that have been derecognised during the period	(36,351.86)	(350.24)	(0.60)	(36,702.70)
New loans originated during the year	34,291.32	663.35	–	34,954.67
Write-offs	–	–	–	–
Remeasurement of net exposure	(2,259.59)	(537.76)	(0.64)	(2,797.99)
Gross carrying amount balance as at 31 March 2021	**36,353.41**	**1,077.04**	**4.56**	**37,435.01**
Changes due to loans recognised in the opening balance that have:				
– Transfers to Stage 1	**(101.15)**	**90.05**	**11.10**	–
– Transfers to Stage 2	**8.83**	**(9.86)**	**1.03**	–
– Transfers to Stage 3	–	–	–	–
– Loans that have been derecognised during the period	**(34,558.64)**	**(1,052.57)**	**(4.56)**	**(35,615.77)**
New loans originated during the year	**42,286.35**	**429.04**	**1.18**	**42,716.57**
Write-offs	–	–	–	–
Remeasurement of net exposure	**(1,173.31)**	**(56.80)**	**(6.29)**	**(1,236.40)**
Gross carrying amount balance as at 31 March 2022	**42,815.49**	**476.90**	**7.02**	**43,299.41**

Reconciliation of ECL balance on loans

Particulars	Stage 1	Stage 2	Stage 3	Total
ECL allowance balance as at 1 April 2019	5,725.89	10,204.31	41,451.15	57,381.35
Changes due to loans recognised in the opening balance that have:				
– Transfers to Stage 1	(1,230.80)	1,110.64	120.16	–
– Transfers to Stage 2	2,042.88	(2,613.28)	570.40	–
– Transfers to Stage 3	782.32	443.96	(1,226.28)	–
– Loans that have been derecognised during the period	(313.32)	(545.78)	(8,500.79)	(9,359.89)
New loans originated during the year	734.88	230.82	–	965.70
Write-offs	(0.02)	–	(16,074.26)	(16,074.28)
Net remeasurement of loss allowance	(1,635.91)	9,028.40	11,554.87	18,947.36
ECL allowance balance as at 31 March 2021	**6,105.92**	**17,859.07**	**27,895.25**	**51,860.24**
Changes due to loans recognised in the opening balance that have:				
– Transfers to Stage 1	**(1,365.47)**	**1,251.22**	**114.25**	–
– Transfers to Stage 2	**5,214.63**	**(6,535.12)**	**1,320.49**	–
– Transfers to Stage 3	**614.05**	**224.15**	**(838.20)**	–
– Loans that have been derecognised during the period	**(472.86)**	**(931.52)**	**(7,240.21)**	**(8,644.59)**
New loans originated during the year	**1,425.44**	**380.56**	**6.18**	**1,812.18**
Write-offs	–	–	**(7,566.96)**	**(7,566.96)**
Net remeasurement of loss allowance	**(2,039.79)**	**12,016.16**	**10,023.71**	**20,000.08**
ECL allowance balance as at 31 March 2022	**9,481.92**	**24,264.52**	**23,714.51**	**57,460.95**

(Rs. in Lakhs)

Notes to the Financial Statements for the year ended 31 March 2022

Reconciliation of ECL balance on loan commitments

Particulars	Stage 1	Stage 2	Stage 3	Total
ECL allowance balance as at 1 April 2020	355.88	23.35	0.19	379.42
Changes due to loans recognised in the opening balance that have:				
– Transfers to Stage 1	(11.15)	11.13	0.02	–
– Transfers to Stage 2	1.20	(1.35)	0.15	–
– Transfers to Stage 3	–	–	–	–
– Loans that have been derecognised during the period	(313.62)	(21.69)	(0.19)	(335.50)
New loans originated during the year	391.10	48.02	–	439.12
Write-offs	–	–	–	–
Net remeasurement of loss allowance	(14.99)	18.51	0.80	4.32
ECL allowance balance as at 31 March 2021	**408.42**	**77.97**	**0.97**	**487.36**
Changes due to loans recognised in the opening balance that have:				
– Transfers to Stage 1	**(1.02)**	**0.98**	**0.04**	–
– Transfers to Stage 2	**0.64**	**(0.71)**	**0.07**	–
– Transfers to Stage 3	–	–	–	–
– Loans that have been derecognised during the period	**(399.13)**	**(76.19)**	**(0.97)**	**(476.29)**
New loans originated during the year	**305.30**	**36.34**	**0.28**	**341.92**
Write-offs	–	–	–	–
Net remeasurement of loss allowance	**(6.79)**	**2.02**	**1.27**	**(3.50)**
ECL allowance balance as at 31 March 2022	**307.42**	**40.41**	**1.66**	**349.49**

The increase in ECL of the portfolio was driven by an increase in the size of the portfolio, movements between stages as a result of increases in credit risk and due to deterioration in economic conditions.

Significant changes in the gross carrying value that contributed to change in loss allowance

The Company provides loans to retail individual customers in rural and semi urban areas which are of small ticket size. Change in any single customer repayment will not impact significantly to Company's provisioning. All customers are being monitored based on past due and corrective actions are taken accordingly to limit the Company's risk.

Concentration of Credit Risk

Company's loan portfolio is predominantly to finance retail home loans. The Company manages concentration of risk primarily by geographical region in India.The following tables show the geographical concentrations of loans:

Particulars	**As at 31 March 2022**	As at 31 March 2021
Concentration by geographical region in India:		
North	**60,391.64**	56,240.09
East	**9,433.19**	8,725.56
West	**328,031.18**	369,770.00
South	**362,489.28**	329,935.09
Total carrying value	**760,345.29**	764,670.74

Maximum exposure to credit risk

The maximum exposure to credit risk of loans is their carrying amount. The maximum exposure is before considering the effect of mitigation through collateral.

(Rs. in Lakhs)

Notes to the Financial Statements for the year ended 31 March 2022

Collaterals

Narrative description of collateral

Collateral primarily include land and constructed/purchased house property by retail loan customers. Company generally does not obtain additional collateral during the term of the loan.

The below tables provide an analysis of the fair values of collateral held for credit impaired assets:

31 March 2022	Maximum exposure to Credit Risk	Land and Building	Surplus Collateral	Total Collateral	Net Exposure	Associated ECL
Loans:						
a) Loans against assets	**86,102.74**	**172,654.49**	**(88,536.65)**	**84,117.84**	**1,984.90**	**23,714.51**
b) Others	**–**	**–**	**–**	**–**	**–**	**–**
Total	**86,102.74**	**172,654.49**	**(88,536.65)**	**84,117.84**	**1,984.90**	**23,714.51**

31 March 2021	Maximum exposure to Credit Risk	Land and Building	Surplus Collateral	Total Collateral	Net Exposure	Associated ECL
Loans:						
a) Loans against assets	100,591.34	184,021.44	(86,680.26)	97,341.18	3,250.16	27,893.12
b) Others	2.05	–	–	–	2.05	2.13
Total	100,593.39	184,021.44	(86,680.26)	97,341.18	3,252.21	27,895.25

The Company has provided for additional impairment for the shortfall in collateral value on its credit impaired assets.

Collaterals repossessed

Company did not obtain non financial assets during the year by taking possession of collateral it held as security.

Quantitative information of collateral - credit impaired assets

The Company holds residential properties as collateral for the housing loans it grants to its customers. The Company monitors its exposure to retail lending using the Loan To Value (LTV) ratio, which is calculated as the ratio of the gross amount of the loan - or the amount committed for loan committments - to the value of the collateral. The value of the collateral for residential housing loans is typically based on the collateral value at origination.

(Gross value of total loans to value of collateral)

	Gross Value of total loans	
Loan To Value	**31 March 2022**	31 March 2021
Upto 50%	**297,156.07**	296,862.84
51 - 70%	**307,649.21**	322,783.12
71 - 100%	**155,407.18**	144,958.35
Above 100%	**–**	–
	760,212.46	764,604.31

(Gross value of credit impaired loans to value of collateral)

	Gross value of loans in stage 3	
Loan To Value	**31 March 2022**	31 March 2021
Upto 50%	**29,854.26**	32,708.66
51 - 70%	**42,490.86**	48,616.78
71 - 100%	**13,757.62**	19,265.90
Above 100%	**–**	–
	86,102.74	100,591.34

iii) Liquidity Risk Management

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established Asset and Liability Management Committee (ALCO) for the management of the Company's short, medium and long term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities. The Company also has Inter corporate deposits line available from holding company and fellow subsidiary companies within its group to meet any short term fund requirements.

Maturity profile of non-derivative financial liabilities

The following table details the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The amount disclosed in the tables have been drawn up based on the undiscounted contractual cash flows of financial liabilities based on the earliest date on which the Company may be required to pay. The tables include both interest and principal cash flows.

To the extent that interest flows are floating rate, the undiscounted amount is calculated considering interest rate prevailing as at respective year end date.

(Rs. in Lakhs)

Notes to the Financial Statements for the year ended 31 March 2022

Particulars	Less than 1 Year	1-3 Years	3 Years to 5 Years	5 years and above
Non-derivative financial liabilities				
31 March 2022				
Trade payable:	**7,527.24**	**–**	**–**	**–**
Other payable	**22.28**	**–**	**–**	**–**
Debt securities:				
– Principal	**75,500.00**	**234,500.00**	**11,000.00**	**14,510.00**
– Interest	**24,001.74**	**25,382.33**	**3,323.21**	**4,984.67**
Borrowings (Other than debt securities):				
– Principal	**92,745.04**	**114,368.05**	**71,017.86**	**5,357.14**
– Interest	**16,885.08**	**19,172.79**	**6,846.60**	**350.24**
Subordinated liabilities:				
– Principal	**–**	**1,000.00**	**18,200.00**	**27,000.00**
– Interest	**4,082.05**	**8,162.72**	**7,296.46**	**5,659.34**
Other financial liabilities:	**27,580.30**	**1,518.15**	**1,133.70**	**684.74**
Total	**248,343.73**	**404,104.04**	**118,817.83**	**58,546.13**
31 March 2021				
Trade payable	8,368.60	–	–	–
Other payable	22.89	–	–	–
Debt securities:				
– Principal	84,800.00	185,000.00	10,000.00	4,510.00
– Interest	31,316.55	25,653.46	2,360.44	1,049.43
Borrowings (Other than sebt securities):				
– Principal	152,637.22	183,623.61	29,325.19	–
– Interest	23,495.76	16,325.27	1,535.37	–
Subordinated liabilities:				
– Principal	–	–	7,000.00	39,200.00
– Interest	4,080.58	8,166.57	8,074.07	8,959.92
Other financial liabilities:	33,007.44	1,065.64	1,023.37	643.34
Total	337,729.04	419,834.55	59,318.44	54,362.69

iv) Measurement of Fair Value

Valuation technique for fair value measurement

Fair value of loans and borrowings are calculated using a portfolio based approach, grouping them as far as possible into homogenous groups based on similar characteristics (such as tenor and rates of interest). Using the discounted cash flow approach, the values are then calculated for the portfolio considering all significant characteristics of the loans and borrowings.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

– Level 1: Quoted prices (unadjusted) in active markets for identical assets and liabilities.

– Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

– Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Financial instruments measured at amortised cost

Particulars	Carrying Value	Fair value		Fair value	
			Level 1	Level 2	Level 3
As at 31 March 2022					
Financial assets					
a) Cash and cash equivalent	**42,369.05**	**42,369.05**	**42,369.05**	**–**	**–**
b) Bank balances other than (a) above	**23,145.05**	**23,145.05**	**23,145.05**	**–**	**–**
c) Loans	**702,884.34**	**703,814.14**	**–**	**–**	**703,814.14**
d) Other financial assets	**1,193.50**	**1,193.50**	**–**	**1,193.50**	**–**
Total	**769,591.94**	**770,521.74**	**65,514.10**	**1,193.50**	**703,814.14**
Financial liabilities					
a) Trade Payables	**7,527.24**	**7,527.24**	**–**	**7,527.24**	**–**
b) Other Payable	**22.28**	**22.28**	**–**	**22.28**	**–**
c) Debt securities	**334,445.20**	**337,921.70**	**337,921.70**	**–**	**–**
d) Borrowings other than debt securities	**283,476.77**	**283,586.04**	**–**	**283,586.04**	**–**
e) Subordinated Liabilities	**46,028.50**	**47,214.89**	**47,214.89**	**–**	**–**
f) Other financial liabilities	**30,916.87**	**30,916.87**	**–**	**30,916.87**	**–**
Total	**702,416.86**	**707,189.02**	**385,136.59**	**322,052.43**	**–**

(Rs. in Lakhs)

Notes to the Financial Statements for the year ended 31 March 2022

Particulars	Carrying Value	Fair value	Fair value		
			Level 1	Level 2	Level 3
As at 31 March 2021					
Financial assets					
a) Cash and cash equivalent	21,813.65	21,813.65	21,813.65	–	–
b) Bank balances other than (a) above	47,437.81	47,437.81	47,437.81	–	–
c) Loans	712,810.50	710,189.51	–	–	710,189.51
d) Other financial assets	617.66	617.66	–	617.66	–
Total	782,679.62	780,058.63	69,251.46	617.66	710,189.51
Financial liabilities					
a) Trade payables	8,368.60	8,368.60	–	8,368.60	–
b) Other payable	22.89	22.89	–	22.89	–
c) Debt securities	283,647.72	284,552.70	284,552.70	–	–
d) Borrowings other than debt securities	365,559.99	365,376.20	–	365,376.20	–
e) Subordinated liabilities	46,009.47	46,189.20	46,189.20	–	–
f) Other financial liabilities	35,739.78	35,739.78	–	35,739.78	–
Total	739,348.45	740,249.37	330,741.90	409,507.47	–

There were no transfers between Level 1, Level 2 and Level 3 during the year.

Financial instruments regularly measured using fair value - recurring items

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

– Level 1: quoted prices (unadjusted) in active markets for identical assets and liabilities.

– Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

– Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Financial assets/ financial liabilities	Fair Value				Fair value hierarchy	Valuation technique(s)	Key inputs	Significant unobservable input(s) for level 3 hierarchy	Relationship of unobservable inputs to fair value and sensitivity
	Financial assets/ financial liabilities	Category	As at 31 March 2022	As at 31 March 2021					
Investment in Mutual Funds	Financial Assets	Financial instrument measured at FVTPL	**53,604.25**	81,328.67	Level 1	Quoted market price			
Investment in Government Securities	Financial Assets	Financial instrument measured at FVOCI	**8,357.09**	–	Level 1	Quoted market price			

46 Disclosure as required under Guidelines on Resolution Framework for COVID-19-related Stress:

(i) During the current period, to relieve COVID-19 pandemic related stress, the Company has invoked resolution plans for eligible borrowers based on the parameters laid down in accordance with the resolution policy approved by the Board of Directors of the Company and in accordance with the guidelines issued by the RBI vide its circular no. RBI/2021-22/32 DOR.STR.REC.12/21.04.048/2021-22 on Resolution Framework – 2.0 : Resolution of Covid-19 related stress of Individuals and Small Businesses dated 5 May 2021. This is in continuation to the restructuring plan implemented for the customers as per the RBI circular no. RBI/2020-21/16 DOR.No.BP.BC/3/21.04.048/2020-21 on Resolution Framework for COVID-19-related Stress dated 6 August 2020.

Disclosure as per format prescribed under circular no.RBI/2020-21/16 DOR.No.BP.BC/3/21.04.048/2020-21 for the period ended 31 March 2022 for the restructuring plans implemented as per RBI circular dated 6 August 2020.

Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of the previous half-year (A)	Of (A), aggregate debt that slipped into NPA during the half-year *	Of (A) amount written off during the half-year	Of (A) amount paid by the borrowers during the half-year	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of this half-year **
Personal Loans	–	–	–	–	–
Corporate persons	–	–	–	–	–
Of which, MSMEs	–	–	–	–	–
Others - Housing Loan	248.35	–	–	36.57	300.90

* Represents amount outstanding as at the end of 30 September 2021

** Represents the closing balance of loan accounts as at 31 March 2022

(Rs. in Lakhs)

Notes to the Financial Statements for the year ended 31 March 2022

(ii) Disclosure as per format prescribed under circular no. RBI/2021-22/32 DOR.STR.REC.12/21.04.048/2021-22 for the period ended 31 March 2022 for the restructuring plans implemented as per RBI circular dated 5 May 2021.

Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of the previous half-year (A)	Of (A), aggregate debt that slipped into NPA during the half-year ***	Of (A) amount written off during the half-year	Of (A) amount paid by the borrowers during the half-year	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of this half-year ****
Personal Loans	–	–	–	–	–
Corporate persons	–	–	–	–	–
Of which, MSMEs	–	–	–	–	–
Others - Housing Loan	239,572.52	20,467.96	–	39,988.42	224,463.09

*** Represents amount outstanding as at the end of 30 September 2021

**** Represents the closing balance of loan accounts as at 31 March 2022

47 Disclosure as required under RBI notification no. RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated 13 March 2020 on Implementation of Indian Accounting Standards

i) A comparison between provisions required under extant prudential norms on Income Recognition, Asset Classification and Provisioning (IRACP) and impairment allowances made under Ind AS 109 for the year ended

31 March 2022

Asset Classification as per NHB Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5)= (3) - (4)	(6)	(7)= (4) - (6)
Performing Assets						
Standard	Stage 1	471,872.38	9,481.92	462,390.46	10,002.09	(520.17)
	Stage 2	202,370.17	24,264.52	178,105.65	17,437.98	6,826.54
Subtotal for standard		**674,242.55**	**33,746.44**	**640,496.11**	**27,440.07**	**6,306.37**
Non-Performing Assets (NPA)						
Substandard	Stage 3	23,055.33	6,989.10	16,066.23	3,623.07	3,366.03
Doubtful - up to 1 year	Stage 3	16,865.64	4,563.77	12,301.87	3,590.57	973.20
1 to 3 years	Stage 3	42,974.86	10,546.88	32,427.98	11,646.46	(1,099.58)
More than 3 years	Stage 3	2,827.14	1,234.99	1,592.15	1,319.15	(84.16)
Subtotal for doubtful		**62,667.64**	**16,345.64**	**46,322.00**	**16,556.18**	**(210.54)**
Loss	Stage 3	379.77	379.77	–	384.25	(4.48)
Subtotal for NPA		**86,102.74**	**23,714.51**	**62,388.23**	**20,563.50**	**3,151.01**
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1	42,815.49	307.42	42,508.07	–	307.42
	Stage 2	476.90	40.41	436.49	–	40.41
	Stage 3	7.02	1.66	5.36	–	1.66
Subtotal		**43,299.41**	**349.49**	**42,949.92**	**–**	**349.49**
Total	Stage 1	514,687.87	9,789.34	504,898.53	10,002.09	(212.75)
	Stage 2	202,847.07	24,304.93	178,542.14	17,437.98	6,866.95
	Stage 3	86,109.76	23,716.17	62,393.59	20,563.50	3,152.67
Total (Including commitments)		**803,644.70**	**57,810.43**	**745,834.26**	**48,003.57**	**9,806.86**

(Rs. in Lakhs)

Notes to the Financial Statements for the year ended 31 March 2022

i) A comparison between provisions required under extant prudential norms on Income Recognition, Asset Classification and Provisioning (IRACP) and impairment allowances made under Ind AS 109 for the year ended (Continued)

31 March 2021

Asset Classification as per NHB Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5)= (3) - (4)	(6)	(7)= (4) - (6)
Performing Assets						
Standard	Stage 1	455,200.99	6,105.92	449,095.07	1,401.92	4,704.00
	Stage 2	208,876.36	17,859.07	191,017.29	615.12	17,243.95
Subtotal for standard		**664,077.35**	**23,964.99**	**640,112.36**	**2,017.04**	**21,947.95**
Non-Performing Assets (NPA)						
Substandard	Stage 3	20,998.25	5,128.00	15,870.25	3,192.39	1,935.61
Doubtful - up to 1 year	Stage 3	28,993.77	6,198.56	22,795.21	5,652.67	545.89
1 to 3 years	Stage 3	36,268.12	8,855.97	27,412.15	8,970.63	(114.66)
More than 3 years	Stage 3	14,039.83	7,419.30	6,620.53	6,623.33	795.97
Subtotal for doubtful		**79,301.72**	**22,473.83**	**56,827.89**	**21,246.63**	**1,227.20**
Loss	Stage 3	293.42	293.42	–	296.96	(3.54)
Subtotal for NPA		**100,593.39**	**27,895.25**	**72,698.14**	**24,735.98**	**3,159.27**
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1	36,353.41	408.42	35,944.99	–	408.42
	Stage 2	1,077.04	77.97	999.08	–	77.97
	Stage 3	4.56	0.97	3.58	–	0.97
Subtotal		**37,435.01**	**487.36**	**36,947.65**	**–**	**487.36**
Total	Stage 1	491,554.40	6,514.34	485,040.06	1,401.92	5,112.42
	Stage 2	209,953.40	17,937.04	192,016.37	615.12	17,321.92
	Stage 3	100,597.95	27,896.22	72,701.72	24,735.98	3,160.24
Total (Including commitments)		**802,105.75**	**52,347.60**	**749,758.15**	**26,753.02**	**25,594.58**

Since the total impairment allowances under Ind AS 109 is higher than the total provisioning required under IRACP (including standard asset provisioning) as at 31 March 2022, no amount is required to be transferred to 'Impairment Reserve' for the financial year. The gross carrying amount of asset as per Ind AS 109 and Loss allowances (Provisions) thereon includes interest accrual on net carrying value of stage - 3 assets as permitted under Ind AS 109. While, the provisions required as per IRACP norms does not include any such interest as interest accrual on NPAs is not permitted under IRACP norms.

The balance in the 'Impairment Reserve' (as and when created) shall not be reckoned for regulatory capital. Further, no withdrawals shall be permitted from this reserve without prior permission from the Department of Supervision, RBI

ii) In terms of recommendations as per above referred notification, the Company has adopted the same definition of default for accounting purposes as guided by the definition used for regulatory purposes.

As at 31 March 2022 and 31 March 2021, there were no loan accounts that are past due beyond 90 days but not treated as impaired, i.e. all 90+ days ageing loan accounts have been classified as Stage-3 and no dispensation is considered in stage-3 classification.

48 Disclosures pertaining to Fund raising by issuance of Debt Securities by Large Corporates as per SEBI notification no. SEBI/HO/DDHS/CIR/P/2018/144 dated 26 November 2018

As per the definition given in above referred notification, the Company is a Large Corporate and hence is required to disclose the following information about its borrowings.

(Rs. in Lakhs)

Notes to the Financial Statements for the year ended 31 March 2022

Annexure A

Initial Disclosure to be made by an entity identified as a Large Corporate

(To be submitted to the Stock Exchange(s) with in 30 days from the beginning of the FY)

Sr.no.	Particulars	Details
1	Name of the company	Mahindra Rural Housing Finance Limited
2	CIN	U65922MH2007PLC169791
3	Outstanding borrowing of company as on 31 March 2022	Rs. 6,63,950.47 Lakhs
4	Highest Credit Rating During the previous FY along with name of the Credit Rating Agency	a) Bank Borrowings –IND AA+/ STABLE b) NCD/Sub-Debt – IND AA+/ STABLE, CARE AA+/STABLE, CRISIL AA+/STABLE c) Short term external credit rating (Commercial Papers)-IND A1+,CRISIL A1+
5	Name of Stock Exchange in which the fine shall be paid, incase of shortfall in the required borrowing under the framework	BSE Limited

Annexure B

1	Name of the company	Mahindra Rural Housing Finance Limited
2	CIN	U65922MH2007PLC169791
3	Report filed for FY	2021-22
4	Details of the current block	2021-22 / 2022-23

Sr.	Particulars	31 March 2022
(i)	2-year block period	FY 2022 and FY 2023
(ii)	Incremental borrowing done (a)	240,725.00
(iii)	Mandatory borrowing to be done through issuance of debt securities (b) = (25% of a)	60,181.25
(iv)	Actual borrowings done through debt securities (c)	136,000.00
(v)	Shortfall in the borrowing through debt securities, if any, for FY carried forward to FY (d)	Not Applicable
(vi)	Quantum of (d), which has met from (c) (e)	NIL
(vii)	Shortfall, if any, in the mandatory borrowing through debt securities, for FY (f) = b- [(c) - (e)]	NIL

5 Details of penalty to be paid, if any, in resepect of previous block:

Sr.	Particulars	Details
(i)	2-year block period	FY 2021 and FY 2022
(ii)	Amount of the fine to be paid for the block, if applicable. Fine = 0.2% ((d) - (e))	NIL

49 Compensation of key management personnel of the Company

Key management personnel are those individuals who have the authority and responsibility for planning and exercising power to directly or indirectly control the activities of the Company or its employees.

Name of the KMP	Nature of transactions	31 March 2022	31 March 2021
Mr. Anuj Mehra (Managing Director)			
(Ceased to be a director from 30 Sepetember 2021)	Gross Salary including perquisites	**210.82**	221.82
	Others - Contribution to Funds	**3.00**	6.00
	Other long-term benefits	**–**	–
	Stock Option	**–**	46.94
		213.82	274.76
Mr. Rajnish Agarwal (Managing Director)			
(Appointed from 1 October 2021)	Gross Salary including perquisites	**45.44**	–
	Others - Contribution to Funds	**3.24**	–
	Other long-term benefits	**–**	–
	Stock Option	**20.15**	–
		68.83	–
Mrs. Anjali Raina (Independent Director)			
	Commission	**8.25**	8.25
	Other benefits	**5.90**	4.90
		14.15	13.15
Mr. Jyotin Mehta (Independent Director)			
	Commission	**8.25**	8.25
	Other benefits	**6.30**	4.90
		14.55	13.15
Mr. Narendra Mairpady (Independent Director)			
	Commission	**8.25**	8.25
	Other benefits	**5.10**	4.10
		13.35	12.35

50 Related party disclosures:

i) As per Ind AS 24 on 'Related party disclosures', the related parties of the Company are as follows:

a)	**Ultimate Holding Company**	Mahindra & Mahindra Limited
b)	**Holding Company**	Mahindra & Mahindra Financial Services Limited
c)	**Fellow Subsidiaries:** (entities with whom the Company has transactions)	Mahindra Insurance Brokers Limited NBS International Limited Mahindra Integrated Business Solutions Private Limited Mahindra Logistics Limited Mahindra Holidays and Resorts India Limited Mahindra Defence Systems Limited Mahindra First Choice Wheels Limited Mahindra Water Utilities Limited Mahindra Intertrade Limited
d)	**Joint Ventures / Associates** (entities with whom the Company has transactions)	Tech Mahindra Limited Swaraj Engines Limited Mahindra Manulife Investment Management Private Limited (w.e.f. 30 April 2020)*
e)	**Key Management Personnel:**	Mr. Anuj Mehra (Managing Director) (up to 30 September 2021) Mr. Rajnish Agarwal (Managing Director) (w.e.f. 01 October 2021) Mrs. Anjali Raina (Independent Director) Mr. Narendra Mairpady (Independent Director) Mr. Jyotin Mehta (Independent Director)

(Rs. in Lakhs)

Notes to the Financial Statements for the year ended 31 March 2022

ii) The nature and volume of transactions of the Company during the year with above related parties were as follows:

	Holding Company		Fellow Subsidiaries		Joint Ventures/ Associates		Key Management Personnel	
Particulars	**Year ended 31 Mar 2022**	Year ended 31 Mar 2021	**Year ended 31 Mar 2022**	Year ended 31 Mar 2021	**Year ended 31 Mar 2022**	Year ended 31 Mar 2021	**Year ended 31 Mar 2022**	Year ended 31 Mar 2021
Interest expense								
– Mahindra & Mahindra Limited	**130.99**	1,004.14	**–**	–	**–**	–	**–**	–
– Mahindra Insurance Brokers Limited	**–**	–	**2,430.41**	2,477.01	**–**	–	**–**	–
– Mahindra Manulife Investment Management Private Limited (w.e.f. 30 April 2020)	**–**	–	**–**	–	**409.80**	409.48	**–**	–
– Mahindra Logistics Limited	**–**	–	**–**	51.64	**–**	–	**–**	–
– Mahindra Holidays and Resorts India Limited	**–**	–	**1,161.27**	1,239.08	**–**	–	**–**	–
– Tech Mahindra Limited	**–**	–	**–**	–	**332.24**	1,357.04	**–**	–
– Swaraj Engines Limited	**–**	–	**–**	–	**41.27**	69.40	**–**	–
– Mahindra Water Utilities Limited	**–**	–	**54.54**	63.05	**–**	–	**–**	–
– Mahindra Intertrade Limited	**–**	–	**–**	75.90	**–**	–	**–**	–
– Mahindra First Choice Wheels Ltd.	**–**	–	**77.92**	189.34	**–**	–	**–**	–
Other expenses								
– Mahindra & Mahindra Limited	**124.06**	93.25	**–**	–	**–**	–	**–**	–
– Mahindra & Mahindra Financial Services Limited	**448.96**	849.26	**–**	–	**–**	–	**–**	–
– NBS International Limited	**–**	–	**3.28**	0.52	**–**	–	**–**	–
– Mahindra Integrated Business Solutions Private Limited	**–**	–	**940.85**	851.98	**–**	–	**–**	–
– Mahindra Defence Systems Limited	**–**	–	**5.70**	–	**–**	–	**–**	–
– Mahindra Holidays and Resorts India Limited	**–**	–	**–**	0.36	**–**	–	**–**	–
– Mahindra First Choice Wheels Ltd.	**–**	–	**52.52**	32.40	**–**	–	**–**	–
– Mahindra Engineering & Chemical Products Limited	**–**	–	**–**	24.41	**–**	–	**–**	–
ESOP Expenses								
– Mahindra & Mahindra Financial Services Limited	**25.33**	13.05	**–**	–	**–**	–	**–**	–
Remuneration								
– Mr. Anuj Mehra (up to 30 September 2021)	**–**	–	**–**	–	**–**	–	**213.82**	274.76
– Mr. Rajnish Agarwal (w.e.f. 01 October 2021)	**–**	–	**–**	–	**–**	–	**68.83**	–
– Mrs. Anjali Raina	**–**	–	**–**	–	**–**	–	**14.15**	13.35
– Mr. Narendra Mairpady	**–**	–	**–**	–	**–**	–	**13.35**	12.35
– Mr. Jyotin Mehta	**–**	–	**–**	–	**–**	–	**14.55**	12.95
Purchase of fixed assets								
– Mahindra & Mahindra Limited	**121.80**	30.10	**–**	–	**–**	–	**–**	–
– Mahindra & Mahindra Financial Services Limited	**20.54**	–	**–**	–	**–**	–	**–**	–
– NBS International Limited	**–**	–	**4.46**	–	**–**	–	**–**	–
– Mahindra Engineering & Chemical Products Limited	**–**	–	**–**	53.93	**–**	–	**–**	–
Capital Advancce								
– Mahindra & Mahindra Limited	**42.85**	–	**–**	–	**–**	–	**–**	–
Inter corporate deposits taken								
– Mahindra Insurance Brokers Limited	**–**	–	**3,225.00**	27,090.00	**–**	–	**–**	–
– Mahindra Holidays and Resorts India Limited	**–**	–	**9,000.00**	14,000.00	**–**	–	**–**	–

(Rs. in Lakhs)

Notes to the Financial Statements for the year ended 31 March 2022

	Holding Company		Fellow Subsidiaries		Joint Ventures/ Associates		Key Management Personnel	
Particulars	**Year ended 31 Mar 2022**	Year ended 31 Mar 2021	**Year ended 31 Mar 2022**	Year ended 31 Mar 2021	**Year ended 31 Mar 2022**	Year ended 31 Mar 2021	**Year ended 31 Mar 2022**	Year ended 31 Mar 2021
– Swaraj Engines Limited	**–**	–	**–**	–	**–**	1,000.00	**–**	–
– Mahindra First Choice Wheels Ltd.	**–**	–	**–**	1,000.00	**–**	–	**–**	–
Inter corporate deposits repaid / matured								
– Mahindra & Mahindra Limited	**5,000.00**	15,000.00	**–**	–	**–**	–	**–**	–
– Mahindra Insurance Brokers Limited	**–**	–	**11,465.00**	25,950.00	**–**	–	**–**	–
– Swaraj Engines Limited	**–**	–	**–**	–	**1,000.00**	1,000.00	**–**	–
– Mahindra Logistics Limited	**–**	–	**–**	1,500.00	**–**	–	**–**	–
– Mahindra Water Utilities Limited	**–**	–	**800.00**	–	**–**	–	**–**	–
– Mahindra Intertrade Limited	**–**	–	**–**	1,500.00	**–**	–	**–**	–
– Mahindra Holidays and Resorts India Limited	**–**	–	**20,500.00**	–	**–**	–	**–**	–
– Mahindra First Choice Wheels Ltd.	**–**	–	**2,500.00**	500.00	**–**	–	**–**	–
Non Convertible Debenture repaid								
– Tech Mahindra Limited	**–**	**–**	**–**	**–**	**15,000.00**	**–**	**–**	**–**

iii) Balances as at the end of the year:

	Holding Company		Fellow Subsidiaries		Joint Ventures/ Associates		Key Management Personnel	
Particulars	**Year ended 31 Mar 2022**	Year ended 31 Mar 2021	**Year ended 31 Mar 2022**	Year ended 31 Mar 2021	**Year ended 31 Mar 2022**	Year ended 31 Mar 2021	**Year ended 31 Mar 2022**	Year ended 31 Mar 2021
Balances as at the end of the year								
Subordinate debt held (including interest accrued but not due)								
– Mahindra Manulife Investment Management Private Limited (w.e.f. 30 April 2020)	**–**	–	**–**	–	**4,856.88**	4,857.61	**–**	–
Non Convertible Debenture held (including interest accrued but not due)								
– Tech Mahindra Limited	**–**	–	**–**	–	–	17,322.19	**–**	–
Payables								
– Mahindra & Mahindra Limited	**61.79**	32.24	**–**	–	–	–	**–**	–
– Mahindra & Mahindra Financial Services Limited	**106.41**	167.54	**–**	–	–	–	**–**	–
– Mahindra Integrated Business Solutions Private Limited	**–**	–	**86.88**	49.48	–	–	**–**	–
– NBS International Limited	**–**	–	**1.52**	0.10	–	–	**–**	–
– Mahindra First Choice Wheels Ltd.	**–**	–	**5.58**	6.28	–	–	**–**	–
– Mahindra Engineering & Chemical Products Limited	**–**	–	**–**	3.98	–	–	**–**	–
Inter corporate deposits outstanding (including interest accrued but not due)								
– Mahindra & Mahindra Limited	**–**	5,016.48	**–**	–	–	–	**–**	–
– Mahindra Insurance Brokers Limited	**–**	–	**26,599.15**	35,000.19	–	–	**–**	–
– Swaraj Engines Limited	**–**	–	**–**	–	–	1,037.51	**–**	–
– Mahindra First Choice Wheels Ltd.	**–**	–	**–**	2,526.21	–	–	**–**	–
– Mahindra Water Utilities Limited	**–**	–	**–**	808.01	–	–	**–**	–
– Mahindra Holidays and Resorts India Limited	**–**	–	**9,395.50**	21,233.49	–	–	**–**	–

(Rs. in Lakhs)

Notes to the Financial Statements for the year ended 31 March 2022

51 Balance Sheet Disclosures as required under Master Direction Non-Banking Financial Company - Housing Finance Company (Reserve Bank) Directions, 2021

'These disclosures are made pursuant to Reserve Bank of India Master Direction DOR.FIN.HFC.CC.No.120/03.10.136/2020-21 dated February 17, 2021 (as amended), to the extent applicable to the Company and outlining the regulatory guidance in relation to Ind AS financial statements. This included guidance for computation of 'owned funds', 'net owned funds' and 'regulatory capital'. Accordingly, Capital to Risk (weighted) Assets Ratio (CRAR) and other disclosures have been computed in accordance with these requirements read with the requirements of the Indian Accounting Standards prescribed under Sec 133 of The Companies Act, 2013.

Summary of Significant Accounting Policies

The accounting policies regarding key areas of operations are disclosed as note 2 to the financial statement for the year ended 31 March 2022.

I Capital

Particulars		31 March 2022	31 March 2021
(i)	CRAR (%)	**41.56%**	43.60%
(ii)	CRAR - Tier I Capital (%)	**30.94%**	31.62%
(iii)	CRAR - Tier II Capital (%)	**10.62%**	11.98%
(iv)	Amount of subordinated debt raised as Tier - II Capital	**40,760**	44,600
(v)	Amount raised by issue of Perpetual Debt Instruments	**Nil**	Nil

II Investments

The investments outstanding details are as under:

Particulars			31 March 2022	31 March 2021
1	**Value of Investments**			
(i)	Gross value of Investments*			
	(a)	In India	**53,604.25**	81,328.67
	(b)	Outside India	**–**	–
(ii)	Provisions for Depreciation			
	(a)	In India	**–**	–
	(b)	Outside India	**–**	–
(iii)	Net value of Investments			
	(a)	In India	**53,604.25**	81,328.67
	(b)	Outside India	**–**	–
2	**Movement of provisions held towards depreciation on investments**			
(i)	Opening balance		**–**	–
(ii)	Add: Provisions made		**–**	–
(iii)	Less: Write-off / Written-back of excess provisions during the year		**–**	–
(iv)	Closing balance		**–**	–

* Value of investments represent fair value of investment

III Derivatives

The Company has not entered into any derivatives during the current year or previous year.

a) Forward Rate Agreement (FRA) / Interest Rate Swap (IRS)

Particulars		31 March 2022	31 March 2021
(i)	The notional principal of swap agreements	**Not Applicable**	Not Applicable
(ii)	Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements		
(iii)	Collateral required by the HFC upon entering into swaps		
(iv)	Concentration of credit risk arising from the swaps		
(v)	The fair value of the swap book		

b) Exchange Traded Interest Rate (IR) Derivative

Particulars		31 March 2022	31 March 2021
(i)	The notional principal amount of exchange traded IR derivatives undertaken during the year (instrument wise)	**Not Applicable**	Not Applicable
	(a)		
	(b)		
	(c)		
(ii)	The notional principal amount of exchange traded IR derivatives outstanding as on 31st March (instrument wise)		
	(a)		
	(b)		
	(c)		
(iii)	The notional principal amount of exchange traded IR derivatives outstanding and not "highly effective" (instrument wise)		
	(a)		
	(b)		
	(c)		
(iv)	Mark-to-market value of exchange traded IR derivatives outstanding and not "highly effective" (instrument wise)		
	(a)		
	(b)		
	(c)		

c) Disclosures on Risk Exposure in Derivatives

A Qualitative Disclosure:

The Company does not trade in derivatives and hence, this disclosure is not applicable.

Notes to the Financial Statements for the year ended 31 March 2022

B Quantitative Disclosure

Particulars	Currency Derivatives	Interest Rate Derivatives
(i) Derivatives (Notional Principal Amount)	**Not Applicable**	Not Applicable
(ii) Marked to Market Positions		
(a) Assets (+)		
(b) Liability (-)		
(iii) Credit Exposure		
(iv) Unhedged Exposures		

IV Securitization

The Company has not entered into any transactions of securitization / assignment during the current year or previous year.

a)

Particulars	31 March 2022	31 March 2021
1 No. of SPVs sponsored by the HFC for securitisation transactions	**Not Applicable**	Not Applicable
2 Total amount of securitised assets as per books of the SPVs sponsored		
3 Total amount of exposures retained by the HFC towards the MRR as on the date of balance sheet		
(I) Off-balance sheet exposures towards credit enhancements		
(a)		
(b)		
(II) On-balance sheet exposures towards credit enhancements		
(a)		
(b)		
4 Amount of exposures to securitisation transactions other than MRR		
(I) Off-balance sheet exposures towards credit enhancements		
(a) Exposure to own securitisation		
i)		
ii)		
(b) Exposure to third party securitisation		
i)		
ii)		
(II) On-balance sheet exposures towards credit enhancements		
(a) Exposure to own securitisation		
i)		
ii)		
(b) Exposure to third party securitisation		
i)		
ii)		

b) Details of Financial Assets sold to Securitisation/Reconstruction Company for Asset Reconstruction

Particulars	31 March 2022	31 March 2021
(i) No. of accounts	**Not Applicable**	Not Applicable
(ii) Aggregate value (net of provisions) of accounts sold to SC / RC		
(iii) Aggregate consideration		
(iv) Additional consideration realized in respect of accounts transferred in earlier years		
(v) Aggregate gain / loss over net book value		

c) Details of Assignment transactions undertaken by HFCs

Particulars	31 March 2022	31 March 2021
(i) No. of accounts	**Not Applicable**	Not Applicable
(ii) Aggregate value (net of provisions) of accounts assigned		
(iii) Aggregate consideration		
(iv) Additional consideration realized in respect of accounts transferred in earlier years		
(v) Aggregate gain / loss over net book value		

d) Details of non-performing financial assets purchased / sold

i) Details of non-performing financial assets purchased

Particulars	31 March 2022	31 March 2021
1 (a) No. of accounts purchased during the year	**Not Applicable**	Not Applicable
(b) Aggregate outstanding		
2 (a) Of these, number of accounts restructured during the year		
(b) Aggregate outstanding		

ii) Details of Non-performing Financial Assets sold

Particulars	31 March 2022	31 March 2021
1 No. of accounts sold	**Not Applicable**	Not Applicable
2 Aggregate outstanding		
3 Aggregate consideration received		

Notes to the Financial Statements for the year ended 31 March 2022

V Assets Liability Management

31 March 2022 **(Rs. in Lakhs)**

Particulars	1 day to 7 days	8 days to 14 days	15 days to 30/31 days	Over 1 month & up to 2 months	Over 2 months & up to 3 months	Over 3 months & up to 6 months	Over 6 months & up to 1 year	Over 1 year & up to 3 years	Over 3 years & up to 5 years	Over 5 years	Total
Liabilities											
Deposits	–	–	–	–	–	–	–	–	–	–	–
Borrowing from bank	–	–	–	**10,997.54**	**25,510.00**	**28,421.66**	**11,232.19**	**96,240.41**	**71,017.84**	**5,357.14**	**248,776.78**
Market borrowing	–	**350.00**	**1,875.00**	**3,748.44**	**3,925.00**	**38,518.52**	**43,065.67**	**253,095.50**	**29,140.67**	**41,454.90**	**415,173.70**
Foreign currency liabilities	–	–	–	–	–	–	–	–	–	–	–
Assets											
Advances	**5,316.05**	**5,530.16**	**11,982.13**	**18,675.55**	**17,886.24**	**35,677.90**	**102,265.24**	**234,139.36**	**117,352.87**	**154,058.83**	**702,884.33**
Investments	**59,423.64**	**399.98**	**8,884.82**	**18,399.49**	**18,409.74**	**7,169.34**	**14,788.43**	–	–	–	**127,475.44**
Foreign currency assets	–	–	–	–	–	–	–	–	–	–	–

31 March 2021 **(Rs. in Lakhs)**

Particulars	1 day to 7 days	8 days to 14 days	15 days to 30/31 days	Over 1 month & up to 2 months	Over 2 months & up to 3 months	Over 3 months & up to 6 months	Over 6 months & up to 1 year	Over 1 year & up to 3 years	Over 3 years & up to 5 years	Over 5 years	Total
Liabilities											
Deposits	–	–	–	–	–	–	–	–	–	–	–
Borrowing from bank	4,999.96	9,000.00	276.34	14,998.44	12,949.89	13,574.81	55,556.02	161,139.36	29,325.19	–	301,820.01
Market borrowing	–	–	23,974.42	466.23	26,472.83	54,698.50	20,274.15	207,017.76	16,850.30	43,642.99	393,397.19
Foreign currency liabilities	–	–	–	–	–	–	–	–	–	–	–
Assets											
Advances	4,966.25	5,959.49	13,905.49	23,683.65	22,927.61	39,962.56	120,459.69	251,783.46	99,831.01	129,331.29	712,810.50
Investments	100,228.67	–	4,579.58	1,582.33	40,830.83	–	–	–	–	–	147,221.41
Foreign currency assets	–	–	–	–	–	–	–	–	–	–	–

Notes to the Financial Statements for the year ended 31 March 2022

VI Exposure

a) Exposure to real estate sector

(Rs. In Lakhs)

		Category	31 March 2022	31 March 2021
a)	Direct exposure			
	(i)	Residential Mortgages -		
		Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented;	**760,212.46**	764,604.31
		Of the above Individual housing loan upto Rs.15 lakh	**693,100.10**	717,121.30
	(ii)	Commercial Real Estate -		
		Lending secured by mortgages on commercial real estates (office buildings, retail space, multipurpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based (NFB) limits	**Nil**	Nil
	(iii)	Investments in Mortgage Backed Securities (MBS) and other securitised exposures -		
		a) Residential	**Nil**	Nil
		b) Commercial Real Estate	**Nil**	Nil
b)	Indirect Exposure			
		Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	**Nil**	Nil

b) The Company does not have any exposure towards capital market.

	Particulars	31 March 2022	31 March 2021
(i)	direct investment in equity shares, convertible bonds, convertible debentures and units of equity oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	**Not Applicable**	Not Applicable
(ii)	advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures and units of equity oriented mutual funds;	**Not Applicable**	Not Applicable
(iii)	advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	**Not Applicable**	Not Applicable
(iv)	advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds does not fully cover the advances;	**Not Applicable**	Not Applicable
(v)	secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	**Not Applicable**	Not Applicable
(vi)	loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	**Not Applicable**	Not Applicable
(vii)	bridge loans to companies against expected equity flows / issues;	**Not Applicable**	Not Applicable
(viii)	All exposures to Venture Capital Funds (both registered and unregistered)	**Not Applicable**	Not Applicable
	Total exposure to capital market	**Not Applicable**	Not Applicable

c) The Company has not financed any parent Company products and accordingly no disclosure is made.

d) The Company has not exceeded the prudential exposure limits w.r.t. Single Borrower Limit (SBL)/Group Borrower Limit (GBL) and accordingly no disclosure is made.

e) The Company has not given any unsecured advances against collateral of rights, licenses, authorisations, etc. and accordingly no disclosure is made.

f) Exposure to group companies engaged in real estate business.

(Rs. in Lakhs)

SN	Particulars	31 March 2022	% of NOF	31 March 2021	% of NOF
(i)	Exposure to any single entity in a group engaged in real estate business	**92.38**	**0.07%**	31.88	0.02%
(ii)	Exposure to all entities in a group engaged in real estate business	**92.38**	**0.07%**	31.88	0.02%

VII Miscellaneous

a) The Company has not obtained registration from any Financial sector regulator other than National Housing Bank.

b) No penalty has been imposed on the Company by National Housing Bank/ Reserve Bank of India or any other regulator.

Notes to the Financial Statements for the year ended 31 March 2022

c) **Related Party Policy :**

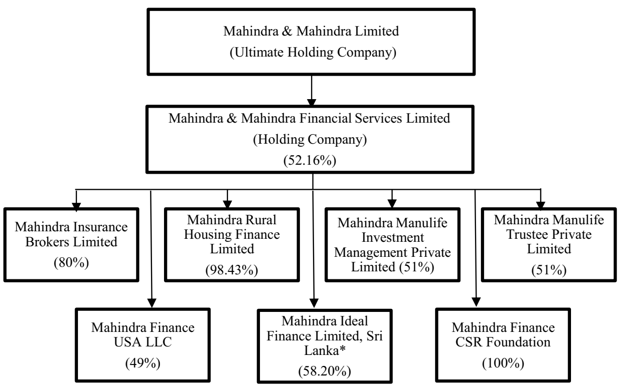
All contracts / arrangements/transactions entered into by the Company during the current year with related parties were in the ordinary course of business and on an arm's length basis (refer note 51).

Pursuant to section 134(3)(h) read with Rule 8(2) of the Companies (Accounts) Rules, 2014, there are no transactions to be reported under Section 188(1) of the Companies Act, 2013. Accordingly, the disclosure of related party transactions as required under Section 134(3)(h) of the Companies Act, 2013 in Form AOC 2 is not applicable.

The policy on related party transactions is approved by the Audit Committee and the Board of Directors of the Company and is available on the website of the Company.

d) **Group Structure**

Below is the diagramatic representation of group structure as of 31 March 2022:



* Company name in the previous year ended 31 March 2021 was Ideal Finance Limited, Sri Lanka and Holding of Mahindra and Mahindra Financial Services Limited was 38.20%.

e) **Rating assigned by Credit Rating Agencies and migration of rating during the year.**

During the year under consideration, India Ratings & Research Private Limited has reaffirmed the rating to the Company's Bank facilities, Non-Convertible Debentures and Subordinated Debt as 'IND AA+/stable' outlook and 'IND A1+' rating to the Commercial Paper Issued by the Company.

CARE Ratings Limited (Formerly known as 'Credit Analysis & Research Limited') has reaffirmed the rating to the Company's Non-Convertible Debentures and Subordinated Debt as 'CARE AA+/ stable' outlook.

CRISIL Ratings Limited has reaffirmed 'CRISIL AA+/Stable' outlook to the Company's Non-Convertible Debentures and Subordinated Debt and 'CRISIL A1+' rating to the Company's Commercial Paper.

f) **Remuneration of Independent Directors**

(Rs. in Lakhs)

Particulars of Remuneration	**Names of Directors**			
Independent Directors	**Mr. Jyotin Mehta**	**Mrs. Anjali Raina**	**Mr. Narendra Mairpady**	**Total**
Fee for attending board / committee meetings	6.30	5.90	5.10	**17.30**
	(4.90)	(4.90)	(4.10)	**(13.90)**
	8.25	8.25	8.25	**24.75**
Commission	(8.25)	(8.25)	(8.25)	**(24.75)**
Total	**14.55**	**14.15**	**13.35**	**42.05**
	(13.15)	(13.15)	(12.35)	(38.65)

Notes: Figures in bracket represent corresponding figures of previous year.

g) **Net profit or loss for the period, prior period items and change in accounting policies**

There are no such material items which require disclosures in the notes to accounts in terms of the relevant accounting standards.

VIII **During the year there were no circumstances in which revenue recognition has been postponed pending the resolution of significant uncertainties.**

IX **Other Disclosures**

a) **Provisions and Contingencies**

(Rs. in Lakhs)

Breakup of "Provisions & Contingencies" shown under the head Expenditure in Statement of Profit and Loss	**31 March 2022**	31 March 2021
1. Provisions for depreciation on Investment	–	–
2. Provision towards non performing assets (Stage 3 assets)	**(4,180.74)**	(13,555.90)
3. Provision made towards Income Tax	**4,385.77**	4,785.00
4. Other Provision and Contingencies	**–**	–
5. Provision for Standard Assets (Stage 1 and Stage 2 assets)	**9,781.45**	8,034.79

The Company has complied with the Master Direction non-Banking Financial Company - Housing Finance Company (Reserve Bank) Directions, 2021, for classifying an asset as non-performing in preparation of accounts. It has complied with Ind AS 109, Financial Instruments and the Board approved Expected Credit Loss (ECL) policy in the computation and measurement of impairment allowance.

(Rs. in Lakhs)

Breakup of Loan & Advances and Provisions thereon	**Housing**		**Non Housing**	
	31 March 2022	31 March 2021	**31 March 2022**	31 March 2021
Standard Assets				
a) Total Outstanding Amount	**644,897.00**	640,758.23	**29,345.55**	23,319.11
b) Provisions made	**32,446.17**	23,185.07	**1,300.27**	779.91
Sub-Standard Assets				
a) Total Outstanding Amount	**22,066.18**	20,313.40	**989.16**	684.86
b) Provisions made	**6,727.22**	4,981.62	**261.86**	146.39

Notes to the Financial Statements for the year ended 31 March 2022

(Rs. in Lakhs)

Breakup of Loan & Advances and Provisions thereon	Housing		Non Housing	
	31 March 2022	31 March 2021	**31 March 2022**	31 March 2021
Doubtful Assets - Category – I				
a) Total Outstanding Amount	**16,212.43**	28,022.64	**653.21**	971.13
b) Provisions made	**4,389.71**	5,916.93	**174.06**	281.62
Doubtful Assets - Category – II				
a) Total Outstanding Amount	**41,352.02**	35,276.09	**1,622.83**	992.03
b) Provisions made	**10,078.32**	8,505.34	**468.57**	350.63
Doubtful Assets - Category – III				
a) Total Outstanding Amount	**2,741.83**	13,716.00	**85.31**	323.83
b) Provisions made	**1,196.09**	7,237.66	**38.91**	181.64
Loss Assets				
a) Total Outstanding Amount	**350.12**	265.15	**29.65**	28.27
b) Provisions made	**350.12**	265.15	**29.65**	28.27
a) Total Outstanding Amount	**727,619.58**	738,351.51	**32,725.71**	26,319.23
b) Provisions made	**55,187.63**	50,091.77	**2,273.32**	1,768.46

Insurance / fees component in Loans has been classified under Non Housing Loans amounting to Rs. 26,719.66 Lakhs as of 31 March 2022 and Rs 19,975.09 Lakhs as of 31 March 2021.

b) Draw Down from Reserves

The Company has not withdrawn any amount from any reserve in the current year or in the previous year.

c) Concentration of Public Deposits, Advances, Exposures and NPAs

i) Concentration of Public Deposits (for Public Deposit taking/ holding HFCs)

(Rs. in Lakhs)

Particulars	31 March 2022	31 March 2021
Total deposits of twenty largest depositors	**Not Applicable**	Not Applicable
Percentage of deposits of twenty largest depositors to total deposits of the deposit taking HFC		

ii) Concentration of Loans & Advances

(Rs. in Lakhs)

Particulars	31 March 2022	31 March 2021
Total loans & advances to twenty largest borrowers	**749.25**	665.25
Percentage of loans & advances to twenty largest borrowers to total advances of the HFC	**0.10%**	0.09%

iii) Concentration of all exposure (including off-balance sheet exposure)

(Rs. in Lakhs)

Particulars	31 March 2022	31 March 2021
Total exposure to twenty largest borrowers / customers	**851.71**	691.20
Percentage of exposure to twenty largest borrowers / customers to total exposure of the HFC on borrowers / customers	**0.11%**	0.09%

iv) Concentration of NPAs

(Rs. in Lakhs)

Particulars	31 March 2022	31 March 2021
Total exposure to top ten NPA accounts	**352.45**	324.12

v) Sector – wise NPAs

(Rs. in Lakhs)

Sl. No.		Sector	Percentage of NPAs to Total Advances in that sector
A.	**Housing loans:**		
	1	Individuals	11.37%
	2	Builders/Project loans	Nil
	3	Corporates	Nil
	4	Others (specify)	Nil
B.	**Non-housing loans:**		
	1	Individuals	10.33%
	2	Builders/Project loans	Nil
	3	Corporates	Nil
	4	Others (specify)	Nil

d) i) Movement of NPAs

(Rs. in Lakhs)

Particulars		31 March 2022	31 March 2021
(I)	**Net NPAs to Net Advances (%)**	**8.47%**	9.87%
(II)	**Movement of NPAs (Gross)**		
	a) Opening balance	**100,593.39**	127,721.16
	b) Additions during the year	**64,508.62**	43,896.60
	c) Reductions during the year	**(78,999.27)**	(71,024.37)
	d) Closing balance	**86,102.74**	100,593.39
(III)	**Movement of Net NPAs**		
	a) Opening balance	**72,698.13**	86,270.01
	b) Additions during the year	**38,454.92**	19,448.99
	c) Reductions during the year	**(48,764.82)**	(33,020.87)
	d) Closing balance	**62,388.23**	72,698.13

Notes to the Financial Statements for the year ended 31 March 2022

(Rs. in Lakhs)

Particulars	31 March 2022	31 March 2021
(IV) Movement of provisions for NPAs (excluding provisions on standard assets)		
a) Opening balance	**27,895.25**	41,451.15
b) Provisions made during the year	**26,053.70**	24,447.61
c) Write-off of short provision/ write-back of excess provisions	**(30,234.43)**	(38,003.51)
d) Closing balance	**23,714.52**	27,895.25

ii) Movement of standard assets provision

(Rs. in Lakhs)

Particulars	31 March 2022	31 March 2021
a) Opening balance	**23,964.99**	15,930.20
b) Provisions made during the year	**9,781.45**	8,034.79
c) Closing balance	**33,746.44**	23,964.99

e) Overseas Assets

The Company does not own any overseas asset and the area of operations is only India. The Company does not have any joint venture partners or overseas subsidiaries

(Rs. in Lakhs)

Particulars	31 March 2022	31 March 2021
No overseas assets	**Not Applicable**	Not Applicable

f) Off-balance Sheet SPVs sponsored

Name of the SPV sponsored	
Domestic	Overseas
Not Applicable	Not Applicable

X Disclosure of customers complaints

Particulars	31 March 2022	31 March 2021
a) No. of complaints pending at the beginning of the year	**71**	39
b) No. of complaints received during the year	**3354**	3321
c) No. of complaints redressed during the year	**3372**	3289
d) No. of complaints pending at the end of the year	**53**	71

XI Movement of Statutory Reserve

(As per Section 29C of the National Housing Bank Act, 1987)

(Rs. in Lakhs)

Particulars	31 March 2022	31 March 2021
Balance at the beginning of the year		
a) Statutory Reserve u/s 29C of the National Housing Bank Act, 1987	**185.00**	160.00
b) Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve under Section 29C of the NHB Act, 1987	**28,619.93**	25,569.93
Total	**28,804.93**	25,729.93
Addition/Appropriation/Withdrawal during the year		
Add:		
a) Amount Transferred u/s 29C of the NHB Act, 1987	**25.00**	25.00
b) Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve under Section 29C of the NHB Act, 1987	**2,505.00**	3,050.00
Less:		
a) Amount appropriated from the Statutory Reserve u/s 29C of the NHB Act 1987	**–**	–
b) Amount withdrawn from the Special Reserve u/s 36(1)(viii) of Income Tax Act, 1961 which has been taken into account for the purposes of provision u/s 29C of the NHB Act, 1987	**–**	–
Balance at the end of the year		
a) Statutory Reserve u/s 29C of the National Housing Bank Act, 1987	**210.00**	185.00
b) Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve under Section 29C of the NHB Act, 1987	**31,124.93**	28,619.93
Total	**31,334.93**	28,804.93

Notes to the Financial Statements for the year ended 31 March 2022

XII As required under Guidelines on Liquidity Risk Management Framework for NBFCs issued by RBI vide notification no. RBI/2019-20/88 DOR.NBFC (PD) CC. No. 102/03.10.001/2019-20 dated 4 November 2019 and Master Direction - Non-Banking Financial Company - Housing Finance Company (Reserve Bank) Directions, 2021 dated 17 February 2021

Public disclosure on liquidity risk

Funding Concentration based on significant counterparty (both deposits and borrowings)

(Rs. in Lakhs)

Sr. No.	Type of instrument	Number of Significant Counter parties	Amount (Rs. In Lakhs)	% of Total deposits	% of Total Liabilities
1	Deposits	Nil	Nil	Nil	Nil
2	Borrowings	20	595,300.19	NA	84.33%

Top 20 large deposits (amount in Rs. lakhs and % of total deposits)

(Rs. in Lakhs)

Sr. No.	Description	Amount (Rs. in Lakhs)	% of Total Deposits
1	NA	Nil	Nil

Top 10 borrowings (amount in Rs. lakhs and % of total borrowings)

(Rs. in Lakhs)

Sr. No.	Description	Amount (Rs. in Lakhs)	% of Total Borrowings
1	Total for top 10 borrowings	480,800.19	72.42%

Funding concentration based on significant instrument / product

(Rs. in Lakhs)

Sr. No.	Name of the instrument /product	Amount (Rs. in Lakhs)	% of Total Liabilities
1	Bank borrowings	2,48,788.09	35.24%
2	Non-convertible debentures	3,35,510.00	47.53%
3	Inter corporate deposits	34,700.00	4.92%
4	Sub debt	46,200.00	6.54%
		665,198.09	94.23%
Funding concentration pertaining to insignificant instruments/products		–	0.00%
Total borrowings under all instruments/ products		**665,198.09**	**94.23%**

Stock Ratios:

(Rs. in Lakhs)

Sr. No.	Name of instrument/ product	Amount (Rs. in Lakhs)	% of Total Public funds	% of Total Liabilities	% of Total deposits
1	Commercial papers (CPs)	Nil	Nil	Nil	Nil
2	NCDs with original maturity of less than one year	Nil	Nil	Nil	Nil
3	Other short-term liabilities	6,000.00	0.90%	0.85%	Nil

Institutional set-up for liquidity risk management

The ultimate responsibility for liquidity risk management rests with the Board of directors, which has established Asset and Liability Management Committee (ALCO) for the management of the Company's short, medium and long-term funding and liquidity management requirements. The ALCO meets regularly to review the liquidity position based on future cash flows. The Company manages liquidity risk by continuously monitoring forecast and actual cash flows and by matching the maturity profiles of financial assets and liabilities. The Company also maintains adequate liquid assets, banking facilities and reserve borrowing facilities to hedge against unexpected requirements.

In order to achieve above, the Company also has an Investment Policy to ensure that safety, liquidity and return on the surplus funds are given appropriate weightages and are placed in that order of priority. Investments are as per the operational parameters and framework within the limits as may be set by the Board for investment. The Board approves revising the limit as and when required. The policy is also reviewed periodically in the background of developments in the money markets and the on the external factors proactively to reduce the risk in the investments. A well-defined front and back office mechanism is in place to ensure a system of checks and balances.

Definition of terms as used in the table above:

a) **Significant counterparty**

A "Significant counterparty" is defined as a single counterparty or group of connected or affiliated counterparties accounting in aggregate for more than 1% of the NBFC's total liabilities.

b) **Significant instrument/product:**

A "Significant instrument/product" is defined as a single instrument/product of group of similar instruments/products which in aggregate amount to more than 1% of the NBFC's total liabilities.

c) **Total liabilities:**

Total liabilities include all external liabilities (other than equity).

d) **Public funds:**

Public funds" includes funds raised either directly or indirectly through public deposits, inter-corporate deposits, bank finance and all funds received from outside sources such as funds raised by issue of commercial papers, debentures etc. but excludes funds raised by issue of instruments compulsorily convertible into equity shares within a period not exceeding 5 years from the date of issue.

It includes total borrowings outstanding under all types of instruments/products.

e) **Other short-term liabilities:**

All short-term borrowings other than CPs and NCDs with original maturity less than 12 months.

(Rs. in Lakhs)

Notes to the Financial Statements for the year ended 31 March 2022

XIII Liquidity Coverage Ratio (LCR)

S. No.	Particulars	Quarter ended 31 March 2022		Quarter ended 31 December 2021 ##	
		Total Un-Weighted Value (Average)*	Total Weighted Value (Average)#	Total Un-Weighted Value (Average)*	Total Weighted Value (Average)#
High Quality Liquid Assets					
1	Total High Quality Liquid Assets (HQLA)	89.53	89.53	64.03	64.03
Cash Outflows					
2	Deposits (for deposit taking companies)	–	–	–	–
3	Unsecured wholesale funding	44.50	51.18	13.30	15.30
4	Secured wholesale funding	136.13	156.55	109.87	126.35
5	Additional requirements, of which				
(i)	*Outflows related to derivative exposures and other collateral requirements*	–	–	–	–
(ii)	*Outflows related to loss of funding on debt products*	–	–	–	–
(iii)	*Credit and liquidity facilities*	–	–	–	–
6	Other contractual funding obligations	128.63	147.92	113.16	130.13
7	Other contingent funding obligations	196.57	226.06	191.99	220.79
8	**TOTAL CASH OUTFLOWS**	**505.83**	**581.71**	428.32	492.57
Cash Inflows					
9	Secured lending	–	–	–	–
10	Inflows from fully performing exposures (Secured)	250.66	188.00	209.57	157.18
11	Other cash inflows	739.67	554.75	912.06	684.04
12	**TOTAL CASH INFLOWS**	**990.33**	**742.75**	1,121.63	841.22
13	**TOTAL HQLA**		**89.53**		64.03
14	**TOTAL NET CASH OUTFLOWS**		**145.43**		123.14
15	**LIQUIDITY COVERAGE RATIO (%)**		**62%**		52%

*Unweighted values calculated as outstanding balances maturing or callable within 30 days (for inflows and outflows).

Weighted values calculated after the application of respective haircuts (for HQLA) and stress factors on inflow and outflow.

The figures pertaining to December 31, 2021 are unaudited and are as represented by the management.

Notes:

1) Prior to introduction of LCR framework, the company used to maintain a substantial share of its liquidity in form of fixed deposits with banks and investment in debt mutual funds. Post the introduction of LCR framework, the Company has consciously worked towards increasing its investment in High Quality Liquid Assets (HQLA) as per the RBI guidelines in order to meet the LCR requirement.

2) Components of High Quality Liquid Assets (HQLA)

Particulars	Quarter ended 31 March 2022		Quarter ended 31 December 2021 ##	
	Total Un-Weighted Value (Average)*	Total Weighted Value (Average)#	Total Un-Weighted Value (Average)*	Total Weighted Value (Average)#
Assets to be included as HQLA:				
– Government Securities	80.00	80.00	55.00	55.00
– Cash Balance	10.00	10.00	9.00	9.00
Total	**90.00**	**90.00**	**64.00**	**64.00**

(Rs. in Lakhs)

Notes to the Financial Statements for the year ended 31 March 2022

Qualitative information:

The Company has implemented the guidelines on Liquidity Risk Management Framework prescribed by the Reserve Bank of India requiring maintenance of Liquidity Coverage Ratio (LCR), which aim to ensure that an NBFC maintains an adequate level of unencumbered HQLAs that can be converted into cash to meet its liquidity needs for a 30 calendar day time horizon under a significantly severe liquidity stress scenario.

LCR = Stock of High-Quality Liquid Assets (HQLAs)/Total Net Cash Outflows over the next 30 calendar days

HQLAs comprise of Cash*, Investment in Central and State Government Securities, and highly-rated Corporate Bonds and Commercial papers, including those of Public Sector Enterprises, as adjusted after assigning the haircuts as prescribed by RBI.
* Cash would mean cash on hand and demand deposits with Scheduled Commercial Banks.

Total net cash outflows are arrived after taking into consideration total expected cash outflows minus total expected cash inflows for the subsequent 30 calendar days. As prescribed by RBI, total net cash outflows over the next 30 days = Stressed Outflows - [Min (stressed inflows; 75% of stressed outflows)]. Total expected cash outflows (stressed outflows) are calculated by multiplying the outstanding balances of various categories or types of liabilities and off balance sheet commitments by 115% (15% being the rate at which they are expected to run off further or be drawn down). Total expected cash inflows (stressed inflows) are calculated by multiplying the outstanding balances of various categories of contractual receivables by 75% (25% being the rate at which they are expected to under-flow).

The Liquidity Risk Management framework of the Company is governed by its Liquidity Risk Management Policy and Procedures approved by the Board. The Asset Liability Committee of the Board (ALCO) and Asset Liability Management Committee (ALMCO) oversee the implementation of liquidity risk management strategy of the Company and ensure adherence to the regulatory norms.

The average LCR is computed at as simple averages of monthly observations over the previous quarter i.e. average of three months i.e. January 2022, February 2022 & March 2022 for the quarter ended March 31, 2022 and average of the three months i.e. October 2021, November 2021 and December 2021 for the quarter ended December 31, 2021 (LCR requirement is applicable from December 1, 2021).

The Company has implemented the LCR framework and has maintained LCR well above the regulatory threshold. The average LCR for the quarter ended March 31, 2022 was 62% which is above the regulatory requirement of 30%. For the quarter ended December 31, 2021 average LCR was stood at 52%.

XIV Schedule to the Balance Sheet of the Company

In compliance with Non-Banking Financial Company - Housing Finance Company (Reserve Bank) Direction, 2021.

(Rs. in Lakhs)

Annex III Schedule to the Balance Sheet of an HFC				
Particulars Liabilities side			**Amount outstanding**	**Amount overdue**
(1)	**Loans and advances availed by the HFC inclusive of interest accrued thereon but not paid:**			
	(a)	Debentures : Secured	**137,851.30**	–
		: Unsecured	**211,113.65**	–
		(other than falling within the meaning of public deposits*)		
	(b)	Deferred credits	–	–
	(c)	Term loans	**249,080.46**	–
	(d)	Inter-corporate loans and borrowing	**35,994.65**	–
	(e)	Commercial paper	–	–
	(f)	Public deposits*	–	–
	(g)	Other loans (Sub ordinate debt)	**48,278.98**	–
	* Please see Note 1 below			

(Rs. in Lakhs)

Annex III Schedule to the Balance Sheet of an HFC					
Particulars Liabilities side				**Amount outstanding**	**Amount overdue**
(2)	**Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid):**				
	(a)	In the form of Unsecured debentures		–	–
	(b)	In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security		–	–
	(c)	Other public deposits		–	–
	* Please see Note 1 below				
Assets side				**Amount outstanding**	
(3)	**Break-up of loans and advances including bills receivables [other than those included in (4) below]:**				
	(a)	Secured		**758,202.55**	
	(b)	Unsecured		**2,144.21**	
(4)	**Break up of leased assets and stock on hire and other assets counting towards asset financing activities**				
	(i)	Lease assets including lease rentals under sundry debtors			
		(a)	Financial lease	**NA**	
		(b)	Operating lease	**NA**	
	(ii)	Stock on hire including hire charges under sundry debtors			
		(a)	Assets on hire	**NA**	
		(b)	Repossessed assets	**NA**	
	(iii)	Other loans counting towards asset financing activities			
		(a)	Loans where assets have been repossessed	**NA**	
		(b)	Loans other than (a) above	**NA**	
(5)	**Break-up of Investments**				
	Current investments				
	1	**Quoted**			
		(i)	Shares		
			(a) Equity	–	–
			(b) Preference	–	–
		(ii)	Debentures and bonds	–	–
		(iii)	Units of mutual funds	**53,604.25**	–
		(iv)	Government securities	**8,357.09**	–
		(v)	Others (please specify)	–	–
	2	**Unquoted**			
		(i)	Shares		
			(a) Equity	–	–
			(b) Preference	–	–
		(ii)	Debentures and bonds	–	–
		(iii)	Units of mutual funds	–	–
		(iv)	Government securities	–	–
		(v)	Others (please specify)	–	–

Notes to the Financial Statements for the year ended 31 March 2022

(Rs. in Lakhs)

Annex III Schedule to the Balance Sheet of an HFC				
Particulars **Liabilities side**			**Amount outstanding**	**Amount overdue**
	Long term investments			
	1	**Quoted**		
		(i) Shares		
		(a) Equity	–	–
		(b) Preference	–	–

(Rs. in Lakhs)

Assets side			**Amount outstanding**	
		(ii) Debentures and bonds	–	–
		(iii) Units of mutual funds	–	–
		(iv) Government securities	–	–
		(v) Others (please specify)	–	–
	2	**Unquoted**		
		(i) Shares		
		(a) Equity	–	–
		(b) Preference	–	–
		(ii) Debentures and bonds	–	–
		(iii) Units of mutual funds	–	–
		(iv) Government securities	–	–
		(v) Others (please specify)	–	–

(6) Borrower group-wise classification of assets financed as in (3) and (4) above: (Please see Note 2 below)

(Rs. in Lakhs)

			Amount net of provisions		
Category			**Secured**	**Unsecured**	**Total**
	1	**Related Parties ****			
		(a) Subsidiaries	–	–	–
		(b) Companies in the same group	–	–	–
		(c) Other related parties	–	–	–
	2	**Other than related parties**	**702,754.64**	**131.17**	**702,885.81**

(7) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted) :

(Rs. in Lakhs)

Category			**Market Value / Break up or fair value or NAV**	**Book Value (Net of Provisions)**
	1	**Related Parties ****		
		(a) Subsidiaries	–	–
		(b) Companies in the same group	–	–
		(c) Other related parties	–	–
	2	**Other than related parties**	**61,961.34**	**61,961.34**
** As per notified Accounting Standard (Please see Note 3)				

(8) Other information

(Rs. in Lakhs)

Particulars			**Amount**
	(i)	**Gross non-performing assets**	
		(a) Related parties	–
		(b) Other than related parties	**86,102.74**
	(ii)	**Net non-performing assets**	
		(a) Related parties	–
		(b) Other than related parties	**62,388.23**
	(iii)	**Assets acquired in satisfaction of debt**	–

Notes:

1 As defined in Paragraph 4.1.30 of Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021

2 Provisioning norms shall be applicable as prescribed in these Directions.

3 All notified Accounting Standards are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debt. However, market value in respect of quoted investments and break up / fair value / NAV in respect of unquoted investments shall be disclosed irrespective of whether they are classified as long term or current in (5) above.

XV The Company has not granted any loans or advances against collateral of gold jewellery.

52 Events after reporting date

There have been no significant events after the reporting date that require disclosure in these financial statements.

53 Previous year figures have been regrouped/ reclassified wherever necessary, to conform to current year classification.

Signatures to Notes 1 to 53

As per our report of even date attached.
For **Gokhale & Sathe**
Chartered Accountants
Firm's Registration No: 103264W

For and on behalf of the Board of Directors
Mahindra Rural Housing Finance Limited

Rahul Joglekar
Partner
Membership No: 129389

Ramesh Iyer
Director
[DIN: 00220759]

Jyotin Mehta
Director
[DIN: 00033518]

Rajnish Agarwal
Managing Director
[DIN: 03335692]

Dharmesh Vakharia
Chief Financial Officer

Navin Joshi
Company Secretary

Mumbai
23 April 2022

Mumbai
23 April 2022

INDEPENDENT AUDITORS' REPORT

To the Members of
Mahindra Manulife Investment Management Private Limited (formerly known as Mahindra Asset Management Company Private Limited)

Report on the Audit of the Ind AS Financial Statements

Opinion

We have audited the accompanying Ind AS Financial Statements of **Mahindra Manulife Investment Management Private Limited (formerly known as Mahindra Asset Management Company Private Limited)** ("the Company"), which comprise the Balance sheet as at March 31, 2022, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, its loss including other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for opinion

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

Information other than the Financial Statements and Auditor's Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the Financial Statements and our auditors' report thereon.

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

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

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

Responsibilities of Management for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on other Legal and Regulatory requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order;
2. As required by Section 143(3) of the Act, we report that:
   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
   c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
   d) In our opinion, the aforesaid Financial Statements comply with the Accounting Standards specified under Section 133 of the Act.
   e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act;
   f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these Financial Statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" to this report;
   g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

      In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the company to its directors during the year is in accordance with the provision of section 197 of the Act.
   h) With respect to the other matters to be included in the Auditors' Report in accordance with the requirements of Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
      i. The Company does not have any pending litigations which would impact its financial position;
      ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
      iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
      iv. (a) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities (intermediaries), with the understanding, whether recorded

in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provided any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The management has represented that, to the best of it's knowledge and belief, other than as disclosed in the notes to accounts, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provided any guarantee, security or the like on behalf of the Ultimate beneficiaries; and

(c) Based on such audit procedures that the auditor has considered reasonable and appropriate in the circumstances, nothing has come to their notice that has caused us to believe that the representations under sub-clause (i) and (ii) contain any material misstatement.

v. The Company has not declared or paid dividend during the financial year.

For B. K. Khare & Co.
Chartered Accountants
Firm Registration No. 105102W

Shirish Rahalkar
Partner
Membership No. 111212
UDIN: 22111212AHMUWV9036
Mumbai, April 20, 2022

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

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

We have audited the internal financial controls over financial reporting of **Mahindra Manulife Investment Management Private Limited (formerly known as Mahindra Asset Management Company Private Limited)** ("the Company") as of March 31, 2022 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these financial statements was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls over Financial Reporting with reference to these Financial Statements

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

Inherent Limitations of Internal Financial Controls over Financial Reporting with reference to these Financial Statements

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

Opinion

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

For B. K. Khare & Co.
Chartered Accountants
Firm Registration No. 105102W

Shirish Rahalkar
Partner
Membership No. 111212
UDIN: 22111212AHMUWV9036
Mumbai, April 20, 2022

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date on the financial statements of **Mahindra Manulife Investment Management Private Limited (formerly known as Mahindra Asset Management Company Private Limited)** for the year ended March 31, 2022.

Annexure to the Auditor's Report referred to in our report of even date:

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

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

(b) The Company has a regular program of physical verification of its property, plant and equipment and investment properties by which the property, plant and equipment and investment properties are verified by the management to cover all the items of PPE. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its property, plant and equipment. In accordance with the program, the Company has physically verified all property, plant and equipment during the year and no discrepancies were noticed on such verification.

(c) Company does not hold any immovable property and hence reporting under Clause 3(i)(c) of the Order is not applicable to the Company.

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

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

ii. (a) Company is into financial services business and does not hold any inventory, and hence reporting under Clause 3(ii)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us, the Company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets at any point of time during the year and hence reporting under clause 3(ii)(b) of the Order is not applicable.

iii. According to the information and explanations given to us, the Company has not made investments in or provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year. Accordingly, the reporting under Clauses 3(iii)(a) to 3(iii)(f) of the Order is not applicable to the Company.

iv. The Company has not granted any loans, provided guarantees and made investments during the year to the parties covered under Sections 185 and 186 of the Act. Accordingly, compliance under Section 185 and 186 of the Act in respect of providing securities is not applicable to the Company.

v. According to the information and explanations given to us, the Company has not accepted deposits under the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. Accordingly, the reporting under Clause 3(v) of the Order is not applicable to the Company.

vi. The Central Government has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company. Accordingly, the reporting under Clause 3(vi) of the Order is not applicable to the Company.

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

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

(b) According to the information and explanations given to us and on the basis of our examination of records of the Company, there are no statutory dues in respect of Goods and Services Tax, Provident Fund, Employees' State Insurance, Income tax, Sales tax, Service tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and any other statutory dues as at 31 March 2022, which have not been deposited with the appropriate authorities on account of any dispute.

viii. According to the information and explanations given to us, there are no transactions not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income tax Act, 1961. Accordingly, the reporting under Clause 3(viii) of the Order is not applicable to the Company.

ix. According to the information and explanations given to us and based on the audit procedures performed by us, the Company has not availed any loans or other borrowings during the year. Accordingly, the reporting under Clause 3(ix) of the Order is not applicable to the Company.

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

(b) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Accordingly, the reporting under Clause 3(x)(b) of the Order is not applicable to the Company.

xi. (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of fraud by the Company or on the Company noticed or reported during the year, nor have we been informed of any such case by the management.

(b) There has been no report filed by us under sub-section (12) of Section 143 of the Act in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government. Accordingly, the reporting under Clause 3(xi)(b) of the Order is not applicable to the Company.

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

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

xiii. In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

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

(b) We have considered the Internal Audit reports of the Company issued till date for the period under audit in determining the nature, timing and extent of our audit procedures.

xv. According to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with them during the year and hence, the provisions of Section 192 of the Act are not applicable to the Company. Accordingly, the reporting under Clause 3(xv) of the Order is not applicable to the Company.

xvi. (a) According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under Clause 3(xvi)(a) of the Order is not applicable to the Company.

(b) In our opinion and according to the information and explanations given to us, the Company has not conducted any Non-Banking Financial or Housing Finance activities. Accordingly, the reporting under Clause 3(xvi)(b) of the Order is not applicable to the Company.

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

(d) Based on the information and explanations given to us and the audit procedures performed by us, we report that the Group has Six Core Investment Companies.

xvii. In our opinion and according to the information and explanations given to us, the Company has incurred cash losses of Rs. 3546 lakhs during the current financial year and Rs. 2702 lakhs in the immediately preceding financial year.

xviii. There has been no resignation of the statutory auditors during the year. Accordingly, the reporting under Clause 3(xviii) of the Order is not applicable to the Company.

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

xx. According to the information and explanations given to us, Section 135 of the Companies Act, 2013 is not applicable to the Company. Accordingly, the reporting under Clause 3(xx) of the Order is not applicable to the Company.

For B. K. Khare & Co.
Chartered Accountants
Firm Registration No. 105102W

Shirish Rahalkar
Partner
Membership No. 111212
UDIN: 22111212AHMUWV9036
Mumbai, April 20, 2022

BALANCE SHEET AS AT 31 MARCH 2022

Rs. in lakhs

Particulars	Note No.	As at 31 March 2022	As at 31 March 2021
ASSETS			
Financial Assets			
a) Cash and cash equivalents	3	12.02	6.18
b) Receivables	4		
i) Trade Receivables		287.74	175.55
c) Investments	5	15,147.76	19,085.40
d) Other Financial assets	6	10,893.68	10,891.77
		26,341.20	30,158.90
Non-financial Assets			
a) Current tax assets (Net)	7	122.23	84.18
b) Property, Plant and Equipment	8	205.19	156.88
c) Right of Use Asset	8	517.68	393.64
d) Other Intangible assets	9	6.71	16.05
e) Other non-financial assets	10	358.76	248.54
		1,210.57	899.29
Total Assets		27,551.77	31,058.19
LIABILITIES AND EQUITY			
LIABILITIES			
Financial Liabilities			
a) Payables	11		
I) Trade Payables			
i) total outstanding dues of micro and small enterprises		45.54	11.48
ii) total outstanding dues of creditors other than micro and small enterprises		75.40	246.72
b) Other financial liabilities	12	1,438.46	1,275.75
		1,559.40	1,533.95
Non-financial Liabilities			
a) Provisions	13	1,093.72	908.19
b) Other non-financial liabilities	14	217.75	138.02
		1,311.47	1,046.21
EQUITY			
a) Equity Share capital	15	38,294.12	38,294.12
b) Other Equity	16	(13,613.22)	(9,816.09)
		24,680.90	28,478.03
Total Liabilities and Equity		27,551.77	31,058.19
Summary of significant accounting policies	2		

The accompanying notes form an integral part of the financial statements.
As per our report of even date

For B. K. KHARE & CO.
Chartered Accountants
Firm's Registration No: 105102W

Shirish Rahalkar
Partner
Membership No: 111212

Place : Mumbai
Date : April 20, 2022

For and on behalf of the Board of Directors

Mahindra Manulife Investment Management Private Limited
(Formerly known as Mahindra Asset Management Company Private Limited)

Ramesh Iyer
Chairman
[DIN: 0000220759]

Anthony Heredia
Managing Director & CEO
[DIN: 0002205628]

Chitra Andrade
Director
[DIN: 0008090478]

Vijay Ramchandran
Director
[DIN: 0002639324]

Ashwini Sankhe
Chief Financial Officer

Ravi Dayma
Company Secretary

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

Rs. in lakhs

	Particulars	Note No.	Year ended 31 March 2022	Year ended 31 March 2021
I	**Revenue from operations**			
i)	Fees and Commission Income	**17**	**2,040.83**	1,460.95
I	**Total Revenue from operations**		**2,040.83**	1,460.95
II	Other Income	**18**	**1,486.61**	1,590.87
III	**Total Income (I+II)**		**3,527.44**	3,051.82
	Expenses			
i)	Employee Benefits Expenses	**19**	**4,704.98**	3,959.61
ii)	Finance costs	**20**	**38.83**	41.07
iii)	Depreciation, amortization and impairment	**21**	**192.82**	249.31
iv)	Other expenses	**22**	**2,396.82**	1,474.17
IV	**Total Expenses (IV)**		**7,333.45**	5,724.16
V	**Profit/(loss) before exceptional items and tax (III-IV)**		**(3,806.01)**	(2,672.34)
VI	Exceptional items		**–**	–
VII	**Profit/(loss) before tax (V-VI)**		**(3,806.01)**	(2,672.34)
VIII	**Tax expense:**			
	(i) Current tax		**–**	–
	(ii) Deferred tax		**–**	–
IX	**Profit/(loss) for the year from continuing operations (VII-VIII)**		**(3,806.01)**	(2,672.34)
X	Profit/(loss) from discontinued operations		**–**	–
XI	Tax expense of discontinued operations		**–**	–
XII	**Profit/(loss) from discontinued operations(After tax) (X-XI)**		**–**	–
XIII	**Profit/(loss) for the year (IX+XII)**		**(3,806.01)**	(2,672.34)

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2022 (CONTINUED)

Rs. in lakhs

Particulars	Note No.	Year ended 31 March 2022	Year ended 31 March 2021
XIV. Other Comprehensive Income	**23**		
(A) (i) Items that will not be reclassified to profit or loss		**8.88**	7.51
- Remeasurement gain / (loss) on defined benefit plans		**(9.54)**	7.51
- Remeasurement gain / (loss) on fair valuation of financial assets		**18.42**	–
(ii) Income tax impact thereon		**–**	–
Total Other Comprehensive Income		**8.88**	7.51
XV. Total Comprehensive Income for the year (XIII+XIV) (Comprising Profit/(Loss) and other Comprehensive Income for the year)		**(3,797.13)**	(2,664.83)
XVI Earnings per equity share (for continuing operations)			
Basic (Rupees)	**24**	**(0.99)**	(0.72)
Diluted (Rupees)		**(0.99)**	(0.72)
XVII Earnings per equity share (for discontinued operations)			
Basic (Rupees)		**–**	–
Diluted (Rupees)		**–**	–
XVIII Earnings per equity share (for continuing and discontinued operations)			
Basic (Rupees)		**(0.99)**	(0.72)
Diluted (Rupees)		**(0.99)**	(0.72)
Summary of significant accounting policies	**2**		

The accompanying notes form an integral part of the financial statements.
As per our report of even date

For B. K. KHARE & CO.
Chartered Accountants
Firm's Registration No: 105102W

Shirish Rahalkar
Partner
Membership No: 111212

Place : Mumbai
Date : April 20, 2022

For and on behalf of the Board of Directors

Mahindra Manulife Investment Management Private Limited
(Formerly known as Mahindra Asset Management Company Private Limited)

Ramesh Iyer
Chairman
[DIN: 0000220759]

Anthony Heredia
Managing Director & CEO
[DIN: 0002205628]

Chitra Andrade
Director
[DIN: 0008090478]

Vijay Ramchandran
Director
[DIN: 0002639324]

Ashwini Sankhe
Chief Financial Officer

Ravi Dayma
Company Secretary

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

A. Equity share capital

Rs. in lakhs

Particulars	Amount
As at 1 April 2021	38,294.12
Changes in equity share capital during the year	–
As at 31 March 2022	**38,294.12**
As at 1 April 2020	21,000.00
Changes in equity share capital during the year	17,294.12
As at 31 March 2021	**38,294.12**

B. Other Equity

Rs. in lakhs

		Reserves and Surplus		
Particulars	**Securities Premium**	Retained earnings or Profit & loss account	**Other Comprehensive Income (OCI)**	**Total**
Balance as at 1 April 2021	7,046.46	(16,840.79)	(21.76)	(9,816.09)
Profit / (Loss) for the year	–	(3,806.01)	–	(3,806.01)
Remeasurement gain / (loss) on defined benefit plans	–	–	(9.54)	(9.54)
Remeasurement gain / (loss) on fair valuation of financial assets	–	–	18.42	18.42
Total Comprehensive Income for the year	–	**(3,806.01)**	**8.88**	**(3,797.13)**
Securities premium on fresh issue of equity share capital	–	–	–	–
Share issue expenses	–	–	–	–
Balance as at 31 March 2022	**7,046.46**	**(20,646.80)**	**(12.88)**	**(13,613.22)**
Balance as at 01 April 2020	–	(14,168.45)	(29.27)	(14,197.72)
Profit / (Loss) for the year	–	(2,672.34)	–	(2,672.34)
Remeasurement gain / (loss) on defined benefit plans	–	–	7.51	7.51
Total Comprehensive Income for the year	–	**(2,672.34)**	**7.51**	**(2,664.83)**
Securities premium on fresh issue of equity share capital	7,071.55	–	–	7,071.55
Share issue expenses	(25.09)	–	–	(25.09)
Balance as at 31 March 2021	**7,046.46**	**(16,840.79)**	**(21.76)**	**(9,816.09)**

The accompanying notes form an integral part of the financial statements.
As per our report of even date

For B. K. KHARE & CO.
Chartered Accountants
Firm's Registration No: 105102W

Shirish Rahalkar
Partner
Membership No: 111212

Place : Mumbai
Date : April 20, 2022

For and on behalf of the Board of Directors

Mahindra Manulife Investment Management Private Limited
(Formerly known as Mahindra Asset Management Company Private Limited)

Ramesh Iyer
Chairman
[DIN: 0000220759]

Anthony Heredia
Managing Director & CEO
[DIN: 0002205628]

Chitra Andrade
Director
[DIN: 0008090478]

Vijay Ramchandran
Director
[DIN: 0002639324]

Ashwini Sankhe
Chief Financial Officer

Ravi Dayma
Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2022

Rs. in lakhs

	Particulars	Year ended 31 March 2022	Year ended 31 March 2021
A.	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Loss before exceptional items and taxes	**(3,806.01)**	(2,672.34)
	Adjustments to reconcile Loss before tax to net cash flows:		
	Add: Non-cash expenses		
	Depreciation, amortization and impairment	**85.53**	89.95
	Interest on lease liability	**38.83**	41.07
	Amortization on Right of Use asset	**107.29**	159.36
	Share based compensation to employees provision	**290.92**	262.34
	Remeasurement gain / (loss) on defined benefit plans	**(9.54)**	7.51
		513.03	560.23
	Less: Income considered separately and Non-Cash Income		
	Net gain on fair value changes (unrealised) - Mutual fund units	**(207.61)**	(589.94)
	Interest income from investing activities	**(891.60)**	(759.12)
	Remeasurement of ROU assets and lease liability	**(45.01)**	–
	Net gain on sale investments	**(336.38)**	(216.70)
		(1,480.60)	(1,565.76)
	Operating Loss before working capital changes	**(4,773.58)**	(3,677.87)
	Changes in -		
	Trade receivables	**(112.19)**	(153.10)
	Interest accrued on investments	**4.34**	(254.49)
	Other financial assets	**(6.25)**	(1.16)
	Other non-financial assets	**(110.22)**	54.17
	Trade Payables	**(137.26)**	29.29
	Other financial liabilities	**75.26**	282.11
	Other non-financial liabilities	**79.73**	19.93
	Provisions	**(105.38)**	19.70
	Cash used in operations	**(311.97)**	(3.55)
	Income taxes paid (net of refunds)	**(38.05)**	317.18
	NET CASH USED IN OPERATING ACTIVITIES (A)	**(5,123.60)**	(3,364.24)
B.	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Purchase of Property, plant and equipment and intangible assets	**(124.50)**	(72.95)
	Proceeds from sale of Property, plant and equipment	**–**	8.62
	Placement of term deposit with banks	**(10,400.00)**	(10,400.00)
	Proceeds from term deposit with banks	**10,400.00**	–
	Purchase of Equity investment	**(35.46)**	–
	Purchase of investments at FVTPL	**(2,638.00)**	(26,482.00)
	Proceeds from sale of investments at FVTPL	**7,173.50**	15,352.02
	Interest income received on investments measured at amortised cost	**891.60**	759.12
	NET CASH GENERATED FROM/(USED IN) INVESTING ACTIVITIES (B)	**5,267.14**	(20,835.18)

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2022 (CONTINUED)

Rs. in lakhs

	Particulars	Year ended 31 March 2022	Year ended 31 March 2021
C.	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Proceeds from issue of Equity shares (net of issue expenses)	–	24,340.58
	Payment of principal portion of lease liability	**(130.11)**	(132.76)
	Payment of interest portion of lease liability	**(7.59)**	(8.00)
	NET CASH GENERATED FROM/(USED IN) FINANCING ACTIVITIES (C)	**(137.70)**	24,199.82
	NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	**5.84**	0.40
	Cash and Cash Equivalents at the beginning of the year	**6.18**	5.78
	CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR (refer note no. 3)	**12.02**	6.18
	Components of Cash and Cash Equivalents		
	Particulars		
	Cash and cash equivalents at the end of the year		
	– Cash on hand	**0.46**	0.63
	– Balances with banks in current accounts	**11.56**	5.55
	Total	**12.02**	6.18

Notes:
The above Cash Flow Statement has been prepared under the 'Indirect method' as set out in Ind AS 7 on 'Statement of Cash Flows'.

The accompanying notes form an integral part of the financial statements.
As per our report of even date

For B. K. KHARE & CO.
Chartered Accountants
Firm's Registration No: 105102W

Shirish Rahalkar
Partner
Membership No: 111212

Place : Mumbai
Date : April 20, 2022

For and on behalf of the Board of Directors

Mahindra Manulife Investment Management Private Limited
(Formerly known as Mahindra Asset Management Company Private Limited)

Ramesh Iyer
Chairman
[DIN: 0000220759]

Anthony Heredia
Managing Director & CEO
[DIN: 0002205628]

Chitra Andrade
Director
[DIN: 0008090478]

Vijay Ramchandran
Director
[DIN: 0002639324]

Ashwini Sankhe
Chief Financial Officer

Ravi Dayma
Company Secretary

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

1. CORPORATE INFORMATION

Mahindra Manulife Investment Management Private Limited (formerly known as Mahindra Asset Management Company Private Limited) ('the Company'), was incorporated under the Companies Act, 1956 on June 20, 2013. As on March 31, 2022, the company is a joint venture of Mahindra & Mahindra Financial Services Ltd. and Manulife Investment Management (Singapore) Pte Ltd. The Company has a license from the Securities & Exchange Board of India to provide investment management services to the schemes of Mahindra Manulife Mutual Fund (formerly known as Mahindra Mutual Fund). SEBI granted the certificate of registration to Mahindra Manulife Mutual Fund (formerly known as Mahindra Mutual Fund) on February 4, 2016. The Company earns fees from investment management activities provided to the schemes of Mahindra Manulife Mutual Fund (formerly known as Mahindra Mutual Fund). As on March 31, 2022, the Company was managing nineteen schemes of Mahindra Manulife Mutual Fund (formerly known as Mahindra Mutual Fund).

Change in shareholding of the Company in previous year

As on March 31, 2020, the Company had issued 21,00,00,000 (Twenty-one crore) shares to Mahindra and Mahindra Financial Services Ltd (`MMFSL') and its nominees and was a subsidiary of MMFSL. On June 21, 2019, MMFSL and the Company had entered into a Share Subscription Agreement (`SSA') with Manulife Investment Management (Singapore) Pte Ltd (`Manulife Singapore'). As per the SSA and subsequent amendments thereto, Manulife Singapore was to hold 49% stake in the Company after the completion of all the formalities required in the Agreement including the receipt of regulatory approvals. Subsequent to the signing of the Agreement, the Company had received the required approvals from the Competition Commission of India as well as the Securities and Exchange Board of India. In an Extraordinary General Meeting held on April 15, 2020, the shareholders of the Company had approved an offer of 17,29,41,180 (Seventeen crore twenty-nine lakh forty-one thousand one hundred and eighty) equity shares. MMFSL had also proposed to sell 1,47,00,000 (One crore forty-seven lakh) number of shares of the Company to Manulife Singapore. These transactions were completed on April 29, 2020 and accordingly MMFSL now holds 51% of the equity of the Company and Manulife Singapore holds 49% of the equity of the Company. The Company had received an amount of Rs. 243.66 crore at Rs. 14.09 per equity share.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1. Statement of compliance and basis for preparation and presentation of financial statements

These standalone or separate financial statements of the Company have been prepared in accordance with the Indian Accounting Standards as per the Companies (Indian Accounting Standards) Rules 2015 as amended and notified under Section 133 of the Companies Act, 2013 ("the Act") and other relevant provisions of the Act.

The financial statements of the Company for the year ended March 31, 2022 were approved for issue by the Company's Board of Directors on April 20, 2022.

2.2. Functional and presentation currency

These financial statements are presented in Indian Rupees ('INR' or 'Rs.') which is also the Company's functional currency. All amounts are rounded-off to the nearest lakhs, unless otherwise indicated.

2.3. Basis of measurement

The financial statements have been prepared on the historical cost basis, except for certain financial instruments which are measured at fair value.

2.4. Measurement of fair values

A number of Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. The Company has established policies and procedures with respect to the measurement of fair values.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets and liabilities.

Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

2.5. Use of estimates and judgments

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

Following are areas that involved a higher degree of estimate and judgement or complexity in determining the carrying amount of some assets and liabilities:

Fair value of financial assets, liabilities and investments

The Company measures certain financial assets and liabilities on fair value basis at each balance sheet date or at the time they are assessed for impairment. Fair value measurement that are based on significant unobservable inputs (Level 3) require management's best estimate about future developments.

Defined benefit obligations

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

2.6. Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable.

Fees from management of mutual fund schemes

Fees from management of mutual fund schemes are recognised on an accrual basis at specific rates, applied on the average daily net assets of the schemes of Mahindra Manulife Mutual Fund in accordance with the Investment Management Agreement between the Company and the Trustees of Mahindra Manulife Mutual Fund and SEBI (Mutual Fund) Regulations, 1996 as amended from time to time. Amount disclosed as fees are exclusive of GST.

Investment Advisory Fee

Investment Advisory Fees is recognized on an accrual basis in accordance with the respective terms of contract with the counterparty.

Other Income

The gains / losses on sale of investments are recognised in the Statement of Profit and Loss on the trade day and it is determined on FIFO ('first in first out') method.

Recognition of Interest Income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

Recognition of Dividend Income

Dividend from investments are recognised in the Statement of Profit and Loss when the right to receive payment is established.

2.7. Property, Plant and Equipment ('PPE')

PPE are stated at cost of acquisition (including incidental expenses), less accumulated depreciation and accumulated impairment loss, if any.

Assets held for sale or disposals are stated at the lower of their net book value and net realisable value.

Advances paid towards the acquisition of PPE outstanding at each balance sheet date are disclosed separately under other non-financial assets. Capital work in progress comprises the cost of PPE that are not ready for its intended use at the reporting date.

In accordance with Ind AS 116 - Leases, applicable effective from 01 April 2019, the Right-of-Use assets are initially recognized at cost which comprises of initial amount of lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. These are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-of-Use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

Depreciation on PPE is provided on straight-line basis in accordance with the useful lives specified in Schedule II to the Companies Act, 2013 on a pro-rata basis except for following assets in respect of which useful life is taken as estimated by the management based on the actual usage pattern of the assets.

- Motor vehicles where useful life is assumed at four years as against eight years as per Schedule II since the employees to whom these vehicles have been allotted, in accordance with the terms of their employment, are entitled to change their vehicles every four years, and
- Fixed assets individually having a value less than Rs. 5,000 are fully depreciated in the year of purchase.

Further, residual value for all assets is considered as zero due to the difficulty in estimating the same and in the case of motor cars, having regard to terms of employment under which these are allotted to the employees.

Accordingly, useful life of assets is estimated as follows:

Assets	Useful life
Vehicles	- 4 years
Computers	- 3 years
Furniture and fixtures	- 10 years
Office equipment	- 5 years
Right-Of-Use assets (Leasehold premises)	- Over the period of lease

PPE is de-recognised on disposal or when no future economic benefits are expected from its use. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the net carrying amount of the asset) is recognised in other income / netted off from any loss on disposal in the Statement of Profit and Loss in the year the asset is de-recognised.

2.8. Intangible assets

Intangible assets are stated at cost less accumulated amortisation and impairment loss, if any.

Intangible assets comprise of computer software which is amortised over the estimated useful life. The maximum period for such amortisation is taken as 36 months based on management's estimates of useful life. Amortisation is calculated using the Straight line method to write down the cost of intangible assets over their estimated useful lives.

2.9. Cash and cash equivalent

Cash comprises of cash on hand and bank balances.

2.10. Foreign exchange transactions and translations

Initial recognition

Transactions in foreign currencies are recognised at the prevailing exchange rates between the reporting currency and the foreign currency on the transaction date.

Conversion

Transactions in foreign currencies are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in the Statement of Profit and Loss. Foreign currency monetary assets and liabilities at the year-end are translated at the year-end exchange rates and the resultant exchange differences are recognised in the Statement of Profit and Loss.

Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

2.11. Financial instruments

Recognition and initial measurement

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the Statement of Profit and Loss.

Classification and subsequent measurement

Financial assets

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

- Amortised cost; or
- Fair Value through Other Comprehensive Income (FVTOCI) - debt investment; or
- Fair Value through Other Comprehensive Income (FVTOCI) - equity investment; or
- Fair Value through Profit or Loss (FVTPL)

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

All financial assets not classified as amortised cost or FVTOCI are measured at FVTPL.

The financial assets held with the objective to collect contractual cash flows as per the contractual terms that give rise on specified dates to cash flows that are solely payment of interest on the principal amount outstanding are measured at amortised cost on the reporting date. Accordingly, the Company measures investment in Non-Convertible debentures at amortised cost. Interest income and impairment if any, is recognised in the Statement of Profit and Loss.

For equity investments, the Company makes an election on an instrument-by-instrument basis to designate equity investments as measured at FVTOCI. These elected investments are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in

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

the reserves. The cumulative gain or loss is not reclassified to the Statement of Profit and Loss on disposal of the investments. These investments in equity are not held for trading. Instead, they are held for medium or long-term strategic purpose. Upon the application of Ind AS 109, the Company has chosen to designate these investments as FVTOCI as the Company believes that this provides a more meaningful presentation of medium or long-term strategic investments, than reflecting changes in fair value immediately in the Statement of Profit and Loss. Dividend income, if any, received on such equity investments are recognised in the Statement of Profit and Loss.

Equity investments that are not designated to be measured at FVTOCI are designated to be measured as FVTPL. Subsequent changes in fair value are recognised in the Statement of Profit and Loss.

Financial liabilities and equity instruments

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received. Transaction costs of an equity transaction are recognised as a deduction from equity.

Financial liabilities

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as FVTPL if it is classified as held-for-trading or it is designated as such on initial recognition. Other financial liabilities are subsequently measured at amortised cost. Interest expense are recognised in the Statement of Profit and Loss. Any gain or loss on de-recognition is also recognised in the Statement of Profit and Loss.

De-recognition of financial assets

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

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

De-recognition of financial liabilities

A financial liability is de-recognised when the obligation under the liability is discharged, cancelled or expires. The difference between the carrying value of the original financial liability and the consideration paid is recognised in the Statement of Profit and Loss.

Impairment of financial assets

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets. For debt securities at FVTOCI, the loss allowance is recognised in OCI and is not reduced from the carrying amount of the financial asset in the balance sheet.

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in the Statement of Profit and Loss.

2.12. Security deposits measured at amortised cost

The Company's rent/lease agreements for the rented/ leased office premises are cancellable with a notice period of 2-3 months. All the agreements are considered to be short term in nature. Accordingly, the Company has not applied the provisions of Ind AS 109 - Financial Instruments for taking the effect of fair valuation of security deposits in the financial statements and the deposits.

2.13. Employee Benefits

Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Contribution paid / payable during the year to Superannuation Fund, ESIC and Labour Welfare Fund are recognised in the Statement of Profit and Loss.

Contribution to provident fund

Company's contribution paid/payable during the year to provident fund is recognised in the Statement of Profit and Loss.

Gratuity

The Company's liability towards gratuity scheme is determined by an independent actuary using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the Statement of Profit and Loss.

Remeasurement gains / losses

Remeasurement of defined benefit plans, comprising of actuarial gains or losses, return on plan assets excluding interest income are recognised immediately in the Balance Sheet with corresponding debit or credit to other comprehensive income. Re-measurements are not reclassified to the Statement of Profit and Loss in subsequent period.

Remeasurement gains or losses on long term compensated absences that are classified as other long term benefits are recognised in the Statement of Profit and Loss.

Superannuation fund

The Company makes contribution to the Superannuation scheme, a defined contribution scheme, administered by Life Insurance Corporation of India, which are charged to the Statement of Profit and Loss. The Company has no obligation under this scheme beyond its contribution.

Leave encashment / compensated absences / sick leave

The Company provides for the encashment / availment of leave with pay subject to certain rules. The employees are entitled to accumulate leave subject to certain limits for future encashment / availment. The liability is provided based on the number of days of unutilized leave at each balance sheet date on the basis of an independent actuarial valuation.

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

Employee Share based payments

Cash-settled share-based payments to employees are measured at the fair value of the equity instruments at each reporting date. Any change in fair value is recognized for the vested period in the Statement of Profit and Loss for the period.

2.14. Scheme related expenses

As per SEBI circular dated October 22, 2018, all scheme related expenses subsequent to that date are to be borne by the mutual fund schemes. As a result, the investment management fees subsequent to this date are received net of all scheme expenses. Expenses of schemes of Mahindra Manulife Mutual Fund (formerly known as Mahindra Mutual Fund) in excess of the limits in accordance with the SEBI (Mutual Fund) Regulations, 1996 are borne by the Company and are recognised in the Statement of Profit and Loss.

New Fund Offer ('NFO') expenses

Expenses pertaining to NFO are charged to the Statement of Profit and Loss in the year in which these expenses are incurred which is in compliance with SEBI (Mutual Fund) Regulations, 1996.

2.15. Finance Costs

Finance costs include interest expense accrued on a time basis, by reference to the principal outstanding. Effective from 1 April 2019, on application of Ind AS 116 (Leases), interest expense on lease liabilities computed by applying the Company's weighted average incremental borrowing rate has been included under finance costs.

2.16. Income taxes

Current tax

Current tax comprises amount of tax payable in respect of the taxable income for the year determined in accordance with Income Tax Act, 1961 and any adjustment to the tax payable or receivable in respect of previous years. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases. Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequence that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary difference could be utilized. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

2.17. Securities issue expenses

Expenses incurred in connection with the fresh issue of share capital are adjusted against Securities premium.

2.18. Impairment of non-financial assets

The Company reviews the carrying amounts of its tangible and other intangible assets at the end of each reporting period, to determine whether there is any indication that those assets have impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Recoverable amount is determined for an individual asset, unless the asset does not generate cash flows that are largely independent of those from other assets or group of assets.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash generating unit) is estimated to be less than its carrying amount, the assets is considered impaired, and is written down to its recoverable amount.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash generating unit) is increased to the revised estimate of its recoverable amount such that the increased carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had been recognised for the asset (or cash generating unit) in prior years. The reversal of an impairment loss is recognised in the statement of profit and loss.

2.19. Provisions

Provisions are recognised when there is a present obligation as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

2.20. Leasing

Where the Company is the lessee

As a lessee, the Company's lease asset class primarily consist of buildings or part thereof taken on lease for office premises and certain IT equipments used for operating activities. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

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

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost which comprises of initial amount of lease liability adjusted for any lease payments made at or prior to the commencement date of the lease

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

plus any initial direct costs less any lease incentives. These are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The Company had adopted Ind AS 116 dealing with leases from April 1, 2019. Ind AS 116 introduces a single, on-balance sheet lease accounting model for lessees. The Company recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments.

2.21. Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the Company's earnings per share is the net profit/ loss for the period after deducting preference dividends and any attributable tax thereto for the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, sub-division of shares etc. that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders is divided by the weighted average number of equity shares outstanding during the period, considered for deriving basic earnings per share and weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

3. Cash and cash equivalents

Rs. in lakhs

Particulars	As at 31 March 2022	As at 31 March 2021
Cash on hand	**0.46**	0.63
Balances with banks in current accounts	**11.56**	5.55
Total	**12.02**	6.18

4. Receivables

Rs. in lakhs

Particulars	As at 31 March 2022	As at 31 March 2021
i) Trade receivables		
Unsecured, considered good:		
– Debts outstanding for a period not exceeding six months	**287.74**	175.55
Total	**287.74**	175.55

No trade or other receivable is due from directors or other officers of the company either severally or jointly with any other person nor any trade or other receivable is due from firms or private companies respectively in which any director is a partner, a director or a member.

Trade receivable is due within 30 to 90 days from the date of the invoice.

Trade Receivables Ageing Schedule as at March 31, 2022

Rs. in lakhs

Particulars	Outstanding for following periods					
	Less than 6 months	6 Months – 1 year	1-2 years	2-3 Years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	287.74	–	–	–	–	287.74
Total	**287.74**	**–**	**–**	**–**	**–**	**287.74**

Trade Receivables Ageing Schedule as at March 31, 2021

Rs. in lakhs

Particulars	Outstanding for following periods					
	Less than 6 months	6 Months – 1 year	1-2 years	2-3 Years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	175.55	–	–	–	–	175.55
Total	**175.55**	**–**	**–**	**–**	**–**	**175.55**

5. Investments

Particulars	As at 31 March 2022 Units	As at 31 March 2022 NAV (Rs. in lakhs)	As at 31 March 2021 Units	As at 31 March 2021 NAV (Rs. in lakhs)
A) At Fair Value				
i) Through Other Comprehensive Income				
Unquoted Investment in Equity Shares				
Equity Investment in MF Utilities India Pvt Ltd (Face value of Rs. 1/- each)	**5,00,000**	**28.02**	5,00,000	9.60
Equity Investment in AMC Repo Clearing Limited (Face value of Rs. 10/- each)	**3,54,600**	**35.46**	–	–

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

Particulars	As at 31 March 2022 Units	As at 31 March 2022 NAV (Rs. in lakhs)	As at 31 March 2021 Units	As at 31 March 2021 NAV (Rs. in lakhs)
ii) Through Profit or Loss				
Unquoted Investment in Mutual Fund				
Mahindra Manulife Liquid Fund –Direct Growth (Face value of Rs. 1000/- each)	**6,22,264**	**8,613.27**	10,02,111	13,400.10
Mahindra Manulife Ultra Short Term Fund –Direct Growth (Face value of Rs. 1000/- each)	**5,000**	**56.48**	5,000	54.37
Mahindra Manulife Low Duration Fund - Direct Growth (Face value of Rs. 1000/- each)	**5,000**	**69.99**	5,000	67.18
Mahindra Manulife ELSS Kar Bachat Yojana - Direct Growth (Face value of Rs. 10/- each)	**5,00,000**	**103.82**	5,00,000	81.61
Mahindra Manulife Equity Savings Dhan Sanchay Yojana - Direct Growth (Face value of Rs. 10/- each)	**5,00,000**	**85.97**	5,00,000	75.31
Mahindra Manulife Multi Cap Badhat Yojana - Direct Growth (Face value of Rs. 10/- each)	**5,00,000**	**113.50**	5,00,000	83.42
Mahindra Manulife Mid Cap Unnati Yojana - Direct Growth (Face value of Rs. 10/- each)	**5,00,000**	**93.47**	5,00,000	71.57
Mahindra Manulife Credit Risk Fund - Direct Growth (Face value of Rs. 10/- each)	**5,00,000**	**61.48**	5,00,000	59.73
Mahindra Manulife Rural Bharat and Consumption Yojana - Direct Growth (Face value of Rs. 10/- each)	**5,00,000**	**72.41**	5,00,000	60.52
Mahindra Manulife Large Cap Pragati Yojana - Direct Growth (Face value of Rs. 10/- each)	**5,00,000**	**81.96**	5,00,000	67.70
Mahindra Manulife Hybrid Equity Nivesh Yojana - Direct Growth (Face value of Rs. 10/- each)	**5,00,000**	**89.30**	5,00,000	72.18
Mahindra Manulife Overnight Fund - Direct Growth (Face value of Rs. 1000/- each)	**5,000**	**55.02**	5,000	53.24
Mahindra Manulife Top 250 Nivesh Yojana - Direct Growth (Face value of Rs. 10/- each)	**5,00,000**	**89.05**	5,00,000	66.84
Mahindra Manulife Arbitrage Yojana - Direct Growth (Face value of Rs. 10/- each)	**4,99,975**	**52.91**	4,99,975	51.02
Mahindra Manulife Focused Equity Yojana - Direct Growth (Face value of Rs. 10/- each)	**4,99,975**	**78.81**	4,99,975	60.68
Mahindra Manulife Short Term Fund - Direct Growth (Face value of Rs. 10/- each)	**4,99,975**	**52.81**	4,99,975	50.31
Mahindra Manulife Flexicap Yojana - Direct Growth (Face value of Rs. 10/- each)	**4,99,975**	**51.40**	–	–
Mahindra Manulife Asia Pacific REITS - Direct Growth (Face value of Rs. 10/- each)	**53,49,733**	**512.65**	–	–
Mahindra Manulife Balanced Advantage Fund - Direct Growth (Face value of Rs. 10/- each)	**4,99,975**	**49.98**	–	–
Total (Gross)		**10,447.76**		14,385.40
Less : Impairment loss allowance		–		–
Total (Net) - A		**10,447.76**		14,385.40
B) At Amortised cost				
Secured redeemable non-convertible debentures 8.9% Non Convertible Debentures of Mahindra Rural Housing Finance Ltd. (Face value of Rs. 10 Lakh/- each)	**300**	**3,000**	300	3,000
8.4% Non Convertible Debentures of Mahindra Rural Housing Finance Ltd. (Face value of Rs. 10 Lakh/- each)	**170**	**1,700**	170	1,700
Total (Gross)		**4,700**		4,700
Less : Impairment loss allowance		–		–
Total (Net) - B		**4,700**		4,700
Total (Gross : A+B)		**15,147.76**		19,085.40
Less : Impairment loss allowance		–		–
Total (Net) - C		**15,147.76**		19,085.40

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

6. Other financial assets

Rs. in lakhs

Particulars	As at 31 March 2022	As at 31 March 2021
Interest accrued on investments	**408.07**	412.41
Term deposit with banks	**10,400.00**	10,400.00
Security Deposits for office premises/others	**85.61**	76.49
Other Receivables	–	2.87
Total	**10,893.68**	10,891.77

7. Current tax assets

(i) Tax deducted/collected at source net of provision for taxes

Rs. in lakhs

Particulars	As at 31 March 2022	As at 31 March 2021
TDS/TCS Receivable	**122.23**	84.18
Total	**122.23**	84.18

(ii) Unused tax losses - Revenue in nature

Rs. in lakhs

Particulars	As at 31 March 2022	As at 31 March 2021
Expiry period		
Upto Five years	**9,799.46**	5,850.85
More than Five years	**9,868.16**	10,461.57
No Expiry Date	**389.74**	315.99
Total	**20,057.36**	16,628.41

8. Property, Plant and Equipments

As at 31 March 2022 — **Rs. in lakhs**

	GROSS BLOCK AT COST				**DEPRECIATION & IMPAIRMENT LOSSES OR REVERSALS**				**NET BLOCK**	
Asset description	**As at 01 April 2021**	**Additions**	**Deductions/ adjustments**	**As at 31 March 2022**	**As at 01 April 2021**	**Additions**	**Deductions/ adjustments**	**As at 31 March 2022**	**As at 31 March 2022**	**As at 31 March 2021**
Computers	**127.87**	**28.75**	–	**156.62**	**105.19**	**16.17**	–	**121.36**	**35.26**	**22.68**
Furniture and fixtures	**43.56**	**7.50**	–	**51.06**	**14.26**	**5.52**	–	**19.78**	**31.28**	**29.30**
Vehicles	**316.41**	**78.99**	–	**395.40**	**220.67**	**49.28**	–	**269.95**	**125.45**	**95.74**
Office equipments	**32.65**	**8.96**	–	**41.61**	**23.49**	**4.92**	–	**28.41**	**13.20**	**9.16**
Leased Asset (ROU)	**713.45**	**308.48**	**289.38**	**732.55**	**319.81**	**107.29**	**212.23**	**214.87**	**517.68**	**393.64**
Total	**1,233.94**	**432.68**	**289.38**	**1,377.24**	**683.42**	**183.18**	**212.23**	**654.37**	**722.87**	**550.52**

As at 31 March 2021 — Rs. in lakhs

	GROSS BLOCK AT COST				DEPRECIATION & IMPAIRMENT LOSSES OR REVERSALS				NET BLOCK	
Asset description	As at 01 April 2020	Additions	Deductions/ adjustments	As at 31 March 2021	As at 01 April 2020	Additions	Deductions/ adjustments	As at 31 March 2021	As at 31 March 2021	As at 31 March 2020
Computers	112.03	15.84	–	127.87	88.84	16.35	–	105.19	22.68	23.19
Furniture and fixtures	39.39	4.17	–	43.56	10.26	4.00	–	14.26	29.30	29.13
Vehicles	275.77	49.26	8.62	316.41	170.56	50.11	–	220.67	95.74	105.21
Office equipments	29.17	3.58	0.10	32.65	17.08	6.42	0.01	23.49	9.16	12.09
Leased Asset (ROU)	662.52	61.55	10.62	713.45	160.45	159.36	–	319.81	393.64	502.07
Total	1,118.88	134.40	19.34	1,233.94	447.19	236.24	0.01	683.42	550.52	671.69

9. Other Intangible Assets

As at 31 March 2022 — **Rs. in lakhs**

	GROSS BLOCK AT COST				**AMORTISATION & IMPAIRMENT LOSSES OR REVERSALS**				**NET BLOCK**	
Asset description	**As at 01 April 2021**	**Additions**	**Deductions/ adjustments**	**As at 31 March 2022**	**As at 01 April 2021**	**Additions**	**Deductions/ adjustments**	**As at 31 March 2022**	**As at 31 March 2022**	**As at 31 March 2021**
Computer software	**94.51**	**0.30**	–	**94.81**	**78.46**	**9.64**	–	**88.10**	**6.71**	**16.05**
Total	**94.51**	**0.30**	–	**94.81**	**78.46**	**9.64**	–	**88.10**	**6.71**	**16.05**

As at 31 March 2021 — Rs. in lakhs

	GROSS BLOCK AT COST				AMORTISATION & IMPAIRMENT LOSSES OR REVERSALS				NET BLOCK	
Asset description	As at 01 April 2020	Additions	Deductions/ adjustments	As at 31 March 2021	As at 01 April 2020	Additions	Deductions/ adjustments	As at 31 March 2021	As at 31 March 2021	As at 31 March 2020
Computer software	94.41	0.10	–	94.51	65.40	13.06	–	78.46	16.05	29.01
Total	94.41	0.10	–	94.51	65.40	13.06	–	78.46	16.05	29.01

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

10. Other non-financial assets

Rs. in lakhs

Particulars	As at 31 March 2022	As at 31 March 2021
Prepaid expenses	**147.47**	82.53
Balances with Government Authorities	**202.00**	161.48
Other advances	**9.29**	4.53
Total	**358.76**	248.54

11. Trade Payables

Based on and to the extent of the information received by the Company from the suppliers during the year regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act), the total outstanding dues of Micro and Small enterprises, which are outstanding for more than the stipulated period and other disclosures as per the Micro, Small and Medium Enterprises Development Act, 2006 (hereinafter referred to as "the MSMED Act") are given below:

Rs. in lakhs

Particulars	As at 31 March 2022	As at 31 March 2021
Total outstanding dues of Micro and small enterprises		
a) Dues remaining unpaid to any supplier at the year end		
– Principal	**45.54**	11.48
– Interest on the above	**–**	–
b) Interest paid in terms of Section 16 of the MSMED Act along with the amount of payment made to the supplier beyond the appointed day during the year	**–**	–
– Principal paid beyond the appointed date	–	–
– Interest paid in terms of section 16 of the MSMED Act	–	–
c) Amount of interest due and payable for the year of delay on payments made beyond the appointed day during the year	–	–
d) Amount of interest accrued and remaining unpaid at the year end	–	–
e) Further interest due and payable even in the succeeding years, until such date when the interest due as above are actually paid to the small enterprises	–	–
Total outstanding dues of creditors other than micro and small enterprises	**75.40**	246.72
Total	**120.94**	258.20

Trade Payables Ageing Schedule as at March 31, 2022
Trade Payables - Undisputed

Rs. in lakhs

Particulars	Outstanding for following periods				
	Less than 1 year	1-2 years	2-3 Years	More than 3 years	Total
(i) MSME	45.54	–	–	–	45.54
(ii) Others	75.40	–	–	–	75.40
Total	**120.94**	–	–	–	**120.94**

Trade Payables Ageing Schedule as at March 31, 2021
Trade Payables - Undisputed

Rs. in lakhs

Particulars	Outstanding for following periods				
	Less than 1 year	1-2 years	2-3 Years	More than 3 years	Total
(i) MSME	11.48	–	–	–	11.48
(ii) Others	246.72	–	–	–	246.72
Total	258.20	–	–	–	258.20

12. Other financial liabilities

Rs. in lakhs

Particulars	As at 31 March 2022	As at 31 March 2021
Provision for Salary, Bonus and performance pay	**859.49**	782.24
Provision for expenses	**4.53**	6.52
Long term Lease Liability	**574.44**	486.99
Total	**1,438.46**	1,275.75

Terms & Conditions of financial liabilities

- Trade payables are normally settled on 30 days terms
- Other financial liabilities are normally settled as and when due

13. Provisions

Rs. in lakhs

Particulars	As at 31 March 2022	As at 31 March 2021
Provision for employee benefits		
– Gratuity	**207.55**	136.51
– Leave encashment	**275.92**	254.29
– Share based compensation to employees	**610.25**	517.39
Total	**1,093.72**	908.19

14. Other non-financial liabilities

Rs. in lakhs

Particulars	As at 31 March 2022	As at 31 March 2021
TDS Payable	**137.23**	76.23
GST Payable	**50.31**	34.41
Other statutory dues and taxes payable	**30.21**	27.38
Total	**217.75**	138.02

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

15. Note on Equity Share capital and Shareholding Pattern

Particulars	As at 31 March 2022 No. of shares in lakhs	As at 31 March 2022 Rs. in lakhs	As at 31 March 2021 No. of shares in lakhs	As at 31 March 2021 Rs. in lakhs
Authorised capital :				
Equity shares of Rs.10/- each	**4,000.00**	**40,000.00**	4,000.00	40,000.00
	4,000.00	**40,000.00**	4,000.00	40,000.00
Issued capital :				
Equity shares of Rs.10/- each	**3,829.41**	**38,294.12**	3,829.41	38,294.12
	3,829.41	**38,294.12**	3,829.41	38,294.12
Subscribed and paid-up capital :				
Equity shares of Rs.10/- each	**3,829.41**	**38,294.12**	3,829.41	38,294.12
Total	**3,829.41**	**38,294.12**	3,829.41	38,294.12

Particulars	As at 31 March 2022		As at 31 March 2021	
	No. of shares in lakhs	Rs. in lakhs	No. of shares in lakhs	Rs. in lakhs
a) **Reconciliation of number of equity shares**				
Balance at the beginning of the year	**3,829.41**	**38,294.12**	2,100.00	21,000.00
Add : Fresh allotment of shares :				
- Shares issued during the year	–	–	1,729.41	17,294.12
Balance at the end of the year	**3,829.41**	**38,294.12**	3,829.41	38,294.12
b) **Number of equity shares held by holding company or ultimate holding company including shares held by its subsidiaries/ associates:**				
Holding company				
Mahindra & Mahindra Financial Services Limited				
Percentage of holding (51%)	**1,953.00**	**19,530.00**	1,953.00	19,530.00
c) **Shareholders holding more than 5 percent shares:**				
Mahindra & Mahindra Financial Services Limited				
Percentage of holding (51%)	**1,953.00**	**19,530.00**	1,953.00	19,530.00
Manulife Investment Management (Singapore) Pte Limited	**1,876.41**	**18,764.12**	1,876.41	18,764.12
Percentage of holding (49%)				

d) The Company has only one class of equity shares having a par value of Rs.10/- per share.

16. Other Equity

Description of the nature and purpose of Other Equity

Securities Premium: The securities premium is used to record the premium on issue of shares. The reserve can be utilized in accordance with the provisions of Companies Act, 2013.

Retained earnings or Profit & loss account: Retained earnings or Profit & loss account represents the undistributed earnings.

Other Comprehensive Income (OCI): Other Comprehensive Income (OCI) represents remeasurements of defined benefits plans comprising of actuarial gains and losses on its net liabilities / assets and fair valuation of financial instruments.

Rs. in lakhs

Particulars	Securities premium	Retained earnings or Profit & loss account	Other Comprehensive Income (OCI)	Total
Balance as at 01 April 2020	–	(14,168.45)	(29.27)	(14,197.72)
Profit / (Loss) for the year	–	(2,672.34)	–	(2,672.34)
Remeasurements of defined benefits plans	–	–	7.51	7.51
Total Comprehensive Income for the year	–	**(2,672.34)**	**7.51**	**(2,664.83)**
Securities premium on fresh issue of equity share capital	7,071.55	–	–	7,071.55
Share issue expenses	(25.09)	–	–	(25.09)
Balance as at 31 March 2021	**7,046.46**	**(16,840.79)**	**(21.76)**	**(9,816.09)**

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

Rs. in lakhs

Particulars	Securities premium	Retained earnings or Profit & loss account	Other Comprehensive Income (OCI)	Total
Balance as at 01 April 2021	7,046.46	(16,840.79)	(21.76)	(9,816.09)
Profit / (Loss) for the year	–	(3,806.01)	–	(3,806.01)
Remeasurement gain / (loss) on defined benefit plans	–	–	(9.54)	(9.54)
Remeasurement gain / (loss) on fair valuation of financial assets	–	–	18.42	18.42
Total Comprehensive Income for the year	–	**(3,806.01)**	**8.88**	**(3,797.13)**
Securities premium on fresh issue of equity share capital	–	–	–	–
Share issue expenses	–	–	–	–
Balance as at 31 March 2022	**7,046.46**	**(20,646.80)**	**(12.88)**	**(13,613.22)**

17. Fees and commission income

Rs. in lakhs

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Fees earned from management of mutual fund schemes	**1,877.10**	1,460.95
Investment Advisory Fees	**163.73**	–
Total	**2,040.83**	1,460.95

Note: The Investment Advisory Fees stated above is earning in foreign currency.

18. Other income

Rs. in lakhs

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Interest income on financial instruments measured at amortised cost	**891.60**	759.12
Interest on Income Tax Refund	**4.87**	25.11
Net profit/(loss) on sale of investments	**336.38**	216.70
Net gain/(loss) on fair value changes		
A) Net gain/(loss) on financial instruments at FVTPL		
i) On trading portfolio		
- Unrealised gain on Investments	**207.61**	589.94
Other Non Operating Income		
- Non operating income	**46.15**	–
Total	**1,486.61**	1,590.87

19. Employee benefits expenses

Rs. in lakhs

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Salaries and wages	**4,138.58**	3,474.80
Contribution to provident funds and other funds	**248.80**	207.84
Share based compensation to employees	**290.92**	262.34
Staff welfare expenses	**26.68**	14.63
Total	**4,704.98**	3,959.61

20. Finance costs

Rs. in lakhs

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
On Lease Liability		
Interest on lease liability	**38.83**	41.07
Total	**38.83**	41.07

21. Depreciation, amortization and impairment

Rs. in lakhs

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Depreciation on Property, Plant and Equipment	**75.89**	76.89
Amortization and impairment of intangible assets	**9.64**	13.06
Amortization on leased assets	**107.29**	159.36
Total	**192.82**	249.31

22. Other expenses

Rs. in lakhs

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Rent, taxes and energy costs	**88.93**	27.22
Repairs and maintenance	**47.41**	39.77
Communication Costs	**74.39**	49.93
Printing and stationery	**23.41**	9.65
Advertisement and publicity	**464.76**	238.62
Marketing Expenses	**468.07**	198.82
Directors' fees, allowances and expenses	**26.70**	21.60
Auditor's fees and expenses -		
– Audit fees	**6.00**	4.50
– Other services	**3.10**	6.50
– Reimbursement of expenses	–	–
Legal and professional charges	**199.30**	106.29
Insurance	**83.56**	54.89
Manpower outsourcing cost	**143.47**	115.74
Distributor Training expenses	**149.21**	5.01
Registrar & Transfer Agent fees	**10.16**	2.40
Conference & Seminar expenses	**39.21**	1.91
Membership & Subscription fees	**138.00**	118.68
Travelling & Conveyance expenses	**82.21**	33.84
Other expenditure	**348.93**	438.80
Total	**2,396.82**	1,474.17

Note 1: Membership & subscription fees includes Rs. 1.33 lakhs expenditure in foreign currency. (Previous year - Rs. 2.45 lakhs)

Note 2: Previous year's figures have been regrouped/ reclassified wherever found necessary.

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

23. Other Comprehensive Income

Rs. in lakhs

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
A) (i) Items that will not be reclassified to profit or loss		
– Changes in revaluation surplus	–	–
– Remeasurement gain/(loss) on defined benefit plans	**(9.54)**	7.51
– Net gain/(loss) on equity instruments through OCI	–	–
– Remeasurement gain / (loss) on fair valuation of financial assets	**18.42**	–
(ii) Income tax impact thereon	–	–
Total Other Comprehensive Income	**8.88**	7.51

24. Earning Per Share (EPS)

Rs in lakhs except per share number

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Profit/ (Loss) for the year	**(3,806.01)**	(2,672.34)
Weighted average number of Equity Shares used in computing basic EPS	**3,829.41**	3,696.74
Effect of potential dilutive Equity Shares	–	–
Weighted average number of Equity Shares used in computing diluted EPS	**3,829.41**	3,696.74
Basic Earnings per share (Rs.) (Face value of Rs. 10/- per share)	**(0.99)**	(0.72)
Diluted Earnings per share (Rs.)	**(0.99)**	(0.72)

25. Employee benefits

Details of defined benefit plans as per actuarial valuation are as follows:

Particulars	Funded Plan Gratuity Year ended 31 March 2022	2021	Unfunded Plans Exigency leave/Earned leave Year ended 31 March 2022	2021
I. Amounts recognised in the Statement of Profit & Loss				
Current service cost	**55.03**	46.41	**66.50**	67.23
Net Interest cost	**9.43**	6.49	**17.57**	11.92
Actuarial (gain)/loss	**9.54**	(7.51)	**(62.44)**	1.87
Interest income	**(2.95)**	(3.21)	–	–
Total expenses included in employee benefits expense	**71.05**	42.18	**21.63**	81.03
II. Amount recognised in Other Comprehensive income				
Remeasurement (gains)/losses:				
a) Actuarial (gains)/losses arising from changes in -				
– demographic changes	**(2.57)**	0.64	–	–
– financial assumptions	**(10.86)**	(0.64)	–	–
– experience adjustments	**19.94**	(10.31)	–	–
b) Return on plan assets, excluding amount included in net interest expense/(income)	**3.03**	2.80	–	–
Total amount recognised in other comprehensive income	**9.54**	(7.51)	–	–
III. Changes in the defined benefit obligation				
Opening defined benefit obligation	**180.45**	135.06	**254.29**	173.26
Current service cost	**55.03**	46.41	**66.50**	67.23
Past service cost	–	–	–	–
Interest expense	**12.46**	9.29	**17.57**	11.92
Remeasurement (gains)/losses arising from changes in -				
– demographic changes	**(2.57)**	0.64	**3.58**	0.13
– financial assumptions	**(10.86)**	(0.64)	**(14.23)**	(0.87)
– experience adjustments	**19.94**	(10.31)	**(51.79)**	2.62
Benefits paid	**(15.02)**	–	–	–
Closing defined benefit obligation	**239.43**	180.45	**275.92**	254.29

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

Particulars	Funded Plan Gratuity Year ended 31 March 2022	2021	Unfunded Plans Exigency leave/Earned leave Year ended 31 March 2022	2021
IV. Change in the fair value of plan assets during the year				
Opening Fair value of plan assets	**43.94**	40.73	–	–
Interest income	**2.95**	3.21	–	–
Expected return on plan assets	–	–	–	–
Contributions by employer	–	–	–	–
Adjustment due to change in opening balance of Plan assets	–	–	–	–
Actual Benefits paid	**(15.02)**	–	–	–
Closing Fair value of plan assets	**31.87**	43.94	–	–
V. Net defined benefit obligation				
Defined benefit obligation	**239.43**	180.45	**275.92**	254.29
Fair value of plan assets	**31.87**	43.94	–	–
Surplus/(Deficit)	**(207.56)**	(136.51)	**(275.92)**	(254.29)
Current portion of the above	**(61.81)**	(34.40)	**(30.10)**	(47.04)
Non current portion of the above	**(145.75)**	(102.11)	**(245.82)**	(207.25)

Details of defined benefit plans as per actuarial valuation are as follows:

Particulars	Funded Plan Gratuity Year ended 31 March 2022	2021	Unfunded Plans Exigency leave/Earned leave Year ended 31 March 2022	2021
Actuarial assumptions and Sensitivity				
I. Actuarial assumptions				
Discount Rate (p.a.)	**7.32%**	6.91%	**7.32%**	6.91%
Attrition rate	**8.70% - 40.00%**	0-5.45%	**8.70% - 40.00%**	0-5.45%
Rate of Salary increase (p.a.)	**7.00%**	7.00%	**7.00%**	7.00%
In-service Mortality	**100% of IALM (2012 - 14)**	100% of IALM (2012 - 14)	**100% of IALM (2012 - 14)**	100% of IALM (2012 - 14)
II. Quantitative sensitivity analysis for impact of significant assumptions on defined benefit obligation are as follows:				
One percentage point increase in discount rate	**(11.82)**	(18.61)	**(34.16)**	(30.61)
One percentage point decrease in discount rate	**12.98**	20.91	**32.43**	36.49
One percentage point increase in Salary growth rate	**12.89**	20.67	**32.19**	36.09
One percentage point decrease in Salary growth rate	**(11.95)**	(18.84)	**(34.52)**	(30.85)
III. Maturity profile of defined benefit obligation				
Within 1 year	**81.60**	46.83	**37.57**	63.31
Between 2 and 5 years	**189.91**	43.16	**150.66**	30.83

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

26. Financial Instruments

i) Financial Instruments regularly measured using Fair Value - recurring items

Rs. in lakhs

Financial assets/ financial liabilities	Financial assets/ financial liabilities	Category	Fair Value As at 31 March 2022	Fair Value As at 31 March 2021	Fair value hierarchy	Valuation technique(s)
1) Investment in Mutual Funds	Financial Assets	Financial instrument measured at FVTPL	10,384.28	14,375.80	Level 1	NAV
2) Investment in equity instruments-Unquoted	Financial Assets	Financial instrument designated at FVTOCI	14,375.80	9.60	Level 3	Based on latest available net worth of investee company

ii) Financial Instruments measured at amortised cost

Rs. in lakhs

Particulars	Carrying Value	Fair value	Fair value Level 1	Fair value Level 2	Fair value Level 3
As at 31 March 2022					
Financial assets					
a) Cash and cash equivalent	**12.02**	**12.02**	**12.02**	–	–
b) Trade Receivables	**287.74**	**287.74**	–	**287.74**	–
c) Financial investments - at amortised cost	**4,700.00**	**4,700.00**	**4,700.00**	–	–
d) Other financial assets	**10,893.68**	**10,893.68**	**412.41**	**10,481.27**	–
Total	**15,893.44**	**15,893.44**	**5,124.43**	**10,769.01**	–
Financial liabilities					
a) Trade Payables	**120.94**	**120.94**	–	**120.94**	–
b) Other financial liabilities	**1,438.46**	**1,438.46**	–	**1,438.46**	–
Total	**1,559.40**	**1,559.40**	–	**1,559.40**	–
As at 31 March 2021					
Financial assets					
a) Cash and cash equivalent	6.18	6.18	6.18	–	–
b) Trade Receivables	175.55	175.55	–	175.55	–
c) Financial investments - at amortised cost	4,700.00	4,700.00	4,700.00	–	–
d) Other financial assets	10,891.77	10,891.77	412.41	10,479.36	–
Total	**15,773.50**	**15,773.50**	**5,118.59**	**10,654.91**	–
Financial liabilities					
a) Trade Payables	258.20	258.20	–	258.20	–
b) Other financial liabilities	1,275.75	1,275.75	–	1,275.75	–
Total	**1,533.95**	**1,533.95**	–	**1,533.95**	–

Except for the above, carrying value of Other financial assets/liabilities represent reasonable estimate of fair value.

There were no transfers between Level 1 and Level 2 during the year.

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

27. Financial Risk Management

In the course of its business, the Company is exposed to certain financial risks: liquidity risk and market risk. The Company's primary focus is to achieve better predictability of financial markets and seek to minimize potential adverse effects on its financial performance.

Liquidity Risk Management

The Company manages liquidity risk by continuously monitoring forecast and actual cash flows.

Maturity profile of non-derivative financial liabilities

Rs. in lakhs

Particulars	Less than 1 Year	1-3 Years	3 Years to 5 Years	5 years and above	Total
Non-derivative financial liabilities					
As at 31 March 2022					
Trade Payables	**120.94**	–	–	–	**120.94**
Other financial liabilities	**963.64**	**170.97**	**151.14**	**152.71**	**1,438.46**
Total	**1,084.58**	**170.97**	**151.14**	**152.71**	**1,559.40**
As at 31 March 2021					
Trade Payables	258.20	–	–	–	**258.20**
Other financial liabilities	788.76	298.68	139.84	48.47	**1,275.75**
Total	**1,046.96**	**298.68**	**139.84**	**48.47**	**1,533.95**

Market Risk Management

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. The Company invests in fixed rate instruments, units of mutual fund taking into account the current liquidity requirements. There has been no significant changes to the company's exposure to market risk or the methods in which they are managed or measured.

28. Related party disclosures:

i) As per Ind AS 24 on 'Related party disclosures', the related parties of the Company are as follows:

a) **Holding Company**
Mahindra & Mahindra Financial Services Ltd

b) **Ultimate Holding Company**
Mahindra & Mahindra Ltd

c) **Fellow Subsidiaries / Associate Companies / Joint Ventures:**
(entities with whom the Company has transactions)
Manulife Investment Management (Singapore) Pte Ltd
Mahindra Rural Housing Finance Limited
NBS International Limited
Mahindra Retail Limited
Mahindra Integrated Business Solutions Private Limited
Mahindra Engineering & Chemical Products Ltd
Mahindra Defence Systems Ltd
Manulife Investment Management (Hong Kong) Limited

d) **Key Management Personnel:**
Mr. Ashutosh Bishnoi, Managing Director & Chief Executive Officer

ii) The nature and volume of transactions of the Company during the year with the above related parties were as follows:

Rs. in lakhs

Particulars	Holding Company		Ultimate Holding Company		Fellow Subsidiaries/ Associate Companies/ Joint Ventures		Key Management Personnel	
	Year ended 31 March 2022	Year ended 31 March 2021	**Year ended 31 March 2022**	Year ended 31 March 2021	**Year ended 31 March 2022**	Year ended 31 March 2021	**Year ended 31 March 2022**	Year ended 31 March 2021
Issue of Equity Shares								
Manulife Investment Management (Singapore) Pte Ltd	–	–	–	–	–	17,294.12	–	–
Purchase of fixed assets								
Mahindra Engineering & Chemical Products Ltd	–	–	–	–	1.59	7.96	–	–
Mahindra & Mahindra Ltd	–	–	18.52	–	–	–	–	–
Interest income								
Mahindra Rural Housing Finance Ltd	–	–	–	–	409.80	409.48	–	–
Other expenses								
Mahindra Retail Limited	–	–	–	–	–	1.56	–	–
Mahindra Integrated Business Solutions Pvt Ltd	–	–	–	–	52.91	26.35	–	–
NBS International Limited	–	–	–	–	4.61	–	–	–
Mahindra Engineering & Chemical Products Ltd	–	–	–	–	16.35	10.28	–	–
Mahindra & Mahindra Financial Services Ltd	62.12	107.85	–	–	–	–	–	–
Mahindra & Mahindra Ltd	–	–	25.41	9.47	–	–	–	–
Mahindra Defence Systems Ltd	–	–	–	–	5.96	–	–	–
Reimbursement of expenses								
Mahindra & Mahindra Financial Services Ltd	6.45	28.93	–	–	–	–	–	–
Mahindra & Mahindra Ltd	–	–	0.07	–	–	–	–	–
Investment Advisory Fees Income								
Manulife Investment Management (Hong Kong) Ltd	–	–	–	–	163.73	–	–	–
Remuneration								
Managing Director & Chief Executive Officer	–	–	–	–	–	–	425.58	383.53

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

iii) Balances as at the end of the year:

Rs. in lakhs

Particulars	Holding Company		Ultimate Holding Company		Fellow Subsidiaries/ Associate Companies/ Joint Ventures	
	As at 31 March 2022	As at 31 March 2021	**As at 31 March 2022**	As at 31 March 2021	**As at 31 March 2022**	As at 31 March 2021
Balances as at the end of the period						
Investments						
Investments in Non convertible debentures (including interest accrued but not due)						
Mahindra Rural Housing Finance Limited	–	–	–	–	**4,856.88**	4,857.61
Trade Receivables						
Manulife Investment Management (Hong Kong) Ltd	–	–	–	–	**84.51**	–
Trade Payables						
Mahindra & Mahindra Financial Services Ltd	**4.62**	4.78	–	–	–	–
Mahindra Integrated Business Solutions Private Ltd	–	–	–	–	**3.00**	2.16
Mahindra Retail Limited	–	–	–	–	–	–
Mahindra & Mahindra Ltd	–	–	**12.96**	–	–	–
Mahindra Engineering & Chemical Products Ltd	–	–	–	–	**4.89**	**0.18**

29. Disclosure on Employee Share-based Compensation Scheme (Cash-settled phantom share based payments)

The Company has a Long Term Incentive Compensation Scheme ('LTIC') for eligible employees. The same was announced in Financial Year 2018-19. The LTIC payment calculation is based on a framework of phantom shares. The cash-settled share-based amount is measured at the fair value of the liability as per the requirements of Ind AS 102 Share-based payments. Until the liability is settled, the Company shall remeasure the fair value of the liability at the end of each reporting period and at the date of settlement, with any changes in fair value recognised in the Statement of profit and loss for the period.

Accordingly, a charge to Statement of Profit and loss for the year ended March 31, 2022 is Rs. 290.92 lakhs (previous year Rs. 262.34 lakhs).

Summary of phantom shares

Particulars	FY 2020-21 No. of phantom shares	FY 2020-21 Weighted average allocation price (Rs.)	FY 2021-22 No. of phantom shares	FY 2021-22 Weighted average allocation price (Rs.)
Phantom shares outstanding as on 1st April 2020 & 2021	87,20,960	2.62	**1,00,69,394**	**2.71**
Phantom shares granted during the year	17,55,176	3.48	**35,06,521**	**4.87**
Phantom shares forfeited during the year	(4,06,742)	3.98	**(24,83,569)**	**2.80**
Phantom shares outstanding as on 31st March 2021 & 2022	1,00,69,394	2.71	**1,10,92,346**	**3.38**

Information in respect of outstanding phantom shares as at 31st March 2022:

Fair Value of phantom shares at the allocation date	Range of Allocation price	Number of Phantom shares outstanding as on 31.03.2022	Weighted average remaining period	Fair Value of Share as on 31.03.2022
Rs. 10.27	**Rs. 2.05 (at 80% discount)**	**53,03,118**	**–**	**Rs. 16.12**
Rs. 11.32	**Rs. 4.53 (at 60% discount)**	**12,23,336**	**5 months**	**Rs. 16.12**
Rs. 9.95	**Rs. 3.98 (at 60% discount)**	**5,97,299**	**14 months**	**Rs. 16.12**
Rs. 8.70	**Rs. 3.48 (at 60% discount)**	**4,62,072**	**26 months**	**Rs. 16.12**
Rs. 12.16	**Rs. 4.87 (at 60% discount)**	**35,06,521**	**38 months**	**Rs. 16.12**

Information in respect of outstanding phantom shares as at 31st March 2021:

Fair Value of phantom shares at the allocation date	Range of Allocation price	Number of Phantom shares outstanding as on 31.03.2021	Weighted average remaining period	Fair Value of Share as on 31.03.2021
Rs. 10.27	Rs. 2.05 (at 80% discount)	64,93,583	5 months	Rs. 12.16
Rs. 11.32	Rs. 4.53 (at 60% discount)	12,23,336	14 months	Rs. 12.16
Rs. 9.95	Rs. 3.98 (at 60% discount)	5,97,299	26 months	Rs. 12.16
Rs. 8.70	Rs. 3.48 (at 60% discount)	17,55,176	38 months	Rs. 12.16

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

Period of payout	Payout period completed as on 31 March 2022	Payout period remaining as on 31 March 2022	Provision (Rs. in lakhs)
April 1 2017 to March 31 2022	**60 months**	**–**	**335.65**
April 1 2018 to March 31 2022	**48 months**	**–**	**42.54**
April 1 2018 to March 31 2023	**48 months**	**12 months**	**51.05**
April 1 2019 to March 31 2022	**36 months**	**–**	**18.13**
April 1 2019 to March 31 2023	**36 months**	**12 months**	**16.31**
April 1 2019 to March 31 2024	**36 months**	**24 months**	**19.58**
April 1 2020 to March 31 2023	**24 months**	**12 months**	**9.73**
April 1 2020 to March 31 2024	**24 months**	**24 months**	**8.76**
April 1 2020 to March 31 2025	**24 months**	**36 months**	**10.51**
April 1 2021 to March 31 2024	**12 months**	**24 months**	**32.88**
April 1 2021 to March 31 2025	**12 months**	**36 months**	**29.60**
April 1 2021 to March 31 2026	**12 months**	**48 months**	**35.51**
Total Provision made as on 31 March 2022			**610.25**

Period of payout	Payout period completed as on 31 March 2021	Payout period remaining as on 31 March 2021	Provision (Rs. in lakhs)
April 1 2017 to March 31 2021	48 months	-	178.83
April 1 2017 to March 31 2022	48 months	12 months	206.85
April 1 2018 to March 31 2021	36 months	-	23.35
April 1 2018 to March 31 2022	36 months	12 months	21.02
April 1 2018 to March 31 2023	36 months	24 months	25.22
April 1 2019 to March 31 2022	24 months	12 months	8.15
April 1 2019 to March 31 2023	24 months	24 months	7.33
April 1 2019 to March 31 2024	24 months	36 months	8.80
April 1 2020 to March 31 2023	12 months	24 months	12.70
April 1 2020 to March 31 2024	12 months	36 months	11.43
April 1 2020 to March 31 2025	12 months	48 months	13.72
Total Provision made as on 31 March 2021			**517.39**

Valuation of the Company has been done by assigning a valuation percentage to the average assets under management of the company for March 2022. A different valuation percentage was assigned to different asset classes. The total value of the company is divided by the total number of shares outstanding as on reporting date, to arrive at the fair value per share of the Company.

30. Leases

Company as a lessee

Following are the changes in the carrying value of Right to Use asset for the year ended 31 March 2022

Rs. in lakhs

Particulars	Category of Asset Building For the year ended 31 March 2022	For the year ended 31 March 2021
Balance at the beginning	**393.64**	502.07
Reclassifciation on account of adoption of Ind AS 116	–	–
Additions	**306.94**	61.55
Restatement of ROU Asset	**1.54**	–
Deletions	**(77.15)**	(10.62)
Amortisation on ROU Asset for the year	**(107.29)**	(159.36)
Balance as at the end of the year	**517.68**	393.64

Following is the movement in the lease liabilities during the year ended 31 March 2022

Rs. in lakhs

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Balance at the beginning	**486.99**	535.76
Reclassification on account of adoption of Ind AS 116	–	–
Additions	**306.94**	61.55
Deletions	**(77.15)**	(10.62)
Restatement of lease liability	**(43.47)**	–
Finance Cost accrued during the year	**38.83**	41.07
Payment of lease liabilities	**(137.70)**	(140.76)
Balance as at the end of the year	**574.44**	486.99

The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis:

Rs. in lakhs

Particulars	As at 31 March 2022	As at 31 March 2021
Less than one year	**135.93**	124.53
One to five years	**408.81**	342.77
More than five years	**182.15**	54.96
Balance as at the end of the year	**726.89**	522.26

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

31. Additional Regulatory Information

Ratio	Numerator	Denominator	Ratio as on 31 March 2022	Ratio as on 31 March 2021	% Variance	Reason for variance
Current Ratio (in times)	Total Current Assets	Total Current Liabilities	10.95	13.43	(18%)	NA
Return on Equity (in %)	Profit/(loss) for the year less Preference dividend (if any)	Total Equity	(15%)	(9%)	(6%)	NA
Trade Receivable Turnover Ratio (in times)	Revenue from operations	Average Trade Receivable	8.81	14.76	(40%)	Increase in Schemes AUM and advisory fee income resulted in increase in Revenue from operations in current year. Also, Trade Receivables is increased in current year due to advisory fee income.
Net (working) Capital Turnover Ratio (in times)	Revenue from operations	Average Working Capital	0.10	0.12	(17%)	NA
Net Profit Ratio (in %)	Profit/(loss) for the year	Revenue from operations	(186%)	(183%)	(4%)	NA
Return on Capital employed Ratio (in %)	Profit/(loss) before tax and interest	Total Assets less Total Current Liabilities	(15%)	(9%)	(6%)	NA
Return on investment (in %)	Income from invested funds	Average invested funds	9%	7%	1%	NA

32. Operating Segments

There is no separate reportable segment as per Ind AS 108 on “Operating Segments” in respect of the Company. For management purposes, the Company is organised into a single business unit and has only one reportable segment namely ‘Investment Management services’.

33. Social Security code

The new Code on Social Security, 2020 has been enacted, which would impact the contributions by the Company towards Provident Fund and Gratuity. The effective date from which the changes will be applicable and the rules, are yet to be notified. The Company will complete its evaluation and will give appropriate impact in its financial statements in the period in which, the Code and the Rules become effective.

34. Impact of COVID-19

The Company has considered the possible effects that may result from COVID-19 pandemic in the preparation of these financial statements including the recoverability of carrying amounts of financial and non-financial assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of the COVID-19 pandemic, the Company has, at the date of approval of these financial statements, used internal and external sources of information and expects that the carrying amount of these assets will be recovered. The Company does not expect any major impact on its operations.

Signatures to Significant accounting policies and notes to the financial statements – 1 to 34

For B. K. KHARE & CO.
Chartered Accountants
Firm’s Registration No: 105102W

Shirish Rahalkar
Partner
Membership No: 111212

Place : Mumbai
Date : April 20, 2022

For and on behalf of the Board of Directors

Mahindra Manulife Investment Management Private Limited
(Formerly known as Mahindra Asset Management Company Private Limited)

Ramesh Iyer
Chairman
[DIN: 0000220759]

Anthony Heredia
Managing Director & CEO
[DIN: 0002205628]

Chitra Andrade
Director
[DIN: 0008090478]

Vijay Ramchandran
Director
[DIN: 0002639324]

Ashwini Sankhe
Chief Financial Officer

Ravi Dayma
Company Secretary

INDEPENDENT AUDITORS' REPORT

To the Members of
Mahindra Manulife Trustee Private Limited
(Formerly known as Mahindra Trustee Company Private Limited)

Report on the Audit of the Ind AS Financial Statements

Opinion

We have audited the accompanying Ind AS Financial Statements of **Mahindra Manulife Trustee Private Limited (Formerly known as Mahindra Trustee Company Private Limited)** ("the Company"), which comprise the Balance sheet as at March 31, 2022, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Companies Act, 2013, as amended ('the Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, its profit including other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Information other than the Financial Statements and Auditor's report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the Financial Statements and our auditors' report thereon.

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

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

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

Responsibilities of Management for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order;
2. As required by Section 143(3) of the Act, we report that:
   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
   c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
   d) In our opinion, the aforesaid Financial Statements comply with the Accounting Standards specified under Section 133 of the Act;
   e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164(2) of the Act;
   f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these Financial Statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" to this report;
   g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended:

      In our opinion and to the best of our information and according to the explanation given to us, no managerial remuneration has been paid to its directors during the year by the Company;
   h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
      i. The Company does not have any pending litigations which would impact its financial position;
      ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
      iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
      iv. (a) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities (intermediaries), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provided any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The management has represented that, to the best of it's knowledge and belief, other than as disclosed in the notes to accounts, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provided any guarantee, security or the like on behalf of the Ultimate beneficiaries; and

(c) Based on such audit procedures that the auditor has considered reasonable and appropriate in the circumstances, nothing has come to their notice that has caused us to believe that the representations under sub-clause (i) and (ii) contain any material misstatement.

v. The Company has not declared or paid dividend during the financial year.

For B. K. Khare & Co.
Chartered Accountants
Firm Registration No. 105102W

Shirish Rahalkar
Partner
Membership No. 111212
UDIN: 22111212AHPPJB6586

Mumbai, April 22, 2022

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

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

We have audited the internal financial controls over financial reporting of **Mahindra Manulife Trustee Private Limited (Formerly known as Mahindra Trustee Company Private Limited)** ("the Company") as of March 31, 2022 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these financial statements was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls over Financial Reporting with Reference to these Financial Statements

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

Inherent Limitations of Internal Financial Controls over Financial Reporting with Reference to these Financial Statements

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

Opinion

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

For B. K. Khare & Co.
Chartered Accountants
Firm Registration No. 105102W

Shirish Rahalkar
Partner
Membership No. 111212
UDIN: 22111212AHPPJB6586

Mumbai, April 22, 2022

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date on the financial statements of **Mahindra Manulife Trustee Private Limited (Formerly known as Mahindra Trustee Company Private Limited)** for the year ended March 31, 2022.

Annexure to the Auditor's Report referred to in our report of even date:

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

(a) (B) The Company has no intangible assets and hence reporting under Clause 3(i)(a)(B) is not applicable.

(b) The Company has a regular programme of physical verification of its property, plant and equipment and investment properties by which the property, plant and equipment are verified by the management according to a phased programme designed to cover all the items during the financial year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its property, plant and equipment. In accordance with the programme, the Company has physically verified property, plant and equipment during the year and no discrepancies were noticed on such verification.

(c) The Company does not hold any immovable property and hence reporting under Clause 3(i)(c) of the Order is not applicable to the Company.

(d) According to the information and explanations given to us, the Company has not revalued any of its Property, Plant and Equipment during the year.

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

ii. (a) Company is into service industry and does not hold any inventory, thus reporting under Clause 3(ii)(a) of the Order is not applicable to the company.

(b) According to the information and explanations given to us, the Company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets at any point of time during the year.

iii. According to the information and explanations given to us, the Company has not made investments in or provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year. Accordingly, the reporting under Clauses 3(iii)(a) to 3(iii)(f) of the Order is not applicable to the Company.

iv. The Company has not granted any loans, provided guarantees and made investments during the year to the parties covered under Sections 185 and 186 of the Act. Accordingly, compliance under Section 185 and 186 of the Act in respect of providing securities is not applicable to the Company.

v. According to the information and explanations given to us, the Company has not accepted deposits under the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. Accordingly, the reporting under Clause 3(v) of the Order is not applicable to the Company.

vi. The Central Government has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company. Accordingly, the reporting under Clause 3(vi) of the Order is not applicable to the Company.

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

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

(b) According to the information and explanations given to us and on the basis of our examination of records of the Company, there are no statutory dues in respect of Goods and Services Tax, Provident Fund, Employees' State Insurance, Income tax, Sales tax, Service tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and any other statutory dues as at 31 March 2022, which have not been deposited with the appropriate authorities on account of any dispute.

viii. According to the information and explanations given to us, there are no transactions not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income tax Act, 1961. Accordingly, the reporting under Clause 3(viii) of the Order is not applicable to the Company.

ix. According to the information and explanations given to us and based on the audit procedures performed by us, the Company has not availed any loans or other borrowings during the year. Accordingly, the reporting under Clause 3(ix) of the Order is not applicable to the Company.

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

(b) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Accordingly, the reporting under Clause 3(x)(b) of the Order is not applicable to the Company.

xi. (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of fraud by the Company or on the Company noticed or reported during the year, nor have we been informed of any such case by the management.

(b) There has been no report filed by us under sub-section (12) of Section 143 of the Act in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government. Accordingly, the reporting under Clause 3(xi)(b) of the Order is not applicable to the Company.

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

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

xiii. In our opinion and according to the information and explanations given to us, the Company has entered into transactions with related parties in compliance with the provisions of Section 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required by Indian Accounting Standard (Ind AS) 24, Related Party Disclosures, specified under Section 133 of the Act.

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

(b) As per Section 138 of the Companies Act, 2013, Internal Audit is not applicable to the Company.

xv. According to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with them during the year and hence, the provisions of Section 192 of the Act are not applicable to the Company. Accordingly, the reporting under Clause 3(xv) of the Order is not applicable to the Company.

xvi. (a) According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under Clause 3(xvi)(a) of the Order is not applicable to the Company.

(b) In our opinion and according to the information and explanations given to us, the Company has not conducted any Non-Banking Financial or Housing Finance activities. Accordingly, the reporting under Clause 3(xvi)(b) of the Order is not applicable to the Company.

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

(d) Based on the information and explanations given to us and the audit procedures performed by us, we report that the Group has Six Core Investment Companies.

xvii. In our opinion and according to the information and explanations given to us, the Company has not incurred cash losses in the current financial year and the cash losses of Rs. 0.89 lakhs in the immediately preceding financial year.

xviii. There has been no resignation of the statutory auditors during the year. Accordingly, the reporting under Clause 3(xviii) of the Order is not applicable to the Company.

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

xx. According to the information and explanations given to us, Section 135 of the Companies Act, 2013 is not applicable to the Company. Accordingly, the reporting under Clause 3(xx) of the Order is not applicable to the Company.

For B. K. Khare & Co.
Chartered Accountants
Firm Registration No. 105102W

Shirish Rahalkar
Partner
Membership No. 111212
UDIN: 22111212AHPPJB6586

Mumbai, April 22, 2022

BALANCE SHEET AS AT 31 MARCH 2022

	Note No.	As at 31 March 2022	Rs. in lakhs As at 31 March 2021
I ASSETS			
1 NON-CURRENT ASSETS			
(a) Property, Plant and Equipment	3	**0.29**	0.48
Total Non-Current Assets		**0.29**	0.48
2 CURRENT ASSETS			
(a) Financial Assets			
(i) Investments	4	**104.70**	82.56
(ii) Trade Receivables	7	**8.10**	4.92
(iii) Cash and Cash Equivalents	8	**1.66**	1.49
(b) Current Tax Assets (Net)	5	**7.26**	4.60
(c) Other Current Assets	6	**1.24**	4.82
Total Current Assets		**122.96**	98.39
TOTAL ASSETS		**123.25**	98.87
II EQUITY AND LIABILITIES			
1 EQUITY			
(a) Equity Share Capital	9	**98.04**	98.04
(b) Other Equity	10	**19.79**	(2.97)
Total Equity		**117.83**	95.07
2 LIABILITIES			
2A NON-CURRENT LIABILITIES			
(a) Other Non-current Liabilities & Provisions	11	**1.41**	1.00
Total Non-Current Liabilities		**1.41**	1.00
2B CURRENT LIABILITIES			
(a) Financial Liabilities			
Trade Payables	12		
i) Total outstanding dues of micro and small enterprise		**0.08**	0.76
ii) Total outstanding dues of other than micro and small enterprise		**0.88**	1.19
(b) Other Current Liabilities & Provisions	11	**3.05**	0.85
Total Current Liabilities		**4.01**	2.80
TOTAL EQUITY AND LIABILITIES		**123.25**	98.87
Summary of significant accounting policies	2		

The accompanying notes form an integral part of the financial statements

As per our report of even date

For B. K. Khare & Co.
Chartered Accountants
Firm Regn No. 105102W

Shirish Rahalkar
Partner
Membership No. 111212

Place: Mumbai
Date: April 22, 2022

For and on behalf of the Board of Directors
Mahindra Manulife Trustee Private Limited
(Formerly known as Mahindra Trustee Company Private Limited)

Manohar Bhide	**Gautam Parekh**
Chairman	Director
[DIN NO. 0000001826]	[DIN NO. 0000365417]
Suneet Maheshwari	**A K Sridhar**
Director	Director
[DIN NO. 0000420952]	[DIN NO. 0000046719]
Avni Shroff	**Mukul Gupta**
Company Secretary	Director
	[DIN NO. 0008730748]

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

Rs. in lakhs

	Particulars	Note No.	For the year ended 31 March 2022	For the year ended 31 March 2021
I	Revenue from operations	13	**72.59**	33.03
II	Other income	14	**3.49**	2.73
III	**Total Revenue (I + II)**		**76.08**	35.76
IV	**Expenses**			
	(a) Employee benefit expenses	15	**16.60**	3.61
	(b) Depreciation and amortisation	16	**0.19**	0.08
	(c) Other expenses	17	**36.53**	33.04
	Total Expenses [(a) + (b) + (c)]		**53.32**	36.73
V	**Profit / (Loss) before tax (III - IV)**		**22.76**	(0.97)
VI	**Tax Expense**	18		
	(1) Current tax		**–**	–
	(2) Deferred tax		**–**	–
	Total tax expense [(1) + (2)]		**–**	–
VII	**Profit/ (Loss) for the year (V - VI)**		**22.76**	(0.97)
VIII	**Other comprehensive income**			
A	(i) Items that will not be reclassified to Statement of Profit and Loss		**–**	–
	(a) Remeasurements of the defined benefit liabilities / (asset)		**–**	–
IX	**Total comprehensive income for the year (VII + VIII)**		**22.76**	(0.97)
X	**Earnings per equity share (Rs.):**			
	(1) Basic	19	**2.32**	(0.10)
	(2) Diluted	19	**2.32**	(0.10)
XI	**Earnings per equity share (for discontinued operation) (Rs.):**			
	(1) Basic		**–**	–
	(2) Diluted		**–**	–
XII	**Earnings per equity share (for continuing and discontinued operations) (Rs.):**			
	(1) Basic		**2.32**	(0.10)
	(2) Diluted		**2.32**	(0.10)
	Summary of significant accounting policies	2		

The accompanying notes form an integral part of the financial statements

As per our report of even date

For B. K. Khare & Co.
Chartered Accountants
Firm Regn No. 105102W

Shirish Rahalkar
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Company Secretary

Mukul Gupta
Director
[DIN NO. 0008730748]

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

A. Equity share capital

	Rs. in lakhs
Particulars	**Amount**
As at 1 April 2021	98.04
Changes in equity share capital during the year	–
As at 31 March 2022	**98.04**

	Rs. in lakhs
Particulars	**Amount**
As at 1 April 2020	50.00
Changes in equity share capital during the year	48.04
As at 31 March 2021	**98.04**

B. Other Equity

Rs. in lakhs

Particulars	Securities Premium	Profit & Loss Balance	Total
As at 1 April 2021	27.63	(30.60)	(2.97)
Profit / (Loss) for the year	–	22.76	22.76
Other Comprehensive Income / (Loss)	–	–	–
Total Comprehensive Income for the year	**–**	**22.76**	**22.76**
Securities premium on fresh issue of equity share capital	–	–	–
Share issue expenses	–	–	–
As at 31 March 2022	**27.63**	**(7.84)**	**19.79**

Rs. in lakhs

Particulars	Securities Premium	Profit & Loss Balance	Total
As at 1 April 2020	–	(29.63)	(29.63)
Profit / (Loss) for the year	–	(0.97)	(0.97)
Other Comprehensive Income / (Loss)	–	–	–
Total Comprehensive Income for the year	**–**	**(0.97)**	**(0.97)**
Securities premium on fresh issue of equity share capital	27.71	–	27.71
Share issue expenses	(0.08)	–	(0.08)
As at 31 March 2021	**27.63**	**(30.60)**	**(2.97)**

The accompanying notes form an integral part of the financial statements

As per our report of even date

For B. K. Khare & Co.
Chartered Accountants
Firm Regn No. 105102W

Shirish Rahalkar
Partner
Membership No. 111212

Place: Mumbai
Date: April 22, 2022

For and on behalf of the Board of Directors
Mahindra Manulife Trustee Private Limited
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Avni Shroff
Company Secretary

Mukul Gupta
Director
[DIN NO. 0008730748]

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2022

Particulars	For the year ended 31 March 2022	Rs. in lakhs For the year ended 31 March 2021
Cash flows from operating activities		
Profit / (Loss) before tax for the year	**22.76**	(0.97)
Adjustments for:		
Investment income recognised in Statement of Profit and Loss	**(3.21)**	(2.73)
Depreciation debited to Statement of Profit and Loss	**0.19**	0.08
Operating Profit / (Loss) before working capital changes (I)	**19.74**	(3.62)
Movements in working capital:		
(Increase) / decrease in trade receivables	**(3.18)**	(3.16)
(Increase) / decrease in other assets	**3.58**	(0.38)
Increase / (decrease) in trade and other payables	**(0.99)**	1.55
Increase / (decrease) in other liabilities	**2.61**	0.56
Net movements in working capital (II)	**2.02**	(1.43)
Cash generated from / (used in) operations (I+II)	**21.76**	(5.05)
Income taxes paid (III)	**(2.66)**	(2.51)
Net cash generated from / (used in) operating activities (I+II+III)	**19.10**	(7.56)
Cash flows from investing activities		
Purchase of fixed assets	**–**	(0.42)
Purchase of investments	**(68.81)**	(96.95)
Proceeds from sale of investments	**49.88**	29.50
Net cash (used in) / generated by investing activities (IV)	**(18.93)**	(67.87)
Cash flows from financing activities		
Issue of equity shares (net off share issue expenses)	–	47.96
Securities Premium received	–	27.71
Net cash generated from financing activities (V)	–	75.67
Net increase in cash and cash equivalents (I+II+III+IV+V)	**0.17**	0.24
Cash and cash equivalents at the beginning of the year	**1.49**	1.25
Cash and cash equivalents at the end of the year	**1.66**	1.49
Components of Cash and Cash equivalents		
Particulars		
- Cash on hand	**–**	–
- Balances with banks	**1.66**	1.49
Total	**1.66**	1.49

Note: The above cash flow statement has been prepared under the "Indirect method" as set out in Indian Accounting Standard (Ind AS 7) - 'Statement of Cash Flows'.

As per our report of even date

For B. K. Khare & Co.
Chartered Accountants
Firm Regn No. 105102W

Shirish Rahalkar
Partner
Membership No. 111212

Place: Mumbai
Date: April 22, 2022

For and on behalf of the Board of Directors
Mahindra Manulife Trustee Private Limited
(Formerly known as Mahindra Trustee Company Private Limited)

Manohar Bhide
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Avni Shroff
Company Secretary

Mukul Gupta
Director
[DIN NO. 0008730748]

Notes forming part of the Financial Statements for the year ended March 31, 2022

1. CORPORATE INFORMATION

Mahindra Manulife Trustee Private Limited (formerly known as Mahindra Trustee Company Private Limited) ('the Company'), was incorporated under the Companies Act, 1956 on July 10, 2013. The company is a joint venture of Mahindra & Mahindra Financial Services Ltd. and Manulife Investment Management (Singapore) Pte Ltd. The Company is incorporated to function as a Trustee to Mahindra Manulife Mutual Fund (formerly known as Mahindra Mutual Fund). The Company has entered into Investment Management Agreement with Mahindra Manulife Investment Management Private Limited (formerly known as Mahindra Asset Management Company Private Limited) ('Investment Manager') for managing the schemes of Mahindra Manulife Mutual Fund (formerly known as Mahindra Mutual Fund).

Change in shareholding of the Company in previous year

On June 21, 2019, MMFSL and the Company had entered into a Share Subscription Agreement ('SSA') with Manulife Investment Management (Singapore) Pte Ltd ('Manulife Singapore'). As per the SSA and subsequent amendments thereto, Manulife Singapore was to hold 49% stake in the Company after the completion of all the formalities required in the Agreement including the receipt of regulatory approvals. Subsequent to the signing of the Agreement, the Company had received the required approvals from the Competition Commission of India as well as the Securities and Exchange Board of India. In an Extraordinary General Meeting held on April 15, 2020, the shareholders of the Company had approved an offer of 4,80,400 equity shares to Manulife Singapore. The allotment of these equity shares to Manulife Singapore was completed on April 29, 2020 and accordingly MMFSL now holds 51% of the equity of the Company and Manulife Singapore holds 49% of the equity of the Company. The Company had received an amount of Rs 75.75 lakhs at Rs 15.77 per equity share as consideration for the issue of shares.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1. Statement of compliance and basis for preparation and presentation of financial statements

These standalone or separate financial statements of the Company have been prepared in accordance with the Indian Accounting Standards as per the Companies (Indian Accounting Standards) Rules 2015 as amended and notified under Section 133 of the Companies Act, 2013 ("the Act") and other relevant provisions of the Act.

The financial statements of the Company for the year ended March 31, 2022 were approved for issue by the Company's Board of Directors on April 22, 2022.

2.2. Functional and presentation currency

These financial statements are presented in Indian Rupees ('INR' or 'Rs.') which is also the Company's functional currency.

2.3. Basis of measurement

The financial statements have been prepared on the historical cost basis, except for certain financial instruments which are measured at fair values.

2.4. Measurement of fair values

A number of Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. The Company has established policies and procedures with respect to the measurement of fair values.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets and liabilities.

Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

2.5. Use of estimates and judgments

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

Following are areas that involved a higher degree of estimate and judgement or complexity in determining the carrying amount of some assets and liabilities:

Fair value of financial assets, liabilities and investments

The Company measures certain financial assets and liabilities on fair value basis at each balance sheet date or at the time they are assessed for impairment. Fair value measurement that are based on significant unobservable inputs (Level 3) require management's best estimate about future developments.

2.6. Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable.

Revenue from Operations:

Trusteeship Fees (net of tax)

Trusteeship Fees are recognised as revenue when the trusteeship services are performed for the schemes of Mahindra Manulife Mutual Fund (formerly known as Mahindra Mutual Fund). Amount disclosed as fees are exclusive of GST.

Other Income

The gains/losses on sale of investments are recognised in the Statement of Profit and Loss on the trade day and it is determined on FIFO ('first in first out') method.

Recognition of Dividend Income

Dividend from investments are recognised in the Statement of Profit and Loss when the right to receive payment is established.

Recognition of Interest Income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding.

2.7. Property, plant and equipment ('PPE')

PPE are stated at cost of acquisition (including incidental expenses), less accumulated depreciation and accumulated impairment loss, if any.

Advances paid towards the acquisition of PPE outstanding at each balance sheet date are disclosed separately under Long term loans and advances. Capital work in progress comprises the cost of Property, Plant and Equipments that are not ready for its intended use at the reporting date.

Depreciation on PPE is provided on straight-line basis in accordance with the useful lives specified in Schedule II to the Companies Act, 2013 on a pro-rata basis except for following assets in respect of which useful life is taken as estimated by the management based on the actual usage pattern of the assets:

Notes forming part of the Financial Statements for the year ended March 31, 2022

Fixed assets having value individually less than Rs. 5,000 are fully depreciated in the period of purchase. Further, residual value for all assets is considered as zero due to the difficulty in estimating the same. Accordingly, useful life of assets is estimated as follows:

Computer	– 3 years
Furniture	– 10 years
Office Equipment	– 5 years
Assets costing less than Rs. 5,000	< 1 year

PPE is de-recognised on disposal or when no future economic benefits are expected from its use. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the net carrying amount of the asset) is recognised in other income / netted off from any loss on disposal in the Statement of Profit and Loss in the year the asset is de-recognised.

2.8. Intangible assets

Intangible assets are stated at cost less accumulated amortisation and impairment loss, if any. Intangible assets comprise of computer software which is amortised over the estimated useful life. The maximum period for such amortisation is taken as 36 months based on management's estimates of useful life. Amortisation is calculated using the Straight line method to write down the cost of intangible assets over their estimated useful lives.

2.9. Cash and cash equivalent

Cash comprises of cash on hand and bank balances.

2.10. Foreign exchange transactions and translations

Initial recognition

Transactions in foreign currencies are recognised at the prevailing exchange rates between the reporting currency and the foreign currency on the transaction date.

Conversion

Transactions in foreign currencies are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in the Statement of Profit and Loss. Foreign currency monetary assets and liabilities at the year-end are translated at the year-end exchange rates and the resultant exchange differences are recognised in the Statement of Profit and Loss.

Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

2.11. Financial instruments

Recognition and initial measurement

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the Statement of Profit and Loss.

Classification and subsequent measurement of Financial assets

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

- Amortised cost; or
- Fair Value through Other Comprehensive Income (FVTOCI) - debt investment; or
- Fair Value through Other Comprehensive Income (FVTOCI) - equity investment; or
- Fair Value through Profit or Loss (FVTPL)

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

All financial assets not classified as measured at amortised cost or FVTOCI are measured at FVTPL.

The financial assets held with the objective to collect contractual cash flows as per the contractual terms that give rise on specified dates to cash flows that are solely payment of interest on the principal amount outstanding are measured at amortised cost on the reporting date. Interest income and impairment, if any, are recognised in the Statement of Profit and Loss.

For equity investments, the Company makes an election on an instrument-by-instrument basis to designate equity investments as measured at FVTOCI. These elected investments are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the reserves. The cumulative gain or loss is not reclassified to the Statement of Profit and Loss on disposal of the investments.

These investments in equity are not held for trading. Instead, they are held for medium or long-term strategic purpose. Upon the application of Ind AS 109, the Company has chosen to designate these investments as FVTOCI as the Company believes that this provides a more meaningful presentation for medium or long-term strategic investments, than reflecting changes in fair value immediately in the Statement of Profit and Loss. Dividend income, if any, received on such equity investments are recognised in the Statement of Profit and Loss.

Equity investments that are not designated to be measured at FVTOCI are designated to be measured at FVTPL. Subsequent changes in fair value are recognised in the Statement of Profit and Loss.

Financial liabilities and equity instruments

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received. Transaction costs of an equity transaction are recognised as a deduction from equity.

Financial liabilities

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as FVTPL if it is classified as held-for-trading or it is designated as such on initial recognition. Other financial liabilities are subsequently measured at amortised cost. Interest expense are recognised in the Statement of Profit and Loss. Any gain or loss on de-recognition is also recognised in the Statement of Profit and Loss.

De-recognition of financial assets

The Company de-recognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the financial asset and substantially all the risks and rewards of

Notes forming part of the Financial Statements for the year ended March 31, 2022

ownership of the asset to another party. If the Company neither transfers nor retains substantially all of the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for the amount it may have to pay.

If the Company enters into transactions whereby it transfers assets recognised on its Balance Sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not de-recognised and the proceeds received are recognised as a collateralised borrowing.

De-recognition of financial liabilities

A financial liability is de-recognised when the obligation under the liability is discharged, cancelled or expires. The difference between the carrying value of the original financial liability and the consideration paid is recognised in the Statement of Profit and Loss.

Impairment of financial assets

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets. For debt securities at FVTOCI, the loss allowance is recognised in OCI and is not reduced from the carrying amount of the financial asset in the balance sheet.

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in the Statement of Profit and Loss.

Impairment of non-financial assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount, which is the higher of the value in use or fair value less cost to sell, of the asset or cash generating unit, as the case may be, is estimated and impairment loss (if any) is recognised and the carrying amount is reduced to its recoverable amount.

In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash generating unit to which the asset belongs.

When an impairment loss subsequently reverses, the carrying amount of the asset or a cash generating unit is increased to the revised estimate of its recoverable amount, so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash generating unit) earlier. The reversal of an impairment loss is recognised in Statement of Profit and Loss.

2.12. Employee Benefits

Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Remeasurement gains / losses

Remeasurement of defined benefit plans, comprising of actuarial gains or losses, return on plan assets excluding interest income are recognised immediately in the Balance Sheet with corresponding debit or credit to other comprehensive income. Re-measurements are not reclassified to the Statement of Profit and Loss in subsequent period.

Remeasurement gains or losses on long term compensated absences that are classified as other long term benefits are recognised in the Statement of Profit and Loss.

Leave encashment/compensated absences/sick leave

The Company provides for the encashment/availment of leave with pay subject to certain rules. The employees are entitled to accumulate leave subject to certain limits for future encashment/availment. The liability is provided based on the number of days of unutilized leave at each balance sheet date on the basis of an independent actuarial valuation.

2.13. Income taxes

Current tax

Current tax is determined as the amount of tax payable in respect of taxable income for the year. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods is accounted for using the tax rates and tax laws enacted or substantively enacted as on the balance sheet date. Deferred tax assets arising on account of unabsorbed depreciation or carry forward of tax losses are recognised only to the extent that there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax for the year

Current and deferred tax are recognised in the Statement of Profit and Loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

2.14. Securities issue expenses

In previous year, expenses incurred in connection with fresh issue of Share capital were adjusted against Securities premium as per the provisions of Ind AS 32 – Financial Instruments Presentation.

2.15. Provisions

Provisions are recognised when there is a present obligation as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of

Notes forming part of the Financial Statements for the year ended March 31, 2022

the reporting period, taking into account the risks and uncertainties surrounding the obligation.

When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

2.16. Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the Company's earnings per share is the net profit/ loss for the period after deducting preference dividends and any attributable tax thereto for the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, sub-division of shares, etc that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders is divided by the weighted average number of equity shares outstanding during the period, considered for deriving basic earnings per share and weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

NOTE NO. 3 - PROPERTY, PLANT AND EQUIPMENT

Rs. in lakhs

Description of Assets	Computers	Total
I. Gross Carrying Amount		
Balance as at 1 April 2021	0.66	0.66
Additions during the year	–	–
Acquisitions through business combinations	–	–
Disposals during the year	–	–
Reclassified as held for sale	–	–
Others	–	–
Balance as at 31 March 2022	**0.66**	**0.66**
II. Accumulated depreciation and impairment		
Balance as at 1 April 2021	0.18	0.18
Depreciation expense for the year	0.19	0.19
Eliminated on disposal of assets	–	–
Eliminated on reclassification as held for sale	–	–
Impairment losses recognised in profit and loss	–	–
Reversals of impairment losses recognised in profit and loss	–	–
Others	–	–
Balance as at 31 March 2022	**0.37**	**0.37**
III. Net carrying amount (I-II)	**0.29**	**0.29**

Rs. in lakhs

Description of Assets	Computers	Total
I. Gross Carrying Amount		
Balance as at 1 April 2020	0.24	0.24
Additions during the year	0.42	0.42
Acquisitions through business combinations	–	–
Disposals during the year	–	–
Reclassified as held for sale	–	–
Others	–	–
Balance as at 31 March 2021	0.66	0.66
II. Accumulated depreciation and impairment		
Balance as at 1 April 2020	0.10	0.10
Depreciation expense for the year	0.08	0.08
Eliminated on disposal of assets	–	–
Eliminated on reclassification as held for sale	–	–
Impairment losses recognised in profit and loss	–	–
Reversals of impairment losses recognised in profit and loss	–	–
Others	–	–
Balance as at 31 March 2021	**0.18**	**0.18**
III. Net carrying amount (I-II)	**0.48**	**0.48**

NOTE NO. 4. INVESTMENTS

Rs. in lakhs

Particulars	As at 31 March 2022 Current	Non Current	As at March 31, 2021 Current	Non Current
Investments Carried at Fair Value				
Unquoted				
Mahindra Manulife Liquid Fund	**104.70**	–	82.56	–
Total Investments	**104.70**	–	82.56	–

NOTE NO. 5. NON CURRENT & CURRENT INCOME TAX ASSETS

(i) Tax deducted at source net of provision for tax

Rs. in lakhs

Particulars	As at 31 March 2022 Current	Non Current	As at 31 March 2021 Current	Non Current
(a) Advance Income Tax				
(i) TDS Receivable (Net of provision for tax)	**7.26**	–	4.60	–
Total Income Tax Assets	**7.26**	–	4.60	–

(ii) Unused tax losses - Revenue in nature

Rs. in lakhs

Particulars	As at 31 March 2022 Current	Non Current	As at 31 March 2021 Current	Non Current
Expiry period				
Upto Five years	–	**2.43**	–	25.20
More than Five years	–	**4.23**	–	5.24
No Expiry Date	–	**0.41**	–	0.24
Total	–	**7.07**	–	30.68

The Company has exercised the option permitted under section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Company has not made any current tax provision on account of Minimum Alternate Tax (MAT).

Notes forming part of the Financial Statements for the year ended March 31, 2022

NOTE NO. 6. OTHER NON-CURRENT & CURRENT ASSETS

Rs. in lakhs

Particulars	As at 31 March 2022 Current	As at 31 March 2022 Non Current	As at 31 March 2021 Current	As at 31 March 2021 Non Current
(a) Advances other than capital advances				
(i) Other assets	**1.24**	–	4.82	–
Total Other Assets	**1.24**	–	4.82	–

NOTE NO. 7. TRADE RECEIVABLES

Rs. in lakhs

Particulars	As at 31 March 2022 Current	As at 31 March 2022 Non Current	As at 31 March 2021 Current	As at 31 March 2021 Non Current
Trade receivables				
(a) Unsecured, considered good	**8.10**	–	4.92	–
(b) Doubtful	–	–	–	–
Less: Allowance for Credit Losses	–	–	–	–
Total	**8.10**	–	4.92	–
Of the above, trade receivables from:				
– Related Parties	–	–	–	–
– Others	**8.10**	–	4.92	–
Total Trade receivables	**8.10**	–	4.92	–

No trade or other receivable is due from directors or other officers of the company either severally or jointly with any other person nor any trade or other receivable is due from firms or private companies respectively in which any director is a partner, a director or a member.

Trade receivable is due within 30 days from the date of the invoice.

Trade Receivable Ageing schedule

Trade Receivables - Undisputed Trade receivables – considered good

Rs. in lakhs

Particulars	As at 31 March 2022	As at 31 March 2021
Less than 6 months	**8.10**	4.92
6 months - 1 year	–	–
1-2 years	–	–
2-3 years	–	–
More than 3 years	–	–
Total	**8.10**	4.92

NOTE NO. 8. CASH AND BANK BALANCES

Rs. in lakhs

Particulars	As at 31 March 2022	As at 31 March 2021
(a) Balances with banks	**1.66**	1.49
(b) Cash on hand	–	–
Total Cash and cash equivalents	**1.66**	1.49

NOTE NO. 9. EQUITY SHARE CAPITAL

Particulars	As at 31 March 2022 No. of shares in lakhs	As at 31 March 2022 Rs. in lakhs	As at 31 March 2021 No. of shares in lakhs	As at 31 March 2021 Rs. in lakhs
Authorised:				
Equity shares of Rs. 10/- each with voting rights	**10.00**	**100.00**	10.00	100.00
Issued, Subscribed and Fully Paid:				
Equity shares of Rs. 10/- each with voting rights	**9.80**	**98.04**	9.80	98.04
Total	**9.80**	**98.04**	9.80	98.04

(i) Reconciliation of the number of shares outstanding at the beginning and at the end of the period.

Rs. in lakhs

Particulars	Opening Balance	Fresh Issue	Other Changes	Closing Balance
(a) Equity Shares with Voting rights*				
Year Ended 31 March 2022				
No. of Shares in lakhs	**9.80**	–	–	**9.80**
Amount	**98.04**	–	–	**98.04**
Year Ended 31 March 2021				
No. of Shares in lakhs	5.00	4.80	–	9.80
Amount	50.00	48.04	–	98.04

***Rights, preferences and restrictions attached to equity shares**

The Company has only one class of equity shares having par value of Rs. 10 per share. Each holder of equity share is entitled to one vote per share. In the event of liquidation, the shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholdings.

(ii) Details of shares held by the holding company, the ultimate holding company, their associates and subsidiaries:

No. of Shares in lakhs

Particulars	Equity Shares with Voting rights	Equity Shares with Differential Voting rights	Others
As at 31 March 2022			
Mahindra and Mahindra Financial Services Limited Percentage of holding (51%)	**5.00**	–	–
As at 31 March 2021			
Mahindra and Mahindra Financial Services Limited Percentage of holding (51%)	5.00	–	–

(iii) Details of shares held by each shareholder holding more than 5% shares:

Class of shares/Name of shareholder	As at 31 March 2022 Number of shares held in lakhs	As at 31 March 2022 % holding in that class of shares	As at 31 March 2021 Number of shares held in lakhs	As at 31 March 2021 % holding in that class of shares
Equity shares with voting rights				
Mahindra and Mahindra Financial Services Limited	**5.00**	**51%**	5.00	51%
Manulife Investment Management (Singapore) Pte Limited	**4.80**	**49%**	**4.80**	**49%**

Notes to the Financial Statements for the year ended March 31, 2022

NOTE NO. 10. OTHER EQUITY

Description of the Nature and Purpose of Other Equity

Securities Premium: The securities premium is used to record the premium on issue of shares. The reserve can be utilized in accordance with the provisions of Companies Act, 2013.

Retained earning or Profit and loss account: Retained Earnings represents the undistributed earnings.

Rs. in lakhs

Particulars	Reserves and Surplus: Securities premium	Reserves and Surplus: Retained earnings or Profit & loss account	Total
Balance as at 01 April 2020	–	(29.63)	(29.63)
Profit / (Loss) for the year	–	(0.97)	(0.97)
Other Comprehensive Income	–	–	–
Total Comprehensive Income for the year	**–**	**(0.97)**	**(0.97)**
Securities premium on fresh issue of equity share capital	27.71	–	27.71
Share issue expenses	(0.08)	–	(0.08)
Balance as at 31 March 2021	**27.63**	**(30.60)**	**(2.97)**
Balance as at 01 April 2021	27.63	(30.60)	(2.97)
Profit / (Loss) for the year	–	22.76	22.76
Other Comprehensive Income	–	–	–
Total Comprehensive Income for the year	–	**22.76**	**22.76**
Securities premium on fresh issue of equity share capital	–	–	–
Share issue expenses	–	–	–
Balance as at 31 March 2022	**27.63**	**(7.84)**	**19.79**

NOTE NO. 11. OTHER NON CURRENT AND CURRENT LIABILITIES & PROVISIONS

Rs. in lakhs

Particulars	As at 31 March 2022 Current	As at 31 March 2022 Non Current	As at 31 March 2021 Current	As at 31 March 2021 Non Current
(a) Other non current liabilities	–	**1.00**	–	1.00
(b) Other Current Liabilities & Provisions				
Other Current Liabilities				
Statutory dues				
- Taxes payable (other than income taxes)	**2.17**	–	0.80	–
- Income taxes payable	**0.87**	–	0.04	–
- Professional tax payable	**0.00**	–	0.01	–
Provisions				
- Provision for leave encashment	**0.01**	**0.41**	–	–
Total Other liabilities	**3.05**	**1.41**	0.85	1.00

NOTE NO. 12. TRADE PAYABLES

Based on and to the extent of the information received by the Company from the suppliers during the year regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act), the total outstanding dues of Micro and Small enterprises, which are outstanding for more than the stipulated year and other disclosures as per the Micro, Small and Medium Enterprises Development Act, 2006 (hereinafter referred to as "the MSMED Act") are given below:

Rs. in lakhs

Particulars	As at 31 March 2022 Current	As at 31 March 2022 Non Current	As at 31 March 2021 Current	As at 31 March 2021 Non Current
Total outstanding dues of Micro and small enterprises				
a) Dues remaining unpaid to any supplier at the year end				
- Principal	**0.08**	–	0.76	–
- Interest on the above				
b) Interest paid in terms of Section 16 of the MSMED Act along with the amount of payment made to the supplier beyond the appointed day during the year	–	–	–	–
- Principal paid beyond the appointed date	–	–	–	–
- Interest paid in terms of section 16 of the MSMED Act	–	–	–	–
c) Amount of interest due and payable for the year of delay on payments made beyond the appointed day during the year	–	–	–	–
d) Amount of interest accrued and remaining unpaid at the year end	–	–	–	–
e) Further interest due and payable even in the succeeding years, until such date when the interest due as above are actually paid to the small enterprises	–	–	–	–
Total outstanding dues of creditors other than micro and small enterprises	**0.88**	–	1.19	–
Total trade payables	**0.96**	–	1.95	–

Terms and Conditions of financials liabilities:

- Trade Payables are non-interest bearing and are normally settled on 30 days terms.

Trade Payables Ageing Schedule as at March 31, 2022

Trade Payables - Undisputed

Rs. in lakhs

Particulars	Outstanding for following periods: Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	**0.08**	–	–	–	**0.08**
(ii) Others	**0.88**	–	–	–	**0.88**
Total	**0.96**	–	–	–	**0.96**

Notes to the Financial Statements for the year ended March 31, 2022

Trade Payables Ageing Schedule as at March 31, 2021

Trade Payables - Undisputed

Rs. in lakhs

Particulars	Outstanding for following periods: Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	0.76	–	–	–	0.76
(ii) Others	1.19	–	–	–	1.19
Total	1.95	–	–	–	1.95

NOTE NO. 13. REVENUE FROM OPERATIONS

Rs. in lakhs

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
(a) Trusteeship Fees	**72.59**	33.03
Total Revenue from Operations	**72.59**	33.03

NOTE NO. 14. OTHER INCOME

Rs. in lakhs

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
(a) Profit on sale/redemption of Investment	**2.37**	1.38
(b) Unrealised gain/(loss) on Mutual Fund Investment	**0.84**	1.35
(c) Interest on Income tax refund	**0.28**	–
Total Other Income	**3.49**	2.73

NOTE NO. 15 - EMPLOYEE BENEFIT EXPENSES

Rs. in lakhs

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
(a) Salaries and wages	**16.59**	3.61
(b) Staff welfare expenses	**0.01**	–
Total Employee Benefit Expenses	**16.60**	3.61

NOTE NO. 16 - DEPRECIATION AND AMORTISATION

Rs. in lakhs

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
(a) Depreciation on Property, Plant and Equipment	**0.19**	0.08
Total Depreciation and amortisation	**0.19**	0.08

NOTE NO. 17 - OTHER EXPENSES

Rs. in lakhs

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
(a) Rates & Taxes	**0.05**	–
(b) Legal & Professional Charges	**0.65**	0.93
(c) Directors' Sitting Fees	**33.10**	30.30
(d) Travelling & Conveyance Expenses	**0.43**	0.04
(e) Marketing Expenses	**1.00**	1.00
(f) Auditors remuneration and out-of-pocket expenses		
– Audit fees	**0.50**	0.20
– Other services	**0.50**	–
(g) Other Expenses	**0.30**	0.57
Total Other expenses	**36.53**	33.04

NOTE NO. 18 - CURRENT TAX AND DEFERRED TAX

Income Tax recognised in profit or loss

Rs. in lakhs

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Current Tax:		
In respect of current year	–	–
In respect of prior years	–	–
	–	–
Deferred Tax:		
In respect of current year origination and reversal of temporary differences	–	–
	–	–
Total income tax expense on continuing operations	–	–

NOTE NO. 19 - EARNINGS PER SHARE

in Rupees

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
	Per Share	Per Share
Basic earnings per share	**2.32**	(0.10)
Diluted earnings per share	**2.32**	(0.10)

Notes forming part of the Financial Statements for the year ended March 31, 2022

Basic and Diluted earnings per share

The earnings and weighted average number of ordinary shares (in lakhs) used in the calculation of basic and diluted earnings per share are as follows:

Rs. in lakhs

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Profit/(loss) for the year attributable to owners of the Company	**22.76**	(0.97)
Less: Preference dividend and tax thereon	–	–
Profits used in the calculation of basic earnings per share	**22.76**	(0.97)

Rs. in lakhs

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Weighted average number of equity shares (nos in lakhs)	**9.80**	9.44
Earnings per share - Basic (in Rupees)	**2.32**	(0.10)
Earnings per share - Diluted (in Rupees)	**2.32**	(0.10)

NOTE NO. 20 - ADDITIONAL REGULATORY INFORMATION

Ratio	Numerator	Denominator	Ratio as on 31 March 2022	Ratio as on 31 March 2021	% Variance	Reason for variance
Current Ratio (in times)	Total Current Assets	Total Current Liabilities	**30.68**	35.15	-13%	NA
Return on Equity (in %)	Profit for the year less Preference dividend (if any)	Total Equity	**19%**	-1%	20%	NA
Trade Receivable Turnover Ratio (in times)	Revenue from operations	Average Trade Receivable	**11.15**	9.89	13%	NA
Net (working) Capital Turnover Ratio (in times)	Revenue from operations	Average Working Capital	**0.68**	0.57	20%	NA
Net Profit Ratio (in %)	Profit for the year	Revenue from operations	**31%**	-3%	34%	Increase in Schemes AUM resulted in increase in Revenue from Operations in the current year.
Return on Capital employed Ratio (in %)	Profit before tax and interest	Total Assets less Total Current Liabilities	**19%**	-1%	20%	NA
Return on investment (in %)	Income from invested funds	Average invested funds	**4%**	4%	0%	NA

NOTE NO. 21 - EMPLOYEE BENEFITS

Details of defined benefit plans as per actuarial valuation are as follows:

Particulars		Unfunded Plans Exigency and Earned leave Year ended 31 March 2022	2021
I.	**Amounts recognised in the Statement of Profit & Loss**		
	Current service cost	**0.34**	–
	Past Service Cost	**0.08**	–
	Total expenses included in employee benefits expense	**0.42**	–
II.	**Amount recognised in Other Comprehensive income**	–	–
III.	**Changes in the defined benefit obligation**		
	Opening defined benefit obligation	–	–
	Current service cost	**0.34**	–
	Past service cost	**0.08**	–
	Closing defined benefit obligation	**0.42**	–
IV.	**Change in the fair value of plan assets during the year**		
	Opening Fair value of plan assets	–	–
	Interest income	–	–
	Closing Fair value of plan assets	–	–
V.	**Net defined benefit obligation**		
	Defined benefit obligation	**0.42**	–
	Fair value of plan assets	–	–
	Surplus/(Deficit)	**(0.42)**	–
	Current portion of the above	**0.01**	–
	Non current portion of the above	**0.41**	–
Actuarial assumptions and Sensitivity			
VI.	**Actuarial assumptions**		
	Discount Rate (p.a.)	**7.32%**	–
	Attrition rate	**1-3%**	–
	Rate of Salary increase (p.a.)	**7.00%**	–
	In-service Mortality	**100% of IALM (2012 - 14)**	NA
VII.	**Quantitative sensitivity analysis for impact of significant assumptions on defined benefit obligation are as follows:**		
	One percentage point increase in discount rate	**(0.07)**	–
	One percentage point decrease in discount rate	**0.09**	–
	One percentage point increase in Salary growth rate	**0.09**	–

Notes forming part of the Financial Statements for the year ended March 31, 2022

		Unfunded Plans Exigency and Earned leave Year ended 31 March	
Particulars		**2022**	2021
	One percentage point decrease in Salary growth rate	**(0.08)**	–
VIII.	**Maturity profile of defined benefit obligation**		
	Within 1 year	**0.01**	–
	Between 2 and 5 years	**0.06**	–

NOTE NO. 22 - FINANCIAL INSTRUMENTS

i) Financial Instruments regularly measured using Fair Value - recurring items

			Fair Value			
Financial assets/ financial liabilities	Financial assets / financial liabilities	Category	**As at 31 March 2022**	As at 31 March 2021	Fair value hierarchy	Valuation technique(s)
1) Investment in Mutual Funds	Financial Assets	Financial instrument measured at FVTPL	**104.70**	82.56	Level 1	NAV

ii) Financial Instruments measured at amortised cost

					Fair Value	
Particulars		Carrying Value	Fair value	Level 1	Level 2	Level 3
As at 31 March 2022						
Financial assets						
a)	Cash and cash equivalent	**1.66**	**1.66**	**1.66**	–	–
b)	Trade Receivables	**8.10**	**8.10**	–	**8.10**	–
Total		**9.76**	**9.76**	**1.66**	**8.10**	–
Financial liabilities						
a)	Trade Payables	**0.96**	**0.96**	–	**0.96**	–
Total		**0.96**	**0.96**	–	**0.96**	–
As at 31 March 2021						
Financial assets						
a)	Cash and cash equivalent	1.49	1.49	1.49	–	–
b)	Trade Receivables	4.92	4.92	–	4.92	–
Total		6.41	6.41	1.49	4.92	–
Financial liabilities						
a) Trade Payables		1.95	1.95	–	1.95	–
Total		1.95	1.95	–	1.95	–

There were no transfers between Level 1 and Level 2 during the year.

Financial Risk Management

In the course of its business, the Company is exposed to certain financial risks: liquidity risk and market risk. The Company's primary focus is to achieve better predictability of financial markets and seek to minimize potential adverse effects on its financial performance.

Liquidity Risk Management

The Company manages liquidity risk by continuously monitoring forecast and actual cash flows.

Maturity profile of non-derivative financial liabilities

Rs in lakhs

Particulars	**Less than 1 Year**	**1-3 Years**	**3 Years to 5 Years**	**5 years and above**
Non-derivative financial liabilities				
As at 31 March 2022				
Trade Payables	**0.96**	–	–	–
Total	**0.96**	–	–	–
As at 31 March 2021				
Trade Payables	1.95	–	–	–
Total	1.95	–	–	–

Market Risk Management

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. The Company invests in fixed rate instruments, units of mutual fund taking into account the current liquidity requirements. There has been no significant changes to the company's exposure to market risk or the methods in which they are managed or measured.

NOTE NO. 23 - RELATED PARTY DISCLOSURES:

i) As per Ind AS 24 on 'Related party disclosures', the related parties of the Company are as follows:

(a) Holding Company

Mahindra & Mahindra Financial Services Ltd

(b) Ultimate Holding Company

Mahindra & Mahindra Ltd

(c) Fellow Subsidiaries / Associate Companies / Joint Ventures

Manulife Investment Management (Singapore) Pte Ltd

Mahindra Integrated Business Solutions Private Limited

ii) The nature and volume of transactions of the Company during the year with above related parties were as follows:

Rs. in lakhs

	Holding Company		Fellow Subsidiaries / Associate Companies / Joint Ventures	
Particulars	**Year ended 31 March 2022**	Year ended 31 March 2021	**Year ended 31 March 2022**	Year ended 31 March 2021
Issue of Shares				
Manulife Investment Management (Singapore) Pte Ltd	–	–	–	48.04
Expenses				
Mahindra & Mahindra Financial Services Ltd	**1.12**	1.12	–	–
Mahindra Integrated Business Solutions Private Limited	–	–	**0.14**	0.04

Notes forming part of the Financial Statements for the year ended March 31, 2022

iii) Balances as at the end of the year:

Rs. in lakhs

Particulars	Holding Company		Fellow Subsidiaries / Associate Companies / Joint Ventures	
	As at 31 March 2022	As at 31 March 2021	**As at 31 March 2022**	As at 31 March 2021
Other Non-current Liabilities				
Mahindra & Mahindra Financial Services Ltd	**1.00**	1.00	–	–
Trade Payables				
Mahindra Integrated Business Solutions Private Limited	–	–	**0.01**	0.03

NOTE NO. 24 - COVID-19 IMPACT

The Company has considered the possible effects that may result from COVID-19 pandemic in the preparation of these financial statements including the recoverability of carrying amounts of financial and non-financial assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of the COVID-19 pandemic, the Company has, at the date of approval of these financial statements, used internal and external sources of information and expects that the carrying amount of these assets will be recovered. The Company does not expect any major impact on its operations.

Signatures to significant accounting policies and Notes to the financial statements 1 to 24

For and on behalf of the Board of Directors
Mahindra Manulife Trustee Private Limited
(Formerly known as Mahindra Trustee Company Private Limited)

For B. K. Khare & Co.
Chartered Accountants
Firm Regn No. 105102W

Shirish Rahalkar
Partner
Membership No. 111212

Place: Mumbai
Date: April 22, 2022

Manohar Bhide
Chairman
[DIN NO. 0000001826]

Gautam Parekh
Director
[DIN NO. 0000365417]

Suneet Maheshwari
Director
[DIN NO. 0000420952]

A K Sridhar
Director
[DIN NO. 0000046719]

Avni Shroff
Company Secretary

Mukul Gupta
Director
[DIN NO. 0008730748]

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF MAHINDRA IDEAL FINANCE LIMITED

Report on the audit of the financial statements

Opinion

We have audited the financial statements of MAHINDRA IDEAL Finance Limited ("the Company"), which comprise the statement of financial position as at 31 March 2022, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements of the Company give a true and fair view of the financial position of the Company as at 31 March 2022, and of their financial performance and cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

Basis for opinion

We conducted our audit in accordance with Sri Lanka Auditing Standards (SLAuSs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by CA Sri Lanka (Code of Ethics) and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with Sri Lanka Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

Report on Other Legal and Regulatory Requirements

As required by section 163 (2) of the Companies Act No. 07 of 2007, we have obtained all the information and explanations that were required for the audit and, as far as appears from our examination, proper accounting records have been kept by the Company.

For **Ernst & Young**
Chartered Accountants

Mr. Buwanesh Wijesuriya
Audit Partner
19 April 2022
Colombo

STATEMENT OF COMPREHENSIVE INCOME YEAR ENDED 31 MARCH 2022

	Notes	2022 LKR	2021 LKR
Income	3	**1,321,536,812**	1,015,293,382
Interest Income	4.1	**1,242,067,922**	973,813,610
Interest Expenses	4.2	**(328,347,452)**	(256,037,926)
Net Interest Income		**913,720,470**	717,775,684
Fees and Commission Income	5	**12,097,982**	10,904,398
Net Fee and Commission Income		**12,097,982**	10,904,398
Other Operating Income	6	**67,370,908**	30,575,374
Total Operating Income		**993,189,360**	759,255,456
Impairment Charges for Loans and other Losses	7	**(88,336,470)**	(88,586,557)
Net Operating Income		**904,852,890**	670,668,899
Operating Expenses			
Personnel Expenses	8	**(279,077,843)**	(194,494,202)
Depreciation of Property Plant & Equipment	23.2	**(71,243,356)**	(48,991,168)
Amortization of Intangible Assets	24	**(6,292,103)**	(5,376,310)
Other Operating Expenses	9	**(147,445,903)**	(61,592,438)
Operating Profit before Taxes on Financial Services		**400,793,685**	360,214,781
Value Added Tax on Financial Services	10	**(90,504,774)**	(71,777,093)
Profit before Taxation		**310,288,911**	288,437,688
Income Tax Expenses	11.1	**(71,067,116)**	(104,682,413)
Profit/ (Loss) for the period		**239,221,795**	183,755,275
Basic and Diluted Earning per Share	12.2	**1.64**	1.26
Profit/ (Loss) for the period		**239,221,795**	183,755,275
Other Comprehensive Income not to be reclassified to profit or loss in subsequent periods			
Actuarial Gain/ (Loss) on Defined Benefit Obligations	29.3	**2,083,840**	947,411
Deferred Tax (Charge)/Reversal on Other Comprehensive Income	30	**(500,122)**	(265,275)
Other Comprehensive Income for the period, Net of Tax		**1,583,718**	682,136
Total Comprehensive Income for the period, Net of Tax		**240,805,513**	184,437,411

The Accounting Policies and Notes on pages herein form an integral part of the Financial Statements.

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2022

	Notes	2022 LKR	2021 LKR
ASSETS			
Cash and Bank Balances	13	**135,648,058**	71,609,393
Investment in Government Securities at Amortized cost	14	**248,709,944**	502,394,473
Placements with Banks and Other Financial Institutions	15	**287,743,917**	211,016,918
Gold Advances	16	**2,258,859,086**	1,183,764,064
Lease Rentals Receivable and Stock out on Hire	17	**3,535,934,193**	2,414,429,648
Loans and Advances	18	**1,389,311,844**	865,820,622
Other Financial Assets	19	**61,826,573**	41,054,449
Other Non Financial Assets	20	**177,169,452**	27,054,720
Financial Investments-Measured at Fair Value through OCI	21	**457,700**	457,700
Inventories	22	**328,056**	511,273
Property, Plant and Equipment	23	**346,499,489**	188,756,810
Intangible Assets	24	**19,196,706**	12,958,541
Deferred Tax Assets		**23,683,867**	–
TOTAL ASSETS		**8,485,368,885**	5,519,828,611
LIABILITIES			
Interest Bearing Borrowings	25	**2,872,386,024**	1,706,358,102
Due to the Customers	26	**2,195,018,842**	929,639,458
Other Financial Liabilities	27	**550,307,273**	236,443,617
Other Non Financial Liabilities	28	**44,966,937**	26,294,479
Retirement Benefit Liability	29	**26,338,562**	23,049,390
Current Tax Liabilities		**50,118,346**	87,363,461
Deferred Tax Liabilities	30	**–**	5,252,716
TOTAL LIABILITIES		**5,739,135,984**	3,014,401,223
EQUITY			
Stated Capital	31	**1,908,247,125**	1,908,247,125
Retained Earnings		**794,226,785**	565,461,548
Reserves	32	**43,758,991**	31,718,715
TOTAL EQUITY		**2,746,232,901**	2,505,427,388
TOTAL LIABILITIES AND EQUITY		**8,485,368,885**	5,519,828,611

These Financial Statements are in compliance with the requirements of the Companies Act No.07 of 2007.

Finance Manager

The Board of Directors are responsible for these Financial Statements. Signed for and on behalf of the Board of by;

Mr Nalin J Welgama
Chairman

Mr Duminda Weerasekare
Chief Executive Officer

The Accounting Policies and Notes on pages herein form an integral part of the Financial Statements.

19 April 2022
Colombo

STATEMENT OF CHANGES IN EQUITY YEAR ENDED 31 MARCH 2022

	Stated Capital LKR	Retained Earnings LKR	Statutory Reserve Fund LKR	Total LKR
Balance As at 31 March 2020	1,908,247,125	390,246,008	22,496,844	2,320,989,977
Total Income / (Loss) for the Period	–	183,755,275	–	183,755,275
Other Comprehensive Income (Net of Tax)	–	682,136	–	682,136
Transfer to Statutory Reserve Fund	–	(9,221,871)	9,221,871	–
Balance As at 31 March 2021	1,908,247,125	565,461,548	31,718,715	2,505,427,388
Balance As at 1 April 2021	**1,908,247,125**	**565,461,548**	**31,718,715**	**2,505,427,388**
Total Income / (Loss) for the Period	**–**	**239,221,795**	**–**	**239,221,795**
Other Comprehensive Income (Net of Tax)	**–**	**1,583,718**	**–**	**1,583,718**
Transfer to Statutory Reserve Fund	**–**	**(12,040,276)**	**12,040,276**	**–**
Balance As at 31 March 2022	**1,908,247,125**	**794,226,785**	**43,758,991**	**2,746,232,901**

The Accounting Policies and Notes on pages herein form an integral part of the Financial Statements.

STATEMENT OF CASH FLOWS YEAR ENDED 31 MARCH 2022

	Note	2022 LKR	2021 LKR
Cash Flows From / (Used in) Operating Activities			
Profit before Income Tax Expense		**310,288,911**	288,437,688
Adjustment for Other Non Cash Items Included in Profit Before Tax			
Depreciation of Property, Plant and Equipment & ROU Assets	23.2	**71,243,356**	48,991,168
Amortization of Intangible Assets	24	**6,292,103**	5,376,310
Provision for Impairment	7	**88,336,470**	88,586,557
Interest expenses on Borrowings	4.2	**183,688,204**	166,134,545
Defined Benefit Obligation	8	**5,434,262**	6,113,667
Dividend Income	6	**(240,000)**	(320,000)
Disposal (Gain)/Loss on Fixed Assets		**(4,366,107)**	235,561
Operating Profit before Working Capital Changes		**660,677,199**	603,555,496
(Increase)/Decrease in Lease Rentals Receivable & Stock out on Hire		**(1,175,879,395)**	(148,487,441)
(Increase)/Decrease in Loan Stock		**(555,430,251)**	88,022,024
(Increase)/Decrease in Gold Advance		**(1,075,095,022)**	(511,048,668)
(Increase)/Decrease in Other Financial Assets		**(18,533,533)**	(9,443,491)
(Increase)/Decrease in Other Non Financial Assets		**(150,114,732)**	(4,029,958)
(Increase)/Decrease in Inventories		**183,217**	406,442
Increase/(Decrease) in Amounts Due to Customers		**1,265,379,384**	257,722,325
Increase/(Decrease) in Other Financial Liabilities		**313,863,656**	66,019,178
Increase/(Decrease) in Other Non Financial Liabilities		**18,672,458**	(7,072,427)
Cash Generated from Operations		**(716,277,018)**	335,643,480
Retirement Benefit Liabilities Paid	29.2	**(61,250)**	–
Income Tax Paid		**(137,748,935)**	(94,550,893)
Net Cash Flows from/(Used in) Operating Activities		**(854,087,203)**	241,092,587
Cash Flows from / (Used in) Investing Activities			
Purchase of Property, Plant and Equipment	23.1	**(75,779,480)**	(42,271,115)
Purchase of Right of Use Assets	23.1	**(160,707,218)**	(29,377,517)
Purchase of Intangible Assets	24	**(12,530,268)**	(200,000)
Disposal of Property, Plant and Equipment		**10,675,000**	–
Dividend Received	6	**240,000**	320,000
Investing in Fixed Deposits	15	**(71,441,158)**	(210,000,000)
Net Cash Flows from/(Used in) Investment Activities		**(309,543,124)**	(281,528,632)
Cash Flows from / (Used in) Financing Activities			
Proceeds from Bank Borrowings		**2,673,000,000**	1,397,000,000
Repayment of Bank Borrowings		**(1,866,078,525)**	(1,782,714,413)
Rental Paid for Right of Use Assets		**(46,849,881)**	(28,001,970)
Repayment of Other Borrowed Funds		**(1,182,051)**	(3,631,013)
Net Cash Flows from/(Used in) Financing Activities		**758,889,543**	(417,347,396)
Net Increase/(Decrease) in Cash & Cash Equivalents		**(404,740,785)**	(457,783,441)
Cash and Cash Equivalents at the Beginning of the Period		**470,476,486**	928,259,927
Cash and Cash Equivalents at the End of the Year	33	**65,735,701**	470,476,486

The Accounting Policies and Notes on pages herein form an integral part of the Financial Statements.

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2022

1. CORPORATE INFORMATION

1.1 General

IDEAL Investment Limited is a limited liability company, incorporated on 24 January 2012 under companies Act No.7 of 2007 and then changed the name as IDEAL Finance Limited on 12 March 2012 and domiciled in Sri Lanka. The registered office of the company is situated at No.299, Dr. Colvin R De. Silva Mawatha (Union Place), Colombo 02. On 28th January 2022 the company changed its' name to MAHINDRA IDEAL Finance Limited.

MAHINDRA IDEAL Finance Limited is licensed by Monetary Board of the Central Bank of Sri Lanka under the Finance Business Act No. 42 of 2011, and also registered under the Finance Leasing Act No.56 of 2000.

1.2 Principal Activities and Nature of Operations

During the year, the principal activities of the Company were Acceptance of Deposits, Granting Lease, Loan Facilities and Gold Advances.

1.3 Parent Entity and Ultimate Parent Entity

Mahindra and Mahindra Financial Services Limited, India is the parent of MAHINDRA IDEAL Finance Limited. Further the company does not have any investments in the form of subsidiary, joint venture or associate.

1.4 Date of Authorization for Issue

The financial statements of MAHINDRA IDEAL Finance Limited for the period ended 31 March 2022 were authorized for issue in accordance with a resolution of the Board of Directors on 19 April 2022.

2. ACCOUNTING POLICIES

2.1 Basis of Preparation

2.1.1 Statement of Compliance

The Statement of Financial Position, Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows, together with Accounting Policies and Notes, ('Financial Statements'),as at 31 March 2022 and for the period then ended, have been prepared in accordance with Sri Lanka Accounting Standards (hereafter referred as "SLFRS"), laid down by the Institute of Chartered Accountants of Sri Lanka and in compliance with the requirements of the Companies Act No. 07 of 2007 and amendments thereto.

2.1.2 Responsibility for Financial Statements

The Board of Directors of the Company is responsible for these Financial Statements of the Company as per Sri Lanka Accounting Standards (SLFRSs and LKASs) and the provisions of the Companies Act No 7 of 2007.

2.1.3 Basis of measurement

The financial statements have been prepared on a historical cost basis except retirement benefits obligation, which was ascertained by an actuarial valuation.

2.1.4 Presentation of Financial Statements

In compliance with LKAS 01 on Presentation of Financial Statements, each material class of similar items are presented separately in the Financial Statements. Items of dissimilar nature or functions are presented separately, unless they are immaterial.

The company presents its Statements of Financial Position broadly in order of liquidity. An analysis regarding recovery or settlement within 12 months after the reporting date (current) and more than 12 months after the reporting date (non-current) is presented in Note 36.

2.1.5 Functional and presentation currency

The financial statements are presented in Sri Lankan Rupees, except when otherwise is indicated. No adjustments have been made for inflationary factors.

2.1.6 Materiality, Aggregation Offsetting and Rounding Off

In compliance with LKAS 01 on Presentation of Financial Statements, each material class of similar items is presented separately in the Financial Statements. Items of dissimilar nature or functions too are presented separately, unless they are immaterial.

Financial Assets and Financial Liabilities are offset and the net amount reported in the Statement of Financial Position only when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liability simultaneously. Income and expenses are not offset in the Statement of Profit or Loss unless required or permitted by any accounting standard or interpretation, and as specifically disclosed in the accounting policies.

The amounts in the financial statements have been rounded off to the nearest Sri Lankan Rupee, except where otherwise indicated as permitted by the Sri Lanka Accounting Standard (LKAS 1) – 'Presentation of Financial Statements'.

2.1.7 Comparative Information

The accounting policies have been consistently applied by the Company and, are consistent with those used in the previous financial year. Further comparative information is reclassified whenever necessary to comply with the current presentation in the Financial Statements. However, the Company has not restated comparative information for 2021.

2.1.8 Statement of Cash Flow

The cash flow statement has been prepared by using the indirect method in accordance with the Sri Lanka Accounting Standard - LKAS 7 (Statement of Cash Flows), whereby operating, investing and financial activities have been separately recognised. Cash and cash equivalents comprise of short term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

Cash and cash equivalents include cash in hand, balances with banks, placements with banks (less than 3 months), net of unfavorable bank balances and securities purchased under repurchase agreement (less than three months).

2.1.9 Events After the Reporting Date

Events after the Reporting Date are those events, favorable and unfavorable, that occur between the reporting date and the date when the Financial Statements are authorised for issue. In this regard, all material and important events that occurred after the reporting period have been considered and appropriate disclosures are made in note 38 to the Financial Statements.

2.2 SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of Financial Statements of the Company in conformity with Sri Lanka Accounting Standards requires the management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

COVID-19 impact on the use of estimates and assumptions

The Company has considered the impact of COVID-19 when preparing the financial statements and related note disclosures. While the effects of COVID-19 do not change the significant estimates, judgments and assumptions in the preparation of financial statements, it has resulted in increased estimation uncertainty and application of further judgment within those identified areas.

COVID-19 financial reporting considerations in the preparation of the financial statements

Given the increased economic uncertainties from COVID-19, the Company has enhanced its financial reporting procedures and governance practices surrounding the preparation of the financial statements. In addition to standard financial year end reporting practices, the Company has:

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2022 (contd.)

- Developed a detailed program of work to understand and analyse how COVID-19 may impact key disclosures in the financial statements;
- Critically assessed estimates, judgments and assumptions used in the preparation of the financial statements, including updating the Company's outlook on economic conditions arising from COVID-19;
- Reviewed external publications and market communications to identify other potential COVID-19 impacts in the preparation of the financial statements;
- Considered emerging market practice and trends along with regulatory pronouncements to assess the completeness of assessed COVID-19 impacts in the preparation of the financial statements;
- Determined the impact of COVID-19 has had on the reported amounts and disclosures in the financial statements and updated these disclosures accordingly.

The most significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have most significant effect on the amounts recognised in the Financial Statements of the Company are as follows:

i. Going Concern

The board has made an assessment of the company's ability to continue as a going concern and is satisfied that it has the resources to continue in business for the foreseeable future. Furthermore, the board is not aware of any material uncertainties that may cast significant doubt upon the company's ability to continue as a going concern and they do not intend either to liquidate or to cease operations of the company. Further, the Directors have considered the potential downsides that the COVID-19 pandemic could bring to the business operations of the Company, in making this assessment. Therefore, the financial statements continue to be prepared on the going concern basis.

ii. Impairment losses on loans and receivables

The measurement of impairment losses under SLFRS 9 across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

The Company's ECL calculations are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL models that are considered accounting judgements and estimates include:

- Number of days past due and the Guidelines issued by the Central Bank of Sri Lanka
- The Company's criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a LTECL basis and the qualitative assessment
- The segmentation of financial assets when their ECL is assessed on a collective basis
- Development of ECL models, including the various formulas and the choice of inputs
- Determination of associations between macroeconomic scenarios and, economic inputs, such as unemployment levels and collateral values, and the effect on PDs, EADs and LGDs
- Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL models

In response to COVID-19 and the Company's expectations of economic impacts, key assumptions used in the calculation of ECL have been revised. The economic scenarios and forward-looking macroeconomic assumptions underpinning the collective provision calculation are outlined in Note 2.3.1.4.2, while the impact on changing the weightages of different macroeconomic scenarios during the year are given in Note 41.5.3. As at the reporting date, the expected impacts of COVID-19 have been captured via the modelled outcome as well as a separate management overlay reflecting the considerable uncertainty remaining in the modelled outcome given the unprecedented impacts of COVID-19. Although the credit model inputs and assumptions, including forward-looking macroeconomic assumptions, were revised in response to the COVID-19 pandemic, the fundamental credit model mechanics and methodology underpinning the calculation of ECL have remained consistent with prior periods.

The Company is focused on supporting customers who are experiencing financial difficulties because of the COVID-19 pandemic and has offered a range of industry-wide financial assistance measures including the debt moratorium initiated by the Central Bank of Sri Lanka. As per industry guidance given by the Central Bank and the Institute of Chartered Accountants of Sri Lanka, eligibility for the debt moratorium does not automatically result in a significant increase in credit risk (SICR) which moves an exposure from stage 1 (12-month ECL) to stage 2 (lifetime ECL). A case-by-case analysis has been conducted on the most significant exposures and only those exposures with increased credit risk has been moved to stage 2 and stage 3. Further, the exposures which are not individually significant has been moved to stage 2 and stage 3 based on the industry risk of the underlying borrowers. This approach ensures the volume of exposures in stage 2 & stage 3 reflects a forward-looking view of the economy as at the reporting date.

iii. Fair Value of Financial Instruments

The determination of fair values of financial assets and financial liabilities recorded in the Statement of Financial Position for which there is no observable market price is based on using a variety of valuation techniques that include the use of mathematical models. The valuation of financial instruments is described in Note 35 to the Financial Statements. The Company measures fair value using the fair value hierarchy that reflects the significance of input used in making measurements. The fair value hierarchy is given in Note 35.1 to the Financial Statements. The determination of the fair value of the financial instruments of the Company were not materially affected by the significant volatility in financial markets created by the COVID – 19 pandemic.

iv. Financial Assets and Financial Liabilities Classification

The Company's accounting policies provide scope for assets and liabilities to be classified, at inception in to different accounting categories. The classification of financial instruments is given in Note 34 "Analysis of Financial Instruments by Measurement Basis". The COVID-19 pandemic has resulted in significant volatility in the financial markets. However, the Company did not require to reclassify any of its financial assets as a result of the significant volatility created by the pandemic.

v. Defined Benefit Plan

The cost of the defined benefit pension plan is determined using an actuarial valuation. The actuarial valuation involves making assumptions about discount rates, future salary increases, and mortality rates. Due to the long term nature of these plans, such estimates are subject to significant uncertainty. Assumptions used are disclosed in Note 29.

vi. Useful Life-time of the Property, Plant, Equipment and Intangible Assets

The Company reviews the residual values, useful lives and methods of depreciation and amortization of property, plant, equipment and intangible assets at each reporting date. The judgement of the management is exercised in the estimation of these values, rates, methods and hence they are subject to uncertainty.

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2022 (contd.)

vii. Fair value of Property, Plant & Equipment

The free hold land of the Company is reflected at fair value at the date of revaluation less any accumulated impairment losses. The Company engages an independent valuation specialist to determine the fair value of free hold land in terms of Sri Lanka Accounting Standard –SLFRS 13, (Fair Value Measurement). The details of freehold land including methods of valuation are given in Note 26 to the Financial Statements. The Company has not revalued its freehold lands and buildings during this year for accounting purposes, on the basis that changes in property prices were not significant compared to the previous year

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied by the Company in preparation of its Financial Statements are included in below.

2.3.1 SLFRS 09 Financial Instrument

SLFRS 9 –Financial Instruments replaces LKAS 39 for annual periods on or after 1 January 2018. The company has adopted SLFRS-09 Financial Instruments with an initial application date of 1 April 2018.

2.3.1.1 Classification & Measurement of Financial Assets and Liabilities

The Company classifies all of its financial assets based on the business model for managing the assets and the asset's contractual terms, measured at either:

- Amortised Cost,
- Fair Value through Other Comprehensive Income (FVOCI),
- Fair Value through Profit or Loss

Financial liabilities, other than loan commitments and financial guarantees, are measured at amortised cost or at FVPL or the fair value designation is applied.

2.3.1.2 Financial Assets and liabilities

2.3.1.2.1 Lease rental receivables, Loans and Receivables to Other Customers, Financial Investments at Amortised Cost.

The company only measures Lease, Loans and advances to customers and other financial investments at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

The classification of financial liabilities under SLFRS 9 does not follow the approach for the classification on financial assets. Financial liabilities are measured at amortised cost or fair value through profit or loss.

The details of conditions of business model assessment and the SPPI test are outlined below.

(a) Business Model Assessment

The Company determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective.

The Company's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

- How the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel
- The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed
- How managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected)
- The expected frequency, value and timing of sales are also important aspects of the Company's assessment

(b) The SPPI Test

As a second step of its classification process the Company assesses the contractual terms of financial assets to identify whether they meet the SPPI test.

An entity has a business model to hold the financial asset to collect the contractual cash flows. The characteristics of the contractual cash flows are that of solely payments of the principal amount and interest (referred to as "SPPI").

Principal for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortisation of the premium/discount).

The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Company applies judgement and considers relevant factors such as the currency in which the financial asset is denominated, and the period for which the interest rate is set.

2.3.1.2.2 Reclassification of Financial Assets and Liabilities

The company does not reclassify its financial assets or liability subsequent to their initial recognition, apart from the exceptional circumstances in which the Company acquires, disposes of, or terminates a business line. The Company did not reclassify any of its financial assets or liabilities in year 2021/22.

2.3.1.2.3 Modification of Financial Assets and Liabilities

Modification of Financial Assets

When the contractual cash flows of a financial asset are renegotiated or otherwise modified as a result of commercial restructuring activity rather than due to credit risk and impairment considerations, the company performs

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2022 (contd.)

an assessment to determine whether the modifications result in the derecognition of that financial asset. If the modification does not result in cash flows that are substantially different, as set out below, then it does not result in derecognition.

Modification of Financial Liabilities

When the modification of the terms of an existing financial liability is not judged to be substantial and, consequently, does not result in derecognition, the amortised cost of the financial liability is recalculated by computing the present value of estimated future contractual cash flows that are discounted at the financial liability's original EIR. Any resulting difference is recognised immediately in profit or loss.

2.3.1.3 De-recognition of Financial Instruments

2.3.1.3.1 Financial Assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognized when the rights to receive cash flows from the financial asset have expired.

2.3.1.3.2 Financial Liabilities

A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expires.

2.3.1.4 Impairment of Financial Assets

Overview of the Expected Credit Loss (ECL) Principles

The Company's loan loss impairment method by using forward-looking Expected Credit Loss (ECL) approach. From 1 April 2018, the Company has been recording the allowance for expected credit losses for all loans and other debt financial assets not held at FVPL, in this section all referred to as 'financial instruments'. Equity instruments are not subject to impairment under SLFRS 9.

The ECL allowance is based on the credit losses expected to arise over the life of the asset. The 12 months ECL is the portion of Life time ECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

Both Life time ECLs and 12 months ECLs are calculated on either an individual basis or a collective basis, depending on the nature of the underlying portfolio of financial instruments.

The Company has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument.

Based on the above process, the Company groups its loans into Stage 1, Stage 2 and Stage 3.

Stage 1

When loans are first recognised, the Company recognises an allowance based on 12 months ECLs. Stage 1 loans also include facilities where the credit risk has improved and the loan has been reclassified from Stage 2.

Stage 2

When a loan has shown a significant increase in credit risk since origination, the Company records an allowance for the Life time ECLs. Stage 2 loans also include facilities, where the credit risk has improved and the loan has been reclassified from Stage 3.

Stage 3

Loans considered credit-impaired. The Company records an allowance for the Life time ECLs.

2.3.1.4.1 The Calculation of Expected Credit Loss (ECL)

The Company calculates ECLs under three staging approaches to measure the expected cash shortfalls, discounted at an approximation to the EIR. A cash shortfall is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive. The mechanics of the ECL calculations are outlined below and the key elements are as follows:

Probability of Default (PD)

The Probability of Default (PD) is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously recognised and is still in the portfolio.

However, for placements with Banks and other financial investments classified as amortised cost and fair value through other Comprehensive Income the Company relies on external credit rating in determining their respective PDs.

EAD

The Exposure at Default (EAD) is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, and accrued interest from missed payments.

LGD

The Loss Given Default (LGD) is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive.

2.3.1.4.2 The mechanics of the ECL method are summarized below:

Stage 1

The 12 months ECL is calculated as the portion of LTECL that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. The Company calculates the 12 months ECL allowance based on the expectation of a default occurring in the 12 months following the reporting date. These expected 12-month default probabilities are applied to a forecast EAD and multiplied by the expected LGD and discounted by an approximation to the original EIR. This calculation is made for each of the three scenarios, as explained above.

Stage 2

When a loan has shown a significant increase in credit risk since origination, the Company records an allowance for the LTECLs. The

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2022 (contd.)

mechanics are similar to those explained above but PDs and LGDs are estimated over the lifetime of the instrument. The expected cash shortfalls are discounted by an approximation to the original EIR.

Stage 3

For loans considered credit-impaired, the Company recognises the LTECL for these loans. The method is similar to that for Stage 2 assets, with the PD set at 100%. The Company recognises the interest income on loans classified under stage 3 at the effective interest rate on amortised cost.

Forward Looking Information

In its ECL models, the Company relies on a broad range of forward looking information as economic inputs, such as:

Quantitative	Qualitative
GDP Growth	Government Policies
Inflation	Status of the Industry Business
Unemployment	Regulatory Impact
Interest Rates	
Exchange Rates	

The inputs and models used for calculating ECLs may not always capture all the characteristics of the market at the date of the financial statements.

The COVID-19 pandemic has significantly impacted the local economy. The economic environment remains uncertain and future impairment charges may be subject to further volatility depending on the longevity of the COVID-19 pandemic and related containment measures. To reflect these uncertainties in the calculation of expected credit losses, the Company has changed the weightages assigned for multiple economic scenarios during the year. Weightages assigned for each scenario is given below along with the weightages used in 2021/22.

	2021/22	2020/21
Base case	30%	20%
Best case	10%	15%
Worst case	60%	65%

The inputs and models used for calculating ECLs may not always capture all characteristics of the market as at the date of the financial statements. To reflect this, qualitative adjustments or overlays are occasionally made as temporary adjustments when such differences are significantly material.

To ensure completeness and accuracy, the company obtains necessary data primarily from publications of Central Bank of Sri Lanka.

2.3.1.5 Write Offs

Financial assets are written off either partially or in their entirely only when the company has no reasonable expectation of recovering a financial asset in its entirely or a portion thereof. If the amount to be written off is greater than the accumulated impairment provision, the difference is first treated as an addition to the allowance that is then applied against the gross carrying amount. Any subsequent recoveries are credited to the impairment charges of the relevant financial year.

2.3.1.6 Determination of Fair Value

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

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

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

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

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

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

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

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

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

The disclosure of fair value of financial instruments is disclosed in Note 35 to the Financial Statements.

2.3.2 Lease

The determination of whether an arrangement is a lease, or contains a lease, is based on the substance of the arrangement and requires an assessment of whether the fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

2.3.2.1 Finance Lease

Company as a lessor

Assets leased to customers which transfer substantially all the risks and rewards associated with ownership

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2022 (contd.)

other than legal title, are classified as 'Finance Lease". Amount receivables under finance lease are included under 'Lease Rentals Receivable and Stock Out on Hire' in the Statement of Financial Position after deduction of unearned lease income and accumulated impairment losses. When assets are held subject to a finance lease, the present value of the lease payments, discounted at the rate of interest implicit in the lease, is recognized as a receivable. The difference between the total payments receivable under the lease and the present value of the receivable is recognized as unearned finance income, which is allocated to accounting periods reflect a constant periodic rate of return.

2.3.2.2 SLFRS 16 – Leases

Company as a lessee

SLFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract, i.e. lessee and lessor. SLFRS 16 supersedes Sri Lanka Accounting Standard - LKAS 17 (Leases) and related interpretations, SLFRS 16 introduces a single accounting model for the lessee, eliminating the present classification of leases in LKAS 17 as either operating leases or finance leases.

The company has adopted SLFRS 16 using modified retrospective method from 1 April 2019, without restating comparatives for the 2018/19 reporting period, as permitted under the specific transitional provisions in the standard. At the date of adoption, right of use was recognized as amount equal to the lease liability, adjusted by the amount of prepaid lease rentals.

Under this method, the standard is applied retrospectively and the cumulative effect as at initial date of application of the standard i.e 1 April 2019 has been duly adjusted. The company elected to use the transitional practical expedient to not reassess whether an existing contract forms a lease as at 1st April 2019, under the definitions provided in the standard. Instead, the company applied the standard only to contracts that were previously identified as leases applying LKAS 17 at the date of initial application.

The contracts which were previously classified as "operating leases" under the principles of LKAS 17 -Leases, have been recognize as "right of- use assets" with the adoption of SLFRS 16 -Leases.

2.3.3 Cash and cash equivalents

Cash and cash equivalents as referred to in the cash flow statement comprises cash in hand, and amounts due from banks on demand or with an original maturity of three months or less.

2.3.4 Property, Plant and Equipment

Property, plant and equipment is stated at cost excluding the costs of day–to–day servicing, less accumulated depreciation and accumulated impairment in value. Changes in the expected useful life are accounted for by changing the amortisation period or method, as appropriate, and treated as changes in accounting estimates.

Depreciation is calculated using the straight–line method to write down the cost of property and equipment to their residual values over their estimated useful lives. The estimated useful lives are as follows:

Category	Years
Furniture & Fittings	05
Office Equipment	05
Motor Vehicles	05
Computer Equipment	05

The depreciation method and residual values of assets are reviewed at each financial year-end and, if there has been a significant change in the expected pattern of consumption of the future economic benefits embodied in the asset, the method shall be changed to reflect the changed pattern.

Property plant & Equipment is derecognized on disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the assets (calculated as the difference between the net disposal proceeds and carrying amount of the assets) is recognized in 'Other Operating Income' in the Statement of Comprehensive Income (Profit or Loss) in the year the asset is recognized.

2.3.5 Right-Of-Use Assets

2.3.5.1 Basis of recognition

The Company applies Sri Lanka Accounting Standard SLFRS 16 "Leases" in accounting for all lease hold rights except for leases due to expire during the financial year and leases on which implications to the financial statements are not considered to be material. The company uses its judgment to determine whether an operating lease contract qualifies for recognition of right-of-use assets. The company applies judgements in evaluating the level of certainty whether the option of renewing the lease exits or otherwise. That is, it considers all relevant factors that create an economic benefits for it to exercise either the renewal or termination.

Basis of measurement

The company recognises right-of-use assets at the date of commencement of the lease, which is the present value of lease payments to be made over the lease term. Right-of-Use assets are measured at cost less any accumulated amortization and impairment losses and adjusted for any re-measurement of lease liabilities. The cost of the right-of-use assets includes the amount of lease liabilities recognised, initial direct cost incurred, and lease payments made at or before the commencement date less any lease incentives received. Right of use assets are amortised on the straight line basis over the lease term.

When measuring lease liabilities for leases that were classified previously as operating leases, the company discounted future lease payments due as of 1 April 2019 using the incremental borrowing rate as at 1 April 2019. The rate applicable was 14%.

The Company has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

2.3.6 Intangible assets

The company's other intangible assets include the value of computer software. An intangible asset is recognised only when its cost can be measured reliably and it is probable that the expected future economic benefits that are attributable to it will flow to the company. Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic life. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial yearend.

Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortisation period or method,

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2022 (contd.)

as appropriate, and they are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is presented as a separate line item in the statement of comprehensive income.

Computer System software is amortised over: 10 years

2.3.7 Other Assets

All other assets are stated at amortised cost less accumulated impairment losses.

2.3.8 Inventories

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

2.3.9 Impairment of non–financial assets

The company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash generating unit's fair value less costs to sell and its value in use. Where the carrying amount of an asset or cash generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre–tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the company estimates the asset's or cash generating unit's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceeds the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of comprehensive income.

2.3.10 Employee Retirement Benefits

Defined Contribution Plan Costs

Defined contribution plan is a post- employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to a defined contribution plan are recognized as a Personnel Expenses in the Statement of comprehensive income in the periods during which services are rendered by employees. Employees are eligible for employees' Provident Fund and Employees Trust Fund Contributions in line with the respective Statutes and regulations. Accordingly, the company contributes 12% and 3% of gross emoluments of employees to Employees' Provident Fund and Employee Trust Fund respectively and is recognized as an expense under "Personnel Expenses".

Defined Benefit Plan Costs

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The liability recognized in the Statement of Financial Position in respect of defined benefit plan is the present value of the defined benefit obligation at the reporting date. The defined benefit obligation is calculated using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash flows using interest rate that are denominated in the currency in which the benefit will be paid, and that have terms of maturity approximating to the terms of the liability.

Provision has been made in the Financial Statements for retiring gratuities from the first year of service for all employees, in conformity with LKAS 19-"Employee Benefits".

However, according to the payment of Gratuity Act No.12of 1983, the liability for payment to an employee arises only after the completion of 5 years continued services. The liability is not externally funded.

2.3.11 Provisions

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

2.3.12 Other Liabilities

Other liabilities are recorded at the cash value to be realized when settled.

2.3.13 Foreign currency translation

Transactions in foreign currencies are initially recorded at the functional currency rate of exchange ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange at the statement of financial position date. All differences arising on non–trading activities are taken to 'Other operating income' in the income statement.

2.3.14 Recognition of income and expenses

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised.

(i) Interest income and interest expense

For all financial instruments measured at amortised cost, interest bearing financial assets classified as available-for-sale and financial instruments designated at fair value through profit or loss, interest income or expense is recorded using the Effective Interest Rate. Effective Interest Rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or financial liability. The calculation takes into account all contractual terms of the financial instrument (for example, prepayment options) and includes any fees or incremental costs that are directly attributable to the instrument and are an integral part of the Effective Interest Rate, but not future credit losses.

The carrying amount of the financial asset or financial liability is adjusted if the company revises its estimates of payments or receipts. The adjusted carrying amount is calculated based on the original Effective Interest Rate and the change in carrying amount is recorded as 'Interest Income' for financial assets and Interest Expense for financial liabilities. However, for a reclassified financial asset for which the company subsequently increases its estimates of future cash receipts as a result of increased recoverability of those cash receipts, the effect of that increase is recognised as an adjustment to the Effective Interest Rate from the date of the change in estimate.

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2022 (contd.)

Once the recorded value of a financial asset or a group of similar financial assets has been reduced due to an impairment loss, interest income continues to be recognised using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

(ii) Fee and commission income

The company earns fee and commission income from a diverse range of services it provides to its customers. Fee income can be divided into the following two categories:

- Fee income earned from services that are provided over a certain period of time.
- Fees earned for the provision of services over a period of time are accrued over that period. These fees include commission income and service charges.

Fee income from providing transaction services

Fees arising from negotiating or participating in the negotiation of a transaction for a third party are recognised on completion of the underlying transaction. Fees or components of fees that are linked to a certain performance are recognised after fulfilling the corresponding criteria.

(iii) Dividend income

Dividend income is recognised when the company's right to receive the payment is established.

(iv) Expenditure Recognition

Expenses are recognized in profit or loss in the statement of comprehensive Income on the basis of a direct association between the cost incurred and the earning of specific items of income. All expenditure incurred in the running of the business and in maintaining the property, plant and equipment in a state of efficiency has been charged to the statement of Comprehensive Income (Profit or loss). For the purpose of presentation of the statement of comprehensive Income, the "function of expenses" method has been adopted, on the basis that it presents fairly the element of the company's performance.

2.3.15 Taxes

a. Current Tax

The provision for the income tax is based on the elements of the income and expenditure as reported in the Financial Statements and computed in accordance with the provisions of Inland Revenue Act, No. 24 of 2017.

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

b. Deferred Tax

Deferred tax is provided on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax liabilities are recognized for all taxable temporary differences.

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

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted at the reporting date.

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

c. Value Added Tax on Financial Services

Value Added Tax on Financial Services is calculated at the rate of 15% in accordance with the provisions of the Value Added Tax Act No. 14 of 2002 and amendments thereto.

2.3.16 Regulatory provisions

a) Deposit Insurance and Liquidity Support Scheme

In terms of the Finance Companies Direction No.2 of 2010 "Insurance of Deposit Liabilities" issued on 27 September 2010 and subsequent amendments thereto, all Finance Companies are required to insure their deposit liabilities in the Deposit Insurance Scheme operated by the Monetary Board in terms of Sri Lanka Deposit Insurance Scheme Regulations No.1 of 2010 issued under Sections 32A to 32E of the Monetary Law Act with effect from 1 October 2010.The said Scheme was renamed as the "Sri Lanka Deposit Insurance and Liquidity Support Scheme" as per the Sri Lanka Deposit Insurance and Liquidity Support Scheme Regulation No. 1 of 2013.

The deposits to be insured shall include demand, time and savings deposit liabilities and exclude the following.

- Deposit liabilities to member institutions
- Deposit liabilities to the Government of Sri Lanka
- Deposit liabilities to shareholders, directors, key management personnel and other related parties as defined in Finance Companies Act (Corporate Governance) Direction No.3 of 2008 for Registered Finance Companies
- Deposit liabilities held as collateral against any accommodation granted
- Deposits falling within the meaning of abandoned property in terms of the Banking Act and dormant deposits in terms of the Finance Companies Act, funds of which have been transferred to the Central Bank of Sri Lanka in terms of the relevant Directions issued by the Monetary Board.

Registered Finance Companies are required to pay a premium of 0.15% on total amount of eligible deposits as at end of the month with in a period of 15 days from the end of the respective month.

b) Crop Insurance Levy (CIL)

As per the provisions of the Section 14 of the Finance Act No.12 of 2013, the CIL was introduced with effect from April 1, 2013 and is payable to the National Insurance Trust Fund. Currently, the CIL is payable at 1% of the profit after tax.

2.3.17 Related Party Transactions

Disclosure has been made in respect of the transactions in which one party has the liability to control or exercise significant influence over the financial and operating policies/ decisions of the other, irrespective of whether a price is being charged.

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2022 (contd.)

2.3.18 Segment Reporting

The Company's segmental reporting is based on the following operating segments identified based on products and services;

- Finance Lease and Stock Out on Hire
- Term Loans
- Gold Loans
- Others

A segment is a distinguishable component of a Company that is engaged in providing products and services. (Business segment, which is subject to risks and rewards that are different from those of other segments).

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

The accounting policies adopted for segment reporting are those accounting policies adopted for preparing the financial statements of the Company.

2.3.19 Sri Lanka Accounting Standards Not Yet Effective as at 31 March 2022

The following Sri Lanka Accounting Standards/ Amendments and interpretations have been issued by the Institute of Chartered Accountants of Sri Lanka which are not yet effective as at 31 March 2022. The Company intends to adopt these new and amended standards, if applicable, when they become effective.

1. SLFRS 17 Insurance Contracts

In 8 January 2020, the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) issued SLFRS 17 Insurance Contracts (SLFRS 17). SLFRS 17 was amended by Amendments to SLFRS 17 - Insurance Contracts, in 28 June 2021. SLFRS 17 is a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, SLFRS 17 will replace SLFRS 4 Insurance Contracts (SLFRS 4) that was issued in 2005. SLFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply. The overall objective of SLFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in SLFRS 4, which are largely based on grandfathering previous local accounting policies, SLFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of SLFRS 17 is the general model, supplemented by:

- A specific adaptation for contracts with direct participation features (the variable fee approach)
- A simplified approach (the premium allocation approach) mainly for short-duration contracts

SLFRS 17 is effective for annual reporting periods beginning on or after 1 January 2023, with comparative figures required. Early application is permitted, provided the entity also applies SLFRS 9 and SLFRS 15 on or before the date it first applies SLFRS 17.

2. Amendments to LKAS 37 Provisions, Contingent Liabilities and Contingent Assets: Onerous Contracts – Costs of Fulfilling a Contract

In 25 March 2021, the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) issued amendments to LKAS 37 Provisions, Contingent Liabilities and Contingent Assets (LKAS 37) to specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making.

The amendments apply a "directly related cost approach". The costs that relate directly to a contract to provide goods or services include both incremental costs and an allocation of costs directly related to contract activities. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

The amendments are effective for annual reporting periods beginning on or after 1 January 2022. Earlier application is permitted.

3. Amendments to LKAS 16 Property, Plant & Equipment: Proceeds before Intended Use

In 25 March 2021, the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) issued LKAS 16 Property, Plant and Equipment — Proceeds before Intended Use, which prohibits entities deducting from the cost of an item of property, plant and equipment, any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognizes the proceeds from selling such items, and the costs of producing those items, in profit or loss.

The amendment is effective for annual reporting periods beginning on or after 1 January 2022 and must be applied retrospectively to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented when the entity first applies the amendment.

4. Amendments to SLFRS 3 Business Combinations: Updating a reference to conceptual framework

In 23 March 2021, the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) issued amendments to SLFRS 3 Business Combinations - Updating a Reference to the Conceptual Framework. The amendments are intended to replace a reference to the Framework for the Preparation and Presentation of Financial Statements, issued in 1989, with a reference to the Conceptual Framework for Financial Reporting issued in March 2018 without significantly changing its requirements.

An exception was also added to the recognition principle of SLFRS 3 to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of LKAS 37 or IFRIC 21 Levies, if incurred separately.

At the same time, it was decided to clarify existing guidance in SLFRS 3 for contingent assets that would not be affected by replacing the reference to the Framework for the Preparation and Presentation of Financial Statements.

The amendments are effective for annual reporting periods beginning on or after 1 January 2022 and apply prospectively.

5. SLFRS 1 First-time Adoption of Sri Lanka Financial Reporting Standards – Subsidiary as a first-time adopter

As part of its 2018-2020 annual improvements to SLFRS standards process, the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) issued an amendment to SLFRS 1 First-time Adoption of International Financial Reporting Standards (SLFRS 1). The amendment permits

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2022 (contd.)

a subsidiary that elects to apply paragraph D16(a) of SLFRS 1 to measure cumulative translation differences using the amounts reported by the parent, based on the parent's date of transition to SLFRS. This amendment is also applied to an associate or joint venture that elects to apply paragraph D16(a) of SLFRS 1.

The amendment is effective for annual reporting periods beginning on or after 1 January 2022 with earlier adoption permitted.

6. SLFRS 9 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities

As part of its 2018-2020 annual improvements to SLFRS standards process, the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) issued an amendment to SLFRS 9 Financial Instruments (SLFRS 9). The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. An entity applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment.

The amendment is effective for annual reporting periods beginning on or after 1 January 2022 with earlier adoption permitted.

7. LKAS 41 Agriculture – Taxation in fair value measurements

As part of its 2018-2020 annual improvements to SLFRS standards process, the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) issued an amendment to LKAS 41 Agriculture (LKAS 41). The amendment removes the requirement in paragraph 22 of LKAS 41 that entities exclude cash flows for taxation when measuring the fair value of assets within the scope of LKAS 41.

An entity applies the amendment prospectively to fair value measurements on or after the beginning of the first annual reporting period beginning on or after 1 January 2022 with earlier adoption permitted.

8. Amendments to SLFRS 16 Leases: Covid-19-Related Rent Concessions beyond 30 June 2021

In 4 December 2020, the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) issued Covid-19-Related Rent Concessions - amendment to SLFRS 16 Leases. The amendments provide relief to lessees from applying SLFRS 16 guidance on lease modification accounting for rent concessions arising as a direct consequence of the Covid-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a Covid-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the Covid-19 related rent concession the same way it would account for the change under SLFRS 16, if the change were not a lease modification.

The amendment was intended to apply until 30 June 2021, but as the impact of the Covid-19 pandemic is continuing, in 28 June 2021, CA Sri Lanka extended the period of application of the practical expedient to 30 June 2022.The amendment applies to annual reporting periods beginning on or after 1 April 2021.

9. Amendments to SLFRS 9, LKAS 39, SLFRS 7, SLFRS 4 and SLFRS 16 - Interest Rate Benchmark Reform (IBOR) Phase 1 and 2

IBOR reform Phase 1

In 15 January 2021, the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) issued amendments to SLFRS 9, LKAS 39 and SLFRS 7 due to Interest Rate Benchmark Reform (Phase 1). A summary of Phase 1 amendments are as follows:

- Highly Probable Requirement: when determining whether a forecast transaction is highly probable to be designated as a hedged item, an entity shall assume that the interest rate benchmark on which the hedged cash flows are based is not altered as a result of the reform.
- Prospective assessments: when performing prospective assessments to evaluate whether a hedging relationship qualifies for hedge accounting, an entity shall assume that the interest rate benchmark on which the hedged item, hedged risk and/or hedging instrument are based is not altered as a result of the interest rate benchmark reform.
- LKAS 39 retrospective assesment: an entity is not required to undertake the 'LKAS 39 retrospective assesment for hedging relationships directly affected by the reform. However, the entity must comply with all other LKAS 39 hedge accounting requirements, including the prospective assessment.
- Separately identifiable risk components: For hedges of non-contractually specified benchmark component of interest rate risk, an entity shall apply the requirement of risk component (or a portion) to be seperately identifiable to be eligible for hedge accounting, only at the inception of such hedging relationships.

IBOR reform Phase 2

In addition to Phase 1 amendments, CA Sri Lanka also issued amendments to SLFRS 9, LKAS 39, SLFRS 7, SLFRS 4 and SLFRS 16 due to Interest Rate Benchmark Reform. The Phase 2 amendments provide temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR). The amendments include several practical expedients.

The effective date of both IBOR reform Phase 1 and Phase 2 amendments is for annual reporting periods beginning on or after 1 January 2021 in the Sri Lankan context.

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2022 (contd.)

3. INCOME

	2022 LKR	2021 LKR
Interest Income (4.1)	**1,242,067,922**	973,813,610
Fee and Commission Income (5)	**12,097,982**	10,904,398
Other Operating Income (6)	**67,370,908**	30,575,374
Total Income	**1,321,536,812**	1,015,293,382

4. NET INTEREST INCOME

4.1 Interest Income

	2022 LKR	2021 LKR
From Placements with Banks and Other Financial Institutions	**11,404,986**	1,129,155
From Government Securities	**20,171,944**	39,567,391
From Lease Rental Receivable & Stock Out on Hire	**644,897,703**	529,397,365
From Loans and Advances	**220,135,915**	214,963,320
From Gold Advances	**344,470,014**	187,899,111
From Refundable Deposits	**987,360**	857,268
Total Interest Income	**1,242,067,922**	973,813,610

4.2 Interest Expense

	2022 LKR	2021 LKR
Due to Banks	**183,688,204**	147,091,025
Due to Customers	**126,140,678**	78,550,860
On Intercompany Borrowings	**–**	19,043,520
On Obligation to Make the Lease Payment for Right of Use Assets	**18,518,570**	11,352,521
Total Interest Expenses	**328,347,452**	256,037,926
Net Interest Income	**913,720,470**	717,775,684

5. FEE AND COMMISSION INCOME

	2022 LKR	2021 LKR
Commission Income	**12,097,982**	10,904,398
Fee and Commission Income	**12,097,982**	10,904,398

6. OTHER OPERATING INCOME

	2022 LKR	2021 LKR
Dividend Income	**240,000**	320,000
Net Income from Real Estate Operations	**6,491,505**	9,303,534
Service Charges Gold Loan	**42,484,947**	–
Vehicle Hiring Income	**–**	1,815,807
Other Operating Income	**18,154,456**	19,136,033
Total Other Operating Income	**67,370,908**	30,575,374

7. IMPAIRMENT CHARGES FOR LOANS AND OTHER LOSSES

	2022 LKR	2021 LKR
Charge/(write-back) to the statement of comprehensive income		
– Impairment on individually significant loans	**(18,305,295)**	10,499,229
– Impairment on collective loan portfolio	**106,857,765**	39,062,330
– write-offs/(recoveries)	**(216,000)**	39,024,998
– Impairment on Other Financial Assets	**–**	–
Total Impairment Charge	**88,336,470**	88,586,557

Lease Rentals Receivable and Stock out on Hire (Note 17.2.a)	2022 LKR	2021 LKR
Stage 1	**24,236,878**	14,694,031
Stage 2	**17,631,143**	7,205,209
Stage 3	**12,506,829**	22,052,015
	54,374,850	43,951,255
Loans and Advances (Note 18.2.a)		
Stage 1	**16,691,200**	3,738,733
Stage 2	**5,147,957**	(993,262)
Stage 3	**10,099,872**	2,469,531
	31,939,029	5,215,002
Other Financial Assets (Note 19.1.a)		
Stage 1	**183,425**	200,355
Stage 2	**61,672**	38,762
Stage 3	**1,993,494**	156,183
	2,238,591	395,300

8. PERSONNEL EXPENSES

	2022 LKR	2021 LKR
Salaries	**179,467,956**	133,094,858
Employers' Contribution to Employee's Provident Fund	**19,998,779**	15,299,974
Employers' Contribution to Employee's Trust Fund	**4,999,695**	3,824,993
Gratuity Charge for the year	**5,434,262**	6,113,667
Other Staff Related Expenses	**69,177,151**	36,160,710
	279,077,843	194,494,202

9. OTHER OPERATING EXPENSES

	2022 LKR	2021 LKR
Directors' Emoluments	**6,100,000**	5,000,000
Auditors' Remuneration	**1,593,648**	1,759,537
Professional and Legal Expenses	**8,337,708**	3,171,753
Office Administration and Establishment Expenses	**46,657,725**	29,791,038

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2022 (contd.)

	2022 LKR	2021 LKR
Advertising and Promotional Expenses	**66,287,857**	10,937,397
License and Renewal Fees	**2,364,774**	1,714,960
Other Expenses	**16,104,191**	9,217,753
	147,445,903	61,592,438

10. VALUE ADDED TAX AND NBT ON FINANCIAL SERVICES

	2022 LKR	2021 LKR
VAT on Financial Services	**90,504,774**	71,777,093
	90,504,774	71,777,093

11. INCOME TAX EXPENSES

11.1 The major component of income tax for the period ended 31 March 2022 as follows;

Income Statement	2022 LKR	2021 LKR
Current Income Tax		
Income Tax for the Period	**121,130,279**	144,385,206
Due to rate reduction	**(20,626,459)**	–
Deferred Tax		
Deferred Tax Charge (Note 30)	**(30,187,092)**	(39,702,793)
Due to rate reduction	**750,388**	–
Income Tax Expenses reported in the Income Statement	**71,067,116**	104,682,413
Statement of Other Comprehensive Income		
Differed Tax related to items recognized in OCI during the year		
Net Gain/(Loss) on Actuarial Gains/Losses during the year	**500,122**	265,275
Income Tax Expenses reported in the Other Comprehensive Income	**500,122**	265,275
Total Income Tax Expense for the year	**71,567,237**	104,947,688
Income Tax Rate Applicable	**24%**	28%

11.2 Reconciliation of Accounting Profit and Taxable Income

A reconciliation between the tax expense and the accounting profit multiplied by Income tax rate for the year ended 31 March 2022 as follows.

Accounting Profit / (Loss) Before Income Taxation	**310,288,911**	288,437,688
Aggregate allowable expenditure	**(174,768,110)**	(337,641,799)
Tax loss utilised	**–**	–
Aggregate disallowable expenditure	**369,188,695**	564,865,559
	504,709,497	515,661,448
Tax at statutory rates	**121,130,279**	144,385,206
Less : Due to rate reduction	**(20,626,459)**	–
	100,503,820	**144,385,206**
Deferred taxation charged/(Reversal)	**(30,187,092)**	(39,702,793)
Add : Due to rate reduction	**750,388**	–
	71,067,116	104,682,413
Effective Tax Rate	**22.90%**	36.29%

Amendments to the Income Tax Law announced by the Government

As per the announcement dated 12 February 2020, income tax rate applicable for the Finance sector has been reduced to 24% with effect from 01 January 2020. However, as the said amendment is yet to be enacted, both income tax and deferred tax were calculated at the rate of 28% for the year ended 31 March 2021. However, the said amendment was subsequently enacted on 13th May 2021 with restrospective effect from the Year of Assessment 2020/21.

The impact on the income tax expense for the year ended 31 March 2021 and on the deferred tax liabilities/ assets as at 31 March 2021 have been considered in the tax expense for the year ended 31 March 2022.

12. BASIC AND DILUTED EARNING PER ORDINARY SHARES

12.1 Basic and diluted earning per share is calculated by dividing net profit for the period attributable to ordinary share holders by weighted average number of ordinary shares outstanding during the period, as per LKAS-33-Earning Per Share.

12.2 The following reflect the income and share details used in Basic and Diluted Earning Per Share computation;

	2022 LKR	2021 LKR
Amount Used as Numerators		
Profit attributable to Ordinary Share Holders	**239,221,795**	183,755,275
Number of Ordinary shares used as Denominator		
Weighted Average Number of Ordinary Shares	**145,639,098**	145,639,098
Basic and Diluted Earning Per Ordinary Shares	**1.64**	1.26

13. CASH AND BANK BALANCES

	2022 LKR	2021 LKR
Cash in Hand	**43,786,257**	22,483,451
Bank Balances	**91,861,801**	49,125,942
	135,648,058	71,609,393

14. INVESTMENT IN GOVERNMENT SECURITIES

	2022 LKR	2021 LKR
REPO Investment - at Amortized Cost	**248,709,944**	502,394,473
	248,709,944	502,394,473

15. PLACEMENT WITH BANKS AND OTHER FINANCIAL INSTITUTIONS

	2022 LKR	2021 LKR
Placement With Banks (Fixed Deposit)	**287,743,917**	211,016,918
	287,743,917	211,016,918

16. GOLD ADVANCES

	2022 LKR	2021 LKR
Gold Advances	**2,258,859,086**	1,183,764,064
	2,258,859,086	1,183,764,064

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2022 (contd.)

17. LEASE RENTALS RECEIVABLE AND STOCK OUT ON HIRE

	2022 LKR	2021 LKR
Rental Receivable on Lease	**4,984,921,203**	3,402,853,160
Gross Rentals Receivables	**4,984,921,203**	3,402,853,160
Less: Unearned Income	**(1,243,256,425)**	(844,689,833)
	3,741,664,778	2,558,163,327
Less : Rentals Received in Advance	**(34,747,857)**	(27,125,801)
Net Rentals Receivables before charging Allowance for Impairment Losses	**3,706,916,921**	2,531,037,526
Less : Allowance for Impairment Losses (Note 17.2)	**(170,982,728)**	(116,607,878)

	2022 LKR	2021 LKR
Total Net Rentals Receivable	**3,535,934,193**	2,414,429,648

17.1 Net Rentals Receivable on Lease and Stock Out on Hire ‘LKR

	Net Rentals Receivables	Allowance for Impairment Losses	Total Net Rentals Receivable
Stage - 1	2,350,418,718	49,912,519	2,300,506,199
Stage - 2	838,982,698	37,349,194	801,633,504
Stage - 3	517,515,505	83,721,015	433,794,490
	3,706,916,921	170,982,728	3,535,934,193

17.2 Allowance for Impairment Losses ‘LKR.

(a) Allowance for Impairment with stage wise

	Collective			Individual	
	Stage -1	**Stage -2**	**Stage -3**	**Stage -3**	**Total**
Balance as at 01 April 2021	25,675,641	19,718,051	43,191,752	28,022,433	116,607,878
Charges/(Reversals) for the year	24,236,878	17,631,143	30,004,089	(17,497,260)	54,374,850
Amount written off	–	–	–	–	–
Balance as at 31 March 2022	**49,912,519**	**37,349,194**	**73,195,841**	**10,525,173**	**170,982,728**

(b) Movement in allowance for impairment

	2022 LKR	2021 LKR
As at 01 April	**116,607,878**	72,656,622
Charges/(reversals) for the year	**54,374,850**	72,254,889
Amounts written off	**–**	(28,303,634)
As at 31 March	**170,982,728**	116,607,878
Individual impairment	**10,525,173**	28,022,433
Collective impairment	**160,457,555**	88,585,445
total	**170,982,728**	116,607,878

(c) Movements in Individual and Collective impairment allowance for Leasing & Hire Purchase Rentals Receivables during the year

Individual Impairment	2022 LKR	2021 LKR
As at 1 April	**28,022,433**	17,974,778
Charges/(reversals) for the year	**(17,497,260)**	14,378,801
Amounts written off	**–**	(4,331,146)
As at 31 March	**10,525,173**	28,022,433

Collective Impairment	2022 LKR	2021 LKR
As at 1 April	**88,585,445**	54,681,844
Charges/(reversals) for the year	**71,872,110**	57,876,088
Amounts written off	**–**	(23,972,487)
As at 31 March	**160,457,555**	88,585,445
Total	**170,982,728**	116,607,878

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2022 (contd.)

17.3 Sensitivity Analysis of Accumulated Impairment for Lease Rentals Receivable and Stock Out on Hire as at 31st March

Changed Criteria	Changed Factor	2022 Sensitivity effect on Impairment Allowance	2021 Sensitivity effect on Impairment Allowance Increase
Loss Given Default (LGD)	Increase by 1%	**9,390,486**	5,273,674
Probability of Default (PD)	Increase by 1%	**6,304,964**	3,805,608
Economic Factor Adjustment (EFA)	Increase by 5%	**3,077,001**	1,668,815

17.4 Rental Receivable on Lease

	Within One Year LKR	1 to 5 Years LKR	Over 5 Years LKR	Total LKR
Gross Rentals Receivables	1,734,181,331	3,242,599,110	8,140,762	4,984,921,203
Less: Unearned Income	(541,842,898)	(700,949,969)	(463,558)	(1,243,256,425)
	1,192,338,433	2,541,649,141	7,677,204	3,741,664,778
Less : Rentals Received in Advance				(34,747,857)
Net Rentals Receivable before charging Allowance for Impairment Losses				**3,706,916,921**

18. LOANS AND ADVANCES

	2022 LKR	2021 LKR
Loan Receivable	**1,760,389,068**	1,120,740,415
Less : Unearned Interest Income	**(279,892,183)**	(212,396,098)
Net Receivable	**1,480,496,885**	908,344,317
Less : Loan Received In Advance	**(25,926,181)**	(9,203,864)
Net Loan Receivables before charging Allowance for Impairment Losses	**1,454,570,704**	899,140,453
Less : Allowance for Impairment Losses (Note 18.2)	**(65,258,860)**	(33,319,831)
Total Net Loan Receivable	**1,389,311,844**	865,820,622

18.1 Net Receivable on Loans

	Net Loan Receivables LKR	Allowance for Impairment Losses LKR	Total Net Loan Receivable LKR
Stage - 1	1,051,064,474	26,075,948	1,024,988,526
Stage - 2	209,632,395	7,993,319	201,639,076
Stage - 3	193,873,835	31,189,593	162,684,242
	1,454,570,704	**65,258,860**	**1,389,311,844**

18.2 Allowance for Impairment Losses 'LKR

(a) Allowance for Impairment with stage wise

	Collective			Individual	
	Stage -1 LKR	**Stage -2 LKR**	**Stage -3 LKR**	**Stage -3 LKR**	**Total LKR**
Balance as at 01 April 2021	9,384,747	2,845,362	18,305,594	2,784,127	33,319,831
Charges/(Reversals) for the year	16,691,200	5,147,957	10,907,906	(808,034)	31,939,029
Amount written off	–	–	–	–	–
Balance as at 31 March 2022	**26,075,948**	**7,993,319**	**29,213,500**	**1,976,093**	**65,258,860**

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2022 (contd.)

18. LOANS AND ADVANCES (contd.)

(b) Movement in allowance for impairment

	2022 LKR	2021 LKR
As at 01 April	**33,319,831**	28,104,828
Charges/(reversals) for the year	**31,939,029**	15,936,367
Amounts written off	**–**	(10,721,364)
As at 31 March	**65,258,860**	33,319,831
Individual impairment	**1,976,093**	2,784,127
Collective impairment	**63,282,767**	30,535,704
Total	**65,258,860**	33,319,831

(c) Movements in Individual and Collective impairment allowance for Loans & Advances during the year

Individual Impairment	**2022 LKR**	2021 LKR
As at 1 April	**2,784,127**	2,332,554
Charges/(reversals) for the year	**(808,034)**	451,573
Amounts written off	**–**	–
As at 31 March	**1,976,093**	2,784,127

Collective Impairment	**2022 LKR**	2021 LKR
As at 1 April	**30,535,703**	25,772,274
Charges/(reversals) for the year	**32,747,064**	15,484,794
Amounts written off	**–**	(10,721,364)
As at 31 March	**63,282,767**	30,535,703
Total	**65,258,860**	33,319,831

18.3 Sensitivity Analysis of Accumulated Impairment for Loan Receivable as at 31st March

		2022	2021
Changed Criteria	**Changed Factor**	**Sensitivity effect on Impairment Allowance Increase**	Sensitivity effect on Impairment Allowance Increase
Loss Given Default (LGD)	Increase by 1%	**3,444,912**	1,716,371
Probability of Default (PD)	Increase by 1%	**2,333,930**	1,253,202
Economic Factor Adjustment (EFA)	Increase by 5%	**1,116,653**	448,319

18.4 Receivable on Loan Stock

	Within One Year	**1 to 5 Years**	**Over 5 Years**	**Total**
	LKR	**LKR**	**LKR**	**LKR**
Gross Receivables	1,073,640,967	676,356,455	10,391,646	1,760,389,068
Less: Unearned Income	(178,188,461)	(100,644,641)	(1,059,081)	(279,892,183)
	895,452,506	575,711,814	9,332,565	1,480,496,885
Less : Rentals Received in Advance				(25,926,181)
Net Receivable before charging Allowance for Impairment Losses				**1,454,570,704**

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2022 (contd.)

19. OTHER FINANCIAL ASSETS

	2022 LKR	2021 LKR
Refundable Deposit	**12,782,277**	9,001,709
Sundry Debtors	**2,126,837**	1,543,016
Other Receivable	**46,917,459**	30,509,724
	61,826,573	41,054,449

19.1 Other Receivable

	2022 LKR	2021 LKR
Other Charges Recoverable	**17,361,172**	2,463,497
Insurance Recoverable	**27,226,459**	23,545,255
Other Receivable	**6,642,145**	6,574,698
Less : Allowance for Impairment Losses	**(4,312,317)**	(2,073,726)
	46,917,459	30,509,724

Impairment Allowance for Other Receivables

(a) Allowance for Impairment with stage wise

	Collective			Individual	
	Stage -1 LKR	**Stage -2 LKR**	**Stage -3 LKR**	**Stage -3 LKR**	**Total LKR**
Balance as at 01 April 2021	242,423	72,065	1,759,238	–	2,073,726
Charges/(Reversals) for the year	183,425	61,672	1,993,494	–	2,238,591
Amount written off	–	–	–	–	–
Balance as at 31 March 2022	**425,848**	**133,737**	**3,752,732**	**–**	**4,312,317**

(b) Movement in allowance for impairment

	2022 LKR	2021 LKR
As at 01 April	**2,073,726**	1,678,426
Charges/(reversals) for the year	**2,238,591**	395,300
Amounts written off	**–**	–
As at 31 March	**4,312,317**	2,073,726
Collective impairment	**4,312,317**	2,073,726
Total	**4,312,317**	2,073,726

Collective Impairment	2022 LKR	2021 LKR
As at 1 April	**2,073,726**	1,678,426
Charges/(reversals) for the year	**2,238,591**	395,300
Amounts written off	**–**	–
As at 31 March	**4,312,317**	2,073,726
Total Allowance for Impairment	**4,312,317**	2,073,726

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2022 (contd.)

19. OTHER FINANCIAL ASSETS (contd.)

19.2 Sensitivity Analysis of Accumulated Impairment for Other Receivable as at 31st March

Changed Criteria	Changed Factor	2022 Sensitivity effect on Impairment Allowance Increase LKR	2021 Sensitivity effect on Impairment Allowance Increase LKR
Loss Given Default (LGD)	Increase by 1%	**243,265**	123,566
Probability of Default (PD)	Increase by 1%	**43,850**	32,271
Economic Factor Adjustment (EFA)	Increase by 5%	**19,194**	11,548

20. OTHER NON FINANCIAL ASSETS

	2022 LKR	2021 LKR
Advances and Prepayment	**177,169,452**	27,054,720
	177,169,452	27,054,720

21. FINANCIAL INVESTMENT- MEASURED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	2022		2021	
	LKR	No. of Shares	LKR	No. of Shares
Equities-Unquoted				
Credit Information Bureau of Sri Lanka	457,700	100	457,700	100
	457,700	**100**	**457,700**	**100**

All unquoted equities shares are recorded at cost since its fair value cannot be reliably estimated. There is no market for these investments and company intend to hold these for long term.

22. INVENTORIES

	2022 LKR	2021 LKR
Stationeries	**328,056**	511,273
	328,056	511,273

23. PROPERTY, PLANT & EQUIPMENT

23.1 Gross Carrying Amounts

At Cost	Balance As at 31.03.2021 LKR	Additions/ Transfers LKR	Disposals/ Transfers LKR	Balance As at 31.03.2022 LKR
Freehold Assets				
Furniture & Fittings	84,375,406	44,283,380	–	128,658,786
Office Equipment	50,054,105	22,684,708	–	72,738,813
Computer Equipment	21,897,384	8,811,392	–	30,708,776
Motor Vehicles	53,547,000	–	(10,390,000)	43,157,000
	209,873,895	**75,779,480**	**(10,390,000)**	**275,263,375**
Assets on Leases				
Right of Use Assets	124,518,171	160,707,218	(2,314,178)	282,911,211
Total Value of Depreciable Assets	**334,392,066**	**236,486,698**	**(12,704,178)**	**558,174,586**

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2022 (contd.)

23. PROPERTY, PLANT & EQUIPMENT (contd.)

23.2 Depreciation

At Cost	Balance As at 31.03.2021 LKR	Charge for the year/ Transfers LKR	Disposals/ Transfers LKR	Balance As at 31.03.2022 LKR
Freehold Assets				
Furniture & Fittings	43,990,174	17,111,246	–	**61,101,420**
Office Equipment	24,948,441	10,187,734	–	**35,136,175**
Computer Equipment	14,893,160	3,264,761	–	**18,157,921**
Motor Vehicles	16,818,820	3,292,974	(3,895,500)	**16,216,294**
	100,650,595	**33,856,715**	**(3,895,500)**	**130,611,810**
Assets On Leases				
Motor Vehicles	–	–	–	**–**
Right of Use Assets	44,984,661	37,386,641	(1,308,014)	**81,063,287**
Total Depreciation	**145,635,256**	**71,243,356**	**(5,203,514)**	**211,675,097**

23.3 Net Book Values

At Cost	2022 LKR	2021 LKR
Furniture & Fittings	**67,557,366**	40,385,232
Office Equipment	**37,602,638**	25,105,664
Computer Equipment	**12,550,855**	7,004,224
Motor Vehicles	**26,940,706**	20,912,718
	144,651,565	93,407,838
Assets on Leases		
Motor Vehicles	**–**	15,815,462
Right of Use Assets	**201,847,924**	79,533,510
Total Carrying Amount of Property, Plant & Equipment	**346,499,489**	188,756,810

23.4 Fully Depreciated Property, Plant and Equipment

The initial cost of fully-depreciated property, plant and equipment as at 31 March 2022, which are still in use as at the reporting date is as follows;

	2022 LKR	2021 LKR
Furniture & Fittings	**10,864,526**	9,512,357
Office Equipment	**10,203,353**	8,322,700
Computer Equipment	**9,782,645**	8,527,645
Motor Vehicles	**3,257,000**	3,257,000
	34,107,524	29,619,703

24. INTANGIBLE ASSETS

	2022 LKR	2021 LKR
Computer System Software		
Cost:		
Opening Balance	**53,959,768**	53,759,768
Addition	**12,530,268**	200,000
Disposal	**–**	–
Closing Balance	**66,490,036**	53,959,768
Less: Amortization		
Opening Balance	**41,001,227**	35,624,917
Amortization Charge for the Period	**6,292,103**	5,376,310
Closing Balance	**47,293,330**	41,001,227
Net Book Value as at 31 March	**19,196,706**	12,958,541

25. INTEREST BEARING BORROWINGS

	2022 LKR	2021 LKR
Leases	**–**	1,182,051
Bank Over Draft	**318,622,301**	103,527,380
Bank Borrowings	**1,639,108,936**	1,283,279,661
Securitization Borrowings	**914,654,787**	318,369,010
	2,872,386,024	1,706,358,102

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2022 (contd.)

25. INTEREST BEARING BORROWINGS (contd.)

25.1 Lease Liability

	2022 LKR	2021 LKR
Gross liability	–	1,218,044
Less: Finance Charge Allocated to Future Period	–	(35,993)
Net Liability	–	1,182,051
Repayable Within one year		
Gross Liability	–	1,218,044
Less: Finance Charge Allocated to Future Period	–	(35,993)
Net Liability	–	**1,182,051**
Total Net Liability	–	**1,182,051**

25.2 Bank Borrowings

	2022 LKR	2021 LKR
Gross liability	**1,759,134,644**	1,396,835,211
Less: Finance Charge Allocated to Future Period	**(120,025,708)**	(113,555,550)
Net Liability	**1,639,108,936**	1,283,279,661
Repayable Within one year		
Gross Liability	**1,322,408,092**	873,808,750
Less: Finance Charge Allocated to Future Period	**(76,259,161)**	(75,635,276)
Net Liability	**1,246,148,931**	798,173,474
Repayable After one year (1 to 5 Year)		
Gross Liability	**436,726,552**	523,026,461
Less: Finance Charge Allocated to Future Period	**(43,766,547)**	(37,920,274)
Net Liability	**392,960,005**	485,106,187
Total Net Liability	**1,639,108,936**	1,283,279,661

25.2 Securitization Borrowings

	2022 LKR	2021 LKR
Gross liability	**1,048,984,158**	340,464,393
Less: Finance Charge Allocated to Future Period	**(134,329,371)**	(22,095,382)
Net Liability	**914,654,787**	318,369,010
Repayable Within one year		
Gross Liability	**560,764,932**	233,506,372
Less: Finance Charge Allocated to Future Period	**(60,061,697)**	(7,137,362)
Net Liability	**500,703,235**	226,369,010
Repayable After one year (1 to 5 Year)		
Gross Liability	**488,219,225**	106,958,021
Less: Finance Charge Allocated to Future Period	**(74,267,673)**	(14,958,021)
Net Liability	**413,951,552**	92,000,000
Total Net Liability	**914,654,787**	318,369,010

25.2.1 Institution Wise Loan Facilities

	As at 31.03.2022 LKR.	As at 01.04.2021 LKR.	Security
Short Term			
Seylan Bank PLC	**200,405,479**	–	Mortgage over Lease Receivables
Hatton National Bank PLC	**454,478,596**	75,096,233	Mortgage over Gold Loan Receivables
Commercial Bank of Ceylon PLC	**200,356,164**	140,030,137	Lien over Corporate Fixed Deposits
	855,240,239	215,126,370	
Long Term			
Bank of Ceylon	**538,725,463**	743,801,635	Mortgage over Lease Receivables
Seylan Bank PLC	**1,033,162**	60,558,251	Mortgage over Lease Receivables
Hatton National Bank PLC	**244,110,073**	66,026,255	Mortgage over Loan Receivables
M Power Capital Limited	**238,381,587**	315,987,557	Mortgage over Gold Loan receivables
National Development Bank PLC	**163,408,323**	200,148,603	Mortgage over Lease Receivables
Agora Securities (Private) Limited	**512,864,876**	–	Mortgage over Lease Receivables
	1,698,523,484	1,386,522,301	
	2,553,763,723	1,601,648,671	

26. DUE TO CUSTOMERS

	2022 LKR	2021 LKR
Fixed Deposit	**2,195,018,842**	929,639,458
	2,195,018,842	929,639,458

27. OTHER FINANCIAL LIABILITIES

	2022 LKR	2021 LKR
Trade Payable	**189,659,666**	73,917,533
Accrued Expense	**54,488,607**	43,381,234
Obligation to Make the Lease Payment (Note 27.1)	**205,263,559**	84,559,422
Sundry Creditors	**100,895,441**	34,585,428
	550,307,273	236,443,617

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2022 (contd.)

27. OTHER FINANCIAL LIABILITIES (contd.)

27.1 Obligation to Make the Lease Payment

	2022 LKR	2021 LKR
As at 1 April	**84,559,422**	76,031,354
Effects of SLFRS 16 adoption as at 1 April 2019	**–**	–
Additions and improvements during the year	**150,227,218**	25,177,517
Disposals during the year	**(1,191,771)**	
Accretion of interest during the year	**18,518,570**	11,352,521
Payments to lease creditors	**(46,849,881)**	(28,001,970)
As at 31 March	**205,263,558**	84,559,422

28. OTHER NON FINANCIAL LIABILITIES

	2022 LKR	2021 LKR
Stamp Duty Payable	**9,559,575**	3,531,243
Dividend Payable	**961,829**	961,829
Other Liabilities	**34,445,533**	21,801,407
	44,966,937	26,294,479

29. RETIREMENT BENEFIT LIABILITY

29.1 Defined Benefit Liability

	2022 LKR	2021 LKR
Defined Benefit Liability	**26,338,562**	23,049,390
	26,338,562	23,049,390

29.2 Changes in the Defined benefit obligation are as follows

Opening Liability	**23,049,390**	17,883,134
Net Benefit expense	**3,350,422**	5,166,256
Benefit paid	**–**	–
Closing Liability	**26,399,812**	23,049,390

29.3 Net Benefit expense

Interest Cost	**1,659,556**	1,738,240
Current Service Cost	**5,191,889**	4,375,427
Gain on Plan Ammendment	**(1,417,183)**	–
Actuarial Gain on obligations	**(2,083,840)**	(947,411)
	3,350,422	5,166,256

29.4 The principal financial assumptions used are as follows

Messrs. Piyal S Goonetilleke Actuaries, carried out an actuarial valuation of the defined benefit plan gratuity on 31 March 2022. Appropriate and compatible assumptions were used in determining the cost of retirement benefits. The principal assumptions used are as follows:

	2022	2021
Discount Rate	**15.11%**	7.20%
Future Salary Increment Rate	**12.00%**	6.00%
Retirement age	**60 Years**	55 Years
The weighted average duration of the defined benefit obligation	**7 Years**	5.5 Years
Mortality - GA 1983 Mortality Table issued by the Institute of Actuaries London		

The Retirement Age was amended from 55 Years to 60 Years due to the increase in retirement age enacted by the Minimum Retirement Age of Workers Act No. 28 of 2021.

29.5 Sensitivity Analysis

+/- 1% change on Discount Rate and Salary Increase- present value of defined benefit obligation as at 31 March 2022.

	Present Value of Defined Benefit Obligation (PVDBO)		
	31-Mar-22	**31-Mar-22**	**31-Mar-22**
Discount Rate	**14.11%**	**15.11%**	**16.11%**
Basic Salary Scale	**12.0%**	**12.0%**	**12.0%**
Census at	**31-Mar-22**	**31-Mar-22**	**31-Mar-22**
Total PVDBO	**27,897,819**	**26,338,562**	**24,991,754**

	Present Value of Defined Benefit Obligation (PVDBO)		
	31-Mar-22	**31-Mar-22**	**31-Mar-22**
Discount Rate	**15.11%**	**15.11%**	**15.11%**
Basic Salary Scale	**11.0%**	**12.0%**	**13.0%**
Census at	**31-Mar-22**	**31-Mar-22**	**31-Mar-22**
Total PVDBO	**24,966,371**	**26,338,562**	**27,904,205**

Sensitivity Analysis

+/- 1% change on Discount Rate and Salary Increase- present value of defined benefit obligation as at 31 March 2021.

	Present Value of Defined Benefit Obligation (PVDBO)		
	31-Mar-21	31-Mar-21	31-Mar-21
Discount Rate	6.20%	7.20%	8.20%
Basic Salary Scale	6.0%	6.0%	6.0%
Census at	31-Mar-21	31-Mar-21	31-Mar-21
Total PVDBO	**24,274,895**	**23,049,390**	**22,004,540**

	Present Value of Defined Benefit Obligation (PVDBO)		
	31-Mar-21	31-Mar-21	31-Mar-21
Discount Rate	7.20%	7.20%	7.20%
Basic Salary Scale	5.0%	6.0%	7.0%
Census at	31-Mar-21	31-Mar-21	31-Mar-21
Total PVDBO	**22,006,321**	**23,049,390**	**24,251,222**

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2022 (contd.)

30. DEFERRED TAX LIABILITY

	Statement of Financial Position		Statement of Comprehensive Income		Statement of Other Comprehensive Income	
	2022	2021	2022	2021	2022	2021
	LKR	LKR	LKR	LKR	LKR	LKR
Deferred Tax Liability						
Property Plant & Equipment	11,183,186	10,380,765	802,421	1,293,998	–	–
Intangible Assets	1,791,923	3,374,646	(1,582,722)	(1,063,312)	–	–
Lease Rental	5,015,292	17,597,132	(12,581,841)	(27,816,214)	–	–
Lease Creditor	–	4,087,294	(4,087,294)	788,371	–	–
	17,990,401	**35,439,837**	**(17,449,437)**	**(26,797,157)**	**–**	**–**
Deferred Tax Assets						
Defined Benefit Plan Obligation	6,321,255	6,453,829	(367,547)	(1,711,827)	500,122	265,275
Impairment of Loans and Receivables	23,885,966	19,946,810	(3,939,157)	(11,059,701)	–	–
Tax Paid in advance for Real Estate Income	–	842,168	842,168	1,110,603	–	–
Brought Forward Tax Loss	–	–	–	–	–	–
Right of Use Assets	12,217,434	2,944,315	(9,273,119)	(1,244,712)	–	–
	42,424,655	**30,187,122**	**(12,737,655)**	**(12,905,636)**	**500,122**	**265,275**
	(24,434,255)	**5,252,716**				
Deferred Income Tax Income/(Expense)	**(24,434,255)**	**5,252,716**	**(30,187,092)**	**(39,702,793)**	**500,122**	**265,275**
Deferred Tax (Asset)/Liabilities	**(24,434,255)**	**5,252,716**				
Due to rate reduction	**750,388**	–				
Net Deferred Tax (Asset)/Liabilities	**(23,683,867)**	**5,252,716**				

31. STATED CAPITAL

Issued and Fully Paid-Ordinary Shares	No. of Shares	Rs.
Balance as of 1 April 2020	**145,639,098**	1,908,247,125
Issued during the Period	**–**	–
Balance as of 31 March 2021	**145,639,098**	1,908,247,125
Balance as of 1 April 2021	**145,639,098**	1,908,247,125
Issued during the Period	**–**	–
Balance as of 31 March 2022	**145,639,098**	1,908,247,125

32. RESERVES

	2022 LKR	2021 LKR
Statutory Reserve Fund	**43,758,991**	38,968,709
Closing Balance	**43,758,991**	38,968,709

The company's reserve fund is maintained in accordance with Direction No. 1 of 2003 issued by the Central Bank of Sri Lanka under the Finance Business Act No. 42 of 2011.

33. CASH AND CASH EQUIVALENTS FOR THE PURPOSE OF CASH FLOW STATEMENT

Components of cash and cash Equivalents	2022 LKR	2021 LKR
Favorable Cash & Cash Equivalents Balance		
Cash and Bank Balance (Note 13)	**135,648,058**	71,609,393
Investment in government securities (Note 14)	**248,709,944**	502,394,473
	384,358,002	574,003,866
Un-Favorable Cash & Cash Equivalents Balance		
Bank Over Draft (Note 25)	**318,622,301**	103,527,380
	318,622,301	103,527,380
Total Cash and Cash Equivalents for the Purpose of Cash Flow Statement	**65,735,701**	470,476,486

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2022 (contd.)

34. ANALYSIS OF FINANCIAL ASSETS & LIABILITIES BY MEASURMENT BASIS

As at 31 March 2022	Financial Assets at Fair Value Income Statement LKR	Financial Assets at Fair Value Other Comprehensive Income LKR	Financial Assets and Liabilities at Amortized Cost LKR	Total LKR
Financial Assets				
Cash & Bank Balances	**–**	**–**	**135,648,058**	**135,648,058**
Investment in government Securities	**–**	**–**	**248,709,944**	**248,709,944**
Placements with Other Banks & Financial Institutions	**–**	**–**	**287,743,917**	**287,743,917**
Lease Rentals Receivable and Stock out on Hire	**–**	**–**	**3,535,934,193**	**3,535,934,193**
Loans and Advances	**–**	**–**	**1,389,311,844**	**1,389,311,844**
Gold Advances	**–**	**–**	**2,258,859,086**	**2,258,859,086**
Financial Investments-measured at Fair Value through OCI	**–**	**457,700**	**–**	**457,700**
Other Financial Assets	**–**	**–**	**61,826,573**	**61,826,573**
Total Financial Assets	**–**	**457,700**	**7,918,033,615**	**7,918,491,315**
Financial Liabilities				
Interest Bearing Borrowings	**–**	**–**	**2,872,386,024**	**2,872,386,024**
Due to the Customers	**–**	**–**	**2,195,018,842**	**2,195,018,842**
Other Financial Liabilities	**–**	**–**	**550,307,273**	**550,307,273**
Total Financial Liabilities	**–**	**–**	**5,617,712,139**	**5,617,712,139**

As at 31 March 2021	Financial Assets at Fair Value Income Statement LKR	Financial Assets at Fair Value Other Comprehensive Income LKR	Financial Assets and Liabilities at Amortized Cost LKR	Total LKR
Financial Assets				
Cash & Bank Balances	–	–	71,609,393	71,609,393
Investment in government Securities	–	–	502,394,473	502,394,473
Placements with Other Banks & Financial Institutions	–	–	211,016,918	211,016,918
Lease Rentals Receivable and Stock out on Hire	–	–	2,414,429,648	2,414,429,648
Loans and Advances	–	–	865,820,622	865,820,622
Gold Advances	–	–	1,183,764,064	1,183,764,064
Financial Investments-measured at Fair Value through OCI	–	457,700	–	457,700
Other Financial Assets	–	–	41,054,449	41,054,449
Total Financial Assets	–	457,700	5,290,089,567	5,290,547,267
Financial Liabilities				
Interest Bearing Borrowings	–	–	1,706,358,102	1,706,358,102
Due to the Customers	–	–	929,639,458	929,639,458
Other Financial Liabilities	–	–	236,443,617	236,443,617
Total Financial Liabilities	–	–	2,872,441,177	2,872,441,177

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2022 (contd.)

35. FAIR VALUE OF FINANCIAL INSTRUMENTS

35.1 Determination of Fair Value and Fair Value Hierarchy

The company use the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique.

Level 1 : Quoted prices in active markets for identical assets and liabilities.

Level 2 : Other technique for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3 : Techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

Financial Investments - Measured at Fair Value through other comprehensive income

Equity instruments at fair value through OCI/Available for sale financial assets primarily consist of unquoted equity securities. Unquoted equity securities are carried at cost since it is the most reasonable value available to represent the price of such securities.

35.2 Fair Value of the Financial Instrument Carried at Amortized Cost

Set out below is a comparison, by class, of the carrying amounts and fair values of the Company's financial instruments that are not carried at fair value in the financial Statements. This table does not include the fair values of non financial assets and liabilities.

As at 31 March 2022	Level	Carrying Amount LKR	Fair Value LKR
Financial Assets			
Lease Rentals Receivable and Stock out on Hire	**Level 02**	**3,535,934,193**	**3,701,940,710**
Loans and Advances	**Level 02**	**1,389,311,844**	**1,475,555,073**
Financial Liabilities			
Interest Bearing Borrowings	**Level 02**	**2,553,763,722**	**2,364,364,916**

35.2 Fair Value of the Financial Instrument Carried at Amortized Cost

As at 31 March 2021	Level	Carrying Amount LKR	Fair Value LKR
Financial Assets			
Lease Rentals Receivable and Stock out on Hire	Level 02	2,414,429,648	2,533,566,709
Loans and Advances	Level 02	865,820,622	901,171,057
Financial Liabilities			
Interest Bearing Borrowings	Level 02	1,601,648,671	1,435,344,492
Finance Lease	Level 02	1,182,051	1,180,714

For the following list of Financial Instrument whose carrying amount is a reasonable approximation of fair value because, for example, they are short-term in nature or reprice to current market rates frequently.

Assets

Cash and Bank Balances

Investment in government Securities

Placements with Banks and Other Financial Institutions

Gold Advances

Other Financial Assets

Financial Liabilities

Bank Overdraft

Due to the Customers

Other Financial Liabilities

36. CURRENT AND NON CURRENT ANALYSIS OF ASSETS & LIABILITIES

Table below shows an analysis of assets and liabilities analyzed according to when they are expected to be recovered or settled.

As at 31 March 2022	Within 12-Months LKR	After 12-Months LKR	Total LKR
ASSETS			
Cash and Bank Balances	**135,648,058**	–	**135,648,058**
Investment in Government Securities	**248,709,944**	–	**248,709,944**
Placements with Banks and Other Financial Institutions	**287,743,917**	–	**287,743,917**
Gold Advances	**2,258,859,086**	–	**2,258,859,086**
Lease Rentals Receivable and Stock out on Hire Purchase and Loans and Advances	**1,790,446,222**	**3,134,799,815**	**4,925,246,037**
Other Financial Assets	**53,053,655**	**8,772,918**	**61,826,573**
Other Non Financial Assets	**100,797,616**	**76,371,835**	**177,169,451**
Financial Investments- Measured at Fair Value through OCI	–	**457,700**	**457,700**
Inventories	**328,056**	–	**328,056**
Property, Plant and Equipment	–	**346,499,489**	**346,499,489**
Intangible Assets	–	**19,196,706**	**19,196,706**
Deferred Tax Assets	–	**23,683,867**	**23,683,867**
Total Assets	**4,875,586,554**	**3,609,782,330**	**8,485,368,884**

	Within 12-Months LKR	After 12-Months LKR	Total LKR
LIABILITIES			
Interest Bearing Borrowings	**2,065,474,467**	**806,911,557**	**2,872,386,024**
Due to the Customers	**2,006,588,696**	**188,430,146**	**2,195,018,842**
Other Financial Liabilities	**370,782,225**	**179,525,048**	**550,307,273**
Other Non Financial Liabilities	**44,966,937**	–	**44,966,937**
Current Tax Liabilities	**50,118,346**	–	**50,118,346**
Retirement Benefit Liability	–	**26,338,562**	**26,338,562**
Total Liabilities	**4,537,930,671**	**1,201,205,313**	**5,739,135,984**
Net Assets	**337,655,883**	**2,408,577,017**	**2,746,232,900**

As at 31 March 2021	Within 12-Months LKR	After 12-Months LKR	Total LKR
ASSETS			
Cash and Bank Balances	71,609,393	–	71,609,393
Investment in Government Securities	502,394,473	–	502,394,473
Placements with Banks and Other Financial Institutions	211,016,918	–	211,016,918
Gold Advances	1,183,764,064	–	1,183,764,064
Lease Rentals Receivable and Stock out on Hire Purchase and Loans and Advances	1,221,582,422	2,058,667,850	3,280,250,271

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2022 (contd.)

As at 31 March 2021	Within 12-Months LKR	After 12-Months LKR	Total LKR
Other Financial Assets	35,457,503	5,596,946	41,054,448
Other Non Financial Assets	25,424,773	1,629,947	27,054,720
Financial Investments-Measured at Fair Value through OCI	–	457,700	457,700
Inventories	511,273	–	511,273
Property, Plant and Equipment	–	188,756,810	188,756,810
Intangible Assets	–	12,958,541	12,958,541
Total Assets	**3,251,760,819**	**2,268,067,793**	**5,519,828,612**
LIABILITIES			
Interest Bearing Borrowings	1,129,251,916	577,106,187	1,706,358,103
Due to the Customers	463,800,283	465,839,175	929,639,458
Other Financial Liabilities	172,982,759	63,460,859	236,443,618
Other Non Financial Liabilities	26,294,479	–	26,294,479
Current Tax Liabilities	87,363,461	–	87,363,461
Retirement Benefit Liability	–	23,049,390	23,049,390
Deferred Tax Liabilities	–	5,252,716	5,252,716
Total Liabilities	**1,879,692,898**	**1,134,708,327**	**3,014,401,224**
Net Assets	**1,372,067,921**	**1,133,359,466**	**2,505,427,387**

37. COMMITMENT AND CONTINGENCIES

There were no significant capital commitment and contingencies as of the reporting date.

37.1 Litigation Against Company

The company does not have contingent liabilities in respect of legal claims arising in the ordinary course of business.

37.2 Assets Pledged

The following assets have been pledged as security for liabilities.

Nature of Assets	Nature of Liability	Carrying Amount Pledged 2022 LKR.	2021 LKR.	Included Under
Lease Rentals Receivable and Stock out on Hire *	Bank Loans and Overdrafts	2,344,953,053	1,587,623,358	Lease Rentals Receivable
Loan Receivable*		413,898,346	665,760,262	Loan Receivable
		2,758,851,399	**2,253,383,620**	

* The receivables and cash flows that have been included in securitization transactions are only available for payment of the debt and other obligations issued or arising in the securitization transactions. However, the Company hold the right to the excess cash flows not needed to pay the debt and other obligations issued or arising in each of the securitization transactions.

38. EVENT OCCURRING AFTER THE REPORTING DATE

Subsequent to the reporting date, no circumstances have arisen which would require adjustment or disclosure in financial statement.

39. RELATED PARTY TRANSACTIONS

The company carries out transactions in the ordinary course of business with the parties who are defined as "Related Parties" in LKAS-24-Related Party Disclosures.

Terms and Conditions

All such transactions entered into with the related parties are on an arms' length basis and are comparable with what is applied to the transactions with unrelated customers with similar credit standing.

Details of related party transactions which the company had during the year are as follows:

39.1 Transactions with Key Managerial Personnel (KMPs)

The company has identified and disclosed personnel those having authority and responsibility for planning, directing and controlling the activities of the company as "Key Management Personnel" in accordance with LKAS 24-"Related Party Disclosures'. Accordingly, Board of Directors, Chief Executive Officer, Members of Corporate Management team have been identified as "Key Management Personnel'.

Other related parties include CFMs of the KMPs who are family members who may be expected to influence or be influenced by that KMP in their dealings with the entity. They may include KMP's Spouse, children, domestic partner and dependents of KMP, KMP's spause/domestic partner.

39.1.1 Compensation to KMP

	2022 LKR	2021 LKR
Short Term Employment Benefits	**31,325,000**	28,958,000
Post Employment Benefits	**–**	–
	31,325,000	28,958,000

In addition to the above, the Company has also paid non cash benefits such as vehicles and fuel to key management personnel in line with the approved employment benefits of the Company.

39.1.2 Transaction with KMP and their Close Family Members

Aggregate value of transactions with KMP and their CFM are disclosed below. These transactions are carried out at Arm's length prices.

	2022 LKR	2021 LKR
Fixed Deposits accepted during the year	**–**	–
Fixed Deposits held at the end of the year	**–**	–
Interest paid during the year	**–**	–

39.2 Transaction, arrangements and agreements involving with Entities which are controlled, and/or jointly controlled by the KMP's and their CFMs or shareholders

	Nature of Relationship	**Amount of the Transactions had During the year LKR**	**Outstanding Receivable/ (Payable) Balance as at 31-03-2022 LKR**	**Outstanding Receivable/ (Payable) Balance as at 31-03-2021 LKR**
Ideal Motors (Pvt) Ltd.	Parent Company			
Finance Lease Equipment Purchase		57,273,600	**(14,766,500)**	–

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2022 (contd.)

	Nature of Relationship	Amount of the Transactions had During the year LKR	Outstanding Receivable/ (Payable) Balance as at 31-03-2022 LKR	Outstanding Receivable/ (Payable) Balance as at 31-03-2021 LKR
Other Purchases & Services		22,718,390	**–**	(1,257,093)
Vehicle Repair Services		146,941	**–**	(825,682)
Ideal Automobile (Pvt) Ltd	Affiliate Company			
Finance Lease Equipment Purchase		19,595,000	**–**	–
Fixed Deposits		(40,285,000)	**(111,225,000)**	(151,510,000)
Interest Expenses - Fixed Deposits		10,041,963	**(337,736)**	(513,417)
Ideal First Choice (Pvt) Ltd	Affiliate Company			
Fixed Deposits		(21,437)	**(51,131)**	(72,568)
Interest Expense - Fixed Deposits		–	**(289)**	(263)
Vehicle Repair Services		377,078	**–**	–
Prompt Express Private Limited	Affiliate Company			
Gross Advances		14,350,000	**20,687,955**	6,994,743
Courier Service Charges		1,332,459	**–**	(157,308)
Ideal Drive Private Limited	Affiliate Company			
Vehicle Hire Expense		4,697,887	**(427,081)**	(427,081)
Ideal Greentech (Pvt) Ltd	Affiliate Company			
Advances		42,947	**–**	42,947
Mahindra & Mahindra Financial Services Limited	Parent Company			
Share Issue		–	**–**	1,100,000,000
Ideal Premier (Pvt) Ltd	Affiliate Company			
Finance Lease Equipment Purchase		2,840,000	**–**	–
Vehicle Repair Services		2,421,061	**–**	–

40. CAPITAL

The Company maintains capital in order to cover risks inherent in the business and meet the capital adequacy requirements of Central Bank of Sri Lanka . The adequacy of the Company's capital is monitored based on the measures, rules and ratios adopted by Central Bank of Sri Lanka.

40.1 Capital Management

The primary objective of Company's capital management policy is to ensure that the Company complies with externally imposed capital requirements and healthy capital ratios in order to support its business and to maximize shareholders' value.

Regulatory Capital

The Company manages its capital considering the regulatory capital requirements. The Central Bank of Sri Lanka(CBSL) sets and monitors capital requirements for licensed finance companies. Accordingly, finance companies in Sri Lanka need to maintain a minimum total capital adequacy ratio of 11% and a minimum core capital adequacy ratio (Tier I) of 7%.The Company has always maintained the Capital Adequacy Ratio above the minimum regulatory requirements. The company's Tier I and Tier II capital adequacy ratios as at the end of the financial year stood at 38.78% and 39.85% respectively.

41. RISK MANAGEMENT

41.1 Introduction

Risk is inherent in the company's activities, but is managed through a process of ongoing identification, measurement and monitoring, subject to risk limits and other controls. This process of risk management is critical to the company's continuing profitability and each individual within the company is accountable for the risk exposures relating to his or her responsibilities.

RISK MANAGEMENT FRAMEWORK

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board has delegated its authority to Integrated Risk Management Committee (IRMC) which is responsible for developing and monitoring Company's risk management policies. The Committee is headed by an Independent Non-Executive Director and is comprised of Executive and Non-Executive Directors and Officers performing Executive functions. Meetings of IRMC are held regularly, and the Board of Directors are duly updated of its activities.

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2022 (contd.)

RISK MANAGEMENT AND REPORTING

Monitoring and controlling risks is primarily performed based on policies, limits & thresholds established by the Company. These limits reflect the business strategy and market environment of the Company as well as the level of risk that the Company is willing to accept.

RESPONDING TO COVID - 19 PANDEMIC RISKS

The Company's risk measurement and reporting functions were further strengthened during the year amidst the COVID - 19 pandemic. The credit risk of the Company's loan book increased as the loan repayments were impacted by the lock downs and movement restrictions imposed locally and globally. Further, the Company monitored the liquidity position with concern as it was under pressure due to the payment holidays offered under moratoriums. The operational risks too increased owing to the work from home arrangements etc. during the lock down periods.

In this back drop, the Company took additional measures to ensure that the risks caused by the pandemic are adequately managed.

Continuous reviews of the limits, policies and performance were carried out during the period. Some of these include;

- Reviewed risk elevated industries in the context of COVID – 19 pandemic.
- Assessed the impact of the COVID – 19 lock downs and moratoriums (payment holidays) on the portfolio staging.
- Used of a range of additional stress tests to assess the impact on Company's performance and capital.
- Strengthened Cyber Security Management in light of the increase in use of digital platforms.
- Ensured adequate liquidity resources were held to meet Company's obligation, given the uncertainties caused by the pandemic.

41.2 Credit Risk

Credit risk is the risk arise due to the uncertainty in counterparty's ability to meet its obligations. The risk of loss of principal or loss of a financial reward stemming from a borrower's failure to repay a loan or otherwise meet a contractual obligation.

The company considers a financial instrument defaulted for impairment calculations in all cases when the borrower becomes 90 days past due on its contractual payments.

41.2.1.1 Industry Analysis

The following table shows the risk concentration by industry for the components of the Statement of Financial Position.

Sector wise Break Down as at 31 March 2022	Cash & Bank Balances	Investment in Government Securities at Amortized cost	Placement with Bank & Other Financial Institutions	Lease Rental Receivable, Stock out on Hire purchase and Loans and Advances	Financial Investments- Measured at Fair Value through OCI	Gold Advances	Other Financial Assets	Total Financial Assets
	LKR	LKR	LKR	LKR	LKR	LKR	LKR	LKR
Agriculture	–	–	–	372,988,097	–	–	–	372,988,097
Manufacturing	–	–	–	83,167,828	–	–	–	83,167,828
Construction	–	–	–	239,423,489	–	–	–	239,423,489
Financial Services	135,648,058	248,709,944	287,743,917	13,503,982	–	–	–	685,605,901
Trading	–	–	–	277,788,460	–	–	–	277,788,460
Hotels	–	–	–	20,079,086	–	–	–	20,079,086
Services	–	–	–	–	457,700	–		457,700
Transport	–	–	–	3,794,353,149	–	–	–	3,794,353,149
Consumer	–	–	–	360,183,534	–	2,267,524,563	61,826,573	2,689,534,670
Total	**135,648,058**	**248,709,944**	**287,743,917**	**5,161,487,625**	**457,700**	**2,267,524,563**	**61,826,573**	**8,163,398,380**

Provincial break down for lease rental receivables and stock out on hire within Sri Lanka as follows.

Province	Lease Rental Receivable & Stock Out On Hire purchase	Loan Stock	Gold Advances
Central	141,144,463	66,594,829	88,215,503
North Central	259,014,639	244,371,433	124,727,871
North Western	653,434,505	164,259,421	113,549,533
Northern	310,148,843	62,702,238	694,922,920
Sabaragamuwa	410,494,758	27,558,017	109,100,507
Southern	422,162,540	177,495,438	208,994,501
Uva	728,681,507	45,209,217	592,641,790
Western	781,835,666	666,380,111	335,371,938
Total	**3,706,916,921**	**1,454,570,704**	**2,267,524,563**

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2022 (contd.)

Sector wise Break Down as at 31 March 2021	Cash & Bank Balances	Investment in Government Securities at Amortized cost	Placement with Bank & Other Financial Institutions	Lease Rental Receivable, Stock out on Hire purchase and Loans and Advances	Financial Investments- Measured at Fair Value through OCI	Gold Advances	Other Financial Assets	Total Financial Assets
	LKR	LKR	LKR	LKR	LKR	LKR	LKR	LKR
Agriculture	–	–	–	568,322,939	–	–	–	568,322,939
Manufacturing	–	–	–	51,293,836	–	–	–	51,293,836
Construction	–	–	–	87,367,918	–	–	–	87,367,918
Financial Services	71,609,393	502,394,473	211,016,918	20,952,943	–	–	–	805,973,727
Trading	–	–	–	226,558,611	–	–	–	226,558,611
Hotels	–	–	–	21,606,448	–	–	–	21,606,448
Services	–	–	–	154,687,078	457,700	–	–	155,144,778
Transport	–	–	–	1,927,423,143	–	–	–	1,927,423,143
Consumer	–	–	–	371,965,063	–	1,183,764,064	41,054,449	1,596,783,575
Total	**71,609,393**	**502,394,473**	**211,016,918**	**3,430,177,979**	**457,700**	**1,183,764,064**	**41,054,449**	**5,440,474,975**

Provincial break down for lease rental receivables and stock out on hire within Sri Lanka as follows.

Province	Lease Rental Receivable & Stock Out On Hire	Loan Stock	Gold Advances
Central	166,495,719	55,465,250	65,673,893
North Central	244,197,126	218,145,462	77,953,060
North Western	587,528,394	145,064,861	47,609,591
Northern	171,296,248	17,166,897	372,113,878
Sabaragamuwa	367,289,886	34,436,224	66,954,467
Southern	355,217,182	115,838,419	143,102,921
Uva	411,213,116	62,747,258	377,536,819
Western	227,799,857	241,705,904	32,819,434
Total	**2,531,037,527**	**890,570,275**	**1,183,764,064**

41.3 Liquidity Risk & Funding Management

Liquidity risk refers to the possibility of Company not having sufficient cash to meet its payment obligations. This arises primarily due to mismatches in the maturity profile of Company's assets and liabilities. Adequate liquidity is critical to meet the Company's financial commitment and to accommodate additional funding needs of the growing business volumes.

The Company's primary objective in liquidity risk management is to ensure adequate funding for its businesses throughout market cycles.

Furthermore the Company maintains the statutory liquid assets ratio at its required level as a method to measure and control the liquidity risk.

41.3.1 Analysis of Financial Assets and Liabilities by Remaining Contractual Maturities

The table below summarizes the maturity profile of the undiscounted cash flows of the Company's financial assets and liabilities.

As at 31st March 2022	On Demand	Less Than 3 Months	3 to 12 Months	1 to 5 years	Over 5 Years	Total
	LKR	LKR	LKR	LKR	LKR	LKR
Financial Assets						
Cash and Bank Balances	135,648,058	–	–	–	–	135,648,058
Placements with Banks and Other Financial Institutions	–	115,985,212	174,849,288	–	–	290,834,500
Investment in Government Securities and Placements with Banks and Other Financial Institutions	–	248,995,612	–	–	–	248,995,612
Gold Advances	–	2,249,478,291	18,046,272	–	–	2,267,524,563

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2022 (contd.)

As at 31st March 2022	On Demand LKR	Less Than 3 Months LKR	3 to 12 Months LKR	1 to 5 years LKR	Over 5 Years LKR	Total LKR
Lease Rentals Receivable and Stock out on Hire purchase	173,481,593	407,898,999	1,166,500,915	3,242,599,110	8,140,762	4,998,621,379
Loans and Advances	96,797,447	197,843,806	775,440,861	676,356,455	10,391,646	1,756,830,215
Financial Investments-Measured at Fair Value through OCI	–	–	–	–	457,700	457,700
Other Financial Assets	–	52,604,296	449,360	5,516,684	3,256,233	61,826,573
Total Financial Assets	**405,927,098**	**3,272,806,216**	**2,135,286,696**	**3,924,472,249**	**22,246,341**	**9,760,738,600**
Financial Liabilities						
Interest Bearing Borrowings	–	1,073,047,987	813,873,863	921,196,951	–	2,808,118,801
Due to the Customers	–	213,303,147	1,851,556,469	202,432,209	–	2,267,291,825
Other Financial Liabilities	–	348,455,540	–	–	–	348,455,540
Obligation to Make the Lease Payment	–	10,902,107	35,473,098	134,613,359	126,684,092	307,672,656
Total Financial Liabilities	**–**	**1,645,708,781**	**2,700,903,430**	**1,258,242,519**	**126,684,092**	**5,731,538,822**
Total Net Financial Assets/ (Liabilities)	**405,927,098**	**1,627,097,435**	**(565,616,734)**	**2,666,229,730**	**(104,437,751)**	**4,029,199,778**

As at 31st March 2022	On Demand LKR	Less Than 3 Months LKR	3 to 12 Months LKR	1 to 5 years LKR	Over 5 Years LKR	Total LKR
Financial Assets						
Cash and Bank Balances	71,609,393	–	–	–	–	71,609,393
Placements with Banks and Other Financial Institutions	–	–	211,016,918	–	–	211,016,918
Investment in Government Securities and Placements with Banks and Other Financial Institutions	–	502,394,473	–	–	–	502,394,473
Gold Advances	–	1,171,625,032	14,695,445	–	–	1,186,320,477
Lease Rentals Receivable and Stock out on Hire purchase	135,897,406	298,034,352	849,731,622	2,131,050,541	2,627,883	3,417,341,804
Loans and Advances	59,166,659	150,640,138	445,819,383	455,856,459	6,696,578	1,118,179,217
Financial Investments-Measured at Fair Value through OCI	–	–	–	–	457,700	457,700
Other Financial Assets	–	34,586,549	2,944,680	5,144,209.41	452,736	43,128,175
Total Financial Assets	**266,673,458**	**2,157,280,544**	**1,524,208,048**	**2,592,051,210**	**10,234,897**	**6,550,448,157**
Financial Liabilities						
Interest Bearing Borrowings	103,527,380	370,738,454	751,369,330	629,984,482	–	1,855,619,646
Due to the Customers	–	139,496,864	322,164,313	473,975,315	–	935,636,491
Other Financial Liabilities	–	125,192,916	26,691,280	–	–	151,884,196
Obligation to Make the Lease Payment	–	7,870,067	23,372,677	61,742,143	29,513,525	122,498,411
Total Financial Liabilities	**103,527,380**	**643,298,301**	**1,123,597,599**	**1,165,701,940**	**29,513,525**	**3,065,638,745**
Total Net Financial Assets/ (Liabilities)	**163,146,078**	**1,513,982,243**	**400,610,449**	**1,426,349,270**	**(19,278,628)**	**3,484,809,412**

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2022 (contd.)

41.4 Interest Rate Risk

Interest rate risk is a key constitute of the market risk exposure of the Company due to adverse and unanticipated movements in future interest rate which arises from core business activities; granting of credit facilities, accepting deposits and issuing debt instruments.

Due to the nature of operations of the Company, the impact of interest rate risk is mainly on the earnings of the Company rather than the market value of portfolios. Several factors give rise to interest rate risk; among these are term structure risk, which arises due to the mismatches in the maturities of assets and liabilities; basis risk which is the threat to income arises due to differences in the bases of interest rates.

Excessive movements in market interest rate could result in severe volatility to Company's net interest income and net interest margin. Company's exposure to interest rate risk is primarily associated with factors such as;

Interest Rate Risk Exposure on Financial Assets & Liabilities

The table below analyses the Company's interest rate risk exposure on financial assets & liabilities. The Company's assets & liabilities are included at carrying amount and categorized by the earlier of contractual repricing or maturity dates.

			Interest Bearing			
As at 31st March 2022	**Total As at 31-03-2022 LKR**	**Less Than 3 Months LKR**	**3 to 12 Month LKR**	**1 to 5 years LKR**	**Over 5 Years LKR**	**Total LKR**
Financial Assets						
Cash and Bank Balances	135,648,058	–	–	–	–	135,648,058
Investment in Government Securities and Placements with Banks and Other Financial Institutions	536,453,861	364,205,567	172,248,294	–	–	–
Gold Advances	2,267,524,563	2,249,478,291	18,046,272	–	–	–
Lease Rentals Receivable and Stock out on Hire purchase	3,706,916,921	394,929,688	762,660,888	2,541,649,141	7,677,204	–
Loans and Advances	1,454,570,704	212,694,587	656,402,647	576,140,905	9,332,565	–
Financial Investments-Measured at Fair Value through OCI	457,700	–	–	–	–	457,700
Other Financial Assets	61,826,573	122,316	–	–	–	61,704,257
Total Financial Assets	**8,163,398,380**	**3,221,430,449**	**1,609,358,101**	**3,117,790,046**	**17,009,769**	**197,810,015**
Financial Liabilities						
Interest Bearing Borrowings	2,872,386,024	1,341,585,356	727,637,936	803,162,732	–	–
Due to the Customers	2,195,018,842	212,376,276	1,794,212,420	188,430,146	–	–
Other Financial Liabilities	550,307,273	5,466,733	20,271,778	76,414,325	103,110,723	345,043,714
Total Financial Liabilities	**5,617,712,139**	**1,559,428,365**	**2,542,122,134**	**1,068,007,203**	**103,110,723**	**345,043,714**
Interest Sensitivity Gap	**2,545,686,241**	**1,662,002,084**	**(932,764,033)**	**2,049,782,843**	**(86,100,954)**	**(147,233,699)**

			Interest Bearing			
As at 31st March 2021	**Total As at 31-03-2021 LKR**	**Less Than 3 Months LKR**	**3 to 12 Month LKR**	**1 to 5 years LKR**	**Over 5 Years LKR**	**Total LKR**
Financial Assets						
Cash and Bank Balances	71,609,393	–	–	–	–	71,609,393
Investment in Government Securities and Placements with Banks and Other Financial Institutions	713,411,390	502,394,473	211,016,918	–	–	–
Gold Advances	1,183,764,064	1,169,103,439	14,660,625	–	–	–
Lease Rentals Receivable and Stock out on Hire purchase	2,530,610,528	291,402,817	562,152,099	1,674,569,064	2,486,547	–
Loans and Advances	899,567,452	164,885,646	353,069,568	375,724,768	5,887,470	–
Financial Investments-Measured at Fair Value through OCI	457,700	–	–	–	–	457,700
Other Financial Assets	41,367,103	–	–	–	–	41,367,103
Total Financial Assets	**5,440,787,629**	**2,127,786,375**	**1,140,899,209**	**2,050,293,832**	**8,374,017**	**113,434,196**

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2022 (contd.)

		Interest Bearing				
	Total As at 31-03-2021	Less Than 3 Months	3 to 12 Month	1 to 5 years	Over 5 Years	Total
As at 31st March 2021	**LKR**	**LKR**	**LKR**	**LKR**	**LKR**	**LKR**
Financial Liabilities						
Interest Bearing Borrowings	1,752,092,266	370,738,454	751,369,330	629,984,482	–	–
Due to the Customers	929,639,458	150,845,312	312,954,971	465,839,175	–	–
Other Financial Liabilities	236,443,618	5,061,423	16,037,141	40,421,425	23,039,434	151,884,196
Total Financial Liabilities	**2,918,175,343**	**526,645,189**	**1,080,361,442**	**1,136,245,082**	**23,039,434**	**151,884,196**
Interest Sensitivity Gap	**2,522,612,286**	**1,601,141,186**	**60,537,767**	**914,048,750**	**(14,665,417)**	**(38,450,000)**

41.5 The Impact of Covid – 19 on the Risk Management

The unexpected interruptions to business from start of financial year due to the COVID-19 pandemic resulted slowdown in business transactions of the company. With the developments in certain work measures such as "Work from Home" and re-commencing business operations in the curfew and non-curfew areas, company ensured uninterrupted service to our customers.

The Central Bank of Sri Lanka (CBSL) issued directions and guidelines for financial institutions to offer concessions on individuals and private companies who has adverse short-term impact on their sources of income. Being inline with these directions & guidelines, the company initiated appropriate measures for offering relief to affected customers.

41.5.1 Impact on Liquidity Risk

The company was able to maintain a strong liquid asset portfolio during this uncertain period while achieving key activities of the company. This was further strengthen by the funds collect from new share issue, which was taken place in the month of February 2020. In addition, the company took necessary actions to ensure continuation of credit lines with banking institutions and benefited with the debt moratorium offered by banking institutions.

41.5.2 Impact on Credit Risk

Business operations of the company are spread around the country and majority of loan and lease advance granted to the customers located outside the western province. This was more helpful to the company to improve the collection from the advance portfolio while reducing the credit risk. In addition, advance portfolio consists with less significant amount of facilities granted to business areas which were effected by Covid-19 such as hotel and tourism industry.

41.5.3 Impact of assessment of ECL

SLFRS – 09 requires the application of judgements and assumptions, both require and allow entities to adjust their approach to determine ECLs in different circumstances. A number of assumptions and linkages underlying the way ECLs have been implemented to date may no longer hold in the current environment due to Covid – 19. The company has assessed ECL based on the available information during the financial period and published guidline of CA Sri Lanka and forecasts of economic conditions by being alert with Covid -19 pandemic.

The extension of payment holiday granted to borrowers in specific industries under government approved debt moratorium shall not automatically result in all those instruments being consider to have suffered a significant increase in credit risk. Consideration also needed to be given on whether the concessions under moratoriums could enable certain borrowers to resume regular payments in foreseeable future and such that significant increase in credit risk would not occur over expected remaining period of the receivables.

The company re-assessed and adjusted certain cash flows to reflect the impact on Covid - 19 outbreak in the impairment assessment.

41.5.4 Impact on Interest Rate Risk

Due to the impact of Covid 19 pandemic, Central Bank of Sri Lanka reduced policy rates and implemented monetary easing policies to enhance the liquidity of the market to stimulate the economic activities of the country. Company evaluated the impact of the interest rate revisions with the long-term debt obligations obtained with floating rates from banking institutions.

42. OPERATING SEGMENTS

Entity-Wide Disclosures: Analysis of Gross Income on Product Basis

	Finance Lease	Gold Loan	Loans and Advances	Other	Total
As at 31st March 2022	**LKR**	**LKR**	**LKR**	**LKR**	**LKR**
Interest Income	644,897,703	344,470,014	220,135,915	32,564,290	1,242,067,922
Commission Income	–	–	–	12,097,982	12,097,982
Other Income	–	–	–	67,370,908	67,370,908
	644,897,703	**344,470,014**	**220,135,915**	**112,033,180**	**1,321,536,812**

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2022 (contd.)

As at 31st March 2021	Finance Lease LKR	Gold Loan LKR	Loans and Advances LKR	Other LKR	Total LKR
Interest Income	529,397,365	187,899,111	214,963,320	41,553,814	973,813,610
Commission Income	–	–	–	10,904,398	10,904,398
Other Income	–	–	–	30,575,374	30,575,374
	529,397,365	**187,899,111**	**214,963,320**	**83,033,586**	**1,015,293,382**

43. CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

Sri Lanka Accounting Standards LKAS 7 (Statement of Cash Flows), requires an entity to disclose information that enables users of Financial Statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. Accordingly, changes in liabilities arising from financing activities for the year ended 31 March 2022 are disclosed below.

	Securitization Borrowing LKR	Bank Borrowing LKR	Finance Lease Liabilities LKR
Balance as at 01 April 2021	318,369,010	1,283,279,661	1,182,051
Net cash flows from financing activities	565,206,852	348,811,429	(1,182,051)
Non cash changes			
Foreign exchange movements	–	–	–
Accrual for interest expense	31,078,925	7,017,846	–
Balance as at 31 March 2022	914,654,787	1,639,108,936	–

INDEPENDENT AUDITORS' REPORT

To the Members of
Mahindra Finance CSR Foundation

REPORT ON THE AUDIT OF THE IND AS FINANCIAL STATEMENTS

OPINION

We have audited the accompanying Ind AS Financial Statements of **Mahindra Finance CSR Foundation** ("the Company"), which comprise the Balance sheet as at March 31, 2022, the Statement of Income and Expenditure, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (herein referred to as "financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS Financial Statements give the information required by the Companies Act,2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, and its financial performance, its cash flows and the changes in equity for the year ended on that date.

BASIS FOR OPINION

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

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

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the Financial Statements and our auditors' report thereon.

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

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

RESPONSIBILITIES OF MANAGEMENT FOR THE FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Section 143(3)(i) mandates the auditor to comment on whether the Company has adequate internal financial controls over financial reporting of the Company and

the operating effectiveness of such controls. In terms of paragraph 5 of Ministry of Corporate Affairs notification number G.S.R. 583 (E) dated June 13, 2017, and as amended from time to time, exemption has been provided to private limited companies fulfilling certain criteria mentioned in the notification, from the applicability of requirement of reporting in terms of section 143(3)(i). As the Company meets the relevant criteria specified in the said notification for the Financial Year 2020-21, the requirement of Section 143(3)(i) is not applicable to the Company and accordingly no report has been made under the said clause.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Financial Statements for the financial year ended March 31, 2022 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As requirements by the Companies (Auditor's Report) Order, 2016/2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, is not applicable to the Company, no comment on report specified in paragraphs 3 and 4 of the Order is made;

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

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

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

   c) The Balance Sheet, the Statement of Statement of Income and Expenditure, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

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

   e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act;

   f) Reporting on the adequacy of internal financial controls with reference to Financial Statements of the Company and the operating effectiveness of such controls, under Section 143(3)(i) of the Act, is not applicable in view of the exemption available to the Company in terms of the Notification No. G.S.R. 583(E) dated 13 June 2017 issued by the Ministry of Corporate Affairs, Government of India, read with General Circular No. 08/2017 dated 25 July 2017.

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

      i. The Company does not have any pending litigations which would impact its financial position;

      ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

      iii. There were no amounts which were required to the Investor Education and Protection Fund by the Company.

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

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

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

v. The Company has not declared or paid any dividend during the year.

For **B.K. KHARE & CO.**
Chartered Accountants
Firm Registration No. 105102W

Shirish Rahalkar
Partner
Membership No. 111212
UDIN: 22111212AHWTCZ4976

Mumbai, April 25, 2022

BALANCE SHEET AS AT 31 MARCH 2022

INR Lakhs

Particulars	Note	As at 31 March 2022	As at 31 March 2021
ASSETS			
Financial Assets			
a) Cash and cash equivalents	1	**2.75**	794.10
b) Bank balances other than cash and cash equivalents	2	**–**	55.00
c) Other current assets		**–**	0.13
		2.75	849.23
Non-financial Assets			
a) Current tax assets (Net)	3	**0.81**	–
		0.81	–
Total Assets		**3.56**	849.23
LIABILITIES AND EQUITY			
LIABILITIES			
Financial Liabilities			
a) Other payables	4	**0.46**	0.46
b) Other financial liabilities	5	**0.20**	0.20
		0.66	0.66
Non-Financial Liabilities			
a) Other non-financial liabilities	6	**0.05**	0.04
		0.05	0.04
EQUITY	7		
a) Equity share capital		**0.10**	0.10
b) Other equity		**2.75**	848.43
		2.85	848.53
Total Liabilities and Equity		**3.56**	**849.23**

The accompanying notes form an integral part of the financial statements.

As per our report of even date attached.

For **B. K. Khare & Co.**
Chartered Accountants
Firm's Registration No: 105102W

For and on behalf of the Board of Directors
Mahindra Finance CSR Foundation

Shirish Rahalkar
Partner
Membership No: 111212

Rajesh Vasudevan
Director
[DIN: 02711990]

Vinay Deshpande
Chairman
[DIN: 01904423]

Mumbai
25 April 2022

Mumbai
25 April 2022

Mumbai
25 April 2022

STATEMENT OF INCOME AND EXPENDITURE FOR THE YEAR ENDED 31 MARCH 2022

INR Lakhs

	Particulars	Note	Year ended 31 March 2022	Year ended 31 March 2021
I	**Revenue receipts (Donations)**	8	**1.42**	1,059.15
II	**Other Income**	9	**8.14**	0.13
III	**Total income (I+II)**		**9.56**	1,059.28
	Expenses			
	i) Finance costs	10	**0.01**	–
	ii) Corporate Social Responsibility expenses	11	**852.02**	209.75
	iii) Other Expenses	12	**3.21**	0.85
IV	**Total expenses (IV)**		**855.24**	210.60
V	**Excess of income over expenditure (III-IV)**		**(845.68)**	848.68
VI	**Earnings per equity share (face value Rs. 10/- per equity share)**	13		
	Basic (Rupees)		**(84,568.00)**	84,868.00
	Diluted (Rupees)		**(84,568.00)**	84,868.00

The accompanying notes form an integral part of the financial statements.

As per our report of even date attached.

For **B. K. Khare & Co.**
Chartered Accountants
Firm's Registration No: 105102W

For and on behalf of the Board of Directors
Mahindra Finance CSR Foundation

Shirish Rahalkar
Partner
Membership No: 111212

Mumbai
25 April 2022

Rajesh Vasudevan
Director
[DIN: 02711990]

Mumbai
25 April 2022

Vinay Deshpande
Chairman
[DIN: 01904423]

Mumbai
25 April 2022

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

A. Equity share capital

INR Lakhs

Particulars	Amount
Issued, Subscribed and fully paid up:	
Balance as at 1 April 2020	0.10
Changes during the year:	
i) Fresh allotment of shares	–
ii) Allotment of shares by ESOS Trust to employees	–
Balance as at 31 March 2021	0.10
Balance as at 1 April 2021	
Changes during the year:	**0.10**
i) Fresh allotment of shares	**–**
ii) Allotment of shares by ESOS Trust to employees	**–**
Balance as at 31 March 2022	**0.10**

B. Other Equity

Particulars	Reserves and Surplus									Total
	Statutory reserves as per Section 45-IC of the RBI Act, 1934	Capital redemption reserves	Securities premium reserve	General reserves	Debenture Redemption Reserves (DRR)	Employee stock options outstanding	Retained earnings	Debt instruments through OCI	Equity instruments through OCI	
Balance as at 1 April 2020	–	–	–	–	–	–	(0.25)	–	–	(0.25)
Profit/(loss) for the year	–	–	–	–	–	–	–	–	–	–
Other Comprehensive Income / (loss)	–	–	–	–	–	–	–	–	–	–
Total Comprehensive Income for the year	–	–	–	–	–	–	–	–	–	–
Excess of income / (expenditure) for the current period	–	–	–	–	–	–	848.68	–	–	848.68
Balance as at 31 March 2021	–	–	–	–	–	–	848.43	–	–	848.43

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2022 (Contd.)

Particulars	Reserves and Surplus									Total
	Statutory reserves as per Section 45-IC of the RBI Act, 1934	Capital redemption reserves	Securities premium reserve	General reserves	Debenture Redemption Reserves (DRR)	Employee stock options outstanding	Retained earnings	Debt instruments through OCI	Equity instruments through OCI	
Balance as at 1 April 2021	–	–	–	–	–	–	848.43	–	–	848.43
Profit/(loss) for the year	–	–	–	–	–	–	–	–	–	–
Other Comprehensive Income / (loss)	–	–	–	–	–	–	–	–	–	–
Total Comprehensive Income for the year	–	–	–	–	–	–	–	–	–	–
Excess of income / (expenditure) for the current period	–	–	–	–	–	–	(845.68)	–	–	(845.68)
Balance as at 31 March 2022	–	–	–	–	–	–	2.75	–	–	2.75

As per our report of even date attached.

For **B. K. Khare & Co.**
Chartered Accountants
Firm's Registration No: 105102W

For and on behalf of the Board of Directors
Mahindra Finance CSR Foundation

Shirish Rahalkar
Partner
Membership No: 111212

Mumbai
25 April 2022

Rajesh Vasudevan
Director
[DIN: 02711990]

Mumbai
25 April 2022

Vinay Deshpande
Chairman
[DIN: 01904423]

Mumbai
25 April 2022

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2022

INR Lakhs

	Particulars	Year ended 31 March 2022	Period ended 31 March 2021
A)	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Excess of income / (expenditure) for the current period	**(845.68)**	848.68
	Adjustments to reconcile profit before tax to net cash flows:		
	Add: Non-cash expenses	**–**	–
		–	–
	Less: Income considered separately	**–**	–
	Income from investing activities	**(8.14)**	(0.13)
	Operating profit before working capital changes	**(853.82)**	848.55
	Changes in -		
	Other financial assets	**0.13**	(0.05)
	Other financial liabilities	**–**	0.46
	Other non-financial liabilities	**0.01**	0.04
	Cash used in operations	**0.14**	0.45
	Income taxes paid (net of refunds)	**(0.81)**	
	NET CASH USED IN OPERATING ACTIVITIES (A)	**(854.49)**	849.00
B)	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Purchase of investments at amortised cost		(55.00)
	Proceeds from sale of investments measured at amortized cost	**55.00**	–
	Interest received	**8.14**	–
	NET CASH GENERATED FROM / (USED IN) INVESTING ACTIVITIES (B)	**63.14**	(55.00)
C)	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Issue of equity shares	**–**	–
	NET CASH GENERATED FROM / (USED IN) FINANCING ACTIVITIES (C)	**–**	–
	NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	**(791.35)**	794.00
	Cash and Cash Equivalents at the beginning of the year	**794.10**	0.10
	CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR (refer note 3)	**2.75**	794.10
	Components of Cash and Cash Equivalents		
	Balances with banks in current accounts	**2.75**	0.10
	Term deposits with original maturity up to 3 months	**–**	794.00
	Total	**2.75**	794.10

Notes :

The above Statement of Cash Flow has been prepared under the 'Indirect method' as set out in Ind AS 7 on 'Statement of Cash Flows'.

As per our report of even date attached.

For **B. K. Khare & Co.**
Chartered Accountants
Firm's Registration No: 105102W

For and on behalf of the Board of Directors
Mahindra Finance CSR Foundation

Shirish Rahalkar
Partner
Membership No: 111212

Mumbai
25 April 2022

Rajesh Vasudevan
Director
[DIN: 02711990]

Mumbai
25 April 2022

Vinay Deshpande
Chairman
[DIN: 01904423]

Mumbai
25 April 2022

Notes Forming part of the financial statements for the year ended 31 March 2022

1 COMPANY INFORMATION

Mahindra Finance CSR Foundation ('the Company'), incorporated in India, is a public limited company, headquartered in Mumbai dated April 2, 2019. The Company has received license under Section 8 (1) of the Companies Act, 2013. The Company is established to undertake, by itself or joining, collaborating with, or participating in, projects that, support, promote and enhance: education, including special education, especially among children, women, elderly and the differently abled; employment, vocational skills, and sustainable livelihood; curative and preventive healthcare measures; sanitation and availability of safe drinking water; measures eradicating hunger, poverty and malnutrition; sustainability environmental and ecological balance; protection of flora and fauna, animal welfare, agro forestry; conservation of natural resources; maintenance of quality of soil, air and water; including but not limited to, rehabilitation efforts prior, during and or after natural disasters. The objective of the Company is to work, contribute towards all activities outlined by, but not restricted to, Section 135, Schedule VII of the Companies Act, 2013, the related rules and the amendments thereto from time to time.

Further, the company received its registration under section 12AA of the Income Tax Act 1961 on 29 November, 2019 and certificate under section 80G of the Income Tax Act,1961 on 24 December, 2019 valid from 3 June, 2019.

None of the objects of the Company will be carried out on commercial basis. The Company is a subsidiary of Mahindra & Mahindra Financial Services Limited.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of accounting

These financial statements are the company's first Ind–AS financial statement. The financial statements have been prepared on a historical cost convention and on an accrual basis.

2.2 Functional and presentation currency

These financial statements are presented in Indian Rupees ('INR' or 'Rs.') which is also the Company's functional currency. All amounts are rounded-off to the nearest lakh, unless otherwise indicated.

2.3 Revenue recognition

The revenue is measured on actual receipt basis of donations received.

2.4 Provisions

Provisions are recognised when there is a present obligation as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

The company was incorporated in the previous year due to which the comparative figures are not comparable.

INR Lakhs

1 Cash and cash equivalents

	31 March 2022	31 March 2021
Cash on hand	–	–
Balances with banks in current accounts	2.75	0.10
Term deposits with original maturity up to 3 months	–	794.00
	2.75	794.10

2 Bank balances other than cash and cash equivalents

	31 March 2022	31 March 2021
Term deposits with maturity less than 12 months -	–	55.00
	–	55.00

Other current assets

	31 March 2022	31 March 2021
Interest accrued on - Bank deposits	–	0.13
	–	0.13

3 Non-financial Assets

	31 March 2021	31 March 2020
Current tax assets (Net)	0.81	–
	0.81	–

4 Other payables

	31 March 2022	31 March 2021
total outstanding dues of creditors other than micro enterprises and small enterprises	0.46	0.46
	0.46	0.46

5 Other financial liabilities

	31 March 2022	31 March 2021
Provision for expenses	0.20	0.20
Provision for audit fees	–	–
	0.20	0.20

6 Other non financial liabilities

	31 March 2022	31 March 2021
Statutory dues and taxes payable	0.05	0.04
	0.05	0.04

7 Equity Share capital

	31 March 2022	31 March 2021
Authorised:		
1,000 (31 Mar 2021: 1,000) Equity shares of Rs.10/- each	0.10	0.10
Issued, Subscribed and paid-up:		
1,000 (31 Mar 2021: 1,000) Equity shares of Rs.10/- each fully paid up	0.10	0.10
Issued, Subscribed and paid-up Share capital	0.10	0.10

	As at 31 March 2022		As at 31 March 2021	
	No. of shares	INR Lakhs	No. of shares	INR Lakhs
a) Reconciliation of number of equity shares and amount outstanding:				
Issued, Subscribed and paid-up:				
Balance at the beginning of the year	1,000	0.10	1,000	0.10

Notes forming part of the Financial Statements as at 31 March 2022

INR Lakhs

		As at 31 March 2022		As at 31 March 2021	
		No. of shares	**INR Lakhs**	**No. of shares**	**INR Lakhs**
	Add : Fresh allotment of shares:	**–**	–	**–**	–
	Balance at the end of the year	**1,000**	0.10	**1,000.00**	0.10
b)	Number of equity shares held by holding company or ultimate holding company including shares held by its subsidiaries / associates:				
	Holding company : Mahindra & Mahindra Financial Services Limited	**1,000**	0.10	**1,000**	0.10
	(Equity shares of Rs. 10/- each)				
	Percentage of holding (%)	**100%**	100%	**100%**	100%

Other Equity	**31 March 2022**	31 March 2021
Surplus in Statement of Profit and Loss:		
Balance as at the beginning of the year	**848.43**	(0.25)
Add : Excess of income / expenditure for the current period transferred from Statement of Income and Expenditure	**(845.68)**	848.68
Balance Loss carried to Balance Sheet	**2.75**	848.43
Less : Allocations & Appropriations :	**–**	–
Balance as at the end of the period	**2.75**	848.43
Total	**2.75**	848.43

The company was incorporated in the previous year due to which the comparative figures are not comparable.

8 Revenue receipts

	31 March 2022	31 March 2021
Donations received	**1.42**	1,059.15
	1.42	1,059.15

9 Other Income

	31 March 2022	31 March 2021
Interest Income on Bank Deposit	**8.14**	0.13
	8.14	0.13

10 Finance costs

	31 March 2022	31 March 2021
Bank charges	**0.01**	0.00
	0.01	0.00

11 Corporate Social Responsibility expenses

	31 March 2022	31 March 2021
– Promotion of education	**1.42**	3.37
– Flagship program Welfare programs for Drivers & their family	**850.60**	206.38
	852.02	209.75

12 Other Expenses

	31 March 2022	31 March 2021
Auditor's fees and expenses	**0.59**	0.55
Legal and professional charges	**2.60**	0.28
Other expenses	**0.02**	**0.02**
	3.21	0.85

13 Earning Per Share (EPS)

	31 March 2022	31 March 2021
Profit / (Loss) for the period	**(845.68)**	848.68
Weighted average number of Equity Shares	**1,000**	1,000
Basic Earnings per share (Rs.) (Face value of Rs. 10/- per share)	**(0.85)**	0.85
Diluted Earnings per share (Rs.)	**(0.85)**	0.85

As per our report of even date attached.

For **B. K. Khare & Co.**
Chartered Accountants
Firm's Registration No: 105102W

Shirish Rahalkar
Partner
Membership No: 111212

Mumbai
25 April 2022

For and on behalf of the Board of Directors
Mahindra Finance CSR Foundation

Rajesh Vasudevan
Director
[DIN: 02711990]

Mumbai
25 April 2022

Vinay Deshpande
Chairman
[DIN: 01904423]

Mumbai
25 April 2022

Independent Auditor's Report
To The Members of Mahindra Lifespace Developers Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Mahindra Lifespace Developers Limited ("the Company"), which comprise the Balance Sheet as at 31st March 2022, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2022, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1	**Carrying values of Inventories (Construction work in Progress and Stock in Trade)**	**Principal audit procedures performed:**
	There is a risk that the valuation of inventory may be misstated as it involves the determination of net realizable value (NRV) and estimated total construction cost of completion of each of the projects which is an area of judgement. Refer Notes 2.17 and 11 to the Standalone Financial Statements	Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows: • We assessed the Company's process for the valuation of inventories. • Evaluated the design, implementation and tested the operating effectiveness of the internal controls relating to the valuation of inventories, including the management process for the review and approval of the estimated costs to complete the projects including construction cost incurred, construction budgets and net realizable value. We carried out a combination of procedures involving enquiry and observation, and inspection of evidence in respect of operation of these controls. Selected a sample of inventories and performed procedures around: • Construction costs incurred for the inventories by testing the supporting documents and wherever available, corroborated the same with the reports from external supervising engineers.

Sr. No.	Key Audit Matter	Auditor's Response
1	**Carrying values of Inventories (Construction work in Progress and Stock in Trade)**	**Principal audit procedures performed:**
		• Estimated total construction cost to be incurred for completing the construction of the project and wherever available, corroborated the same with the reports from external supervising engineers. Examined the detailed project reviews by senior operational and financial management to determine the total budgeted costs for the project. Assessed the significant judgements/estimates adopted by the Company for the estimated total construction costs to be incurred for completing the construction of the project. Additionally, we carried out site visits for a number of projects in the year. • The company's methodology and key assumptions for determining NRV of the inventories. Assessed the estimates used by the Company for the expected net amounts to be realized from the sale of inventories in the ordinary course of business. We examined the total projected budgeted cost to the total budgeted sale value from the project. We examined the NRV to recent sales in the project or to the estimated selling price applied in assessing the NRV. We assessed the NRV to the carrying value in books.

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

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's report, Management Discussion and Analysis Report, Corporate Governance Report and Business Responsibility Report, but does not include the standalone financial statements and our auditor's report thereon. The aforesaid other information is expected to be made available to us after the date of this auditor's report.
- Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- When we read the above mentioned reports, if we conclude that there is material misstatement therein, we are required to communicate the matter to those charged with governance as required under SA720. 'The Auditor's responsibilities Relating to Other Information.'

Management's Responsibility for the Standalone Financial Statements

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:

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

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

   c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.

   d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.

   e) On the basis of the written representations received from the directors as on 31st March, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2022 from being appointed as a director in terms of Section 164(2) of the Act.

   f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

   g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended,

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

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

i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements.

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

iv. (a) The Management has represented that, to the best of it's knowledge and belief, other than as disclosed in the notes to the accounts, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The Management has represented, that, to the best of it's knowledge and belief, other than as disclosed in the notes to the accounts, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c) Based on the audit procedures that has been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. The company has not declared or paid any dividend during the year. As stated in note 46 to the standalone financial statements, the Board of Directors of the Company have proposed dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act, as applicable.

2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **Deloitte Haskins and Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Ketan Vora
Partner
Membership No. 100459
(UDIN: 22100459AHXXBH7122)

Place: Mumbai
Date: 27th April 2022

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

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

We have audited the internal financial controls over financial reporting of Mahindra Lifespace Developers Limited ("the Company") as of March 31, 2022 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Deloitte Haskins and Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Ketan Vora
Partner
Membership No. 100459
(UDIN: 22100459AHXXBH7122)

Place: Mumbai
Date: 27th April 2022

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the members of Mahindra Lifespace Developers Limited of even date)

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that,

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment, (Capital work-in-progress, investment properties and relevant details of right-of-use assets).

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) Some of the Property, Plant and Equipment were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the Property, Plant and Equipment at reasonable intervals having regard to the size of the Company and the nature of its activities. According to the information and explanation given to us, no material discrepancies were noticed on such verification.

(c) With respect to immovable properties of acquired land and buildings, according to the information and explanations given to us and the records examined by us and based on the examination of the court orders approving schemes of arrangements provided to us, we report that, the title deeds of such immovable properties are held in the name of the Company as at the balance sheet date. According to the information and explanation given to us, the Company does not have any other land or building other than administrative block and project facilities, temporarily constructed at the project sites and capitalised as Building.

(d) The Company has not revalued any of its property, plant and equipment (including Right of Use assets) and intangible assets during the year.

(e) No proceedings have been initiated during the year or are pending against the Company as at 31st March, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

(ii) (a) Having regard to the nature of inventory, the physical verification by way of verification of title deeds, site visits by the Management and certification of extent of work completion by competent persons, are at reasonable intervals. In our opinion and according to the information and explanations given to us, the coverage and procedure of such verification by the Management is appropriate having regard to the size of the Company and nature of its operations and no discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories when compared with books of account.

(b) According to the information and explanations given to us, the Company has been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate, at points of time during the year, from banks or financial institutions on the basis of security of current assets. In our opinion and according to the information and explanations given to us, the quarterly returns or statements comprising quarterly financial results are not filed by the Company to such bank or financial institution as these are published financial results and are available on the Company's website for public including such banks or financial institutions. These quarterly financial results are in agreement with the unaudited books of account of the Company of the respective quarters.

(iii) The Company has not made any investments in, provided any guarantee or security, and granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year except as given below:

(a) The Company has provided unsecured advances in the nature of loans to Companies during the year and details of which are given below:

		Amount (Rs. in lakhs)
		Loans
A.	Aggregate amount granted / provided during the year:	
-	Subsidiaries	4,551.50
B.	Balance outstanding as at balance sheet date in respect of above cases:	
-	Subsidiaries	4,551.50

(b) The terms and conditions of the grant of all the above-mentioned advances in the nature of loans provided during the year are, in our opinion, prima facie, not prejudicial to the Company's interest.

(c) In respect of advances in the nature of loans granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated and repayments or receipts of principal amounts and interest have been regular as per stipulations.

(d) According to information and explanations given to us and based on the audit procedures performed, in respect of advances in the nature of loans granted by the Company, there is no overdue amount remaining outstanding as at the balance sheet date.

(e) None of the advances in the nature of loans granted by the Company have fallen due during the year.

(f) The Company has granted advances in the nature of loans which are repayable on demand details of which are given below:

	Amount (Rs. in lakhs)
	Related parties
Aggregate of advances in nature of loans	4551.50
- Repayable on demand	
Percentage of advances in nature of loans to the total loans	100%

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 in respect of loans granted, investments made and guarantees and securities provided, as applicable.

(v) According to the information and explanations given to us, the Company has not accepted any deposits or amounts which are deemed to be deposits. Hence reporting under clause (v) of the Order is not applicable.

(vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the books of account maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended, prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained by the Company. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) According to the information and explanations given to us, in respect of statutory dues:

(a) Undisputed statutory dues, including Goods and Service Tax, Provident Fund, Employees' State Insurance Fund, Income-tax, Sales Tax, Service Tax, duty of Customs, Value Added Tax, cess and other material statutory dues as applicable to the Company have generally been regularly deposited by it with the appropriate authorities.

There were no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Income-tax, Sales Tax, Service Tax, duty of Customs, Value Added Tax, cess and other material statutory dues in arrears as at 31st March, 2022 for a period of more than six months from the date they became payable.

(b) Details of statutory dues referred to (a) above which have not been deposited as on 31st March, 2022 on account of disputes are given below:

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount (Rs. in lakhs)
Income Tax Act, 1961	Income Tax	Income Tax Appellate Tribunal	AY 2006-2007	3.59
		Commissioner of Income tax (Appeals)	AY 2007-2008	453.63
Finance Act, 1994	Service Tax *	Appellate Authority- up to Commissioners/ Revisional authorities level	FY 2005 to 2010*	69.79
			FY 2010	339.72
			FY 2009 to 2014	67.70
			FY 2014 to 2016	41.54
Sales Tax and Value Added Tax Laws	Sales Tax and VAT	Appellate Authority- up to Commissioners/ Revisional authorities level	FY 2007 to 2010	2.89
			FY 2015- 2016	0.85
			April 2017 to June 2017 **	7.33
		High Court	FY 2006 to 2010	276.59
Telangana Entry Tax on Entry of Good into Local Areas Act, 2001	Entry Tax	High Court	FY 2009 to 2014***	31.71
Central Goods and Service Tax Act 2017	Goods & Service Tax Act	Adjudication up to Commissioners/ Revisional authorities level	FY 2017-18****	465.16
		High Court	FY 2017-18	279.92

* net of deposit Rs. 7.35 Lakh
** net of deposit Rs. 0.33 Lakh
*** net of deposit Rs. 4.53 Lakh
**** net of deposit Rs. 31.99 Lakh

(viii) There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.

(ix) (a) In our opinion, the Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.

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

(c) The Company has not taken any term loan during the year and there are no unutilised term loans at the beginning of the year and hence, reporting under clause (ix)(c) of the Order is not applicable.

(d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.

(e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures

(f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries or joint ventures or associate companies.

(x) (a) The Company has not issued any of its securities (including debt instruments) during the year hence reporting under clause (x)(a) of the Order is not applicable.

(b) During the year the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause (x)(b) of Order is not applicable to the Company.

(xi) (a) To the best of our knowledge, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

(b) To the best of our knowledge, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up-to the date of this report.

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

(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.

(xiii) In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the Standalone Ind AS financial statements etc. as required by the applicable accounting standards.

(xiv) (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.

(b) We have considered the internal audit reports issued to the Company (during the year), covering the period upto October 2021 for the period under audit.

(xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

(xvi) (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause (xvi)(a), (b) and (c) of the Order is not applicable.

(b) The Group has more than one Core Investment Company (CIC) as part of the group. There are six CIC forming part of the group.

(xvii) The Company has incurred cash losses amounting to Rs. 6,238.20 Lakh during the financial year covered by our audit and Rs. 6,843.04 Lakh in the immediately preceding financial year

(xviii) There has been no resignation of the statutory auditors of the Company during the year.

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

(xx) In our opinion and according to the information and explanations given to us, the provision of sub-section (5) and sub-section (6) of section 135 of the Act are not applicable to the Company for the year. Accordingly, reporting under clause (xx) of the Order is not applicable.

For **Deloitte Haskins and Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Ketan Vora
Partner
Membership No. 100459
(UDIN: 22100459AHXXBH7122)

Place: Mumbai
Date: 27th April 2022

STANDALONE BALANCE SHEET AS AT 31ST MARCH, 2022

(Rs. in lakhs)

	Note No.	**As at 31st March, 2022**	As at 31st March, 2021
I ASSETS			
1 NON-CURRENT ASSETS			
(a) Property, Plant and Equipment	4.1	**1,003.34**	259.60
(b) Right of Use Assets	4.2	**564.42**	57.25
(c) Capital Work-in-Progress	4.3	**284.23**	1,459.19
(d) Investment Property	5	**1,999.36**	2,048.81
(e) Intangible Assets	6	**4.68**	3.73
(f) Financial Assets			
(i) Investments	7	**49,139.90**	46,995.29
(ii) Other Financial Assets	8	**1,175.91**	1,175.91
(g) Deferred Tax Asset (Net)	9	**5,662.76**	3,633.70
(h) Other Non Current Assets	10	**5,772.70**	4,846.95
TOTAL NON-CURRENT ASSETS		**65,607.30**	60,480.43
2 CURRENT ASSETS			
(a) Inventories	11	**105,725.63**	103,173.54
(b) Financial Assets			
(i) Trade Receivables	12	**6,769.84**	5,016.03
(ii) Cash and Cash Equivalents	13	**18,010.24**	9,733.96
(iii) Bank balances other than (ii) above	14	**1,104.52**	1,088.59
(iv) Loans	15	**9,721.41**	6,369.91
(v) Other Financial Assets	8	**5,821.79**	8,194.75
(c) Other Current Assets	10	**19,023.22**	9,243.46
TOTAL CURRENT ASSETS		**166,176.65**	142,820.24
TOTAL ASSETS (1+2)		**231,783.95**	203,300.67
II EQUITY AND LIABILITIES			
1 EQUITY			
(a) Equity Share Capital	16	**15,451.73**	5,138.32
(b) Other Equity	17	**133,677.78**	139,406.50
TOTAL EQUITY		**149,129.51**	144,544.82
LIABILITIES			
2 NON-CURRENT LIABILITIES			
(a) Financial Liabilities			
(i) Lease Liabilities		**301.36**	–
(b) Provisions	18	**331.68**	426.35
TOTAL NON-CURRENT LIABILITIES		**633.04**	426.35
3 CURRENT LIABILITIES			
(a) Financial Liabilities			
(i) Borrowings	19	**16,480.64**	11,140.04
(ii) Lease Liabilities		**281.65**	64.66
(iii) Trade Payables			
Total Outstanding Dues of Micro Enterprises and Small Enterprises	20	**825.18**	579.00
Total Outstanding Dues of Creditors other than Micro Enterprises and Small Enterprises	20	**10,788.58**	8,861.51
(iv) Other Financial Liabilities	21	**2,823.13**	2,891.49
(b) Other Current Liabilities	22	**48,594.36**	32,684.94
(c) Provisions	18	**848.75**	728.75
(d) Current Tax Liabilities (Net)		**1,379.11**	1,379.11
TOTAL CURRENT LIABILITIES		**82,021.40**	58,329.50
TOTAL EQUITY AND LIABILITIES (1+2+3)		**231,783.95**	203,300.67
Summary of Significant Accounting Policies	2		

The accompanying notes 1 to 48 are an integral part of these financial statements

As per our Report of even date attached

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
Firm's Registration Number:- 117366W/W-100018

Ketan Vora
Partner
Membership No. 100459

Mumbai : 27th April, 2022

For and on behalf of the Board of Directors of
Mahindra Lifespace Developers Limited

Arun Nanda Chairman DIN: 00010029

Arvind Subramanian Managing Director & CEO DIN: 02551935

Ankit Shah Assistant Company Secretary

Vimal Agarwal Chief Financial Officer

Mumbai : 27th April, 2022

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

(Rs. in lakhs)

		Note No.	**For the year ended 31st March, 2022**	For the year ended 31st March, 2021
I	**INCOME**			
	(a) Revenue from Operations	23	**25,280.61**	8,963.59
	(b) Other Income	24	**5,368.90**	4,675.46
	TOTAL INCOME (a + b)		**30,649.51**	13,639.05
II	**EXPENSES**			
	(a) Cost of Sales			
	- Cost of Projects	25	**22,340.49**	8,042.60
	- Operating Expenses	25	**581.00**	89.14
	(b) Employee Benefits Expense	26	**7,254.88**	6,531.13
	(c) Finance Costs	27	**473.65**	366.60
	(d) Depreciation and Amortisation Expense	4 to 6	**617.70**	664.67
	(e) Other Expenses	28	**7,543.99**	4,911.49
	TOTAL EXPENSES (a+b+c+d+e)		**38,811.71**	20,605.63
III	**LOSS/PROFIT BEFORE TAX AND EXCEPTIONAL ITEM (I - II)**		**(8,162.20)**	(6,966.58)
IV	**EXCEPTIONAL ITEM**	7	**10,412.23**	-
V	**PROFIT/(LOSS) BEFORE TAX (III - IV)**		**2,250.03**	(6,966.58)
VI	**TAX (CREDIT)/EXPENSE**			
	(a) Current tax	29	**–**	–
	(b) Deferred tax	29	**(2,039.38)**	(1,742.08)
	TOTAL TAX (CREDIT)/EXPENSE (a+b)		**(2,039.38)**	(1,742.08)
VII	**PROFIT/(LOSS) AFTER TAX (V - VI)**		**4,289.41**	(5,224.50)
VIII	**OTHER COMPREHENSIVE INCOME/(LOSS)**			
	Items that will not be reclassified to profit or loss			
	(a) Remeasurements of the defined benefit plans		**41.00**	(20.08)
	(b) Income tax relating to Items that will not be reclassified to profit or loss	29	**(10.32)**	5.05
	TOTAL OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR (a+b)		**30.68**	(15.03)
IX	**TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR (VII + VIII)**		**4,320.09**	(5,239.53)
X	**EARNINGS PER EQUITY SHARE (face value of Rs. 10/- each) (Rs.)**			
	(a) Basic	30	**2.78**	(3.39)
	(b) Diluted	30	**2.77**	(3.39)
	Summary of Significant Accounting Policies	2		

The accompanying notes 1 to 48 are an integral part of these financial statements

As per our Report of even date attached

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
Firm's Registration Number:- 117366W/W-100018

Ketan Vora
Partner
Membership No. 100459

Mumbai : 27th April, 2022

For and on behalf of the Board of Directors of
Mahindra Lifespace Developers Limited

Arun Nanda Chairman - DIN: 00010029
Arvind Subramanian Managing Director & CEO - DIN: 02551935
Ankit Shah Assistant Company Secretary
Vimal Agarwal Chief Financial Officer

Mumbai : 27th April, 2022

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

(Rs. in lakhs)

		For the year ended 31st March, 2022	For the year ended 31st March, 2021
A.	**Cash flows from operating activities:**		
	Loss before exceptional item and tax	**(8,162.20)**	(6,966.58)
	Adjustments for:		
	Finance Costs	**473.65**	366.56
	Interest Income	**(892.83)**	(1,136.08)
	Dividend Income	**(4,245.00)**	(2,761.20)
	Loss on disposal of Property Plant & Equipment (net)	**168.88**	58.99
	Share issue expense	**69.33**	–
	Provision for doubtful debts	**27.48**	12.43
	Depreciation and Amortisation Expense	**617.70**	664.67
	Net loss/(gain) arising on financial assets measured at fair value through profit or loss	**1,278.84**	(541.11)
	Expense recognised in respect of equity-settled-share-based-payments	**88.80**	137.81
	Operating Loss before working capital changes	**(10,575.35)**	(10,164.51)
	Changes in:		
	(Increase)/Decrease in Trade and Other Receivables	**(11,680.69)**	3,515.46
	(Increase) in inventories	**(1,935.66)**	(11,477.36)
	Increase in Trade Payables and Other Liabilities	**18,003.51**	9,659.08
	Cash used in operations	**(6,188.19)**	(8,467.33)
	Income taxes paid	**(926.03)**	(732.62)
	Net cash used in operating activities	**(7,114.22)**	(9,199.95)
B.	**Cash flows from investing activities**		
	Bank deposits (net)	**(6.26)**	622.51
	Changes in earmarked balances and margin accounts with banks	**(9.67)**	498.48
	Interest received	**3,281.54**	9,056.82
	Dividend received from Joint Ventures/Subsidiaries	**4,245.00**	2,761.20
	Inter-corporate Deposit Given	**(4,551.50)**	(7,333.00)
	Inter-corporate Deposit Realised	**1,200.00**	7,560.00
	Payment to acquire Property, Plant and Equipment	**(1,189.87)**	(354.57)
	Proceeds from disposal of property, plant and equipment	**1,205.37**	77.52
	Proceeds from investment in subsidiaries and Joint Ventures	**6,988.80**	766.37
	Net cash generated from investing activities	**11,163.41**	13,655.33

STANDALONE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH, 2022 (Contd.)

(Rs. in lakhs)

	For the year ended 31st March, 2022	For the year ended 31st March, 2021
C. Cash flows from financing activities		
Proceeds from issue of Equity shares of the Company	**247.95**	2.82
Proceeds from borrowings	**49,898.47**	40,828.48
Repayment of borrowings	**(44,557.87)**	(41,580.01)
Dividend Paid (including tax thereon)	**(37.66)**	(18.16)
Interest paid	**(782.50)**	(815.29)
Share issue Expenses	**(180.90)**	–
Payment of lease liability	**(360.40)**	(470.60)
Net Cash generated from / (used in) financing activities	**4,227.09**	(2,052.76)
Net increase in cash and cash equivalents	**8,276.28**	2,402.62
Cash and cash equivalents at the beginning of the year	**9,733.96**	7,331.34
Cash and cash equivalents at the end of the year	**18,010.24**	9,733.96

Summary of significant accounting policies (Refer Note 2)

The accompanying notes 1 to 48 are an integral part of these financial statements

Notes:

(a) The above Cash Flow Statement has been prepared under the “indirect method” as set out in ‘Indian Accounting Standard (Ind AS) 7 - Statement of Cash Flows’.

(b) Also refer note no. 13 - Cash and Bank Balances

As per our Report of even date attached

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
Firm’s Registration Number:- 117366W/W-100018

Ketan Vora
Partner
Membership No. 100459

Mumbai : 27th April, 2022

For and on behalf of the Board of Directors of
Mahindra Lifespace Developers Limited

Arun Nanda Chairman - DIN: 00010029

Arvind Subramanian Managing Director & CEO - DIN: 02551935

Ankit Shah
Assistant Company Secretary

Vimal Agarwal
Chief Financial Officer

Mumbai : 27th April, 2022

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

A. Equity share capital

(Rs. in lakhs)

Particulars	Note No.	**As at 31st March, 2022**	As at 31st March, 2021
Balance at the Beginning of the year		**5,138.32**	5,136.14
Add: Bonus Issue during the year	16	**10,278.77**	–
Add: Issue of equity shares under employee share option plan	16	**34.64**	2.18
Balance at the end of the year		**15,451.73**	5,138.32

B. Other Equity

(Rs. in lakhs)

	Share Application money pending allotment	**Securities Premium**	**General Reserve**	**Other Reserves#**	**Retained Earnings**	**Total**
As at 31st March, 2020	0.12	96,985.49	7,299.49	7,828.67	32,378.74	144,492.51
Profit / (Loss) for the year	–	–	–	–	(5,224.50)	(5,224.50)
Other Comprehensive Income / (Loss) net of taxes*	–	–	–	–	(15.03)	(15.03)
Total Comprehensive Income / (Loss) for the year	–	–	–	–	(5,239.53)	(5,239.53)
Received on exercise of employee stock options	0.75	–	–	–	–	0.75
Allotment of Shares to Employees	(0.12)	90.40	–	(90.40)	–	(0.12)
Arising on share based payment	–	–	–	152.89	–	152.89
Issue of Bonus Share	–	–	–	–	–	–
Share issue expenses on Bonus issue.	–	–	–	–	–	–
As at 31st March, 2021	0.75	97,075.89	7,299.49	7,891.16	27,139.21	139,406.50
Profit / (Loss) for the year	–	–	–	–	4,289.41	4,289.41
Other Comprehensive Income/(Loss) net of taxes*	–	–	–	–	30.68	30.68
Total Comprehensive Income / (Loss) for the year	–	–	–	–	4,320.09	4,320.09
Received on exercise of employee stock options	247.95	–	–	–	–	247.95
Allotment of Shares to Employees	(248.70)	435.94	–	(221.88)	–	(34.64)
Arising on share based payment	–	–	–	128.21	–	128.21
Utilised for issue of bonus shares	–	(2,925.19)	–	(7,353.58)	–	(10,278.77)
Share issue expenses on Bonus issue.	–	(111.56)	–	–	–	(111.56)
As at 31st March, 2022	**–**	**94,475.08**	**7,299.49**	**443.91**	**31,459.30**	**133,677.78**

* Remeasurement gains/ (losses) net of taxes on defined benefit plans during the year is recognised as part of retained earnings.

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

B. Other Equity (Cont…)

#Other Reserves

(Rs. in lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
(I) Capital Redemption Reserve :		
Balance as at the beginning of the year	**7,353.58**	7,353.58
Less :		
Utilised for issue of bonus shares	**(7,353.58)**	–
Balance as at the end of the year	**–**	7,353.58
(II) Share Options Outstanding Account		
Balance as at the beginning of the year	**537.58**	475.09
Add/(Less):		
Utilised towards allotment of shares to employees	**(221.88)**	(90.40)
Arising on share based payment	**128.21**	152.89
Balance as at the end of the year	**443.91**	537.58
Total	**443.91**	7,891.16

Summary of Significant Accounting Policies (Refer note 2)

The accompanying notes 1 to 48 are an integral part of these financial statements

As per our Report of even date attached

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
Firm's Registration Number:- 117366W/W-100018

Ketan Vora
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Mumbai : 27th April, 2022

For and on behalf of the Board of Directors of
Mahindra Lifespace Developers Limited

Arun Nanda Chairman - DIN: 00010029

Arvind Subramanian Managing Director & CEO - DIN: 02551935

Ankit Shah Assistant Company Secretary

Vimal Agarwal Chief Financial Officer

Mumbai : 27th April, 2022

Notes to the Standalone Financial Statements as at and for the year ended 31st March, 2022

1. General Information

Mahindra Lifespace Developers Limited ('the Company') is a limited company incorporated in India. The equity shares of the Company are listed on the Bombay Stock Exchange (BSE) and National Stock Exchange (NSE). Its parent and ultimate holding company is Mahindra & Mahindra Limited.

The addresses of its registered office is disclosed in the introduction to the annual report. The Company along with its subsidiary companies is engaged in the development of residential projects and large formats developments such as integrated cities and industrial clusters.

2. Significant Accounting Policies

2.1 Statement of compliance and basis of preparation and presentation

The Standalone Financial Statements of the Company have been prepared in accordance with the Indian Accounting Standards ('Ind AS') as per the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under section 133 of the Companies Act, 2013 (the 'Act') and other relevant provision of the act. The aforesaid financial statements have been approved by the Company's Board of Directors and authorised for issue in the meeting held on 27th April, 2022.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

2.2 Basis of measurement

These financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

2.3 Measurement of Fair Values

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these standalone financial statements is determined on such basis, except for share-based payment transactions that are within the scope of Ind AS 102 – Share based Payments and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 - Inventories or value in use in Ind AS 36 – Impairment of Assets.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 : Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at the measurement date;
- Level 2 : Inputs other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 : Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

2.4 Revenue from Contracts with Customers

2.4.1 Revenue from Projects

i. The Company develops and sells residential and commercial properties. Revenue from contracts is recognised when control over the property has been transferred to the customer. An enforceable right to payment does not arise until the development of the property is completed. Therefore, revenue is recognised at a point in time i.e. Completed contract method of accounting as per IND AS 115 when (a) the seller has transferred to the buyer all significant risks and rewards of ownership and the seller retains no effective control of the real estate to a degree usually associated with ownership, (b) The seller has effectively handed over possession of the real estate unit to the buyer forming part of the transaction; (c) No significant uncertainty exists regarding the amount of consideration that will be derived from real estate sales; and (d) It is not unreasonable to expect ultimate collection of revenue from buyers. The revenue is measured at the transaction price agreed under the contract.

ii. The Company invoices the customers for construction contracts based on achieving performance-related milestones.

iii. For certain contracts involving the sale of property under development, the Company offers deferred payment schemes to its customers. The Company adjusts the transaction price for the effects of the significant financing component.

iv. Costs to obtain contracts ("Contract costs") relate to fees paid for obtaining property sales contracts. Such costs are recognised as assets when incurred and amortised upon recognition of revenue from the related property sale contract.

v. Contract assets is the Company's right to consideration in exchange for goods or services that the Company has transferred to a customer when that right is conditioned on something other than the passage of time.

2.4.2 Revenue from Sale of land and other rights

Revenue from Sale of land and other rights is generally a single performance obligation and the Company has determined that this is satisfied at the point in time when control transfers as per the terms of the contract entered into with the buyers, which generally are with the firmity of the sale contracts / agreements.

2.4.3 Revenue from Project Management fees and Rental Income

Revenue from Project Management Fees and Rental Income are recognized on accrual basis as per the terms and conditions of relevant agreements.

2.4.4 Dividend and interest income

Dividend income from investment in mutual funds is recognised when the unit holder's right to receive payment has been established

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Notes to the Standalone Financial Statements as at and for the year ended 31st March, 2022

2.5 Current versus non-current classification

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents.

Based on the nature of activity carried out by the company and the period between the procurement and realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 5 years for the purpose of Current – Non Current classification of assets & liabilities.

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

An asset is treated as current when it is:

— Expected to be realised or intended to be sold or consumed in normal operating cycle

— Held primarily for the purpose of trading

— Expected to be realised within twelve months after the reporting period, or

— Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

— It is expected to be settled in normal operating cycle

— It is held primarily for the purpose of trading

— It is due to be settled within twelve months after the reporting period, or

— There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

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

Borrowings are classified as current if they are due to be settled within 12 months after the reporting period.

2.6 Leasing

2.6.1 The Company as a Lessor

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

Rental income from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised as expense on a straight-line basis over the lease term. The respective leased assets are included in the balance sheet based on their nature. The Company did not need to make any adjustments to the accounting for assets held as a lessor as a result of adopting IND AS 116-Leases.

2.6.2 The Company as a Lessee

The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term and a corresponding lease liability at the lease commencement date i.e. the date at which the leased asset is available for use by the Company. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. For leases with reasonably similar characteristics, the Company, on a lease by lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The company recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and statement of profit and loss depending upon the nature of modification. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the re-measurement in statement of profit and loss.

The Company has elected not to apply the requirements of Ind AS 116 Leases to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

2.7 Foreign exchange transactions and translation

Transactions in foreign currencies i.e. other than the Company's functional currency are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise.

Notes to the Standalone Financial Statements as at and for the year ended 31st March, 2022

2.8 Employee Benefits

2.8.1 Defined contribution plans

The Company's contribution paid/payable during the year to Superannuation Fund and Provident fund is recognised in profit or loss.

2.8.2 Defined benefit plan

The liability or assets recognised in the Balance Sheet in respect of defined benefit gratuity plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of the plan assets. The defined benefit obligation is calculated by actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows with reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in the employee benefit expenses in the Statement of Profit and Loss.

2.8.3 Remeasurement gains/losses

Remeasurement of defined benefit plans, comprising of actuarial gains or losses, return on plan assets excluding interest income are recognised immediately in balance sheet with corresponding debit or credit to other comprehensive income. They are included in Retained Earnings in the Statement of Changes in Equity and in the Balance Sheet. Remeasurements are not reclassified to profit or loss in subsequent period.

Remeasurement gains or losses on long term compensated absences that are classified as other long term benefits are recognised in profit or loss.

2.8.4 Short-term and other long-term employee benefits:

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

The cost of short-term compensated absences is accounted as under:

(a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and

(b) in case of non-accumulating compensated absences, when the absences occur.

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised as a liability at the present value of expected future payments to be made in respect of services provided by employees up the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in Statement of Profit and Loss.

2.8.5 Employee Stock Option Scheme

Equity-settled share-based payments to employees are measured at the fair value of the equity instruments at the grant date. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity.

At the end of each reporting period the Company revises its estimate of the No. of equity instruments expected to vest. The impact of revision of the original estimate, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate with the corresponding adjustments to the equity settled.

2.9 Cash and Cash Equivalents

Cash and cash equivalent in the Balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to insignificant risk of changes in value.

2.10 Earnings per share

The Company reports basic and diluted earnings per share in accordance with Ind AS - 33 on 'Earnings per Share'. Basic earnings per share is computed by dividing the net profit or loss for the year by the weighted average number of Equity shares outstanding during the year. Diluted earnings per share is computed by dividing the net profit or loss for the year by the weighted average number of equity shares outstanding during the year as adjusted for the effects of all diluted potential equity shares except where the results are anti- dilutive.

2.11 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

2.12 Income Taxes

Income Tax expense represents the sum of tax currently payable and deferred tax

2.12.1 Current tax

Current tax is determined as the amount of tax payable in respect of taxable income for the year. The Company's current tax is calculated using tax rate that has been enacted or substantially enacted by the end of the reporting period.

2.12.2 Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax

Notes to the Standalone Financial Statements as at and for the year ended 31st March, 2022

assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

2.12.3 Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

2.13 Property, plant and equipment

Land and buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses. Freehold land is not depreciated.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Company's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Furniture & Fixtures and Office equipment's are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Depreciation on tangible fixed assets has been provided on pro-rata basis, on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except for certain assets as indicated below:

Lease hold improvements are amortised over the period of lease/ estimated period of lease.

Vehicles used by employees are depreciated over the period of 48 months considering this period as the useful life of the vehicle for the Company.

Sales office and the sample flat/ show unit cost at site is amortised over 5 years or the duration of the project (as estimated by management) whichever is lower.

Fixed Assets held for disposal are valued at estimated net realizable value.

2.14 Intangible Assets

2.14.1 Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

2.14.2 Derecognition of Intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in profit or loss when the asset is derecognised.

2.14.3 Useful lives of Intangible assets

Estimated useful lives of the intangible assets are as follows:

Computer Software	5 years

2.15 Investment Property

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured in accordance with Ind AS 16's requirements for cost model.

Investment property includes freehold/leasehold land and building. Depreciation on investment property has been provided on pro-rata basis, on the straight-line method as per the useful life of such property. Buildings are depreciated over the period of 60 years considering this period as the useful life for the Company.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

2.16 Impairment of tangible and intangible asset other than Goodwill

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount, which is the higher of the value in use or fair value less cost to sell, of the asset or cash generating unit, as the case may

Notes to the Standalone Financial Statements as at and for the year ended 31st March, 2022

be, is estimated and the impairment loss (if any) is recognised and the carrying amount is reduced to its recoverable amount. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

2.17 Inventories

Inventories are stated at lower of cost and net realisable value. The cost of construction material is determined on the basis of weighted average method. Construction Work-in-Progress includes cost of land, premium for development rights, construction costs and allocated interest & manpower costs and expenses incidental to the projects undertaken by the Company.

2.18 Cost of Construction/Development

Cost of Construction/Development (including cost of land) incurred is charged to the statement of profit and loss proportionate to project area sold. Costs incurred for projects which have not received Occupancy/ Completion Certificate is carried over as construction work-in-progress. Costs incurred for projects which have received Occupancy/Completion Certificate is carried over as Completed Properties.

2.19 Dividend Distribution

Dividends paid (including income tax thereon) is recognized in the period in which the interim dividends are approved by the Board of Directors, or in respect of the final dividend when approved by shareholders.

2.20 Provisions and contingent liabilities

2.20.1 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Provisions and contingent liabilities are reviewed at each Balance Sheet date.

2.20.2 Onerous contracts

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Company has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

2.20.3 Contingent liabilities

Contingent liability is disclosed in case of:

a) a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation; and

b) a present obligation arising from past events, when no reliable estimate is possible.

2.21 Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

2.21.1 Classification and subsequent measurement

2.21.1.1 Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace. All recognised financial assets are subsequently measured at either amortised cost or fair value depending on their respective classification.

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

— Amortised cost; or

— Fair Value through Other Comprehensive Income (FVTOCI) - debt investment; or

— Fair Value through Other Comprehensive Income (FVTOCI) - equity investment; or

— Fair Value Through Profit or Loss (FVTPL)

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

All financial assets not classified as measured at amortised cost or FVTOCI are measured at FVTPL.

Notes to the Standalone Financial Statements as at and for the year ended 31st March, 2022

Financial assets at amortised cost are subsequently measured at amortised cost using effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain and loss on derecognition is recognised in profit or loss.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Debt investment at FVTOCI are subsequently measured at fair value. Interest income under effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in Other Comprehensive Income (OCI). On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

For equity investments, the Company makes an election on an instrument-by-instrument basis to designate equity investments as measured at FVTOCI. These elected investments are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the reserves. The cumulative gain or loss is not reclassified to profit or loss on disposal of the investments. These investments in equity are not held for trading. Instead, they are held for medium or long term strategic purpose.

Equity investments that are not designated as measured at FVTOCI are designated as measured at FVTPL and subsequent changes in fair value are recognised in profit or loss.

Financial assets at FVTPL are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

2.21.1.2 Financial liabilities and equity instruments

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments issued by the Company is recognised at the proceeds received, net of directly attributable transaction costs.

Financial liabilities

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading or it is a derivative (that does not meet hedge accounting requirements) or it is designated as such on initial recognition. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

2.21.2 Derecognition of financial assets

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

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

2.21.3 Offsetting

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

2.21.4 Impairment of financial assets

The Company applies the expected credit loss (ECL) model for recognising impairment loss on financial assets. With respect to trade receivables, the Company measures the loss allowance at an amount equal to lifetime expected credit losses.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets. For debt securities at FVTOCI, the loss allowance is recognised in OCI and is not reduced from the carrying amount of the financial asset in the balance sheet.

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate

Notes to the Standalone Financial Statements as at and for the year ended 31st March, 2022

sufficient cash flows to repay the amounts subject to the write- off. However, financial assets that are written off could still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

2.21.5 Derecognition of financial liabilities

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and/or payable is recognised in profit or loss.

3. Use of estimates and judgements

In the application of the Company's accounting policies, which are described in note 2, the management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only the period of the revision and future periods if the revision affects both current and future periods.

Key sources of estimation uncertainty

In the process of applying the Company's accounting policies, management has made the following judgements based on estimates and assumptions, which have the significant effect on the amounts recognised in the financial statements:

A. Useful lives of property, plant and equipment, Investment Property and Intangible Asset

The Company reviews the useful life of property, plant and equipment, Investment Property and Intangible Asset at the end of each reporting period. This re-assessment may result in change in depreciation expense in future periods.

B. Fair value measurements and valuation processes

Some of the Company's assets and liabilities are measured at fair value for financial reporting purposes. In estimating the fair value of an asset or a liability, the Company uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Company engages third party valuers, where required, to perform the valuation. Information about the valuation techniques and inputs used in determining the fair value of various assets, liabilities and share based payments are disclosed in the notes to the financial statements.

C. Actuarial Valuation

The determination of Company's liability towards defined benefit obligation to employees is made through independent actuarial valuation including determination of amounts to be recognised in the Statement of Profit and Loss and in other comprehensive income. Such valuation depends upon assumptions determined after taking into account inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market. Information about such valuation is provided in notes to the financial statements.

D. Taxes

Deferred tax assets are recognised for temporary differences to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

E. Determination of the timing of revenue recognition on the sale of completed and under development property

The Company has evaluated and generally concluded that the recognition of revenue over the period of time criteria are not met owing to non-enforceable right to payment for performance completed to date and, therefore, recognises revenue at a point in time. The Company has further evaluated and concluded that based on the analysis of the rights and obligations under the terms of the contracts relating to the sale of property, the revenue is to be recognised at a point in time when control transfers which coincides with receipt of Occupation Certificate.

F. Determination of performance obligations

With respect to the sale of property, the Company has evaluated and concluded that the goods and services transferred in each contract constitute a single performance obligation. In particular, the promised goods and services in contracts for the sale of property is to undertake development of property and obtaining the Occupation Certificate. Generally, the Company is responsible for all these goods and services and the overall management of the project. Although these goods and services are capable of being distinct, the Company accounts for them as a single performance obligation because they are not distinct in the context of the contract.

G. Impairment of investments

The Company assesses impairment of investments in subsidiaries, associates and joint ventures which are recorded at cost. At the time when there are any indications that such investments have suffered a loss, if any, is recognised in the statement of Profit and Loss. The recoverable amount requires estimates of operating margin, discount rate, future growth rate, terminal values, etc. based on management's best estimate

H. Leases

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of IND AS 116. Identification of a lease requires significant judgement. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonable certain to exercise that option and period covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. The Company revises the lease term if there is a change in the non-cancellable period of the lease.

The discount rate is generally based on increment borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

Notes to the Standalone Financial Statements as at and for the year ended 31st March, 2022

4.1 - Property, Plant and Equipment

(Rs. in lakhs)

Description of Assets	Building	Leasehold Improvements	Office Equipments	Furniture and Fixtures	Vehicles	Computers	Total
I. Gross Carrying Amount							
Balance as at 1st April, 2021	141.77	513.29	192.10	153.36	145.29	376.67	1,522.48
Additions during the year	468.89	52.28	83.19	178.12	61.23	150.00	993.71
Deductions/Adjustments during the year	–	–	(60.15)	(6.87)	(14.53)	(34.17)	(115.72)
Balance as at 31st March, 2022	**610.66**	**565.57**	**215.14**	**324.61**	**191.99**	**492.50**	**2,400.47**
II. Accumulated depreciation and impairment							
Balance as at 1st April, 2021	140.05	435.58	176.81	81.99	80.12	348.33	1,262.88
Depreciation expense for the year	55.87	42.05	22.33	67.94	30.50	23.16	241.85
Deductions/Adjustments during the year	–	–	(60.15)	(6.87)	(6.59)	(33.99)	(107.60)
Balance as at 31st March, 2022	**195.92**	**477.63**	**138.99**	**143.06**	**104.03**	**337.50**	**1,397.13**
III. Net carrying amount (I-II)	**414.74**	**87.94**	**76.15**	**181.55**	**87.96**	**155.00**	**1,003.34**

(Rs. in lakhs)

Description of Assets	Building	Leasehold Improvements	Office Equipments	Furniture and Fixtures	Vehicles	Computers	Total
I. Gross Carrying Amount							
Balance as at 1st April, 2020	477.02	612.89	198.01	106.21	229.98	541.87	2,165.98
Additions during the year	–	–	7.14	48.61	30.10	33.82	119.67
Deductions/Adjustments during the year	(335.25)	(99.60)	(13.05)	(1.46)	(114.79)	(199.02)	(763.17)
Balance as at 31st March, 2021	141.77	513.29	192.10	153.36	145.29	376.67	1,522.48
II. Accumulated depreciation and impairment							
Balance as at 1st April, 2020	412.19	443.33	181.78	64.82	119.26	494.71	1,716.09
Depreciation expense for the year	15.44	74.36	7.96	18.63	28.28	28.79	173.46
Deductions/Adjustments during the year	(287.58)	(82.11)	(12.93)	(1.46)	(67.42)	(175.17)	(626.67)
Balance as at 31st March, 2021	140.05	435.58	176.81	81.99	80.12	348.33	1,262.88
III. Net carrying amount (I-II)	1.72	77.71	15.29	71.37	65.17	28.34	259.60

4.2 - Right of Use Assets

(Rs. in lakhs)

Description of Assets	As at 31st March, 2022	As at 31st March, 2021
I. Gross Carrying Amount		
As at 1st April	**946.85**	973.12
Additions during the year	**846.24**	–
Deductions/Adjustments during the year	**(946.85)**	(26.27)
Balance as at 31st March	**846.24**	**946.85**
II. Accumulated depreciation		
Balance as at 1st April	**889.60**	458.57
Depreciation expense for the year	**322.35**	431.03
Deductions/Adjustments during the year	**(930.13)**	–
Balance as at 31st March	**281.82**	**889.60**
III. Net carrying amount (I-II)	**564.42**	**57.25**

4.3 - Capital Work-in-Progress

(Rs. in lakhs)

Description of Assets	Buildings	
	As at 31st March, 2022	As at 31st March, 2021
Project-in-Progress*	**284.23**	235.25
Less than 1 year	**–**	242.62
1-2 years	**–**	66.60
2-3 years	**–**	914.72
More than 3 years		
Project temporary suspension	**–**	–
Total	**284.23**	**1,459.19**

*Movement due to capitalisation and sale during the year.

Notes to the Standalone Financial Statements as at and for the year ended 31st March, 2022

5 - Investment Property

(Rs. in lakhs)

Description of Assets	Land	Buildings	Total
I. Gross Carrying Amount			
Balance as at 1st April, 2021	1,766.17	1,189.01	2,955.18
Balance as at 31st March, 2022	**1,766.17**	**1,189.01**	**2,955.18**
II. Accumulated depreciation and impairment			
Balance as at 1st April, 2021	–	906.37	906.37
Depreciation expense for the year	–	49.45	49.45
Balance as at 31st March, 2022	**–**	**955.82**	**955.82**
III. Net carrying amount (I-II)	**1,766.17**	**233.19**	**1,999.36**

(Rs. in lakhs)

Description of Assets	Land	Buildings	Total
I. Gross Carrying Amount			
Balance as at 1st April, 2020	1,766.17	1,189.01	2,955.18
Balance as at 31st March, 2021	**1,766.17**	**1,189.01**	**2,955.18**
II. Accumulated depreciation and impairment			
Balance as at 1st April, 2020	–	860.36	860.36
Depreciation expense for the year	–	46.01	46.01
Balance as at 31st March, 2021	**–**	**906.37**	**906.37**
III. Net carrying amount (I-II)	**1,766.17**	**282.64**	**2,048.81**

Fair value disclosure on Company's investment properties

The Company's investment property consist of a commercial property constructed on land taken on perpetual lease in India at Mahindra Towers, Delhi. Management determined that the investment property consist of two classes of assets – office and retail – based on the nature, characteristics and risks of each property.

Details of the investment properties and information about the fair value hierarchy:

(Rs. in lakhs)

Particulars	Mahindra Towers, Delhi #		
	Land	**Buildings**	**Total**
Opening balance as at 1st April, 2020	**12,520.00**	**1,070.00**	**13,590.00**
Fair value difference	(320.00)	(20.00)	(340.00)
Closing balance as at 31st March, 2021	**12,200.00**	**1,050.00**	**13,250.00**
Fair value difference	(2,200.00)	(30.00)	(2,230.00)
Closing balance as at 31st March, 2022	**10,000.00**	**1,020.00**	**11,020.00**

The fair values of the Mahindra Towers at Delhi have been arrived at on the basis of a valuation carried out by the independent valuers of Anarock Property Consultant Private Limited, not related to the Company who are registered with the authority which governs the valuers in India and have appropriate qualifications and experience in the valuation of properties in the relevant locations. The Fair value was determined using the discounted cash flow methodology based on the forecasted cash flows for five years.

Information regarding income and expenditure of Investment property:

(Rs. in lakhs)

Particulars	**For the year ended 31st March, 2022**	For the year ended 31st March, 2021
Rental income derived from investment properties (included in 'Revenue from Operations')	**787.39**	669.03
Direct operating expenses that generate rental income (included in 'Other Expenses')	**401.41**	264.55

6 - Intangible Assets

(Rs. in lakhs)

Description of Assets	Computer Software	
	As at 31st March, 2022	As at 31st March, 2021
I. Gross Carrying Amount		
Balance as at 1st April	**71.47**	361.00
Additions during the year	**5.00**	–
Deductions/Adjustments during the year	**–**	(289.53)
Balance as at 31st March	**76.47**	71.47
II. Accumulated depreciation and impairment		
Balance as at 1st April	67.74	343.09
Deductions/Adjustments during the year	**–**	(289.52)
Amortisation expense for the year	4.05	14.17
Balance as at 31st March	**71.79**	67.74
III. Net carrying amount (I-II)	**4.68**	3.73

Notes to the Standalone Financial Statements as at and for the year ended 31st March, 2022

7 - Investments

(Rs. in lakhs)

Particulars	As at 31st March, 2022 Face Value	QTY	Amounts* Non Current	As at 31st March, 2021 Face Value	QTY	Amounts* Non Current
A. COST						
Unquoted Investments (all fully paid)						
Investments in Equity Instruments						
- of Subsidiaries						
Mahindra Infrastructure Developers Limited	**10**	**18,000,000**	**1,800.00**	10	18,000,000	1,800.00
Mahindra World City (Maharashtra) Limited	**10**	**1,170,400**	**117.04**	10	1,170,400	117.04
Mahindra Integrated Township Limited (refer note "b" below)	**10**	**37,000,000**	**3,700.00**	10	37,000,000	3,700.00
Knowledge Township Limited (refer note "a" below)	**10**	**49,071,664**	**5,528.15**	10	49,071,664	5,528.15
Industrial Township (Maharashtra) Limited	**10**	**5,000,000**	**500.00**	10	5,000,000	500.00
Mahindra Bloomdale Developers Limited (Earlier known as Mahindra Bebanco Developers Limited) (w.e.f. 29th May, 2018)	**10**	**50,000**	**403.50**	10	50,000	403.50
Anthurium Developers Limited	**10**	**50,000**	**5.00**	10	50,000	5.00
Deepmangal Developers Private Limited	**10**	**177**	**284.61**	10	177	284.61
- of Joint Ventures						
Mahindra World City (Jaipur) Limited	**10**	**111,000,000**	**11,115.43**	10	111,000,000	11,115.43
Mahindra Happinest Developers Limited	**10**	**51,000**	**5.10**	10	51,000	5.10
Mahindra Industrial Park Private Limited (Earlier known as Industrial Cluster Private Limited)	**10**	**50,000**	**5.00**	10	50,000	5.00
Mahindra World City Developers Limited (refer note "b" below)	**10**	**17,799,999**	**3,889.43**	10	17,799,999	3,889.43
Mahindra Homes Private Limited						
Class A Equity Shares	**10**	**616,879**	**61.69**	10	616,879	61.69
Class C Equity Shares (Refer note 'c' below)	**10**	**45,523**	**26,548.66**	10	64,423	32,054.04
- of Associate						
Mahindra Knowledge Park (Mohali) Limited	**10**	**6**	**0.00**	10	6	0.00
TOTAL INVESTMENTS CARRIED AT COST [A]			**53,963.61**			59,468.99
B. AMORTISED COST						
Unquoted Investments (all Fully Paid)						
Investments in Preference Shares						
- of Subsidiaries						
Moonshine Construction Private Limited (7.00% Non-Cumulative Redeemable Participating Preference Shares)	**10**	**5,000**	**0.50**	10	5,000	0.50
Mahindra World City Maharashtra Limited (8.50% Non convertible Preference Shares)	**10**	**175,000**	**17.50**	10	175,000	17.50
- of Joint Ventures						
Mahindra Homes Private Limited (Series A 0.01% Optionally Convertible Redeemable Preference Shares)	**10**	**1**	**0.00**	10	1	0.00
TOTAL INVESTMENTS CARRIED AT AMORTISED COST [B]			**18.00**			18.00
C. Designated at Fair Value Through Profit and Loss						
Unquoted Investments (all fully paid)						
Investments in Preference Shares						
- of Joint Ventures						
Mahindra Happinest Developers Limited (0.01% Optionally Convertible Redeemable Preference Shares)	**10**	**949,661**	**895.15**	10	949,661	843.85
- of Other Entities						
Urban Stay Technologies Private Limited (0.0001% Cumulative Compulsorily Convertible Preference Shares) (refer note "e" below)	**-**	**-**	**-**	10	45,000	14.54
Investments in Debentures						
- of Joint Ventures						
Mahindra Industrial Park Private Limited (Earlier known as Industrial Cluster Private Limited) (11% Optionally Convertible Debentures)	**100,000**	**7,457**	**7,925.00**	100,000	7,457	9,306.00
Mahindra Happinest Developers Limited (refer note "f" below) (15% Optionally Convertible Redeemable Debentures)	**-**	**-**	**-**	10	16,121,060	1,417.50
- of Subsidiaries						
Investments in Equity Instruments						
- of Other Entities						

Notes to the Standalone Financial Statements as at and for the year ended 31st March, 2022

7 - Investments

(Rs. in lakhs)

Particulars	As at 31st March, 2022 Face Value	QTY	Amounts* Non Current	As at 31st March, 2021 Face Value	QTY	Amounts* Non Current
New Tirupur Area Development Corporation Limited	10	500,000	–	10	500,000	–
Urban Stay Technologies Private Limited (refer note "e" below)	–	–	–	10	1,550	0.50
Total Aggregate Unquoted Investments			**8,820.15**			11,582.39
TOTAL INVESTMENTS CARRIED AT FVTPL [C]			**8,820.15**			11,582.39
TOTAL INVESTMENTS (A) + (B)+ (C)			**62,801.76**			71,069.38
Total Impairment value for investment carried at cost (D) (Refer notes 'c' and 'd' below)			**(13,661.86)**			(24,074.09)
TOTAL INVESTMENTS CARRYING VALUE (A) + (B) + (C) + (D)			**49,139.90**			46,995.29
Other disclosures						
Aggregate carrying value of unquoted investments			**62,801.76**			71,069.38
Aggregate amount of impairment in value of unquoted investments			**(13,661.86)**			(24,074.09)

* Rs. 0.00 lakhs denotes amount less than Rs. 500/-

Notes:

a. During the year ended 31st March, 2021, the Company had opted to convert its investment in 2,637 11% Optionally Convertible Debentures (OCDs) of the face value of Rs. 1.00 lakh each and interest receivable of Rs. 518.21 lakhs in Knowledge Township Limited and has received 2,80,71,664 fully paid up equity shares of the face value of Rs. 10 each as per the terms of Debenture subscription agreement.

b. Pursuant to approval received from the Board of directors of the Company and Board of Directors of Mahindra Integrated Township Ltd. (MITL), Mahindra Residential Developers Ltd. (MRDL) and Mahindra World City Developers Ltd. (MWCDL) respectively for the Scheme of Amalgamation of MITL and MRDL with MWCDL, an application under Section 230 to 232 of the Companies Act, 2013 has been filed with National Company Law Tribunal, Chennai on 24th December, 2021.

c. The company has received Rs. 5,505.38 Lakhs as a consideration for buy back of 18,900 Class C equity shares from Joint Venture Company viz Mahindra Homes Private Limited (MHPL). The transaction was completed on 24th December, 2021.

Exceptional Item:

d. Mahindra Homes Private Limited (MHPL), a Joint Venture of the Company, is executing residential projects at NCR and Bengaluru. The residential project in NCR is a Joint Development with the land owner. During the year MHPL saw significant increase in sales with improvement in selling price, volumes and collections from the projects and there was a buy back of its Class C equity shares. Pursuant to above, the Company has evaluated the carrying value of its investment and on the basis of estimated Net Present Value of forecasted cash flows expected to be generated by MHPL, reversed an impairment loss of Rs. 10412.23 Lakhs (31st March, 2021: NIL)

e. During the year company has sold the investment in equity shares & 0.0001% Cumulative Compulsorily Convertible Preference Shares in Urban Stay Technologies Private Limited for Rs. 0.45 lakhs basis the fair valuation of the entity

f. During the year company has redeemed the investment in 15% Optionally Convertible Redeemable Debentures in Mahindra Happinest Developers Limited for Rs. 1482.96 lakhs basis the fair valuation of the entity,

8 - Other financial assets

(Rs. in lakhs)

Particulars	As at 31st March, 2022 Non Current	As at 31st March, 2022 Current	As at 31st March, 2021 Non Current	As at 31st March, 2021 Current
Financial assets at amortised cost				
a) Security Deposit	**1,175.91**	**633.15**	1,175.91	616.38
b) Interest Accrued	**–**	**5,188.64**	–	7,578.37
Total	**1,175.91**	**5,821.79**	1,175.91	8,194.75

9 - Deferred Tax Asset (Net)

(Rs. in lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Deferred Tax Liabilities	**449.45**	799.99
Deferred Tax Assets	**(6,112.21)**	(4,433.69)
Total	**(5,662.76)**	(3,633.70)

Notes to the Standalone Financial Statements as at and for the year ended 31st March, 2022

Deferred Tax (assets)/liabilities in relation to:

(Rs. in lakhs)

Particulars	Opening Balance as at 1st April, 2021	Recognised in Statement of Profit and Loss	Recognised in Other Comprehensive Income	**Closing Balance as at 31st March, 2022**
Fiscal allowance on Property, Plant and Equipment, Investment Property and Other Intangible Assets	353.55	(20.56)	–	**332.99**
Disallowance u/s 43(B) of the Income tax Act, 1961	(178.04)	(113.76)	–	**(291.80)**
Provision for Employee Benefits	(134.04)	27.76	10.32	**(95.96)**
Carry forward of Business Loss	(3,589.41)	(1,656.06)	–	**(5,245.47)**
Interest income on Optionally Convertible Debentures of a joint venture	(532.20)	53.22	–	**(478.98)**
Other Temporary differences	446.44	(329.98)	**–**	**116.46**
Total	**(3,633.70)**	**(2,039.38)**	**10.32**	**(5,662.76)**

Deferred Tax (assets)/liabilities in relation to:

(Rs. in lakhs)

Particulars	Opening Balance as at 1st April, 2020	Recognised in Statement of Profit and Loss	Recognised in Other Comprehensive Income	Closing Balance as at 31st March, 2021
Fiscal allowance on Property, Plant and Equipment, Investment Property and Other Intangible Assets	396.56	(43.01)	–	353.55
Disallowance u/s 43(B) of the Income tax Act, 1961	(107.68)	(70.36)	–	(178.04)
Provision for Employee Benefits	(91.40)	(37.59)	(5.05)	(134.04)
Adjustment relating to cumulative effect of applying IND AS 115 - Revenue from Contracts with Customers	(33.16)	33.16	–	–
Carry forward of Business Loss	(2,527.90)	(1,061.51)	–	(3,589.41)
Interest income on Optionally Convertible Debentures of a joint venture	–	(532.20)	–	(532.20)
Other Temporary differences	477.01	(30.57)	–	446.44
Total	(1,886.57)	(1,742.08)	(5.05)	(3,633.70)

10 - Other Assets

(Rs. in lakhs)

	As at 31st March, 2022		As at 31st March, 2021	
Particulars	**Non Current**	**Current**	Non Current	Current
(a) Capital Advances	**251.90**	**–**	251.90	–
(b) Advances other than capital advances				
(i) Advances to related party *	**–**	**2,000.00**	–	2,000.00
(ii) Balances with government authorities (other than income taxes)	**–**	**548.06**	–	1,028.12
(iii) Prepaid Expenses	**–**	**2,642.55**	–	1,454.31
(iv) Income Tax Assets (Net)	**5,520.80**	**–**	4,595.05	–
(v) Security Deposits	**–**	**1,425.00**	–	1,650.00
(vi) Other Advances #	**–**	**12,407.61**	–	3,111.03
Total	**5,772.70**	**19,023.22**	4,846.95	9,243.46

Other Advances mainly includes Advance to Employees and Project Advances given to vendors.

Advance given to employees as per the Company's policy are not considered for the purposes of disclosure under section 186(4) of the Companies Act, 2013.

* The Company had entered into an agreement to acquire a parcel of land near Thane, Maharashtra, at a consideration of Rs 2,000.00 lakhs. While full consideration was paid, the land was not conveyed pending completion of certain formalities. The Company has incurred additonal cost of Rs. 2367.65 lakhs towards liasoning and other related costs upto 31st March 2022 (Rs. 1,530.54 lakhs upto 31st March 2021) which has been included in inventories as construction work in progress in note no. 11. Tahsildar (Thane) has issued an order against the registered owner alleging non-adherence of certain conditions pertaining to Bombay Tenancy and Agricultural Lands Act, 1948 and changed the land records to reflect Government of Maharashtra as the holder of the land. The Company has been legally advised that the said order and the demand thereunder is grossly erroneous and not tenable. Accordingly, the Company has filed an appeal before Sub-Divisional Officer Thane (SDO). SDO after hearing and completing the process has issued an order dated 07th February, 2019 and set aside the order passed by Tahsildar (Thane) and has also directed Tahsildar (Thane) to delete the name of Government of Maharashtra from the land records of the aforesaid land.

Notes to the Standalone Financial Statements as at and for the year ended 31st March, 2022

11 - Inventories (at lower of cost and net realisable value)

(Rs. in lakhs)

Particulars		As at 31st March, 2022	As at 31st March, 2021
(a)	Raw materials	**2,416.34**	1,882.38
(b)	Construction Work-in-progress*	**101,935.02**	89,232.18
(c)	Finished Goods	**1,374.27**	12,058.98
Total		**105,725.63**	103,173.54

* Construction Work-in-Progress represents materials at site and construction cost incurred for the projects.

Notes:

1. Based on projections and estimates by the Company of the expected revenues and costs to completion, provision for losses to completion and/ or write off of costs carried to inventory are made on projects where the expected revenues are lower than the estimated costs to completion. In the opinion of the management, the net realisable value of the construction work in progress will not be lower than the costs so included therein. The amount of inventories recognised as an expense of Rs. 22,340.49 lakhs for the year ended 31st March, 2022. (31st March, 2021: Rs. 8,042.60 lakhs) include 31st March, 2022: Rs. NIL (31st March, 2021: Rs. NIL) in respect of write down of inventory to net realisable value.
2. The Company has availed cash credit facilities and short term loans, which are secured by hypothecation of inventories.
3. The Company had purchased land parcel at Alibaug and two GAT Numbers (1755 and 1756) out of this land parcel have been attached by Income Tax department by serving order of attachment dated 31st July 2017 on one of the erstwhile land owners in lieu of recovery proceedings of tax dues of Rs. 5,988.00 lakhs payable towards Income Tax department. The Company had lodged objections to the attachment of these two GAT Numbers with Income Tax Department. During the year ended 31st March, 2021, based on the letter dated 16th February, 2021 received by the Company from Deputy Commissioner of Income Tax, the erstwhile land owner's income tax liability stands at Rs. 24.33 lakhs. There is no change in the wealth tax liability of Rs.6.06 lakhs. During the current year, attachment of above mentioned GAT Nos were released by the Tax Recovery Officer, Thane.

12 - Trade receivables

(Rs. in lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Trade receivables		
(a) Considered good - unsecured	**6,769.84**	5,016.03
(b) Credit impaired	**181.62**	154.14
	6,951.46	5,170.17
Less: Allowance for credit losses	**(181.62)**	(154.14)
Total	**6,769.84**	5,016.03

12 a - Movement in the allowance for credit loss

(Rs. in lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Balance at beginning of the year	**154.14**	141.72
Additions during the year	**27.48**	12.42
Balance at end of the year	**181.62**	154.14

Refer Note 31 for disclosures related to credit risk, impairment of trade receivables under expected credit loss model and related financial instrument disclosures.

12 b - Ageing for trade receivables from the due date of payment for each of the category is as follows:

(Rs. in lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Undisputed Trade Receivable - Considered good - unsecured*		
Not Due	**4,356.20**	3,000.69
0 months - 6 months	**1,964.62**	1,006.87
6 months -1 year	**121.47**	265.73
1-2 Years	**53.39**	481.55
2-3 years	**175.68**	159.16
More than 3 years	**98.48**	102.03
Undisputed Trade Receivable - Credit impaired		
Not Due	**–**	–
0 months - 6 months	**7.84**	0.15
6 months -1 year	**7.45**	–
1-2 Years	**11.79**	6.09
2-3 years	**6.09**	13.13
More than 3 years	**148.45**	134.77
Disputed Trade Receivable - which have significant increase in credit risk	**–**	–
Disputed Trade Receivable - Credit impaired	**–**	–
Total	**6,951.46**	5,170.17

* there were no unbilled receivables, hence the same is not disclosed in ageing schedule

13 - Cash and Bank Balances

(Rs. in lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Cash and cash equivalents		
(a) Cheques on hand	**–**	16.91
(b) Balance with Banks:		
- On current accounts*	**1,177.46**	2,231.87
- Fixed Deposit with original maturity Less than 3 months	**16,832.78**	7,485.18
Total Cash and cash equivalent (considered in Statement of Cash Flows)	**18,010.24**	9,733.96

* As at 31st March, 2022 includes Rs. 25.18 lakhs (31st March, 2021: Rs. 20.74 lakhs) held in AED denominated bank accounts

Notes to the Standalone Financial Statements as at and for the year ended 31st March, 2022

14 - Bank Balances other than Cash and cash equivalents

(Rs. in lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
(a) Balances with Banks:		
(i) Earmarked balances	**1,062.62**	1,054.84
(ii) On Margin Accounts	**31.55**	29.66
(iii) Fixed Deposits with original maturity greater than 3 months	**10.35**	4.09
Total Other Bank balances	**1,104.52**	1,088.59

15 - Loans

(Rs. in lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
At amortised cost		
a) Loans to related parties (refer note 36)		
- Unsecured, considered good	**9,721.41**	6,369.91
Total	**9,721.41**	6,369.91

The Loans to related parties (refer note 36) are repayable on demand or as per the terms or period of repayment.

There are no Loans or advances in the nature of loans to Promoter, Directors, Key Management Person as defined under Companies Act, 2013.

16 - Equity Share Capital

(Rs. in lakhs)

Particulars	As at 31st March, 2022 No. of shares	As at 31st March, 2022 Amount	As at 31st March, 2021 No. of shares	As at 31st March, 2021 Amount
Authorised:				
Equity shares of Rs. 10 each with voting rights	**294,000,000**	**29,400.00**	115,000,000	11,500.00
Unclassified shares of Rs. 10 each	**6,000,000**	**600.00**	6,000,000	600.00
Issued:				
Equity shares of Rs. 10 each with voting rights	**154,670,453**	**15,467.05**	51,434,301	5,143.43
Subscribed and Fully Paid up:				
Equity shares of Rs. 10 each with voting rights	**154,517,264**	**15,451.73**	51,383,238	5,138.32
Total	**154,517,264**	**15,451.73**	51,383,238	5,138.32

(i) Reconciliation of the number of shares and outstanding amount

Particulars	As at 31st March, 2022 No. of Shares	As at 31st March, 2022 Rs. in lakhs	As at 31st March, 2021 No. of Shares	As at 31st March, 2021 Rs. in lakhs
Balance at the Beginning of the year	**51,383,238**	**5,138.32**	51,361,388	5,136.14
Add: Bonus Issue during the year*	**102,787,676**	**10,278.77**	–	–
Add: Stock options allotted during the year	**346,350**	**34.64**	21,850	2.18
Balance at the end of the year	**154,517,264**	**15,451.73**	51,383,238	5,138.32

* Pursuant to the approval of the Shareholders, through postal ballot and e-voting on 6th September, 2021 the Company, on 16th September, 2021 allotted 10,27,87,676 Ordinary Shares of 10/- each, as fully paid-up Bonus Shares in the proportion of 2 (Two) Bonus Share of 10/- each for every existing 1 (One) Ordinary Shares of 10/- each held as on the Record Date i.e. 15th September, 2021.

Terms/rights attached to equity shares with voting rights

The Company has only one class of equity shares having par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share and carry a right to dividends. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in ensuing Annual General Meeting.

Notes to the Standalone Financial Statements as at and for the year ended 31st March, 2022

(ii) Details of shares held by the holding company and its subsidiaries:

Particulars	**Equity Shares with Voting rights**
As at 31st March, 2022	
Mahindra & Mahindra Ltd. the Holding Company	79,319,550
As at 31st March, 2021	
Mahindra & Mahindra Ltd. the Holding Company	26,439,850

Other than the above shares, no shares are held by any subsidiaries or associates of the holding company

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

Class of shares / Name of shareholder	**As at 31st March, 2022**		As at 31st March, 2021	
	Number of shares held	**% holding**	Number of shares held	% holding
Equity shares with voting rights				
Mahindra & Mahindra Limited	**79,319,550**	**51.33%**	26,439,850	51.46%

iv) Shares reserved for issue under options

The Company has 12,50,720 (Previous Year 5,48,504) equity shares of Rs 10/- each reserved for issue under options [Refer Note 26].

v) The allotment of 153,189 (Previous Year 51,063) equity shares of the Company has been kept in abeyance in accordance with Section 206A of the Companies Act, 1956 (Section 126 of the Companies Act 2013), till such time the title of the bonafide owner of the shares is certified by the concerned Stock Exchange or the Special Court (Trial of Offences relating to Transactions in Securities).

vi) Details of shareholdings by the Promoter's of the Company

Class of shares / Name of shareholder	**As at 31st March, 2022**		As at 31st March, 2021		% change during the period
	Number of shares held	**% holding**	Number of shares held	% holding	
Equity shares with voting rights					
Mahindra & Mahindra Limited	**79,319,550**	**51.33%**	26,439,850	51.46%	(0.13%)

(vii) Aggregate number of equity shares issued as bonus during the period of five years immediately preceeding the reporting date:

Particulars	**As at 31st March, 2022**	As at 31st March, 2021
Equity share alloted as fully paid bonus shares by capitalisation of Capital Redemption Reserve and Security Premium	**102,787,676**	-

17 - Other equity

(Rs. in lakhs)

Particulars	**As at 31st March, 2022**	As at 31st March, 2021
General reserve	**7,299.49**	7,299.49
Securities premium	**94,475.08**	97,075.89
Share options outstanding account	**443.91**	537.58
Retained earnings	**31,459.30**	27,139.21
Capital redemption reserve	**–**	7,353.58
Share Application money pending allotment	**–**	0.75
	133,677.78	139,406.50

Description of the nature and purpose of Other Equity:

General Reserve: The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. There is no policy of regular transfer. Items included under General Reserve shall not be reclassified back into the Profit and Loss.

Securities Premium : The Securities Premium is created on issue of shares at a premium.

Share Options Outstanding Account: The Share Options Outstanding Account represents reserve in respect of equity settled share options granted to the Company's employees in pursuance of the Employee Stock Option Plan.

Retained Earnings: This reserve represents cumulative profits of the Company and effects of remeasurement of defined benefit obligations. This reserve can be utilised in accordance with the provisions of Companies Act, 2013.

Capital Redemption Reserve: The Capital Redemption Reserve was created against redemption of Preference Shares.

Share Application Money Pending allotment: This represents share application money received from the eligible employees upon exercise of employee stock option. The same will be transferred to equity share capital account after the allotment of shares to the applicants. The share application money pending allotment of Rs. 0.75 lakhs pertaining to previous year has been transferred to equity share capital during the year upon allotment of shares.

Notes to the Standalone Financial Statements as at and for the year ended 31st March, 2022

18 - Provisions

(Rs. in lakhs)

Particulars	As at 31st March, 2022 Current	As at 31st March, 2022 Non Current	As at 31st March, 2021 Current	As at 31st March, 2021 Non Current
(a) Provision for employee benefits				
-Gratuity	**–**	**88.70**	–	124.57
-Leave Encashment	**49.58**	**242.98**	56.33	301.78
(b) Other Provisions				
-Defect Liabilities	**799.17**	**–**	672.42	–
Total Provisions	**848.75**	**331.68**	728.75	426.35

Details of movement in provisions for Defect Liabilities are as follows:

(Rs. in lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Opening Balance	**672.42**	635.93
Additional provisions recognised	**133.80**	42.00
Amounts utilised during the year	**(7.05)**	(5.51)
Closing Balance	**799.17**	672.42

Defect Liability Provisions:

Provision for defect liability represents present value of management's best estimate of the future outflow of economic resources that will be required in respect of residential units when control over the property has been transferred to the customer, the estimated cost of which is accrued during the period of construction, upon sale of units and recognition of related revenue. Management estimates the related provision for future defect liability claims based on historical cost of rectifications and is adjusted regularly to reflect new information. The residential units are generally covered under a the defect liability period limited to 5 year from the date when control over the property has been transferred to the customer.

19 - Borrowings

(Rs. in lakhs)

Particulars	As at 31st March, 2022 Current	As at 31st March, 2021 Current
A. Secured Borrowings at amortised cost		
(a) Loans on cash credit account from Banks	**–**	238.21
(b) Other loan from Financial Institution	**3,500.00**	3,500.00
Total	**3,500.00**	3,738.21
B. Unsecured Borrowings at amortised cost		
(a) Loans on cash credit account from Banks	**480.64**	7.17
(b) Other Loans from banks	**12,500.00**	7,394.66
Total	**12,980.64**	7,401.83
Total (A+B)	**16,480.64**	11,140.04

Secured Borrowing

(a) The cash credit facility carrying interest rate was 7.65% p.a. (Previous Year 7.65% p.a. to 8.65% p.a) is secured by first charge on all existing and future current assets excluding land and immovable properties.

(b) Other loan from Financial Institution carrying interest rate is 8.85% p.a. (previous year 8.85% p.a. to 9.10% p.a.) is secured by first charge on land and building and cashflows of identified Project.

Unsecured Borrowings

(a) The cash credit facility is carrying interest rate in the range of 7.20% p.a. to 7.65% p.a. (Previous Year 7.35% p.a. to 8.20% p.a.)

(b) Other loans from banks include short term loan carrying interest rate in the range of 4.25% p.a. to 7.45% p.a. (Previous Year 4.25% p.a. to 7.40% p.a.)

20 - Trade Payables

(Rs. in lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Trade payable - Micro and small enterprises*	**825.18**	579.00
Trade payable - Other than micro and small enterprises	**10,788.58**	8,861.51
Total	**11,613.76**	9,440.51

Trade Payables are payables in respect of the amount due on account of goods purchased or services received in the normal course of business.

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

* This information has been determined to the extent such parties have been identified on the basis of intimation received from the suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006.

(Rs. in lakhs)

Particulars	31st March, 2022	31st March, 2021
Dues remaining unpaid		
Principal	**825.18**	579.00
Interest	**–**	–
Interest paid in terms of Section 16 of the MSMED Act along with the amount of payment made to the supplier beyond the appointed day during the year		
- Principal paid beyond the appointed date	**–**	–
- Interest paid in terms of Section 16 of the MSMED Act	**–**	–
Amount of interest due and payable for the period of delay on payments made beyond the appointed day during the year	**–**	–
Further interest due and payable even in the succeeding years, until such date when the interest due as above are actually paid to the small enterprises	**–**	–
Amount of interest accrued and remaining unpaid	**–**	–

Notes to the Standalone Financial Statements as at and for the year ended 31st March, 2022

20 b - Ageing for trade payable from the due date of payment for each of the category is as follows:

(Rs. in lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Undisputed dues of micro enterprises and small enterprises		
Unbilled	–	–
Not Due	785.89	568.66
Less than 1 year	39.29	10.34
1-2 Years	–	–
2-3 years	–	–
More than 3 years	–	–
Undisputed dues of Trade Payable other than micro enterprises and small enterprises		
Unbilled	899.78	1,018.81
Not Due	9,247.65	6,214.24
Less than 1 year	388.63	1,007.11
1-2 Years	97.83	220.45
2-3 years	47.93	196.68
More than 3 years	106.76	204.22
Total	11,613.76	9,440.51

21 - Other Financial Liabilities

(Rs. in lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Carried at Amortised Cost		
(a) Interest accrued	28.20	2.09
(b) Unclaimed dividends*	88.87	126.53
(c) Other liabilities#	2,706.06	2,762.87
Total	2,823.13	2,891.49

* There are no amounts due and outstanding to be credited to the Investor Education and Protection Fund.

Other liabilities mainly includes Trade Deposits and Society Maintenance deposits.

22 - Other Current Liabilities

(Rs. in lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
a. Advances received from customers	48,267.00	32,450.05
b. Statutory dues payable	327.36	234.89
Total	48,594.36	32,684.94

23 - Revenue from Operations

(Rs. in lakhs)

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
(a) Revenue from Contracts with Customers		
(i) Revenue from Projects	24,355.51	8,228.62
(ii) Project Management Fees	137.71	65.94
(b) Income from Operation of Commercial Complexes	787.39	669.03
Total	25,280.61	8,963.59

Notes:

(1) Contract Balances

(a) Amounts received before the related performance obligation is satisfied are included in the balance sheet (Contract liability) as “Advances received from Customers” in note no. 22- Other Current Liabilities. Amounts billed for development milestone achieved but not yet paid by the customer are included in the balance sheet under trade receivables in note no. 12.

(b) During the year, the Company recognised Revenue of Rs. 18,324.47 lakhs (31st March, 2021: Rs. 3,489.49 lakhs) from opening contract liability included in the balance sheet as “Advances received from Customers” in note no. 22 - Other Current Liabilities of Rs. 32,450.05 lakhs (31st March, 2021: Rs 22,490.89 lakhs).

(c) There were no significant changes in the composition of the contract liabilities and Trade receivable during the reporting period other than on account of periodic invoicing and revenue recognition.

(d) Amounts previously recorded as contract liabilities increased due to further milestone based invoices raised during the year and decreased due to revenue recognised during the year on completion of the construction.

(e) Amounts previously recorded as Trade receivables increased due to further milestone based invoices raised during the year and decreased due to collections during the year.

(f) There are no contract assets outstanding at the end of the year.

(g) The aggregate amount of the transaction price allocated to the performance obligations that are completely or partially unsatisfied as 31st March, 2022, is Rs. 1,17,160 lakhs (31st March, 2021 : Rs. 82,432.55 lakhs). Out of this, the Company expects, based on current projections, to recognize revenue of around 40% within the next one year and the remaining thereafter. This includes contracts that can be terminated for convenience with a penalty as per the agreement since, based on current assessment, the occurrence of the same is expected to be remote.

(2) Reconciliation of revenue recognised with the contracted price is as follows:

(Rs. in lakhs)

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Contracted price	24,355.51	8,228.62
Adjustments on account of cash discounts or early payment rebates, etc.	–	–
Revenue recognised as per Statement of Profit & Loss	24,355.51	8,228.62

(3) Contract costs

(Rs. in lakhs)

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Contract costs included in Prepaid expenses in Note no. 10- Other Assets	2,338.13	1,223.44

(a) The Company incurs commissions that are incremental costs of obtaining a contract with a customer. Under Ind AS 115, the Company recognises the incremental costs of obtaining a contract as assets under Prepaid Expenses under note no. 10 - Other Assets and amortises it upon completion of the related property sale contract.

(b) For the year ended 31st March 2022 amortisation amounting to Rs. 581.00 lakhs (31st March 2021: Rs. 89.14 lakhs) was recognised as Brokerage cost in note no. 25 - Cost of Sales. There were no impairment loss in relation to the costs capitalised.

Notes to the Standalone Financial Statements as at and for the year ended 31st March, 2022

24 - Other Income

(Rs. in lakhs)

Particulars		For the year ended 31st March, 2022	For the year ended 31st March, 2021
(a)	Interest Income on:		
	(1) Inter Corporate Deposits	**489.85**	574.00
	(2) Bank Deposits	**364.63**	230.34
	(3) Optionally Convertible Debentures	**–**	211.44
	(4) Others*	**38.35**	120.30
(b)	Dividend Income from Joint Ventures and Subsidiaries	**4,245.00**	2,761.20
(c)	Gain on disposal of Property, Plant and Equipment	**1.97**	–
(d)	Net Gain arising on Financial Assets measured at Fair Value through Profit and Loss	**–**	541.12
(e)	Miscellaneous Income	**229.10**	237.06
Total		**5,368.90**	4,675.46

* Other Interest Income includes interest income on account of financing component involved in contracts with customers and interest charged on late payment received from customers.

25 - Cost of Sales

(Rs. in lakhs)

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
A. Cost of Project		
Opening Stock:		
Construction work-in-progress	**89,232.18**	80,457.45
Raw Material	**1,882.38**	2,006.57
Finished Goods	**12,058.98**	8,786.71
Sub-Total (a)	**103,173.54**	91,250.73
Add: Expenses incurred during the year		
Land Cost	**1,703.19**	8,600.82
Architect Fees	**190.49**	188.74
Civil Electricals, Contracting, etc.	**16,136.99**	6,805.68
Interest costs allocated	**391.43**	445.42
Employee benefits expense allocated	**1,333.54**	1,296.11
Liasioning costs	**2,122.47**	1,872.59
Insurance	**5.13**	12.33
Legal & Professional Fees	**3,009.34**	743.72
Sub-Total (b)	**24,892.58**	19,965.41
Less: Closing Stock:		
Construction work-in-progress	**101,935.02**	89,232.18
Raw Material	**2,416.34**	1,882.38
Finished Goods	**1,374.27**	12,058.98
Sub-Total (c)	**105,725.63**	103,173.54
Total A (a+b-c)	**22,340.49**	8,042.60
B. Operating Expenses		
Brokerage	**581.00**	89.14
Total B	**581.00**	89.14
Total (A+B)	**22,921.49**	8,131.74

26 - Employee Benefits Expense

(Rs. in lakhs)

Particulars		For the year ended 31st March, 2022	For the year ended 31st March, 2021
(a)	Salaries and wages, including bonus	**7,784.79**	7,130.66
(b)	Contribution to provident and other funds	**388.85**	383.22
(c)	Share based payment expenses	**88.88**	137.81
(d)	Staff welfare expenses	**325.90**	175.55
Less : Allocated to projects		**(1,333.54)**	(1,296.11)
Total		**7,254.88**	6,531.13

Share based payment

The Company has granted options to its eligible employees under the Employee Stock Options Scheme 2006 ("ESOS 2006") and the Employee Stock Options Scheme 2012 ("ESOS 2012). The options granted under both the schemes are equity settled.

ESOS 2006:- Options granted under ESOS 2006 vest in 4 equal instalments of 25% each on expiry of 12 months, 24 months, 36 months and 48 months respectively from the date of grant. The options may be exercised on any day over a period of five years from the date of vesting.

ESOS 2012 (Options granted till 16th March, 2021):- Options granted under ESOS 2012 vest in 4 instalments bifurcated as 20% each on the expiry of 12 months and 24 months, 30% each on the expiry of 36 months and 48 months respectively from the date of grant. The options may be exercised on any day over a period of five years from the date of vesting.

ESOS 2012 (Options granted from 17th March, 2021):- Options granted under ESOS 2012 vest in 3 equal instalments of 33.33% each on expiry of 12 months, 24 months, and 36 months respectively from the date of grant. The options may be exercised within a period of five years from the date of grant.

Notes to the Standalone Financial Statements as at and for the year ended 31st March, 2022

Details about Vesting Conditions:

	Particulars	Number of Options (Including issue of share options under bonus agreement)	Grant Date	Expiry Date	Exercise Price	Fair value per Option at Grant Date (Rs.)
	ESOS 2006					
1	Series 2 Granted on 4th August 2012	10,000	4-Aug-12	4-Aug-21	Rs 325 per share	294.06
2	Series 15 Granted on 30th Oct 2020	12,00,000	30-Oct-20	30-Oct-29	Rs 246 per share	108.97
	ESOS 2012					
1	Series 3 Granted on 4th August 2012	1,01,000	4-Aug-12	4-Aug-21	Rs 10 per share	294.06
2	Series 4 Granted on 24th July 2013	27,400	24-Jul-13	24-Jul-22	Rs 10 per share	409.27
3	Series 5 Granted on 17th October 2014	28,800	17-Oct-14	17-Oct-23	Rs 10 per share	461.87
4	Series 6 Granted on 30th April 2015	3,900	30-Apr-15	30-Apr-24	Rs 10 per share	402.60
5	Series 7 Granted on 28th January 2016	40,300	28-Jan-16	28-Jan-25	Rs 10 per share	417.10
6	Series 8 Granted on 28th July 2016	34,200	28-Jul-16	28-Jul-25	Rs 10 per share	420.53
7	Series 9 Granted on 25th July 2017	20,600	25-Jul-17	25-Jul-26	Rs 10 per share	393.45
8	Series 10 Granted on 30th Jan 2018	3,500	30-Jan-18	30-Jan-27	Rs 10 per share	453.81
9	Series 11 Granted on 30th July 2018	34,600	30-Jul-18	30-Jul-27	Rs 10 per share	532.67
10	Series 12 Granted on 14th Feb 2019	11,400	14-Feb-19	14-Feb-28	Rs 10 per share	341.88
11	Series 13 Granted on 26th July 2019	1,40,700	26-Jul-19	26-Jul-28	Rs 10 per share	353.37
12	Series 14 Granted on 29th July 2020	65,500	29-Jul-20	29-Jul-29	Rs 10 per share	168.56
13	Series 15 Granted on 30th Oct 2020	25,500	30-Oct-20	30-Oct-29	Rs 10 per share	258.83
14	Series 16 Granted on 17th March 2021	92,768	17-Mar-21	17-Mar-26	Rs 10 per share	542.32
15	Series 17 Granted on 16th March 2022	67,867	16-Mar-22	16-Mar-22	Rs 10 per share	286.25

Movement in Share Options

		For the year ended 31st March, 2022		For the year ended 31st March, 2021	
	Particulars	**Number of Options**	**Weighted average exercise price (Rs.)**	Number of Options	Weighted average exercise price (Rs.)
1	The number and weighted average exercise prices of share options outstanding at the beginning of the year;	**548,504**	**183.54**	126,350	20.32
2	Granted during the year	**67,867**	**10.00**	467,654	211.86
3	Issue of share options under bonus arrangement	**1,033,014**	**63.50**	–	–
4	Forfeited during the year	**46,665**	**5.48**	17,450	10.00
5	Exercised and alloted during the year*	**346,350**	**71.80**	21,850	10.00
6	Expired during the year	**5,650**	**149.38**	6,200	137.02
7	Outstanding at the end of the year	**1,250,720**	**60.27**	548,504	183.54
8	Exercisable at the end of the year	**103,969**	**46.54**	21,550	46.54

* Excludes share application money pending allotment of NIL options (31st March, 2021 - 7,550 options)

Notes to the Standalone Financial Statements as at and for the year ended 31st March, 2022

Share Options Exercised and Allotted during the Year

	Particulars	Number of Options Exercised and Allotted	Exercise Date	Price per Share at Exercise Date (Rs.)
Equity Settled				
1	Series 11 Granted on 30th July 2018	1,350	03-Jan-22	246.63
2	Series 11 Granted on 30th July 2018	500	14-May-21	499.68
3	Series 11 Granted on 30th July 2018	2,500	17-Nov-21	262.88
4	Series 11 Granted on 30th July 2018	750	18-Jan-22	271.60
5	Series 11 Granted on 30th July 2018	750	20-Aug-21	750.18
6	Series 11 Granted on 30th July 2018	1,500	20-Jan-22	265.40
7	Series 11 Granted on 30th July 2018	600	20-Jul-21	677.25
8	Series 11 Granted on 30th July 2018	450	23-Sep-21	278.65
9	Series 11 Granted on 30th July 2018	1,250	24-Sep-21	288.80
10	Series 11 Granted on 30th July 2018	1,000	25-Feb-21	499.40
11	Series 12 Granted on 14th Feb 2019	600	07-Dec-21	250.88
12	Series 12 Granted on 14th Feb 2019	450	20-Feb-22	309.60
13	Series 12 Granted on 14th Feb 2019	300	31-Jul-21	762.65
14	Series 13 Granted on 26th July 2019	300	01-Jul-21	602.88
15	Series 13 Granted on 26th July 2019	1,800	01-Mar-22	296.10
16	Series 13 Granted on 26th July 2019	1,600	01-Nov-21	277.48
17	Series 13 Granted on 26th July 2019	300	02-Aug-21	787.60
18	Series 13 Granted on 26th July 2019	300	03-Aug-21	802.18
19	Series 13 Granted on 26th July 2019	600	07-Nov-21	283.05
20	Series 13 Granted on 26th July 2019	1,200	10-Dec-21	253.53
21	Series 13 Granted on 26th July 2019	300	12-Feb-21	496.10
22	Series 13 Granted on 26th July 2019	300	15-Dec-21	250.45
23	Series 13 Granted on 26th July 2019	1,300	15-Sep-21	280.23
24	Series 13 Granted on 26th July 2019	1,000	16-Nov-21	267.93
25	Series 13 Granted on 26th July 2019	300	17-Aug-20	243.43
26	Series 13 Granted on 26th July 2019	500	17-Nov-21	262.88
27	Series 13 Granted on 26th July 2019	1,000	19-Nov-21	255.05
28	Series 13 Granted on 26th July 2019	600	23-Nov-21	244.68
29	Series 13 Granted on 26th July 2019	300	24-Jun-21	592.48
30	Series 13 Granted on 26th July 2019	600	24-Nov-21	253.08
31	Series 13 Granted on 26th July 2019	1,700	26-Jul-21	723.08
32	Series 13 Granted on 26th July 2019*	300	28-Jul-20	206.28
33	Series 13 Granted on 26th July 2019	300	28-Jul-21	759.80
34	Series 14 Granted on 29th July 2020	900	02-Dec-21	245.23
35	Series 14 Granted on 29th July 2020	300	11-Oct-21	278.08
36	Series 14 Granted on 29th July 2020	600	13-Dec-21	257.53
37	Series 14 Granted on 29th July 2020	2,400	27-Nov-21	241.50
38	Series 15 Granted on 30th Oct 2020	900	02-Feb-22	263.45
39	Series 15 Granted on 30th Oct 2020	300	19-Nov-21	255.05
40	Series 15 Granted on 30th Oct 2020	900	20-Dec-21	227.00
41	Series 15 Granted on 30th Oct 2020	600	20-Nov-21	255.05
42	Series 15 Granted on 30th Oct 2020	300,300	31-Oct-21	275.20

Notes to the Standalone Financial Statements as at and for the year ended 31st March, 2022

	Particulars	Number of Options Exercised and Allotted	Exercise Date	Price per Share at Exercise Date (Rs.)
43	Series 7 Granted on 28th January 2016	1,500	11-Oct-21	278.08
44	Series 7 Granted on 28th January 2016	900	19-Feb-21	487.48
45	Series 7 Granted on 28th January 2016	750	20-Sep-21	275.95
46	Series 7 Granted on 28th January 2016	600	28-Jan-22	247.23
47	Series 8 Granted on 28th July 2016	4,000	10-Feb-21	472.57
48	Series 8 Granted on 28th July 2016*	1,050	12-Feb-20	400.55
49	Series 9 Granted on 25th July 2017	750	04-Nov-21	283.05
50	Series 9 Granted on 25th July 2017	1,500	23-Nov-21	244.68
51	Series 9 Granted on 25th July 2017	450	25-Jul-21	720.80
52	Series 9 Granted on 25th July 2017	1,050	25-Mar-21	538.98
		346,350		

* These are the options for which exercise price were received during the current year.

Share Options outstanding at the end of the year

The share options outstanding at the end of the year had a range of exercise prices of Rs. 10 - Rs. 82 (as at 31st March, 2021: Rs. 10 - Rs. 325), and weighted average remaining contractual life of 2231 days (as at 31st March, 2021: 2,996 days).

The Fair value has been calculated using the Black Scholes option pricing model and the significant inputs used for the valuation are as follows

Particulars	4th August 2012	4th August 2012	24th July 2013	17th October 2014	30th April 2015	28th January 2016	28th July 2016
Share price per Option at grant date (Rs.)	324.14	324.14	454.09	516.08	467.60	482.25	450.60
Exercise price per Option (Rs.)...........................	325	10	10	10	10	10	10
Expected volatility	44.15% - 59.61%	44.15% - 59.61%	47.63%	26.68% - 43.74%	26.11% - 37.68%	27.17% - 30.20%	26.98% - 28.17%
Expected life / Option Life...................................	3.5 - 6.5 Years	3.5 - 6.5 Years	6 - 9 Years	3.5 - 6.5 Years	3.5 - 6.5 Years	3.5 - 6.5 Years	3.5 - 6.5 Years
Expected dividends yield....................................	1.38%	1.38%	1.31%	2.28%	2.57%	2.49%	1.31%
Risk-free interest rate	8.06% - 8.20%	8.06% - 8.20%	8.31% - 8.39%	8.49% - 8.52%	7.69% - 7.74%	7.43% - 7.73%	6.88% - 7.14%

Particulars	25th July 2017	30th January 2018	30th July 2018	14th February 2019	26th July 2019	29th July 2020	30th Oct 2020
Share price per Option at grant date (Rs.)	393.45	453.81	532.67	341.88	353.37	168.56	108.97
Exercise price per Option (Rs.)...........................	10	10	10	10	10	10	82
Expected volatility	27.24% - 28.90%	27.77%-28.98%	27.95%-30.52%	28.39%-30.88%	28.40%-29.58%	30.51%-32.39%	31.48%-33.32%
Expected life / Option Life...................................	3.5 - 6.5 Years	3.5 - 6.5 Years	3.5 - 6.5 Years	3.5 - 6.5 Years	3.5 - 6.5 Years	3.5 - 6.5 Years	3.5 - 6.5 Years
Expected dividends yield....................................	1.39%	1.22%	1.05%	1.58%	1.54%	2.95%	–
Risk-free interest rate	6.37%-6.66%	7.11% - 7.56%	7.76% - 8.01%	6.97% - 7.29%	6.25% - 6.55%	4.82% - 5.69%	4.82% - 5.69%

Particulars	30th Oct 2020	17th Mar 2021	16th Mar 2022
Share price per Option at grant date (Rs.)	258.83	542.32	294.45
Exercise price per Option (Rs.)..	10	10	10
Expected volatility	31.48%-33.32%	34.19%-34.87%	36.95%-38.47%
Expected life / Option Life..	3.5 - 6.5 Years	3 - 4 Years	3 - 4 Years
Expected dividends yield..	–	–	–
Risk-free interest rate	4.82% - 5.69%	5.16% - 5.59%	5.47% - 5.88%

In respect of Options granted under the Employee Stock Option Plan the accounting is done as per requirements of Ind AS 102 - 'Share Based Payments' after adjusting for reversals on account of options forfeited.

The risk-free interest rate being considered for the calculation is the interest rate applicable for maturity equal to the expected life of the options based on the zero-yield curve for Government Securities.

Notes to the Standalone Financial Statements as at and for the year ended 31st March, 2022

27 - Finance Costs

(Rs. In lakhs)

	Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
(a)	Interest costs :		
	Interest expense for financial liabilities at amortised cost	**811.42**	775.93
	Less: Allocated to projects	**(391.43)**	(445.42)
(b)	Interest on lease liabilities	**48.83**	21.19
(c)	Other borrowing costs*	**4.83**	14.90
Total		**473.65**	366.60

* Other borrowing costs include guarantee charges and ancillary costs incurred in connection with borrowings.

28 - Other Expenses

(Rs. In lakhs)

	Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
(a)	Power & Fuel	**68.56**	43.34
(b)	Rent, Rates & Taxes	**714.71**	377.62
(c)	Insurance	**13.60**	13.58
(d)	Repairs and maintenance	**465.20**	487.46
(e)	Advertisement, Marketing & Business Development	**1,637.30**	1,433.30
(f)	Travelling and Conveyance Expenses	**166.26**	57.81
(g)	Expenditure on Corporate Social Responsibility (CSR) under section 135 of the Companies Act, 2013	**–**	70.72
(h)	Payment to Auditors #	**65.98**	64.54
(i)	Legal and other professional costs	**1,107.90**	995.43
(j)	Printing & Stationery	**17.95**	14.97
(k)	Allowance for credit losses	**27.48**	–
(l)	Net loss arising on Financial Assets measured at Fair value through profit & loss	**1,278.84**	–
(m)	Loss on disposal of Property Plant & Equipment	**170.85**	58.99
(n)	Miscellaneous expenses	**1,809.36**	1,293.73
Total		**7,543.99**	4,911.49

Payments to Auditors (excluding of GST)

(Rs. In lakhs)

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
(i) To Statutory auditors		
For Audit	**52.42**	47.50
For Other Services	**11.77**	14.90
Reimbursement of Expenses	**0.21**	0.56
(ii) To Cost auditors for cost audit	**1.58**	1.58
Total	**65.98**	64.54

29 - Tax (Credit)/Expense

(Rs. In lakhs)

(a) Tax (Credit)/Expense recognised in profit or loss

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Current Tax:		
In respect of current year	**–**	–
Deferred Tax:		
In respect of current year origination and reversal of temporary differences	**(2,039.38)**	(1,742.08)
Total	**(2,039.38)**	(1,742.08)

(b) Tax (Credit)/Expense recognised in Other Comprehensive income

Particulars	For the Year ended 31st March, 2022	For the Year ended 31st March, 2021
Deferred tax related to items recognised in other comprehensive income during the year:		
Remeasurements of the defined benefit plans	**(10.32)**	5.05
Total	**(10.32)**	5.05

(c) Reconciliation of estimated income tax expense at tax rate to income tax expense reported in Statement of Profit or Loss is as follows:

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Loss Before Tax And Exceptional Item	**(8,162.20)**	(6,966.58)
Income tax expense calculated at 25.17%	**(2,054.43)**	(1,753.49)
Effect of expenses that is non deductible in determining taxable profit	**10.07**	17.80
Changes in recognised deductible temporary differences	**4.98**	(6.39)
Income tax expense recognised In profit or loss	**(2,039.38)**	(1,742.08)

30 - Earnings per Share

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
	Rs.	Rs.
Basic Earnings per share	**2.78**	(3.39)
Diluted earnings per share	**2.77**	(3.39)

Notes to the Standalone Financial Statements as at and for the year ended 31st March, 2022

Basic earnings per share

The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:

(Rs. In lakhs)

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Profit /(Loss) for the year	**4,289.41**	(5,224.50)
Weighted average number of equity shares	**15,42,95,260**	15,41,20,748

Diluted earnings per share

The diluted earnings per share has been computed by dividing the net Profit/(Loss) after tax available for equity shareholders by the weighted average number of equity shares, after giving dilutive effect of the outstanding stock options for the respective periods.

(Rs. In lakhs)

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Profit / (Loss) for the year used in the calculation of diluted earnings per share	**4,289.41**	(5,224.50)
Weighted average number of equity shares used in the calculation of Diluted EPS	**15,50,97,077**	15,41,20,748

The weighted average number of ordinary shares for the purpose of diluted earnings per share reconciles to the weighted average number of ordinary shares used in the calculation of basic earnings per share as follows:

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Weighted average number of equity shares used in the calculation of Basic EPS	**15,42,95,260**	15,41,20,748
Add: Options outstanding under Employee Stock Option Plan*	**8,01,817**	–
Weighted average number of equity shares used in the calculation of Diluted EPS	**15,50,97,077**	15,41,20,748

* As on 31st March, 2021, 358,816 potential equity shares are considered anti-dilutive and therefore excluded from the calculation of weighted average number of equity shares used in the calculation of diluted EPS

Pursuant to issue of Bonus Shares (refer note 16) during the current year Earning per share (Basic and Diluted) have been adjusted for the period presented

31 - Financial Instruments

Capital management

The Company's capital management objectives are:

- safeguard its ability to continue as a going concern, so that it can continue to maximise the returns for shareholders and benefits for other stakeholders
- maintain an optimal capital structure to reduce the cost of capital

The Management of the Company monitors the capital structure using debt equity ratio which is determined as the proportion of total debt to total equity.

Particulars	As at 31st March, 2022 (Rs. in lakhs)	As at 31st March, 2021 (Rs. in lakhs)
Debt	**17,063.65**	11,204.70
Cash and bank balances	**(19,114.76)**	(10,822.55)
Net Debt (A)	**(2,051.11)**	382.15
Equity (B)	**1,49,129.51**	1,44,544.82
Net Debt to Equity Ratio (A / B)	**(0.014)**	0.003

Categories of financial assets and financial liabilities

The following tables shows the carrying amount of financial assets and financial liabilities by category:

As at 31st March, 2022

(Rs. In lakhs)

Particulars	Amortised Costs	FVTPL	Total
Non-current Assets			
Investments	40,319.75	8,820.15	49,139.90
Other Financial Assets	1,175.91	–	1,175.91
Current Assets			
Trade Receivables	6,769.84	–	6,769.84
Cash and Bank Balances	19,114.76	–	19,114.76
Loans	9,721.41	–	9,721.41
Other Financial Assets			
- Non Derivative Financial Assets	5,821.79	–	5,821.79
Non-current Liabilities			
Other Financial Liabilities			
- Lease Liabilities	301.36	–	301.36
Current Liabilities			
Borrowings	16,480.64	–	16,480.64
Lease Liabilities	281.65	–	281.65
Trade Payables	11,613.76	–	11,613.76
Other Financial Liabilities			
- Non Derivative Financial Liabilities	2,823.13	–	2,823.13

As at 31st March, 2021

(Rs. In lakhs)

Particulars	Amortised Costs	FVTPL	Total
Non-current Assets			
Investments	35,412.90	11,582.39	46,995.29
Other Financial Assets	1,175.91	–	1,175.91
Current Assets			
Trade Receivables	5,016.03	–	5,016.03
Cash and Bank Balances	10,822.55	–	10,822.55
Loans	6,369.91	–	6,369.91
Other Financial Assets			
- Non Derivative Financial Assets	8,194.75	–	8,194.75
Non-current Liabilities			
Other Financial Liabilities			
- Lease Laibilities	–	–	–
Current Liabilities			
Borrowings	11,140.04	–	11,140.04
Lease Liabilities	64.66	–	64.66
Trade Payables	9,440.51	–	9,440.51
Other Financial Liabilities			
- Non Derivative Financial Liabilities	2,891.49	–	2,891.49

Notes to the Standalone Financial Statements as at and for the year ended 31st March, 2022

Financial Risk Management Framework

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk. In order to manage the aforementioned risks, the Company operates a risk management policy and a program that performs close monitoring of and responding to each risk factor.

CREDIT RISK

(i) Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. Credit risk arises from trade receivables, cash and cash equivalents & other financial assets.

Trade Receivables:

The Company's trade receivables include receivables on sale of residential flats and rent receivable. As per the Company's flat handover policy, a flat is handed over to a customer only upon payment of entire amount of consideration. The rent receivables are secured by security deposits obtained under the lease agreement. Thus, the Company is not exposed to any credit risk on receivables from sale of residential flats and rent receivables.

Cash and Cash Equivalents & Other Financial Assets

For banks and financial institutions, only high rated banks/institutions are accepted. The Company holds cash and cash equivalents with bank and financial institution counterparties, which are having highest safety ratings based on ratings published by various credit rating agencies. The Company considers that its cash and cash equivalents have low credit risk based on external credit ratings of the counterparties.

For Other Financial Assets, the Company assesses and manages credit risk based on reasonable and supportive forward looking information. Other Financial Assets are considered to be low credit risk exposure assets.

LIQUIDITY RISK

(i) Liquidity risk management

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

(ii) Maturities of financial liabilities

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The amount disclosed in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows.

(Rs. In lakhs)

Particulars	Less than 1 Year	1 Year to 3 Years	3 Years to 5 Years
Non-derivative financial liabilities			
As at 31st March 2022			
Non Current			
Lease Liabilities	–	**310.83**	–
Total Non Current	–	**310.83**	–
Current			
Borrowings	**14,730.64**	**1,750.00**	–
Lease Liabilities	**310.83**	–	–
Trade Payables	**11,613.76**	–	–
Other Financial Liabilities	**2,823.13**	–	–
Total Current	**29,478.36**	**1,750.00**	–
As at 31st March 2021			
Current			
Borrowings	11,140.04	–	–
Lease Liabilities	64.66	–	–
Trade Payables	9,440.51	–	–
Other Financial Liabilities	2,891.49	–	–
Total Current	**23,536.70**	–	–

MARKET RISK

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk such as equity price risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. All such transactions are carried out within the guidelines set by the Board of Directors.

Currency Risk

Foreign currency risk is the risk that the fair value or the future cash flows of an exposure will fluctuate because of changes in the foreign exchange rate. The Company undertakes few transactions denominated in foreign currencies only for availing certain services. Hence Foreign currency risk is not significant in comparision to company's operations.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates. The Company manages its interest rate risk by having a balanced portfolio of fixed and floating rate loans and borrowings.

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

Increase / decrease in basis points	Currency	As at 31st March, 2022 Effect on profit before tax (Rs. In Lakhs)	As at 31st March, 2021 Effect on loss before tax (Rs. In Lakhs)
+100	**Rs**	**(164.81)**	(111.40)
-100	**Rs**	**164.81**	111.40

Notes to the Standalone Financial Statements as at and for the year ended 31st March, 2022

32 - Fair Value Measurement

Fair Valuation Techiques and Inputs used - Recurring Items

(Rs. In lakhs)

Financial assets measured at Fair value	Fair value as at 31st March, 2022	Fair value as at 31st March, 2021	Fair value hierarchy	Valuation Technique(s)	Applicable for Level 2 and Level 3 hierarchy Key input(s)
Financial assets					
Investments					
1) Investment in Preference Shares - unquoted	**895.15**	858.39	Level 3	Income Approach - Discounted Cash Flow	For Discounted Cash Flow - Companies Financial projections. These include forecasts of balance sheet, statement of profit and loss along with underlying assumptions.
2) Investment in Equity Shares - unquoted	**–**	0.50	Level 3	Net Asset Value	For Net Asset Value- The value is derived based on the book value since the assets are intended to be disposed off.
3) Investment in Optionally Convertible Debentures	**7,925.00**	10,723.50	Level 3	Income Approach - Discounted Cash Flow	For Discounted Cash Flow - Companies Financial projections. These include forecasts of balance sheet, statement of profit and loss along with underlying assumptions.
Total financial assets..............................	**8,820.15**	11,582.39			

Significant unobservable inputs used in level 3 fair value measurements

(Rs. In lakhs)

Financial assets measured at Fair value	Fair value as at 31st March, 2022	Fair value as at 31st March, 2021	Fair value hierarchy	Significant unobservable inputs	Relationship of unobservable inputs to fair value and sensitivity
1) Investment in Preference Share - unquoted	**895.15**	858.39	Level 3	Interest Rates to discount future cash flow, Financial Projections	Any change (increase/ decrease) in the discount factor, financial projections etc. would entail corresponding change in the valuation
2) Investment in Equity Share - unquoted...	**–**	0.50	Level 3	Intrinsic worth of Net Assets	Increase in book value/ multiple will result in increase in valuation
3) Investment in Optionally Convertible Debentures	**7,925.00**	10,723.50	Level 3	Interest Rates to discount future cash flow, Financial Projections	Any change (increase/ decrease) in the discount factor, financial projections etc. would entail corresponding change in the valuation

Financial Instrument not measured using Fair Value i.e. measured using amortized cost

The carrying value of Other financial assets / liabilities represent reasonable estimate of fair value.

There were no transfers between Level 1 and Level 2 during the year.

Notes to the Standalone Financial Statements as at and for the year ended 31st March, 2022

Reconciliation of Level 3 fair value measurements of financial instruments measured at fair value

(Rs. In lakhs)

Particulars	Investment in Preference Shares - unquoted	Investment in Equity Shares - unquoted	Investment in Optionally Convertible Debentures	Total
As at 31st March 2022				
Opening Balance of Fair Value	**858.39**	**0.50**	**10,723.50**	**11,582.39**
Total incomes/gains or (losses) recognised :				
-In Profit or Loss	37.21	(0.48)	(1,315.57)	(1,278.84)
Redemption of during the year	(0.45)	(0.02)	(1,482.93)	(1,483.40)
Closing balance of fair value	**895.15**	–	**7,925.00**	**8,820.15**
As at 31st March 2021				
Opening Balance of Fair Value	1,271.85	15.08	13,157.71	14,444.64
Total incomes/gains or (losses) recognised :				
-In Profit or Loss	(413.46)	(14.58)	969.16	541.12
Redemption of Optionally Convertible Redeemable Debentures during the year	–	–	(766.37)	(766.37)
Conversion of Optionally Convertible Redeemable Debenture to Equity Share (Refer note. 8a)	–	–	(2,637.00)	(2,637.00)
Closing balance of fair value	**858.39**	**0.50**	**10,723.50**	**11,582.39**

33 - Leases

As lessee

The Company has entered into operating lease arrangements for its registered office at Worli, Mumbai & Andheri regional office. The lease is non-cancellable for a period of 1 - 3 years and may be renewed based on mutual agreement between the parties. The leases have varying terms, escatation clauses and renewal rights. The Company has recogninsed right of use assets for these leases, except for short term leases.

(Rs. In lakhs)

Undiscounted Cash Flow of Lease liabilities	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Less than one year	**310.83**	65.90
One to Three years	**310.83**	–
Total undiscounted lease liabilities at Balance sheet date	**621.65**	65.90

Cash outflow for leases for the year ended 31st March, 2022 is Rs 360.00 lakhs (31st March, 2021 is Rs 470.60 lakhs).

Expense relating to leases of low-value assets of Rs 4.79 lakhs for the year ended 31st March, 2022 (Rs 2.63 lakhs for the year ended 31st March, 2021) is inlcuded in "Rent, Rates & Taxes" in Note 28 "Other Expenses"

34 - Segment information

The reportable segments of the Company are 'Projects, Project Management and Development' and 'Operating of Commercial Complexes'. The segments are largely organised and managed separately according to the organisation structure that is designed based on the nature of business. Operating segments are reported in a manner consistent with the internal reporting provided to the Managing Director regarded as the Chief Operating Decision Maker ("CODM").

Description of each of the reportable segments for all periods presented, is as under:

i) Projects, Project Management & Development: This Segment of the business includes income from sale of residential units across projects, project management and development in India.

ii) Operating of Commercial Complexes: This Segment of the business includes rental income from commercial properties at New Delhi

The CODM evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by operating segments. The CODM reviews revenue and gross profit as the performance indicator for all of the operating segments. The measurement of each segment's revenues, expenses and assets is consistent with the accounting policies that are used in preparation of the financial statements. Segment profit represents the profit before interest and tax.

Notes to the Standalone Financial Statements as at and for the year ended 31st March, 2022

Information regarding the Company's reportable segments is presented below:

(Rs. In lakhs)

Particulars	31st March, 2022			31st March, 2021		
	Projects, Project Management & Development	**Operating of Commercial Complexes**	**Total**	Projects, Project Management & Development	Operating of Commercial Complexes	Total
Revenue						
External customers	**24,493.22**	**787.39**	**25,280.61**	8,294.66	668.93	8,963.59
Total revenue	**24,493.22**	**787.39**	**25,280.61**	8,294.66	668.93	8,963.59
Results						
Segment Results	**(674.10)**	**385.98**	**(288.12)**	(1,712.65)	404.82	(1,307.83)
Less:-						
-Unallocated Interest (Finance Cost)	**–**	**–**	**(473.65)**	–	–	(366.60)
-Unallocated corporate expense net of unallocated income (includes exceptional Item - refer note no. 7)	**–**	**–**	**3,011.80**	–	–	(5,292.15)
Profit / (Loss) before tax	**–**	**–**	**2,250.03**	–	–	(6,966.58)
Tax (credit)/Expense	**–**	**–**	**(2,039.38)**	–	–	(1,742.08)
Profit / (Loss) after tax	**–**	**–**	**4,289.41**	–	–	(5,224.50)
Segment Assets & Liabilities						
Segment Assets	**1,76,284.11**	**2,437.22**	**1,78,721.33**	1,62,074.52	2,397.99	1,64,472.51
Unallocated corporate assets			**53,062.62**			38,828.16
Total Assets			**2,31,783.95**			2,03,300.67
Segment Liabilities	**74,324.86**	**723.91**	**75,048.77**	51,946.29	550.83	52,497.12
Unallocated corporate liabilities			**7,605.67**			6,258.73
Total Liabilities			**82,654.44**			58,755.85
Other Information						
Depreciation and Amortisation Expense	**–**	**49.45**	**49.45**	1.53	46.01	47.54
Capital Expenditure	**–**	**–**	**–**	354.92	–	354.92

Revenue from type of products and services

The operating segments are primarily based on nature of products and services and hence the Revenue from external customers of each segment is representative of revenue based on products and services.

Geographical Information

The Company operates in one reportable geographical segment i.e. "Within India". Hence, no separate geographical segment wise disclosure is applicable as per the requirements of Ind AS 108 Operating Segments.

Information about major customers

Revenues from transactions with a single external customer did not amount to 10 percent or more of the Company's revenues from external customers.

Segment revenue reported above represents revenue generated from external customers. There were no inter-segment sales in the current year as well as previous year.

Notes to the Standalone Financial Statements as at and for the year ended 31st March, 2022

35 - Employee benefits

(a) Defined Contribution Plan

The Company's contribution to Provident Fund and Superannuation Fund aggregating Rs. 242.48 lakhs (31st March, 2021 : Rs. 292.74 lakhs) has been recognised in the Statement of Profit or Loss under the head Employee Benefits Expense.

(b) Defined Benefit Plans:

Gratuity

The Company operates a gratuity plan covering qualifying employees. The benefit payable is the greater of the amount calculated as per the Payment of Gratuity Act, 1972 or the Company scheme applicable to the employee. The benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. In case of death while in service, the gratuity is payable irrespective of vesting. The Company makes contribution to the group gratuity scheme administered by the Life Insurance Corporation of India through its Gratuity Trust Fund.

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

Investment risk

The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds.

Interest risk

A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments.

Longevity risk

The present value of defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary risk

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

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

	As at	
	31-Mar-22	31-Mar-21
Discount rate(s)	**6.48%**	5.71%
Expected rate(s) of salary increase	**10.00%**	8.00%
Expected average remaining service	**3.90**	5.72
Attrition Rate	**PS: 0 to 42 : 20%**	0 to 42: 14%
Mortality rate	**IALM (2012-14) Ult.**	IALM (2012-14) Ult.

Defined benefit plans – as per actuarial valuation on 31st March, 2022

(Rs. In lakhs)

	Funded Plan	
	Gratuity	
Particulars	**For the year ended 31st March, 2022**	For the year ended 31st March, 2021
Amounts recognised in comprehensive income in respect of these defined benefit plans are as follows:		
Service Cost		
Current Service Cost	**108.98**	88.99
Net interest expense	**4.00**	1.48
Components of defined benefit costs recognised in profit or loss	**112.98**	90.47
Remeasurement on the net defined benefit liability		
Return on plan assets (excluding amount included in net interest expense)	**11.89**	(2.32)
Actuarial (gains)/loss arising from demographic assumptions	**(30.61)**	9.99
Actuarial (gains)/loss arising from changes in financial assumptions	**12.16**	56.10
Actuarial (gains)/loss arising from experience adjustments	**(34.44)**	(43.69)
Components of defined benefit costs recognised in other comprehensive income	**(41.00)**	20.08
Total	**71.98**	110.55
I. Net Asset/(Liability) recognised in the Balance Sheet		
1. Present value of defined benefit obligation	**383.70**	407.40
2. Fair value of plan assets as at	**294.99**	282.83
3. Surplus/(Deficit)	**(88.70)**	(124.57)
4. Current portion of the above	**–**	–
5. Non current portion of the above	**(88.70)**	(124.57)
II. Movements in the present value of the defined benefit obligation.		
1. Present value of defined benefit obligation at the beginning of the year	**407.40**	331.97
2. Less: Transfer out liability for employees transferred to group companies	**(25.42)**	–
3. Add: Transfer in liability for employees transferred from group companies	**–**	6.65
4. Expenses Recognised in Profit and Loss Account		
- Current Service Cost	**108.98**	88.99
- Interest Cost	**22.13**	17.31
5. Recognised in Other Comprehensive Income		
Remeasurement gains / (losses)		
- Actuarial Gain (Loss) arising from:		
i. Demographic Assumptions	**(30.61)**	9.99
ii. Financial Assumptions	**12.16**	56.10
iii. Experience Adjustments	**(34.44)**	(43.69)
6. Benefit payments	**(76.51)**	(59.92)

Notes to the Standalone Financial Statements as at and for the year ended 31st March, 2022

(Rs. In lakhs)

Particulars	Funded Plan Gratuity For the year ended 31st March, 2022	For the year ended 31st March, 2021
7. Present value of defined benefit obligation at the end of the year	**383.69**	407.40
III. Movements in the fair value of plan assets are as follows.		
1. Fair value of plan assets at the beginning of the year	**282.83**	264.69
2. Actual Return on Plan Assets	**(11.89)**	2.31
3. Contributions by Employer	**5.93**	–
4. Interest Income	**18.13**	15.83
4. Fair value of plan assets at the end of the year	**294.99**	282.83
IV. The fair value of the plan assets at the end of the reporting period for each category, are as follows:		
- Issuer Managed funds (Non quoted value)	**294.99**	282.83

In respect of the plan, the most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out as at 31st March, 2022 by G. N. Agarwal, Fellow of the Institute of Actuaries of India. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

(Rs. In lakhs)

Principal assumption		Changes in assumption (%)	Impact on defined benefit obligation Increase in assumption	Decrease in assumption
Discount rate	**2022**	**1.00%**	**366.84**	**402.14**
	2021	1.00%	382.81	434.98
Salary growth rate	**2022**	**1.00%**	**396.68**	**371.14**
	2021	1.00%	428.76	387.16

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the Balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to previous year.

The Company expects to contribute Rs. NIL lakhs (31st March, 2021 Rs. 39.79 Lakhs) to the gratuity trusts during the next financial year.

Maturity profile of defined benefit obligation:

	31st March, 2022	31st March, 2021
Within 1 year	**62.52**	39.79
1 - 2 year	**53.70**	40.12
2 - 3 year	**54.19**	47.63
3 - 4 year	**50.57**	45.02
4 - 5 year	**46.89**	43.06
5 - 10 years	**163.61**	184.65

Major Category of plan assets for Gratuity Fund is as follows:

	31st March, 2022	31st March, 2021
Asset category:		
Deposits with Insurance companies	**100%**	100%
	100%	100%

The weighted average age considered for defined benefit obligation as at 31st March 2022 is 35.75 years (31st March, 2021: 36.79 years)

36 - Related Party Disclosures

(a) Related Parties where control exists

(i) Holding Company

Mahindra & Mahindra Limited

(ii) Subsidiaries	
Mahindra Infrastructure Developers Limited	Industrial Township (Maharashtra) Limited
Mahindra Residential Developers Limited	Anthurium Developers Limited
Mahindra World City (Maharashtra) Limited	Deepmangal Developers Private Limited
Mahindra Integrated Township Limited	Mahindra Water Utilities Limited (Subsidiary of Mahindra Infrastucture Developers Limited)
Knowledge Township Limited	Moonshine Construction Private Limited
Rathna Bhoomi Enterprises Private Limited	Mahindra Bloomdale Developers Limited

(b) Other Parties with whom Transactions have taken place during the year

(i) Joint Ventures

Mahindra World City Developers Limited	Mahindra Industrial Park Chennai Limited
Mahindra Homes Private Limited	Mahindra World City (Jaipur) Limited
Mahindra Happinest Developers Limited	Mahindra Industrial Park Private Limited

(ii) Fellow Subsidiaries

Mahindra Integrated Business Solutions Private Limited
Mahindra & Mahindra Contech Limited
Mahindra Holidays & Resorts India Limited
NBS International Limited

(iii) Associate of Holding Company

Tech Mahindra Limited

(iv) Key Management Personnel

Ms. Sangeeta Prasad - Managing Director & CEO (upto 30th June, 2020)	Mr. Arun Kumar Nanda - Non Executive Chairman
Mr. Arvind Subramanian - Managing Director & CEO (from 01st July, 2020)	Dr. Anish Shah - Non Executive Non Independent Director
Mr. Bharat Shah - Independent Director (upto 31st July, 2021)	Mr. S. Durgashankar - Non Executive Non Independent Director
Mr. Ameet Hariani - Independent Director	Ms. Amrita Chowdhury - Independent Director

Notes to the Standalone Financial Statements as at and for the year ended 31st March, 2022

Related party transactions

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year:

(Rs. In lakhs)

Particulars	Holding Company		Subsidiary Companies		Joint Ventures		Key Management Personnel		Other Related Parties	
	For the Year ended March 31, 2022	For the Year ended March 31, 2021	**For the Year ended March 31, 2022**	For the Year ended March 31, 2021	**For the Year ended March 31, 2022**	For the Year ended March 31, 2021	**For the Year ended March 31, 2022**	For the Year ended March 31, 2021	**For the Year ended March 31, 2022**	For the Year ended March 31, 2021
Rendering of services										
Mahindra & Mahindra Limited	**409.57**	633.09	**–**	–	**–**	–	**–**	–	**–**	–
Mahindra Infrastructure Developers Limited	**–**	–	**0.86**	0.97	**–**	–	**–**	–	**–**	–
Mahindra Residential Developers Limited	**–**	–	**–**	3.89	**–**	–	**–**	–	**–**	–
Knowledge Township Limited	**–**	–	**0.90**	0.90	**–**	–	**–**	–	**–**	–
Mahindra Integrated Township Limited	**–**	–	**–**	15.87	**–**	–	**–**	–	**–**	–
Mahindra Homes Private Limited	**–**	–	**–**	–	**21.19**	–	**–**	–	**–**	–
Mahindra Happinest Developers Limited	**–**	–	**–**	–	**–**	3.51	**–**	–	**–**	–
Mahindra World City (Jaipur) Limited	**–**	–	**–**	–	**141.76**	88.00	**–**	–	**–**	–
Receiving of Services										
Mahindra & Mahindra Limited	**322.71**	371.80	**–**	–	**–**	–	**–**	–	**–**	–
Mahindra Integrated Business Solutions Private Limited	**–**	–	**–**	–	**–**	–	**–**	–	**121.03**	120.87
Mahindra Holidays & Resorts India Limited	**–**	–	**–**	–	**–**	–	**–**	–	**17.14**	10.74
NBS International Ltd	**–**	–	**–**	–	**–**	–	**–**	–	**1.28**	3.40
Mahindra Engineering & Chemical Products Ltd	**–**	–	**–**	–	**–**	–	**–**	–	**–**	6.37
Reimbursement made to parties										
Mahindra & Mahindra Limited	**330.28**	257.28	**–**	–	**–**	–	**–**	–	**–**	–
Mahindra World City Developers Limited	**–**	–	**–**	–	**0.04**	0.08	**–**	–	**–**	–
Mahindra Happinest Developers Limited	**–**	–	**–**	–	**18.37**	36.54	**–**	–	**–**	–
Mahindra Industrial Park Private Limited	**–**	–	**–**	–	**1.27**	–	**–**	–	**–**	–
Mahindra Homes Private Limited	**–**	–	**–**	–	**45.39**	–	**–**	–	**–**	–
Mahindra & Mahindra Contech Limited	**–**	–	**–**	–	**–**	–	**–**	–	**5.38**	5.14
Tech Mahindra Limited	**–**	–	**–**	–	**–**	–	**–**	–	**0.67**	–
Reimbursement received from parties										
Mahindra Industrial Park Chennai Limited	**–**	–	**–**	–	**10.80**	–	**–**	–	**–**	–
Mahindra Industrial Park Private Limited	**–**	–	**–**	–	**8.59**	0.50	**–**	–	**–**	–
Mahindra World City Developers Limited	**–**	–	**–**	–	**19.41**	2.54	**–**	–	**–**	–
Mahindra World City (Jaipur) Limited	**–**	–	**–**	–	**24.66**	3.52	**–**	–	**–**	–
Mahindra Homes Private Limited	**–**	–	**–**	–	**109.31**	32.46	**–**	–	**–**	–
Mahindra Happinest Developers Limited	**–**	–	**–**	–	**33.29**	52.52	**–**	–	**–**	–

Notes to the Standalone Financial Statements as at and for the year ended 31st March, 2022

(Rs. In lakhs)

Particulars	Holding Company		Subsidiary Companies		Joint Ventures		Key Management Personnel		Other Related Parties	
	For the Year ended March 31, 2022	For the Year ended March 31, 2021	For the Year ended March 31, 2022	For the Year ended March 31, 2021	For the Year ended March 31, 2022	For the Year ended March 31, 2021	For the Year ended March 31, 2022	For the Year ended March 31, 2021	For the Year ended March 31, 2022	For the Year ended March 31, 2021
Mahindra Bloomdale Developers Limited	–	–	22.22	3.44	–	–	–	–	–	–
Mahindra Integrated Township Limited	–	–	34.04	27.20	–	–	–	–	–	–
Mahindra Residential Developers Limited	–	–	5.67	21.65	–	–	–	–	–	–
Inter-corporate Deposit Given										
Mahindra Bloomdale Developers Limited	–	–	4,200.00	2,675.00						
Mahindra World City (Maharashtra) Limited	–	–	15.00	7.00	–	–	–	–	–	–
Rathna Bhoomi Enterprises Private Limited			–	2.50						
Knowledge Township Limited	–	–	300.00	100.00	–	–	–	–	–	–
Deepmangal Developers Private Limited	–	–	36.00	48.50	–	–	–	–	–	–
Moonshine Construction Private Limited	–	–	0.50	–	–	–	–	–	–	–
Mahindra World City (Jaipur) Limited	–	–	–	–	–	2,000.00	–	–	–	–
Mahindra Integrated Township Limited	–	–	–	2,500.00	–	–	–	–	–	–
Inter-corporate Deposit Realised	–	–	–	–	–	–	–	–	–	–
Mahindra Bloomdale Developers Limited	–	–	1,200.00	3,060.00	–	–	–	–	–	–
Mahindra World City (Jaipur) Limited	–	–	–	–	–	2,000.00	–	–	–	–
Mahindra Integrated Township Limited	–	–	–	2,500.00	–	–	–	–	–	–
Investment Made/Conversion										
Knowledge Township Limited (refer note 7a)	–	–	–	2,637.00	–	–	–	–	–	–
Purchase of Fixed Assets										
Mahindra & Mahindra Limited	9.57	–	–	–	–	–	–	–	–	–
Buyback of Shares										
Mahindra Homes Private Limited	–	–	–	–	5,505.38	–	–	–	–	–
Investment redeemed										
Mahindra Happinest Developers Limited	–	–	–	–	1,362.11	250.00	–	–	–	–
Interest Income on Optionally Convertible Redeemable Debentures										
Mahindra Happinest Developers Limited	–	–	–	–	120.86	516.37	–	–	–	–
Conversion of ICD Interest receivable to Equity										
Knowledge Township Limited (refer note 7a)	–	–	–	518.21	–	–	–	–	–	–

Notes to the Standalone Financial Statements as at and for the year ended 31st March, 2022

(Rs. In lakhs)

Particulars	Holding Company		Subsidiary Companies		Joint Ventures		Key Management Personnel		Other Related Parties	
	For the Year ended March 31, 2022	For the Year ended March 31, 2021	**For the Year ended March 31, 2022**	For the Year ended March 31, 2021	**For the Year ended March 31, 2022**	For the Year ended March 31, 2021	**For the Year ended March 31, 2022**	For the Year ended March 31, 2021	**For the Year ended March 31, 2022**	For the Year ended March 31, 2021
Interest Income										
Mahindra World City (Maharashtra) Limited	**–**	–	**57.25**	61.53	**–**	–	**–**	–	**–**	–
Deepmangal Developers Private Limited	**–**	–	**13.72**	10.12	**–**	–	**–**	–	**–**	–
Rathna Bhoomi Enterprises Private Limited	**–**	–	**0.31**	0.13	**–**	–	**–**	–	**–**	–
Mahindra Homes Private Limited	**–**	–	**–**	–	**–**	211.44	**–**	–	**–**	–
Moonshine Construction Private Limited	**–**	–	**0.15**	0.13	**–**	–	**–**	–	**–**	–
Mahindra Bloomdale Developers Limited	**–**	–	**250.82**	293.98	**–**	–	**–**	–	**–**	–
Mahindra Industrial Park Private Limited	**–**	–	**–**	–	**135.14**	147.01	**–**	–	**–**	–
Mahindra Integrated Township Limited	**–**	–	**–**	10.29	**–**	–	**–**	–	**–**	–
Knowledge Township Limited	**–**	–	**32.46**	12.00	**–**	–	**–**	–	**–**	–
Mahindra World City (Jaipur) Limited	**–**	–	**–**	–	**–**	38.80	**–**	–	**–**	–
Dividend Received										
Mahindra World City (Jaipur) Limited	**–**	–	**–**	–	**3,330.00**	–	**–**	–	**–**	–
Mahindra Infrastructure Developers Limited	**–**	–	**900.00**	2,761.20	**–**	–	**–**	–	**–**	–
Mahindra World City Developers Limited	**–**	–	**15.00**	–	**–**	–	**–**	–	**–**	–
Managerial Remuneration										
Ms. Sangeeta Prasad	**–**	–	**–**	–	**–**	–	**–**	308.72	**–**	–
Mr. Arvind Subramanian #	**–**	–	**–**	–	**–**	–	**338.18**	220.94	**–**	–
Shares allotted under ESOP										
Mr. Arvind Subramanian	**–**	–	**–**	–	**–**	–	**588.16**	0.12	**–**	–
Commission and other benefits to Non Executive/ Independent Directors (Incl. Sitting Fees)	**–**	–	**–**	–	**–**	–	**41.50**	34.10	**–**	–

Notes to the Standalone Financial Statements as at and for the year ended 31st March, 2022

Outstanding Balances as at year end date

The following table provides the outstanding balances with related parties as on the relevant date

(Rs. In lakhs)

Particulars	Balance as at	Holding Company	Subsidiaries	Joint ventures	Key Management Personnel	Other related parties
Inter-corporate Deposit Given*	**31-Mar-22**	**–**	**7,966.41**	**1,755.00**	**–**	**–**
	31-Mar-21	–	*4,614.91*	*1,755.00*	–	–
Security Deposit Received	**31-Mar-22**	**540.08**	**–**	**–**	**–**	**–**
	31-Mar-21	*540.08*	–	–	–	–
Interest Income Receivable	**31-Mar-22**	**–**	**955.43**	**3,800.95**	**–**	**–**
	31-Mar-21	–	*779.08*	*6,367.83*	–	–
Receivables	**31-Mar-22**	**2,051.99**	**220.30**	**176.97**	**–**	**–**
	31-Mar-21	*2,061.90*	*301.66*	*279.24*	–	–
Payables	**31-Mar-22**	**116.76**	**–**	**0.08**	**–**	**35.87**
	31-Mar-21	*98.40*	–	*1.19*	–	*27.44*

* The above inter corporate deposit have been given for general business purposes.

As the liability for gratuity and leave encashment is provided on an actuarial basis for the Company as a whole, the amount pertaining to the Key Management Personnel is not ascertained separately, and therefore, not included above.

Terms and conditions of transactions with related parties

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables.

Compensation of key management personnel

The current year remuneration of key management personnel includes remuneration paid to Ms. Sangeeta Prasad upto 30th June 2020 and to Mr. Arvind Subramanian from 01st July 2020 as below:

(Rs. In lakhs)

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Salary including perquisites......................	**900.82**	496.82
Other contribution to funds.......................	**13.86**	32.84
Total	**914.68**	529.66

37 - Contingent liabilities

(Rs. In lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
(a) Claims against the Company not acknowledged as debt*		
(i) Demand from a local authority for energy dues disputed by the Company.	**2,164.04**	2,164.04
(ii) Claim from welfare association in connection with project work, disputed by the Company	**4,550.00**	4,500.00
(b) Income Tax Matter under appeal In respect of certain business incomes re-classified by the Income tax Department as income from house property and other disallowances, the Company has partially succeeded in appeal and is pursuing the matter further with the appropriate appellate authorities ...	**301.98**	301.92
(c) Indirect Tax Matters under appeal VAT, Service Tax and Entry Tax claims disputed by the Company relating to issues of applicability and interest on demand. The Company is pursuing the matter with the appropriate Appellate Authorities...	**1,167.59**	1,069.41

* In the opinion of the management the above claims are not sustainable and the Company does not expect any outflow of economic resources in respect of above claims and therefore no provision is made in respect thereof .

38 - Capital Commitments

(Rs. In lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Capital Commitment : Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)...	**72.92**	43.32

Notes to the Standalone Financial Statements as at and for the year ended 31st March, 2022

39 - Impact of COVID-19 (Global Pandemic)

The Management has made an assessment of the impact of COVID-19 on the Company's operations, financial performance and position for the year ended 31st March 2022, and has concluded that the impact was primarily on the operational aspects of the business during the initial months of the year ended 31st March 2022. The Company has used the principles of prudence in applying judgments, estimates and assumptions based on current assessments and do not foresee any significant impact of Covid-19 on the operations. In assessing the recoverability of assets such as inventories, financial assets and other assets, based on current indicators of future economic conditions, the Company expects to recover the carrying amounts of its assets.

40 - 'Disclosure as per Regulation 34(3) read with Para A of Schedule V of the SEBI (Listing Obligations and Disclosures Requirements) Regulation, 2015 and section 186(4) of Companies Act, 2013

Loans and advances in the nature of loans given to subsidiaries, joint ventures, firms / companies in which directors are interested:

(Rs. in lakhs)

Name of the party	Relationship	**Amount outstanding as at 31st March, 2022**	Maximum balance outstanding during the period	Amount outstanding as at 31st March, 2021	Maximum balance outstanding during the previous year
Deepmangal Developers Private Limited	Subsidiary	**194.14**	194.14	158.14	158.14
Moonshine Construction Private Limited	Subsidiary	**2.00**	2.00	1.50	1.50
Rathna Bhoomi Enterprises Private Limited	Subsidiary	**4.05**	4.05	4.05	4.05
Mahindra World City (Maharashtra) Limited	Subsidiary	**749.70**	749.70	734.70	734.70
Mahindra Bloomdale Developers Limited	Subsidiary	**6,544.52**	6,544.52	3,544.52	3,929.53
Knowledge Township Limited	Subsidiary	**472.00**	472.00	172.00	172.00
Mahindra Industrial Park Private Limited*	Joint Venture	**1,755.00**	1,755.00	1,755.00	1,755.00

* Mr. Arvind Subramanian (Managing Director & CEO) is also director on the board of Mahindra Industrial Park Private Limited.

The above inter corporate deposit have been given for general business purposes.

41 - Recent Indian Accounting Standards (Ind AS)

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1st, 2022, as below:

Ind AS 16 – Proceeds before intended use

The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognized in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant and equipment. The Company does not expect the amendment to have any impact in its recognition of its property, plant and equipment in its financial statements.

Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract

The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 103 – Reference to Conceptual Framework

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 109 – Annual Improvements to Ind AS (2021)

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact in its financial statements.

42 - Expenditure on Corporate Social Responsibility (CSR)

a) Gross Amount required to be spent by the company for the year ended 31st March, 2022 (as certified by the Company) : Rs. NIL Lakhs (Previous Year Rs. 70.72 Lakhs)

b) Following are the details of amount spent during the year for CSR:

(Rs. In lakhs)

Particulars	**In cash**	**Yet to be paid in cash**	**Total**
(i) Construction/acquisition of any asset	–	–	–
	(–)	(–)	(–)
(ii) On purchase other than (i) above	–	–	–
	(70.72)	(–)	(70.72)

Figure in bracket represents figures for previous year

Notes to the Standalone Financial Statements as at and for the year ended 31st March, 2022

43 - Input Tax Credit (ITC) benefits to the customers

Revenue from operations for the year ended 31st March, 2022 is net of Rs. NIL (31st March, 2021. 13.44 lakhs) towards input tax credit benefits passed on to the customers as per the provisions of section 171 on Anti-Profiteering of CGST Act, 2017. The treatment is as per the prevailing Indian Accounting Standards.

44 - Financial Ratios

(Rs. in lakhs)

Particulars		Numerator	Denominator	For the year ended 31st March, 2022	For the year ended 31st March, 2021	% Variance	Reason for material variance
a)	Current Ratio	Current Assets	Current Liabilities	2.03	2.45	(17.26%)	–
b)	Debt Equity Ratio (Gross)	Debt (1)	Equity	0.11	0.08	47.61%	Increase in utilisation of working capital facility
c)	Debt Service Coverage Ratio (DSCR)	Earning Available for debt service (2)	Debt Service (3)	(0.31)	(0.36)	(14.20%)	–
d)	Return of Equity	Profit/(Loss) After Tax	Average Equity	2.92%	(3.55%)	(182.24%)	Higher operating revenue and Reversal of Impairment provision
e)	Inventory Turnover ratio	Revenue from Operations	Average Inventory	0.24	0.09	162.49%	Increase in Operating Revenue as compared to previous year
f)	Trade Receivables turnover ratio	Revenue from Operations	Average Trade Receivables	4.29	1.28	234.54%	Increase in Operating Revenue as compared to previous year
g)	Trade Payable turnover ratio	Cost of Sales	Average Trade payable	2.18	0.87	149.01%	Increase in Cost of Sales due to increase in Operating Revenue as compare to previous year
h)	Net capital turnover ratio	Revenue from Operations	Average Working Capital (4)	0.30	0.10	196.26%	Increase in Operating Revenue as compared to previous year
i)	Net profit ratio	Profit/(Loss) After Tax	Revenue from Operations	16.97%	(58.29%)	(129.11%)	Higher operating revenue and Reversal of Impairment provision
j)	Return on Capital employed	Earning before interest & taxes (5)	Capital employed (6)	1.64%	(4.24%)	(138.79%)	Better EBIT due to reversal of Impairment provision in current year
k)	Return on investment (5)	Income generated from Investment (7)	Average investments (Gross)	4.43%	4.95%	(10.56%)	–

The company operates in real estate business and is governed by IND AS 115 for recording the revenue as per completion contract method. Accordingly, abovementioned ratios may not be strictly comparable

Formula used for calculation of Ratios and Financial Indicators are as below :

1) Debt = Borrowing + Lease Liabilities
2) Earning for Debt Service = Net Profit before taxes + Non-cash operating expenses like depreciation and other amortizations + Interest + other adjustments like loss on sale of Fixed assets etc.
3) Debt Service = Borrowing + Interest Payment + Lease Liability Payment
4) Working Capital = Current Asset - Current Liabilities

Notes to the Standalone Financial Statements as at and for the year ended 31st March, 2022

5) Earning before interest & taxes = Profit/(loss) before Tax (incl Exceptional Item) + Finance Cost

6) Capital Employed = Equity + Borrowing - Intangible Assets

7) Income generated from Investment = Dividend Income + Interest Income + Net Gain/(loss) arising on Financial Assets measured at Fair Value through Profit and Loss

45 - Other statutory information

a) Security of current assets against borrowings

The Company has been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate, at points of time during the year, from banks or financial institutions on the basis of security of current assets. However, the quarterly returns or statements comprising quarterly financial results are not filed by the Company to such bank or financial institution as these are published financial results and are available on the Company's website for public including such banks or financial institutions. These quarterly financial results are in agreement with the unaudited books of account of the Company of the respective quarters

b) The company do not have any benami property, where any proceeding has been initiated on or are pending against the company for holding benami property.

c) Relationship with struck off companies

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

d) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the group (Ultimate Beneficiaries) or provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries

The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the group shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or provide any guarantee, security or the like on behalf of the ultimate beneficiaries

e) Undisclosed income

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

f) Details of crypto currency or virtual currency

The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.

g) Registration of Charges or satisfaction with Registrar of Companies (ROC)

There are no charges or satisfaction which are yet to be registered with the Registrar of Companies beyond the statutory period

46. The Board has recommended a dividend of Rs. 2 per share on Equity Share of Rs. 10 each (20%) subject to approval of members of the company at the forthcoming Annual General Meeting-.

47. Events after the reporting period

No material events have occurred after the Balance Sheet date and upto the approval of the financial statements.

48. Previous Year Figures

The figures for previous year have been regrouped wherever necessary to confirm to current year's grouping.

For and on behalf of the Board of Directors of
Mahindra Lifespace Developers Limited

Arun Nanda	Chairman	- DIN: 00010029
Arvind Subramanian	Managing Director & CEO	- DIN: 02551935
Ankit Shah	**Vimal Agarwal**	
Assistant Company Secretary	Chief Financial Officer	

Mumbai : 27th April, 2022

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF
MAHINDRA INFRASTRUCTURE DEVELOPERS LIMITED

Report on the audit of the financial statements

Opinion

We have audited the accompanying financial statements of **M/s. Mahindra Infrastructure Developers Limited** ("the Company"), which comprise the Balance sheet as at March 31, 2022 and the Statement of Profit and Loss and statement of cash flows for the year then ended, the Statement of Changes in Equity for the year then ended and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022 and its Profit and cash flows for the year ended on that date.

Basis for opinion

We conducted our audit in accordance with the standards on auditing (SAs) specified under Section 143 (10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the code of ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the code of ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Reporting of key audit matters as per SA 701, Key Audit Matters are not applicable to the Company as it is an unlisted company.

Information other than the financial statements and auditors' report thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

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

Responsibilities of Management and Those Charged with Governance for the financial statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

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

   (c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

   (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

   (e) On the basis of the written representations received from the directors as on 31st March, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2022 from being appointed as a director in terms of Section 164(2) of the Act.

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

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

      i. The Company does not have any pending litigations which would impact its financial statements;

      ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

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

For **M/s. R. Jaitlia & Co.**
Chartered Accountants
FRN: 117246W

Mukesh Maheshwari
Partner
Membership No. : 049818
Place: Mumbai
Date: 19th April, 2022
UDIN : 22049818AIXIWI9177

ANNEXURE "A" TO THE INDEPENDENT AUDITORS' REPORT

i. In respect of its Property, Plant and Equipment:

As per information provided by the Company to us, it does not have any fixed asset as on 31st March, 2022. Accordingly, paragraph 3 (i) of the Order is not applicable to the Company.

ii. In respect of its inventories:

The Company does not have inventory. Accordingly, clause 3 (ii) (a) of the Order is not applicable.

As per information and explanation provided by the Company to us, the Company does not have any sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. Accordingly, paragraph 3 (ii) (b) of the Order is not applicable to the Company.

iii. Loans given by Company:

According the information and explanations given to us, during the year the Company has not made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to firms, Limited Liability Partnerships or any other parties.

According the information and explanations given to us, during the year the Company has granted loans or advances in the nature of loans, secured or unsecured, to companies.

	Loans
<u>Aggregate amount granted/ provided during the year</u>	
Joint Ventures	2,50,000
<u>Balance outstanding as at balance sheet date in respect of above cases</u>	
Joint Ventures	2,50,000

The terms and conditions of the grant of such loans are, in our opinion, prima facie, not prejudicial to the Company's interest.

The schedule of repayment of principal and payment of interest has been stipulated and repayments or receipts of principal amounts and interest have been regular as per stipulations.

As per information and explanation provided by the Company to us, there is no overdue amount remaining outstanding as at the year-end.

As per information and explanation provided by the Company to us, No loan or advance in the nature of loan granted which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.

As per information and explanation provided by the Company to us, the company has granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.

	All Parties	Promoters	Related Parties
Aggregate amount of loans/ advances in nature of loans			
- Repayable on demand (A)	0	0	16,29,50,000
- Agreement does not specify any terms or period of repayment (B)	0	0	0
Total (A+B)	0	0	16,29,50,000
Percentage of loans/ advances in nature of loans to the total loans	0	0	100%

iv. Loan to Directors and investment by the Company:

According to the Information and explanation given to us, the Company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 inrespect of grant of loans, Investments made, guarantees given and security as applicable.

v. Deposits:

The Company has not accepted any deposits from the public within the meaning of sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.

vi. Cost Records:

The maintenance of cost records as specified under subsection (1) of the section 148 of the Act are not applicable to the Company and hence relevant provisions of the Order is not applicable.

vii. Statutory Dues:

According to information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing the undisputed statutory dues, including income tax, Goods and Service Tax (GST), and other material statutory dues, as applicable, with the appropriate authorities and there are no outstanding as on the last day of the financial year concerned for a period of more than six months. The Company has no obligation under Provident Fund and Employee State Insurance Rules. Payment of Sales Tax, Wealth Tax, Customs and Excise duties and Value Added Tax is not applicable to the Company during the Audit period.

There are no dues of income tax, sales tax, wealth tax, service tax, GST outstanding for more than 6 months at the end of Audit period.

viii. Previously unrecorded income

As per information and explanation provided by the Company to us, there are no transactions which are not recorded in the books of account have been surrendered or disclosed as income during the Audit period in the tax assessments under the Income Tax Act, 1961 (43 of 1961). Hence relevant provision of the Order is not applicable.

ix. Repayment of Loans:

According to the records of the company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of any loans since it has not availed of any loans from any bank nor has borrowed from any financial institution. The Company has also not issued any debentures as at the balance sheet date.

x. Utilisation of IPO & further public offer:

The Company has not raised any money by way of initial public offer or further public offer and no term loan was raised by the Company.

xi. Reporting of Fraud:

During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance fraud by the Company or any fraud on the Company by its offices or employees, nor noticed or reported during the year.

xii. Nidhi Company:

The Company is not a Nidhi Company and so relevant clause is not applicable.

xiii. Related Party Transaction:

During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us all transactions with related parties have been disclosed in the financial statements.

xiv. Internal Audit system:

The Company is the private limited company and does not have turnover of two hundred crore rupees or more during the preceding financial year; or outstanding loans or borrowings from banks or public financial institutions exceeding one hundred crore rupees or more at any point of time during the preceding financial year. Hence Section 138 is not applicable and so relevant clause is not applicable.

xv. Non – cash Transactions:

The Company has not entered into any non-cash transactions with directors or persons connected with any director of the Company.

xvi. Register under RBI Act 1934:

The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

xvii. Cash losses:

The Company does not incurred cash losses in the Audit Period and in the immediately preceding financial year (FY 2020-21) and hence relevant provisions of the Order is not applicable.

xviii. Resignation of statutory auditors:

During the year no statutory auditors' has been resigned, hence relevant clause is not applicable.

xix. Material uncertainty on meeting liabilities:

According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.

We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.s

xx. Transfer to fund specified under Schedule VII of Companies Act, 2013:

There were no amounts which were required to be transferred to fund specified under Schedule VII of Companies Act, 2013.

The company does not have net worth of rupees five hundred crore or more, or turnover of rupees one thousand crore or more or a net profit of rupees five crore or more during the immediately preceding financial year. Hence Section 135 is not applicable and so relevant clause is not applicable.

xxi. Qualifications or adverse auditor remarks in other group companies:

Clause (xxi) of the Order is not applicable to the Company since report is of Standalone Financial Statement.

For **M/s. R. Jaitlia & Co.**
Chartered Accountants
FRN: 117246W

Mukesh Maheshwari
Partner
Membership No. : 049818
Place: Mumbai
Date: 19th April, 2022
UDIN : 22049818AIXIWI9177

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF MAHINDRA INFRASTRUCTURE DEVELOPERS LIMITED

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

We have audited the internal financial controls over financial reporting of **Mahindra Infrastructure Developers Limited** ("the Company") as of March 31, 2022 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

(1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and

(3) Provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

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

For **M/s. R. Jaitlia & Co.**
Chartered Accountants
FRN: 117246W

Mukesh Maheshwari
Partner
Membership No. : 049818
Place: Mumbai
Date: 19th April, 2022
UDIN : 22049818AIXIWI9177

BALANCE SHEET AS AT 31ST MARCH, 2022

(₹ in lakh)

	Note No.	As at 31st March, 2022	As at 31st March, 2021
I **ASSETS**			
Non-current assets			
(a) Financial assets			
(i) Investments	4	**7.79**	10.29
(ii) Loans	5	**1,629.50**	1,691.00
(b) Other non-current assets	6	**286.77**	233.25
Total Non-current assets (I)		**1,924.06**	1,934.54
Current assets			
(a) Financial assets			
(i) Trade receivables	7	**–**	2.00
(ii) Cash and cash equivalents	8(a)	**0.21**	0.41
(iii) Bank balances other than (ii) above	8(b)	**23.42**	45.37
(iv) Others	9	**193.27**	78.58
(b) Other current assets	6	**0.39**	3.72
Total current assets (II)		**217.29**	130.09
Total assets [(I)+(II)]		**2,141.35**	2,064.63
II **EQUITY AND LIABILITIES**			
Equity			
(a) Equity share capital	10	**1,800.00**	1,800.00
(b) Other equity	11	**293.91**	196.50
Total equity (III)		**2,093.91**	1,996.50
Liabilities			
Current liabilities			
(a) Financial liabilities			
(i) Trade payables	12		
– total outstanding dues of micro enterprises and small enterprises		**–**	–
– total outstanding dues of trade payables other than micro enterprises and small enterprises		**1.18**	20.68
(b) Other current liabilities	13	**46.26**	47.44
Total current liabilities (IV)		**47.44**	68.13
Total equity and liabilities [(III)+(IV)]		**2,141.35**	2,064.63

See accompanying notes forming part of the financial statements

In terms of our report attached

For **R Jaitlia & Co.**
Chartered Accountants

Mukesh Maheshwari
Partner
Membership No: 049818

Place: Mumbai
Date: 19th April 2022

Manoj Gupta
Chief Financial Officer

For and on behalf of the Board of Directors

Sumit Kasat
Chief Executive Officer

Viral Oza
Director (DIN: 03552722)

Geeta Dhokare
Company Secretary
ACS : 51135

Parveen Mahtani
Director (DIN: 05189797)

Place: Mumbai
Date: 19th April 2022

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

(₹ in lakh)

	Particulars	Note No.	For the year ended 31st March, 2022	For the year ended 31st March, 2021
I	Revenue from operations		**–**	–
II	Other income	14	**1,045.58**	2,764.20
III	**Total income (I+II)**		**1,045.58**	2,764.20
IV	**Expenses**			
	(a) Employee benefit expense	15	**1.01**	1.14
	(b) Other expenses	16	**11.37**	0.87
	Total Expenses (IV)		**12.38**	2.01
V	**Profit/(Loss) before tax (III-IV)**		**1,033.20**	2,762.19
VI	**Tax Expense**			
	(1) Current tax	17	**35.79**	47.37
	(2) Deferred tax		**–**	–
	Total tax expense		**35.79**	47.37
VII	**Profit/(Loss) for the year (V-VI)**		**997.41**	2,714.82
	Other comprehensive income		**–**	–
	(1) Items that will not be reclassified to profit or loss		**–**	–
	(2) Items that may be reclassified to profit or loss		**–**	–
VIII	**Total other comprehensive income (1)+(2)**		**–**	–
IX	**Total comprehensive income for the year (VII+VIII)**		**997.41**	2,714.82
X	**Earnings per equity share**			
	Basic/Diluted	19	**5.54**	15.08

See accompanying notes forming part of the financial statements

In terms of our report attached

For **R Jaitlia & Co.**
Chartered Accountants

Mukesh Maheshwari
Partner
Membership No: 049818

Place: Mumbai
Date: 19th April 2022

Manoj Gupta
Chief Financial Officer

For and on behalf of the Board of Directors

Sumit Kasat
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Geeta Dhokare
Company Secretary
ACS : 51135

Parveen Mahtani
Director (DIN: 05189797)

Place: Mumbai
Date: 19th April 2022

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2022

(₹ in lakh)

Particulars	For The Year Ended 31st March, 2022	For The Year Ended 31st March, 2021
A Cash flow from operating activities		
Profit/(Loss) for the year	**1,033.20**	2,762.19
Adjustments for:		
Income tax expense recognised in the statement of profit and loss	**(35.79)**	(47.37)
Interest Income	**(134.06)**	(190.23)
Dividend Income	**(890.99)**	(2,573.97)
	(27.64)	(49.38)
Changes in working capital		
Decrease in trade receivables	**(2.00)**	–
Increase in other financial assets	**(111.35)**	(37.09)
Decrease in other current assets	**(53.52)**	(178.13)
Increase in trade payables	**(19.50)**	(0.56)
Increase/(decrease) in other current liabilities	**0.32**	18.12
Net cash generated by/(used in) operating activities	**(213.70)**	(247.05)
B Cash flows from investing activities		
Impairment of Investment during the year	**2.50**	–
Interest received	**134.06**	190.23
Dividends received from Subsidiary	**890.99**	2,573.97
Bank balances not considered as cash and cash equivalents		
– Placed	**–**	3.78
– Matured	**21.95**	–
Net cash generated by investing activities	**1,049.50**	2,767.98
C Cash flows from financing activities		
Dividends paid to owners of the Company	**(900.00)**	(2,761.20)
Inter Corporate Deposit given	**(2.50)**	–
Inter Corporate Deposit received back	**64.00**	219.00
Net cash used in financing activities		
Net cash generated by financing activities	**(836.00)**	(2,542.20)
Net increase in cash and cash equivalents	**(0.21)**	(21.27)
Cash and cash equivalents at the beginning of the year	**0.41**	21.68
Cash and cash equivalents at the end of the year	**0.21**	0.41

See accompanying notes forming part of the financial statements

In terms of our report attached

For **R Jaitlia & Co.**
Chartered Accountants

Mukesh Maheshwari
Partner
Membership No: 049818

Place: Mumbai
Date: 19th April 2022

Manoj Gupta
Chief Financial Officer

For and on behalf of the Board of Directors

Sumit Kasat
Chief Executive Officer

Viral Oza
Director (DIN: 03552722)

Geeta Dhokare
Company Secretary
ACS : 51135

Parveen Mahtani
Director (DIN: 05189797)

Place: Mumbai
Date: 19th April 2022

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

A. Equity share capital (₹ in lakh)

Balance as at 31st March, 2021	**1,800.00**
Changes in equity share capital during the period	–
Balance as at 31st March, 2022	**1,800.00**

B. Other Equity

	Retained earnings (₹ in lakh)
Balance as at 31st March, 2020	**242.88**
Profit/(Loss) for the year	2,714.82
Other comprehensive income	–
Total comprehensive income	2,714.82
Dividend paid	2,761.20
Balance as at 31st March, 2021	**196.50**
Profit/(Loss) for the year	997.41
Other comprehensive income	**–**
Total comprehensive income	997.41
Dividend paid	900.00
Balance as at 31st March, 2022	**293.91**

See accompanying notes forming part of the financial statements

In terms of our report attached

For **R Jaitlia & Co.**
Chartered Accountants

Mukesh Maheshwari
Partner
Membership No: 049818

Place: Mumbai
Date: 19th April 2022

Manoj Gupta
Chief Financial Officer

For and on behalf of the Board of Directors

Sumit Kasat
Chief Executive Officer

Viral Oza
Director (DIN: 03552722)

Geeta Dhokare
Company Secretary
ACS : 51135

Parveen Mahtani
Director (DIN: 05189797)

Place: Mumbai
Date: 19th April 2022

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

1. Corporate information

Mahindra Infrastructure Developers Limited ("the Company") is a Public company incorporated in India on 10 May, 2001under the provisions of erstwhile Companies Act, 1956. The registered office of the Company is located at 5th Floor, Mahindra Towers, Dr. G. M. Bhosale Marg, P. K. Kurne Chowk, Worli, Mumbai - 400 018.

The Company is in the business of development of infrastructure projects and infrastructure related services.

The Company is subsidiary of Mahindra Lifespace Developers Limited, Mumbai, a company incorporated in India. The ultimate parent company is Mahindra & Mahindra Limited.

2. Significant Accounting Policies

2.1 Statement of compliance and Basis of preparation and presentation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies {Indian Accounting Standards) Rules, 2016.

All assets and liabilities are classified as current if it is expected to realise or settle within 12 months after the Balance Sheet date.

The financial statements are presented in Indian Rupees (Rs.) which is also the Company's functional currency.

The financial statements were approved by the Board of Directors and authorised for issue on 19th April, 2022.

2.2 Property, plant and equipment

Property, plant and equipment are stated at cost of acquisition or construction less accumulated depreciation less accumulated impairment, if any. Cost includes financing cost relating to borrowed funds attributable to the construction or acquisition of qualifying tangible assets upto the date the assets are ready for use. The estimated useful lives, residual values, are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

When an asset is scrapped or otherwise disposed off, the cost and related depreciation are removed from the books of account and resultant profit or loss, if any, is reflected in the statement of profit and loss.

Depreciation on assets (other than impaired assets) is calculated on straight line method at the rate of 11.31% p.a. which is based on useful life of about 9 years determined on the basis of technical evaluation by the Management of the Company and is different from the useful life of 15 years indicated in part C of schedule II to the Companies Act, 2013.

2.3 Impairment of assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the statement profit and loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the statement profit and loss.

2.4 Inventories

Inventories are stated at the lower of cost and net realisable value, whichever is lower. Cost is arrived at on first-in-first-out basis and includes overheads on absorption basis, where appropriate.

Financial assets and Liabilities

2.5 Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the Statement of profit or loss.

2.6 Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

2.6.1 Impairment of financial assets

The Company applies the expected credit loss model for recognising impairment loss on financial assets. With respect to trade receivables, the Company measures the loss allowances at an amount equal to lifetime expected credit losses.

2.6.2 Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in the statement of profit and loss if such gain or loss would have otherwise been recognised in the statement of profit and loss on disposal of that financial asset.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

2.7 Financial liabilities and equity instruments

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

2.7.1 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in the statement of profit and loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

2.7.1.1 Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at Fair value through profit and loss.

2.7.1.2 Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between the lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial llability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the statement of profit and loss.

2.8 Revenue recognition

Revenue on account of sale of services is recognised under the completed service contract method to the extent it is probable that the economic benefit will flow to the Company and the revenue can be reliably measured.

Sales are recognised, net of returns and trade discounts, on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the delivery of goods to customers.

Dividend income is recognised in the statement of profit and loss when the right to receive payment is established.

Interest Income is accounted for on time proportion basis.

2.9 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

2.9.1 Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

2.9.2 Deferred tax

Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences could be utilized.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

2.9.3 Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other compr income or directly in equity respectively.

2.9.4 Minimum Alternate Tax (MAT):

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax against which the MAT paid will be adjusted.

2.10 Cash and cash equivalents

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

2.11 Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit/(loss) for the year is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

3. Use of estimates and judgments

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets, liabilities, income, expenses, etc. at the date of these financial statements and the reported amounts of revenues and expenses for the years presented. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed at each balance sheet date. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note No. 4 – Investments

Particulars	Face Value ₹	As at 31st March, 2022 Nos.	As at 31st March, 2022 (₹ in lakh)	As at 31st March, 2021 Nos.	As at 31st March, 2021 (₹ in lakh)
A. Investments carried at cost or deemed cost					
I. Unquoted Investments (all fully paid) Investments in Equity Instruments					
– of subsidiaries					
Mahindra Water Utilities Private Limited	10	**98,999**	**7.79**	98,999	7.79
(subsidiary with effect from 27 July, 2015, prior to that it was a joint venture)					
– of joint ventures					
Mahindra Inframan Water Utilities Private Limited	10	**24,999**	**2.50**	24,999	2.50
– of associate					
Ratna Bhoomi Enterprise Private Limited	10	**500**	–	500	–
Investments in Preference shares					
– of associate					
10% Non-cumulative redeemable participating optionally convertible preference shares in Ratna Bhoomi Enterprise Private Limited (Refer Notes below)	10	**1,19,250**	–	1,19,250	–
Total (A)			**10.29**		10.29
B. Investment carried at fair value through other comprehensive income					
Unquoted Investments (all fully paid)					
Investments in Equity Instruments					
New Tirupur Area Development Corporation Limited	10	**1,50,00,000**	–	1,50,00,000	–
Total (B)			–		–
Total Impairment value for investment carried at cost			**(2.50)**		
Total Investments (A)+(B)			**7.79**		10.29

Note No. 5 - Loans

(₹ in lakh)

Particulars	As at 31st March 2022 Non- Current	As at 31st March 2021 Non- Current
a) Loans to related parties		
– Secured, considered good	**–**	–
– Unsecured, considered good	**1,629.50**	1,691.00
– Doubtful	**–**	–
Less: Allowance for Credit Losses	**–**	–
Total	**1,629.50**	1,691.00

Note No. 6 - Other assets

(₹ in lakh)

Particulars	As at 31st March 2022 Non-current	As at 31st March 2022 Current	As at 31st March 2021 Non-current	As at 31st March 2021 Current
(a) Prepaid Expenses	–	–	–	0.06
(b) Income tax assets (net)	**286.77**	–	232.00	–
(c) Balances with government authorities (other than income taxes)				
Service tax credit receivables	–	**0.62**	–	0.62
(d) Security deposit				
Unsecured, considered good	**1.25**	–	1.25	–
(e) Other receivables	**–**	**4.09**	–	3.05
Less: Balance write off	**1.25**	**4.32**	–	–
Total other assets	**286.77**	**0.39**	233.25	3.72

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note No. 7 - Trade receivables

(₹ in lakh)

Particulars	As at 31st March, 2022 Current	As at 31st March, 2021 Current
Trade receivable outstanding for a period exceeding six months from the date they are due for payment		
– Unsecured, considered good	**2.00**	2.00
Less: Balance write off	**2.00**	–
Total trade receivables	–	2.00

Note No. 8

(a) Cash and cash equivalents

(₹ in lakh)

Particulars	As at 31st March, 2022	As at 31st March, 2021
(a) Balance with bank	**0.21**	0.41
Total cash and cash equivalents	**0.21**	0.41

(b) Other bank balances

(₹ in lakh)

Particulars	As at 31st March, 2022	As at 31st March, 2021
(a) In deposit accounts	**23.42**	45.37
Total other bank balances	**23.42**	45.37

Note No. 9 - Other financial assets

(₹ in lakh)

Particulars	As at 31st March, 2022	As at 31st March, 2021
(a) Financial assets at amortised cost		
Interest accrued but not due on deposits	–	0.01
Interest accrued but not due on ICD	**193.27**	78.56
Total other financial assets	**193.27**	78.58

Note No. 10 - Equity share capital

Particulars	As at 31st March, 2022		As at 31st March, 2021	
	Number of shares	(₹ in lakh)	Number of shares	(₹ in lakh)
(a) Authorised				
Equity shares of ₹ 10 each with voting rights	**2,00,00,000**	**2,000.00**	2,00,00,000	2,000.00
	2,00,00,000	**2,000.00**	2,00,00,000	2,000.00
(b) Issued, subscribed and fully paid-up shares				
Equity shares of ₹ 10 each	**1,80,00,000**	**1,800.00**	1,80,00,000	1,800.00
	1,80,00,000	**1,800.00**	1,80,00,000	1,800.00

Notes (i) to (iv) below

(i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

Particulars	As at 31st March, 2022		As at 31st March, 2021	
	Number of shares	(₹ in lakh)	Number of shares	(₹ in lakh)
Opening balance	**1,80,00,000**	**1,800.00**	1,80,00,000	1,800.00
Add: Issued during the year	–	–	–	–
Closing balance	**1,80,00,000**	**1,800.00**	1,80,00,000	1,800.00

The company has not allotted any equity shares for consideration other than cash, bonus shares, nor have any shares been bought back during the period of five years immediately preceding the Balance Sheet date.

(ii) Terms/rights attached to equity shares:

The Company is having only one class of equity shares having par value of Rs. 10 each. Each holder of equity share is entitled to one vote per share.

In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive remaining assets of the Company. The distribution will be in proportion to the amount paid up on equity shares held by the shareholders.

(iii) Details of shares held by the holding company:

Particulars	As at 31st March, 2022	As at 31st March, 2021
Mahindra Lifespace Developers Limited, the holding company, including 6 shares jointly held with its nominees	**1,80,00,000**	1,80,00,000

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

Particulars	As at 31st March, 2022		As at 31st March, 2021	
	Number of shares	% holding	Number of shares	% holding
Mahindra Lifespace Developers Limited the holding company, including 6 shares jointly held with its nominees	**1,80,00,000**	**100%**	1,80,00,000	100%

(iv) Details of shareholdings by the Promoter's of the Company:

Particulars	As at 31st March, 2022		As at 31st March, 2021	
	Number of shares	% holding	Number of shares	% holding
Mahindra Lifespace Developers Limited the holding company, including 6 shares jointly held with its nominees	**1,80,00,000**	**100%**	1,80,00,000	100%

Note No. 11 - Other equity

(₹ in lakh)

Particulars	Retained earnings	Total
Balance as at 31 March, 2020	**242.88**	**242.88**
Profit/(Loss) for the year	2,714.82	**2,714.82**
Other comprehensive income	–	–
Total comprehensive income	**2,714.82**	**2,714.82**
Dividend paid	2,761.20	2,761.20
Balance at 31 March, 2021	**196.50**	**196.50**
Profit/(Loss) for the year	997.41	**997.41**
Other comprehensive income	–	–
Total comprehensive income	**997.41**	**997.41**
Dividend paid	900.00	900.00
Balance at 31 March, 2022	**293.91**	**293.91**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note No. 12 - Trade payables

(₹ in lakh)

Particulars	As at 31st March, 2022	As at 31st March, 2021
– Trade payables - total outstanding dues of micro enterprises and small enterprises ...	**20.64**	20.68
Less: Provision for Balances Write back	**19.46**	-
Total trade payables	**1.18**	20.68

Note:

(i) No Companies have been identified under the Micro, Small and Medium Enterprises Development Act, 2006 and hence the disclosure as required by Notification No. G.S.R. 719 (E), dated 16 November, 2007 issued by the Ministry of Corporate Affairs is not applicable.

12 a - Ageing for trade payable from the due date of payment for each of the category is as follows

Particulars	As at 31st March, 2022	As at 31st March, 2021
Undisputed dues of creditors other than micro enterprises and small enterprises		
Unbilled	–	–
Not Due	–	–
0 months - 1 year	**1.18**	1.22
1-2 Years	–	–
2-3 years	–	–
More than 3 years	–	19.46
Total	**1.18**	20.68

Note No. 13 - Other current liabilities

(₹ in lakh)

Particulars	As at 31st March, 2022	As at 31st March, 2021
a. Others		
Statuatory remittances (withholding taxes, service tax, etc.)	**0.09**	0.07
b. Provision for tax	**35.79**	47.37
Previous years	**10.38**	–
Total other current liabilities.....................................	**46.26**	47.44

Note No. 14 - Other Income

(₹ in lakh)

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
(a) Interest Income on bank deposits..	**2.08**	10.89
on Inter Corporate Deposits............................	**131.98**	179.33
(b) Dividend Income Dividend income from subsidiaries.................	**890.99**	2,573.97
(c) Miscellaneous Income....................................	**1.07**	–
(d) Balances write off...	**19.46**	–
Total other Income	**1,045.58**	2,764.20

Note No. 15 - Employee benefits expense

(₹ in lakh)

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Salary and wages (including deputation charges)	**1.01**	1.14
Total employee benefit expenses	**1.01**	1.14

Note No. 16 - Other Expenses

(₹ in lakh)

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
(a) Professional charges	**0.40**	0.38
(b) Payments to auditors (including service tax):		
(i) For audit..	**0.15**	0.15
(c) Miscellaneous expenses......................................	**0.16**	0.05
(d) ROC Expenses...	**0.05**	0.06
(e) Annual Custody Charges- NSDL..........................	**0.53**	0.23
(f) Balances write back	**10.07**	–
Total other expenses...	**11.37**	0.87

Note No. 17 - Current Tax and Deferred Tax

(a) Income Tax recognised in profit or loss

(₹ in lakh)

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Current Tax:		
In respect of current year	**35.79**	47.37
	–	–
Total income tax expense on continuing operations.....	**35.79**	47.37

Note No. 18 - Contingent liabilities and commitments

(₹ in lakh)

Contingent liabilities (to the extent not provided for)	As at 31st March, 2022	As at 31st March, 2021
Contingent liabilities		
(a) Guarantee		
For Subsidiary Company - Mahindra Water Utilities Limited		
(subsidiary with effect from 27 July, 2015, prior to that it was a joint venture)		
– Amount of Gurantee outstanding	**1,800.00**	1,800.00
– Maximum liablity of the Company................................	**1,800.00**	1,800.00

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note No. 19 - Earnings per share

Sr. No.	Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
(a)	Profit/(loss) for the year (₹)	**9,97,40,929**	27,14,81,787
(b)	Weighted average number of equity shares (No.)	**1,80,00,000**	1,80,00,000
(c)	Basic/Diluted earning per share (₹)	**5.54**	15.08
(d)	Nominal value per share (₹)	**10**	10

Note No. 20 - Segment Reporting

The company has a single reportable segment namely development of infrastructure projects and infrastructure related services in India for the purpose of Ind As 108 on segment reporting.

Note No. 21 - Related Party Transactions

Related party disclosures as required by Ind As 24 "Related Party Disclosures" are given below.

Enterprises Controlling the Company

1	Mahindra & Mahindra Limited	Ultimate Holding Company
2	Mahindra Lifespace Developers Limited	Holding Company

Subsidiary

1	Mahindra Water Utilities Limited

Fellow Subsidiary

1	Mahindra Construction Company Limited
2	Mahindra Bloomdale Developers Ltd.

Joint Ventures

1	Mahindra Inframan Water Utilities Private Limited

Associate of Holding Company

1	Mahindra Knwoledge Park (Mohali) Limited

(₹ in lakh)

Nature of transactions with Related Parties	For the year ended	Holding Company	Subsidiary	Fellow subsidiary	Joint ventures	Associate
Employee benefit	**31-Mar-22**	**0.86**	–	–	–	–
	31-Mar-21	0.97	–	–	–	–
ICD given	**31-Mar-22**	–	–	–	**2.50**	–
	31-Mar-21	–	–	2,350.00	–	–
ICD Refunded	**31-Mar-22**	–	–	**64.00**		–
	31-Mar-21	–	–	2,569.00		–
Interest Received	**31-Mar-22**	–	–	**131.87**	**0.11**	–
	31-Mar-21	–	–	179.33		–
Dividend Paid	**31-Mar-22**	**900.00**	–	–		–
	31-Mar-21	2,761.20	–	–		–
Dividend Income	**31-Mar-22**	–	**890.99**	–	–	–
	31-Mar-21	–	2,573.97	–	–	–
Payment made on behalf of related party	**31-Mar-22**	–	–	–	–	**0.65**
	31-Mar-21	–	–	–	–	1.47

Nature of Balances with Related Parties	Balances as on	Ultimate Holding Company	Holding Company	Fellow subsidiariy	Joint ventures	Associate
Loans & advances given (including Interest on ICD)	**31-Mar-22**	–	–	**1,820.16**	**2.60**	–
	31-Mar-21	–	–	1,769.56		–
Receivable	**31-Mar-22**	–	–	–	–	–
	31-Mar-21	–	–	–		3.05
Payables	**31-Mar-22**	–	**0.93**	–	–	–
	31-Mar-21	–	1.07	–		–

Notes:

1. During the year, there were no amounts required to be written off or written back in respect of debts due from or to related parties.
2. Related parties have been identified by the Management.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note No. 22 As the Company can continue its current operations with its own cash resources for a period of atleast one year, the accounts of the Company for the period ended 31 March, 2022 have been prepared on the basis of going concern.

Note No. 23 - Financial Instruments

[I] Capital management

The Company's capital management objectives is to ensure the Company's ability to continue as a going concern

The capital structure of the Company consists of equity.

The Company does not have any borrowings.

The Company sets the amount of capital in proportion to its overall financing structure, i.e. equity and financial liabilities. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

[II] Financial Risk Management Framework

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk. In order to manage the aforementioned risks, the Company operates a risk management policy and a program that performs close monitoring of and responding to each risk factors.

A) CREDIT RISK

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primary trade receivables) and from its financing activities, including deposits with banks and other financial instruments.

(i) Trade receivables

Outstanding customer receivables are regularly monitored.

An impairment analysis is performed at each reporting date and the Company measures the loss allowances at an amount equal to lifetime expected credit lossess. The Company does not hold collateral as security.

(ii) Financial instruments and cash deposits:

Credit risk from balances with banks is managed by the Company in accordance with the Company's policy. Investments of surplus funds are made only with bank.

B) LIQUIDITY RISK

(i) Liquidity risk management

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

(ii) Maturities of financial liabilities

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The amount disclosed in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay.

(₹ in lakh)

Particulars	Less than 1 Year	1-3 Years	3 Years to 5 Years	5 years and above	Total	Carrying Value
Non-derivative financial liabilities						
31-Mar-22						
Trade Payable	1.18	–	–	–	1.18	1.18
Total	**1,17,954**	**–**	**–**	**–**	**1,17,954**	**1,17,954**
31-Mar-21						
Trade Payable	1.23	16.21	3.25	–	20.68	20.68
Total	**1.23**	**16.21**	**3.25**	**–**	**20.68**	**20.68**

(iii) Maturities of financial assets

The following table details the Company's expected maturity for its non-derivative financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Company's liquidity risk management as the liquidity is managed on a net asset and liability basis.

(₹ in lakh)

Particulars	Less than 1 Year	1-3 Years	3-4 Years	5 Years and above	Total	Carrying amount
Non-derivative financial assets						
31st March 2022						
Non interest rate bearing	193.26	–	–	–	193.26	193.26
Fixed interest rate bearing	23.42	–	–	–	23.42	23.42
Total	216.68	–	–	–	216.68	216.68

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(₹ in lakh)

Particulars	Less than 1 Year	1-3 Years	3-4 Years	5 Years and above	Total	Carrying amount
31st March 2021						
Non interest rate bearing	80.99	–	–	–	80.99	80.99
Fixed interest rate bearing	45.37	–	–	–	45.37	45.37
Total	**126.37**	**–**	**–**	**–**	**126.37**	**126.37**

MARKET RISK

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

There has been no significant changes to the Company's exposure to market risk or the methods in which they are managed or measured.

(i) Currency Risk

The Company undertakes transactions denominated only in Indian Rupees and hence, there is no risk of foreign exchnage fluctuations.

(ii) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company does not have significant exposure to the risk of changes in market interest rates.

(iii) Other price risk

The Company does not have significant other price risk.

Note No. 24 - Financial Ratios

	Particulars	Numerator	Denominator	For the year ended March 31st, 2022	For the year ended March 31st, 2021	% Variance
a)	Current Ratio	Current Assets	Current Liabilities	4.58	1.91	139.87%
b)	Debt Equity Ratio	Net Debt	Equity	NA	NA	NA
c)	Debt Service Coverage Ratio (DSCR)	EBDITA	Total Debt	NA	NA	NA
d)	Return of Equity	PAT	Networth	0.48	1.36	-64.97%
e)	Inventory Turnover ratio	COGS	Average Inventory	NA	NA	NA
f)	Trade Receivables turnover ratio	Turnover	Trade Receiavables (Average)	NA	NA	NA
g)	Trade Payable turnover ratio	COGS	Average Trade payable	NA	NA	NA
h)	Net capital turnover ratio,	Average Networth	Turnover	NA	NA	NA
i)	Net profit ratio	PAT	Revenue	NA	NA	NA
j)	Return on Capital employed	PAT	Networth	0.49	4.46	-89.06%
k)	Return on investment	PAT	Capital employed	0.49	4.46	-89.06%

Note No. 25 - Additional regulatory information

Details of benami property held

No proceedings have been initiated on or are pending against the group for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

Relationship with struck off companies

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

Wilful defaulter

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

Undisclosed income

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Details of crypto currency or virtual currency

The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.

Note No. 26 - Events after the reporting period

No material events have occurred after the Balance Sheet date and upto the approval of the

Note No. 27 Continues - Fair Value Measurement

Financial assets measured at fair value

Financial assets	Fair value as at		Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable input(s)	Relationship of unobservable inputs to fair value and sensitivity
	31-Mar-22	31-Mar-21				
Financial assets						
Investments in equity instruments						
– New Tirupur Area Development Corporation Limited (NTADCL) (15,000,000 equity shares of Rs. 10 each)	–	–	Level 3		On the basis of NTADCL's own data, taking into account all information about market participant that is reasonably available.	NA
Total financial liabilities	–	–				

Note No. 28 Previous year's figures have been regrouped/reclassified wherever necessary to correspond with the current year's classification/disclosure.

In terms of our report attached

For **R Jaitlia & Co.**
Chartered Accountants

Mukesh Maheshwari
Partner
Membership No: 049818

Place: Mumbai
Date: 19th April 2022

Manoj Gupta
Chief Financial Officer

For and on behalf of the Board of Directors

Sumit Kasat
Chief Executive Officer

Viral Oza
Director (DIN: 03552722)

Geeta Dhokare
Company Secretary
ACS : 51135

Parveen Mahtani
Director (DIN: 05189797)

Place: Mumbai
Date: 19th April 2022

Form AOC-1

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

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

Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in Rs. in lakhs)

Sr. No.	Particulars	Details
1.	Name of the subsidiary	Mahindra Water Utilities Ltd.
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	–
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	–
4.	Share capital	10.00
5.	Reserves & surplus	2,218.91
6.	Total assets	2,453.79
7.	Total Liabilities	377.63
8.	Investments	3.75
9.	Turnover	2,320.29
10.	Profit before taxation	952.30
11.	Provision for taxation	245.45
12.	Profit after taxation	706.86
13.	Proposed Dividend	NIL
14.	% of shareholding	98.99%

Part "B": Associates and Joint Ventures

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

	Joint Venture	Associate
Name of associates/Joint Ventures	Mahindra Inframan Water Utilities Pvt Ltd.	Rathna Bhoomi Enterprises Pvt Ltd.
1. Latest audited Balance Sheet Date	31.03.2022	31.03.2022
2. Shares of Associate/Joint Ventures held by the company on the year end	50%	50%
Nos.	24,999	500
Amount of Investment in Joint Venture / Associates	249,990	5,000
Extend of Holding %	50%	50%
3. Description of how there is significant influence	Note A	Note A
4. Reason why the associate/joint venture is not consolidated		
5. Net worth attributable to shareholding as per latest audited Balance Sheet	(2.26)	(26.81)
6. Profit/Loss for the year		
i. Considered in Consolidation	–	–
ii. Not Considered in Consolidation	(1.01)	(0.53)

Note A: There is significant influence due to percentage (%) of Share Capital

1. Names of Joint ventures or associates which are yet to commence operations.

Note: This Form is to be certified in the same manner in which the Balance sheet is to be certified.

In terms of our report attached

For **R Jaitlia & Co.**
Chartered Accountants
Firm Registration No:117246W
Mukesh Maheshwari
Partner
Membership No: 049818

Place: Mumbai
Date: 19th April 2022

Manoj Gupta
Chief Financial Officer

For and on behalf of the Board of Directors

Sumit Kasat
Chief Executive Officer

Viral Oza
Director (DIN: 03552722)

Geeta Dhokare
Company Secretary
ACS : 51135

Parveen Mahtani
Director (DIN: 05189797)

Place: Mumbai
Date: 19th April 2022

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF
MAHINDRA WORLD CITY (MAHARASHTRA) LIMITED

Report on the audit of the Financial Statements

Opinion

We have audited the accompanying Financial Statements of Mahindra World City (Maharashtra) Limited("the Company"), which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, its loss and total comprehensive loss, its changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Information Other than the Financial Statements and Auditors' Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the Directors Report and the related annexures, but does not include the Financial Statements and our Auditors' Report thereon.

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

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

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

Responsibilities of management for the Financial Statements

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

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

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

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

Auditors' Responsibilities for the audit of the Financial Statements

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

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

We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on other Legal and Regulatory requirements

1. As required by the Companies (Auditor's Report) Order, 2020("the Order"), issued by the Central Government of India in terms of sub-Section (11) of Section 143 of the Act and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in "Annexure B", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
   (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this report are in agreement with the books of account.
   (d) In our opinion, the aforesaid Financial Statements comply with the Accounting Standards specified under Section 133 of the Act.
   (e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164(2) of the Act.
   (f) With respect to the adequacy of the internal financial controls with reference to Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to Financial Statements.
   (g) In our opinion and to the best of our information and according to the explanations given to us, the Company being a private company, the provisions of Section 197 of the Act related to the managerial remuneration are not applicable.
   (h) With respect to the other matters to be included in the Auditors' Report in accordance with the requirements of Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

(i) The Company does not have any pending litigations which would impact its financial position;

(ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and

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

(iv) (a) The management of the Company have represented to us respectively that, to the best of their knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

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

(c) Based on the audit procedures, that has been considered reasonable and appropriate in the circumstances, performed by us nothing has come to our notice that has caused us or the other auditors to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

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

For B. K. Khare and Co.
Chartered Accountants
Firm Registration No. 105102W

Aniruddha Joshi
Partner
Membership No. 040852
UDIN: 22040852AHBMDU4432

Place: Mumbai
Date: April 12, 2022

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

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

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

We have audited the internal financial controls with reference to financial statements of Mahindra World City (Maharashtra) Limited ("the Company") as of March 31, 2022 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls with reference to financial statements

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

Inherent Limitations of Internal Financial Controls with reference to financial statements

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

Opinion

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

For B. K. Khare and Co.
Chartered Accountants
Firm Registration No. 105102W

Anirudhha Joshi
Partner
Membership No. 040852
UDIN: 22040852AHBMDU4432
Place: Mumbai
Date: April 12, 2022

ANNEXURE B TO THE AUDITOR'S REPORT

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date.]

(i) The Company does not have property, plant and equipment and intangible assets. Hence, reporting under Clause 3(i)(a) / (b) / (c) / (d) of the order is not applicable to the Company.

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

(ii) (a) The Company does not have any inventory. Hence, reporting under clause 3(ii)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us, the Company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets at any point of time during the year.

(iii) (a) According to the information and explanations given to us, the Company has not provided loans or provided advances in the nature of loans, or stood guarantee, or provided security to any other entity. Hence reporting under Clause 3(iii)(a) to (e) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us, the investments made by the Company are not prejudicial to the interest of the Company.

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act, with respect to loans granted, guarantees provided and investments made by the Company. The Company has not provided any security during the year to the parties covered under Sections 185 and 186 of the Act.

(v) According to the information and explanations given to us, the Company has not accepted deposits under the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. Accordingly, the reporting under Clause 3(v) of the Order is not applicable to the Company.

(vi) The Central Government has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company. Accordingly,the reporting under Clause 3(vi) of the Order is not applicable to the Company.

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

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

(b) According to the information and explanations given to usand on the basis of our examination of records of the Company, there are no statutory dues in respect of Goods and Services Tax, Provident Fund, Employees' State Insurance, Sales tax, Service tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and any other material statutory dues as at 31 March 2022, which have not been deposited with the appropriate authorities on account of any dispute.

(viii) According to the information and explanations given to us, there are no transactions not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income-tax Act, 1961.Accordingly,the reporting under Clause 3(viii) of the Order is not applicable to the Company.

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

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

(c) According to the information and explanations given to us, the company has not raised any money by way of term loans during the year. Hence, reporting under Clause 3(ix)(c) of the Order is not applicable to the Company.

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

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

(f) According to the information and explanations given to us and based on the audit procedures performed by us, we report that the Company has not raised any loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies. Accordingly, the reporting under Clause 3(ix)(f) of the Order is not applicable to the Company.

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

(b) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Accordingly, the reporting under Clause 3(x)(b) of the Order is not applicable to the Company.

(xi) (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company noticed or reported during the year, nor have we been informed of any such case by the management.

(b) There has been no report filed by us under sub-section (12) of Section 143 of the Act in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government. Accordingly, the reporting under Clause 3(xi)(b) of the Order is not applicable to the Company

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

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

(xiii) In our opinion and according to the information and explanations given to us, the Company has entered into transactions with related parties in compliance with the provisions of Section 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required by Indian Accounting Standard (Ind AS) 24, Related Party Disclosures, specified under Section 133 of the Act. Further, the Company is not required to constitute an Audit Committee under Section 177 of the Act, and accordingly, to this extent, the reporting under Clause 3(xiii) of the Order is not applicable to the Company.

(xiv) The Company did not have an internal audit system for the period under audit.

(xv) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or directors of its holding or persons connected with them during the year and hence, the provisions of Section 192 of the Act are not applicable to the Company. Accordingly, the reporting under Clause 3(xv) of the Order is not applicable to the Company.

(xvi) (a) According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under Clause 3(xvi)(a) of the Order is not applicable to the Company.

(b) In our opinion and according to the information and explanations given to us, the Company has not conducted any Non-Banking Financial or Housing Finance activities. Accordingly, the reporting under Clause 3(xvi)(b) of the Order is not applicable to the Company.

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

(d) Based on the information and explanations given to us and the audit procedures performed by us, we report that the Group has 3 Core Investment Companies.

(xvii) In our opinion and according to the information and explanations given to us, the Company has incurred cash losses of Rs. 4.45 lakhs during the current financial year and Rs. 28.36 lakhs in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, the reporting under Clause 3(xviii) of the Order is not applicable to the Company.

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

(xx) According to the information and explanations given to us, CSR is not applicable to the Company. Hence, reporting under Clause 3(xx) is not applicable to the Company.

For B. K. Khare & Co.
Chartered Accountants
Firm Registration No. 105102W

Aniruddha Joshi
Partner
Membership No. 040852
UDIN: 22040852AHBMDU4432

Place: Mumbai
Date: April 12, 2022

BALANCE SHEET AS AT 31ST MARCH, 2022

(₹ in lakh)

Particulars	Note No.	As at 31st March, 2022	As at 31st March, 2021
ASSETS			
NON-CURRENT ASSETS			
(a) Financial Assets			
(i) Investments	4	**1,178.78**	1,178.78
SUB-TOTAL		**1,178.78**	1,178.78
CURRENT ASSETS			
(a) Financial Assets			
(i) Cash and Cash Equivalents	5	**1.19**	0.98
(b) Other Current Assets	6	**–**	–
SUB-TOTAL		**1.19**	0.98
TOTAL ASSETS		**1,179.97**	1,179.76
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity Share Capital	7	**117.04**	117.04
(b) Other Equity	8	**(1,169.52)**	(1,107.83)
SUB-TOTAL		**(1,052.48)**	(990.79)
LIABILITIES			
NON-CURRENT LIABILITIES			
(a) Financial Liabilities			
(i) Borrowings	9	**1,509.60**	1,494.60
(b) Provisions	10	**182.62**	182.62
SUB-TOTAL		**1,692.23**	1,677.23
CURRENT LIABILITIES			
(a) Financial Liabilities			
(i) Trade Payables	11		
— total outstanding dues of micro enterprises and small		**–**	–
— total outstanding dues of trade payables other than micro enterprises and small enterprises		**8.96**	14.69
(ii) Other Financial Liabilities	12	**525.54**	474.01
(b) Other Current Liabilities	13	**5.73**	4.61
SUB-TOTAL		**540.22**	493.32
TOTAL		**1,179.97**	1,179.76

See accompanying notes forming part of the financial statements

In terms of our report attached

For B K Khare & Co.
Chartered Accoutants
Firm Registration No.105102W

Aniruddha Joshi
Partner
Membership No:040852

Place : Mumbai
Date : 12th April 2022

For and on behalf of the Board Directors

Parveen Mahtani
(DIN-05189797)

Vimal Agarwal
(DIN-07296320)

Place : Mumbai
Date : 12th April 2022

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

(₹ in lakh)

	Particulars	Note No.	For the Year ended 31st March, 2022	For the Year ended 31st March, 2021
I	Other Income		–	–
II	**Total Revenue (I)**		–	–
III	**EXPENSES**			
	(a) Finance costs	14	**57.25**	61.53
	(b) Other expenses	15	**4.45**	28.37
	Total Expenses (III)		**61.70**	89.90
	Profit/(loss) before exceptional items and tax (II - III)		**(61.70)**	(89.90)
IV	**Profit/(loss) before tax**		**(61.70)**	(89.90)
V	**Tax Expense**			
	(1) Current tax		–	–
	Total tax expense		–	–
VI	**Profit/(loss) after tax from continuing operations (IV-V)**		**(61.70)**	(89.90)
VII	**Profit/(loss) for the period**		**(61.70)**	(89.90)
VIII	**Earnings per equity share (for continuing operation):**			
	(1) Basic/Diluted	16	**(5.27)**	(7.68)

See accompanying notes forming part of the financial statements

In terms of our report attached

For B K Khare & Co.
Chartered Accoutants
Firm Registration No.105102W

Aniruddha Joshi
Partner
Membership No:040852

Place : Mumbai
Date : 12th April 2022

For and on behalf of the Board Directors

Parveen Mahtani
(DIN-05189797)

Vimal Agarwal
(DIN-07296320)

Place : Mumbai
Date : 12th April 2022

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2022

(₹ in lakh)

Particulars	For the Year ended 31st March, 2022	For the Year ended 31st March, 2021
Cash flows from operating activities		
Profit before tax for the year	**(61.70)**	(89.90)
Adjustments for:		
Finance costs recognised in profit or loss	**57.25**	61.53
	(4.45)	(28.37)
Movements in working capital:		
(Increase)/decrease in other assets	**–**	15.27
Decrease in trade and other payables	**(5.73)**	(0.37)
(Decrease)/increase in other liabilities	**52.50**	54.74
Net cash generated by operating activities	**42.32**	41.28
Cash flows from investing activities		
Impairment of Investment during the year	**–**	12.28
Net cash (used in)/generated by investing activities	**–**	12.28
Cash flows from financing activities		
Inter Corproate Deposit Received	**15.00**	7.00
Interest paid on Inter Corporate Deposit	**(57.25)**	(61.53)
Net cash used in financing activities	**(42.25)**	(54.53)
Net increase in cash and cash equivalents	**0.21**	(0.98)
Cash and cash equivalents at the beginning of the year	**0.98**	1.96
Cash and cash equivalents at the end of the year	**1.19**	0.98

See accompanying notes forming part of the financial statements

In terms of our report attached

For B K Khare & Co.
Chartered Accoutants
Firm Registration No.105102W

Aniruddha Joshi
Partner
Membership No:040852

Place : Mumbai
Date : 12th April 2022

For and on behalf of the Board Directors

Parveen Mahtani
(DIN-05189797)

Vimal Agarwal
(DIN-07296320)

Place : Mumbai
Date : 12th April 2022

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

(₹ in lakh)

A. Equity share capital

As at 31st March, 2021	117.04
Changes in equity share capital during the year	–
As at 31st March, 2022	**117.04**

a. Equity share capital

	Equity share capital (no. of Shares)
As at 31st March, 2021	**1,170,400**
Changes in equity share capital during the year	
Issue of equity shares	–
As at 31st March, 2022	**1,170,400**

B. Other Equity	**Retained earnings**
	(₹ in lakh)
Balance as at 31st March, 2020	**(1,017.93)**
Profit/(Loss) for the year	(89.90)
Other comprehensive income	–
Total comprehensive income	(89.90)
Balance as at 31st March, 2021	**(1,107.83)**
Profit/(Loss) for the year	(61.70)
Other comprehensive income	–
Total comprehensive income	(61.70)
Balance as at 31st March, 2022	**(1,169.52)**

See accompanying notes forming part of the financial statements

In terms of our report attached

For B K Khare & Co.
Chartered Accoutants
Firm Registration No.105102W

Aniruddha Joshi
Partner
Membership No:040852

Place : Mumbai
Date : 12th April 2022

For and on behalf of the Board Directors

Parveen Mahtani
(DIN-05189797)

Vimal Agarwal
(DIN-07296320)

Place : Mumbai
Date : 12th April 2022

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

1. Corporate information

Mahindra World City (Maharashtra) Limited ("the Company") is a public company incorporated in 2005 under the provisions of erstwhile Companies Act, 1956. The registered office of the Company is located at 5th Floor, Mahindra Towers, Dr. G.M. Bhosale Marg, P.K. Kurne Chowk, Worli, Mumbai – 400 018.

The Company is in the business of development of Multi product SEZ in Maharashtra as a joint venture with Maharashtra Industrial Development Corporation (MIDC).

The Company is subsidiary of Mahindra Lifespace Developers Limited, Mumbai, a company incorporated in India. The ultimate parent company is Mahindra & Mahindra Limited.

2. Significant Accounting Policies

2.1 Statement of compliance and Basis of preparation and presentation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) Rules, 2016.

All assets and liabilities are classified as current if it is expected to realise or settle within 12 months after the Balance Sheet date.

The financial statements are presented in Indian Rupees (Rs.) which is also the Company's functional currency.

The financial statements were approved by the Board of Directors and authorised for issue on 12th April, 2022.

2.2 Property, plant and equipment

Property, plant and equipment are stated at cost of acquisition or construction less accumulated depreciation less accumulated impairment, if any. Cost includes financing cost relating to borrowed funds attributable to the construction or acquisition of qualifying tangible assets upto the date the assets are ready for use. The estimated useful lives, residual values, are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

When an asset is scrapped or otherwise disposed off, the cost and related depreciation are removed from the books of account and resultant profit or loss, if any, is reflected in the statement of profit and loss.

Financial assets and Liabilities

2.3 Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the Statement of profit or loss.

2.4 Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets

2.4.1 Impairment of financial assets

The Company applies the expected credit loss model for recognising impairment loss on financial assets. With respect to trade receivables, the Company measures the loss allowances at an amount equal to lifetime expected credit losses.

2.4.2 Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in the statement of profit and loss if such gain or loss would have otherwise been recognised in the statement of profit and loss on disposal of that financial asset.

2.5 Financial liabilities and equity instruments

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

2.5.1 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in the statement of profit and loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

2.5.1.1 Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at Fair value through profit and loss.

2.5.1.2 Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between the lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the statement of profit and loss.

2.6 Revenue recognition

Revenue on account of sale of services is recognised under the completed service contract method to the extent it is probable that the economic benefit will flow to the Company and the revenue can be reliably measured.

Sales are recognised, net of returns and trade discounts, on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the delivery of goods to customers.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

Dividend income is recognised in the statement of profit and loss when the right to receive payment is established.

Interest Income is accounted for on time proportion basis.

2.7 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

2.7.1 Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

2.7.2 Deferred tax

Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences could be utilized.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

2.7.3 Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

2.7.4 Minimum Alternate Tax (MAT):

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax against which the MAT paid will be adjusted.

2.8 Cash and cash equivalents

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

2.9 Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit/(loss) for the year is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

3. Use of estimates and judgments

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets, liabilities, income, expenses, etc. at the date of these financial statements and the reported amounts of revenues and expenses for the years presented. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed at each balance sheet date. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

Note No. 4 - Investments

Particulars	Face Value (₹)	As at 31st March, 2022		As at 31st March, 2021	
		Nos.	**(₹ in lakh)**	Nos.	(₹ in lakh)
A. Investments carried at cost or deemed cost					
I. Unquoted Investments (all fully paid)					
Investments in Equity Instruments					
– of associate					
Deep Mangal Developers Private Limited	10	**830**	**1,178.33**	830	1,178.33
Mahindra Construction Company Limited	10	**3000**	**0.30**	3,000	0.30
Moonshine Construction Private Limited	10	**10**	**0.00**	10	0.00
Mahindra Ugine Steel Limited	1	**1**	**0.00**	1	0.00
Rathna Bhoomi Enterprises Private Limited	10	**500**	**0.05**	500	0.05

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

Particulars	Face Value (₹)	As at 31st March, 2022 Nos.	(₹ in lakh)	As at 31st March, 2021 Nos.	(₹ in lakh)
Investments in Preference shares					
– of associate					
7% Non-cumulative redeemable participating optionally convertible preference shares in Moonshine Construction Private Limited	10	**4479**	**0.45**	4,479	0.45
Rathna Bhoomi Enterprises Private Limited	10	**119250**	**11.93**	119,250	11.93
Prudential Management & Services Private Limited	1	**2**	**0.00**	2	0.00
MCCL	**1**	**1**	**0.00**	1	0.00
Investments in Preference shares					
– of associate					
10% Non-cumulative redeemable participating optionally convertible preference shares in Ratna Bhoomi Enterprise Private Limited (Refer Notes below)			**–**		–
Total Impairment value for investment carried at cost			**(12.28)**		(12.28)
			1,178.78		1,178.78

Note No. 5 - Cash and Bank Balances

(₹ in lakh)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Cash and cash equivalents		
(a) Balances with banks	**1.19**	0.98
Total Cash and cash equivalent	**1.19**	0.98

Note No. 6 - Other assets

(₹ in lakh)

Particulars	As at 31st March, 2022 Current	As at 31st March, 2021 Current
(a) Advances other than capital advances		
(i) Balances with government authorities	**–**	10.87
(ii) Other advances	**–**	4.40
Less: Provision	**–**	(15.27)
Total Other Current Assets	**–**	–

Note No. 7 - Equity Share Capital

Particulars	As at 31st March, 2022 No. of shares	(₹ in lakh)	As at 31st March, 2021 No. of shares	(₹ in lakh)
Authorised:				
Equity shares of Rs.10 each with voting rights	**1,500,000**	**150.00**	1,500,000	150.00
Issued, Subscribed and Fully Paid:				
Equity shares of Rs.10 each with voting rights	**1,170,400**	**117.04**	1,170,400	117.04
Total	**1,170,400**	**117.04**	1,170,400	117.04

Note No. 7a - Equity Share Capital (Contd.)

(i) Reconciliation of the number of shares outstanding at the beginning and at the end of the period.

Particulars		Opening Balance	Fresh Issue	Other Changes (give details)	Closing Balance
Year Ended 31st March 2021					
	No. of Shares	**1,170,400**	–	–	**1,170,400**
	Amount	**117.04**	–	–	**117.04**
Year Ended 31st March 2022					
	No. of Shares	**1,170,400**	–	–	**1,170,400**
	Amount	**117.04**	–	–	**117.04**

(ii) Details of shares held by the holding company, the ultimate holding company, their subsidiaries and associates: (details of fully paid and partly paid also needs to be given)

No. of Shares

Particulars	Equity Shares with Voting rights	Equity Shares with Differential Voting rights	Others
As at 31st March 2021			
Mahindra Lifespace Developers Ltd.	1,170,400	–	–
As at 31st March 2022			
Mahindra Lifespace Developers Ltd.	**1,170,400**	**–**	**–**

(iii) Details of shares held by each shareholder holding more than 5% shares:

Class of shares/ Name of shareholder	As at 31st March, 2022 Number of shares held	% holding in that class of shares	As at 31st March, 2021 Number of shares held	% holding in that class of shares
Equity shares with voting rights				
Mahindra Lifespace Developers Ltd.	**1,170,400**	**100.00%**	1,170,400	100.00%

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

(iv) Details of shareholdings by the Promoter's of the Company

Class of shares/ Name of shareholder	As at 31st March, 2022 Number of shares held	As at 31st March, 2022 % holding in that class of shares	As at 31st March, 2021 Number of shares held	As at 31st March, 2021 % holding in that class of shares
Equity shares with voting rights				
Mahindra Lifespace Developers Ltd.	**1,170,400**	**100.00%**	1,170,400	100.00%

Note No. 8 - Other equity

(₹ in lakh)

Particulars	Retained earnings	Total
Balance at 31st March, 2020	(1,017.93)	(1,017.93)
Profit/(Loss) for the year	(89.90)	(89.90)
Other comprehensive income	–	–
Total comprehensive income	(1,107.83)	(1,107.83)
Balance at 31st March, 2021	(1,107.83)	(1,107.83)
Profit/(Loss) for the year	(61.70)	(61.70)
Other comprehensive income	–	–
Total comprehensive income	(1,169.52)	(1,169.52)
Balance at 31st March 2022	**(1,169.52)**	**(1,169.52)**

Note No. 9 - Non-Current Borrowings

(₹ in lakh)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Measured at amortised cost		
A. Secured Borrowings:	**–**	–
Total Secured Borrowings	**–**	–
B. Unsecured Borrowings - at amortised Cost		
(a) Other Loans	**742.15**	742.15
(b) Loans from related parties*	**749.70**	734.70
(c) Other Loans		
Redeemable preference share capital	**17.75**	17.75
Total Unsecured Borrowings	**1,509.60**	1,494.60
Total Borrowings	**1,509.60**	1,494.60

* The Unsecured Inter Corporate Deposit taken from Mahindra Lifespace Developers Limited @ 7.70% p.a.

Note No. 10 - Provisions

(₹ in lakh)

Particulars	As at 31st March, 2022 Non-Current	As at 31st March, 2021 Non-Current
(a) Other Provisions		
1 Other Provisions	**182.62**	182.62
Total Provisions	**182.62**	182.62

Note No. 11 - Trade Payables

(₹ in lakh)

Particulars	As at 31st March, 2022 Current	As at 31st March, 2021 Current
Trade payable - total outstanding Dues of micro enterprises and small enterprises	**–**	–
Trade payable - total outstanding dues of trade payables other than micro enterprises and small enterprises	**8.96**	14.69
Total trade payables	**8.96**	14.69

11 a - Ageing for trade payable from the due date of payment for each of the category is as follows:

(₹ in lakh)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Undisputed dues of creditors other than micro enterprises and small enterprises		
Unbilled	**–**	–
Not Due	**–**	–
0 months - 1 year	**0.34**	0.34
1-2 Years	**0.34**	–
2-3 years	**–**	–
More than 3 years	**8.28**	14.35
	8.96	14.69

Note No. 12 - Other Financial Liabilities

(₹ in lakh)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Other Financial Liabilities Measured at Amortised Cost		
Current		
(a) Interest accrued but not due on borrowings	**525.54**	474.01
Total other financial liabilities	**525.54**	474.01

Note No. 13 - Other Liabilities

(₹ in lakh)

Particulars	As at 31st March, 2022 Current	As at 31st March, 2021 Current
a. Statutory dues		
– taxes payable (other than income taxes)	**5.73**	4.61
Total other liabilities	**5.73**	4.61

Note No. 14 - Finance Cost

(₹ in lakh)

Particulars	For the Year ended 31st March, 2022	For the Year ended 31st March, 2021
(a) Interest expense	**57.25**	61.53
Total finance costs	**57.25**	61.53

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

Note No. 15 - Other Expenses

(₹ in lakh)

Particulars			For the Year ended 31st March, 2022	For the Year ended 31st March, 2021
(a)	Auditors remuneration and out-of-pocket expenses			
	(i)	As Auditors	**0.34**	0.34
(b)	Other expenses			
	(i)	Legal and other professional costs	**4.00**	0.27
	(ii)	Miscellaneous expenses	**0.10**	15.48
	(iii)	Provision for impairement of investment	**–**	12.28
Total Other Expenses			**4.45**	28.37

Note No. 16 - Earnings per Share

(₹ in lakh)

Particulars	For the Year ended 31st March, 2022	For the Year ended 31st March, 2021
Basic Earnings per share		
From continuing operations	**(5.27)**	(7.68)
From discontinuing operations	**–**	–
Total basic earnings per share	**(5.27)**	(7.68)

(₹ in lakh)

Particulars	For the Year ended 31st March, 2022	For the Year ended 31st March, 2021
Diluted Earnings per share	**(5.27)**	(7.68)
From continuing operations	**–**	–
From discontinuing operations	**–**	–
Total diluted earnings per share	**(5.27)**	(7.68)

(₹ in lakh)

	For the Year ended 31st March, 2022	For the year ended 31st March 2021
Profit / (loss) for the year attributable to owners of the Company	**(6,169,727)**	(8,990,127)
Less: Preference dividend and tax thereon	**–**	–
Profit / (loss) for the year used in the calculation of basic earnings per share	**(6,169,727)**	(8,990,127)
Profit for the year on discontinued operations used in the calculation of basic earnings per share from discontinued operations	**–**	–
Profits used in the calculation of basic earnings per share from continuing operations	**(6,169,727)**	(8,990,127)
Weighted average number of equity shares	**1170400**	1170400
Earnings per share from continuing operations - Basic	**(5.27)**	(7.68)

Note No. 17 - Related Party Transactions

Related party disclosures as required by Ind As 24 "Related Party Disclosures" are given below.

Enterprises Controlling the Company

(₹ in lakh)

1	Mahindra & Mahindra Limited	Ultimate Holding Company
2	Mahindra Lifespace Developers Limited	Holding Company

Particulars	**For the year ended**	**Ultimate Holding Company**	**Holding Company**	**Associate**
Nature of transactions with Related Parties				
Interest on ICD	**31-Mar-22**	–	**57.25**	–
	31-Mar-21	–	61.53	–
Inter Corporate Deposits received	**31-Mar-22**	–	**15.00**	–
	31-Mar-21	–	7.00	–
Nature of Balances with Related Parties	**Balances as on**	**Ultimate Holding Company**	**Holding Company**	**Associate**
Payables	**31-Mar-22**	–	**1,249.93**	–
	31-Mar-21	–	1,189.13	–

Notes:

1. During the year, there were no amounts required to be written off or written back in respect of debts due from or to related parties.
2. Related parties have been identified by the Management.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

Note No. 18 - The accounts of the Company for the year ended 31st March, 2022 have been prepared on the basis of going concern.

Note No. 19 - Financial Instruments

Capital management

The Company's capital management objectives are:

– safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders

– maintain an optimal capital structure to reduce the cost of capital

The Management of the Company monitors the capital structure using debt ratio which is determined as the proportion of total debt to total equity.

Debt ratios are as follows:	As at 31st March, 2022	As at 31st March, 2021
Debt (A)	**1,509.60**	1,494.60
Equity (B)	**(1,052.48)**	(990.79)
Debt Ratio (A/B)	**(1.43)**	(1.51)

Categories of financial assets and financial liabilities

The following tables shows the carrying amount and fair values of financial assets and financial liabilities by category:

As at 31st March, 2022

	Amortised Costs	FVTPL	FVOCI	Total
Non-current Assets				
Investments	**1,178.78**	–	–	**1,178.78**
Current Assets				
Investments	–	–	–	–
Trade Receivables	–	–	–	–
Other Bank Balances	**1.19**	–	–	**1.19**
Non-current Liabilities				
Borrowings	**1,509.60**	–	–	**1,509.60**
Current Liabilities				
Borrowings	–	–	–	–
Trade Payables	**8.96**	–	–	**8.96**
Other Financial Liabilities		–	–	
- Non Derivative Financial Liabilities	**525.54**	–	–	**525.54**

As at 31st March, 2021

	Amortised Costs	FVTPL	FVOCI	Total
Non-current Assets				
Investments	1,178.78	–	–	1,178.78
Current Assets				
Investments	–	–	–	–
Trade Receivables	–	–	–	–
Other Bank Balances	0.98	–	–	0.98
Non-current Liabilities				
Borrowings	1,494.60	–	–	1,494.60
Current Liabilities				
Borrowings	–	–	–	–
Trade Payables	14.69	–	–	14.69
Other Financial Liabilities		–	–	
- Non Derivative Financial Liabilities	474.01	–	–	474.01

[II] Financial Risk Management Framework

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk. In order to manage the aforementioned risks, the Company operates a risk management policy and a program that performs close monitoring of and responding to each risk factors.

A) CREDIT RISK

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is not exposed to credit risk.

B) LIQUIDITY RISK

(i) Liquidity risk management

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

(ii) Maturities of financial liabilities

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The amount disclosed in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay.

Particulars	Less than 1 Year	1-3 Years	3 Years to 5 Years
Non-derivative financial liabilities			
31-Mar-22			
Long Term Borrowing			
Long Term Borrowing - Principal	–	–	**1,509.60**
Non-derivative financial liabilities			
31-Mar-21			
Long Term Borrowing			
Long Term Borrowing - Principal	–	–	1,494.60

C) MARKET RISK

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

There has been no significant changes to the Company's exposure to market risk or the methods in which they are managed or measured.

(i) Currency Risk

The Company undertakes transactions denominated only in Indian Rupees and hence, there is no risk of foreign exchange fluctuations.

(ii) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company does not have exposure to the risk of changes in market interest rates.

(iii) Other price risk

The Company does not have other price risk.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

20 - Financial Ratios

(₹ in lakh)

	Particulars	Numerator	Denominator	For the year ended March 31, 2022	For the year ended March 31, 2021	% Variance
a)	Current Ratio	Current Assets	Current Liabilities	**0.0022**	0.0020	10.51%
b)	Debt Equity Ratio	Net Debt	Equity	**(1.43)**	(1.51)	-4.92%
c)	Debt Service Coverage Ratio (DSCR)	EBDITA	Total Debt	**(0.04)**	(0.06)	-31.84%
d)	Return of Equity	PAT	Networth	**0.06**	0.09	-35.40%
e)	Inventory Turnover ratio	COGS	Average Inventory	**NA**	NA	NA
f)	Trade Receivables turnover ratio	Turnover	Trade Receivables (Average)	**NA**	NA	NA
g)	Trade Payable turnover ratio	COGS	Average Trade payable	**NA**	NA	NA
h)	Net capital turnover ratio,	Average Networth	Turnover	**NA**	NA	NA
i)	Net profit ratio	PAT	Revenue	**NA**	NA	NA
j)	Return on Capital employed	PAT	Borrowing	**(0.13)**	(0.08)	55.90%
k)	Return on investment	PAT	Capital employed	**(0.13)**	(0.08)	55.90%

21 - Additional regulatory information

Details of benami property held

No proceedings have been initiated on or are pending against the group for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

Relationship with struck off companies

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

Wilful defaulter

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

Undisclosed income

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

Details of crypto currency or virtual currency

The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.

22. Events after the reporting period

No material events have occurred after the Balance Sheet date and upto the approval of the Financial Statements

23. Previous Year Figures

The figures for the previous year have been regrouped wherever necessary to confirm to current year's grouping.

Note No. 24 - Fair Value Measurement

Fair Valuation Techniques and Inputs used

This section explains the judgment and estimates made in determining the fair value of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair value are disclosed in financials statements. To provide an indication about the reliability of the inputs used in determining the fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standards.

Fair value of financial assets and financial liabilities that are not measured at fair value

(₹ in lakh)

Particulars	31-Mar-22		31-Mar-21	
	Carrying amount	**Fair value**	Carrying amount	Fair value
Financial assets				
Financial assets carried at Amortised Cost				
– cash & cash equivalents	**1.19**	–	0.98	–
	1.19	–	0.98	–
Financial liabilities				
Financial liabilities held at amortised cost				
– loans from other entities	**1,509.60**		1,494.60	
– other financial liabilities	**525.54**	–	474.01	–
Total	**2,035.14**	–	1,968.62	–

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

(₹ in lakh)

Financial assets/ financial liabilities	Fair value hierarchy as at 31st March, 2022			
	Level 1	Level 2	Level 3	Total
Financial assets				
Financial assets carried at Amortised Cost				
(i) Trade receivables	–	–	–	–
(ii) Cash and cash equivalents	–	1.19	–	1.19
Total	–	1.19	–	1.19
Financial liabilities				
Financial liabilities held at amortised cost				
(i) Long term loan		1,509.60		1,509.60
(ii) Other financial liabilities	–	525.54	–	525.54
Total	–	2,035.14	–	2,035.14

(₹ in lakh)

Financial assets/ financial liabilities	Fair value hierarchy as at 31st March, 2021			
	Level 1	Level 2	Level 3	Total
Financial assets				
Financial assets carried at Amortised Cost				
(i) Cash and cash equivalents	–	0.98	–	0.98
Total	–	0.98	–	0.98
Financial liabilities				
Financial liabilities held at amortised cost				
(i) Long term loan	–	1,494.60		1,494.60
(ii) Other financial liabilities	–	474.01	–	474.01
Total	–	1,968.61	–	1,968.61

Note: The Group has not disclosed the fair value for financial instruments, because the carrying amounts are a reasonable approximation of fair value.

See accompanying notes forming part of the financial statements

In terms of our report attached

For B K Khare & Co.
Chartered Accoutants
Firm Registration No.105102W

Aniruddha Joshi
Partner
Membership No:040852

Place : Mumbai
Date : 12th April 2022

For and on behalf of the Board Directors

Parveen Mahtani
(DIN-05189797)

Vimal Agarwal
(DIN-07296320)

Place : Mumbai
Date : 12th April 2022

Form AOC-I

Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Account) Rules, 2014.
Statement containing salient features of financial statements of Subsidiary / Associates / Joint Ventures.

Part"A" Subsidiaries

(₹ in lakh)

Name of Subsidiary	Deep Mangal Developers Private Limited	Mahindra Knowledge Park (Mohali) Limited
Reporting period of the subsidiary concerned, if different from the holding company's reporting period	NA	NA
Reporting Currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	NA	NA
Share capital	1.01	0.001
Reserves & surplus	(83.10)	(124.61)
Total assets	329.00	0.03
Total Liabilities	411.09	124.63
Investments	0.05	–
Turnover	–	–
Profit/(Loss) before taxation	(34.73)	(0.50)
Provision for taxation	–	–
Profit/(Loss) after taxation	(34.73)	(0.50)
Proposed Dividend	–	–
% of shareholding	82.42%	99.97%

Notes:
1. No subsidiaries which are yet to commence operations.
2. No subsidiaries which have been liquidated or sold during the year.

Part "B"Associates/ Joint Ventures

(₹ in lakh)

	ASSOCIATES	
Name of Associates/Joint Ventures	**Moonshine Construction Private Limited**	**Rathna Bhoomi Enterprises Private Limited**
Latest Audited Balance Sheet Date	31-Mar-22	31-Mar-22
Shares of Associate/Joint Venture held by the Company on the year end:		
No. of Equity shares held	20	500
Extent of Holding (%)	49.12%	50.00%
Amount of investment in Associates	100	5,000
Description of how there is significant influence	#	#
Reason why the Associate/joint venture is not consolidated	*	*
Networth attributable to Shareholding as per latest audited Balance sheet	(32.37)	(26.91)
Profit/(Loss) for the year:		
i) Considered in Consolidation	–	–
ii) Not Considered in Consolidation	**(0.64)**	**(0.53)**

Notes:

1. No Associates/Joint Venture which are yet to commence operations.
2. No Associates/Joint Venture which have been liquidated or sold during the year.
3. Pursuant to Rule 6 of the Companies (Accounts) Rules, 2014, the Company is exempted from preparation of consolidated financial statements

Significant influence due of % of share holding.
* No control based on control assessment

See accompanying notes forming part of the financial statements

In terms of our report attached

For B K Khare & Co.
Chartered Accoutants
Firm Registration No.105102W

Aniruddha Joshi
Partner
Membership No:040852

Place : Mumbai
Date : 12th April 2022

For and on behalf of the Board Directors

Parveen Mahtani
(DIN-05189797)

Vimal Agarwal
(DIN-07296320)

Place : Mumbai
Date : 12th April 2022

INDEPENDENT AUDITORS' REPORT

To the Members of
Mahindra Integrated Township Limited

Report on the audit of the Standalone Financial Statements

Opinion

We have audited the accompanying Standalone Financial Statements of Mahindra Integrated Township Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, of its profit and total comprehensive income, its cash flows and its changes in equity for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Financial Statements of the current period. These matters were addressed in the context of our audit of the Standalone Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our report.

S.No	Key Audit Matters	How our audit addressed the Key Audit Matter
1	Assessment of recognition of MAT credit (Refer Note 4b to the financial statements.) The Company has recognised MAT credit of Rs.1242 Lakhs. These assets have been recognised on the basis of the Company's assessment of availability of future taxable profit to offset such tax losses based on business projections for the next three years. The recoverability of the deferred tax assets / MAT credit depends upon factors such as the projected taxable profitability of business and the period considered for such projections, the rate at which those profits will be taxed and the period over which tax losses will be available for recovery. This was considered as a key audit matter as the amount is material to the financial statements and significant judgement in key assumptions was required by the Company's Management in the preparation of forecasts of future taxable profits based on the underlying business plans.	Principal audit procedure performed: Evaluation of the design and testing operating effectiveness of Company's controls relating to taxation and the assessment of carrying amount of deferred tax assets relating to unabsorbed tax losses and MAT credit. • Assessing the reasonableness of the period of projections used in the deferred tax asset recoverability assessment. • Comparing the Company's performance for the year with the approved budget along with evaluation of company's projections with regard to future profits and determining whether the tax losses can be utilized within the forecast recoupment period.

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

The Company's Board of Directors is responsible for the other information. The other information comprises the Directors Report and the related annexures, but does not include the Standalone Financial Statements and our Auditors' Report thereon.

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

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

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

Responsibilities of management for the Standalone Financial Statements

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

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

In preparing the Standalone Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the Standalone Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Financial Statements.

As part of an audit in accordance with SAS, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the Standalone Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Standalone Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Standalone Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Standalone Financial Statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other Legal and Regulatory requirements

1. As required by the Companies (Auditor's Report) Order, 2020 (“the Order”), issued by the Central Government of India in terms of sub-Section (11) of Section 143 of the Act and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in Annexure B, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and the Statement of Changes in Equity dealt with by this report are in agreement with the books of account.

   (d) In our opinion, the aforesaid Standalone Financial Statements comply with the Accounting Standards specified under Section 133 of the Act.

   (e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164(2) of the Act.

   (f) With respect to the adequacy of the internal financial controls with reference to Standalone Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure A. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to Standalone Financial Statements.

   (g) In our opinion and to the best of our information and according to the explanations given to us, the Company has not paid any remuneration to its directors during the year and hence provisions of Section 197 of the Companies Act, 2013 are not applicable.

   (h) With respect to the other matters to be included in the Auditors' Report in accordance with the requirements of Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

      (i) The Company does not have any pending litigations which would impact its financial position.

      (ii) The Company does not have any long-term contracts which has any material foreseeable losses. The Company does not have any derivative contracts.

      (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

      (iv) The management of the Company have represented to us respectively that, to the best of their knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company, including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or any of such subsidiaries (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

      (v) The management of the Company is represented to us that, to the best of their knowledge and belief, no funds have been received by the Company or any of such subsidiaries from any person(s) or entity(ies) including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company or any of such subsidiaries shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(vi) Based on the audit procedures, that has been considered reasonable and appropriate in the circumstances, performed by us nothing has come to our notice that has caused us or the other auditors to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

(vii) The Company has not declared any dividend during the year.

For **B. K. Khare & Co.**
Chartered Accountants
(Firm's Registration Number 105102W)

Aniruddha Joshi
Partner
Membership No. 040852
UDIN: 22040852AHOSPK7137

Place: Mumbai
Date: April 22, 2022

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

[Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date]

Report on the Internal Financial Controls with reference to Financial Statements under Clause (i) of sub-section (3) of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to Financial Statements of Mahindra Integrated Township Limited ("the Company") as of March 31, 2022 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to Financial Statements of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to Financial Statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to Financial Statements included obtaining an understanding of internal financial controls with reference to Financial Statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to Financial Statements.

Meaning of Internal Financial Controls with reference to Financial Statements

A company's internal financial control with reference to Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to Financial Statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to Financial Statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to Financial Statements to future periods are subject to the risk that the internal financial control with reference to Financial Statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system with reference to Standalone Financial Statements and such internal financial controls with reference to Standalone Financial Statements were operating effectively as at March 31, 2022, based on the criteria for internal financial control with reference to Standalone Financial Statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **B. K. Khare & Co.**
Chartered Accountants
Firm Registration No. 105102W

Aniruddha Joshi
Partner
Membership No. 040852
UDIN: 22040852AHOSPK7137

Place: Mumbai
Date: April 22, 2022

ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(i) (a) According to the information and explanations given to us, the Company has maintained proper records showing full particulars, including quantitative details and situation of the property, plant and equipment.

(b) Most of the property, plant and equipment were physically verified during the year by the management in accordance with a regular programme of verification, which, in our opinion, provides for physical verification of all the property, plant and equipment and investment properties at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) The Company does not have any immoveable properties of freehold or leasehold land and building and hence reporting under clause (i)(c) of the Order is not applicable to the Company.

(d) According to the information and explanations given to us, the Company has not revalued any of its Property, Plant and Equipment during the year.

(e) Based on the audit procedures performed by us and according to the information, explanations and representations given to us, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

(ii) (a) In our opinion and according to the information and explanations given to us, having regard to the nature of inventory, the physical verification by way of verification of title deeds, site visits by the Management and certification of extent of work completion by competent persons, are done at reasonable intervals and no material discrepancies were noticed on physical verification. In case of inventory of construction materials lying with vendor at sites, certificates confirming the inventory have been received of the stock held at the balance sheet date.

(b) According to the information and explanations given to us, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from HDFC Bank Limited on the basis of security of current asset during the year. The Cashflow Statement of filed by the Company with HDFC Bank Limited on a quarterly basis are in agreement with the unaudited books of account as certified by the management.

(iii) (a) According to the information and explanations given to us, the Company has not made investments in or provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year. Accordingly, the reporting under Clauses 3(iii)(a) to 3(iii)(f) of the Order is not applicable to the Company.

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act, with respect to loans granted, guarantees provided and investments made by the Company. The Company has not provided any security during the year to the parties covered under Sections 185 and 186 of the Act.

(v) According to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under, where applicable. Accordingly, the reporting under Clause 3(v) of the Order is not applicable to the Company.

(vi) The maintenance of cost records has been specified by the Central Government under Section 148(1) of the Act. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended, prescribed by the Central Government under subsection (1) of Section 148 of the Act and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) According to the information and explanations given to us, in respect of statutory dues:

(a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Income-tax, Goods and Services Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.

(b) There were no undisputed amounts payable in respect of Provident Fund, Income-tax, Goods and Services Tax, Cess and other material statutory dues in arrears as at March 31, 2022 for a period of more than six months from the date they became payable.

(c) There are no dues of Income-tax and Goods and Services Tax as on March 31, 2022 which have not been deposited on account of disputes.

(viii) In our opinion and according to the information and explanations given to us, there are no transactions not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income-tax Act, 1961. Accordingly, the reporting under Clause 3(viii) of the Order is not applicable to the Company.

(ix) (a) In our opinion and according to the information and explanations given to us and on the basis of our examination of books and records of the Company, the Company has not defaulted in the repayment of loans or borrowings to banks and debenture holders. The Company has not taken any loans or borrowings from financial institutions and Government.

(b) In our opinion and according to the information and explanations given to us, the Company has not been declared a willful defaulter by any bank or financial institution or any other lender till the date of our audit report.

(c) In our opinion and according to the information and explanations given to us, the company has not raised any money by way of term loans during the year. Hence, reporting under Clause 3(ix)(c) of the Order is not applicable to the Company.

(d) In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that funds raised on short-term basis have not been utilised for long-term purposes as at the Balance Sheet date.

(e) In our opinion and according to the information and explanations given to us and on an overall examination of the Financial Statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.

(f) In our opinion and according to the information and explanations given to us and based on the audit procedures performed by us, we report that the Company has not raised any loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies. Accordingly, the reporting under Clause 3(ix)(f) of the Order is not applicable to the Company.

(x) (a) In our opinion and according to the information and explanations given to us, the Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans. Accordingly, the reporting under clause 3(x)(a) of the Order is not applicable to the Company.

(b) In our opinion and according to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Accordingly, the reporting under Clause 3(x)(b) of the Order is not applicable to the Company.

(xi) (a) During the course of our examination of books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the management.

(b) There has been no report filed by us under sub-section (12) of Section 143 of the Act in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government. Accordingly, the reporting under Clause 3(xi)(b) of the Order is not applicable to the Company.

(c) As represented to us by the management, no whistle blower complaints were received by the Company during the year.

(xii) According to the information and explanations given to us, the Company is not a Nidhi company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, the reporting under Clause 3(xii) of the Order is not applicable to the Company.

(xiii) In our opinion and according to the information and explanations given to us, the Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the Financial Statements as required by Indian Accounting Standard (Ind AS) 24, Related Party Disclosures, specified under Section 133 of the Act.

(xiv) (a) In our opinion and according to the information and explanations given to us and based on our examination, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the Internal Audit reports of the Company issued till date for the period under audit.

(xv) In our opinion and according to the information and explanations given to us, during the year, the Company has not entered into any non-cash transactions with its directors or directors of its holding company, subsidiary company or persons connected with them and hence provisions of Section 192 of the Act are not applicable to the Company. Accordingly, the reporting under clause 3(xv) of the Order is not applicable to the Company.

(xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under Clause 3(xvi)(a) of the Order is not applicable to the Company.

(b) In our opinion and according to the information and explanations given to us, the Company has not conducted any Non-Banking Financial or Housing Finance activities. Accordingly, the reporting under Clause 3(xvi)(b) of the Order is not applicable to the Company.

In our opinion and according to the information and explanations given to us, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under Clauses 3(xvi)(c) and 3(xvi)(d) of the Order is not applicable to the Company.

(xvii) In our opinion and according to the information and explanations given to us, the Company has not incurred cash losses in the current financial year. However, The Company has incurred cash losses of Rs.298 Lakhs in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, the reporting under Clause 3(xviii) of the Order is not applicable to the Company.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of Balance Sheet as and when they fall due within a period of one year from the Balance Sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the Balance Sheet date, will get discharged by the Company as and when they fall due.

(xx) According to the information and explanations given to us, CSR is not applicable to the Company. Hence, reporting under Clause 3(xx) is not applicable to the Company.

For **B. K. Khare & Co.**
Chartered Accountants
Firm Registration No. 105102W

Aniruddha Joshi
Partner
Membership No. 040852

UDIN: 22040852AHOSPK7137

Place: Mumbai
Date: April 22, 2022

BALANCE SHEET AS AT 31ST MARCH, 2022

All amounts are in Rupees Lakhs unless otherwise stated

Particulars	Note No.	As at 31st March, 2022	As at 31st March, 2021
I ASSETS			
1 NON-CURRENT ASSETS			
(a) Property, Plant and Equipment	3	73.27	20.69
(b) Financial Assets			
(i) Investments	5	6,629.48	6,629.48
(ii) Other Financial Assets	6	0.75	0.75
(c) Deferred Tax Assets	4	1,209.71	1,607.13
(d) Other Non-current Assets	7	251.62	418.91
Total Non-Current Assets (a+b+c+d)		**8,164.83**	8,676.96
2 CURRENT ASSETS			
(a) Inventories	8	12,289.78	13,116.83
(b) Financial Assets			
(i) Trade Receivables	9	1,937.39	377.45
(ii) Cash and Cash Equivalents	10	617.59	44.43
(iii) Bank balances other than (ii) above	10	330.25	217.39
(iv) Other Financial Assets	6	1,027.41	25.34
(c) Other Current Assets	7	1,236.43	899.10
Total Current Assets (a+b+c)		**17,438.85**	14,680.53
Total Assets (1+2)		**25,603.68**	23,357.50
II EQUITY AND LIABILITIES			
1 EQUITY			
(a) Equity Share Capital	11	5,000.00	5,000.00
(b) Other Equity	12	4,191.93	1,600.85
Total Equity (a+b)		**9,191.93**	6,600.85
LIABILITIES			
2 NON-CURRENT LIABILITIES			
(a) Financial Liabilities			
(i) Borrowings	13	4,500.00	6,000.00
(b) Provisions	17	80.71	68.35
Total Non-Current Liabilities (a+b)		**4,580.71**	6,068.35
3 CURRENT LIABILITIES			
(a) Financial Liabilities			
(i) Borrowings	15	3,182.45	3,917.31
(ii) Trade Payables			
total outstanding dues of micro enterprises and small enterprises	16	291.78	67.68
total outstanding dues of creditors other than micro enterprises and small enterprises		1,832.52	908.15
(iii) Other Financial Liabilities	14	274.97	203.27
(b) Provisions	17	118.17	43.11
(c) Other Current Liabilities	18	6,131.15	5,548.78
Total Current Liabilities (a+b+c)		**11,831.04**	10,688.30
Total Liabilities (1+2+3)		**16,411.75**	16,756.65
Total Equity and Liabilities		**25,603.68**	23,357.50

Summary of Significant Accounting Policies 2

The accompanying notes 1 to 43 are an integral part of these financial statements

In terms of our report of even date

For **B. K. Khare & Co.**
Chartered Accountants
Firm Registration No. 105102W

Aniruddha Joshi
Partner
Membership No.: 040852

Place: Chennai
Date: 22nd April, 2022

For and on behalf of the board of directors of Mahindra Integrated Township Limited

Ankit Shah
Company Secretary

Girish Agrawal
Chief Financial Officer

Vimal Agarwal
Director
DIN: 07296320

Parveen Mahtani
Director
DIN: 05189797

Place: Chennai
Date: 22nd April, 2022

STATEMENT OF PROFIT AND LOSS FOR YEAR ENDED 31ST MARCH, 2022

All amounts are in Rupees Lakhs unless otherwise stated

Particulars	Note No.	Year ended 31st March, 2022	Year ended 31st March, 2021
REVENUE			
Revenue from operations	**19**	**10,156.31**	1,651.80
Other Income	**20**	**71.05**	40.30
Total Income		**10,227.36**	1,692.10
EXPENSES			
Cost of Sales	**21**	**5,417.85**	406.65
Employee benefits expense	**22**	**318.65**	270.52
Finance costs	**23**	**157.08**	800.81
Depreciation expense	**3**	**11.68**	6.48
Other expenses	**24**	**708.86**	512.07
Total Expenses		**6,614.12**	1,996.53
Profit/(Loss) before tax		**3,613.24**	(304.43)
Tax Expense/(Credit)			
Current tax	**4**	**615.00**	–
Deferred Tax	**4**	**397.42**	(88.43)
Total Tax Expenses/(Credit)		**1,012.42**	(88.43)
Profit/(Loss) after tax		**2,600.82**	(216.00)
Other Comprehensive Income/(Loss)			
Items that will not be reclassified to profit or loss			
(a) Remeasurement of the defined benefit plans		**(9.74)**	14.27
(b) Income tax relating to Items that will not be reclassified to profit or loss		**–**	(4.15)
Total Other Comprehensive (Loss)/Income		**(9.74)**	10.12
Total Comprehensive Income/(Loss)		**2,591.08**	(205.88)
Profit from continuing operations for the year attributable to:			
Owners of the Company		**2,600.82**	(216.00)
Earnings per equity share (face value of Rs. 10/- each)			
Basic/Diluted in Rs.	**26**	**5.20**	(0.43)

Summary of Significant Accounting Policies 2

The accompanying notes 1 to 43 are an integral part of these financial statements

In terms of our report of even date
For **B. K. Khare & Co.**
Chartered Accountants
Firm Registration No. 105102W

Aniruddha Joshi
Partner
Membership No.: 040852

Place: Chennai
Date: 22nd April, 2022

For and on behalf of the board of directors of Mahindra Integrated Township Limited

Ankit Shah
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Vimal Agarwal
Director
DIN: 07296320

Parveen Mahtani
Director
DIN: 05189797

Place: Chennai
Date: 22nd April, 2022

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH, 2022

All amounts are in Lakhs unless otherwise stated

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Cash flows from operating activities		
Profit/(Loss) before tax	**3,613.24**	(304.43)
Adjustments for:		
Finance costs	**157.08**	800.81
Interest Income	**(42.88)**	(14.42)
Depreciation	**11.68**	6.48
Operating Profit before working capital changes	**3,739.12**	488.44
Movements in working capital:		
(Increase) /Decrease in trade and other receivables	**(1,559.95)**	450.31
Decrease / (Increase) in inventories	**1,372.23**	(1,757.49)
(Increase) / Decrease in other assets	**(337.33)**	37.98
Decrease / (Increase) in other non current assets	**14.33**	(2.80)
Increase / (Decrease) in trade and other payables	**1,148.47**	(423.64)
Increase / (Decrease) in amounts due to customers	**56.46**	(357.05)
Increase / (Decrease) in Other Financial Liabilities	**178.98**	(73.74)
Increase in provisions	**77.68**	7.27
Increase in deferred revenue	**506.40**	2,150.24
Increase / (Decrease) in other liabilities	**19.51**	(24.60)
Cash generated from operations	**5,215.90**	494.92
Income taxes paid	**(462.04)**	(12.12)
Net cash generated from operating activities	**4,753.86**	482.80
Cash flows from investing activities		
Payments for property, plant and equipment	**(64.26)**	(2.64)
Bank balances not considered as Cash and Cash Equivalents	**(112.86)**	148.61
Intercorporate Deposit given to Related parties	**(1,000.00)**	–
Interest received	**40.81**	6.80
Net cash (used in)/generated from investing activities	**(1,136.31)**	152.77
Cash flows from financing activities		
(Repayment)/Proceeds from Short term borrowings	**(530.43)**	1,129.92
Repayment of long term borrowings	**(1,500.00)**	(3,903.64)
Proceeds from long term borrowings	**–**	4,500.00
Inter Corporate Deposits from Related parties	**–**	2,800.00
Repayment of Intercorporate Deposits to Related parties	**(300.00)**	(3,895.00)
Interest paid	**(713.96)**	(1,370.64)
Net cash used in financing activities	**(3,044.39)**	(739.36)
Net Increase/(Decrease) in cash and cash equivalents	**573.16**	(103.79)
Cash and cash equivalents at the beginning of the year	**44.43**	148.22
Cash and Cash equivalents at the end of the year*	**617.59**	44.43

***Comprises of**

Particulars	As at 31st March, 2022	As at 31st March, 2021
Cash and cash equivalents		
(a) Balances with banks		
in Current Accounts	**48.77**	44.43
Deposits with original maturity of less than three months	**568.82**	–
Total Cash and cash equivalents (considered in Statement of Cash Flows)	**617.59**	44.43

The above Cash Flow Statement has been prepared under the "indirect method" as set out in 'Indian Accounting Standard (Ind AS) 7
Summary of Significant Accounting Policies – 2
The accompanying notes 1 to 43 are an integral part of these financial statements

Change in Liabilities arising from financing activities **(Rs in lakhs)**

Particulars	As at 1st April, 2021	Cashflows	As at 31st March, 2022
Non Current Borrowings (Non-Current portion) - Refer Note 13	6,000.00	(1,500.00)	4,500.00
Current Borrowings (Refer Note 15)	3,917.31	(734.86)	3,182.45
Current Maturities of Long Term Borrowings (Refer Note 14)	95.57	(95.57)	–
Total	**10,012.88**	**(2,330.43)**	**7,682.45**

In terms of our report attached

For **B. K. Khare & Co.**
Chartered Accountants
Firm Registration No. 105102W

Aniruddha Joshi
Partner
Membership No.: 040852

Place: Chennai
Date: 22nd April, 2022

For and on behalf of the board of directors of Mahindra Integrated Township Limited

Ankit Shah
Company Secretary

Girish Agrawal
Chief Financial Officer

Vimal Agarwal
Director
DIN: 07296320

Parveen Mahtani
Director
DIN: 05189797

Place: Chennai
Date: 22nd April, 2022

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2022

All amounts are in Lakhs unless otherwise stated

Particulars	Share Capital Equity Share Capital	Other Equity Capital Redemption Reserve	Debenture Redemption Reserve	Retained Earnings	Total
Balance as at 1st April, 2020	**5,000.00**	43.50	250.00	1,513.23	6,806.73
Loss for the year	**–**	–	–	(216.00)	(216.00)
Other Comprehensive Loss	**–**	–	–	10.12	10.12
Transfer of Debenture Redemption Reserve to Retained Earning	**–**	–	(250.00)	250.00	–
Transfer of Debenture Redemption Reserve	**–**	–	450.00	(450.00)	–
Balance as at 31st March, 2021	**5,000.00**	**43.50**	**450.00**	**1,107.35**	**6,600.85**

Particulars	Share Capital Equity Share Capital	Other Equity Capital Redemption Reserve	Debenture Redemption Reserve	Retained Earnings	Total
Balance as at 1st April, 2021	**5,000.00**	43.50	250.00	1,513.23	6,806.73
Profit for the year	**–**	–	–	2,600.82	2,600.82
Other Comprehensive Income	**–**	–	–	(9.74)	(9.74)
Balance as at 31st March, 2022	**5,000.00**	**43.50**	**450.00**	**3,698.43**	**9,191.93**

Summary of Significant Accounting Policies (refer note 2)

The accompanying notes 1 to 43 are an integral part of these financial statements

In terms of our report of even date

For **B. K. Khare & Co.**
Chartered Accountants

Aniruddha Joshi
Partner
Membership No.: 040852

Place: Chennai
Date: 22nd April, 2022

For and on behalf of the board of directors of Mahindra Integrated Township Limited

Ankit Shah
Company Secretary

Girish Agrawal
Chief Financial Officer

Vimal Agarwal
Director
DIN: 07296320

Parveen Mahtani
Director
DIN: 05189797

Place: Chennai
Date: 22nd April, 2022

NOTES TO STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2022

1. General Information

Mahindra Integrated Township Limited ("the Company") was incorporated on June 26, 1996.

The Company is a Co-developer, approved under Special Economic Zone Act, 2005, engaged in development of township including residential infrastructure in Mahindra World City SEZ and giving it on perpetual lease. The address of its registered office and principal place of business is Administrative Block, Central Avenue, Mahindra World City, Chengalpet, Kancheepuram – 603 002.

The level of activity carried out by the Company depends on the number of projects handled and accordingly the revenue from operations may not be comparable on a year-to-year basis. During the preceding year, the company has issued listed debentures – 450 secured rated listed non-convertible debentures of face value of Rs.10,00,000 each aggregating to Rs. 45 crores on private placement basis. Due to this, the Company falls under the definition of a debt listed entity and is required to comply with provisions of SEBI (Listing and Obligations) Disclosures Regulations, 2015 and the Companies Act, 2013 to the extent applicable.

2. Significant Accounting Policies

2.1 Statement of compliance

The standalone financial statements of the Company have been prepared in accordance with the Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under Section 133 of the Companies Act, 2013 ("the Act") and other relevant provisions of the Act.

2.2 Basis of measurement

2.2.1 Basis of preparation

The standalone financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

2.2.2 Measurement of Fair Values

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these standalone financial statements is determined on such a basis as applicable, except for measurements that have some similarities to fair value but are not fair value, such as net realisable value in IND AS 2- Inventories or value in use in IND AS 36- Impairment of assets

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

2.3 Revenue from Contracts and Customers

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

2.3.1 Revenue from Projects

The Company develops and sells residential and commercial properties. Revenue from contracts is recognised when control over the property has been transferred to the customer. An enforceable right to payment does not arise until the development of the property is completed. Therefore, revenue is recognised at a point in time i.e Completed contract method of accounting as per IND AS 115 when (a) the seller has transferred all significant risks and rewards of ownership and the seller retains no effective control of the real estate to a degree usually associated with the ownership, (b) The seller has effectively handed over the possession of the real estate unit to the buyer forming part of the transaction; (c) No significant uncertainty exists regarding the amount of consideration that will be derived from real estate sales; and (d) it is not unreasonable to expect ultimate collection of revenue from buyers.. The revenue is measured at the transaction price agreed under the contract.

The Company invoices the customers for construction contracts based on achieving a series of performance-related milestones.

For certain contracts involving the sale of property under development, the Company offers deferred payment schemes to its customers. The Company adjusts the transaction price for the effects of the significant financing component.

2.3.2 Revenue from sale of Land

Revenue from Sale of land is generally a single performance obligation and the Company has determined that this is satisfied at the point in time when control transfers as per the terms of the contract entered into with the buyers, which generally are with the firmity of the sale contracts / agreements.

2.3.3 Revenue from Project Management Fees

Project Management Fees receivable on fixed period contracts is accounted over the tenure of the contract/ agreement. Where the fee is linked to the input costs, revenue is recognised as a proportion of the work completed based on progress claims submitted. Where the management fee is linked to the revenue generation from the project, revenue is recognised on the percentage of completion basis.

2.3.4 Contract Costs

Costs to obtain contracts ("Contract costs") relate to fees paid for obtaining property sales contracts. Such costs are recognised as assets when incurred and amortised upon recognition of revenue from the related property sale contract.

2.3.5 Significant accounting judgements, estimates and assumptions

2.3.5.1 Determining the timing of revenue recognition on the sale of completed and under development property

The Company has generally evaluated and concluded that based on an analysis of the rights and obligations under the terms of the contracts relating to the sale of property, the revenue is to be recognised at a point in time when control transfers which coincides with receipt of Occupation Certificate. The Company has concluded that the overtime criteria are not met owing to non-enforceable right to payment for performance completed to date and, therefore, recognises revenue at a point in time.

2.3.5.2 Determination of performance obligations

With respect to the sale of property, the Company has concluded that the goods and services transferred in each contract constitute a single performance obligation. In particular, the promised goods and services in contracts for the sale of property is to undertake development of property and obtaining the Occupation Certificate. Generally, the

NOTES TO STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2022

Company is responsible for all these goods and services and the overall management of the project. Although these goods and services are capable of being distinct, the Company accounts for them as a single performance obligation because they are not distinct in the context of the contract.

2.3.6 Dividend and interest income

Dividend income from investments in subsidiary company is recognised when the unit holder's right to receive payment has been established.

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

2.4 Current versus non-current classification

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents.

Based on the nature of activity carried out by the Company and the period between the procurement and realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 5 years for the purpose of Current – Non-Current classification of assets and liabilities.

The Company presents assets and liabilities in the balance sheet based on current / non-current classification.

An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Borrowings are classified as current if they are due to be settled within 12 months after the reporting period.

2.5 Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Rental expense from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue.

2.6 Foreign currencies

Transactions in foreign currencies i.e. other than the Company's functional currency are recognised at the rates of exchange prevailing at the date of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined.

Exchange differences on monetary items are recognised in statement of profit and loss in the period in which they arise except for:

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings; and
- exchange differences on transactions entered into in order to hedge certain foreign currency risks

2.7 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in statement of profit and loss in the period in which they are incurred.

2.8 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

2.8.1 Current tax

Current tax is determined as the amount of tax payable in respect of taxable income for the year. The Company's current tax is calculated using tax rate that has been enacted or substantively enacted by the end of the reporting period.

2.8.2 Minimum Alternate Tax

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognized as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company.

2.8.3 Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the standalone financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

NOTES TO STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2022

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

2.8.4 Current and deferred tax for the year

Current and deferred tax are recognised in statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

2.9 Property, plant and equipment (PPE)

PPE are stated in the balance sheet at cost less accumulated depreciation.

Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Company's accounting policy.

An item of PPE is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in statement of profit and loss. PPE held for disposal are valued at estimated net realizable value.

Depreciation on PPE has been provided on pro-rata basis, on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013.

Lease hold improvements are amortised over the period of lease/ estimated period of lease.

2.10 Impairment of PPE

At the end of each reporting period, the Company reviews the carrying amounts of its PPE to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in statement of profit and loss.

2.11 Inventories

Inventories are stated at lower of cost and net realisable value. The cost of construction material is determined on the basis of weighted average method. Construction Work-in-Progress includes cost of land, premium for development rights, construction costs and allocated interest and manpower costs and expenses incidental to the projects undertaken by the Company.

2.12 Cash and cash equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

2.13 Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

2.14 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) because of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, considering the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Provisions, contingent liabilities and contingent assets are reviewed at each Balance Sheet date.

Contingent liabilities

Contingent liability is disclosed in case of:

a) a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation; and

b) a present obligation arising from past events, when no reliable estimate is possible.

Contingent assets

Contingent assets are disclosed where an inflow of economic benefits is probable.

2.15 Employee Benefits

Employee benefits include provident fund, gratuity fund and compensated absences.

The Company's contribution to provident fund are considered as defined contribution plans and are charged as an expense as they fall due based on the amount of contribution required to be made and when services are rendered by the employees.

Long term Compensated Absences and Gratuity

Company's liability towards long term compensated absences are determined by independent actuaries, using the projected unit credit method.

Company's liability towards gratuity as at the balance sheet date are determined by independent actuaries, using the projected unit credit method. Past services are recognised at the earlier of the plan amendment/curtailment and the recognition of related restructuring costs/termination benefits.

NOTES TO STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2022

The obligation on long term compensated absences and defined benefit plans are measured at the present value of estimated future cash flows using a discount rate that is determined by reference to the market yields at the balance sheet date on government bonds where the currency and terms of the government bonds are consistent with the currency and estimated terms of the obligation.

Remeasurement gains/losses

Remeasurement of defined benefit plans, comprising of actuarial gains or losses, return on plan assets excluding interest income are recognised immediately in balance sheet with corresponding debit or credit to other comprehensive income. Remeasurements are not reclassified to statement profit and loss in subsequent period. Remeasurement gains or losses on long term compensated absences that are classified as other long-term benefits are recognised in statement of profit and loss.

2.16 Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in statement of profit and loss.

2.16.1 Classification and subsequent measurement

2.16.1.1 Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace. All recognised financial assets are subsequently measured at either amortised cost or fair value depending on their respective classification.

On initial recognition, a financial asset is classified as - measured at:

- Amortised cost; or
- Fair Value through Other Comprehensive Income (FVTOCI) - debt investment; or
- Fair Value through Other Comprehensive Income (FVTOCI) - equity investment; or
- Fair Value Through Profit or Loss (FVTPL)

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

All financial assets not classified as measured at amortised cost or FVTOCI are measured at FVTPL.

Financial assets at amortised cost are subsequently measured at amortised cost using effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in statement of profit and loss. Any gain and loss on recognition is recognised in statement of profit and loss.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Debt investment at FVTOCI are subsequently measured at fair value. Interest income under effective interest method, foreign exchange gains and losses and impairment are recognised in statement of profit and loss. Other net gains and losses are recognised in Other Comprehensive Income (OCI). On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

For equity investments, the Company makes an election on an instrument-by-instrument basis to designate equity investments as measured at FVTOCI. These elected investments are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the reserves. The cumulative gain or loss is not reclassified to statement of profit and loss on disposal of the investments. These investments in equity are not held for trading. Instead, they are held for medium or long term strategic purpose.

Equity investments that are not designated as measured at FVTOCI are designated as measured at FVTPL and subsequent changes in fair value are recognised in statement of profit and loss.

Financial assets at FVTPL are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in statement of profit and loss.

2.16.1.2 Financial liabilities and equity instruments

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments issued by the Company is recognised at the proceeds received, net of directly attributable transaction costs.

Financial liabilities

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading or it is a derivative (that does not meet hedge accounting requirements) or it is designated as such on initial recognition. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in statement of profit and loss. Any gain or loss on derecognition is also recognised in statement of profit and loss.

2.16.2 Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

2.17 Earnings per Share

Basic / Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post-tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year.

NOTES TO STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2022

All amounts are in Rupees Lakhs unless otherwise stated

2.18 Goods and Services tax input credit

Goods and Services tax input credit is accounted for in the books in the period in which the underlying service received is accounted and when there is reasonable certainty in availing / utilising the credits.

2.19 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in Note 1, the management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only the period of the revision and future periods if the revision affects both current and future periods.

Judgements

In the process of applying the Company's accounting policies, management has made the following judgements based on estimates and assumptions, which have the significant effect on the amounts recognised in the standalone financial statements.

Determination of the timing of revenue recognition on the sale of completed and under development property

The Company has evaluated and generally concluded that the recognition of revenue over the period of time criteria are not met owing to non-enforceable right to payment for performance completed to date and, therefore, recognises revenue at a point in time. The Company has further evaluated and concluded that based on the analysis of the rights and obligations under the terms of the contracts relating to the sale of property, the revenue is to be recognised at a point in time when control transfers which coincides with receipt of Occupation Certificate.

Determination of performance obligation

With respect to the sale of property, the Company has evaluated and concluded that the goods and services transferred in each contract constitute a single performance obligation. In particular, the promised goods and services in contracts for the sale of property is to undertake development of property and obtaining the Occupation Certificate. Generally, the Company is responsible for all these goods and services and the overall management of the project. Although these goods and services are capable of being distinct, the Company accounts for them as a single performance obligation because they are not distinct in the context of the contract.

Taxes

Deferred tax assets are recognised for temporary differences to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Actuarial Valuation

The determination of Company's liability towards defined benefit obligation to employees is made through independent actuarial valuation including determination of amounts to be recognised in the Statement of Profit and Loss and in other comprehensive income. Such valuation depends upon assumptions determined after considering inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market. Information about such valuation is provided in notes to the standalone financial statements.

Note No. 3 - Property, Plant and Equipment

Description of Assets	Office Equipments	Furniture and Fixtures	Computers	Electrical Installations	Total
I. Gross Carrying Amount					
Balance as at 1st April, 2021	21.94	71.07	2.06	10.10	105.17
Additions	–	54.47	9.79	–	64.26
Balance as at 31st March, 2022	**21.94**	**125.54**	**11.85**	**10.10**	**169.43**
II. Accumulated depreciation					
Balance as at 1st April, 2021	18.28	58.16	2.06	5.98	84.48
Depreciation expense for the year	–	7.52	3.15	1.01	11.68
Balance as at 31st March, 2022	**18.28**	**65.68**	**5.21**	**6.99**	**96.16**
III. Net carrying amount as at 31st March, 2022 (I-II)	**3.66**	**59.86**	**6.64**	**3.11**	**73.27**

Description of Assets	Office Equipments	Furniture and Fixtures	Computers	Electrical Installations	Total
I. Gross Carrying Amount					
Balance as at 1st April, 2020	19.30	71.07	2.06	10.10	102.53
Additions	2.64	–	–	–	2.64
Balance as at 31st March, 2021	**21.94**	**71.07**	**2.06**	**10.10**	**105.17**
II. Accumulated depreciation					
Balance as at 1st April, 2020	16.31	54.66	2.06	4.97	78.00
Depreciation expense for the year	1.97	3.50	–	1.01	6.48
Balance as at 31st March, 2021	**18.28**	**58.16**	**2.06**	**5.98**	**84.48**
III. Net carrying amount as at 31st March, 2021 (I-II)	**3.66**	**12.91**	–	**4.12**	**20.69**

Note No. 4a - Current Tax and Deferred Tax

(a) Income Tax recognised in profit or loss

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Current Tax:		
In respect of current year	**615.00**	–
Deferred Tax:		
In respect of current year origination and reversal of temporary differences	**397.42**	(88.43)
Total	**1,012.42**	(88.43)

NOTES TO STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2022

All amounts are in Rupees Lakhs unless otherwise stated

(b) Reconciliation of estimated income tax expense at tax rate to income tax expense reported in Profit or Loss is as follows:

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Profit/(Loss) before tax	**3,613.24**	(304.43)
Income tax expense calculated at 29.12%	**1,052.18**	(88.65)
Effect of expenses that is non-deductible in determining taxable profit	**(39.76)**	0.22
Income tax credit recognised in profit or loss	**1,012.42**	(88.43)

Note No. 4b - Deferred Tax Assets

As at 31st March, 2022

Particulars	Opening Balance	Recognised in profit and Loss	Recognised in other comprehensive income	Closing Balance
Carry forward of Business losses	1,014.24	(1,014.24)	–	–
Minimum Alternate Tax (MAT)	592.89	650.10	–	1,242.99
Other Temporary Differences		(33.28)	–	(33.28)
Net Deferred Tax Asset	**1,607.13**	**(397.42)**	**–**	**1,209.71**

As at 31st March, 2021

Particulars	Opening Balance	Recognised in profit and Loss	Recognised in other comprehensive income	Closing Balance
Tax impact of adjustment pursuant INDAS 115	929.96	88.43	(4.15)	1,014.24
Minimum Alternate Tax (MAT)	592.89	–	–	592.89
Net Deferred Tax Asset	**1,522.85**	**88.43**	**(4.15)**	**1,607.13**

Note No. 5 - Investments

Particulars	As at 31st March, 2022 Current	As at 31st March, 2022 Non Current	As at 31st March, 2021 Current	As at 31st March, 2021 Non Current
A. Cost				
Unquoted Investments (all fully paid)				
Investments in Equity Instruments				
- of Subsidiaries				
- Mahindra Residential Developers Limited -2,50,000 Equity Shares Face value of Rs.10/-each	–	**6,629.48**	–	6,629.48
INVESTMENTS CARRIED AT COST	–	**6,629.48**	–	6,629.48
Other disclosures				
Aggregate amount of unquoted investments	–	**6,629.48**	–	6,629.48

Note No. 6 - Other Financial Assets

Particulars	As at 31st March, 2022 Current	As at 31st March, 2022 Non–Current	As at 31st March, 2021 Current	As at 31st March, 2021 Non–Current
a) Security Deposits				
- Unsecured, considered good	–	**0.75**	–	0.75
b) Loans to Related Parties				
- Unsecured, considered good	**1,000.00**	–	–	–
c) Interest Receivable				
- Interest accrued on deposits, loans and advances	**27.41**	–	25.34	–
Total	**1,027.41**	**0.75**	25.34	0.75

Note No. 7 - Other Assets

Particulars	As at 31st March, 2022 Current	As at 31st March, 2022 Non–Current	As at 31st March, 2021 Current	As at 31st March, 2021 Non–Current
(a) Advances other than capital advances				
(i) Balances with government authorities (other than income taxes)	**823.77**	–	670.08	–
(ii) Other advances(Mobilisation & Material Advances to Contractors)	**186.66**	–	145.22	–
(b) Advance income tax	–	**185.60**	–	338.56
(c) Security Deposit				
- Unsecured, considered good	**13.84**	**66.02**	–	80.35
(d) Prepaid Expenses	**212.16**		83.80	
Total	**1,236.43**	**251.62**	899.10	418.91

Note No. 8 - Inventories

Particulars	As at 31st March, 2022	As at 31st March, 2021
Construction Materials	**496.52**	558.87
Construction Work-in-progress*	**6,976.97**	12,557.96
Finished goods	**4,816.29**	–
Total Inventories (at lower of cost and net realisable value)	**12,289.78**	13,116.83

*Construction Work-in-Progress represents materials at site and unbilled costs on the projects. Based on projections and estimates by the Company of the expected revenues and costs to completion, provision for losses to completion and/ or write off of costs carried to inventory are made on projects where the expected revenues are lower than the estimated costs to completion. In the opinion of the management, the net realisable value of the construction work in progress will not be lower than the costs so included therein.

Construction Materials primarily comprises of Steel, Cement, Chrome plated & Sanitary Fixtures and UPVC windows which are used for construction activities.

The cost of inventories recognised as an expense during the year in respect of continuing operations is Rs. 5,417.85 lakhs (FY 20-21: Rs. 406.65 lakhs).

The Company has availed cash credit facilities, Term Loan and borrowings through issue of Non-Convertible Debentures which are secured by hypothecation of inventories.

Based on detailed assessment and evaluation of impact of the COVID-19 epidemic, the management concluded that realiseable value of these inventories will not be lower than the carrying value .

NOTES TO STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2022

All amounts are in Rupees Lakhs unless otherwise stated

Note No. 9 - Trade Receivables

Particulars	As at 31st March, 2022 Current	Non–Current	As at 31st March, 2021 Current	Non–Current
Trade receivables				
- Unsecured, considered good	**1,937.39**	–	377.45	–
TOTAL	**1,937.39**	–	377.45	–
Of the above, trade receivables from:				
- Related Parties(Refer note 30)	**30.48**	–	25.03	–
- Others	**1,906.91**	–	352.42	–
TOTAL	**1,937.39**	–	377.45	–

Refer Note 28 for disclosures related to credit risk, impairment of trade receivables under expected credit loss model and related financial instrument disclosures.

The average credit period in the range of 7-31 days on lease of residential property as per the agreement with customers.

Note No. 9 a - Ageing for trade receivables from the due date of payment for each of the category is as follows:

Particulars	As at 31st March, 2022	As at 31st March, 2021
Undisputed Trade Receivable - Considered good - unsecured		
Not Due	**–**	–
0 months - 6 months	**1,925.08**	322.59
6 months -1 year	**0.00**	**31.55**
1-2 Years	**12.31**	22.92
2-3 years	**–**	0.18
More than 3 years	**–**	0.21
Total	**1,937.39**	377.45

Note No. 10 - Cash and Bank Balances

Particulars	As at 31st March, 2022	As at 31st March, 2021
Cash and cash equivalents		
Balances with banks		
In Current Accounts	**48.77**	44.43
Deposits with original maturity of less than three months	**568.82**	–
Total Cash and cash equivalent (considered in Statement of Cash Flows)	**617.59**	**44.43**
Bank Balances other than Cash and cash equivalents		
- Current Accounts - earmarked *	**119.52**	37.39
- Earmarked Deposit account with scheduled banks#	**210.73**	180.00
Total Other Bank balances	**330.25**	217.39

* Required to be set aside and kept in separate bank account under Tamil Nadu Real Estate (Regulation and Development) Act, 2016.

\# Earmarked balances with banks refers to Fixed Deposits with bank created out of Corpus and Advance maintenance Charges collected from customers.

Note No. 11 - Equity Share Capital

Particulars	As at 31st March, 2022 No. of shares	Amount	As at 31st March, 2021 No. of shares	Amount
Authorised:				
Equity shares of Rs. 10 each with voting rights	**6,00,00,000**	**6,000.00**	6,00,00,000	6,000.00
Issued, Subscribed and Fully Paidup:				
Equity shares of Rs. 10 each with voting rights#	**5,00,00,000**	**5,000.00**	5,00,00,000	5,000.00
Total	**5,00,00,000**	**5,000.00**	5,00,00,000	5,000.00

(i) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Particulars	Opening Balance	Change during the year	Closing Balance
Equity Shares with Voting rights*			
As at 31st March, 2022			
No. of Shares	**5,00,00,000**	**–**	**5,00,00,000**
Amount in Lakhs	**5,000.00**	**–**	**5,000.00**
As at 31st March, 2021			
No. of Shares	5,00,00,000	–	5,00,00,000
Amount in Lakhs	5,000.00	–	5,000.00

* **Terms/ rights attached to equity shares:** The Company has one class of equity shares having a par value of Rs.10 per share. Each shareholder is eligible for one vote per share. Dividends are paid in Indian Rupees. The dividends proposed by the Board of Directors are subject to the approval of the shareholders at the Annual General Meeting. Repayment of capital will be in proportion to the number of equity shares held.

NOTES TO STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2022

All amounts are in Rupees Lakhs unless otherwise stated

(ii) Details of shareholders holding more than 5% shares in the company

Name of the shareholder	As at 31st March, 2022 No.	As at 31st March, 2022 % holding in the class	As at 31st March, 2021 No.	As at 31st March, 2021 % holding in the class
Equity shares with voting rights:-				
Mahindra Lifespace Developers Limited, Holding Company	**3,70,00,000**	**74.00%**	3,70,00,000	74.00%
Mahindra World City Developers Limited, Joint Venture of Holding Company	**1,30,00,000**	**26.00%**	1,30,00,000	26.00%

(iii) Details of shares held by the holding company, the ultimate holding company, their subsidiaries and associates:

Particulars	No. of Shares Equity Shares with Voting rights
As at 31st March, 2022	
Mahindra Lifespace Developers Limited, the Holding Company	**3,70,00,000**
Joint Venture of the holding company-Mahindra World City Developers Ltd	**1,30,00,000**
As at 31st March, 2021	
Mahindra Lifespace Developers Limited, the Holding Company	3,70,00,000
Joint Venture of the holding company-Mahindra World City Developers Ltd	1,30,00,000

Note No. 12(a) -Other Equity

Particulars	As at 31st March, 2022	As at 31st March, 2021
Retained earnings	**3,698.43**	1,107.35
Debenture Redemption Reserve	**450.00**	450.00
Capital Redemption Reserve	**43.50**	43.50
Total Other Equity	**4,191.93**	1,600.85

Note No. 12 (b) - Other Equity

Particulars	Capital Redemption Reserve	Debenture Redemption Reserve	Retained Earnings	Total
Balance as at 1st April, 2021	**43.50**	**450.00**	**1,107.35**	**1,600.85**
Profit for the year			**2,600.82**	**2,600.82**
Transfer of Debenture Redemption Reserve to Retained Earnings				**–**
Transfer to Debenture Redemption Reserve				**–**
Other Comprehensive Income for the year (net of tax)			**(9.74)**	**(9.74)**
Balance as at 31st March, 2022	**43.50**	**450.00**	**3,698.43**	**4,191.93**

Retained Earnings: This reserve represents cumulative profits of the Company. This reserve can be utilised in accordance with the provisions of Companies Act, 2013.

Debenture Redemption Reserve (DRR): A debenture redemption reserve is created against issue of debentures to protect investors against the possibility of default by the company. The Company evaluated the DRR required as on March 31, 2021 based on the notification GSR 127(E), dated 19 August 2019 and has created a DRR of Rs. 450 Lakhs.

Capital Redemption Reserve: The Capital Redemption Reserve is created against Buy Back of shares.

Note No. 13 - Non-Current Borrowings

Particulars	As at 31st March, 2022	As at 31st March, 2021
Measured at amortised cost		
Secured Borrowings:		
a. Non-Convertible Debentures	**4,500.00**	4,500.00
(refer to sub note(i) below)		
b. Term Loan (refer to sub note(ii) below)	**–**	1,500.00
Total	**4,500.00**	6,000.00

NOTES TO STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2022

All amounts are in Rupees Lakhs unless otherwise stated

i) Non-Convertible Debentures(Listed/Secured)

The Terms and conditions of the Listed, Secured Non Convertible Debentures issued by the Company are summarised below

Series	I	II	III
Face Value of the Debentures(Rs in lakhs)	1,500.00	1,500.00	1,500.00
Total Redemption Premium(Rs in lakhs)	214.32	299.64	393.68
Rate of Interest Payable Annually	8.40%	8.40%	8.40%
Maturity Date	14-Sep-2023	13-Sep-2024	12-Sep-2025

The above Debentures are secured by first ranking pari passu mortgage and charge on specific lands of the Company. The carrying value of these specific Lands is Rs.862.45 Lakhs and is shown as part of "work in Progress" in Inventories Schedule, Refer note No.8.

ii) Term Loan (Secured)

Term loan is taken Axis Bank in the month of August 2019 for a tenure of 3 years, repayable in 2 equal installments starting from 24th month of disbursement. The term loan is secured by first ranking pari passu charge on specific lands of the company. The loan has been repaid in full during the year ended 31st March 2022

Note No. 14 - Other Financial Liabilities

Particulars	As at 31st March, 2022	As at 31st March, 2021
Current		
Current maturities of long term debt	–	95.57
Interest accrued		
Interest Accrued and due on borrowings	–	–
Interest Accrued and Not due on borrowings	**17.09**	28.80
Redemption Premium payable on non convertible debentures	–	–
Other liabilities		
Deposits from customers*	**257.88**	78.90
Total Other financial liabilities	**274.97**	203.27

* refers to amount collected from customers towards "Advance maintenance and Corpus fund" net off amount receivable. Out of the funds collected, the Company has invested in earmarked deposit accounts with banks (Refer Note 10)

Note No. 15 - Current Borrowings

Particulars	As at 31st March, 2022	As at 31st March, 2021
A. Secured Borrowings at amortised cost		
From Banks- Cash Credit Facility	**3,182.45**	3,617.31
Total Secured Borrowings	**3,182.45**	3,617.31
B. Unsecured Borrowings		
Loans from related parties (Refer note no. 30)	–	300.00
Total Unsecured Borrowings	–	300.00
Total	**3,182.45**	3,917.31

Secured Borrowings: The Cash Credit sanctioned by HDFC Bank Ltd is Rs. 4,300 Lakhs and rate of interest is Bank Base Rate + 0.25% p.a. payable on a monthly basis. This facility is secured by hypothecation of book debts and Work in progress and first ranking pari passu charge on specific lands of the company.

Unsecured Borrowings: The Loan is taken from M/s Mahindra Residential Developers Limited @ 9.5% pa payable on demand. The loan has been repaid in full during the year ended 31st March 2022.

Note No. 16 - Trade Payables

Particulars	As at 31st March, 2022	As at 31st March, 2021
Trade Payables		
total outstanding dues of micro enterprises and small enterprises (Refer Note 40 (a))	**291.78**	67.68
total outstanding dues of creditors other than micro enterprises and small enterprises	**1,832.52**	908.15
Total	**2,124.30**	975.83

Trade Payables are payables in respect of the amount due on account of goods purchased or services received in the normal course of business.

The average credit period in the range of 7-31 days as per the agreement with Contractors/Suppliers.

Note No. 16 a - Ageing for trade payable from the due date of payment for each of the category is as follows:

Particulars	As at 31st March, 2022	As at 31st March, 2021
Undisputed dues of micro enterprises and small enterprises		
Unbilled	–	–
Not Due	**291.78**	67.68
0 months - 1 year	–	–
1-2 Years	–	–
2-3 years	–	–
More than 3 years	–	–
Undisputed dues of creditors other than micro enterprises and small enterprises		
Unbilled	–	–
Not Due	–	–
0 months - 1 year	**1,402.60**	395.72
1-2 Years	**75.29**	111.78
2-3 years	**75.64**	–
More than 3 years	**279.00**	400.64
Total	**2,124.30**	975.83

NOTES TO STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2022

All amounts are in Rupees Lakhs unless otherwise stated

Note No. 17 - Provisions

Particulars	As at 31st March, 2022	As at 31st March, 2021
Non Current Provisions		
Gratuity	**48.46**	39.93
Leave Encashment	**32.25**	28.42
Total Non Current Provisions	**80.71**	68.35
Current Provisions		
Gratuity	**11.79**	8.10
Leave Encashment	**8.45**	6.37
Defect Liability Provision	**97.93**	28.64
Total Current Provisions	**118.17**	43.11

Details of movement in Other Provisions is as follows:

Particulars	Defect Liability Provision
Balance at 1st April, 2020	28.64
Adjustment as per IND AS 115	–
Additional provisions recognised	–
Amounts used during the year	–
Unused amounts reversed during the period	–
Unwinding of discount and effect of changes in the discount rate	–
Balance at 31st March, 2021	**28.64**
Balance at 1st April, 2021	28.64
Adjustment as per IND AS 115	–
Additional provisions recognised	69.76
Amounts used during the year	(0.47)
Unused amounts reversed during the period	–
Unwinding of discount and effect of changes in the discount rate	–
Balance at 31st March, 2022	**97.93**

Defect Liability Provision:

Provision for defect liability represents present value of management's best estimate of the future outflow of economic resources that will be required in respect of residential units given under perpetual lease, the estimated cost of which is accrued during the period of construction, upon lease of units and recognition of related revenue. Management estimates the related provision for future defect liability claims based on historical cost of rectifications and is adjusted regularly to reflect new information. The residential units are generally covered under a defect liability period limited to 5 year from the date of handover of residential units. It is expected that most of these costs will be incurred within two years after the reporting date.

Note No. 18 - Other Current Liabilities

	Particulars	As at 31st March, 2022	As at 31st March, 2021
a.	Advances received from customers	**138.71**	82.25
b.	Deferred Revenue	**5,913.08**	5,406.68
c.	Employee related dues	**46.28**	45.40
d.	Statutory dues		
	– taxes payable (other than income taxes)	**33.08**	14.45
Total		**6,131.15**	5,548.78

Note No. 19 - Revenue from Operations

Particulars	Year Ended 31st March, 2022	Year Ended 31st March, 2021
Income from Projects (Refer note no: 32)	**10,033.57**	1,550.00
Income From Project Management	**106.34**	92.02
Income from Cancellations	**16.40**	9.78
Total	**10,156.31**	1,651.80

Note No. 20 - Other Income

Particulars	Year Ended 31st March, 2022	Year Ended 31st March, 2021
Interest Income on Financial assets that are not designated as Fair Value through Profit and Loss	**50.20**	39.62
Bank Deposits	**13.77**	14.42
Interest Inter Corporate Deposits	**29.11**	–
Others	**7.32**	25.20
Scrap Income	**9.62**	–
Other Income	**11.23**	0.68
Total	**71.05**	40.30

Note No. 21- Cost of Sales

Particulars	Year Ended 31st March, 2022	Year Ended 31st March, 2021
Inventories at the beginning of the year:	**13,116.83**	11,263.26
Stock-in-trade	**558.87**	575.97
Construction Work-in-progress	**12,557.96**	10,687.29
Finished goods	**–**	–
Add: Expenses Incurred during the year	**4,590.80**	2,260.22
Land and Construction Costs	**3,741.63**	1,972.19
Architect & Consultant Fees	**161.23**	43.58
Project Management Fees	**136.73**	141.45
Other Expenses	**6.03**	6.92
Borrowing Costs Inventorised	**545.18**	96.08
Inventories at the end of the year:	**(12,289.78)**	(13,116.83)
Stock-in-trade	**(496.52)**	(558.87)
Construction Work-in-progress	**(6,976.97)**	(12,557.96)
Finished goods	**(4,816.29)**	–
Total	**5,417.85**	406.65

Note No. 22 - Employee Benefits Expense

Particulars	Year Ended 31st March, 2022	Year Ended 31st March, 2021
Salaries and wages including bonus	**419.55**	380.81
Contributions to provident and other funds	**27.32**	27.77
Staff welfare expenses	**8.51**	3.38
Less: Salaries and wages inventorised	**(136.73)**	(141.45)
Total Employee Benefits Expense	**318.65**	270.51

NOTES TO STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2022

All amounts are in Rupees Lakhs unless otherwise stated

Note No. 23 - Finance Costs

Particulars	Year Ended 31st March, 2022	Year Ended 31st March, 2021
(a) Interest Costs	**702.26**	896.89
Less: Borrowing costs inventorised	**(545.18)**	(96.08)
Total Finance Costs	**157.08**	800.81

Note No. 24 - Other Expenses

Particulars	Year Ended 31st March, 2022	Year Ended 31st March, 2021
Rent including lease rentals	**18.25**	17.08
Rates & Taxes	**18.86**	20.97
Repairs and maintenance - Others	**227.23**	238.79
Advertisement and Marketing	**296.09**	139.22
Commission on sales / contracts (net)	**49.56**	0.47
Auditors remuneration and out-of-pocket expenses		
As Statutory Auditors	**11.00**	11.00
For Other services	**2.80**	3.50
For reimbursement of expenses	**–**	–
Legal and other professional costs	**68.28**	72.14
Other General Expenses	**16.79**	8.90
Total Other Expenses	**708.86**	512.07

Note No. 25 - Segment information

Business segments

The Company operates in only one business segment, i.e. 'lease of residential property constructed' based on the nature of the services and products, the risks and returns etc. This has been determined in the manner consistent with the internal reporting provided to the Chairperson regarded as the Chief Operating Decision Maker ("CODM"). The Company operates only in India. The conditions prevailing in India being uniform, no separate geographical disclosure within India is considered necessary.

Note No. 26- Earnings per Share

Particulars	Year Ended 31st March, 2022	Year Ended 31st March, 2021
	Per Share	Per Share
Basic/Diluted Earnings per share	**5.20**	(0.43)
Total basic/diluted earnings per share	**5.20**	(0.43)

Basic earnings per share

The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:

Particulars	Year Ended 31st March, 2022	Year Ended 31st March, 2021
Profit/ (Loss) for the year attributable to owners of the Company	**2,600.82**	(216.00)
Less: Preference dividend and tax thereon	**–**	–
Profit for the year used in the calculation of basic earnings per share	**2,600.82**	(216.00)
Profit for the year on discontinued operations used in the calculation of basic earnings per share from discontinued operations	**–**	–
Profits used in the calculation of basic earnings per share from continuing operations	**2,600.82**	(216.00)
Weighted average number of equity shares (in nos)	**5,00,00,000**	5,00,00,000
Basic and Diluted Earning per share (in face value of Rs. 10/- per share) (in Rs.)	**5.20**	(0.43)

Note No. 27 - Disclosure of interest in Subsidiaries

(a) Details of the Company's subsidiary at the end of the reporting period are as follows:

Name of the Subsidiary	Principal Activity	Place of Incorporation and Place of Operation	Proportion of Ownership Interest and Voting power held by the Company 31st March, 2022	31st March, 2021	Quoted (Y/N)
Mahindra Residential Developers Limited	Development of Residential Unit	Chennai	100%	100%	No

(b) Summarised financial information in respect of Company's subsidiary. The summarised financial information below represents amounts before intragroup eliminations.

Particulars	Mahindra Residential Developers Limited 31st March, 2022	31st March, 2021
Current Assets	**9,275.02**	9,731.08
Non Current Assets	**970.04**	936.49
Current Liabilities	**609.93**	1,183.02
Non-Current Liabilities	**–**	–
Equity Interest Attributable to the owners	**9,635.13**	9,484.55
Revenue	**702.68**	2,164.99
Expenses	**487.65**	1,682.77

Particulars	Mahindra Residential Developers Limited 31st March, 2022	31st March, 2021
Profit before tax for the year	**215.03**	482.22
Profit after tax attributable to the owners of the Company	**151.28**	345.61
Net cash (used in) / generated from operating activities	**(944.96)**	763.92
Net cash used in/generated from investing activities	**(40.92)**	533.95
Net cash(used in)/generated from financing activities	**(13.94)**	(7.36)
Net Cash inflow/(outflow)	**(999.82)**	1,290.51

NOTES TO STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2022

All amounts are in Rupees Lakhs unless otherwise stated

Note No. 28 - Financial Instruments

Capital management

The Company manages capital risk in order to maximize shareholders' profit by maintaining sound/optimal capital structure through monitoring of financial ratios, such as debt-to-equity ratio and net borrowings-to-equity ratio on a monthly basis and implements capital structure improvement plan when necessary. There is no change in the overall capital risk management strategy of the Company compared to last year.

The Company uses debt ratio as a capital management index and calculates the ratio as total debt divided by total equity. Total liabilities and total equity are based on the amounts stated in the financial statements.

The Company is not subject to externally enforced regulation.

Debt-to-equity ratio as of 31st March, 2022 and 31st March, 2021 is as follows:

	31st March, 2022	31st March, 2021
Debt (A)	**7,682.45**	10,012.88
Equity (B)	**9,191.93**	6,600.85
Debt Equity Ratio (A/B)	**0.84**	1.52

Categories of financial assets and financial liabilities

As at 31st March, 2022

Particulars	Amortised Costs	FVTPL	FVOCI	Total
Non-current Assets				
Investments	**6,629.48**	–	–	**6,629.48**
Other Financial Assets	**0.75**	–	–	**0.75**
Current Assets				
Trade Receivables	**1,937.39**	–	–	**1,937.39**
Cash and Cash equivalents	**617.59**	–	–	**617.59**
Bank Balances other than above	**330.25**	–	–	**330.25**
Other Financial Assets	**1,027.41**	–	–	**1,027.41**
	10,542.87	–	–	**10,542.87**
Non-current Liabilities				
Borrowings	**4,500.00**	–	–	**4,500.00**
Other Financial Liabilities	–	–	–	–
Current Liabilities				
Borrowings	**3,182.45**	–	–	**3,182.45**
Current maturities of long term debt	–	–	–	–
Trade Payables	**2,124.30**	–	–	**2,124.30**
Other Financial Liabilities	**274.97**			**274.97**
	10,081.72	–	–	**10,081.72**

As at 31st March, 2021

Particulars	Amortised Costs	FVTPL	FVOCI	Total
Non-current Assets				
Investments	6,629.48	–	–	6,629.48
Other Financial Assets	0.75	–	–	0.75
Current Assets				
Trade Receivables	377.45	–	–	377.45
Cash and Cash equivalents	44.43	–	–	44.43
Bank Balances other than above	217.39	–	–	217.39
Other Financial Assets	25.34	–	–	25.34
Total	7,294.84	–	–	7,294.84
Non-current Liabilities				
Borrowings	6,000.00	–	–	6,000.00
Current Liabilities				
Borrowings	3,917.31	–	–	3,917.31
Trade Payables	975.83	–	–	975.83
Other Financial Liabilities	203.27	–	–	203.27
	11,096.41	–	–	11,096.41

Financial Risk Management Framework

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk. In order to manage the aforementioned risks, the Company operates a risk management policy and a program that performs close monitoring of and responding to each risk factors.

CREDIT RISK

(i) Credit risk management:

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. Credit risk arises from trade receivables, cash and cash equivalents, mutual Funds & other financial assets.

(ii) Trade Receivables:

The Company's trade receivables include receivables on lease of residential flats and rent maintenance receivable. As per the Company's flat handover policy, a flat is handed over to a customer only upon payment of entire amount of consideration. The rent maintenance receivables are secured by security deposits obtained under the lease agreement. Thus, the Company is not exposed to any credit risk on receivables from sale of residential flats and rent receivables. However owing to COVID-19 pandemic outbreak the Company expects considerable slow down in collections of existing receivables and delay in billing further milestones owing to lockdown.

(iii) Cash and Cash Equivalents & Other Financial Assets

For banks and financial institutions, only high rated banks/institutions are accepted. The Company holds cash and cash equivalents with bank and financial institution counterparties, which are having highest safety ratings based on ratings published by various credit rating agencies. The Company considers that its cash and cash equivalents have low credit risk based on external credit ratings of the counterparties.

For other financial assets, the Company assesses and manages credit risk based on reasonable and supportive forward looking information. The Company does not have significant credit risk exposure for these items.

LIQUIDITY RISK

(i) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Company's short-, medium- and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

(ii) Maturities of financial liabilities

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The amount disclosed in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows.

Particulars	Less than 1 Year	1-3 Years	3 Years to 5 Years	5 years and above
Non-derivative financial liabilities				
31st March, 2022				
Non-interest bearing				
Trade Payables	**2,124.30**	–	–	–
Other Current Financial Liabilities	**257.88**	–	–	–
Interest Accrued but not due including premium on NCD	**17.09**	–	–	–
Short term Borrowing-Principal	**3,182.45**	–	–	–
Long Term Borrowing - Principal	**-**	**3,000.00**	**1,500.00**	–
Total	**5,581.72**	**3,000.00**	**1,500.00**	–
31st March, 2021				
Non-interest bearing				
Trade Payables	975.83	–	–	–
Other Current Financial Liabilities	78.90	–	–	–

NOTES TO STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2020

All amounts are in Rupees Lakhs unless otherwise stated

Particulars	Less than 1 Year	1-3 Years	3 Years to 5 Years	5 years and above
Interest Accrued but not due including premium on NCD	28.80	–		
Current maturities of long term debt	95.57			
Short term Borrowing-Principal	3,917.31	–	–	–
Long Term Borrowing - Principal	–	3,000.00	3,000.00	
Total	**5,096.41**	**3,000.00**	**3,000.00**	–

The amounts included above for financial guarantee contracts are the maximum amounts the Company could be forced to settle under the arrangement for the full guaranteed amount if that amount is claimed by the counterparty to the guarantee. Based on expectations at the end of the reporting period, the Company considers that it is more likely than not that such an amount will not be payable under the arrangement.

(iii) Financing arrangements

The Company had access to following undrawn borrowing facilities at the end of the reporting period:

Particulars	31st March, 2022	31st March, 2021
Secured Bank Overdraft facility		
- Expiring within one year	**1,117.55**	682.69
Secured Bank Guarantee Limit (sub limit of CC Credit facility)		
- Expiring within one year	**100.00**	100.00
Secured Letter of Credit (sub limit of CC Credit facility)		
- Expiring within one year	**100.00**	100.00

(iv) Maturities of financial assets

The following table details the Company's expected maturity for its non-derivative financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Company's liquidity risk management as the liquidity is managed on a net asset and liability basis.

Particulars	Less than 1 Year	1-3 Years	3 Years to 5 Years	5 years and above
Non-derivative financial assets				
31st March, 2022				
Non-interest bearing				
Non Current Investment	–	–	–	**6,629.48**
Trade Receivable	**1,937.39**	–	–	–
Cash and Cash equivalents	**617.59**	–	–	–
Bank balances other than above	**330.25**	–	–	–
Other Non Current Financial Assets	–	–	–	**0.75**
Other Current Financial Assets	**1,027.41**	–	–	–
Total	**3,912.64**	–	–	**6,630.23**
31st March, 2021				
Non-interest bearing				
Non Current Investment	–	–	–	6,629.48
Trade Receivable	377.45	–	–	–
Cash and Cash equivalents	44.43	–	–	–
Bank balances other than above	217.39	–	–	–
Other Non Current Financial Assets	–	–	–	0.75
Other Current Financial Assets	25.34	–	–	–
Total	664.61	–	–	6,630.23

The amounts included above for variable interest rate instruments for both non-derivative financial assets and liabilities is subject to change if changes in variable interest rates differ to those estimates of interest rates determined at the end of the reporting period.

MARKET RISK

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk such as equity price risk and commodity price risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. The Company uses derivatives to manage market risks. Derivatives are only used for economic hedging purposes and not as speculative investments. All such transactions are carried out within the guidelines set by the Board of Directors and Risk Management Committee.

There has been no significant changes to the company's exposure to market risk or the methods in which they are managed or measured.

Currency Risk

The Company undertakes transactions denominated only in India Rupees and hence there is no risk of foreign exchange fluctuations.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings. The Company's policy is to keep atleast 60% of its borrowings at fixed rates of interest. At 31 March 2022, 100% of the Company's borrowings are at a fixed rate of interest (31 March 2021: 100%).

Interest rate sensitivity

The sensitivity analysis below has been determined based on exposure to interest rate for both derivative and non-derivative instruments at the end of reporting period. For floating rate liabilities, analysis is prepared assuming the amount of liability outstanding at the end of the reporting period was outstanding for the whole year.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Company's (loss)/profit before tax is affected through the impact on floating rate borrowings, as follows:

	Currency	Increase/ decrease in basis points	Effect on (loss)/profit before tax
31st March, 2022	**INR**	**+100**	**31.82**
	INR	**-100**	**(31.82)**
31st March, 2021	INR	+100	36.17
	INR	-100	(36.17)

NOTES TO STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2022

All amounts are in Rupees Lakhs unless otherwise stated

29 - Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 2, the management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only the period of the revision and future periods if the revision affects both current and future periods.

COVID -19 Impact assessment:

The management assessed the Company's future projections in light of the developments due to COVID 19 situation and has reassessed the impact that it may cause on the Company's financial and operational performance . The construction and development activities were temporarily suspended owing to lock down during the year and post phased out lifting of the lock down, the construction activities have commenced. Statutory authorities have considered relaxation norms for handover deadlines and the Company at this moment expects no outflow on account delayed payment compensation . The Company has credit and term loan facilities available to meet the project costs and pay off the vendors and bankers in the immediate 12 months from the date of approval of these financial statements. The Company expects no additional inflow of capital towards currently planned development. Based on the above assessment, the management is of the view that company will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance

30 - Related party disclosures

Names of related parties and related party relationship

Related parties where control exists

a) Names of related parties and nature of relationship where control exists:	Mahindra & Mahindra Limited (Ultimate Holding Company) Mahindra Lifespace Developers Limited (Holding Company)
b) Subsidiary Company	Mahindra Residential Developers Limited (Wholly owned Subsidiary Company)
c) Fellow Subsidiaries & Joint Ventures with whom transactions have been entered during the Year	Mahindra World City Developers Limited (MWCDL) (Joint Venture of Holding Company) Mahindra Integrated Business Solutions Private Limited (MIBS) - (Fellow Subsidiary)

Related party transactions

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year:

(Previous year figures in brackets)

Nature of transactions with Related Parties	Ultimate Holding Company	Holding Company	Joint Venture-MWCDL	MIBS-Fellow Subsidiary	Subsidiary
Inter Corporate Deposit repaid	– –	– (2,500.00)	– –	– –	– (1,395.00)
Inter Corporate Deposit Given	– –	– –	1,000.00 –	– –	– –
Inter Corporate Deposit taken	– –	– (2,500.00)	– –	– –	300.00 (300.00)
Interest expense	– –	– (10.29)	– –	– –	12.78 (73.85)
Interest Income	– –	– –	29.11 –	– –	– –
Reimbursement of Gratuity Leave Encashment & Performance Pay	– –	– –	– –	– –	– –
Administration expenses billed	– –	– (15.47)	– –	– –	16.35 (14.01)
Consultancy charges(Information Technology & Manpower Deputation Charges etc)	13.97 (10.84)	5.17 (5.25)	3.43 (3.75)	3.69 (5.04)	106.34 (92.02)
Sale/Purchase of Materials and Services	– –	– –	10.19 (0.62)	– –	– –
Rent, EB & Maintenance charges	– –	– –	205.53 (222.96)	– –	– –
Marketing expenses	– –	28.87 (3.84)	– –	– –	– –

NOTES TO STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2022

All amounts are in Rupees Lakhs unless otherwise stated

(Previous year figures in brackets)

Nature of transactions with Related Parties	Ultimate Holding Company	Holding Company	Joint Venture-MWCDL	MIBS-Fellow Subsidiary	Subsidiary
Deposits made (Rent & Maintenance)	–	–	66.27	–	–
	–	–	(66.27)	–	–
Inter-corporate deposits payable	–	–	–	–	–
	–	–	–	–	(300.00)
Other Payables	5.19	21.76	55.95	0.40	–
	(6.01)	(93.62)	(0.46)	(0.47)	–
Trade Receivables	–	–	–	–	30.48
	–	–	–	–	(25.03)

Note No. 31 - Fair Value Measurement

Fair value of financial assets and financial liabilities that are not measured at fair value

Particulars	31st March, 2022 Carrying amount	31st March, 2022 Fair value	31st March, 2021 Carrying amount	31st March, 2021 Fair value
Financial assets				
Financial assets carried at Amortised Cost				
– Investments in Equity	**6,629.48**	**6,629.48**	6,629.48	6,629.48
– Trade and other receivables	**2,964.80**	**2,964.80**	402.79	402.79
– Cash and cash equivalents	**617.59**	**617.59**	44.43	44.43
– Bank balances other than above	**330.25**	**330.25**	217.39	217.39
– Deposits and similar assets	**0.75**	**0.75**	0.75	0.75
Total	**10,542.87**	**10,542.87**	7,294.84	7,294.84
Financial liabilities				
Financial liabilities held at amortised cost				
– Debentures	**4,500.00**	**4,500.00**	4,500.00	4,500.00
– Term Loan from Bank	–	–	1,500.00	1,500.00
– Loans from related parties	–	–	300.00	300.00
– Borrowings from bank	**3,182.45**	**3,182.45**	3,617.31	3,617.31
– Current maturities of long term debt	–	–	95.57	95.57
– Trade and other payables	**2,399.27**	**2,399.27**	1,083.53	1,083.53
Total	**10,081.72**	**10,081.72**	11,096.41	11,096.41

Fair value hierarchy as at 31st March, 2022

Particulars	Level 1	Level 2	Level 3	Total
Financial assets				
Financial assets carried at Amortised Cost				
– Investments in Equity	–	**6,629.48**	–	**6,629.48**
– Trade and other receivables	–	**2,964.80**	–	**2,964.80**
– Cash and cash equivalents	–	**617.59**	–	**617.59**
– Bank balances other than above	–	**330.25**	–	**330.25**
– Deposits and similar assets	–	**0.75**	–	**0.75**
Total	–	**10,542.87**	–	**10,542.87**

Fair value hierarchy as at 31st March, 2022

Particulars	Level 1	Level 2	Level 3	Total
Financial liabilities				
Financial Liabilities carried at amortised cost				
– Non Convertible Debentures	–	**4,500.00**	–	**4,500.00**
– Borrowings from bank	–	**3,182.45**	–	**3,182.45**
– Trade and other payables	–	**2,399.27**	–	**2,399.27**
Total	–	**10,081.72**	–	**10,081.72**

Fair value hierarchy as at 31st March, 2021

Particulars	Level 1	Level 2	Level 3	Total
Financial assets				
Financial assets carried at Amortised Cost				
– Investments in Equity	–	6,629.48	–	6,629.48
– Trade and other receivables	–	402.79	–	402.79
– Cash and cash equivalents	–	44.43	–	44.43
– Bank balances other than above	–	217.39	–	217.39
– Deposits and similar assets	–	0.75	–	0.75
Total	–	7,294.84	–	7,294.84
Financial liabilities				
Financial Liabilities carried at Amortised Cost				
– Debentures		4,500.00		4,500.00
– Term Loan from Axis Bank	–	1,500.00	–	1,500.00
– Loans from related parties	–	300.00	–	300.00
– Borrowings from bank	–	3,617.31	–	3,617.31
– Current maturities of long term debt	–	95.57	–	95.57
– Trade and other payables	–	1,083.53	–	1,083.53
Total	–	11,096.41	–	11,096.41

For recurring and non-recurring fair value measurements, if the highest and best use of a nonfinancial asset differs from its current use, an entity shall disclose that fact and why the non-financial asset is being used in a manner that differs from its highest and best use.

NOTES TO STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2022

All amounts are in Rupees Lakhs unless otherwise stated

The fair values of the financial assets and financial liabilities included in the level 2 and level 3 categories above have been determined in accordance with generally accepted pricing models based on a discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the credit risk of counterparties.

Note No. 32- INDAS 115 Disclosures

1 Contract Balances

Amounts received before the related performance obligation is satisified are included in the balance sheet (Contract liability) as "Advances received from Customers". Amounts billed for development milestone achieved but not yet paid by the customer are included in the balance sheet under trade receivables.

During the year, the Company recognised Revenue of Rs. 3,309.64 lakhs (FY 20-21 Rs. Nil) from opening contract liability (after Ind AS 115 adoption) of Rs. 5,406.68 (FY 20-21 Rs. 3,256.46 lakhs).

There were no significant changes in the composition of the contract liabilities and trade receivable during the reporting period other than on account of periodic invoicing and revenue recognition.

Amounts previously recorded as contract liabilities increase due to further milestone based invoices raised during the year and decrease due to revenue recognised during the year on completion of the construction.

Amounts previously recorded as trade receivables increase due to further milestone based invoices raised during the year and decrease due to collection during the year.

There are no contract assets outstanding at the end of the year.

The aggregate value of performance obligations that are completely or partially unsatisfied as at 31st March, 2022, is Rs. 5,913.08 Lakhs (as at 31st March, 2021 Rs. 5,406.68 lakhs). Out of this, the Company expects to recognize revenue of 100% within the next year. This includes contracts that can be terminated for convenience with a penalty as per the agreement since, based on current assessment, the occurrence of the same is expected to be remote.

2 Reconciliation of revenue recognized with the contracted price is as follows:

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Contracted price	**10,033.57**	1,550.00
Adjustments on account of cash discounts or early payment rebates, etc.	–	–
Revenue recognised as per Statement of Profit & Loss	**10,033.57**	1,550.00

3 Contract costs

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Costs to obtain contracts	**212.16**	83.80

For the year ended 31st March 2022, amortisation amounting to Rs. 49.56 lakhs (FY 20-21 Rs. 0.47 lakhs) is recognised as part of other expenses in the statement of profit and loss. There was no impairment loss in relation to the costs capitalised.

Note No. 33 - Employee Benefits

a) Defined Contribution plans

The Company makes Provident fund contribution to defined contribution plans for the employees. Under the scheme, the company is required to contribute a specified percentage of the payroll cost to the fund the benefits. The Company recognized Rs. 27.32 Lakhs (PY Rs. 27.77) for Provident fund & Other funds contributions in the statement of profit and Loss. The contributions payable to these plans by the company are at rates specified in the rules of the scheme.

b) Defined Benefit Plans

The Company's obligation towards gratuity is defined benefit plan. The gratuity expense is included under 'Employee Benefit Expenses' in Note 22 Employee benefits expense. The details of actuarial valuation are given below:

Gratuity:

The Company operates a gratuity plan covering qualifying employees. The benefit payable is the greater of the amount calculated as per the Payment of Gratuity Act, 1972 or the Company scheme applicable to the employee. The benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. In case of death while in service, the gratuity is payable irrespective of vesting. Through its defined benefit plans the Company is exposed to a number of risks, the most significant of which are detailed below:

Interest risk

A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments.

Longevity risk

The present value of defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary risk

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

The significant actuarial assumptions used for the purposes of the actuarial valuations were as follows:

	Gratuity (Unfunded) 2021–22	Gratuity (Unfunded) 2020–21
a. Net Liabilities recognized in the balance sheet		
Present Value of Defined Benefit Obligation	**60.25**	48.03
Fair Value of Plan assets	–	–
Liabilities recognised in the balance sheet	**60.25**	48.03
b. Expense recognized in the Statement of Profit and Loss		
Past service cost	–	–
Current Service cost	**6.35**	7.46
Interest cost	**2.97**	3.41
Expected return on plan assets	–	–
Actuarial (gains) / Losses	**2.90**	(14.27)
Total expenses	**12.22**	(3.40)
c. Change in present value of Defined Benefit obligation		
Present Value of the obligation at the beginning of the year	**48.03**	53.34
Past service cost	–	–
Current Service cost	**6.35**	7.46
Interest Cost	**2.97**	3.41
Actuarial (Gains) /Losses	**2.90**	(14.27)
Benefits Paid	–	(1.91)

NOTES TO STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2022

All amounts are in Rupees Lakhs unless otherwise stated

	Gratuity (Unfunded) 2021–22	Gratuity (Unfunded) 2020–21
Present value of the obligation as at the end of the year	**60.25**	48.03
d. Change in fair value of plan assets		
Present value of plan assets as the beginning of the year	–	–
Expected return on plan assets	–	–
Contributions made	–	–
Benefits paid and Charges	–	–
Present value of plan assets at the end of the year	**–**	**–**
e. Principal actuarial assumptions		
Discount Rate	**6.20%**	6.19%
Expected return on plan assets	**7.30%**	7.30%
Expected rate of Salary increase	**10.00%**	8.00%
Attrition Rate	**20.00%**	14.00%
Mortality	**LIC (2006–08) Ultimate mortality tables**	**LIC (2006–08) Ultimate mortality tables**

f. Estimates of future salary increases considered in actuarial valuation take account of inflation, seniority, promotions, increments and other relevant factors such as supply and demand in the employment market.

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Actuarial assumptions for long-term compensated absences		
Discount rate	**6.20%**	6.19%
Salary escalation	**10.00%**	8.00%
Attrition	**20.00%**	14.00%

The discount rate is based on the prevailing market yields of Government of India securities as at the balance sheet date for the estimated term of the obligations.

The estimate of future salary increases considered, takes into account the inflation, seniority, promotion, increments and other relevant factors.

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

			Impact on defined benefit obligation	
	Year	Change in Assumption	Increase in assumption	Decrease in assumption
Discount Rate	2022	0.50%	58.86	61.72
	2021	0.50%	46.54	49.61
Salary Growth Rate	2022	0.50%	61.72	58.82
	2021	0.50%	49.65	46.49

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the Balance sheet.

The methods and types of assumptions used in preparing the sensitivity analyses did not change compared to previous period.

Maturity profile of defined benefit obligation:

	As at 31st March, 2022	As at 31st March, 2021
Year 1	**10.32**	5.92
Year 2	**9.37**	5.70
Year 3	**8.45**	5.51
Year 4	**7.43**	5.15
Year 5	**6.61**	4.81
Next 5 Years	**23.04**	19.89

Note No. 34 - Financial Ratios

Particulars	Numerator	Denominator	Year ended March 31, 2022	Year ended March 31, 2021	% Variance	Reasons for Variance
a) Current Ratio	Current Assets	Current Liabilities	1.47	1.37	7.32%	–
b) Debt Equity Ratio	Net Debt	Equity	0.84	1.52	(44.90)%	Reduction in debt due to repayment of Loans and increase in equity due to current year profits
c) Debt Service Coverage Ratio (DSCR)	EBDITA	Total Debt	1.24	0.06	1972.04%	Higher profit in current year from last year due to higher revenue recognition
d) Return of Equity	PAT	Networth	28.29%	(3.27)%	(964.67)%	Higher profit in current year from last year due to higher revenue recognition
e) Inventory Turnover ratio	COGS	Average Inventory	0.43	0.03	1178.47%	Increase in COGS in current year due to higher revenue recognition
f) Trade Receivables turnover ratio	Turnover	Trade Receiavables (Average)	8.77	2.74	220.13%	Higher revenue recognition in current year due to completion of towers

NOTES TO STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2022

All amounts are in Rupees Lakhs unless otherwise stated

Particulars	Numerator	Denominator	Year ended March 31, 2022	Year ended March 31, 2021	% Variance	Reasons for Variance
g) Trade Payable turnover ratio	COGS	Average Trade payable	3.50	0.34	920.80%	Increase in COGS in current year due to higher revenue recognition
h) Net capital turnover ratio,	Revenue from Operations	Average Working Capital	2.12	0.62	239.29%	Higher profit in current year from last year due to higher revenue recognition
i) Net profit ratio	PAT	Revenue	25.61%	(13.08)%	(295.83)%	Higher profit in current year from last year due to higher revenue recognition
j) Return on Capital employed	PAT	Capital employed	33.85%	(3.07)%	(1202.85)%	Higher profit in current year from last year due to higher revenue recognition

Schedule III require explanation where the change in the ratio is more than 25% as compared to the preceding year. Accordingly explanation is given only for the said ratios.

Note No. 35 - Additional regulatory information

a) Details of benami property held

No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

b) Relationship with struck off companies

The Company does not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

c) Wilful defaulter

The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

d) Utilisation of borrowed funds and securities premium

The Company has not advanced or loaned or invested funds to any other persons or entities, including foreign entities (Intermediaries) with the understanding that the Intermediary shall (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or (b) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries

The Company has not received any fund from any persons or entities, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or (b) provide any guarantee, security or the like on behalf of the ultimate beneficiaries

e) Undisclosed income

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

f) Details of crypto currency or virtual currency

The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.

g) Registration of Charges or satisfaction with Registrar of Companies (ROC)

There are no charges or satisfaction which are yet to be registered with the Registrar of Companies beyond the statutory period

h) Whistle Blower-

During the year ended March 31, 2022 and till the date of adoption of financial statements by board of directors, the Company did not received any whistle blower compliants.

i) Discrepancies between books of accounts & quarterly statements submitted to banks

The Company has duly complied with all the requirements of providing data/certificates in relation to various covenants with the banks and the information provided is in agreement with the books of accounts during the year ended March 31, 2022.

Note No. 36 - Leases

The Company has not applied the requirement of IND AS 116 to short-term leases of all assets that have a lease term of 12 months or less. Amount recognised in Statement of Profit and Loss Account is Rs 18.25 lakhs (FY 20-21- Rs.17.08 Lakhs)

Note No. 37 - Contingent Liabilities

Particulars	As at 31st March, 2022	As at 31st March, 2021
Contingent Liabilities to the extent not provided		
Bank Guarantee	**50.67**	50.67
Bank Guarantee issued to **The Deputy Director Town and Country Planning**		

Note No. 38 - Recent Indian Accounting Standards (Ind AS)

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, as below.

Ind AS 16 – Property Plant and equipment -

The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognized in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022. The Company has evaluated the amendment and there is no impact on its standalone financial statements.

Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets –

The amendment specifies that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labor, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022, although early adoption is permitted. The Company has evaluated the amendment and the impact is not expected to be material.

Note No. 39 - Additional Information to the Financial Statements

(a) Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors. There are no overdue amounts payable to Micro, Small and Medium Enterprises, as defined in the Micro, Small and Medium Enterprises Development Act, 2006, as at the reporting date or anytime during the year and hence no interest has been paid or payable accordingly no additional disclosures have been made.

NOTES TO STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2022

All amounts are in Rupees Lakhs unless otherwise stated

Sl No	Particulars	31st March, 2022	31st March, 2021
1	Dues remaining unpaid		
	Principal	**291.78**	67.68
	Interest	**–**	–
2	Interest paid in terms of Section 16 of the MSMED Act along with the amount of payment made to the supplier beyond the appointed day during the year		
	Principal paid beyond the appointed date	**–**	–
	Interest paid in terms of Section 16 of the MSMED Act	**–**	–
3	Amount of interest due and payable for the period of delay on payments made beyond the appointed day during the year	**–**	–
4	Further interest due and payable even in the succeeding years, until such date when the interest due as above are actually paid to the small enterprises	**–**	–
5	Amount of interest accrued and remaining unpaid	**–**	–

(b) Other Notes

i) The Company did not have any pending litigation which would impact its financial position.

ii) The Company did not have any material foreseeable losses on long term contracts. The company has not entered into any derivative contracts.

iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

iv) The Company does not have any unhedged foreign currency exposures as on 31st March ,2022.

Note No. 40 - Merger of Mahindra Integrated Township Ltd (MITL) and Mahindra Residential Developers Ltd (MRDL) with Mahindra World City Developers Ltd (MWCDL)

Pursuant to approval received from the Boards of Mahindra Integrated Township Ltd (MITL), Mahindra Residential Developers Ltd (MRDL), a wholly owned subsidiary company of the Company and Mahindra World City Developers Ltd (MWCDL) for merger of MITL and MRDL with MWCDL, an application under Section 230 to 232 of the Companies Act, 2013 has been filed with National Company Law Tribunal, Chennai on 24th December, 2021 for seeking directions from NCLT, Chennai.

Note No. 41 - Approval of Financial Statements

The aforesaid financial statements have been approved by Company's board of directors and the authorised for issue in the meeting held on 22th April, 2022.

Note No 42 - Event after the reporting period

No material events have occurred after the Balance Sheet date and upto the approval of the financial statements.

Note No 43 - Previous year figures

The figures for previous year have been regrouped/reclassified wherever necessary to conform to current year's grouping/classification.

For and on behalf of the Board of Directors of Mahindra Integrated Township Limited

Ankit Shah
Company Secretary

Girish Agrawal
Chief Financial Officer

Vimal Agarwal
Director
DIN: 07296320

Parveen Mahtani
Director
DIN: 05189797

Place: Chennai
Date: 22nd April, 2022

Annexure A

Form AOC-I

Salient features of Financial Statements of Subsidiary as per Companies Act, 2013

Nature	Subsidiary
Name of Subsidiary	Mahindra Residential Developers Limited
The date since when subsidiary was acquired	01.02.2008
Reporting period for the subsidiary concerned, if different from the holding company's reporting period	NA
Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	NA
Share Capital	25.00
Reserves & Surplus	9,610.83
Total Assets	10,245.06
Total Liabilities	609.23
Investments	–
Turnover	228.09
Profit/(Loss) before taxation	215.03
Provision for taxation	63.75
Profit/(Loss) after taxation	151.28
Proposed Dividend	–
Extent of shareholding (in percentage)	**100%**

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF KNOWLEDGE TOWNSHIP LIMITED

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OPINION

We have audited the accompanying Financial Statements of Knowledge Township Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, its loss and total comprehensive loss, its changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Financial Statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the 'Auditors' Responsibilities for the Audit of the Financial Statements' section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("the ICAI") together with the ethical requirements that are relevant to our audit of the Financial Statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us, is sufficient and appropriate to provide a basis for our audit opinion on the Financial Statements.

Information Other than the Financial Statements and Auditors' Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the Directors Report and the related annexures, but does not include the Financial Statements and our Auditors' Report thereon.

Our opinion on the Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Financial Statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on other Legal and Regulatory requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-Section (11) of Section 143 of the Act and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in Annexure B, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
   (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this report are in agreement with the books of account.
   (d) In our opinion, the aforesaid Financial Statements comply with the Accounting Standards specified under Section 133 of the Act.
   (e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164(2) of the Act.
   (f) With respect to the adequacy of the internal financial controls with reference to Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure A." Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to Financial Statements.
   (g) In our opinion and to the best of our information and according to the explanations given to us, the Company being a private company, the provisions of Section 197 of the Act related to the managerial remuneration are not applicable.
   (h) With respect to the other matters to be included in the Auditors' Report in accordance with the requirements of Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

(i) The Company does not have any pending litigations which would impact its financial position;

(ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and

(iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

(iv) (a) The management of the Company have represented to us respectively that, to the best of their knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The management of the Company has represented to us that, to the best of their knowledge and belief, no funds have been received by the Company or any of such subsidiaries from any person(s) or entity(ies) including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company or any of such subsidiaries shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(c) Based on the audit procedures, that has been considered reasonable and appropriate in the circumstances, performed by us nothing has come to our notice that has caused us or the other auditors to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

(v) The Company has not declared any dividend during the year.

For **B. K. Khare and Co.**
Chartered Accountants
Firm Registration No.: 105102W

Aniruddha Joshi
Partner
Membership No.: 040852
UDIN: 2240852AHBLWF6876
Place: Mumbai,
Date: April 12, 2022

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

[Referred to in paragraph (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date.]

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of sub-section (3) of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of Knowledge Township Limited ("the Company") as of March 31, 2022 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2022, based on the criteria for internal financial control with reference to financial statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **B. K. Khare and Co.**
Chartered Accountants
Firm Registration No. 105102W

Aniruddha Joshi
Partner
Membership No. 040852
UDIN: 2240852AHBLWF6876
Place: Mumbai,
Date: April 12, 2022

ANNEXURE B TO THE AUDITOR'S REPORT

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date]

(i) The Company does not have property, plant and equipment and intangible assets. Hence, reporting under Clause 3(i)(a) / (b) / (c) / (d) of the order is not applicable to the Company.

(e) Based on the audit procedures performed by us and according to the information, explanations and representations given to us, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

(ii) (a) In our opinion and according to the information and explanations given to us, having regard to the nature of inventory, the physical verification by way of verification of title deeds, site visits by the Management and certification of extent of work completion by competent persons, are at reasonable intervals and no material discrepancies were noticed on physical verification.

(b) According to the information and explanations given to us, the Company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets at any point of time during the year.

(iii) According to the information and explanations given to us, the Company has not made investments in or provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year. Accordingly, the reporting under Clauses 3(iii)(a) to 3(iii)(f) of the Order is not applicable to the Company.

(iv) According to the information and explanations given to us, the Company has not granted any loans or made any investments or provided any guarantees or security to the parties covered under Sections 185 and 186 of the Act. Accordingly, the reporting under Clause 3(iv) of the Order is not applicable to the Company.

(v) According to the information and explanations given to us, the Company has not accepted deposits under the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. Accordingly, the reporting under Clause 3(v) of the Order is not applicable to the Company.

(vi) The Central Government has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company. Accordingly, the reporting under Clause 3(vi) of the Order is not applicable to the Company.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of records of the Company, the amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Services tax, Provident Fund, Employees' State Insurance, Income-tax, Cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. According to the information and explanations given to us and on the basis of our examination of records of the Company, there were no undisputed statutory dues payable in respect of Sales tax, Service tax, Duty of Customs, Duty of Excise and Value Added Tax.

According to the information and explanations given to us and on the basis of our examination of records of the Company, there were no arrears of outstanding statutory dues in respect of Goods and Services tax, Provident fund, Employees' State Insurance, Income-tax, Sales tax, Service tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other material statutory dues as on the last day of the financial year for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and on the basis of our examination of records of the Company, there are no statutory dues in respect of Goods and Services Tax, Provident Fund, Employees' State Insurance, Sales tax, Service tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and any other material statutory dues as at 31 March 2022, which have not been deposited with the appropriate authorities on account of any dispute.

(viii) According to the information and explanations given to us, there are no transactions not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income-tax Act, 1961. Accordingly, the reporting under Clause 3(viii) of the Order is not applicable to the Company.

(ix) (a) According to the information and explanations given to us and based on the audit procedures performed by us, the Company has not availed any loans or other borrowings during the year. Accordingly, the reporting under Clause 3(ix)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us, the Company has not been declared a willful defaulter by any bank or financial institution or any other lender till the date of our audit report.

(c) According to the information and explanations given to us, the company has not raised any money by way of term loans during the year. Hence, reporting under Clause 3(ix)(c) of the Order is not applicable to the Company.

(d) In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that funds raised on short-term basis have not been utilised for long-term purposes as at the Balance Sheet date.

(e) According to the information and explanations given to us and on an overall examination of the Financial Statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.

(f) According to the information and explanations given to us and based on the audit procedures performed by us, we report that the Company has not raised any loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies. Accordingly, the reporting under Clause 3(ix)(f) of the Order is not applicable to the Company.

(x) (a) According to the information and explanations given to us, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under Clause 3(x)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Accordingly, the reporting under Clause 3(x)(b) of the Order is not applicable to the Company.

(xi) (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company noticed or reported during the year, nor have we been informed of any such case by the management.

(b) There has been no report filed by us under sub-section (12) of Section 143 of the Act in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government. Accordingly, the reporting under Clause 3(xi)(b) of the Order is not applicable to the Company

(c) As represented to us by the management, no whistle blower complaints were received by the Company during the year.

(xii) According to the information and explanations given to us, the Company is not a Nidhi company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, the reporting under Clause 3(xii) of the Order is not applicable to the Company.

(xiii) In our opinion and according to the information and explanations given to us, the Company has entered into transactions with related parties in compliance with the provisions of Section 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required by Indian Accounting Standard (Ind AS) 24, Related Party Disclosures, specified under Section 133 of the Act. Further, the Company is not required to constitute an Audit Committee under Section 177 of the Act, and accordingly, to this extent, the reporting under Clause 3(xiii) of the Order is not applicable to the Company.

(xiv) The Company did not have an internal audit system for the period under audit.

(xv) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or directors of its holding or persons connected with them during the year and hence, the provisions of Section 192 of the Act are not applicable to the Company. Accordingly, the reporting under Clause 3(xv) of the Order is not applicable to the Company.

(xvi) (a) According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under Clause 3(xvi)(a) of the Order is not applicable to the Company.

(b) In our opinion and according to the information and explanations given to us, the Company has not conducted any Non-Banking Financial or Housing Finance activities. Accordingly, the reporting under Clause 3(xvi)(b) of the Order is not applicable to the Company.

(c) In our opinion and according to the information and explanations given to us, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under Clauses 3(xvi)(c) of the Order is not applicable to the Company.

(d) Based on the information and explanations given to us and the audit procedures performed by us, we report that the Group has Three Core Investment Companies.

(xvii) In our opinion and according to the information and explanations given to us, the Company has incurred cash losses of Rs. 21.40 lakhs during the current financial year and Rs. 3.44 lakhs in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, the reporting under Clause 3(xviii) of the Order is not applicable to the Company.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of Balance Sheet as and when they fall due within a period of one year from the Balance Sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the Balance Sheet date, will get discharged by the Company as and when they fall due.

(xx) According to the information and explanations given to us, CSR is not applicable to the Company. Hence, reporting under Clause 3(xx) is not applicable to the Company.

For **B. K. Khare and Co.**
Chartered Accountants
Firm's Registration No.: 105102W

Aniruddha Joshi
Partner
Membership No.: 040852
UDIN: 2240852AHBLWF6876
Place: Mumbai,
Date: April 12, 2022

BALANCE SHEET AS AT 31 MARCH 2022

(₹ in Lakhs)

Particulars	Note No.	As at 31 March 2022	As at 31 March 2021
I ASSETS			
NON-CURRENT ASSETS			
(i) Property, Plant and Equipment	3	**–**	–
(ii) Deferred Tax Assets (Net)	4	**–**	–
SUB-TOTAL		**–**	–
CURRENT ASSETS			
(i) Inventories	5	**3,579.75**	3,159.30
(ii) Financial Assets			
(a) Cash and Cash Equivalents	6	**21.67**	59.36
(b) Loans & Advances	7	**–**	12.72
(iii) Other Current Assets	8	**3,558.57**	3,249.85
SUB-TOTAL		**7,159.99**	6,481.23
TOTAL ASSETS		**7,159.99**	6,481.23
II EQUITY AND LIABILITIES			
1 EQUITY			
(i) Equity Share Capital	9	**4,907.17**	4,907.17
(ii) Other Equity	10	**585.76**	607.15
SUB-TOTAL		**5,492.93**	5,514.32
LIABILITIES			
2 NON-CURRENT LIABILITIES			
(i) Financial Liabilities			
(a) Borrowings	11	**771.00**	771.00
(ii) Deferred Tax Liabilities (Net)		**–**	–
SUB-TOTAL		**771.00**	771.00
3 CURRENT LIABILITIES			
(i) Financial Liabilities			
(a) Borrowings	12	**472.00**	172.00
(b) Trade Payables	13		
- Total Outstanding Dues of Micro Enterpirses and Small Enterprises		**–**	–
- Total Outstanding Dues of Creditors Other than Micro Enterpirses and Small Enterprises		**2.10**	2.45
(c) Other Financial Liabilities	14	**420.04**	13.01
(ii) Other Current Liabilities	15	**1.92**	–
(iii) Current Tax Liabilities (Net)		**–**	8.45
SUB-TOTAL		**896.06**	195.91
TOTAL		**7,159.99**	6,481.23
Significant Accounting Policies	2		

The accompanying notes 1 to 26 are an integral part of the Financial Statements

In terms of our report attached.

For B.K.Khare & Co

Chartered Accountants
Firm Registration No. 105102W

Aniruddha Joshi
Partner
Membership No. 040852

Place: Mumbai
Date: 12 April, 2022

For and on behalf of the Board of Directors of Knowledge Township Ltd.

Parveen Mahtani
Director
DIN: 05189797

Rajaram Pai
Director
DIN: 07553119

Yadunath Dhuri
Company Secretary
Membership No. 040852

Ritesh Tilve
Chief Financial Officer

Place: Mumbai
Date: 13th April, 2022

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2022

(₹ in Lakhs)

Particulars	Note No.	Year ended 31 March 2022	Year ended 31 March 2021
I INCOME			
(a) Revenue from Operation		–	–
(b) Other Income	16	–	0.41
Total Income (a+b)		–	0.41
II EXPENSES			
(a) Cost of Projects	17	–	–
(b) Depreciation and amortisation expense	3	–	–
(c) Other expenses	18	**21.39**	3.58
Total Expenses (a+b)		**21.39**	3.58
III Profit/(loss) before tax (I-II)		**(21.39)**	(3.17)
IV Tax Expense			
(a) Current tax	4	–	–
(b) Deferred tax	4	–	1.30
Total tax expense		–	1.30
V Loss after tax (III-IV)		**(21.39)**	(4.48)
VI Other comprehensive Income / (Loss)		–	–
VII Total comprehensive Income / (loss) for the year (V + VI)		**(21.39)**	(4.48)
VIII Earnings per equity share (for continuing operation):			
(a) Basic Rs. Per share	19	**(0.04)**	(0.01)
(b) Diluted Rs. Per share	19	**(0.04)**	(0.01)
Significant Accounting Policies	2		

The accompanying notes 1 to 26 are an integral part of the Financial Statements

In terms of our report attached.

For B.K.Khare & Co

Chartered Accountants
Firm Registration No. 105102W

Aniruddha Joshi
Partner
Membership No. 040852

Place: Mumbai
Date: 12 April, 2022

For and on behalf of the Board of Directors of Knowledge Township Ltd.

Parveen Mahtani
Director
DIN: 05189797

Rajaram Pai
Director
DIN: 07553119

Yadunath Dhuri
Company Secretary
Membership No. 040852

Ritesh Tilve
Chief Financial Officer

Place: Mumbai
Date: 13th April, 2022

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2022

(₹ in Lakhs)

Particulars	Note No.	Year ended 31 March 2022	Year ended 31 March 2021
A Cash flows from operating activities			
Profit before tax for the year		**(21.39)**	(3.18)
Adjustments for:			
Interest Income		**–**	(0.26)
Operating Loss before working capital changes		**(21.39)**	(3.44)
Movements in working capital:			
Increase in short term loans and advances		**(295.98)**	(42.03)
Increase in inventories		**(13.42)**	(12.00)
(Decrease)/increase in other liabilities		**(6.90)**	8.06
Cash used in operations		**(337.69)**	(49.41)
Income taxes paid		**–**	(0.15)
Net cash used in operating activities		**(337.69)**	(49.55)
B Cash flows from investing activities			
Interest received		**–**	0.26
Net cash (used in)/generated by investing activities		**–**	0.26
C Cash flows from financing activities			
Proceeds from borrowings		**300.00**	100.00
Net cash used in financing activities		**300.00**	100.00
Net increase in cash and cash equivalents		**(37.69)**	50.71
Cash and cash equivalents at the beginning of the year		**59.36**	8.65
Cash and cash equivalents at the end of the year		**21.67**	59.36
Significant Accounting Policies	2		

The accompanying notes 1 to 26 are an integral part of the Financial Statements

Notes:

(a) The above cash flow statement has been prepared under the “Indirect Method” as set out in “Indian Accounting Statdards (IND AS) 7- Statement of Cash Flows”

(b) Also refer note no. 6 - Cash & Cash Equivalents

In terms of our report attached.

For B.K.Khare & Co

Chartered Accountants
Firm Registration No. 105102W

Aniruddha Joshi
Partner
Membership No. 040852

Place: Mumbai
Date: 12 April, 2022

For and on behalf of the Board of Directors of Knowledge Township Ltd.

Parveen Mahtani
Director
DIN: 05189797

Rajaram Pai
Director
DIN: 07553119

Yadunath Dhuri
Company Secretary
Membership No. 040852

Ritesh Tilve
Chief Financial Officer

Place: Mumbai
Date: 13th April, 2022

STATEMENT OF CHANGE IN EQUITY FOR THE YEAR ENDED 31 MARCH 2022

A. Equity share capital

(₹ in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Balance at the Beginning of the year	**4,907.17**	2,100.00
Add: Shares Issue during the year (Refer Note 9)	**–**	2,807.17
Balance at the end of the year	**4,907.17**	**4,907.17**

B. Other Equity

(₹ in Lakhs)

Particulars	Other Equity		
	Securities Premium Reserve	Retained Earnings	Total
Opening Balance as on April 01, 2020	–	263.54	263.54
Loss for the year	–	(4.48)	(4.48)
Other Comprehensive Income / (Loss)		–	–
Total Comprehensive Loss for the year	–	(4.48)	(4.48)
Issue of Shares at premium (Refer Note 9)	348.09	–	348.09
Balance as at March 31, 2021	**348.09**	**259.06**	**607.15**
Loss for the year	–	(21.39)	(21.39)
Other Comprehensive Income / (Loss)	–	–	–
Total Comprehensive Loss for the year	–	(21.39)	(21.39)
Balance as at March 31, 2022	**348.09**	**237.67**	**585.76**

Significant Accounting Policies (Refer Note 2)

The accompanying notes 1 to 26 are an integral part of the Financial Statements

In terms of our report attached.

For B.K.Khare & Co

Chartered Accountants
Firm Registration No. 105102W

Aniruddha Joshi
Partner
Membership No. 040852

Place: Mumbai
Date: 12 April, 2022

For and on behalf of the Board of Directors of Knowledge Township Ltd.

Parveen Mahtani
Director
DIN: 05189797

Rajaram Pai
Director
DIN: 07553119

Yadunath Dhuri
Company Secretary
Membership No. 040852

Ritesh Tilve
Chief Financial Officer

Place: Mumbai
Date: 13th April, 2022

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

1. General Information

The company was incorporated on August 16, 2007 and is engaged in the business of development of Knowledge City in Pune, Maharashtra. Its parent and ultimate holding company is Mahindra Lifespace Developers Ltd.

The addresses of its registered office and principal place of business are disclosed in the introduction to the annual report.

2. Significant Accounting Policies

2.1 Statement of compliance

The financial statements have been prepared in accordance with Ind-AS notified under the Companies (Indian Accounting Standards) Rules, 2015.

2.2 Basis of preparation and presentation

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company considers the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, and measurements that have some similarities to fair value but are not fair value, such as net realizable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorized into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

2.3 Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

2.4 Revenue recognition

2.4.1 Revenue from Projects

The Company develops and sells residential and commercial properties. Revenue from contracts is recognized when control over the property has been transferred to the customer. An enforceable right to payment does not arise until the development of the property is completed. Therefore, revenue is recognized at a point in time when the legal title has passed to the customer and the development of the property is completed. The revenue is measured at the transaction price agreed under the contract.

The Company invoices the customers for construction contracts based on achieving a series of performance-related milestones. For certain contracts involving the sale of property under development, the Company offers deferred payment schemes to its customers. The Company adjusts the transaction price for the effects of the significant financing component.

2.4.2 Revenue from Sale of land and other rights

Revenue from Sale of land and other rights is generally a single performance obligation and the Company has determined that this is satisfied at the point in time when control transfers as per the terms of the contract entered into with the buyers, which generally are with the firmity of the sale contracts/agreements. The determination of transfer of control did not change upon the adoption of Ind AS 115.

2.4.3 Contract Costs

Costs to obtain contracts ("Contract costs") relate to fees paid for obtaining property sales contracts. Such costs are recognized as assets when incurred and amortized upon recognition of revenue from the related property sale contract.

2.4.4 Dividend and interest income

Dividend income from investment in mutual funds is recognized when the unit holder's right to receive payment has been established (if it is probable that the economic benefits will flow to the company and the amount of income can be measured reliably).

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

2.5 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

All other borrowing costs are recognized in profit or loss in the period in which they are incurred.

2.6 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

2.6.1 Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

2.6.2 Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

2.6.3 *Current and deferred tax for the year*

Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively.

2.7 *Property, plant and equipment*

Land and buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses. Freehold land is not depreciated.

Properties during construction for production, supply or administrative purposes are carried at cost, less any recognized impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalized in accordance with the Company's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use.

Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use. Fixtures and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Depreciation is recognized to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

2.8 *Impairment of tangible and intangible assets other than goodwill*

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss.

If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired. Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash generating unit) is estimated to be less than it carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.'

2.9 *Inventories*

Inventories are stated at the lower of cost and net realizable value. The cost of construction material is determined based on weighted average method. Construction Work-in-Progress includes cost of land, premium for development rights, construction costs and allocated interest & manpower costs and expenses incidental to the projects undertaken by the Company.

2.10 *Provisions*

Provisions are recognized when the Company has present obligation (legal or constructive) because of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, considering the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

2.11 *Employee benefits provisions*

Employee benefits provisions are measured and classified into long term and short-term provisions based on Actuarial valuation as per IND AS-19 as on Balance sheet date.

2.12 *Financial Instruments*

Financial assets and financial liabilities are recognized when a Company becomes a party to the contractual provisions of the instruments. Financial assets and financial liabilities are initially measured at fair value .Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

2.13 *Financial assets*

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognized financial assets are subsequently measured in their entirety at either amortized cost or fair value, depending on the classification of the financial assets

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

2.13.1 Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortized cost (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Interest income is recognized in profit or loss for FVTOCI debt instruments. For the purposes of recognizing foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortized cost. Thus, the exchange differences on the amortized cost are recognized in profit or loss and other changes in the fair value of FVTOCI financial assets are recognized in other comprehensive income and accumulated under the heading of 'Reserve for debt instruments through other comprehensive income'. When the investment is disposed of, the cumulative gain or loss previously accumulated in this reserve is reclassified to profit or loss.

All other financial assets are subsequently measured at fair value.

2.13.2 Effective interest method

The effective interest method is a method of calculating the amortized cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognized on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognized in profit or loss and is included in the "Other income" line item.

2.13.3 Investments in equity instruments at FVTOCI

On initial recognition, the Company can make an irrevocable election (on an instrument-by-instrument basis) to present the subsequent changes in fair value in other comprehensive income pertaining to investments in equity instruments. This election is not permitted if the equity investment is held for trading. These elected investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in the 'Reserve for equity instruments through other comprehensive income'. The cumulative gain or loss is not reclassified to profit or loss on disposal of the investments.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument or a financial guarantee.

2.13.4 Financial assets at fair value through profit or loss (FVTPL)

Investments in equity instruments are classified as at FVTPL, unless the Company irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading.

Debt instruments that do not meet the amortized cost criteria or FVTOCI criteria (see above) are measured at FVTPL. In addition, debt instruments that meet the amortized cost criteria or the FVTOCI criteria but are designated as at FVTPL are measured at FVTPL. A financial asset that meets the amortized cost criteria or debt instruments that meet the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognizing the gains and losses on them on different bases. The Company has not designated any debt instrument as at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement recognized in profit or loss. The net gain or loss recognized in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other income' line item. Dividend on financial assets at FVTPL is recognized when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

2.13.5 Impairment of financial assets

The Company applies the expected credit loss model for recognizing impairment loss on financial assets measured at amortized cost, debt instruments at FVTOCI, lease receivables, trade receivables, other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Company estimates cash flows by considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument.

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. 12-month expected credit losses are portion of the life-time expected credit losses and represent the lifetime cash shortfalls that will result if default occurs within the 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.

If the Company measured loss allowance for a financial instrument at lifetime expected credit loss model in the previous period, but determines at the end of a reporting period that

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

the credit risk has not increased significantly since initial recognition due to improvement in credit quality as compared to the previous period, the Company again measures the loss allowance based on 12-month expected credit losses.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Company uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

The impairment requirements for the recognition and measurement of a loss allowance are equally applied to debt instruments at FVTOCI except that the loss allowance is recognized in other comprehensive income and is not reduced from the carrying amount in the balance sheet.

2.13.6 Derecognition of financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognize the financial asset and recognizes a collateralized borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized in other comprehensive income and accumulated in equity is recognized in profit or loss if such gain or loss would have otherwise been recognized in profit or loss on disposal of that financial asset.

On derecognition of a financial asset other than in its entirety (e.g. when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognize under continuing involvement, and the part it no longer recognizes on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognized and the sum of the consideration received for the part no longer recognized and any cumulative gain or loss allocated to it that had been recognized in other comprehensive income is recognized in profit or loss if such gain or loss would have otherwise been recognized in profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognized in other comprehensive income is allocated between the part that continues to be recognized and the part that is no longer recognized based on the relative fair values of those parts.

2.13.7 Foreign exchange gains and losses

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

- For foreign currency denominated financial assets measured at amortized cost and FVTPL, the exchange differences are recognized in profit or loss except for those which are designated as hedging instruments in a hedging relationship.
- Changes in the carrying amount of investments in equity instruments at FVTOCI relating to changes in foreign currency rates are recognized in other comprehensive income.
- For the purposes of recognizing foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortized cost. Thus, the exchange differences on the amortized cost are recognized in profit or loss and other changes in the fair value of FVTOCI financial assets are recognized in other comprehensive income.

2.14 Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

2.14.1 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a Company are recognized at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognized and deducted directly in equity. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

2.14.2 Compound financial instruments

The component parts of compound financial instruments (convertible notes) issued by the Company are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. A conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is an equity instrument.

At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recognized as a liability on an amortized cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date.

The conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound financial instrument. This is recognized and included in equity, net of income tax effects, and is not subsequently remeasured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised, in which case, the balance recognized in equity will be transferred to other component of equity. When the conversion option remains unexercised at the maturity date of the convertible note, the balance recognized in equity will be transferred to retained earnings.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

No gain or loss is recognized in profit or loss upon conversion or expiration of the conversion option.

Transaction costs that relate to the issue of the convertible notes are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are recognized directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component and are amortized over the lives of the convertible notes using the effective interest method.

2.14.2.1 Financial liabilities

All financial liabilities are subsequently measured at amortized cost using the effective interest method or at FVTPL. However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, financial guarantee contracts issued by the Company, and commitments issued by the Company to provide a loan at below-market interest rate are measured in accordance with the specific accounting policies set out below.

2.14.2.2 Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is either contingent consideration recognized by the Company as an acquirer in a business combination to which Ind AS 103 applies or is held for trading or it is designated as at FVTPL. A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading or contingent consideration recognized by the Company as an acquirer in a business combination to which Ind AS 103 applies, may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise.
- the financial liability forms part of a Company of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Company's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and Ind AS 109 permits the entire combined contract to be designated as at FVTPL in accordance with Ind AS 109.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on re-measurement recognized in profit or loss. The net gain or loss recognized in profit or loss incorporates any interest paid on the financial liability and is included in the 'Other income' line item.

However, for non-held-for-trading financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognized in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss, in which case these effects of changes in credit risk are recognized in profit or loss. The remaining amount of change in the fair value of liability is always recognized in profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognized in other comprehensive income are reflected immediately in retained earnings and are not subsequently reclassified to profit or loss.

Gains or losses on financial guarantee contracts and loan commitments issued by the Company that are designated by the Company as at fair value through profit or loss are recognized in profit or loss.

2.14.2.3 Financial Liabilities subsequently measured at amortized cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortized cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortized cost are determined based on the effective interest method. Interest expense that is not capitalized as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

2.14.2.4 Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument. Financial guarantee contracts issued by the Company are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109; and
- the amount initially recognized less, when appropriate, the cumulative amount of income recognized in accordance with the principles of Ind AS 18.

2.14.2.5 Commitments to provide a loan at a below-market interest rate

Commitments to provide a loan at a below-market interest rate are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109; and
- the amount initially recognized less, when appropriate, the cumulative amount of income recognized in accordance with the principles of Ind AS 18.

2.14.2.6 Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortized cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortized cost of the instruments and are recognized in 'Other income'.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognized in profit or loss

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

Note No. 3 - Property, Plant and Equipment

(₹ in Lakhs)

	Description of Assets	Office Equipment	Furniture and Fixtures	Total
I.	**Gross Carrying Amount**			
	Balance as at 1 April 2021	0.52	0.63	1.14
	Additions	–	–	–
	Disposals	–	–	–
	Balance as at 31 March 2022	**0.52**	**0.63**	**1.14**
II.	**Accumulated depreciation and impairment**			
	Balance as at 1 April 2021	0.52	0.63	1.14
	Depreciation expense for the year	–	–	–
	Balance as at 31 March 2022	**0.52**	**0.63**	**1.14**
III.	**Net carrying amount (I-II)**	–	–	–

Note No. 4 - Tax

(a) Current Tax and Deferred Tax

(₹ in Lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
Current Tax:		
In respect of current year	–	–
In respect of earlier years	–	–
Deferred Tax:		
In respect of current year origination and reversal of temporary differences	–	1.30
In respect of earlier year origination and reversal of temporary differences	–	(1.30)
	–	–

Note No. 5 - Inventories

(₹ in Lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
Work-in-progress	**3579.75**	3,159.30
Total Inventories (at lower of cost and net realisable value)	**3579.75**	3,159.30

Note No. 6 - Cash and Bank Balances

(₹ in Lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
Cash and cash equivalents		
(i) Balances with banks	**21.67**	9.10
(ii) Fixed Deposit with Bank (having maturity less than 3 month)	–	50.26
Total Cash and cash equivalent	**21.67**	59.36

Note No. 7 - Loans & Advances

(₹ in Lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
Other Loans		
- Unsecured, considered good	–	12.72
Total Loans & Advances	–	12.72

Note No. 8 - Other assets

(₹ in Lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
(i) Other advances for purchase of Land	**3,558.44**	3,234.67
(Mainly represents advances given to Land Aggregator)		
(ii) Advance Payment for Income Tax	**0.13**	7.80
(iii) Others - Balance with Government Authorities	–	7.38
Total Other Assets	**3,558.57**	3,249.85

Note No. 9 - Equity Share Capital

(₹ in Lakhs)

Particulars	As at 31 March 2022		As at 31 March 2021	
	No. of shares	Amount	No. of shares	Amount
Authorised:				
Equity shares of Rs 10 each with voting rights	**50,000,000**	**5,000.00**	50,000,000	5,000.00
Issued, Subscribed and Fully Paid:				
Equity shares of Rs 10 each with voting rights (Refer Note)	**49,071,664**	**4,907.17**	49,071,664	4,907.17
	49,071,664	**4,907.17**	49,071,664	4,907.17

Note

(i) Reconciliation of the number of shares and outstanding amount

(₹ in Lakhs)

Particulars	As at 31 March 2022		As at 31 March 2021	
	No. of shares	Amount	No. of shares	Amount
Balance at the Beginning of the year	**49,071,664**	**4,907.17**	21,000,000	2,100.00
Add: Shares issued and subscribed during the year*	–	–	28,071,664	2,807.17
Balance at the end of the year	**49,071,664**	**4,907.17**	49,071,664	4,907.17

*During the year ended March 31, 2021 the Company has converted 2,637 numbers of "Optionally Convertible Debentures" (OCRD) of face value of Rs 1 lac each aggregating to Rs 2,637 lacs and outstanding Interest of Rs 518.25 lacs on Inter Corporate Deposit (ICD) into equity share at a price of Rs 11.24 per equity share. Accordingly a total of 28,071,644 equity shares were issued having face value of Rs 10 per equity share at a premium of Rs 1.24 per equity share. Consequently, Equity Share capital increased by Rs 2807.17 lacs and Securities Premium Reserve of Rs 348.09 lacs created.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

Terms/ rights attached to equity shares with voting rights

The Company has only one class of equity shares having par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share and carry a right to dividends. The company declares and pays dividends in Indian rupees. Any dividend proposed by the Board of Directors is subject to the approval of the shareholders in Annual General Meeting.

(ii) Details of shares held by the holding company and its subsidiaries:

Particulars	Equity Shares with Voting rights
As at 31st March, 2022	
Mahindra Lifespace Developers Limited	49,071,664
As at 31st March, 2021	
Mahindra Lifespace Developers Limited	49,071,664

(iii) Details of shares held by each shareholder holding more than 5% shares

Class of shares / Name of shareholder	As at 31 March 2022 Number of shares held	% holding	As at 31 March 2021 Number of shares held	% holding
Equity shares with voting rights				
Mahindra Lifespace Developers Limited	**49,071,664**	**100.00%**	49,071,664	100.00%

(iv) Details of shareholdings by the Promoter's of the Company

Class of shares / Name of shareholder	As at 31 March 2022 Number of shares held	% holding	As at 31 March 2021 Number of shares held	% holding
Equity shares with voting rights				
Mahindra Lifespace Developers Limited	**49,071,664**	**100.00%**	49,071,664	100.00%

Note No. 10 - Other Equity

(₹ in Lakhs)

Particulars	Other Equity: Securities Premium Reserve	Other Equity: Retained Earnings	Total
Opening Balance as on April 01, 2020	–	263.54	**263.54**
Loss for the year	–	(4.48)	**(4.48)**
Issue of Shares at premium (Refer Note 9)	348.09	–	**348.09**
Balance as at March 31, 2021	348.09	259.06	**607.15**
Loss for the year	–	(21.39)	**(21.39)**
Balance as at March 31, 2022	348.09	237.67	**585.76**

Note No. 11 - Non-Current Borrowings

(₹ in Lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
A. Unsecured long term borrowings		
(a) Loans repayable on demand		
Optionally Convertible Redeemable Debentures from Related Parties- MLDL (Refer Note 22)	**771.00**	771.00
Total Non-Current Borrowings	**771.00**	771.00

Note No. 12 - Current Borrowings

(₹ in Lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
A. Unsecured short term borrowings		
(a) Loans from Related Parties		
Inter Corporate Deposit (Refer Note 22)	**472.00**	172.00
Total Current Borrowings	**472.00**	172.00

Note No. 13 - Trade Payables

(₹ in Lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
Trade payable - Micro and small enterprises	–	–
Trade payable - Other than micro and small enterprises	**2.10**	2.45
Total Trade Payables	**2.10**	2.45

Trade Payables are payables in respect of the amount due on account of goods purchased or services received in the normal course of business.

13 a - Ageing for trade payable from the due date of payment for each of the category is as follows:

(₹ in Lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
Undisputed dues of creditors other than micro enterprises and small enterprises		
Unbilled		
Not Due		
0 months - 1 year	**1.31**	1.66
1-2 Years	–	–
2-3 years	–	–
More than 3 years	**0.79**	0.79
Total	**2.10**	2.45

Note No. 14 - Other Financial Liabilities

(₹ in Lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
Current		
Other Financial Liabilities Measured at Amortised Cost		
Redemption Premium on Optionally Convertible Redeemable Debentures (OCRD's) (Refer Note 22)	**377.81**	–
Interest Accrued and but not due on ICD (from related party repayable on demand) (Refer Note 22)	**42.23**	13.01
Total - Other Financial Liabilities	**420.04**	13.01

Note No. 15 - Other Current Liabilities

(₹ in Lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
Statutory remittances		
Withholding Taxes	**1.92**	–
Total - Other Current Liabilities	**1.92**	–

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

Note No. 16 - Other Income

(₹ in Lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
(a) Fixed Deposits interest Income	–	0.26
(b) Others	–	0.15
Total Other Income	–	0.41

Note No. 17 - Cost of Projects

(₹ in Lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
(a) **Opening Stock**	**3,159.30**	3,147.30
Add:Expenses during the year		
Land	–	–
Redemption premium on OCRD's	**377.81**	–
Rates & Taxes - Others	**2.18**	–
Liasoning/Statutory Fees	**8.00**	–
Interest Expense on ICD	**32.46**	12.00
(b) **Sub-Total**	**420.45**	12.00
(c) **Closing Stock**	**3,579.75**	3,159.30
Total Cost of Projects (a+b-c)	–	–

Note No. 18 - Other Expenses

(₹ in Lakha)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
(a) Auditors remuneration and out-of-pocket expenses	**0.35**	0.48
(i) As Auditors	**0.35**	0.48
(ii) For Other services	–	–
(b) Other expenses		
(i) Legal and other professional costs	**2.41**	2.66
(ii) Rates and Taxes	**5.86**	–
(iii) Miscellaneous Expenses	**12.77**	0.44
Total Cost of Projects (a+b)	**21.39**	3.58

Note No. 19 - Earnings per Share

Basic earnings per share

The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:

(₹ in Lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Basic earnings per share		
Profit/(loss) for the year attributable to owners of the Company	**(21.4)**	(4.5)
Weighted average number of equity shares (Refer note 10)	**49,071,664.00**	37,405,686.89
Earnings per share from continuing operations - Basic	**(0.04)**	(0.01)

Note No. 20 - Financial Instruments

Capital management

The company's capital management objectives are:

To ensure the company's ability to continue as a going concern

To provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

The company monitors capital on the basis of the carrying amount of equity less cash and cash equivalents as presented on the face of the statement of financial position.

The company sets the amount of capital in proportion to its overall financing structure, i.e. equity and financial liabilities. The company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

Debt-to-equity ratio as of 31 March 2022 and 31 March 2021 is as follows:

(₹ in Lakhs)

	31-Mar-22	31-Mar-21
Debt (A)	**1,620.81**	943.00
Equity (B)	**5,492.93**	5,514.32
Debt Ratio (A/B)	**0.30**	0.17

Categories of financial assets and financial liabilities

	As at 31 March 2022		
	Amortised Costs	FVTPL	Total
Current Assets			
Cash and Bank Balances	**21.67**	–	**21.67**
Loans & Advances	–	–	–
Non-current Liabilities			
Borrowings	**771.00**	–	**771.00**
Current Liabilities			
Borrowings	**472.00**	–	**472.00**
Trade Payables	**2.10**	–	**2.10**
Other Financial Liabilities			
– Non Derivative Financial Liabilities	**420.04**	–	**420.04**

	As at 31 March 2021		
	Amortised Costs	FVTPL	Total
Current Assets			
Cash and Bank Balances	59.36	–	59.36
Loans	12.72	–	12.72
Non-current Liabilities			
Borrowings	771.00	–	771.00
Current Liabilities			
Borrowings	172.00	–	–
Trade Payables	2.45	–	2.45
Other Financial Liabilities			
– Non Derivative Financial Liabilities	13.01	–	13.01

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

Note No. 21 - Equity Share Capital

A. Equity share capital

	(₹ in Lakhs)
As at 31 March 2021	**4,907.17**
Changes in equity share capital during the year	–
As at 31 March 2022	**4,907.17**

Note No. 22 - Related Party Transactions

Discription of Relationship	Name of Related Party
Ultimate Holding Company	Mahindra & Mahindra Limited
Parent Company	Mahindra Lifespace Developers Limited
Fellow Subsidiary	Mahindra Industrial Park Private Limited (Earlier known as Industrial Cluster Private Limited)

Nature of transactions with Related Parties	For the year ended	Amount
Receiveing of Services from Parent Company	31-Mar-22	0.90
	31-Mar-21	0.90
Interest on Inter Corporate Deposit taken from Parent Company	31-Mar-22	32.46
	31-Mar-21	12.00
Redemption premium on OCRD's (Fellow Subsidiary)	31-Mar-22	377.81
	31-Mar-21	–

Nature of Balances with Related Parties	Balance as on	Amount
Interest Accrued on Inter Corporate Deposits from Parent Company	31-Mar-22	42.23
	31-Mar-21	13.01
Inter Corporate Deposit (ICD) from Parent Company	31-Mar-22	472.00
	31-Mar-21	172.00
Against receiveing of services from Parent Company	31-Mar-22	1.06
	31-Mar-21	1.06

Nature of Balances with Related Parties	Balance as on	Amount
OCRD's (Fellow Subsidiary)	31-Mar-22	771
	31-Mar-21	771
Redemption premium on OCRD's (Fellow Subsidiary)	31-Mar-22	378
	31-Mar-21	–

Note No. - 23 - Micro Small and Medium Enterprises Development Act 2006

The amount due to Micro and Small Enterprises as defined in the " Micro, Small and Medium Enterprises Development, Act, 2006" has

Disclosures required under Section 22 of the Micro Small and Medium Enterprises Development Act 2006

Particulars	**31-Mar-22**	31-Mar-21
(i) The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
– Principal amount due to micro and small enterprises	**–**	–
– Interest due on above	**–**	–
(ii) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	**–**	–
(iii) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006.	**–**	–
(iv) The amount of interest accrued and remaining unpaid at the end of each accounting year.	**–**	–
(v) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006.	**–**	–

Note No. 24 - Financial Ratios

(₹ in Lakhs)

	Particulars	Numerator	Denominator	31-Mar-22	31-Mar-21
a)	Current Ratio	Current Assets	Current Liabilities	**7.99**	33.08
b)	Debt Equity Ratio	Net Debt	Equity	**0.22**	0.16
c)	Debt Service Coverage Ratio (DSCR)	EBDITA	Total Debt	**(0.02)**	(0.00)
d)	Return of Equity	PAT	Networth	**-0.39%**	-0.08%
e)	Inventory Turnover ratio	COGS	Average Inventory	**–**	–
f)	Trade Receivables turnover ratio	Turnover	Trade Receiavables (Average)	**–**	–
g)	Trade Payable turnover ratio	COGS	Average Trade payable	**–**	–
h)	Net capital turnover ratio,	Average Networth	Turnover	**–**	–
i)	Net profit ratio	PAT	Revenue	**–**	–
j)	Return on Capital employed	PAT	Borrowing	**-0.36%**	-0.08%
k)	Return on investment.	PAT	Capital employed	**-0.36%**	-0.08%

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

Note No. 25 - Segment Reporting

The Company operates in one segment namely Project and Development activity, hence separate segment reporting has not been made under Indian Accounting Standard (Ind- AS 108)-"Operating Segment". The operation of company comprises a single geographical segment, India.

Note No. 26 - Comparitives

The figures for previous year have been regrouped wherever necessary to conform to current year's classification.

In terms of our report attached.

For B.K.Khare & Co

Chartered Accountants
Firm Registration No. 105102W

Aniruddha Joshi
Partner
Membership No. 040852

Place: Mumbai
Date: 12 April, 2022

For and on behalf of the Board of Directors of Knowledge Township Ltd.

Parveen Mahtani
Director
DIN: 05189797

Rajaram Pai
Director
DIN: 07553119

Yadunath Dhuri
Company Secretary
Membership No. 040852

Ritesh Tilve
Chief Financial Officer

Place: Mumbai
Date: 13th April, 2022

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF
MAHINDRA RESIDENTIAL DEVELOPERS LIMITED

Report on the audit of the Financial Statements

Opinion

We have audited the accompanying Financial Statements of Mahindra Residential Developers Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to the aforesaid Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, of its profit and total comprehensive income, its cash flows and its changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the Financial Statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the 'Auditors' Responsibilities for the Audit of the Financial Statements' section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("the ICAI") together with the ethical requirements that are relevant to our audit of the Financial Statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Financial Statements.

Information Other than the Financial Statements and Auditors' Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the Directors Report and the related annexures, but does not include the Financial Statements and our Auditors' Report thereon.

Our opinion on the Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Financial Statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on other Legal and Regulatory requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in Annexure B, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
   (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and the Statement of Changes in Equity dealt with by this report are in agreement with the books of account.
   (d) In our opinion, the aforesaid Financial Statements comply with the Accounting Standards specified under Section 133 of the Act.
   (e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164(2) of the Act.
   (f) With respect to the adequacy of the internal financial controls with reference to Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure A. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to Financial Statements.
   (g) In our opinion and to the best of our information and according to the explanations given to us, the Company has not paid any remuneration to its directors during the year and hence provisions of Section 197 of the Companies Act, 2013 are not applicable.
   (h) With respect to the other matters to be included in the Auditors' Report in accordance with the requirements of Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
      (i) The Company has disclosed the impact of pending litigations on its financial position in its Financial Statements (Refer Note 23 to the Financial Statements).

(ii) The Company did not have any long- term contracts which has any material foreseeable losses. The Company did not have any derivative contracts.

(iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

(iv) The management of the Company have represented to us respectively that, to the best of their knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(v) The management of the Company is represented to us that, to the best of their knowledge and belief, no funds have been received by the Company or any of such subsidiaries from any person(s) or entity(ies) including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company or any of such subsidiaries shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(vi) Based on the audit procedures, that has been considered reasonable and appropriate in the circumstances, performed by us nothing has come to our notice that has caused us or the other auditors to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

(vii) The Company has not declared any dividend during the year.

For **B. K. Khare & Co.**
Chartered Accountants
(Firm's Registration Number 105102W)

Aniruddha Joshi
Partner
Membership No. 040852
UDIN: 22040852AHHWJK5787

Place: Mumbai
Date: April 18, 2022

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

[Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date]

Report on the Internal Financial Controls with reference to Financial Statements under Clause (i) of sub-section (3) of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to Financial Statements of Mahindra Residential Developers Limited ("the Company") as of March 31, 2022 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to Financial Statements of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to Financial Statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to Financial Statements included obtaining an understanding of internal financial controls with reference to Financial Statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to Financial Statements.

Meaning of Internal Financial Controls with reference to Financial Statements

A company's internal financial control with reference to Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Financial Statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to Financial Statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the Financial Statements.

Inherent Limitations of Internal Financial Controls with reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to Financial Statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to Financial Statements to future periods are subject to the risk that the internal financial control with reference to Financial Statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system with reference to Financial Statements and such internal financial controls with reference to Financial Statements were operating effectively as at March 31, 2022 based on the criteria for internal financial control with reference to Financial Statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **B. K. Khare & Co.**
Chartered Accountants
Firm Registration No. 105102W

Aniruddha Joshi
Partner
Membership No. 040852
UDIN: 22040852AHHWJK5787

Place: Mumbai
Date: April 18, 2022

ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(i) (a) According to the information and explanations given to us, the Company has maintained proper records showing full particulars, including quantitative details and situation of the Property, Plant and Equipment.

(b) The Property, Plant and Equipment were physically verified during the year by the Management and according to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) The Company does not have any immoveable properties of freehold or leasehold land and building and hence reporting under clause (i)(c) of the Order is not applicable to the Company.

(d) According to the information and explanations given to us, the Company has not revalued any of its Property, Plant and Equipment during the year.

(e) Based on the audit procedures performed by us and according to the information, explanations and representations given to us, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

(ii) (a) In our opinion and according to the information and explanations given to us, having regard to the nature of inventory, the physical verification by way of verification of title deeds, site visits by the Management and certification of extent of work completion by competent persons, are done at reasonable intervals and no material discrepancies were noticed on physical verification.

(b) According to the information and explanations given to us, the Company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets at any point of time during the year.

(iii) According to the information and explanations given to us, the Company has not made any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year. Accordingly, the reporting under clause 3(iii)(a) to 3(iii)(f) of the order is not applicable to the company.

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act, with respect to loans granted, guarantees provided and investments made by the Company. The Company has not provided any security during the year to the parties covered under Sections 185 and 186 of the Act.

(v) According to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under, where applicable. Accordingly, the reporting under Clause 3(v) of the Order is not applicable to the Company.

(vi) The maintenance of cost records has been specified by the Central Government under Section 148(1) of the Act. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended, prescribed by the Central Government under subsection (1) of Section 148 of the Act and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) According to the information and explanations given to us, in respect of statutory dues:

(a) The Company has generally been regular in depositing undisputed statutory dues, including Income-tax, Goods and Services Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.

(b) There were no undisputed amounts payable in respect of Income-tax, Goods and Services Tax, Cess and other material statutory dues in arrears as at March 31, 2022 for a period of more than six months from the date they became payable.

(c) The details of dues of Income-tax which have not been deposited as on March 31, 2022 on account of disputes are given below

Name of the Statue	Nature of dues	Forum where dispute is pending	Period to which Amount relates	Amount unpaid (Rs. in Lakhs)
Income Tax Act, 1961	Income Tax	Income Tax Appellate Tribunal	AY 2012-13 to AY 2014-15	365.77

(viii) In our opinion and according to the information and explanations given to us, there are no transactions not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income-tax Act, 1961. Accordingly, the reporting under Clause 3(viii) of the Order is not applicable to the Company.

(ix) (a) According to the information and explanations given to us and based on the audit procedures performed by us, the Company has not availed any loans or other borrowings during the year. Accordingly, the reporting under Clause 3(ix)(a) of the Order is not applicable to the Company.

(b) In our opinion and according to the information and explanations given to us, the Company has not been declared a willful defaulter by any bank or financial institution or any other lender till the date of our audit report.

(c) In our opinion and according to the information and explanations given to us, the company has not raised any money by way of term loans during the year. Hence, reporting under Clause 3(ix)(c) of the Order is not applicable to the Company.

(d) In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that funds raised on short-term basis have not been utilised for long- term purposes as at the Balance Sheet date.

(e) In our opinion and according to the information and explanations given to us and on an overall examination of the Financial Statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.

(f) In our opinion and according to the information and explanations given to us and based on the audit procedures performed by us, we report that the Company has not raised any loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies. Accordingly, the reporting under Clause 3(ix)(f) of the Order is not applicable to the Company.

(x) (a) In our opinion and according to the information and explanations given to us, the Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans. Accordingly, the reporting under clause 3(x)(a) of the Order is not applicable to the Company.

(b) In our opinion and according to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Accordingly, the reporting under Clause 3(x)(b) of the Order is not applicable to the Company.

(xi) (a) During the course of our examination of books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the management.

(b) There has been no report filed by us under sub-section (12) of Section 143 of the Act in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government. Accordingly, the reporting under Clause 3(xi)(b) of the Order is not applicable to the Company.

(c) As represented to us by the management, no whistle blower complaints were received by the Company during the year.

(xii) According to the information and explanations given to us, the Company is not a Nidhi company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, the reporting under Clause 3(xii) of the Order is not applicable to the Company.

(xiii) In our opinion and according to the information and explanations given to us, the Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the Financial Statements as required by Indian Accounting Standard (Ind AS) 24, Related Party Disclosures, specified under Section 133 of the Act.

(xiv) (a) In our opinion and based on our examination, the Company does not have an internal audit system and is not required to have an internal audit system as per the provisions of the Act.

(b) The Company did not have an internal audit system for the period under audit.

(xv) In our opinion and according to the information and explanations given to us, during the year, the Company has not entered into any non-cash transactions with its directors or directors of its holding company, subsidiary company or persons connected with them and hence provisions of Section 192 of the Act are not applicable to the Company. Accordingly, the reporting under clause 3(xv) of the Order is not applicable to the Company.

(xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under Clause (xvi) of the Order is not applicable to the Company.

(b) In our opinion and according to the information and explanations given to us, the Company has not conducted any Non-Banking Financial or Housing Finance activities. Accordingly, the reporting under Clause 3(xvi)(b) of the Order is not applicable to the Company.

(c) and (d) In our opinion and according to the information and explanations given to us, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under Clauses 3(xvi)(c) and 3(xvi)(d) of the Order is not applicable to the Company.

(xvii) In our opinion and according to the information and explanations given to us, the Company has not incurred cash losses in the current financial year as well as in the immediately preceding financial year. Accordingly, the reporting under Clause 3(xvii) of the Order is not applicable to the Company.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, the reporting under Clause 3(xviii) of the Order is not applicable to the Company.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of Balance Sheet as and when they fall due within a period of one year from the Balance Sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the Balance Sheet date, will get discharged by the Company as and when they fall due.

(xx) (a) According to the information and explanations given to us, in respect of other than ongoing projects, the Company has no unspent amount that needs to be transferred to a Fund specified in Schedule VII to the Act in compliance with second proviso to sub-section (5) of Section 135 of the Act.

(b) According to the information and explanations given to us, in respect of ongoing projects, the Company has no unspent amount which needs to be transferred to a special account in compliance with sub-section (6) of Section 135 of the Act.

For **B. K. Khare & Co.**
Chartered Accountants
Firm Registration No. 105102W

Aniruddha Joshi
Partner
Mem.bership No. 040852
UDIN: 22040852AHHWJK5787

Place: Mumbai
Date: April 18, 2022

BALANCE SHEET AS AT 31ST MARCH, 2022

All amounts are in Rupees Lakhs unless otherwise stated

Particulars	Note No.	As at 31st March, 2022	As at 31st March, 2021
I ASSETS			
NON-CURRENT ASSETS			
(a) Property, Plant and Equipment	3	**7.21**	8.65
(b) Financial Assets			
(i) Other Financial Assets	5	**34.91**	23.54
(c) Deferred Tax Assets	4	**60.20**	87.79
(d) Other Non-current Assets	6	**867.72**	816.51
Total Non-Current Assets		**970.04**	936.49
CURRENT ASSETS			
(a) Inventories	7	**3,173.30**	3,057.58
(b) Financial Assets			
(i) Trade Receivables	8	**–**	76.04
(ii) Cash and Cash Equivalents	9	**405.93**	1,405.75
(iii) Bank balances other than (ii) above	9	**–**	70.50
(iv) Other Financial Assets	5	**5,111.92**	4,595.17
(c) Other Current Assets	6	**583.87**	526.04
Total Current Assets		**9,275.02**	9,731.08
Total Assets		**10,245.06**	10,667.57
II EQUITY AND LIABILITIES			
1 EQUITY			
(a) Equity Share Capital	10	**25.00**	25.00
(b) Other Equity	11	**9,610.83**	9,459.55
Total Equity		**9,635.83**	9,484.55
LIABILITIES			
2 CURRENT LIABILITIES			
(a) Financial Liabilities			
(i) Trade Payables			
total outstanding dues of micro enterprises and small enterprises	13	**–**	51.68
total outstanding dues of creditors other than micro enterprises and small enterprises		**498.18**	822.11
(ii) Other Financial Liabilities	12	**7.68**	47.58
(b) Provisions	14	**71.65**	68.52
(c) Other Current Liabilities	15	**31.72**	193.13
Total Current Liabilities		**609.23**	1,183.02
Total Liabilities		**609.23**	1,183.02
Total Equity and Liabilities		**10,245.06**	10,667.57
Summary of Significant Accounting Policies	2		

The accompanying notes 1 to 37 are an integral part of these financial statements

In terms of our report of even date

For **B.K. Khare & Co.**

Chartered Accountants
Firm Registration No. 105102W

Aniruddha Joshi
Partner
Membership No.- 040852

Place: Chennai
Date: 18th April, 2022

For and on behalf of the board of directors of

Mahindra Residential Developers Limited

Vimal Agarwal
DIN No. 07296320

Vimalendra Singh
DIN No. 09128114

Place: Chennai
Date: 18th April, 2022

STATEMENT OF PROFIT AND LOSS FOR YEAR ENDED 31ST MARCH, 2022

All amounts are in Rupees Lakhs unless otherwise stated

Particulars	Note No.	Year ended 31st March, 2022	Year ended 31st March, 2021
REVENUE			
Revenue from operations	16	**228.09**	1,721.12
Other Income	17	**474.59**	443.87
Total Income		**702.68**	2,164.99
EXPENSES			
Cost of Sales	18	**170.01**	1,351.61
Finance costs	19	**13.92**	7.36
Depreciation expense	3	**1.44**	1.44
Other expenses	20	**302.28**	322.36
Total Expenses		**487.65**	1,682.77
Profit/(Loss) before tax		**215.03**	482.22
Tax Expense			
Current tax	4a	**36.15**	125.83
Deferred tax	4a	**27.60**	10.78
Total Tax Expenses		**63.75**	136.61
Profit/(Loss) after tax		**151.28**	345.61
Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
(a) Remeasurement of the defined benefit plans		**–**	–
(b) Income tax relating to Items that will not be reclassified to profit or loss		**–**	–
Total Other Comprehensive Income		**–**	–
Total Comprehensive Income		**151.28**	345.61
Profit from continuing operations for the year attributable to:			
Owners of the Company		**151.28**	345.61
Earnings per equity share (face value of Rs. 10/- each)			
Basic/Diluted in Rs.	21	**60.51**	138.24
Summary of Significant Accounting Policies	2		

The accompanying notes 1 to 37 are an integral part of these financial statements

In terms of our report of even date

For **B.K. Khare & Co.**
Chartered Accountants
Firm Registration No. 105102W

Aniruddha Joshi
Partner
Membership No.- 040852

Place: Chennai
Date: 18th April, 2022

For and on behalf of the board of directors of
Mahindra Residential Developers Limited

Vimal Agarwal
DIN No. 07296320

Vimalendra Singh
DIN No. 09128114

Place: Chennai
Date: 18th April, 2022

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH, 2022

All amounts are in Rupees Lakhs unless otherwise stated

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Cash flows from operating activities		
Profit before tax	**215.03**	482.22
Adjustments for:		
Finance costs	**13.92**	7.36
Interest Income	**(405.33)**	(432.57)
Depreciation	**1.44**	1.44
Movements in working capital:		
Decrease in trade and other receivables	**76.04**	651.45
(Increase) / Decrease in inventories	**(115.72)**	1137.9
(Increase) / Decrease in other assets	**(57.83)**	30.73
(Increase) / Decrease in other financial assets	**(11.37)**	2.53
(Decrease) in trade and other payables	**(376.30)**	(111.08)
(Decrease) in financial liabilities	**(39.90)**	(34.40)
(Decrease) in other liabilities	**(2.81)**	(5.50)
(Decrease) in deferred revenue	**(157.90)**	(908.05)
Increase in provisions	**3.13**	11.74
Cash (used in) / generated from operations	**(857.60)**	833.77
Income taxes paid	**(87.36)**	(69.85)
Net cash (used in) / generated from operating activities	**(944.96)**	763.92
Cash flows from investing activities		
Interest received	**328.58**	410.49
Bank balances not considered as Cash and Cash Equivalents	**70.50**	28.46
Inter-corporate deposits given to related parties	**(4,940.00)**	(2,900.00)
Inter-corporate deposits repaid by related parties	**4,500.00**	2,995.00
Net cash (used in) / generated from investing activities	**(40.92)**	533.95
Cash flows from financing activities		
Dividend paid (including Dividend Distribution Tax)	**–**	–
Interest paid	**(13.94)**	(7.36)
Net cash(used in) / generated from financing activities	**(13.94)**	(7.36)
Net Increase/(Decrease) in cash and cash equivalents	**(999.82)**	1,290.51
Cash and cash equivalents at the beginning of the year	**1,405.75**	115.24
Cash and Cash equivalents at the end of the year	**405.93**	1,405.75

The above Cash Flow Statement has been prepared under the "indirect method" as set out in 'Indian Accounting Standard (Ind AS) 7 - Statement of Cash Flows'.

Summary of Significant Accounting Policies (refer note 2)

The accompanying notes 1 to 37 are an integral part of these financial statements

In terms of our report of even date

For **B.K. Khare & Co.**

Chartered Accountants
Firm Registration No. 105102W

Aniruddha Joshi
Partner
Membership No.- 040852

Place: Chennai
Date: 18th April, 2022

For and on behalf of the board of directors of

Mahindra Residential Developers Limited

Vimal Agarwal
DIN No. 07296320

Vimalendra Singh
DIN No. 09128114

Place: Chennai
Date: 18th April, 2022

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2022

All amounts are in Rupees Lakhs unless otherwise stated

Particulars	Share Capital	Other Equity			
	Equity Share Capital	Securities Premium	Capital Redemption Reserves	Retained Earnings	Total
Balance as at 1st April, 2020	25.00	5,435.33	1.00	3,677.61	9,113.94
Profit for the year				345.61	345.61
Balance as at 31st March, 2021	25.00	5,435.33	1.00	4,023.22	9,459.55

Particulars	Share Capital	Other Equity			
	Equity Share Capital	Capital Redemption Reserve	Debenture Redemption Reserve	Retained Earnings	Total
Balance as at 1st April, 2021	25.00	5,435.33	1.00	4,023.22	9,459.55
Profit for the year				151.28	151.28
Balance as at 31st March, 2022	**25.00**	**5,435.33**	**1.00**	**4,174.50**	**9,610.83**

Summary of Significant Accounting Policies (refer note 2)

The accompanying notes 1 to 37 are an integral part of these financial statements

In terms of our report of even date

For **B.K. Khare & Co.**

Chartered Accountants
Firm Registration No. 105102W

Aniruddha Joshi
Partner
Membership No.- 040852

Place: Chennai
Date: 18th April, 2022

For and on behalf of the board of directors of

Mahindra Residential Developers Limited

Vimal Agarwal
DIN No.07296320

Vimalendra Singh
DIN No. 09128114

Place: Chennai
Date: 18th April, 2022

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2022

1. General Information

Mahindra Residential Developers Limited ("the Company") was incorporated on February 1, 2008.

The Company is a Co-developer, approved under Special Economic Zone Act, 2005, engaged in development of township including residential infrastructure in Mahindra World City SEZ and giving it on perpetual lease. The address of its registered office and principal place of business is Administrative Block, Central Avenue, Mahindra World City, Chengalpet, Kancheepuram – 603 002.

The level of activity carried out by the Company depends on the number of projects handled and accordingly the revenue from operations may not be comparable on a year-to-year basis.

2. Significant Accounting Policies

2.1 Statement of compliance

The financial statements of the Company have been prepared in accordance with the Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under Section 133 of the Companies Act, 2013 ("the Act") and other relevant provisions of Act.

2.2 Basis of measurement

2.2.1 Basis of preparation

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

2.2.2 Measurement of Fair Values

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis as applicable, except for measurements that have some similarities to fair value but are not fair value, such as net realisable value in IND AS 2- Inventories or value in use in IND AS 36-Impairment of Assets.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

2.3 Revenue from Contracts and Customers

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

2.3.1 Revenue from Projects

The Company develops and sells residential and commercial properties. Revenue from contracts is recognised when control over the property has been transferred to the customer. An enforceable right to payment does not arise until the development of the property is completed. Therefore, revenue is recognised at a point in time i.e Completed contract method of accounting as per IND AS 115 when (a) the seller has transferred all significant risks and rewards of ownership and the seller retains no effective control of the real estate to a degree usually associated with the ownership, (b) The seller has effectively handed over the possession of the real estate unit to the buyer forming part of the transaction; (c) No significant uncertainty exists regarding the amount of consideration that will be derived from real estate sales; and (d) it is not unreasonable to expect ultimate collection of revenue from buyers. The revenue is measured at the transaction price agreed under the contract.

The Company invoices the customers for construction contracts based on achieving a series of performance-related milestones.

For certain contracts involving the sale of property under development, the Company offers deferred payment schemes to its customers. The Company adjusts the transaction price for the effects of the significant financing component.

2.3.2 Contract Costs

Costs to obtain contracts ("Contract costs") relate to fees paid for obtaining property sales contracts. Such costs are recognised as assets when incurred and amortised upon recognition of revenue from the related property sale contract.

2.3.3 Significant accounting judgements, estimates and assumptions

2.3.3.1 Determining the timing of revenue recognition on the sale of completed and under development property

The Company has generally evaluated and concluded that based on an analysis of the rights and obligations under the terms of the contracts relating to the sale of property, the revenue is to be recognised at a point in time when control transfers which coincides with receipt of Occupation Certificate. The Company has concluded that the overtime criteria are not met owing to non-enforceable right to payment for performance completed to date and, therefore, recognises revenue at a point in time.

2.3.3.2 Determination of performance obligations

With respect to the sale of property, the Company has concluded that the goods and services transferred in each contract constitute a single performance obligation. In particular, the promised goods and services in contracts for the sale of property is to undertake development of property and obtaining the Occupation Certificate. Generally, the Company is responsible for all these goods and services and the overall management of the project. Although these goods and services are capable of being distinct, the Company accounts for them as a single performance obligation because they are not distinct in the context of the contract.

2.3.4 Dividend and interest income

Dividend income from investments in mutual funds is recognised when the unit holder's right to receive payment has been established.

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2022

2.4 Current versus non-current classification

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents.

Based on the nature of activity carried out by the Company and the period between the procurement and realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 5 years for the purpose of Current – Non Current classification of assets and liabilities.

The Company presents assets and liabilities in the balance sheet based on current / non-current classification.

An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Borrowings are classified as current if they are due to be settled within 12 months after the reporting period.

2.5 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in statement of profit and loss in the period in which they are incurred.

2.6 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

2.6.1 Current tax

Current tax is determined as the amount of tax payable in respect of taxable income for the year. The Company's current tax is calculated using tax rate that has been enacted or substantively enacted by the end of the reporting period.

2.6.2 Minimum Alternate Tax

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognized as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company.

2.6.3 Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

2.6.4 Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

2.7 Property, plant and equipment (PPE)

PPE are stated in the balance sheet at cost less accumulated depreciation.

Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Company's accounting policy.

An item of PPE is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in statement of profit and loss. PPE held for disposal are valued at estimated net realizable value.

Depreciation on PPE has been provided on pro-rata basis, on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013.

Lease hold improvements are amortised over the period of lease/ estimated period of lease.

2.8 Impairment of PPE

At the end of each reporting period, the Company reviews the carrying amounts of its PPE to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in statement of profit and loss.

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2022

2.9 Inventories

Inventories are stated at lower of cost and net realisable value. The cost of construction material is determined on the basis of weighted average method. Construction Work-in-Progress includes cost of land, premium for development rights, construction costs and allocated interest and manpower costs and expenses incidental to the projects undertaken by the Company.

2.10 Cash and cash equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

2.11 Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

2.12 Foreign currencies

Transactions in foreign currencies i.e. other than the Company's functional currency are recognised at the rates of exchange prevailing at the date of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined.

Exchange differences on monetary items are recognised in statement of profit and loss in the period in which they arise except for:

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings; and
- exchange differences on transactions entered into in order to hedge certain foreign currency risks.

2.13 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) because of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, considering the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Provisions, contingent liabilities and contingent assets are reviewed at each Balance Sheet date.

2.14 Contingent liabilities

Contingent liability is disclosed in case of:

a) a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation; and

b) a present obligation arising from past events, when no reliable estimate is possible.

Contingent assets

Contingent assets are disclosed where an inflow of economic benefits is probable.

2.15 Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in statement of profit and loss.

2.15.1 Classification and subsequent measurement

2.15.1.1 Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace. All recognised financial assets are subsequently measured at either amortised cost or fair value depending on their respective classification.

On initial recognition, a financial asset is classified as - measured at:

- Amortised cost; or
- Fair Value through Other Comprehensive Income (FVTOCI) - debt investment; or
- Fair Value through Other Comprehensive Income (FVTOCI) - equity investment; or
- Fair Value Through Profit or Loss (FVTPL)

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

All financial assets not classified as measured at amortised cost or FVTOCI are measured at FVTPL.

Financial assets at amortised cost are subsequently measured at amortised cost using effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in the statement of profit and loss. Any gain and loss on derecognition is recognised in the statement of profit and loss.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Debt investment at FVTOCI are subsequently measured at fair value. Interest income under effective interest method, foreign exchange gains and losses and impairment are recognised in statement of profit and loss. Other net gains and losses are recognised in Other Comprehensive Income (OCI). On derecognition, gains and losses accumulated in OCI are reclassified to statement of profit and loss.

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2022

For equity investments, the Company makes an election on an instrument-by-instrument basis to designate equity investments as measured at FVTOCI. These elected investments are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the reserves. The cumulative gain or loss is not reclassified to statement of profit and loss on disposal of the investments. These investments in equity are not held for trading. Instead, they are held for medium or long term strategic purpose.

Equity investments that are not designated as measured at FVTOCI are designated as measured at FVTPL and subsequent changes in fair value are recognised in statement of profit and loss.

Financial assets at FVTPL are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in statement of profit and loss.

2.15.1.2 Financial liabilities and equity instruments

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments issued by the Company is recognised at the proceeds received, net of directly attributable transaction costs.

Financial liabilities

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading or it is a derivative (that does not meet hedge accounting requirements) or it is designated as such on initial recognition. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in statement of profit and loss. Any gain or loss on derecognition is also recognised in statement of profit and loss.

2.15.2 Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

2.16 Earnings per Share

Basic / Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post-tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year.

2.17 Goods and Services tax input credit

Goods and Services tax input credit is accounted for in the books in the period in which the underlying service received is accounted and when there is reasonable certainty in availing / utilising the credits.

2.18 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in Note 1, the management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only the period of the revision and future periods if the revision affects both current and future periods.

Judgements

In the process of applying the Company's accounting policies, management has made the following judgements based on estimates and assumptions, which have the significant effect on the amounts recognised in the financial statements.

(a) Determination of the timing of revenue recognition on the sale of completed and under development property

The Company has evaluated and generally concluded that the recognition of revenue over the period of time criteria are not met owing to non-enforceable right to payment for performance completed to date and, therefore, recognises revenue at a point in time. The Company has further evaluated and concluded that based on the analysis of the rights and obligations under the terms of the contracts relating to the sale of property, the revenue is to be recognised at a point in time when control transfers which coincides with receipt of Occupation Certificate.

(b) Determination of performance obligation

With respect to the sale of property, the Company has evaluated and concluded that the goods and services transferred in each contract constitute a single performance obligation. In particular, the promised goods and services in contracts for the sale of property is to undertake development of property and obtaining the Occupation Certificate. Generally, the Company is responsible for all these goods and services and the overall management of the project. Although these goods and services are capable of being distinct, the Company accounts for them as a single performance obligation because they are not distinct in the context of the contract.

(c) Taxes

Deferred tax assets are recognised for temporary differences to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2022

All amounts are in Rupees Lakhs unless otherwise stated

Note No. 3 - Property, Plant and Equipment

Description of Assets	Office Equipments	Total
I. Gross Carrying Amount		
Balance as at 1st April, 2021	11.53	11.53
Additions	–	–
Balance as at 31st March, 2022	**11.53**	**11.53**
II. Accumulated depreciation		
Balance as at 1st April, 2021	2.88	2.88
Depreciation expense for the year	1.44	1.44
Balance as at 31st March, 2022	**4.32**	**4.32**
III. Net carrying amount as at 31st March, 2022 (I-II)	**7.21**	**7.21**

Description of Assets	Office Equipments	Total
I. Gross Carrying Amount		
Balance as at 1st April, 2020	11.53	11.53
Additions	–	–
Balance as at 31st March, 2021	**11.53**	**11.53**
II. Accumulated depreciation		
Balance as at 1st April, 2020	1.44	1.44
Depreciation expense for the year	1.44	1.44
Balance as at 31st March, 2021	**2.88**	**2.88**
III. Net carrying amount as at 31st March, 2021 (I-II)	**8.65**	**8.65**

4 - Tax Expense

(a) Tax Expense recognised in Statement of Profit & Loss

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Current Tax:		
In respect of current year.............	36.15	125.83
Deferred Tax:		
In respect of current year origination and reversal of temporary differences...................	27.60	10.78
Total...	**63.75**	**136.61**

(b) Reconciliation of estimated income tax expense at tax rate to income tax expense reported in the Statement of Profit and Loss is as follows:

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Profit/ (Loss) before tax	215.03	482.22
Income tax expense calculated at 27.82%	59.82	134.15
Others..	3.93	2.46
Income tax credit recognised in profit or loss...............................	**63.75**	**136.61**

The tax rate used for the 31st March, 2022 and 31st March, 2021 reconciliations above is the corporate tax rate of 27.82% payable by corporate entities in India on taxable profits under Indian Income Tax Laws.

(c) Amounts on which deferred tax asset has not been created:

Deferred tax assets(MAT Credit) have not been recognised based on the analysis and judgement of the management of the profitability of the existing projects on hand / pipeline and in accordance with the accounting policy consistently followed by the Company and the balance as given below have not been recognised.

Particulars	As at 31st March, 2022	As at 31st March, 2021
Unused tax credits -MAT (with year of expiry of the MAT credit)		
– MAT Credit of FY 2011-12(Expiry-2026-27)	63.12	63.12
– MAT Credit of FY 2012-13(Expiry-2027-28)	219.44	219.44
– MAT Credit of FY 2013-14(Expiry-2028-29)	870.18	870.18
– MAT Credit of FY 2014-15(Expiry-2029-30)	272.26	272.26
– MAT Credit of FY 2015-16(Expiry-2030-31)	32.94	32.94
– MAT Credit of FY 2017-18(Expiry-2032-33)	49.60	49.60
Total	1,507.54	1,507.54

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2022

All amounts are in Rupees Lakhs unless otherwise stated

(d) Deferred Tax Assets

	As at 31st March, 2022				
Particulars	**Opening Balance**	**Recognised in profit and Loss**	**Recognised in other comprehensive income**	**Other Adjustments**	**Closing Balance**
Minimum Alternate Tax (MAT)	87.79	(27.60)	–	0.01	60.20
Net Deferred Tax Asset	**87.79**	**(27.60)**	**–**	**0.01**	**60.20**

	As at 31st March, 2021				
Particulars	**Opening Balance**	**Recognised in profit and Loss**	**Recognised in other comprehensive income**	**Other Adjustments**	**Closing Balance**
Tax impact of adjustment pursuant INDAS 115	10.78	–	(10.78)	–	0.00
Minimum Alternate Tax (MAT)	134.59	(46.80)	–	–	87.79
Net Deferred Tax Asset	**145.37**	**(46.80)**	**(10.78)**	**–**	**87.79**

Note No. 5 - Other Financial Assets

	As at 31st March, 2022		As at 31st March, 2021	
Particulars	**Current**	**Non-Current**	**Current**	**Non-Current**
a) **Security Deposits**				
– Unsecured, considered good	**0.77**	**34.91**	0.77	23.54
b) **Interest Receivable**				
– Interest accrued on deposits, loans and advances	**0.87**	**–**	10.12	–
– Interest accrued on ICD	**170.28**	**–**	–	–
– Interest on Loans and Advances	**–**	**–**	84.28	–
c) **Loan to related party**	**4,940.00**	**–**	4,500.00	–
Total	**5,111.92**	**34.91**	4,595.17	23.54

Note No. 6 - Other Assets

	As at 31st March, 2022		As at 31st March, 2021	
Particulars	**Current**	**Non-Current**	Current	Non-Current
(a) **Advances other than capital advances**				
(i) Balances with government authorities (other than income taxes)	**548.90**	**–**	522.13	–
(ii) Other advances (Mobilisation & Material Advances to Contractors)	**34.97**	**–**	3.21	–
(b) **Advance income tax**	**–**	**867.72**	–	816.51
(c) **Prepaid Expenses**	**–**	**–**	0.70	–
	583.87	**867.72**	526.04	816.51

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2022

All amounts are in Rupees Lakhs unless otherwise stated

Note No. 7 - Inventories

Particulars	As at 31st March, 2022	As at 31st March, 2021
Construction Materials#	246.20	245.66
Construction Work-in-progress*	2,832.38	2,547.83
Finished goods	94.72	264.09
Total Inventories (at lower of cost and net realisable value)	**3,173.30**	3,057.58

* Construction Work-in-Progress represents materials at site and construction cost incurred for the projects.

\# Construction Materials primarily comprises of Steel, Cement, Chrome plated & Sanitary Fixtures and UPVC windows which are used for construction activities.

The cost of inventories recognised as an expense during the year in respect of continuing operations is Rs. 170.01 lakhs (Marh 31, 2021- Rs. 1,351.61 lakhs).

Based on detailed assessment and evaluation of impact of the COVID-19 epidemic, the management concluded that realiseable value of these inventories will not be lower than the carrying value.

Note No. 8 - Trade Receivables

Particulars	As at 31st March, 2022	As at 31st March, 2021
	Current	Current
Trade receivables		
(a) Considered good- unsecured	–	76.04
(b) Credit Impaired	**9.70**	–
Less: Allowance for credit Losses	**(9.70)**	–
Total	–	76.04

Note No. 8a - Movement in the allowance for credit losses

Particulars	As at 31st March, 2022	As at 31st March, 2021
Balance at beginning of the year	–	–
Addition during the year	**9.70**	–
Total	**9.70**	–

Refer Note 24 for disclosures related to credit risk, impairment of trade receivables under expected credit loss model and related financial instrument disclosures.

The average credit period in the range of 7-31 days on lease of residential property as per the agreement with customers.

Note No. 8b - Ageing for trade receivables from the due date of payment for each of the category is as follows:

Particulars	Outstanding from date of transaction/booking	
	As at 31st March, 2022	As at 31st March, 2021
Undisputed Trade Receivable - Considered good - unsecured	–	76.04
Not Due	–	–
0 months - 6 months	–	44.36
6 months -1 year	–	–
1-2 Years	–	3.77
2-3 years	–	25.36
More than 3 years	–	2.55
Undisputed Trade Receivable - Credit impaired	9.70	–
Not Due	–	–
0 months - 6 months	–	–
6 months - 1 year	–	–
1-2 Years	**0.00**	–
2-3 years	**3.76**	–
More than 3 years	**5.94**	–
Disputed Trade Receivables- which have significant increase in credit risk	–	–
Disputed Trade Receivables- credit impaired	–	–
Total	**9.70**	76.04

Note No. 9 - Cash and Bank Balances

Particulars	As at 31st March, 2022	As at 31st March, 2021
Cash and cash equivalents		
Balances with banks		
– On current accounts	**10.93**	75.75
– Fixed deposits with original maturity of less than three months	**395.00**	1,330.00
Total Cash and cash equivalent (considered in Statement of Cash Flows)	**405.93**	1,405.75
Bank Balances other than Cash and cash equivalents		
– Earmarked Deposit account with scheduled banks#	–	70.50
Total Other Bank balances	–	70.50

\# Earmarked balances with banks refers to Fixed Deposits with bank created out of Corpus and Advance maintenance Charges collected from customers.

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2022

All amounts are in Rupees Lakhs unless otherwise stated

Note No. 10 - Equity Share Capital

Particulars	As at 31st March, 2022		As at 31st March, 2021	
	No. of shares	Amount	No. of shares	Amount
Authorised:				
Equity shares of Rs. 10 each with voting rights	**4,50,000**	**45.00**	4,50,000	45.00
Issued, Subscribed and Fully Paidup:				
Equity shares of Rs. 10 each with voting rights*	**2,50,000**	**25.00**	2,50,000	25.00
Total	**2,50,000**	**25.00**	2,50,000	25.00

(i) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Particulars	Opening Balance	Change during the year	Closing Balance
Equity Shares with Voting rights*			
As at 31st March, 2022			
No. of Shares	**2,50,000**	**–**	**2,50,000**
Amount in Lakhs	**25.00**	**–**	**25.00**
As at 31st March, 2021			
No. of Shares	2,50,000	–	2,50,000
Amount in Lakhs	25.00	–	25.00

* **Terms/ rights attached to equity shares:** The Company has one class of equity shares having a par value of Rs. 10 per share. Each shareholder is eligible for one vote per share. Dividends are paid in Indian Rupees. The dividends proposed by the Board of Directors are subject to the approval of the shareholders at the Annual General Meeting. Repayment of capital will be in proportion to the number of equity shares held.

(ii) Details of shareholders holding more than 5% shares in the company

Name of the shareholder	As at 31st March, 2022		As at 31st March, 2021	
	No.	% holding in the class	No.	% holding in the class
Equity shares with voting rights:-				
Mahindra Integrated Township Limited, Holding Company	**2,50,000**	**100.00%**	2,50,000	100.00%

(iii) Details of shares held by the holding company, the ultimate holding company, their subsidiaries and associates:

Particulars	No. of Shares Equity Shares with Voting rights
As at 31st March, 2022	
Mahindra Integrated Township Limited, Holding Company	**2,50,000**
As at 31st March, 2021	
Mahindra Integrated Township Limited, Holding Company	2,50,000

Note No. 11 - Other Equity

Particulars	As at 31st March, 2022	As at 31st March, 2021
Retained earnings	**4,174.50**	4,023.22
Securities Premium	**5,435.33**	5,435.33
Capital Redemption Reserve	**1.00**	1.00
Total Other Equity	**9,610.83**	9,459.55

Description of the nature and purpose of Other Equity:

Retained Earnings: This reserve represents cumulative profits of the Company. This reserve can be utilised in accordance with the provisions of Companies Act, 2013.

Securities Premium: The Securities Premium is created on issue of shares at a premium. This reserve can be utilised in accordance with the provisions of Companies Act, 2013.

Capital Redemption Reserve: The Capital Redemption Reserve was created against redemption of Preference Shares.

Note No. 12 - Other Financial Liabilities

Particulars	As at 31st March, 2022	As at 31st March, 2021
Current		
Other liabilities		
Deposits from customers*	**7.68**	47.58
Total Other financial liabilities	**7.68**	47.58

* refers to amount collected from customers towards "Advance maintenance and Corpus fund" net off amount receivable.

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2022

All amounts are in Rupees Lakhs unless otherwise stated

Note No. 13 - Trade Payables

Particulars	As at 31st March, 2022	As at 31st March, 2021
Trade Payables		
Trade payable - micro and small enterprises*	–	51.68
Trade payable - Other than micro and small enterprises	**481.93**	734.50
Retention Amounts payable	**16.24**	87.61
Total Trade Payables	**498.17**	873.79

Trade Payables are payables in respect of the amount due on account of goods purchased or services received in the normal course of business. The average credit period in the range of 7-31 days as per the agreement with Contractors/ Suppliers.

* This information has been determined to the extent such parties have been identified on the basis of the intimation received from the suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006.

Note No. 13a - Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

	Particulars	As at 31st March, 2022	As at 31st March, 2021
a)	The principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year	–	51.68
b)	The amount of interest paid in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	–	–
c)	The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	–	–
d)	The amount of interest accrued and remaining unpaid at the end of each accounting year	–	–
e)	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	–	–
Total		–	–

Note No. 13b - Ageing for trade payable from the due date of payment for each of the category is as follows:

Particulars	As at 31st March, 2022	As at 31st March, 2021
Undisputed dues of micro enterprises and small enterprises		
Unbilled	–	–
Not Due	–	51.68
0 months - 1 year	–	–
1-2 Years	–	–
2-3 years	–	–
More than 3 years	–	–
Undisputed dues of creditors other than micro enterprises and small enterprises		
Unbilled	**210.83**	330.33
Not Due	**149.88**	–
0 months - 1 year	**103.40**	66.65
1-2 Years	**1.71**	–
2-3 years	**7.21**	63.02
More than 3 years	**25.14**	362.11
Disputed Dues- Micro, Small and Medium enterprises	–	–
Disputed Dues- Others	–	–
Total	**498.17**	873.79

Note No. 14 - Provisions

Particulars	As at 31st March, 2022	As at 31st March, 2021
Non Current Provisions		
Defect Liability Provision	**71.65**	68.52
Total Non Current Provisions	**71.65**	68.52

Defect Liability Provision:

Provision for defect liability represents present value of management's best estimate of the future outflow of economic resources that will be required in respect of residential units given under perpetual lease, the estimated cost of which is accrued during the period of construction, upon lease of units and recognition of related revenue. Management estimates the related provision for future defect liability claims based on historical cost of rectifications and is adjusted regularly to reflect new information. The residential units are generally covered under a defect liability period limited to 5 year from the date of handover of residential units. It is expected that most of these costs will be incurred within two years after the reporting date.

Note No. 15 - Other Current Liabilities

Particulars	As at 31st March, 2022	As at 31st March, 2021
a. Advances received from customers	**24.57**	32.58
b. Deferred Revenue	–	157.90
c. Statutory dues		
– taxes payable (other than income taxes)	**7.15**	2.65
Total Other Current Liabilities	**31.72**	193.13

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2022

All amounts are in Rupees Lakhs unless otherwise stated

Note No. 16 - Revenue from Operations

Particulars	Year Ended 31st March, 2022	Year Ended 31st March, 2021
Income from projects (Refer note no. 28)	**225.63**	1,683.82
Income from Cancellations	**2.46**	37.30
Total Revenue from Operations	**228.09**	1,721.12

Note No. 17 - Other Income

Particulars	Year Ended 31st March, 2022	Year Ended 31st March, 2021
Interest Income on Financial assets that are not designated as Fair Value through Profit and Loss	**406.19**	440.80
Bank Deposits	**30.48**	17.20
Interest Inter Corporate Deposits	**374.85**	415.37
Others	**0.86**	8.23
Other income	**68.40**	3.07
Total Other Income	**474.59**	443.87

Note No. 18 - Cost of Sales

Particulars	Year Ended 31st March, 2022	Year Ended 31st March, 2021
Inventories at the beginning of the year (A)	**3,057.58**	4,195.48
Stock-in-trade	**245.66**	250.32
Construction Work-in-progress	**2,547.83**	2,316.63
Finished goods	**264.09**	1,628.53
Add: Expenses Incurred during the year (B)	**285.73**	113.71
Land and Construction Costs	**194.55**	45.41
Architect & Consultant Fees	**9.85**	7.75
Project Management Fees	**71.61**	48.90
Other Expenses	**9.73**	11.65
Provisions/(Reversal) (C)	**–**	100.00
Inventories at the end of the year (D)	**3,173.30**	3,057.58
Stock-in-trade	**246.20**	245.66
Construction Work-in-progress	**2,832.38**	2,547.83
Finished goods	**94.72**	264.09
Total (A+B+C–D)	**170.01**	1,351.61

Note No. 19 - Finance Costs

Particulars	Year Ended 31st March, 2022	Year Ended 31st March, 2021
Interest Costs	**13.92**	7.36
Total Finance Costs	**13.92**	7.36

Note No. 20 - Other Expenses

Particulars	Year Ended 31st March, 2022	Year Ended 31st March, 2021
Rent including lease rentals	**4.36**	4.36
Rates & Taxes	**17.33**	79.70
Repairs and maintenance - Others	**154.59**	54.87
Advertisement and Marketing	**26.76**	41.04
Commission on sales / contracts (net)	**6.53**	21.63
Travelling and Conveyance Expenses	**1.35**	4.29
Defect liability (net)	**2.47**	11.74
Expenditure on corporate social responsibility (CSR)*	**12.41**	12.14
Staff Deputation Costs	**48.99**	43.11
Auditors remuneration and out-of-pocket expenses		
As Statutory Auditors	**4.00**	4.00
For Other services	**2.35**	2.10
Legal and other professional costs	**15.08**	37.47
Other General Expenses	**6.06**	5.91
Total Other Expenses	**302.28**	322.36

* Details of expenditure on Corporate Social Responsibility

Particulars	Year Ended 31st March, 2022	Year Ended 31st March, 2021
Sanitation	**–**	6.07
Contribution to approved NGO (Nanhi Kali foundation)	**–**	6.07
K C Mahindra Education Trust	**6.21**	–
Parishar Asha	**0.11**	–
World Vision India	**6.09**	–
Total CSR Expense	**12.41**	12.14

Note No. 21 - Earnings per Share

Particulars	Year Ended 31st March, 2022	Year Ended 31st March, 2021
Profit for the year attributable to owners of the Company	**151.28**	345.61
Weighted average number of equity shares (in nos)	**2,50,000**	2,50,000
Basic and Diluted Earning per share (in face value of Rs. 10/- per share) (in Rs.)	**60.51**	138.24

Note No. 22 - Segment information

Business segments

The Company operates in only one business segment, i.e. 'lease of residential property constructed' based on the nature of the services and products, the risks and returns etc. This has been determined in the manner consistent with the internal reporting provided to the Chairperson regarded as the Chief Operating Decision Maker ("CODM"). The Company operates only in India. The conditions prevailing in India being uniform, no separate geographical disclosure within India is considered necessary.

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2022

All amounts are in Rupees Lakhs unless otherwise stated

Note No. 23 - Contingent liabilities

Income Taxes

Particulars	As at 31st March, 2022	As at 31st March, 2021
Contingent liabilities (to the extent not provided for)		
Income tax demands (to the extent not recognised in the books)		
FY 2011-12 (Assessment Year 2012-13)	**121.05**	121.05
FY 2012-13 (Assessment Year 2013-14)	**121.39**	121.39
FY 2013-14 (Assessment Year 2014-15)	**869.63**	869.63
Total	**1,112.07**	1,112.07

The above amounts are based on demand raised, which the Company is contesting with the concerned authorities. Outflows, if any, arising out of this claim would depend on the outcome of the decision of the appellate authorities, Courts and Company's rights for future appeals.

Note No. 24 - Financial Instruments

Capital management

The Company manages capital risk in order to maximize shareholders' profit by maintaining sound/optimal capital structure through monitoring of financial ratios, such as debt-to-equity ratio and net borrowings-to-equity ratio on a monthly basis and implements capital structure improvement plan when necessary. There is no change in the overall capital risk management strategy of the Company compared to last year.

The Company is not subject to externally enforced regulation.

Categories of financial assets and financial liabilities

Particulars	As at 31st March, 2022			
	Amortised Costs	FVTPL	FVOCI	Total
Non-current Assets				
Financial Assets Measured at Amortised Cost	**34.91**	**–**	**–**	**34.91**
Current Assets				
Trade Receivables	**–**	**–**	**–**	**–**
Cash and Cash equivalents	**405.93**	**–**	**–**	**405.93**
Bank Balances other than above	**–**	**–**	**–**	**–**
Other Financial Assets	**5,111.92**	**–**	**–**	**5,111.92**
	5,552.76	**–**	**–**	**5,552.76**
Current Liabilities				
Trade Payables	**498.18**	**–**	**–**	**498.18**
Other Financial Liabilities	**7.68**			**7.68**
	505.86	**–**	**–**	**505.86**

Particulars	As at 31st March, 2021			
	Amortised Costs	FVTPL	FVOCI	Total
Non-current Assets				
Financial Assets Measured at Amortised Cost	23.54	–	–	23.54
Current Assets				
Trade Receivables	76.04	–	–	76.04
Cash and Cash equivalents	1,405.75	–	–	1,405.75
Bank Balances other than above	70.50	–	–	70.50
Other Financial Assets	4,595.17	–	–	4,595.17
	6,171.00	–	–	6,171.00
Current Liabilities				
Trade Payables	873.79	–	–	873.79
Other Financial Liabilities	47.58			47.58
	921.37	–	–	921.37

Financial Risk Management Framework

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk. In order to manage the aforementioned risks, the Company operates a risk management policy and a program that performs close monitoring of and responding to each risk factors.

CREDIT RISK

(i) Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. Credit risk arises from trade receivables, cash and cash equivalents, mutual Funds & other financial assets.

(ii) Trade Receivables:

The Company's trade receivables include receivables on lease of residential flats and rent maintenance receivable. As per the Company's flat handover policy, a flat is handed over to a customer only upon payment of entire amount of consideration. The rent maintenance receivables are secured by security deposits obtained under the lease agreement. Thus, the Company is not exposed to any credit risk on receivables from sale of residential flats and rent receivables. However owing to COVID-19 pandemic outbreak the Company expects considerable slow down in collections of existing receivables and delay in billing further milestones owing to lockdown.

(iii) Cash and Cash Equivalents & Other Financial Assets

For banks and financial institutions, only high rated banks/institutions are accepted. The Company holds cash and cash equivalents with bank and financial institution counterparties, which are having highest safety ratings based on ratings published by various credit rating agencies. The Company considers that its cash and cash equivalents have low credit risk based on external credit ratings of the counterparties.

LIQUIDITY RISK

(i) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Company's short-, medium- and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2022

All amounts are in Rupees Lakhs unless otherwise stated

(ii) Maturities of financial liabilities

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The amount disclosed in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows.

To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Company may be required to pay.

Particulars	Less than 1 Year	1-3 Years	3 Years to 5 Years	5 years and above
Non-derivative financial liabilities				
31st March, 2022				
Trade Payables	**498.18**	–	–	–
Other Current Financial Liabilities	**7.68**	–	–	–
Total	**505.86**	–	–	–
31st March, 2021				
Trade Payables	873.79	–	–	–
Other Current Financial Liabilities	47.58	–	–	–
Total	921.37	–	–	–

The amounts included above for financial guarantee contracts are the maximum amounts the Company could be forced to settle under the arrangement for the full guaranteed amount if that amount is claimed by the counterparty to the guarantee. Based on expectations at the end of the reporting period, the Companyconsiders that it is more likely than not that such an amount will not be payable under the arrangement.

(iii) Financing arrangements

The Company has no borrowing facilities at the end of the reporting period

(iv) Maturities of financial assets

The following table details the Company's expected maturity for its non-derivative financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Company's liquidity risk management as the liquidity is managed on a net asset and liability basis.

Particulars	Less than 1 Year	1-3 Years	3 Years to 5 Years	5 years and above
Non-derivative financial Assets				
31st March, 2022				
Cash and Cash equivalents	**405.93**	**–**	–	–
Security Deposits	**0.77**	**34.91**		
Interest receivables	**171.15**			
Loans to Related Parties	**4,940.00**			
Other Current Financial Assets	**–**	**–**	–	–
Total	**5,517.85**	**34.91**	–	–
31st March, 2021				
Trade Receivables	76.04	–	–	–
Cash and Cash equivalents	1,405.75	–	–	–
Bank balances other than above	70.50	–	–	–
Security Deposits	0.77	23.54	–	–
Interest receivables	94.40	–	–	–
Loans to Related Parties	4,500.00	–	–	–
Total	6,147.46	23.54	–	–

The amounts included above for variable interest rate instruments for both non-derivative financial assets and liabilities is subject to change if changes in variable interest rates differ to those estimates of interest rates determined at the end of the reporting period.

MARKET RISK

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk such as equity price risk and commodity price risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. The Company uses derivatives to manage market risks. Derivatives are only used for economic hedging purposes and not as speculative investments. All such transactions are carried out within the guidelines set by the Board of Directors and Risk Management Committee.

There has been no significant changes to the company's exposure to market risk or the methods in which they are managed or measured.

Currency Risk

The Company undertakes transactions denominated only in India Rupees and hence there is no risk of foreign exchange fluctuations.

Note No. 25 - Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 2, the management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only the period of the revision and future periods if the revision affects both current and future periods.

COVID-19 Impact assessment :

The Company is actively monitoring the impact of the global health pandemic on its financial condition, liquidity, operations, suppliers, industry, and workforce. The Company has used the principles of prudence in applying judgments, estimates and assumptions based on the current estimates. In assessing the recoverability of assets such as inventories, financial assets and other assets, based on current indicators of future economic conditions, the Company expects to recover the carrying amounts of its assets. The extent to which COVID-19 impacts the operations will depend on future developments which remain uncertain.

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2022

All amounts are in Rupees Lakhs unless otherwise stated

Note No. 26 - Related Party Transactions

a) Names of related parties and nature of relationship where control exists:

Ultimate Parent Company	Mahindra & Mahindra Limited (M & M)
Parent of the Holding Company	Mahindra Lifespace Developers Limited (MLDL)
Holding Company	Mahindra Integrated Township Limited (MITL)

b) Fellow Subsidiary & Joint Venture of MLDL with whom transactions have been entered

Fellow Subsidiary	Mahindra Integrated Business Solutions Limited (MIBS)
Joint Venture of MLDL	Mahindra World City Developers Limited (MWCDL)

Details of transaction between the Company and its related parties are disclosed below:

Particulars	For the year ended	Ultimate Holding Company	Parent of Holding Company	Holding company	Fellow Subsidiary	Joint Venture of MLDL
Nature of transactions with Related Parties						
Interest Income	31-Mar-22	–	–	12.78	–	362.07
	31-Mar-21	–	–	73.85	–	259.60
Dividend paid	31-Mar-22	–	–	–	–	–
	31-Mar-21	–	–	–	–	–
Marketing Expenses-sharing expenses	31-Mar-22	–	5.67	–	–	–
	31-Mar-21	–	4.77	–	–	–
Purchase of Materials and Services	31-Mar-22	0.01	–	–	–	–
	31-Mar-21	0.21	–	–	0.01	–
Manpower Deputation Charges-Expense	31-Mar-22	–	–	106.34	–	–
	31-Mar-21	–	–	92.02	–	–
Office Establishment Expenses-Expense	31-Mar-22	–		16.35	–	1.47
	31-Mar-21	–	3.89	14.01	–	0.73
Maintenance Charges-Expense	31-Mar-22	–	–	–	–	20.64
	31-Mar-21	–	–	–	–	26.21
Inter Corporate Deposit (ICD) issued	31-Mar-22	–	–	–	–	4,940.00
	31-Mar-21	–	–	300.00	–	2,200.00
Inter Corporate Deposit (ICD) repayment received	31-Mar-22	–	–	300.00	–	4,200.00
	31-Mar-21	–	–	1,395.00	–	–

Nature of Balances with Related Parties	Balance as on	Ultimate Holding Company	Parent of Holding Company	Holding company	Fellow Subsidiary	Joint Venture of MLDL
Deposits	31-Mar-22	–	–	–	–	23.07
	31-Mar-21	–	–	–	–	23.07
Interest on ICD receivable	31-Mar-22	–	–	–	–	170.27
	31-Mar-21	–	–	–	–	84.28
Inter corporate deposit given	31-Mar-22	–	–	–	–	4,940.00
	31-Mar-21	–	–	300.00	–	4,200.00
Other Receivables	31-Mar-22	–	–	–	–	–
	31-Mar-21	–	–	–	–	0.35
Other Payables	31-Mar-22	0.01	3.26	30.47	–	7.76
	31-Mar-21	0.06	18.48	25.03	–	–

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2022

All amounts are in Rupees Lakhs unless otherwise stated

Note No. 27 - Fair Value Measurement

Fair value of financial assets and financial liabilities that are not measured at fair value

Particulars	31st March, 2022		31st March, 2021	
	Carrying amount	**Fair value**	Carrying amount	Fair value
Financial assets				
Financial assets carried at Amortised Cost				
– Loans to related parties	**4,940.00**	**4,940.00**	4,500.00	4,500.00
– Trade and other receivables	**–**	**–**	76.04	76.04
– Cash and cash equivalents	**405.93**	**405.93**	1,405.75	1,405.75
– Bank balances other than above	**–**	**–**	70.50	70.50
– Other Receivables	**171.15**	**171.15**	94.40	94.40
– Deposits and similar assets	**35.68**	**35.68**	24.31	24.31
Total	**5,552.76**	**5,552.76**	6,171.00	6,171.00
Financial liabilities				
Financial liabilities held at amortised cost				
– Other financial Liabilities	**7.68**	**7.68**	47.58	47.58
– Trade and other payables	**498.18**	**498.18**	873.79	873.79
Total	**505.86**	**505.86**	921.37	921.37

	Fair value hierarchy as at 31st March, 2022			
	Level 1	**Level 2**	**Level 3**	**Total**
Financial assets				
Financial assets carried at Amortised Cost				
– Loans to related parties	**–**	**4,940.00**	**–**	**4,940.00**
– Trade and other receivables	**–**	**–**	**–**	**–**
– Cash and cash equivalents	**–**	**405.93**	**–**	**405.93**
– Bank balances other than above	**–**	**–**	**–**	**–**
– Other Receivables	**–**	**171.15**	**–**	**171.15**
– Deposits and similar assets	**–**	**35.68**	**–**	**35.68**
Total	**–**	**5,552.76**	**–**	**5,552.76**
Financial liabilities				
Financial Liabilities carried at amortised cost				
– Other financial Liabilities	**–**	**7.68**	**–**	**7.68**
– Trade and other payables	**–**	**498.18**	**–**	**498.18**
TOTAL	**–**	**505.86**	**–**	**505.86**

	Fair value hierarchy as at 31st March, 2021			
	Level 1	Level 2	Level 3	Total
Financial assets				
Financial assets carried at Amortised Cost				
– Loans to related parties	–	4,500.00	–	4,500.00
– Trade and other receivables	–	76.04	–	76.04
– Cash and cash equivalents	–	1,405.75	–	1,405.75
– Bank balances other than above	–	70.50	–	70.50
– Other Receivables	–	94.40	–	94.40
– Deposits and similar assets	–	24.31	–	24.31
Total	–	6,171.00	–	6,171.00

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2022

All amounts are in Rupees Lakhs unless otherwise stated

	Fair value hierarchy as at 31st March, 2021			
	Level 1	Level 2	Level 3	Total
Financial liabilities				
Financial Liabilities carried at amortised cost				
– Other financial Liabilities	–	47.58	–	47.58
– trade and other payables	–	873.79	–	873.79
Total	–	921.37	–	921.37

For recurring and non-recurring fair value measurements, if the highest and best use of a nonfinancial asset differs from its current use, an entity shall disclose that fact and why the non-financial asset is being used in a manner that differs from its highest and best use.

The fair values of the financial assets and financial liabilities included in the level 2 and level 3 categories above have been determined in accordance with generally accepted pricing models based on a discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the credit risk of counterparties.

Note No. 28 - INDAS 115 Disclosures

1) Contract Balances

Amounts received before the related performance obligation is satisified are included in the balance sheet (Contract liability) as “Advances received from Customers”. Amounts billed for development milestone achieved but not yet paid by the customer are included in the balance sheet under trade receivables.

During the year, the Company recognised Revenue of Rs. 157.90 Lacs (FY 20-21 Rs. 1,065.95 lakhs) from opening contract liability (after Ind AS 115 adoption) of Rs. 157.90 Lakhs (FY 20-21 Rs. 1,065.95 lakhs).

There were no significant changes in the composition of the contract liabilities and Trade receivable during the reporting period other than on account of periodic invoicing and revenue recognition.

Amounts previously recorded as contract liabilities increase due to further milestone based invoices raised during the year and decrease due to revenue recognised during the year on completion of the construction.

Amounts previously recorded as Trade receivables increase due to further milestone based invoices raised during the year and decrease due to colelctions during the year.

There are no contract assets outstanding at the end of the year.

The aggregate value of performance obligations that are completely or partially unsatisfied as at 31st March, 2022 is Nil. FY 2020-21 Rs. 157.90 lakhs. This includes contracts that can be terminated for convenience with a penalty as per the agreement since, based on current assessment, the occurrence of the same is expected to be remote.

2) Reconciliation of revenue recognized with the contracted price is as follows:

Rs. Lakhs

Particulars	**Year ended 31st March, 2022**	**Year ended 31st March, 2021**
Contracted price	**225.63**	1,683.82
Adjustments on account of cash discounts or early payment rebates, etc.	**–**	–
Revenue recognised as per Statement of Profit & Loss	**225.63**	1,683.82

3) Contract costs

Rs. Lakhs

Particulars	**As at 31st March, 2022**	**As at 31st March, 2021**
Contract costs included in Prepaid expenses in Note 6 - Other Assets	**–**	0.70

For the year ended 31st March, 2022 amortisation amounting to Rs. 6.53 lakhs(FY 20-21 Rs. 21.63 lakhs) is recognised as part of other expenses in the statement of profit and loss. There was no impairment loss in relation to the costs capitalised.

Note No. 29 - Financial Ratios

Sr No	**Particulars**	**Numerator**	**Denominator**	**For the year ended 31st March, 2022**	**For the year ended 31st March, 2021**	**% Variance**	**Reasons for Variance**
a)	Current Ratio	Current Assets	Current Liabilities	15.21	8.23	84.87%	Reduction in current liabilties from last year due to higher payments to suppliers
b)	Debt Equity Ratio	Net Debt	Equity	–	–	–	
c)	Debt Service Coverage Ratio (DSCR)	EBDITA	Total Debt	16.55	66.71	–75.19%	Reduction profit from last year due to lower revenue recognition
d)	Return of Equity	Profit after Tax	Average Net worth	1.58%	3.71%	–57.36%	Reduction profit from last year due to lower revenue recognition

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2022

All amounts are in Rupees Lakhs unless otherwise stated

Sr No	Particulars	Numerator	Denominator	For the year ended 31st March, 2022	For the year ended 31st March, 2021	% Variance	Reasons for Variance
e)	Inventory Turnover ratio	COGS	Average Inventory	0.05	0.37	–85.36%	Reduction in COGS due to lower revenue recognition from last year
f)	Trade Receivables turnover ratio	Revenue from Operations	Trade Receivables (Average)	6.00	4.28	40.04%	Reduction in average trade receivables from last year
g)	Trade Payable turnover ratio	COGS	Average Trade payable	0.68	3.09	–77.94%	Reduction in COGS due to lower revenue recognition and average payables from last year
h)	Net capital turnover ratio	Revenue from Operations	Average Working Capital	0.05	0.32	–85.37%	Reduction in revenue recognition from last year
i)	Net profit ratio	Profit after Tax	Revenue from Operations	66.32%	20.08%	230.29%	Higher margin due to higher interest income in current year
j)	Return on Capital employed	Profit before Interest & Tax	Capital employed	2.38%	5.16%	–53.97%	Reduction profit from last year due to lower revenue recognition

Schedule III require explanation where the change in the ratio is more than 25% as compared to the preceding year. Accordingly explanation is given only for the said ratios.

Note No. 30 - Additional regulatory information

a) **Details of benami property held**

No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

b) **Relationship with struck off companies**

The Company does not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

c) **Wilful defaulter**

The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

d) **Utilisation of borrowed funds and securities premium**

The Company has not advanced or loaned or invested funds to any other persons or entities, including foreign entities (Intermediaries) with the understanding that the Intermediary shall (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or (b) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries

The Company has not received any fund from any persons or entities, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or (b) provide any guarantee, security or the like on behalf of the ultimate beneficiaries

e) **Undisclosed income**

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

f) **Details of crypto currency or virtual currency**

The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.

g) **Registration of Charges or satisfaction with Registrar of Companies (ROC)**

There are no charges or satisfaction which are yet to be registered with the Registrar of Companies beyond the statutory period

h) **Whistle Blower-**

During the year ended 31st March, 2022 and till the date of adoption of financial statements by board of directors, the Company did not received any whistle blower compliants.

Note No. 31 - Discrepancies between books of accounts & quarterly statements submitted to banks

The Company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets at any point of time during the year.

Note No. 32 - Recent Indian Accounting Standards (Ind AS)

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On 23rd March, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, as below.

Ind AS 16 – Property Plant and equipment –

The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognized in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022. The Company has evaluated the amendment and there is no impact on its standalone financial statements.

Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets –

The amendment specifies that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labor, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2022

All amounts are in Rupees Lakhs unless otherwise stated

depreciation charge for an item of property, plant and equipment used in fulfilling the contract). The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022, although early adoption is permitted. The Company has evaluated the amendment and the impact is not expected to be material.

Note No. 33 - Other Notes

i. The Company did not have any pending litigation which would impact its financial position.

ii. The Company did not have any material foreseeable losses on long term contracts. The company has not entered into any derivative contracts.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

iv. The Company does not have any unhedged foreign currency exposures as on 31st March, 2022

Note No. 34 - Merger of Mahindra Integrated Township Ltd (MITL) and Mahindra Residential Developers Ltd (MRDL) with Mahindra World City Developers Ltd (MWCDL)

Pursuant to approval received from the Boards of Mahindra Integrated Township Ltd (MITL), Mahindra Residential Developers Ltd (MRDL), a wholly owned subsidiary company of the Company and Mahindra World City Developers Ltd (MWCDL) for merger of MITL and MRDL with MWCDL, an application under Section 230 to 232 of the Companies Act, 2013 has been filed with National Company Law Tribunal, Chennai on 24th December, 2021 for seeking directions from NCLT, Chennai.

Note No. 35 - Approval of Financial Statements

The aforesaid financial statements have been approved by Company's board of directors and the authorised for issue in the meeting held on April 18, 2022

Note No. 36 - Event after the reporting period

No material events have occurred after the Balance Sheet date and upto the approval of the financial statements.

Note No. 37 - Previous year figures

The figures for previous year have been regrouped/reclassified wherever necessary to conform to current year's grouping/classification.

For and on behalf of the Board of Directors

Mahindra Residential Developers Limited

Vimal Agarwal
DIN No. 07296320

Vimalendra Singh
DIN No. 09128114

Place: Chennai
Date: 18th April, 2022

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF INDUSTRIAL TOWNSHIP (MAHARASHTRA) LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying Financial Statements of Industrial Township Maharashtra Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, its loss and total comprehensive loss, its changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Financial Statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the 'Auditors' Responsibilities for the Audit of the Financial Statements' section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("the ICAI") together with the ethical requirements that are relevant to our audit of the Financial Statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us, is sufficient and appropriate to provide a basis for our audit opinion on the Financial Statements.

Information Other than the Financial Statements and Auditors' Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the Directors Report and the related annexures, but does not include the Financial Statements and our Auditors' Report thereon.

Our opinion on the Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibility of Management for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Financial Statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-Section (11) of Section 143 of the Act and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in "Annexure B", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

(b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

(c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this report are in agreement with the books of account.

(d) In our opinion, the aforesaid Financial Statements comply with the Accounting Standards specified under Section 133 of the Act.

(e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164(2) of the Act.

(f) With respect to the adequacy of the internal financial controls with reference to Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure A. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to Financial Statements.

(g) In our opinion and to the best of our information and according to the explanations given to us, the Company being a private company, the provisions of Section 197 of the Act related to the managerial remuneration are not applicable.

(h) With respect to the other matters to be included in the Auditors' Report in accordance with the requirements of Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

(i) The Company does not have any pending litigations which would impact its financial position;

(ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and

(iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;

(iv) (a) The management of the Company have represented to us respectively that, to the best of their knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The management of the Company has represented to us that, to the best of their knowledge and belief, no funds have been received by the Company or any of such subsidiaries from any person(s) or entity(ies) including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company or any of such subsidiaries shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(c) Based on the audit procedures, that has been considered reasonable and appropriate in the circumstances, performed by us nothing has come to our notice that has caused us or the other auditors to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

(v) The Company has not declared any dividend during the year.

For **B. K. Khare & Co.**
Chartered Accountants
Firm Registration No:. 105102W

Aniruddha Joshi
Partner
Membership No.: 040852
UDIN: 22040852AHBMZZ9377
Place: Mumbai
Date: 13th April, 2022

ANNEXURE "A" TO THE INDEPENDENT AUDITORS' REPORT

[Referred to in paragraph (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date]

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of sub-section (3) of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of Industrial Township Maharashtra Limited ("the Company") as of March 31, 2022 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2022, based on the criteria for internal financial control with reference to financial statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **B. K. Khare & Co.**
Chartered Accountants
Firm Registration No:. 105102W

Aniruddha Joshi
Partner
Membership No.: 040852

UDIN: 22040852AHBMZZ9377
Place: Mumbai
Date: April 13, 2022

ANNEXURE B TO THE AUDITOR'S REPORT

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date.]

(i) The Company does not have property, plant and equipment and intangible assets. Hence, reporting under Clause 3(i)(a) / (b) / (c) / (d) of the order is not applicable to the Company.

(e) Based on the audit procedures performed by us and according to the information, explanations and representations given to us, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

(ii) (a) In our opinion and according to the information and explanations given to us, having regard to the nature of inventory, the physical verification by way of verification of title deeds, site visits by the Management and certification of extent of work completion by competent persons, are at reasonable intervals and no material discrepancies were noticed on physical verification.

(b) According to the information and explanations given to us, the Company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets at any point of time during the year.

(iii) According to the information and explanations given to us, the Company has not made investments in or provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year. Accordingly, the reporting under Clauses 3(iii)(a) to 3(iii)(f) of the Order is not applicable to the Company.

(iv) According to the information and explanations given to us, the Company has not granted any loans or made any investments or provided any guarantees or security to the parties covered under Sections 185 and 186 of the Act. Accordingly, the reporting under Clause 3(iv) of the Order is not applicable to the Company.

(v) According to the information and explanations given to us, the Company has not accepted deposits under the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. Accordingly, the reporting under Clause 3(v) of the Order is not applicable to the Company.

(vi) The Central Government has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company. Accordingly, the reporting under Clause 3(vi) of the Order is not applicable to the Company.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of records of the Company, the amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Services tax, Provident Fund, Employees' State Insurance, Income-tax, Cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. According to the information and explanations given to us and on the basis of our examination of records of the Company, there were no undisputed statutory dues payable in respect of Sales tax, Service tax, Duty of Customs, Duty of Excise and Value Added Tax.

According to the information and explanations given to us and on the basis of our examination of records of the Company, there were no arrears of outstanding statutory dues in respect of Goods and Services tax, Provident fund, Employees' State Insurance, Income-tax, Sales tax, Service tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other material statutory dues as on the last day of the financial year for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and on the basis of our examination of records of the Company, there are no statutory dues in respect of Goods and Services Tax, Provident Fund, Employees' State Insurance, Sales tax, Service tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and any other material statutory dues as at 31 March 2022, which have not been deposited with the appropriate authorities on account of any dispute.

(viii) According to the information and explanations given to us, there are no transactions not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income-tax Act, 1961. Accordingly, the reporting under Clause 3(viii) of the Order is not applicable to the Company.

(ix) (a) According to the information and explanations given to us and based on the audit procedures performed by us, the Company has not availed any loans or other borrowings during the year. Accordingly, the reporting under Clause 3(ix)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us, the Company has not been declared a willful defaulter by any bank or financial institution or any other lender till the date of our audit report.

(c) According to the information and explanations given to us, the company has not raised any money by way of term loans during the year. Hence, reporting under Clause 3(ix)(c) of the Order is not applicable to the Company.

(d) In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that funds raised on short-term basis have not been utilised for long- term purposes as at the Balance Sheet date.

(e) According to the information and explanations given to us and on an overall examination of the Financial Statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.

(f) According to the information and explanations given to us and based on the audit procedures performed by us, we report that the Company has not raised any loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies. Accordingly, the reporting under Clause 3(ix)(f) of the Order is not applicable to the Company.

(x) (a) According to the information and explanations given to us, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under Clause 3(x)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Accordingly, the reporting under Clause 3(x)(b) of the Order is not applicable to the Company.

(xi) (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company noticed or reported during the year, nor have we been informed of any such case by the management.

(b) There has been no report filed by us under sub-section (12) of Section 143 of the Act in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government. Accordingly, the reporting under Clause 3(xi)(b) of the Order is not applicable to the Company.

(c) As represented to us by the management, no whistle blower complaints were received by the Company during the year.

(xii) According to the information and explanations given to us, the Company is not a Nidhi company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, the reporting under Clause 3(xii) of the Order is not applicable to the Company.

(xiii) In our opinion and according to the information and explanations given to us, the Company has entered into transactions with related parties in compliance with the provisions of Section 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required by Indian Accounting Standard (Ind AS) 24, Related Party Disclosures, specified under Section 133 of the Act. Further, the Company is not required to constitute an Audit Committee under Section 177 of the Act, and accordingly, to this extent, the reporting under Clause 3(xiii) of the Order is not applicable to the Company.

(xiv) The Company did not have an internal audit system for the period under audit. Hence, reporting under Clause 3(xiv) of the Order is not applicable to the Company.

(xv) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or directors of its holding persons connected with them during the year and hence, the provisions of Section 192 of the Act are not applicable to the Company. Accordingly, the reporting under Clause 3(xv) of the Order is not applicable to the Company.

(xvi) (a) According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under Clause 3(xvi)(a) of the Order is not applicable to the Company.

(b) In our opinion and according to the information and explanations given to us, the Company has not conducted any Non-Banking Financial or Housing Finance activities. Accordingly, the reporting under Clause 3(xvi)(b) of the Order is not applicable to the Company.

(c) In our opinion and according to the information and explanations given to us, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under Clauses 3(xvi)(c) of the Order is not applicable to the Company.

(d) Based on the information and explanations given to us and the audit procedures performed by us, we report that the Group has three Core Investment Companies.

(xvii) In our opinion and according to the information and explanations given to us, the Company has incurred cash losses of Rs. 3.69 lakhs during the current financial year and Rs. 0.45 lakhs in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, the reporting under Clause 3(xviii) of the Order is not applicable to the Company.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of Balance Sheet as and when they fall due within a period of one year from the Balance Sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the Balance Sheet date, will get discharged by the Company as and when they fall due.

(xx) According to the information and explanations given to us, CSR is not applicable to the Company. Hence, reporting under Clause 3(xx) is not applicable to the Company.

For **B. K. Khare & Co.**
Chartered Accountants
Firm Registration No:. 105102W

Aniruddha Joshi
Partner
Membership No.: 040852

UDIN: 22040852AHBMZZ9377
Place: Mumbai
Date: April 13, 2022

BALANCE SHEET AS AT 31 MARCH 2022

₹ in Lakhs

	Note No.	As at 31 March 2022	As at 31 March 2021
I ASSETS			
CURRENT ASSETS			
(i) Inventories	3	**187.18**	187.18
(ii) Financial Assets			
(i) Cash and Cash Equivalents	4	**79.13**	80.68
(iv) Other Financial Assets	5	**3.01**	0.47
(iii) Current Tax Assets (Net)		**–**	2.79
SUB-TOTAL		**269.32**	271.12
TOTAL ASSETS		**269.32**	271.12
II EQUITY AND LIABILITIES			
EQUITY			
(i) Equity Share Capital	6	**500.00**	500.00
(ii) Other Equity	7	**(232.05)**	(230.71)
SUB-TOTAL		**267.95**	269.29
LIABILITIES			
CURRENT LIABILITIES			
(i) Financial Liabilities			
(i) Trade Payables	8		
(a) Total Outstanding Dues of Micro Enterpirses and Small Enterprises		**–**	–
(b) Total Outstanding Dues of Creditors Other than Micro Enterpirses and Small Enterprises		**1.18**	1.83
(c) Current Tax Liabilities (Net)		**0.19**	–
SUB-TOTAL		**1.37**	1.83
TOTAL		**269.32**	271.12

Significant Accounting Policies 2

The accompanying notes 1 to 16 are an integral part of the Financial Statements

In terms of our report attached.

For **B. K. Khare & Co.**

Chartered Accountants
Firm Registration No. 105102W

Aniruddha Joshi
Partner
Membership No.: 040852

Place: Mumbai
Date: 13th April, 2022

For and on behalf of the Board of Directors of
Industrial Township (Maharashtra) Ltd.

Parveen Mahtani
Director
DIN: 05189797

Vimal Agarwal
Director
DIN: 07296320

Place: Mumbai
Date: 13th April, 2022

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2022

₹ in Lakhs

Particulars		Note No.	As at 31 March 2022	As at 31 March 2021
I	**INCOME**			
	(a) Revenue from operations		–	–
	(b) Other Income		**2.82**	0.51
	Total Income (a+b)		**2.82**	0.51
II	**EXPENSES**			
	(a) Cost of Projects	**9**	–	–
	(a) Other expenses	**10**	**3.69**	0.45
	Total Expenses		**3.69**	0.45
III	**Profit/(loss) before tax (I-II)**		**(0.87)**	0.06
IV	**Tax Expense**		–	–
	(a) Current Tax		**0.47**	–
	Total tax expense		**0.47**	–
V	**Profit/(loss) after tax (III-IV)**		**(1.34)**	0.06
VI	**Other Comprehensive Income / (Loss)**		–	–
VII	**Total comprehensive Income / (Loss) for the year (V+VI)**		**(1.34)**	0.06
VIII	**Earnings per equity share (face value of Rs. 10/- each):**			
	(a) Basic	**11**	**(0.03)**	0.00
	(b) Diluted	**11**	**(0.03)**	0.00
	Significant Accounting Policies	**2**		

The accompanying notes 1 to 16 are an integral part of the Financial Statements

In terms of our report attached.

For **B. K. Khare & Co.**

Chartered Accountants
Firm Registration No. 105102W

Aniruddha Joshi
Partner
Membership No.: 040852

Place: Mumbai
Date: 13th April, 2022

For and on behalf of the Board of Directors of
Industrial Township (Maharashtra) Ltd.

Parveen Mahtani
Director
DIN: 05189797

Place: Mumbai
Date: 13th April, 2022

Vimal Agarwal
Director
DIN: 07296320

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2022

₹ in Lakhs

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
A Cash flows from operating activities		
Profit before tax for the year	**(1.34)**	0.06
Adjustments for:		
Interest Income	**(2.82)**	(0.51)
Income tax expense recognised in profit or loss	**0.47**	–
Operating Loss before working capital changes	**(3.69)**	(0.45)
Movements in working capital:		
Decrease/(Increase) in Inventory	**–**	–
Decrease/(Increase) in other assets	**2.79**	–
(Decrease)/increase in other liabilities	**(0.65)**	(1.19)
Total changes in working capital	**2.14**	(1.19)
Cash used in operations	**(1.55)**	(1.64)
Income taxes paid	**(0.28)**	–
Net cash used in operating activities	**(1.83)**	(1.64)
B Cash flows from investing activities		
Interest received	**0.29**	–
Net cash generated by investing activities	**0.29**	–
C Cash flows from financing activities		
Net cash (used in)/generated by financing activities	**–**	–
Net increase/(decrease) in cash and cash equivalents	**(1.55)**	(1.64)
Cash and cash equivalents at the beginning of the year	**80.68**	82.32
Cash and cash equivalents at the end of the year	**79.13**	80.68

Significant Accounting Policies (Refer Note No. 2)

The accompanying notes 1 to 16 are an integral part of the Financial Statements

Notes:

(a) The above cash flow statement has been prepared under the “Indirect Method” as set out in “Indian Accounting Statdards (IND AS) 7- Statement of Cash Flows”

(b) Also refer note no. 4 - Cash & Cash Equivalents

In terms of our report attached.

For **B. K. Khare & Co.**

Chartered Accountants
Firm Registration No. 105102W

Aniruddha Joshi
Partner
Membership No.: 040852

Place: Mumbai
Date: 13th April, 2022

For and on behalf of the Board of Directors of Industrial Township (Maharashtra) Ltd.

Parveen Mahtani
Director
DIN: 05189797

Vimal Agarwal
Director
DIN: 07296320

Place: Mumbai
Date: 13th April, 2022

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

A. Equity share capital

₹ in Lakhs

Particulars	As at 31st March, 2022	As at 31st March, 2021
Balance at the Beginning of the year	**500.00**	500.00
Balance at the end of the year	**500.00**	500.00

B. Other Equity

₹ in Lakhs

Particulars	Reserves and Surplus Retained Earnings	Total
As at 31 March 2020	(230.77)	(230.77)
Profit for the year	0.06	0.06
Other Comprehensive Income / (Loss)	–	–
Total Comprehensive Income for the year	0.06	0.06
As at 31 March 2021	(230.71)	(230.71)
Profit / (Loss) for the period	–	–
Other Comprehensive Income / (Loss)	–	–
Total Comprehensive Loss for the year	**–**	–
As at 31 March 2022	**(230.71)**	**(230.71)**

Significant Accounting Policies (Refer Note No. 2)

The accompanying notes 1 to 16 are an integral part of the Financial Statements

In terms of our report attached.

For **B. K. Khare & Co.**

Chartered Accountants
Firm Registration No. 105102W

Aniruddha Joshi
Partner
Membership No.: 040852

Place: Mumbai
Date: 13th April, 2022

For and on behalf of the Board of Directors of
Industrial Township (Maharashtra) Ltd.

Parveen Mahtani
Director
DIN: 05189797

Place: Mumbai
Date: 13th April, 2022

Vimal Agarwal
Director
DIN: 07296320

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

1. General Information

The company was incorporated on July 02, 2008 and is engaged in the business of development of Industrial Township, Maharashtra. Its parent and holding company is Mahindra Lifespace Developers Ltd.

The addresses of its registered office and principal place of business are disclosed in the introduction to the annual report.

2. Significant Accounting Policies

2.1 Statement of compliance

The financial statements have been prepared in accordance with Ind-AS notified under the Companies (Indian Accounting Standards) Rules, 2015.

2.2 Basis of preparation and presentation

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company considers the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

2.3 Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

2.4 Revenue recognition

2.4.1 Revenue from Projects

The Company develops and sells residential and commercial properties. Revenue from contracts is recognised when control over the property has been transferred to the customer. An enforceable right to payment does not arise until the development of the property is completed. Therefore, revenue is recognised at a point in time when the legal title has passed to the customer and the development of the property is completed. The revenue is measured at the transaction price agreed under the contract.

The Company invoices the customers for construction contracts based on achieving a series of performance-related milestones.

For certain contracts involving the sale of property under development, the Company offers deferred payment schemes to its customers. The Company adjusts the transaction price for the effects of the significant financing component.

2.4.2 Revenue from Sale of land and other rights

Revenue from Sale of land and other rights is generally a single performance obligation and the Company has determined that this is satisfied at the point in time when control transfers as per the terms of the contract entered into with the buyers, which generally are with the firmity of the sale contracts / agreements. The determination of transfer of control did not change upon the adoption of Ind AS 115.

2.4.3 Contract Costs

- Costs to obtain contracts (“Contract costs”) relate to fees paid for obtaining property sales contracts. Such costs are recognised as assets when incurred and amortised upon recognition of revenue from the related property sale contract.

2.4.4 Dividend and interest income

Dividend income from investment in mutual funds is recognised when the unit holder’s right to receive payment has been established (provided that it is probable that the economic benefits will flow to the company and the amount of income can be measured reliably).

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset’s net carrying amount on initial recognition.

2.5 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

2.6 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

2.6.1 Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from ‘profit before tax’ as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company’s current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

2.6.2 Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

2.6.3 Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

2.7 Property, plant and equipment

Land and buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses. Freehold land is not depreciated.

Properties during construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Company's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Fixtures and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is recognised to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis. Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss

2.8 Impairment of tangible and intangible assets other than goodwill

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

2.9 Inventories

Inventories are stated at the lower of cost and net realisable value. The cost of construction material is determined on the basis of weighted average method. Construction Work-in-Progress includes cost of land, premium for development rights, construction costs and allocated interest & manpower costs and expenses incidental to the projects undertaken by the Company.

2.10 Provision

Provisions are recognised when the Company has a present obligation (legal or constructive) because of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, considering the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

2.11 Employee benefits provisions

Employee benefits provisions are measured and classified into long term and short-term provisions based on Actuarial valuation as per IND AS-19 as on Balance sheet date.

2.12 Financial Instruments

Financial assets and financial liabilities are recognised when a Company becomes a party to the contractual provisions of the instruments. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

2.13 Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

2.13.1 Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortised cost (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Interest income is recognised in profit or loss for FVTOCI debt instruments. For the purposes of recognising foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortised cost. Thus, the exchange differences on the amortised cost are recognised in profit or loss and other changes in the fair value of FVTOCI financial assets are recognised in other comprehensive income and accumulated under the heading of ‘Reserve for debt instruments through other comprehensive income’. When the investment is disposed of, the cumulative gain or loss previously accumulated in this reserve is reclassified to profit or loss. All other financial assets are subsequently measured at fair value.

2.13.2 Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in profit or loss and is included in the “Other income” line item.

2.13.3 Investments in equity instruments at FVTOCI

On initial recognition, the Company can make an irrevocable election (on an instrument-by-instrument basis) to present the subsequent changes in fair value in other comprehensive income pertaining to investments in equity instruments. This election is not permitted if the equity investment is held for trading. These elected investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the ‘Reserve for equity instruments through other comprehensive income’. The cumulative gain or loss is not reclassified to profit or loss on disposal of the investments.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument or a financial guarantee.

2.13.4 Financial assets at fair value through profit or loss (FVTPL)

Investments in equity instruments are classified as at FVTPL, unless the Company irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading.

Debt instruments that do not meet the amortised cost criteria or FVTOCI criteria (see above) are measured at FVTPL. In addition, debt instruments that meet the amortised cost criteria or the FVTOCI criteria but are designated as at FVTPL are measured at FVTPL.

A financial asset that meets the amortised cost criteria or debt instruments that meet the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Company has not designated any debt instrument as at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the ‘Other income’ line item. Dividend on financial assets at FVTPL is recognised when the Company’s right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

2.13.5 Impairment of financial assets

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, debt instruments at FVTOCI, lease receivables, trade receivables, other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Company estimates cash flows by considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument.

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. 12-month expected credit losses are portion of the life-time expected credit losses and represent the lifetime cash shortfalls that will result if default occurs within the 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.

If the Company measured loss allowance for a financial instrument at lifetime expected credit loss model in the previous period, but determines at the end of a reporting period that the credit risk has not increased significantly since initial recognition due to improvement in credit quality as compared to the previous period, the Company again measures the loss allowance based on 12-month expected credit losses.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Company uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

undue cost or effort, that is indicative of significant increases in credit risk since initial recognition .

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

The impairment requirements for the recognition and measurement of a loss allowance are equally applied to debt instruments at FVTOCI except that the loss allowance is recognised in other comprehensive income and is not reduced from the carrying amount in the balance sheet.

2.13.6 Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

On derecognition of a financial asset other than in its entirety (e.g. when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

2.13.7 Foreign exchange gains and losses

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

- For foreign currency denominated financial assets measured at amortised cost and FVTPL, the exchange differences are recognised in profit or loss except for those which are designated as hedging instruments in a hedging relationship.
- Changes in the carrying amount of investments in equity instruments at FVTOCI relating to changes in foreign currency rates are recognised in other comprehensive income.
- For the purposes of recognising foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortised cost. Thus, the exchange differences on the amortised cost are recognised in profit or loss and other changes in the fair value of FVTOCI financial assets are recognised in other comprehensive income.

2.14 Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

2.14.1 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

2.14.2 Compound financial instruments

The component parts of compound financial instruments (convertible notes) issued by the Company are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. A conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is an equity instrument.

At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recognised as a liability on an amortised cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date.

The conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound financial instrument as a whole. This is recognised and included in equity, net of income tax effects, and is not subsequently remeasured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised, in which case, the balance recognised in equity will be transferred to other component of equity. When the conversion option remains unexercised at the maturity date of the convertible note, the balance recognised in equity will be transferred to retained earnings. No gain or loss is recognised in profit or loss upon conversion or expiration of the conversion option.

Transaction costs that relate to the issue of the convertible notes are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are recognised directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component and are amortised over the lives of the convertible notes using the effective interest method.

2.14.2.1 Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, financial guarantee contracts issued by the Company, and commitments issued by the Company to provide a loan at below-market interest rate are measured in accordance with the specific accounting policies set out below.

2.14.2.2 Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is either contingent consideration recognised by the Company as an acquirer in a business combination to which Ind AS 103 applies or is held for trading or it is designated as at FVTPL.A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing it in the near term; or

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- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading or contingent consideration recognised by the Company as an acquirer in a business combination to which Ind AS 103 applies, may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;
- the financial liability forms part of a Company of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Company's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and Ind AS 109 permits the entire combined contract to be designated as at FVTPL in accordance with Ind AS 109.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on re-measurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'Other income' line item. However, for non-held-for-trading financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss, in which case these effects of changes in credit risk are recognised in profit or loss. The remaining amount of change in the fair value of liability is always recognised in profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognised in other comprehensive income are reflected immediately in retained earnings and are not subsequently reclassified to profit or loss.

Gains or losses on financial guarantee contracts and loan commitments issued by the Company that are designated by the Company as at fair value through profit or loss are recognised in profit or loss.

2.14.2.3 Financial Liabilities subsequently measured at amortised cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

2.14.2.4 Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by the Company are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 18.

2.14.2.5 Commitments to provide a loan at a below-market interest rate

Commitments to provide a loan at a below-market interest rate are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 18.

2.14.2.6 Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments and are recognised in 'Other income'.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in profit or loss.

2.14.2.7 Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

3. Significant accounting judgements, estimates and assumptions

3.1 Determining the timing of revenue recognition on the sale of completed and under development property

The Company has generally evaluated and concluded that based on a careful analysis of the rights and obligations under the terms of the contracts relating to the sale of property, the revenue is to be recognised at a point in time when control transfers which coincides with receipt of Occupation Certificate.

The Company has generally concluded that the overtime criteria are not met owing to non-reinforceable right to payment for performance completed to date and, therefore, recognises revenue at a point in time.

3.2 Determination of performance obligations

With respect to the sale of property, the Company has concluded that the goods and services transferred in each contract constitute a single performance obligation. In particular, the promised goods and services in contracts for the sale of property is to undertake development of property and obtaining the Occupation Certificate. Generally, the Company is responsible for all these goods and services and the overall management of the project. Although these goods and services are capable of being distinct, the Company accounts for them as a single performance obligation because they are not distinct in the context of the contract.

Note No. 3 - Inventories

₹ in Lakhs

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
(i) Work-in-progress	**187.18**	187.18
Total Inventories (at lower of cost and net realisable value)	**187.18**	187.18

Note:

1. Work in Progress includes Land and its related expenses

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

Note No. 4 - Cash and Bank Balances

₹ in Lakhs

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Cash and cash equivalents		
(a) Balances with banks	**0.63**	1.18
(b) Fixed Deposits with original maturity less than 3 months	**78.50**	79.50
Total Cash and cash equivalent	**79.13**	80.68

Note No. 5 - Other Financial Assets

₹ in Lakhs

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Cash and cash equivalents		
(a) Interest Accrued	**3.01**	0.47

Note No. 6 - Equity Share Capital

₹ in Lakhs

Particulars	Year ended 31 March 2022		Year ended 31 March 2021	
	No. of shares	**Amount**	No. of shares	Amount
Authorised:				
Equity shares of ₹ 10 each with voting rights	**10,000,000**	**1,000**	10,000,000	500
Issued, Subscribed and Fully Paid:				
Equity shares of ₹ 10 each with voting rights	**5,000,000**	**500**	5,000,000	500
Total	**5,000,000**	**500**	5,000,000	500

(i) Reconciliation of the number of shares and the amount outstanding.

₹ in Lakhs

Particulars	Year ended 31 March 2022		Year ended 31 March 2021	
	No. of shares	**Amount**	No. of shares	Amount
Balance at the Beginning and at the end of the year	**5,000,000**	**500**	5,000,000	500

Terms/rights attached to equity shares with voting rights

The Company has only one class of equity shares having par value of Rs. 10 each per share. Each holder of equity shares is entitled to one vote per share and carry a right to dividends.

(ii) Details of shares held by the holding company and its subsidiaries

₹ in Lakhs

Particulars	Year ended 31 March 2022		Year ended 31 March 2021	
	No. of shares	**Amount**	No. of shares	Amount
Mahindra Lifespaces Developers Limited (Holding Company)	**5,000,000**	**500**	5,000,000	500

(iii) Details of shares held by each shareholder holding more than 5% shares:

₹ in Lakhs

	Year ended 31 March 2022		Year ended 31 March 2021	
Class of Shares/Name of shareholder	**No. of shares**	**% holding**	No. of shares	Amount
Equity shares with voting rights				
Mahindra Lifespace Developers Limited	**5,000,000**	**100%**	5,000,000	100%

(iv) Details of shareholdings by the Promoter's of the Company

₹ in Lakhs

	Year ended 31 March 2022		Year ended 31 March 2021	
Class of Shares/Name of shareholder	**No. of shares**	**% holding**	No. of shares	Amount
Equity shares with voting rights				
Mahindra Lifespace Developers Limited	**5,000,000**	**100%**	5,000,000	100%

Note No. 7 - Other Equity

₹ in Lakhs

	Reserves and Surplus	
	Retained Earnings	**Total**
As at 31 March 2020	(230.77)	(230.77)
Profit for the year	0.06	0.06
Other Comprehensive Income / (Loss)	–	–
Total Comprehensive Income for the year	0.06	0.06
As at 31 March 2021	**(230.71)**	**(230.71)**
Profit / (Loss) for the period	(1.34)	(1.34)
Other Comprehensive Income / (Loss)	–	–
Total Comprehensive Loss for the year	(1.34)	(1.34)
As at 31 March 2022	**(232.05)**	**(232.05)**

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

Note No. 8 - Trade Payables

₹ in Lakhs

Particulars	Year ended 31 March 2022		Year ended 31 March 2021	
	Current	**Non-Current**	Current	Non-Current
Trade payable - Micro and small enterprises	**–**	**–**	–	–
Trade payable - Other than micro ans small enterprises	**1.18**	**–**	1.83	–
Total trade payables	**1.18**	**–**	1.83	–

Trade Payables are payables in respect of the amount due on account of goods purchased or services received in the normal course of business.

Note No. 8 b - Ageing for trade payable from the due date of payment for each of the category is as follows:

₹ in Lakhs

	Year ended 31 March 2022	Year ended 31 March 2021
Undisputed dues of creditors other than micro enterprises and small enterprises		
Unbilled		
Not Due		
0 months - 1 year	**0.30**	0.95
1-2 Years	**–**	–
2-3 years	**–**	–
More than 3 years	**0.88**	0.88
Total	**1.18**	**1.83**

Note No. 9 - Cost of Projects

₹ in Lakhs

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
<u>Inventories at the beginning of the year</u>:		
Work-in-progress	**187.18**	187.18
	187.18	187.18
Add: Expenses incurred during the year	**–**	–
Less: Proceeds from Land Aggregator	**–**	–
<u>Inventories at the end of the year</u>:		
Work-in-progress	**187.18**	187.18
	187.18	187.18
Total Cost of Projects	**–**	–

Note No. 10 - Other Expenses

₹ in Lakhs

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
(i) Auditors remuneration and out-of-pocket expenses	**0.30**	0.30
(i) As Auditors	**0.30**	0.30
(ii) For other services	–	–
(ii) Other expenses		
(i) Legal and Other Professional Charges	**0.50**	0.11
(ii) Rates and Taxes	**2.75**	
(iii) Miscellaneous Costs	**0.14**	0.04
Total Other Expenses	**3.69**	0.45

Note No. 11 - Earnings per Share

₹ in Lakhs

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
	As at 31st	**As at 31st**
Profit / (loss) for the year attributable to owners of the Company	**(134,000)**	6,144
Weighted average number of equity shares	**5,000,000**	5,000,000
Earnings per share from continuing operations - Basic & Diluted	**(0.03)**	0.00

Note No. - 12 - Micro Small and Medium Enterprises Development Act 2006

The amount due to Micro and Small Enterprises as defined in the " Micro, Small and Medium Enterprises Development, Act, 2006" has been determined to the extent such parties have been identified on the basis of information available with the Company. The disclosure relating to Micro and Small Enterprises as at 31 March 2018 are as under:

Disclosures required under Section 22 of the Micro Small and Medium Enterprises Development Act 2006

Particulars	31st March, 2022	31st March, 2021
(i) The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
– Principal amount due to micro and small enterprises	–	–
– Interest due on above	–	–
(ii) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	–	–
(iii) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006.	–	–
(iv) The amount of interest accrued and remaining unpaid at the end of each accounting year.	–	–
(v) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006.	–	–

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

Note No. 13 - Related Party Transactions

Discription of Relationship	**Name of Related Party**
Ultimate Holding Company	Mahindra & Mahindra Limited
Parent Company	Mahindra Lifespace Developers Limited

Details of transaction between the Company and its related parties are disclosed below:

Particulars	**For the year ended**	**Parent Company**
Nature of transactions with Related Parties		
Receiving of services	**31-Mar-22**	–
	31-Mar-21	–

Nature of Balances with Related Parties	**Balance as on**	**Parent Company**
Against receiveing of services	**31-Mar-22**	–
	31-Mar-21	–

Note No. - 14 - Financial Ratios

	Particulars	**Numerator**	**Denominator**	**31st March, 2022**	**31st March, 2021**
a)	Current Ratio	Current Assets	Current Liabilities	**196.58**	148.11
b)	Debt Equity Ratio	Net Debt	Equity	**–**	–
c)	Debt Service Coverage Ratio (DSCR)	EBDITA	Total Debt	**–**	–
d)	Return of Equity	PAT	Networth	**(0.50)%**	0.02%
e)	Inventory Turnover ratio	COGS	Average Inventory	**–**	–
f)	Trade Receivables turnover ratio	Turnover	Trade Receiavables (Average)	**–**	–
g)	Trade Payable turnover ratio	COGS	Average Trade payable	**–**	–
h)	Net capital turnover ratio	Average Networth	Turnover	**–**	–
i)	Net profit ratio	PAT	Revenue	**–**	–
j)	Return on Capital employed	PAT	Borrowing	**(0.50)%**	0.02%
k)	Return on investment	PAT	Capital employed	**(0.50)%**	0.02%

Note No. - 15 - Segment Reporting

The Company operates in one segment namely Project and Development activity, hence separate segment reporting has not been made under Indian Accounting Standard (Ind- AS 108)-"Operating Segment". The operation of company comprises a single geographical segment, India.

Note No. - 16 - Comparitives

The figures for previous year have been regrouped/reclassified wherever necessary to conform to current year's grouping/classification.

The accompanying notes are an integral part of the Financial Statements

In terms of our report attached.

For **B. K. Khare & Co.**

Chartered Accountants
Firm Registration No. 105102W

Aniruddha Joshi
Partner
Membership No.: 040852

Place: Mumbai
Date: 13th April, 2022

For and on behalf of the Board of Directors of
Industrial Township (Maharashtra) Ltd.

Parveen Mahtani
Director
DIN: 05189797

Vimal Agarwal
Director
DIN: 07296320

Place: Mumbai
Date: 13th April, 2022

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF
ANTHURIUM DEVELOPERS LIMITED

Report on the audit of the Financial Statements

Opinion

We have audited the accompanying Financial Statements of Anthurium Developers Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, its loss and total comprehensive loss, its changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Financial Statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the 'Auditors' Responsibilities for the Audit of the Financial Statements' section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("the ICAI") together with the ethical requirements that are relevant to our audit of the Financial Statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us, is sufficient and appropriate to provide a basis for our audit opinion on the Financial Statements.

Information Other than the Financial Statements and Auditors' Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the Directors Report and the related annexures, but does not include the Financial Statements and our Auditors' Report thereon.

Our opinion on the Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Financial Statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on other Legal and Regulatory requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-Section (11) of Section 143 of the Act and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in Annexure B, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, we report that:
   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this report are in agreement with the books of account.

   (d) In our opinion, the aforesaid Financial Statements comply with the Accounting Standards specified under Section 133 of the Act.

   (e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164(2) of the Act.

   (f) With respect to the adequacy of the internal financial controls with reference to Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure A. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to Financial Statements.

   (g) In our opinion and to the best of our information and according to the explanations given to us, the Company being a private company, the provisions of Section 197 of the Act related to the managerial remuneration are not applicable.

   (h) With respect to the other matters to be included in the Auditors' Report in accordance with the requirements of Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

      (i) The Company does not have any pending litigations which would impact its financial position;

      (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and

(iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

(iv) (a) The management of the Company have represented to us respectively that, to the best of their knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The management of the Company has represented to us that, to the best of their knowledge and belief, no funds have been received by the Company or any of such subsidiaries from any person(s) or entity(ies) including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company or any of such subsidiaries shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(c) Based on the audit procedures, that has been considered reasonable and appropriate in the circumstances, performed by us nothing has come to our notice that has caused us or the other auditors to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

(v) The dividend paid by the Company is in compliance with Section 123 of the Act.

For **B. K. Khare and Co.**
Chartered Accountants
Firm Registration No. : 105102W

Aniruddha Joshi
Partner
Membership No.: 040852
UDIN: 22040852AHBMLN5857

Place: Mumbai
Date: April 13, 2022

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

[Referred to in paragraph (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date]

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of sub-section (3) of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of Anthurium Developers Limited ("the Company") as of March 31, 2022 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2022, based on the criteria for internal financial control with reference to financial statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **B. K. Khare and Co.**
Chartered Accountants
Firm Registration No. : 105102W

Aniruddha Joshi
Partner
Membership No. : 040852
UDIN: 22040852AHBMLN5857

Place: Mumbai
Date: April 13, 2022

ANNEXURE B TO THE AUDITOR'S REPORT

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date.]

(i) The Company does not have property, plant and equipment and intangible assets. Hence, reporting under Clause 3(i)(a) / (b) / (c) / (d) of the order is not applicable to the Company.

(a) Based on the audit procedures performed by us and according to the information, explanations and representations given to us, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

(ii) (a) The Company does not have any inventory. Hence, reporting under clause 3(ii)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us, the Company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets at any point of time during the year.

(iii) According to the information and explanations given to us, the Company has not made investments in or provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year. Accordingly, the reporting under Clauses 3(iii)(a) to 3(iii)(f) of the Order is not applicable to the Company.

(iv) According to the information and explanations given to us, the Company has not granted any loans or made any investments or provided any guarantees or security to the parties covered under Sections 185 and 186 of the Act. Accordingly, the reporting under Clause 3(iv) of the Order is not applicable to the Company.

(v) According to the information and explanations given to us, the Company has not accepted deposits under the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. Accordingly, the reporting under Clause 3(v) of the Order is not applicable to the Company.

(vi) The Central Government has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company. Accordingly, the reporting under Clause 3(vi) of the Order is not applicable to the Company.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of records of the Company, the amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Services tax, Provident Fund, Employees' State Insurance, Income-tax, Cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. According to the information and explanations given to us and on the basis of our examination of records of the Company, there were no undisputed statutory dues payable in respect of Sales tax, Service tax, Duty of Customs, Duty of Excise and Value Added Tax.

According to the information and explanations given to us and on the basis of our examination of records of the Company, there were no arrears of outstanding statutory dues in respect of Goods and Services tax, Provident fund, Employees' State Insurance, Income-tax, Sales tax, Service tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other material statutory dues as on the last day of the financial year for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and on the basis of our examination of records of the Company, there are no statutory dues in respect of Goods and Services Tax, Provident Fund, Employees' State Insurance, Sales tax, Service tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and any other material statutory dues as at 31 March 2022, which have not been deposited with the appropriate authorities on account of any dispute.

(viii) According to the information and explanations given to us, there are no transactions not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income-tax Act, 1961. Accordingly, the reporting under Clause 3(viii) of the Order is not applicable to the Company.

(ix) (a) According to the information and explanations given to us and based on the audit procedures performed by us, the Company has not availed any loans or other borrowings during the year. Accordingly, the reporting under Clause 3(ix)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us, the Company has not been declared a willful defaulter by any bank or financial institution or any other lender till the date of our audit report.

(c) According to the information and explanations given to us, the company has not raised any money by way of term loans during the year. Hence, reporting under Clause 3(ix)(c) of the Order is not applicable to the Company.

(d) In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that funds raised on short-term basis have not been utilised for long- term purposes as at the Balance Sheet date.

(e) According to the information and explanations given to us and on an overall examination of the Financial Statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.

(f) According to the information and explanations given to us and based on the audit procedures performed by us, we report that the Company has not raised any loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies. Accordingly, the reporting under Clause 3(ix)(f) of the Order is not applicable to the Company.

(x) (a) According to the information and explanations given to us, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under Clause 3(x)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Accordingly, the reporting under Clause 3(x)(b) of the Order is not applicable to the Company.

(xi) (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company noticed or reported during the year, nor have we been informed of any such case by the management.

(b) There has been no report filed by us under sub-section (12) of Section 143 of the Act in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government. Accordingly, the reporting under Clause 3(xi)(b) of the Order is not applicable to the Company

(c) As represented to us by the management, no whistle blower complaints were received by the Company during the year.

(xii) According to the information and explanations given to us, the Company is not a Nidhi company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, the reporting under Clause 3(xii) of the Order is not applicable to the Company.

(xiii) In our opinion and according to the information and explanations given to us, the Company has entered into transactions with related parties in compliance with the provisions of Section 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required by Indian Accounting Standard (Ind AS) 24, Related Party Disclosures, specified under Section 133 of the Act. Further, the Company is not required to constitute an Audit Committee under Section 177 of the Act, and accordingly, to this extent, the reporting under Clause 3(xiii) of the Order is not applicable to the Company.

(xiv) The Company did not have an internal audit system for the period under audit.

(xv) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or directors of its holding company persons connected with them during the year and hence, the provisions of Section 192 of the Act are not applicable to the Company. Accordingly, the reporting under Clause 3(xv) of the Order is not applicable to the Company.

(xvi) (a) According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under Clause 3(xvi)(a) of the Order is not applicable to the Company.

(b) In our opinion and according to the information and explanations given to us, the Company has not conducted any Non-Banking Financial or Housing Finance activities. Accordingly, the reporting under Clause 3(xvi)(b) of the Order is not applicable to the Company.

(c) In our opinion and according to the information and explanations given to us, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under Clauses 3(xvi)(c) of the Order is not applicable to the Company.

(d) Based on the information and explanations given to us and the audit procedures performed by us, we report that the Group has Three Core Investment Companies.

(xvii) In our opinion and according to the information and explanations given to us, the Company has incurred cash losses of Rs. 1.46 lakhs in the current financial year. The Company has not incurred cash losses in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, the reporting under Clause 3(xviii) of the Order is not applicable to the Company.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of Balance Sheet as and when they fall due within a period of one year from the Balance Sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the Balance Sheet date, will get discharged by the Company as and when they fall due.

(xx) According to the information and explanations given to us, CSR is not applicable to the Company. Hence, reporting under Clause 3(xx) is not applicable to the Company.

For **B. K. Khare and Co.**
Chartered Accountants
Firm Registration No. : 105102W

Aniruddha Joshi
Partner
Membership No. 040852
UDIN: 22040852AHBMLN5857

Place: Mumbai
Date: April 13, 2022

BALANCE SHEET AS AT 31ST MARCH, 2022

(₹ in lakh)

Particulars	Note No.	As at 31st March, 2022	As at 31st March, 2021
I ASSETS			
CURRENT ASSETS			
(a) Financial Assets			
(i) Cash and Cash Equivalents	**4a**	**0.40**	1.45
(ii) Bank balances other than (i) above	**4b**	**13.00**	27.22
(b) Other Current Assets	**5**	**0.07**	1.75
SUB-TOTAL		**13.47**	30.42
TOTAL ASSETS		**13.47**	30.42
II EQUITY AND LIABILITIES			
EQUITY			
(a) Equity Share Capital	**6**	**5.00**	5.00
(b) Other Equity	**7**	**8.08**	24.54
SUB-TOTAL		**13.08**	29.54
LIABILITIES			
CURRENT LIABILITIES			
(a) Other Current Liabilities	**8**	**0.39**	0.88
SUB-TOTAL		**0.39**	0.88
TOTAL		**13.47**	30.42

See accompanying notes forming part of the financial statements

In terms of our report attached

For **B K Khare & Co.**
Chartered Accountants
Firm Registration No. 105102W

Aniruddha Joshi
Partner
Membership No:040852

Place : Mumbai
Date : 13th April 2022

For and on behalf of the Board of Directors

Viral Oza
Director (DIN-03552722)

Parveen Mahtani
Director (DIN-05189797)

Place : Mumbai
Date : 13th April 2022

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2022

(₹ in lakh)

Particulars		Note No.	For the Year ended 31st March, 2022	For the Year ended 31st March, 2021
I	**Other Income**	9	**0.51**	1.04
II	**Total Revenue (I)**		**0.51**	1.04
III	**EXPENSES**			
	(i) Other expenses	10	**1.97**	0.73
	Total Expenses (III)		**1.97**	0.73
IV	**Profit/(loss) before tax (II-III)**		**(1.46)**	0.31
V	**Tax Expense**			
	(i) Current tax	11	**–**	0.08
	Total tax expense		**–**	0.08
VI	**Profit/(loss) for the period (IV-V)**		**(1.46)**	0.23
VII	**Total comprehensive income for the period**		**(1.46)**	0.23
VIII	**Earnings per equity share (for continuing operation):**			
	(i) Basic/Diluted	12	**(2.92)**	0.46

See accompanying notes forming part of the financial statements

In terms of our report attached

For **B K Khare & Co.**
Chartered Accountants
Firm Registration No. 105102W

Aniruddha Joshi
Partner
Membership No:040852

Place : Mumbai
Date : 13th April 2022

For and on behalf of the Board of Directors

Viral Oza
Director (DIN-03552722)

Parveen Mahtani
Director (DIN-05189797)

Place : Mumbai
Date : 13th April 2022

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2022

(₹ in lakh)

Particulars	Note No.	For the Year ended 31st March, 2022	For the Year ended 31st March, 2021
Cash flows from operating activities			
Profit before tax for the year	PL	**(1.46)**	0.31
Adjustments for:			
Income tax expense recognised in profit or loss		**–**	(0.08)
Interest income recognised in profit or loss		**(0.51)**	(1.04)
		(1.97)	(0.81)
Movements in working capital:			
(Increase)/decrease in other assets		**(0.01)**	0.12
Decrease in trade and other payables		**–**	–
(Decrease)/increase in other liabilities		**(0.49)**	(0.97)
Cash generated from operations		**(2.47)**	(1.66)
Income taxes paid		**1.70**	0.91
Net cash generated by operating activities		**(0.78)**	(0.75)
Cash flows from investing activities			
Interest received		**0.51**	1.04
Bank balances not considered as cash and cash equivalents			
- Placed		**14.22**	(1.89)
- Matured		**–**	–
Net cash (used in)/generated by investing activities		**14.73**	(0.85)
Cash flows from financing activities			
Dividend paid to owners of the Company		**(15.00)**	–
Net cash used in financing activities		**(15.00)**	–
Net increase in cash and cash equivalents		**(1.04)**	(1.60)
Cash and cash equivalents at the beginning of the year		**1.45**	3.05
Cash and cash equivalents at the end of the year		**0.41**	1.44

See accompanying notes forming part of the financial statements

In terms of our report attached

For **B K Khare & Co.**
Chartered Accountants
Firm Registration No. 105102W

Aniruddha Joshi
Partner
Membership No:040852

Place : Mumbai
Date : 13th April 2022

For and on behalf of the Board of Directors

Viral Oza
Director (DIN-03552722)

Parveen Mahtani
Director (DIN-05189797)

Place : Mumbai
Date : 13th April 2022

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2022

	(₹ in lakh)
A. Equity Share Capital	
As at 1st April, 2021	5.00
Changes in equity share capital during the year	–
As at 31st March, 2022	5.00

B. Other Equity	**Retained earnings** (₹ in lakh)
Balance as at 31st March, 2020	**24.31**
Profit/(Loss) for the year	0.23
Other comprehensive income	–
Total comprehensive income	0.23
Balance as at 31st March, 2021	**24.53**
Profit/(Loss) for the year	(1.46)
Other comprehensive income	–
Total comprehensive income	(1.46)
Dividend paid	15.00
Balance as at 31st March, 2022	**8.08**

See accompanying notes forming part of the financial statements

In terms of our report attached

For **B K Khare & Co.**
Chartered Accountants
Firm Registration No. 105102W

Aniruddha Joshi
Partner
Membership No:040852

Place : Mumbai
Date : 13th April 2022

For and on behalf of the Board of Directors

Viral Oza
Director (DIN-03552722)

Parveen Mahtani
Director (DIN-05189797)

Place : Mumbai
Date : 13th April 2022

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST MARCH 2022

1. Corporate information

Anthurium Developers Limited (“the Company”) is a public company incorporated in India on 02 June, 2010 under the provisions of erstwhile Companies Act, 1956. The registered office of the Company is located at 5th Floor, Mahindra Towers, Dr. G. M. Bhosale Marg, P. K. Kurne Chowk, Worli, Mumbai – 400 018.

The Company is subsidiary of Mahindra Lifespace Developers Limited, Mumbai, a company incorporated in India. The ultimate parent company is Mahindra & Mahindra Limited.

2. Significant Accounting Policies

2.1 Statement of compliance and Basis of preparation and presentation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) Rules, 2016.

All assets and liabilities are classified as current if it is expected to realise or settle within 12 months after the Balance Sheet date.

The financial statements are presented in Indian Rupees (Rs.) which is also the Company's functional currency.

The financial statements were approved by the Board of Directors and authorised for issue on 13th April, 2022.

2.2 Property, plant and equipment

Property, plant and equipment are stated at cost of acquisition or construction less accumulated depreciation less accumulated impairment, if any. Cost includes financing cost relating to borrowed funds attributable to the construction or acquisition of qualifying tangible assets upto the date the assets are ready for use. The estimated useful lives, residual values, are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

When an asset is scrapped or otherwise disposed off, the cost and related depreciation are removed from the books of account and resultant profit or loss, if any, is reflected in the statement of profit and loss.

Depreciation on assets (other than impaired assets) is calculated on straight line method at the rate of 11.31% p.a. which is based on useful life of about 9 years determined on the basis of technical evaluation by the Management of the Company and is different from the useful life of 15 years indicated in part C of schedule II to the Companies Act, 2013.

2.3 Impairment of assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the statement profit and loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the statement profit and loss.

2.4 Inventories

Inventories are stated at the lower of cost and net realisable value, whichever is lower. Cost is arrived at on first-in-first-out basis and includes overheads on absorption basis, where appropriate.

Financial assets and Liabilities

2.5 Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the Statement of profit or loss.

2.6 Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets

2.6.1 Impairment of financial assets

The Company applies the expected credit loss model for recognising impairment loss on financial assets. With respect to trade receivables, the Company measures the loss allowances at an amount equal to lifetime expected credit losses.

2.6.2 Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset in its entirety, the difference between the asset’s carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in the statement of profit and loss if such gain or loss would have otherwise been recognised in the statement of profit and loss on disposal of that financial asset.

2.7 Financial liabilities and equity instruments

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

2.7.1 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in the statement of profit and loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

2.7.1.1 Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at Fair value through profit and loss.

2.7.1.2 Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between the lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the statement of profit and loss.

2.8 Revenue recognition

Revenue on account of sale of services is recognised under the completed service contract method to the extent it is probable that the economic benefit will flow to the Company and the revenue can be reliably measured.

Sales are recognised, net of returns and trade discounts, on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the delivery of goods to customers.

Dividend income is recognised in the statement of profit and loss when the right to receive payment is established.

Interest Income is accounted for on time proportion basis.

2.9 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

2.9.1 Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

2.9.2 Deferred tax

Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences could be utilized.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

2.9.3 Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

2.9.4 Minimum Alternate Tax (MAT):

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax against which the MAT paid will be adjusted.

2.10 Cash and cash equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

2.11 Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit/(loss) for the year is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

3. Use of estimates and judgments

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets, liabilities, income, expenses, etc. at the date of these financial statements and the reported amounts of revenues and expenses for the years presented. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed at each balance sheet date. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

Note No. 4(a) - Cash and Bank Balances

(₹ in lakh)

Particulars	As at 31st March, 2022	As at 31st March, 2021
(a) Balances with banks	**0.40**	1.44
Total Cash and cash equivalent	**0.40**	1.44

(b) Other bank balances

(₹ in lakh)

Particulars	As at 31st March, 2022	As at 31st March, 2021
(a) In deposit accounts	**13.00**	27.22
Total other bank balances	**13.00**	27.22

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

Note No. 5 - Other Current assets

(₹ in lakh)

Particulars	As at 31st March, 2022 Current	As at 31st March, 2021 Current
(i) Other advances	**0.05**	1.75
(ii) Interest accrued but not due on term deposit accounts	**0.01**	–
Total	**0.07**	1.75

Note No. 6 - Equity Share Capital

Particulars	As at 31st March, 2022 No. of shares	As at 31st March, 2022 Amount	As at 31st March, 2021 No. of shares	As at 31st March, 2021 Amount
Authorised:				
Equity shares of ₹ 10 each with voting rights	**100,000**	**10.00**	100,000	10.00
Issued, Subscribed and Fully Paid:				
Equity shares of ₹ 10 each with voting rights	**50,000**	**5.00**	50,000	5.00
Total	**50,000**	**5.00**	50,000	5.00

Note No. 6 (a) - Equity Share Capital continued

(i) Reconciliation of the number of shares outstanding at the beginning and at the end of the period.

Particulars	Opening Balance	Fresh Issue	Bonus	ESOP	Other Changes (give details)	Closing Balance
(a) Equity Shares with Voting rights						
As at 31st March 2021						
No. of Shares	**50,000**	–	–	–	–	**50,000**
Amount	**5.00**	–	–	–	–	**5.00**
As at 31st March 2022						
No. of Shares	50,000	–	–	–	–	50,000
Amount	5.00	–	–	–	–	5.00

(ii) Details of shares held by the holding company, the ultimate holding company, their subsidiaries and associates: (details of fully paid and partly paid also needs to be given)

No. of Shares

Particulars	Equity Shares with Voting rights	Equity Shares with Differential Voting rights	Others
As at 31st March 2021			
Mahindra Lifespace Developers Ltd. (Holding Company)	**50,000**	–	–
As at 31st March 2022			
Mahindra Lifespace Developers Ltd. (Holding Company)	50,000	–	–

(iii) Details of shares held by each shareholder holding more than 5% shares

Class of shares / Name of shareholder	As at 31st March, 2022 Number of shares held	As at 31st March, 2022 % holding in that class of shares	As at 31st March, 2021 Number of shares held	As at 31st March, 2021 % holding in that class of shares
Equity shares with voting rights				
Mahindra Lifespace Developers Ltd.	**50,000**	**100.00%**	50,000	100.00%

(iv) Details of shareholdings by the Promoter's of the Company

Class of shares / Name of shareholder	As at 31st March, 2022 Number of shares held	As at 31st March, 2022 % holding in that class of shares	As at 31st March, 2021 Number of shares held	As at 31st March, 2021 % holding in that class of shares
Equity shares with voting rights				
Mahindra Lifespace Developers Ltd.	**50,000**	**100.00%**	50,000	100.00%

Note No. 7 - Other equity

(₹ in lakh)

Particulars	Retained earnings	Total
Balance at 31st March, 2020	**24.31**	24.31
Profit/(Loss) for the year	0.23	0.23
Other comprehensive income	–	–
Total comprehensive income	0.23	0.23
Balance at 31st March, 2021	**24.53**	**24.53**
Profit/(Loss) for the year	(1.46)	(1.46)
Other comprehensive income	–	–
Total comprehensive income	(1.46)	(1.46)
Dividend paid	15.00	15.00
Balance at 31st March, 2022	**8.08**	**8.08**

Note No. 8 - Other Current Liabilities

(₹ in lakh)

Particulars	As at 31st March, 2022 Current	As at 31st March, 2021 Current
a. Provision for expenses	**0.39**	0.34
b. Statutory dues		
– taxes payable	–	0.54
Total Other Current Liabilities	**0.39**	0.88

Note No. 9 - Other Income

(₹ in lakh)

Particulars	For the Year ended 31st March, 2022	For the Year ended 31st March, 2021
(a) Interest Income		
(i) Interest on Bank Deposits	**0.51**	1.04
Total Other Income	**0.51**	1.04

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

Note No. 10 - Other Expenses

(₹ in lakh)

Particulars	For the Year ended 31st March, 2022	For the Year ended 31st March, 2021
(a) Auditors remuneration and out-of-pocket expenses		
(i) As Auditors	**0.34**	0.34
(b) Other expenses		
(i) Legal and other professional costs	**0.31**	0.28
(ii) Others	**1.32**	0.11
Total Other Expenses	**1.97**	0.11

Note No. 11 - Current Tax and Deferred Tax

(a) Income Tax recognised in profit or loss

(₹ in lakh)

Particulars	For the Year ended 31st March, 2022	For the Year ended 31st March, 2021
Current Tax:		
In respect of current year	–	0.08
Total income tax expense on continuing operations	–	0.08

Note No. 12 - Earnings per Share

Note	Particulars	For the Year ended 31st March, 2022 Per Share	For the Year ended 31st March, 2021 Per Share
	Basic Earnings per share		
	From continuing operations	**(2.92)**	0.46
	From discontinuing operations	–	–
	Total basic earnings per share	**(2.92)**	0.46
	Diluted Earnings per share		
	From continuing operations	**(2.92)**	0.46
	From discontinuing operations	–	–
	Total diluted earnings per share	**(2.92)**	0.46

Basic earnings per share

The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:

	For the year ended 31st March 2022	For the year ended 31st March 2021
Profit / (loss) for the year attributable to owners of the Company	**(145,912)**	22,954
Less: Preference dividend and tax thereon		
Profit / (loss) for the year used in the calculation of basic earnings per share	**(145,912)**	22,954
Profit for the year on discontinued operations used in the calculation of basic earnings per share from discontinued operations		
Profits used in the calculation of basic earnings per share from continuing operations share from discontinued operations	**(145,912)**	22,954
Weighted average number of equity shares	**50,000**	50,000
Earnings per share from continuing operations - Basic	**(2.92)**	0.46

Note No. 13 - As the Company can continue its current operations with its own cash resources, the accounts of the Company for the year ended 31st March, 2022 have been prepared on the basis of going concern.

Note No. 14 - Financial Instruments

Capital management

The Company's capital management objectives are:

- safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders
- maintain an optimal capital structure to reduce the cost of capital

The Management of the Company monitors the capital structure using debt ratio which is determined as the proportion of total debt to total equity.

Debt ratios are as follows:	As at 31st March, 2022	As at 31st March, 2021
Debt (A)	–	–
Equity (B)	**13.08**	29.54
Debt Ratio (A/B)	–	–

Categories of financial assets and financial liabilities

The following tables shows the carrying amount and fair values of financial assets and financial liabilities by category:

(₹ in lakh)

As at 31st March, 2022	Amortised Costs	FVTPL	FVOCI	Total
Current Assets				
Cash and Cash Equivalents	**0.40**	–	–	**0.40**
Other Bank Balances	**13.00**	–	–	**13.00**
Current Liabilities				
Borrowings	–	–	–	–
Trade Payables	–	–	–	–

As at 31st March, 2021	Amortised Costs	FVTPL	FVOCI	Total
Current Assets				
Cash and Cash Equivalents	1.45	–	–	1.45
Other Bank Balances	27.22	–	–	27.22
Current Liabilities				
Borrowings	–	–	–	–
Trade Payables	–	–	–	–

[II] Financial Risk Management Framework

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk. In order to manage the aforementioned risks, the Company operates a risk management policy and a program that performs close monitoring of and responding to each risk factors.

A) CREDIT RISK

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is not exposed to credit risk.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

B) LIQUIDITY RISK

(i) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Company's short-, medium- and long-term funding and liquidity management requirements. The Company manages liquidity risk by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

(ii) Maturities of financial liabilities

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The amount disclosed in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay.

Particulars	Less than 1 Year	1-3 Years	3 Years to 5 Years
Non-derivative financial liabilities			
31-Mar-22			
Non-interest bearing			
Trade Payable	–	–	–
Long Term Borrowing			
Long Term Borrowing - Principal	–	–	–
Non-derivative financial liabilities			
31-Mar-21			
Non-interest bearing			
Trade Payable	–	–	–
Long Term Borrowing			
Long Term Borrowing - Principal	–	–	–

C) MARKET RISK

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

There has been no significant changes to the Company's exposure to market risk or the methods in which they are managed or measured.

(i) Currency Risk

The Company undertakes transactions denominated only in Indian Rupees and hence, there is no risk of foreign exchnage fluctuations.

(ii) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company does not have exposure to the risk of changes in market interest rates.

(iii) Other price risk

The Company does not have other price risk.

Note No. 15 - Fair Value Measurement

Fair Valuation Techniques and Inputs used

This section explains the judgment and estimates made in determining the fair value of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair value are disclosed in financials statements. To provide an indication about the reliability of the inputs used in determining the fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standards.

Fair value of financial assets and financial liabilities that are not measured at fair value

(₹ in lakh)

Particulars	31-Mar-22 Carrying amount	31-Mar-22 Fair value	31-Mar-21 Carrying amount	31-Mar-21 Fair value
Financial assets				
Financial assets carried at Amortised Cost				
- trade and other receivables				
- cash & cash equivalents	**0.40**	–	1.45	–
- Other bank balances	**13.00**	–	27.22	–
- Other Current Assets	**0.07**	–	1.75	–
	13.47	–	30.43	–
Financial liabilities				
Financial liabilities held at amortised cost				
- loans from related parties	–	–	–	
- trade and other payables	–	–	–	–
Total	–	–	–	–

(₹ in lakh)

Fair value hierarchy as at 31st March, 2022

Financial assets/financial liabilities	Level 1	Level 2	Level 3	Total
Financial assets				
Financial assets carried at Amortised Cost				
(i) Cash and cash equivalents	–	**0.40**	–	**0.40**
(ii) Other bank balances	–	**13.00**	–	**13.00**
Total	–	**13.40**	–	**13.40**
Financial liabilities				
Financial liabilities held at amortised cost				
(i) Long term loan	–	–	–	–
(ii) Trade Payable	–	–	–	–
Total	–	–	–	–

(₹ in lakh)

Fair value hierarchy as at 31st March, 2021

Financial assets/financial liabilities	Level 1	Level 2	Level 3	Total
Financial assets				
Financial assets carried at Amortised Cost				
(i) Cash & cash equivalents	–	1.45	–	1.45
Total	–	1.45	–	1.45
Financial liabilities				
Financial liabilities held at amortised cost				
(i) Long term loan	–	–	–	–
(ii) Trade Payable	–	–	–	–
Total	–	–	–	–

Note: The Company has not disclosed the fair value for financial instruments, because the carrying amounts are a reasonable approximation of fair value.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

Note No. 16 Financial Ratios

	Particulars	Numerator	Denominator	For the year ended March 31, 2022	For the year ended March 31, 2021	% Variance
a)	Current Ratio	Current Assets	Current Liabilities	34.39	34.48	-0.25%
b)	Debt Equity Ratio	Net Debt	Equity	NA	NA	NA
c)	Debt Service Coverage Ratio (DSCR)	EBDITA	Total Debt	NA	NA	NA
d)	Return of Equity	PAT	Networth	(0.11)	0.01	(1,535.84%)
e)	Inventory Turnover ratio	COGS	Average Inventory	NA	NA	NA
f)	Trade Receivables turnover ratio	Turnover	Trade Receivables (Average)	NA	NA	NA
g)	Trade Payable turnover ratio	COGS	Average Trade payable	NA	NA	NA
h)	Net capital turnover ratio,	Average Networth	Turnover	NA	NA	NA
i)	Net profit ratio	PAT	Revenue	(2.84)	0.22	(1,382.56%)
j)	Return on Capital employed	PAT	Borrowing	(0.07)	0.01	(913.17%)
k)	Return on investment	PAT	Capital employed	(0.07)	0.01	(913.17%)

Note No. 17 - Additional regulatory information

Details of benami property held

No proceedings have been initiated on or are pending against the group for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

Relationship with struck off companies

The Company does not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

Wilful defaulter

The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

Undisclosed income

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

Details of crypto currency or virtual currency

The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.

Note No. 18 - Events after the reporting period

No material events have occurred after the Balance Sheet date and upto the approval of the Financial Statements

Note No. 19 - Previous Year Figures

The figures for the previous year have been regrouped wherever necessary to confirm to current year's grouping.

Note No. 20 - Related party disclosures

Names of related parties and related party relationship

Related parties where control exists

Holding Company	Mahindra Lifespace Developers Limited

Related party transactions

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year:

(₹ in lakh)

Nature of transactions with Related Parties	For the year ended	Mahindra Lifespace Developers Limited
Dividend Paid	**31-Mar-22**	**15.00**
	31-Mar-21	–

Terms and conditions of transactions with related parties

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. This assessment is undertaken at each financial year through examining the financial position of the related party and the market in which the related party operates.

See accompanying notes forming part of the financial statements

In terms of our report attached

For **B K Khare & Co.**
Chartered Accountants
Firm Registration No. 105102W

Aniruddha Joshi
Partner
Membership No:040852

Place : Mumbai
Date : 13th April 2022

For and on behalf of the Board of Directors

Viral Oza
Director (DIN-03552722)

Parveen Mahtani
Director (DIN-05189797)

Place : Mumbai
Date : 13th April 2022

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF
MAHINDRA INDUSTRIAL PARK PRIVATE LIMITED.

Report on the Ind AS Financial Statements

Opinion

We have audited the accompanying Ind AS Financial Statements of Mahindra Industrial Park Private Limited ("the Company"), which comprise the Balance sheet as at March 31, 2022, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, its loss and total comprehensive loss, its changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Financial Statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Financial Statements.

Information Other than the Financial Statements and Auditors' Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the Financial Statements and our auditors' report thereon.

Our opinion on the Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Financial Statements for the financial year ended March 31, 2022 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order;
2. As required by Section 143(3) of the Act, we report that:
   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
   c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
   d) In our opinion, the aforesaid Standalone Financial Statements comply with the Accounting Standards specified under Section 133 of the Act.
   e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act;
   f) With respect to the adequacy of the internal financial controls with reference to Standalone Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure A. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to Standalone Financial Statements;
   g) In our opinion, the managerial remuneration for the year ended March 31, 2022 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;
   h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
      i. The Company does not have any pending litigations which would impact its financial position;
      ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

iii. There were no amounts which were required to the Investor Education and Protection Fund by the Company.

iv. (a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries except loan given to Mahindra Bloomdale Developers in earlier years Limited out of the loan borrowed from Mahindra Lifespace Developers limited in earlier years.

(b) The management has represented that, to the best of it’s knowledge and belief, other than as disclosed in the notes to accounts, no funds have been received by the company from any person(s) or entity(ies), including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties (“Ultimate Beneficiaries”) or provided any guarantee, security or the like on behalf of the Ultimate beneficiaries;

(c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

v. The Company have not declared or paid any dividend during the financial year.

For B. K. Khare & Co.
Chartered Accountants
Firm Registration No. : 105102W

Aniruddha Joshi
Partner
Membership No.: 040852
UDIN: 22040852AHNULK5112

Mumbai, April 21, 2022

ANNEXURE "A" TO THE AUDITOR'S REPORT

[Referred to in paragraph (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date.]

REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (i) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT")

We have audited the internal financial controls over financial reporting of **Mahindra Industrial Park Private Limited** ("the Company") as of March 31, 2022 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting with reference to these financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting with reference to these financial statements.

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING WITH REFERENCE TO THESE FINANCIAL STATEMENTS

A company's internal financial control over financial reporting with reference to these financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting with reference to these financial statements includes those policies and procedures that(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING WITH REFERENCE TO THESE FINANCIAL STATEMENTS

Because of the inherent limitations of internal financial controls over financial reporting with reference to these financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting with reference to these financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

OPINION

In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting with reference to these financial statements and such internal financial controls system over financial reporting with reference to these financial statements were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For B. K. Khare & Co.
Chartered Accountants
Firm Registration No. : 105102W

Aniruddha Joshi
Partner
Membership No.: 040852
UDIN: 22040852AHNULK5112

Mumbai, April 21, 2022

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date on the financial statements of **Mahindra Industrial Park Private Limited** for the year ended March 31, 2022

Annexure to the Auditor's Report referred to in our report of even date:

i. (a) (A) According to the information and explanations given to us, the Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.

(a) (B) The Company does not have any intangible assets. Hence, reporting under Clause 3(i)(a)(B) of the Order is not applicable to the Company.

(b) The Company has a regular programme of physical verification of its property, plant and equipment by which the property, plant and equipment are verified by the management according to a phased programme designed to cover all the items over a period of 2 years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its property, plant and equipment. In accordance with the programme, the Company has physically verified certain property, plant and equipment during the year and no material discrepancies were noticed on such verification.

(c) The Company does not have any immovable property under Property Plant and Equipment. Hence, reporting under Clause 3(i)(c) of the Order is not applicable to the Company.

(d) According to the information and explanations given to us, the Company has not revalued any of its Property, Plant and Equipment (including Right of Use assets) during the year.

(e) Based on the audit procedures performed by us and according to the information, explanations and representations given to us, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

ii. (a) In our opinion and according to the information and explanations given to us, having regard to the nature of inventory, the physical verification by way of verification of title deeds, site visits by the Management and certification of extent of work completion by competent persons, are at reasonable intervals and no material discrepancies were noticed on physical verification.

(b) According to the information and explanations given to us, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from HDFC bank on the basis of security of First ranking pari passu charge by way of mortgage on the Mortgaged property during the year. The Stock statements along with CA Certificate filed by the Company with HDFC bank on a quarterly basis are in agreement with the unaudited books of account as certified by the management.

iii. According to the information and explanations given to us, the Company has not made investments in or provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year. Accordingly, the reporting under Clauses 3(iii)(a) to 3(iii)(f) of the Order is not applicable to the Company.

iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act, with respect to loans granted, guarantees provided and investments made by the Company. The Company has not provided any security during the year to the parties covered under Sections 185 and 186 of the Act.

v. According to the information and explanations given to us, the Company has not accepted deposits under the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. Accordingly, the reporting under Clause 3(v) of the Order is not applicable to the Company.

vi. The Central Government has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company. Accordingly, the reporting under Clause 3(vi) of the Order is not applicable to the Company.

vii. (a) According to the information and explanations given to us and on the basis of our examination of records of the Company, the amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Services tax, Provident Fund, Employees' State Insurance, Income-tax, Cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. According to the information and explanations given to us and on the basis of our examination of records of the Company, there were no undisputed statutory dues payable in respect of Sales tax, Service tax, Duty of Customs, Duty of Excise and Value Added Tax.

According to the information and explanations given to us and on the basis of our examination of records of the Company, there were no arrears of outstanding statutory dues in respect of Goods and Services tax, Provident fund, Employees' State Insurance, Income-tax, Sales tax, Service tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other material statutory dues as on the last day of the financial year for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and on the basis of our examination of records of the Company, there are no statutory dues in respect of Goods and Services Tax, Provident Fund, Employees' State Insurance, Sales tax, Service tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and any other material statutory dues as at 31 March 2022, which have not been deposited with the appropriate authorities on account of any dispute.

viii. According to the information and explanations given to us, there are no transactions not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income-tax Act, 1961. Accordingly, the reporting under Clause 3(viii) of the Order is not applicable to the Company.

ix. (a) According to the information and explanations given to us and based on the audit procedures performed by us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.

(b) According to the information and explanations given to us, the Company has not been declared a willful defaulter by any bank or financial institution or any other lender till the date of our audit report.

(c) In our opinion and according to the information and explanations given to us, the term loans have been applied for the purpose for which the loans were obtained.

(d) In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that funds raised on short-term basis have not been utilised for long- term purposes as at the Balance Sheet date.

(e) According to the information and explanations given to us and on an overall examination of the Financial Statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.

(f) According to the information and explanations given to us and based on the audit procedures performed by us, we report that the Company has not raised any loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies. Accordingly, the reporting under Clause 3(ix)(f) of the Order is not applicable to the Company.

x. (a) According to the information and explanations given to us, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under Clause 3(x)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Accordingly, the reporting under Clause 3(x)(b) of the Order is not applicable to the Company.

xi. (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company noticed or reported during the year, nor have we been informed of any such case by the management.

(b) There has been no report filed by us under sub-section (12) of Section 143 of the Act in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government. Accordingly, the reporting under Clause 3(xi)(b) of the Order is not applicable to the Company.

(c) As represented to us by the management, no whistle blower complaints were received by the Company during the year.

xii. According to the information and explanations given to us, the Company is not a Nidhi company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, the reporting under Clause 3(xii) of the Order is not applicable to the Company.

xiii. In our opinion and according to the information and explanations given to us, the Company has entered into transactions with related parties in compliance with the provisions of Section 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required by Indian Accounting Standard (Ind AS) 24, Related Party Disclosures, specified under Section 133 of the Act. Further, the Company is not required to constitute an Audit Committee under Section 177 of the Act, and accordingly, to this extent, the reporting under Clause 3(xiii) of the Order is not applicable to the Company.

xiv. (a) In our opinion and based on our examination, the Company does not have an internal audit system and is not required to have an internal audit system as per the provisions of the Act.

(b) In our opinion and based on our examination, Section 138 of the Act, does not applicable to the Company and thus, Clause 3(xiv)(b) of the Order is not applicable to the Company,

xv. According to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with them during the year and hence, the provisions of Section 192 of the Act are not applicable to the Company. Accordingly, the reporting under Clause 3(xv) of the Order is not applicable to the Company.

xvi. (a) According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under Clause 3(xvi)(a) of the Order is not applicable to the Company.

(b) In our opinion and according to the information and explanations given to us, the Company has not conducted any Non-Banking Financial or Housing Finance activities. Accordingly, the reporting under Clause 3(xvi)(b) of the Order is not applicable to the Company.

(c) In our opinion and according to the information and explanations given to us, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under Clauses 3(xvi)(c) and 3(xvi)(d) of the Order is not applicable to the Company.

Based on the information and explanations given to us and the audit procedures performed by us, we report that the Group has XXX Core Investment Companies.

xvii. In our opinion and according to the information and explanations given to us, the Company has incurred cash losses of Rs. 6.40 crores during the current financial year and Rs. 1.20 crores in the immediately preceding financial year.

xviii. There has been no resignation of the statutory auditors during the year. Accordingly, the reporting under Clause 3(xviii) of the Order is not applicable to the Company.

xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of Balance Sheet as and when they fall due within a period of one year from the Balance Sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the Balance Sheet date, will get discharged by the Company as and when they fall due.

xx. According to the information and explanations given to us, the Company is not required to adhere to Section 135 of the Companies Act, 2013. Accordingly, the reporting under Clause 3(xx) of the Order is not applicable to the Company.

xxi. According to the information and explanations given to us, the Company does not have any subsidiary companies. Accordingly, the reporting under Clause 3(xxi) of the Order is not applicable to the Company.

For B. K. Khare & Co.
Chartered Accountants
Firm Registration No. : 105102W

Aniruddha Joshi
Partner
Membership No.: 040852
UDIN: 22040852AHNULK5112

Mumbai, April 21, 2022

BALANCE SHEET AS AT 31ST MARCH, 2022

(Amount in Rs.)

Particulars	Note No.	As at 31st March, 2022	As at 31st March, 2021
I ASSETS			
NON-CURRENT ASSETS			
(a) Property, Plant and Equipment	4	**929,022**	1,072,550
(b) Deferred Tax Assets (Net)	5	**26,363,925**	49,608,555
(c) Other Non Current Assets	6	**3,373,293**	7,996,414
(d) Investments	7	**117,800,000**	99,200,000
SUB-TOTAL		**148,466,240**	157,877,519
CURRENT ASSETS			
(a) Inventories	8	**2,078,624,253**	1,888,073,654
(b) Financial Assets			
(i) Cash and Cash Equivalents	9a	**2,340,206**	94,149
(ii) Bank balances other than (i) above	9b	**8,645,486**	8,845,486
(iii) Loans to Related Party	9c	**175,500,000**	175,500,000
(vi) Other Financial Assets	9d	**11,241,122**	7,986,905
(c) Other Current Assets	10	**28,572,671**	29,765,479
SUB-TOTAL		**2,304,923,738**	2,110,265,673
TOTAL ASSETS		**2,453,389,978**	2,268,143,192
II EQUITY AND LIABILITIES			
EQUITY			
(a) Equity Share Capital	11	**500,000**	500,000
(b) Other Equity	12	**(79,040,008)**	(148,145,914)
SUB-TOTAL		**(78,540,008)**	(147,645,914)
LIABILITIES			
NON CURRENT LIABILITIES			
(a) Financial Liabilities			
(i) Borrowings	13	**1,702,925,848**	1,687,050,000
SUB-TOTAL		**1,702,925,848**	1,687,050,000
CURRENT LIABILITIES			
(a) Financial Liabilities			
(i) Borrowings	13	**267,699,683**	272,628,109
(ii) Trade Payables	14	**27,845,623**	54,358,124
(iii) Other Financial Liabilities	15	**531,675,129**	400,750,985
(b) Other Current Liabilities	16	**1,783,702**	1,001,888
SUB-TOTAL		**829,004,137**	728,739,105
TOTAL EQUITY AND LIABILITIES		**2,453,389,978**	2,268,143,192

See accompanying notes forming part of the financial statements

For B. K. Khare & Co.
Chartered Accountants
Firm Registration No.105102W

Aniruddha Joshi
Partner
Membership No: 040852

Place : Mumbai
Date: 21st April 2022

For and on behalf of the Board of Directors of
Mahindra Industrial Park Private Limited

Arvind Subramanian
Director
DIN-02551935

Karkala Rajaram Pai
Director
DIN-07553119

Place : Mumbai
Date: 21st April 2022

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2022

(Amount in Rs.)

Particulars		Note No.	Year ended 31st March, 2022	Year ended 31st March, 2021
Continuining Operations				
I	Revenue from operations		**–**	–
II	Other Income	17	**157,042,547**	315,559
III	**Total Revenue (I + II)**		**157,042,547**	315,559
IV	**EXPENSES**			
	(a) Employee benefit expense	18	**6,312,905**	5,546,561
	(b) Depreciation and amortisation expense	4	**326,944**	285,512
	(c) Other expenses	19	**58,052,162**	61,980,585
	Total Expenses (IV)		**64,692,011**	67,812,658
V	**Gain/(Loss) before tax (III - IV)**		**92,350,536**	(67,497,099)
VI	**Tax Expense**			
	Deferred tax		**23,244,630**	(16,989,020)
	Total tax expense		**23,244,630**	(16,989,020)
VII	**Gain/(Loss) for the year**		**69,105,906**	(50,508,080)
IX	**Earnings per share**			
	(1) Basic/ Diluted Earnings per share (Rs.)	20	**1,382.12**	(1,010.16)

See accompanying notes forming part of the financial statements

For B. K. Khare & Co.
Chartered Accountants
Firm Registration No.105102W

Aniruddha Joshi
Partner
Membership No: 040852

Place : Mumbai
Date: 21st April 2022

For and on behalf of the Board of Directors of
Mahindra Industrial Park Private Limited

Arvind Subramanian
Director
DIN-02551935

Karkala Rajaram Pai
Director
DIN-07553119

Place : Mumbai
Date: 21st April 2022

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2022

(Amount in Rs.)

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Cash flows from operating activities		
Loss before tax for the year	**92,350,536**	(67,497,099)
Adjustments for:		
Net (gain)/loss arising on financial assets mandatorily measured at market value through profit or loss	**(156,700,000)**	55,200,000
Depreciation and amortisation of non-current assets	**326,944**	285,512
	(64,022,520)	(12,011,587)
Movements in working capital:		
(Increase)/decrease in inventories	**(204,151,849)**	(265,192,942)
(Increase)/decrease in other assets	**1,192,808**	2,803,423
Increase/(decrease) in trade and other payables	**(26,512,501)**	29,497,230
Increase/(decrease) in provisions	**781,814**	65,844
(Increase)/decrease in other deposits	**4,623,121**	(3,200,959)
(Decrease)/increase in other liabilities	**130,924,144**	130,912,050
Cash generated from operations	**(157,164,982)**	(117,126,942)
Income taxes paid	**–**	–
Net cash generated by operating activities	**(157,164,982)**	(117,126,942)
Cash flows from investing activities		
Inter-corporate Deposit Given	**–**	–
Interest received on Inter-corporate Deposit	**10,347,033**	13,239,703
Payments for property, plant and equipment	**(183,416)**	(203,848)
Net movement in bank deposits	**200,000**	(583,786)
Net cash (used in)/generated by investing activities	**10,363,617**	12,452,069
Cash flows from financing activities		
Proceeds from short term borrowings	**–**	97,128,109
Repayment of short term borrowings	**(4,928,425)**	–
Loan from related parties-bank	**153,975,848**	0
Net cash used in financing activities	**149,047,422**	97,128,109
Net (decrease)/Increase in cash and cash equivalents	**2,246,057**	(7,546,765)
Cash and cash equivalents at the beginning of the year	**94,149**	7,640,913
Cash and cash equivalents at the end of the year	**2,340,206**	94,149

See accompanying notes forming part of the financial statements

For B. K. Khare & Co.
Chartered Accountants
Firm Registration No.105102W

Aniruddha Joshi
Partner
Membership No: 040852

Place : Mumbai
Date: 21st April 2022

For and on behalf of the Board of Directors of
Mahindra Industrial Park Private Limited

Arvind Subramanian
Director
DIN-02551935

Karkala Rajaram Pai
Director
DIN-07553119

Place : Mumbai
Date: 21st April 2022

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2022

(Amount in Rs.)

A. Equity share capital	
As at 31st March, 2020	500,000
Changes in equity share capital during the year	–
As at 31st March, 2021	500,000
Changes in equity share capital during the year	–
As at 31st March, 2022	**500,000**

a. Equity share capital	**Equity share capital (no. of shares)**
Balance at April 1, 2020	50,000
Changes in equity share capital during the year	–
Closing Balance at March 31, 2020	**50,000**
Balance at April 1, 2021	50,000
Changes in equity share capital during the year	–
Balance at March 31, 2022	50,000

B. Other Equity	**Retained earnings (Amount in Rs.)**
Balance as 31 March, 2020 (A)	**(97,637,834)**
Profit/(Loss) for the year (B)	(50,508,080)
Balance as at 31 March, 2021 (C) = [(A)+(B)]	**(148,145,914)**
Profit/(Loss) for the period (D)	69,105,906
Balance as at 31st March, 2022 (E) = [(C)+(D)]	**(79,040,008)**

See accompanying notes forming part of the financial statements

For B. K. Khare & Co.
Chartered Accountants
Firm Registration No.105102W

Aniruddha Joshi
Partner
Membership No: 040852

Place : Mumbai
Date: 21st April 2022

For and on behalf of the Board of Directors of
Mahindra Industrial Park Private Limited

Arvind Subramanian
Director
DIN-02551935

Karkala Rajaram Pai
Director
DIN-07553119

Place : Mumbai
Date: 21st April 2022

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST MARCH, 2022

1. Corporate information

Mahindra Industrial Park Private Limited ("the Company") is a public company incorporated in India on 29th March, 2013 under the provisions of erstwhile Companies Act, 1956. The registered office of the Company is located at 5th Floor, Mahindra Towers, Dr. G. M. Bhosale Marg, P. K. Kurne Chowk, Worli, Mumbai – 400 018.

The Company is in the business of establishing, acquiring, developing and maintaining Industrial Parks, Technology Parks, Bio-tech Parks, Software Parks, Special Economic zones, Export Processing Zones, Industrial Areas, Industrial estates, Integrated Townships, Residential and/or Commercial Complexes, Housing Facility in India and outside India.

The Company is subsidiary of Mahindra Lifespace Developers Limited, Mumbai, a company incorporated in India. The ultimate parent company is Mahindra & Mahindra Limited.

2. Significant Accounting Policies

2.1 Statement of compliance and Basis of preparation and presentation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) Rules, 2016. For all periods upto and including the financial year ended 31st March, 2020

All assets and liabilities are classified as current if it is expected to realise or settle within 12 months after the Balance Sheet date.

The financial statements are presented in Indian Rupees (Rs.) which is also the Company's functional currency.

The financial statements were approved by the Board of Directors and authorised for issue on 21st April, 2022

2.2 Property, plant and equipment

Property, plant and equipment are stated at cost of acquisition or construction less accumulated depreciation less accumulated impairment, if any. Cost includes financing cost relating to borrowed funds attributable to the construction or acquisition of qualifying tangible assets upto the date the assets are ready for use. The estimated useful lives, residual values, are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

When an asset is scrapped or otherwise disposed of, the cost and related depreciation are removed from the books of account and resultant profit or loss, if any, is reflected in the statement of profit and loss.

Depreciation on assets (other than impaired assets) is calculated on straight line method at the rate of 11.31% p.a. which is based on useful life of about 9 years determined on the basis of technical evaluation by the Management of the Company and is different from the useful life of 15 years indicated in part C of schedule II to the Companies Act, 2013.

2.3 Impairment of assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the statement profit and loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the statement profit and loss.

2.4 Inventories

Inventories are stated at the lower of cost and net realisable value, whichever is lower. Cost is arrived at on first-in-first-out basis and includes overheads on absorption basis, where appropriate.

Financial assets and Liabilities

2.5 Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the Statement of profit or loss.

2.6 Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets

2.6.1 Impairment of financial assets

The Company applies the expected credit loss model for recognising impairment loss on financial assets. With respect to trade receivables, the Company measures the loss allowances at an amount equal to lifetime expected credit losses.

2.6.2 Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in the statement of profit and loss if such gain or loss would have otherwise been recognised in the statement of profit and loss on disposal of that financial asset.

2.7 Financial liabilities and equity instruments

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST MARCH, 2022

2.7.1 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in the statement of profit and loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

2.7.1.1 Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at Fair value through profit and loss.

2.7.1.2 Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between the lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the statement of profit and loss.

2.8 Revenue recognition

Revenue on account of sale of services is recognised under the completed service contract method to the extent it is probable that the economic benefit will flow to the Company and the revenue can be reliably measured.

Sales are recognised, net of returns and trade discounts, on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the delivery of goods to customers.

Dividend income is recognised in the statement of profit and loss when the right to receive payment is established.

Interest Income is accounted for on time proportion basis.

2.9 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

2.9.1 Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

2.9.2 Deferred tax

Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences could be utilized.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

2.9.3 Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

2.9.4 Minimum Alternate Tax (MAT):

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax against which the MAT paid will be adjusted.

2.10 Cash and cash equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

2.11 Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit/ (loss) for the year is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

3. Use of estimates and judgments

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets, liabilities, income, expenses, etc. at the date of these financial statements and the reported amounts of revenues and expenses for the years presented. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed at each balance sheet date. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST MARCH, 2022

Note No. 4 - Property, Plant and Equipment

Description of Assets	Office Equipment	Furniture and Fixtures	Computer	Building - Office	Total
I. Gross Carrying Amount					
Balance as at 1st April, 2021	32,000	181,868	619,389	853,488	1,686,745
Additions during the year	–	–	238,112	–	238,112
Deductions/Adjustments during the year	–	–	(54,696)	–	(54,696)
Balance as at 31st Dec, 2021	**32,000**	**181,868**	**802,805**	**853,488**	**1,870,161**
II. Accumulated depreciation and impairment					
Balance as at 1st April, 2021	7,846	44,969	142,422	418,958	614,195
Depreciation expense for the year	3,040	17,277	162,580	162,163	345,060
Deductions/Adjustments during the year	–	–	(18,116)	–	(18,116)
Balance as at 31st March, 2022	**10,886**	**62,246**	**286,886**	**581,121**	**941,139**
III. Net carrying amount (I-II)	**21,114**	**119,622**	**515,919**	**272,367**	**929,022**

Description of Assets	Office Equipment	Furniture and Fixtures	Computer	Building - Office	Total
I. Gross Carrying Amount					
Balance as at 1st April, 2020	32,000	181,868	415,541	853,488	1,482,897
Additions	–	–	203,848	–	203,848
Balance as at 31st March, 2021	**32,000**	**181,868**	**619,389**	**853,488**	**1,686,745**
II. Accumulated depreciation and impairment					
Balance as at 1st April, 2020	4,806	27,691	39,391	256,795	328,683
Depreciation expense for the year	3,040	17,278	103,031	162,163	285,512
Balance as at 31st March, 2021	**7,846**	**44,969**	**142,422**	**418,958**	**614,195**
III. Net carrying amount (I-II)	24,154	136,899	476,967	434,530	1,072,550

Note No. 5 - Deferred Tax Assets

(Amount in Rs.)

Particulars	**As at 31st March, 2022**	As at 31st March, 2021
Balance at the Beginning of the year	**49,608,555**	32,619,535
Profit/(Loss) for the year	**(23,244,630)**	16,989,020
Balance at the end of the year	**26,363,925**	49,608,555

Note No. 6 - Other Non Current Assets

(Amount in Rs.)

Particulars	**As at 31st March, 2022**	As at 31st March, 2021
Security Deposits		
(i) Other Non Current Assets	**3,373,293**	7,996,414
Total	**3,373,293**	7,996,414

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST MARCH, 2022

Note No. 7 - Investments

(Amount in Rs.)

Particulars	As at 31st March, 2022	As at 31st March, 2021
(i) OCRD's to related party - KTL	**117,800,000**	99,200,000
Total other bank balances	**117,800,000**	99,200,000

Note No. 8 - Inventories

(Amount in Rs.)

Particulars	As at 31st March, 2022	As at 31st March, 2021
(a) Work in Progress (Representing cost of land and related expenditure)	**2,078,624,253**	1,888,073,654
Total Inventories (at lower of cost and net realisable value)	**2,078,624,253**	1,888,073,654

Note No. 9 - Cash and Bank Balances

(a) Cash and cash equivalents

(Amount in Rs.)

Particulars	As at 31st March, 2022	As at 31st March, 2021
(i) Balances with banks	**2,340,206**	94,149
Total Cash and cash equivalent	**2,340,206**	94,149

(b) Other bank balances

(Amount in Rs.)

Particulars	As at 31st March, 2022	As at 31st March, 2021
(i) In deposit accounts	**8,645,486**	8,845,486
Total other bank balances	**8,645,486**	8,845,486

(c) Loans

(Amount in Rs.)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Inter-Corporate Deposit given		
(i) Loans to Related Party	**293,300,000**	274,700,000
Total other bank balances	**293,300,000**	274,700,000

(d) Other Financial Assets

(Amount in Rs.)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Accured Interest Income from ICD		
(i) Other Financial Assets	**11,241,122**	7,986,905
Total Cash and cash equivalent	**11,241,122**	7,986,905

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST MARCH, 2022

Note No. 10 - Other assets

(Amount in Rs.)

Particulars	As at 31st March, 2022 Current	As at 31st March, 2021 Current
(a) Advances other than capital advances		
(i) Balances with government authorities (other than income taxes)	**23,310,909**	23,270,020
(ii) Other advances	**–**	3,187,558
(iii) Interest accrued but not due on term deposit accounts	**1,549,417**	966,221
(iv) Advance Payment Of Income Tax	**3,712,345**	2,341,680
Total	**28,572,671**	29,765,479

Note No. 11 - Equity Share Capital

Particulars	As at 31st March, 2022		As at 31st March, 2021	
	No. of shares	(Amount in Rs.)	No. of shares	(Amount in Rs.)
Authorised:				
Equity shares of Rs.10 each with voting rights	**100,000**	**1,000,000**	100,000	1,000,000
Issued, Subscribed and Fully Paid:				
Equity shares of Rs.10 each with voting rights	**50,000**	**500,000**	50,000	500,000
Issued, Subscribed and Partly Paid:				
Equity shares of Rs.10 each with voting rights	**50,000**	**500,000**	50,000	500,000
Total	**50,000**	**500,000**	50,000	500,000

Note No. 11a - Equity Share Capital (Contd.)

(i) Reconciliation of the number of shares outstanding at the beginning and at the end of the year.

Particulars	Opening Balance	Closing Balance
(a) Equity Shares with Voting rights		
Year Ended 31st March 2020		
No. of Shares	50,000	50,000
Amount	500,000	500,000
Year Ended 31st March 2019		
No. of Shares	50,000	50,000
Amount	500,000	500,000
Year Ended 31st March 2018		
No. of Shares	50,000	50,000
Amount	500,000	500,000

(ii) Details of shares held by the holding company, the ultimate holding company, their subsidiaries and associates: (details of fully paid and partly paid also needs to be given)

Particulars	No. of Shares Equity Shares with Voting rights
As at 31st March 2020	
Mahindra Lifespace Developers Ltd.	50,000
As at 31st March 2019	
Mahindra Lifespace Developers Ltd.	50,000
As at 31st March 2018	
Mahindra Lifespace Developers Ltd.	50,000

(iii) Details of shares held by each shareholder holding more than 5% shares:

Class of shares/Name of shareholder	As at 31st March, 2022		As at 31st March, 2021	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares with voting rights				
Mahindra Lifespace Developers Ltd.	**50,000**	**100.00%**	50,000	100.00%

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST MARCH, 2022

Note No. 12 - Other equity

(Amount in Rs.)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Balance at the Beginning of the year	**(148,145,914)**	**(97,637,834)**
Profit/(Loss) for the year	69,105,906	(50,508,080)
Balance at the end of the year	**(79,040,008)**	**(148,145,914)**

Note No. 13 - Borrowings

(Amount in Rs.)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Secured Borrowings		
(a) Term Loan		
(i) From Financial Institution	**153,975,848**	–
Total Secured Borrowings	**153,975,848**	–
Non Current		
Unsecured (Carried at Fair value through P&L)		
(a) Optionally convertible debentures	**792,500,000**	930,600,000
Unsecured (Carried at Amortised cost)		
(a) Non convertible debentures	**756,450,000**	756,450,000
Total Non current borrowings	**1,548,950,000**	1,687,050,000
Current		
Unsecured (Carried at Amortised cost)		
(a) Loans from related parties	**175,500,000**	175,500,000
(b) Short term loan from bank	**92,199,683**	97,128,109
Total Current Borrowings	**267,699,683**	272,628,109

Note No. 14 - Trade Payables

(Amount in Rs.)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Trade payable - Micro and small enterprises*	–	–
Trade payable - Other than micro and small enterprises	**27,845,623**	54,358,124
Total	**27,845,623**	54,358,124

Trade Payables are payables in respect of the amount due on account of goods purchased or services received in the normal course of business.

(i) No Companies have been identified under the Micro, Small and Medium Enterprises Development Act, 2006 and hence the disclosure as required by Notification No. G.S.R. 719 (E), dated 16 November, 2007 issued by the Ministry of Corporate Affairs is not applicable.

14 a - Ageing for trade payable from the due date of payment for each of the category is as follows:

(Amount in Rs.)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Undisputed dues of micro enterprises and small enterprises		
0 months - 1 year		
1-2 Years		
2-3 years		
More than 3 years		
Undisputed dues of creditors other than micro enterprises and small enterprises		
0 months - 1 year	**22,521,734**	51,835,068
1-2 Years	**540,913**	(88,961)
2-3 years	**1,811,677**	1,511,122
More than 3 years	**2,971,299**	1,100,895
Total	**27,845,623**	54,358,124

Note No. 15 - Other Financial Liabilities

(Amount in Rs.)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Current		
(a) Interest accrued	**531,675,129**	400,750,985
	531,675,129	400,750,985

Note No. 16 - Other Current Liabilities

(Amount in Rs.)

Particulars	As at 31st March, 2022	As at 31st March, 2021
(a) Statutory dues		
- taxes payable (other than income taxes)	**1,783,702**	1,001,888
	1,783,702	1,001,888

Note No. 17 - Other Income

(Amount in Rs.)

Particulars	As at 31st March, 2022	As at 31st March, 2021
(a) Other Income	**342,547**	315,559
(b) FVTPL Gain on OCRD	**233,160,000**	–
	233,502,547	315,559

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST MARCH, 2022

Note No. 18 - Employee benefit expense

(Amount in Rs.)

Particulars	As at 31st March, 2022	As at 31st March, 2021
(a) Salaries and wages, including bonus	**6,128,212**	5,399,819
(b) Contribution to provident and other funds	**184,693**	146,743
Total	**6,312,905**	5,546,561

Note No. 19 - Other Expenses

(Amount in Rs.)

Particulars	As at 31st March, 2022	As at 31st March, 2021
(a) Business Promotion Expenses	**3,310,148**	3,238,110
(b) Payments to auditors (including tax):		
(i) For audit	**177,000**	177,000
(ii) For Other services	**118,000**	–
(c) Other expenses		
(i) Professional Fees	**51,711,454**	1,940,202
(ii) Assets Written off	**36,580**	–
(iii) Travelling & Conveyance	**632,145**	105,788
(iv) Miscellaneous expenses	**311,983**	714,638
(v) IT - Sharing Expenses & Others	**747,595**	604,849
(vi) Bank Charges	**6,912**	–
(vii) FVTPL Gain/Loss on OCRD	**76,460,000**	55,200,000
(viii) Rent Rates and Taxes	**1,000,345**	–
Total Other Expenses	**134,512,162**	61,980,585

* During the year, there were no foreign exchange inflows & outflows

Note No. 20 - Earnings per Share

Particulars	For the period ended 31st March, 2022 Per Share	For the year ended 31st March, 2021 Per Share
Basic Earnings per share		
From continuing operations	**1,382.12**	(1,010.16)
From discontinuing operations	**–**	–
Total basic earnings per share	**1,382.12**	(1,010.16)
Diluted Earnings per share		
From continuing operations	**1,382.12**	(1,010.16)
From discontinuing operations		
Total diluted earnings per share	**1,382.12**	(1,010.16)

Basic earnings per share

The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:

	For the period ended 31st March, 2022	For the year ended 31st March, 2021
Loss for the year attributable to owners of the Company	**69,105,906**	(50,508,080)
Loss for the year used in the calculation of basic earnings per share	**69,105,906**	(50,508,080)
Loss used in the calculation of basic earnings per share from continuing operations	**69,105,906**	(50,508,080)
Weighted average number of equity shares	**50,000**	50,000
Earnings per share from continuing operations - Basic	**1,382.12**	(1,010.16)

Note No. 21 - Related Party Transactions

Related party disclosures as required by Ind As 24 "Related Party Disclosures" are given below.

1	Mahindra & Mahindra Limited	Entities having joint control/ significant influence over Company
2	Mahindra Lifespace Developers Limited	
3	Mahindra Integrated Business Solutions Private Limited	Other related parties
4	Mahindra Bloomdale Developers Limited	

(Amount in Rs.)

Particulars	For the year ended	Mahindra & Mahindra Limited	Mahindra Lifespace Developers Limited	Mahindra Integrated Business Solutions Private Limited	Mahindra Bloomdale Developers Limited
<u>Nature of transactions with Related Parties</u>					
Interest on ICD payable	**31-Mar-22**	**–**	**13,513,500**	**–**	**–**
	31-Mar-21	–	14,700,890	–	–
Reimbursement received	**31-Mar-22**	**–**	**126,714**	**–**	**–**
	31-Mar-21	–	–	–	–
ESOP Expenses accounted	**31-Mar-22**	**–**	**139,047**	**–**	**–**
	31-Mar-21	–	50,192	–	–

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST MARCH, 2022

(Amount in Rs.)

Particulars	**For the year ended**	**Mahindra & Mahindra Limited**	**Mahindra Lifespace Developers Limited**	**Mahindra Integrated Business Solutions Private Limited**	**Mahindra Bloomdale Developers Limited**
Professional charges	**31-Mar-22**	**–**	**–**	**98,176**	**–**
	31-Mar-21	–	–	83,000	–
Interest on ICD receivable	**31-Mar-22**	**–**	**–**	**–**	**13,601,250**
	31-Mar-21	–	–	–	14,788,641
Reimbursement of expenses accounted	**31-Mar-22**	**334,862**	**720,000**	**–**	**–**
	31-Mar-21	341,177	–	–	–

(Amount in Rs.)

Nature of Balances with Related Parties	**Balances as on**	**Mahindra & Mahindra Limited**	**Mahindra Lifespace Developers Limited**	**Mahindra Integrated Business Solutions Private Limited**	**Mahindra Bloomdale Developers Limited**
Payables	**31-Mar-22**	**–**	**214,695,976**	**12,420**	**–**
	31-Mar-21	174,869	202,182,892	27,071	–
Receivables	**31-Mar-22**	**–**	**–**	**–**	**186,741,122**
	31-Mar-21	–	169,878	–	183,486,905

Notes:

1. During the year, there were no amounts required to be written off or written back in respect of debts due from or to related parties.
2. Related parties have been identified by the Management.

Note No. 22 - Financial Instruments

Capital management

The company's capital management objectives are:

- to ensure the company's ability to continue as a going concern
- to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

The company monitors capital on the basis of the carrying amount of equity less cash and cash equivalents as presented on the face of the statement of financial position.

The company sets the amount of capital in proportion to its overall financing structure, i.e. equity and financial liabilities. The company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

(Amount in Rs.)

	31-Mar-22	31-Mar-21
Equity	**(78,540,008)**	(147,645,914)
Less: Cash and cash equivalents	**2,340,206**	94,149
	(80,880,214)	(147,740,063)

Categories of financial assets and financial liabilities

	As at 31st March, 2022		
	Amortised Costs	**FVTPL**	**Total**
Current Assets			
Cash and Cash Equivalent	2,340,206	–	**2,340,206**
Other Bank Balances	8,645,486	–	**8,645,486**
Loans	175,500,000	–	**175,500,000**
Non-current Liabilities			
Borrowings	756,450,000	792,500,000	**1,548,950,000**
Current Liabilities			
Borrowings	267,699,683	–	**267,699,683**
Trade Payables	27,845,623	–	**27,845,623**

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST MARCH, 2022

	As at 31st March, 2021		
	Amortised Costs	FVTPL	Total
Current Assets			
Cash and Cash Equivalent	94,149	–	94,149.00
Other Bank Balances	8,845,486	–	8,845,486.00
Loans	175,500,000	–	175,500,000.00
Non-current Liabilities			
Borrowings	756,450,000	930,600,000.00	1,687,050,000.00
Current Liabilities			
Borrowings	272,628,109	–	272,628,108.59
Trade Payables	54,358,124	–	54,358,123.67

Note No. 22a - Events after the reporting period

No material events have occurred after the Balance Sheet date and upto the approval of financial statements.

Note No. 22b - Previous Year Figures

The figures of previous years have been regrouped/reclassified wherever necessary to confirm to current year's grouping/classification.

Note No. 23 - Ratios

Amount (In INR)

a) **Current Ratio**	2021-22	2020-21	Variance %
Particulars			
Current Assets (A)	2,304,923,738	2,110,265,673	
Current Liabilities (B)	829,004,137	728,739,105	
Ratio (A / B)	**2.78**	**2.90**	**-4%**

b) **Debt Equity Ratio**	2021-22	2020-21	Variance %
Particulars			
Total Debt including interest accrued (A)	2,502,300,660	2,360,429,094	
Equity (B)	(78,540,008)	(147,645,914)	
Debt Equity Ratio (A / B)	**(31.86)**	**(15.99)**	**99%**

Reduction of equity is mainly on account of gain on fair valuation of OCRD

c) **Return of Equity (ROE)**	2021-22	2020-21	Variance %
Particulars			
Profit After Tax	92,350,536	(67,497,099)	
Networth	(78,540,008)	(147,645,914)	
Ratio (A / B)	**-117.58%**	**45.72%**	**-357.21%**

Reduction in ROE is mainly on account of gain on valuation of OCRD

d) **Return on Capital employed**	2021-22	2020-21	Variance %
Particulars			
Earnings before Interest and Tax (A)	92,350,536	(67,497,099)	
Net worth	(78,540,008)	(147,645,914)	
Borrowing	1,702,925,848	1,687,050,000	
Capital employed (B)	1,624,385,840	1,539,404,086	
Ratio (A / B)	**5.69%**	**-4.38%**	**-230%**

Reduction in Capital Employed is mainly on account of gain on Fair valuation of OCRD

e) **Return on investment.**	2021-22	2020-21
Not applicable as the Company does not have any investments		

Note No. 24 - Employee Benefits

a) Defined Contribution plans

The Company makes Provident fund contribution to defined contribution plans for the employees. Under the scheme, the company is required to contribute a specified percentage of the payroll cost to fund the benefits. The Company recognized INR 4,58,152 (Previous Year : INR 4,90,283) for Provident fund & Other funds contributions in the Statement of Profit and Loss. The contributions payable to these plans by the company are at rates specified in the rules of the scheme.

b) Defined Benefit Plans

The Company's obligation towards gratuity is defined benefit plan. The gratuity expense is included under 'Employee Benefit Expenses' in Note 21 Employee benefits expense. The details of actuarial valuation are given below:

(Amounts in INR)

	Gratuity (Un-Funded)	
	2021-22	2020-21
i. Net Asset/ (Liability) recognized in the balance sheet		
Present Value of Defined Benefit Obligation	891,952	810,253
Fair Value of Plan assets	–	–
Liability (Asset) recognised in the balance sheet	**891,952**	**810,253**
ii. Expense recognized in the Statement of Profit & Loss		
Past service cost	–	–
Current Service cost	153,071	129,049
Interest cost	50,572	42,092
Expected return on plan assets	–	–
Actuarial (gains) / Losses	(121,944)	(23,908)
Total expenses	**81,699**	**147,233**

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST MARCH, 2022

(Amounts in INR)

	Gratuity (Un-Funded)	
	2021-22	**2020-21**
iii. Amounts recognized in other comprehensive income	–	–
iv. Change in present value of Defined Benefit obligation		
Present Value of the obligation at the beginning of the year	810,253	663,020
Past service cost	–	–
Current Service cost	153,071	129,049
Interest Cost	50,572	42,092
Actuarial (Gains) /Losses	(121,944)	(23,908)
Benefits Paid	–	–
Present value of the obligation as at the end of the year	**891,952**	**810,253**
v. Principal actuarial assumptions		
Discount Rate	6.83%	6.46%
Salary Growth Rate	10.00%	10.00%
Attrition rate	7.81%	8.08%

vi. Estimates of future salary increases considered in actuarial valuation take account of inflation, seniority, promotions, increments and other relevant factors such as supply and demand in the employment market.

The estimate of future salary increases considered, takes into account the inflation, seniority, promotion, increments and other relevant factors

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

(Amounts in INR)

			Impact on defined benefit obligation	
	Year	Change in Assumption	Increase in assumption	Decrease in assumption
Discount Rate	2022	1.00%	820,177	974,062
	2021	1.00%	740,572	890,780
Salary Growth Rate	2022	1.00%	947,411	830,801
	2021	1.00%	865,784	745,847

Maturity profile of defined benefit obligation:

(Amounts in INR)

	2021-22	2020-21
Year 1	64,521	54,804
Year 2	63,866	54,242
Year 3	73,975	57,261
Year 4	73,219	63,639
Year 5	73,304	64,161
Next 5 Years	355,639	311,234

c) Compensated Absences

The key assumptions used in the computation of provision for long term compensated absences as per the Actuarial Valuation are as given below:

(Amounts in INR)

Particulars	For the period ended 31st March, 2022	For the period ended 31st March, 2021
Discount rate	6.83%	6.46%
Salary Growth rate	10.00%	10.00%
Attrition rate	7.81%	8.08%

The discount rate is based on the prevailing market yields of Government of India securities as at the balance sheet date for the estimated term of the obligations.

For and on behalf of Board of the Directors
Mahindra Industrial Park Private Limited

Arvind Subramanian	**Karkala Rajaram Pai**
Director	Director
DIN-02551935	DIN-07553119

Place : Mumbai
Date: 21st April 2022

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF

MAHINDRA WATER UTILITIES LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Mahindra Water Utilities Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2022, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Information Other than the Financial Statements and Auditor's Report Thereon

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's report, but does not include the financial statements and our auditor's report thereon.
- Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

   d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.

   e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164(2) of the Act.

   f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

   g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended,

      In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

   h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

      i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements.

      ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

      iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

      iv. (a) The Management has represented that, to the best of it's knowledge and belief, as disclosed in the note 30 to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

      (b) The Management has represented, that, to the best of it's knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c) Based on the audit procedures that has been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. The final dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with section 123 of the Act, as applicable.

As stated in note 39 to the financial statements, the Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act, as applicable.

2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For Deloitte Haskins & Sells Chartered Accountants LLP
Chartered Accountants
(Firm's Registration No. 117364W/W100739)

Ketan Vora
(Partner)
(Membership No. 100459)
UDIN: 22100459AHJXED9916

Place: Mumbai
Date: April 19, 2022

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **Mahindra Water Utilities Limited** ("the Company") as of March 31, 2022 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

For Deloitte Haskins & Sells Chartered Accountants LLP
Chartered Accountants
(Firm's Registration No. 117364W/W100739)

Ketan Vora
(Partner)
(Membership No. 100459)
UDIN: 22100459AHJXED9916

Place: Mumbai
Date: April 19, 2022

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the members of Mahindra Water Utilities Limited on the financial statements for the year ended March 31, 2022).

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.

(B) The Company does not have any intangible assets.

(b) The property, plant and equipment were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the property, plant and equipment at reasonable intervals. No material discrepancies were noticed on such verification.

(c) The Company does not have any immovable properties hence reporting under clause (i)(c) of the Order is not applicable.

(d) The Company has not revalued any of its property, plant and equipment during the year. The Company does not have any intangible assets.

(e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

(ii) (a) The Company does not have any inventory and hence reporting under clause (ii)(a) of the Order is not applicable.

(b) According to the information and explanations given to us, at any point of time of the year, the Company has not been sanctioned any working capital facility from banks or financial institutions and hence reporting under clause (ii)(b) of the Order is not applicable.

(iii) (a) The Company has granted loans during the year and details of which are given below:

	Amount (Rs)
A. Aggregate amount granted during the year:	
Others (Fellow Subsidiary)	42,627,033
B. Balance outstanding as at balance sheet date in respect of above cases	
Others (Fellow Subsidiary)	42,627,033

The Company has not provided any advance in the nature of loans or guarantee or security to any other entity during the year.

(b) The terms and conditions of the above-mentioned loan granted during the year are, in our opinion, prima facie, not prejudicial to the Company's interest.

(c) In respect of loans granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments of principal amounts and receipts of interest are regular as per stipulation.

(d) According to information and explanations given to us and based on the audit procedures performed, in respect of loans granted by the Company, there is no overdue amount remaining outstanding as at the balance sheet date.

(e) No loan granted by the Company which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.

(f) According to information and explanations given to us and based on the audit procedures performed, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under clause (iii)(f) is not applicable.

(iv) The Company has complied with the provisions of sections 185 or 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable.

(v) The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause (v) of the Order is not applicable.

(vi) Having regard to the nature of the Company's business / activities, reporting under clause (vi) of the Order is not applicable.

(vii) In respect of statutory dues:

(a) Undisputed statutory dues, including Goods and Service tax, Provident Fund, Employees' State Insurance, Income-tax, cess and other material statutory dues applicable to the Company have been regularly deposited by it with the appropriate authorities in all cases during the year. We have been informed that the provisions of Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax and Cess are not applicable to the Company for the year.

There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Goods and Services Tax and other material statutory dues in arrears, as at March 31, 2022 for a period of more than six months from the date they became payable.

(b) There are no statutory dues referred in sub-clause (a) above which have not been deposited on account of disputes as on March 31, 2022.

(viii) There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.

(ix) (a) The Company has not taken any loans or other borrowings from any lender. Hence reporting under clause (ix)(a) of the Order is not applicable to the Company.

(b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) The Company has not taken any term loan during the year and there are no unutilised term loans at the beginning of the year and hence, reporting under clause (ix)(c) of the Order is not applicable.

(d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.

(e) The Company did not have any subsidiary or associate or joint venture during the year and hence, reporting under clause (ix)(e) of the Order is not applicable.

(f) The Company has not raised any loans during the year and hence reporting on clause (ix)(f) of the Order is not applicable.

(x) (a) The Company has not issued any of its securities (including debt instruments) during the year and hence reporting under clause (x)(a) of the Order is not applicable.

(b) During the year the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause (x)(b) of the Order is not applicable to the Company.

(xi) (a) To the best of our knowledge, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

(b) To the best of our knowledge, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.

(c) As represented to us by the Management, there were no whistle blower complaints received by the Company during the year.

(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.

(xiii) In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.

(xiv) (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.

(b) We have considered, the internal audit reports of the Company issued till date for the period under audit.

(xv) In our opinion during the year the Company has not entered into any non-cash transactions with any of its directors or directors of it's holding company or persons connected with such directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

(xvi) (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause (xvi)(a), (b), (c) and (d) of the Order is not applicable.

(b) The Group has more than one CIC as part of the group. There are 6 CIC forming part of the group.

(xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors of the Company during the year.

(ix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) The Company has fully spent the required amount towards Corporate Social Responsibility (CSR) and there are no unspent CSR amount for the year requiring a transfer to a Fund specified in Schedule VII to the Companies Act or special account in compliance with the provision of sub-section (6) of section 135 of the said Act. Accordingly, reporting under clause (xx) of the Order is not applicable for the year.

For Deloitte Haskins & Sells Chartered Accountants LLP
Chartered Accountants
(Firm's Registration No. 117364W/W100739)

Ketan Vora
(Partner)
(Membership No. 100459)
UDIN: 22100459AHJXED9916

Place: Mumbai
Date: April 19, 2022

BALANCE SHEET AS AT MARCH 31, 2022

	Particulars	Note No.	As at March 31, 2022 Rupees	As at March 31, 2021 Rupees
A	**ASSETS**			
1	**Non-current assets**			
	(a) Property, Plant and Equipment	4	**82,59,702**	79,63,949
	(b) Financial Assets			
	(i) Loans	10	**4,26,27,033**	–
	(ii) Other Financial assets	6	**18,406**	1,90,32,355
	(c) Deferred tax assets (net)	25	**34,05,226**	35,32,279
	(d) Other non-current assets	7	**2,11,01,602**	2,03,88,915
	Total Non - Current Assets		**7,54,11,969**	5,09,17,498
2	**Current assets**			
	(a) Financials Assets			
	(i) Investments	8	**3,75,243**	3,62,193
	(ii) Trade receivables	5	**2,60,23,524**	3,14,56,913
	(iii) Cash and cash equivalents	9	**38,45,896**	27,64,323
	(iv) Bank Balances other than (iii) above	9	**13,62,70,634**	5,46,45,023
	(v) Loans	10	**–**	11,75,00,000
	(vi) Other financial assets	6	**17,68,883**	50,96,091
	(b) Other Current Assets	7	**16,82,368**	11,75,884
	Total Current Assets		**16,99,66,548**	21,30,00,427
	Total Assets		**24,53,78,517**	26,39,17,925
B	**EQUITY AND LIABILITIES**			
1	**Equity**			
	(a) Equity Share capital	11	**10,00,000**	10,00,000
	(b) Other Equity	12	**20,66,15,290**	22,54,76,775
	Total equity		**20,76,15,290**	22,64,76,775
	LIABILITIES			
2	**Non-current liabilities**			
	Provisions	18	**–**	3,73,708
	Total Non - Current Liabilities		**–**	**3,73,708**
3	**Current liabilities**			
	(a) Financial Liabilities			
	(i) Trade payables			
	– total outstanding dues of micro enterprises; and small enterprises and	13	**25,774**	27,199
	– total outstanding dues of creditors other than and micro enterprises and small enterprises	13	**72,19,362**	80,24,598
	(ii) Other financial liabilities	14	**84,03,781**	71,48,364
	(b) Other current liabilities	15	**28,28,903**	28,39,813
	(c) Provisions	16	**97,39,466**	94,81,527
	(d) Current Tax liabilities (net)	17	**95,45,941**	95,45,941
	Total Current Liabilities		**3,77,63,227**	3,70,67,442
	Total Equity and Liabilities		**24,53,78,517**	26,39,17,925
	See accompanying notes to the financial statements	1-44		

In terms of our report attached

For Deloitte Haskins & Sells Chartered Accountants LLP
Chartered Accountants

Ketan Vora
Partner

Place: Mumbai
Date : April 19th, 2022

For and on behalf of the Board of Directors

Arvind Subramanian Director

Vimal Agarwal Director

Place: Mumbai
Date : April 19th, 2022

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2022

	Particulars	Note No.	For the year ended March 31, 2022	For the year ended March 31, 2021
			Rupees	Rupees
I	Revenue from operations	19	**22,18,91,258**	22,54,92,601
II	Other Income	20	**1,01,37,856**	1,72,76,946
III	**Total Income (I + II)**		**23,20,29,114**	24,27,69,547
IV	**EXPENSES**			
	(a) Employee benefits expense	21	**7,20,25,165**	6,83,46,581
	(b) Finance costs	22	**86,724**	–
	(c) Depreciation	4	**15,89,890**	21,52,876
	(d) Other expenses	23	**6,30,97,063**	6,41,78,988
	Total Expenses (IV)		**13,67,98,842**	13,46,78,445
V	**Profit before tax (III - IV)**		**9,52,30,272**	10,80,91,102
VI	**Tax Expense**			
	(i) Current tax	25	**2,45,70,000**	2,69,90,000
	(ii) Deferred tax		**(25,302)**	4,63,660
	Total tax expense		**2,45,44,698**	2,74,53,660
VII	**Profit for the year (V - VI)**		**7,06,85,574**	8,06,37,442
VIII	**Other comprehensive income**			
	Items that will not be reclassified to profit or loss			
	Remeasurements of the defined benefit liabilities / (asset)		**6,05,292**	4,75,028
	Tax relating to items that will not be reclassified to profit or loss		**(1,52,352)**	(1,19,565)
			4,52,940	3,55,463
IX	**Total comprehensive income for the year (VII + VIII)**		**7,11,38,514**	8,09,92,905
X	**Earnings per equity share : (Face Value of Rs. 10 each)**	26		
	(i) Basic		**706.86**	806.37
	(ii) Diluted		**706.86**	806.37
	See accompanying notes to the financial statements	1-44		

In terms of our report attached

For Deloitte Haskins & Sells Chartered Accountants LLP
Chartered Accountants

Ketan Vora
Partner

Place: Mumbai
Date : April 19th, 2022

For and on behalf of the Board of Directors

Arvind Subramanian Director

Vimal Agarwal Director

Place: Mumbai
Date : April 19th, 2022

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2022

Particulars	Rupees	For the year ended March 31, 2022 Rupees	Rupees	For the year ended March 31, 2021 Rupees
A. CASH FLOW FROM OPERATING ACTIVITIES :				
Profit before tax		**9,52,30,272**		10,80,91,102
Adjustments for:				
Depreciation and amortisation expense	**15,89,890**		21,52,876	
Gain on disposal of property, plant and equipment	**(2,51,820)**		(2,29,102)	
Finance Cost	**86,724**		–	
Provision for doubtful trade receivables written off / (written back)	**–**		(4,29,157)	
Service tax payable written off	**–**		(3,04,605)	
Dividend Income	**(13,050)**		(23,618)	
Interest Income from loan to related party	**(82,42,289)**		(93,95,000)	
Interest Income from Bank	**(16,30,697)**	**(84,61,242)**	(36,95,068)	(1,19,23,674)
Operating Profit before Working Capital changes		**8,67,69,030**		9,61,67,428
Movements in working capital				
Decrease/ (Increase) in Trade receivables	**54,33,389**		(55,98,313)	
(Increase)/ Decrease in Other Financial assets and Other assets	**(6,19,964)**		8,25,749	
Increase Trade payables, Provisions, Other financial liabilities and other liabilities	**9,27,373**	**57,40,798**	15,45,742	(32,26,822)
Cash generated from operations		**9,25,09,828**		9,29,40,606
Income-tax paid (net of refunds)		**(2,51,59,613)**		(2,76,85,795)
NET CASH GENERATED FROM OPERATING ACTIVITIES		**6,73,50,215**		6,52,54,811
B. CASH FLOW FROM INVESTING ACTIVITIES:				
Purchase of property, plant and equipment	**(18,85,643)**		(12,37,574)	
Proceeds from sale of property, plant and equipment	**2,51,820**		2,38,050	
Interest received - Fixed Deposits at Bank	**15,39,288**		95,17,545	
Interest received - Loan to related party	**1,16,60,906**		72,62,557	

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

Particulars		For the year ended March 31, 2022		For the year ended March 31, 2021
	Rupees	Rupees	Rupees	Rupees
Loan given to related party	(4,26,27,033)		–	
Loan repaid by related party	11,75,00,000		5,00,00,000	
Increase in other bank balances	(6,26,21,256)		4,62,29,476	
NET CASH FROM INVESTING ACTIVITIES		2,38,18,082		11,20,10,054
C. CASH FLOW FROM FINANCING ACTIVITIES:				
Finance costs paid	(86,724)		–	
Dividend paid with dividend distribution tax	(9,00,00,000)		(26,00,00,000)	
NET CASH USED IN FINANCING ACTIVITIES		(9,00,86,724)		(26,00,00,000)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)		10,81,573		(8,27,35,135)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		27,64,323		8,54,99,458
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		38,45,896		27,64,323

Particulars	April 1, 2021	Cash Flow	Non Cash Changes	March 31, 2022
Borrowing - Non Current	–	–	–	–
Borrowing - Current	–	–	–	–
Total	–	–	–	–

The above Cash flow statement has been prepared under the 'Indirect Method' as set out in Indian Accounting Standard (IND AS) 7 'Cash Flow Statement'.

In terms of our report attached

For Deloitte Haskins & Sells Chartered Accountants LLP
Chartered Accountants

Ketan Vora
Partner

Place: Mumbai
Date : April 19th, 2022

For and on behalf of the Board of Directors

Arvind Subramanian Director

Vimal Agarwal Director

Place: Mumbai
Date : April 19th, 2022

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

Note 1. Corporate information:

Mahindra Water Utilities Limited (the Company) is a public company incorporated in India on August 10, 1999 under the provisions of Companies Act, 1956. The Company is engaged in operation & maintenance of water and sewage system for M/s. New Tirupur Area Development Corporation Limited, Tirupur. The Company is a subsidiary of Mahindra Infrastructure Developers Limited and the ultimate holding company is Mahindra and Mahindra Limited.

Note 2. Significant accounting policies:

2.1 Statement of compliance

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015.

2.2 Basis for preparation and presentation

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for leasing transactions that are within the scope of Ind AS 17.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

2.3 Property, Plant and Equipment:

Property, Plant and Equipment held for use in supply of services or for administrative purposes, are stated in the Balance Sheet at cost less depreciation and accumulated impairment losses, if any. Costs comprise purchase price and attributable costs, if any.

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives as determined by the Management, using the straight-line method. Estimated useful life as determined by the Management is in line with that prescribed in Schedule II to the Companies Act 2013. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis. Assets costing individually less than Rs. 5,000 is fully depreciated in the year of purchase.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

2.4 Impairment of tangible assets:

At the end of each reporting period, the Company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

2.5 Revenue recognition:

Revenue is measured at the fair value of the consideration received or receivable.

i) Income for services is accounted for as and when services are rendered as per terms of the agreement at the contractual rate and there exists no significant uncertainty as to ultimate realisation.

ii) Dividend income from investments is recognised when the shareholder's right to receive payment has been established provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably.

iii) Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

2.6 Employee benefits

Retirement benefit costs and termination benefits

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Re-measurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- re-measurement

The Company presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

Short-term and other long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

2.7 Lease

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified Ind AS 116 Leases which replaces the existing lease standard, Ind AS 17 leases and other interpretations. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lease accounting model for lessees. The Company has elected not to apply the requirements of Ind AS 116 Leases to short-term leases of all assets that have a lease term of 12 months or less. The lease payments associated with these leases are recognised as an expense on a straight-line basis over the lease term.

2.8 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

(i) Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

(ii) Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax are recognised in the Statement of Profit and Loss except when they relate to items that are recognised in Other Comprehensive Income, in which case, the current and deferred tax are also recognised in Other Comprehensive Income.

2.9 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

2.10 Financial Instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

(i) Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Financial assets at fair value through profit or loss (FVTPL)

Investments in units of Mutual Funds are classified as at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other income' line item. Dividend on financial assets at FVTPL is recognised when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the Company, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

Impairment of financial assets

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, trade receivables and other contractual rights to receive cash or other financial asset.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Company estimates cash flows by considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. 12-month expected credit losses are portion of the life-time expected credit losses and represent the lifetime cash shortfalls that will result if default occurs within the 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.

If the Company measured loss allowance for a financial instrument at lifetime expected credit loss model in the previous period, but determines at the end of a reporting period that the credit risk has not increased significantly since initial recognition due to improvement in credit quality as compared to the previous period, the Company again measures the loss allowance based on 12-month expected credit losses.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Company uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 18, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

On derecognition of a financial asset other than in its entirety, the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

Foreign exchange gains and losses on financial assets

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

- For foreign currency denominated financial assets measured at amortised cost and FVTPL, the exchange differences are recognised in profit or loss.

(ii) Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method.

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Note 3 Critical accounting judgements and key sources of estimation uncertainty:

In the application of the Company's accounting policies, which are described in Note 2, the management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only the period of the revision and future periods if the revision affects both current and future periods.

At the end of the reporting period, there were no key assumptions concerning the future period that may have had a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2022

A. Equity share capital

	Rupees
As at April 1, 2021	10,00,000
Changes in equity share capital during the year	–
As at March 31, 2021	10,00,000
Changes in equity share capital during the year	–
As at March 31, 2022	10,00,000

B. Other Equity

	Reserves and Surplus		
Particular	**Retained earnings**	**Items of other comprehensive income - Remeasurements of the defined benefit liabilities/ (asset)**	**Total**
	Rupees	Rupees	Rupees
As at April 1, 2020	**40,58,37,404**	**(13,53,534)**	**40,44,83,870**
Profit for the year	8,06,37,442	–	8,06,37,442
Dividend paid during the year	(26,00,00,000)		(26,00,00,000)
Dividend Distribution Tax	–		–
Other Comprehensive Income / (Loss) for the year (net of tax)	–	3,55,463	3,55,463
Total Comprehensive Income for the year	(17,93,62,558)	3,55,463	(17,90,07,095)
Balance at March 31, 2021	**22,64,74,846**	**(9,98,071)**	**22,54,76,775**
Profit for the year	7,06,85,574	–	7,06,85,574
Dividend paid during the year	(9,00,00,000)		(9,00,00,000)
Dividend Distribution Tax	–		–
Other Comprehensive Income / (Loss) for the year (net of tax)	–	4,52,940	4,52,940
Total Comprehensive Income for the year	(1,93,14,426)	4,52,940	(1,88,61,486)
Balance at March 31, 2022	**20,71,60,420**	**(5,45,131)**	**20,66,15,290**

In terms of our report attached

For Deloitte Haskins & Sells Chartered Accountants LLP
Chartered Accountants

Ketan Vora
Partner

Place: Mumbai
Date : April 19th, 2022

For and on behalf of the Board of Directors

Arvind Subramanian Director

Vimal Agarwal Director

Place: Mumbai
Date : April 19th, 2022

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

Note 4 - Property, Plant and Equipment

Description of Assets	Plant and Equipment	Office Equipment	Furniture and Fixtures	Vehicles	Total
	Rupees	Rupees	Rupees	Rupees	Rupees
I. Gross carrying amount					
Balance as at April 1, 2020	**36,38,594**	**6,23,808**	**8,12,137**	**64,30,026**	**1,15,04,565**
Additions during the year ended March 31, 2021	1,20,839	95,510	3,894	10,17,331	12,37,574
Disposal of assets during the year ended March 31, 2021	58,575	–	–	11,65,940	12,24,515
Balance as at March 31, 2021	**37,00,858**	**7,19,318**	**8,16,031**	**62,81,417**	**1,15,17,624**
Additions during the Year ended March 31, 2022	3,46,489	–	39,100	15,00,054	18,85,643
Disposal of assets during the Year ended March 31, 2022	–	3,65,839	61,869	9,20,175	13,47,883
Balance as at March 31, 2022	**40,47,347**	**3,53,479**	**7,93,262**	**68,61,296**	**1,20,55,384**
II. Accumulated depreciation					
Balance as at April 1, 2020	**15,92,895**	**2,26,000**	**5,10,204**	**2,87,267**	**26,16,366**
Depreciation for the year	9,05,926	1,65,502	42,727	10,38,721	21,52,876
Eliminated on Disposal of assets during the year ended March 31, 2020	49,627	–	–	11,65,940	12,15,567
Balance as at March 31, 2021	**24,49,194**	**3,91,502**	**5,52,931**	**1,60,048**	**35,53,675**
Depreciation for the year	2,77,380	1,05,417	43,623	11,63,470	15,89,890
Eliminated on Disposal of assets during the Year ended March 31, 2022	–	3,65,839	61,869	9,20,175	13,47,883
Balance as at March 31, 2022	**27,26,574**	**1,31,080**	**5,34,685**	**4,03,343**	**37,95,682**
Net carrying amount (I-II)					
Balance as at March 31, 2022	**13,20,773**	**2,22,399**	**2,58,577**	**64,57,953**	**82,59,702**
Balance as at March 31, 2021	12,51,664	3,27,816	2,63,100	61,21,369	79,63,949

Note 5 - Trade receivables

	Particulars	As at March 31, 2022		As at March 31, 2021	
		Current	**Non Current**	Current	Non Current
		Rupees	Rupees	Rupees	Rupees
(a)	Trade Receivables considered good - Unsecured;	**2,60,23,524**	**–**	3,14,56,913	–
(b)	Trade Receivables - Credit impaired		**27,53,131**		27,53,131
	Less: Allowances for Expected Credit Losses		**(27,53,131)**		(27,53,131)
	Total	**2,60,23,524**	**–**	3,14,56,913	–

Trade receivables

The entire trade receivables balance as at March 31, 2022 and March 31, 2021 is due from M/s. New Tirupur Area Development Corporation Ltd., the sole client of the Company.

The average credit period on invoice for services is 15 days. No interest is charged on trade receivables.

The concentration of credit risk is high, since the entire trade receivables are due from only one client, M/s. New Tirupur Area Development Corporation Ltd.

The Company has incurred expenses towards certain specified categories of maintenance of plant and facilities. As per the terms of the aforementioned agreement with NTADCL, the Company is entitled to reimbursement of the aforesaid expenses, which the Company has also claimed from NTADCL. The Company has not formally received a confirmation on the payment due for such reimbursable services.

Based on further negotiations/ discussions with NTADCL, the company is confident of receiving these payments and hence no further provision has been done in the current year.

Reconciliation of loss allowance provision for Trade Receivables

Particulars	**As at March 31, 2022**	As at March 31, 2021
	Rupees	Rupees
Balance as at beginning of the year	**27,53,131**	59,01,592
Impairment losses / Gain recognised in the year based on 12 month expected credit losses		
On receivables originated in the year	**–**	–
Other receivables	**–**	(4,29,157)
Amount written-off during the year		(27,19,304)
Balance at end of the year	**27,53,131**	27,53,131

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

Ageing for trade receivables from the due date of payment for each of the category is as follows:

Particulars	As at March 31, 2022	As at March 31, 2021
Undisputed Trade Receivable - Considered good - unsecured		
Not Due	**2,16,65,848**	2,22,57,620
0 months - 6 months	**19,53,414**	53,01,007
6 months -1 year	**1,79,705**	4,07,200
1-2 Years	**2,60,270**	3,42,486
2-3 years	**3,42,486**	11,66,481
More than 3 years	**16,21,801**	19,82,119
Trade Receivable - Credit impaired		
Not Due	**–**	–
0 months - 6 months	**–**	–
6 months -1 year	**–**	–
1-2 Years	**–**	–
2-3 years	**–**	–
More than 3 years	**27,53,131**	27,53,131
Total	**2,87,76,655**	3,42,10,044

Note 6 - Other Financial Assets

Particulars	As at March 31, 2022		As at March 31, 2021	
	Current	**Non Current**	Current	Non Current
	Rupees	Rupees	Rupees	Rupees
Financial assets at amortised cost				
(a) Interest accrued on deposits with bank	**13,76,717**	**–**	12,85,308	–
(b) Interest accrued on Loan to Related Party	**1,72,166**	**–**	35,90,783	–
(c) Fixed Deposits	**–**	**–**	–	1,90,04,355
(d) Security deposits	**2,20,000**	**18,406**	2,20,000	28,000
Total	**17,68,883**	**18,406**	50,96,091	1,90,32,355

Note 7 - Other assets

Particulars	As at March 31, 2022		As at March 31, 2021	
	Current	**Non Current**	Current	Non Current
	Rupees	Rupees	Rupees	Rupees
Advance income tax including fringe benefit tax	**–**	**2,09,78,528**	–	2,03,88,915
Others				
(a) Gratuity Assets (Net of provision)	–	**1,23,074**	–	–
(b) Advance to Suppliers	–	**–**	1,303	–
(c) Prepaid Expenses	16,82,368	**–**	11,74,581	–
Total	**16,82,368**	**2,11,01,602**	11,75,884	2,03,88,915

Note 8 - Investment

Particulars	As at March 31, 2022		As at March 31, 2021	
	No. of units	**Rupees**	No. of units	Rupees
Investments Carried at: Fair Value Through Profit and Loss				
Unquoted Investments				
Investments in Mutual Funds				
HDFC Cash Management Fund of Rs. 10/-each fully paid up	**36,996.045**	**3,75,243**	35,713.511	3,62,193
Total	**36,996.045**	**3,75,243**	35,713.511	3,62,193

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

Note 9 - Cash and Bank Balances

Particulars	As at March 31, 2022	As at March 31, 2021
	Rupees	Rupees
(a) Balance with Banks		
(i) In Current Account	**38,45,896**	27,64,323
	38,45,896	27,64,323
(b) Bank Balances other than above		
Balance with Banks		
Balance with bank held as margin money	**12,70,634**	10,51,177
Fixed Deposits with original maturity greater than 3 months	**13,50,00,000**	5,35,93,846
	13,62,70,634	5,46,45,023
	14,01,16,530	5,74,09,346

Note 10 - Loans

Particulars	As at March 31, 2022		As at March 31, 2021	
	Current	**Non Current**	Current	Non Current
	Rupees	Rupees	Rupees	Rupees
Loans Receivables considered good - Unsecured				
Loan to related party	–	**4,26,27,033**	11,75,00,000	–
Total	–	**4,26,27,033**	11,75,00,000	–

Loans or advances in the nature of loans to promoters, directors, KMPs or related parties (as defined under Companies Act, 2013,) either severally or jointly with any other person, that are:

(a) repayable on demand; or

(b) without specifying any terms or period of repayment

Particulars	As at March 31, 2022		As at March 31, 2021	
	Amount of loan or advance outstanding	**% to the total loans and advances**	Amount of loan or advance outstanding	% to the total loans and advances
Promoter	–	–	–	–
Directors	–	–	–	–
KPM's	–	–	–	–
Related parties	–	–	–	–
	–	–	–	–

Note 11 - Equity Share capital

Particulars	As at March 31, 2022		As at March 31, 2021	
	Nos	Rupees	Nos	Rupees
Authorised shares:				
Equity Shares of Rs. 10 each	**1,00,000**	**10,00,000**	1,00,000	10,00,000
	1,00,000	**10,00,000**	1,00,000	10,00,000
Issued, subscribed and fully paid-up shares:				
Equity Shares of Rs. 10 each	**1,00,000**	**10,00,000**	1,00,000	10,00,000
	1,00,000	**10,00,000**	1,00,000	10,00,000

Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Equity:	As at March 31, 2022		As at March 31, 2021	
	Nos	Rupees	Nos	Rupees
Opening Balance	**1,00,000**	**10,00,000**	1,00,000	10,00,000
Closing Balance	**1,00,000**	**10,00,000**	1,00,000	10,00,000

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

Terms/rights attached to equity shares

The Company is having only one class of equity shares having par value of Rs. 10 each. Each holder of equity share is entitled to one vote per share.

In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive remaining assets of the Company. The distribution will be in proportion to the number of equity shares held by the shareholders.

Details of shares held by the holding company:

Particulars	As at March 31, 2022	As at March 31, 2021
	Number of shares	Number of shares
Mahindra Infrastructure Developers Limited, the holding company	**98,999**	98,999

Details of shareholders holding more than 5% shares in the Company

Particulars	As at March 31, 2022		As at March 31, 2021	
	Number of shares	**% holding**	Number of shares	% holding
Mahindra Infrastructure Developers Limited	**98,999**	**99%**	98,999	99%

(iv) Details of shareholdings by the Promoter's of the Company

Class of shares / Name of shareholder	As at March 31, 2022		As at March 31, 2021	
	Number of shares	**% holding**	Number of shares	% holding
Equity shares with voting rights				
Mahindra Infrastructure Developers Limited	**98,999**	**99%**	98,999	99%
	–	**–**	–	–

Note 12 - Other Equity

Particulars	As at March 31, 2022 Rupees	As at March 31, 2021 Rupees
Retaining Earnings		
As per last balance sheet	**22,54,76,775**	40,44,83,870
Add: Profit for the year	**7,06,85,574**	8,06,37,442
Dividend paid during the year	**(9,00,00,000)**	(26,00,00,000)
Dividend Distribution Tax	**–**	–
Other Comprehensive Income / (Loss) for the year (net of tax)	**4,52,940**	3,55,463
Balance As at March 31, 2022	**20,66,15,289**	22,54,76,775

Retained Earnings represent the cumulative profits of the Company and the effects of remesurement of defined benefit obligations. The reserve can be utilised in accordance with the provisions of the Companies Act, 2013.

Note 13 - Trade Payables

Particulars	As at March 31, 2022 Rupees	As at March 31, 2021 Rupees
Total outstanding dues of Micro and Small enterprises [Refer Note no: 32]	**25,774**	27,199
Total outstanding dues of creditors other than micro and small enterprises	**72,19,362**	80,24,598
Total	**72,45,136**	80,51,797

Note:

Trade Payables are payables in respect of the amount due on account of goods purchased or services received in the normal course of business.

Ageing for trade payable from the due date of payment for each of the category is as follows:

Particulars	As at March 31, 2022	As at March 31, 2021
<u>**Undisputed dues of micro enterprises and small enterprises**</u>		
Unbilled	**–**	–
Not Due	**25,774**	27,199
0 months - 1 year	**–**	–
1-2 Years	**–**	–
2-3 years	**–**	–
More than 3 years	**–**	–
<u>**Undisputed dues of creditors other than micro enterprises and small enterprises**</u>		
Unbilled	**–**	–
Not Due	**72,19,362**	80,24,598
0 months - 1 year	**–**	–
1-2 Years	**–**	–
2-3 years	**–**	–
More than 3 years	**–**	–
Total	**72,45,136**	80,51,797

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

Note 14 - Other financial Liabilities

Particulars	As at March 31, 2022 Rupees	As at March 31, 2021 Rupees
Loans Receivables considered good - Secured		
(a) Payable to employees	**79,73,781**	66,93,364
(b) Deposits received from Service providers	**4,30,000**	4,55,000
Total	**84,03,781**	71,48,364

Note:

Payable to employees represents amounts payable towards Salary, performance pay and bonus

Deposits received from Service providers are security deposits received from the service providers as a security towards non-performance of their contract obligations, if any.

Note 15 - Other Current Liabilities

Particulars	As at March 31, 2022 Rupees	As at March 31, 2021 Rupees
(a) Statutory Dues - Taxes payable (other than income taxes)	**27,42,179**	28,39,813
(b) Interest payable U/s 234B of the Income Tax Act	**86,724**	–
Total	**28,28,903**	28,39,813

Note 16 - Provisions

Particulars	As at March 31, 2022 Rupees	As at March 31, 2021 Rupees
Provision for employee benefits		
Compensated absences	**97,39,466**	94,81,527
Total	**97,39,466**	94,81,527

Note - 17 Current Tax Liabilities (net)

Particulars	As at March 31, 2022 Rupees	As at March 31, 2021 Rupees
Provision for tax (net of advance tax)	**95,45,941**	95,45,941
Total	**95,45,941**	95,45,941

Note 18 - Provisions

Particulars	As at March 31, 2022 Rupees	As at March 31, 2021 Rupees
Provisions for Gratuity	**–**	3,73,708
Total	**–**	3,73,708

Note 19 - Revenue from Operations

Particulars	For the Year ended March 31, 2022 Rupees	For the Year ended March 31, 2021 Rupees
(a) Revenue from rendering of services	**21,42,45,000**	21,42,45,000
(b) Revenue from ancilliary services	**76,46,258**	1,12,47,601
Total	**22,18,91,258**	22,54,92,601

Note - 20 Other Income

Particulars	For the Year ended March 31, 2022 Rupees	For the Year ended March 31, 2021 Rupees
(a) Interest Income on financial assets carried at amortised cost		
(i) Bank deposits	**16,30,697**	36,95,068
(ii) Loan to related party	**82,42,289**	93,95,000
(b) Dividend Income	**13,050**	23,618
(c) Provision for doubtful debts written back	**–**	4,29,157
(d) Gain on Sale of Property, plant and equipment	**2,51,820**	2,29,102
(e) Recovery of bad debts written off	**–**	31,80,677
(f) Miscellaneous Income	**–**	3,24,324
Total	**1,01,37,856**	1,72,76,946

Note - 21 Employee Benefits Expenses

Particulars	For the Year ended March 31, 2022 Rupees	For the Year ended March 31, 2021 Rupees
(a) Salaries and wages	**6,63,41,432**	6,25,86,061
(b) Contribution to provident and other funds (See below Note)	**34,33,765**	31,83,159
(c) Staff welfare expenses	**22,49,968**	25,77,361
Total	**7,20,25,165**	6,83,46,581

Note:

Salaries and wages include: Salaries, wages, bonus, compensated absences and all other amounts payable to employees in respect of services rendered as per their employment terms under a contract of service / employment.

Contribution to provident fund and other funds includes contributions to Provident Fund, ESI, Labour Welfare Fund and gratuity fund with LIC.

Note - 22 Finance Cost

Particulars	For the Year ended March 31, 2022 Rupees	For the Year ended March 31, 2021 Rupees
Interest expense - interest on delayed / deferred payment of income tax	**86,724**	–
Total	**86,724**	–

Note - 23 Other Expenses

Particulars	For the Year ended March 31, 2022 Rupees	For the Year ended March 31, 2021 Rupees
(a) Rent including lease rentals	**3,30,000**	3,30,000
(b) Rates and taxes	**2,29,260**	2,42,360
(c) Insurance	**29,75,537**	23,57,154
(d) Repairs and maintenance - Machinery	**7,05,079**	7,98,223
(e) Repairs and maintenance - Others	**16,28,513**	13,91,218
(f) Legal and professional charges	**8,42,258**	23,61,403

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

Particulars		For the Year ended March 31, 2022 Rupees	For the Year ended March 31, 2021 Rupees
(g)	Software Expenses	**11,29,984**	10,50,394
(h)	Printing & Stationery	**4,02,648**	5,14,219
(i)	Postage and telephone	**7,46,325**	6,54,675
(j)	Subcontracting, Hire and Service Charges	**4,13,34,178**	4,20,71,988
(k)	Expenditure on corporate social responsibilty (CSR) under section 135 of the Companies Act, 2013.	**21,00,000**	22,52,950
(l)	Vehicle running expenses	**76,87,719**	75,16,548
(m)	Payment to auditors (refer Note (i) below)	**12,00,000**	12,00,000
(n)	Directors Fee	**80,000**	90,000
(o)	Miscellaneous Expenses	**17,05,562**	13,47,856
Total		**6,30,97,063**	6,41,78,988

Note (i)

Payment to Auditors:	For the Year ended March 31, 2022 Rupees	For the Year ended March 31, 2021 Rupees
Payment to auditors (net of GST input credit)		
For Statutory audit	**8,70,000**	8,70,000
For Certification and other services	**3,30,000**	3,30,000
Total	**12,00,000**	12,00,000

Note 24 - Contingent liabilities, Contingent Assets and commitments

Contingent liabilities (to the extent not provided for)

	As at March 31, 2022 Rupees	As at March 31, 2021 Rupees
Contingent liabilities		
Claims against the Company not acknowledged as debt		
Income tax demands disputed for various assessment years, on account of disallowance of certain expenses, where the Company has preferred appeal with the higher authorities	**–**	52,73,098
	–	52,73,098

In respect of items mentioned above the timing of outflow of economic benefits cannot be ascertained.

There are no Contingent Assets and Commitments at the end of each reporting periods

Note 25 - Current Tax and Deferred Tax

(a) Income Tax recognised in profit or loss

Particulars	Year ended March 31, 2022 Rupees	Year ended March 31, 2021 Rupees
Current Tax:		
In respect of current year	**2,45,70,000**	2,69,90,000
Deferred Tax:		
In respect of current year origination and reversal of temporary differences	**(25,302)**	4,63,660
Adjustments due to changes in tax rates	**–**	–
	(25,302)	4,63,660
Total income tax expense	**2,45,44,698**	2,74,53,660

(b) Income tax recognised in other Comprehensive income

Particulars	Year ended March 31, 2022 Rupees	Year ended March 31, 2021 Rupees
Deferred tax related to items recognised in other comprehensive income during the year:		
Remeasurement of defined benefit Liabilities / (assets)	**1,52,352**	1,19,565
Total	**1,52,352**	1,19,565
Classification of income tax recognised in other comprehensive income		
Income taxes related to items that will not be reclassified to profit or loss	**1,52,352**	1,19,565
Total	**1,52,352**	1,19,565

(c) Reconciliation of income tax expense and the accounting profit multiplied by Company's domestic tax rate:

Particulars	Year ended March 31, 2022 Rupees	Year ended March 31, 2021 Rupees
Profit before tax	**9,52,30,272**	10,80,91,102
Income tax expense calculated at 25.170%#	**2,39,67,555**	2,72,06,530
Reduction in tax rate	**–**	**–**
Effect of income that is exempt from taxation	**(3,284)**	–
Effect of expenses that is non-deductible in determining taxable profit	**5,80,427**	2,47,130
Income tax expense recognised In profit or loss	2,45,44,698	2,74,53,660

The tax rate used for the March 31, 2022 and March 31, 2021 in reconciliations above is the corporate tax rate of 25.170% (including surcharge and cess) payable by corporate entities in India on taxable profits under Indian Income Tax Laws.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(d) Movement of Deferred Tax

	For the Year ended March 31, 2022			
Particulars	**Opening Balance**	**Recognised in profit and Loss**	**Recognised in Other comprehensive income**	**Closing Balance**
	Rupees	Rupees	Rupees	Rupees
Tax effect of items constituting deferred tax assets				
Property, Plant and Equipment	**2,60,839**	**(59,886)**	**–**	**2,00,953**
Employee Benefits	**97,912**	**(7,049)**	**–**	**90,863**
Expenses allowable on actual payment	**23,86,501**	**64,923**	**–**	**24,51,424**
Provisions	**6,92,964**	**–**	**–**	**6,92,964**
Gratutity Provision	**94,062**	**(2,77,392)**	**1,52,352**	**(30,978)**
Net Tax Asset (Liabilities)	**35,32,278**	**(2,79,404)**	**1,52,352**	**34,05,226**

	For the Year ended March 31, 2021			
Particulars	**Opening Balance**	**Recognised in profit and Loss**	**Recognised in Other comprehensive income**	**Closing Balance**
	Rupees	Rupees	Rupees	Rupees
Property, Plant and Equipment	**1,94,422**	**66,417**	**–**	**2,60,839**
Employee Benefits	**93,129**	**4,783**	**–**	**97,912**
Expenses allowable on actual payment	**22,72,626**	**1,13,875**	**–**	**23,86,501**
Provisions	**14,85,432**	**(7,92,468)**	**–**	**6,92,964**
Gratutity Provision	**69,895**	**1,43,732**	**(1,19,565)**	**94,062**
Net Tax Asset (Liabilities)	**41,15,504**	**(4,63,660)**	**(1,19,565)**	**35,32,278**

Note 26 - Earnings per Share

Particulars	**For the year ended March 31, 2022**	For the year ended March 31, 2021
	Rupees	Rupees
	Per Share	Per Share
Basic Earnings per share	**706.86**	806.37
Diluted Earnings per share	**706.86**	806.37
	706.86	806.37

Basic earnings per share

The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:

Particulars	**For the year ended March 31, 2022**	For the year ended March 31, 2021
	Rupees	Rupees
Profit for the year attributable to owners of the Company	**7,06,85,574**	8,06,37,442
Earning used in the calculation of basic and diluted earnings per share	**7,06,85,574**	8,06,37,442
Weighted average number of equity shares for the purposes of basic and diluted earnings per share (Face value per share Rs.10)	**1,00,000**	1,00,000
Earnings per share - Basic & Diluted	**706.86**	806.37

Note 27 - Financial Instruments

Capital management

The company's capital management objectives are:

– to ensure the company's ability to continue as a going concern

– to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

The company monitors capital on the basis of the carrying amount of equity presented on the face of the statement of financial position.

The company sets the amount of capital in proportion to its overall financing structure, i.e. equity and financial liabilities. The company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

	31-Mar-22	31-Mar-21
Equity	**20,76,15,290**	22,64,76,775
Less : Cash and Bank Balances	**(14,01,16,530)**	(5,74,09,346)
	6,74,98,760	16,90,67,429

Categories of financial assets and financial liabilities

	As at March 31, 2022			
	Amortised Costs**	**FVTPL**	**FVOCI**	**Total**
	Rupees	Rupees	Rupees	Rupees
Non-current Assets				
Trade Receivables	–	–	–	–
Other Financial Assets	–	–	–	–
– Non Derivative Financial Assets	**18,406**	–	–	**18,406**
– Loans and advances	**4,26,27,033**	–	–	**4,26,27,033**
Current Assets				
Investments	–	**3,75,243**	–	**3,75,243**
Trade Receivables	**2,60,23,524**	–	–	**2,60,23,524**
Cash and Cash Equivalents	**38,45,896**	–	–	**38,45,896**
Other Bank Balances	**13,62,70,634**	–	–	**13,62,70,634**
Loans and advances	–	–	–	–
Other Financial Assets				
– Non Derivative Financial Assets	**17,68,883**	–	–	**17,68,883**
Current Liabilities				
Trade Payables	**72,45,136**	–	–	**72,45,136**
Other Financial Liabilities				
– Non Derivative Financial Liabilities	**84,03,781**	–	–	**84,03,781**

	As at March 31, 2021			
	Amortised Costs**	**FVTPL**	**FVOCI**	**Total**
	Rupees	Rupees	Rupees	Rupees
Non-current Assets				
Trade Receivables	–	–	–	–
Other Financial Assets				
– Non Derivative Financial Assets	1,90,32,355	–	–	1,90,32,355

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

	As at March 31, 2021			
	Amortised Costs**	FVTPL	FVOCI	Total
	Rupees	Rupees	Rupees	Rupees
Current Assets				
Investments	–	3,62,193	–	3,62,193
Trade Receivables	3,14,56,913	–	–	3,14,56,913
Cash and Cash Equivalents	27,64,323	–	–	27,64,323
Other Bank Balances	5,46,45,023	–	–	5,46,45,023
Loans and advances	11,75,00,000	–	–	11,75,00,000
Other Financial Assets				
– Non Derivative Financial Assets	50,96,091	–	–	50,96,091
Current Liabilities				
Trade Payables	80,51,797	–	–	80,51,797
Other Financial Liabilities				
– Non Derivative Financial Liabilities	71,48,364	–	–	71,48,364

** The Company considers that the carrying amount of these financial instruments recognised in the financials statements approximate their fair values.

Fair value of Investments

Investments represent investment by the Company in units of HDFC Cash Management Fund. The closing value at the end of each accounting period represents NAV as per HDFC Cash Management Fund and hence no separate fair valuation.

Financial Risk Management Framework

The Company's activities expose it to financial risks - credit risk and liquidity risk. In order to manage the aforementioned risks, the Company operates a risk management policy and a program that performs close monitoring of and responding to each risk factors.

CREDIT RISK

Credit risk management

(i) Credit risk arises when a counterparty defaults on its contractual obligations to pay resulting in financial loss to the Company. The company has only one client for whom the operation and maintenance services are rendered. The Company has reached a settlement with its customers and has a approved payment schedule in place and also revenue terms for the future period.

(ii) The Company has invested in units of HDFC Cash Management Fund which has the NAV of Rs. 3,75,243 as at the end of the reporting period(Previous year Rs. 3,62,193). HDFC has been regular in dividend payments and the credit risk on the investment is minimal.

The Company is not subject to any externally imposed capital requirements.

There is no change in estimation techniques or significant assumptions during the reporting period.

LIQUIDITY RISK

(i) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Company's short-term, medium-term and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

(ii) Maturities of financial liabilities

The following table details the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The amounts disclosed in the table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay.

Particulars	Less than 1 Year	1-3 Years	3 Years to 5 Years	5 years and above
	Rupees	Rupees	Rupees	Rupees
Non-derivative financial liabilities				
31-Mar-22				
Non-interest bearing	**1,56,48,917**	–	–	–
Total	**1,56,48,917**	–	–	–
31-Mar-21				
Non-interest bearing	1,52,00,161	–	–	–
Total	1,52,00,161	–	–	–

(iii) Maturities of financial assets

The following table details the Company's expected maturity for its non-derivative financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Company's liquidity risk management as the liquidity is managed on a net asset and liability basis.

Particulars	Less than 1 Year	1-3 Years	3 Years to 5 Years	5 years and above
	Rupees	Rupees	Rupees	Rupees
Non-derivative financial assets				
31-Mar-22				
Non-interest bearing	**16,82,84,180**	–	–	**18,406**
Total	**16,82,84,180**	–	–	**18,406**
31-Mar-21				
Non-interest bearing	21,18,24,543	1,90,04,355	–	28,000
Total	21,18,24,543	1,90,04,355	–	28,000

Note 28 - Fair Value Measurement

Fair Valuation Techiques and Inputs used - recurring Items

Financial assets/ financial liabilities measured at Fair value	Fair value as at March 31, 2022	Fair value as at March 31, 2021	Fair value hierarchy	Valuation technique(s) and key input(s)
	Rupees	Rupees		
Financial assets				
Investments				
Mutual fund investments	**3,75,243**	3,62,193	Level -1	Net asset value published by HDFC Mutual Fund
Total financial assets	**3,75,243**	3,62,193		

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

Note 29 - Employee benefits

(a) Defined Contribution Plan

The Company's contribution to Provident Fund aggregating Rs. 24,45,294 /- (2021 : Rs.22,17,790 /-) has been recognised in the Statement of Profit or Loss under the head Employee Benefits Expense.

(b) Defined Benefit Plans:

Gratuity

The Company operates a gratuity plan covering qualifying employees. The benefit payable is the greater of the amount calculated as per the Payment of Gratuity Act, 1972 or the Company scheme applicable to the employee. The benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. In case of death while in service, the gratuity is payable irrespective of vesting. The Company makes annual contribution to the group gratuity scheme administered by the Life Insurance Corporation of India through its Gratuity Trust Fund.

Through its defined benefit plans the Company is exposed to a number of risks, the most significant of which are detailed below:

Asset volatility

The plan liabilities are calculated using a discount rate set with references to government bond yields; if plan assets under perform compared to the government bonds discount rate, this will create or increase a deficit. The defined benefit plans hold a significant proportion of equity type assets, which are expected to outperform government bonds in the long-term while providing volatility and risk in the short-term.

As the plans mature, the Company intends to reduce the level of investment risk by investing more in assets that better match the liabilities.

However, the Company believes that due to the long-term nature of the plan liabilities and the strength of the supporting group, a level of continuing equity type investments is an appropriate element of the Company's long term strategy to manage the plans efficiently.

Changes in bond yields

A decrease in government bond yields will increase plan liabilities, although this is expected to be partially offset by an increase in the value of the plans' bond holdings and interest rate hedging instruments.

Life expectancy

The majority of the plan's obligations are to provide benefits for the life of the member, so increase in life expectancy will result in an increase in the plan's liabilities. This is particularly significant in the Company's defined benefit plans, where inflationary increases result in higher sensitivity to changes in life expectancy.

Salary risk

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan particpants will increase the plan's liability.

Note: An entity shall disclose description of any plan amendments, curtailments and settlements.

The significant actuarial assumptions used for the purposes of the actuarial valuations were as follows:

	Valuation as at	
	31-Mar-22	31-Mar-21
Discount rate(s)	**7.20%**	6.80%
Expected rate(s) of salary increase	**8.00%**	8.00%
Expected rate of return on plan assets	**7.20%**	6.80%

Attrition rate

	Valuation as at	
Age (Years)	**31-Mar-22**	31-Mar-21
21 - 30	**10.00%**	10.00%
31 - 40	**5.00%**	5.00%
41 - 50	**3.00%**	3.00%
51 - 59	**1.00%**	1.00%

Defined benefit plans – as per actuarial valuation on March 31, 2022

Particulars	Funded Plan Gratuity **2022** Rupees	2021 Rupees
Amounts recognised in the Statement of Profit and Loss are as follows:		
1. Current service cost	**7,86,116**	7,66,174
2. Past Service Credit		
3. Interest on net defined benefit liability/ (asset)	**25,412**	19,022
Components of defined benefit costs recognised in profit or loss	**8,11,528**	7,85,196
Remeasurement on the net defined benefit liability		
Return on plan assets (excluding amount included in net interest expense)	**(18,467)**	(9,505)
Actuarial (gains) and losses arising from changes in financial assumptions	**(4,12,302)**	50,154
Actuarial (gains) and losses arising from changes in demographic assumptions	**–**	–
Actuarial (gains) and losses arising from experience adjustments	**(1,74,523)**	(5,15,677)
Change in asset ceiling, excluding amounts included in interest expenses	**–**	–
Components of defined benefit costs recognised in other comprehensive income	**(6,05,292)**	(4,75,028)
I. Net Asset/(Liability) recognised in the Balance Sheet as at March 31,		
1. Present value of defined benefit obligation as at March 31,	**98,40,497**	90,57,817
2. Fair value of plan assets as at March 31,	**99,63,571**	86,84,109
3. Surplus/(Deficit)	**1,23,074**	(3,73,708)
4. Amount not recognised due to asset limit	**–**	–
5. Current portion of the above	**–**	–
6. Non current portion of the above	**1,23,074**	(3,73,708)
II. Change in the obligation during the year ended March 31,		
1. Present value of defined benefit obligation at the beginning of the year	**90,57,817**	87,11,920
2. Add/(Less) on account of Scheme of Arrangement/Business Transfer	**–**	–
3. Expenses Recognised in Profit and Loss Account		
– Current Service Cost	**7,86,116**	7,66,174
– Past Service Cost	**–**	–
– Interest Expense (Income)	**6,05,601**	5,70,246
4. Recognised in Other Comprehensive Income		

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

Particulars	Funded Plan Gratuity 2022 Rupees	2021 Rupees
Remeasurement (gains) / losses		
- Actuarial Gain (Loss) arising from:		
i. Demographic Assumptions	**–**	–
ii. Financial Assumptions	**(4,12,302)**	50,154
iii. Experience Adjustments	**(1,74,523)**	(5,15,677)
5. Benefit payments	**(22,212)**	(5,25,000)
6. Others (Specify)		
7. Present value of defined benefit obligation at the end of the year	**98,40,497**	90,57,817
III. Change in fair value of plan assets during the year ended March 31,		
1. Fair value of plan assets at the beginning of the year	**86,84,109**	84,34,228
2. Add/(Less) on account of Scheme of Arrangement/Business Transfer	**–**	–
3. Expenses Recognised in Profit and Loss Account		
– Expected return on plan assets	**5,80,189**	5,51,224
4. Recognised in Other Comprehensive Income		
Remeasurement gains / (losses)		
– Actual Return on plan assets in excess of the expected return	**18,467**	9,505
5. Contributions by employer (including benefit payments)	**7,03,018**	2,14,152
6. Benefit payments	**(22,212)**	(5,25,000)
7. Fair value of plan assets at the end of the year	**99,63,571**	86,84,109
IV. The Major categories of plan assets		
– Insurer managed funds (Non Quoted Value)	**99,63,571**	86,84,109

Notes:

The current service cost and net interest expenses for the year is included in the “Employee benefits expenses” line item in the statement of profit and loss.

The remeasurernent of the net defined benefit liability is Included-in other comprehensive income.

V The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

Principal assumption		Impact on defined benefit obligation: Increase in assumption	Decrease in assumption
Discount rate	2022	89,16,328	1,09,23,241
	2021	81,28,484	1,01,54,120
Salary growth rate	2022	1,09,03,898	89,14,731
	2021	1,01,30,110	81,30,085

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the Balance sheet.

The methods and types of assumptions used in preparing the sensitivity analyses did not change compared to previous period.

VI Maturity profile of defined benefit obligation:

	2022	2021
Expected benefits for year 1	**5,80,670**	3,03,838
Expected benefits for year 2	**5,27,421**	5,54,493
Expected benefits for year 3	**19,47,180**	5,01,044
Expected benefits for year 4	**3,87,026**	14,52,865
Expected benefits for year 5	**2,80,700**	3,69,058
Expected benefits for year 6	**4,74,356**	2,62,190
Expected benefits for year 7	**7,71,560**	4,51,660
Expected benefits for year 8	**8,32,381**	7,52,953
Expected benefits for year 9	**11,59,103**	8,12,871
Expected benefits for year 10	**1,72,38,348**	1,70,65,681

VII Plan Assets

The fair value of Company’s pension plan asset as of March 31, 2021 and 2020 category are as follows:

	2022	2021
Asset category:		
Cash and cash equivalents	**–**	–
Debt instruments (quoted)	**–**	–
Debt instruments (unquoted)	**–**	–
Equity instruments (quoted)	**–**	–
Deposits with Insurance companies	**99,63,571**	86,84,109
	99,63,571	86,84,109

The Company’s policy is driven by considerations of maximizing returns while ensuring credit quality of the debt instruments. The asset allocation for plan assets is determined based on investment criteria prescribed under the Indian Income Tax Act, 1961, and is also subject to other exposure limitations. The Company evaluates the risks, transaction costs and liquidity for potential investments. To measure plan asset performance, the Company compares actual returns for each asset category with published benchmarks.

The weighted average duration of the defined benefit obligation as at March 31, 2022 is 10.14 years (2021: 11.12 years)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

VIII. Experience Adjustments :

	Year ended				
	2022	2021	2020	2019	2018
			Gratuity		
1. Defined Benefit Obligation	98,40,497	90,57,817	87,11,920	73,66,597	66,84,418
2. Fair value of plan assets	99,63,571	86,84,109	84,34,228	78,78,790	73,74,778
3. Surplus/(Deficit)	1,23,074	(3,73,708)	(2,77,692)	5,12,193	6,90,360
4. Experience adjustment on plan liabilities [(Gain)/Loss]	(1,74,523)	(5,15,677)	(5,67,173)	(1,83,710)	(2,13,107)
5. Experience adjustment on plan assets [Gain/(Loss)]	(18,467)	(9,505)	11,077	54,216	(1,09,471)

The expected rate of return on plan assets is based on the average long term rate of return expected on investments of the fund during the estimated term of obligation.

The estimate of future salary increases, considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Note 30 - Related Party Transactions

Name of the related party	Relationship
Mahindra & Mahindra Limited	Ultimate Holding Company
Mahindra Lifespace Developers Limited	Parent of the Holding Company
Mahindra Infrastructure Developers Limited	Holding Company

Note: Relationships between a parent and its subsidiaries shall be disclosed irrespective of whether there have been transactions between them. An entity shall disclose the name of its parent and, if different, the ultimate controlling party. If neither the entity's parent nor the ultimate controlling party produces consolidated financial statements available for public use, the name of the next most senior parent that does so shall also be disclosed.

List of other related parties & relationships

Name of the related party	Relationship
Mahindra & Mahindra Financial Services Limited	Fellow subsidiary
Mahindra Rural Housing Finance Limited	Fellow subsidiary
Mahindra Engineering Chemical Private Limited	Fellow subsidiary

Details of transaction between the Company and its related parties are disclosed below:

Nature of transactions with Related Parties	Mahindra & Mahindra Limited	Mahindra & Mahindra Financial Services Limited	Mahindra Infrastructure Developers Limited	Mahindra Rural Housing Finance Limited	Mahindra Engineering Chemical Private Limited	Total
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Loan to related party	–	4,26,27,033	–	–	–	4,26,27,033
	(–)	(–)	(–)	(–)	(–)	–
Repayment of loan by related party	–	3,75,00,000	–	8,00,00,000	–	11,75,00,000
	(–)	(5,00,00,000)	(–)	(–)	(–)	(5,00,00,000)
Interest on loan to related party	–	27,88,041	–	54,54,248	–	82,42,289
	(–)	(30,89,898)	–	(63,05,102)	(–)	(93,95,000)
Dividend paid	–	–	8,90,99,100	–	–	8,90,99,100
	(–)	(–)	(25,73,97,400)	(–)	(–)	(25,73,97,400)
Professional Charges	3,78,000	–	–	–	–	3,78,000
	(17,15,117)	(–)	(–)	(–)	(–)	(17,15,117)
Safety Consumables	–	–	–	–	–	–
	(–)	(–)	(–)	(–)	(19,050)	(19,050)
Software expenses	6,83,032	–	–	–	–	6,83,032
	(6,26,013)	(–)	(–)	(–)	(–)	(6,26,013)
Training Fee	–	–	–	–	–	–
	(35,304)	(–)	(–)	(–)	(–)	(35,304)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

Nature of Balances with Related Parties	Mahindra & Mahindra Limited	Mahindra & Mahindra Financial Services Limited	Mahindra Infrastructure Developers Limited	Mahindra Rural Housing Finance Limited	Mahindra Engineering Chemical Private Limited	Total
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Trade payables	3,78,000	–	–	–	–	3,78,000
	(3,09,400)	(–)	(–)	(–)	(–)	(3,09,400)
Loan to related party	–	4,26,27,033	–	–	–	4,26,27,033
	(–)	(3,75,00,000)	(–)	(8,00,00,000)	(–)	(11,75,00,000)
Interest Accrued on Loan to related party	–	1,72,166	–	–	–	1,72,166
	(–)	(27,89,962)	–	(8,00,821)	(–)	(35,90,783)

Note:
Previous year's figures are in brackets.
Trade payables to related parties represent dues on account of services rendered and do not contain guarantee transactions.

No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

Note 31 - Disclosure pursuant to Ind AS 115 "Revenue from Contracts with Customers" :

	Particular	For the year ended March 31, 2022	For the year ended March 31, 2021
1	Details of revenue from contract with customer recognised by the Company, net of indirect taxes in its statement of Profit and loss.		
	Rendering of Services	**22,18,91,258**	22,54,92,601
2	Impairment loss on trade receivables recognised / (written back) in the Statement of profit and loss based on evaluation under Ind AS 109	**–**	(4,29,157)
3	**Disaggregate Revenue**		

Particular	For the year ended March 31, 2022	For the year ended March 31, 2021
Revenue based on market or customer type		
Government / bodies established by Government	**22,18,91,258**	22,54,92,601
Other than Government	**–**	–
	22,18,91,258	22,54,92,601
Revenue based on its geographical location		
Within India	**22,18,91,258**	22,54,92,601
Overseas locations	**–**	–
	22,18,91,258	22,54,92,601
Revenue based on its timing of recognition		
Point in time	**–**	–
Over a period of time	**22,18,91,258**	22,54,92,601
	22,18,91,258	22,54,92,601

4 **Reconciliation of revenue from contract with customer**

Particular	For the year ended March 31, 2022	For the year ended March 31, 2021
Revenue from contract with customer as per the contract price	**22,18,91,258**	22,54,92,601
Adjustments made to contract price on account of :-		
Discounts / Rebates / Incentives	**–**	–
Sales Returns / Reversals	**–**	–
Deferment of revenue	**–**	–

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

Particular	For the year ended March 31, 2022	For the year ended March 31, 2021
Changes in estimates of variable consideration	–	–
Recognition of revenue from contract liability out of opening balance of contract liability	–	–
Any other adjustments	–	–
Revenue from contract with customer as per the statement of Profit and Loss	**22,18,91,258**	22,54,92,601

5 **Breakup of Revenue into contracts entered in previous year and in current year**

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Revenue from PO/ contract / agreement entered into previous year	**22,18,91,258**	22,54,92,601
Revenue from New PO/ contract / agreement entered into current year	–	–
Total Revenue recognised during the period	**22,18,91,258**	22,54,92,601

Note 32 - Details of Dues to Micro And Small Enterprises

	Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
	Current		
a)	The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
	Principal	**25,774**	27,199
	Interest	–	–
b)	The amount of interest paid by the buyer in terms of Section 16 along with the amount of the payment made to the supplier beyond the appointed day during the year	–	–
	Principal	–	–
	Interest	–	–
c)	The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified	–	–
d)	The amount of interest accrued and remaining unpaid at the end of the year	–	–
e)	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of Micro, Small and Medium Enterprises Development Act, 2006	–	–

This information has been determined to the extent such parties have been identified on the basis intimation received from the “suppliers” regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006.

Note 33 - Disclosure under Section 186(4) of the Companies Act, 2013:

Name	Nature	Opening Balance	Given during the year (Rs.)	Repaid during the year (Rs.)	Closing Balance (Rs.)	Period	Rate of Interest	Purpose
Mahindra & Mahindra Financial Services Limited	Loan	3,75,00,000	4,26,27,033	3,75,00,000	4,26,27,033	04.03.2022 to 04.03.2024	**5.85%**	**Business**
Mahindra Rural Housing Finance Limited	Loan	8,00,00,000	–	8,00,00,000	–	–	–	–

Note 34 - Corporate Social Responsibility

(a) Gross amount required to be spent by the company during the year - Rs.21,00,000

(b) Amount spent during the year on (give categories):

Particulars	Amount spent	Amount yet to be paid	Total Amount
Plantation of Trees	19,00,000	–	**19,00,000**
Environment Project - Green Army Family Workshops	2,00,000	–	**2,00,000**
Total	**21,00,000**	**–**	**21,00,000**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

Note 35 - Ratios

a) Current Ratio

Particulars	March 31, 2022	March 31, 2021
	Amount	Amount
Current Assets (A)	**16,99,66,548**	21,30,00,427
Current Liabilities (B)	**3,77,63,227**	3,70,67,442
Ratio (A / B)	**4.50**	5.75

b) Debt Equity Ratio

Particulars	March 31, 2022	March 31, 2021
	Amount	Amount
Net Debt (A)	**(11,40,93,006)**	(5,74,09,346)
Equity (B)	**20,76,15,290**	22,64,76,775
Debt Equity Ratio (A / B)	**(0.55)**	(0.25)

c) Debt Service Coverage Ratio (DSCR)

Particulars	March 31, 2022	March 31, 2021
	Amount	Amount
PBT	**9,52,30,272**	10,80,91,102
Depreciation	**15,89,890**	21,52,876
Interest (Charged to P&L)	**86,724**	–
EBDITA (A)	**9,69,06,886**	11,02,43,978
Debt		
Current maturities of long term debt	**–**	–
Long term borrowings	**–**	–
Short term borrowings	**–**	–
Interest expenses	**86,724**	–
Total Debt (B)	**86,724**	–
Debt Service Coverage Ratio (DSCR) (A / B)	**1,117**	–

d) Return of Equity

Particulars	March 31, 2022	March 31, 2021
	Amount	Amount
PAT	**7,06,85,574**	8,06,37,442
Networth	**20,76,15,290**	22,64,76,775
Ratio (A / B)	**0.34**	0.36

e) Trade Receivables turnover ratio

Particulars	March 31, 2022	March 31, 2021
	Amount	Amount
Turnover (A)	**22,18,91,258**	22,54,92,601
Trade Receivables (Average) (B)	**2,87,40,219**	2,84,43,178
Ratio (A / B)	**7.72**	7.93

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

f) Trade Payable turnover ratio

Particulars	**March 31, 2022**	**March 31, 2021**
	Amount	Amount
COGS (A)	**6,30,97,063**	6,41,78,988
Average Trade payable (B)	**76,48,467**	78,42,455
Ratio (A / B)	**8.25**	8.18

g) Net capital turnover ratio

Particulars	**March 31, 2022**	**March 31, 2021**
	Amount	Amount
Average Networth (A)	**21,70,46,033**	31,59,80,323
Turnover (B)	**22,18,91,258**	22,54,92,601
Ratio (A / B)	**0.98**	1.40

h) Net profit ratio

Particulars	**March 31, 2022**	**March 31, 2021**
	Amount	Amount
PAT (A)	**7,06,85,574**	8,06,37,442
Revenue (B)	**22,18,91,258**	22,54,92,601
Ratio (A / B)	**0.32**	0.36

i) Return on Capital employed

Particulars	**March 31, 2022**	**March 31, 2021**
	Amount	Amount
PAT (A)	**7,06,85,574**	8,06,37,442
Capital employed (B)	**–**	–
Net worth	**21,70,46,033**	31,59,80,323
Borrowing	**–**	–
	21,70,46,033	31,59,80,323
Ratio (A / B)	**0.33**	0.26

j) Return on investment

Particulars	**March 31, 2022**	**March 31, 2021**
	Amount	Amount
PAT (A)	**7,06,85,574**	8,06,37,442
Capital employed (B)	**21,70,46,033**	31,59,80,323
Ratio (A / B)	**0.33**	0.26

Note - 36

The Company's business activity is that of an Operations and Maintenance (O&M) Contractor. All activities of the company revolve around its main business. The company operates only in India. There is a single operating segment as defined by Indian Accounting Standard 108 "Operating Segments".

Note - 37

The Company has entered into operating lease arrangements for warehouse. The lease is cancellable and for a period of 11 months, renewable by mutual consent. Lease payments recognised in the Statement of Profit and loss is Rs. 3,30,000/- (Previous year 3,30,000/-)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

Note - 38

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable to the Company from April 1, 2022.

Note - 39

In respect of the current year, the Board at its meeting held on April 19, 2022 has recommended a dividend of Rs.1200 per share on equity shares of Rs.10 each subject to approval by shareholders at the Annual General Meeting. The same has not been included as a liability in these financial statements. The proposed equity dividend is payable to all shareholders on the Register of Members as on the date of approval by the shareholders ("the record date"). The total estimated equity dividend to be paid is Rs.12,00,00,000."

Note - 40

The Company considered the impact of COVID-19 on the assumptions and estimates used in the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and reported amounts of revenue and expenses during the reporting periods presented and determined that there were no material adverse impacts on the financial statements of the Company for the year ended March 31, 2022.

Note - 41

Disclosure Of Struck Off Companies: The Company does not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

Note - 42

No material events have occurred after the balance sheet date and upto the approval of the financial statements.

Note - 43

The financial statements were approved for issue by the Board of Directors on April 19th, 2022.

Note - 44

Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

In terms of our report attached

For Deloitte Haskins & Sells Chartered Accountants LLP
Chartered Accountants

Ketan Vora
Partner

Place: Mumbai
Date : April 19th, 2022

For and on behalf of the Board of Directors

Arvind Subramanian Director

Vimal Agarwal Director

Place: Mumbai
Date : April 19th, 2022

INDEPENDENT AUDITORS' REPORT

To the Members of

MAHINDRA WORLD CITY DEVELOPERS LIMITED

Report on the audit of the Standalone Financial Statements

Opinion

We have audited the accompanying Standalone Financial Statements of Mahindra World City Developers Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information. (herein after referred to as "the Financial Statements").

In our opinion and to the best of our information and according to the explanations given to the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, of its loss and total comprehensive loss, its cash flows and its changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the Standalone Financial Statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the 'Auditors' Responsibilities for the Audit of the Standalone Financial Statements' section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("the ICAI") together with the ethical requirements that are relevant to our audit of the Standalone Financial Statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Financial Statements.

Information other than the Standalone Financial Statements and Auditors' Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the Directors' Report and the related annexures, but does not include the Standalone Financial Statements and our Auditors' Report thereon.

Our opinion on the Standalone Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the Standalone Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the Standalone Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Standalone Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Standalone Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Standalone Financial Statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on other Legal and Regulatory requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in Annexure B, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and the Statement of Changes in Equity dealt with by this report are in agreement with the books of account.

   (d) In our opinion, the aforesaid Standalone Financial Statements comply with the Accounting Standards specified under Section 133 of the Act.

   (e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164(2) of the Act.

   (f) With respect to the adequacy of the internal financial controls with reference to Standalone Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure A. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to Standalone Financial Statements.

   (g) In our opinion and to the best of our information and according to the explanations given to us, the Company has not paid any remuneration to its directors during the year and hence provisions of Section 197 of the Companies Act, 2013 are not applicable.

   (h) With respect to the other matters to be included in the Auditors' Report in accordance with the requirements of Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

      (i) The Company has disclosed the impact of pending litigations on its financial position in its Standalone Financial Statements. (Refer Note 28 to the Standalone Financial Statements)

      (ii) The Company did not have any long- term contracts which has any material foreseeable losses. The Company did not have any derivative contracts.

      (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

      (iv) The management of the Company have represented to us respectively that, to the best of their knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

      (v) The management of the Company is represented to us that, to the best of their knowledge and belief, no funds have been received by the Company or any of such subsidiaries from any person(s) or entity(ies) including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company or any of such subsidiaries shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

      (vi) Based on the audit procedures, that has been considered reasonable and appropriate in the circumstances, performed by us nothing has come to our notice that has caused us or the other auditors to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

      (vii) The Company has not declared any dividend during the year.

For **B. K. Khare & Co.**
Chartered Accountants
(Firm's Registration Number 105102W)

Aniruddha Joshi
Partner
Membership No. 040852
UDIN: 22040852AHRBLN1873

Place: Mumbai
Date: April 23, 2022

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

[Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date]

Report on the Internal Financial Controls with reference to Standalone Financial Statements under Clause (i) of sub-section (3) of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to Standalone Financial Statements of Mahindra World City Developers Limited ("the Company") as of March 31, 2022 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to Standalone Financial Statements of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to Standalone Financial Statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to Standalone Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to Standalone Financial Statements included obtaining an understanding of internal financial controls with reference to Standalone Financial Statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to Standalone Financial Statements.

Meaning of Internal Financial Controls with reference to Standalone Financial Statements

A company's internal financial control with reference to Standalone Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Standalone Financial Statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to Standalone Financial Statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Standalone Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the Standalone Financial Statements.

Inherent Limitations of Internal Financial Controls with reference to Standalone Financial Statements

Because of the inherent limitations of internal financial controls with reference to Standalone Financial Statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to Standalone Financial Statements to future periods are subject to the risk that the internal financial control with reference to Standalone Financial Statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system with reference to Standalone Financial Statements and such internal financial controls with reference to Standalone Financial Statements were operating effectively as at March 31, 2022, based on the criteria for internal financial control with reference to Standalone Financial Statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **B. K. Khare & Co.**
Chartered Accountants
Firm Registration No. 105102W

Aniruddha Joshi
Partner
Membership No. 040852
UDIN: 22040852AHRBLN1873

Place: Chennai
Date: April 23, 2022

ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

i. In respect of its Property, Plant and Equipment:

(a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the property, plant and equipment.

(b) The Property, Plant and Equipment were physically verified during the year by the Management and according to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) With respect to immoveable properties of land that are freehold, according to the information and explanations given to us and the records examined by us and based on the examination of the original title deeds / Land Delivery Receipts (LDR's) issued by Government provided to us, we report that, the title deeds of such immovable properties are held in the name of the Company as at the balance sheet date.

ii. a) In our opinion and according to the information and explanations given to us, having regard to the nature of inventory, the physical verification by way of verification of title deeds are done at reasonable intervals and no material discrepancies were noticed on physical verification.

b) According to the information and explanations given to us, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from HDFC Bank Limited on the basis of security of the current assets of the Company excluding Inventories during the year. The Cashflow statements filed by the Company with HDFC Bank Limited on a quarterly basis are in agreement with the unaudited books of account as certified by the management.

iii. According to the information and explanations given to us, the Company has not made any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year. Accordingly, the reporting under Clauses 3(iii)(a) to 3(iii)(f) of the Order is not applicable to the Company.

iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act with respect to investments made. The Company has not granted any loans or provided any guarantee or security during the year to the parties covered under Sections 185 and 186 of the Act.

v. According to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under, where applicable. Accordingly, the reporting under Clause 3(v) of the Order is not applicable to the Company.

vi. The maintenance of cost records has been specified by the Central Government under Section 148(1) of the Act. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended, prescribed by the Central Government under subsection (1) of Section 148 of the Act and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

vii. According to the information and explanations given to us, in respect of statutory dues:

(a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Income-tax, Goods and Services Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.

(b) There were no undisputed amounts payable in respect of Provident Fund, Income-tax, Goods and Services Tax, Cess and other material statutory dues in arrears as at March 31, 2022 for a period of more than six months from the date they became payable.

(c) The details of dues of Service Tax which has not been deposited as on March 31, 2022 on account of disputes are given below:

Name of Statue	Nature of Dues	Forum where dispute is pending	Period to which amount relates	Amount Unpaid (Rs. in Lakhs)
Finance Act, 1994	Service Tax	CESTAT	2008-2017	455.23
The Income Tax Act, 1961	Income Tax	Hon'ble High Court of Madras	2016-17	10,100

viii. According to the information and explanations given to us and on the basis of our examination of books and records of the Company, the Company has not defaulted in the repayment of loans or borrowings to financial institutions and banks. The Company has not taken any loans or borrowings from Government and has not issued any debentures.

ix. a) According to the information and explanations given to us and based on the audit procedures performed by us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.

b) According to the information and explanations given to us, the Company has not been declared a willful defaulter by any bank or financial institution or any other lender till the date of our audit report.

c) In our opinion and according to the information and explanations given to us, the term loans have been applied for the purpose for which the loans were obtained.

d) In our opinion and according to the information and explanations given to us and on an overall examination of the Balance sheet of the Company, we report that funds raised on short-term basis have not been utilised for long-term purposes as at the Balance Sheet date.

e) According to the information and explanations given to us and on an overall examination of the Financial Statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.

f) According to the information and explanations given to us and based on the audit procedures performed by us, we report that the Company has not raised any loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies. Accordingly, the reporting under Clause 3(ix)(f) of the Order is not applicable to the Company.

x. a) According to the information and explanations given to us, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under Clause 3(x)(a) of the Order is not applicable to the Company.

b) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Accordingly, the reporting under Clause 3(x)(b) of the Order is not applicable to the Company.

xi. a) During the course of our examination of books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the management.

b) There has been no report filed by us under sub-section (12) of Section 143 of the Act in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government. Accordingly, the reporting under Clause 3(xi)(b) of the Order is not applicable to the Company.

c) As represented to us by the management, no whistle blower complaints were received by the Company during the year.

xii. According to the information and explanations given to us, the Company is not a Nidhi company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, the reporting under Clause 3(xii) of the Order is not applicable to the Company.

xiii. In our opinion and according to the information and explanations given to us, the Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the Financial Statements as required by Indian Accounting Standard (Ind AS) 24, Related Party Disclosures, specified under Section 133 of the Act.

xiv. a) In our opinion and according to the information and explanations given to us and based on our examination, the Company has an internal audit system commensurate with the size and nature of its business.

b) We have considered the Internal Audit reports of the Company issued till date for the period under audit.

xv. In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or directors of its holding company, Associate, Joint venture or persons connected with them during the year and hence provisions of Section 192 of the Act are not applicable to the Company. Accordingly, the reporting under (xv) of the Order is not applicable to the Company.

xvi. a) According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under Clause (xvi) of the Order is not applicable to the Company.

b) In our opinion and according to the information and explanations given to us, the Company has not conducted any Non-Banking Financial or Housing Finance activities. Accordingly, the reporting under Clause 3(xvi)(b) of the Order is not applicable to the Company.

(c) and (d) In our opinion and according to the information and explanations given to us, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India.

Accordingly, the reporting under Clauses 3(xvi)(c) and 3(xvi)(d) of the Order is not applicable to the Company.

xvii. In our opinion and according to the information and explanations given to us, the Company has incurred cash losses of Rs. 1699 lakhs during the current financial year and Rs. 678 lakhs in the immediately preceding financial year

xviii. There has been no resignation of the statutory auditors during the year. Accordingly, the reporting under Clause 3(xviii) of the Order is not applicable to the Company.

xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of Balance Sheet as and when they fall due within a period of one year from the Balance Sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the Balance Sheet date, will get discharged by the Company as and when they fall due.

xx. According to the information and explanations given to us, in respect of other than ongoing projects, the Company has no unspent amount that needs to be transferred to a Fund specified in Schedule VII to the Act in compliance with second proviso to sub-section (5) of Section 135 of the Act.

xxi. According to the information and explanations given to us, in respect of ongoing projects, the Company has no unspent amount which needs to be transferred to a special account in compliance with sub-section (6) of Section 135 of the Act.

For **B. K. Khare & Co.**
Chartered Accountants
Firm Registration No. 105102W

Aniruddha Joshi
Partner
Membership No. 040852
UDIN: 22040852AHRBLN1873

Place: Chennai
Date: April 23, 2022

BALANCE SHEET AS AT 31 MARCH, 2022

(Amounts in INR Lakhs)

Particulars	Note No.	As at 31 March, 2022	As at 31 March, 2021
ASSETS			
Non-current assets			
(a) Property, Plant and Equipment	3	**2,642.12**	2,907.41
(b) Capital Work in Progress	3	**30.00**	30.00
(c) Intangible Assets	3	**–**	–
(d) Financial Assets			
(i) Investments			
(a) Investments in Associate	4	**1,300.00**	1,300.00
(b) Investments in Joint Venture	4	**10,200.00**	10,200.00
(ii) Other Financial Assets	5	**5.02**	5.02
(e) Deferred Tax Asset (Net)	15	**1,110.76**	257.90
(f) Other Non-Current Assets	6	**196.66**	122.85
		15,484.56	14,823.18
Current assets			
(a) Inventories	7	**27,680.47**	27,664.03
(b) Financial Assets			
(i) Trade Receivables	8	**403.04**	439.52
(ii) Cash and Cash Equivalents	9	**1,360.95**	198.39
(iii) Other Financial Assets	5	**–**	–
(c) Other Current Assets	6	**3,384.68**	3,378.46
		32,829.14	31,680.40
Total Assets		**48,313.70**	46,503.58
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share capital	10	**2,000.00**	2,000.00
(b) Other Equity	11	**9,013.17**	11,046.01
Total Equity		**11,013.17**	13,046.01
Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings	12A	**–**	22,855.02
(ii) Other Financial Liabilities	13	**1.64**	1.54
(b) Other Liabilities	14	**1,279.47**	1,338.23
(c) Deferred Tax Liabilities (Net)	15	**–**	–
(d) Provisions	16	**21.30**	22.61
Total Non-current liabilities		**1,302.41**	24,217.40
Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	12B	**33,705.25**	7,838.30
(ii) Trade Payables			
total outstanding dues of micro enterprises and small enterprises	17	**65.45**	14.26
total outstanding dues of creditors other than micro enterprises and small enterprises	17	**827.80**	795.19
(iii) Other Financial Liabilities	13	**793.38**	135.53
(b) Other Current Liabilities	14	**426.16**	396.05
(c) Provisions	16	**180.08**	60.84
Total Current Liabilities		**35,998.12**	9,240.17
Total Liabilities		**37,300.53**	33,457.57
Total Equity and Liabilities		**48,313.70**	46,503.58
Summary of Significant Accounting Policies	2		

The accompanying notes 1 to 40 are an integral part of the financial statements.

In terms of our Report of even date
for **B.K. Khare & Co.**
Chartered Accountants

Aniruddha Joshi
Partner

Place: Chennai
Date: 23rd April 2022

For and on behalf of the board of directors of
Mahindra World City Developers Limited

A K Nanda
Chairman
(DIN:00010029)

Arvind Subramanian
Director
(DIN: 02551935)

Vimal Agarwal
Chief Executive Officer

Bharathy K
Chief Financial Officer

Antaryami Sahoo
Company Secretary

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH, 2022

(Amounts in INR Lakhs)

Particulars	Note No.	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Income			
I. Revenue from operations	18	2,849.98	4,640.38
II. Other Income	19	12.42	55.99
III. Total income (I + II)		2,862.40	4,696.37
Expenses			
(a) Cost of Projects			
Cost of Projects	20	–	626.89
Operation and Maintenance Expenses	21	1,670.15	1,636.19
(b) Employee Benefits Expense	22	379.81	341.02
(c) Depreciation/Amortisation Expense	3	332.94	338.04
(d) Finance Costs	23	2,711.98	2,007.65
(e) Other Expenses	24	652.09	582.31
IV. Total Expenses		5,746.97	5,532.10
V. Loss before tax (III) - (IV)		(2,884.57)	(835.73)
Tax expenses/(Credit)			
Current tax	15	–	–
Deferred tax	15	(852.54)	(185.26)
Tax relating to earlier years- Current Tax	28	–	2,204.85
Tax relating to earlier years -Deferred Tax		–	(1,838.50)
VI. Total tax expense/(Credit)		(852.54)	181.09
VII. Loss for the year after tax (V- VI)		(2,032.03)	(1,016.82)
Other Comprehensive Income/(Loss)			
Items that will not be reclassified to profit or loss			
(a) Remeasurement of the defined benefit plans		(1.14)	7.60
(b) Income tax relating to Items that will not be reclassified to profit or loss		(0.33)	2.21
VIII. Other Comprehensive Income/(loss) for the year		(0.81)	5.39
Total Comprehensive Loss for the year (VII + VIII)		(2,032.84)	(1,011.43)
Earnings per equity share (face value of Rs.10/- each)	27		
Basic & Diluted earnings per share (Rs.)		(10.16)	(5.08)
Summary of Significant Accounting Policies	2		

The accompanying notes 1 to 40 are an integral part of the financial statements.

In terms of our Report of even date
for **B.K. Khare & Co.**
Chartered Accountants

Aniruddha Joshi
Partner

Place: Chennai
Date: 23rd April 2022

For and on behalf of the board of directors of
Mahindra World City Developers Limited

A K Nanda
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Director
(DIN: 02551935)

Vimal Agarwal
Chief Executive Officer

Bharathy K
Chief Financial Officer

Antaryami Sahoo
Company Secretary

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH, 2022

(Amounts in INR Lakhs)

Particulars	For the period ended 31 March, 2022	For the year ended 31 March, 2021
Cash flow from operating activities		
Loss before tax for the year	**(2,884.57)**	(835.73)
Non-cash adjustment to reconcile profit before tax to net cash flows		
Depreciation and amortisation expense	**332.94**	338.04
Liabilities no longer required written back	**–**	(41.25)
Finance Costs	**2,711.98**	2,007.65
Interest Income	**–**	(0.58)
Provision towards expected credit losses	**94.77**	48.68
Operating Profit before working capital changes	**255.12**	1,516.81
Working Capital changes:		
(Increase)/Decrease in Inventories	**(16.40)**	624.63
(Increase)/Decrease in Trade Receivables	**(58.29)**	110.71
Decrease in Financial Assets	**–**	0.20
Increase in Other Assets	**(80.04)**	(28.61)
Increase in Trade payables	**83.78**	20.64
Increase in Financial Liabilities	**538.99**	10.40
Decrease in Other Liabilities	**(28.65)**	(172.37)
(Decrease)/Increase in Provisions	**10.56**	(5.00)
Cash generated from operations	**705.07**	2,077.41
Direct taxes paid (net of refunds)	**106.23**	(56.26)
Net cash generated from operating activities (A)	**811.30**	2,021.15
Cash flows from investing activities		
Purchase of property, plant and equipment (PPE)	**(67.65)**	(20.70)
Increase in Bank Deposits not considered Cash and Cash Equivalents	**–**	(0.49)
Interest received	**–**	0.58
Net cash used in investing activities (B)	**(67.65)**	(20.61)

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH, 2022 (Cont'd)

(Amounts in INR Lakhs)

Particulars	For the period ended 31 March, 2022	For the year ended 31 March, 2021
Cash flows from Financing activities		
Proceeds of short term borrowings from related party	**30,940.00**	2,200.00
Repayment of short term borrowings from related party	**(4,200.00)**	–
Proceeds from long term borrowings	**4,900.00**	–
Repayment of long term borrowings	**(27,775.94)**	(1,385.08)
Interest Paid	**(2,572.10)**	(2,609.72)
Net cash generated from/(used in) Financing activities (C)	**1,291.96**	(1,794.80)
Net increase in cash and cash equivalents (A + B + C)	**2,035.61**	205.74
Cash and cash equivalents at the beginning of the year	**(3,439.91)**	(3,645.65)
Cash and cash equivalents at the end of the year (Refer Note 9)	**(1,404.30)**	(3,439.91)

Summary of Significant Accounting Policies 2

The accompanying notes 1 to 40 are an integral part of the financial statements.

Change in Liabilities arising from financing activities

Particulars	As at 01st April, 2021	Cash Flow	Other Adjustments	As at 31st March, 2022
Non Current Borrowings (Refer Note 12A)	22,855.02	(22,875.94)	20.92	–
Currrent Borrowings (Refer Note 12B)	4,200.00	30,940.00	–	35,140.00
Total	**27,055.02**	**8,064.06**	**20.92**	**35,140.00**

The above Cash Flow Statement has been prepared under the "indirect method" as set out in 'Indian Accounting Standard (Ind AS) 7 - Statement of Cash Flows'.

Summary of Significant Accounting Policies 2

The accompanying notes 1 to 40 are an integral part of the financial statements.

In terms of our Report of even date
for **B.K. Khare & Co.**
Chartered Accountants

Aniruddha Joshi
Partner

Place: Chennai
Date: 23rd April 2022

For and on behalf of the board of directors of
Mahindra World City Developers Limited

A K Nanda
Chairman
(DIN:00010029)

Arvind Subramanian
Director
(DIN: 02551935)

Vimal Agarwal
Chief Executive Officer

Bharathy K
Chief Financial Officer

Antaryami Sahoo
Company Secretary

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH, 2022

A. Equity Share Capital

Particulars	No. of Shares	Amount in Lakhs
Equity Shares of Rs. 10 each issued, subscribed and fully paid		
As at 1 April, 2020	20,000,000	2,000.00
Changes in share capital	–	–
As At 31 March, 2021	20,000,000	2,000.00
Changes in share capital	–	–
As At 31 March, 2022	**20,000,000**	**2,000.00**

B. Other Equity

(Amounts in INR Lakhs)

Particulars	Other Equity			Total
	General Reserve (Note 11)	Capital Redemption Reserve (Note 11)	Retained earnings (Note 11)	
As at 1 April, 2020	345.00	6,500.00	5,212.44	12,057.44
Loss for the year	–	–	(1,016.82)	(1,016.82)
Other Comprehensive Loss* (Net of tax)	–	–	5.39	5.39
As at 31 March, 2021	345.00	6,500.00	4,201.01	11,046.01
Loss for the year	–	–	(2,032.03)	(2,032.03)
Other Comprehensive Income* (Net of tax)	–	–	(0.81)	(0.81)
As At 31 March, 2022	**345.00**	**6,500.00**	**2,168.17**	**9,013.17**

* Remeasurement gains/(losses) net of taxes on defined benefit plans during the year is recognised as part of retained earnings

The accompanying notes 1 to 40 are an integral part of the financial statements.

In terms of our Report of even date
for **B.K. Khare & Co.**
Chartered Accountants

Aniruddha Joshi
Partner

Place: Chennai
Date: 23rd April 2022

For and on behalf of the board of directors of
Mahindra World City Developers Limited

A K Nanda
Chairman
(DIN:00010029)

Arvind Subramanian
Director
(DIN: 02551935)

Vimal Agarwal
Chief Executive Officer

Bharathy K
Chief Financial Officer

Antaryami Sahoo
Company Secretary

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022

1. General Information

Mahindra World City Developers Limited ("the Company") was incorporated on February 19, 1997. The Company is in the business of land development for industrial, commercial and residential use. The Company acquires land and incurs expenditure on its development and related infrastructure facilities for lease / sale. The Company also maintains the Industrial Park for which it collects operation and maintenance charges from the lessees. The Company has developed and operates an integrated business city "Mahindra World City" at Chengalpattu taluk near Chennai.

Promoted in a Public Private Partnership by the Mahindra Group and Tamilnadu Industrial Development Corporation Limited (A Government of Tamil Nadu Undertaking), Mahindra World City surpasses the conventional definition of a business space - it is a business eco-system, carefully linked and integrated to function with efficiency. Mahindra World City, Chennai is India's first integrated City and Corporate India's first operational SEZ.

Etching its name on India's business map, Mahindra World City Chennai, has attracted corporate giants such as BMW, B.Braun, Capgemini, Holiday Inn Express, Infosys, BASF, Lincoln Electric, Parker Hannifin, Renault-Nissan, Tesa SE, Federal Mogul, Fujitec, NTN Corporation, Timken, TVS Group of Companies and Wipro among others.

The Registered office of the company is located at Ground Floor, Mahindra Towers, 17/18, Patulous Road, Chennai, Tamil Nadu -600 002.

2. Significant Accounting Policies

2.1 Statement of compliance

The financial statements of the Company have been prepared in accordance with the Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under Section 133 of the Companies Act, 2013 ("the Act") and other relevant provisions of the Act.

2.2 Basis of Measurement

2.2.1 Basis of preparation and presentation

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

2.2.2 Exemption from preparation of consolidated financial statements

The Company has investments in an Associate and a Joint venture. The Holding company, Mahindra Lifespaces Developers Limited, having its registered office at 5th floor, Mahindra Towers, Worli, Mumbai 400 018 are presenting the consolidated financial statements. The Company has therefore availed the exemption under paragraph 4(a) of Ind AS 110 having satisfied the conditions for exemption from preparing consolidated financial statements as per Companies (Accounts) Amendments Rules, 2016 and thereby does not present consolidated financial statements.

Consequently, the accounting policies mentioned herein relate to the standalone financial statements of the Company.

2.2.3 Measurement of fair values

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 116, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 Inputs for the asset or liability that are not based on observable market data (unobservable inputs)

2.2.4 Current versus non-current classification

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents.

Based on the nature of activity carried out by the company and the period between the procurement and realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 1 year for the purpose of Current – Non Current classification of assets & liabilities.

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it is:

— Expected to be realised or intended to be sold or consumed in normal operating cycle

— Held primarily for the purpose of trading

— Expected to be realised within twelve months after the reporting period, or

— Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

— It is expected to be settled in normal operating cycle

— It is held primarily for the purpose of trading

— It is due to be settled within twelve months after the reporting period, or

— There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Borrowings are classified as current if they are due to be settled within 12 months after the reporting period.

2.3 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable.

2.3.1 Land Lease Premium

Land lease premium is recognized as income upon creation of leasehold rights in favour of the lessee or upon an agreement to create leasehold rights with handing over of possession.

2.3.2 Sale of land

Revenue from Sale of land and other rights is generally a single performance obligation and the Company has determined that

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022

this is satisfied at the point in time when control transfers as per the terms of the contract entered into with the buyers, which generally are with the firmity of the sale contracts / agreements.

2.3.3 Project Management fee

Project Management Fees receivable on fixed period contracts is accounted over the tenure of the contract / agreement. Where the fee is linked to the input costs, revenue is recognised as a proportion of the work completed based on progress claims submitted. Where the management fee is linked to the revenue generation from the project, revenue is recognised on the percentage of completion basis. .

2.3.4 Income from Operation and Maintenance (O&M)

Income from operation and maintenance charges and water charges are recognized on an accrual basis as per terms of the agreement with the lessees.

2.3.5 Dividend and interest income

Dividend income from investments from Joint ventures and Associates is recognised when the unit holder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the company and the amount of income can be measured reliably).

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

2.4 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

2.4.1 The Company as a Lessor

Rental income from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the Company's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

2.4.2 The Company as a Lessee

Rental expense from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue.

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. The assets given by the Company on operating leases are capitalised in the books as fixed assets. Lease rentals under operating leases are recognised in the Statement of Profit and Loss on a straight-line basis over the lease term.

2.5 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

2.5.1 Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognized as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company.

2.5.2 Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

2.5.3 Current and deferred tax for the year

Current and deferred tax are recognised in statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

2.6 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in statement of profit and loss in the period in which they are incurred.

2.7 Property, plant and equipment

Land and buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses. Freehold land is not depreciated.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022

Company's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Furniture and Fixtures and Office equipments are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in statement of profit and loss.

Depreciation on tangible fixed assets has been provided on pro-rata basis, on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 .

2.8 *Impairment of tangible and intangible asset other than Goodwill*

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount, which is the higher of the value in use or fair value less cost to sell, of the asset or cash generating unit, as the case may be, is estimated and the impairment loss (if any) is recognised and the carrying amount is reduced to its recoverable amount. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in Statement of profit and loss.

2.9 *Inventories*

Inventories are stated at the lower of cost and net realisable value after providing for obsolescence and other losses, where considered necessary. Work in progress includes cost of land and all expenditure incurred in connection with, or attributable to the project, and, being a long-term project, includes interest.

2.10 *Cash and cash equivalents (for purposes of Cash Flow Statement)*

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

2.11 *Cash flow statement*

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

2.12 *Provisions, contingent liabilities and contingent assets*

2.12.1 *Provisions*

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material). When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received, and the amount of the receivable can be measured reliably. Provisions, contingent liabilities and contingent assets are reviewed at each Balance Sheet date.

2.12.2 *Onerous contracts*

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Company has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

2.12.3 *Contingent liabilities*

Contingent liability is disclosed in case of:

a. a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation; and

b. a present obligation arising from past events, when no reliable estimate is possible.

2.12.4 *Contingent assets*

Contingent assets are disclosed where an inflow of economic benefits is probable.

2.13 *Financial instruments*

Financial assets and financial liabilities are recognised when a Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in statement of profit and loss.

2.14 *Foreign currency transactions and translations*

Foreign currency transactions are recorded at exchange rates prevailing on the date of transaction. Monetary assets / liabilities are translated at exchange rates prevailing on the date of settlement or at the year-end as applicable, and gain / loss arising out of such translation is adjusted to the statement of profit and loss ..

2.15 *Financial assets*

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets

2.15.1 Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortised cost (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Interest income is recognised in statement of profit and loss for Financial assets at fair value through other comprehensive income (FVTOCI) debt instruments. For the purposes of recognising foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortised cost. Thus, the exchange differences on the amortised cost are recognised in statement of profit and loss and other changes in the fair value of FVTOCI financial assets are recognised in other comprehensive income and accumulated under the heading of 'Reserve for debt instruments through other comprehensive income'. When the investment is disposed of, the cumulative gain or loss previously accumulated in this reserve is reclassified to statement of profit and loss.

All other financial assets are subsequently measured at fair value.

The Management assessed that fair value of cash and short-term deposits, trade receivables, other current assets, trade payables, book overdrafts and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

2.15.2 The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The fair-value of the financial-instruments factor the uncertainties arising out of COVID-19, where applicable.

2.15.3 Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at financial assets at fair value through profit or loss ("FVTPL"). Interest income is recognised in statement of profit and loss and is included in the "Other income" line item.

2.15.4 Financial assets at fair value through profit or loss (FVTPL)

Debt instruments that do not meet the amortised cost criteria or FVTOCI criteria (see above) are measured at FVTPL. In addition, debt instruments that meet the amortised cost criteria or the FVTOCI criteria but are designated as at FVTPL are measured at FVTPL.

A financial asset that meets the amortised cost criteria or debt instruments that meet the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Company has not designated any debt instrument as at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in statement of profit and loss. The net gain or loss recognised in statement of profit and loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other income' line item. Dividend on financial assets at FVTPL is recognised when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right Offsetting Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously. to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

2.15.5 Impairment of financial assets

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, debt instruments at FVTOCI, lease receivables, trade receivables, and other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Company estimates cash flows by considering all contractual terms of the financial instrument (for example, prepayment, extension,

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022

call and similar options) through the expected life of that financial instrument.

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. 12-month expected credit losses are portion of the life-time expected credit losses and represent the lifetime cash shortfalls that will result if default occurs within the 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.

If the Company measured loss allowance for a financial instrument at lifetime expected credit loss model in the previous period, but determines at the end of a reporting period that the credit risk has not increased significantly since initial recognition due to improvement in credit quality as compared to the previous period, the Company again measures the loss allowance based on 12-month expected credit losses.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Company uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

The impairment requirements for the recognition and measurement of a loss allowance are equally applied to debt instruments at FVTOCI except that the loss allowance is recognised in other comprehensive income and is not reduced from the carrying amount in the balance sheet.

In addition, the Company has also considered credit reports and other credit information for its customers to estimate the probability of default in future and has taken into account estimates of possible effect from the pandemic relating to COVID -19. The Company believes that the carrying amount of allowance for expected credit loss with respect to trade receivables, unbilled revenue and other financial assets is adequate.

2.15.6 Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in statement of profit and loss if such gain or loss would have otherwise been recognised in statement of profit and loss on disposal of that financial asset.

On derecognition of a financial asset other than in its entirety (e.g. when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in statement of profit and loss if such gain or loss would have otherwise been recognised in statement of profit and loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

2.15.7 Foreign exchange gains and losses

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

- For foreign currency, denominated financial assets measured at amortised cost and FVTPL, the exchange differences are recognised in statement of profit and loss except for those which are designated as hedging instruments in a hedging relationship.
- Changes in the carrying amount of investments in equity instruments at FVTOCI relating to changes in foreign currency rates are recognised in other comprehensive income.

For the purposes of recognising foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortised cost. Thus, the exchange differences on the amortised cost are recognised in statement of profit and loss and other changes in the fair value of FVTOCI financial assets are recognised in other comprehensive income.

2.16 Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

2.16.1 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022

all of its liabilities. Equity instruments issued by a Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in statement of profit and loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

2.16.1.1 Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, financial guarantee contracts issued by the Company, and commitments issued by the Company to provide a loan at below-market interest rate are measured in accordance with the specific accounting policies set out below.

2.16.1.2 Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

2.16.1.3 Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in statement of profit and loss.

2.17 Employee benefits

Employee benefits include provident fund, superannuation fund, employee state insurance scheme, gratuity fund, compensated absences, long service awards and post-employment medical benefits.

The Company's contribution to provident fund are considered as defined contribution plans and are charged as an expense as they fall due based on the amount of contribution required to be made and when services are rendered by the employees.

Defined benefit plans

For defined benefit plans in the form of gratuity fund, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each Balance Sheet date. Actuarial gains and losses are recognized in the Statement of Profit and Loss in the period in which they occur. Past service cost is recognized immediately to the extent that the benefits are already vested and otherwise is amortized on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognized in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognized past service cost.

Short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognized during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service. The cost of such compensated absences is accounted as under:

a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and

b) in case of non-accumulating compensated absences, when the absences occur.

Long-term employee benefits

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognized as a liability at the present value of the defined benefit obligation as at the Balance Sheet date.

2.18 Earnings per Share

Basic / Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post-tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year.

2.19 Insurance Claims

Insurance claims are accounted for on the basis of claims admitted / expected to be admitted and to the extent that the amount recoverable can be measured reliably and it is reasonable to expect ultimate collection.

2.20 Goods and Services tax input credit

Goods and Services tax input credit is accounted for in the books in the period in which the underlying service received is accounted and when there is reasonable certainty in availing / utilising the credits.

2.21 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in Note 1, the management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only the period of the revision and future periods if the revision affects both current and future periods.

The Company has used the principles of prudence in applying judgments, estimates and assumptions including sensitivity analysis

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022

and based on the current estimates, the Company expects to fully recover the carrying amount of trade receivables including unbilled receivables, goodwill, intangible assets and investments. The eventual outcome of impact of the global health pandemic may be different from those estimated as on the date of approval of these financial statements.

Judgements

In the process of applying the Company's accounting policies, management has made the following judgements based on estimates and assumptions, which have the significant effect on the amounts recognised in the standalone financial statements.

Taxes

Deferred tax assets are recognised for temporary differences to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Actuarial Valuation

The determination of Company's liability towards defined benefit obligation to employees is made through independent actuarial valuation including determination of amounts to be recognised in the Statement of Profit and Loss and in other comprehensive income. Such valuation depends upon assumptions determined after considering inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market. Information about such valuation is provided in notes to the standalone financial statements.

3. Property, Plant and Equipment

(Amounts in INR Lakhs)

Description of Assets	Land - Freehold	Buildings - (Own use)	Plant and Equipments	Office equipments	Furniture and fixtures	Vehicles	Computers	Total
I. Gross Carrying Amount								
Balance as at 1 April, 2020	195.05	2,746.78	2,494.71	148.66	531.98	14.03	58.90	6,190.11
Additions	–	–	9.47	4.60	0.96	–	2.67	17.70
Disposals	–	–	–	–	–	–	–	–
Balance as at 31 March, 2021	**195.05**	**2,746.78**	**2,504.18**	**153.26**	**532.94**	**14.03**	**61.57**	**6,207.81**
II. Accumulated depreciation								
Balance as at 1 April, 2020	–	820.01	1,643.38	122.69	308.99	14.03	53.26	2,962.36
Depreciation expense for the year	–	73.61	178.12	20.26	62.90	–	3.15	338.04
Eliminated on disposal of assets	–	–	–	–	–	–	–	–
Balance as at 31 March, 2021	**–**	**893.62**	**1,821.50**	**142.95**	**371.89**	**14.03**	**56.41**	**3,300.40**
III. Net carrying amount (I-II)								
Balance as at 31 March, 2021	**195.05**	**1,853.16**	**682.68**	**10.31**	**161.05**	**–**	**5.16**	**2,907.41**
Balance as at 31 March, 2020	**195.05**	**1,926.77**	**851.33**	**25.97**	**222.99**	**–**	**5.64**	**3,227.75**
I. Gross Carrying Amount								
Balance as at 1 April, 2021	195.05	2,746.78	2,504.18	153.26	532.94	14.03	61.57	6,207.81
Additions	–	–	36.14	23.38	0.93	–	7.22	67.67
Disposals	–	–	–	(5.71)	–	–	(17.21)	(22.92)
Balance as at 31 March, 2022	**195.05**	**2,746.78**	**2,540.32**	**170.93**	**533.87**	**14.03**	**51.58**	**6,252.56**
II. Accumulated depreciation								
Balance as at 1 April, 2021	–	893.62	1,821.50	142.95	371.89	14.03	56.41	3,300.40
Depreciation expense for the year	–	67.85	178.34	20.80	62.72	–	3.25	332.96
Eliminated on disposal of assets	–	–	–	(5.71)	–	–	(17.21)	(22.92)
Balance as at 31 March, 2022	**–**	**961.47**	**1,999.84**	**158.04**	**434.61**	**14.03**	**42.45**	**3,610.44**
III. Net carrying amount (I-II)								
Balance as at 31 March, 2022	**195.05**	**1,785.31**	**540.48**	**12.89**	**99.26**	**–**	**9.13**	**2,642.12**
Balance as at 31 March, 2021	**195.05**	**1,853.16**	**682.68**	**10.31**	**161.05**	**–**	**5.16**	**2,907.41**

No proceedings have been initiated during the year or are pending against the Company as at 31 March 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022

Intangible Assets

(Amounts in INR Lakhs)

Description of Assets	Computer Software	Total
I. Gross Carrying Amount		
Balance as at 1 April, 2021	59.16	59.16
Additions	–	–
Disposals	–	–
Balance as at 31 March, 2022	**59.16**	**59.16**
II. Accumulated amortisation		
Balance as at 1 April, 2021	59.16	59.16
Amortisation expense for the year	–	–
Eliminated on disposal of assets	–	–
Balance as at 31 March, 2022	**59.16**	**59.16**
III. Net carrying amount (I-II)		
Balance as at 31 March, 2022	–	–
Balance as at 31 March, 2021	–	–

(Amounts in INR Lakhs)

Description of Assets	Computer Software	Total
I. Gross Carrying Amount		
Balance as at 1 April, 2021	59.16	59.16
Additions	–	–
Disposals	–	–
Balance as at 31 March, 2022	**59.16**	**59.16**
II. Accumulated amortisation		
Balance as at 1 April, 2021	59.16	59.16
Amortisation expense for the year	–	–
Eliminated on disposal of assets	–	–
Balance as at 31 March, 2022	**59.16**	**59.16**
III. Net carrying amount (I-II)		
Balance as at 31 March, 2022	–	–
Balance as at 31 March, 2021	–	–

Refer note 2 for Company's policy on recognition and measurement of Property Plant, Equipment, Intangible and Depreciation/amortisation methods used.

3.1 Movement of Capital Work in Progress

(Amounts in INR Lakhs)

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Opening Balance	**30.00**	27.00
Additions	–	3.00
Subtotal	**30.00**	30.00
Capitalised during the year	–	–
Closing Balance	**30.00**	30.00

3.2 Capital Work-in-Progress

Grey Water Network

Description of Assets	As at March 31, 2022	As at March 31, 2021
Capital Work-in-Progress	**30.00**	30.00
Grey Water Network		
Less than 1 year		30.00
1-2 years	30.00	
2-3 years		
More than 3 years		
Total	**30.00**	30.00

4. Investments

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Cost		
Unquoted Investments (all fully paid)		
Investments in Associate	**1,300.00**	1,300.00
Mahindra Integrated Township Limited		
1,30,00,000 Shares @ INR 10 Per Share		
Investments in Joint Venture	**10,200.00**	10,200.00
Mahindra Industrial Park chennai Limited		
10,20,00,000 Shares @ INR 10 Per Share		
Total Unquoted Investments at Cost	**11,500.00**	11,500.00

5. Other Financial Assets

(Amounts in INR Lakhs)

Particulars	As at 31 March, 2022 Non-current	As at 31 March, 2022 Current	As at 31 March, 2021 Non-current	As at 31 March, 2021 Current
Advances, Considered good				
Advances for purchase of land - unsecured	–	–	–	–
Advances, Considered doubtful				
Advances for purchase of land - unsecured	–	**34.05**	–	34.05
Less: Provision for advances considered doubtful	–	**(34.05)**	–	(34.05)
Unsecured, considered good unless stated otherwise				
Fixed deposits under lien	**5.02**	–	5.02	–
Recoverable Expense	–	–	–	–
Total Other assets	**5.02**	–	5.02	–

5a Movement in the allowance for credit loss

Particulars	As at 31 March, 2022	As at 31 March, 2021
Balance at beginning of the year	34.05	17.00
Addition during the year	–	17.05
Balance at end of the year	34.05	34.05

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022

6. Other Assets

(Amounts in INR Lakhs)

Particulars	As at 31 March, 2022		As at 31 March, 2021	
	Non-current	Current	Non-current	Current
Advances				
Advances to employees	–	0.20	–	0.20
Advances for purchase of land - secured***	–	3,347.04	–	3,347.04
Advances for purchase of land - unsecured	–	–	–	–
Advances to suppliers Unsecured considered good	–	6.51	–	6.12
	–	3,353.75	–	3,353.36
Others				
Security Deposits	67.52	3.50	67.33	3.50
Prepaid Expenses	16.28	27.43	17.54	21.60
Balances with statutory / government authorities (Other than Income tax)**	112.87	–	37.98	–
	196.66	30.93	122.85	25.10
Total Other Assets	196.66	3,384.68	122.85	3,378.46

** Balance with Government authorities as at 31st March 2022 represents payment of 37.98 lakhs made under protest against service tax demands.

*** Advance for purchase of Land is secured by equitable Mortgage by deposit of title deeds of 39.19 acres of land at Varadarajapuram, Kancheepuram Dist. Tamilnadu.

7. Inventories

(Amounts in INR Lakhs)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Work in progress (representing cost of land and related expenditure)	27,637.50	27,637.50
Inventory	42.97	26.53
Total Inventories	27,680.47	27,664.03

(i) The Cost of inventories recognised as expenses during the year in respect of continuing operations is NIL (2020-21 was INR 626.89 Lakhs).

(ii) The Carrying amount of inventories pledged as security for liabilities - Refer note 12 A Non Current Borrowings.

(iii) Mode of Valuation of Inventories is Cost or Net Realisable Value whichever is lower.

(iv) Borrowing costs inventorised relates to interest on borrowings referred in Notes 12A considered in the ratio of land inventories pending to be developed to the total inventories.

(v) Based on detailed assessment and evaluation of impact of the COVID-19 epidemic, the management concluded that the realiseable value of these inventories will not be lower than the carrying value as stated above.

8. Trade Receivables

(Amounts in INR Lakhs)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Trade Receivables:		
Unsecured Considered Good	403.04	439.52
Receivables with significant credit risk	180.65	85.88
Less: Provision for expected credit losses	(180.65)	(85.88)
Total Trade Receivables	403.04	439.52

Trade receivables are non-interest bearing and the average credit period on service rendered is as per the terms of the service agreement with clients. Credit period allowed to customers varies between 7 days to 30 days.

Refer Note No.31 for Credit Risk Management on Receivables.

8(a) Ageing for trade receivables from the due date of payment for each of the category is as follows:

(Amounts in INR Lakhs)

Particulars	As at 31 March 2021	As at 31 March 2020
Undisputed Trade Receivable - Considered good - unsecured		
Not Due		
0 months - 6 months	293.04	321.31
6 months -1 year	42.46	64.75
1-2 Years	28.49	23.01
2-3 years	4.25	9.96
More than 3 years	34.80	20.49
Trade Receivable - Credit impaired		
Not Due	–	–
0 months - 6 months	–	–
6 months -1 year	–	–
1-2 Years	–	–
2-3 years	–	–
More than 3 years	–	–
Total	403.04	439.52

8(b) Movement in the allowance for credit loss

(Amounts in INR Lakhs)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Balance at beginning of the year	85.88	54.25
Additions/reversals during the year	94.77	31.63
Balance at end of the year	180.65	85.88

9. Cash and Cash Equivalents

(Amounts in INR Lakhs)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Cash and cash equivalents		
Balances with banks:		
– On current accounts	60.84	181.14
– Cheques on hand	–	17.25
Cash on hand	0.11	–
Fixed Depoits- Short Term	1,300.00	
Total Cash and cash equivalents	1,360.95	198.39

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022

Reconciliation of Cash and Cash Equivalents

Particulars	As at 31 March, 2022	As at 31 March, 2021
Total Cash and Cash Equivalents as per Balance Sheet	**1,360.95**	198.39
Overdraft with Banks (Note 12B)	**(2,765.25)**	(3,638.30)
Total Cash and Cash Equivalents as per Statement of Cashflow	**(1,404.30)**	(3,439.91)

10. Equity

(Amounts in INR Lakhs)

Particulars	As at 31 March, 2022	As at 31 March. 2021
Authorized shares		
2,50,00,000 Ordinary Equity Shares of Rs.10 each with Voting rights	**2,500.00**	2,500.00
50,00,000 Unclassified Shares of Rs.10 each with Voting rights	**500.00**	500.00
65,00,000 Cumulative Redeemable preference shares of Rs. 100 each	**6,500.00**	6,500.00
	9,500.00	9,500.00
Issued, subscribed and fully paid-up shares		
2,00,00,000 Ordinary Equity Shares of Rs.10 each with Voting rights	**2,000.00**	2,000.00
Total issued, subscribed and fully paid-up share capital	**2,000.00**	2,000.00

(i) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Particulars	Opening Balance	Changes during the year	Closing Balance
Ordinary Equity Shares			
Year Ended 31 March, 2021			
No. of Shares	20,000,000	–	20,000,000
Amount	2,000.00	–	2,000.00
Year Ended 31 March, 2022			
No. of Shares	**20,000,000**	–	**20,000,000**
Amount	**2,000.00**	–	**2,000.00**

(a) Terms/ rights attached to equity shares

'The Company has only one class of Equity Shares having a par value of Rs. 10/- per share. Each holder of Equity Shares is entitled to one vote per share. Dividends are paid in Indian Rupees. The dividends proposed by the Board of Directors are subject to the approval of the shareholders at the Annual General Meeting. Repayment of capital will be in proportion to the number of equity shares held.

Repayment of capital will be in proportion to the number of equity shares held.

(ii) Details of shareholdings by the Promoter's of the Company

Class of shares / Name of shareholder	As at 31st March, 2022		As at 31st March, 2021		% change duringthe period
	Number of shares held	% holding	Number of shares held	% holding	
Equity shares with voting rights					
Mahindra Lifespace Developers Limited	**1,77,99,999**	**89.00%**	1,77,99,999	89.00%	0.00%
Tamilnadu Industrial Development Corporation Limited	**22,00,000**	**11.00%**	22,00,000	11.00%	0.00%

(ii) Details of shareholders holding more than 5% shares in the company

Name of the shareholder	As at 31 March, 2022		As at 31 March, 2021	
	No.	% holding in the class	No.	% holding in the class
Equity shares with voting rights				
– Mahindra Lifespace Developers Limited	**1,77,99,999**	**89%**	1,77,99,999	89%
– Tamilnadu Industrial Development Corporation Limited	**22,00,000**	**11%**	22,00,000	11%

As per records of the Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022

11. Other Equity

(Amounts in INR Lakhs)

Particulars	General Reserve	Other Equity Capital Redemption Reserve	Retained earnings	Total
Balance as at 1 April, 2020	345.00	6,500.00	5,212.44	12,057.44
Loss for the year	–	–	(1,016.82)	(1,016.82)
Other Comprehensive Loss (Net of tax)	–	–	5.39	5.39
Balance as at 31 March, 2021	345.00	6,500.00	4,201.01	11,046.01
Loss for the year	–	–	(2,032.03)	(2,032.03)
Other Comprehensive Income (Net of tax)	–	–	(0.81)	(0.81)
Balance as at 31 March, 2022	**345.00**	**6,500.00**	**2,168.17**	**9,013.17**

General Reserve: The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. There is no policy of regular transfer. Items included under General Reserve shall not be reclassified back into the Statement of Profit & Loss.

Capital Redemption Reserve: The Capital Redemption Reserve was created against redemption of Preference Shares.

Retained Earnings: This reserve represents cumulative profits of the Company and effects of remeasurement of defined benefit obligations. This reserve can be utilised in accordance with the provisions of Companies Act, 2013.

12A. Non current borrowings

Details of Long term Borrowings of the Company:

(Amounts in INR Lakhs)

Description of the instrument	Currency of Loan	Coupon Rate	Repayment Bullet (or) Instalment	Number of Instalments	Date of earliest Redemption (or) Conversion	Amortised cost as at 31 March, 2022	Amortised cost as at 31 March, 2021
Secured Borrowings:							
a) Term Loans							
(i) From Financial Institution							
HDFC Limited - Term Loan I	INR	8.75% to 11%	75% of Sales / lease prooceeds and Instalment	12	Aug-21	–	22,855.02
Total Secured Borrowings						–	22,855.02
Total Non Current Borrowings						–	22,855.02

Term Loan from Financial Institution - Secured Borrowings

The company originally availed Term Loan from HDFC Ltd ; Sanctioned amount INR 32,500.00 Lakhs. The loan carried an interest rate of 8.95%.

The Term loans is secured by equitable Mortgage by deposit of title deeds of 59.098 acres of land at Mahindra World City , Chengalpattu with carrying value of INR 2,593 Lakhs and 236.027 acres of land in NH16 near Ponneri/Gummidipundi with a carrying value of INR 20,166 Lakhs. On 31st March 2022, the company availed ICD from one of its group company Tech Mahindra Ltd for Rs. 250 Crs at 5.5% for 120 days and used for the prepayment of the Term Loan outstanding (Principal amount of Rs. 228.18 Crs. and interest installement of Rs. 8.41 Crs.)

The company has received offer for new term loan from HDFC Ltd on 31st March 2022 and is expected accept the facily to withdraw new term loan within next 3 months.

There are no defaults in case of either interest or principal with respect to payments for the above borrowings.

12.B Current Borrowings (Amortised cost)

Details of Current Borrowings of the Company:

(Amounts in INR Lakhs)

Description of the instrument	Currency of Loan	Coupon Rate	As at 31 March, 2022	As at 31 March, 2021
A. Unsecured Borrowings at amortised cost:				
HDFC Bank Limited - Overdraft of INR 25 Crores- Repayable on Demand	INR	7.90% to 9.50%	**1,199.92**	1,514.50
Tech Mahindra Limited- ICD Loan repayable within 1 year	INR	5.50%	**25,000.00**	–
Mahindra Integrated Township Limited- ICD Loan repayable within 1 year	INR	8.30%	**1,000.00**	–
Mahindra Residential Developers Limited- ICD Loan repayable within 1 year	INR	8.30%	**4,940.00**	4,200.00
Total Unsecured Borrowings			**32,139.92**	5,714.50
B. Secured Borrowings at amortised cost:				
Axis Bank Limted - Overdraft of INR 25 Crores - Repayable on Demand	INR	7.90% to 9.00%	**1,565.33**	2,123.80
Total Secured Borrowings			**1,565.33**	2,123.80
Total Current borrowings			**33,705.25**	7,838.30

Axis Bank Overdraft is secured.

- by First pari passu charge of current assets of the Company excluding inventories.
- by Second/Residual charge on Lands mortgaged to HDFC Limited for Term loan availed. (Refer note no. 12A)

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022

13. Other Financial Liabilities at amortised cost

(Amounts in INR Lakhs)

Particulars	As at 31 March, 2022		As at 31 March, 2021	
	Non-current	**Current**	Non-current	Current
Deposits				
Security deposits received from lessees	**1.64**	**545.40**	1.54	–
	1.64	**545.40**	1.54	–
Others				
Payable on purchase of PPE	–	–	–	5.00
Interest accrued but not due	–	**203.24**	–	84.28
Earnest money deposit	–	**2.50**	–	2.80
Rental / Other deposit from customers	–	**42.24**	–	43.45
	–	**247.98**	–	135.53
Total Other Financial Liabilities	**1.64**	**793.38**	1.54	135.53

14. Other Liabilities

(Amounts in INR Lakhs)

Particulars	As at 31 March, 2022		As at 31 March 2021	
	Non-current	**Current**	Non-current	Current
Advance from customers	–	**277.00**	–	267.00
Statutory dues payable	–	**24.11**	–	22.74
Deferred Income	**825.79**	**119.29**	884.24	101.18
Unearned Income	**453.69**	**5.76**	453.99	5.13
Total Other Liabilities	**1,279.47**	**426.16**	1,338.23	396.05

15. Income Tax

(a) Income Tax recognised in profit or loss

(Amounts in INR Lakhs)

Particulars	For the Year Ended March 31, 2022	For the Year Ended March 31, 2021
Current Tax:		
In respect of current year	–	–
Deferred Tax	**(852.54)**	(185.26)
Tax of earlier years (Net)	–	366.35
Total income tax (credit)/expense on income from operations	**(852.54)**	181.09

(b) Reconciliation of estimated income tax expense at tax rate to income tax expense reported in Statement Profit aand Loss is as follows:

(Amounts in INR Lakhs)

Particulars	For the Year Ended March 31, 2022	For the Year Ended March 31, 2021
Loss before tax	**(2,884.57)**	(835.73)
Income tax expense calculated at statutory rate***	**(840.00)**	(243.00)
Disallowance u/s 14A for expense incurred on investment	–	33.49
Changes based on return of income filed for the year	–	–
Non deductible exepenses under income tax	**1.23**	21.71
Changes in Deferred tax asset/Liability due to Effective rate changes	–	366.35
Others	**(13.77)**	2.54
	(852.54)	181.09
Income tax (credit)/expense recognised in statement of profit and loss	**(852.54)**	181.09

*** The Tax Rate used for 31st March 2022 and 31st March 2021 reconciliations above are the corporate tax rate of 29.12% payable by Corporate Entities in India on taxable profits under Indian Income Tax Act laws.

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022

(c) Movement in deferred tax balances

(Amounts in INR Lakhs)

Particulars	For the Year ended 31 March, 2022				
	Opening Balance	Recognised in Profit or Loss	Recognised in OCI	Earlier year Adjustments	Closing Balance
Tax effect of items constituting deferred tax Liabilities					
Property, Plant and Equipment	311.90	(48.86)	–	–	263.04
Interest Inventorised	–	–	–	–	–
FVTPL Financials Asset & Liabilties	18.00	–	–	–	18.00
Total Deferred Tax Liabilities	329.90	(48.86)	–	–	281.04
Tax effect of items constituting deferred tax assets					
Section 43B disallowances	13.76	3.08	0.33	–	17.17
Business loss	294.00	713.00	–	–	1,007.00
Unabsorbed depreciation loss	132.00	60.00	–	–	192.00
Provision for doubtful debts	34.93	27.60	–	–	62.52
MAT Credit	113.11	–		–	113.11
Total Deferred Tax Asset	587.80	803.68	0.33	–	1,391.80
Net Deferred Tax Asset	(257.90)	(852.54)	(0.33)	–	1,110.76

(Amounts in INR Lakhs)

Particulars	For the Year ended 31 March, 2021				
	Opening Balance	Recognised in Profit or Loss	Recognised in OCI	Earlier year Adjustments	Closing Balance
Tax effect of items constituting deferred tax Liabilities					
Property, Plant and Equipment	345.87	(33.97)	–	–	311.90
Interest Inventorised	2,305.03	–	–	(2,305.03)	–
FVTPL Financials Asset & Liabilties	16.18	1.82	–	–	18.00
Total Deferred Tax Liabilities	2,667.08	(32.15)	–	(2,305.03)	329.90
Tax effect of items constituting deferred tax assets					
Section 43B disallowances	17.42	(1.45)	(2.21)	–	13.76
Business loss	179.00	78.39	–	36.61	294.00
Unabsorbed depreciation loss	70.01	61.99	–	–	132.00
Provision for doubtful debts	20.75	14.18	–	–	34.93
MAT Credit	616.25	–		(503.14)	113.11
Total Deferred Tax Asset	903.43	153.11	(2.21)	(466.53)	587.80
Net Deferred Tax Liabilities	1,763.65	(185.26)	2.21	(1,838.50)	257.90

16. Provisions

(Amounts in INR Lakhs)

Particulars	As at 31 March, 2022		As at 31 March 2021	
	Non-current	Current	Non-current	Current
Income Tax (Net of Advance Tax Rs INR. 106.76 Lakhs)	–	142.42	–	36.19
Employee Benefits (Refer note 29)				
Gratuity	–	23.94	–	19.67
Leave Encashment	21.30	13.72	22.61	4.98
Total Provisions	21.30	180.08	22.61	60.84

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022

17a Trade Payables

(Amounts in INR Lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
Trade payable - Micro and small enterprises* ..	**65.45**	14.26
Trade payable - Other than micro and small enterprises	**827.80**	795.19
	893.25	809.45

*(i) Trade Payables are payables in respect of the amount due on account of goods purchased or services received in the normal course of business. Usually, Credit period with vendors varies from 15 days to 30 days.

(ii) Refer Note 34 for Disclosures on Micro and Small Enterprises.

17b Ageing for trade payable from the due date of payment for each of the category is as follows:

Particulars	As at 31 March 2022	As at 31 March 2021
Undisputed dues of micro enterprises and small enterprises		
Unbilled		
Not Due	**62.17**	10.98
0 months - 1 year	**3.28**	3.28
1-2 Years	–	–
2-3 years	–	–
More than 3 years	–	–
Undisputed dues of creditors other than micro enterprises and small enterprises		
Unbilled		
Not Due	**818.18**	570.57
0 months - 1 year	**6.55**	15.74
1-2 Years	**3.07**	208.88
2-3 years		
More than 3 years		
Total	**893.25**	809.45

18. Revenue from Operations

(Amounts in INR Lakhs)

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Land Lease Premium	–	613.00
Sale of land	–	1,226.01
Rental income	**88.67**	76.40
Operation and maintenance income	**2,392.26**	2,329.87
Club membership fees	**68.19**	67.76
Club Annual subscription fees	**34.06**	43.84
Club Operating Income	**137.26**	50.16
Project Management Fees	**62.04**	54.08
Sales Commission Income	–	125.01
Other Operational Income Transfer Fees	**67.50**	54.25
Total Revenue from Operations	**2,849.98**	4,640.38

19. Other Income

(Amounts in INR Lakhs)

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Other non operating income		
Liabilities no longer required written back	–	41.25
Interest on Bank Fixed deposits	–	0.58
Miscellaneous Income	**12.42**	14.16
Total Other Income	**12.42**	55.99

20. Cost of Projects

(Amounts in INR Lakhs)

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Inventories at the beginning of the year		
Work-in-progress	**27,637.50**	27,573.70
Add: Expenses Incurred during the year		
Land and Construction Costs	–	1.40
Interest Cost	–	689.29
Less: Inventories at the end of the year		
Work-in-progress	**27,637.50**	27,637.50
Total Cost of Projects	**0.00**	626.89

21. Operation & Maintenance Expenses

(Amounts in INR Lakhs)

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Repairs & Maintenance	**295.40**	227.90
Security	**254.42**	298.74
Electrical & Mechanical Maintenance	**466.29**	439.10
Housekeeping	**191.06**	194.28
Power & Fuel	**161.25**	175.83
Landscaping maintenance	**124.64**	122.59
Rates & Taxes	**114.10**	134.78
Bus shuttle	–	–
Other Expenses	**62.99**	42.97
Total Operation & Maintenance expenses	**1,670.15**	1,636.19

22. Employee Benefits Expense

(Amounts in INR Lakhs)

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Salaries and wages including bonus*	**350.62**	319.18
Contributions to provident and other funds	**15.95**	16.46
Staff welfare expenses	**13.24**	5.38
Total Employee benefits expense	**379.81**	341.02

* Includes charge for Equity Stock options recovered by Mahindra Lifespaces Developers Limited amounting to Rs. 12.21 Lakhs (Previous Year Rs. 2.54 Lakhs)

23. Finance Costs

(Amounts in INR Lakhs)

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
(a) Interest expense on:		
(i) Term loan	**2,045.85**	2,151.67
(ii) Loan from Related parties	**398.69**	259.60
(iii) Overdraft	**267.33**	284.56
(iv) Other Interest	**0.11**	1.11
Less: Interest inventorised*	–	(689.29)
Net Finance Costs	**2,711.98**	2,007.65

*Borrowing cost inventorised refers to interest on Borrowings in Note 12A considered at the average rate of 9.05% p.a.

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022

24. Other expenses

(Amounts in INR Lakhs)

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Power and fuel	**29.64**	40.42
Rent including lease rentals	**10.49**	9.10
Repairs and maintenance	**7.05**	8.07
Insurance	**26.85**	23.80
Rates and taxes	**69.07**	10.94
Communication	**37.59**	22.65
Travelling and conveyance	**8.58**	2.13
Printing and stationery	**2.19**	2.83
Business promotion	**16.48**	75.88
Office Maintenance expenses	**21.84**	35.34
Legal and professional	**133.51**	104.99
Payments to auditors* (Refer below for details of Audit fees)	**13.60**	13.60
Directors sitting fees	**1.20**	1.40
Donations	**0.20**	0.50
Services outsourced	**99.54**	93.97
Allowances for expected credit losses	**94.77**	48.68
Corporate Social Responsibility (CSR) activities (refer Note No 25)	**4.03**	17.04
Club expenses	**72.67**	69.89
Miscellaneous expenses	**2.79**	1.08
Total Other expenses	**652.09**	582.31

(Amounts in INR Lakhs)

* Payment to auditors (excluding taxes)	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Statutory Audit and Limited Reviews	**11.20**	11.20
Tax Audit	**2.00**	2.00
Certification and Other Services	**0.40**	0.40
	13.60	13.60

25. Expense on Corporate Social Responsibility

(Amounts in INR Lakhs)

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Gross amount required to be spent by the company during the year	**4.03**	17.04
Amount spent during the year on		
Contribution to Nanhi Kali foundation	–	8.52
Supporting Primary Health Centre	–	5.11
Support to School for Enhancing Quality of Education	–	–
Contribution to District Collector for Covid-19 prevention measures	–	3.00
Awareness programmes -Solid waste Management & others	**4.03**	0.41
	4.03	17.04

26. Segment information

Business segments

The Company operates in only one business segment, i.e. 'lease of land and properties constructed' based on the nature of the services and products, the risks and returns etc. This has been determined in the manner consistent with the internal reporting provided to the Manager regarded as the Chief Operating Decision Maker ("CODM"). The Company operates only in India. The conditions prevailing in India being uniform, no separate geographical disclosure within India is considered necessary.

27. Earnings per Share

(Amounts in INR Lakhs)

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Loss for the year attributable to owners of the Company	**(2,032.03)**	(1,016.82)
Weighted average number of equity shares (in Nos)	**2,00,00,000**	2,00,00,000
Earnings per share from continuing operations - Basic and Diluted (in Rs.) ((face value of Rs.10/- each)	**(10.16)**	(5.08)

28. Contingent liabilities and Capital Commitments

(Amounts in INR Lakhs)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Contingent liabilities (to the extent not provided for)		
Income Tax Demands*	**10,181.93**	–
Service tax demands received	**493.21**	493.21
(The above amount is based on demand raised, which the Company is contesting with the concerned authorities. Outflows, if any, arising out of this claim would depend on the outcome of the decision of the appellate authorities and Company's rights for future appeals.)		
Total Contingent Liabilities	**10,675.14**	493.21

* The National Faceless Assessment Centre, Delhi passed an assessment Order under Section 147 r.w.s 144 of the IT Act on 29.03.2022 for an amount of Rs 101.82 Crs including an interest of Rs 42 Crs. The company filed a Writ petition on 21st April 2022 (Filing Number is WMP/43619/2022 in WP(SR) 43616/2022) pleading to stay all further proceedings pursuant to the Impugned Order and issue orders for fresh hearing u/s 147.

29. Employee Benefits

a) Defined Contribution plans

The Company makes Provident fund contribution to defined contribution plans for the employees. Under the scheme, the company is required to contribute a specified percentage of the payroll cost to the fund the benefits. The Company recognized Rs. 15.95 Lakhs (PY Rs. 16.46 Lakhs) for Provident fund & Other funds contributions in the statement of profit and Loss. The contributions payable to these plans by the company are at rates specified in the rules of the scheme.

b) Defined Benefit Plans

The Company's obligation towards gratuity is defined benefit plan. The gratuity expense is included under 'Employee Benefit Expenses' in Note 22 Employee benefits expense. The company has funded the gratuity Liability through LIC Scheme. The details of actuarial valuation are given below:

Gratuity:

The Company operates a gratuity plan covering qualifying employees. The benefit payable is the greater of the amount calculated as per the Payment of Gratuity Act, 1972 or the Company scheme applicable to the employee. The benefit vests upon completion of five years of continuous service and

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022

once vested it is payable to employees on retirement or on termination of employment. In case of death while in service, the gratuity is payable irrespective of vesting. The Company makes annual contribution to the group gratuity scheme administered by the Life Insurance Corporation of India through its Gratuity Trust Fund. Through its defined benefit plans the Company is exposed to a number of risks, the most significant of which are detailed below:

Investment risk

The present value of the defined benefit plan liability (denominated in Indian Rupee) is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds.

Interest risk

A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments.

Longevity risk

The present value of defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary risk

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

The significant actuarial assumptions used for the purposes of the actuarial valuations were as follows:

(Amounts in INR Lakhs)

		Gratuity (Funded) 2021-22	2020-21
a.	**Net Liabilities recognized in the balance sheet**		
	Present Value of Defined Benefit Obligation	**53.56**	46.97
	Fair Value of Plan assets	**29.61**	27.30
	Liabilities recognised in the balance sheet	**23.95**	19.67
b.	**Expense recognized in the Statement of Profit and Loss**		
	Past service cost	–	–
	Current Service cost	**3.14**	4.24
	Interest cost	**2.91**	3.25
	Expected return on plan assets	**(2.85)**	(2.01)
	Actuarial (gains) / Losses	**1.14**	(7.36)
	Total expenses	**4.34**	(1.88)
c.	**Change in present value of Defined Benefit obligation**		
	Present Value of the obligation at the beginning of the year	**46.97**	53.69
	Past service cost	–	–
	Current Service cost	**3.14**	4.24
	Interest Cost	**2.91**	3.25
	Actuarial (Gains) /Losses	**1.91**	(7.36)
	Benefits Paid	**(1.37)**	(6.85)
	Present value of the obligation as at the end of the year	**53.56**	46.97
d.	**Change in fair value of plan assets**		
	Present value of plan assets as the beginning of the year	**27.30**	25.52
	Expected return on plan assets	**3.69**	2.01
	Contributions made	–	–
	Benefits paid and Charges	**(1.37)**	(0.23)
	Present value of plan assets at the end of the year	**29.62**	27.30

(Amounts in INR Lakhs)

		Gratuity (Funded) 2021-22	2020-21
e.	**Principal actuarial assumptions**		
	Discount Rate	**6.03%**	6.29%
	Expected return on plan assets	**6.03%**	6.29%
	Expected rate of Salary increase	**10.00%**	8.00%
	Attrition Rate	**20.00%**	10.00%
	Mortality	LIC (2006-08) Ultimate mortality tables	
f.	**Estimate of amount of contribution in the immediate next year**	**23.94**	19.67

g. Estimates of future salary increases considered in actuarial valuation take account of inflation, seniority, promotions, increments and other relevant factors such as supply and demand in the employment market.

h. Basis used to determine expected rate of return - The Gratuity Fund is managed by the Life Insurance Corporation of India and they have not made available the information on major categories of plan assets and the expected rate of return on each class of plan assets.

(Amounts in INR Lakhs)

i.	Experience adjustment as provided by actuary:	for the years 2021-22	2020-21	2019-20	2018-19	2017-18
	Present value of DBO	**53.56**	46.97	53.69	41.37	28.64
	Fair value of plan assets	**29.61**	27.30	25.52	24.19	22.14
	Experience gain / (loss) adjustments on plan liabilities	**(2.85)**	(2.01)	(1.44)	(2.19)	(1.01)
	Experience gain / (loss) adjustments on plan assets	**0.44**	0.24	(0.32)	0.52	(0.51)

Long-Term Compensated Absences
Actuarial assumptions:

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Discount rate	**6.03%**	6.47%
Expected return on plan assets	**6.03%**	6.47%
Salary escalation	**10.00%**	10.00%
Attrition	**20.00%**	10.00%

The discount rate is based on the prevailing market yields of Government of India securities as at the balance sheet date for the estimated term of the obligations.

The estimate of future salary increases considered, takes into account the inflation, seniority, promotion, increments and other relevant factors.

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

(Amounts in INR Lakhs)

	Year	Change in Assumption	Impact on defined benefit obligation: Increase in assumption	Decrease in assumption
Discount Rate	**2022**	0.50%	52.79	54.34
	2021	0.50%	45.89	48.10
Salary Growth Rate	**2022**	0.50%	54.12	53.00
	2021	0.50%	47.76	46.20

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the Balance sheet.

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022

The methods and types of assumptions used in preparing the sensitivity analyses did not change compared to previous period.

Maturity profile of defined benefit obligation:

(Amounts in INR Lakhs)

	As at 31 March, 2022	As at 31 March, 2021
Year 1	26.00	4.56
Year 2	5.80	20.45
Year 3	5.17	2.74
Year 4	4.57	2.69
Year 5	3.94	2.62
Next 5 Years	15.96	19.56

Plan of Assets

The fair value of Company's pension plan asset as of 31 March, 2022 and 31 March, 2021 by category are as follows:

Asset Category	**As at 31 March, 2022**	As at 31 March, 2021
Deposits with Insurance companies	100%	100%

30 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 2, the management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only the period of the revision and future periods if the revision affects both current and future periods.

COVID -19 Impact assessment :
The management assessed the Company's future projections in light of the developments due to COVID 19 situation and has reassessed the impact that it may cause on the Company's financial and operational performance. The business activities were temporarily suspended owing to lock down during the year and post phased out lifting of the lock down, the activities have commenced in a gradual manner. The Company has credit and term loan facilities available to meet the project costs and pay off the vendors and bankers in the immediate 12 months from the date of approval of these financial statements. The Company expects no additional inflow of capital towards currently planned development. Based on the above assessment, the management is of the view that company will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.

31. Financial Instruments

Capital management

The Company manages capital risk in order to maximize shareholders' profit by maintaining sound/optimal capital structure through monitoring of financial ratios, such as debt-to-equity ratio and net borrowings-to-equity ratio on a monthly basis and implements capital structure improvement plan when necessary. There is no change in the overall capital risk management strategy of the Company compared to last year.

The Company uses debt ratio as a capital management index and calculates the ratio as total debt divided by total equity. Total liabilities and total equity are based on the amounts stated in the financial statements.

The Company is not subject to externally enforced regulation.

Debt-to-equity ratio as of 31st March, 2022 and 31st March, 2021 is as follows:

(Amounts in INR Lakhs)

	31 March, 2022	31 March, 2021
Debt (A)	**33,705.25**	30,693.31
Equity (B)	**11,013.17**	13,046.01
Debt Equity Ratio (A/B)	**3.06**	2.35

Categories of financial assets and financial liabilities

(Amounts in INR Lakhs)

As at 31 March, 2022

	Amortised Costs	**FVTPL**	**FVOCI**	**Total**
Non-current Assets				
Investments in Associate	**1,300.00**	–	–	**1,300.00**
Investments in Joint Venture	**10,200.00**	–	–	**10,200.00**
Other Financial Assets	**5.02**	–	–	**5.02**
Current Assets				
Trade Receivables	**403.04**	–	–	**403.04**
Cash and Cash equivalents	**1,360.95**	–	–	**1,360.95**
Other Financial Assets	–	–	–	–
	13,269.01	–	–	**13,269.01**
Non-current Liabilities				
Borrowings	–	–	–	–
Other Financial Liabilities	**1.64**	–	–	**1.64**
Current Liabilities				
Borrowings	**33,705.25**	–	–	**33,705.25**
Trade Payables	**893.25**	–	–	**893.25**
Other Financial Liabilities				–
– Non Derivative Financial Liabilities	**793.38**	–	–	**793.38**
	35,393.52	–	–	**35,393.52**

As at 31 March, 2021

	Amortised Costs	FVTPL	FVOCI	Total
Non-current Assets				
Investments in Associate	1,300.00	–	–	1,300.00
Investments in Joint Venture	10,200.00	–	–	10,200.00
Other Financial Assets	5.02	–	–	5.02
Current Assets				
Trade Receivables	439.52	–	–	439.52
Cash and Cash equivalents	198.39	–	–	198.39
Other Financial Assets	–	–	–	–
	12,142.93	–	–	12,142.93
Non-current Liabilities				
Borrowings	22,855.02	–	–	22,855.02
Other Financial Liabilities	1.54	–	–	1.54
Current Liabilities				
Borrowings	7,838.30	–	–	7,838.30
Trade Payables	809.45	–	–	809.45
Other Financial Liabilities – Non Derivative Financial Liabilities	135.53	–	–	135.53
	31,639.84	–	–	31,639.84

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022

Financial Risk Management Framework

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk. In order to manage the aforementioned risks, the Company operates a risk management policy and a program that performs close monitoring of and responding to each risk factors.

CREDIT RISK

(i) Credit risk management

The amount of trade receivable from Land leasing, Industrial park maintenance service and property leasing activities as appearing in the balance sheet of the company shows the amount due from the customers to whom the Industrial park Maintenance charges, water charges and property Lease services are provided. Company executes Land leasing agreement with customers only, entire lease premium is paid by customers and hence no risk of credit loss in dues relating to Land leasing premium. Further, As per the company's policy, every customer has to deposit 3 to 6 months of Maintenance charges and/or monthly lease rentals with the company and as per the terms of the agreement with the customer's, company is entitled to adjust the pending dues against the deposits taken from customer and hence, company is not exposed to any credit loss risk. Further there has been no instance in past which shows that the company has written off any significant dues pending and is not exposed to a credit risk. During the year to the extent where recoverability of debt is doubtful the company has made provision for expected credit loss.

LIQUIDITY RISK

(i) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Company's short-, medium- and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

(ii) Maturities of financial liabilities

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The amount disclosed in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows.

To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Company may be required to pay.

(Amounts in INR Lakhs)

Particulars	Less than 1 Year	1–3 Years	3 Years to 5 Years	5 years and above
Non-derivative financial liabilities				
31 March, 2022				
Non-interest bearing				
Trade Payables	**893.25**	–	–	–
Capital Creditors	–	–	–	–
Other Financial Liabilities	**793.38**	–	–	**1.64**
Variable interest rate instruments				
Short term Borrowing – Principal	**33,705.25**	–	–	–
Loan term Borrowing – Principal	–	–	–	–
Total	**35,391.88**	–	–	**1.64**
31 March, 2021				
Non-interest bearing				
Trade Payable	809.45	–	–	–
Capital Creditors	5.00	–	–	–
Other Financial Liabilities	130.53	–	–	1.54
Variable interest rate instruments				
Short term Borrowing - Principal	7,838.30	–	–	–
Loan term Borrowing - Principal	–	18,792.52	4,062.50	–
Total	8,783.28	18,792.52	4,062.50	1.54

The amounts included above for financial guarantee contracts are the maximum amounts the Company could be forced to settle under the arrangement for the full guaranteed amount if that amount is claimed by the counterparty to the guarantee. Based on expectations at the end of the reporting period, the Company considers that it is more likely than not that such an amount will not be payable under the arrangement.

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022

(iii) Financing arrangements

The Company had access to following undrawn borrowing facilities at the end of the reporting period:

(Amounts in INR Lakhs)

Particulars	31 March, 2022	31 March, 2021
Secured Bank Overdraft facility		
– Expiring within one year	**2,234.75**	1,361.70
Secured Bank Guarantee Limit (sub limit of CC Credit facility)		
– Expiring within one year	**20.00**	20.00
	2,254.75	1,381.70

(iv) Maturities of financial assets

The following table details the Company's expected maturity for its non-derivative financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Company's liquidity risk management as the liquidity is managed on a net asset and liability basis.

(Amounts in INR Lakhs)

Particulars	Less than 1 Year	1-3 Years	3 Years to 5 Years	5 years and above
Non-derivative financial assets				
31 March, 2022				
Non-interest bearing				
Non Current Investment	–	–	–	**11,500.00**
Security Deposits	–	–	–	–
Trade Receivables	**403.04**	–		
Cash and Cash equivalents	**1,360.95**	–	–	–
Other Current Financial Assets	–	**5.02**	–	–
Total	**1,763.99**	**5.02**	–	**11,500.00**
31 March, 2021				
Non-interest bearing				
Non Current Investment	–	–	–	11,500.00
Trade Receivables	439.52	–		
Cash and Cash equivalents	198.39	–	–	–
Other Current Financial Assets	–	5.02	–	–
Total	637.91	5.02	–	11,500.00

The amounts included above for variable interest rate instruments for both non-derivative financial assets and liabilities is subject to change if changes in variable interest rates differ to those estimates of interest rates determined at the end of the reporting period.

MARKET RISK

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk such as equity price risk and commodity price risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

There has been no significant changes to the company's exposure to market risk or the methods in which they are managed or measured.

Currency Risk

The Company undertakes transactions denominated only in India Rupees and hence there is no risk of foreign exchange fluctuations.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

Interest rate sensitivity

The sensitivity analyses below have been determined based on exposure to interest rate for both derivative and non-derivative instruments at the end of reporting period. For floating rate liabilities, analysis is prepared assuming the amount of liability outstanding at the end of the reporting period was outstanding for the whole year.

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected, after the impact of hedge accounting. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

			(Amounts in INR Lakhs)
Year	**Currency**	**Increase/ decrease in basis points**	**Effect on financials**
31 March, 2022	INR	+100	337.05
	INR	-100	(337.05)
31 March, 2021	INR	+100	306.93
	INR	-100	(306.93)

32 Related Party Transactions

Details of related parties:

Description of relationship	
Ultimate Holding Company	Mahindra & Mahindra Limited(M&M)
Holding Company	Mahindra Lifespaces Developers Limited (MLDL)
Joint Venture	Mahindra Industrial Park Chennai Ltd (MIPCL)
Associate	Mahindra Integrated Township Limited (MITL)
Associate	Mahindra Residential Developers Limited (MRDL)
Key Management Personnel (KMP)	
Chief Executive Offcer	Mr. Vimal Agarwal
Chief Financial Offcer	Ms. Bharathy K

Details of related party transactions during the year ended 31st March, 2022 and balances outstanding as at 31st March, 2022:

(Amounts in INR Lakhs)

Transactions during the year	**Utilimate Holding Company (M&M)**	**Holding Company**	**Joint Venture (MIPCL)**	**Associate (MITL)**	**Associate (MRDL)**
Land Sale	–	–	–	–	–
	–	–	–	–	–
Operation and maintenance Income	203.68	–	–	198.25	19.28
	(203.68)	–	–	(217.05)	(19.79)
Water charges income	15.95	–	–	7.28	1.36
	(14.12)	–	–	(5.91)	(6.42)
Club income	61.25	–	–	–	–
	(43.16)	(0.09)	(0.40)	(0.62)	–
Other Services Provided	–	–	44.49	3.43	1.47
	–	–	(157.45)	(3.75)	(0.73)
Service received	12.71	7.20	6.91	–	–
	(9.10)	–	(13.20)	–	–
Dividend Paid	–	–	–		–
	–	–	–	–	–
Reimbursement of expenses- Given	11.86	–	–	–	–
	(18.58)	–	–	–	–
Reimbursement of expenses- Taken	–	–	–	–	–
	–	–	–	–	–
ESOP Costs	–	12.21	–	–	–
	–	(2.54)	–	–	–
Interest Paid	–	–	–	–	417.80
	–	–	–	–	(259.60)
Inter Corporate Deposit received	–	–	–	1,000.00	4,940.00
	–	–	–	–	(2,200.00)
Intercorporate Deposit / Term loan repaid	–	–	–	–	4,200.00
	–	–	–	–	–
<u>**Balance Outstanding as at the year end**</u>					
Internal corporate deposits(ICD) payable	–	–	–	1,000.00	4,940.00
	–	–	–	–	(4,200.00)
Security Deposits taken	55.65	–	–	66.27	23.07
	(55.65)	–	–	(66.27)	(23.07)
Receivables	1.76	–	–	55.30	7.77
	(8.89)	–	(160.99)	(0.46)	(0.34)
Payables	3.46	14.16	5.20	26.20	170.28
	(3.76)	(2.54)	–	–	(84.62)

Note: Figures in bracket relates to the previous year

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022

33. Fair Value Measurement

Fair value of financial assets and financial liabilities that are not measured at fair value

(Amounts in INR Lakhs)

Particulars	As at 31 March, 2022		As at 31 March, 2021	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Financial assets carried at Amortised Cost				
– investments in Equity	**11,500.00**	**11,500.00**	11,500.00	11,500.00
– trade and other receivables	**403.04**	**403.04**	439.52	439.52
– Cash and cash equivalents	**1,360.95**	**1,360.95**	198.39	198.39
– deposits and similar assets	**5.02**	**5.02**	5.02	5.02
Total	**13,269.01**	**13,269.01**	12,142.93	12,142.93
Financial liabilities				
Financial liabilities held at amortised cost				
– Long term loans from Financial Institutions	–	–	22,855.02	22,855.02
– OD limits from Bank	**2,765.25**	**2,765.25**	3,638.30	3,638.30
– Loans from related parties	**30,940.00**	**30,940.00**	4,200.00	4,200.00
– Trade and other payables	**893.25**	**893.25**	809.45	809.45
– Other Financial Liabilities	**795.02**	**795.02**	137.07	137.07
Total	**35,393.52**	**35,393.52**	31,639.84	31,639.84

Fair value hierarchy as at 31 March, 2022

	Level 1	Level 2	Level 3	Total
Financial assets				
Financial assets carried at Amortised Cost				
– investments in Equity	–	**11,500.00**	–	11,500.00
– trade and other receivables	–	**403.04**	–	**403.04**
– cash and cash equivalents	–	**1,360.95**	–	**1,360.95**
– deposits and similar assets	–	**5.02**	–	**5.02**
Total	–	**13,269.01**	–	**13,269.01**
Financial liabilities				
Financial Instruments not carried at Fair Value				
– Long term loans from Financial Institutions	–	–	–	–
– OD limits from Bank	–	**2,765.25**	–	2,765.25
– loans from related parties	–	**30,940.00**	–	30,940.00
– trade and other payables	–	**893.25**	–	893.25
– Other Financial Liabilities	–	**795.02**	–	795.02
Total	–	**35,393.52**	–	**35,393.52**

Fair value hierarchy as at 31 March, 2021

(Amounts in INR Lakhs)

	Level 1	Level 2	Level 3	Total
Financial assets				
Financial assets carried at Amortised Cost				
– investments in Equity	–	**11,500.00**	–	11,500.00
– trade and other receivables	–	**439.52**	–	**439.52**
– cash and cash equivalents	–	**198.39**	–	**198.39**
– deposits and similar assets	–	**5.02**	–	**5.02**
Total	–	**12,142.93**	–	**12,142.93**

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022

	Level 1	Level 2	Level 3	Total
Financial liabilities				
Financial Instruments not carried at Fair Value				
– Long term loans from Financial Institutions	–	**22,855.02**	–	22,855.02
– OD limits from Bank	–	**3,638.30**	–	3,638.30
– loans from related parties	–	**4,200.00**	–	4,200.00
– trade and other payables	–	**809.45**	–	809.45
– Other Financial Liabilities	–	**137.07**	–	137.07
Total	–	**31,639.84**	–	**31,639.84**

The fair values of the financial assets and financial liabilities included in the level 2 and level 3 categories above have been determined in accordance with generally accepted pricing models based on a discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the credit risk of counterparties.

34 Ratios

a) Current Ratio

(Amounts in INR Lakhs)

Particulars	2021-22	2020-21	Variance %
Current Assets (A)	**32,829.14**	31,680.40	
Current Liabilities (B)	**35,998.12**	9,240.17	
Ratio (A / B)	**0.91**	3.43	(73%)

Variance in current ratio is mainly on account of Proceeds from short-term borrwings from related parties

b) Debt Equity Ratio

Particulars	2021-22	2020-21	Variance %
Total Debt including interest accrued (A)	**33,908.49**	30,777.59	
Equity (B)	**11,013.17**	13,046.01	
Debt Equity Ratio (A / B)	**3.08**	2.36	31%

Variance in Debt Equity Ratio is mainly on account of loss reported during the year. The company has not recorded any revenue from land lease premium & Sale of land during the financial year as against INR 18.39 crores of revenue in the previous year

c) Debt Service Coverage Ratio (DSCR)

Particulars	2021-22	2020-21	Variance %
Profit After Tax	**(2,032.03)**	(1,016.82)	
Depreciation	**332.94**	338.04	
Interest (Charged to P&L)	**2,711.98**	2,007.65	
Non Cash Expense	**94.77**	48.68	
Earnings available for Debt Service (A)	**1,107.66**	1,377.55	
Debt Service			
Interest Payments	**2,572.10**	2,609.72	
Pricipal Repayments	**31,976**	1,385	
Total Debt Serviced (B)	**34,548**	3,995	
Debt Service Coverage Ratio (DSCR) (A / B)	**0.03**	0.34	(91%)

Reduction in Earning available for Debt Service and Debt service coverage ratio is mainly on account of loss reported during the year and the repayment of the term loans during the year. The company has not recorded any revenue from land lease premium & Sale of land during the financial year as against INR 18.39 crores of revenue in the previous year

d) Return of Equity (ROE)

(Amounts in INR Lakhs)

Particulars	2021-22	2020-21	Variance %
Profit After Tax	**(2,032.03)**	(1,016.82)	
Networth	**12,029.59**	13,551.73	
Ratio (A / B)	**(16.89%)**	(7.50%)	125.13%

Reduction in ROE is mainly on account of loss reported during the year. The company has not recorded any revenue from land lease premium & Sale of land during the financial year as against INR 18.39 crores of revenue in the previous year

e) Inventory Turnover ratio

(Amounts in INR Lakhs)

Particulars	2021-22	2020-21	Variance %
Cost of Land leased (A)	–	626.89	
Average Inventory (B)	**27,672.25**	27,632	
Ratio (A / B)	–	0.02	(100%)

Reduction in Inventory Turnover Ratio is mainly on account of no Cost of Land Leased booked during the year. The company has not recorded any revenue from land lease premium & Sale of land during the financial year as against INR 18.39 crores of revenue in the previous year

f) Trade Receivables turnover ratio

(Amounts in INR Lakhs)

Particulars	2021-22	2020-21	Variance %
Turnover (credit) (A)	**2,862.40**	4,696.37	
Trade Receiavables (Average) (B)	**421.28**	510.69	
Ratio (A / B)	**6.79**	9.20	(26%)

Variance in Trade Receivables Ratio is mainly on account of loss reported during the year. The company has not recorded any revenue from land lease premium & Sale of land during the financial year as against INR 18.39 crores of revenue in the previous year

g) Trade Payable turnover ratio

(Amounts in INR Lakhs)

Particulars	2021-22	2020-21	Variance %
Project Development Expenses and other expenses (excluding interest) (A)	**5,746.97**	5,532.10	
Average Trade payable (B)	**851.35**	819.75	
Ratio (A / B)	**6.75**	6.75	0%

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022

h) Net capital turnover ratio,

(Amounts in INR Lakhs)

Particulars	2021-22	2020-21	Variance %
Turnover (A)	**2,862.40**	4,696.37	
Working Capital (B)	**(3,169)**	22,440	
Ratio (A / B)	**(1)**	5	(123%)

Variance in Net Capital Turnover Ratio is mainly on account of loss reported during the year & Proceeds from the short term borrowings from related parties. The company has not recorded any revenue from land lease premium & Sale of land during the financial year as against INR 18.39 crores of revenue in the previous year

i) Net profit ratio

(Amounts in INR Lakhs)

Particulars	2021-22	2020-21	Variance %
Profit After Tax (A)	**(2,032)**	(1,017)	
Revenue (B)	**2,862**	4,696	
Ratio (A / B)	**(70.99%)**	(21.65%)	228%

Variance in Net Profit Ratio is mainly on account of loss reported during the year & Proceeds from the short term borrowings from related parties. The company has not recorded any revenue from land lease premium & Sale of land during the financial year as against INR 18.39 crores of revenue in the previous year

j) Return on Capital employed

(Amounts in INR Lakhs)

Particulars	2021-22	2020-21	Variance %
Earnings before Interest and Tax (A)	**(172.59)**	1,171.92	
Net worth	**12,029.59**	13,551.73	
Borrowing	**33,705.25**	30,693.31	
Capital employed (B)	**45,735**	44,245	
Ratio (A / B)	**(0.38%)**	2.65%	(114%)

Variance in Return on Capital employed is mainly on account of loss reported during the year & Proceeds from the short term borrowings from related parties. The company has not recorded any revenue from land lease premium & Sale of land during the financial year as against INR 18.39 crores of revenue in the previous year

k) Return on investment.

(Amounts in INR Lakhs)

Particulars	2021-22	2020-21
Earnings before Interest and Tax (A)	**(172.59)**	1,171.92
Capital employed (B)	**45,735**	44,245
Ratio (A / B)	**(0.38%)**	2.65%

Variance in Return on investment is mainly on account of loss reported during the year & Proceeds from the short term borrowings from related parties. The company has not recorded any revenue from land lease premium & Sale of land during the financial year as against INR 18.39 crores of revenue in the previous year

35 Additional Information to the Financial Statements

i) Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

There are no overdue amounts payable to Micro, Small and Medium Enterprises, as defined in the Micro, Small and Medium Enterprises Development Act, 2006, as at the reporting date or anytime during the year and hence no interest has been paid or payable accordingly no additional disclosures have been made.

			(Amounts in INR Lakhs)
Si. No.	Particulars	**As at 31 March, 2022**	As at 31 March, 2021
1	Dues remaining unpaid		
	Principal	**65.45**	14.26
	Interest	**–**	–
2	Interest paid in terms of Section 16 of the MSMED Act along with the amount of payment made to the supplier beyond the appointed day during the year		
	Principal paid beyond the appointed date	**–**	–
	Interest paid in terms of Section 16 of the MSMED Act	**–**	–
3	Amount of interest due and payable for the period of delay on payments made beyond the appointed day during the year	**–**	–
4	Further interest due and payable even in the succeeding years, until such date when the interest due as above are actually paid to the small enterprises	**–**	–
5	Amount of interest accrued and remaining unpaid	**–**	–

35a Additional regulatory information

a) Details of benami property held

No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

b) Relationship with struck off companies

The Company does not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

c) Wilful defaulter

The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

d) Utilisation of borrowed funds and securities premium

The Company has not advanced or loaned or invested funds to any other persons or entities, including foreign entities (Intermediaries) with the understanding that the Intermediary shall (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or (b) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries

The Company has not received any fund from any persons or entities, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or (b) provide any guarantee, security or the like on behalf of the ultimate beneficiaries

e) Undisclosed income

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

f) Details of crypto currency or virtual currency

The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.

g) Registration of Charges or satisfaction with Registrar of Companies (ROC)

There are no charges or satisfaction which are yet to be registered with the Registrar of Companies beyond the statutory period

h) Whistle Blower-

During the year ended March 31, 2022 and till the date of adoption of financial statements by board of directors, the Company did not received any whistle blower compliants.

35b Discrepancies between books of accounts & quarterly statements submitted to banks

The company has complied with the requirement of filing of quarterly returns/statements of current assets with the banks or financial institutions, wherever applicable, and these returns were in agreement with the books of accounts for the period ended 30 June 2021, 30 September 2021 and 31 December 2021.

(Amounts in INR Lakhs)

Bank	Quarter	Particulars	Amount as per books of account	Amount as reported in the quarterly return/statement
HDFC Bank	Apr'21 to June'21	Actual CFS	3,567	3,567
HDFC Bank	July'21 to Sep'21	Actual CFS	1,941	1,941
HDFC Bank	Oct'21 to Dec'21	Actual CFS	1,116	1,116

35c Merger of Mahindra Integrated Township Ltd (MITL) and Mahindra Residential Developers Ltd (MRDL) with Mahindra World City Developers Ltd (MWCDL)

Pursuant to approval received from the Boards of Mahindra Integrated Township Ltd (MITL), Mahindra Residential Developers Ltd (MRDL), and Mahindra World City Developers Ltd (MWCDL) for merger of MITL and MRDL with MWCDL, an application under Section 230 to 232 of the Companies Act, 2013 has been filed with National Company Law Tribunal, Chennai on 24th December, 2021 for seeking directions from NCLT, Chennai.

35d Recent Indian Accounting Standards (Ind AS)

Ministry of Corporate Affairs (“MCA”) notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, as below.

Ind AS 16 – Property Plant and equipment -

The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognized in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022. The Company has evaluated the amendment and there is no impact on its standalone financial statements.

Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets –

The amendment specifies that the ‘cost of fulfilling’ a contract comprises the ‘costs that relate directly to the contract’. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labor, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022, although early adoption is permitted. The Company has evaluated the amendment and the impact is not expected to be material.

36. Other Notes

i. The Company has disclosed the impact of pending litigations on its financial position in these financial statements.

ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts. The company did not have any material foreseeable losses on long term contracts. The company has not entered into any derivative contracts.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

iv. The Company does not have foreign exchange exposure as at 31 March, 2022.

37. Leases

The Company has not applied the requirement of IND AS 116 to short-term leases of all assets that have a lease term of 12 months or less. Amount recognised as expense in Statement of Profit and Loss is Rs. 10.49 Lakhs(FY 2020-21 Rs 9.10 Lakhs).

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022

38. Events after the Reporting period

No material events have occurred after the Balance sheet date and up to the approval of Financial statements.

39. Regrouping and Reclassification

Previous period / year figures have been regrouped / reclassified where found necessary, to conform to current period / year classification.

40. Approval of Financial Statements

The financial statements were approved for issue by the board of directors in the meeting on 23rd April, 2022.

For and on behalf of the board of directors of
Mahindra World City Developers Limited

A K Nanda
Chairman
(DIN:00010029)

Arvind Subramanian
Director
(DIN: 02551935)

Place: Chennai
Date: 23rd April 2022

Vimal Agarwal
Chief Executive Officer

Bharathy K
Chief Financial Officer

Antaryami Sahoo
Company Secretary

Annexure A

Form AOC-I

Salient features of Financial Statements of Subsidiary as per Companies Act, 2013

Nature	**ASSOCIATES**	**JOINT VENTURES**
Name of Subsidiary	**Mahindra Integrated Township Limited**	**Mahindra Industrial Park Chennai Limited**
The date since when subsidiary was acquired	04th May, 2006	22nd Dec, 2014
Reporting period for the subsidiary concerned, if different from the holding company's reporting period	NA	NA
Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	NA	NA
Share Capital	5,000.00	17,000.00
Reserves & Surplus	4,191.93	322.24
Total Assets	25,603.68	33,238.95
Total Liabilities	16,411.75	16,561.19
Investments	6,629.48	–
Turnover	10,227.36	78.86
Profit/(Loss) before taxation	3,613.24	(973.91)
Provision for taxation	1,012.42	(244.91)
Profit/(Loss) after taxation	2,600.82	(729.00)
Proposed Dividend	–	–
Extent of shareholding (in percentage)	26.00%	60.00%

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF
MAHINDRA WORLD CITY (JAIPUR) LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying Financial Statements of **Mahindra World City (Jaipur) Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (herein after referred to as "the Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, its profit and total comprehensive income, its changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Financial Statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the 'Auditors' Responsibilities for the Audit of the Financial Statements' section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("the ICAI") together with the ethical requirements that are relevant to our audit of the Financial Statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Financial Statements.

Information other than the Financial Statements and Auditors' Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the Directors' Report and the related annexures, but does not include the Financial Statements and our Auditors' Report thereon.

Our opinion on the Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Financial Statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in Annexure B, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
   (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this report are in agreement with the books of account.
   (d) In our opinion, the aforesaid Financial Statements comply with the Accounting Standards specified under Section 133 of the Act.
   (e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164(2) of the Act.
   (f) With respect to the adequacy of the internal financial controls with reference to Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure A. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to Financial Statements.
   (g) The Company has not paid/provided any remuneration to managerial personnel as defined in the Act. Accordingly, the provisions of Section 197 of the Act related to the managerial remuneration are not applicable to the Company.
   (h) With respect to the other matters to be included in the Auditors' Report in accordance with the requirements of Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
      (i) The Company has disclosed the impact of pending litigations on its financial position in its Financial Statements – Refer Note 32 to the Financial Statements;
      (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
      (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;
      (iv) (a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee,

security or the like on behalf of the Ultimate Beneficiaries;

(b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement; and

(v) The final dividend proposed in the previous year and declared and paid during the year by the Company is in compliance with Section 123 of the Act.

For B. K. Khare & Co.
Chartered Accountants
Firm Registration No. 105102W

Himanshu Goradia
Partner
Membership No. 045668
UDIN: 22045668AHPBGL1046

Mumbai, April 22, 2022

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date]

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of sub-section (3) of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of **Mahindra World City (Jaipur) Limited** ("the Company") as of March 31, 2022 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

Meaning of Internal Financial Controls with Reference to Financial Statements

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2022, based on the criteria for internal financial control with reference to financial statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For B. K. Khare & Co.
Chartered Accountants
Firm Registration No. 105102W

Himanshu Goradia
Partner
Membership No. 045668
UDIN: 22045668AHPBGL1046

Mumbai, April 22, 2022

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 1 under 'Report on other Legal and Regulatory Requirements' section of our report of even date]

(i) (a) (A) According to the information and explanations given to us, the Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.

(B) According to the information and explanations given to us, the Company has maintained proper records showing full particulars of intangible assets.

(b) The Company has a regular programme of physical verification of its property, plant and equipment and investment property by which the property, plant and equipment and investment property are verified by the management according to a programme designed to cover all the items every year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its property, plant and equipment and investment property. In accordance with the programme, the Company has physically verified property, plant and equipment and investment properties during the year and no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us, in respect of the leasehold land on which the properties are constructed by the Company, based on examination of the registered lease deeds provided to us, we report that the lease agreements are in the name of the Company as at the Balance Sheet date where the Company is the lessee in the agreement.

(d) According to the information and explanations given to us, the Company has not revalued any of its Property, Plant and Equipment and investment property or intangible assets or both during the year.

(e) Based on the audit procedures performed by us and according to the information, explanations and representations given to us, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

(ii) (a) According to the information and explanations given to us, having regard to the nature of inventory, the physical verification by way of verification of lease deeds, certificate received from third party confirming the inventory, site visits by the management and certification of extent of work completion by competent persons, is carried out at reasonable intervals by the management during the year. In our opinion, the coverage and procedure of such verification by the management is appropriate and no discrepancies of 10% or more in the aggregate for each class of inventory were noticed on such verification between the physical inventory and the book records.

(b) According to the information and explanations given to us, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from HDFC Bank Limited on the basis of security of accounts receivables during the year. The statements of accounts receivables filed by the Company with HDFC Bank Limited on a quarterly basis are materially in agreement with the unaudited books of account as certified by the management.

(iii) According to the information and explanations given to us, the Company has not made investments in or provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year. Accordingly, the reporting under Clauses 3(iii)(a) to 3(iii)(f) of the Order is not applicable to the Company.

(iv) According to the information and explanations given to us, the Company has not granted any loans or made any investments or provided any guarantees or security to the parties covered under Sections 185 and 186 of the Act. Accordingly, the reporting under Clause 3(iv) of the Order is not applicable to the Company.

(v) According to the information and explanations given to us, the Company has not accepted deposits under the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. Accordingly, the reporting under Clause 3(v) of the Order is not applicable to the Company.

(vi) The maintenance of cost records has been specified by the Central Government under sub-section (1) of Section 148 of the Act. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended, specified by the Central Government under sub-section (1) of Section 148 of the Act and are of the opinion that, *prima facie*, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of records of the Company, the amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Services Tax, Provident Fund, Employees' State Insurance, Income-tax, Cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. According to the information and explanations given to us and on the basis of our examination of records of the Company, there were no undisputed statutory dues payable in respect of Sales tax, Service tax, Duty of Customs, Duty of Excise and Value Added Tax.

According to the information and explanations given to us and on the basis of our examination of records of the Company, there were no arrears of outstanding statutory dues in respect of Goods and Services Tax, Provident fund, Employees' State Insurance, Income-tax, Sales tax, Service tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other material statutory dues as on the last day of the financial year for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and on the basis of our examination of records of the Company, there are no statutory dues in respect of Goods and Services Tax, Provident Fund, Employees' State Insurance, Sales tax, Service tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and any other material statutory dues as at March 31, 2022, which have not been deposited with the appropriate authorities on account of any dispute. According to the information and explanations given to us and records of the Company examined by us, the particulars of dues of Urban Land Tax and Income Tax which have not been deposited as on March 31, 2022 on account of disputes are as under:

Name of Statute	Nature of Dues	Forum where dispute is pending	Period to which the Amount relates	Amount unpaid (Rs. In Lakhs)
The Jaipur Development Authority Act 1982	Urban Land Tax (Shahri Jamabandi)	Jaipur Development Authority	2006-2016	32,179.39
The Income Tax Act, 1961	Income Tax	Commissioner of Income Tax (Appeals)	Assessment Year 2011-2012	32.16

(viii) According to the information and explanations given to us, there are no transactions not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income-tax Act, 1961. Accordingly, the reporting under Clause 3(viii) of the Order is not applicable to the Company.

(ix) (a) According to the information and explanations given to us and based on the audit procedures performed by us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.

(b) According to the information and explanations given to us, the Company has not been declared a willful defaulter by any bank or financial institution or any other lender till the date of our audit report.

(c) According to the information and explanations given to us and based on the audit procedures performed by us, the Company has not availed any term loans during the year. Accordingly, the reporting under Clause 3(ix)(c) of the Order is not applicable to the Company.

(d) In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that funds raised on short-term basis have not been utilised for long- term purposes as at the Balance Sheet date.

(e) According to the information and explanations given to us and on an overall examination of the Financial Statements of the Company, we report that the Company has no subsidiaries, associates or joint ventures. Accordingly, the reporting under Clause 3(ix)(e) of the Order is not applicable to the Company.

(f) According to the information and explanations given to us and based on the audit procedures performed by us, we report that the Company has no subsidiaries, associates or joint ventures. Accordingly, the reporting under Clause 3(ix)(f) of the Order is not applicable to the Company.

(x) (a) According to the information and explanations given to us, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under Clause 3(x)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Accordingly, the reporting under Clause 3(x)(b) of the Order is not applicable to the Company.

(xi) (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company noticed or reported during the year, nor have we been informed of any such case by the management.

(b) There has been no report filed by us under sub-section (12) of Section 143 of the Act in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government. Accordingly, the reporting under Clause 3(xi)(b) of the Order is not applicable to the Company.

(c) As represented to us by the management, no whistle blower complaints were received by the Company during the year.

(xii) According to the information and explanations given to us, the Company is not a Nidhi company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, the reporting under Clause 3(xii) of the Order is not applicable to the Company.

(xiii) In our opinion and according to the information and explanations given to us, the Company has entered into transactions with related parties in compliance with the provisions of Section 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required by Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act.

(xiv) (a) In our opinion and according to the information and explanations given to us and based on our examination, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the Internal Audit reports of the Company issued till date for the period under audit.

(xv) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with them during the year and hence, the provisions of Section 192 of the Act are not applicable to the Company. Accordingly, the reporting under Clause 3(xv) of the Order is not applicable to the Company.

(xvi) (a) According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under Clause 3(xvi)(a) of the Order is not applicable to the Company.

(b) In our opinion and according to the information and explanations given to us, the Company has not conducted any Non-Banking Financial or Housing Finance activities. Accordingly, the reporting under Clause 3(xvi)(b) of the Order is not applicable to the Company.

(c) In our opinion and according to the information and explanations given to us, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under Clauses 3(xvi)(c) and 3(xvi)(d) of the Order is not applicable to the Company.

(xvii) In our opinion and according to the information and explanations given to us, the Company has not incurred cash losses in the current financial year as well as in the immediately preceding financial year. Accordingly, the reporting under Clause 3(xvii) of the Order is not applicable to the Company.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, the reporting under Clause 3(xviii) of the Order is not applicable to the Company.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of Balance Sheet as and when they fall due within a period of one year from the Balance Sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the Balance Sheet date, will get discharged by the Company as and when they fall due.

(xx) (a) According to the information and explanations given to us, in respect of other than ongoing projects, the Company has no unspent amount that needs to be transferred to a Fund specified in Schedule VII to the Act in compliance with second proviso to sub-section (5) of Section 135 of the Act.

(b) According to the information and explanations given to us, in respect of ongoing projects, the Company has no unspent amount which needs to be transferred to a special account in compliance with sub-section (6) of Section 135 of the Act.

For B. K. Khare & Co.
Chartered Accountants
Firm Registration No. 105102W

Himanshu Goradia
Partner
Membership No. 045668
UDIN: 22045668AHPBGL1046

Mumbai, April 22, 2022

BALANCE SHEET AS AT 31ST MARCH, 2022

		Note No.	As at 31st March, 2022	As at 31st March, 2021
				Rs. in Lakhs
I	**ASSETS**			
1	**NON-CURRENT ASSETS**			
	(a) Property, Plant and Equipment	3	**5,272.04**	5,606.17
	(b) Capital Work-in-Progress	4	**207.10**	150.55
	(c) Investment Property	5	**8,069.85**	8,231.06
	(d) Intangible Assets	6	**–**	–
	(e) Financial Assets			
	(i) Security Deposits	7	**118.69**	116.90
	(f) Other Non-current Assets	9	**492.53**	720.70
	SUB-TOTAL		**14,160.21**	14,825.38
2	**CURRENT ASSETS**			
	(a) Inventories	10	**48,393.01**	50,909.84
	(b) Financial Assets			
	(i) Investments	11	**4,706.63**	–
	(ii) Trade Receivables	12	**1,023.40**	734.61
	(iii) Cash and Cash Equivalents	13	**138.93**	1,347.50
	(iv) Bank Balances other than (iii) above	13	**5,426.67**	514.75
	(v) Other Financial Assets	8	**36.58**	0.63
	(c) Other Current Assets	9	**437.71**	415.43
	SUB-TOTAL		**60,162.93**	53,922.76
	TOTAL ASSETS (1 + 2)		**74,323.14**	68,748.14
II	**EQUITY AND LIABILITIES**			
1	**EQUITY**			
	(a) Share Capital	14	**15,000.00**	15,000.00
	(b) Other Equity	15	**27,889.83**	18,678.10
	SUB-TOTAL		**42,889.83**	33,678.10
	LIABILITIES			
2	**NON-CURRENT LIABILITIES**			
	(a) Financial Liabilities			
	(i) Borrowings	16	**15,480.03**	21,025.96
	(ii) Other Financial Liabilities	17	**2.67**	3.08
	(b) Provisions	18	**4,869.68**	2,604.66
	(c) Deferred Tax Liabilities (Net)	19	**2,061.20**	1,348.77
	(d) Other Non-current Liabilities	20	**938.93**	854.59
	SUB-TOTAL		**23,352.51**	25,837.06
3	**CURRENT LIABILITIES**			
	(a) Financial Liabilities			
	(i) Borrowings	16	**50.07**	393.06
	(ii) Trade Payables	21		
	- Total outstanding dues of micro enterprises and small enterprises		**28.67**	3.09
	- Total outstanding dues of creditors other than micro enterprises and small enterprises		**1,243.86**	1,166.32
	(iii) Other Financial Liabilities	17	**4,077.19**	4,804.40
	(b) Other Current Liabilities	20	**1,586.70**	1,208.72
	(c) Provisions	18	**1,094.31**	1,657.39
	TOTAL CURRENT LIABILITIES		**8,080.80**	9,232.98
	TOTAL EQUITY AND LIABILITIES (1 + 2 +3)		**74,323.14**	68,748.14
	Summary of Significant Accounting Policies	2		

The accompanying notes 1 to 44 are an integral part of these financial statements

In terms of our report attached

For B.K. Khare & Co.
Chartered Accountants
Firm's Registration Number: 105102W

Himanshu Goradia
Partner
Membership No.: 045668
Place: Mumbai
Date: April 22, 2022

For and on behalf of Board of the Directors

Arvind Subramanian
Director
DIN No.: 02551935

Arun Nanda
Director
DIN No.: 00010029

Chief Financial Officer

Company Secretary
Membership No.: 32339

Place: Jaipur
Date: April 22, 2022

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2022

Rs. in Lakhs

	Particulars	Note No.	For the Year ended 31st March, 2022	For the Year ended 31st March, 2021
I	Revenue from operations	22	**29,103.34**	11,074.33
II	Other Income	23	**145.81**	27.55
III	**Total Income (I + II)**		**29,249.15**	11,101.88
IV	**EXPENSES**			
	(a) Cost of Sales			
	- Cost of Projects	24	**6,235.36**	1,768.64
	- Operation & Maintenance expenses	25	**1,708.15**	1,554.95
	(b) Employee benefits expense	26	**386.98**	359.00
	(c) Finance costs	27	**1,623.97**	2,169.16
	(d) Depreciation and amortisation expense	3 & 4	**506.78**	549.39
	(e) Other expenses	28	**729.48**	681.84
	Total Expenses- (IV)		**11,190.72**	7,082.98
V	**Profit before tax (III - IV)**		**18,058.43**	4,018.90
VI	**Tax Expense**			
	(1) Current tax	29	**4,265.90**	766.76
	(2) Deferred tax	29	**89.62**	11.23
	Total tax expense- (VI)		**4,355.52**	777.99
VII	**Profit after tax (V - VI)**		**13,702.91**	3,240.91
VIII	**Other comprehensive income/(loss)**		**8.82**	11.98
	A (i) Items that will not be reclassified to profit or loss			
	(a) Remeasurements of the defined benefit plans		**12.44**	16.90
	(b) Income tax relating to item that will not be reclassified to profit or loss		**(3.62)**	(4.92)
IX	**Total comprehensive income for the year (VII + VIII)**		**13,711.73**	3,252.89
XI	**Earnings per share (Face Value of Rs. 10/- each)**			
	(1) Basic/ Diluted Earnings per share (Rs.)	30	**9.14**	2.16
	Summary of Significant Accounting Policies	2		

The accompanying notes 1 to 44 are an integral part of these financial statements.

In terms of our report attached

For B.K. Khare & Co.
Chartered Accountants
Firm's Registration Number: 105102W

Himanshu Goradia
Partner
Membership No.: 045668
Place: Mumbai
Date: April 22, 2022

For and on behalf of Board of the Directors

Arvind Subramanian
Director
DIN No.: 02551935

Arun Nanda
Director
DIN No.: 00010029

Chief Financial Officer
Place: Jaipur
Date: April 22, 2022

Company Secretary
Membership No.: 32339

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2022

Rs. in Lakhs

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Cash flows from operating activities		
Profit before tax for the year	**18,058.43**	4,018.90
Non-cash adjustment to reconcile profit before tax to net cash flows		
Finance costs recognised in profit or loss	**1,623.97**	2,169.16
Interest Income	**(103.32)**	(27.47)
Liabilities written back	**(35.86)**	–
Investment income recognised in profit or loss	**(6.63)**	–
Gain on disposal of property, plant and equipment	**–**	(0.08)
Provision for Doubtful Debts	**54.90**	153.81
Depreciation and amortisation of non-current assets	**506.78**	549.39
Operating Profit before working capital changes	**20,098.27**	6,863.71
Movements in working capital:		
Decrease/ (Increase) in trade and other receivables	**(343.69)**	1,806.19
Decrease in inventories	**4,113.58**	997.33
Decrease / (Increase) in other Non Current and current assets	**(20.61)**	31.98
Increase Financial Assets- Loans	**(1.79)**	(0.84)
(Decrease)/ Increase in trade and other payables	**103.12**	(279.94)
Decrease in financial liabilities	**1,345.58**	(57.96)
Increase/ (Decrease) in other liabilities	**399.87**	41.74
Increase in Provisions	**1,750.24**	332.01
Cash generated from operations	**27,444.57**	9,734.22
Income taxes (paid)/refund, net	**(3,420.21)**	(899.57)
Net cash generated from operating activities	**24,024.36**	8,834.65
Cash flows from investing activities		
Proceeds from sale of property plant and equipment	**–**	0.08
Capital expenditure	**(67.99)**	(1.54)
Net movement in Other Bank Balances	**(9,611.92)**	1,343.93
Interest & Investment Income received	**67.37**	54.50
Net cash generated from investing activities	**(9,612.54)**	1,396.97

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2022

Rs. in Lakhs

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Cash flows from financing activities		
Repayment of long term borrowings	**(5,789.42)**	(3,000.00)
Net (Repayment)/ Proceeds from short term borrowings	**(280.54)**	(1,651.62)
Dividend Paid (including dividend distribution tax)	**(4,500.00)**	–
Interest Paid	**(5,050.43)**	(5,413.11)
Net cash used in financing activities	**(15,620.39)**	(10,064.73)
Net increase/ (decrease) in cash and cash equivalents	**(1,208.57)**	166.89
Cash and cash equivalents at the beginning of the year	**1,347.50**	1,180.61
Cash and cash equivalents at the end of the year	**138.93**	1,347.50
Components of cash and cash equivalents		
Cash on hand	**0.75**	0.79
With banks		
- on current account	**138.18**	246.71
- on deposit account	**–**	1,100.00
Total cash and cash equivalents (Note 13)	**138.93**	1,347.50

₹ in Lakhs

Change in Liability arising from financing activities	**A**	B
Particulars	**As at March 31, 2022**	As at March 31, 2021
Non Current Borrowings (Refer Note 16 A)	**15,480.03**	21,025.96
Current Borrowings (Refer Note 16 B)	**50.07**	393.06
Total	**15,530.10**	21,419.02
Cash flows (A - B)		(5,888.92)
EIR adjustment to the above		(243.49)
Cash flows, net as per Financing Activities for the year ended 31 March, 2022		(6,132.41)

Summary of Significant Accounting Policies (Note 2).
The accompanying notes 1 to 44 are an integral part of these financial statements.

Notes:
The above Cash Flow Statement has been prepared under the “Indirect method” as set in ‘Indian Accounting Standard (IND AS) - Statement of Cash Flows’.

In terms of our report attached
For B.K. Khare & Co.
Chartered Accountants
Firm’s Registration Number: 105102W

Himanshu Goradia
Partner
Membership No.: 045668
Place: Mumbai
Date: April 22, 2022

For and on behalf of Board of the Directors

Arvind Subramanian
Director
DIN No.: 02551935

Arun Nanda
Director
DIN No.: 00010029

Chief Financial Officer
Place: Jaipur
Date: April 22, 2022

Company Secretary
Membership No.: 32339

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2022

A. Equity Share Capital

Rs. in Lakhs

Balance as at - April 1, 2021	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance as at - March 31, 2022
15,000.00	–	–	–	15,000.00

Balance as at - April 1, 2020	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance as at - March 31, 2021
15,000.00	–	–	–	15,000.00

B. Other Equity

Rs. in Lakhs

	Reserves and Surplus			Other Comprehensive Income	
Particulars	**Debenture Redemption Reserve**	**Capital Redemption Reserve**	**Retained Earnings**	**Acturial Gain / Loss**	**Total**
Balance as at - April 1, 2021	2,142.69	5,000.00	11,523.43	11.98	18,678.10
Profit for the year	–	–	13,702.91		13,702.91
Other Comprehensive Income net of taxes	–	–		8.82	8.82
Dividend paid on Equity Shares	–	–	(4,500.00)		(4,500.00)
Transfer from Debenture Redemption Reserve	(578.94)	–	578.94		–
Balance as at - March 31, 2022	1,563.75	5,000.00	21,305.28	20.80	27,889.83

Rs. in Lakhs

	Reserves and Surplus			Other Comprehensive Income	
Particulars	**Debenture Redemption Reserve**	**Capital Redemption Reserve**	**Retained Earnings**	**Acturial Gain / Loss**	**Total**
Balance as at - April 1, 2020	2,442.69	5,000.00	7,982.52		15,425.21
Profit for the year	–	–	3,240.91		3,240.91
Other Comprehensive Loss net of taxes	–	–	–	11.98	11.98
Transfer from Debenture Redemption Reserve	(300.00)	–	300.00	–	–
Balance as at - March 31, 2021	2,142.69	5,000.00	11,523.43	11.98	18,678.10

Summary of Significant Accounting Policies (Note 2)

The accompanying notes 1 to 44 are an integral part of these financial statements.

In terms of our report attached

For B.K. Khare & Co.
Chartered Accountants
Firm's Registration Number: 105102W

Himanshu Goradia

Partner

Membership No.: 045668

Place: Mumbai
Date: April 22, 2022

For and on behalf of Board of the Directors

Arvind Subramanian
Director

DIN No.: 02551935

Arun Nanda
Director

DIN No.: 00010029

Chief Financial Officer

Place: Jaipur
Date: April 22, 2022

Company Secretary

Membership No.: 32339

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH, 2022

1. General Information

Mahindra World City (Jaipur) Limited ("the Company") is engaged in the business of development of an Industrial park with Special Economic Zone (SEZ) and Domestic Tariff Area (DTA). The Company acquires land under lease, incurs expenditure on its development and related infrastructure facilities and gives them on a long-term lease for industrial, commercial and residential use. The Company also maintains the Industrial Park for which it collects operation and maintenance charges from the lessees.

The registered office of the Company is located at 4th Floor, 411, Neelkanth Tower, Bhawani Singh Road, C-Scheme, Jaipur – 302001, Rajasthan.

2. Significant Accounting Policies

2.1 Statement of compliance

The financial statements of the Company have been prepared in accordance with the Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2021 as amended and notified under section 133 of the Companies Act, 2013 (the Act) and other relevant provisions of the Companies Act, 2013 ("the Act"). The aforesaid financial statements have been approved by the Company's Board of Directors and authorised for issue in the meeting held on April 22, 2022.

2.2 Basis of measurement

These financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Measurement of Fair Values

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company considers the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and / or disclosure purposes in these financial statements is determined on such a basis.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

2.3 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable.

2.3.1 Land Lease Premium

Land lease premium is recognized as income upon creation of leasehold rights in favour of the lessee or upon an agreement to create leasehold rights with handing over of possession.

2.3.2 Income from properties

Income from properties and other assets given under operating lease is recognised based on the terms of lease agreement on a straight-line basis over the non-cancellable lease period.

2.3.3 Income from Operations and Maintenance (O&M)

Income from operation & maintenance charges and water charges are recognized over time on an accrual basis as per terms of the agreement with the lessees.

2.3.4 Other income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time proportionate basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

2.4 Current versus non-current classification

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents.

Based on the nature of activity carried out by the Company and the period between the procurement and realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of Current – Non Current classification of assets & liabilities.

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Borrowings are classified as current if they are due to be settled within 12 months after the reporting period.

2.5 Leases

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. The Company revises the lease term if there is a change in the non-cancellable period of a lease.

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH, 2022

2.5.1 The Company as a Lessee

The Company has elected not to apply the requirements of Ind AS 116 Leases to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

2.5.2 Company as a lessor

At the inception of the lease the Company classifies each of its leases as either an operating lease or a finance lease. The Company recognises lease payments received under operating leases as income on a straight- line basis over the lease term.

2.6 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

2.6.1 Current tax

Current tax is determined as the amount of tax payable in respect of taxable income for the year. The Company's current tax is calculated using tax rate that has been enacted or substantively enacted by the end of the reporting period.

2.6.2 Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the way the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

2.6.3 Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

2.7 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

2.8 Inventories

Inventories are stated at lower of cost and net realisable value. The cost of construction material is determined on the basis of weighted average method. Construction Work-in-Progress includes cost of land, construction costs and allocated interest & manpower costs and expenses incidental to the projects undertaken by the Company.

2.9 Cash and cash equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

2.10 Property, plant and equipment

Land and buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses. Freehold land is not depreciated.

Properties used in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Company's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method.

Depreciation on tangible fixed assets has been provided on pro-rata basis, on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except for certain assets as indicated below:

Certain plant and equipment are depreciated over a period of 12 years based on technical evaluation of useful life by management.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

2.11 Investment Property:

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, Investment properties are measured in accordance with requirement of IND AS 16 for cost model.

Investment property includes leasehold land and building. Depreciation on investment property has been provided on pro-rata basis, on the straight-line method as per the useful life of such property. Buildings are depreciated over the period of 60 years considering this period as the useful life for the Company.

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH, 2022

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated at the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

2.12 Impairment of tangible and intangible assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also, allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired. Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

2.13 Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

2.14 Provisions, contingent liabilities and contingent assets

2.14.1 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material). When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received, and the amount of the receivable can be measured reliably. Provisions, contingent liabilities and contingent assets are reviewed at each Balance Sheet date.

2.14.2 Onerous contracts

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Company has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

2.14.3 Contingent liabilities

Contingent liability is disclosed in case of:

a. a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation; and

b. a present obligation arising from past events, when no reliable estimate is possible.

2.14.4 Contingent assets

Contingent assets are disclosed where an inflow of economic benefits is probable.

2.15 Financial instruments

Financial assets and financial liabilities are recognised when a Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

2.16 Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

2.16.1 Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortised cost (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH, 2022

Interest income is recognised in profit or loss for Fair Value through Other Comprehensive Income (FVTOCI) debt instruments. For the purposes of recognising foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortised cost. Thus, the exchange differences on the amortised cost are recognised in profit or loss and other changes in the fair value of FVTOCI financial assets are recognised in other comprehensive income and accumulated under the heading of 'Reserve for debt instruments through other comprehensive income'. When the investment is disposed of, the cumulative gain or loss previously accumulated in this reserve is reclassified to profit or loss.

All other financial assets are subsequently measured at fair value.

2.16.2 Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in profit or loss and is included in the "Other income" line item.

2.16.3 Investments in equity instruments at FVTOCI

On initial recognition, the Company can make an irrevocable election (on an instrument by- instrument basis) to present the subsequent changes in fair value in other comprehensive income pertaining to investments in equity instruments. This election is not permitted if the equity investment is held for trading. These elected investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the 'Reserve for equity instruments through other comprehensive income'. The cumulative gain or loss is not reclassified to profit or loss on disposal of the investments.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition, it is part of a portfolio of identified financial instruments
- that the Company manages together and has a recent actual pattern of short term
- profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument or
- a financial guarantee.

2.16.4 Financial assets at fair value through profit or loss (FVTPL)

Debt instruments that do not meet the amortised cost criteria or FVTOCI criteria (see above) are measured at FVTPL. In addition, debt instruments that meet the amortised cost criteria or the FVTOCI criteria but are designated as at FVTPL are measured at FVTPL.

A financial asset that meets the amortised cost criteria or debt instruments that meet the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Company has not designated any debt instrument as at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other income' line item. Dividend on financial assets at FVTPL is recognised when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right Offsetting Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously. to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

2.16.5 Impairment of financial assets

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, debt instruments at FVTOCI, lease receivables, trade receivables, and other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Company estimates cash flows by considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument.

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. 12-month expected credit losses are portion of the life-time expected credit losses and represent the lifetime cash shortfalls that will result if default occurs within the 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.

If the Company measured loss allowance for a financial instrument at lifetime expected credit loss model in the previous period, but determines at the end of a reporting period that the credit risk has not increased significantly since initial recognition due to improvement in credit quality as compared to the previous period, the Company again measures the loss allowance based on 12-month expected credit losses.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Company uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH, 2022

that assessment, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

The impairment requirements for the recognition and measurement of a loss allowance are equally applied to debt instruments at FVTOCI except that the loss allowance is recognised in other comprehensive income and is not reduced from the carrying amount in the balance sheet.

2.16.6 Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

On derecognition of a financial asset other than in its entirety (e.g. when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

2.16.7 Foreign exchange gains and losses

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

- For foreign currency, denominated financial assets measured at amortised cost and FVTPL, the exchange differences are recognised in profit or loss except for those which are designated as hedging instruments in a hedging relationship.
- Changes in the carrying amount of investments in equity instruments at FVTOCI relating to changes in foreign currency rates are recognised in other comprehensive income.
- For the purposes of recognising foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortised cost. Thus, the exchange differences on the amortised cost are recognised in profit or loss and other changes in the fair value of FVTOCI financial assets are recognised in other comprehensive income.

2.16.8 Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

2.16.9 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

2.16.9.1 Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, financial guarantee contracts issued by the Company, and commitments issued by the Company to provide a loan at below-market interest rate are measured in accordance with the specific accounting policies set out below.

2.16.9.2 Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH, 2022

effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

2.16.9.3 Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

2.17 Foreign currency transactions and translations

Foreign currency transactions are recorded at exchange rates prevailing on the date of transaction. Monetary assets / liabilities are translated at exchange rates prevailing on the date of settlement or at the year-end as applicable, and gain / loss arising out of such translation is adjusted to the profit and loss account.

2.18 Earnings per Share

Basic / Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post-tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year.

2.19 Employee benefits

Employee benefits include provident fund, superannuation fund, employee state insurance scheme, gratuity fund, compensated absences etc.

The Company's contribution to provident fund are considered as defined contribution plans and are charged as an expense as they fall due based on the amount of contribution required to be made and when services are rendered by the employees.

Defined benefit plans

For defined benefit plans in the form of gratuity fund, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each Balance Sheet date. Actuarial gains and losses are recognized in the Statement of Profit and Loss in the period in which they occur. Past service cost is recognized immediately to the extent that the benefits are already vested and otherwise is amortized on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognized in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognized past service cost.

Short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognized during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service. The cost of such compensated absences is accounted as under:

a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and

b) in case of non-accumulating compensated absences, when the absences occur.

Long-term employee benefits

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognized as a liability at the present value of the defined benefit obligation as at the Balance Sheet date.

2.20 Insurance Claims:

Insurance claims are accounted for on the basis of claims admitted / expected to be admitted and to the extent that the amount recoverable can be measured reliably and it is reasonable to expect ultimate collection.

2.21 Goods and Services tax input credit:

Goods and Services tax input credit is accounted for in the books in the period in which the underlying service received is accounted and when there is reasonable certainty in availing / utilising the credits.

2.22 Use of estimates and judgements

The Management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only the period of the revision and future periods if the revision affects both current and future periods.

Key sources of estimation uncertainty

Management has made the following judgements based on estimates and assumptions, which have the significant effect on the amounts recognised in the financial statements:

A. Useful lives of property, plant and equipment

The Company reviews the useful life of property, plant and equipment at the end of each reporting period. This re-assessment may result in change in depreciation expense in future periods.

B. Actuarial Valuation

The determination of Group's liability towards defined benefit obligation to employees is made through independent actuarial valuation including determination of amounts to be recognised in the Statement of Profit and Loss and in other comprehensive income. Such valuation depends upon assumptions determined after taking into account inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market. Information about such valuation is provided in notes to the financial statements.

C. COVID -19 Impact assessment:

The management assessed the Company's future projections in light of the developments due to COVID 19 situation and has reassessed the impact that it may cause on the Company's financial and operational performance . The business activities were temporarily suspended owing to lock down during the year and post phased out lifting of the lock down, the activities have commenced in a gradual manner . The Company has credit and term loan facilities available to meet the project costs and pay off the vendors and bankers in the immediate 12 months from the date of approval of these financial statements. The Company expects no additional inflow of capital towards currently planned development. Based on the above assessment, the management is of the view that company will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH, 2022

All amounts are in Lakhs unless otherwise stated

Note No. 3 a. - Property, Plant and Equipment

Carrying Amounts of:	As at 31st March, 2022	As at 31st March, 2021
Land - Lease hold	**18.73**	18.96
Buildings	**4,669.48**	4,822.95
Plant & Equipment	**569.72**	756.66
Office Equipment	**13.78**	4.41
Furniture and Fixtures	**–**	2.63
Vehicles	**–**	–
Computers	**0.33**	0.56
Total	**5,272.04**	**5,606.17**

Description of Assets	Land - Leasehold	Buildings	Plant & Equipment	Office Equipment	Furniture and Fixtures	Vehicles	Computers	Total
I. Gross Carrying Amount								
Balance as at 1 April 2021	20.55	5,974.88	2,903.02	49.44	1,490.45	29.87	64.58	**10,532.79**
Additions	–	–	–	11.44	–	–	–	**11.44**
Disposals	–	–	–	–	–	–	–	**–**
Balance As at March 31, 2022	**20.55**	**5,974.88**	**2,903.02**	**60.88**	**1,490.45**	**29.87**	**64.58**	**10,544.23**
II. Accumulated depreciation and impairment								
Balance as at 1 April 2021	1.59	1,151.93	2,146.36	45.03	1,487.82	29.87	64.02	**4,926.62**
Depreciation expense for the year	0.23	153.47	186.94	2.07	2.63	–	0.23	**345.57**
Disposals	–	–	–	–	–	–	–	**–**
Balance As at March 31, 2022	**1.82**	**1,305.40**	**2,333.30**	**47.10**	**1,490.45**	**29.87**	**64.25**	**5,272.19**
III. Net carrying amount as at March 31, 2022 (I-II)	**18.73**	**4,669.48**	**569.72**	**13.78**	**–**	**–**	**0.33**	**5,272.04**

Description of Assets	Land - Leasehold	Buildings	Plant & Equipment	Office Equipment	Furniture and Fixtures	Vehicles	Computers	Total
I. Gross Carrying Amount								
Balance as at 1st April, 2020	20.55	5,974.88	2,903.02	49.44	1,490.45	42.48	64.58	10,545.40
Additions	–	–	–	–	–	–	–	–
Disposals	–	–	–	–	–	12.61	–	12.61
Balance as at 31 March 2021	20.55	5,974.88	2,903.02	49.44	1,490.45	29.87	64.58	10,532.79
II. Accumulated depreciation and impairment								
Balance as at 1st April 2020	1.36	995.81	1,938.53	42.02	1,481.48	42.48	63.17	4,564.85
Depreciation expense for the year	0.23	156.12	207.83	3.01	6.34	–	0.85	374.38
Disposals	–	–	–	–	–	12.61	–	12.61
Balance as at 31 March 2021	1.59	1,151.93	2,146.36	45.03	1,487.82	29.87	64.02	4,926.62
III. Net carrying amount as at 31 March 2021 (I-II)	18.96	4,822.95	756.66	4.41	2.63	–	0.56	5,606.17

Note:

The depreciation methods used and the useful lives or the depreciation rates used are as per the Accounting policy. Refer notes 1 and 2.

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH, 2022

All amounts are in Lakhs unless otherwise stated

Note No. 4 - Capital-Work-in Progress

(a) CWIP aging schedule

Rs. In Lakhs

As at March 31, 2022	**Amount in CWIP for a period of**				
CWIP	**Less than 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
Projects in progress	**56.55**	**16.87**	**109.76**	**–**	**183.18**
Projects temporarily suspended *	**–**	**–**	**–**	**23.92**	**23.92**
Total	**56.55**	**16.87**	**109.76**	**23.92**	**207.10**

Rs. In Lakhs

As at March 31, 2021	Amount in CWIP for a period of				
CWIP	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	–	16.87	109.76	–	126.63
Projects temporarily suspended *	–	–		23.92	23.92
Total	**–**	**16.87**	**109.76**	**23.92**	**150.55**

* The amount of Projects temporarily suspended has been provided for in the books in financial year 2020-21.

(b) There is no capital-work-in progress, whose completion is overdue or has exceeded its cost compared to its original plan.

Note No. 5 - Investment Property

Carrying Amounts of:	**As at 31st March, 2022**	As at 31st March, 2021
Completed Investment Properties (Net Value)	**8,069.85**	8,231.06

Description of Assets	**Land**	**Buildings**	**Total**
I. Gross Carrying Amount			
Balance as at 1 April 2021	370.04	10,052.34	10,422.38
Addition	–	–	–
Balance As at March 31, 2022	**370.04**	**10,052.34**	**10,422.38**
II. Accumulated depreciation and impairment			
Balance as at 1 April 2021	53.64	2,137.68	2,191.32
Addition	3.68	157.53	161.21
Balance As at March 31, 2022	**57.32**	**2,295.21**	**2,352.53**
III. Net carrying amount as at 31 March 2022 (I-II)	**312.72**	**7,757.13**	**8,069.85**

Description of Assets	**Land**	**Buildings**	**Total**
I. Gross Carrying Amount			
Balance as at 1 April 2020	370.04	10,052.34	10,422.38
Addition	–	–	–
Balance As at March 31, 2021	**370.04**	**10,052.34**	**10,422.38**
II. Accumulated depreciation and impairment			
Balance as at 1 April 2020	49.96	1,966.35	2,016.31
Addition	3.68	171.33	175.01
Balance As at March 31, 2021	**53.64**	**2,137.68**	**2,191.32**
III. Net carrying amount as at 31 March 2021 (I-II)	**316.40**	**7,914.66**	**8,231.06**

Fair value disclosure on Company's investment properties

(i) The Company's investment properties consist of land and building with current rentable area of 4.30 Lakhs sq. ft. Management determined that the investment properties consist of two classes of assets – Land and Building – based on the nature, characteristics and risks of each property.

(ii) As at March 31, 2022 and March 31, 2021, the fair values of the properties are Rs. 18,027.64 Lakhs and Rs. 16,128.11 Lakhs respectively (Level 3). These valuations are based on valuations performed by Purshotam Khandelwal who is registered with an authority which governs the valuers in India and has appropriate qualification and experience in the valuation of properties.

(iii) The Company has no restrictions on the realisability of its investment properties and no contractual obligations to either purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

Description of valuation techniques used and key inputs to valuation on investment properties:

Valuation technique- Income Approach Method

	Range (weighted average)	
Significant unobservable Inputs	**As at 31st March, 2022**	As at 31st March, 2021
Annual Rental	**1,621.91**	1,506.66
Less: Repairs & Maintenance & Mgmt Exp, Insurace Etc.15%	**243.29**	253.00
Net Annual Rental	**1,378.62**	1,253.66
Capitalized Net Yield	**10.00%**	10.00%

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH, 2022

All amounts are in Lakhs unless otherwise stated

Significant unobservable Inputs	Range (weighted average) As at 31st March, 2022	As at 31st March, 2021
Net Annual Income	**13,786.24**	12,536.60
Total Built Up area (Sq Ft area)	**430,672**	430,672
Rented Built Up Area	**362,262**	362,262
Area under Possession MWCJ	**68,410**	68,410
Market Rate /Sq ft Rs. 6,200 yr 2020-21 Rs. 5,780 Yr 2020-21	**4,241.40**	3,591.51
Total Market Value	**18,027.64**	**16,128.11**
Realisable Value	**13,520.73**	12,368.01
Realisable Value (in CR)	**135.21**	123.68
Distress Sale Value	**9,013.82**	8,245.34
Distress Sale Value (In CR)	**90.14**	82.45

Basis of Valuation Method:- Valuation is carried out by income approach method (also called Yield Method) is adopted in which appropriate rate of return is capitalised to reach the market value of the property of the portion rent out and sales comparable method use for the portion under owner Possession.

The depreciation methods used and the useful lives or the depreciation rates used are as per the Accounting policy. Refer notes 1 and 2.

Note No. 6 - Intangible Assets

Carrying Amounts of:	As at 31st March, 2022	As at 31st March, 2021
Other Intangible Assets	**–**	–

Description of Assets	Computer Software	Total
I. Gross Carrying Amount		
Balance as at 1 April 2021	52.03	52.03
Balance As at March 31, 2022	**52.03**	**52.03**
II. Accumulated depreciation and impairment		
Balance as at 1 April 2021	52.03	52.03
Balance As at March 31, 2022	**52.03**	**52.03**
III. Net carrying amount as at 31 March 2022 (I-II)	**–**	**–**

Description of Assets	Computer Software	Total
Intangible Assets		
I. Gross Carrying Amount		
Balance as at 1 April 2020	52.03	52.03
Balance as at 31 March, 2021	52.03	52.03
II. Accumulated depreciation and impairment		
Balance as at 1 April 2020	52.03	52.03
Balance as at 31 March, 2021	**52.03**	**52.03**
III. Net carrying amount as at 31 March, 2021 (I-II)	**–**	**–**

Note: The depreciation methods used and the useful lives or the depreciation rates used are as per the Accounting policy. Refer notes 1 and 2.

Note No. 7- Security Deposits

Particulars	As at 31st March, 2022 Current	As at 31st March, 2022 Non- Current	As at 31st March, 2021 Current	As at 31st March, 2021 Non- Current
Security Deposits				
- Unsecured, considered good	**–**	**118.69**	–	116.90
Total	**–**	**118.69**	–	116.90

Note No. 8 - Other Financial Assets

Particulars	As at 31st March, 2022 Current	As at 31st March, 2022 Non-Current	As at 31st March, 2021 Current	As at 31st March, 2021 Non-Current
Financial assets at amortised cost				
a) Interest Accrued on deposits	**36.58**	**–**	0.63	–
b) Fixed Deposits	**–**	**–**	–	–
Total	**36.58**	**–**	0.63	–

Note No. 9 - Other Non - Current Assets

Particulars	As at 31st March, 2022 Current	As at 31st March, 2022 Non-Current	As at 31st March, 2021 Current	As at 31st March, 2021 Non-Current
(a) Capital advances				
(i) For Capital work in progress	**–**	**–**	–	–

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH, 2022

All amounts are in Lakhs unless otherwise stated

Particulars	As at 31st March, 2022		As at 31st March, 2021	
	Current	**Non-Current**	Current	Non-Current
(a) Advances other than capital advances				
(i) Balances with government authorities (other than income taxes) ..	**110.38**	**82.91**	95.65	82.91
(ii) Income Tax Assets (Net of provision of Rs. 13,183.86 Lakhs- FY 22: Rs. 9,537.15 Lakhs- FY21)	**–**	**–**		226.50
(iii) Taxes paid under Protest (Refer note 32)	**–**	**406.88**	–	406.88
(iv) Prepaid Expenses	**72.28**	**2.74**	42.21	4.41
(v) Advance to vendors	**254.43**	**–**	258.98	–
(vi) Others*	**0.62**	**–**	18.59	–
Total	**437.71**	**492.53**	415.43	720.70

* Others mainly includes recoverable from vendors and unbilled revenue.

Note No. 10 - Inventories

Particulars	As at 31st March, 2022	As at 31st March, 2021
Inventories (Work-in-progress)	**48,393.01**	50,909.84
Total Inventories	**48,393.01**	50,909.84
Included in above:		
Land Cost	**17,817.81**	19,377.24
Development Cost	**30,575.20**	31,532.60
Total	**48,393.01**	50,909.84

(i) The cost of inventories recognised as an expense during the year was Rs. 6,235.36 Lakhs (FY 2020-21: Rs. 1,768.64 Lakhs).

(ii) The carrying amount of inventories is pledged as security for liabilities. Refer Note No. 16 - Borrowings.

(iii) Mode of valuation of inventories is cost or net realisable value, whichever is less. Refer note 2.8.

Note No. 11 - Investments

Particulars	Current	
	As at 31st March, 2022	As at 31st March, 2021
I. Unquoted Investments		
Investments in Mutual Funds	**4,706.63**	–
Total Unquoted Investments	**4,706.63**	–
Investments Carried At FVTPL	**4,706.63**	–
Other disclosures:		
Aggregate amount of Market value of investments	**4,706.63**	–

Refer Note 37 for disclosure of Measurement Requirements as per IND AS 107, 109, 113.

Note No. 12 - Trade Receivables

Rs. in Lakhs

Particulars	Current	
	As at 31st March, 2022	As at 31st March, 2021
Trade receivables		
(a) Trade Receivables considered good– Unsecured	**1,023.40**	734.61
(b) Trade Receivables – credit impaired.	**172.85**	153.81
Less: Allowance for credit losses	**(172.85)**	(153.81)
TOTAL	**1,023.40**	734.61

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH, 2022

All amounts are in Lakhs unless otherwise stated

	As at 31st March, 2022		As at 31st March, 2021	
Outstanding for following periods from due date of payment	**Undisputed Trade receivables – considered good**	**Undisputed Trade Receivables – credit impaired**	Undisputed Trade receivables – considered good	Undisputed Trade Receivables – credit impaired
Less than 6 months	**681.16**	**–**	364.29	–
6 months -1 year	**110.73**	**–**	84.62	0.28
1-2 years	**117.54**	**17.69**	172.20	21.14
2-3 years	**109.92**	**4.79**	103.44	4.50
More than 3 years	**3.97**	**150.37**	10.05	127.88
Total	**1,023.32**	**172.85**	734.61	153.81

(i) Trade receivables are dues in respect of services rendered in the normal course of business.

(ii) The average credit period in the range of 7-60 days on service rendered is as per the terms of the service agreement with clients.

Note No. 13 - Cash and Bank Balances

Particulars	**As at 31st March, 2021**	As at 31st March, 2020
Cash and cash equivalents		
(a) Balances with banks	**138.18**	246.71
(b) Cash on hand	**0.75**	0.79
(c) Fixed Deposits with original maturity less than 3 months	**–**	1,100.00
Total Cash and cash equivalents (considered in Cash Flow Statement)	**138.93**	1,347.50
Other Bank Balances		
(a) Earmarked balances with banks (Refer note No. 13 a. below)	**15.45**	14.75
(b) Balances with Banks:		
(i) Fixed Deposits	**5,411.22**	500.00
Total Other Bank balances	**5,426.67**	514.75
Grand Total	**5,565.60**	1,862.25

Note No. 13 a. Fixed deposit is earmarked for availing overdraft facility of Rs. 9.00 Lakhs with State Bank of India. The overdraft facility is unutilised as on March 31, 2022 (Previous year- Nil).

Note No. 14 - Share Capital

Particulars	**As at 31st March, 2021**	As at 31st March, 2020
Authorised Share Capital:		
150,000,000 fully paid equity shares of Rs 10 each	**15,000.00**	15,000.00
50,000,000 Preference shares of Rs 10 each	**5,000.00**	5,000.00
Issued, Subscribed and Fully Paid:		
150,000,000 Equity shares of 10 each	**15,000.00**	15,000.00
Total	**15,000.00**	15,000.00

(a) Terms/ rights attached to equity shares:

(i) The Company has only one class of Equity shares having a par value of Rs 10/- per share. Each holder of Equity Shares is entitled to one vote per share and carry right to dividends.

(ii) The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in ensuing Annual General Meeting.

(iii) Repayment of capital will be in proportion to the number of equity shares held.

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH, 2022

All amounts are in Lakhs unless otherwise stated

(b) Reconciliation of the number of shares outstanding at the beginning and at the end of the year.

Particulars	Opening Balance	Other Changes	Closing Balance
Equity Shares with Voting rights*			
Year Ended 31 March 2022			
No. of Shares	150,000,000	–	150,000,000
Amount	15,000	–	15,000
Year Ended 31 March 2021			
No. of Shares	150,000,000	–	150,000,000
Amount	15,000	–	15,000

- There were no Preference shares issued during the year or outstanding as on 31 March 2022 and 2021.

(c) Details of shares held by each shareholder holding more than 5% shares:

Class of shares/Name of shareholder	As at 31st March, 2022		As at 31st March, 2021	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares with voting rights				
- Mahindra Lifespace Developers Limited	**111,000,000**	**74%**	111,000,000	74%
- Rajasthan State Industrial Development and Investment Corporation Limited	**39,000,000**	**26%**	39,000,000	26%

(d) Details of shares held by promoters:

Class of shares/ Name of Promoters	Number of shares	% of Total Shares	% Change during the year
As at March 31, 2022			
Equity shares with voting rights			
– Mahindra Lifespace Developers Limited	111,000,000	74%	0%
– Rajasthan State Industrial Development and Investment Corporation Limited	39,000,000	26%	0%
As at March 31, 2021			
Equity shares with voting rights			
– Mahindra Lifespace Developers Limited	111,000,000	74%	0%
– Rajasthan State Industrial Development and Investment Corporation Limited	39,000,000	26%	0%

Note No. 15 (a) - Other Equity

Particulars	As at 31st March, 2022	As at 31st March, 2021
Retained earnings	**21,326.08**	11,535.41
Capital redemption reserve	**5,000.00**	5,000.00
Debenture redemption reserve	**1,563.75**	2,142.69
Total	**27,889.83**	18,678.10

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH, 2022

All amounts are in Lakhs unless otherwise stated

Note No. 15 (b) - Other Equity

Particulars	Capital Redemption Reserve	Debenture Redemption Reserve	Retained Earnings	Total
As at 1 April, 2021	5,000.00	2,142.69	11,535.41	18,678.10
Profit for the year	–	–	13,702.91	13,702.91
Other Comprehensive Income (net of taxes)	–	–	8.82	8.82
Total Comprehensive Income for the year	5,000.00	2,142.69	25,247.14	32,389.83
Dividend paid on Equity Shares	–	–	(4,500.00)	(4,500.00)
Transfers from Debenture Redemption Reserve	–	(578.94)	578.94	–
As at March 31, 2022	**5,000.00**	**1,563.75**	**21,326.08**	**27,889.83**

Particulars	Capital Redemption Reserve	Debenture Redemption Reserve	Retained Earnings	Total
As at 1 April, 2020	5,000.00	2,442.69	7,982.52	15,425.21
Profit for the year	–	–	3,240.91	3,240.91
Other Comprehensive Loss (net of taxes)	–	–	11.98	11.98
Total Comprehensive Income for the year	5,000.00	2,442.69	11,235.41	18,678.10
Transfers from Debenture Redemption Reserve	–	(300.00)	300.00	–
As at March 31, 2021	5,000.00	2,142.69	11,535.41	18,678.10

Capital Redemption Reserve: The Capital Redemption Reserve was created against redemption of Preference Shares.

Debenture Redemption Reserve: A debenture redemption reserve is a provision created against issue of debentures to protect investors against the possibility of default by the company.

Pursuant to Rule 18 (7) of the Companies (Share Capital and Debentures) Rules, 2014 (amended vide notification dated 16th August, 2019), an amount of Rs. 578.94 Lakhs (PY - Rs. 300 Lakhs) being the excess DRR in the books of accounts have been transferred to Retained Earnings.

Retained Earnings: This reserve represents cumulative profits of the Company and effects of remeasurement of defined benefit obligations. This reserve can be utilised in accordance with the provisions of Companies Act, 2013.

Note No. 16 - Borrowings

Particulars	As at 31st March, 2022	As at 31st March, 2021
A. Non- Current Borrowings		
Measured at amortised cost		
Unsecured Borrowings:		
- Other Loans- Refer note 16 A-I	**15,480.03**	21,025.96
Total Unsecured Borrowings	**15,480.03**	21,025.96
Total Non- Current Borrowings	**15,480.03**	21,025.96
B. Short Term Borrowings		
Secured Borrowings		
Loans repayable on demand		
- From Banks	**50.07**	393.06
Total Secured Short Term Borrowings	**50.07**	393.06
Total Short Term Borrowings	**50.07**	393.06

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH, 2022

All amounts are in Lakhs unless otherwise stated

Summary of Borrowing Arrangements:

Note - 16 A - I. The Company has issued, on 5th July' 2018 - unsecured, unlisted, redeemable, non-convertible debentures as below:-

Particulars	Series 1A	Series 1B	Series B	Total
Face Value (Rs.)	100.00	100.00	100.00	
No. of Debentures	6,622,870	12,856,160	1,947,903	**21,426,933**
Total Face Value (Value in Lakhs)	6,622.87	12,856.16	1,947.90	**21,426.93**
Discount on issue	10%	10%	Nil	**Nil**
Total Issue Value (Value in Lakhs)	**5,960.59**	**11,570.54**	**1,947.90**	**19,479.03**

The key terms series 1A are as below:

(a) Coupon on each Series 1A Debenture shall accrue on a quarterly basis at the end of each quarter of a Financial Year, and shall become due and payable to the holders of Series 1A Debentures quarterly subject to availability of Distributable Cash as determined by Distribution committee. The Company shall redeem the relevant Series 1A Debentures in the in accordance with the Distribution Waterfall and Distribution Waterfall Mechanism.

The key terms series 1B are as below:

(a) Coupon on each Series 1B Debenture shall accrue on a quarterly basis at the end of each quarter of a Financial Year, and shall become due and payable to the holders of Series 1B Debentures quarterly subject to availability of Distributable Cash as determined by Distribution committee. The Company shall redeem the relevant Series 1B Debentures in the in accordance with the Distribution Waterfall and Distribution Waterfall Mechanism.

The key terms series B are as below:

(a) Coupon on each Series B Debenture shall accrue on a quarterly basis at the end of each quarter of a Financial Year, and shall become due and payable to the holders of Series B Debentures quarterly subject to availability of Distributable Cash as determined by Distribution committee. The Company shall redeem the relevant Series B Debentures in the in accordance with the Distribution Waterfall and Distribution Waterfall Mechanism.

Non- Current Borrowings Oustanding Summary

Particulars	As at 31st March, 2022	As at 31st March, 2021
Non- Convertible Debentures- IFC Refer Note - 14 A- II	**15,480.03**	21,025.96
Total	**15,480.03**	21,025.96

Note - 16 B. The cash credit facility carries interest rate in the range of 7.70% p.a. to 9.20% p.a. and is secured against trade receivables.

Note No. 17 - Other Financial Liabilities

Particulars	As at 31st March, 2022	As at 31st March, 2021
Other Financial Liabilities Measured at Amortised Cost		
Non-Current		
(a) Security Deposits	**2.67**	3.08
Total Non Current Other financial liabilities measured at amortised cost	**2.67**	3.08
Current		
a) Interest Accrued but not due (Note - 16 A- I)	**1,381.09**	3,454.29
b) Other liabilities		
(1) Capital Creditors	**46.04**	46.04
(2) Security Deposits from lessees	**2,614.29**	1,267.91
(3) Others	**35.77**	36.16
Total Current Other financial liabilities measured at amortised cost	**4,077.19**	4,804.40
Total other financial liabilities	**4,079.86**	4,807.48

Note No. 18 - Provisions

Particulars	As at 31st March, 2022		As at 31st March, 2021	
	Current	**Non-Current**	Current	Non-Current
(a) Provision for employee benefits				
- Gratuity	**1.10**	**60.00**	1.22	66.54
- Leave encashment	**0.74**	**27.21**	1.17	42.91
(b) Other Provisions				
(1) Provision for cost of sale	**1,092.47**	**4,782.47**	1,655.00	2,495.21
Total Provisions	**1,094.31**	**4,869.68**	1,657.39	2,604.66

Note- 18 a. The Other Provisions are not subject to discounting, considering no fixed timeline to incur cash outflow.

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH, 2022

All amounts are in Lakhs unless otherwise stated

Note No. 19: Deferred Tax Liabilities (Net)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Deferred Tax Liabilities	**2,104.33**	2,052.04
Deferred Tax Assets	**(43.13)**	(703.27)
Total	**2,061.20**	1,348.77

(i) Movement in deferred tax balances

Particulars	For the Year ended 31st March, 2022		
	Opening Balance	**For the year**	**Closing Balance**
Tax effect of items constituting deferred tax liabilities			
Property, Plant and Equipment	**2,052.04**	**52.29**	**2,104.33**
Others	**–**	**–**	**–**
(A)	**2,052.04**	**52.29**	**2,104.33**
Tax effect of items constituting deferred tax assets			
Provisions for Leave Encashment & Gratuity	**32.57**	**(6.64)**	**25.93**
Provision for Doubtful Debts	**44.79**	**(28.80)**	**15.99**
Minimum Alternate Credit Entitlement	**619.19**	**(619.19)**	**–**
Other Items	**6.72**	**(5.51)**	**1.21**
(B)	**703.27**	**(660.14)**	**43.13**
Net Tax Liabilities (A - B)	**1,348.77**	**712.43**	**2,061.20**

Particulars	For the year ended March 31, 2021		
	Opening Balance	For the year	Closing Balance
Tax effect of items constituting deferred tax liabilities			
Property, Plant and Equipment	1,993.04	59.00	2,052.04
Others	1.30	(1.30)	–
(A)	1,994.34	57.70	2,052.04
Tax effect of items constituting deferred tax assets			
Provisions for Leave Encashment & Grautuity	42.51	(9.94)	32.57
Provision for Doubtful Debts	–	44.79	44.79
Minimum Alternate Credit Entitlement	649.56	(30.37)	619.19
Other Items	0.02	6.70	6.72
(B)	692.09	11.18	703.27
Net Tax Liabilities (A - B)	1,302.25	46.52	1,348.77

* Deferred tax (Charge) / Credit recognised in Other comprehensive income on Remeasurements of the defined benefit plans is Rs -3.62 Lakhs (Previous Year-Rs 4.92 Lakhs).

Note No. 20 - Other Liabilities

Particulars	As at 31st March, 2022		As at 31st March, 2021	
	Current	**Non-Current**	Current	Non-Current
a. Advances received from customers	**1,174.43**	**–**	1,174.43	–
b. Statutory dues				
- taxes payable (other than income taxes)	**37.64**	**–**	23.99	–
- Income Tax Liability	**363.20**			
c. Others*	**11.43**	**938.93**	10.30	854.59
TOTAL OTHER LIABILITIES	**1,586.70**	**938.93**	1,208.72	854.59

* Others represent the rent free deposits received from customers.

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH, 2022

All amounts are in Lakhs unless otherwise stated

Note No. 21 - Trade Payables

Particulars	As at 31st March, 2022	As at 31st March, 2022
Trade payable - Micro and small enterprises - Refer Note no.- 33	**28.67**	3.09
Trade payable - Other than micro and small enterprises	**1,243.86**	1,166.32
Total trade payables	**1,272.53**	1,169.41

As at March 31, 2022

Outstanding for following periods	**MSME**	**Others**	**Disputed dues – MSME**	**Disputed dues - Others**
Less than 1 year	**28.67**	**728.09**	**–**	**–**
1-2 years	**–**	**5.86**	**–**	**–**
2-3 years	**–**	**40.34**	**–**	**–**
More than 3 years	**–**	**448.38**	**–**	**–**
Total	**28.67**	**1,222.67**	**–**	**–**

As at March 31, 2021

Outstanding for following periods	MSME	Others	Disputed dues – MSME	Disputed dues - Others
Less than 1 year	2.75	587.94	–	–
1-2 years	0.34	47.06	–	–
2-3 years	–	85.41	–	–
More than 3 years	–	445.91	–	–
Total	**3.09**	**1,166.32**	–	–

- Trade Payables are payables in respect of the amount due on account of goods purchased or services received in the normal course of business.
- The average credit period in the range of 0-60 days on goods/service received is as per the terms of the agreement with vendors.
- The above information regarding Micro and Small Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company.

Note No. 22 - Revenue from Operations

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Revenue from rendering of services:		
(i) Land Lease Premium	**25,057.83**	6,957.11
(ii) Property Rentals- eVolve	**1,616.93**	1,626.88
(iii) Income from Operation and Maintenance	**2,366.25**	2,369.07
(iv) Others	**62.33**	121.27
Total Revenue from Operations	**29,103.34**	11,074.33

22. (a) During the year, the company has leased 94.96 (previous year 28.78) acres of land on long term basis. Of this 12.39 (previous year 11.56) acres in Special Economic Zone (SEZ) and 82.57 (previous year 17.22) acres is in the Non Special economic Zone (Non SEZ).

22. (b) Others represent transfer fee towards transfer of plot by clients.

Note No. 23 - Other Income

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
(a) Interest Income		
(1) Interest on Bank Deposits	**103.32**	27.47
(b) Net gain/(loss) arising on financial assets designated as at FVTPL	**6.63**	–
(c) Miscellaneous Income *	**35.86**	0.08
Total Other Income	**145.81**	27.55

* Miscellaneous income represents provision for bad and doubtful debts written back for year ended March 31, 2022 and profit on sale of property, plant and equipment for the year ended March 31, 2021 respectively.

Note No. 24 - Cost of Projects

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Cost of Projects:		
Opening Stock:		
Work-in-progress	**50,909.84**	50,012.26
Sub-Total (a)	**50,909.84**	50,012.26
Add: Expenses incurred during the year		
Civil, Electrical, Contracting etc.	**1,929.47**	541.01
Finance Costs	**1,596.75**	1,894.91
Overheads allocated *	**192.31**	230.30
Sub-Total (b)	**3,718.53**	2,666.22
Less: Closing Stock:		
Work in progress	**48,393.01**	50,909.84
Sub-Total (c)	**48,393.01**	50,909.84
Total (a+b-c)	**6,235.36**	1,768.64

* Overheads represent manpower and admin expenses inventorised.

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH, 2022

All amounts are in Lakhs unless otherwise stated

Note No. 25 - Operation & Maintenance expenses

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
(a) Site Electricity & Diesel Expenses	**165.08**	165.07
(b) Repairs & Maintenance Expenses	**346.52**	262.39
(c) Security Charges	**223.44**	198.33
(d) Landscaping/ Water Charges	**526.17**	503.39
(e) Cleaning/ Housekeeping Charges	**336.33**	312.91
(f) Organization Expenses	**68.87**	60.38
(g) Insurance Expenses	**19.89**	29.21
(h) Legal & Professional Fees	**0.31**	0.01
(i) Rates & Taxes	**1.16**	6.18
(j) Other Miscellaneous Expenses	**20.38**	17.08
Total Operation and Maintenance Expense	**1,708.15**	1,554.95

Note No. 26 - Employee Benefits Expense

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
(a) Salaries and wages, including bonus*	**530.32**	542.80
(b) Contribution to provident and other funds	**39.36**	41.41
(c) Staff welfare expenses	**9.54**	1.95
Total Employee Benefits Expense	**579.22**	586.16
Less : Allocated to projects	**(192.24)**	(227.16)
Total Net Employee Benefits Expense	**386.98**	359.00

* Includes cost for Employee Stock Options of Mahindra Lifespaces Developers Limited issued to employees of the Company aggregating to Rs. 13.86 Lakhs (Previous Years-Rs. 3.52 Lakhs).

Note No. 27 - Finance Costs

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
(a) Interest expense	**3,180.87**	3,900.66
(b) Other borrowing costs	**0.89**	1.59
(c) Other interest costs	**38.96**	161.82
Total finance costs	**3,220.72**	4,064.07
Less : Allocated to projects	**(1,596.75)**	(1,894.91)
Total finance costs	**1,623.97**	2,169.16

27 a. The interest is inventorised on borrowings referred to in Note- 16- A I. and in the ratio of undeveloped inventory to the total inventory.

27 b. Borrowing cost allocated to projects refers to interest on borrowings in note - 16- A -I.

27 c. The Other interest cost includes reversal of interest on cash credit Limit utilisation of Rs. -0.75 Lakhs for the year ended March 31, 2022 (Previous year expense- Rs. 157.63 Lakhs).

Note No. 28 - Other Expenses

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
(a) Rent including lease rentals	**10.72**	11.55
(b) Rates and taxes	**2.84**	2.91
(c) Insurance	**24.16**	20.02
(d) Repairs and Maintenance- Others	**23.44**	21.44
(e) Power and Fuel	**8.89**	11.63
(f) Travelling & Conveyance	**23.44**	2.85
(g) Legal & Professional Fees	**39.26**	46.36
(h) Printing & Stationery	**3.64**	2.07
(i) Communication	**6.44**	7.27
(j) Advertisement, Marketing & Business Development	**283.05**	160.47
(k) Auditors Remuneration (refer note no. 28 (a))	**17.93**	17.93
(l) Expenditure on Corporate Social Responsibility (refer note no. 28 (b))	**85.02**	86.02
(m) Provision for Doubtful Debts	**54.90**	153.81
(n) Development Management Fees	**116.52**	65.79
(o) Miscellaneous Expenses	**29.30**	74.86
Total Gross Other Expenses	**729.55**	684.98
Less : Allocated to projects/Capitalised	**(0.07)**	(3.14)
Total Net Other Expenses	**729.48**	681.84

Note No. 28 (a) - Auditors Remuneration

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Payments to the auditors comprises:		
- For audit including limited reviews	**15.05**	15.05
- Certifications	**2.80**	2.80
- Reimbursement of expenses	**0.08**	0.08
Total	**17.93**	17.93

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH, 2022

All amounts are in Lakhs unless otherwise stated

Note No. 28.b - CORPORATE SOCIAL RESPONSIBILITY (CSR)

Nature of CSR activities	Education	Health	Environment	Group CSR Activities	Others	Total
Amount required to be spent by the Company during the year	14.00	8.56	8.46	25.00	29.00	85.02
Amount of expenditure incurred	14.00	8.56	8.46	25.00	29.00	85.02
Shortfall at the end of the year	–	–	–	–	–	–
Total of previous years shortfall	–	–	–	–	–	–
Reason for shortfall	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Details of related party transactions	N.A.	N.A.	N.A.	12.81	N.A.	N.A.
Provision	–	–	–	–	–	–

Note No. 28.c -Ratios

The following are analytical ratios for the year ended March 31, 2022 and March 31, 2021

Particulars	Numerator	Denominator	31st March 2022	31st March 2021	Variance (%)
Current Ratio	Current Assets	Current Liabilities	7.45	5.84	27%
Debt Equity Ratio	Debt	Equity	0.36	0.64	-43%
Debt Service Coverage Ratio (DSCR)	EBITDA[1]	Debt Service[2]	1.18	0.29	312%
Return of Equity	Profit after tax	Net worth	31.95%	9.62%	232%
Inventory Turnover ratio	Cost of Sales[3]	Average Inventory	0.16	0.07	143%
Trade Receivables turnover ratio	Turnover	Average Trade Receivables	33.11	6.46	413%
Trade Payable turnover ratio	Cost of Sales[3]	Average Trade Payable	6.51	2.54	156%
Net capital turnover ratio	Average Net worth	Turnover	1.32	2.89	-41%
Net profit ratio	PAT	Revenue	47.08%	29.27%	61%
Return on Capital employed	PAT	Capital employed[4]	25.46%	6.06%	261%

Notes:

1. Earnings before interest, tax, depreciation and amortisation.
2. Debt service= Current Borrowings + Non- Current borrowings + Interest charged to statement of profit and loss.
3. Refer note 24 & 25.
4. Capital employed= Net Worth + Current Borrowings + Non- Current Borrowings.

Note No. 29 - Current Tax and Deferred Tax

Income Tax recognised in profit or loss

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Current Tax:		
In respect of current year	**4,265.90**	766.76
Deferred Tax:		
In respect of current year origination and reversal of temporary differences	**89.62**	11.23
Total income tax expense on continuing operations	**4,355.52**	777.99

The total Income tax computation to be reconciled with your book profit.

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Profit before Tax	**18,058.43**	4,018.90
Income Tax @ 29.12% for the year	**5,258.61**	1,170.30
Effect of expenses that is non-deductible in determining taxable profit:		
CSR Expense (net of deduction u/s 80G allowed)	**19.28**	21.26
Deduction u/s 80IAB	**(978.71)**	(404.30)
Provision for doubtful debts	**15.99**	–

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH, 2022

All amounts are in Lakhs unless otherwise stated

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Interest on Advance Tax	**11.50**	–
Others	**28.85**	(9.27)
Total	**4,355.52**	777.99
Income tax expense recognised in statement of profit and loss	**4,355.52**	777.99

Note No. 30 - Earnings per Share

Basic earnings per share

The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Profit for the year attributable to owners of the Company	**13,702.91**	3,240.91
Weighted average number of equity shares (No.s)	**150,000,000**	150,000,000
Basic and diluted earnings per share (In rupees per share) of Face Value- Rs. 10 Per Share	**9.14**	2.16

Note No. 31 - Segment information

The Company operates in only one business segment, i.e. 'lease of land and properties constructed thereon' based on the nature of the services and products, the risks and returns etc. This has been determined in a manner consistent with the internal reporting provided to the Chief Executive Officer of the Company who are regarded as Chief Operating Decision Maker ("CODM"). The Company operates only in India and considering that the conditions prevailing in India being uniform, no separate geographical disclosure within India is considered necessary.

Note No. 32 - Contingent liabilities and commitments

Particulars	As at 31st March, 2022	As at 31st March, 2021
(i) Contingent liabilities (to the extent not provided for)		
(a) Other Matters disputed:		
Shahri Jamabandi (Urban Assessment/Ground rent demanded by Jaipur Development Authority, Government of Rajasthan)	**32,179.39**	32,179.39
Note: The above amount is based on demand raised, which the Company is contesting with the concerned authorities. Outflows, if any, arising out of this claim would depend on the outcome of the decision of the appellate authorities and Company's rights for future appeals. No reimbursements are expected.		
(b) Other money for which the Company is contingently liable (Income Tax Matter under appeal)	**32.16**	32.16

Note No. 33 - Disclosures required under Section 22 of the Micro Small and Medium Enterprises Development Act 2006

Particulars	As at 31st March, 2022	As at 31st March, 2021
(a) Dues remaining unpaid	**28.67**	3.09
- Principal	**28.67**	3.09
- Interest	**–**	–

(i) Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information available with the Company.

(ii) There are no overdue amounts any time during the year and hence no interest amount is due or paid during the year.

Note No. 34 - Leases

The Company has not applied the requirement of IND AS 116 to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. Amount recognised in statement of Profit and Loss Account is Rs. 10.72 Lakhs (PY - Rs. 11.55 Lakhs).

Note No. 35 - Employee benefits

(a) Defined Contribution Plan

The Company's contribution to Provident Fund aggregating Rs. 23.39 lakhs (31st March, 2021 : Rs. 21.04 lakhs) has been recognised in the Statement of Profit or Loss under the head Employee Benefits Expense.

(b) Defined Benefit Plans:

Gratuity

The Company operates a gratuity plan covering qualifying employees. The benefit payable is the greater of the amount calculated as per the Payment of Gratuity Act, 1972 or the Company scheme applicable to the employee. The benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. In case of death while in service, the gratuity is payable irrespective of vesting.

Through its defined benefit plans the Company is exposed to a number of risks, the most significant of which are detailed below:

Investment risk

The present value of the defined benefit plan liability (denominated in Indian Rupee) is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds.

Interest risk

A decrease in the bond interest rate will increase the plan liability

Longevity risk

The present value of defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary risk

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH, 2022

All amounts are in Lakhs unless otherwise stated

The significant actuarial assumptions used for the purposes of the actuarial valuations were as follows:

Particulars	Valuation as at 31st March, 2022	31st March, 2021
Discount rate(s)	**7.35%**	6.70%
Expected rate(s) of salary increase	**9.00%**	9.00%
Attrition Rate	**5.00%**	5.00%
Average Longevity	**IALM (2012-14) Ultimate**	IALM (2012-14) Ultimate

Retirement age is considered to be 60 years.

Defined benefit plans (unfunded) – As per Actuarial Valuation

Particulars	Defined Benefit Plan (Unfunded) Gratuity 31st March, 2022	31st March, 2021
Amounts recognised in comprehensive income in respect of these defined benefit plans are as follows:		
Current Service Cost	**11.47**	15.08
Net interest expense	**4.50**	5.30
Components of defined benefit costs recognised in profit or loss	**15.97**	20.38
Actuarial (Gain)/Loss on obligation	**(12.44)**	(16.90)
Components of defined benefit costs recognised in other comprehensive income	**(12.44)**	(16.90)
Total	**3.53**	3.48
I. Net Asset/(Liability) recognised in the Balance Sheet as at March 31		
1. Present value of defined benefit obligation as at 31 March	**61.10**	67.76
2. Surplus/(Deficit)	**(61.10)**	(67.76)
3. Current portion of the above	**1.10**	1.22
4. Non current portion of the above	**60.00**	66.54
II. Change in the obligation during the year ended March 31		
1. Present value of defined benefit obligation at the beginning of the year	**67.76**	79.18
2. Expenses Recognised in Profit and Loss Account		
- Current Service Cost	**11.47**	15.08
- Interest Expense (Income)	**4.50**	5.30
3. Recognised in Other Comprehensive Income		
Remeasurement gains/(losses):		
- Actuarial Gain (Loss) arising from:		
i. Demographic Assumptions	**–**	–
ii. Financial Assumptions	**(5.07)**	0.60
iii. Experience Adjustments	**(7.37)**	(17.50)
4. Benefit payments	**(10.19)**	(14.90)
5. Present value of defined benefit obligation at the end of the year	**61.10**	67.76

The sensitivity of the defined benefit obligation to changes by in the weighted principal assumptions is:

Principal assumptions	Year	Impact on defined benefit obligation: Increase in assumption by 1%	Decrease in assumption by 1%
Discount rate	**2022**	**54.27**	**69.14**
	2021	59.82	77.13
Salary growth rate	**2022**	**68.90**	**54.34**
	2021	76.49	59.94

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the Balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to previous period.

Maturity profile of defined benefit obligation:	March 31, 2022	March 31, 2021
Within 1 year	**0.94**	1.22
1 - 2 year	**1.13**	0.99
2 - 3 year	**1.20**	1.03
3 - 4 year	**0.83**	1.00
4 - 5 year	**0.91**	0.73
5 - 10 years	**27.21**	26.65

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH, 2022

All amounts are in Lakhs unless otherwise stated

Note No. 36 - Related Party Transactions

Description of relationship	Names of related parties	Description of relationship	Names of related parties
Entities having joint control/ significant influence over Company	Mahindra & Mahindra Limited Mahindra Lifespace Developers Limited Rajasthan State Industrial Development and Investment Corporation Limited	**Fellow Subsidiaries (Note 1)**	Mahindra World City Developers Limited Mahindra Integrated Business Solutions Private Limited Mahindra Susten Private Limited Mahindra EPC Irrigation Industries Ltd Mahindra Defence Systems Limited Mahindra Industrial Park Private Limited Mahindra Logistics Limited Meru Mobility tech Pvt. Ltd.
Key Management Personnel (KMP)	Mr. Sanjay Srivastava - Chief Executive Officer - Till 14-08-2020 Mr. Suhas Kulkarni - Chief Executive Officer - From 18-01-2021 To 31-12-2021 Mr. Asfar Khan - Chief Financial Officer Ms. Bijal Parmar - Company Secretary	**Associate of Ultimate Holding Company**	Tech Mahindra Limited

Details of transaction between the Company and its related parties are disclosed below:

Nature of transactions with Related Parties	For the year ended	Mahindra & Mahindra Limited	Mahindra Lifespace Developers Limited	Rajasthan State Industrial Develop-ment and Investment Corporation Limited	Mahindra Integrated Business Solutions Private Limited	Mahindra Susten Private Limited	Mahindra Logistics Limited	Tech Mahindra Limited	Mahindra Defence Systems Limited	Mahindra World City Developers Limited	Meru Mobility Tech Pvt. Ltd.	Mahindra EPC Irrigation Industries Ltd	Mr. Sanjay Srivastava
Rendering of services	31-Mar-22	46.52	–	–	–	–	22.84	–	–	–	–	–	–
	31-Mar-21	37.10	–	–	–	–	18.35	0.06	0.06	–	–	–	–
Receiving of services	31-Mar-22	23.79	166.42	–	1.30	–	–	–	–	0.18	6.73	1.23	–
	31-Mar-21	21.90	91.53	–	2.88	–	–	–	–	–	–	1.60	–
Finance arrangements:													
Interest on Inter Corporate Deposits	31-Mar-22	–	–	–	–	–	–	–	–	–	–	–	–
	31-Mar-21	0.10	38.80	–	–	–	–	–	–	–	–	–	–
Reimbursement made to parties	31-Mar-22	0.10	–	–	–	–	–	–	–	–	–	–	–
	31-Mar-21	1.14	–	–	–	–	–	–	–	–	–	–	–
Remuneration	31-Mar-22	–	–	–	–	–	–	–	–	–	–	–	
	31-Mar-21	–	–	–	–	–	–	–	–	–	–	–	103.78
Equity Shares Dividend Paid	31-Mar-22	–	3,330.00	1,170.00	–	–	–	–	–	–	–	–	–
	31-Mar-21	–	–	–	–	–	–	–	–	–	–	–	–

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH, 2022

All amounts are in Lakhs unless otherwise stated

Particulars	Balance as on	Mahindra & Mahindra Limited	Mahindra Lifespace Developers Limited	Rajasthan State Industrial Develop-ment and Investment Corporation Limited	Mahindra Integrated Business Solutions Private Limited	Mahindra Susten Private Limited	Mahindra Logistics Limited	Tech Mahindra Limited	Mahindra Defence Systems Limited	Mahindra World City Developers Limited	Meru Mobility Tech Pvt. Ltd.	EPC Industries Ltd	Mr. Sanjay Srivastava
Trade payables	31-Mar-22	–	84.38	–	0.18	–	–	–	–	–	–	1.58	–
	31-Mar-21	3.21	62.66	–	0.17	–	–	–	–	–	–	15.17	–
Loans & advances taken (MOU Advance)	31-Mar-22	–	–	–	–	–	–	570.00	–	–	–	–	–
	31-Mar-21	–	–	–	–	–	–	570.00	–	–	–	–	–
Trade Receivable	31-Mar-22	–	–	–	–	0.12	0.56	0.41	–	–	–	–	–
	31-Mar-21	6.72	19.38	–	–	0.12	7.01	0.42	–	–	–	–	–
Deposits Payables	31-Mar-22	8.40	–	–	–	–	–	–	–	–	–	–	–
	31-Mar-21	8.40	–	–	–	–	–	–	–	–	–	–	–
Advance / Deposit to Vendor	31-Mar-22	–	–	254.86	–	–	–	–	–	–	–	–	–
	31-Mar-21	–	–	254.86	–	–	–	–	–	–	–	–	–

Note:

1. Fellow subsidiaries mentioned with which the Company has transactions during the current year or previous year.
2. As the liability for gratuity and leave encashment is provided on an actuarial basis for the Company as a whole, the amount pertaining to the Key Management Personnel is not ascertained separately, and therefore, not included above.

Note No. 37 - Fair Value Measurement

Fair value of financial assets and financial liabilities that are not measured at fair value

Particulars	**31st March, 2022**		31st March, 2021	
	Carrying amount	**Fair value**	Carrying amount	Fair value
Financial assets				
Financial assets carried at Amortised Cost:				
- investments in debt instruments	**4,706.63**	**4,706.63**		
- Trade Receivables	**1,023.40**	**1,023.40**	734.61	734.61
- Cash and Cash Equivalents	**138.93**	**138.93**	1,347.50	1,347.50
- Other Bank Balances	**5,426.67**	**5,426.67**	514.75	514.75
- Loans	**118.69**	**118.69**	116.90	116.90
- Other Financial Assets	**36.58**	**36.58**	0.63	0.63
Total financial assets	**11,450.90**	**11,450.90**	2,714.39	2,714.39
Financial liabilities				
Financial liabilities held at amortised cost:				
- Long term Borrowings-NCDs	**15,480.03**	**15,480.03**	21,025.96	21,025.96
- Short term Borrowings-From Banks	**50.07**	**50.07**	393.06	393.06
- Current Maturities-NCDs	**–**	**–**	–	–
- Trade Payables	**1,272.53**	**1,272.53**	1,169.41	1,169.41
- Other Financial Liabilities	**4,079.86**	**4,079.86**	4,807.48	4,807.48
Total	**20,882.49**	**20,882.49**	27,395.91	27,395.91

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH, 2022

All amounts are in Lakhs unless otherwise stated

Fair value hierarchy as at 31st March, 2022	Level 1	Level 2	Level 3	Rs. in Lakhs Total
Financial assets				
Financial assets carried at Amortised Cost:				
- Trade Receivables	–	1,023.40	–	1,023.40
- Cash and Cash Equivalents	–	138.93	–	138.93
- Other Bank Balances	–	5,426.67	–	5,426.67
- Loans	–	118.69	–	118.69
- Other Financial Assets	–	36.58	–	36.58
Total	–	6,744.27	–	6,744.27
Financial liabilities				
Financial Liabilities carried at amortised cost:				
- Long term Borrowings-NCDs	–	15,480.03	–	15,480.03
- Short term Borrowings-From Banks		50.07	–	50.07
- Current Maturities-NCDs		–	–	–
- Trade Payables	–	1,272.53	–	1,272.53
- Other Financial Liabilities	–	4,079.86	–	4,079.86
Total	–	20,882.49	–	20,882.49

Fair value hierarchy as at 31st March, 2021	Level 1	Level 2	Level 3	Rs. in Lakhs Total
Financial assets				
Financial assets carried at Amortised Cost:				
- Trade Receivables	–	734.61	–	734.61
- Cash and Cash Equivalents	–	1,347.50	–	1,347.50
- Other Bank Balances	–	514.75	–	514.75
- Loans	–	116.90	–	116.90
- Other Financial Assets	–	0.63	–	0.63
Total	–	2,714.39	–	2,714.39
Financial liabilities				
Financial Liabilities carried at amortised cost:				
- Long term Borrowings-NCDs	–	21,025.96	–	21,025.96
- Short term Borrowings-From Banks		393.06	–	393.06
- Current Maturities-NCDs		–	–	–
- Trade Payables	–	1,169.41	–	1,169.41
- Other Financial Liabilities	–	4,807.48	–	4,807.48
Total	–	27,395.91	–	27,395.91

The fair values of the financial assets and financial liabilities included in the level 2 category above have been determined in accordance with generally accepted pricing models based on a discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the credit risk of counterparties.

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH, 2022

All amounts are in Lakhs unless otherwise stated

Note No. 38 - Financial Instruments

Capital management

The Company manages capital risk in order to maximize shareholders' profit by maintaining sound/optimal capital structure through monitoring of financial ratios, such as debt-to-equity ratio and net borrowings-to-equity ratio on a monthly basis and implements capital structure improvement plan when necessary. There is no change in the overall capital risk management strategy of the Company compared to last year.

The Company is not subject to externally enforced capital regulation.

Debt-to-equity ratio as of 31 March 2022 and 31 March 2021 is as follows:

	31st March, 2022	31st March, 2021
Debt (A)*	**15,530.10**	21,419.02
Equity (B)	**42,889.83**	33,678.10
Debt Equity Ratio (A/B)	**0.36**	0.64

* Debt includes Borrowings (Note No. 16 - Borrowings).

Categories of financial assets and financial liabilities

As at 31st March, 2022

Particulars	**Amortised Costs**	**FVTPL**	**FVOCI**	**Total**
Non-current Assets				
Loans	118.69			118.69
Current Assets				
Trade Receivables	1,023.40			1,023.40
Cash and Cash Equivalents	138.93			138.93
Other Bank Balances	5,426.67			5,426.67
Other Financial Assets				
- Non Derivative Financial Assets	36.58			36.58
Non-current Liabilities				
Borrowings	15,480.03			15,480.03
Other Financial Liabilities				
- Non Derivative Financial Liabilities	2.67			2.67
Current Liabilities				
Borrowings	50.07			50.07
Trade Payables	1,272.53			1,272.53
Other Financial Liabilities				
- Non Derivative Financial Liabilities	4,077.19			4,077.19

As at 31st March, 2021

Particulars	Amortised Costs	FVTPL	FVOCI	Total
Non-current Assets				
Loans	116.90			116.90
Current Assets				
Trade Receivables	734.61			734.61
Cash and Cash Equivalents	1,347.50			1,347.50
Other Bank Balances	514.75			514.75
Loans				
- Non Derivative Financial Assets	0.63			0.63
Non-current Liabilities				
Borrowings	21,025.96			21,025.96
Other Financial Liabilities				
- Non Derivative Financial Liabilities	3.08			3.08
Current Liabilities				
Borrowings	393.06			393.06
Trade Payables	1,169.41			1,169.41
Other Financial Liabilities				
– Non Derivative Financial Liabilities	4,804.40			4,804.40

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH, 2022

All amounts are in Lakhs unless otherwise stated

CREDIT RISK

(i) Credit risk management

Credit risk arises when a counter party defaults on its contractual obligations to pay resulting in financial loss to the Company. The Company enteres into an agreement with each customer. The agreement has a termination clause by which the Company can terminate the agreement and secure the receivable. The trade redeivables are also reviewed by the Management regularly and necessary actions are taken in order to collect any amount outstanding from customers. Being a Develper, a unit needs certain NOC and permission in respect of commencement and operation of the business and as per the agreement signed with customer, the developer gives the required NOC and permission after clearing the outstanding dues alongwith interest.

Trade receivables consist of a large number of customers, spread across diverse industries and geographical areas. Customer creditibility is researched before leasing the land to ensure only credit worthiness of the clients.

The credit risk on liquid funds is limited because the counterparties are banks and debt mutual funds with high credit-ratings assigned.

LIQUIDITY RISK

(i) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Company's short-, medium- and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

(ii) Maturities of financial liabilities

The following table details the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The amount disclosed in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Company may be required to pay.

Particulars	Less than 1 Year	1 Year to 3 Years	3 Years to 5 Years	More than 5 years
Non-derivative financial liabilities				
31-Mar-22				
Non-interest bearing	2,696.10	–	–	*938.93
Trade payable	1,272.53	–	–	–
Loans repayable on demand from Bank	50.07	–	–	–
Fixed interest rate instruments				
Redeemable Non Convertible Debentures (Including interest accrued)	1,381.09	15,480.03	–	–
Total	**5,399.79**	**15,480.03**	**–**	**938.93**
31-Mar-21				
Non-interest bearing	1,350.11	–	–	*854.59
Trade payable	1,169.41	–	–	–
Loans repayable on demand from Bank	393.06	–	–	–
Fixed interest rate instruments				
Redeemable Non Convertible Debentures (Including interest accrued)	3,454.29	21,025.96	–	–
Total	**6,366.87**	**21,025.96**	**–**	**854.59**

* Security deposit payable on 17th August, 2105

Note No. 39 - Disclosure Of Struck Off Companies

The Company does not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH, 2022

All amounts are in Lakhs unless otherwise stated

Note No. 40 - COVID-19 Impact analysis

The management assessed the Company's future projections in light of the developments due to COVID 19 situation and has reassessed the impact that it may cause on the Company's financial and operational performance . The business activities were only temporarily suspended owing to initial lock down during the year. Post the lifting of the lock down, the activities have commenced in a regular manner. The Company has credit and term loan facilities available to meet the project costs and pay off the vendors and bankers in the immediate 12 months from the date of approval of these financial statements. The Company expects no additional inflow of capital towards currently planned development. Based on the above assessment, the management is of the view that company will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.

Note No. 41 - Dividend

In respect of the current year, the Board at its meeting held on April 22, 2022 has recommended a dividend of Rs. 3.50 per share on equity shares of Rs. 10 each subject to approval by shareholders at the Annual General Meeting. The same has not been included as a liability in these financial statements. The proposed equity dividend is payable to all shareholders on the Register of Members on book closure date. The total estimated equity dividend to be paid is Rs. 5,250 lakhs.

Note No. 42 - Expenditure on Corporate Social Responsibility (CSR)

Gross Amount required to be spent by the company for the year ended 31st March, 2022 (as certified by the Company) : Rs. 85.02 Lakhs (Previous Year Rs. 86.02 lakhs).

Note No. 43 - Events after the reporting period

No material events have occurred after the Balance Sheet date and upto the approval of financial statements.

Note No. 44 - Previous Year Figures

The figures of previous years have been regrouped/reclassified wherever necessary to conform to current year's grouping/classification.

For and on behalf of the Board of Directors

Arvind Subramanian Director	Arun Nanda Director
DIN No.: 02551935	DIN No.: 00010029
Chief Financial Officer	Company Secretary
Place: Jaipur Date: April 22, 2022	Membership No.: 32339

INDEPENDENT AUDITOR'S REPORT

To the members of Mahindra Bloomdale Developers Limited

Report on the audit of the Financial Statements

Opinion

We have audited the accompanying Financial Statements of Mahindra Bloomdale Developers Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, its loss and total comprehensive loss, its changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Financial Statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the 'Auditors' Responsibilities for the Audit of the Financial Statements' section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("the ICAI") together with the ethical requirements that are relevant to our audit of the Financial Statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us, is sufficient and appropriate to provide a basis for our audit opinion on the Financial Statements.

Emphasis of Matter

We draw attention to Note XX to the financial statements which indicates that the Company has incurred a net loss of Rs. 8.73 crores for the year ended 31 March 2022 and the accumulated losses as on 31 March 2022 amounting to Rs. 18.33 crores which has fully eroded the net worth as on date. Our opinion is not modified in respect of this matter.

Information Other than the Financial Statements and Auditors' Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the Directors Report and the related annexures, but does not include the Financial Statements and our Auditors' Report thereon.

Our opinion on the Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Financial Statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on other Legal and Regulatory requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-Section (11) of Section 143 of the Act and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in Annexure B, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
   (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this report are in agreement with the books of account.
   (d) In our opinion, the aforesaid Financial Statements comply with the Accounting Standards specified under Section 133 of the Act.
   (e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164(2) of the Act.
   (f) With respect to the adequacy of the internal financial controls with reference to Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure A. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to Financial Statements.
   (g) In our opinion and to the best of our information and according to the explanations given to us, the Company being a private company, the provisions of Section 197 of the Act related to the managerial remuneration are not applicable.

(h) With respect to the other matters to be included in the Auditors' Report in accordance with the requirements of Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

(i) The Company has disclosed the impact of pending litigations on its financial position in its Financial Statements – Refer Note XX to the Financial Statements;

(ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and

(iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;

(iv) (a) The management of the Company have represented to us respectively that, to the best of their knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The management of the Company has represented to us that, to the best of their knowledge and belief, no funds have been received by the Company or any of such subsidiaries from any person(s) or entity(ies) including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company or any of such subsidiaries shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(c) Based on the audit procedures, that has been considered reasonable and appropriate in the circumstances, performed by us nothing has come to our notice that has caused us or the other auditors to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

(v) The Company has not declared any dividend during the year.

For **B. K. Khare and Co.**
Chartered Accountants
Firm Registration No. 105102W

Aniruddha Joshi
Partner
Membership No. 040852

UDIN: 22040852AHLUUE7991

Place: Mumbai
Date: April 20, 2022

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

[Referred to in paragraph (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date]

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of sub-section (3) of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of Mahindra Bloomdale Developers Limited ("the Company") as of March 31, 2022 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2022, based on the criteria for internal financial control with reference to financial statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **B. K. Khare & Co.**
Chartered Accountants
Firm Registration No. 105102W

Aniruddha Joshi
Partner
Membership No. 040852
UDIN: 22040852AHLUUE7991

Mumbai, April 20, 2022

ANNEXURE B TO THE AUDITOR'S REPORT

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date.]

(i) (a) (A) According to the information and explanations given to us, the Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment and investment properties.

(a) (B) The Company does not have any intangible assets. Hence, reporting under Clause 3(i)(a)(B) of the Order is not applicable to the Company.

(b) The Company has a regular programme of physical verification of its property, plant and equipment by which the property, plant and equipment are verified by the management according to a phased programme designed to cover all the items over a period of 2 years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its property, plant and equipment. In accordance with the programme, the Company has physically verified certain property, plant and equipment during the year and no material discrepancies were noticed on such verification.

(c) The Company does not have any immovable property under Property Plant and Equipment. Hence, reporting under Clause 3(i)(c) of the Order is not applicable to the Company.

(d) According to the information and explanations given to us, the Company has not revalued any of its Property, Plant and Equipment (including Right of Use assets) during the year.

(e) Based on the audit procedures performed by us and according to the information, explanations and representations given to us, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

(ii) (a) In our opinion and according to the information and explanations given to us, having regard to the nature of inventory, the physical verification by way of verification of title deeds, site visits by the Management and certification of extent of work completion by competent persons, are at reasonable intervals and no material discrepancies were noticed on physical verification.

(b) According to the information and explanations given to us, the Company has renewed the sanctioned working capital limits in excess of five crore rupees, in aggregate, from HDFC bank on the basis of security of stocks and book debts – pari pasu charge on current assets during the year. The stock and book debts statements filed by the Company with HDFC Bank on a monthly basis are in agreement with the unaudited books of account as certified by the management.

(iii) According to the information and explanations given to us, the Company has not made investments in or provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year. Accordingly, the reporting under Clauses 3(iii)(a) to 3(iii)(f) of the Order is not applicable to the Company.

(iv) According to the information and explanations given to us, the Company has not granted any loans or made any investments or provided any guarantees or security to the parties covered under Sections 185 and 186 of the Act. Accordingly, the reporting under Clause 3(iv) of the Order is not applicable to the Company.

(v) According to the information and explanations given to us, the Company has not accepted deposits under the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. Accordingly, the reporting under Clause 3(v) of the Order is not applicable to the Company.

(vi) The Central Government has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company. Accordingly, the reporting under Clause 3(vi) of the Order is not applicable to the Company.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of records of the Company, the amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Services tax, Provident Fund, Employees' State Insurance, Income-tax, Cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities.

According to the information and explanations given to us and on the basis of our examination of records of the Company, there were no arrears of outstanding statutory dues in respect of Goods and Services tax, Provident fund, Employees' State Insurance, Income-tax, Sales tax, Service tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other material statutory dues as on the last day of the financial year for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and on the basis of our examination of records of the Company, dues in respect of service tax as at 31 March 2022, which have not been deposited with the appropriate authorities on account of a dispute, are as under:

Name of the statute	Nature of the dues	Amount (Rs)*	Period to which the amount relates	Forum where dispute is pending
MVAT	ITC Credit Claimed	42,00,648	FY 2010-11	Joint Commissioner (Appeals)
GST	ITC Credit Claimed	46,92,295	FY 2017-18	SCN Received
Income Tax Act, 1961	Marginal Relief on Surcharge not given, MAT Credit not allowed and short credit of TDS	43,19,940	FY 2014-15	Case is not open on Income Tax Portal. Need to file to Income Tax for Rectification

(viii) According to the information and explanations given to us, there are no transactions not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income-tax Act, 1961. Accordingly, the reporting under Clause 3(viii) of the Order is not applicable to the Company.

(ix) (a) According to the information and explanations given to us and based on the audit procedures performed by us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.

(b) According to the information and explanations given to us, the Company has not been declared a willful defaulter by any bank or financial institution or any other lender till the date of our audit report.

(c) According to the information and explanations given to us, the company has not raised any money by way of term loans during the year. Hence, reporting under Clause 3(ix)(c) of the Order is not applicable to the Company.

(d) In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that funds raised on short-term basis have not been utilised for long- term purposes as at the Balance Sheet date.

(e) According to the information and explanations given to us and on an overall examination of the Financial Statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.

(f) According to the information and explanations given to us and based on the audit procedures performed by us, we report that the Company has not raised any loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies. Accordingly, the reporting under Clause 3(ix)(f) of the Order is not applicable to the Company.

(x) (a) According to the information and explanations given to us, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under Clause 3(x)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Accordingly, the reporting under Clause 3(x)(b) of the Order is not applicable to the Company.

(xi) (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company noticed or reported during the year, nor have we been informed of any such case by the management.

(b) There has been no report filed by us under sub-section (12) of Section 143 of the Act in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government. Accordingly, the reporting under Clause 3(xi)(b) of the Order is not applicable to the Company

(c) As represented to us by the management, no whistle blower complaints were received by the Company during the year.

(xii) According to the information and explanations given to us, the Company is not a Nidhi company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, the reporting under Clause 3(xii) of the Order is not applicable to the Company.

(xiii) In our opinion and according to the information and explanations given to us, the Company has entered into transactions with related parties in compliance with the provisions of Section 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required by Indian Accounting Standard (Ind AS) 24, Related Party Disclosures, specified under Section 133 of the Act. Further, the Company is not required to constitute an Audit Committee under Section 177 of the Act, and accordingly, to this extent, the reporting under Clause 3(xiii) of the Order is not applicable to the Company.

(xiv) The Company did not have an internal audit system for the period under audit. Hence, reporting under Clause 3(xiv) of the Order is not applicable to the Company.

(xv) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or directors of its holding persons connected with them during the year and hence, the provisions of Section 192 of the Act are not applicable to the Company. Accordingly, the reporting under Clause 3(xv) of the Order is not applicable to the Company.

(xvi) (a) According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under Clause 3(xvi)(a) of the Order is not applicable to the Company.

(b) In our opinion and according to the information and explanations given to us, the Company has not conducted any Non-Banking Financial or Housing Finance activities. Accordingly, the reporting under Clause 3(xvi)(b) of the Order is not applicable to the Company.

(c) In our opinion and according to the information and explanations given to us, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under Clauses 3(xvi)(c) of the Order is not applicable to the Company.

(d) Based on the information and explanations given to us and the audit procedures performed by us, we report that the Group has 6 Core Investment Companies.

(xvii) In our opinion and according to the information and explanations given to us, the Company has incurred cash losses of Rs. 868.78 lakhs during the current financial year and Rs. 0.65 lakhs in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, the reporting under Clause 3(xviii) of the Order is not applicable to the Company.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of Balance Sheet as and when they fall due within a period of one year from the Balance Sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the Balance Sheet date, will get discharged by the Company as and when they fall due.

(xx) According to the information and explanations given to us, CSR is not applicable to the Company. Hence, reporting under Clause 3(xx) is not applicable to the Company.

For **B. K. Khare & Co.**
Chartered Accountants
Firm Registration No. 105102W

Aniruddha Joshi
Partner
Membership No. 040852
UDIN: 22040852AHLUUE7991

Mumbai, April 20, 2022

BALANCE SHEET AS AT 31ST MARCH 2022

Particulars	Note No.	As at 31st March 2022	Rs. In Lakhs As at 31st March 2021
I ASSETS			
NON-CURRENT ASSETS			
(a) Property, Plant and Equipment	4.1	9.55	9.96
(b) Capital Work-in-Progress	4.2	55.57	–
(c) Financial Assets			
(i) Security Deposits	7	244.86	245.31
(d) Deferred Tax Assets (Net)	6	–	–
(e) Non-Current Tax Assets (Net)		100.91	124.85
Total Non-Current Assets (A)		410.89	380.12
CURRENT ASSETS			
(a) Inventories	10	22,216.95	14,533.17
(b) Financial Assets			
(i) Trade Receivables	11	442.30	754.38
(ii) Cash and Cash Equivalents	0	454.30	139.31
(iii) Bank Balances other than (ii) above	0	94.96	44.57
(iv) Security Deposits	7	–	–
(v) Other Financial Assets	8	1.04	5.96
(c) Other Current Assets	9	505.41	465.93
Total Current Assets (B)		23,714.97	15,943.32
TOTAL ASSETS (A+B)		24,125.86	16,323.44
II EQUITY AND LIABILITIES			
EQUITY			
(a) Equity Share Capital	13	5.00	5.00
(b) Other Equity		(1,837.62)	(966.94)
Total Equity (A)		(1,832.62)	(961.94)
LIABILITIES			
NON-CURRENT LIABILITIES			
(a) Financial Liabilities			
Borrowings	14	8,161.53	5,225.53
(b) Provisions	15	17.52	21.48
Total Non-Current Liabilities (B)		8,179.04	5,247.01
CURRENT LIABILITIES			
(a) Financial Liabilities			
(i) Borrowings	16	2,346.41	2,029.65
(ii) Trade Payables	18		
– Total outstanding dues of Micro Enterprises and Small Enterprises		–	–
– Total outstanding dues of Creditors other than Micro Enterprises and Small Enterprises		2,367.13	1,558.29
(iii) Other Financial Liabilities	17	687.18	507.81
(b) Provisions	15	96.36	96.51
(c) Other Current Liabilities	19	12,282.34	7,846.11
Total Current Liabilities (C)		17,779.43	12,038.37
TOTAL EQUITY & LIABILITIES (A+B+C)		24,125.86	16,323.44
Summary of significant accounting policies	2		

The accompanying notes are an integral part of the Financial Statements

As per our report attached hereto

For B.K.Khare & Co
Chartered Accountants
Firm Registration No. 105102W

Aniruddha Joshi
Partner
Membership No.: 040852

Place : Mumbai
Date : 20th April 2022

For and on behalf of the Board of Directors of Mahindra Bloomdale Developers Limited

Vimal Agarwal
Director DIN No. 07296320

Place : Mumbai
Date : 20th April 2022

Parveen Mahtani
Director DIN No. 05189797

Place : Mumbai
Date : 20th April 2022

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2022

Rs. In Lakhs

	Particulars	Note No.	As at 31st March 2022	As at 31st March 2021
I	**INCOME**			
	Revenue from operations	**20**	**1,582.95**	2,125.49
	Other Income	**21**	**35.26**	28.20
	Total Income (a + b)		**1,618.21**	2,153.69
II	**EXPENSES**			
	(a) Operating Expenses	**22**	**2,018.23**	1,772.12
	(b) Employee benefit expense	**23**	**66.34**	86.03
	(c) Finance Cost	**24**	**16.88**	5.66
	(d) Depreciation and amortisation expense	**4.1**	**3.89**	4.62
	(e) Other expenses	**25**	**385.54**	290.53
	Total Expenses (a+b+c+d+e)		**2,490.88**	2,158.96
III	**Loss before exceptional items and tax (I-II)**		**(872.67)**	(5.27)
IV	**Tax Expense**			
	(a) Current tax		**–**	–
	(b) Deferred tax	**5**	**–**	611.68
	Total tax expense (a+b)		**–**	611.68
V	**Loss after tax for the period (III-IV)**		**(872.67)**	(616.95)
VI	**Other Comprehensive Income**			
	(i) Items that will not be recycled to profit or loss		**–**	–
	(a) Changes in revaluation surplus		**–**	–
	(b) Remeasurements of the defined benefit liabilities / (asset)(Net of taxes)		**(1.99)**	(2.87)
	(ii) Income tax relating to items that will not be reclassified to profit or loss.		**–**	
	Total Comprehensive Loss for the period (V+VI)		**(870.68)**	(614.08)
VII	**Earnings per equity share**			
	Basic and diluted	**26**	**(1,745.33)**	(1,233.89)
	Summary of significant accounting policies	**2**		

The accompanying notes are an integral part of the Financial Statements

As per our report attached hereto

For B.K.Khare & Co
Chartered Accountants
Firm Registration No. 105102W

Aniruddha Joshi
Partner
Membership No.: 040852
Place : Mumbai
Date : 20th April 2022

For and on behalf of the Board of Directors of Mahindra Bloomdale Developers Limited

Vimal Agarwal
Director DIN No. 07296320
Place : Mumbai
Date : 20th April 2022

Parveen Mahtani
Director DIN No. 05189797
Place : Mumbai
Date : 20th April 2022

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH 2022

Rs. In Lakhs

Particulars	**As at 31st March 2022**	As at 31st March 2021
Cash flows from operating activities		
Loss before tax for the year	**(872.67)**	(5.27)
Adjustments for:		
Finance costs recognised in profit or loss	**16.88**	5.66
Depreciation and amortisation of non-current assets	**3.89**	4.62
Movements in working capital:		
Increase in trade and other receivables	**312.53**	1,280.73
(Increase) in inventories	**(7,149.00)**	(1,352.74)
(Increase) in other assets	**(34.56)**	60.29
Decrease in trade and other payables	**5,191.06**	356.42
Cash (used in)/generated from operations	**(2,531.87)**	349.72
Income taxes paid	**25.93**	20.84
Net cash (used in)/generated by operating activities (A)	**(2,505.94)**	370.55
Cash flows from investing activities		
Payments for property, plant and equipment	**(3.48)**	(1.45)
Payments for investment property - Capital Work in Progress	**(55.57)**	–
Proceeds from maturity of bank deposits	**(50.39)**	11.08
Net cash (used in)/generated by investing activities (B)	**(109.45)**	9.63
Cash flows from financing activities		
Proceeds from borrowings	**4,200.00**	5,025.00
Repayment of borrowings	**(947.24)**	(5,354.35)
Finance costs	**(322.40)**	(588.77)
Net cash (used in)/generated in financing activities (C)	**2,930.36**	(918.12)
Net increase in cash and cash equivalents (A+B+C)	**314.98**	(537.94)
Cash and cash equivalents at the beginning of the year	**139.31**	677.25
Cash and cash equivalents at the end of the year	**454.30**	139.31

Summary of significant accounting policies (refer note 2)

The accompanying notes are an integral part of the Financial Statements

As per our report attached hereto

For B.K.Khare & Co
Chartered Accountants
Firm Registration No. 105102W

Aniruddha Joshi
Partner
Membership No.: 040852
Place : Mumbai
Date : 20th April 2022

For and on behalf of the Board of Directors of
Mahindra Bloomdale Developers Limited

Vimal Agarwal
Director DIN No. 07296320
Place : Mumbai
Date : 20th April 2022

Parveen Mahtani
Director DIN No. 05189797
Place : Mumbai
Date : 20th April 2022

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2022

A. Equity share capital

Rs. In Lakhs

Particulars	Total
As at 1st April 2020	5.00
Changes in equity share capital during the year	–
As at 31st March 2021	5.00
Changes in equity share capital during the year	–
As at 31st March 2022	5.00

B. Other Equity

Rs. In Lakhs

Particulars	Retained Earnings	Other Comprehensive Income-Acturial Gain / Loss	Total
As at 31st March 2020	**(352.62)**	(0.24)	(682.60)
Profit / (Loss) for the period	(616.95)		(616.95)
Other Comprehensive Income / (Loss)	–	2.87	2.87
Other Adjustment (Accumulated Depreciation impact on Reserve)			–
As at 31st March 2021	(969.57)	2.63	(966.94)
Profit / (Loss) for the period	(872.67)	–	(872.67)
Other Comprehensive Income / (Loss)		1.99	1.99
Other Adjustment (Accumulated Depreciation impact on Reserve)	–	–	–
As at 31st March 2022	**(1,842.24)**	**4.62**	**(1,837.62)**

Summary of significant accounting policies (refer note 2)

The accompanying notes are an integral part of the Financial Statements

As per our report attached hereto

For B.K.Khare & Co
Chartered Accountants
Firm Registration No. 105102W

Aniruddha Joshi
Partner
Membership No.: 040852
Place : Mumbai
Date : 20th April 2022

For and on behalf of the Board of Directors of Mahindra Bloomdale Developers Limited

Vimal Agarwal
Director DIN No. 07296320
Place : Mumbai
Date : 20th April 2022

Parveen Mahtani
Director DIN No. 05189797
Place : Mumbai
Date : 20th April 2022

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

1. General Information

Mahindra Bloomdale Developers Limited (Earlier known as Mahindra Bebanco Developers Limited), a wholly own subsidiary of Mahindra Lifespace Developers Ltd.

The addresses of its registered office and principal place of business are disclosed in the introduction to the annual report. The principal activity of the Company is development of residential complexes in MIHAN Nagpur.

2. Significant Accounting Policies

2.1 Statement of compliance

The financial statements have been prepared in accordance with Ind-AS notified under the Companies (Indian Accounting Standards) Rules, 2015.

2.2 Basis of preparation and presentation

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company considers the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

2.3 Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

2.4 Revenue recognition

2.4.1 Revenue from Projects

The Company develops and sells residential and commercial properties. Revenue from contracts is recognised when control over the property has been transferred to the customer. An enforceable right to payment does not arise until the development of the property is completed. Therefore, revenue is recognised at a point in time when the legal title has passed to the customer and the development of the property is completed. The revenue is measured at the transaction price agreed under the contract.

The Company invoices the customers for construction contracts based on achieving a series of performance-related milestones.

For certain contracts involving the sale of property under development, the Company offers deferred payment schemes to its customers. The Company adjusts the transaction price for the effects of the significant financing component.

2.4.2 Revenue from Sale of land and other rights

Revenue from Sale of land and other rights is generally a single performance obligation and the Company has determined that this is satisfied at the point in time when control transfers as per the terms of the contract entered into with the buyers, which generally are with the firmity of the sale contracts / agreements. The determination of transfer of control did not change upon the adoption of Ind AS 115.

2.4.3 Contract Costs

- Costs to obtain contracts ("Contract costs") relate to fees paid for obtaining property sales contracts. Such costs are recognised as assets when incurred and amortised upon recognition of revenue from the related property sale contract.

2.4.4 Dividend and interest income

Dividend income from investment in mutual funds is recognised when the unit holder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the company and the amount of income can be measured reliably).

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

2.5 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

2.6 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

2.6.1 Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

2.6.2 Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

2.6.3 Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

2.7 Property, plant and equipment

Land and buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses. Freehold land is not depreciated.

Properties during construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Company's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Fixtures and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is recognised to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

2.8 Impairment of tangible and intangible assets other than goodwill

AAt the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

2.9 Inventories

Inventories are stated at the lower of cost and net realisable value. The cost of construction material is determined on the basis of weighted average method. Construction Work-in-Progress includes cost of land, premium for development rights, construction costs and allocated interest & manpower costs and expenses incidental to the projects undertaken by the Company.

2.10 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) because of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, considering the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

2.11 Employee benefits provisions

Employee benefits provisions are measured and classified into long term and short-term provisions based on Actuarial valuation as per IND AS-19 as on Balance sheet date.

2.12 Financial Instruments

Financial assets and financial liabilities are recognised when a Company becomes a party to the contractual provisions of the instruments. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

2.13 Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets

2.13.1 Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortised cost (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Interest income is recognised in profit or loss for FVTOCI debt instruments. For the purposes of recognising foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortised cost. Thus, the exchange differences on the amortised cost are recognised in profit or loss and other changes in the fair value of FVTOCI financial assets are recognised in other comprehensive income and accumulated under the heading of ‘Reserve for debt instruments through other comprehensive income’. When the investment is disposed of, the cumulative gain or loss previously accumulated in this reserve is reclassified to profit or loss.

All other financial assets are subsequently measured at fair value.

2.13.2 Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in profit or loss and is included in the “Other income” line item.

2.13.3 Investments in equity instruments at FVTOCI

On initial recognition, the Company can make an irrevocable election (on an instrument-by-instrument basis) to present the subsequent changes in fair value in other comprehensive income pertaining to investments in equity instruments. This election is not permitted if the equity investment is held for trading. These elected investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the ‘Reserve for equity instruments through other comprehensive income’. The cumulative gain or loss is not reclassified to profit or loss on disposal of the investments.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument or a financial guarantee.

2.13.4 Financial assets at fair value through profit or loss (FVTPL)

Investments in equity instruments are classified as at FVTPL, unless the Company irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading.

Debt instruments that do not meet the amortised cost criteria or FVTOCI criteria (see above) are measured at FVTPL. In addition, debt instruments that meet the amortised cost criteria or the FVTOCI criteria but are designated as at FVTPL are measured at FVTPL.

A financial asset that meets the amortised cost criteria or debt instruments that meet the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Company has not designated any debt instrument as at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the ‘Other income’ line item. Dividend on financial assets at FVTPL is recognised when the Company’s right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

2.13.5 Impairment of financial assets

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, debt instruments at FVTOCI, lease receivables, trade receivables, other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Company estimates cash flows by considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument.

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. 12-month expected credit losses are portion of the life-time expected credit losses and represent the lifetime cash shortfalls that will result if default occurs within the 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.

If the Company measured loss allowance for a financial instrument at lifetime expected credit loss model in the previous period, but determines at the end of a reporting period that the credit risk has not increased significantly since initial recognition due to improvement in credit quality as compared to the previous period, the Company again measures the loss allowance based on 12-month expected credit losses.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Company uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

The impairment requirements for the recognition and measurement of a loss allowance are equally applied to debt instruments at FVTOCI except that the loss allowance is recognised in other comprehensive income and is not reduced from the carrying amount in the balance sheet.

2.13.6 Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

On derecognition of a financial asset other than in its entirety (e.g. when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

2.13.7 Foreign exchange gains and losses

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

- For foreign currency denominated financial assets measured at amortised cost and FVTPL, the exchange differences are recognised in profit or loss except for those which are designated as hedging instruments in a hedging relationship.
- Changes in the carrying amount of investments in equity instruments at FVTOCI relating to changes in foreign currency rates are recognised in other comprehensive income.
- For the purposes of recognising foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortised cost. Thus, the exchange differences on the amortised cost are recognised in profit or loss and other changes in the fair value of FVTOCI financial assets are recognised in other comprehensive income.

2.14 Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

2.14.1 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

2.14.2 Compound financial instruments

The component parts of compound financial instruments (convertible notes) issued by the Company are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

definitions of a financial liability and an equity instrument. A conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is an equity instrument.

At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recognised as a liability on an amortised cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date.

The conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound financial instrument as a whole. This is recognised and included in equity, net of income tax effects, and is not subsequently remeasured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised, in which case, the balance recognised in equity will be transferred to other component of equity. When the conversion option remains unexercised at the maturity date of the convertible note, the balance recognised in equity will be transferred to retained earnings. No gain or loss is recognised in profit or loss upon conversion or expiration of the conversion option.

Transaction costs that relate to the issue of the convertible notes are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are recognised directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component and are amortised over the lives of the convertible notes using the effective interest method.

2.14.2.1Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, financial guarantee contracts issued by the Company, and commitments issued by the Company to provide a loan at below-market interest rate are measured in accordance with the specific accounting policies set out below.

2.14.2.2 Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is either contingent consideration recognised by the Company as an acquirer in a business combination to which Ind AS 103 applies or is held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading or contingent consideration recognised by the Company as an acquirer in a business combination to which Ind AS 103 applies, may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;
- the financial liability forms part of a Company of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Company's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and Ind AS 109 permits the entire combined contract to be designated as at FVTPL in accordance with Ind AS 109.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on re-measurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'Other income' line item.

However, for non-held-for-trading financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss, in which case these effects of changes in credit risk are recognised in profit or loss. The remaining amount of change in the fair value of liability is always recognised in profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognised in other comprehensive income are reflected immediately in retained earnings and are not subsequently reclassified to profit or loss.

Gains or losses on financial guarantee contracts and loan commitments issued by the Company that are designated by the Company as at fair value through profit or loss are recognised in profit or loss.

2.14.2.3 Financial Liabilities subsequently measured at amortised cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

2.14.2.4 Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by the Company are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 18.

2.14.2.5 Commitments to provide a loan at a below-market interest rate

Commitments to provide a loan at a below-market interest rate are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 18.

2.14.2.6 Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments and are recognised in 'Other income'.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in profit or loss.

2.14.2.7 Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

3. Significant accounting judgements, estimates and assumptions

3.1 Determining the timing of revenue recognition on the sale of completed and under development property

The Company has generally evaluated and concluded that based on a careful analysis of the rights and obligations under the terms of the contracts relating to the sale of property, the revenue is to be recognised at a point in time when control transfers which coincides with receipt of Occupation Certificate. The Company has generally concluded that the overtime criteria are not met owing to non-enforceable right to payment for performance completed to date and, therefore, recognises revenue at a point in time.

3.2 Determination of performance obligations

With respect to the sale of property, the Company has concluded that the goods and services transferred in each contract constitute a single performance obligation. In particular, the promised goods and services in contracts for the sale of property is to undertake development of property and obtaining the Occupation Certificate. Generally, the Company is responsible for all these goods and services and the overall management of the project. Although these goods and services are capable of being distinct, the Company accounts for them as a single performance obligation because they are not distinct in the context of the contract.

Note No. 4 .1 - PROPERTY, PLANT AND EQUIPMENT

Rs. In Lakhs

Description of Assets	**Buildings - Leasehold**	**Office Equipment**	**Furniture and Fixtures**	**Computers**	**Total**
I. Gross Carrying Amount					
Balance as at 1st April 2021	255.23	18.66	41.47	39.84	355.20
Additions	–	–	–	3.48	3.48
Other Adjustment	–	0.34	(0.34)	–	(0.00)
Balance as at 31st Mar 2022	**255.23**	**19.00**	**41.13**	**43.32**	**358.68**
II. Accumulated depreciation and impairment					
Balance as at 1st April 2021	255.23	18.20	34.57	37.25	345.24
Depreciation expense for the year	–	0.64	1.77	1.49	3.89
Balance as at 31st Mar 2022	255.23	18.83	36.34	38.74	349.14
III. Net carrying amount (I-II)	**0.00**	**0.17**	**4.79**	**4.59**	**9.55**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

Rs. In Lakhs

Description of Assets	Buildings - Leasehold	Office Equipment	Furniture and Fixtures	Computers	Total
I. Gross Carrying Amount					
Balance as at 1st April 2020	255.23	18.66	41.47	38.39	353.75
Additions	–	–	–	1.45	1.45
Balance as at 31st Mar 2021	**255.23**	**18.66**	**41.47**	**39.84**	**355.20**
II. Accumulated depreciation and impairment					
Balance as at 1st April 2020	255.23	17.58	31.69	36.12	340.62
Depreciation expense for the year	–	0.62	2.88	1.13	4.62
Balance as at 31st Mar 2021	255.23	18.20	34.57	37.25	345.24
III. Net carrying amount (I-II)	**0.00**	**0.46**	**6.90**	**2.59**	**9.96**

Impairment losses recognised in the year:

During the reporting period Company has not recognised any impairment loss on PPE.

Method of Depreciation:

Depreciation on tangible fixed assets has been provided on prorata basis, on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 or estimated useful life, whichever is lower. Sales office & the sample flat/show unit (Leasehold Building) cost, its furniture and office equipments are amortised over a period of 5 years.

Note No. 4.2 - CAPITAL WORK-IN-PROGRESS

Description of Assets	Buildings As at 31st March 2022	As at 31st March 2021
Capital Work-in-Progress	**55.57**	–
I. Home Ground		
Less than 1 year	**55.57**	–
1-2 years		
2-3 years		
More than 3 years		
Total	**55.57**	–

Note No. 5 - INCOME TAXES

(a) Income Tax recognised in profit or loss

Rs. In Lakhs

Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
Current Tax:		
In respect of current year	–	–
Deferred Tax:		
In respect of current year origination and reversal of temporary differences	–	611.68
Total income tax expense on continuing operations	–	611.68

(b) Reconciliation of income tax expense and the accounting profit multiplied by Company's domestic tax rate:

Rs. In Lakhs

Particulars	Year ended 31st March 2022	Year ended 31st March 2021
Profit before tax from continuing operations	**(872.67)**	(5.27)
Income tax expense calculated at 25.17% (PY @25.17%)	–	–
Changes in recognised deductible temporary differences	–	612.50
Others	–	(0.82)
		611.68
Income tax expense recognised In profit or loss from continuing operations	–	611.68

The tax rate used for the 31st March 2022 and 31st March 2021 reconciliations above is the corporate tax rate of 22% (plus Surcharge Plus EC plus SHEC) payable by corporate entities in India on taxable profits under Indian Income Tax Laws.

Note No. 6 - DEFERRED TAX (NET)

(i) Movement in deferred tax balances

Rs. In Lakhs

Particulars	For the Year ended 31st March 2022 Opening Balance	Recognised in profit and Loss	Recognised in OCI	Recognised in Equity	Closing Balance
Tax effect of items constituting deferred tax assets	–	–	–	–	–
Net Tax Asset / (Liabilities)	–	–	–	–	–

Rs. In Lakhs

Particulars	For the Year ended 31st March 2021 Opening Balance	Recognised in profit and Loss	Recognised in OCI	Recognised in Equity	Closing Balance
Tax effect of items constituting deferred tax assets					
Property, Plant and Equipment	**30.25**	**(30.25)**	–	–	–
IND AS 115 Impact on opening Reserve	**534.87**	**(534.87)**	–	–	–
Carryforward Tax Loss	**85.39**	**(85.39)**	–	–	–
Employee Benefits	**3.47**	**(3.47)**	–	–	–
Other Temporary Differences (please specify)					
	653.99	**(653.99)**	–	–	–
Tax effect of items constituting deferred tax liabilities					
Other Items	**(41.49)**	**41.49**	–	–	–
	(41.49)	**41.49**	–	–	–
Net Tax Asset/(Liabilities)	**612.50**	**(612.50)**	–	–	–

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

Note No. 7 - Financial Assets

Rs. In Lakhs

Particulars	As at 31st March 2022 Current	As at 31st March 2022 Non-Current	As at 31st March 2021 Current	As at 31st March 2021 Non-Current
Loans				
(a) Secured, considered good	–	–	–	–
(b) Unsecured, considered good				–
(i) Security Deposits	–	**244.86**	–	245.31
Total	–	**244.86**	–	245.31

Note No. 8 - Other Financial Assets

Rs. In Lakhs

Particulars	As at 31st March 2022 Current	As at 31st March 2022 Non-Current	As at 31st March 2021 Current	As at 31st March 2021 Non-Current
Financial assets at amortised cost				
(i) Interest Accrued on Fixed Deposits	**1.04**	–	5.96	–
Total	**1.04**	–	5.96	–

Note No. 9 - Other Current Assets

Rs. In Lakhs

Particulars	As at 31st March 2022 Current	As at 31st March 2022 Non-Current	As at 31st March 2021 Current	As at 31st March 2021 Non-Current
(i) Advance to vendors	**218.19**	–	190.33	–
(ii) Balances with government authorities (other than income taxes)	**84.60**	–	120.47	–
(iii) Prepaid Expenses	**202.62**	–	155.13	–
Total	**505.41**		465.93	

Note No. 10 - Inventories

Rs. In Lakhs

Particulars	As at 31st March 2022	As at 31st March 2021
Raw Material	**279.22**	258.50
Construction Work in progress*	**21,890.90**	14,103.23
Finished Goods	**46.83**	171.44
Total Inventories (at lower of cost and net realisable value)	**22,216.95**	14,533.17

* Construction Work in Progress represents materials at site and unbilled costs on the projects. Based on projections and estimates by the Company of the expected revenues and costs to completion, provision for losses to completion and/ or write off of costs carried to inventory are made on projects where the expected revenues are lower than the estimated costs to completion. In the opinion of the management, the net realisable value of the construction work in progress will not be lower than the costs so included therein.

Note No. 11 - Trade receivables

Rs. In Lakhs

Particulars	As at 31st March 2022 Current	As at 31st March 2022 Non-Current	As at 31st March 2021 Current	As at 31st March 2021 Non-Current
Trade receivables				
(a) Secured, considered good	442.30	–	754.38	–
(b) Unsecured, considered good	–	–	–	–
(c) Which have significant increase in credit risk	–	–	–	–
(d) Credit Impaired	–	–	–	–
Total	**442.30**	–	754.38	–
Of the above, trade receivables from:				
- Related Parties*	–	–	–	–
- Others	442.30	–	754.38	–
Total	**442.30**	–	754.38	–

* No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

11 a - Ageing for trade receivables from the due date of payment for each of the category is as follows:

Rs. In Lakhs

Particulars	As at 31st March 2022	As at 31st March 2021
Undisputed Trade Receivable - Considered good - unsecured		
Not Due	–	–
0 moths - 6 months	**409.10**	686.24
6 months -1 year	**4.97**	4.62
More than 1 years	**28.23**	63.52
Trade Receivable - Credit impaired		
Not Due	–	–
0 moths - 6 months	–	–
6 months -1 year	–	–
1-2 Years	–	–
2-3 years	–	–
More than 3 years		
Total	**442.30**	754.38

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

Note No. 12 - Cash and Bank Balances

Rs. In Lakhs

Particulars	As at 31st March 2022	As at 31st March 2021
Cash and cash equivalents		
Balances with banks	**454.30**	139.31
Total Cash and cash equivalent (considered in Statement of Cash Flows)	**454.30**	139.31
Other Bank Balances		
Balances with Banks:		
(i) On Margin Accounts	**39.56**	44.57
(i) Fixed Deposits with maturity greater than 3 months	**55.40**	–
Total Bank Balances other than above	**94.96**	44.57

Note No. 12 - Equity Share Capital

Rs. In Lakhs

Particulars	As at 31st March 2022 No. of shares	As at 31st March 2022 Amount	As at 31st March 2021 No. of shares	As at 31st March 2021 Amount
Authorised:				
Equity shares of Rs.10 each with voting rights	**50,000**	**5.00**	50,000	5.00
Issued, Subscribed and Fully Paid:				
Equity shares of Rs.10 each with voting rights	**50,000**	**5.00**	50,000	5.00
Total	**50,000**	**5.00**	50,000	5.00

(i) Reconciliation of the number of shares outstanding at the beginning and at the end of the period

Rs. In Lakhs

Particulars	Opening Balance	Fresh Issue	Bonus	Closing Balance
Equity Shares with Voting rights				
Year Ended 31st March 2022				
No. of Shares	50,000	–	–	50,000
Amount	5.00	–	–	5.00
Year Ended 31st March 2021				
No. of Shares	50,000	–	–	50,000
Amount	5.00	–	–	5.00

(ii) Terms/ Rights attached to Equity Shares

The company has only one class of Equity shares having a par value of Rs 10/- per share. Each holder of Equity Shares is entitled to one vote per share. Repayment of capital on liquidation will be in proportion to the number of equity shares held.

(iii) Details of shares held by the holding company, the ultimate holding company, their subsidiaries and associates:

No. of Shares

Particulars	Equity Shares with Voting rights
As at 31st March 2022	
Mahindra Lifespaces Developers Limited, the Holding Company	50,000
As at 31st March 2021	
Mahindra Lifespaces Developers Limited, the Holding Company	50,000

(iv) Details of shareholdings by the Promoter's of the Company

Class of shares / Name of shareholder	As at 31st March 2022 Number of shares held	As at 31st March 2022 % holding	As at 31st March 2021 Number of shares held	As at 31st March 2021 % holding	% change during the period
Equity shares with voting rights					
Mahindra Lifespaces Developers Limited	**50,000**	**100.00%**	50,000	100.00%	0.00%

Note No. 14 - Non-Current Borrowings

Rs. In Lakhs

Particulars	Rate of Interest	As at 31st March 2022	As at 31st March 2021
Unsecured Borrowings - at amortised Cost			
(a) Loans from related parties			
- Mahindra Lifespaces Developers Limited	7.70%	6,544.53	3,544.53
- Mahindra Infrastructure Developers Limited	8.00%	1,617.00	1,681.00
Total		8,161.53	5,225.53

Note No. 15 - Provisions

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31ST, 2022

Rs. In Lakhs

Particulars	As at 31st March 2022 Current	As at 31st March 2022 Non-Current	As at 31st March 2021 Current	As at 31st March 2021 Non-Current
(a) Provision for employee benefits	**3.36**	**17.52**	3.51	21.48
(b) Other Provisions				
-Defect Liability provision	**93.00**	–	93.00	–
	96.36	**17.52**	96.51	21.48

Defect Liability Provisions:

Provision for defect liability represents present value of management's best estimate of the future outflow of economic resources that will be required in respect residential units given under perpectual lease, the extimated cost of which is accrued during the period of construction, upon sale of units and recognition of related revenue. Management estimates the related provision for future defect liability claims based on historical cost of rectifications and is adjusted regularly to reflect new information. The residential units are generally covered under the defect liability period limited to 5 years from the date of handover of residential units.

Note No. 16 - Current Borrowings

Rs. In Lakhs

Particulars	As at 31st March 2022	As at 31st March 2021
A. Secured Borrowings		
– From Banks- Overdraft*	**591.41**	274.65
Total Secured Borrowings	**591.41**	274.65
B. Unsecured Borrowings		
– From Related Parties	**1,755.00**	1,755.00
Total Unsecured Borrowings	**1,755.00**	1,755.00
Total	**2,346.41**	2,029.65

* The overdraft facility from bank Rs. 591.41 Lakhs (PY Rs. 274.65 Lakhs) is secured by First pari passu charge on current asset (Stocks and book debts)

Note No. 17 - Other Financial Liabilities

Rs. In Lakhs

Particulars	As at 31st March 2022	As at 31st March 2021
Current		
Interest accrued on borrowings	**687.18**	457.92
Society Maintainence deposits (Net)	**–**	49.89
Retention Money	**–**	–
Total	**687.18**	507.81

Note No. 18 - Trade Payables

Rs. In Lakhs

Particulars	As at 31st March 2022 Current	As at 31st March 2022 Non-Current	As at 31st March 2021 Current	As at 31st March 2021 Non-Current
Trade payable - Micro and small enterprises*	**–**	**–**	–	–
Trade payable - Other than micro and small enterprises	**2,367.13**	–	1,558.29	–
Total	**2,367.13**	**–**	1,558.29	–

Trade Payables are payables in respect of the amount due on account of goods purchased or services received in the normal course of business.

*This information has been determined to the extent such parties have been identified on the basis of intimation received from the suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006. Based on the information available with the Company dues outstanding in respect to Micro, Small and Medium Enterprises as of Balance Sheet Date are shown as above.

Note No. 18 a - Ageing for trade payable from the due date of payment for each of the category is as follows:

Rs. In Lakhs

Particulars	As at 31st March, 2022	As at 31st March, 2021
Undisputed dues of micro enterprises and small enterprises		
Unbilled		
Not Due	**–**	–
0 months - 1 year	**–**	–
More than 1 years	**–**	–
	–	–
Undisputed dues of creditors other than micro enterprises and small enterprises		
Unbilled		
Not Due		
0 months - 1 year	**1,505.02**	582.61
More than 1 years	**862.11**	975.68
Total	**2,367.13**	1,558.29

Note No. 19 - Other Liabilities

Rs. In Lakhs

Particulars	As at 31st March 2022 Current	As at 31st March 2022 Non-Current	As at 31st March 2021 Current	As at 31st March 2021 Non-Current
(a) Advances received from customers	**12,193.21**	**–**	7,814.31	–

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31ST, 2022

Rs. In Lakhs

Particulars	As at 31st March 2022 Current	As at 31st March 2022 Non-Current	As at 31st March 2021 Current	As at 31st March 2021 Non-Current
(b) Statutory dues				
– Tax Deducted at sources	**88.00**	**–**	**30.60**	–
– Family Pension & Provident Fund Payable	**1.08**	**–**	1.15	–
– Professional Tax Payable	**0.04**	**–**	0.04	–
Total	**12,282.34**	**–**	7,846.11	–

Note No. 20 - Revenue from Operations

Rs. In Lakhs

Particulars	Year ended 31st March 2022	Year ended 31st March 2021
Income from Projects	**1,582.95**	2,125.49
Total	**1,582.95**	2,125.49

1. Contract Balances

Amounts received before the related performance obligation is satisified are included in the balance sheet (Contract liability) as "Advances received from Customers". Amounts billed for development milestone achieved but not yet paid by the customer are included in the balance sheet under trade receivables.

During the year, the Company recognised Revenue of Rs.1318.17 lakhs from opening contract liability (after Ind AS 115 adoption) of Rs 7814.31 lakhs and during previous year company recognised revenue of Rs. 1889.30 Lakhs from opening contract liability (after Ind AS 115 adoption) of Rs. 6272.76 Lakhs

There were no significant changes in the composition of the contract liabilities and Trade receivable during the reporting period other than on account of periodic invoicing and revenue recognition.

Amounts previously recorded as contract liabilities increase due to further milestone based invoices raised during the year and decrease due to revenue recognised during the year on completion of the construction.

Amounts previously recorded as Trade receivables increase due to further milestone based invoices raised during the year and decrease due to colelctions during the year.

The aggregate value of performance obligations that are completely or partially unsatisfied as at March 31, 2022 is Rs. 20,394.03 lakhs (PY Rs. 16,664.54 Lakhs). Out of this, the Company expects to recognize revenue of around 100% within the next one year and the remaining thereafter. This includes contracts that can be terminated for convenience with a penalty as per the agreement since, based on current assessment, the occurrence of the same is expected to be remote.

Rs. Lakhs

2. Reconciliation of revenue recognized with the contracted price is as follows:	Year ended 31st March 2022	Year ended 31st March 2021
Contracted price	**1,628.12**	2,176.22
Input Tax Credit	**45.17**	50.73
Adjustments on account of cash discounts or early payment rebates, etc.	**–**	–
Revenue recognised as per Statement of Profit & Loss	**1,582.95**	2,125.49

Rs. Lakhs

3. Contract Costs	Year ended 31st March 2022	Year ended 31st March 2021
Costs to obtain contracts	**202.62**	155.13

For the year ended 31st March 2022, amortisation amounting to Rs 172.19 lakhs (PY Rs. 116.57 Lakhs) was recognised as Subvention Interest, Compensation to Customers and Brokerage cost in note no. 25 - Other Expenses. There were no impairment loss in relation to the costs capitalised.

Note No. 21 - Other Income

Rs. In Lakhs

Particulars	Year ended 31st March 2022	Year ended 31st March 2021
(a) Interest Income		
(i) On Bank Deposits	**4.34**	5.91
(b) Miscellaneous Income	**30.92**	22.30
Total	**35.26**	28.20

Note No. 22 - Operating Expenses

Rs. In Lakhs

Particulars	Year ended 31st March 2022	Year ended 31st March 2021
Cost of materials consumed	**2,018.23**	1,772.12

Note No. 23 - Employee Benefits Expense

Rs. In Lakhs

Particulars	Year ended 31st March 2022	Year ended 31st March 2021
Salaries and wages, including bonus	**188.15**	167.84
Less : Allocated to projects	**(121.81)**	(81.81)
Total	**66.34**	**86.03**

Note No. 24 - Finance Cost

Rs. In Lakhs

Particulars	Year ended 31st March 2022	Year ended 31st March 2021
Interest on Loan from related parties	**534.78**	620.30
Interest on Overdraft	**16.88**	5.66
Less: Allocated to Projects	**(534.78)**	(620.30)
Total	**16.88**	5.66

Note No. 25 - Other Expenses

Rs. In Lakhs

	Year ended 31st March 2022	Year ended 31st March 2021
Repairs and Maintenance		
Others	**27.18**	21.72
Legal and Professional Fee	**23.92**	17.23
Advertisement and Marketing Expenses	**91.24**	89.12
Subvention Interest	**–**	33.78
Compensation to customers	**151.59**	61.86
Brokerage	**20.60**	20.93

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31ST, 2022

Rs. In Lakhs

	Year ended 31st March 2022	Year ended 31st March 2021
Remuneration to auditors:		
For Statutory Audit Fees	**5.50**	5.50
For Tax Audit Fees	**0.83**	0.83
For Other Services	**1.65**	1.65
Corporate Social Responsibility Expenditure	**10.81**	–
Miscellaneous Expenses	**52.23**	37.91
Total	**385.54**	290.53

Note No. 26 - Earnings per Share

Basic and Diluted Earnings Per Share

The earnings and weighted average number of ordinary shares used in the calculation of basic and diluted earnings per share are as follows:

Rs. In Lakhs

	For the year ended 31st March 2022	For the year ended 31st March 2021
Profit / (loss) for the year attributable to owners of the Company	**(872.67)**	(616.95)
Weighted average number of equity shares (nos.)	**50,000**	50,000
Earnings per share - Basic and Diluted	**(1,745.33)**	(1,233.89)

The weighted average number of ordinary shares used in the calculation of basic and diluted earnings per share are as follows:

Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
Opening No. of Equity Shares	**50,000**	50,000
Additions	**–**	–
Closing No. of Equity Shares	**50,000**	50,000
Weighted average number of equity shares used in the calculation of Basic and diluted EPS	**50,000**	**50,000**

Note No. 27 - Financial Instruments

Capital management

The Company's capital management objectives are:

- safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders
- maintain an optimal capital structure to reduce the cost of capital.

The Management of the Company monitors the capital structure using debt equity ratio which is determined as the proportion of total debt to total equity.

Rs. In Lakhs

Particulars	As at 31st March, 2022	As at 31st March, 2021
Debt (A)	**10,507.92**	7,255.18
Equity (B)	**(1,832.62)**	(961.95)
Debt Ratio (A / B)	**(5.73)**	(7.54)

Categories of financial assets and financial liabilities

The following tables shows the carrying amount and fair values of financial assets and financial liabilities by category:

Rs. In Lakhs
As at 31st March, 2022

Particulars	Amortised Costs	FVTPL	FVOCI	Total
Non-current Assets				
Loans	**244.86**	**–**	**–**	**244.86**
Current Assets				
Trade Receivables	**442.30**	**–**	**–**	**442.30**
Other Bank Balances	**94.96**	**–**	**–**	**94.96**
Loans	**–**	**–**	**–**	**–**
Other Financial Assets				
- Non Derivative Financial Assets	**1.04**	**–**	**–**	**1.04**
Non-current Liabilities				
Borrowings	**8,161.53**	**–**	**–**	**8,161.53**
Current Liabilities				
Borrowings	**2,346.41**	**–**	**–**	**2,346.41**
Trade Payables	**–**	**–**	**–**	**–**
Other Financial Liabilities				
- Non Derivative Financial Liabilities	**687.18**	**–**	**–**	**687.18**

Rs. In Lakhs
As at 31st March, 2021

	Amortised Costs	FVTPL	FVOCI	Total
Non-current Assets				
Loans	245.31	–	–	245.31
Current Assets				
Trade Receivables	754.38	–	–	754.38
Other Bank Balances	44.57	–	–	44.57
Loans	–	–	–	–
Other Financial Assets				
- Non Derivative Financial Assets	5.96	–	–	5.96
Non-current Liabilities				
Borrowings	5,225.53	–	–	5,225.53
Current Liabilities				
Borrowings	2,029.65	–	–	2,029.65
Trade Payables	–	–	–	–
Other Financial Liabilities				
- Non Derivative Financial Liabilities	507.81	–	–	507.81

Financial Risk Management Framework

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk . In order to manage the aforementioned risks, the Company operates a risk management policy and a program that performs close monitoring of and responding to each risk factor.

Credit Risk

Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. Credit risk arises from cash and cash equivalents, investments carried at amortised cost, deposits with banks and financial institutions as well as credit exposures to customers including outstanding receivables.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31ST, 2022

Trade Receivables:

The Companys trade receivables include receivables on sale of residential flats. As per the Company's flat handover policy, a flat is handed over to a customer only upon payment of entire amount of consideration. Thus, the Company is not exposed to any credit risk on receivables from sale of residential flats.

Balances with Banks, mutual funds and other financial assets:

For banks and financial institutions, only high rated banks/institutions are accepted. The Company holds cash and cash equivalents with bank and financial institution counterparties, which are having highest safety ratings based on ratings published by various credit rating agencies. The Company considers that its cash and cash equivalents have low credit risk based on external credit ratings of the counterparties.

For other financial assets, the Company assesses and manages credit risk based on reasonable and supportive forward looking information. The Company does not have significant credit risk exposure for these items.

Liquidity Risk

(i) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Company's short-, medium- and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

(ii) Maturities of financial liabilities

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The amount disclosed in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows.

To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Company may be required to pay.

Rs. In Lakhs

Particulars	Less than 1 Year	1–3 Years	3 Years to 5 Years
31-Mar-22			
Non-current Liabilities			
Borrowings	–	8,161.53	–
Current Liabilities			
Borrowings	2,346.41	–	–
Trade Payables	–	–	–
Other Financial Liabilities			
- Non Derivative Financial Liabilities	687.18	–	–
Total	**3,033.59**	**8,161.53**	**–**
31-Mar-21			
Non-current Liabilities			
Borrowings	–	5,225.53	–
Current Liabilities			
Borrowings	2,029.65	–	–
Trade Payables	–	–	–
Other Financial Liabilities			
- Non Derivative Financial Liabilities	507.81	–	–
Total	**2,537.46**	**5,225.53**	**–**

(iii) Financing arrangements

The Company had access to following undrawn borrowing facilities at the end of the reporting period:

Particulars	As at 31st March, 2022	As at 31st March, 2021
Secured Cash Credit facility		
- Expiring within one year	**408.59**	725.35
Total	**408.59**	725.35

The following table details the Company's expected maturity for its non-derivative financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Company's liquidity risk management as the liquidity is managed on a net asset and liability basis.

Rs. In Lakhs

Particulars	Less than 1 Year	1–3 Years	3 Years to 5 Years
31st March 2022			
Non-current Assets			
Loans	–	244.86	–
Current Assets			
Trade Receivables	442.30	–	–
Other Bank Balances	94.96	–	–
Loans	–	–	–
Other Financial Assets			
- Non Derivative Financial Assets	1.04	–	–
Total	**538.31**	**244.86**	**–**
31st March 2021			
Non-current Assets			
Loans	–	245.31	–
Current Assets			
Trade Receivables	754.38	–	–
Other Bank Balances	44.57	–	–
Loans	–	–	–
Other Financial Assets			
- Non Derivative Financial Assets	5.96	–	–
Total	**804.90**	**245.31**	**–**

MARKET RISK

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk and other price risk such as equity price risk and commodity price risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. All such transactions are carried out within the guidelines set by the Board of Directors.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates. The Company manages its interest rate risk by having a balanced portfolio of fixed and floating rate loans and borrowings.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31ST, 2022

Note No. 28 - Fair Value Measurement

Fair value of financial assets and financial liabilities that are not measured at fair value

Rs. In Lakhs

Particulars	31-Mar-22 Carrying amount	31-Mar-22 Fair value	31-Mar-21 Carrying amount	31-Mar-21 Fair value
Financial assets				
Financial assets carried at Amortised Cost				
- Loans (Non-Current)	**244.86**	**244.86**	245.31	245.31
- Trade Receivables	**442.30**	**442.30**	754.38	754.38
- Cash and Cash Equivalents	**454.30**	**454.30**	139.31	139.31
- Other Bank Balances	**94.96**	**94.96**	44.57	44.57
- Other Financial Assets	**1.04**	**1.04**	5.96	5.96
- Loans (Current)	**–**	**–**	–	–
Total	**1,237.46**	**1,237.46**	1,189.53	1,189.53
Financial liabilities				
Financial liabilities held at amortised cost				
- Non-Current Borrowings	**8,161.53**	**8,161.53**	5,225.53	5,225.53
- Borrowings	**2,346.41**	**2,346.41**	2,029.65	2,029.65
- Trade Payables	**2,367.13**	**2,367.13**	1,558.29	1,558.29
- Other Financial Liabilities	**687.18**	**687.18**	507.81	507.81
Total	**13,562.24**	**13,562.24**	9,321.28	9,321.28

Fair value hierarchy as at 31st March 2022

Rs. In Lakhs

Particulars	Level 1	Level 2	Level 3
Financial assets			
Financial assets carried at Amortised Cost			
- Trade Receivables	–	442.30	–
- Cash and Cash Equivalents	–	454.30	–
- Other Bank Balances	–	94.96	–
- Other Financial Assets	–	1.04	–
- Loans	–	–	–
Total	**–**	**992.61**	**–**
Financial liabilities			
Financial liabilities held at amortised cost			
- Non-Current Borrowings	–	8,161.53	–
- Borrowings	–	2,346.41	–
- Trade Payables	–	2,367.13	–
- Other Financial Liabilities	–	687.18	–
Total	**–**	**13,562.24**	**–**

Rs. In Lakhs

Fair value hierarchy as at 31st March, 2021

Particulars	Level 1	Level 2	Level 3
Financial assets			
Financial assets carried at Amortised Cost			
- Trade Receivables	–	754.38	–
- Cash and Cash Equivalents	–	139.31	–
- Other Bank Balances	–	44.57	–
- Other Financial Assets	–	5.96	–
- Loans	–	–	–
Total	**–**	**944.21**	**–**
Financial liabilities			
Financial liabilities held at amortised cost			
- Non-Current Borrowings	–	5,225.53	–
- Borrowings	–	2,029.65	–
- Trade Payables	–	1,558.29	–
- Other Financial Liabilities	–	507.81	–
Total	**–**	**9,321.28**	**–**

Note No. 29 - Employee benefits

(a) Defined Contribution Plan

The Company's contribution to Provident Fund and Superannuation Fund aggregating Rs. 9.28 lakhs (2021 : Rs. 4.25 lakhs) has been recognised in the Statement of Profit or Loss under the head Employee Benefits Expense.

(b) Defined Benefit Plans:

Gratuity

The Company operates a gratuity plan covering qualifying employees. The benefit payable is the greater of the amount calculated as per the Payment of Gratuity Act, 1972 or the Company scheme applicable to the employee. The benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. In case of death while in service, the gratuity is payable irrespective of vesting.

Principal Actuarial Assumptions

Particulars	**Year ended 31st March 2022 Rs**	Year ended 31st March 2021 Rs
Discount rate	**6.80%**	6.40%
Retirement age	**60 years**	60 years
Average Mortality	**IALM (2012-14) Ultimate**	IALM (2012-14) Ultimate
Salary escalation	**8.00%**	8.00%

Reconciliation of Benefit Obligation

Rs. In Lakhs

Change in defined benefit obligations (DBO)	**As at 31st March 2022**	As at 31st March 2021
Present value of DBO at beginning of the year	**13.53**	12.96
Current service cost	**2.33**	2.58

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31ST, 2022

Rs. In Lakhs

Change in defined benefit obligations (DBO)	As at 31st March 2022	As at 31st March 2021
Transfer In/ (Out)		
Interest cost	**0.81**	0.87
Actuarial (gains) / losses	**(1.99)**	(2.87)
Past Service Cost	**–**	–
Benefits paid	**(1.82)**	–
Present value of DBO at the end of the year	**12.86**	13.54

Expenses recognised in the statement of profit and loss

Rs. In Lakhs

Components of employee benefit expenses	Year ended 31st March 2022	Year ended 31st March 2021
Current service cost	**2.33**	2.58
Past Service Cost	**–**	
Interest cost	**0.81**	0.87
Total expense recognised in the statement of profit and loss	**3.14**	3.45

Rs. In Lakhs

Components of other comprehensive income	Year ended 31st March 2022	Year ended 31st March 2021
Actuarial Loss on obligation	**(1.99)**	(2.87)
Components of defined benefit costs recognised in other comprehensive income	**(1.99)**	(2.87)

Rs. In Lakhs

Net Asset/(Liability) recognised in the Balance Sheet	Year ended 31st March 2022	Year ended 31st March 2021
Present value of defined benefit obligation as at 31st March	**12.86**	13.53
Fair value of plan assets as at 31st March	**-**	-
Surplus/(Deficit)	**(12.86)**	(13.53)
Current portion of the above	**(2.00)**	(1.63)
Non current portion of the above	**(10.86)**	(11.90)

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

Rs. In Lakhs

Principal assumption		Changes in assumption	Impact on defined benefit obligation: PO as on Valuation date on account of increase in assumption	Impact on defined benefit obligation: PO as on Valuation date on account of decrease in assumption
Discount rate	2022	1.00%	7.57	8.51
	2021	1.00%	10.80	12.20

Rs. In Lakhs

Principal assumption		Changes in assumption	Impact on defined benefit obligation: PO as on Valuation date on account of increase in assumption	Impact on defined benefit obligation: PO as on Valuation date on account of decrease in assumption
Salary growth rate	2022	1.00%	8.41	7.64
	2021	1.00%	12.06	10.91

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the Balance sheet.

Note - 30 - Micro Small and Medium Enterprises Development Act 2006

The amount due to Micro and Small Enterprises as defined in the " Micro, Small and Medium Enterprises Development, Act, 2006" has been determined to the extent such parties have been identified on the basis of information available with the Company. The disclosure relating to Micro and Small Enterprises as at 31st March 2018 are as under:

Disclosures required under Section22 of the Micro Small and Medium Enterprises Development Act 2006

Rs. In Lakhs

Particulars	Year ended 31st March 2022	Year ended 31st March 2021
(i) The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
- Principal amount due to micro and small enterprises	**–**	–
- Interest due on above	**–**	–
(ii) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	**–**	–
(iii) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006.	**–**	–
(iv) The amount of interest accrued and remaining unpaid at the end of each accounting year.	**–**	–
(v) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006.	**–**	–

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31ST, 2022

Note No. 31- Related Party Disclosures

(a) Related Parties where control exists

(i) Ultimate Holding Company

Mahindra & Mahindra Company

(ii) Holding Company

Mahindra Lifespace Developers Limited (wholly owned subsidiary w.e.f. 29th May 2018)

(b) Other Parties with whom transaction have taken place during the year

(i) Fellow Subsidiaries

Mahindra Integrated Business Solutions Private Limited

Mahindra Infrastructure Developers Limited

(ii) Joint Ventures

Mahindra Industrial Park Private Limited

Details of related party transactions and balances outstanding as at 31st March 2022:

Rs in Lakhs

Nature of transactions	Mahindra & Mahindra Limited		Mahindra Lifespace Developers Limited		Mahindra Integrated Business Solutions Private Limited		Mahindra Industrial Park Private Ltd		Mahindra Infrastructure Developers Limited	
	31-Mar-22	31-Mar-21	31-Mar-22	31-Mar-21	31-Mar-22	31-Mar-21	31-Mar-22	31-Mar-21	31-Mar-22	31-Mar-21
<u>Transactions during FY 21-22</u>										
(Income)/Expenses										
Purchase of services	8.00	6.16	22.22	3.43	7.52	8.04	–	–	–	–
Inter corporate deposit taken	–	–	4,200.00	2,675.00	–	–		–	–	2,350.00
Interest on ICD	–	–	250.82	293.98	–	–	136.01	147.88	131.06	178.43
Inter corporate deposit repaid	–	–	1,200.00	3,060.00	–	–	–	–	64.00	2,569.00
<u>Outstandings as on Balance Sheet date</u>										
Liabilty/(Asset)										
Payable Towards Mark Up	–	–	–	–	–	–	–	–	–	–
Payable Towards ICD Interest	–	–	383.78	300.94	–	–	112.41	79.87	190.99	77.11
Payable Towards Purchase of services	–	5.65	12.78	1.17	0.07	0.16	–	–	–	–
Other Advances Recoverable	–	–	–	–	–	–	–	–	–	–
Mobilisation Advance Recoverable	–	–	–	–	–	–	–	–	–	–
Payable Towards ICD	–	–	6,544.53	3,544.53	–	–	1,755.00	1,755.00	1,617.00	1,681.00

Note: Related parties have been identified by the Management.

Note No. 32 - Continget Liabilities

Rs in Lakhs

Particulars	**Year ended 31st March 2022**	Year ended 31st March 2021
(i) Income Tax Matter under appeal		
Rectification order from the IT office pending towards Refunds claimed by the company	**43.20**	43.20
(ii) Indirect Tax Matters under appeal		
VAT and Service Tax claims disputed by the Company relating to issues of applicability. Company is pursuing the matter with the appropriate Appellate Authorities	**88.93**	42.01

Note No. 33 - Segment Reporting

The Company operates in one segment namely Project and Development activity, hence separate segment reporting has not been made under Indian Accounting Standard (Ind- AS 108)-"Operating Segment". The operation of company comprises a single geographical segment, India.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31ST, 2022

Note No. 33 - Financial Ratios

	Particulars	Numerator	Denominator	Amount (In Lakhs) For the year ended March 31, 2022	For the year ended March 31, 2021	% Variance	Reasons for Variance
a)	Current Ratio	Current Assets	Current Liabilities	1.33	1.32	0.71%	
b)	Debt Equity Ratio	Net Debt	Equity	(5.73)	(7.54)	-23.98%	
c)	Debt Service Coverage Ratio (DSCR)	EBDITA	Total Debt	(0.08)	0.00	-12202.72%	Increase in Debt and loss in current year from last year
d)	Return of Equity	PAT	Networth	0.48	0.64	-25.75%	Higher loss in current year due to increase in operating cost
e)	Inventory Turnover ratio	COGS	Average Inventory	0.11	0.13	-16.04%	
f)	Trade Receivables turnover ratio	Turnover	Trade Receiavables (Average)	2.65	2.05	29.03%	Higher reduction in trade receivables from last year due to higher collections
g)	Trade Payable turnover ratio	COGS	Trade payable (Average)	1.03	1.06	-2.93%	
h)	Net capital turnover ratio,	Average Networth	Turnover	(0.88)	(0.31)	186.48%	Higher loss in current year due to increase in operating cost
i)	Net profit ratio	PAT	Revenue	(0.55)	(0.29)	89.93%	Higher loss in current year due to increase in operating cost
j)	Return on Capital employed	PAT	Borrowing	(0.10)	(0.00)	11916.99%	Increase in Debt and loss in current year from last year

Schedule III require explanation where the change in the ratio is more than 25% as compared to the preceding year. Since there are only two instances where the change is more than 25% i.e. Debt Equity ratio and Debt Service Coverage ratio, hence explanation is given only for the said ratios.

Note No. 35 - Disclosure Of Struck Off Companies

The Company does not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

Note No. 36 - Discrepancies between books of accounts & quarterly statements submitted to banks

The company has complied with the requirement of filing of quarterly returns/statements of current assets with the banks or financial institutions as required by bank time to time.

Note No. 37 - Unhedged Foreign Currency Exposure

The Company has no foreign currency exposure during the current year and previous year.

Note No. 38 - Events after the reporting period

No material events have occurred after the Balance Sheet date and upto the approval of the Financial Statements.

Note No. 39 - Previous Year Figures

The figures for previous year have been regrouped/reclassified wherever necessary to conform to current year's grouping/classification.

The accompanying notes are an integral part of the Financial Statements

As per our report attached hereto

For and on behalf of the Board of Directors of Mahindra Bloomdale Developers Limited

For B.K.Khare & Co
Chartered Accountants
Firm Registration No. 105102W

Aniruddha Joshi
Partner
Membership No.: 040852
Place : Mumbai
Date : 20th April 2022

Vimal Agarwal
Director DIN No. 07296320
Place : Mumbai
Date : 20th April 2022

Parveen Mahtani
Director DIN No. 05189797
Place : Mumbai
Date : 20th April 2022

INDEPENDENT AUDITOR'S REPORT

To The Members of Mahindra Industrial Park Chennai Limited
Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **Mahindra Industrial Park Chennai Limited** ("the Company"), which comprise the Balance Sheet as at 31 March 2022, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2022, and its loss, total comprehensive loss, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Information Other than the Financial Statements and Auditor's Report Thereon

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board of Director's Report, but does not include the financial statements and our auditor's report thereon.
- Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- Based on the work we have performed, we conclude that we have nothing to report in this regard.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the Company to express an opinion on the financial statements.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b) In our opinion, proper books of account as required by law have been kept by the Company and so far as it appears from our examination of those books.

   c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.

   d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.

   e) On the basis of the written representations received from the directors as on 31 March 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022 from being appointed as a director in terms of Section 164(2) of the Act.

   f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

   g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

   h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

      i. The Company did not have any pending litigations which would impact its financial position.

      ii. The Company did not have material foreseeable losses in respect of long–term contracts and the Company did not have any derivative contracts.

      iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

      iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c) Based on the audit procedures that has been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub–clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. The company has not declared or paid any dividend during the year and has not proposed final dividend for the year.

2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm Registration No. 117366W/W-100018)

P Usha Parvathy
Partner
(Membership No. 207704)
(UDIN: 22207704AHTQTI8852)

Place: Chennai
Date: April 25, 2022

ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph “f” under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub–section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of **Mahindra Industrial Park Chennai Limited** (“the Company”) as of March 31, 2022 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor’s Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us , the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the criteria for internal financial control over financial reporting established by the respective Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm Registration No. 117366W/W–100018)

P Usha Parvathy
Partner
(Membership No. 207704)
UDIN: 22207704AHTQTI8852

Place: Chennai
Date: April 25, 2022

ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 2 under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and Capital Work in Progress.

(a) (B) As the Company does not hold any intangible assets, reporting under clause (i)(a)(B) of the Order is not applicable.

(b) The Property, Plant and Equipment and Capital Work in Progress, were physically verified during the year by the Management which, in our opinion, provides for physical verification at reasonable intervals. No material discrepancy was noticed on such verification.

(c) According to the information and explanation given to us, immovable properties of land, whose title deeds have been mortgaged as security for loans are held in the name of the Company as per the Memorandum of Deposit of Title deeds executed by the Company.

(d) The Company has not revalued any of its Property, Plant and Equipment during the year. The Company does not have any intangible assets.

(e) No proceedings have been initiated during the year or are pending against the Company as at 31 March 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

(ii) (a) Having regard to the nature of inventory, the physical verification by way of verification of title deeds, site visits by the Management and certification of extent of work completion by competent persons, are at reasonable intervals. In our opinion and according to the information and explanations given to us, the coverage and procedure of such verification by the Management is appropriate having regard to the size of the Company and nature of its operations and no discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories when compared with books of account.

(b) According to the information and explanations given to us, at any point of time of the year, the Company has not been sanctioned any working capital facility from banks or financial institutions and hence reporting under clause (ii)(b) of the Order is not applicable.

(iii) The Company has not made any investments in, provided any guarantee or security, and granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year, and hence reporting under clause (iii) of the Order is not applicable.

(iv) The Company has not granted any loans, made investments or provided guarantees or securities and hence reporting under clause (iv) of the Order is not applicable.

(v) The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause (v) of the Order is not applicable.

(vi) Having regard to the nature of the Company’s business / activities, reporting under clause (vi) of the Order relating to maintenance of cost records is not applicable.

(vii) (a) According to the information and explanations given to us, in respect of statutory dues:

Undisputed statutory dues, including Goods and Service tax, Provident Fund, Income–tax, duty of Custom, cess and other material statutory dues applicable to the Company have been regularly deposited by it with the appropriate authorities. We have been informed that the provisions of the Employees’ State Insurance Act, 1948 are not applicable to the Company.

There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Income–tax, duty of Custom, cess and other material statutory dues in arrears as at March 31, 2022 for a period of more than six months from the date they became payable.

(b) There are no statutory dues referred in sub–clause (a) above which have not been deposited on account of disputes as on March 31, 2022.

(viii) There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.

(ix) (a) In our opinion, the Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.

(b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) To the best of our knowledge and belief, in our opinion, term loans availed by the Company were applied by the Company during the year for the purposes for which the loans were obtained.

(d) On an examination of the financial statements of the Company and as represented to us by the Management, the company has not raised funds on short-term basis.

(e) The Company did not have any subsidiary or associate or joint venture during the year and hence, reporting under clause (ix)(e) of the Order is not applicable.

(f) The Company did not have any subsidiary or joint venture or associate during the year and hence reporting on clause (ix)(f) of the Order relating to loans raised during the year on pledge of securities held in its subsidiaries, joint ventures or associate companies is not applicable.

(x) (a) The Company has not issued any of its securities (including debt instruments) during the year and hence reporting under clause (x)(a) of the Order is not applicable.

(b) During the year the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause (x)(b) of the Order is not applicable to the Company.

(xi) (a) To the best of our knowledge, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

(b) To the best of our knowledge, no report under sub–section (12) of section 143 of the Companies Act has been filed in Form ADT–4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.

(c) As represented to us by the Management, there were no whistle blower complaints received by the Company during the year.

(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.

(xiii) In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv) (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.

(b) We have considered, the internal audit report issued to the Company covering the period April 2021 to January 2022 and the internal audit report was issued on 19 April 2022.

(xv) In our opinion during the year the Company has not entered into any non–cash transactions with its directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

(xvi) The Company is not required to be registered under section 45–IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause (xvi) (a), (b), (c) of the Order is not applicable.

(xvi) (d) The Group has more than one Core Investment Company (CIC) as part of the group. There are six CIC forming part of the group.

(xvii) The Company has incurred cash losses amounting to Rs.92,892,068 in the financial year covered by our audit but had not incurred cash losses in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors of the Company during the year.

(xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) The Company was not having net worth of rupees five hundred crore or more, or turnover of rupees one thousand crore or more or a net profit of rupees five crore or more during the immediately preceding financial year and hence, provisions of Section 135 of the Act are not applicable to the Company during the year. Accordingly, reporting under clause (xx) of the Order is not applicable for the year.

(xxi) This is relating to Consolidated Financial Statements. Accordingly, reporting under this clause (xxi) is not applicable to the company.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm Registration No. 117366W/W–100018)

P Usha Parvathy
Partner
(Membership No. 207704)
UDIN: 22207704AHTQTI8852

Place: Chennai
Date: April 25, 2022

BALANCE SHEET AS AT MARCH 31, 2022

(Amounts in INR)

Particulars	Note No.	As at 31 March, 2022	As at 31 March, 2021
ASSETS			
Non–current assets			
(a) Property, Plant and Equipment	4a	**25,60,15,589**	8,64,71,556
(b) Capital Work in Progress	4b	**41,71,104**	16,76,21,179
(c) Financial Assets			
(i) Other Financial Assets	5	**4,82,352**	4,57,352
(d) Deferred Tax Asset	6	**3,55,46,559**	1,10,55,319
		29,62,15,604	26,56,05,406
Current assets			
(a) Inventories	7	**2,81,58,98,632**	2,71,51,93,424
(b) Financial assets			
(i) Trade Receivables	8	**46,77,060**	32,94,28,954
(ii) Cash and Cash Equivalents	9	**19,27,11,344**	1,71,47,610
(iii) Other Financial Assets	5	**3,97,808**	–
(c) Other current assets	10	**1,39,94,684**	76,83,132
		3,02,76,79,528	3,06,94,53,120
Total Assets		**3,32,38,95,132**	3,33,50,58,526
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share capital	11	**1,70,00,00,000**	1,70,00,00,000
(b) Other Equity			
(i) Securities Premium	12	**9,00,00,000**	9,00,00,000
(ii) Retained Earnings	12	**(12,22,23,551)**	(4,93,23,659)
Total Equity		**1,66,77,76,449**	1,74,06,76,341
Non–current liabilities			
(a) Financial Liabilities			
(i) Borrowings	13	**1,45,05,74,011**	1,29,35,67,083
(ii) Other Financial Liabilities	14A	**1,222**	32,10,498
(b) Other Liabilities	14B	**35,88,556**	–
(c) Provisions	15	**6,36,126**	11,71,483
		1,45,47,99,915	1,29,79,49,064
Current liabilities			
(a) Financial Liabilities			
(i) Trade Payable			
Total outstanding dues of micro enterprises and small enterprises	16	**25,27,432**	17,11,607
Total outstanding dues of creditors other than micro enterprises and small enterprises	16	**45,13,199**	3,51,83,705
(ii) Other Financial Liabilities	14	**19,24,76,675**	19,58,81,449
(b) Provisions	15	**1,52,846**	1,06,877
(c) Other Current Liabilities	17	**16,48,616**	6,35,49,483
		20,13,18,768	29,64,33,121
Total Equity and Liabilities		**3,32,38,95,132**	3,33,50,58,526

See accompanying notes which are an integral part of the financial statements.

In terms of our report attached
For Deloitte Haskins & Sells LLP
Chartered Accountants

P Usha Parvathy
Partner

Place: Chennai
Date: 25 April, 2022

For and on behalf of the board of directors of
Mahindra Industrial Park Chennai Limited

ARVIND SUBRAMANIAN
Director
(DIN: 02551935)

PARVEEN PRAKASH MAHTANI
Director
DIN: 05189797)

Bharathy K
Chief Financial Officer

Aman J Desai
Company Secretary

Place: Chennai
Date: 20 April, 2022

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2022

(Amounts in INR)

Particulars	Note No.	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Income			
Revenue from Operations	18A	**66,93,361**	40,97,12,227
Other Income	18B	**11,92,272**	–
Total income		**78,85,633**	40,97,12,227
Expenses			
Project Development Expenses		**2,20,17,808**	7,08,45,730
Decrease/(Increase) in inventories of work-in-progress and Construction materials	19	**(10,07,05,208)**	14,09,21,174
Employee Benefits Expense	21	**3,36,24,615**	3,23,37,652
Operation & Maintenance	20	**1,47,37,168**	14,03,000
Depreciation Expenses	4	**37,67,275**	7,24,034
Finance Cost	22	**11,41,64,742**	11,64,55,874
Other expenses	23	**1,76,70,365**	3,47,42,314
Total Expense		**10,52,76,765**	39,74,29,778
(Loss)/Profit before tax		**(9,73,91,132)**	1,22,82,449
Tax expenses			
Current tax	6	**–**	–
Deferred tax	6	**(2,44,91,240)**	32,04,605
Total tax expenses		**(2,44,91,240)**	32,04,605
(Loss)/Profit for the year (A)		**(7,28,99,892)**	90,77,844
Other Comprehensive Income		**–**	–
Other Comprehensive Income for the year (B)		**–**	–
Total Comprehensive Income for the year (A+B)		**(7,28,99,892)**	90,77,844
Earnings per equity share	24		
Basic & Diluted			
Equity Shares [nominal value of share Rs 10 (March 31, 2021: Rs 10)]		**(0.43)**	0.05

See accompanying notes which are an integral part of the financial statements.

In terms of our report attached
For Deloitte Haskins & Sells LLP
Chartered Accountants

P Usha Parvathy
Partner

Place: Chennai
Date: 25 April, 2022

For and on behalf of the board of directors of
Mahindra Industrial Park Chennai Limited

ARVIND SUBRAMANIAN
Director
(DIN: 02551935)

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Director
DIN: 05189797)

Bharathy K
Chief Financial Officer

Aman J Desai
Company Secretary

Place: Chennai
Date: 20 April, 2022

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2022

(Amounts in INR)

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Cash flow from operating activities		
(Loss)/ Profit for the year	**(9,73,91,132)**	1,22,82,449
Non-cash adjustment to reconcile profit before tax to net cash flows:		
Depreciation	**37,67,275**	7,24,034
Interest Expense	**11,41,64,742**	11,64,55,874
Advances not recoverable and writtenoff	**7,31,789**	–
Operating Profit before working capital changes	**2,12,72,674**	12,94,62,357
Working Capital changes and other adjustments:		
(Decrease)/ Increase in Trade payables	**(2,98,54,681)**	1,74,09,714
(Decrease)/ Increase in Other Current Liabilities	**(6,19,00,867)**	5,42,00,075
Increase in Other Financial Liabilities- Current	**20,37,858**	1,21,75,406
(Decrease)/ Increase in Other Financial Liabilities- Non Current	**(32,09,276)**	11,26,043
(Decrease)/ Increase in Provisions	**(4,89,388)**	2,60,909
Decrease/ (Increase) in Trade receivables	**32,47,51,894**	(24,69,11,554)
(Increase)/ Decrease in Inventories	**(10,07,05,208)**	14,09,21,174
(Increase)/ Decrease in Other Financial assets	**(4,22,808)**	2,08,881
Decrease in Other Liabilities	**35,88,556**	–
(Increase)/ Decrease in Other Current Assets	**(1,07,78,819)**	2,75,512
Cash generated from operations	**14,42,89,935**	10,91,28,517
Direct taxes paid (net of refunds)	**37,35,478**	11,44,703
Net cash from/(used in) Operating activities (A)	**14,80,25,413**	11,02,73,220
Cash flows from Investing activities		
Payments for acquistion of property, plant and equipment	**(2,70,23,823)**	(3,22,13,463)
Net cash used in Investing activities (B)	**(2,70,23,823)**	(3,22,13,463)
Cash flows from Financing activities		
Proceeds from Inter Corporate Deposit	**–**	4,00,00,000
Repayment of Inter Corporate Deposit	**–**	(16,00,00,000)
Proceeds from Borrowings	**25,31,60,000**	23,00,00,000
Repayment of Borrowings	**(8,33,44,500)**	(5,99,94,750)
Interest Paid	**(11,52,53,356)**	(12,17,65,573)
Net cash from/(used in) Financing activities (C)	**5,45,62,144**	(7,17,60,323)
Net increase/(decrease) in cash and cash equivalents (A + B + C)	**17,55,63,734**	62,99,434
Cash and cash equivalents at the beginning of the period	**1,71,47,610**	1,08,48,176
Cash and cash equivalents at the end of the period	**19,27,11,344**	1,71,47,610
Components of cash and cash equivalents		
Cash on hand	**–**	–
With banks		
– on current account	**27,11,344**	1,71,47,610
– Deposit with original maturity of less than three months	**19,00,00,000**	–
Total cash and cash equivalents	**19,27,11,344**	1,71,47,610

See accompanying notes which are an integral part of the financial statements.

In terms of our report attached
For Deloitte Haskins & Sells LLP
Chartered Accountants

P Usha Parvathy
Partner

Place: Chennai
Date: 25 April, 2022

For and on behalf of the board of directors of
Mahindra Industrial Park Chennai Limited

ARVIND SUBRAMANIAN
Director
(DIN: 02551935)

PARVEEN PRAKASH MAHTANI
Director
DIN: 05189797)

Bharathy K
Chief Financial Officer

Aman J Desai
Company Secretary

Place: Chennai
Date: 20 April, 2022

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2022

A. Equity Share Capital

Particulars	No. of Shares	Amount in INR
Equity Shares of Rs. 10 each issued, subscribed and fully paid		
As at 1 April, 2020	17,00,00,000	1,70,00,00,000
Issued during the year	–	–
At 31 March, 2021	**17,00,00,000**	**1,70,00,00,000**
Issued during the year	–	–
As at 31 March, 2022	**17,00,00,000**	**1,70,00,00,000**

B. Other Equity

Amounts in INR

Particulars	Reserves and Surplus		
	Securities Premium	Retained earnings	Total
As at 1 April, 2021	9,00,00,000	(5,84,01,503)	3,15,98,497
Profit for the year	–	90,77,844	90,77,844
Other Comprehensive Income/(Loss)	–	–	–
As at 31 March, 2022	**9,00,00,000**	**(4,93,23,659)**	**4,06,76,341**
Profit for the year	–	(7,28,99,892)	(7,28,99,892)
Other Comprehensive Income/(Loss)	–	–	–
As at 31 March, 2022	**9,00,00,000**	**(12,22,23,551)**	**(3,22,23,551)**

See accompanying notes which are an integral part of the financial statements.

In terms of our report attached
For Deloitte Haskins & Sells LLP
Chartered Accountants

P Usha Parvathy
Partner

Place: Chennai
Date: 25 April, 2022

For and on behalf of the board of directors of
Mahindra Industrial Park Chennai Limited

ARVIND SUBRAMANIAN
Director
(DIN: 02551935)

PARVEEN PRAKASH MAHTANI
Director
DIN: 05189797)

Bharathy K
Chief Financial Officer

Aman J Desai
Company Secretary

Place: Chennai
Date: 20 April, 2022

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

1. General Information

Mahindra Industrial Park Chennai Limited (“the Company”) was incorporated on December 22, 2014. The Company is in the business of land development for industrial, commercial and residential use. The Company acquires land and incurs expenditure on its development and related infrastructure facilities for lease/sale. The Company is developing a 260–acre Industrial Park in North Chennai on NH 15.

The Company is a joint venture between Mahindra World City Developers Limited and Sumitomo Corporation SC of Japan.

2. Significant Accounting Policies

2.1 Statement of compliance

The financial statements of the Company have been prepared in accordance with IND AS notified under the Companies (Indian Accounting Standards) Rules, 2015 to comply with the Accounting Standards prescribed under Section 133 of the Companies Act, 2013 (to the extent notified and applicable). The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

2.2 Basis of preparation and presentation

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

2.3 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable.

2.3.1 Land Lease Premium

Land lease premium is recognized as income upon creation of leasehold rights in favour of the lessee or upon an agreement to create leasehold rights with handing over of possession.

2.3.2 Income from sale of land

Revenue from sale is recognized upon transfer of title to the acquirer.

2.3.3 Income from Operation & Maintenance (O&M)

Income from operation & maintenance charges and water charges are recognized on an accrual basis as per terms of the agreement with the lessees.

2.3.4 Dividend and interest income

Dividend income from investment in mutual funds is recognised when the unit holder’s right to receive payment has been established (provided that it is probable that the economic benefits will flow to the company and the amount of income can be measured reliably).

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset’s net carrying amount on initial recognition.

2.4 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

2.4.1 Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from ‘profit before tax’ as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company’s current tax is calculated using tax rates applicable for the financial year.

2.4.2 Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

2.4.3 Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

2.5 Property, plant and equipment

Land and buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses. Freehold land is not depreciated.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

assets, borrowing costs capitalised in accordance with the Company's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Fixtures and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight–line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

2.6 Goods and Services Tax (GST)

GST credit on materials purchased/services availed for construction / Input services are taken into account at the time of purchase. GST input credit is accounted for in the books in the period in which the underlying service / goods received is accounted and when there is no uncertainty in availing/ utilising the credits. GST credit on purchase of capital items wherever applicable are taken into account as and when the assets are acquired. The GST credits so taken are utilised for payment of GST on sale of land. The unutilised GST credit is carried forward in the books.

2.7 Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognized in profit or loss in the period in which they are incurred.

2.8 Inventories

Inventories are stated at the lower of cost and net realisable value after providing for obsolescence and other losses, where considered necessary. Work in progress includes cost of land and all expenditure incurred in connection with, or attributable to the project, and, being a long–term project, includes interest.

2.9 Cash and cash equivalents (for purposes of Cash Flow Statement)

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short–term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

2.10 Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non–cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

2.11 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) because of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

2.11.1 Onerous contracts

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Company has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

2.12 Financial instruments

Financial assets and financial liabilities are recognised when a Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

2.13 Foreign currency transactions and translations

Foreign currency transactions are recorded at exchange rates prevailing on the date of transaction. Monetary assets / liabilities are translated at exchange rates prevailing on the date of settlement or at the year–end as applicable, and gain / loss arising out of such translation is adjusted to the Statement of profit and loss.

2.14 Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

2.14.1 Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortised cost (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

Interest income is recognised in profit or loss for FVTOCI debt instruments. For the purposes of recognising foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortised cost. Thus, the exchange differences on the amortised cost are recognised in profit or loss and other changes in the fair value of FVTOCI financial assets are recognised in other comprehensive income and accumulated under the heading of 'Reserve for debt instruments through other comprehensive income'. When the investment is disposed of, the cumulative gain or loss previously accumulated in this reserve is reclassified to profit or loss.

All other financial assets are subsequently measured at fair value.

2.14.2 Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in profit or loss and is included in the "Other income" line item.

2.14.3 Financial assets at fair value through profit or loss (FVTPL)

Debt instruments that do not meet the amortised cost criteria or FVTOCI criteria (see above) are measured at FVTPL. In addition, debt instruments that meet the amortised cost criteria or the FVTOCI criteria but are designated as at FVTPL are measured at FVTPL.

A financial asset that meets the amortised cost criteria or debt instruments that meet the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Company has not designated any debt instrument as at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other income' line item. Dividend on financial assets at FVTPL is recognised when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

2.14.4 Impairment of financial assets

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, debt instruments at FVTOCI, lease receivables, trade receivables, and other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit–adjusted effective interest rate for purchased or originated credit–impaired financial assets). The Company estimates cash flows by considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument.

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12–month expected credit losses. 12–month expected credit losses are portion of the life–time expected credit losses and represent the lifetime cash shortfalls that will result if default occurs within the 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.

If the Company measured loss allowance for a financial instrument at lifetime expected credit loss model in the previous period, but determines at the end of a reporting period that the credit risk has not increased significantly since initial recognition due to improvement in credit quality as compared to the previous period, the Company again measures the loss allowance based on 12–month expected credit losses.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Company uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward–looking information.

The impairment requirements for the recognition and measurement of a loss allowance are equally applied to debt instruments at FVTOCI except that the loss allowance is recognised in other comprehensive income and is not reduced from the carrying amount in the balance sheet.

2.14.5 Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

On derecognition of a financial asset other than in its entirety (e.g. when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

2.15 Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

2.15.1 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

2.15.1.1 Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method.

2.15.1.2 Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not held–for–trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

2.15.1.3 Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

2.16 Employee benefits

Employee benefits include provident fund, superannuation fund, employee state insurance scheme, gratuity fund, compensated absences, long service awards and post–employment medical benefits.

The Company's contribution to provident fund are considered as defined contribution plans and are charged as an expense as they fall due based on the amount of contribution required to be made and when services are rendered by the employees.

Defined benefit plans

For defined benefit plans in the form of gratuity fund, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each Balance Sheet date. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognized in the other comprehensive income is reflected immediately in the retained earnings and is not reclassified to profit or loss. Past service cost is recognized in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset.

Short–term employee benefits

The undiscounted amount of short–term employee benefits expected to be paid in exchange for the services rendered by employees are recognized during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service. The cost of such compensated absences is accounted as under:

a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and

b) in case of non–accumulating compensated absences, when the absences occur.

Long–term employee benefits

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognized as a liability at the present value of the defined benefit obligation as at the Balance Sheet date.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

4 a. Property, Plant and Equipment

Current Year 2021–22:

(Amounts in INR)

Description of Assets	Land*	Buildings	Plant & Machinery	Electronic Equipment	Furniture & Fixtures	Computers	Total
I. Gross Carrying Amount							
Balance as at 1 April, 2021	8,62,85,761	–	6,59,165	5,83,788	5,57,952	6,86,702	8,87,73,368
Additions	–	4,76,46,646	12,31,66,852	23,63,809	–	1,34,000	17,33,11,307
Disposals	–	–	–	–	–	–	–
Balance as at 31 March, 2022	**8,62,85,761**	**4,76,46,646**	**12,38,26,017**	**29,47,597**	**5,57,952**	**8,20,702**	**26,20,84,675**
II. Accumulated depreciation and impairment							
Balance as at 1 April, 2021	–	–	6,59,165	5,34,259	5,57,952	5,50,435	23,01,811
Depreciation expense for the year	–	7,52,338	29,30,656	22,255	–	62,026	37,67,275
Eliminated on disposal of assets	–		–	–	–	–	–
Balance as at 31 March, 2022	**–**	**7,52,338**	**35,89,821**	**5,56,514**	**5,57,952**	**6,12,461**	**60,69,086**
III. Net carrying amount (I–II)							
Balance as at 31 March, 2022	**8,62,85,761**	**4,68,94,308**	**12,02,36,196**	**23,91,083**	**–**	**2,08,241**	**25,60,15,589**

Previous Year 2020–21:

Description of Assets	Land*	Buildings	Plant & Machinery	Electronic Equipment	Furniture & Fixtures	Computers	Total
I. Gross Carrying Amount							
Balance as at 1 April, 2020	8,62,85,761	–	6,59,165	5,65,988	5,57,952	5,34,802	8,86,03,668
Additions	–		–	17,800	–	1,51,900	1,69,700
Disposals	–		–	–	–	–	–
Balance as at 31 March, 2021	**8,62,85,761**	**–**	**6,59,165**	**5,83,788**	**5,57,952**	**6,86,702**	**8,87,73,368**
II. Accumulated depreciation and impairment							
Balance as at 1 April, 2020	–	–	4,55,747	3,66,500	3,85,768	3,69,762	15,77,777
Depreciation expense for the year	–	–	2,03,418	1,67,759	1,72,184	1,80,673	7,24,034
Eliminated on disposal of assets	–	–	–	–	–	–	–
Balance as at 31 March, 2021	**–**	**–**	**6,59,165**	**5,34,259**	**5,57,952**	**5,50,435**	**23,01,811**
III. Net carrying amount (I–II)							
Balance as at 31 March, 2021	**8,62,85,761**	**–**	**–**	**49,529**	**–**	**1,36,267**	**8,64,71,556**

Refer notes on accounts for Company's policy on recognition and measurement of Property Plant , Equipment and Depreciation Methods used.

* These lands are held in the name of the Company and given under mortgage to HDFC Limited against the term loan facility. Refer note no. 13A (iii)

No proceedings have been initiated during the year or are pending against the Company as at 31 March 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

4 b. Capital work in progress

Movement of Capital work in progress

(Amounts in INR)

Particulars	31 March, 2022	31 March, 2021
Opening Balance	**16,76,21,179**	15,11,32,553
Additions	**98,61,231**	1,64,88,627
Advances made to vendors towards capital assets procurement	**–**	–
Subtotal	**17,74,82,410**	16,76,21,179
Capitalised during the year	**(17,33,11,307)**	–
Closing Balance	**41,71,104**	**16,76,21,179**

4.2 Capital Work-in-Progress

(Amounts in INR)

Description of Assets	Origins–WTP, STP & Other Assets As at 31 March, 2022	 As at 31 March, 2021
Capital Work–in–Progress	**41,71,104**	16,76,21,179
Origins–WTP, STP & Other Assets		
Less than 1 year*	**41,71,104**	1,64,88,627
1–2 years	–	11,32,27,473
2–3 years	–	3,34,32,661
More than 3 years	–	44,72,418
Total	**41,71,104**	16,76,21,179
Total	**41,71,104**	16,76,21,179

* Capital work in progress as at 31 March 2022 represents cost of borewells and connected works

There are no items under capital work in progress, whose completion is overdue or has exceeded its cost compared to its original plan as at 31 March 2022.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

5. Other Financial assets

(Amounts in INR)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Non Current		
Security Deposits	**4,82,352**	4,57,352
Current		
Interest accrued on Fixed Deposit	**3,97,808**	–
Security Deposits	–	–
Total Other Financial assets	**8,80,160**	4,57,352

6. Income Tax

(a) Income Tax recognised in profit or loss

(Amounts in INR)

Particulars	31 March, 2022	31 March, 2021
Current Tax:		
In respect of current year	–	–
Unrecognised tax loss used to reduce current tax expense	–	–
Deferred Tax:	**(2,44,91,240)**	32,04,605
Total income tax expense on income from operations	**(2,44,91,240)**	32,04,605

(b) Reconciliation of income tax expense and the accounting profit multiplied by Company's domestic tax rate:

(Amounts in INR)

Particulars	31 March, 2022	31 March, 2021
Profit before tax	**(9,73,91,132)**	1,22,82,449
Applicable Income tax rate	**25.17%**	25.17%
Expected Income tax expense	**(2,45,11,400)**	30,91,247
Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense:		
Effect in deferred tax asset due to changes in tax rates in current year	–	–
Effect of other permanent differences	**20,134**	43,918
Others	**26**	69,440
Reported income tax expense	**(2,44,91,240)**	32,04,605

(c) Movement in deferred tax balances

(Amounts in INR)

Particulars	Opening Balance	Recognised in Profit and Loss	Recognised in OCI	Closing Balance
	For the Year ended 31 March, 2022			
Tax effect of items constituting deferred tax Liability				
Total Deferred Tax Liability	–	–	–	–
Tax effect of items constituting deferred tax assets				
On Expenses allowed on payment basis	3,21,738	(1,23,170)	–	1,98,568
Carry Forward of Losses	1,03,23,483	2,67,07,598	–	3,70,31,081
Property, Plant and Equipment	4,10,098	(20,93,188)	–	(16,83,090)
Total Deferred Tax Asset	**1,10,55,319**	**2,44,91,240**	–	**3,55,46,559**
Net Deferred Tax Asset	**1,10,55,319**	**2,44,91,240**	–	**3,55,46,559**

Particulars	Opening Balance	Recognised in Profit and Loss	Recognised in OCI	Closing Balance
	For the Year ended 31 March, 2021			
Tax effect of items constituting deferred tax Liability				
Total Deferred Tax Liability	–	–	–	–
Tax effect of items constituting deferred tax assets				
On Expenses allowed on payment basis	2,56,072	65,666	–	3,21,738
Carry Forward of Losses	1,36,88,458	(33,64,975)	–	1,03,23,483
Property, Plant and Equipment	3,15,394	94,704	–	4,10,098
Total Deferred Tax Asset	**1,42,59,924**	**(32,04,605)**	–	**1,10,55,319**

As per IND AS –12 , Taxes on Income, Deferred tax assets shall be recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

Management expects with reasonable probability to generate adequate taxable profits to set off the carry forward losses in the near future.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

7. Inventories

(Amounts in INR)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Work in progress		
(representing cost of land and development expenditure including borrowing costs)	**2,81,13,84,973**	2,70,95,15,128
Materials in stock	**45,13,659**	56,78,296
Total Inventories	**2,81,58,98,632**	2,71,51,93,424

7.1 Inventories are stated at the lower of cost and net realisable value. Based on detailed assessment and evaluation of impact of the COVID–19 pandemic, the management concluded that the realisable value of these inventories will not be lower than the carrying value as stated above.

7.2 These lands included under work in progress are given under mortgage to HDFC Limited against the term loan facility. Refer note no. 13A(iv).

7.3 The Cost of projects charged to Statement of Profit and Loss in respect of lands given on lease during the year is NIL (Previous Year: INR. 29,51,14,439).

8. Trade Receivables

(Amounts in INR)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Trade Receivables:		
Unsecured Considered Good	46,77,060	32,94,28,954
Less:Allowance for expected credit losses	–	–
Total Trade Receivables	**46,77,060**	32,94,28,954

8a Ageing for trade receivables from the due date of payment for each of the category is as follows:

Particulars	As at 31 March, 2022	As at 31 March, 2021
Undisputed Trade Receivables – Considered good – unsecured		
Not Due		
0 moths – 6 months	29,96,445	32,94,28,954
6 months –1 year	16,80,615	–
1–2 Years		
2–3 years		
More than 3 years		
Trade Receivables – Credit impaired		
Not Due	–	–
0 moths – 6 months	–	–
6 months –1 year	–	–
1–2 Years	–	–
2–3 years	–	–
More than 3 years	–	–
Total	**46,77,060**	32,94,28,954

9. Cash and bank balances

(Amounts in INR)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Cash and cash equivalents		
Balances with banks:		
– On current account	**27,11,344**	1,71,47,610
– Deposits with original maturity of less than three months	**19,00,00,000**	–
Cash on hand	–	–
Total Cash and cash equivalents	**19,27,11,344**	1,71,47,610

10. Other current assets

(Amounts in INR)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Others		
Prepaid expenses	**19,91,364**	1,77,672
Balances with statutory / government authorities	**90,17,793**	–
Income tax balances	**29,85,527**	67,21,005
Other Receivables	–	7,84,455
Total Other current Assets	**1,39,94,684**	76,83,132

11. Share capital

(Amounts in INR)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Authorized shares		
17,00,00,000 Ordinary Equity Shares of INR10 each	**1,70,00,00,000**	1,70,00,00,000
	1,70,00,00,000	1,70,00,00,000
Issued, subscribed and fully paid–up shares		
17,00,00,000 Ordinary Equity Shares of INR10 each	**1,70,00,00,000**	1,70,00,00,000
Total issued, subscribed and fully paid–up share capital	**1,70,00,00,000**	1,70,00,00,000

(i) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

(Amounts in INR)

Particulars	Opening Balance	Changes during the year	Closing Balance
Equity Shares			
Year Ended March 31, 2021			
No. of Shares	17,00,00,000	–	17,00,00,000
Amount	1,70,00,00,000	–	1,70,00,00,000
Year Ended March 31, 2022			
No. of Shares	**17,00,00,000**	–	**17,00,00,000**
Amount	**1,70,00,00,000**	–	**1,70,00,00,000**

(ii) Details of shareholdings by the Promoter's of the Company

Class of shares / Name of shareholder	As at 31 March, 2022		As at 31 March, 2021		% change during the period
	Number of shares held	**% holding**	Number of shares held	% holding	
Equity shares with voting rights					
Sumitomo Corporation	**6,80,00,000**	**40.00%**	6,80,00,000	40.00%	0.00%
Mahindra World City Developers Limited	**10,20,00,000**	**60.00%**	10,20,00,000	60.00%	0.00%

(a) Terms/ rights attached to equity shares

The Company has only one class of Equity Shares having a par value of INR 10/– per share. Each holder of Equity Shares is entitled to one vote per share.

The dividends if any proposed by the Board of Directors are subject to the approval of the shareholders at the Annual General Meeting.

Repayment of capital will be in proportion to the number of equity shares held.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(ii) Details of shareholders holding more than 5% shares in the company

Name of the shareholder	As at 31 March, 2022 No.	As at 31 March, 2022 % holding in the class	As at 31 March, 2021 No.	As at 31 March, 2021 % holding in the class
Equity shares with voting rights				
Mahindra World City Developers Limited	**10,20,00,000**	**60%**	10,20,00,000	60%
Sumitomo Corporation, Japan	**6,80,00,000**	**40%**	6,80,00,000	40%
(The above Enterprises have joint control over the Company)				

As per records of the Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

12. Other Equity

(Amounts in INR)

Particulars	Reserves and Surplus: Securities Premium	Reserves and Surplus: Retained earnings	Total
As at 1 April, 2020	9,00,00,000	(5,84,01,503)	3,15,98,497
Profit for the year	–	90,77,844	90,77,844
Other Comprehensive Income	–	–	–
As at 31 March, 2021	9,00,00,000	(4,93,23,659)	4,06,76,341
(Loss) for the year	–	(7,28,99,892)	(7,28,99,892)
Other Comprehensive Income	–	–	–
As at 31 March, 2022	**9,00,00,000**	**(12,22,23,551)**	**(3,22,23,551)**

13A. Non current borrowings

Details of Long term Borrowings of the Company:

(Amounts in INR)

Description of the instrument	Currency of Loan	Effective Interest Rate used for Discounting Cashflows	Coupon Rate	Repayment Bullet (or) Instalment	Number of Instalments	Amortised cost as at 31 March, 2022	Amortised cost as at 31 March, 2021
A. Secured Borrowings:							
a) Term Loans							
From HDFC Limited	INR	8.54%	8% – 12%	Quarterly Instalment	16	**1,46,48,34,013**	1,29,35,67,083
Total Secured Borrowings						**1,46,48,34,013**	1,29,35,67,083
Less:							
Current maturities of the above – Refer Note 14A & Note 13A(ii)						**1,42,60,002**	–
Non current borrowing						**1,45,05,74,011**	1,29,35,67,083

Term Loan from HDFC Limited

(i) Term Loan carries an interest of HDFC CPLR – 825 points. Principal to be repaid in 16 equal quarterly instalments, commencing from June 2023, after a moratorium of 72 months. Current rate of interest is 8.95% payable annually at the end of every September.

(ii) In December 2021 the company availed a term loan under Emergency Credit Line Gurantee Scheme (ECLGS) from HDFC Limited of INR. 22.81 Crores at a prescribed percentage of the loan outstanding from HDFC as refered in (i) above. The loan is repayable at 48 monthly installments of INR 4,753,334 each from 13th month of the draw down, i.e. from January 2023. The loan carries an Interst rate of HDFC's CFPLR – 275 basis points and payable on a monthly basis.

(iii) In November 2019, HDFC Ltd has mandated opening of an Escrow account in which all lease proceeds shall be deposited, of which 30% shall be adjusted against the principal outstanding and accordingly 30% of lease premium since received has been used in repayment of principal.

(iv) The Term loan is secured by equitable Mortgage by deposit of title deeds of 229.115 acres of land at Origins, Gummidipoondi taluk. The charge on land gets released by the banker as when the company enters into a lease agreeement. The loan availed under ECLGS is secured by way of first charge created on assets acquried or created out of the scheme and second charge on the security offered for the existing term loan from HDFC.

(v) There are no defaults in case of payment of interest or principal repayments in respect of the above borrowings.

(vi) There have no charges or satisfaction pending to be registered with Register of Companies beyond the statutory period.

(vii) The Company has not been declared as a wilful defaulter by any bank or financial institution or government or any government authority.

(viii) Term loans availed by the Company were applied by the Company during the year for the purposes for which the loans were obtained.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

14 A. Other Financial liabilities

(Amounts in INR)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Non Current		
Security advances from lessees	**1,222**	32,10,498
	1,222	32,10,498
Current		
Current maturities of long term borrowing – Refer Note 13	**1,42,60,002**	–
Capital Creditors*	**74,13,717**	2,45,76,312
Interest accrued but not due– Refer Note 13(i)	**5,46,58,995**	5,71,99,034
Accrued expenses	**11,61,43,961**	11,41,06,103
	19,24,76,675	19,58,81,449
Total Other Financial Liabilities	**19,24,77,897**	19,90,91,947

* Capital creditors include payables to vendors registered under MSMED Act INR 10,55,330/– (Previous year INR INR 23,45,262/–)

14 B. Other Liabilities

(Amounts in INR)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Unearned Income*	**30,88,556**	–
Other Deposits	**5,00,000**	–
Total Other Financial Liabilities	**35,88,556**	–

* Represents IND AS adjustment for secutity advances received from lessees.

15. Provisions

(Amounts in INR)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Non Current		
Provision for Gratuity	**3,73,275**	5,98,695
Provision for Compensated Absences	**2,62,851**	5,72,788
Total Non Current Provisions	**6,36,126**	11,71,483
Current		
Provision for Gratuity	**84,083**	31,514
Provision for Compensated Absences	**68,763**	75,363
Total Current Provisions	**1,52,846**	1,06,877

16. Trade Payables

(Amounts in INR)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Trade payable – Micro and small enterprises	**25,27,432**	17,11,607
Trade payable – Other than micro and small enterprises	**45,13,199**	3,51,83,705
	70,40,631	3,68,95,312

16 b Ageing for trade payable from the due date of payment for each of the category is as follows:

Particulars	As at 31 March, 2022	As at 31 March, 2021
<u>Undisputed dues of micro enterprises and small enterprises</u>		
Unbilled		
Not Due	25,26,660	17,10,607
0– 30 Days	772	
31 Days – 1 year	–	–
1–2 Years	–	–
2–3 years	–	–
More than 3 years	–	–
<u>Undisputed dues of creditors other than micro enterprises and small enterprises</u>		
Unbilled		
Not Due	45,11,431	3,49,19,604
0– 30 Days	–	–
30 Days – 1 year	–	2,54,824
1–2 Years	1,768	10,277
2–3 years	–	–
More than 3 years	–	–
Total	**70,40,631**	3,68,95,312

Trade Payables are payables in respect of the amount due on account of goods purchased or services received in the normal course of business.

There are no overdue amounts payable to Micro, Small and Medium Enterprises, as defined in the Micro, Small and Medium Enterprises Development Act, 2006 as at the balance sheet or any time during the year. Accordingly there is no interest paid or payable. The above information has been determined to the extent such parties have been identified on the basis of information available with the Company.

17. Other Current Liabilities

(Amounts in INR)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Statutory dues payable	16,48,616	6,35,49,483
Total Other Current Liabilities	**16,48,616**	6,35,49,483

18A. Revenue from Operations

(Amounts in INR)

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Land Lease Premium	–	40,77,97,500
Operations & Maintenance income	66,93,361	19,14,727
Total Revenue from Operations	**66,93,361**	40,97,12,227

18B. Other Income

(Amounts in INR)

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Interest on income tax refund	5,01,572	–
Professional Fees	6,90,700	–
Total Other Income	**11,92,272**	–

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

19. Decrease/(Increase) in inventories of work–in–progress and materials in stock

(Amounts in INR)

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Opening Stock		
Work-in-progress*	**2,70,95,15,128**	2,84,99,94,874
Materials in stock	**56,78,296**	61,19,724
Total Opening Stock	**2,71,51,93,424**	2,85,61,14,598
Closing Stock		
Work-in-progress*	**2,81,13,84,973**	2,70,95,15,128
Materials in stock	**45,13,659**	56,78,296
Total Closing Stock	**2,81,58,98,632**	2,71,51,93,424
Total Decrease/(Increase) in inventories of work-in-progress and materials in stock	**(10,07,05,208)**	14,09,21,174

* Work-in-progress includes cost of land, development expenditure and borrowing costs inventorised.

20. Operation and Maintenance Expenses

(Amounts in INR)

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Repairs & Maintenance	**34,69,601**	1,06,400
Security	**45,68,475**	–
Electrical & Mechanical Maintenance	**9,77,801**	–
Housekeeping	**16,86,537**	–
Power & Fuel	**11,10,441**	1,42,764
Landscaping maintenance	**9,53,498**	1,12,000
Other Expenses	**19,70,815**	10,41,836
Total Operation and Maintenance Expenses	**1,47,37,168**	14,03,000

21. Employee Benefits Expense

(Amounts in INR)

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Salaries & Wages	**3,26,81,303**	3,16,68,154
Contribution to provident and other funds	**4,58,152**	4,90,283
Staff welfare expenses	**4,85,160**	1,79,215
Total Employee Benefits Expense	**3,36,24,615**	3,23,37,652

22. Finance Costs

(Amounts in INR)

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Interest on Term Loan	**11,41,64,742**	11,28,72,141
Interest on loan- others	–	81,91,574
Less: Interest cost-transferred to CWIP	–	(46,07,841)
Total*	**11,41,64,742**	11,64,55,874
* Of the above, interest cost added to Work in progress inventory	**7,86,87,400**	7,69,70,647
Interest earned out of temporary parking of borrowed funds and netted off against this expense:	**18,23,699**	4,94,726

Analysis of Interest Expenses by Category

(Amounts in INR)

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Interest Expenses		
On Financial Liability at Amortised Cost	**11,41,64,742**	12,10,63,715

23. Other expenses

(Amounts in INR)

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Rent*	**8,63,517**	7,68,000
Legal and professional fees	**64,43,079**	55,61,157
Payment to auditor (Refer details below)	**10,15,000**	9,00,600
Commission	–	1,83,94,412
Foreign Exchange Loss	**1,81,425**	18,019
Advertisement, Marketing & Business Development	**45,98,217**	26,14,792
Travelling & Conveyance	**15,35,217**	5,67,622
Directors Sitting fees	**1,00,000**	2,40,000
Printing & Stationery	**1,09,637**	2,48,767
Rates & Taxes incl. ROC filing fees	**88,536**	31,47,858
Repairs & Maintenance	**5,54,844**	12,14,008
Communication and network expenses	**13,26,793**	8,74,782
Donations	**80,000**	1,74,500
Bank Charges	**3,881**	11,811
Miscellaneous Expenses	**38,430**	5,986
Advances not recoverable and written off	**7,31,789**	–
Total Other expenses	**1,76,70,365**	3,47,42,314

* towards operating lease of premises occupied by the company, cancellable at the option of both the parties to the lease.

(Amounts in INR)

Payment to auditor (excluding taxes)	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Audit Fees	**8,00,000**	7,00,000
Limited Review	**2,00,000**	2,00,000
Out of Pocket Expenses	**15,000**	58,007
	10,15,000	9,58,007

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

24. Earnings per share (EPS)

(Amounts in INR)

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
	Per Share	Per Share
Basic/Diluted Earnings per share		
From continuing operations (INR) per share	**(0.43)**	0.05
Total basic/diluted earnings per share	**(0.43)**	0.05

Basic/Diluted earnings per share

The earnings and weighted average number of ordinary shares used in the calculation of basic / diluted earnings per share are as follows:

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Profit for the year attributable to owners of the Company	**(7,28,99,892)**	90,77,844
Weighted average number of equity shares	**17,00,00,000**	17,00,00,000
Earnings per share from continuing operations - Basic/Diluted	**(0.43)**	0.05

25. Employee Benefits

a) Defined Contribution plans

The Company makes Provident fund contribution to defined contribution plans for the employees. Under the scheme, the company is required to contribute a specified percentage of the payroll cost to fund the benefits. The Company recognized INR 4,58,152 (Previous Year : INR 4,90,283) for Provident fund & Other funds contributions in the Statement of Profit and Loss. The contributions payable to these plans by the company are at rates specified in the rules of the scheme.

b) Defined Benefit Plans

The Company's obligation towards gratuity is defined benefit plan. The gratuity expense is included under 'Employee Benefit Expenses' in Note 21 Employee benefits expense. The details of actuarial valuation are given below:

(Amounts in INR)

		Gratuity (Un–Funded) 2021–22	2020–21
i.	**Net Asset/ (Liability) recognized in the balance sheet**		
	Present Value of Defined Benefit Obligation	**4,57,358**	6,30,209
	Fair Value of Plan assets	**–**	–
	Liability (Asset) recognised in the balance sheet	**4,57,358**	6,30,209
ii.	**Expense recognized in the Statement of Profit & Loss**		
	Past service cost	**–**	–
	Current Service cost	**1,78,886**	2,06,901
	Interest cost	**41,216**	34,502
	Expected return on plan assets	**–**	–
	Actuarial (gains)/Losses	**(3,92,953)**	(1,41,995)
	Total expenses	**(1,72,851)**	99,408
iii.	**Amounts recognized in other comprehensive income**	**–**	–
iv.	**Change in present value of Defined Benefit obligation**		
	Present Value of the obligation at the beginning of the year	**6,30,209**	5,30,801
	Past service cost	**–**	–
	Current Service cost	**1,78,886**	2,06,901
	Interest Cost	**41,216**	34,502
	Actuarial (Gains) /Losses	**(3,92,953)**	(1,41,995)
	Benefits Paid	**–**	–
	Present value of the obligation as at the end of the year	**4,57,358**	6,30,209
v.	**Principal actuarial assumptions**		
	Discount Rate	**6.20%**	6.54%
	Salary Growth Rate	**10.00%**	8.00%
	Attrition rate	**20.00%**	10.00%

vi Estimates of future salary increases considered in actuarial valuation take account of inflation, seniority, promotions, increments and other relevant factors such as supply and demand in the employment market.

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

	Year	Change in Assumption	Impact on defined benefit obligation: Increase in assumption	Decrease in assumption
Discount Rate **	**2022**	**0.50%**	**4,46,175**	**4,69,102**
	2021	0.50%	6,02,035	6,60,476
Salary Growth Rate	**2022**	**0.50%**	**4,69,671**	**4,45,511**
	2021	0.50%	6,61,210	6,01,701

Maturity profile of defined benefit obligation:

	2021–22	2020–21
Year 1	**73,985**	26,211
Year 2	**65,042**	31,384
Year 3	**57,178**	42,138
Year 4	**58,846**	59,904
Year 5	**52,832**	60,969
Next 5 Years	**1,82,125**	2,80,066

c) Compensated Absences

The key assumptions used in the computation of provision for long term compensated absences as per the Actuarial Valuation are as given below:

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Discount rate	**6.20%**	6.54%
Salary Growth rate	**10.00%**	8.00%
Attrition rate	**20.00%**	10.00%

The discount rate is based on the prevailing market yields of Government of India securities as at the balance sheet date for the estimated term of the obligations.

26. Related party disclosures

Names of related parties and related party relationship

Enterprises having joint control over the Company:	Mahindra World City Developers Limited Sumitomo Corporation, Japan
Key managerial persons:	
Chief Financial Officer	Chaitanya Cherukuri (upto 10th October,2021) Bharathy K has been given additional charge as CFO w.e.f. 19th January 2022 and she is on the rolls of the Mahindra World City Developers Limited.
Company Secretary	Mr. Aman Desai
Business Head	Mr.Vaibhav Mittal (upto 31 January,2022)

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

Related party transactions

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year:

(Amounts in INR)

Nature of transactions with Related Parties	For the year ended	Mahindra World City Developers Limited	Sumitomo Corporation, Japan	KMP
Professional services received by the Company	**31–Mar–22**	**44,49,166**	–	–
	31–Mar–21	39,24,000	–	–
Commission	**31–Mar–22**	–	–	–
	31–Mar–21	1,25,01,675	58,49,213	–
Professional services charged by the Company	**31–Mar–22**	**6,90,700**	–	–
	31–Mar–21	13,20,000	–	–
Others Services received	**31–Mar–22**	–	–	–
	31–Mar–21	43,39,198	–	–
Reimbursement of Expenses charged to	**31–Mar–22**	–	–	–
	31–Mar–21	38,64,107	–	–
Managerial remuneration				
– Business Head	**31–Mar–22**	–	–	**76,16,960**
	31–Mar–21	–	–	82,53,172
– Company Secretary	**31–Mar–22**	–	–	**8,41,213**
	31–Mar–21	–	–	7,66,364
– Chief Financial Officer	**31–Mar–22**	–	–	**15,24,429**
	31–Mar–21	–	–	21,66,026

The following table provides the balances with related parties as on the relevant date:

(Amounts in INR)

Nature of Balances with Related Parties	Balance as on	Mahindra World City Developers Limited	Sumitomo Corporation, Japan
Payable	**31–Mar–22**	**5,19,969**	–
	31–Mar–21	3,34,363	52,64,291

27. Fair Values

The following tables show the carrying amount and fair values of financial assets and financial liabilities by categories:

(Amounts in INR)

	Carrying Value		Fair value as at	
Particulars	**31–Mar–22**	31–Mar–21	**31–Mar–22**	31–Mar–21
Financial assets				
Cash and Cash Equivalents	**19,27,11,344**	1,71,47,610	**19,27,11,344**	1,71,47,610
Other Financial Assets	**8,80,160**	4,57,352	**8,80,160**	4,57,352
Trade Receivables	**46,77,060**	32,94,28,954	**46,77,060**	32,94,28,954
Total financial assets	**19,82,68,564**	34,70,33,916	**19,82,68,564**	34,70,33,916
Financial liabilities				
Borrowings	**1,45,05,74,011**	1,29,35,67,083	**1,45,05,74,011**	1,29,35,67,083
Short Term Loans	–	–	–	–
Trade Payables	**70,40,631**	3,68,95,312	**70,40,631**	3,68,95,312
Other Financial Liabilities	**19,24,77,897**	19,90,91,947	**19,24,77,897**	19,90,91,947
Total financial liabilities	**1,65,00,92,539**	1,52,95,54,342	**1,65,00,92,539**	1,52,95,54,342

The management assessed that the fair value of cash and cash equivalents, trade receivables, other financial assets and trade payables approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair values of the Company's interest–bearing borrowings are determined by using DCF method using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period.

28. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 2, the management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only the period of the revision and future periods if the revision affects both current and future periods.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

Management's impact assessment on the COVID -19 pandemic and going concern considerations:

The company assessed its performance and future business projections in light of the pandemic worldwide and has reassessed the impact that it may further cause on the company's financial and operational performance. Though the company's business leads and prospects have not been affected, there have been delays in getting the deals concluded. The situation has improved from January 2022 and the turnaround time of lead conversion has been improving. The company expects to meet the project costs and settle the dues to vendors and bankers out of balances with banks carried forward at the year end and internal accruals estimated from lease of land in the immediate 12 months from the date of approval of these financial statements. Based on the above assessment, the management is of the view that the company will be able to continue as a 'Going Concern' while maximising the return to the stakeholders through optimisation of its debt and equity balance.

Judgements

In the process of applying the Company's accounting policies, management has made the following judgements, which have the significant effect on the amounts recognised in the financial statements:

Estimates

Estimation uncertainty relating to the global health pandemic on COVID-19

In assessing the recoverability of receivables and contract costs, the Company has considered internal and external information up to the date of approval of these financial statements including Government policies, commitments made during the Global Investors' Meet in Tamilnadu, credit reports and various economic forecasts. Based on current indicators of future economic conditions, the Company expects to recover the carrying amount of these assets. The Company will continue to closely monitor any material changes to future economic conditions.

Taxes

Deferred tax assets are recognised for unused tax losses and other temporary differences leading to deferred tax assets to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Estimation of net realisable value for inventories

Inventories are stated at the lower of cost and net realisable value. Net realisable value of inventories under development is assessed with reference to the market prices at the reporting date less estimated costs to complete the development and less an estimate of the time value of money to the date of completion if material. The market prices bear reference to the recent selling prices. The costs to complete the development are estimated by management.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

29. Ratios

a) Current Ratio

Amount (In INR)

Particulars	**2021-22**	2020-21	Variance %
Current Assets (A)	**3,02,76,79,528**	3,06,94,53,120	
Current Liabilities (B)	**20,13,18,768**	29,64,33,121	
Ratio (A / B)	**15.04**	10.35	45%

Improvement in current ratio is mainly on account of

(i) Increase in deposits with original maturity of less than three months with banks due to temporary investments made from the proceeds received from ECLGS loan in the month of December 2021 by INR 19 crores.

(ii) Reduction in current liabilities during the CY i.e. statutory dues payables at the end of FY 2021-22 is lesser than FY 2020-21 by INR 6 crores

b) Debt Equity Ratio

Amount (In INR)

Particulars	**2021-22**	2020-21	Variance %
Total Debt including interest accrued (A)	**1,51,94,93,008**	1,29,35,67,083	
Equity (B)	**1,66,77,76,449**	1,74,06,76,341	
Debt Equity Ratio (A / B)	**0.91**	0.74	23%

c) Debt Service Coverage Ratio (DSCR)

Amount (In INR)

Particulars	**2021-22**	2020-21	Variance %
Profit After Tax	**(7,28,99,892)**	90,77,844	
Depreciation	**37,67,275**	7,24,034	
Interest (Charged to P&L)	**3,54,77,342**	3,94,85,227	
Non Cash Expense	**7,31,789**	–	
Earnings available for Debt Service (A)	**(3,29,23,486)**	4,92,87,105	
Debt Service			
Interest Payments	**11,52,53,356**	12,17,65,573	
Pricipal Repayments	**8,33,44,500**	5,99,94,750	
Total Debt Serviced (B)	**19,85,97,856**	18,17,60,323	
Debt Service Coverage Ratio (DSCR) (A / B)	**(0.17)**	0.27	(161%)

Reduction in Earning available for Debt Service and Debt service coverage ratio is mainly on account of loss reported during the year. The company has not recorded any revenue from land lease premium during the financial year as against INR 40.78 crores of revenue in the previous year.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

d) Return of Equity (ROE)

Amount (In INR)

Particulars	2021-22	2020-21	Variance %
Profit After Tax	(7,28,99,892)	90,77,844	
Networth	1,70,42,26,395	1,73,61,37,419	
Ratio (A / B)	(4.28%)	0.52%	(918.09%)

Reduction in ROE is mainly on account of loss reported during the year. The company has not recorded any revenue from land lease premium during the financial year as against INR 40.78 Crores of revenue in the year 2020-21

e) Inventory Turnover ratio

Amount (In INR)

Particulars	2021-22	2020-21	Variance %
Cost of Land leased (A)	–	26,99,35,822	
Average Inventory (B)	2,76,55,46,028	2,78,56,54,011	
Ratio (A / B)	–	0.10	(100%)

f) Trade Receivables turnover ratio

Amount (In INR)

Particulars	2021-22	2020-21	Variance %
Turnover (credit) (A)	66,93,361	40,97,12,227	
Trade Receiavables (Average) (B)	16,70,53,007	20,59,73,177	
Ratio (A / B)	0.04	1.99	(98%)

g) Trade Payable turnover ratio

Amount (In INR)

Particulars	2021-22	2020-21	Variance %
Project Development Expenses and other expenses (excluding interest) (A)	93,62,556	6,23,58,049	
Average Trade payable (B)	2,19,67,972	15,39,98,822	
Ratio (A / B)	0.43	0.40	5%

h) Net capital turnover ratio,

Amount (In INR)

Particulars	2021-22	2020-21	Variance %
Turnover (A)	66,93,361	40,97,12,227	
Working Capital (B)	2,82,63,60,760	2,77,30,19,999	
Ratio (A / B)	422	7	6139%

i) Net profit ratio

Amount (In INR)

Particulars	2021-22	2020-21	Variance %
Profit After Tax (A)	(7,28,99,892)	90,77,844	
Revenue (B)	66,93,361	40,97,12,227	
Ratio (A / B)	(1089.14%)	2.22%	(49256%)

j) Return on Capital employed

Amount (In INR)

Particulars	2021-22	2020-21	Variance %
Earnings before Interest and Tax (A)	1,67,73,610	12,87,38,323	
Net worth	1,66,77,76,449	1,74,06,76,341	
Borrowing	1,46,48,34,013	1,29,35,67,083	
Capital employed (B)	3,13,26,10,462	3,03,42,43,424	
Ratio (A / B)	0.54%	4.24%	(87%)

k) Return on investment.

Amount (In INR)

Particulars	2021-22	2020-21
Not applicable as the Company does not have any investments		

In respect of ratios (e), (f) and (h) to (k) the ratios in the current year are significantly impacted due to the following:

The company has not recorded any revenue from land lease premium during the current year as against INR 40.78 Crores of revenue in the year 2020-21.

30. Disclosure of Struck-Off Companies

The Company does not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

31. Discrepancies between books of accounts & quarterly statements submitted to banks

The Company has availed term loan from HDFC towards project development activities which is secured by way of equitable mortgage by deposit of title deeds and accordingly no quarterly statements are to be submitted by the Company to HDFC

32. Capital management

For the purpose of the Company's capital management, capital includes issued equity capital, securities premium and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company's objective when managing capital are to :

- Safeguard their ability to continue as a going concern, so that they can continue to provide return for shareholders and benefits for other stakeholders and
- Maintain an optimal capital structure to reduce the weighted cost of capital.

In order to maintain or adjust the capital structure , the Company may adjust the amount of dividend paid to shareholders, return capital to shareholders, issue new shares, or sell non-core assets to reduce the debt.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

Debt-to-equity ratio as of 31 March, 2022 and 31 March, 2021 is as follows:

(Amounts in INR)

	31-Mar-2022	31-Mar-2021
Debt (A)	**1,51,94,93,008**	1,29,35,67,083
Equity (B)	**1,66,77,76,449**	1,74,06,76,341
Debt Equity Ratio (A/B)	**0.91**	0.74

Categories of financial assets and financial liabilities

(Amounts in INR)

	As at 31st March, 2022			
	Amortised Costs	**FVTPL**	**FVOCI**	**Total**
Non- Current Assets				
Other financial assets...	**4,82,352**	–	–	**4,82,352**
Current Assets				
Trade Receivables	**46,77,060**	–	–	**46,77,060**
Cash and Cash equivalents	**19,27,11,344**	–	–	**19,27,11,344**
Other financial assets...	**3,97,808**	–	–	**3,97,808**
	19,82,68,564	–	–	**19,82,68,564**
Non-current Liabilities				
Borrowings	**1,45,05,74,011**	–	–	**1,45,05,74,011**
Other financial liabilities	**1,222**	–	–	**1,222**
Current Liabilities				
Trade Payables	**70,40,631**	–	–	**70,40,631**
Other financial liabilities	**19,24,76,675**	–	–	**19,24,76,675**
	1,65,00,92,539	–	–	**1,65,00,92,539**

(Amounts in INR)

	As at 31st March, 2021			
	Amortised Costs	**FVTPL**	**FVOCI**	**Total**
Non- Current Assets				
Other financial assets...	4,57,352	–	–	4,57,352
Current Assets				
Trade Receivables	32,94,28,954	–	–	32,94,28,954
Cash and Cash equivalents	1,71,47,610	–	–	1,71,47,610
	34,70,33,916	–	–	34,70,33,916
Non-current Liabilities				
Borrowings	1,29,35,67,083	–	–	1,29,35,67,083
Other financial liabilities	32,10,498	–	–	32,10,498
Current Liabilities				
Trade Payables	3,68,95,312	–	–	3,68,95,312
Other financial liabilities	19,58,81,449	–	–	19,58,81,449
	1,52,95,54,342	–	–	1,52,95,54,342

33. Financial Risk Management Framework

The Company's principal financial liabilities comprises of borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include cash and cash equivalents that are directly derived out of equity.

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk . In order to manage the aforementioned risks, the Company operates a risk management policy and a program that performs close monitoring of and responding to each risk factors.

CREDIT RISK

Credit risk arises when a counterparty defaults on its contractual obligations to pay, resulting in financial loss to the Company.

Credit risk related to financial instruments

Credit risk from balances with banks and financial institutions is managed in accordance with the Company's policy. The Company has not created any Investments of surplus funds in any other instruments as of date and hence the company is not exposed to any credit risk in this respect.

LIQUIDITY RISK

(i) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Company's short-term, medium-term and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

(ii) Maturities of financial liabilities

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The amount disclosed in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows.

To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Company may be required to pay.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(Amounts in INR)

Particulars	Less than 1 Year	1–3 Years	3 Years to 5 Years	5 years and above
Non-derivative financial liabilities				
31-Mar-22				
Trade and other payables	**70,40,631**	–	–	–
Variable interest rate instruments	**1,42,60,000**	**73,24,17,007**	**71,81,57,007**	
Total	**2,13,00,631**	**73,24,17,007**	**71,81,57,007**	–
31-Mar-21				
Trade and other payables	**3,68,95,312**	–	–	–
Variable interest rate instruments	–	**64,67,83,542**	**64,67,83,542**	–
Total	**3,68,95,312**	**64,67,83,542**	**64,67,83,542**	–

MARKET RISK

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Currency Risk

The Company undertakes transactions denominated in foreign currencies only for the purchases of the components which are required to be imported for carry out the construction activities; consequently, exposures to exchange rate fluctuations arise, but the same is very nominal in nature as compared to the size of the operations if the Company.

The Company manages its foreign currency risk by forward contracts that are expected to occur within a maximum 12 month from the entering of a contract.

The Company's exposure to foreign currency changes for all other currencies is not material.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

As at 31st March, 2022 and 31st March, 2021 100% of borrowings are at Variable interest rate.

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

(Amounts in INR)

	Increase/ decrease in basis points	Effect on financial statements* (Increase)/ Decrease
31-Mar-22		
INR	**+50**	(73,24,170)
INR	**-50**	73,24,170
31-Mar-21		
INR	+50	(64,67,835)
INR	-50	64,67,835

* Since the finance cost of the company is being capitalised to qualifying assets, the impact as above will be on the carrying value of inventory in addition to profits for the year.

34. Capital & other Commitments

Estimated amount of contracts remaining to be executed towards construction of capital assets as at March 31, 2022 - NIL (As at March 31, 2021- INR 42,42,009).

35. Segment information

Based on the internal reporting provided to the Chief Operating Decision Maker (CODM), business of acquiring, development and maintenance of industrial parks is the only reportable segment of the Company. Accordingly, the amounts appearing in these financial statements relate to this operating segment. Further the company does not have any separate geographic segment other than India.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

36. Other Notes

i. The Company does not have any pending litigations which will impact its financial position as at March 31, 2022

ii. The Company did not have material foreseeable losses in respect of long-term contracts and the Company did not have any derivative contracts.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

iv. The Company has not made any donations to Political parties during the year

v. As the Company does not meet any of the criteria prescribed under Section 135(1) of the Companies Act, 2013, the provisions relating to Corporate Social Responsibility (CSR) are currently not applicable to the Company.

vi. There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year

vii. The Company has an no unhedged foreign exchange exposure as at March 31, 2022 and the same as at 31 March 2021 is as follows:

Particulars	Currency	Amount in Foreign Currency	Amount in INR.
Trade Payable- as at March 31, 2021.................	USD	72,541	52,64,291

37. Approval of financial statements

The financial statements were approved for issue by the Board of directors in their meeting held on April 20, 2022.

See accompanying notes which are an integral part of the financial statements.

In terms of our report attached
For Deloitte Haskins & Sells LLP
Chartered Accountants

P Usha Parvathy
Partner

Place: Chennai
Date: 25 April, 2022

For and on behalf of the board of directors of
Mahindra Industrial Park Chennai Limited

ARVIND SUBRAMANIAN
Director
(DIN: 02551935)

PARVEEN PRAKASH MAHTANI
Director
(DIN: 05189797)

Bharathy K
Chief Financial Officer

Aman J Desai
Company Secretary

Place: Chennai
Date: 20 April, 2022

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF
MAHINDRA HOMES PRIVATE LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **Mahindra Homes Private Limited** ("the Company"), which comprise the Balance Sheet as at 31 March 2022, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2022, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's report, but does not include the financial statements and our auditor's report thereon.

- Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon
- In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report, that:
   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
   c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.
   d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.
   e) On the basis of the written representations received from the directors as on 31 March, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2022 from being appointed as a director in terms of Section 164(2) of the Act.
   f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
   g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the Company being a private company, section 197 of the Act related to the managerial remuneration is not applicable.
   h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
      i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements. (Refer Note 32 in financial statements)
      ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
      iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
      iv. (a) The Management has represented that, to the best of it's knowledge and belief, as disclosed in the notes to the accounts (Note No. 35) no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

         (b) The Management has represented, that, to the best of it's knowledge and belief, as disclosed in the notes to accounts (Note No. 35), no funds (which are material either individually or in the aggregate) have been received by the

Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c) Based on the audit procedures that has been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material mis-statement.

v. The company has not declared or paid any dividend during the year and has not proposed final dividend for the year.

2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Ketan Vora
Partner
Membership No. 100459
UDIN: 22100459AHOGQG6471

Place: Mumbai
Date: 21 April 2022

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **Mahindra Homes Private Limited** ("the Company") as of March 31, 2022 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Deloitte Haskins and Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Ketan Vora
Partner
Membership No. 100459
UDIN: 22100459AHOGQG6471

Place: Mumbai
Date: 21 April 2022

ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 2 under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the members of Mahindra Homes Private Limited of even date)

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) As the Company does not hold any intangible assets, reporting under clause 3(i)(a) of the Order is not applicable.

(b) Some of the Property, Plant and Equipment were physically verified during the year by the Management in accordance with a programme of verification, which in our opinion provides for physical verification of all the Property, Plant and Equipment at reasonable intervals having regard to the size of the Company and the nature of its activities. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us, the Company does not have any immovable properties of freehold or leasehold land and building other than administrative block and project facilities, temporarily constructed at project sites and capitalized as Buildings, hence reporting under clause 3(i)(c) of the Order is not applicable.

(d) The Company has not revalued any of its property, plant and equipment during the year. The Company does not have any intangible assets.

(e) No proceedings have been initiated during the year or are pending against the Company as at 31 March 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

(ii) (a) Having regard to the nature of inventory, the physical verification by way of verification of title deeds, site visits by the Management and certification of extent of work completion by competent persons, are at reasonable intervals. In our opinion and according to the information and explanations given to us, the coverage and procedure of such verification by the Management is appropriate having regard to the size of the Company and nature of its operations. For stock of raw materials held with third parties at the year-end, written confirmations have been obta ined. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories when compared with books of account.

(b) According to the information and explanations given to us, the Company has been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate, at points of time during the year, from banks on the basis of security of certain current assets. In our opinion and according to the information and explanations given to us, the quarterly statements comprising unaudited financial results and Unhedged foreign currency exposures filed by the Company with such banks are in agreement with the unaudited books of account of the Company of the respective quarters ended June 30, 2021, September 30, 2021 and December 31, 2021 and no material discrepancies have been observed. The Company is yet to submit the statement for the quarter ended March 31, 2022 with the banks.

(iii) The Company has not made any investments in, provided any guarantee or security, and granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year, and hence reporting under clause 3 (iii) of the Order is not applicable.

(iv) According to information and explanation given to us, the Company has not granted any loans, made investments or provided guarantees or securities that are covered under the provisions of sections 185 of the Act, and provisions of Section 186 of the Act are not applicable to the Company, being a Company engaged in the business of providing infrastructure facilities, hence reporting under clause 3(iv) of the Order is not applicable.

(v) The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause 3(v) of the Order is not applicable.

(vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the books of account maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended, prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained by the Company. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) In respect of statutory dues:

(a) Undisputed statutory dues, including Goods and Service tax, Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, duty of Custom, duty of Excise, Value Added Tax, cess and other material statutory dues applicable to the Company have generally been regularly deposited by it with the appropriate authorities.

There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Income-tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, cess and other material statutory dues in arrears as at March 31, 2022 for a period of more than six months from the date they became payable.

(b) Details of Statutory Dues referred to in sub clause (a) above which have not been deposited as on March 31, 2022 on account of disputes are given below:

Name of the Statute	Nature of the Dues	Amount (Rs. in Lakh)	Period to which the Amount Relates	Forum where Dispute is Pending
Finance Act, 1994	Service Tax	153.76	FY 2015-16 to FY 2017-18	Joint Commissioner
Finance Act, 1994	Service Tax	74.58	FY 2014-15 to FY 2017-18	Commissioner (Appeals)
Finance Act, 1994	Service Tax	51.20	FY 2014-15 to FY 2017-18	Additional Commissioner
Finance Act, 1994	Service Tax	1,885.00	FY 2013-14 to FY 2017-18	Principal Commissioner
Income Tax Act, 1961	Income Tax	30.06#	FY 2013-14	Income Tax Appellate Tribunal
Income Tax Act, 1961	Income Tax	761.44	FY 2015-16	Income Tax Appellate Tribunal
Income Tax Act, 1961	Income Tax	1,362.59^	FY 2016-17	Income Tax Appellate Tribunal

^ Net of Rs. 182.63 Lakhs paid under protest

Net of Amount adjusted against refund of AY 2019-20 of Rs.30.06 Lakhs and Net of Rs.7.51 Lakhs paid under protest

(viii) There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.

(ix) (a) Loans amounting to Rs. 1,050.50 Lakhs outstanding as at 31 March 2022 are repayable on demand. According to the information and explanations given to us, such loans have not been demanded for repayment during the financial year. Considering the above, in our opinion, the Company has not defaulted in the repayment of loans (including loans repayable on demand) or other borrowings, or in the payment of interest thereon to any lender during the year.

(b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) The Company has not taken any term loan during the year and there are no unutilised term loans at the beginning of the year and hence, reporting under clause 3(ix)(c) of the Order is not applicable.

(d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, *prima facie*, not been used during the year for long-term purposes by the Company.

(e) The Company did not have any subsidiary or associate or joint venture during the year and hence, reporting under clause 3(ix)(e) of the Order is not applicable.

(f) The Company does not have any subsidiary or associate or joint venture and hence, reporting under clause 3(ix)(f) of the Order is not applicable.

(x) (a) The Company has not issued any of its securities (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.

(b) During the year the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally convertible) and hence reporting under clause 3(x)(b) of the Order is not applicable to the Company.

(xi) (a) To the best of our knowledge, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

(b) To the best of our knowledge, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.

(c) As represented to us by the Management, there were no whistle blower complaints received by the Company during the year (and upto the date of this report)

(xii) The Company is not a Nidhi Company and hence reporting under clause 3(xii) of the Order is not applicable.

(xiii) In our opinion, the Company is in compliance with section 188 of the Companies Act for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards. The Company is a private company and hence the provisions of section 177 of the Companies Act, 2013 are not applicable to the Company.

(xiv) (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.

(b) We have considered, the internal audit reports issued to the Company (during the year) covering the period upto January 2022, for the period under audit.

(xv) In our opinion during the year the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.

(xvi) (d) The Group has more than one Core Investment Company (CIC) as part of the group. There are six CIC forming part of the group.

(xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors of the Company during the year.

(xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) In our opinion and according to the information and explanations given to us, the provision of sub-section (5) and sub-section (6) of section 135 of the Act are not applicable to the Company for the year. Accordingly, reporting under clause (xx) of the Order is not applicable.

For **Deloitte Haskins and Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Ketan Vora
Partner
Membership No. 100459
UDIN: 22100459AHOGQG6471

Place: Mumbai
Date: April 21, 2022

BALANCE SHEET AS AT MARCH 31, 2022

(Rs. in Lakh)

		Note No.	As at March 31, 2022	As at March 31, 2021
I	**ASSETS**			
	1 Non-current assets			
	(a) Property, Plant and Equipment	3	**21.25**	9.20
	(b) Financial Assets	9		
	Other Financial Assets		**294.46**	87.28
	(c) Other Non-current assets	5	**579.89**	742.69
	Total Non-current Assets		**895.60**	839.17
	2 Current assets			
	(a) Inventories	6	**26,337.33**	44,748.07
	(b) Financial assets			
	(i) Trade Receivables	7	**371.07**	2,878.51
	(ii) Cash and Cash Equivalents	8	**287.71**	4,710.88
	(iii) Bank Balances other than (ii) above	8	**17,700.22**	957.66
	(iv) Other Financial Assets	9	**664.98**	370.24
	(c) Other current assets	5	**4,002.41**	29,279.68
	Total Current Assets		**49,363.72**	82,945.04
	TOTAL ASSETS (1+2)		**50,259.32**	83,784.21
II	**EQUITY AND LIABILITIES**			
	1 Equity			
	(a) Equity Share capital	10	**91.35**	95.13
	(b) Other Equity	11	**33,206.08**	43,756.26
	Total Equity		**33,297.43**	43,851.39
	Liabilities			
	2 Non-current liabilities			
	(a) Provisions	15	**33.14**	–
	Total Non-Current Liabilities		**33.14**	–
	3 Current liabilities			
	(a) Financial Liabilities			
	(i) Borrowings	12	**1,050.50**	7,981.78
	(ii) Trade Payables			
	Total outstanding dues of micro enterprises and small enterprises and	13	**772.44**	977.08
	Total outstanding dues of creditors other than micro enterprises and small enterprises	13	**1,756.47**	3,602.26
	(iii) Other financial liabilities	14	**11,466.56**	15,703.64
	(b) Other Current Liabilities	16	**988.97**	11,407.38
	(c) Provisions	15	**893.81**	218.97
	(d) Current Tax Liabilities (Net)	17	**–**	41.71
	Total Current Liabilities		**16,928.75**	39,932.82
	TOTAL EQUITY & LIABILITIES (1+2+3)		**50,259.32**	83,784.21

Summary of Significant Accounting Policies 2

The accompanying notes 1 to 40 are an integral part of these financial statements.

As per our report of even date

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
Firm Registration Number:- 117366W/W-100018

Ketan Vora
Membership No - 100459
Partner

Place: Mumbai
Date: April 21, 2022

For and on behalf of the Board of Directors of
Mahindra Homes Private Limited

Arvind Subramanian
DIN No. 02551935
Place: Mumbai
Date: April 21, 2022

Vimal Agarwal
DIN No. 07296320
Place: Mumbai
Date: April 21, 2022

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2022

(Rs. in Lakh)

		Note No.	For the year ended March 31, 2022	For the year ended March 31, 2021
I	**Income**			
	(a) Revenue from operations	18	**24,439.02**	24,401.23
	(b) Other income	19	**881.60**	286.59
	Total income (a+b)		**25,120.62**	24,687.82
II	**Expenses**			
	(a) Construction Expenses incurred	20A	**3,271.84**	3,723.93
	(b) Changes in inventories of raw materials, work-in-progress and finished goods	20B	**18,410.74**	17,416.06
	(c) Employee Benefits Expense	23	**194.93**	–
	(d) Finance Costs	22	**178.19**	595.54
	(e) Depreciation Expense	3	**6.68**	10.53
	(f) Other expenses	21	**2,582.41**	1,756.51
	Total Expenses (a+b+c+d+e+f)		**24,644.79**	23,502.57
III	**Profit Before Tax (I-II)**		**475.83**	1,185.25
IV	**Tax expense**			
	(a) Current tax	4a	**–**	–
	(b) Adjustment of Tax Expense relating to earlier period	4a	**26.77**	–
	(c) Deferred tax	4a	**–**	–
	Total tax expense (a+b+c)		**26.77**	–
V	**Profit After Tax (III-IV)**		**449.06**	1,185.25
VI	**Other Comprehensive Income**			
	Items that will not be reclassified to profit or loss			
	Remeasurements of the defined benefit plans (net of taxes)		**7.74**	–
	Total Other Comprehensive Income for the year		**7.74**	–
	Total Comprehensive Income for the year (V+VI)		**456.80**	1,185.25
VII	**Earnings per equity share (Face value: Rs 10/share)**			
	Basic			
	(a) Class B Equity Shares (In Rs.)	24	**378.00**	919.89
	(b) Class C Equity Shares (In Rs.)	24	**378.00**	919.89
	Diluted			
	(a) Class B Equity Shares (In Rs.)	24	**377.99**	919.89
	(b) Class C Equity Shares (In Rs.)	24	**377.99**	919.89
Summary of Significant Accounting Policies		2		

The accompanying notes 1 to 40 are an integral part of these financial statements.

As per our report of even date attached
For **Deloitte Haskins & Sells LLP**
Chartered Accountants
Firm Registration Number:- 117366W/W-100018

Ketan Vora
Membership No - 100459
Partner

Place: Mumbai
Date: April 21, 2022

For and on behalf of the Board of Directors of
Mahindra Homes Private Limited

Arvind Subramanian
DIN No. 02551935

Place: Mumbai
Date: April 21, 2022

Vimal Agarwal
DIN No. 07296320

Place: Mumbai
Date: April 21, 2022

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2022

(Rs. in Lakh)

		For the year ended March 31, 2022	For the year ended March 31, 2021
A	**Cash flow from operating activities**		
	Profit/(Loss) Before Tax	**475.83**	1,185.25
	Adjustments for:		
	Allowance for credit Losses	**–**	25.00
	Depreciation Expense	**6.68**	10.53
	Finance Costs	**178.19**	595.54
	Interest Income	**(248.67)**	(233.26)
	Adjustment of Inventories on account of Net realisable value	**–**	10.68
	Operating Profit before working capital changes	**412.03**	1,593.74
	Changes in working capital:		
	(Decrease) in Trade payables	**(2,050.43)**	(1,595.71)
	(Decrease)/Increase in other current liabilities	**(9,655.35)**	1,470.90
	Increase in Provisions	**715.72**	–
	Decrease in trade and other receivables	**27,574.93**	276.95
	Decrease in inventories	**18,454.37**	17,649.32
	Cash generated from operations	**35,451.27**	19,395.20
	Net Income taxes refund	**94.18**	4.40
	Net cash generated by operating activities (A)	**35,545.45**	19,399.60
B	**Cash flows from Investing activities**		
	Payment to acquire property, plant and equipment	**(18.73)**	(0.49)
	Interest received	**94.40**	225.67
	Changes in earmarked balances amd margin accounts with banks	**(593.90)**	(374.51)
	Bank deposits (net)	**(16,286.53)**	3,304.47
	Net cash (used)/generated in Investing activities (B)	**(16,804.76)**	3,155.14
C	**Cash flows from Financing activities**		
	(Repayment) / Proceeds from Short Term Borrowings (Net)	**(6,931.28)**	3,253.66
	Repayment of Long Term Borrowings	**–**	(6,000.00)
	Buy Back of Equity Shares	**(11,010.76)**	–
	Interest Paid	**(5,221.82)**	(18,297.31)
	Net cash flow used in Financing activities (C)	**(23,163.86)**	(21,043.65)
	Net (decrease)/increase in cash and cash equivalents (A + B + C)	**(4,423.17)**	1,511.09
	Cash and cash equivalents at the beginning of the year	**4,710.88**	3,199.79
	Cash and cash equivalents at the end of the year	**287.71**	4,710.88

Summary of Significant Accounting Policies (Refer note 2)

The accompanying notes 1 to 40 are an integral part of these financial statements.

Notes

1 The above cash flow statement has been prepared under the ‘Indirect method’ as set out in “Indian Accounting Standard (Ind AS) - 7 Statement of Cash Flows”.

2 Also refer Note no. 8 - Cash and Bank Balances

As per our report of even date attached

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
Firm Registration Number:- 117366W/W-100018

Ketan Vora
Membership No - 100459
Partner

Place: Mumbai
Date: April 21, 2022

For and on behalf of the Board of Directors of
Mahindra Homes Private Limited

Arvind Subramanian
DIN No. 02551935
Place: Mumbai
Date: April 21, 2022

Vimal Agarwal
DIN No. 07296320
Place: Mumbai
Date: April 21, 2022

STATEMENT OF CHANGES IN EQUITY FOR YEAR ENDED MARCH 31, 2022

A. Equity Share Capital

(Rs. in Lakh)

Particulars	As at March 31, 2022	As at March 31, 2021
Balance at the Beginning of the year	**95.13**	95.13
Less: Changes in Equity Share Capital (Refer note 10)	**(3.78)**	–
Balance at the end of the year	**91.35**	95.13

B. Other Equity

(Rs. in Lakh)

Particulars	Equity component of compound financial instruments *	Reserves & Surplus				Total
		Securities Premium	Retained earnings	Capital Redemption Reserve	Debenture Redemption Reserve	
As at March 31 2020	0.00	64,216.15	(22,245.14)	–	600.00	42,571.01
Profit for the year	–	–	1,185.25	–	–	1,185.25
Transfer from Debenture Redemption Reserve	–		600.00	–	(600.00)	–
As at March 31 2021	**0.00**	**64,216.15**	**(20,459.89)**	–	**–**	**43,756.26**
Profit for the year	–	–	449.06	–	–	449.06
Other Comprehensive Income net of taxes			7.74			7.74
Utilised for Buyback of Equity Shares	–	(11,006.98)	–	–	–	(11,006.98)
Transfer to Capital Redemption Reserve		(3.78)		3.78		–
As at March 31 2022	**0.00**	**53,205.39**	**(20,003.09)**	**3.78**	**–**	**33,206.08**

Summary of Significant Accounting Policies (refer note 2)

The accompanying notes 1 to 40 are an integral part of these financial statements.

* **Equity component of compound financial instruments:** This amount relates to equity component of convertible preference shares as per the requirements of Ind AS 32. The liability component of preference shares is NIL (Refer Note no. 11). The equity component is Rs 20/- (Previous year Rs 20/-)

As per our report of even date attached

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
Firm Registration Number:- 117366W/W-100018

Ketan Vora
Membership No - 100459
Partner

Place: Mumbai
Date: April 21, 2022

For and on behalf of the Board of Directors of
Mahindra Homes Private Limited

Arvind Subramanian
DIN No. 02551935

Place: Mumbai
Date: April 21, 2022

Vimal Agarwal
DIN No. 07296320

Place: Mumbai
Date: April 21, 2022

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

1. General Information

Mahindra Homes Private Limited is a private company domiciled in India and was incorporated on June 2, 2010 under the provisions of the Companies Act, 1956 applicable in India. The registered office of the company is located at 5th Floor, Mahindra Tower, Worli, Mumbai – 400018. The company is engaged in the business of development of residential complexes. The Company is currently engaged in the development of residential projects in Gurugram and Bengaluru.

2. Significant accounting policies

2.1 Statement of compliance and basis of preparation and presentation

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under section 133 of the Companies Act, 2013 (the Act) and other relevant provisions of the act.

These aforesaid financial statements were approved by Company's Board of Directors and authorised for issue in the meeting held on April 21, 2022.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use

2.2 Basis of measurement

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Measurement of Fair values

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs for the asset or liability that are not based on observable market data (unobservable inputs).

2.3 Current versus non-current classification

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents.

Based on the nature of activity carried out by the company and the period between the procurement and realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 5 years for the purpose of Current – Non Current classification of assets & liabilities.

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Borrowings are classified as current if they are due to be settled within 12 months after the reporting period.

2.4 Revenue from Contracts with Customers

2.4.1 Revenue from Projects

- The Company develops and sells residential and commercial properties. Revenue from contracts is recognised when control over the property has been transferred to the customer. An enforceable right to payment does not arise until the development of the property is completed. Therefore, revenue is recognised at a point in time when the legal title has passed to the customer and the development of the property is completed i.e. Completed contract method of accounting as per IND AS 115 when (a) the seller has transferred to the buyer all significant risks and rewards of ownership and the seller retains no effective control of the real estate to a degree usually associated with ownership, (b) The seller has effectively handed over possession of the real estate unit to the buyer forming part of the transaction; (c) No significant uncertainty exists regarding the amount of consideration that will be derived from real estate sales; and (d) It is not unreasonable to expect ultimate collection of revenue from buyers. The revenue is measured at the transaction price agreed under the contract.
- The Company invoices the customers for construction contracts based on achieving performance-related milestones.
- For certain contracts involving the sale of property under development, the Company offers deferred payment schemes to its customers. The Company adjusts the transaction price for the effects of the significant financing component.
- Costs to obtain contracts ("Contract costs") relate to fees paid for obtaining property sales contracts. Such costs are recognised as assets when incurred and

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

amortised upon recognition of revenue from the related property sale contract.

- Contract assets is the Company's right to consideration in exchange for goods or services that the Company has transferred to a customer when that right is conditioned on something other than the passage of time

2.4.2 Dividend and Interest income

Dividend income from investment in mutual funds is recognised when the unit holder's right to receive payment has been established.

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

2.5 Foreign exchange transactions and translation

In preparing the financial statements of the Company, transactions in currencies other than the entity's functional currency are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise.

2.6 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the assets, until such time as the assets are substantially ready for their intended use or sale.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred

2.7 Leases

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. Identification of a lease requires significant judgment.

The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. The Company revises the lease term if there is a change in the non-cancellable period of a lease.

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

<u>Company as a lessee</u>

The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term and a corresponding lease liability at the lease commencement date i.e. the date at which the leased asset is available for use by the Company. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of use assets are determined on the same basis as those of property, plant, and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. For leases with reasonably similar characteristics, the Company, on a lease by lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The company recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and statement of profit and loss depending upon the nature of modification. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the re-measurement in statement of profit and loss.

The Company has elected not to apply the requirements of Ind AS 116 Leases to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

2.8 Employee Benefits

2.8.1 Defined contribution plans

The Company's contribution paid/payable during the year to Superannuation Fund and Provident fund is recognised in profit or loss.

2.8.2 Defined benefit plan

The liability or assets recognised in the Balance Sheet in respect of defined benefit gratuity plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of the plan assets. The defined benefit obligation is calculated by actuaries using the projected unit credit method.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows with reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in the employee benefit expenses in the Statement of Profit and Loss.

2.8.3 Remeasurement gains/losses

Remeasurement of defined benefit plans, comprising of actuarial gains or losses, return on plan assets excluding interest income are recognised immediately in balance sheet with corresponding debit or credit to other comprehensive income. They are included in Retained Earnings in the Statement of Changes in Equity and in the Balance Sheet. Remeasurements are not reclassified to profit or loss in subsequent period.

Remeasurement gains or losses on long term compensated absences that are classified as other long-term benefits are recognised in profit or loss.

2.8.4 Short-term and other long-term employee benefits:

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

The cost of short-term compensated absences is accounted as under:

(a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and

(b) in case of non-accumulating compensated absences, when the absences occur.

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised as a liability at the present value of expected future payments to be made in respect of services provided by employees up the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in Statement of Profit and Loss.

2.9 Income Taxes

Income tax expense represents the sum of the tax currently payable and deferred tax.

2.9.1 Current tax

Current tax payable is determined as the amount of tax payable in respect of taxable profit for the year. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

2.9.2 Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

2.9.3 Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

2.10 Property, plant, and equipment

Buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Company's accounting policy. Such properties are classified to the appropriate categories of property, plant, and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Furniture and Fixtures and Office equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is recognised to write off the cost of assets (other than properties under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Depreciation on tangible fixed assets is provided on pro-rata basis on the straight-line method as per the useful life prescribed in Schedule

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

II to the Companies Act, 2013 except for certain assets as indicated below -

	Useful lives estimated by the management (years)
Computers	3 to 6
Furniture	5
Building - Office/Commercial constructed at site	5

2.11 Impairment of tangible assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount, which is the higher of the value in use or fair value less cost to sell, of the asset or cash generating unit, as the case may be, is estimated and the impairment loss (if any) is recognised and the carrying amount is reduced to its recoverable amount. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

2.12 Inventories

Inventories are stated at lower of cost and net realisable value. The cost of construction material is determined on the basis of weighted average method. Construction Work-in-Progress includes cost of land, premium for development rights, construction costs and allocated interest & manpower costs and expenses incidental to the projects undertaken by the Company.

2.13 Cost of Construction / Development:

Cost of Construction/Development (including cost of land) incurred is charged to the statement of profit and loss proportionate to project area sold. Costs incurred for projects which have not received Occupancy/Completion Certificate is carried over as construction work-in-progress. Costs incurred for projects which have received Occupancy/Completion Certificate is carried over as Completed Properties.

2.14 Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

2.15 Earnings Per Share

The Company reports basic and diluted earnings per share in accordance with Ind AS - 33 on ‘Earnings per Share’.

Basic earnings per share is computed by dividing the net profit or loss for the year by the weighted average number of Equity shares outstanding during the year.

Diluted earnings per share is computed by dividing the net profit or loss for the year by the weighted average number of equity shares outstanding during the year as adjusted for the effects of all diluted potential equity shares except where the results are anti- dilutive.

2.16 Provisions and Contingent Liabilities

Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, considering the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received, and the amount of the receivable can be measured reliably.

Provisions and contingent liabilities are reviewed at each Balance Sheet date.

2.16.1 Onerous contracts

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Company has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

2.16.2 Contingent liabilities

Contingent liability is disclosed in case of:

- a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation; and
- a present obligation arising from past events when no reliable estimate is possible.

2.17 Financial instruments

Financial assets and financial liabilities are recognised when a Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

2.17.1 Classification and subsequent movement

Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured at either amortised cost or fair value, depending on their respective classification.

On initial recognition, a financial asset is classified as – measured at:

- Amortised cost; or
- Fair Value through Profit or Loss (FVTPL)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

All Financial assets are not classified as measured at amortised cost or FVTOCI are measured at FVTPL.

Financial Assets at amortised cost are subsequently measured at amortised cost using effective interest method. The amortised cost is reduced by impairment loss. Interest income and impairment loss are recognised in the statement of profit and loss. Any gain or loss on derecognition is recognised in statement of profit and loss.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Financial assets at FVTPL are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.

2.17.2 Impairment of financial assets

The Company applies the expected credit loss (ECL) model for recognising impairment loss on financial assets.

Loss allowance for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the party does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write- off. However, financial assets that are written off could still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

2.17.3 Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expires, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all the risks and rewards of the transferred assets, the transferred assets are not derecognised

2.18 Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

2.18.1 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all its liabilities. Equity instruments issued by a Company are recognised at the proceeds received, net of directly attributable transaction costs.

2.18.2 Financial Liabilities

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading or it is a derivative (that does not meet hedge accounting requirements) or it is designated as such on initial recognition. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

2.18.3 Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled, or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

2.19 Offsetting

Financial assets and liabilities are offset and the net amount presented in the balance sheet when and only when, the Company currently has legally enforceable rights to set off the amount and it intended either to settle them on a net basis or to realise the assets and settle liability simultaneously.

3. Use of estimates and judgements

In the application of the Company's accounting policies, which are described in note 2, the management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only the period of the revision and future periods if the revision affects both current and future periods.

Key sources of estimation uncertainty

In the process of applying the Company's accounting policies, management has made the following judgements, which have the significant effect on the amounts recognised in the financial statements.

A. Estimation of net realisable value for inventories

Inventories are stated at the lower of cost and net realisable value. Net realisable value of inventories under construction is assessed with reference to the market prices at the reporting date less estimated costs to complete the construction and less an estimate of the time value of money to the date of completion if material. The market prices bear reference to the recent selling prices. The costs to complete the construction are estimated by management.

B. Useful lives of Depreciable/amortisable assets

The Company reviews the useful life of depreciable/amortisable assets at the end of each reporting period. This re-assessment may result in change in depreciation expense in future periods.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

C. Taxes

Deferred tax assets are recognised for unused tax losses and other temporary differences leading to deferred tax assets to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

D. Determining the timing of revenue recognition on the sale of completed and under development property

The Company has evaluated and generally concluded that the recognition of revenue over the period of time criteria are not met owing to non-enforceable right to payment for performance completed to date and, therefore, recognises revenue at a point in time. The Company has further evaluated and concluded that based on the analysis of the rights and obligations under the terms of the contracts relating to the sale of property, the revenue is to be recognised at a point in time when control transfers which coincides with receipt of Occupation Certificate.

E. Determination of performance obligations

With respect to the sale of property, the Company has concluded that the goods and services transferred in each contract constitute a single performance obligation. In particular, the promised goods and services in contracts for the sale of property is to undertake development of property and obtaining the Occupation Certificate. Generally, the Company is responsible for all these goods and services and the overall management of the project. Although these goods and services are capable of being distinct, the Company accounts for them as a single performance obligation because they are not distinct in the context of the contract.

3. Property, Plant and Equipment

(Rs. in Lakh)

Description of Assets	**Building**	**Office Equipments**	**Furniture and Fixtures**	**Computers**	**Total**
I. Gross Carrying Amount					
Balance as at April 1, 2021	452.19	115.13	238.69	56.52	862.53
Additions during the year	–	0.27	1.68	16.78	18.73
Deductions during the year	–	–	–	–	–
Balance as at March 31, 2022	**452.19**	**115.40**	**240.37**	**73.30**	**881.26**
II. Accumulated depreciation					
Balance as at April 1, 2021	452.18	109.14	238.18	53.83	853.33
Depreciation expense for the year	–	1.70	0.42	4.56	6.68
Deductions/adjustments during the year	–	–	–	–	–
Balance as at March 31, 2022	**452.18**	**110.84**	**238.60**	**58.39**	**860.01**
III. Net carrying amount (I-II)					
Balance as at March 31, 2022	**0.01**	**4.56**	**1.77**	**14.91**	**21.25**
At March 31, 2021	**0.01**	**5.99**	**0.51**	**2.69**	**9.20**

(Rs. in Lakh)

Description of Assets	**Building**	**Office equipments**	**Furniture and Fixtures**	**Computers**	**Total**
I. Gross Carrying Amount					
Balance as at April 1, 2020	452.19	114.99	238.35	56.52	862.05
Additions during the year	-	0.14	0.34	-	0.48
Deductions during the year	-	-	-	-	-
Balance as at March 31, 2021	**452.19**	**115.13**	**238.69**	**56.52**	**862.53**
II. Accumulated depreciation					
Balance as at April 1, 2020	452.18	104.59	236.50	49.53	842.80
Depreciation expense for the year	-	4.55	1.68	4.30	10.53
Deductions/adjustments during the year	-	-	-	-	-
Balance as at March 31, 2021	**452.18**	**109.14**	**238.18**	**53.83**	**853.33**
III. Net carrying amount (I-II)					
Balance as at March 31, 2021	**0.01**	**5.99**	**0.51**	**2.69**	**9.20**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

4. Tax Expense

(a) Tax Expense recognised in Statement of Profit & Loss

(Rs. in Lakh)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Current Tax:		
Adjustment in respect of current income tax of previous year	**26.77**	–
Total income tax expense	**26.77**	–

b) Deferred Tax Assets

(Rs. in Lakh)

Particulars	As at March 31, 2022	As at March 31, 2021
Carry Forward Unused Tax losses	**5,343.14**	5,246.65
Provision for Defect Liability Expenses and Employee Benefits	**233.31**	55.11
Property, Plant and Equipment	**112.97**	125.41
Total	**5,689.42**	5,427.17
Deferred tax Asset recognised in statement of profit and loss (Refer note i)	**–**	–

i) The Company has not recognised deferred tax assets on above components as the Company do not expect sufficient taxable profits in near future to utilise the deferred tax assets

(c) Reconciliation of estimated income tax expense at tax rate to income tax expense reported in the Statement of Profit and Loss is as follows:

(Rs. in Lakh)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Profit before tax	**475.83**	1,185.25
Income tax expense calculated at the statutory income tax rate of 25.17% (25.17% for the previous year)	**119.77**	298.33
Adjustments recognised in the current year in relation to the current tax of prior years	**26.77**	–
Effect of expenses that is deductible in determining taxable profits	**165.76**	(12.58)
Effect of income offered to tax in earlier years	**(382.02)**	(148.61)
Utilisation of carried forward business loss & unaborbed depreciation	**–**	(137.14)
Non recognition on deferred tax asset on unused tax losses	**96.49**	–
Income tax expense recognised in profit or loss	**26.77**	–

5. Other assets

(Rs. in Lakh)

Particulars	As at 31 March, 2022 Non-current	As at 31 March, 2022 Current	As at 31 March, 2021 Non-current	As at 31 March, 2021 Current
Advances other than capital advances				
Balances with government authorities (other than income taxes)	**–**	**28.68**	–	1,362.42
Prepaid Expenses	**–**	**32.92**	–	547.75
Income Tax Assets (Net)	**579.89**	**–**	742.69	–
Collaboration Advance	**–**	**2,988.45**	–	26,492.67
Other Advances #	**–**	**952.36**	–	876.84
Total	**579.89**	**4,002.41**	742.69	29,279.68

\# Other Advances comprises of Project Advances given to vendors.

6. Inventories (at lower of cost and net realisable value)

(Rs. in Lakh)

Particulars	As at March 31, 2022	As at March 31, 2021
Raw Materials	**423.46**	531.84
Construction work-in-progress*	**25,137.75**	41,756.21
Finished Goods	**776.12**	2,460.02
Total	**26,337.33**	44,748.07

* Construction Work-in-Progress represents materials at site and construction cost incurred for the projects.

The Company is executing residential projects at NCR and Bengaluru. The residential project in NCR is a Joint Development with the land owner. The project saw a successful launch in 2015 in a buoyant market. The market has thereafter seen muted demand and declining prices. While valuing its balance inventory as per its accounting policies, the Company had taken an impact of Rs. 19,641 lakhs and Rs. 10.68 Lakhs in year ended March 31, 2020 and March 31, 2021 respectively. The impact for the year ended March 31, 2022 is Nil.

The Company has availed overdraft/cash credit/Working Capital Demand Loan facilities which are secured by hypothecation of inventories.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

7. Trade Receivables

(Rs. in Lakh)

Particulars	As at March 31, 2022	As at March 31, 2021
Trade Receivables		
(a) Considered good- unsecured	**371.07**	2,878.51
(b) Credit Impaired	**25.00**	25.00
Less: Allowance for credit Losses	**(25.00)**	(25.00)
Total	**371.07**	2,878.51

7a. Movement in the allowance for credit losses

(Rs. in Lakh)

Particulars	As at March 31, 2022	As at March 31, 2021
Balance at beginning of the year	**25.00**	–
Addition during the year	**–**	25.00
Total	**25.00**	25.00

Refer Note 27 for disclosures related to credit risk, impairment risk of trade receivables under expected credit loss model and related financial instrument disclosures.

7b. Ageing for trade receivables from the due date of payment for each of the category is as follows:

(Rs. in Lakh)

Particulars	Outstanding from date of transaction/booking	
	As at March 31, 2022	As at March 31, 2021
Undisputed Trade Receivable - Considered good - unsecured	**371.07**	2,878.51
Not Due	**197.80**	2.06
0 months - 6 months	**0.03**	2,363.73
6 months -1 year	**152.73**	153.72
1-2 Years	**–**	292.21
2-3 years	**20.51**	66.80
More than 3 years	**–**	–
Undisputed Trade Receivable - Credit impaired	**25.00**	25.00
Not Due	**–**	–
0 months - 6 months	**–**	–
6 months -1 year	**–**	–
1-2 Years	**–**	–
2-3 years	**–**	–
More than 3 years	**25.00**	25.00
Disputed Trade Receivables- which have significant increase in credit risk	**–**	–
Disputed Trade Receivables- credit impaired	**–**	–
Total	**396.07**	2,903.51

8. Cash and bank balances

(Rs. in Lakh)

Particulars	As at March 31, 2022	As at March 31, 2021
Cash and cash equivalents		
Balances with banks:		
– On current accounts	**146.16**	121.88
– Fixed deposits with original maturity of less than three months	**141.55**	4,589.00
Total Cash and cash equivalent (considered in Statement of Cash Flows)	**287.71**	4,710.88
Bank Balances other than Cash and cash equivalents		
Balances with Banks:		
– Earmarked Balances	**1,386.28**	793.62
– Towards margin money	**–**	136.63
– Fixed deposits with original maturity greater than 3 months	**16,313.94**	27.41
Total Other Bank balances	**17,700.22**	957.66

9. Other Financial assets

(Rs. in Lakh)

Particulars	As at March 31, 2022		As at March 31, 2021	
	Non-current	Current	Non-current	Current
Other Financial assets at amortised cost				
Unsecured, considered good unless stated otherwise				
Interest accrued	**–**	**158.11**	2.60	1.24
Security Deposit with Government Authorities	**294.46**	**–**	84.68	–
Fixed Deposits towards Margin money	**–**	**506.87**	–	344.00
Fixed Deposits- Earmarked Balances	**–**	**–**	–	25.00
Total	**294.46**	**664.98**	87.28	370.24

10. Equity Share capital

(Rs. in Lakh)

Particulars	As at March 31, 2022		As at March 31, 2021	
	No. of shares	Amount	No. of shares	Amount
Authorised				
Ordinary Equity Shares of Rs.10 each	**100,000**	**10.00**	100,000	10.00
Class A Equity Shares of Rs.10 each	**1,550,000**	**155.00**	1,550,000	155.00
Class B Equity Shares of Rs.10 each	**116,500**	**11.65**	116,500	11.65
Class C Equity Shares of Rs.10 each	**116,500**	**11.65**	116,500	11.65

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(Rs. in Lakh)

Particulars	As at March 31, 2022		As at March 31, 2021	
	No. of shares	**Amount**	No. of shares	Amount
Series A 0.01% Optionally Convertible Redeemable Preference Shares (OCRPS) of Rs.10 each	**250**	**0.03**	250	0.03
0.01% Compulsorily Convertible Preference Shares (CCPS) of Rs.10 each	**250**	**0.02**	250	0.02
Series B 0.01% Optionally Convertible Redeemable Preference Shares (OCRPS) of Rs.10 each	**116,500**	**11.65**	116,500	11.65
	2,000,000	**200.00**	2,000,000	200.00
Issued, subscribed and fully paid-up shares				
Class A Equity Shares of Rs. 10 each	**822,507**	**82.25**	822,507	82.25
Class B Equity Shares of Rs. 10 each	**45,523**	**4.55**	64,423	6.44
Class C Equity Shares of Rs. 10 each	**45,523**	**4.55**	64,423	6.44
Series A 0.01% Optionally Convertible Redeemable Preference Shares (OCRPS) of Rs.10 each*	**1**	**0.00**	1	0.00
0.01% Compulsorily Convertible Preference Shares (CCPS) of Rs.10 each*	**1**	**0.00**	1	0.00
Total	**913,555**	**91.35**	951,355	95.13

* Represents Rs. 20/- (As at March 31, 2021 Rs. 20/-)

(i) Reconciliation of the number of shares and outstanding amount

(Rs. in Lakh)

Particulars	Opening Balance	Issued during the year	Shares extinguished on buy back	Closing Balance
(a) Equity Shares without Voting rights				
Class B equity shares				
Year Ended 31 March 2022				
No. of Shares	**64,423**	**–**	**18,900**	**45,523**
Amount	**6.44**	**–**	**1.89**	**4.55**
Year Ended 31 March 2021				
No. of Shares	64,423	–	–	64,423
Amount	6.44	–	–	6.44
Class C equity shares				
Year Ended 31 March 2022				
No. of Shares	**64,423**	**–**	**18,900**	**45,523**
Amount	**6.44**	**–**	**1.89**	**4.55**
Year Ended 31 March 2021				
No. of Shares	64,423	–	–	64,423
Amount	6.44	–	–	6.44
(b) Equity Shares with Voting rights				
Class A equity shares				
Year Ended 31 March 2022				
No. of Shares	**822,507**	**–**	**–**	**822,507**
Amount	**82.25**	**–**	**–**	**82.25**
Year Ended 31 March 2021				
No. of Shares	822,507	–	–	822,507
Amount	82.25	–	–	82.25

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(Rs. in Lakh)

Particulars	Opening Balance	Issued during the year	Shares extinguished on buy back	Closing Balance
(c) Preference Shares				
Series A 0.01% Optionally Convertible Redeemable Preference Shares (OCRPS)				
Year Ended 31 March 2022				
No. of Shares	**1**	**–**	**–**	**1**
Amount*	**0.00**	**–**	**–**	**0.00**
Year Ended 31 March 2021				
No. of Shares	1	–	–	1
Amount*	0.00	–	–	0.00
0.01% Compulsorily Convertible Preference Shares (CCPS)				
Year Ended 31 March 2022				
No. of Shares	**1**	**–**	**–**	**1**
Amount*	**0.00**	**–**	**–**	**0.00**
Year Ended 31 March 2021				
No. of Shares	1	–	–	1
Amount*	0.00	–	–	0.00

This Note covers the equity component of the issued convertible preference shares

* Represents Rs. 20/- (As at March 31, 2021 Rs. 20/-)

(a) Terms/ rights attached to equity shares

The Company has three classes of equity shares. The details are as follows :-

Each holder of Class A Equity Share is entitled to one vote per share, shall not carry any dividend and shall not carry any economic rights. The Series A Equity Shares shall rank subordinate to the Compulsorily Convertible Preference Shares, the Series A OCRPS, the Series B OCRPS, the Series B Equity Shares and the Series C Equity Shares with respect to distribution rights and rights on liquidation, dissolution and winding up of the affairs of the Company.

Each holder of Class B Equity Share shall be non voting and entitled to dividend. The economic rights on Series B Equity Shares shall be for the entire Series B as a whole, with economic rights equal to 50% of the total economic rights of the Shareholders of the Company, until the Series B shareholder has achieved a 17% Internal Rate of Return (IRR) on the Investment Subscription Amount. On achieving 17% IRR by the Series B shareholder, the Series B Equity Shares to carry 35% share of the total economic rights of the Shareholders of the Company.

Each holder of Class C Equity Share shall be non voting and entitled to dividend. The economic rights on Series C Equity Shares shall be for the entire Series C as a whole, with economic rights equal to 50% of the total economic rights of the Shareholders of the Company, until the Series C shareholder has achieved a 17% IRR on the Investment Subscription Amount. On achieving 17% IRR by Series C shareholder, the Series C Equity Shares to carry 65% share of the total economic rights of the Shareholders of the Company.

(b) Terms of conversion/ redemption of Optionally Convertible Redeemable Preference Shares (OCRPS)

The Series A OCRPS shall carry a dividend, as and when declared, at the rate of 0.01% per annum (“Fixed Dividends”). The Series A OCRPS shall be non-cumulative and not carry any voting rights. One Series A OCRPS shall convert to one Series A Equity Share at the conversion Ratio at the option of the holder of the Series A OCRPS. The Series A OCRPS shall be optionally redeemable at par. In the event of liquidation of the Company, Series A OCRPS shall be deemed to have been converted into Series A Equity Shares.

(c) Terms of conversion/ redemption of Compulsorily Convertible Preference Shares (CCPS)

CCPS shall carry a dividend, as and when declared, at the rate of 0.01% per annum (Fixed Dividend). The CCPS shall be non-cumulative and shall not carry any voting rights. One CCPS Share shall convert to one Series B Equity Share. The CCPS shall be deemed to have automatically and mandatorily converted to Series B Equity Shares at the Conversion Ratio at the expiry of 12 years from the date of allotment. CCPS can be voluntarily converted to Series B Equity Shares at the option of the holder. In the event of liquidation of the Company, the CCPS shall be deemed to have been converted into Series B Equity Shares.

(d) Aggregate number of equity shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date:

Particulars	Aggregate Number of Shares As at March 31, 2022	As at March 31, 2021
<u>**Series B and Series C Equity Shares**</u>		
Fully paid up pursuant to contract(s) without payment being received in cash		
Fully Paid Series C Equity Shares by way of conversion of Optionally Convertible Debentures (OCD)	**64,034**	64,034
Fully Paid Series B Equity Shares by way of conversion of Compulsory Convertible Debentures (CCD)	**64,034**	64,034
Shares extinguished on buy back		
Fully Paid Series C Equity Shares	**18,900**	–
Fully Paid Series B Equity Shares	**18,900**	–

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(ii) Details of shares held by the holding company, the ultimate holding company and its subsidiaries

Particulars	Class A Equity shares with voting rights	Class C Equity shares without voting rights	Series A 0.01% Optionally Convertible Redeemable Preference Shares (OCRPS)
As at 31st March 2022			
Mahindra Lifespace Developers Ltd - the holding company			
No. of Shares	**616,879**	**45,523**	**1**
As at 31st March 2021			
Mahindra Lifespace Developers Ltd - the holding company			
No. of Shares	616,879	64,423	1

(iii) Details of shareholders holding more than 5% shares in the company

Name of the shareholder	As at March 31, 2022		As at March 31, 2021	
	No.	**% holding in the class**	No.	% holding in the class
Equity shares without voting rights:-				
Class C equity Shares	45,523	100%	64,423	100%
Mahindra Lifespace Developers Limited - Enterprise having joint control over the Company				
Class B equity Share	45,523	100%	64,423	100%
Actis Mahi Holdings (Singapore) Private Limited - Enterprise having joint control over the Company				
Equity shares with voting rights				
Class A equity Share	616,879	75%	616,879	75.00%
Mahindra Lifespace Developers Limited - Enterprise having joint control over the Company				
Class A equity Shares	205,628	25%	205,628	25.00%
Actis Mahi Holdings (Singapore) Private Limited - Enterprise having joint control over the Company				
Preference Shares				
0.01% Optionally Convertible Redeemable Preference Shares (OCRPS)- Series A	1	100%	1	100%
Mahindra Lifespace Developers Limited - Enterprise having joint control over the Company				
0.01% Compulsorily Convertible Preference Shares (CCPS)- Series B	1	100%	1	100%
Actis Mahi Holdings (Singapore) Private Limited - Enterprise having joint control over the Company				

(iv) Shares reserved for issue under options

For details of shares reserved for issue on conversion of OCRPS and CCPS, please refer note 10 (b) and 10 (c) respectively regarding terms of conversion/ redemption of preference shares.

(v) Details of shareholdings by the Promoter's of the Company

Class of shares / Name of shareholder	As at 31st March, 2022		As at 31st March, 2021		Change during the period	% change during the period
	Number of shares held	**% holding**	Number of shares held	% holding		
Mahindra Lifespace Developers Limited						
Equity shares with voting rights						
Class A equity Share	616,879	75.00%	616,879	75.0%	–	0.00%
Equity shares without voting rights						
Class C equity Shares	45,523	100.00%	64,423	100.0%	–	0.00%
0.01% Optionally Convertible Redeemable Preference Shares (OCRPS)- Series A	1	100.00%	1	100.00%	–	0.00%

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

11. Other Equity

(Rs. in Lakh)

Particulars	As at March 31, 2022	As at March 31, 2021
Securities premium	**53,205.39**	64,216.15
Retained earnings	**(20,003.09)**	(20,459.89)
Capital Redemption Reserve	**3.78**	–
Equity component of compound financial instruments	**0.00**	0.00
Other Equity Total	**33,206.08**	43,756.26

Description of the nature and purpose of Other Equity:

Securities Premium: The Securities Premium Reserve is created on issue of shares at a premium. During the year ended March 31, 2022, Securities Premium account is applied for the purchase of its own equity shares under Section 68 of the Companies Act 2013, refer note 30.

Retained earnings: This reserve represents cumulative profits/losses of the Company. This reserve can be utilised in accordance with the provisions of Companies Act, 2013.

Capital Redemption Reserve: Capital Redemption Reserve is created by transferring funds from securities premium account being face value of shares bought back during the year ended March 31, 2022 in accordance with the provisions of Companies Act, 2013.

Equity component of compound financial instruments: This amount relates to equity component of convertible preference shares as per the requirements of Ind AS 32. The liability component of preference shares is NIL. The equity component is Rs. 20/- (March 31, 2021 - Rs. 20/-).

12. Borrowings

(Rs. in Lakh)

Particulars	As at March 31, 2022	As at March 31, 2021
Current Borrowings		
A. Loans repayable on demand (Secured) (Carried at Amortised Cost)		
From banks		
Axis Bank (Refer Note 1a)	**494.35**	2,749.17
HDFC Bank (Refer Note 1b)	**556.15**	1,232.61
B. Short Term Loans (secured) (Carried at Amortised Cost)		
HDFC Bank (Refer Note 2)	**–**	1,000.00
C. Short Term Loans (Unsecured) (Carried at Amortised Cost)		
Bajaj Finance (Refer Note 3)	**–**	3,000.00
Total current borrowings	**1,050.50**	7,981.78
Total borrowings	**1,050.50**	7,981.78

1. Loans repayable on demand from banks (Secured)

a. Axis Bank Ltd (sanctioned limit of Rs. 4,000 Lakh) (March 31, 2021- Rs. 5,000 Lakh)

Cash Credit Facility from Axis Bank Ltd carries interest rate in the range of 7.00% to 8.50% p.a (March 31, 2021-8.15% to 9.10% p.a). The facility is secured by first ranking pari passu charge by way of hypothecation (pari passu only with the security interest created / to be created to secure the working capital facilities availed by the Company) over the land admeasuring 6.8 acres and building of borrower of its Luminare Project, First charge on development rights under the Collaboration agreement, receivables (present & future) of its Luminare and Windchimes Project, Rights/Claims/Demands/ Approvals/Permits relating to Luminare Project. All insurance contracts in relation to Luminare Project

b. HDFC Bank Ltd (sanctioned limit of Rs. 3,000 Lakh) (March 31, 2021- Rs. 3,000 Lakh)

Overdraft facility from HDFC Bank carries interest rate of 7.00% to 8.50% p.a (March 31, 2021- 8.45% to 9.15% p.a). The facility is secured by first pari passu charge (pari passu along with other lenders for current facility) on receivables to the extent of Borrower's share (75% of receivables) pertaining to Gurgaon project and receivable of Bengaluru project, present and future.

2. Short Term Loan from Banks (Secured)

HDFC Bank Ltd (Loan amount of Rs. 1,000 Lakhs)

Short Term working capital loan carried interest rate of 5.80% per annum. The Loan has been paid in full during the year ended March 31, 2022. This facility is part of overall sanctioned limit of Rs. 3,000 Lakhs by HDFC Bank Ltd in (1b) above. The facility is secured by first pari passu charge (pari passu along with other lenders for current facility) on receivables to the extent of Borrower's share (75% of receivables) pertaining to Gurgaon project and receivable of Bengaluru project, present and future.

3. Short Term Loan from Financial Institution (Unsecured)

Bajaj Finance Ltd (Loan amount of Rs. 3,000 Lakh)

Unsecured Short Term loan carried interest rate of 7.25% per annum. The Loan was repaid during the year ended March 31, 2022.

13. Trade Payables

(Rs. in Lakh)

Particulars	As at March 31, 2022	As at March 31, 2021
Trade payable - micro and small enterprises*	**772.44**	977.08
Trade payable - Other than micro and small enterprises	**1,756.47**	3,602.26
Total	**2,528.91**	4,579.34

Trade Payables are payables in respect of the amount due on account of goods purchased or services received in the normal course of business.

* This information has been determined to the extent such parties have been identified on the basis of the intimation received from the suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006.

13a. Additional Disclosure in relation to Micro, Small and Medium enterprises

(Rs. in Lakh)

Particulars	As at March 31, 2022	As at March 31, 2021
a) The principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year	**772.44**	977.08
b) The amount of interest paid in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	**–**	–
c) The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	**–**	–

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(Rs. in Lakh)

Particulars	As at March 31, 2022	As at March 31, 2021
d) The amount of interest accrued and remaining unpaid at the end of each accounting year	–	–
e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	–	–
	772.44	977.08

13b. Ageing for trade payable from the due date of payment for each of the category is as follows:

(Rs. in Lakh)

Particulars	Outstanding from date of transaction/booking	
	As at March 31, 2022	As at March 31, 2021
Undisputed dues of micro enterprises and small enterprises		
Unbilled	–	–
Not Due	**772.44**	977.08
0 months - 1 year	–	–
1-2 Years	–	–
2-3 years	–	–
More than 3 years	–	–
Undisputed dues of creditors other than micro enterprises and small enterprises		
Not Due	**785.82**	310.06
0 months - 6 months	**792.15**	278.83
6 months -1 year	**104.77**	1,857.22
1-2 Years	**8.78**	81.84
2-3 years	**51.77**	311.89
More than 3 years	**13.18**	762.42
Disputed Dues- Micro, Small and Medium enterprises	–	–
Disputed Dues- Others	–	–
Total	**2,528.91**	4,579.34

14. Other Financial liabilities

(Rs. in Lakh)

Particulars	As at March 31, 2022	As at March 31, 2021
Carried at Amortised Cost		
Interest accrued	**9,885.02**	14,885.02
Advance towards Society Maintenance	**1,581.54**	818.62
Total	**11,466.56**	15,703.64

15. Provisions

(Rs. in Lakh)

Particulars	As at March 31, 2022	As at March 31, 2021
Non-Current		
Provision for Employee Benefits		
Gratuity	**22.49**	–
Leave Encashment	**10.65**	–
Total	**33.14**	–
Current		
Provision for Employee Benefits		
Gratuity	**3.30**	–
Leave Encashment	**2.28**	–
Other Current Provisions		
Provision for Defect Liabilities	**888.23**	218.97
Total	**893.81**	218.97

Defect Liability Provisions:

Provision for defect liability represents present value of management's best estimate of the future outflow of economic resources that will be required in respect of residential units when control over the property has been transferred to the customer, the estimated cost of which is accrued during the period of construction, upon sale of units and recognition of related revenue. Management estimates the related provision for future defect liability claims based on historical cost of rectifications and is adjusted regularly to reflect new information. The residential units are generally covered under a the defect liability period limited to 5 year from the date when control over the property has been transferred to the customer.

The movement in provision for defect liabilities is as follows:

(Rs. in Lakh)

Particulars	Provision for Defect Liability
Balance at March 31, 2020	218.97
Additional provisions recognised	–
Amounts utilised during the year	–
Balance at March 31, 2021	218.97
Additional provisions recognised	669.26
Amounts utilised during the year	–
Balance at March 31, 2022	**888.23**

16. Other Current liabilities

(Rs. in Lakh)

Particulars	As at March 31, 2022	As at March 31, 2021
Advances received from customers	**868.40**	11,360.28
Statutory dues payable*	**120.57**	47.10
Total	**988.97**	11,407.38

* There are no amounts due and outstanding to be credited to the Investor Education and Protection Fund.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

17. Current tax liability (net)

(Rs. in Lakh)

Particulars	As at March 31, 2022	As at March 31, 2021
Current tax liability (net of Advance tax paid)	–	–
Total	**–**	41.71

18. Revenue from Operations

(Rs. in Lakh)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Revenue from Contracts with Customers		
Revenue from Projects	**24,239.02**	24,401.23
Total	**24,239.02**	24,401.23

Revenue from operations for the year ended March 31, 2022 is net of Rs. 205.65 Lakhs (March 31, 2021 -Rs. 3.84 Lakhs) towards input tax credit benefits passed on to the customers as per the provisions of section 171 on Anti-Profiteering of CGST Act, 2017. The treatment is as per the prevailing Indian Accounting Standards.

Notes:

a) Contract Balances

i) Amounts received before the related performance obligation is satisfied are included in the balance sheet (Contract liability) as "Advances received from Customers" in note 16- Other Current Liabilities. Amounts billed for development milestone achieved but not yet paid by the customer are included in the balance sheet under trade receivables in note 7- Trade Receivables.

ii) During the year, the Company recognised Revenue of Rs. 8,661.57 lakhs from opening contract liability (after Ind AS 115 adoption) of Rs. 11,360.28 lakhs (recognised in previous year- Rs. 2,814.42 lakhs out of Rs. 9,754 lakhs). Contract Liability of Rs. 1,219.98 Lakhs reversed due to cancellation of units sold during the year (previous year- Rs. 1,771.66 Lakhs out of Rs. 9,754 lakhs).

iii) There were no significant changes in the composition of the contract liabilities and Trade receivable during the reporting period other than on account of periodic invoicing, sales cancellations and revenue recognition.

iv) Amounts previously recorded as contract liabilities increase due to further milestone based invoices raised during the year and decrease due to revenue recognised during the year on completion of the construction.

v) Amounts previously recorded as Trade receivables increase due to further milestone based invoices raised during the year and decrease due to collections during the year.

vi) There are no contract assets outstanding at the end of the year.

vii) The aggregate amount of the transaction price allocated to the performance obligations that are completely or partially unsatisfied as at March 31, 2022, is Rs. 793.68 lakhs (March 31, 2021- Rs. 22,311.49 lakhs). Out of this, the Company expects, based on current projections, to recognize revenue of around 100% within the next one year. This includes contracts that can be terminated for convenience with a penalty as per the agreement since, based on current assessment, the occurrence of the same is expected to be remote.

b) Reconciliation of revenue recognised with the contracted price is as follows:

(Rs. in Lakh)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Contracted price	**24,461.67**	24,413.19
Adjustments on account of cash discounts or early payment rebates, deferred payment schemes etc.	**(222.65)**	(11.96)
Revenue recognised as per Statement of Profit & Loss	**24,239.02**	24,401.23

c) Contract Costs

(Rs. in Lakh)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Contract costs included in Prepaid expenses in Note 5- Other Assets	**24.94**	384.45

The Company incurs commissions that are incremental costs of obtaining a contract with a customer. Under Ind AS 115, the Company recognises the incremental costs of obtaining a contract as assets under Prepaid Expenses under note no. 5 - Other Assets and amortises it upon completion of the related property sale contract.

For the year ended March 31, 2022, amortisation amounting to Rs. 1,920.33 lakhs (Previous Year - Rs. 1,019.30 lakhs) was recognised as brokerage cost in note 21- Other expenses. There was no impairment loss in relation to the costs capitalised.

19. Other Income

(Rs. in Lakh)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest Income on Bank Deposits	**228.00**	221.09
Interest on Income Tax Refund	**20.67**	12.17
Miscellaneous Income	**632.93**	53.33
Total Other Income	**881.60**	286.59

20A. Construction Expenses Incurred

(Rs. in Lakh)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Expenses incurred during the year		
Civil, Electricals, Contracting, etc.	**1,945.16**	3,074.07
Rates and taxes	**105.48**	192.21
Legal & Professional Fees	**226.54**	134.03
Interest costs allocated	**43.63**	244.22
Manpower Cost	**100.14**	–
Other Project Administration Cost	**181.63**	79.40
Construction Expenses incurred during the year (a)	**2,602.58**	3,723.93
Provision for Defect Liability (b)	**669.26**	–
Total Construction Expenses incurred (a+b)	**3,271.84**	3,723.93

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

20B. Changes in inventories of raw materials, work-in-progress and finished goods

(Rs. in Lakh)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Opening Stock		
Work-in-progress	**41,756.21**	42,711.11
Raw Material	**531.84**	1,250.06
Finished Goods	**2,460.02**	18,202.96
Total Opening Stock	**44,748.07**	62,164.13
Closing Stock		
Work-in-progress	**25,137.75**	41,756.21
Raw Material	**423.46**	531.84
Finished Goods	**776.12**	2,460.02
Total Closing Stock	**26,337.33**	44,748.07
Changes in inventories of raw materials, work-in-progress and Finished Goods	**18,410.74**	17,416.06

21. Other expenses

(Rs. in Lakh)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Advertisement, Marketing & Business Development	**230.73**	229.15
Commission & Brokerage	**1,920.33**	1,019.30
Legal and other professional costs	**112.85**	168.83
Payment to auditors #	**29.49**	22.83
Repairs & Maintenance	**192.37**	176.11
Rates & Taxes	**64.32**	74.13
Travelling & Conveyance	**3.15**	0.70
Printing & Stationery	**3.97**	2.24
Allowance for credit Losses	**–**	25.00
Miscellaneous Expenses	**21.13**	20.45
Power & Fuel	**4.07**	17.77
Total	**2,582.41**	1,756.51

#Payment to auditors		For the year ended March 31, 2022	For the year ended March 31, 2021
(a)	**To Statutory Auditors**		
	For Audit	**15.73**	12.32
	For Tax Audit	**7.27**	5.60
	For Other Services	**5.39**	3.75
	Reimbursement of expenses	**–**	0.06
(b)	**To Cost Auditors for cost audit**	**1.10**	1.10
		29.49	22.83

22. Finance Costs

(Rs. in Lakh)

	Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
a)	Interest Costs		
	Interest expense for financial liabilities at amortised cost	**210.55**	796.39
b)	Other Borrowing Cost	**0.95**	9.64
	Less: Allocated to Projects	**(43.63)**	(244.22)
c)	Interest cost due to discount to customers	**10.32**	33.73
Total		**178.19**	595.54

23. Employee Benefits Expense

(Rs. in Lakh)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Salaries and wages including Bonus	**280.86**	–
Contributions to provident and other funds	**4.38**	–
Staff welfare expenses	**9.83**	–
Less: Allocated to Projects	**(100.14)**	–
Total	**194.93**	–

24. Earnings per share (EPS)

Basic EPS amounts are calculated by dividing the profit/(loss) for the year attributable to equity holders of the Company by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit/(loss) attributable to equity holders of the Company (after adjusting for dividend on preference shares) by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

The following reflects the profit/(loss) and share data used in the basic and diluted EPS computations:

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Profit after tax for the year (in Rs. Lakh)	**449.06**	1,185.25
Weighted average number of Class A equity shares in calculating EPS*	**822,507**	822,507
Weighted average number of Class B equity shares in calculating EPS	**59,400**	64,423
Weighted average number of Class C equity shares in calculating EPS	**59,400**	64,423
Conversion of Compulsory Convertible Preference Shares	**1**	1
Conversion of Optionally Convertible Redeemable Preference Shares	**1**	1
Face Value of Class B Equity Shares	**10**	10
Face Value of Class C Equity Shares	**10**	10
Earnings per Class B Equity share - Basic (in Rs.)	**378.00**	919.89
Earnings per Class C Equity share - Basic (in Rs.)	**378.00**	919.89
Earnings per Class B Equity share - Diluted (in Rs.)	**377.99**	919.89
Earnings per Class C Equity share - Diluted (in Rs.)	**377.99**	919.89

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

The following reflects the profit and share data used in the basic and diluted EPS computations:

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Net profit for the year, used in the calculation of basic earning per share (in Rs Lakh)	**449.06**	1,185.25
Profit for the year used in the calculation of diluted earnings per share	**449.06**	1,185.25
Weighted average number of equity shares used in calculating basic EPS	**118,800**	128,846

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Effect of dilution:		
Convertible Preference Share (in nos.)	**2**	2
Weighted average number of equity shares in the calculation of diluted EPS	**118,802**	128,848

* As Class A Equity Shares does not carry any dividend and economic rights, therefore the same has not been considered in calculation of Basic & Diluted EPS.

25. Leases

The company does not have any leasing arrangement during the year ended March 31, 2022.

26. Related party disclosures

Names of related parties and related party relationship

Related parties where control exists

Enterprises having joint control over the Company	Mahindra Lifespace Developers Limited
	Actis Mahi Holdings (Singapore) Private Limited (Formerly known as SCM Real Estate (Singapore) Pvt. Limited)

Other Related parties with whom transactions have taken place

Holding company of enterprise having joint control over the Company	Mahindra & Mahindra Limited
Subsidiary of Holding company of enterprise having joint control over the Company	Mahindra Integrated Business Solutions Private Limited
	Mahindra Defence Systems Limited

Related party transactions

The following table provides the basic value of transactions that have been entered into with related parties for the relevant financial year:

(Rs. in Lakh)

Nature of transactions with Related Parties	For the year ended	Mahindra Lifespace Developers Limited	Actis Mahi Holdings (Singapore) Private Limited	Mahindra & Mahindra Limited	Mahindra Defence Systems Limited	Mahindra Integrated Business Solutions Private Limited
Providing Services	**31-Mar-22**	**45.39**				
	31-Mar-21	–	–	–	–	–
Receiving of Services	**31-Mar-22**	**140.55**	–	**1.27**	–	**9.55**
	31-Mar-21	37.68	–	4.22	–	11.97
Payment for Buy Back of Class B and Class C Equity Shares	**31-Mar-22**	**5,505.38**	**5,505.38**	–	–	–
	31-Mar-21	–	–	–	–	–

The following table provides the balances with related parties as on the relevant date:

(Rs. in Lakh)

Nature of Balances with Related Parties	Balance as on	Mahindra Lifespace Developers Limited	Actis Mahi Holdings (Singapore) Private Limited	Mahindra & Mahindra Limited	Mahindra Defence Systems Limited	Mahindra Integrated Business Solutions Private Limited
Payables	**31-Mar-22**	**44.95**	–	**0.42**	**0.02**	**2.67**
	31-Mar-21	117.66	–	1.95	0.02	0.52
Interest Accrued on Optionally Convertible Debentures/ Compulsorily Convertible Debentures but not due	**31-Mar-22**	**5,316.74**	**4,568.28**	–	–	–
	31-Mar-21	8,005.24	6,879.78	–	–	–

Terms and conditions of transactions with related parties

The transactions with related parties are made on terms equivalent to those that prevail in arm’s length transactions. Outstanding balances at the year-end are unsecured and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

27. Financial Instruments

Capital management

The Company's capital management objectives are:

- safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders
- maintain an optimal capital structure to reduce the cost of capital

The Management of the Company monitors the capital structure using debt equity ratio which is determined as the proportion of total debt to total equity.

(Rs. in Lakh)

	As at March 31, 2022	As at March 31, 2021
Debt	**1,050.50**	7,981.78
Cash and bank balances excluding margin monies	**(16,601.65)**	(4,738.29)
Net Debt (A)	**(15,551.15)**	3,243.49
Equity (B)	**33,297.43**	43,851.39
Net Debt Equity Ratio (A / B)	**(0.47)**	0.07

Categories of financial assets and financial liabilities

The following tables shows the carrying amount of financial assets and financial liabilities by category:

(Rs. in Lakh)

Particulars	Amortised Costs As at March 31, 2022	 As at March 31, 2021
Financial assets		
Non-Current Assets		
Other Financial Assets-Non Derivative Financial Assets	**294.46**	87.28
Current Assets		
Trade Receivables	**371.07**	2,878.51
Cash and Cash Equivalents	**287.71**	4,710.88
Other Bank Balances	**17,700.22**	957.66
Other Financial Assets-Non Derivative Financial Assets	**664.98**	370.24
Total financial assets	**19,318.44**	9,004.57
Financial liabilities		
Current liabilities		
Borrowings	**1,050.50**	7,981.78
Trade Payables	**2,528.91**	4,579.34
Other financial liabilities-Non Derivative Financial Liabilities	**11,466.56**	15,703.64
Total financial liabilities	**15,045.97**	28,264.76

Financial Risk Management Framework

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk. In order to manage the aforementioned risks, the Company operates a risk management policy and a program that performs close monitoring of and responding to each risk factor.

CREDIT RISK

Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. Credit risk arises from cash and cash equivalents and other financial assets.

Trade Receivables

The Company's trade receivables include receivables on sale of residential flats. As per the Company's flat handover policy, a flat is handed over to a customer only upon payment of entire amount of consideration. Thus, the Company is not exposed to any credit risk on receivables from sale of residential flats.

Cash and Cash Equivalents & Other Financial Assets

For banks and financial institutions, only high rated banks/institutions are accepted. The Company holds cash and cash equivalents with bank and financial institution counterparties, which are having highest safety ratings based on ratings published by various credit rating agencies. The Company considers that its cash and cash equivalents have low credit risk based on external credit ratings of the counterparties.

For other financial assets, the Company assesses and manages credit risk based on reasonable and supportive forward looking information. The Company does not have significant credit risk exposure for these items.

LIQUIDITY RISK

(i) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Board of directors who have established an appropriate liquidity risk management framework for the management of the Company's short, medium and long term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

(ii) Maturities of financial liabilities

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The amount disclosed in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows.

(Rs. in Lakh)

Particulars	Less than 1 Year	1-3 Years	3-5 Years
Non-derivative financial liabilities			
As at March 31, 2022			
Borrowings	**1,050.50**	–	–
Trade Payables	**2,528.91**	–	–
Other financial liabilities	**11,466.56**	–	–
Total	**15,045.97**	**–**	**–**
As at March 31, 2021			
Borrowings	7,981.78	–	–
Trade Payable	4,579.34	–	–
Other financial liabilities	15,703.64	–	–
Total	**28,264.76**	**–**	**–**

Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk such as equity price risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. All such transactions are carried out within the guidelines set by the Board of Directors.

Currency Risk

Foreign currency risk is the risk that the fair value or the future cash flows of an exposure will fluctuate because of changes in the foreign exchange rate. The Company undertakes transactions in foreign currencies only for purchase of components which are required to be imported to carry out construction

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

activities or for travelling and sales promotion activities; consequently, exposing to exchange rate fluctuations, but the same is not material in nature as compared to the size of the operations of the Company.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings.

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Company's financial statements are affected through the impact on floating rate borrowings, as follows:

(Rs. in Lakh)

Particulars	Increase/ decrease in basis points	Effect on financial statements*
As at March 31, 2022		
INR	**+100**	**(10.51)**
INR	**-100**	**10.51**
As at March 31, 2021		
INR	+100	(49.82)
INR	-100	49.82

* The effect as mentioned above will have impact on the carrying value of Inventories and Profit/(Loss) Before Tax.

(iii) Financing arrangements

The Company had access to following undrawn borrowing facilities at the end of the reporting period:

(Rs. in Lakh)

Particulars	As at March 31, 2022	As at March 31, 2021
Secured Bank Overdraft facility		
Expiring within one year	**5,949.50**	4,018.22
Total	**5,949.50**	4,018.22

28. Employee benefits

(a) Defined Contribution Plan

The Company's contribution to Provident Fund and Superannuation Fund aggregating Rs. 4.38 lakhs (31st March, 2021- Nil) has been recognised in the Statement of Profit or Loss under the head Employee Benefits Expense.

(b) Defined Benefit Plans:

Gratuity

The Company operates a gratuity plan covering qualifying employees. The benefit payable is the amount calculated as per the Payment of Gratuity Act, 1972. The benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. In case of death while in service, the gratuity is payable irrespective of vesting. The scheme is unfunded as on March 31, 2022.

Through its defined benefit plans the Company is exposed to a number of risks, the most significant of which are detailed below:

Investment risk

The present value of the defined benefit plan liability (denominated in Indian Rupee) is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds.

Interest risk

A decrease in the bond interest rate will increase the plan liability.

Longevity risk

The present value of defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary risk

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

The significant actuarial assumptions used for the purposes of the actuarial valuations were as follows:

Particulars	As at March 31, 2022	As at March 31, 2021
Discount rate(s)	**5.85%**	–
Expected rate(s) of salary increase	**10.00%**	–
Attrition Rate	**0 to 42: 20%**	–
Mortality	**IALM (2012-14) ULT.**	–
Retirement age of the employees is assumed to be 60 years.		

Defined benefit plans – as per actuarial valuation on 31st March, 2022

Rs. in Lakhs

Particulars	Un-funded Gratuity Plan For the year ended March 31, 2022	For the year ended March 31, 2021
Amounts recognised in comprehensive income in respect of these defined benefit plans are as follows:		
Service Cost		
Current Service Cost	**7.37**	–
Past service cost and (gains)/losses on transfer of employees from holding company as at 1st October, 2021	**–**	–
Net interest expense	**0.74**	–
Components of defined benefit costs recognised in profit or loss	**8.11**	–
Remeasurement on the net defined benefit liability		
Actuarial (gains)/loss arising from demographic assumptions	**–**	–
Actuarial (gains)/loss arising from changes in financial assumptions	**–**	–
Actuarial (gains)/loss arising from experience adjustments	**(7.74)**	–
Components of defined benefit costs recognised in other comprehensive income	**(7.74)**	–
Total	**0.37**	–

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Rs. in Lakhs

Particulars	Un-funded Gratuity Plan For the year ended March 31, 2022	For the year ended March 31, 2021
I. Net Asset/(Liability) recognised in the Balance Sheet as at 31st March, 2022		
1. Present value of defined benefit obligation as at 31st March, 2022	**25.79**	–
2. Fair value of plan assets as at 31st March, 2022	**–**	–
3. Surplus/(Deficit)	**(25.79)**	–
4. Current portion of the above	**(3.30)**	–
5. Non current portion of the above	**(22.49)**	–
II. Movements in the present value of the defined benefit obligation are as follows.		
1. Present value of defined benefit obligation on transfer of employees from holding company as at 1st April, 2021	**–**	–
2. Transfer out liability	**–**	–
3. *Expenses Recognised in Profit and Loss Account*		
– Current Service Cost	**7.37**	–
– Past Service Cost	**–**	–
– Interest Cost	**0.74**	–
4. *Recognised in Other Comprehensive Income*		
Remeasurement gains / (losses)		
- Actuarial Gain (Loss) arising from:		
i. Demographic Assumptions	**–**	–
ii. Financial Assumptions	**–**	–
iii. Experience Adjustments	**(7.74)**	–
5. Benefit payments	**–**	–
6. Present value of defined benefit obligation at the end of the year	**0.37**	–

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

Rs. in Lakhs

Principal assumption		Changes in assumption (%)	Impact on defined benefit obligation Increase in assumption	Decrease in assumption
Discount rate	2022	1.00%	24.51	27.21
	2021	1.00%	–	–
Salary growth rate	2022	1.00%	26.98	24.66
	2021	1.00%	–	–

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the Balance sheet.

Maturity profile of defined benefit obligation:

	31st March, 2022	31st March, 2021
Within 1 year	**3.30**	–
1 - 2 year	**3.56**	–
2 - 3 year	**3.50**	–
3 - 4 year	**3.32**	–
4 - 5 year	**3.04**	–
5 - 10 years	**10.92**	–

The weighted average age considered for considered for defined benefit obligation as at March 31, 2022 is 37.11 years

29. Impact of COVID 19 (Global Pandemic)

The Management has made an assessment of the impact of COVID-19 on the Company's operations, financial performance and position as at and for the year ended March 31, 2022 and has concluded that the impact is primarily on the operational aspects of the business during the initial months of year ended March 31, 2022. The Company has used the principles of prudence in applying judgments, estimates and assumptions based on current assessments and do not foresee any significant impact of Covid-19 on the operations. In assessing the recoverability of assets such as inventories, financial assets and other assets, based on current indicators of future economic conditions, the Company expects to recover the carrying amounts of its assets.

30. Buy Back of Shares

The proposal of buyback of Equity Shares recommended by the Board of Directors in its meeting held on November 25, 2021 was approved by the shareholders at their Extraordinary General meeting held on December 9, 2021. The buyback of equity shares was completed on December 24, 2021 and the Company bought back and extinguished a total of 37,800 equity shares from the shareholders at buyback price of 29,129/- per equity share comprising 3.97% of the pre buyback paid up equity share capital of the Company. The buyback resulted in a cash outflow of 11,010.76 Lakhs. The Company funded the buyback from its free reserves including Securities Premium as per Section 68 of the Companies Act, 2013. In accordance with section 69 of the Companies Act, 2013, the Company has created 'Capital Redemption Reserve' of 3.78 Lakhs equal to the nominal value of the shares bought back as an appropriation from Securities Premium.

31. Capital & other Commitments

At March 31, 2022, the company has commitments of Rs. 4,700 lakhs (Previous year Rs. 4,800 lakhs) relating to further security deposit payable towards Joint Development Agreement.

32. Segment information

The Company is engaged only in the business of development of property and related activities in India. It has no other reportable segments as per the terms of Indian Accounting Standards (Ind AS) 108 on Segment Reporting.

No single customer contributed 10% or more to the company's revenue for year ended March 31, 2022 and year ended March 31, 2021.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

33. Contingent Liabilities

(Rs. in Lakh)

Particulars	As at March 31, 2022	As at March 31, 2021
Claims against the company not acknowledged against as debts-		
i) Claims received from parties not acknowledged as debts		
Represent cases filed by parties in the Consumer forum including RERA and Civil Courts disputed by the Company as advised by advocates. In the opinion of the management the claims are not sustainable.	**477.00**	–
ii) Income Tax matters under dispute		
Demand raised by Assessing Officer in respect of certain expenses disallowed. The company is pursuing the matter with Income Tax Apellate Tribunal		
- AY 2014-15	**37.57**	37.57
- AY 2016-17	**761.44**	761.44
- AY 2017-18	**1,545.20**	–

(Rs. in Lakh)

Particulars	As at March 31, 2022	As at March 31, 2021
iii) Indirect Tax matters under dispute		
Demand raised by Service Tax Authorities claiming construction service provided by the Company under Colloaboration agreement. The Company is pursuing the matter with the appropriate appellate authorities	**1,885.00**	1,885.00
Input Service Tax claims disallowed by the Service Tax Department for FY 2013-14 to FY 2016-17. The Company is pursuing the matter with the appropriate appellate authorities	**279.5**	279.5

Note:

(i) Pending resolution of the respective proceedings, it is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the above matters, timing of the cash outflows can be determined only on receipt of judgments/ decisions pending with various forums/ authorities.

(ii) The Company has reviewed all its pending litigations and proceedings and has made adequate provisions, wherever required, and disclosures are made for contingent liabilities where applicable, in its financial statements. The Company does not expect the outcome of these proceeding to have a materially adverse effect on its financial position.

34. Recent Indian Accounting Standards (Ind AS)

Ministry of Corporate Affairs (“MCA”) notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2022.

35. Financial Ratios

							Amount (In Lakhs)
Sr No	**Particulars**	**Numerator**	**Denominator**	**For the year ended March 31, 2022**	**For the year ended March 31, 2021**	**% Variance**	**Reasons for Variance**
a)	Current Ratio	Current Assets	Current Liabilities	2.92	2.08	40.39%	Increase in collections and revenue recognition in current year
b)	Debt Equity Ratio	Net Debt	Equity	0.03	0.18	(82.67%)	Reduction in Debt from last year due to repayment
c)	Debt Service Coverage Ratio (DSCR)	EBDITA	Total Debt	0.46	0.19	140.22%	Reduction in Debt from last year due to repayment
d)	Return of Equity	Profit after Tax	Average Net worth	1.16%	2.74%	(57.51%)	Reduction of average net worth in current year due to Buy Back of equity shares
e)	Inventory Turnover ratio	COGS	Average Inventory	0.61	0.40	54.26%	Reduction in average inventory due to revenue recognition in current year
f)	Trade Receivables turnover ratio	Revenue from Operations	Trade Receivables (Average)	14.92	9.25	61.31%	Increased collection in current year as compared to previous year resulting in lower average trade receivables
g)	Trade Payable turnover ratio	COGS	Average Trade payable	6.10	3.93	55.18%	Average payables have reduced in current year due to completion of construction of tower
h)	Net capital turnover ratio	Revenue from Operations	Average Working Capital	0.64	0.57	13.26%	–
i)	Net profit ratio	Profit after Tax	Revenue from Operations	1.85%	4.86%	(61.86%)	Lower margins due to increase in employee benefits expense and other expenses in current year as compared to previous year
j)	Return on Capital employed	Profit before Interest & Tax	Capital employed	0.87%	1.14%	(23.83%)	–

Schedule III require explanation where the change in the ratio is more than 25% as compared to the preceding year. Accordingly explanation is given only for the said ratios.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

36. Expenditure on Corporate Social Responsibility (CSR)

Gross Amount required to be spent by the company for the year ended 31st March, 2022 (as certified by the Company) : Rs. NIL Lakhs (Previous Year Rs. Nil Lakhs)

37. Additional regulatory information

a) Details of benami property held

No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

b) Relationship with struck off companies

The Company does not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

c) Wilful defaulter

The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

d) Utilisation of borrowed funds and securities premium

The Company has not advanced or loaned or invested funds to any other persons or entities, including foreign entities (Intermediaries) with the understanding that the Intermediary shall (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or (b) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries

The Company has not received any fund from any persons or entities, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or (b) provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

e) Undisclosed income

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

f) Details of crypto currency or virtual currency

The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.

g) Registration of Charges or satisfaction with Registrar of Companies (ROC)

There are no charges or satisfaction which are yet to be registered with the Registrar of Companies beyond the statutory period

h) Whistle Blower-

During the year ended March 31, 2022 and till the date of adoption of financial statements by board of directors, the Company did not received any whistle blower compliants.

38. Discrepancies between books of accounts & quarterly statements submitted to banks

The company is required to submit quarterly unaudited financial results and unhedged foreign currency exposures. Further as part of additional covenants, the Company is required to submit various other requirments on annual basis (end use certificates, Debt-equity certificate, LEI etc.). The Company has duly complied with all the requirements of providing data/certificates in relation to various covenants with the banks and the information provided is in agreement with the books of accounts during the year ended March 31, 2022.

39. Events after the reporting period

No material events have occurred after the Balance Sheet date and upto the approval of the Financial Statements

40. Previous Year Figures

The figures for the previous year have been regrouped wherever necessary to confirm to current year's grouping.

For and on behalf of the Board of Directors of
Mahindra Homes Private Limited

Arvind Subramanian		**Vimal Agarwal**	
DIN No. 02551935		*DIN No. 07296320*	
Place:	*Mumbai*	*Place:*	*Mumbai*
Date:	*April 21, 2022*	*Date:*	*April 21, 2022*

INDEPENDENT AUDITOR'S REPORT

To the Members of Mahindra Happinest Developers Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Mahindra Happinest Developers Limited ("the Company"), which comprise the Balance Sheet as at 31st March 2022, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2022, and its loss, total comprehensive loss, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's report, but does not include the financial statements and our auditor's report thereon.

- Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon
- In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion

on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report, that:

    a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

    b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

    c. The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.

    d. In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.

    e. On the basis of the written representations received from the directors as on 31st March 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2022 from being appointed as a director in terms of Section 164(2) of the Act.

    f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

    g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the Company has not paid or provided any managerial remuneration during the year hence compliance with provisions of section 197, read with Schedule V of the Act are not applicable to the company.

    h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

        i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements.

        ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

        iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

        iv. (a) The Management has represented that, to the best of it's knowledge and belief, other than as disclosed in the notes to the accounts no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

        (b) The Management has represented, that, to the best of it's knowledge and belief, other than as disclosed in the notes to accounts, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c) Based on the audit procedures that has been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. The company has not declared or paid any dividend during the year and has not proposed final dividend for the year.

2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
Firm's Registration No. 117366W/W-100018

Ketan Vora
Partner
Membership No. 100459
UDIN: 22100459AHOGSZ2921

Place: Mumbai
Date: 21st April 2022

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Mahindra Happinest Developers Limited ("the Company") as of 31st March 2022 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2022, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
Firm's Registration No. 117366W/W-100018

Ketan Vora
Partner
Membership No. 100459
UDIN: 22100459AHOGSZ2921

Place: Mumbai
Date: 21st April 2022

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the members of Mahindra Happinest Developers Limited of even date)

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) Some of the Property, Plant and Equipment were physically verified during the year by the Management in accordance with a programme of verification, which in our opinion provides for physical verification of all the Property, Plant and Equipment at reasonable intervals having regard to the size of the Company and the nature of its activities. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us, the Company does not have any immovable properties of freehold or leasehold land and building other than sales and project office and sales gallery, temporarily constructed at project sites and capitalized as Buildings, hence reporting under clause 3(i)(c) of the Order is not applicable.

(d) The Company has not revalued any of its property, plant and equipment and intangible assets during the year.

(e) No proceedings have been initiated during the year or are pending against the Company as at 31st March 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

(ii) (a) Having regard to the nature of inventory, the physical verification by way of verification of title deeds, site visits by the Management and certification of extent of work completion by competent persons, are at reasonable intervals. In our opinion and according to the information and explanations given to us, the coverage and procedure of such verification by the Management is appropriate having regard to the size of the Company and nature of its operations. For stock of raw materials held with third parties at the year-end, written confirmations have been obtained. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories when compared with books of account.

(b) According to the information and explanations given to us, the Company has been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate, at points of time during the year, from bank or financial institution on the basis of security of current assets. In our opinion and according to the information and explanations given to us, the quarterly statements comprising raw material, construction work in progress, finished goods, debtors and creditors filed by the Company with such bank are in agreement with the unaudited books of account of the Company of the respective quarters ended 30th June 2021, 30th September 2021 and 31st December 2021 and no material discrepancies have been observed. The Company is yet to submit the statement for the quarter ended 31st March 2022 with the bank.

(iii) The Company has not made any investments in, provided any guarantee or security, and granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year, and hence reporting under clause 3 (iii) of the Order is not applicable.

(iv) According to information and explanation given to us, the Company has not granted any loans, made investments or provided guarantees or securities that are covered under the provisions of sections 185 of the Companies Act, 2013, and provisions of Section 186 of the Companies Act, 2013 are not applicable to the Company, being a Company engaged in the business of providing infrastructure facilities, hence reporting under clause 3(iv) of the Order is not applicable.

(v) The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause 3(v) of the Order is not applicable.

(vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the books of account maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended, prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained by the Company. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) In respect of statutory dues:

(a) Undisputed statutory dues, including Goods and Service tax, Provident Fund, Employees' State Insurance Fund, Income-tax, Sales Tax, duty of Customs, Service Tax, Value Added Tax, cess and other material statutory dues applicable to the Company have generally been regularly deposited by it with the appropriate authorities.

There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Income-tax, Sales Tax, Service Tax, duty of Custom, Value Added Tax, cess and other material statutory dues in arrears as at 31 March 2022 for a period of more than six months from the date they became payable.

(b) There are no dues of Income-tax and Goods and Service tax which have not been deposited as on 31st March 2022 on account of disputes.

(viii) There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.

(ix) (a) In our opinion, the Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.

(b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) The Company has not taken any term loan during the year and there are no unutilised term loans at the beginning of the year and hence, reporting under clause 3(ix)(c) of the Order is not applicable.

(d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.

(e) The Company did not have any subsidiary or associate or joint venture during the year and hence, reporting under clause 3(ix)(e) of the Order is not applicable.

(f) The Company does not have any subsidiary or associate or joint venture and hence, reporting under clause 3(ix)(f) of the Order is not applicable.

(x) (a) The Company has not issued any of its securities (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.

(b) During the year the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally convertible) and hence reporting under clause 3(x)(b) of the Order is not applicable to the Company.

(xi) (a) To the best of our knowledge, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

(b) To the best of our knowledge, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.

(c) As represented to us by the Management, there were no whistle blower complaints received by the Company during the year.

(xii) The Company is not a Nidhi Company and hence reporting under clause 3(xii) of the Order is not applicable.

(xiii) According to the information and explanations given to us, in terms of Rule 4 of the Companies (Appointment and qualification of Directors) Rules, 2014 read with Rule 6 of the Companies (Meetings of Board and its Powers) Rules, 2014, provisions of Section 177 of the Act are not applicable to the Company.

In our opinion, the Company is in compliance with section 188 of the Companies Act for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.

(xiv) (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.

(b) We have considered, the internal audit reports issued to the Company during the year and covering the period upto January 2022 for the period under audit.

(xv) In our opinion during the year the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.

(xvi) (d) The Group has more than one Core Investment Company (CIC) as part of the group. There are six CIC forming part of the group.

(xvii) The Company has not incurred any cash losses in the financial year covered by our audit but had incurred cash losses amounting to Rs. 50.26 Lakh in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors of the Company during the year.

(xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) The Company was not having net worth of rupees five hundred crore or more, or turnover of rupees one thousand crore or more or a net profit of rupees five crore or more during the immediately preceding financial year and hence, provisions of Section 135 of the Act are not applicable to the Company during the year. Accordingly, reporting under clause 3(xx) of the Order is not applicable for the year.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
Firm's Registration No. 117366W/W-100018

Ketan Vora
Partner
Membership No. 100459
UDIN: 22100459AHOGSZ2921

Place: Mumbai
Date: 21st April 2022

BALANCE SHEET AS AT 31st MARCH, 2022

(Rs. in Lakh)

	Particulars	Note No.	As at 31st March, 2022	As at 31st March, 2021
	ASSETS			
I	**Non-Current Assets**			
	(a) Property, Plant and Equipment	3 & 3A	**159.17**	362.89
	(b) Intangible Assets	4	**12.72**	23.54
	(c) Financial Assets			
	Other Financial Assets	5	**4.44**	217.48
	(d) Deferred Tax Assets (Net)	6	**1,113.21**	1,158.26
	Total Non-Current Assets		**1,289.54**	1,762.17
II	**Current Assets**			
	(a) Inventories	7	**31,550.38**	26,652.95
	(b) Financial Assets			
	(i) Trade Receivables	8	**2,289.84**	4,262.80
	(ii) Cash and Cash Equivalents	9	**4,096.24**	4,940.44
	(iii) Bank Balances other than (ii) above	9	**190.20**	1,651.15
	(iv) Other Financial Assets	10	**65.40**	36.50
	(c) Other Current Assets	11	**1,450.77**	1,996.68
	Total Current Assets		**39,642.83**	39,540.52
	Total Assets (I+II)		**40,932.37**	41,302.69
	EQUITY AND LIABILITIES			
I	**Equity**			
	(a) Equity Share Capital	12	**10.00**	10.00
	(b) Other Equity	13	**(3,823.68)**	(3,689.73)
	Total Equity		**(3,813.68)**	(3,679.73)
	Liabilities			
II	**Non-Current Liabilities**			
	(a) Financial Liabilities			
	Borrowings	14	**3,578.80**	14,026.57
	(b) Provisions	15	**27.32**	31.88
	Total Non-Current Liabilities		**3,606.12**	14,058.45
III	**Current Liabilities**			
	(a) Financial Liabilities			
	(i) Borrowings	16	**4,996.19**	3,000.00
	(ii) Trade Payables:	17		
	Total outstanding dues of micro enterprises and small enterprises and....		**107.41**	50.14
	Total outstanding dues of creditors other than micro enterprises and small enterprises		**1,992.72**	1,203.35
	(b) Other Current Liabilities	18	**33,993.30**	26,646.92
	(c) Provisions	15	**50.31**	23.56
	Total Current Liabilities		**41,139.93**	30,923.97
	Total Equity and Liabilities (I+II+III)		**40,932.37**	41,302.69
	Summary of Significant Accounting Policies	2		

The accompanying notes 1 to 41 are an integral part of these financial statements.

As per our report of even date attached
For Deloitte Haskins & Sells LLP
Chartered Accountants
Firm's Registration No: 117366W/W-100018

Ketan Vora
Partner
Membership No - 100459
Place: Mumbai
Date: 21st April, 2022

For and on behalf of the Board of Directors of
Mahindra Happinest Developers Limited

Arvind Subramanian
Director
DIN - 02551935
Place: Mumbai
Date: 21st April, 2022

Vimal Agarwal
Director
DIN - 07296320

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2022

(Rs. in Lakh)

	Particulars	Note No.	For the year ended 31st March, 2022	For the year ended 31st March, 2021
	Income			
I	Revenue from Operations	19	**6,808.97**	4,849.18
II	Other Income	20	**269.87**	238.22
III	**Total Income (I+II)**		**7,078.84**	5,087.40
	Expenses			
	Construction Expenses Incurred	21A	**10,463.03**	7,097.23
	Changes in Inventories of Raw Material, Work-in-Progress and Finished Goods	21B	**(4,897.43)**	(3,228.65)
	Operating Expense	21C	**129.25**	89.26
	Employee Benefits Expense	22	**86.70**	364.56
	Finance Costs	23	**62.24**	127.00
	Depreciation and Amortisation Expense	3 & 4	**222.37**	177.69
	Other Expenses	24	**1,108.61**	1,798.45
IV	**Total Expenses**		**7,174.77**	6,425.54
V	**Loss Before Tax (III- IV)**		**(95.93)**	(1,338.14)
	Tax Expense			
	Current Tax		**–**	–
	Deferred Tax	25 (a)	**43.00**	–
VI	**Total Tax Expense**		**43.00**	–
VII	**Loss After Tax (V- VI)**		**(138.93)**	(1,338.14)
	Other Comprehensive Income			
	Items that will not be reclassified to profit or loss			
	Remeasurements of the defined benefit plans	29	**7.03**	8.72
	Income tax relating to Items that will not be reclassified to profit or loss	25 (b)	**(2.05)**	(2.54)
VIII	**Total Other Comprehensive Income for the year**		**4.98**	6.18
IX	**Total Comprehensive Loss for the year**		**(133.95)**	(1,331.96)
X	**Earnings per Equity Share [Face value of Rs 10 each]**	26		
	Basic (in Rs.)		**(138.93)**	(1,338.14)
	Diluted (in Rs.)		**(138.93)**	(1,338.14)
	Summary of Significant Accounting Policies	2		

The accompanying notes 1 to 41 are an integral part of these financial statements.

As per our report of even date attached
For Deloitte Haskins & Sells LLP
Chartered Accountants
Firm's Registration No: 117366W/W-100018

Ketan Vora
Partner
Membership No - 100459
Place: Mumbai
Date: 21st April, 2022

For and on behalf of the Board of Directors of
Mahindra Happinest Developers Limited

Arvind Subramanian
Director
DIN - 02551935
Place: Mumbai
Date: 21st April, 2022

Vimal Agarwal
Director
DIN - 07296320

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31st MARCH, 2022

(Rs. in Lakh)

Particulars	**For the year ended 31st March, 2022**	For the year ended 31st March, 2021
Cash flows from operating activities		
Loss before Tax	**(95.93)**	(1,338.14)
Adjustments for:		
Depreciation and Amortisation Expense	**222.37**	177.69
Finance Costs	**62.24**	127.00
Loss on Sale of Property, Plant and Equipment	**–**	13.34
Interest Income	**(215.93)**	(173.38)
Net loss arising on financial liabilities designated at Fair Value through Profit or Loss (FVTPL)	**467.08**	1,110.19
Operating Loss before working capital changes	**439.83**	(83.30)
Changes in:		
Increase in Trade and Other payables	**8,222.24**	15,749.84
(Increase)/Decrease in Trade and Other receivables	**2,527.61**	(4,137.81)
Increase in Inventories	**(4,355.50)**	(2,581.15)
Cash generated from operations	**6,834.18**	8,947.58
Income Taxes paid (net of refund)	**(9.16)**	(14.21)
Net cash generated from Operating activities (A)	**6,825.02**	8,933.37
Cash flows from Investing activities		
Payment to acquire Property, Plant and Equipment	**(7.83)**	(37.19)
Proceeds from disposal of Property, Plant and Equipment	**–**	11.63
Changes in earmarked balances and margin accounts with banks	**(1.87)**	(0.05)
Interest received	**213.51**	149.51
Bank Deposit (net)	**1,649.80**	(1,650.00)
Net cash generated from/(used) in Investing activities (B)	**1,853.61**	(1,526.10)
Cash flows from Financing activities		
Repayment of Borrowings	**(8,435.25)**	(3,065.47)
Interest Paid	**(1,087.57)**	(757.44)
Payment of lease Liabilities	**–**	(18.12)
Net cash flow used in Financing activities (C)	**(9,522.82)**	(3,841.03)

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31st MARCH, 2022 (COUNT.)

(Rs. in Lakh)

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Net (decrease)/increase in cash and cash equivalents (A + B + C)	**(844.19)**	3,566.24
Cash and cash equivalents at the beginning of the year	**4,940.43**	1,374.19
Cash and cash equivalents at the end of the year	**4,096.24**	4,940.43

Summary of Significant Accounting Policies (Refer note 2)

Notes:

1. The above cash flow statement has been prepared under the 'Indirect method' as set out in Indian Accounting Standard (Ind AS) 7- Statement of Cash Flows.
2. Also refer note 9- Cash and cash equivalents

The accompanying notes 1 to 41 are an integral part of these financial statements.

As per our report of even date attached
For Deloitte Haskins & Sells LLP
Chartered Accountants
Firm's Registration No: 117366W/W-100018

Ketan Vora
Partner
Membership No - 100459
Place: Mumbai
Date: 21st April, 2022

For and on behalf of the Board of Directors of
Mahindra Happinest Developers Limited

Arvind Subramanian
Director
DIN - 02551935
Place: Mumbai
Date: 21st April, 2022

Vimal Agarwal
Director
DIN - 07296320

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31st MARCH, 2022

A. Equity Share Capital

(Rs. in Lakh)

Particulars	Note No	As at 31st March, 2022	As at 31st March, 2021
Balance at the beginning of the year	12	**10.00**	10.00
Add: Issue of equity shares	12	**–**	–
Balance at the end of the year		**10.00**	10.00

B. Other Equity

(Rs. in Lakh)

	Retained Earnings	Total
As at 31st March, 2020	**(2,357.77)**	(2,357.77)
Loss for the year	**(1,338.14)**	(1,338.14)
Other Comprehensive Income net of taxes*	**6.18**	6.18
Total Comprehensive Loss for the year	**(1,331.96)**	(1,331.96)
As at 31st March, 2021	**(3,689.73)**	**(3,689.73)**
Loss for the year	**(138.93)**	(138.93)
Other Comprehensive Income net of taxes*	**4.98**	4.98
Total Comprehensive Loss for the year	**(133.95)**	(133.94)
As at 31st March, 2022	**(3,823.68)**	**(3,823.68)**

* Remeasurement gains, net of taxes on defined benefit plans during the year is recognised as part of retained earnings

Summary of Significant Accounting Policies (Refer note 2)

The accompanying notes 1 to 41 are an integral part of these financial statements.

As per our report of even date attached
For Deloitte Haskins & Sells LLP
Chartered Accountants
Firm's Registration No: 117366W/W-100018

Ketan Vora
Partner
Membership No - 100459
Place: Mumbai
Date: 21st April, 2022

For and on behalf of the Board of Directors of
Mahindra Happinest Developers Limited

Arvind Subramanian
Director
DIN - 02551935
Place: Mumbai
Date: 21st April, 2022

Vimal Agarwal
Director
DIN - 07296320

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH, 2022

1. General Information

Mahindra Happinest Developers Limited ("The Company") (Formerly known as Mahindra Happinest Developers Private Limited) was incorporated on 6th September, 2017 under the provisions of the Companies Act,2013. It was converted to a public limited company on 26th September, 2017.

The registered office of the company is located at 5th Floor, Mahindra Tower, Worli, Mumbai – 400018. The company is engaged in the business of development of residential complexes. The company is currently engaged in development of residential projects in Palghar and Kalyan near Mumbai.

2. Significant Accounting Policies

2.1 Statement of compliance and basis of preparation and presentation

The Financial Statements of the Company have been prepared in accordance with the Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under section 133 of the Companies Act, 2013 (the Act) and other relevant provision of the act. The aforesaid financial statements have been approved by the Company's Board of Directors and authorised for issue in the meeting held on 21st April, 2022. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

2.2 Basis of measurement

These financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

2.3 Measurement of Fair Values

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such basis, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 : Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at the measurement date;
- Level 2 : Inputs other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 : Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

2.4 Revenue from contracts with customers

2.4.1 Revenue from Projects

i. The Company develops and sells residential and commercial properties. Revenue from contracts is recognised when control over the property has been transferred to the customer. An enforceable right to payment does not arise until the development of the property is completed. Therefore, revenue is recognised at a point in time when the legal title has passed to the customer and the development of the property is completed i.e. Completed contract method of accounting as per IND AS 115 when (a) the seller has transferred to the buyer all significant risks and rewards of ownership and the seller retains no effective control of the real estate to a degree usually associated with ownership, (b) The seller has effectively handed over possession of the real estate unit to the buyer forming part of the transaction; (c) No significant uncertainty exists regarding the amount of consideration that will be derived from real estate sales; and (d) It is not unreasonable to expect ultimate collection of revenue from buyers. The revenue is measured at the transaction price agreed under the contract.

ii. The Company invoices the customers for construction contracts based on achieving performance-related milestones.

iii. For certain contracts involving the sale of property under development, the Company offers deferred payment schemes to its customers. The Company adjusts the transaction price for the effects of the significant financing component.

iv. Costs to obtain contracts ("Contract costs") relate to fees paid for obtaining property sales contracts. Such costs are recognised as assets when incurred and amortised upon recognition of revenue from the related property sale contract.

2.4.2 Dividend and interest income

Dividend income from investment in mutual funds is recognised when the unit holder's right to receive payment has been established

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

2.5 Current versus non-current classification

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents.

Based on the nature of activity carried out by the company and the period between the procurement and realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 5 years for the purpose of Current – Non Current classification of assets & liabilities.

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

Deferred tax asset and liabilities are classified as non-current asset and liabilities.

Borrowings and investment are classified as current if they are due to be settled within 12 months after the reporting period.

2.6 Leasing

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. The Company revises the lease term if there is a change in the non-cancellable period of a lease.

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

2.6.1 The Company as a Lessee

The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. For leases with reasonably similar characteristics, the Company, on a lease by lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The company recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and statement of profit and loss depending upon the nature of modification. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the re-measurement in statement of profit and loss.

The Company has elected not to apply the requirements of Ind AS 116 Leases to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

2.7 Employee Benefits

2.7.1 Defined Contribution Plan

The Company's contribution paid/payable during the year to Provident Fund and Superannuation Fund is recognised in profit or loss.

2.7.2 Defined Benefit Plan

The liability or assets recognised in the Balance Sheet in respect of defined benefit gratuity plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of the plan assets. The defined benefit obligation is calculated by actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows with reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in the employee benefit expenses in the Statement of Profit and Loss.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in Statement of Profit and Loss as past service cost.

2.7.3 Remeasurement gains/losses

Remeasurement of defined benefit plans, comprising of actuarial gains or losses, return on plan assets excluding interest income are recognised immediately in balance sheet with corresponding debit or credit to other comprehensive income. Remeasurements are not reclassified to profit or loss in subsequent period. They are included in Retained Earnings in the Statement of Changes in Equity and in the Balance Sheet.

Remeasurement gains or losses on long term compensated absences that are classified as other long term benefits are recognised in profit or loss.

2.7.4 Short-term and other long-term employee benefits:

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

The cost of short-term compensated absences is accounted as under:

(a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and

(b) in case of non-accumulating compensated absences, when the absences occur.

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised as a liability at the present value of expected future payments to be made in respect of services provided by employees up the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in Statement of Profit and Loss.

2.8 Cash and Cash Equivalents

Cash and cash equivalent in the Balance sheet comprise cash at banks and cash on hand and short-term deposits with an original maturity of three months or less, which are subject to insignificant risk of changes in value.

2.9 Earnings per share

The Company reports basic and diluted earnings per share in accordance with Ind AS - 33 on 'Earnings per Share'. Basic earnings per share is computed by dividing the net profit or loss for the year by the weighted average number of Equity shares outstanding during the year. Diluted earnings per share is computed by dividing the net profit or loss for the year by the weighted average number of equity shares outstanding during the year as adjusted for the effects of all diluted potential equity shares except where the results are anti- dilutive.

2.10 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

2.11 Income Taxes

Income Tax expense represents the sum of tax currently payable and deferred tax

2.11.1 Current tax

Current tax is determined as the amount of tax payable in respect of taxable income for the year. The Company's current tax is calculated using tax rate that has been enacted or substantially enacted by the end of the reporting period.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognized as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company.

2.11.2 Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

2.11.3 Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

2.12 Property, plant and equipment

Buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses.

Furniture & Fixtures and Office equipment's are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Depreciation on tangible fixed assets has been provided on pro-rata basis, on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except for certain assets as indicated below:

Lease hold improvements are amortised over the period of lease/estimated period of lease.

Vehicles used by employees are depreciated over the period of 4 years considering this period as the useful life of the vehicle for the Company.

Sales office and the sample flat/ show unit cost at site is amortised over 5 years or the duration of the project (as estimated by management) whichever is lower.

Fixed Assets held for disposal are valued at estimated net realizable value.

2.13 Intangible Assets

2.13.1 Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

2.13.2 Derecognition of Intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in profit or loss when the asset is derecognised.

2.13.3 Useful lives of Intangible assets

Estimated useful lives of the intangible assets are as follows:

Software 3 years

2.14 Impairment of tangible and intangible assets other than goodwill

At the end of each reporting period, the Company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount, which is the higher of the value in use or fair value less cost to sell, of the asset or cash generating unit, as the case may be, is estimated and the impairment loss (if any) is recognised and the carrying amount is reduced to its recoverable amount. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

2.15 Inventories

Inventories are stated at lower of cost and net realisable value. The cost of construction material is determined on the basis of weighted average method. Construction Work-in-Progress includes cost of land, construction costs and allocated interest & manpower costs and expenses incidental to the projects undertaken by the Company.

2.16 Cost of Construction / Development:

Cost of Construction/Development (including cost of land) incurred is charged to the statement of profit and loss proportionate to project area sold. Costs incurred for projects which have not received Occupancy/ Completion Certificate is carried over as construction work-in-progress. Costs incurred for projects which have received Occupancy/Completion Certificate is carried over as Completed.

2.17 Provisions and contingent liabilities

2.17.1 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably. Provisions and contingent liabilities are reviewed at each Balance Sheet date.

2.17.2 Onerous contracts

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Company has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

2.17.3 Contingent liabilities

Contingent liability is disclosed in case of:

a) a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation; and

b) a present obligation arising from past events, when no reliable estimate is possible.

2.18 Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

2.18.1 Classification and subsequent measurement

2.18.1.1 Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace. All recognised financial assets are subsequently measured at either amortised cost or fair value depending on their respective classification.

On initial recognition, a financial asset is classified as - measured at:

– Amortised cost; or

– Fair Value through Profit or Loss (FVTPL)

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

All financial assets not classified as measured at amortised cost or FVTOCI are measured at FVTPL.

Financial assets at amortised cost are subsequently measured at amortised cost using effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain and loss on derecognition is recognised in profit or loss.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Financial assets at FVTPL are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

2.18.1.2 Financial liabilities and equity instruments

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments issued by the Company is recognised at the proceeds received, net of directly attributable transaction costs.

Financial liabilities

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading or it is a derivative (that does not meet hedge accounting requirements) or it is designated as such on initial recognition. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

2.18.1.3 Compound financial instruments

The component parts of compound financial instruments (convertible notes) issued by the Company are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. A conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is an equity instrument.

At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recognised as a liability on an amortised cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date.

The conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound financial instrument as a whole. This is recognised and included in equity, net of income tax effects, and is not subsequently remeasured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised, in which case, the balance recognised in equity will be transferred to other component of equity. When the conversion option remains unexercised at the maturity date of the convertible note, the balance recognised in equity will be transferred to retained earnings. No gain or loss is recognised in profit or loss upon conversion or expiration of the conversion option.

Transaction costs that relate to the issue of the convertible notes are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are recognised directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component and are amortised over the lives of the convertible notes using the effective interest method.

2.18.2 Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

2.18.3 Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

2.18.4 Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when and only when, the Company currently has legally enforceable rights to set off the amount and it intended either to settle them on a net basis or to realise the assets and settle liability simultaneously.

2A. Use estimates and judgement

In the application of the Company's accounting policies, which are described in note 2, the management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only the period of the revision and future periods if the revision affects both current and future periods.

Key sources of estimation uncertainty

In the process of applying the Company's accounting policies, management has made the following judgements based on estimates and assumptions, which have the significant effect on the amounts recognised in the financial statements:

A. Useful lives of property, plant and equipment

The Company reviews the useful life of depreciable/amortisable assets at the end of each reporting period. This re-assessment may result in change in depreciation expense in future periods.

B. Fair value measurements and valuation processes

Some of the Company's assets and liabilities are measured at fair value for financial reporting purposes. In estimating the fair value of an asset or a liability, the Company uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

Company engages third party valuers, where required, to perform the valuation. Information about the valuation techniques and inputs used in determining the fair value of various assets, liabilities and share based payments are disclosed in the notes to the financial statements.

C. Actuarial Valuation

The determination of Company's liability towards defined benefit obligation to employees is made through independent actuarial valuation including determination of amounts to be recognised in the Statement of Profit and Loss and in other comprehensive income. Such valuation depends upon assumptions determined after taking into account inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market. Information about such valuation is provided in notes to the financial statements.

D. Taxes

Deferred tax assets are recognised for temporary differences to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

E. Determining the timing of revenue recognition on the sale of completed and under development property

The Company has generally evaluated and concluded that based on a careful analysis of the rights and obligations under the terms of the contracts relating to the sale of property, the revenue is to be recognised at a point in time when control transfers which coincides with receipt of Occupation Certificate. The Company has generally concluded that the over time criteria are not met owing to non-enforceable right to payment for performance completed to date and, therefore, recognises revenue at a point in time, when control transfers which coincides with receipt of Occupation Certificate.

F. Determination of performance obligations

With respect to the sale of property, the Company has concluded that the goods and services transferred in each contract constitute a single performance obligation. In particular, the promised goods and services in contracts for the sale of property is to undertake development of property and obtaining the Occupation Certificate. Generally, the Company is responsible for all these goods and services and the overall management of the project. Although these goods and services are capable of being distinct, the Company accounts for them as a single performance obligation because they are not distinct in the context of the contract.

3. Property, Plant and Equipment

(Rs. in Lakh)

Description of Assets	Leasehold Improvements	Office equipments	Furniture and fixtures	Computers	Building	Vehicles	Total
I. Gross Carrying Amount							
Balance as at 1st April, 2021	–	73.77	186.30	67.35	227.06	22.74	577.22
Additions during the year	–	2.69	0.41	4.73	–	–	7.83
Deductions during the year	–	–	–	–	–	–	–
Balance as at 31st March, 2022	**–**	**76.46**	**186.71**	**72.08**	**227.06**	**22.74**	**585.05**
II. Accumulated depreciation							
Balance as at 1st April, 2021	–	30.55	66.12	30.42	78.80	8.44	214.33
Depreciation expense for the year	–	13.09	45.55	15.95	131.27	5.69	211.55
Deductions during the year	–	–	–	–	–	–	–
Balance as at 31st March, 2022	**–**	**43.64**	**111.67**	**46.37**	**210.07**	**14.13**	**425.88**
III. Net carrying amount (I-II)	**–**	**32.82**	**75.04**	**25.71**	**16.99**	**8.61**	**159.17**

(Rs. in Lakh)

Description of Assets	Leasehold Improvements	Office equipments	Furniture and fixtures	Computers	Building	Vehicles	Total
I. Gross Carrying Amount							
Balance as at 1st April, 2020	20.12	84.69	193.03	58.16	238.86	22.74	617.60
Additions during the year	–	2.80	0.67	9.19	–	–	12.66
Deductions during the year	(20.12)	(13.72)	(7.40)	–	(11.80)	–	(53.04)
Balance as at 31st Mar 2021	**–**	**73.77**	**186.30**	**67.35**	**227.06**	**22.74**	**577.22**
II. Accumulated depreciation							
Balance as at 1st April, 2020	11.72	17.56	24.10	13.62	20.80	2.75	90.55
Depreciation expense for the year	3.03	21.97	46.36	16.80	58.00	5.69	151.85
Deductions/Adjustments during the year	(14.75)	(8.98)	(4.34)	–	–	–	(28.07)
Balance as at 31st Mar 2021	**–**	**30.55**	**66.12**	**30.42**	**78.80**	**8.44**	**214.33**
III. Net carrying amount (I-II)	**–**	**43.22**	**120.18**	**36.93**	**148.26**	**14.30**	**362.89**

3A. Right of use assets

(Rs. in Lakh)

Description of Assets	As at 31st March, 2022	As at 31st March, 2021
	Buildings	Buildings
I. Gross Carrying Amount		
Balance as at 1st April	**–**	331.38
Additions during the year	**–**	–
Deductions during the year	**–**	(331.38)
Balance as at 31st March	**–**	–
II. Accumulated depreciation		
Balance as at 1st April	**–**	175.85
Amortisation expense for the year	**–**	17.94
Deductions during the year	**–**	(193.79)
Balance as at 31st March	**–**	–
III. Net carrying amount (I-II)	**–**	–

4. Intangible Assets

(Rs. in Lakh)

Description of Assets	As at 31st March, 2022	As at 31st March, 2021
	Software	Software
I. Gross Carrying Amount		
Balance as at 1st April	**32.45**	7.92
Additions during the year	**–**	24.53
Deductions during the year	**–**	–
Balance as at 31st March	**32.45**	32.45
II. Accumulated depreciation		
Balance as at 1st April	**8.91**	1.01
Amortisation expense for the year	**10.82**	7.90
Deductions during the year	**–**	–
Balance as at 31st March	**19.73**	8.91
III. Net carrying amount (I-II)	**12.72**	23.54

5. Other Non-Current Financial assets

(Rs. in Lakh)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Financial Assets at amortised cost		
Bank deposit towards margin money	**4.22**	191.20
Accrued interest	**0.22**	26.28
Total	**4.44**	217.48

6. Deferred Tax Assets (Net)

(Rs. in Lakh)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Deferred Tax Assets	**1,113.21**	1,158.26
Total	**1,113.21**	1,158.26

Deferred Tax assets/(liabilities) in relation to:

(Rs. in Lakh)

Particulars	Opening Balance as at 1st April, 2021	Recognised in Statement of Profit and Loss	Recognised in Other Comprehensive Income	Closing Balance as at 31st March, 2022
Fiscal allowance on Property, Plant and Equipment and Intangible Assets	18.00	45.71	–	**63.71**
Provision for Employee Benefits	7.09	1.50	(2.05)	**6.54**
Disallowance u/s 43(B) of the Income tax Act, 1961	25.35	(0.01)	–	**25.34**
Carried forward Business Loss	1,043.23	(25.61)	–	**1,017.62**
Other Temporary differences	64.59	(64.59)	–	**–**
Total	**1,158.26**	**(43.00)**	**(2.05)**	**1,113.21**

(Rs. in Lakh)

Particulars	Opening Balance as at 1st April, 2020	Recognised in Statement of Profit and Loss	Recognised in Other Comprehensive Income	Closing Balance as at 31st March, 2021
Fiscal allowance on Property, Plant and Equipment and Intangible Assets	6.26	11.74	–	**18.00**
Provision for Employee Benefits	1.84	7.79	(2.54)	**7.09**
Disallowance u/s 43(B) of the Income tax Act, 1961	21.92	3.43	–	**25.35**
Carried forward Business Loss	777.04	266.19	–	**1,043.23**
Other Temporary differences	353.74	(289.15)	–	**64.59**
Total	**1,160.80**	**–**	**(2.54)**	**1,158.26**

7. Inventories (at lower of cost and net realisable value)

(Rs. in Lakh)

Particulars (Refer note (b) and (c))	As at 31st March, 2022	As at 31st March, 2021
Raw Materials	**284.48**	662.67
Construction work-in-progress (Refer note (b) and (c))	**29,385.20**	25,420.05
Finished Goods	**1,880.70**	570.23
Total	**31,550.38**	26,652.95

a) Construction Work in Progress represents materials at site and cost of actual work incurred on the projects.

b) Based on projections and estimates by the Company of the expected revenues and costs to completion, provision for losses to completion and/ or write off of costs carried to inventory are made on projects where the expected revenues are lower than the estimated costs to completion. In the opinion of the management, the net realisable value of the construction work in progress will not be lower than the costs so included therein.

c) The Company has availed term loan, which is secured by hypothecation of inventories of Palghar Project and the Company has availed overdraft facility, which is secured by hypothecation of inventories of Kalyan Project (except land).

8. Trade Receivables

Particulars	As at 31st March, 2022	As at 31st March, 2021
Unsecured Considered Good	**2,289.84**	4,262.80
Total	**2,289.84**	**4,262.80**

Refer Note 30 for disclosures related to credit risk and related financial instrument disclosures.

Ageing for trade receivables from the due date of payment for each of the category is as follows:

Particulars	As at 31st March, 2022	As at 31st March, 2021
Undisputed Trade Receivable - Considered good - unsecured	**2,289.84**	4,262.80
Not Due	**925.17**	2,399.62
0 months - 6 months	**1,239.68**	1,700.19
6 months -1 year	**58.52**	137.66
1-2 Years	**58.03**	24.64
2-3 years	**8.44**	0.69
More than 3 years	**–**	–
Undisputed Trade Receivable - Credit impaired	**–**	–
Disputed Trade Receivables- which have significant increase in credit risk	**–**	–
Disputed Trade Receivables- credit impaired	**–**	–
Total	**2,289.84**	4,262.80

9. Cash and bank balances

(Rs. in Lakh)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Cash and cash equivalents		
Balances with banks:		
(i) On current accounts	**1,459.51**	684.88
(ii) Fixed Deposits with Original maturity of less than 3 months	**2,636.73**	4,255.56
Total Cash and cash equivalent (considered in Statement of Cash Flows)	**4,096.24**	4,940.44
Bank Balances other than Cash and cash equivalents		
Balances with Banks:		
(i) Towards margin money	**190.00**	1.15
(ii) Fixed Deposits with original maturity greater than 3 months	**0.20**	1,650.00
Total Other Bank balances	**190.20**	1,651.15

10. Other Financial Assets - Current

(Rs. in Lakh)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Financial assets at amortised cost		
Unsecured, considered good unless stated otherwise		
Interest accrued on fixed deposit	**44.70**	16.22
Security Deposits	**20.70**	20.28
Total	**65.40**	36.50

11. Other Current Assets

(Rs. in Lakh)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Advances other than capital advances:		
Balances with government authorities (Other than income taxes)	**58.13**	423.84
Income Tax Assets	**26.23**	17.07
Prepaid Expenses	**1,235.44**	1,069.84
Other Advances#	**130.97**	485.93
Total	**1,450.77**	1,996.68

#Other Advances mainly include project advances given to vendors.

12. Equity Share capital

(Rs. in Lakh)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Authorised:		
100,000 Equity shares of Rs 10 each with voting rights	**10.00**	10.00
	10.00	10.00
Issued, Subscribed and Fully Paid:		
100,000 Equity shares of Rs 10 each with voting rights	**10.00**	10.00
Total	**10.00**	10.00

(i) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Particulars	As at 31st March, 2022		As at 31st March, 2021	
	No. of Shares	**Rs. in Lakh**	No. of Shares	Rs. in Lakh
Balance at the beginning of the year	**100,000**	**10.00**	100,000	10.00
Add: Issued during the year	**–**	**–**	–	–
Balance at the end of the year	**100,000**	**10.00**	100,000	10.00

Terms/rights attached to equity shares with voting rights

The Company has only one class of equity shares having face value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share and carry a right to dividends. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in ensuing Annual General Meeting.

(ii) Details of shares held by the holding company and its subsidiaries (as per Companies Act 2013)

Particulars	Equity Shares with Voting rights
As at 31st March, 2022	
Mahindra Lifespace Developers Limited	**51,000**
As at 31st March, 2021	
Mahindra Lifespace Developers Limited	**51,000**

Other than above shares, no shares are held by any subsidiaries or associates of the Holding Company.

(iii) Details of shareholders holding more than 5% shares in the company

	As at 31st March, 2022		As at 31st March, 2021	
Name of the shareholder	**No.**	**% holding**	No.	% holding
Equity shares with voting rights				
Mahindra Lifespace Developers Limited	**51,000**	**51%**	51,000	51%
HDFC Capital Affordable Real Estate Fund I	**49,000**	**49%**	49,000	49%

(iv) Details of shareholdings by the Promoter's of the Company

	As at 31st March, 2022		As at 31st March, 2021			
Name of the shareholder	**No.**	**% holding**	No.	% holding	Change during the period	% change during the period
Equity shares with voting rights						
Mahindra Lifespace Developers Limited	**51,000**	**51%**	51,000	51%	–	0.00%

13. Other Equity

(Rs. in Lakh)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Retained earnings	**(3,823.68)**	(3,689.73)
Total	**(3,823.68)**	(3,689.73)

Description of the nature and purpose of other equity

Retained Earnings: This reserve represents cumulative losses of the Company and effects of remeasurement of defined benefit obligations. This reserve can be utilised in accordance with the provisions of Companies Act, 2013.

14. Borrowings

(Rs. in Lakh)

Particulars	As at 31st March, 2022	As at 31st March, 2021
A. Non Current Secured Borrowings- at amortised cost		
Term Loan		
Loan from other party (Refer Note 1)		4,982.97
Total Secured Borrowings (A)	**–**	4,982.97
B. Non Current Unsecured Borrowings- at Fair value:		
a) Debentures		
Series 1 Nil (Previous year 1,76,00,000) and Series 2 Nil (Previous year 36,884,230), 15% Optionally Convertible Redeemable Debentures ("OCRD") of Rs. 10/- each (Refer Note 2 (a))	**–**	5,670.21
b) Preference Shares		
12,33,500 Series 1 (Previous year 12,33,500) and 25,65,044 Series 2 (Previous year 25,65,044) Optionally Convertible Redeemable Preference Shares ("OCRPS") of face value of Rs. 10/- each (Refer Note 2 (b))	**3,578.80**	3,373.39
Total Unsecured Borrowings (B)	**3,578.80**	9,043.60
Total Non Current Borrowings (A + B)	**3,578.80**	14,026.57

1. Non Current Secured Borrowings- at amortised cost:

Term Loan from other party is repayable in 8 equal instalment starting from year 4 from the date of drawdown viz July 2018. The facility is fully secured against first charge over land, movable & immovable property, current assets and cash flow of Palghar Project. Term loan carries floating interest rate which is linked to 1 year MCLR of ICICI Bank Ltd and interest rate is in the range of 8.45% p.a. to 8.75% p.a. (previous year rate range 8.75% p.a. to 9.70% p.a.)

2. Terms and conditions of Series 1 and Series 2 Optionally Convertible Debenture (OCDs)

a) Series 1 and Series 2 Debentures are unsecured, unlisted, redeemable and optionally convertible debentures. The issue price of each Series 1 & Series 2 Debenture is Rs. 10 (face value Rs. 10). The Series 1 and Series 2 Debentures shall earn, interest of 15% per annum compounded annually. Interest on each Series 1 and Series 2 Debentures shall be accrued, due and payable to the holders of Series 1 & Series 2 Debentures subject to availability of Distributable Cash and on obtaining an approval from the Distributions Committee and the board of directors of the Company. Each Series 1 and Series 2 debentures constitutes a direct obligation of the Company and shall at all times rank pari passu inter se (without any preference or priority of one over the other or others of them).

At the time of redemption of Series 1 and Series 2 Debentures on a Redemption Date (not latter than 9 years from the date of allotment), the Company shall pay the holders of Series 1 and Series 2 Debentures an Interest determined by the Distributions Committee and such Interest shall become due and payable on the date of which it is determined by the Distributions Committee without the need for an approval from the Board.

At the option of the holder of the Series 1 and Series 2 Debentures, if the then outstanding Series 1 and Series 2 Debentures cannot be redeemed in full then, with the prior written unanimous approval of all the holders of the Series 1 and Series 2 Debentures, the Series 1 and Series 2 Debentures shall be converted into equity shares of the Company, in accordance with such formula as may be determined between the Company and the holder of the Series 1 and Series 2 Debentures, but at a price which is not less than fair market value of the equity shares at the time of such conversion.

In the event of conversion, the holders of Series 1 Debentures will be entitled to equity shares of the Company only up to the principal amount (i.e. the issue price) of the outstanding OCDS.

During the year ended 31st March 2022, 15% Optionally Convertible Redeemable Debentures (“OCRD”) of Rs. 10/- each Series 1 -1,76,00,000 and Series 2 -36,884,230 were redeemed.

3. Terms and conditions of Series 1 and Series 2 Optionally Convertible redeemable Preference Shares (OCRPS)

b) Series 1 and Series 2 Preference Shares are unsecured, unlisted, redeemable, optionally convertible preference shares. The issue price of each Series 1 & Series 2 Preference Shares is Rs. 100 (face value Rs. 10). The Series 1 and Series 2 Preference Shares shall not be entitled to any voting rights, other than as prescribed under Applicable Law and the articles of association of the Company. Each Series 1 and Series 2 Preference Share constitutes a direct obligation of the Company and shall at all times rank pari passu inter se (without any preference or priority of one over the other or others of them).

Series 1 and Series 2 Preference Shares shall be eligible to receive Redemption Premium which shall be paid along with Redemption of Series 1 and Series 2 Preference Shares ((not latter than 9 years from the date of allotment). Redemption Premium shall mean a premium not exceeding 15% per annum compounded annually from the date of subscription of the Series 1 and Series 2 Preference Shares that is being redeemed. The payment of Redemption Premium shall be subject to the Distributable Cash as determined by the Distribution Committee. The Redemption Premium shall be accrued, due and payable only on Redemption Date and proportionate to the Series 1 and Series 2 Preference Shares so being redeemed.

At the option of holder of the Series 1 and Series 2 Preference Shares, if the then outstanding Series 1 and Series 2 Preference Shares cannot be redeemed in full then, with the prior written unanimous approval of all the holders of the Series 1 and Series 2 Preference Shares, the Series 1 and Series 2 Preference Shares shall be converted into equity shares of the Company, in accordance with such formula as may be determined by the Company and the holder of the Series 1and Series 2 Preference Shares, but at a price which is not less than fair market value of the equity shares at the time of such conversion.

At the time of conversion, the holder of Preference Shares will be entitled to equity shares of the Company up to the principal amount (i.e. issue price) of the outstanding OCRPS.

15. Provisions

(Rs. in Lakh)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Non Current		
Provision for employee benefits (Refer Note- 29)		
Gratuity	**17.85**	20.20
Leave Encashment	**9.47**	11.68
Total	**27.32**	31.88
Current		
Provision for employee benefits (Refer Note- 29)		
Gratuity	**4.58**	4.16
Leave Encashment	**2.09**	2.43
Other Provisions		
Provision for Defect Liabilities	**43.64**	16.97
Total	**50.31**	23.56

The movement in provision for defect liabilities is as follows:

(Rs. in Lakh)

Particulars	Provision for Defect Liability
Balance at March 31, 2020	–
Additional provisions recognised	16.97
Amounts utilised during the year	–
Balance at March 31, 2021	16.97
Additional provisions recognised	26.67
Amounts utilised during the year	–
Balance at March 31, 2022	**43.64**

Defect Liability Provisions:

Provision for defect liability represents present value of management’s best estimate of the future outflow of economic resources that will be required in respect of residential units when control over the property has been transferred to the customer, the estimated cost of which is accrued during the period of construction, upon sale of units and recognition of related revenue. Management estimates the related provision for future defect liability claims based on historical cost of rectifications and is adjusted regularly to reflect new information. The residential units are generally covered under a the defect liability period limited to 5 year from the date when control over the property has been transferred to the customer.

16. Borrowings

(Rs. in Lakh)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Current maturities of long term debt (Refer Note 14 - 1)	**4,996.19**	3,000.00
Total	**4,996.19**	3,000.00

17. Trade Payables

(Rs. in Lakh)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Total outstanding dues of micro enterprises and small enterprises *	**107.41**	50.14
Total outstanding dues of creditors other than micro enterprises and small enterprises	**1,992.72**	1,203.35
Total	**2,100.13**	1,253.49

Trade Payables are payables in respect of the amount due on account of goods purchased or services received in the normal course of business.

Disclosures under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006:

* This information has been determined to the extent such parties have been identified on the basis of intimation received from the suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006.

(Rs. in Lakh)

Particulars	As at 31st March, 2022	As at 31st March, 2021
a) The principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year	**107.41**	50.14
b) The amount of interest paid in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	**–**	–
c) The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	**–**	–
d) The amount of interest accrued and remaining unpaid at the end of each accounting year	**–**	–
e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	**–**	–

Ageing for trade payble from the due date of payment for each of the category is as follows:

(Rs. in Lakh)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Undisputed dues of micro enterprises and small enterprises		
Unbilled	**–**	–
Not Due	**107.41**	50.14
0 months - 1 year	**–**	–
1-2 Years	**–**	–
2-3 years	**–**	–
More than 3 years	**–**	–
Undisputed dues of creditors other than micro enterprises and small enterprises		
Unbilled	**366.22**	268.16
Not Due	**1,381.59**	208.47
0 months - 1 year	**208.12**	78.64
1-2 Years	**24.36**	600.85
2-3 years	**8.62**	17.29
More than 3 years	**3.81**	29.94
Disputed Dues- Micro, Small and Medium enterprises	**–**	–
Disputed Dues- Others	**–**	–
Total	**2,100.13**	1,253.49

18. Other Current liabilities

(Rs. in Lakh)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Advances received from customers	**33,946.03**	26,603.60
Statutory dues payable*	**47.27**	43.32
Total	**33,993.30**	**26,646.92**

*There are no amounts due and outstanding to be credited to the Investor Education and Protection fund.

19. Revenue from Operations

(Rs. in Lakh)

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Revenue from Contract with Customers		
Revenue from Projects	**6,808.97**	4,849.18
Total	**6,808.97**	**4,849.18**

Refer Note 27 for IND AS 115 disclosures

20. Other Income

(Rs. in Lakh)

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Interest Income on Bank Deposits	**94.86**	106.43
Interest on Bank Subvention	**52.07**	50.81
Interest Income others*	**121.07**	67.47
Miscellaneous Income	**1.87**	13.51
Total	**269.87**	**238.22**

*Includes interest charged on late payment received from customers.

21A. Construction Expenses incurred

(Rs. in Lakh)

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Expenses incurred during the year:		
Civil, Electricals, Contracting, etc.	**9,443.88**	5,505.23
Legal, Consultant & Professional Fees	**125.74**	438.83
Employee Benefits Expense Allocated	**221.87**	269.59
Interest Costs Allocated	**541.93**	664.56
Power and fuel cost	**15.55**	15.52
Other Project Administration Cost	**87.39**	186.53
Construction Expenses incurred during the year (A)	**10,436.36**	7,080.26
Provision for Defect Liability (B)	**26.67**	16.97
Total (A + B)	**10,463.03**	**7,097.23**

21B. Changes in inventories of raw material, work-in-progress and finished goods

(Rs. in Lakh)

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Opening Stock		
Raw Material	**662.67**	722.41
Work-in-progress	**25,420.05**	22,701.89
Finished Goods	**570.23**	–
Total Opening Stock (A)	**26,652.95**	23,424.30
Closing Stock		
Raw Material	**284.48**	662.67
W ork-in-progress	**29,385.20**	25,420.05
Finished Goods	**1,880.70**	570.23
Total Closing Stock (B)	**31,550.38**	26,652.95
Total (A - B)	**(4,897.43)**	(3,228.65)

21C. Operating Expense

(Rs. in Lakh)

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Commission & Brokerage	**129.25**	89.26
Total	**129.25**	89.26

22. Employee Benefits Expense

(Rs. in Lakh)

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Salaries and wages including bonus	**291.21**	608.16
Contribution to provident and other funds	**12.49**	25.76
Staff welfare expenses	**4.87**	0.23
Less: Allocated to projects	**(221.87)**	(269.59)
Total	**86.70**	364.56

23. Finance Costs

(Rs. in Lakh)

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Interest on Term Loan	**528.29**	736.84
Interest on Bank Overdraft	**13.64**	3.21
	541.93	740.05
Less: Allocated to projects	**(541.93)**	(664.56)
	-	75.49
Interest on lease liabilities	**-**	0.70
Interest Others	**10.17**	-
Interest on Bank Subvention	**52.07**	50.81
Total	**62.24**	127.00

Analysis of Interest Expenses by Category

(Rs. in Lakh)

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Interest Expenses		
On Financial Liabilities at Amortised Cost	**541.93**	740.05

24. Other expenses

(Rs. in Lakh)

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Advertisement, Marketing & Business Development	**308.27**	452.47
Legal and Other Professional costs	**115.74**	81.08
Power & Fuel	**0.33**	0.50
Repairs and Maintenance	**51.55**	34.62

(Rs. in Lakh)

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Rent, Rates & Taxes	**56.44**	5.41
Subscription & Membership Fees	**–**	2.97
Security Charges	**–**	0.90
Travelling and Conveyance Expenses	**18.58**	29.06
Printing & Stationery	**9.97**	10.71
Net Loss arising on financial liabilities designated at Fair Value through Profit or Loss (FVTPL)	**467.08**	1,110.19
Payment to Auditors #	**22.36**	18.02
Miscellaneous Expenses	**58.29**	39.18
Loss of Sale of Fixed Asset and Asset Written off	**–**	13.34
Total	**1,108.61**	1,798.45

(Rs. in Lakh)

# Payment to Auditors	For the year ended 31st March, 2022	For the year ended 31st March, 2021
For Audit	**10.74**	9.00
For Tax Audit	**3.89**	3.00
For Other Services	**7.73**	5.95
For Reimbursement of expenses	**–**	0.07
Total	**22.36**	18.02

25. Income Taxes

(a) Income Tax recognised in profit or loss

(Rs. in Lakh)

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Current Tax		
In respect of current year	**–**	–
Deferred Tax		
In respect of current year origination and reversal of temporary differences	**43.00**	–
Total	**43.00**	–

(b) Income tax recognised in Other Comprehensive income

(Rs. in Lakh)

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Deferred tax related to items recognised in other comprehensive income during the year:		
Remeasurement of defined benefit plans	**2.05**	2.54
Total	**2.05**	2.54

(c) Reconciliation of estimated income tax expense at tax rate to income tax expense reported in Profit or Loss is as follows:

(Rs. in Lakh)

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Loss before tax	**(95.93)**	(1,338.14)
Income tax expense calculated at 29.12%	**(27.93)**	(389.67)
Effect of tax incentives and concessions	**0.26**	0.84
Business Loss	**25.61**	–
Changes in recognised deductible temporary differences	**45.06**	–
Unrecognised Deferred Tax Asset	**–**	388.83
Total	**43.00**	–

26. Earnings per share (EPS)

Basic and diluted EPS amounts are calculated by dividing the loss for the year attributable to equity holders of the Company by the weighted average number of Equity shares outstanding during the year.

The following reflects the loss and share data used in the basic and diluted EPS computations:

(Rs. in Lakh)

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Loss after tax (Rs. in Lakh)	**(138.93)**	(1,338.14)
Weighted average number of equity shares	**1,00,000**	1,00,000
Face Value of Equity Shares (in Rs.)	**10**	10
Earnings per Equity share - Basic (in Rs.)	**(138.93)**	(1,338.14)
Earnings per Equity share - Diluted (in Rs.)	**(138.93)**	(1,338.14)

27. Disclosures as per IND AS 115

(1) Contract Balances

(a) Amounts received before the related performance obligation is satisfied are included in the balance sheet (Contract liability) as "Advances received from Customers/Income received in Advance" in note no. 18- Other Current Liabilities amounting to Rs 33,946.03 lakhs (previous year Rs. 26,603.60 lakhs). Amounts billed for development milestones achieved but not yet paid by the customer are included in the balance sheet under note no.8 - Trade Receivables amounting to Rs. 2,289.84 lakhs (previous year Rs. 4,262.80 lakhs)

(b) During the year, the Company recognised Revenue of Rs. 5,275.51 lakhs (previous year Rs. 3,764.77 lakhs) from opening contract liability of Rs. 26,603.60 lakhs (previous year Rs. 10,789.52 lakhs). Contract Liability of Rs 430.72 Lakhs reversed due to cancellation of units sold during the year (previous year- Rs 323.61 Lakhs).

(c) There were no significant changes in the composition of the contract liabilities during the reporting period other than on account of periodic invoicing and one new project opened for sale.

(d) Amounts previously recorded as contract liabilities increased due to further milestone based invoices raised during the year and one new project opened for sale.

(e) There are no contract assets outstanding at the end of the year.

(f) The aggregate amount of the transaction price allocated to the performance obligations that are completely or partially unsatisfied as at March 31, 2022, is Rs. 44,396.86 lakhs (previous year Rs. 46,327.57 lakhs). Out of this, the Company expects, based on current projections, to recognize revenue of around 35% (previous year 15%) within the next one year and the remaining thereafter. This includes contracts that can be terminated for convenience with a penalty as per the agreement since, based on current assessment, the occurrence of the same is not expected to be material.

(g) Reconciliation of revenue recognised with the contracted price is as follows:

(Rs. in Lakh)

Particulars	**As at 31st March, 2022**	As at 31st March, 2021
Contracted price	**6,861.04**	4,899.99
Adjustments on account of cash discounts or early payment rebates, deferred payment schemes etc.	**(52.07)**	(50.81)
Revenue recognised as per Statement of Profit & Loss	**6,808.97**	4,849.18

(2) Contract costs

(Rs. in Lakh)

Particulars	**As at 31st March, 2022**	As at 31st March, 2021
Contract costs included in Prepaid expenses in Note no. 11- Other Current Assets	**1,235.02**	1,074.84

The Company incurs commissions & incentives that are incremental costs of obtaining a contract with a customer. Under Ind AS 115, the Company recognises the incremental costs of obtaining a contract as assets under Prepaid Expenses under Note no. 11 - Other Current Assets and amortises it upon completion of the related property sale contract.

For the year ended March 31, 2022, amortisation amounting to Rs. 129.25 lakhs (Previous Year - Rs. 89.26 lakhs) was recognised as brokerage cost. There was no impairment loss in relation to the costs capitalised.

28. Related parties disclosures

Names of related parties and related party relationship

Related parties where control exists

Enterprises having joint control over the Company	Mahindra Lifespace Developers Ltd.
	HDFC Capital Affordable Real Estate Fund I

Other Related parties with whom transactions have taken place during the year

Holding Company of Enterprise exercising joint control over the Company	Mahindra & Mahindra Ltd.
Subsidiary of Holding Company of Enterprise exercising joint control over the Company	a) Mahindra Integrated Business Solutions Pvt. Ltd. b) Mahindra Engineering & Chemical Products Ltd.
Key Managerial Personnel	Mr. Arvind Subramanian
Relative of Key Managerial Personnel	Mrs. Poornima Subramanian

Related party transactions

The following table provides the total amount of transactions that have been entered into with related parties for the relevant period:

(Rs. in Lakh)

Nature of transactions with Related Parties	**Year Ended**	Mahindra Lifespace Developers Ltd.	HDFC Capital Affordable Real Estate Fund I	Mahindra & Mahindra Ltd.	Mahindra Integrated Business Solutions Pvt. Ltd.	Mahindra Engineering & Chemical Products Ltd.	Mrs. Poornima Subramanian
Redemption of Series I Debenture (OCDs)	**31-Mar-22**	**1,362.11**	**4,086.32**	**–**	**–**	**–**	**–**
	31-Mar-21	250.00	750.00	–	–	–	–
Sale of Goods	**31-Mar-22**	**–**	**–**	**–**	**–**	**–**	**11.79**
	31-Mar-21	–	–	–	–	–	29.49
Purchase of Goods	**31-Mar-22**	**–**	**–**	**–**	**–**	**–**	**–**
	31-Mar-21	–	–	–	–	2.70	–
Receiving of services	**31-Mar-22**	**–**	**–**	**28.52**	**50.34**	**–**	**–**
	31-Mar-21	3.51	–	21.51	65.13	–	–
Interest on Series I Debenture (OCDs)	**31-Mar-22**	**120.85**	**362.55**	**–**	**–**	**–**	**–**
	31-Mar-21	516.37	1,549.10	–	–	–	–
Reimbursement made to parties	**31-Mar-22**	**38.11**	**–**	**–**	**–**	**–**	**–**
	31-Mar-21	95.29	–	–	–	–	–
Reimbursement received from parties	**31-Mar-22**	**18.67**	**–**	**–**	**–**	**–**	**–**
	31–Mar–21	36.16	–	–	–	–	–

The following table provides the balances with related parties as on balance sheet date:

(Rs. in Lakh)

Nature of Balances with Related Parties	Balance as at	Mahindra Lifespace Developers Ltd.	HDFC Capital Affordable Real Estate Fund I	Mahindra & Mahindra Ltd.	Mahindra Integrated Business Solutions Pvt. Ltd.
Long Term Borrowings - Series 1 & Series 2 debentures (OCDs)	**31–Mar–22**	**–**	**–**	**–**	**–**
	31–Mar–21	1,362.11	4,086.32	–	–
Long Term Borrowings - Series 1 & Series 2 preference Shares (OCRPs)	**31–Mar–22**	**949.66**	**2,848.88**	**–**	**–**
	31–Mar–21	949.66	2,848.88	–	–
Payables	**31–Mar–22**	**25.67**	**–**	**9.10**	**11.13**
	31–Mar–21	59.12	–	5.71	14.85

Terms and conditions of transactions with related parties

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables.

29. Employee benefits

(a) Defined Contribution Plan

The Company's contribution to Provident Fund and Superannuation Fund aggregating Rs. 12.49 lakhs (31st March, 2021 Rs. 25.76 lakhs) has been recognised in the Statement of Profit or Loss under the head Employee Benefits Expense.

(b) Defined Benefit Plans:

Gratuity

The Company operates a gratuity plan covering qualifying employees. The benefit payable is the amount calculated as per the Payment of Gratuity Act, 1972. The benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. In case of death while in service, the gratuity is payable irrespective of vesting. The scheme is unfunded as on March 31, 2022.

Through its defined benefit plans the Company is exposed to a number of risks, the most significant of which are detailed below:

<u>Investment risk</u>

The present value of the defined benefit plan liability (denominated in Indian Rupee) is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds.

<u>Interest risk</u>

A decrease in the bond interest rate will increase the plan liability.

<u>Longevity risk</u>

The present value of defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

<u>Salary risk</u>

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

The significant actuarial assumptions used for the purposes of the actuarial valuations were as follows:

	As at 31st March, 2022	31st March, 2021
Discount rate(s)	**5.85%**	5.71%
Expected rate(s) of salary increase	**10.00%**	5.00%
Attrition Rate	**0 to 42: 20%**	0 to 42: 16%
Mortality	**IALM (2012-14) ULT.**	IALM (2012-14) ULT.

Retirement age of the employees is assumed to be 60 years.

Defined benefit plans – as per actuarial valuation on 31st March, 2022

(Rs. in Lakh)

Particulars	Un-funded Gratuity Plan For the year ended 31st March, 2022	For the year ended 31st March, 2021
Amounts recognised in comprehensive income in respect of these defined benefit plans are as follows:		
Service Cost		
Current Service Cost	**3.83**	9.07
Net interest expense	**1.27**	1.76
Components of defined benefit costs recognised in profit or loss	**5.10**	10.83
Remeasurement on the net defined benefit liability		
Actuarial (gains)/loss arising from demographic assumptions	**(0.20)**	–
Actuarial (gains)/loss arising from changes in financial assumptions	**1.22**	(0.03)
Actuarial (gains)/loss arising from experience adjustments	**(8.05)**	(8.69)
Components of defined benefit costs recognised in other comprehensive income	**(7.03)**	(8.72)
Total	**(1.93)**	2.11

(Rs. in Lakh)

Particulars		Un-funded Gratuity Plan For the year ended 31st March, 2022	For the year ended 31st March, 2021
I.	**Net Asset/(Liability) recognised in the Balance Sheet as at 31st March, 2022**		
1.	Present value of defined benefit obligation at end of the year	**22.43**	24.36
2.	Current portion of the above	**(4.58)**	(4.16)
3.	Non current portion of the above	**(17.85)**	(20.20)
II.	**Movements in the present value of the defined benefit obligation are as follows.**		
1.	Present value of defined benefit obligation	**24.36**	33.27
2.	Transfer out liability	**–**	(6.65)
3.	*Expenses Recognised in Profit and Loss Account*		
	- Current Service Cost	**3.83**	9.07
	- Past Service Cost	**–**	–
	- Interest Cost	**1.27**	1.76
4.	*Recognised in Other Comprehensive Income*		
	Remeasurement gains/(losses)		
	- Actuarial Gain (Loss) arising from:		
	i. Demographic Assumptions	**(0.20)**	–
	ii. Financial Assumptions	**1.22**	(0.03)
	iii. Experience Adjustments	**(8.05)**	(8.69)
5.	Benefit payments	**–**	(4.37)
6.	**Present value of defined benefit obligation at the end of the year**	**22.43**	24.36

The actuarial valuation of the present value of the defined benefit obligation was carried out as at March 31, 2022 by G. N. Agarwal, Fellow of the Institute of Actuaries of India. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

(Rs. in Lakh)

Principal Assumptions	Year	Changes in assumption (%)	Impact on defined benefit obligation: Increase in assumption	Impact on defined benefit obligation: Decrease in assumption
Discount rate	**2022**	**1.00%**	**21.60**	**23.34**
	2021	1.00%	23.32	25.51
Salary growth rate	**2022**	**1.00%**	**22.76**	**22.12**
	2021	1.00%	24.85	23.92

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the Balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to previous year.

Maturity profile of defined benefit obligation:

(Rs. in Lakh)

	31st March, 2022	31st March, 2021
Within 1 year	**4.58**	4.16
1 - 2 year	**3.87**	3.59
2 - 3 year	**3.38**	3.44
3 - 4 year	**2.88**	3.10
4 - 5 year	**2.45**	2.68
5 - 10 years	**9.11**	11.79

The weighted average age considered for defined benefit obligation as at 31st March 2022 is 33.92 years (Previous Year was 33.71 years)

30. Financial Instruments

Capital management

The Company's capital management objectives are-

– safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders

– maintain an optimal capital structure to reduce the cost of capital

The Management of the Company monitors the capital structure using net debt equity ratio which is determined as the proportion of net debt to total equity.

(Rs. in Lakh)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Debt	**4,996.19**	7,982.97
Cash and Bank Balances	**(4,286.44)**	(6,782.79)
Net Debt (A)	**709.75**	1,200.17
Total Equity (B)	**(3,813.68)**	(3,679.73)
Net Debt Equity Ratio (A/B)	**(0.19)**	(0.33)

* Since Optionally Convertible Debentures and Optionally Convertible Redeemable Preference shares issued by the company are subscribed by the share-holders, the Debt-equity ratio of the company is reviewed by the management based on the external debt only.

Categories of financial assets and financial liabilities

The following tables shows the carrying amount of financial assets and financial liabilities by category:

As at 31st March, 2022

(Rs. in Lakh)

Particulars	Amortised Costs	FVTPL	Total
Non- Current Assets			
Other Financial assets	**4.44**	**–**	**4.44**
Current Assets			
Trade Receivables	**2,289.84**	**–**	**2,289.84**
Cash and Bank Balances	**4,286.44**	**–**	**4,286.44**
Other Financial Assets - Non derivative financial asset	**65.40**	**–**	**65.40**
Non-current Liabilities			
Borrowings	**–**	**3,578.80**	**3,578.80**
Current Liabilities			
Borrowings	**4,996.19**		**4,996.19**
Trade Payables	**2,100.13**	**–**	**2,100.13**

As at 31st March, 2021

(Rs. in Lakh)

Particulars	Amortised Costs	FVTPL	Total
Non- Current Assets			
Other Financial assets	217.48	–	217.48
Current Assets			
Trade Receivables	4,262.80	–	4,262.80
Cash and Bank Balances	6,591.59	–	6,591.59
Other Financial Assets - Non derivative financial asset	36.50	–	36.50
Non-current Liabilities			
Borrowings	4,982.97	9,043.60	14,026.57
Current Liabilities			
Trade Payables	1,253.49	–	1,253.49
Borrowings	3,000.00	–	3,000.00

31. Impact of COVID-19 (Global Pandemic)

The Management has made an assessment of the impact of COVID-19 on the Company's operations, financial performance and position as at year ended 31st March, 2022 and has concluded that the impact is primarily on the operational aspects of the business during the initial months of year ended 31st March, 2022. The Company has used the principles of prudence in applying judgments, estimates and assumptions based on current assessments and do not foresee any significant impact of Covid-19 on the operations. In assessing the recoverability of assets such as inventories, financial assets and other assets, based on current indicators of future economic conditions, the Company expects to recover the carrying amounts of its assets.

32. Financial Risk Management Framework

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk. In order to manage the aforementioned risks, the Company operates a risk management policy and a program that performs close monitoring of and responding to each risk factors.

CREDIT RISK

Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. Credit risk arises from cash and cash equivalents and other financial assets.

Trade Receivables

The Company's trade receivables include receivables on sale of residential flats. As per the Company's flat handover policy, a flat is handed over to a customer only upon payment of entire amount of consideration. Thus, the Company is not exposed to any credit risk on receivables from sale of residential flats.

Cash and cash equivalents and other financial assets

For Cash and bank balances only high rated banks are accepted. The Company holds cash and cash equivalents with banks which are having highest safety ratings based on ratings published by various credit rating agencies. The Company considers that its cash and cash equivalents have low credit risk based on external credit ratings of the counterparties.

For other financial assets, the Company assesses and manages credit risk based on reasonable and supportive forward looking information. The Company does not have significant credit risk exposure for these items.

LIQUIDITY RISK

(i) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of Directors who have established an appropriate liquidity risk management framework for the management of the Company's short, medium and long term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

(ii) Maturities of financial liabilities

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The amount disclosed in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows.

(Rs. in Lakh)

Particulars	Less than 1 Year	1 Year to 3 Years	3 Year to 5 Years
Non-derivative financial liabilities			
As at 31st March, 2022			
Trade and other payables	**1,225.18**	**874.95**	**–**
Current Secured Borrowings	**4,996.19**	**–**	**–**
Series 1 and Series 2 Optionally Convertible Redeemable Preference Shares ("OCRPs")	**–**	**3,578.80**	**–**
Total	**6,221.37**	**4,453.76**	**–**

(Rs. in Lakh)

Particulars	Less than 1 Year	1-3 Years	3-5 Years
Non-derivative financial liabilities			
As at 31st March, 2021			
Trade and other payables	3,946.46	307.03	–
Non Current Secured Borrowings	–	4,982.97	–
Current Secured Borrowings	3,000.00	–	–
Series 1 Optionally Convertible Redeemable Preference Shares ("OCRPs")	–	2,674.00	699.39
15% Series 1 Optionally Convertible Redeemable Debenture ("OCD")	4,780.00	890.21	–
Total	11,726.46	8,854.21	699.39

(iii) Financing arrangements

The Company had access to following undrawn borrowing facilities at the end of the reporting period:

(Rs. in Lakh)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Secured Bank Overdraft facility		
- Expiring within one year	**2,700.00**	4,200.00
Total	**2,700.00**	4,200.00

MARKET RISK

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk such as equity price risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. All such transactions are carried out within the guidelines set by the Board of Directors.

CURRENCY RISK

Foreign currency risk is the risk that the fair value or the future cash flows of an exposure will fluctuate because of changes in the foreign exchange rate. The

Company undertakes transactions denominated in foreign currencies only for the purchases of the components which are required to carry out the construction activities. The Company manages its foreign currency risk by forward contracts that are expected to occur within a maximum 12 month from the entering of a contract.

INTEREST RATE RISK

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates. The Company manages its interest rate risk by having a balanced portfolio of fixed and floating rate loans and borrowings.

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Company's loss before tax is affected through the impact on floating rate borrowings, as follows:

	Currency	Increase/ decrease in basis points	(Rs. in Lakh)
As at 31st March, 2022	**INR**	**+100**	**(49.96)**
	INR	**-100**	**49.96**
As at 31st March, 2021	INR	+100	(49.83)
	INR	-100	49.83

Fair Valuation Techniques and Inputs used - Recurring Items

(Rs. in Lakh)

Financial liabilities measured at Fair value	Fair value as at 31st March, 2022	Fair value hierarchy	Valuation Technique(s)	Key input(s) used
Borrowings				
Series 1 and Series 2 Optionally Convertible Redeemable Preference Shares ("OCRPS")	3,578.80	Level 3	Income Approach - Discounted Cash Flow	For Discounted Cash Flow - Companies Financial projections. These include forecasts of balance sheet, statement of profit and loss along with underlying assumptions.
Total	**3,578.80**			

(Rs. in Lakh)

Financial assets and liabilities measured at Fair value	Fair value as at 31st March, 2021	Fair value hierarchy	Valuation Technique(s)	Key input(s) used
Borrowings				
Series 1 Optionally Convertible Redeemable Debenture ("OCD")	5,670.21	Level 3	Income Approach - Discounted Cash Flow	For Discounted Cash Flow - Companies Financial projections. These include forecasts of balance sheet, statement of profit and loss along with underlying assumptions.
Series 1 Optionally Convertible Redeemable Preference Shares ("OCRPS")	3,373.39	Level 3	Income Approach - Discounted Cash Flow	For Discounted Cash Flow - Companies Financial projections. These include forecasts of balance sheet, statement of profit and loss along with underlying assumptions.
Total	**9,043.60**			

Significant unobservable inputs used in level 3 fair value measurements

(Rs. in Lakh)

Financial assets measured at Fair value	Fair value as at 31st March, 2022	Fair value as at 31st March, 2021	Fair value hierarchy	Significant unobservable inputs	Relationship of unobservable inputs to fair value and sensitivity
Borrowings					
Series 1 and Series 2 Optionally Convertible Redeemable Debenture ("OCD")	–	5,670.21	Level 3	Interest Rates to discount future cash flow, Financial Projections	Any change (increase/ decrease) in the discount factor, financial projections etc. would entail corresponding change in the valuation
Series 1 and Series 2 Optionally Convertible Redeemable preference shares ("OCRPS")	3,578.80	3,373.39	Level 3	Interest Rates to discount future cash flow, Financial Projections	Any change (increase/ decrease) in the discount factor, financial projections etc. would entail corresponding change in the valuation

Except for the above, carrying value of Other financial assets/liabilities represent reasonable estimate of fair value.

Reconciliation of Level 3 fair value measurements of financial instruments measured at fair value

(Rs. in Lakh)

Particulars	Series 1 and Series 2 Optionally Convertible Redeemable Preference Shares (“OCRPS”)	Series 1 and Series 2 Optionally Convertible Redeemable Debenture (“OCD”)	Total
Year Ended 31st March 2022			
Opening Balance of Fair Value	**3,373.39**	**5,670.21**	**9,043.60**
Total incomes/gains or (losses) recognised in Profit or Loss	205.41	261.67	467.08
Redemption of Optionally Convertible Redeemable Debentures during the year	–	(5,931.88)	(5,931.88)
Closing Balance of Fair Value	**3,578.80**	**–**	**3,578.80**
Year Ended 31st March 2021			
Opening Balance of Fair Value	**3,335.70**	**7,663.18**	**10,998.88**
Total incomes/gains or (losses) recognised in Profit or Loss	37.69	1,072.50	1,110.19
Redemption of Optionally Convertible Redeemable Debentures during the year	–	(3,065.47)	(3,065.47)
Closing Balance of Fair Value	**3,373.39**	**5,670.21**	**9,043.60**

33. Financial Ratios

(Rs. in Lakh)

	Particulars	Numerator	Denominator	For the year ended March 31, 2022	For the year ended March 31, 2021	% Variance	Reasons for Variance
a)	Current Ratio	Current Assets	Current Liabilities	0.96	1.28	-24.64%	–
b)	Debt Equity Ratio	Debt (Borrowings)	Equity	(2.25)	(4.63)	-51.41%	Reduction in Debt from last year due to repayment
c)	Debt Service Coverage Ratio (DSCR)	Earning Available for debt service (Refer note (i) below)	Debt Service (Refer note (ii) below)	0.02	(0.06)	-133.53%	Reduction in Debt from last year due to repayment and increase in revenue during the year as compared to previous year
d)	Return of Equity	Loss After Tax	Average Equity	3.71%	44.40%	-91.65%	Reduction in ratio due to reduction in employee benefits expense and Net Loss arising on financial liabilities designated at Fair Value through Profit or Loss (FVTPL)
e)	Inventory Turnover ratio	Revenue from Operations	Average Inventory	0.23	0.15	51.43%	Due to increase in revenue in current year as compared to previous year.
f)	Trade Receivables turnover ratio	Revenue from Operations	Trade Receiavables (Average)	2.08	2.28	-8.65%	–
g)	Trade Payable turnover ratio	Cost of Sales	Average Trade payable	3.32	3.03	9.39%	–
h)	Net capital turnover ratio,	Revenue from Operations	Average Working Capital (Refer note (iii) below)	1.91	0.42	358.08%	Increase in ratio due to increase in contractual liability
i)	Net profit ratio	Loss After Tax	Revenue from Operations	-2.04%	-27.60%	-92.61%	Higher margins due to increase in revenue in current year as compared to previous year, reduction in employee benefit and FVTPL loss reduction
j)	Return on Capital employed	Earning before interest & taxes (Refer note (iv) below)	Capital employed (Refer note (v) below)	-2.88%	-9.57%	-69.84%	Reduction in Debt from last year due to repayment, reduction in employee benefits expense and Net Loss arising on financial liabilities designated at Fair Value through Profit or Loss (FVTPL)

Schedule III require explanation where the change in the ratio is more than 25% as compared to the preceding year. Accordingly explanation is given only for the said ratios.

The company operates in real estate business and is governed by IND AS 115 for recording the revenue as per completion contract method. Accordingly, above mentioned ratios may not be strictly comparable.

Formula used for calculation of Ratios and Financial Indicators are as below :

(i) Earning for Debt Service = Net Profit before taxes + Non-cash operating expenses like depreciation and other amortizations + Interest Expense

(ii) Debt Service = Borrowing + Interest Payment

(iii) Working Capital = Current Asset - Current Liabilities

(iv) Earning before interest & taxes = Loss before Tax + Finance Cost

(v) Capital Employed = Equity + Borrowing - Intangible Assets

34 Additional regulatory information

a) The company do not have any benami property, where any proceeding has been initiated on or are pending against the company for holding benami property.

b) **Corporate Social Responsibility (CSR)**

The provisions of Corporate Social Responsibility (CSR) expenditure are not applicable to the company.

c) **Relationship with struck off companies**

The Company does not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

d) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries

The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or provide any guarantee, security or the like on behalf of the ultimate beneficiaries

e) **Undisclosed income**

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

f) **Details of crypto currency or virtual currency**

The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.

g) **Registration of Charges or satisfaction with Registrar of Companies (ROC)**

There are no charges or satisfaction which are yet to be registered with the Registrar of Companies beyond the statutory period

35. Discrepancies between books of accounts & quarterly statements submitted to bank

The quarterly statements comprising raw material, construction work in progress, finished goods, debtors and creditors filed by the Company with such bank are in agreement with the unaudited books of accounts for the quarter ended 30th June 2021, 30th September 2021 and 31st December 2021 and no material discrepancies have been observed. The company is yet to submit the statement for the quarter ended 31st March 2022 to the bank.

36 Contingent Liabilities

(Rs. in Lakh)

Particulars	**As at March 31, 2022**	As at March 31, 2021
Claims against the company not acknowledged against as debts-		
Claims received from parties not acknowledged as debts		
Represent cases filed by parties in the Consumer forum including RERA and Civil Courts disputed by the Company as advised by advocates. In the opinion of the management the claims are not sustainable.	**1,011.38**	949.15

In the opinion of the management the above claims are not sustainable and the Company does not expect any outflow of economic resources in respect of above claims and therefore no provision is made in respect thereof.

37 Segment information

The Company is engaged only in the business of development of property and related activities in India. It has no other reportable segments as per the terms of Indian Accounting Standards (Ind AS) 108 on Segment Reporting.

38 Recent Indian Accounting Standards (Ind AS)

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2022.

39 Leases

The company does not have any leasing arrangement during the year ended March 31, 2022.

40 Events after the reporting period

No material events have occurred after the Balance Sheet date and upto the approval of the financial statements.

41 Previous year figures

The figures for previous year have been regrouped wherever necessary to confirm to current year's classification.

For and on behalf of the Board of Directors of
Mahindra Happinest Developers Limited

Arvind Subramanian	**Vimal Agarwal**
Director	Director
DIN - 02551935	DIN - 07296320

Place: Mumbai
Date: 21st April, 2022

INDEPENDENT AUDITORS' REPORT

To the Members of MAHINDRA KNOWLEDGE PARK (MOHALI) LIMITED

Report on the Audit of the Standalone Financial Statements

Opinion

1. We have audited the accompanying standalone financial statements of **MAHINDRA KNOWLEDGE PARK (MOHALI) LIMITED** (the 'Company'), which comprise the Balance Sheet as at 31 March 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (the 'Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under Section 133 of the Act, of the state of affairs of the Company as at 31 March 2022, and its Loss, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Standalone Financial Statements" section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

   We have determined that there are no other key audit matters to communicate in our report

Information other than the Financial Statements and Auditor's Report thereon

5. The Company's Board of Directors is responsible for the other information. The other information obtained at the date of this auditor's report is information included in the Annual Report, but does not include the standalone financial statements and our auditor's report thereon.

   Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

   In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

   If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

6. The accompanying standalone financial statements have been approved by the Company's Board of Directors. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

7. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

8. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

9. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

10. As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
    - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
    - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
    - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
    - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
    - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
11. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
12. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
13. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

14. As required by Section 197(16) of the Act, based on our audit, we report that the Company has not paid remuneration to its directors for the year under audit. Hence, this clause is not applicable to the Company.
15. As required by the Companies (Auditor's Report) Order, 2020 (the 'Order') issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the Annexure 1, a statement on the matters specified in paragraphs 3 and 4 of the Order.
16. Further to our comments in Annexure 1, as required by Section 143(3) of the Act, based on our audit, we report, to the extent applicable, that:
    a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the accompanying standalone financial statements;
    b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
    c) the standalone financial statements Including Cash Flow Statement dealt with by this report are in agreement with the books of account;
    d) in our opinion, the aforesaid standalone financial statements comply with Ind AS specified under Section 133 of the Act;
    e) on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022 from being appointed as a director in terms of Section 164(2) of the Act;
    f) we have also audited the internal financial controls with reference to financial statements of the Company as on 31 March 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date and our report as per Annexure 2 expressed an unmodified opinion; and
    g) with respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
        i. The Company does not have any pending litigations which would impact its financial position;
        ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
        iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For Yash Agarwal & Associates
Chartered Accountants
Firm registration No.: 143319W

Yash Agarwal
Proprietor
Membership No. 174020
UDIN: 22174020AJPNZG5467

Place: Mumbai
Date: April 19, 2022

ANNEXURE – 1 TO THE AUDITORS REPORT

The annexure referred to in independent auditors report to the members of the Company on the financial statements for the year ended 31 March 2022. We report that:

(i) As per information provided by the Company to us, it does not have fixed assets and, accordingly, the requirements under paragraph 3 (i) (a),(b), (c), (d) and (e) are not applicable to the Company.

(ii) The Company's business does not have inventories and, accordingly, the requirements under paragraph 3(ii)(a) of the Order are not applicable to the Company.

As per information and explanation provided by the Company to us, the Company does not have any sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. Accordingly, paragraph 3 (ii) (b) of the Order is not applicable to the Company

(iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii) (a), (b), (c), (d), (e) and (f) of the Order are not applicable to the Company and hence not commented upon.

(iv) In our opinion and according to the information and explanations given to us, provisions of section 185 and 186 of the Companies Act 2013 in respect of loans to directors including entities in which they are interested and in respect of loans and advances given, investments made and, guarantees, and securities given have been complied with by the company.

(v) The Company has not accepted any deposits from the public within the meaning of sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.

(vi) The maintenance of cost records as specified under subsection (1) of the section 148 of the Act are not applicable to the Company and hence relevant provisions of the Order is not applicable.

(vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, duty of custom, duty of excise, value added tax, Goods and Service Tax, cess and other material statutory dues have generally been regularly deposited with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, wealth-tax, service tax, sales-tax, duty of custom, duty of excise, value added tax, Goods and Service Tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no dues of income tax, sales-tax, wealth tax, service tax, customs duty, excise duty, value added tax, Goods and Service Tax and cess which have not been deposited on account of any dispute.

(viii) As per information and explanation provided by the Company to us, there are no transactions which are not recorded in the books of account have been surrendered or disclosed as income during the Audit period in the tax assessments under the Income Tax Act, 1961 (43 of 1961). Hence relevant provision of the Order is not applicable.

(ix) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of any loans since it has not availed of any loans from any bank nor has borrowed from any financial institution. The Company has also not issued any debentures as at the balance sheet date.

(x) According to the information and explanations given to us on an overall examination of the balance sheet, company had not raised any moneys by way of Initial public offer or further public offer or by way of preferential allotment or private placement of shares or by way of term loan.

(xi) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we have neither come across any instance fraud by the Company or any fraud on the Company by its offices or employees, nor noticed or reported during the year.

(xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xi) of the order are not applicable to the Company and hence not commented upon.

(xiii) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and all transactions with related parties have been disclosed in the financial statements.

(xiv) According to the information and explanations given to us on an overall examination of the balance sheet, based on size and nature of its business, company is not required to have Internal audit system.

(xv) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him.

(xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

(xvii) The Company has incurred cash losses in current as well as immediately preceding financial year (2020-21). We mention below amount of Cash losses incurred.

Year	Amount (Rupees)
FY 2020-21	(1,67,596)
FY 2021-22	(50,176)
Total	**(2,17,772)**

(xviii) During the year the no statutory auditors' has been resigned, hence relevant clause is not applicable.

(xix) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans, based on support from parent company and other considerations and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.

We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.

(xx) According to the information and explanations given by the management, Provisions of Section 135 of the companies Act, 2013 is not applicable to the company.

(xxi) According to the information and explanations given by the management, Clause (xxi) of the Order is not applicable to the Company since report is of Standalone Financial Statement.

For Yash Agarwal & Associates
Chartered Accountants
Firm registration No.: 143319W

Yash Agarwal
Proprietor
Membership No. 174020
UDIN: 22174020AJPNZG5467

Place: Mumbai
Date: April 19, 2022

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE TO THE MEMBERS OF MAHINDRA KNOWLEDGE PARK (MOHALI) LIMITED, ON THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

Annexure 2

Independent Auditor's report on the Internal Financial Controls with reference to the standalone financial statements under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 (the "Act")

1. In conjunction with our audit of the standalone financial statements of **MAHINDRA KNOWLEDGE PARK (MOHALI) LIMITED** (the "Company") as at and for the year ended 31 March 2022, we have audited the internal financial controls with reference to standalone financial statements of the Company as at that date.

Responsibility of Management and Those Charged with Governance for Internal Financial Controls

2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Company's business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility for the Audit of the Internal Financial Controls with Reference to Standalone Financial Statements

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing, issued by the ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of Internal financial controls with reference to financial statements, and the Guidance Note issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate Internal financial controls with reference to standalone financial statements were established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the Internal financial controls with reference to standalone financial statements and their operating effectiveness. Our audit of Internal financial controls with reference to standalone financial statements includes obtaining an understanding of such Internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's Internal financial controls with reference to standalone financial statements.

Meaning of Internal Financial Controls with Reference to Standalone Financial Statements

6. A Company's Internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's Internal financial controls with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Standalone Financial Statements

7. Because of the inherent limitations of Internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the Internal financial controls with reference to financial statements to future periods are subject to the risk that Internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such controls were operating effectively as at 31 March 2022, based on the internal financial controls with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For Yash Agarwal & Associates
Chartered Accountants
Firm registration No.: 143319W

Yash Agarwal
Proprietor
Membership No. 174020
UDIN: 22174020AJPNZG5467

Place: Mumbai
Date: April 19, 2022

BALANCE SHEET AS AT 31ST MARCH, 2022

(Amount in ₹)

	Particulars	Note No.	As at 31st March, 2022	As at 31st March, 2021
I	**ASSETS**			
	Non-current assets		**–**	–
	Total Non-current assets (I)		**–**	–
	Current assets			
	(a) Financial assets			
	(i) Cash and cash equivalents	4	**2,666**	2,666
	(b) Other current assets	5	**–**	5,576
	Total current assets (II)		**2,666**	8,242
	TOTAL ASSETS {(I)+(II)}		**2,666**	8,242
II	**EQUITY AND LIABILITIES**			
	Equity			
	(a) Equity share capital	6	**130**	130
	(b) Other equity	7	**(12,460,948)**	(12,410,773)
	Total equity (III)		**(12,460,818)**	(12,410,643)
	LIABILITIES			
	Non-current liabilities			
	(a) Financial liabilities			
	(i) Borrowings	8	**500,000**	500,000
	Total Non-current liabilities (IV)		**500,000**	500,000
	Current liabilities			
	(a) Financial liabilities			
	(i) Trade payables	9	**11,963,484**	11,918,884
	(b) Other current liabilities	10	**–**	–
	Total current liabilities (V)		**11,963,484**	11,918,884
	Total equity and liabilities {(III)+(IV)+(V)}		**2,666**	8,242

See accompanying notes forming part of the financial statements

In terms of our report attached

For Yash Agarwal & Associates
Chartered Accountants
Firm registration No.: 143319W

Yash Agarwal
Proprietor
Membership No.: 174020

Place : Mumbai
Date : 19th April 2022

UDIN: 22174020AJPNZG5467

For and on behalf of the Board of Directors

Feroze Baria
(DIN 03315262)

Parveen Mahtani
(DIN 05189797)

Place : Mumbai
Date : 19th April 2022

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2022

(Amount in ₹)

	Particulars	Note No.	For the year ended 31st March, 2022	For the year ended 31st March, 2021
I	Revenue from operations		–	–
II	Other income		–	–
III	**Total income (I+II)**		–	–
IV	**Expenses**			
	(a) Other expenses	11	50,176	167,596
	Total Expenses (IV)		50,176	167,596
V	**Loss before tax (III-IV)**		(50,176)	(167,596)
VI	**Tax Expense**			
	(1) Current tax		–	–
	(2) Deferred tax		–	–
	Total tax expense		–	–
VII	**Loss for the period (V-VI)**		(50,176)	(167,596)
VIII	**Other comprehensive income**		–	–
IX	**Total comprehensive income for the year (VII+VIII)**		(50,176)	(167,596)
X	**Earnings per equity share**			
	Basic/Diluted	12	(3,859.65)	(12,892.00)

See accompanying notes forming part of the financial statements

In terms of our report attached

For Yash Agarwal & Associates
Chartered Accountants
Firm registration No.: 143319W

Yash Agarwal
Proprietor
Membership No.: 174020

Place : Mumbai
Date : 19th April 2022

UDIN: 22174020AJPNZG5467

For and on behalf of the Board of Directors

Feroze Baria
(DIN 03315262)

Parveen Mahtani
(DIN 05189797)

Place : Mumbai
Date : 19th April 2022

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2022

(Amount in ₹)

Particulars	Note No.	Year ended 31st March, 2022	Year ended 31st March, 2021
Cash flows from operating activities			
Loss for the year		**(50,176)**	(167,596)
		(50,176)	(167,596)
Movements in working capital:			
Increase/(Decrease) in trade and other payables		**44,600**	163,879
(Increase)/decrease in other current assets		**5,576**	3,717
(Decrease)/increase in other current liabilities		**–**	–
Cash generated from operations			
Net cash (used in)/generated by operating activities		**–**	–
Cash flows from investing activities			
Net increase in cash and cash equivalents		**–**	–
Cash and cash equivalents at the beginning of the year		**2,666**	2,666
		2,666	2,666
Cash and cash equivalents at the end of the year		**2,666**	2,666

See accompanying notes forming part of the financial statements

In terms of our report attached

For Yash Agarwal & Associates
Chartered Accountants
Firm registration No.: 143319W

Yash Agarwal
Proprietor
Membership No.: 174020

Place : Mumbai
Date : 19th April 2022

UDIN: 22174020AJPNZG5467

For and on behalf of the Board of Directors

Feroze Baria
(DIN 03315262)

Parveen Mahtani
(DIN 05189797)

Place : Mumbai
Date : 19th April 2022

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2022

A. Equity share capital **(Amount in ₹)**

As at 31st March, 2020	**130**
Changes in equity share capital during the year	–
As at 31st March, 2021	**130**
Changes in equity share capital during the year	–
As at 31st March, 2022	**130**

B. Other Equity

	Retained earnings (Amount in ₹)
As at 31st March, 2020	**(12,243,177)**
Loss for the year	(167,596)
Other Comprehensive Loss	–
As at 31st March, 2021	**(12,410,773)**
Loss for the year	(50,176)
Other Comprehensive Loss	–
As at 31st March, 2022	**(12,460,948)**

See accompanying notes forming part of the financial statements

In terms of our report attached

For Yash Agarwal & Associates
Chartered Accountants
Firm registration No.: 143319W

Yash Agarwal
Proprietor
Membership No.: 174020

Place : Mumbai
Date : 19th April 2022

UDIN: 22174020AJPNZG5467

For and on behalf of the Board of Directors

Feroze Baria
(DIN 03315262)

Parveen Mahtani
(DIN 05189797)

Place : Mumbai
Date : 19th April 2022

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

1. Corporate information

Mahindra Knowledge Park (Mohali) Limited ("the Company") is a public company incorporated in India on 11 July, 1994 under the provisions of erstwhile Companies Act, 1956. The registered office of the Company is located at Mahindra Towers, Dr G.M.Bhosale Marg, P.K. Kurne Chowk, Worli, Mumbai - 400018.

2. Significant Accounting Policies

2.1 Statement of compliance and Basis of preparation and presentation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) Rules, 2016.

All assets and liabilities are classified as current if it is expected to realise or settle within 12 months after the Balance Sheet date.

The financial statements are presented in Indian Rupees (₹) which is also the Company's functional currency.

The financial statements were approved by the Board of Directors and authorised for issue on 19th April, 2022.

2.2 Property, plant and equipment

Property, plant and equipment are stated at cost of acquisition or construction less accumulated depreciation less accumulated impairment, if any. Cost includes financing cost relating to borrowed funds attributable to the construction or acquisition of qualifying tangible assets upto the date the assets are ready for use. The estimated useful lives, residual values, are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

When an asset is scrapped or otherwise disposed off, the cost and related depreciation are removed from the books of account and resultant profit or loss, if any, is reflected in the statement of profit and loss.

Depreciation on assets (other than impaired assets) is calculated on straight line method at the rate of 11.31% p.a. which is based on useful life of about 9 years determined on the basis of technical evaluation by the Management of the Company and is different from the useful life of 15 years indicated in part C of schedule II to the Companies Act, 2013.

2.3 Impairment of assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the statement profit and loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the statement profit and loss.

2.4 Inventories

Inventories are stated at the lower of cost and net realisable value, whichever is lower. Cost is arrived at on first-in-first-out basis and includes overheads on absorption basis, where appropriate.

Financial assets and Liabilities

2.5 Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the Statement of profit or loss.

2.6 Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

2.6.1 Impairment of financial assets

The Company applies the expected credit loss model for recognising impairment loss on financial assets. With respect to trade receivables, the Company measures the loss allowances at an amount equal to lifetime expected credit losses.

2.6.2 Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in the statement of profit and loss if such gain or loss would have otherwise been recognised in the statement of profit and loss on disposal of that financial asset.

2.7 Financial liabilities and equity instruments

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

2.7.1 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in the statement of profit and loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

2.7.1.1 Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at Fair value through profit and loss.

2.7.1.2 Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between the lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the statement of profit and loss.

2.8 Revenue recognition

Revenue on account of sale of services is recognised under the completed service contract method to the extent it is probable that the economic benefit will flow to the Company and the revenue can be reliably measured.

Sales are recognised, net of returns and trade discounts, on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the delivery of goods to customers.

Dividend income is recognised in the statement of profit and loss when the right to receive payment is established.

Interest Income is accounted for on time proportion basis.

2.9 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

2.9.1 Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

2.9.2 Deferred tax

Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences could be utilized.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

2.9.3 Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

2.9.4 Minimum Alternate Tax (MAT):

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax against which the MAT paid will be adjusted.

2.10 Cash and cash equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

2.11 Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit/(loss) for the year is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

3. Use of estimates and judgments

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets, liabilities, income, expenses, etc. at the date of these financial statements and the reported amounts of revenues and expenses for the years presented. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed at each balance sheet date. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

Note No. 4 - (a) Cash and cash equivalents

(Amount in ₹)

Particulars	As at 31st March 2022	As at 31st March 2021
(a) Balance with bank	**2,666**	2,666
Total Cash and cash equivalents	**2,666**	2,666

Note No. 5 - Other Current assets

(Amount in ₹)

Particulars	As at 31st March 2022	As at 31st March 2021
(a) Prepaid Expenses	**–**	5,576
Total Other current assets	**–**	5,576

Note No. 6 - Equity Share Capital

Particulars	As at 31st March 2022 No. of shares	As at 31st March 2022 Amount in ₹	As at 31st March 2021 No. of shares	As at 31st March 2021 Amount in ₹
Authorised:				
Equity shares of ₹ 10 each with voting rights....	**1,000,000**	**10,000,000**	1,000,000	10,000,000
Issued, Subscribed and Fully Paid:				
Equity shares of ₹ 10 each with voting rights....	**13**	**130**	13	130
Total	**13**	**130**	13	130

(i) Reconciliation of the number of shares outstanding at the beginning and at the end of the period.

Particulars	Opening Balance	Fresh Issue	Closing Balance
(a) Equity Shares with Voting rights*			
Period Ended 31st March, 2022			
No. of Shares	**13**	**–**	**13**
Amount	**130**	**–**	**130**
Year Ended 31st March, 2021			
No. of Shares	13	–	13
Amount	130	–	130

Rights, preferences and restrictions attached to equity shares

The Company has only one class of equity shares having par value of ₹ 10 per share. Each holder of equity share is entitled to one vote per share. In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive remaining assets of the Company.The Distribution will be in proportion to the amount paid up on equity shares held by the shareholders.

(iii) Details of shares held by each shareholder holding more than 5% shares:

Class of shares/ Name of shareholder	As at 31st March 2022 Number of shares held	As at 31st March 2022 % holding in that class of shares	As at 31st March 2021 Number of shares held	As at 31st March 2021 % holding in that class of shares
Equity shares with voting rights				
Mahindra Lifespace Developers Limited	**6**	**46.15%**	6	46.15%
Mr. A Vishwanth	**1**	**7.69%**	1	7.69%
Mr. Rajkumar Andley	**1**	**7.69%**	1	7.69%
Mr. Vivek Kejriwal	**1**	**7.69%**	1	7.69%
Mr. Pawan Kumar	**1**	**7.69%**	1	7.69%
Mr. Chandra Prakash Bhatia	**1**	**7.69%**	1	7.69%
Mr. Neerak Saroj	**1**	**7.69%**	1	7.69%
Mr. Alok Kumar Mishra	**1**	**7.69%**	1	7.69%

Note No. 7 - Other Equity

(Amount in ₹)

Particulars	Retained earnings	Total
As at 31st March, 2020	**(12,243,177)**	**(12,243,177)**
Loss for the period	(167,596)	(167,596)
Other Comprehensive Loss	–	–
As at 31st March, 2021	**(12,410,773)**	**(12,410,773)**
Loss for the period	(50,176)	(50,176)
Other Comprehensive Loss	–	–
As at 31st March, 2022	**(12,460,948)**	**(12,460,948)**

Note No. 8 - Non-Current Borrowings

(Amount in ₹)

Particulars	As at 31st March 2022	As at 31st March 2021
		Amount
Measured at amortised cost		
A. Secured Borrowings:	**–**	–
Total Secured Borrowings	**–**	–
B. Unsecured Borrowings - at amortised Cost		
(a) Other Loans		
Redeemable preference share capital	**500,000**	500,000
Total Unsecured Borrowings	**500,000**	500,000
Total Borrowings	**500,000**	500,000

Note No. 9 - Trade Payables

(Amount in ₹)

Particulars	As at 31st March 2022	As at 31st March 2021
	Current	Current
Trade payables for goods & services	**11,963,484**	11,918,884
Total trade payables	**11,963,484**	11,918,884

No Companies have been identified under the Micro, Small and Medium Enterprises Development Act, 2006 as on 31 March, 2017 and hence the disclosure as required by Notification No. G.S.R. 719 (E), dated 16 November, 2007 issued by the Ministry of Corporate Affairs is not applicable.

Note No. 10 - Other current liabilities

(Amount in ₹)

Particulars	As at 31st March 2022	As at 31st March 2021
	Current	Current
a. Others		
Expenses Payable	**–**	–
Total Other Current Liabilities	**–**	–

Note No. 11 - Other Expenses

(Amount in ₹)

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
(a) Professional charges	**36,476**	88,837
(b) Stamp & Filing Fees	**7,800**	37,700
(c) Payments to auditors (including GST):		
(i) For audit	**5,900**	5,900
(d) Miscellaneous expenses	**–**	35,159
Total Other Expenses	**50,176**	167,596

Note No. 12 - Earnings per Share

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
(a) Net loss for the period	**(50,176)**	(167,596)
(b) Nominal value per share	**10**	10
(c) Weighted average number of equity shares (No.)	**13**	13
(d) Basic/Diluted earning per share	**(3,859.65)**	(12,892.00)

Note No. 13 - Related Party Transactions

Related party disclosures as required by IND AS 24 "Related Party Disclosures" are given below.

Enterprises Controlling the Company

1	Mahindra & Mahindra Limited	Ultimate Holding Company

Group Company

1	Mahindra Infrastructure Developers Limited

Particulars	For the year ended	Ultimate Holding Company	Holding Company	Group Company
Nature of transactions with Related Parties				
Trade payables	**31-Mar-22**	**–**	**–**	**65,400**
	31-Mar-21	–	–	146,649

Nature of Balances with Related Parties	Balances as on	Ultimate Holding Company	Holding Company	Group Company
Payables	**31-Mar-22**	**859,205**	**–**	**370,125**
	31-Mar-21	859,205	–	304,725

1. During the year, there were no amounts required to be written off or written back in respect of debts due from or to related parties.
2. Related parties have been identified by the Management.

Note No. 14 - Financial Instruments

Capital management

The company's capital management objectives are:

– to ensure the company's ability to continue as a going concern

– to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

The company monitors capital on the basis of the carrying amount of equity less cash and cash equivalents as presented on the face of the statement of financial position.

The Company manages capital risk in order to maximize shareholders' profit by maintaining sound/optimal capital structure through monitoring of financial ratios, such as debt-to-equity ratio and net borrowings-to-equity ratio on a monthly basis and implements capital structure improvement plan when necessary. There is no change in the overall capital risk management strategy of the Company compared to last year.

The Company uses debt ratio as a capital management index and calculates the ratio as total liabilities divided by total equity. Total liabilities and total equity are based on the amounts stated in the separate financial statements.

The Company is not subject to externally enforced capital regulation.

Debt-to-equity ratio as of 31 March 2022, 31 March 2021 is as follows:

	31-Mar-22	31-Mar-21
Debt (A)	**500,000**	500,000
Equity (B)	**(12,460,818)**	(12,410,643)
Debt Ratio (A/B)	**(0.04)**	(0.04)

Categories of financial assets and financial liabilities

As at 31st March 2022

	Amortised Costs	FVTPL	FVOCI	Total
Non-current Assets				
Investments	**–**			**–**
Current Assets				
Other Bank Balances	**2,666**			**2,666**
Non-current Liabilities				
Borrowings	**500,000**			**500,000**
Current Liabilities				
Borrowings	**–**			**–**
Trade Payables	**11,963,484**			**11,963,484**

(Amount in ₹)

	As at 31st March 2021			
	Amortised Costs	FVTPL	FVOCI	Total
Non-current Assets				
Investments	–			–
Current Assets				
Trade Receivables	–			
Other Bank Balances	2,666			2,666
Non-current Liabilities				
Borrowings	500,000			500,000
Current Liabilities				
Trade Payables	11,918,884			11,918,884

Financial Risk Management Framework

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk list all such risks as applicable>. In order to manage the aforementioned risks, the Company operates a risk management policy and a program that performs close monitoring of and responding to each risk factors.

CREDIT RISK

Credit risk arises when a counterparty defaults on its contractual obligations to pay, resulting in financial loss to the Company.

Credit risk related to financial instruments

Credit risk from balances with banks and financial institutions is managed by Treasury in accordance with the Company's policy. Investments of surplus funds are made only by investment them in mutual funds. Hence the company is not exposed to any credit risk in this respect.

LIQUIDITY RISK

(i) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Company's short-, medium- and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

(ii) Maturities of financial liabilities

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The amount disclosed in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay.

Particulars	**Less than 1 Year**	**1-3 Years**	**3 Years to 5 Years**	**5 years and above**
	INR	**INR**	**INR**	**INR**
Non-derivative financial liabilities				
31-Mar-22				
Trade Payable	**81,300**	**310,625**	**859,205**	**10,712,354**
Total	**81,300**	**310,625**	**859,205**	**10,712,354**
31-Mar-21				
Trade Payable	189,249	158,076	859,205	10,712,354
Total	189,249	158,076	859,205	10,712,354

MARKET RISK

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk such as equity price risk and commodity price risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. The Company uses derivatives to manage market risks. Derivatives are only used for economic hedging purposes and not as speculative investments. All such transactions are carried out within the guidelines set by the Board of Directors and Risk Management Committee.

There has been no significant changes to the company's exposure to market risk or the methods in which they are managed or measured.

Currency Risk

The Company undertakes transactions denominated only in India Rupees and hence there is no risk of foreign exchnage fluctuations.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

Note No. 15 - Fair Value Measurement

Set out below, is a comparison by class of the carrying amounts and fair value of the Group's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

	Carrying Value		**Fair value as at**	
Particulars	**31-Mar-22**	31-Mar-21	**31-Mar-22**	31-Mar-21
Financial assets				
Investments	**–**	–	**–**	–
Trade Receivables	**–**	–	**–**	–
Other Bank Balances	**2,666**	2,666	**2,666**	2,666
Total financial assets	**2,666**	2,666	**2,666**	2,666
Financial liabilities				
Trade Payable	**11,963,484**	11,918,884	**11,963,484**	11,918,884
Total financial liabilities	**11,963,484**	11,918,884	**11,963,484**	11,918,884

The management assessed that Investment in cash and cash equivalents, trade receivables, trade payables and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

The fair values of the Group's interest-bearing borrowings and loans are determined by using DCF method using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period.

Fair Value Hierarchy

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities

Quantitative disclosures fair value measurement hierarchy for assets as at 31st March 2022: **(Amount in ₹)**

	Date of Valuation	Fair value measurement using Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
Financial assets					
Assets measured at Fair Value:					
Investments		–	–	–	–
Trade Receivables			–		–
Other Bank Balances			2,666		2,666
Total		–	2,666	–	2,666
Financial liabilities					
Liabilities measured at fair value:					
Trade Payable		–	11,963,484		11,963,484
Total		–	11,963,484	–	11,963,484

Quantitative disclosures fair value measurement hierarchy for assets as at 31 March 2021:

	Date of Valuation	Fair value measurement using Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
Financial assets					
Assets measured at Fair Value:					
Investments		–	–	–	–
Trade Receivables			–		–
Other Bank Balances			2,666		2,666
Total		–	2,666	–	2,666
Financial liabilities					
Liabilities measured at fair value:					
Trade Payable		–	11,918,884		11,918,884
Total		–	11,918,884	–	11,918,884

There have been no transfers between Level 1 and Level 2 during year ended 31 March 2022.

Note No. 16: Previous period's figures have been regrouped/reclassified wherever necessary to correspond with the current period's classification/disclosure.

In terms of our report attached

For Yash Agarwal & Associates
Chartered Accountants
Firm registration No.: 143319W

Yash Agarwal
Proprietor
Membership No.: 174020

Place : Mumbai
Date : 19th April 2022

UDIN: 22174020AJPNZG5467

For and on behalf of the Board of Directors

Feroze Baria
(DIN 03315262)

Parveen Mahtani
(DIN 05189797)

Place : Mumbai
Date : 19th April 2022

INDEPENDENT AUDITORS' REPORT

To the Members of Deep Mangal Developers Private Limited

Report on the audit of the financial statements

Opinion

We have audited the accompanying financial statements of **M/s. Deep Mangal Developers Private Limited** ("the Company"), which comprise the Balance sheet as at March 31, 2022 and the Statement of Profit and Loss and statement of cash flows for the year then ended, the Statement of Changes in Equity for the year then ended and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022 and its Loss and cash flows for the year ended on that date.

Basis for opinion

We conducted our audit in accordance with the standards on auditing (SAs) specified under Section 143 (10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the code of ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the code of ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Reporting of key audit matters as per SA 701, Key Audit Matters are not applicable to the Company as it is an unlisted company.

Information other than the financial statements and auditors' report thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the financial statements

The Company's Board of Directors are responsible for the matters stated in section 134 (5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position and financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies

Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
   (c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
   (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
   (e) On the basis of the written representations received from the directors as on 31st March, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2022 from being appointed as a director in terms of Section 164(2) of the Act.
   (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
   (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
      i. The Company does not have any pending litigations which would impact its financial statements;
      ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
      iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **M/s. R. Jaitlia & Co.**
Chartered Accountants
FRN: 117246W

Mukesh Maheshwari
Partner
Membership No. : 049818
UDIN: 22049818AIXOUM6591

Place: Mumbai
Date: 12th April, 2022

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

i. In respect of its Property, Plant and Equipment:

As per information provided by the Company to us, it does not have any Property, Plant and Equipment and intangible assets as on 31st March, 2022. Accordingly, paragraph 3 (i) (a), (b), (d) and (e) of the Order is not applicable to the Company.

As per information provided by the Company to us, the Company is having a Land as immovable properties and the title deed of such property is on the name of the Company.

ii. In respect of its inventories:

The Company is having inventory and work in progress; and it is physically verified by its management at reasonable intervals. Procedures adopted by the Company's management for physical verification of inventories are adequate and reasonable according to the size and nature of its business.

As per information and explanation provided by the Company to us, the Company does not have any sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. Accordingly, paragraph 3 (ii) (b) of the Order is not applicable to the Company.

iii. Loan given by Company:

As per information and explanation provided by the Company to us, during the year the Company has not made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, paragraph 3 (ii) (b) of the Order is not applicable to the Company.

iv. Loan to Directors and investment by company:

According to the Information and explanation given to us, the Company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 inrespect of grant of loans, Investments made, guarantees given and security as applicable.

v. Deposits:

The Company has not accepted any deposits from the public within the meaning of sections 73 to 76 or any other relevant provisions of the Act and the rules framed there-under. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.

vi. Cost Records:

The maintenance of cost records as specified under subsection (1) of the section 148 of the Act are not applicable to the Company and hence relevant provisions of the Order is not applicable.

vii. Statutory Dues:

According to information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing the undisputed statutory dues, including income tax, Goods and Service Tax (GST), and other material statutory dues, as applicable, with the appropriate authorities and there are no outstanding as on the last day of the financial year concerned for a period of more than six months. The Company has no obligation under Provident Fund and Employee State Insurance Rules. Payment of Sales Tax, Wealth Tax, Customs and Excise duties and Value Added Tax is not applicable to the Company during the Audit period.

There are no dues of income tax, sales tax, wealth tax, service tax, GST outstanding for more than 6 months at the end of Audit period.

viii. Previously unrecorded income

As per information and explanation provided by the Company to us, there are no transactions which are not recorded in the books of account have been surrendered or disclosed as income during the Audit period in the tax assessments under the Income Tax Act, 1961 (43 of 1961). Hence relevant provision of the Order is not applicable.

ix. Repayment of Loans:

According to the records of the company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of any loans since it has not availed of any loans from any bank nor has borrowed from any financial institution. The Company has also not issued any debentures as at the balance sheet date.

x. Utilization of IPO & further public offer:

The Company has not raised any money by way of initial public offer or further public offer and no term loan was raised by the Company.

xi. Reporting of Fraud:

During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance fraud by the Company or any fraud on the Company by its offices or employees, nor noticed or reported during the year.

xii. Nidhi Company:

The Company is not a Nidhi Company and so relevant clause is not applicable.

xiii. Related Party Transaction:

During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us all transactions with related parties have been disclosed in the financial statements.

xiv. Internal Audit system:

The Company is the private limited company and does not have turnover of two hundred crore rupees or more during the preceding financial year; or outstanding loans or borrowings from banks or public financial institutions exceeding one hundred crore rupees or more at any point of time during the preceding financial year. Hence Section 138 is not applicable and so relevant clause is not applicable.

xv. Non – cash Transactions:

The Company has not entered into any non-cash transactions with directors or persons connected with any director of the Company.

xvi. Register under RBI Act 1934:

The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

xvii. Cash losses:

The Company has incurred cash losses in the Audit Period Rs. 34,72,571 and in the immediately preceding financial year (FY 2020-21) Rs. 10,65,142.

xviii. Resignation of statutory auditors:

During the year no statutory auditors' has been resigned, hence relevant clause is not applicable.

xix. Material uncertainty on meeting liabilities:

According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.

We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.

xx. Transfer to fund specified under Schedule VII of Companies Act, 2013:

There were no amounts which were required to be transferred to fund specified under Schedule VII of Companies Act, 2013.

The company does not have net worth of rupees five hundred crore or more, or turnover of rupees one thousand crore or more or a net profit of rupees five crore or more during the immediately preceding financial year. Hence Section 135 is not applicable and so relevant clause is not applicable.

xxi. Qualifications or adverse auditor remarks in other group companies:

Clause (xxi) of the Order is not applicable to the Company since report is of Standalone Financial Statement.

For **M/s. R. Jaitlia & Co.**
Chartered Accountants
FRN 117246W

Mukesh Maheshwari
Partner
Membership No. : 049818
UDIN: 22049818AIXOUM6591

Place: Mumbai
Date: 12th April, 2022

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF DEEP MANGAL DEVELOPERS PRIVATE LIMITED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **Deep Mangal Developers Limited** ("the Company") as of March 31, 2022 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

(1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and

(3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **M/s. R. Jaitlia & Co.**
Chartered Accountants
FRN: 117246W

Mukesh Maheshwari
Partner
Membership No. : 049818
UDIN: 22049818AIXOUM6591

Place: Mumbai
Date: 12th April, 2022

BALANCE SHEET AS AT 31ST MARCH, 2022

(₹ in lakh)

	Particulars	Note No.	As at 31st March, 2022	As at 31st March, 2021
I	**ASSETS**			
	Non-current assets			
	(a) Financial Assets			
	(i) Investments	4	**0.05**	0.05
	Total Non-current assets (I)		**0.05**	0.05
	Current assets			
	(a) Inventories	5	**309.93**	296.84
	(b) Financial Assets			
	(i) Cash and Cash Equivalents	6	**0.59**	0.35
	(ii) Bank balances other than (i) above	6	**–**	6.00
	(c) Other Current Assets	7	**18.43**	12.50
	Total current assets (II)		**328.95**	315.68
	TOTAL ASSETS		**329.00**	315.73
II	**EQUITY AND LIABILITIES**			
	Equity			
	(a) Equity Share Capital	8	**1.01**	1.01
	(b) Other Equity	9	**(83.10)**	(48.37)
	Total equity (III)		**(82.09)**	(47.36)
	Liabilities			
	Current liabilities			
	(a) Financial Liabilities			
	(i) Borrowings	10	**194.19**	158.19
	(ii) Trade payables	11		
	– total outstanding dues of micro enterprises and small enterprises		**–**	–
	– total outstanding dues of trade payables other than micro enterprises and small enterprises		**187.65**	186.56
	(iii) Other Financial Liabilities	12	**27.74**	15.39
	(b) Other Current Liabilities	13	**1.51**	2.96
	Total current liabilities (IV)		**411.09**	363.10
	TOTAL		**329.00**	315.73

See accompanying notes forming part of the financial statements

In terms of our report attached.

For R Jaitlia & Co.
Chartered Accountants
Firm Registration No:117246W

Mukesh Maheshwari
Partner
Membership No:049818

Place: Mumbai
Date: 12th April 2022

For and on behalf of the Board of Directors

Parveen Mahtani
Director (DIN-05189797)

Vimal Agarwal
Director (DIN-07296320)

Place: Mumbai
Date: 12th April 2022

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2022

(₹ in lakh)

	Particulars	Note No.	For the Year ended 31st March, 2022	For the Year ended 31st March, 2021
I	Revenue from operations		–	–
II	Other Income	14	0.00	0.00
III	**Total Revenue (I + II)**		**0.00**	0.00
IV	**EXPENSES**			
	(a) Finance cost	15	13.72	10.12
	(b) Other expenses	16	21.00	0.53
	Total Expenses (IV)		**34.73**	10.65
	Loss before tax (III-IV)		**(34.73)**	(10.65)
V	**Loss for the period (IV)**		**(34.73)**	(10.65)
VI	**Other comprehensive income**		–	–
VII	**Total comprehensive income for the period (V +VI)**		**(34.73)**	(10.65)
VIII	**Earnings per equity share**			
	Basic/Diluted	17	**(3,448.43)**	(1,057.74)

See accompanying notes forming part of the financial statements

In terms of our report attached.

For R Jaitlia & Co.
Chartered Accountants
Firm Registration No:117246W

Mukesh Maheshwari
Partner
Membership No:049818

Place: Mumbai
Date: 12th April 2022

For and on behalf of the Board of Directors

Parveen Mahtani
Director (DIN-05189797)

Vimal Agarwal
Director (DIN-07296320)

Place: Mumbai
Date: 12th April 2022

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2022

(₹ in lakh)

Particulars	**Note No.**	**For the Year ended 31st March, 2022**	For the Year ended 31st March, 2021
Cash flows from operating activities			
Profit before tax for the year	PL	**(34.73)**	(10.65)
Adjustments for:			
Finance costs recognised in profit or loss		**13.72**	10.12
		(21.00)	(0.53)
Movements in working capital:			
(Increase)/decrease in inventories		**(13.09)**	(41.33)
(Increase)/decrease in other assets		**(5.93)**	(6.07)
(Increase)/decrease in trade and other payables		**1.09**	3.85
(Decrease)/increase in other liabilities		**10.90**	9.85
Net cash generated by operating activities		**(28.03)**	(34.23)
Cash flows from investing activities			
Net cash (used in)/generated by investing activities		**–**	–
Cash flows from financing activities			
Proceeds from borrowings (ICDs)		**36.00**	48.50
Interest paid on Inter Corporate Deposit		**(13.72)**	(10.12)
Net cash used in financing activities		**22.28**	38.38
Net increase in cash and cash equivalents		**(5.76)**	4.15
Cash and cash equivalents at the beginning of the year		**6.35**	2.20
		0.59	6.35
Cash and cash equivalents at the end of the year		**0.59**	6.35

See accompanying notes forming part of the financial statements

In terms of our report attached.

For R Jaitlia & Co.
Chartered Accountants
Firm Registration No:117246W

Mukesh Maheshwari
Partner
Membership No:049818

Place: Mumbai
Date: 12th April 2022

For and on behalf of the Board of Directors

Parveen Mahtani
Director (DIN-05189797)

Vimal Agarwal
Director (DIN-07296320)

Place: Mumbai
Date: 12th April 2022

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2022

A. Equity share capital

	(₹ in lakh)
As at 31st March, 2021	**1.01**
Changes in equity share capital during the year	–
As at 31st March, 2022	**1.01**

a. Equity share capital

	Equity share capital (no. of shares)
Balance at 31st March, 2021	**1,007**
Changes in equity share capital during the year	
Issue of equity shares	–
Balance at 31st March, 2022	**1,007**

Other equity

Particulars	**Retained earnings**
Balance at 31st March, 2020	**(37.72)**
Profit/(Loss) for the year	(10.65)
Other comprehensive income	–
Total comprehensive income	(10.65)
Balance at 31st March, 2021	**(48.37)**
Profit/(Loss) for the year	(34.73)
Other comprehensive income	–
Total comprehensive income	(34.73)
Balance at 31st March, 2022	**(83.10)**

See accompanying notes forming part of the financial statements

In terms of our report attached.

For R Jaitlia & Co.
Chartered Accountants
Firm Registration No:117246W

Mukesh Maheshwari
Partner
Membership No:049818

Place: Mumbai
Date: 12th April 2022

For and on behalf of the Board of Directors

Parveen Mahtani
Director (DIN-05189797)

Vimal Agarwal
Director (DIN-07296320)

Place: Mumbai
Date: 12th April 2022

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

1. Corporate information

Deep Mangal Developers Private Limited ("the Company") is Private Limited company incorporated in India on 25 May, 1989 under the provisions of erstwhile Companies Act, 1956. The registered office of the Company is located at 5th Floor, Mahindra Towers, Dr. G. M. Bhosale Marg, P. K. Kurne Chowk, Worli, Mumbai – 400 018.

The Company is subsidiary of Mahindra Lifespace Developers Limited, Mumbai, a company incorporated in India. The ultimate parent company is Mahindra & Mahindra Limited.

2. Significant Accounting Policies

2.1 Statement of compliance and Basis of preparation and presentation

The Standalone Financial Statements of the Company have been prepared in accordance with the Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under section 133 of the Companies Act, 2013 (the Act) and other relevant provision of the act. The aforesaid financial statements have been approved by the Company's Board of Directors and authorised for issue in the meeting held on 12th April, 2022.

2.2 Property, plant and equipment

Property, plant and equipment are stated at cost of acquisition or construction less accumulated depreciation less accumulated impairment, if any. Cost includes financing cost relating to borrowed funds attributable to the construction or acquisition of qualifying tangible assets upto the date the assets are ready for use. The estimated useful lives, residual values, are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

When an asset is scrapped or otherwise disposed off, the cost and related depreciation are removed from the books of account and resultant profit or loss, if any, is reflected in the statement of profit and loss.

Depreciation on assets (other than impaired assets) is calculated on straight line method at the rate of 11.31% p.a. which is based on useful life of about 9 years determined on the basis of technical evaluation by the Management of the Company and is different from the useful life of 15 years indicated in part C of schedule II to the Companies Act, 2013.

2.3 Impairment of assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the statement profit and loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the statement profit and loss.

2.4 Inventories

Inventories are stated at the lower of cost and net realisable value, whichever is lower. Cost is arrived at on first-in-first-out basis and includes overheads on absorption basis, where appropriate.

Financial assets and Liabilities

2.5 Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the Statement of profit or loss.

2.6 Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets

2.6.1 Impairment of financial assets

The Company applies the expected credit loss model for recognising impairment loss on financial assets. With respect to trade receivables, the Company measures the loss allowances at an amount equal to lifetime expected credit losses.

2.6.2 Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in the statement of profit and loss if such gain or loss would have otherwise been recognised in the statement of profit and loss on disposal of that financial asset.

2.7 Financial liabilities and equity instruments

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

2.7.1 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in the statement of profit and loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

2.7.1.1 Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at Fair value through profit and loss.

2.7.1.2 Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between the lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the statement of profit and loss.

2.8 Revenue recognition

Revenue on account of sale of services is recognised under the completed service contract method to the extent it is probable that the economic benefit will flow to the Company and the revenue can be reliably measured.

Sales are recognised, net of returns and trade discounts, on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the delivery of goods to customers.

Dividend income is recognised in the statement of profit and loss when the right to receive payment is established.

Interest Income is accounted for on time proportion basis.

2.9 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

2.9.1 Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

2.9.2 Deferred tax

Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences could be utilized.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

2.9.3 Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

2.9.4 Minimum Alternate Tax (MAT):

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax against which the MAT paid will be adjusted.

2.10 Cash and cash equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

2.11 Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit/ (loss) for the year is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

3. Use of estimates and judgments

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets, liabilities, income, expenses, etc. at the date of these financial statements and the reported amounts of revenues and expenses for the years presented. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed at each balance sheet date. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

Note No. 4 - Investments

Particulars	Face Value (Rs.)	As at 31st March, 2022 Nos.	As at 31st March, 2022 (₹ in lakh)	As at 31st March, 2021 Nos.	As at 31st March, 2021 (₹ in lakh)
A. Investments carried at cost or deemed cost					
I. Unquoted Investments (all fully paid)					
Investments in Preference shares					
- of associate					
7% Non-cumulative redeemable participating optionally convertible preference shares in Moonshine Construction Private Limited	**10**	**500**	**0.05**	500	0.05
Moonshine Construction Private Limited	**10**	**1**	**0.00**	1	0.00
Total Investments			**0.05**		0.05

Note No. 5 - Inventories

(₹ in lakh)

Particulars	As at 31st March, 2022	As at 31st March, 2021
a) Work-in-progress	**309.93**	296.84
Total Inventories (at lower of cost and net realisable value)	**309.93**	296.84

Statement of changes in Inventory

Particulars	As at 31st March, 2022	As at 31st March, 2021
Opening inventory (WIP)	**296.84**	255.52
Additions during the year:		
Survey fees	**–**	23.40
Professional fees	**–**	–
Legal expenses	**–**	5.18
Security expenses	**13.09**	12.74
Closing Inventory (WIP)	**309.93**	296.84

Note No. 6 - Cash and Bank Balances

(₹ in lakh)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Cash and cash equivalents		
a) Balances with banks	**0.59**	0.35
b) Bank balances other than (i) above	**–**	6.00
Total Cash and cash equivalent	**0.59**	6.35

Note No. 7 - Other Current Assets

(₹ in lakh)

Particulars	As at 31st March, 2022	As at 31st March, 2021
(a) GST Input Tax Credit	**17.70**	11.77
(b) GST Reverse charge	**0.73**	0.73
(c) Interest accrued on Fixed Deposit	**–**	0.00
Total Other Current Assets	**18.43**	12.50

Note No. 8 - Equity Share Capital

Particulars	As at 31st March, 2022 Number of shares	As at 31st March, 2022 (₹ in lakh)	As at 31st March, 2021 Number of shares	As at 31st March, 2021 (₹ in lakh)
(a) Authorised				
Equity shares of ₹ 100 each with voting rights	**5,000**	**5.00**	5,000	5.00
	5,000	**5.00**	5,000	5.00
(b) Issued, subscribed and fully paid-up shares				
Equity shares of ₹ 100 each	**1,007**	**1.01**	1,007	1.01
	1,007	**1.01**	1,007	1.01

Notes (i) to (iv) below

(i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

Particulars	As at 31st March, 2022 Number of shares	As at 31st March, 2022 (₹ in lakh)	As at 31st March, 2021 Number of shares	As at 31st March, 2021 (₹ in lakh)
Opening balance	**1,007**	**1.01**	1,007	1.01
Add: Issued during the year	**–**	**–**	–	–
Closing balance	**1,007**	**1.01**	1,007	1.01

The company has not allotted any equity shares for consideration other than cash, bonus shares, nor have any shares been bought back during the period of five years immediately preceding the Balance Sheet date.

(ii) Terms/rights attached to equity shares:

The Company is having only one class of equity shares having par value of Rs. 10 each. Each holder of equity share is entitled to one vote per share.

In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive remaining assets of the Company. The distribution will be in proportion to the amount paid up on equity shares held by the shareholders.

(iii) Details of shares held by the holding company:

Particulars	As at 31st March, 2022	As at 31st March, 2021
Mahindra Lifespace Developers Limited, the holding company	**177**	177

(iv) Details of shares held by each shareholder holding more than 5% shares:

Particulars	As at 31st March, 2022		As at 31st March, 2021	
	Number of shares	% holding	Number of shares	% holding
Mahindra Lifespace Developers Limited the holding company,	**177**	**17.58%**	177	17.58%
Mahindra World City (Maharashtra) Limited	**830**	**82.42%**	830	82.42%

(v) Details of shareholdings by the Promoter's of the Company:

Particulars	As at 31st March, 2022		As at 31st March, 2021	
	Number of shares	% holding	Number of shares	% holding
Equity shares with voting rights Mahindra World City (Maharashtra) Limited	**830**	**82.42%**	830	82.42%

Note No. 9 - Other Equity

(₹ in lakh)

Particulars	Retained earnings	Total
Balance at 31st March, 2020	**(37.72)**	**(37.72)**
Profit/(Loss) for the year	(10.65)	(10.65)
Other comprehensive income	–	–
Total comprehensive income	(10.65)	(10.65)
Balance at 31st March, 2021	**(48.37)**	**(48.37)**
Profit/(Loss) for the year	(34.73)	(34.73)
Other comprehensive income	–	–
Total comprehensive income	(34.73)	(34.73)
Balance at 31st March 2022	**(83.10)**	**(83.10)**

Note No. 10 - Current Borrowings

(₹ in lakh)

Particulars	As at 31st March, 2022	As at 31st March, 2021
A. Unsecured Borrowings		
(i) Loans from related parties*	**194.14**	158.14
(ii) Deposits	**0.05**	0.05
Total Unsecured Borrowings	**194.19**	158.19
Total Current Borrowings	**194.19**	158.19

* The Unsecured Inter Corporate Deposit taken from Mahindra Lifespace Developers Limited

Note No. 11 - Trade Payables

(₹ in lakh)

Particulars	As at 31st March, 2022 Current	As at 31st March, 2021 Current
Trade payable -total outstanding Dues of micro enterprises and small enterprises	**–**	–
Trade payable - Other than micro and small enterprises	**187.65**	186.56
Total Trade Payables	**187.65**	186.56

11 a - Ageing for trade payable from the due date of payment for each of the category is as follows

(₹ in lakh)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Undisputed dues of creditors other than micro enterprises and small enterprises		
Unbilled	**–**	**–**
Not Due	**–**	**–**
0 months - 1 year	**7.05**	**5.96**
1-2 Years	**–**	**–**
2-3 years	**–**	**–**
More than 3 years	**180.60**	**180.60**
Total	**187.65**	186.56

Note No. 12 - Other Financial Liabilities

(₹ in lakh)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Other Financial Liabilities Measured at Amortised Cost		
Current		
(i) Interest accrued but not due on Borrowings	**27.74**	15.39
Total other financial liabilities	**27.74**	15.39

Note No. 13 - Other Liabilities

(₹ in lakh)

Particulars	As at 31st March, 2022 Current	As at 31st March, 2021 Current
a. Statutory dues		
– taxes payable	**1.51**	2.96
b. Other Current Liablities	**–**	–
Total Other Liabilities	**1.51**	2.96

Note No. 14 - Other Income

(₹ in lakh)

Particulars	For the Year ended 31st March, 2022	For the Year ended 31st March, 2021
(a) Interest Income on Fixed Deposit	**0.00**	0.00
Total Other Income	**0.00**	0.00

Note No. 15 - Finance Cost

(₹ in lakh)

Particulars	For the Year ended 31st March, 2022	For the Year ended 31st March, 2021
(a) Interest expense	**13.72**	10.12
Total Finance Cost	**13.72**	10.12

Note No. 16 - Other Expenses

(₹ in lakh)

Particulars	For the Year ended 31st March, 2022	For the Year ended 31st March, 2021
(a) Auditors remuneration and out-of-pocket expenses		
(i) As Auditors	**0.15**	0.15
(b) Other expenses		
(i) Legal and other professional costs	**20.76**	0.27
(ii) Others	**0.09**	0.11
Total Other Expenses	**21.00**	0.53

Note No. 17 - Earnings Per Share

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
(a) Net loss for the period	**(3,472,571)**	(1,065,142)
(b) Nominal value per share	**10**	10
(c) Weighted average number of equity shares (No.)	**1,007**	1,007
(d) Basic/Diluted earning per share	**(3,448.43)**	(1,057.74)

Note No. 18 - Related Party Transactions

Related party disclosures as required by Ind As 24 "Related Party Disclosures" are given below.

Enterprises Controlling the Company

1	Mahindra & Mahindra Limited	Ultimate Holding Company
2	Mahindra Lifespace Developers Limited	Holding Company

(₹ in lakh)

Particulars	For the year ended	Ultimate Holding Company	Holding Company
Nature of transactions with Related Parties			
Inter Corproate Deposits received	**31–Mar–22**	–	**36.00**
	31–Mar–21	–	48.50
Interest on ICD	**31–Mar–22**	–	**13.72**
	31–Mar–21	–	10.12

Nature of Balances with Related Parties	Balances as on	Ultimate Holding Company	Holding Company
Payables (ICD and Interest on ICD)	**31–Mar–22**	–	**221.88**
	31–Mar–21	–	173.53
Other payables	**31–Mar–22**	–	**180.60**
	31–Mar–21	–	180.60

1. During the year, there were no amounts required to be written off or written back in respect of debts due from or to related parties.
2. Related parties have been identified by the Management.

Note No. 19

The accounts of the Company for the year ended 31st March, 2022 have been prepared on the basis of going concern.

Note No. 20 - Financial Instruments

[I] Capital management

The Company's capital management objectives is to ensure the Company's ability to continue as a going concern

The capital structure of the Company consists of equity.

The Company sets the amount of capital in proportion to its overall financing structure, i.e. equity and financial liabilities. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

[II] Financial Risk Management Framework

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk. In order to manage the aforementioned risks, the Company operates a risk management policy and a program that performs close monitoring of and responding to each risk factors.

A) CREDIT RISK

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primary trade receivables) and from its financing activities, including deposits with banks and other financial instruments.

(i) Financial instruments and cash deposits:

Credit risk from balances with banks is managed by the Company in accordance with the Company's policy. Investments of surplus funds are made only with bank.

B) LIQUIDITY RISK

(i) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Company's short-, medium- and long-term funding and liquidity management requirements. The Company manages liquidity risk by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

(ii) Maturities of financial liabilities

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The amount disclosed in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay.

(₹ in lakh)

Particulars	Less than 1 Year	1-3 Years	3 Years to 5 Years	5 years and above	Total	Carrying Value
Non-derivative financial						
31st March, 2022						
Other financial laibilities	**12.35**	**15.39**	**–**	**–**	**27.74**	**27.74**
Total	**12.35**	**15.39**	**–**	**–**	**27.74**	**27.74**
31st March, 2021						
Other financial liabilities	9.36	6.03	–	–	15.39	15.39
Total	**9.36**	**6.03**	**–**	**–**	**15.39**	**15.39**

(iii) Maturities of financial assets

The following table details the Company's expected maturity for its non-derivative financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Company's liquidity risk management as the liquidity is managed on a net asset and liability basis.

(₹ in lakh)

Particulars	Less than 1 Year	1-3 Years	3-4 Years	5 years and above	Total	Carrying Value
Non-derivative financial assets						
31st March, 2022						
Non interest rate bearing	**0.59**	**–**	**–**	**–**	**0.59**	**0.59**
Fixed interest rate bearing	**–**	**–**	**–**	**–**	**–**	**–**
Total	**0.59**	**–**	**–**	**–**	**0.59**	**0.59**
31st March, 2021						
Non interest rate bearing	0.35	–	–	–	0.35	0.35
Fixed interest rate bearing	–	–	–	–	–	–
Total	**0.35**	**–**	**–**	**–**	**0.35**	**0.35**

MARKET RISK

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

There has been no significant changes to the Company's exposure to market risk or the methods in which they are managed or measured.

(i) Currency Risk

The Company undertakes transactions denominated only in Indian Rupees and hence, there is no risk of foreign exchnage fluctuations.

(ii) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company does not have significant exposure to the risk of changes in market interest rates.

(iii) Other price risk

The Company does not have significant other price risk.

Note No. 21 - Fair Value Measurement

Fair Valuation Techniques and Inputs used

This section explains the judgment and estimates made in determining the fair value of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair value are disclosed in financials statements. To provide an indication about the reliability of the inputs used in determining the fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standards.

Level 1 Inputs:

Level 1 inputs are quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date. A quoted market price in an active market provides the most reliable evidence of fair value and is used without adjustment to measure fair value whenever available, with limited exceptions. If an entity holds a position in a single asset or liability and the asset or liability is traded in an active market, the fair value of the asset or liability is measured within Level 1 as the product of the quoted price for the individual asset or liability and the quantity held by the entity, even if the market's normal daily trading volume is not sufficient to absorb the quantity held and placing orders to sell the position in a single transaction might affect the quoted price.

Level 2 Inputs:

Level 2 inputs are inputs other than quoted market prices included within level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include:

- quoted prices for similar assets or liabilities in active markets
- quoted prices for identical or similar assets or liabilities in markets that are not active
- inputs other than quoted prices that are observable for the asset or liability, for example-interest rates and yield curves observable at commonly quoted interval
- implied volatilities
- credit spreads
- inputs that are derived principally from or corroborated by observable market data by correlation or other means ('market-corroborated inputs')

Level 3 Inputs:

Level 3 inputs inputs are unobservable inputs for the asset or liability. Unobservable inputs are used to measure fair value to the extent that relevant observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date. An entity develops unobservable inputs using the best information available in the circumstances, which might include the entity's own data, taking into account all information about market participant assumptions that is reasonably available.

(₹ in lakh)

Financial assets/financial liabilities	Fair value hierarchy as at 31st March, 2022			
	Level 1	Level 2	Level 3	Total
Financial assets				
Financial assets carried at Amortised Cost				
(i) Cash and cash equivalents	–	0.59	–	0.59
(ii) Other financial assets	–	0.05	–	0.05
Total	–	**0.64**	–	**0.64**
Financial liabilities				
Financial liabilities held at amortised cost				
(i) Borrowings	–	194.19	–	194.19
(ii) Trade payables	–	187.65	–	187.65
(iii) Other Financial Liabilities	–	27.74	–	27.74
Total	–	**409.58**	–	**409.58**

(₹ in lakh)

Financial assets/financial liabilities	Fair value hierarchy as at 31st March, 2021			
	Level 1	Level 2	Level 3	Total
Financial assets				
Financial assets carried at Amortised Cost				
(i) Cash and cash equivalents	–	0.35	–	0.35
(ii) Other financial assets	–	0.05	–	0.05
Total	**–**	**0.40**	**–**	**0.40**

(₹ in lakh)

Financial assets/financial liabilities	Fair value hierarchy as at 31st March, 2021			
	Level 1	Level 2	Level 3	Total
Financial liabilities				
Financial liabilities held at amortised cost				
(i) Borrowings	–	158.19	–	158.19
(ii) Trade payables	–	186.56	–	186.56
(iii) Other Financial Liabilities	–	15.39	–	15.39
Total	**–**	**360.14**	**–**	**360.14**

22 - Financial Ratios

						(₹ in lakh)
	Particulars	Numerator	Denominator	For the year ended March 31, 2022	For the year ended March 31, 2021	% Variance
a)	Current Ratio	Current Assets	Current Liabilities	0.8002	0.8694	-7.96%
b)	Debt Equity Ratio	Net Debt	Equity	(2.37)	(3.34)	-29.17%
c)	Debt Service Coverage Ratio (DSCR)	EBDITA	Total Debt	(0.16)	(0.06)	154.99%
d)	Return of Equity	PAT	Networth	0.02	0.01	47.69%
e)	Inventory Turnover ratio	COGS	Average Inventory	NA	NA	NA
f)	Trade Receivables turnover ratio	Turnover	Trade Receiavables (Average)	NA	NA	NA
g)	Trade Payable turnover ratio	COGS	Average Trade payable	NA	NA	NA
h)	Net capital turnover ratio,	Average Networth	Turnover	NA	NA	NA
i)	Net profit ratio	PAT	Revenue	NA	NA	NA
j)	Return on Capital employed	PAT	Borrowing	(0.0040)	(0.0030)	32.73%
k)	Return on investment	PAT	Capital employed	(0.0040)	(0.0030)	32.73%

23 - Additional regulatory information

Details of benami property held

No proceedings have been initiated on or are pending against the group for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

Relationship with struck off companies

The Company does not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

Wilful defaulter

The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

Undisclosed income

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

Details of crypto currency or virtual currency

The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.

24. Events after the reporting period

No material events have occurred after the Balance Sheet date and upto the approval of the Financial Statements

25. Previous Year Figures

The figures for the previous year have been regrouped wherever necessary to confirm to current year's grouping.

In terms of our report attached.

For R Jaitlia & Co.

Chartered Accountants

Firm Registration No:117246W

Mukesh Maheshwari

Partner

Membership No:049818

Place: Mumbai

Date: 12th April 2022

For and on behalf of the Board of Directors

Parveen Mahtani

Director (DIN-05189797)

Vimal Agarwal

Director (DIN-07296320)

Place: Mumbai

Date: 12th April 2022

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF
MOONSHINE CONSTRUCTION PRIVATE LIMITED

Report on the audit of the financial statements

Opinion

We have audited the accompanying financial statements of **M/s. Moonshine Construction Private Limited** ("the Company"), which comprise the Balance sheet as at March 31, 2022 and the Statement of Profit and Loss and statement of cash flows for the year then ended, the Statement of Changes in Equity for the year then ended and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022 and its Loss and cash flows for the year ended on that date.

Basis for opinion

We conducted our audit in accordance with the standards on auditing (SAs) specified under Section 143 (10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the code of ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the code of ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Reporting of key audit matters as per SA 701, Key Audit Matters are not applicable to the Company as it is an unlisted company.

Information other than the financial statements and auditors' report thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the financial statements

The Company's Board of Directors are responsible for the matters stated in section 134 (5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position and financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
   (c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
   (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
   (e) On the basis of the written representations received from the directors as on 31st March, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2022 from being appointed as a director in terms of Section 164(2) of the Act.
   (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B". Our report

expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company does not have any pending litigations which would impact its financial statements;

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **M/s. R. Jaitlia & Co.**
Chartered Accountants
FRN: 117246W

Mukesh Maheshwari
Partner
Membership No.: 049818

Place: Mumbai
Date: 19th April, 2022
UDIN: 22049818AIXPWL1947

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

i. In respect of its Property, Plant and Equipment:

As per information provided by the Company to us, it does not have any fixed asset as on 31st March, 2022. Accordingly, paragraph 3 (i) of the Order is not applicable to the Company.

ii. In respect of its inventories:

The Company does not have inventory. Accordingly, clause 3 (ii) (a) of the Order is not applicable.

As per information and explanation provided by the Company to us, the Company does not have any sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. Accordingly, paragraph 3 (ii) (b) of the Order is not applicable to the Company.

iii. Loans given by Company:

As per information and explanation provided by the Company to us, the Company has not made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year. Accordingly, paragraph 3 (ii) (b) of the Order is not applicable to the Company.

iv. Loan to Directors and investment by the Company:

According to the Information and explanation given to us, the Company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of grant of loans, Investments made, guarantees given and security as applicable.

v. Deposits:

The Company has not accepted any deposits from the public within the meaning of sections 73 to 76 or any other relevant provisions of the Act and the rules framed there-under. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.

vi. Cost Records:

The maintenance of cost records as specified under subsection (1) of the section 148 of the Act are not applicable to the Company and hence relevant provisions of the Order is not applicable.

vii. Statutory Dues:

According to information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing the undisputed statutory dues, including income tax, Goods and Service Tax (GST), and other material statutory dues, as applicable, with the appropriate authorities and there are no outstanding as on the last day of the financial year concerned for a period of more than six months. The Company has no obligation under Provident Fund and Employee State Insurance Rules. Payment of Sales Tax, Wealth Tax, Customs and Excise duties and Value Added Tax is not applicable to the Company during the Audit period.

There are no dues of income tax, sales tax, wealth tax, service tax, GST outstanding for more than 6 months at the end of Audit period.

viii. Previously unrecorded income

As per information and explanation provided by the Company to us, there are no transactions which are not recorded in the books of account have been surrendered or disclosed as income during the Audit period in the tax assessments under the Income Tax Act, 1961 (43 of 1961). Hence relevant provision of the Order is not applicable.

ix. Repayment of Loans:

According to the records of the company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of any loans since it has not availed of any loans from any bank nor has borrowed from any financial institution. The Company has also not issued any debentures as at the balance sheet date.

x. Utilisation of IPO & further public offer:

The Company has not raised any money by way of initial public offer or further public offer and no term loan was raised by the Company.

xi. Reporting of Fraud:

During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance fraud by the Company or any fraud on the Company by its offices or employees, nor noticed or reported during the year.

xii. Nidhi Company:

The Company is not a Nidhi Company and so relevant clause is not applicable.

xiii. Related Party Transaction:

During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us all transactions with related parties have been disclosed in the financial statements.

xiv. Internal Audit system:

The Company is the private limited company and does not have turnover of two hundred crore rupees or more during the preceding financial year; or outstanding loans or borrowings from banks or public financial institutions exceeding one hundred crore rupees or more at any point of time during the preceding financial year. Hence Section 138 is not applicable and so relevant clause is not applicable.

xv. Non – cash Transactions:

The Company has not entered into any non-cash transactions with directors or persons connected with any director of the Company.

xvi. Register under RBI Act 1934:

The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

xvii. Cash losses:

The Company has incurred cash losses in the Audit Period Rs. 64,376 and in the immediately preceding financial year (FY 2020-21) Rs. 42,722.

xviii. Resignation of statutory auditors:

During the year no statutory auditors' has been resigned, hence relevant clause is not applicable.

xix. Material uncertainty on meeting liabilities:

According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.

We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.

xx. Transfer to fund specified under Schedule VII of Companies Act, 2013:

There were no amounts which were required to be transferred to fund specified under Schedule VII of Companies Act, 2013.

The company does not have net worth of rupees five hundred crore or more, or turnover of rupees one thousand crore or more or a net profit of rupees five crore or more during the immediately preceding financial year. Hence Section 135 is not applicable and so relevant clause is not applicable.

xxi. Qualifications or adverse auditor remarks in other group companies:

Clause (xxi) of the Order is not applicable to the Company since report is of Standalone Financial Statement.

For **M/s. R. Jaitlia & Co.**
Chartered Accountants
FRN: 117246W

Mukesh Maheshwari
Partner
Membership No.: 049818

Place: Mumbai
Date: 19th April, 2022
UDIN : 22049818AIXPWL1947

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF MOONSHINE CONSTRUCTION PRIVATE LIMITED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **Moonshine Construction Private Limited** ("the Company") as of March 31, 2022 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and

(3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **M/s. R. Jaitlia & Co.**
Chartered Accountants
FRN: 117246W

Mukesh Maheshwari
Partner
Membership No.: 049818

Place: Mumbai
Date: 19th April, 2022
UDIN : 22049818AIXPWL1947

BALANCE SHEET AS AT 31ST MARCH 2022

(₹ in lakh)

	Note No.	As at 31st March 2022	As at 31st March 2021
I ASSETS			
NON-CURRENT ASSETS			
(a) Financial Assets			
(i) Investments	4	**0.25**	0.25
Total Non-Current Assets (I)		**0.25**	0.25
CURRENT ASSETS			
(a) Financial Assets			
(i) Cash and Cash Equivalents	5	**0.04**	0.01
(b) Other Current Assets	6	**–**	0.06
Total Current Assets (II)		**0.04**	0.06
Total Assets [(I)+(II)]		**0.29**	0.31
II EQUITY AND LIABILITIES			
EQUITY			
(a) Equity Share Capital	7	**0.00**	0.00
(b) Other Equity	8	**(32.37)**	(31.73)
Total equity (III)		**(32.37)**	(31.73)
LIABILITIES			
NON-CURRENT LIABILITIES			
(a) Financial Liabilities			
(i) Borrowings	9	**1.00**	1.00
Total Non-current liabilities (IV)		**1.00**	1.00
CURRENT LIABILITIES			
(a) Financial Liabilities			
(i) Borrowings	10	**27.15**	26.65
(ii) Trade Payables	11		
– total outstanding dues of micro enterprises and small enterprises		**–**	–
– total outstanding dues of trade payables other than micro enterprises and small enterprises		**3.84**	3.86
(iii) Other Financial Liabilities	12	**0.66**	0.52
(b) Other Current Liabilities	13	**0.01**	0.01
Total current liabilities (V)		**31.66**	31.04
Total equity and liabilities [(III)+(IV)+(V)]		**0.29**	0.31

See accompanying notes forming part of the financial statements

In terms of our report attached

For R Jaitlia & Co.
Chartered Accountants
Firm Registration No: 117246W

Partner
Membership No: 049818

Place: Mumbai
Date: 19th April 2022

For and on behalf of the Board of Directors

Viral Oza (DIN-03552722)

Vinay Mohan Srivastva (DIN-01172665)

Place: Mumbai
Date: 19th April 2022

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2022

(₹ in lakh)

	Particulars	Note No.	For the year ended 31st March 2022	For the year ended 31st March 2021
I	Revenue from operations		–	–
II	Other Income		–	–
III	**Total Revenue (I + II)**		–	–
IV	**EXPENSES**			
	(i) Finance cost	14	**0.15**	0.13
	(ii) Other expenses	15	**0.49**	0.30
	Total Expenses (III-IV)		**0.64**	0.43
V	**Loss for the period (IV)**		**(0.64)**	(0.43)
VI	**Loss before tax**		**(0.64)**	(0.43)
VII	**Other comprehensive income**		–	–
VIII	**Total comprehensive income for the period (VI + VII)**		**(0.64)**	(0.43)
IX	**Earnings per equity share (from continuing and discontinued operations):**			
	Basic/Diluted	16	**(3,065.50)**	(2,034.38)

See accompanying notes forming part of the financial statements

In terms of our report attached

For R Jaitlia & Co.
Chartered Accountants
Firm Registration No: 117246W

Partner
Membership No: 049818

Place: Mumbai
Date: 19th April 2022

For and on behalf of the Board of Directors

Viral Oza (DIN-03552722)

Vinay Mohan Srivastva (DIN-01172665)

Place: Mumbai
Date: 19th April 2022

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2022

(₹ in lakh)

Particulars	Note No.	As at 31st March 2022	As at 31st March 2021
Cash flows from operating activities			
Profit before tax for the year	PL	**(0.64)**	(0.43)
Adjustments for:			
Finance costs recognised in profit or loss		**0.15**	0.13
Investment income recognised in profit or loss		**–**	–
		(0.49)	(0.30)
Movements in working capital:			
(Increase)/decrease in other assets		**0.06**	0.04
Decrease in trade and other payables		**(0.02)**	(0.18)
(Decrease)/increase in other liabilities		**0.14**	0.11
Net cash generated by operating activities		**(0.32)**	(0.34)
Cash flows from investing activities			
ICD Received		**0.50**	–
Interest paid on ICD		**(0.15)**	(0.13)
Net cash used in financing activities		**0.35**	(0.13)
Net increase in cash and cash equivalents		**0.03**	(0.46)
Cash and cash equivalents at the beginning of the year		**0.01**	0.47
		0.04	0.01
Cash and cash equivalents at the end of the year		**0.04**	0.01

In terms of our report attached

For R Jaitlia & Co.
Chartered Accountants
Firm Registration No: 117246W

Partner
Membership No: 049818

Place: Mumbai
Date: 19th April 2022

For and on behalf of the Board of Directors

Viral Oza (DIN-03552722)

Vinay Mohan Srivastva (DIN-01172665)

Place: Mumbai
Date: 19th April 2022

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2022

A. Equity Share Capital

As at 31 March, 2021	0.00
Changes in equity share capital during the year	–
As at 31 March, 2022	0.00

a. Equity share capital

	Equity share capital (no of shares)
Balance at 31 March, 2020	21
Changes in equity share capital during the year	
Issue of equity shares	–
Balance at 31 March, 2021	21
Changes in equity share capital during the year	
Issue of equity shares	–
Balance at 31 March, 2022	21

Particulars	**Retained earnings**
Balance at 31 March, 2020	**(31.30)**
Profit/(Loss) for the period	(0.43)
Other comprehensive income	–
Total comprehensive income	(0.43)
Balance at 31 March, 2021	**(31.73)**
Profit/(Loss) for the period	(0.64)
Other comprehensive income	**–**
Total comprehensive income	(0.64)
Balance at 31 March, 2022	**(32.37)**

See accompanying notes forming part of the financial statements

In terms of our report attached

For R Jaitlia & Co.
Chartered Accountants
Firm Registration No: 117246W

Partner
Membership No: 049818

Place: Mumbai
Date: 19th April 2022

For and on behalf of the Board of Directors

Viral Oza (DIN-03552722)

Vinay Mohan Srivastva (DIN-01172665)

Place: Mumbai
Date: 19th April 2022

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

1. Corporate information

Moonshine Construction Private Limited ("the Company") is a private limited company incorporated in India on 16 May, 1996 under the provisions of erstwhile Companies Act, 1956. The registered office of the Company is located at 5th Floor, Mahindra Towers, Dr. G. M. Bhosale Marg, P. K. Kurne Chowk, Worli, Mumbai – 400 018.

The Company is subsidiary of Mahindra Lifespace Developers Limited, Mumbai, a company incorporated in India. The ultimate parent company is Mahindra & Mahindra Limited.

2. Significant Accounting Policies

2.1 Statement of compliance and Basis of preparation and presentation

The Standalone Financial Statements of the Company have been prepared in accordance with the Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under section 133 of the Companies Act, 2013 (the Act) and other relevant provision of the act. The aforesaid financial statements have been approved by the Company's Board of Directors and authorised for issue in the meeting held on 19th April, 2022.

2.2 Property, plant and equipment

Property, plant and equipment are stated at cost of acquisition or construction less accumulated depreciation less accumulated impairment, if any. Cost includes financing cost relating to borrowed funds attributable to the construction or acquisition of qualifying tangible assets upto the date the assets are ready for use. The estimated useful lives, residual values, are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

When an asset is scrapped or otherwise disposed off, the cost and related depreciation are removed from the books of account and resultant profit or loss, if any, is reflected in the statement of profit and loss.

Depreciation on assets (other than impaired assets) is calculated on straight line method at the rate of 11.31% p.a. which is based on useful life of about 9 years determined on the basis of technical evaluation by the Management of the Company and is different from the useful life of 15 years indicated in part C of schedule II to the Companies Act, 2013.

2.3 Impairment of assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the statement profit and loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the statement profit and loss.

2.4 Inventories

Inventories are stated at the lower of cost and net realisable value, whichever is lower. Cost is arrived at on first-in-first-out basis and includes overheads on absorption basis, where appropriate.

Financial assets and Liabilities

2.5 Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the Statement of profit or loss.

2.6 Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets

2.6.1 Impairment of financial assets

The Company applies the expected credit loss model for recognising impairment loss on financial assets. With respect to trade receivables, the Company measures the loss allowances at an amount equal to lifetime expected credit losses.

2.6.2 Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in the statement of profit and loss if such gain or loss would have otherwise been recognised in the statement of profit and loss on disposal of that financial asset.

2.7 Financial liabilities and equity instruments

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

2.7.1 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in the statement of profit and loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

2.7.1.1 Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at Fair value through profit and loss.

2.7.1.2 Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between the lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the statement of profit and loss.

2.8 Revenue recognition

Revenue on account of sale of services is recognised under the completed service contract method to the extent it is probable that the economic benefit will flow to the Company and the revenue can be reliably measured.

Sales are recognised, net of returns and trade discounts, on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the delivery of goods to customers.

Dividend income is recognised in the statement of profit and loss when the right to receive payment is established. Interest Income is accounted for on time proportion basis.

2.9 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

2.9.1 Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

2.9.2 Deferred tax

Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences could be utilized.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

2.9.3 Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

2.9.4 Minimum Alternate Tax (MAT):

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax against which the MAT paid will be adjusted.

2.10 Cash and cash equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

2.11 Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit/ (loss) for the year is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

3. Use of estimates and judgments

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets, liabilities, income, expenses, etc. at the date of these financial statements and the reported amounts of revenues and expenses for the years presented. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed at each balance sheet date. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

Note No. 4 - Investments

Particulars	Face Value (Rs.)	As at 31st March 2022 Nos.	As at 31st March 2022 (₹ in lakh)	As at 31st March 2021 Nos.	As at 31st March 2021 (₹ in lakh)
A. Investments carried at cost or deemed cost					
Investments in Preference shares					
Preference shares - Mahindra World City Maharashtra Limited	10	**2,500**	**0.25**	2,500	0.25
Total Investments (A)			**0.25**		0.25

Note No. 5 - Cash and Bank Balances

(₹ in lakh)

Particulars	As at 31st March 2022	As at 31st March 2021
Cash and cash equivalents		
(a) Balances with banks	**0.04**	0.01
Total Cash and cash equivalent	**0.04**	0.01
Total Cash and Bank Balances	**0.04**	0.01

Note No. 6 - Other assets

(₹ in lakh)

Particulars	As at 31st March 2022 Current	As at 31st March 2022 Non-Current	As at 31st March 2021 Current	As at 31st March 2021 Non-Current
(a) Advances other than capital advances				
(i) Prepaid expenses	–	–	0.06	–
	–	–	0.06	–

Note No. 7 - Equity share capital

Particulars	As at 31st March 2022 Number of shares	As at 31st March 2022 (₹ in lakh)	As at 31st March 2021 Number of shares	As at 31st March 2021 (₹ in lakh)
(a) Authorised				
Equity shares of Rs. 10 each with voting rights	**21**	**0.00**	21	0.00
	21	**0.00**	21	0.00
(b) Issued, subscribed and fully paid-up shares				
Equity shares of Rs. 10 each	**21**	**0.00**	21	0.00
	21	**0.00**	21	0.00

Notes (i) to (iv) below

(i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

Particulars	As at 31st March 2022 Number of shares	As at 31st March 2022 (₹ in lakh)	As at 31st March 2021 Number of shares	As at 31st March 2021 (₹ in lakh)
Opening balance	**21**	**0.00**	21	0.00
Add: Issued during the year	**–**	**–**	–	–
Closing balance	**21**	**0.00**	21	0.00

The company has not allotted any equity shares for consideration other than cash, bonus shares, nor have any shares been bought back during the period of five years immediately preceding the Balance Sheet date.

(ii) Terms/rights attached to equity shares:

The Company is having only one class of equity shares having par value of Rs. 10 each. Each holder of equity share is entitled to one vote per share.

In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive remaining assets of the Company. The distribution will be in proportion to the amount paid up on equity shares held by the shareholders.

(iii) Details of shares held by:

Particulars	As at 31st March 2022	As at 31st March 2021
Mahindra World City Maharashtra Limited	**20**	20

(iv) Details of shares held by each shareholder holding more than 5% shares:

Particulars	As at 31st March 2022 Number of shares	As at 31st March 2022 % holding	As at 31st March 2021 Number of shares	As at 31st March 2021 % holding
Mahindra World City Maharashtra Limited	**20**	**95.24%**	20	95.24%

(v) Details of shareholdings by the Promoter's of the company :

Particulars	As at 31st March 2022 Number of shares	As at 31st March 2022 % holding	As at 31st March 2021 Number of shares	As at 31st March 2021 % holding
Mahindra World City Maharashtra Limited	**20**	**95.24%**	20	95.24%

Note No. 8 - Other equity

(₹ in lakh)

Particulars	Retained earnings	Total
Balance at 31st March, 2020	**(31.30)**	**(31.30)**
Profit/(Loss) for the period	(0.43)	(0.43)
Other comprehensive income	–	
Total comprehensive income	(0.43)	(0.43)
Balance at 31st March, 2021	**(31.73)**	**(31.73)**
Profit/(Loss) for the period	(0.64)	(0.64)
Other comprehensive income	–	
Total comprehensive income	(0.64)	(0.64)
Balance at 31st March, 2022	**(32.37)**	**(32.37)**

Note No. 9 - Non-Current Borrowings

(₹ in lakh)

Particulars	As at 31st March 2022	As at 31st March 2021
Measured at amortised cost*		
A. Unsecured Borrowings - at amortised Cost		
(i) Other Loans		
Redeemable preference share capital	**1.00**	1.00
Total Unsecured Borrowings	**1.00**	1.00
Total Borrowings	**1.00**	1.00

Note No. 10 - Current Borrowings

(₹ in lakh)

Particulars	As at 31st March 2022	As at 31st March 2021
A. Unsecured Borrowings		
(i) Loans from related parties*	**2.00**	1.50
(ii) Loans from others	**25.15**	25.15
Total Unsecured Borrowings	**27.15**	26.65
Total Current Borrowings	**27.15**	26.65

*The Unsecured Inter Corporate Deposit taken from Mahindra Lifespace Developers Limited @ 7.70% (Previous Year 8.95% p.a. from 01.04.2020 to 30.09.2020 and 7.80% p.a. from 01.10.2020 to 31.03.2021)

Note No. 11 - Trade Payables

(₹ in lakh)

Particulars	As at 31st March 2022	As at 31st March 2021
Trade payable -total outstanding Dues of micro enterprises and small enterprises		
Trade payable - Other than micro and small enterprises	**3.84**	3.86
Total Trade Payables	**3.84**	3.86

Note:

Based on the information available with the Company there are no outstanding in respect of Micro, Small and Medium Enterprises as of Balance Sheet date

11 a - Ageing for trade payable from the due date of payment for each of the category is as follows

(₹ in lakh)

Particulars	As at 31st March 2022	As at 31st March 2021
Undisputed dues of creditors other than micro enterprises and small enterprises		
Unbilled	**–**	–
Not Due	**–**	–
0 months - 1 year	**0.27**	0.15
1-2 Years	**–**	0.03
2-3 years	**–**	3.68
More than 3 years	**3.57**	–
Total	**3.84**	3.86

Note No. 12 - Other Financial Liabilities

(₹ in lakh)

Particulars	As at 31st March 2022	As at 31st March 2021
Current		
(a) IInterest accrued but not due	**0.66**	0.52
Total Other Financial Liabilities	**0.66**	0.52

Note No. 13 - Other Current Liabilities

(₹ in lakh)

Particulars	As at 31st March 2022	As at 31st March 2021
a. Others		
Statutory remittances (withholding taxes)	**0.01**	0.01
Total Other Current Liabilities	**0.01**	0.01

Note No. 14 - Finance Costs

(₹ in lakh)

Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
(a) Interest expense	0.15	0.13
Total Finance Costs	**0.15**	0.13

Note No. 15 - Other Expenses

(₹ in lakh)

Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
(a) Auditors remuneration and out-of-pocket expenses		
(i) As Auditors	**0.15**	0.15
(b) Other expenses		
(i) Legal and other professional costs	**0.34**	0.15
(ii) Others	**0.00**	–
Total Other Expenses	**0.49**	0.30

Note No. 16 - Earnings per Share
Basic Earnings per Share

Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
(a) Net loss for the period	**(64,376)**	(42,722)
(b) Nominal value per share	**10**	10
(c) Weighted average number of equity shares (No.)	**21**	21
(d) Basic/Diluted earning per share	**(3,065.50)**	(2,034.38)

Note No. 17 - Related Party Transactions

Related party disclosures as required by Ind As 24 "Related Party Disclosures" are given below.

Enterprises Controlling the Company

(₹ in lakh)

1	**Mahindra Lifespace Developers Limited**	**Holding Company**

Particulars	For the Period ended	Ultimate Holding Company	Holding Company
Nature of transactions with Related Parties			
Inter Corproate Deposits	31-Mar-22	–	**0.50**
	31-Mar-21	–	**–**
Interest on ICD	31-Mar-22	–	**0.15**
	31-Mar-21	–	0.13

Nature of Balances with Related Parties	Balances as on	Ultimate Holding Company	Holding Company
Payables (ICD and Interest on ICD)	31-Mar-22	–	**2.66**
	31-Mar-21	–	2.02

Notes:

1. During the year, there were no amounts required to be written off or written back in respect of debts due from or to related parties.
2. Related parties have been identified by the Management.

Note No. 18 - The accounts of the Company for the year ended 31 March, 2022 have been prepared on the basis of going concern.

Note No. 19 - Financial Instruments

[I] Capital management

The Company's capital management objectives is to ensure the Company's ability to continue as a going concern

The capital structure of the Company consists of equity.

The Company does not have any borrowings.

The Company sets the amount of capital in proportion to its overall financing structure, i.e. equity and financial liabilities. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

[II] Financial Risk Management Framework

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk. In order to manage the aforementioned risks, the Company operates a risk management policy and a program that performs close monitoring of and responding to each risk factors.

A) CREDIT RISK

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primary trade receivables) and from its financing activities, including deposits with banks and other financial instruments.

(i) Trade receivables

Outstanding customer receivables are regularly monitored.

An impairment analysis is performed at each reporting date and the Company measures the loss allowances at an amount equal to lifetime expected credit lossess. The Company does not hold collateral as security.

(ii) Financial instruments and cash deposits:

Credit risk from balances with banks is managed by the Company in accordance with the Company's policy. Investments of surplus funds are made only with bank.

(B) LIQUIDITY RISK

(i) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Company's short-, medium- and long-term funding and liquidity management requirements. The Company manages liquidity risk by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

(ii) Maturities of financial liabilities

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The amount disclosed in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay.

(₹ in lakh)

Particulars	Less than 1 Year	1-3 Years	3 Years to 5 Years	5 years and above	Total	Carrying Value
Non-derivative financial						
31-Mar-22						
Trade Payable	**0.27**	**–**	**3.57**	**–**	**3.84**	**3.84**
Total	**0.27**	**–**	**3.57**	**–**	**3.84**	**3.84**
31-Mar-21						
Trade Payable	0.15	3.70	–	–	3.86	3.86
Total	**0.15**	**3.70**	**–**	**–**	**3.86**	**3.86**

(iii) Maturities of financial assets

The following table details the Company's expected maturity for its non-derivative financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Company's liquidity risk management as the liquidity is managed on a net asset and liability basis.

(₹ in lakh)

Particulars	Less than 1 Year	1-3 Years	3-4 Years	5 years and above	Total	Carrying amount
Non-derivative financial assets						
31st March, 2022						
Non interest rate bearing	**0.04**	**–**	**–**	**–**	**0.04**	**0.04**
Fixed interest rate bearing	**–**	**–**	**–**	**–**	**–**	**–**
Total	**0.04**	**–**	**–**	**–**	**0.04**	**0.04**
31st March, 2021						
Non interest rate bearing	0.01	–	–	–	0.01	0.01
Fixed interest rate bearing	–	–	–	–	–	–
Total	**0.01**	**–**	**–**	**–**	**0.01**	**0.01**

MARKET RISK

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

There has been no significant changes to the Company's exposure to market risk or the methods in which they are managed or measured.

(i) Currency Risk

The Company undertakes transactions denominated only in Indian Rupees and hence, there is no risk of foreign exchnage fluctuations.

(ii) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company does not have significant exposure to the risk of changes in market interest rates.

(iii) Other price risk

The Company does not have significant other price risk.

Note No. 20 - Financial Ratios

(₹ in lakh)

	Particulars	Numerator	Denominator	For the year ended March 31, 2022	For the year ended March 31, 2021	% Variance
a)	Current Ratio	Current Assets	Current Liabilities	0.0012	0.0020	-38.94%
b)	Debt Equity Ratio	Net Debt	Equity	(0.87)	(0.87)	-0.22%
c)	Debt Service Coverage Ratio (DSCR)	EBDITA	Total Debt	(0.02)	(0.02)	47.37%
d)	Return of Equity	PAT	Networth	0.02	0.01	47.69%
e)	Inventory Turnover ratio	COGS	Average Inventory	NA	NA	NA
f)	Trade Receivables turnover ratio	Turnover	Trade Receiavables (Average)	NA	NA	NA
g)	Trade Payable turnover ratio	COGS	Average Trade payable	NA	NA	NA
h)	Net capital turnover ratio,	Average Networth	Turnover	NA	NA	NA
i)	Net profit ratio	PAT	Revenue	NA	NA	NA
j)	Return on Capital employed	PAT	Borrowing	0.17	(0.03)	-574.52%
k)	Return on investment	PAT	Capital employed	0.17	(0.03)	-574.52%

Note No. 21 - Additional regulatory information

Details of benami property held

No proceedings have been initiated on or are pending against the group for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

Relationship with struck off companies

The Company does not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

Wilful defaulter

The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

Undisclosed income

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

Details of crypto currency or virtual currency

The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.

Note No. 22 - Events after the reporting period

No material events have occurred after the Balance Sheet date and upto the approval of the Financial Statements

Note No. 23 - Previous Year Figures

The figures for the previous year have been regrouped wherever necessary to confirm to current year's grouping.

Note No. 24 - Fair Value Measurement

Fair Valuation Techniques and Inputs used

This section explains the judgment and estimates made in determining the fair value of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair value are disclosed in financials statements. To provide an indication about the reliability of the inputs used in determining the fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standards.

Level 1 Inputs:

Level 1 inputs are quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date. A quoted market price in an active market provides the most reliable evidence of fair value and is used without adjustment to measure fair value whenever available, with limited exceptions. If an entity holds a position in a single asset or liability and the asset or liability is traded in an active market, the fair value of the asset or liability is measured within Level 1 as the product of the quoted price for the individual asset or liability and the quantity held by the entity, even if the market's normal daily trading volume is not sufficient to absorb the quantity held and placing orders to sell the position in a single transaction might affect the quoted price.

Level 2 Inputs:

Level 2 inputs are inputs other than quoted market prices included within level 1 that are observable for the asset or liability, either directly or indirectly.

Level 2 inputs include:

- quoted prices for similar assets or liabilities in active markets
- quoted prices for identical or similar assets or liabilities in markets that are not active
- inputs other than quoted prices that are observable for the asset or liability, for example-interest rates and yield curves observable at commonly quoted interval
- implied volatilities
- credit spreads
- inputs that are derived principally from or corroborated by observable market data by correlation or other means ('market-corroborated inputs')

Level 3 Inputs:

Level 3 inputs inputs are unobservable inputs for the asset or liability. Unobservable inputs are used to measure fair value to the extent that relevant observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date. An entity develops unobservable inputs using the best information available in the circumstances, which might include the entity's own data, taking into account all information about market participant assumptions that is reasonably available.

(₹ in lakh)

Financial assets/financial liabilities	Fair value hierarchy as at 31st March, 2022			
	Level 1	**Level 2**	**Level 3**	**Total**
Financial assets				
Financial assets carried at Amortised Cost				
(i) Cash and cash equivalents	–	**0.04**	–	**0.04**
(ii) Other bank balances	–	–	–	–
Total	–	**0.04**	–	**0.04**
Financial liabilities				
Financial liabilities held at amortised cost				
(i) Non Current Borrowings	–	**1.00**	–	**1.00**
(ii) Current Borrowings	–	**27.15**	–	**27.15**
(iii) Trade payables	–	**3.84**	–	**3.84**
(iv) Other Financial Liabilities	–	**0.66**	–	**0.66**
Total	–	**32.64**	–	**32.64**

(₹ in lakh)

Financial assets/financial liabilities	Fair value hierarchy as at 31st March, 2021			
	Level 1	Level 2	Level 3	Total
Financial assets				
Financial assets carried at Amortised Cost				
(i) Cash and cash equivalents	–	0.01	–	0.01
(ii) Other bank balances	–	–	–	–
Total	–	0.01	–	0.01
Financial liabilities				
Financial liabilities held at amortised cost				
(i) Non Current Borrowings	–	1.00	–	1.00
(ii) Current Borrowings	–	26.65	–	26.65
(iii) Trade payables	–	3.86	–	3.86
(iv) Other Financial Liabilities	–	0.52	–	0.52
Total	–	32.03	–	32.03

In terms of our report attached

For R Jaitlia & Co.
Chartered Accountants
Firm Registration No: 117246W

Partner
Membership No: 049818

Place: Mumbai
Date: 19th April 2022

For and on behalf of the Board of Directors

Viral Oza (DIN-03552722)

Vinay Mohan Srivastva (DIN-01172665)

Place: Mumbai
Date: 19th April 2022

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF MAHINDRA CONSULTING ENGINEERS LIMITED

Report on the audit of the Standalone Financial Statements

Opinion

We have audited the accompanying Standalone Financial Statements of **Mahindra Consulting Engineers Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information. (herein after referred to as "the Standalone Financial Statements").

In our opinion and to the best of our information and according to the explanations given to the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, of its profit and total comprehensive income, its cash flows and its changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the Standalone Financial Statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the 'Auditors' Responsibilities for the Audit of the Standalone Financial Statements' section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("the ICAI") together with the ethical requirements that are relevant to our audit of the Standalone Financial Statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Financial Statements.

Information other than the Standalone Financial Statements and Auditors' Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the Directors Report and the related annexures, but does not include the Standalone Financial Statements and our Auditors' Report thereon.

Our opinion on the Standalone Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements, or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's Financial reporting process.

Auditors' Responsibilities for the audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the Standalone Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the Standalone Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Standalone Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Standalone Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Standalone Financial Statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other Legal and Regulatory requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in Annexure B, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

(b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

(c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and the Statement of Changes in Equity dealt with by this report are in agreement with the books of account.

(d) In our opinion, the aforesaid Standalone Financial Statements comply with the Accounting Standards specified under Section 133 of the Act.

(e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164(2) of the Act.

(f) With respect to the adequacy of the internal financial controls with reference to Standalone Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure A. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to Standalone Financial Statements.

(g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its Directors during the year is in accordance with the provisions of Section 197 of the Act.

(h) With respect to the other matters to be included in the Auditors' Report in accordance with the requirements of Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

(i) The Company has disclosed the impact of pending litigations on its financial position in its Standalone Financial Statements. (Refer Note 32 to the Standalone Financial Statements).

(ii) The Company did not have any long term contracts which has any material foreseeable losses. The Company did not have any derivative contracts.

(iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

(iv) The management of the Company have represented to us respectively that, to the best of their knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(v) The management of the Company is represented to us that, to the best of their knowledge and belief, no funds have been received by the Company or any of such subsidiaries from any person(s) or entity(ies) including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company or any of such subsidiaries shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(vi) Based on the audit procedures, that has been considered reasonable and appropriate in the circumstances, performed by us nothing has come to our notice that has caused us or the other auditors to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

(vii) The Company has not declared any dividend during the year.

For **B. K. Khare & Co**
Chartered Accountants
(Firm's Registration No. 105102W)

P. Shankar Raman
Partner
Membership No. 111212
UDIN: 22111212AJPYXC6347

Place: Mumbai
Date: April 29, 2022

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

[Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date]

Report on the Internal Financial Controls with reference to Standalone Financial Statements under Clause (i) of sub-section (3) of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to Standalone Financial Statements of **Mahindra Consulting Engineers Limited** ("the Company") as of March 31, 2022 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to Standalone Financial Statements of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to Standalone Financial Statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to Standalone Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to Standalone Financial Statements included obtaining an understanding of internal financial controls with reference to Standalone Financial Statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to Standalone Financial Statements.

Meaning of Internal Financial Controls with reference to Standalone Financial Statements

A company's internal financial control with reference to Standalone Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Standalone Financial Statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to Standalone Financial Statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Standalone Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the Standalone Financial Statements.

Inherent Limitations of Internal Financial Controls with reference to Standalone Financial Statements

Because of the inherent limitations of internal financial controls with reference to Standalone Financial Statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to Standalone Financial Statements to future periods are subject to the risk that the internal financial control with reference to Standalone Financial Statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system with reference to Standalone Financial Statements and such internal financial controls with reference to Standalone Financial Statements were operating effectively as at March 31, 2022, based on the criteria for internal financial control with reference to Standalone Financial Statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **B. K. Khare & Co**
Chartered Accountants
(Firm's Registration No. 105102W)

Shirish Rahalkar
Partner
Membership No. 111212
UDIN: 2111212AJPYXC6347

Place: Mumbai
Date: April 29, 2022

ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT
(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(i) In respect of its Property, Plant and Equipment

(a) According to the information and explanations given to us, the Company has maintained proper records showing full particulars, including quantitative details and situation of the property, plant and equipment.

(b) Most of the Property, Plant and Equipment were physically verified during the year by the Management and according to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) The Company does not have any immovable properties of freehold or leasehold land and building and hence reporting under clause 3(i)(c) of the Order is not applicable to the Company.

(d) According to the information and explanations given to us, the Company has not revalued any of its Property, Plant and Equipment during the year.

(e) Based on the audit procedures performed by us and according to the information, explanations and representations given to us, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45of 1988) and rules made thereunder.

(ii) (a) The Company does not have any inventory and hence reporting under clause (ii) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from Federal Bank on the basis of security of Trade Receivables during the year. The Cashflow Statement of filed by the Company with Federal Bank on a quarterly basis are in agreement with the audited /unaudited (retain as applicable) books of account as certified by the management.

(iii) According to the information and explanations given to us, the Company has not made investments in or provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year. Accordingly, the reporting under Clauses 3(iii)(a) to 3(iii)(f) of the Order is not applicable to the Company.

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act, with respect to loans granted, guarantees provided and investments made by the Company. The Company has not provided any security during the year to the parties covered under Sections 185 and 186 of the Act.

(v) According to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under, where applicable. Accordingly, the reporting under Clause 3(v) of the Order is not applicable to the Company.

(vi) The Central Government has not prescribed the maintenance of cost records under sub section (1) of Section 148 of the Act for any of the products of the Company. Accordingly, the reporting under Clause 3(vi) of the Order is not applicable to the Company.

(vii) According to the information and explanations given to us, in respect of statutory dues:

(a) The Company has been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Goods and Services Tax, Cess and other material statutory dues applicable to it to the appropriate authorities.

(b) There were no undisputed amounts payable in respect of Provident Fund, Income-tax, Goods and Services Tax, Cess and other material statutory dues in arrears as at March 31, 2022 for a period of more than six months from the date they became payable.

(c) Details of dues of Income tax which has not been deposited as on March 31, 2022, on account of disputes is given below:

Nature of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount Unpaid (Rs. In lakhs)
Income Tax Act	Income Tax	Income tax Appellate Tribunal	AY 2013-14	26.28

(viii) In our opinion and according to the information and explanations given to us, there are no transactions not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income-tax Act, 1961. Accordingly, the reporting under Clause 3(viii) of the Order is not applicable to the Company.

(ix) (a) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks. The Company has not taken any loans or borrowings from government and financial institutions and has not issued any debentures

(b) In our opinion and according to the information and explanations given to us, the Company has not been declared a willful defaulter by any bank or financial institution or any other lender till the date of our audit report.

(c) In our opinion and according to the information and explanations given to us, the company has not raised any money by way of term loans during the year. Hence, reporting under Clause 3(ix)(c) of the Order is not applicable to the Company.

(d) In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that funds raised on short-term basis have not been utilised for long- term purposes as at the Balance Sheet date.

(e) In our opinion and according to the information and explanations given to us and on an overall examination of the Financial Statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.

(x) (a) In our opinion and according to the information and explanations given to us, the Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans. Accordingly, the reporting under clause (ix) of the Order is not applicable to the Company.

(b) In our opinion and according to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Accordingly, the reporting under Clause 3(x)(b) of the Order is not applicable to the Company.

(xi) (a) During the course of our examination of books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the management.

(b) There has been no report filed by us under sub-section (12) of Section 143 of the Act in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government. Accordingly, the reporting under Clause 3(xi)(b) of the Order is not applicable to the Company.

(c) As represented to us by the management, no whistle blower complaints were received by the Company during the year.

(xii) According to the information and explanations given to us, the Company is not a Nidhi company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, the reporting under Clause 3(xii) of the Order is not applicable to the Company

(xiii) In our opinion and according to the information and explanations given to us the Company has entered into transactions with related partied in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the Standalone Financial Statements as required by Indian Accounting Standard (IND AS) 24, Related Party Disclosures, specified under Section 133 of the Act.

(xiv) In our opinion and based on our examination, the Company does not have an internal audit system and is not required to have an internal audit system as per the provisions of the Act.

(xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or directors of its holding company or subsidiary company or persons connected with them during the year and hence provisions of Section 192 of the Act are not applicable to the Company. Accordingly ,the reporting under clause 3(xv) of the Order is not applicable to the Company.

(xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under Clause (xvi) of the Order is not applicable to the Company.

(b) In our opinion and according to the information and explanations given to us, the Company has not conducted any Non-Banking Financial or Housing Finance activities. Accordingly, the reporting under Clause 3(xvi)(b) of the Order is not applicable to the Company.

In our opinion and according to the information and explanations given to us, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under Clauses 3(xvi)(c) and 3(xvi)(d) of the Order is not applicable to the Company.

(xvii) In our opinion and according to the information and explanations given to us, the Company has not incurred cash losses in the current financial year as well as in the immediately preceding financial year. Accordingly, the reporting under Clause 3(xvii) of the Order is not applicable to the Company.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, the reporting under Clause 3(xviii) of the Order is not applicable to the Company.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of Balance Sheet as and when they fall due within a period of one year from the Balance Sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the Balance Sheet date, will get discharged by the Company as and when they fall due.

(xx) According to the information and explanations given to us, CSR is not applicable to the Company. Hence, reporting under Clause 3(xx) is not applicable to the Company.

For **B. K. Khare & Co**
Chartered Accountants
(Firm's Registration No. 105102W)

P. Shankar Raman
Partner
Membership No. 111212
UDIN: 22111212AJPYXC6347

Place: Mumbai
Date: April 29, 2022

STANDALONE BALANCE SHEET AS AT MARCH 31, 2022

				Rupees in Lakhs
Particulars		**Note No**	**As at 31-March-2022**	As at 31-March-2021
I.	**Assets**			
1	**Non-current assets**			
	(a) Property, plant and equipment	4(i)	**26.89**	31.13
	(b) Intangible assets	4(ii)	**–**	–
	(c) Financial assets			
	(i) Investments	5	**0.00**	0.00
	(ii) Other financial assets	6	**63.96**	65.96
	(d) Other non-current assets	7 & 11	**194.35**	204.50
	(e) Deferred tax assets (net)	8	**80.88**	63.17
	Sub-total		**366.08**	364.76
2	**Current assets**			
	(a) Financial assets			
	(i) Trade receivables	9	**574.68**	759.94
	(ii) Cash and cash equivalents	10	**128.13**	77.75
	(iii) Bank balances other than (ii) above	10	**350.59**	343.41
	(iv) Other Financial Assets	6	**54.14**	18.38
	(b) Other current assets	11	**1,313.26**	1,298.46
	Sub-total		**2,420.80**	2,497.94
	TOTAL ASSETS		**2,786.88**	2,862.70
II.	**Equity and Liabilities**			
1	**Equity**			
	(a) Equity share capital	12	**189.06**	189.06
	(b) Other equity	13	**1,840.88**	1,708.95
	Sub-total		**2,029.94**	1,898.01
	Liabilities			
2	**Non-current liabilities**			
	(a) Provisions	14	**70.38**	65.43
	Sub-total		**70.38**	65.43
3	**Current liabilities**			
	(a) Financial liabilities			
	(i) Trade payables	15		
	– total outstanding dues of Micro enterprises and small enterprises		**–**	–
	– total outstanding dues of Creditors other than Micro enterprises and small enterprises		**526.86**	669.12
	(b) Provisions	14	**60.64**	54.09
	(c) Other current liabilities	16	**99.06**	176.05
	Sub-total		**686.56**	899.26
	Total liabilities		**756.94**	964.69
	TOTAL EQUITY AND LIABILITIES		**2,786.88**	2,862.70

See accompanying notes forming part of the standalone financial statements

In terms of our report attached
For **B.K. Khare & Co**
Chartered Accountants
ICAI Firm Registration No. 105102W

Shirish Rahalkar
Partner
Membership No. 111212

Place : Mumbai
Date : April 29, 2022

For and on behalf of the Board

B. Suresh
CEO & Managing Director

Place : Chennai
Date : April 29, 2022

Parag C Shah
Director

Place : Mumbai
Date : April 29, 2022

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2022

Rupees in Lakhs

Particulars	**Note No**	**For the year ended 31-March-2022**	For the year ended 31-March-2021
Revenue			
Revenue from operations	17	**1,710.96**	1,465.21
Other Income	18	**75.18**	48.29
Total Revenue		**1,786.14**	1,513.50
Expenses:			
(a) Employee benefits expense	19	**840.63**	817.64
(b) Finance costs	20	**6.92**	9.89
(c) Depreciation and amortization expense	21	**8.52**	8.74
(d) Other expenses	22	**753.38**	509.15
Total Expenses		**1,609.45**	1,345.42
Profit before tax		**176.69**	168.08
Tax Expense			
(a) Current tax		**62.14**	49.12
(b) Deferred tax		**(17.63)**	(10.46)
Total tax expense		**44.51**	38.66
Profit after tax for the year		**132.18**	129.42
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Re-measurement of defined benefit obligation		**(0.33)**	8.43
Income tax relating to items that will not be reclassified to profit or loss		**0.08**	(2.12)
Remeasurement of defined benefit obligation - net of tax		**(0.25)**	6.31
Total comprehensive income for the year		**131.93**	135.73
Earnings per equity share (of Rs. 10/- each)			
Basic & diluted	24	**6.99**	6.85

See accompanying notes forming part of the standalone financial statements

In terms of our report attached
For **B.K. Khare & Co**
Chartered Accountants
ICAI Firm Registration No. 105102W

Shirish Rahalkar
Partner
Membership No. 111212

Place : Mumbai
Date : April 29, 2022

For and on behalf of the Board

B. Suresh
CEO & Managing Director

Place : Chennai
Date : April 29, 2022

Parag C Shah
Director

Place : Mumbai
Date : April 29, 2022

STANDALONE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2022

			Rupees in Lakhs
Particulars		**For the year ended 31-March-2022**	For the year ended 31-March-2021
A.	**Cash flows from operating activities**		
	Profit before tax for the year	**176.69**	168.08
	Adjustments for:		
	Interest Income recognized in profit or loss	**(16.09)**	(15.66)
	Gain on disposal of property, plant and equipment	**–**	(1.14)
	Bad Debts written off	**52.48**	51.20
	Provision for doubtful receivables	**(0.64)**	3.37
	Provision for due from customers -Unbilled revenue	**35.00**	25.00
	Provision for due from customers -billed debtors	**25.00**	–
	Depreciation and amortization expense	**8.52**	8.74
	Unrealized foreign exchange loss/(gain),net	**(3.10)**	0.02
	Interest expense	**–**	7.40
	Operating Profit before working capital changes	**277.86**	247.01
	Movements in working capital:		
	Increase/(decrease) in trade and other receivables	**108.12**	(261.01)
	(Decrease)/Increase in other assets	**(76.74)**	137.35
	(Decrease)/Increase in trade and other payables	**(142.26)**	89.30
	Increase in provisions	**11.17**	7.38
	(Decrease)/Increase in other liabilities	**(76.99)**	55.63
	Cash generated from operations	**101.16**	275.66
	Income taxes paid, net.	**(54.15)**	(30.86)
	Net cash generated from operating activities	**47.01**	244.80
B.	**Cash flows from investing activities**		
	Profit on sale of property, plant and equipment	**–**	1.27
	Interest received	**14.83**	10.80
	Capital expenditure	**(4.28)**	(2.80)
	Bank Deposits Placed	**(7.18)**	(57.90)
	Net cash generated from (used in) investing activities	**3.37**	(48.63)
C.	**Cash flows from financing activities**		
	(Repayment of) / Proceeds from short term borrowings	**–**	(169.86)
	Interest paid	**–**	(7.40)
	Net cash (used in) / generated from financing activities	**–**	(177.26)
	Net increase in cash and cash equivalents	**50.38**	18.91
	Cash and cash equivalents at the beginning of the year	**77.75**	58.84
	Cash and cash equivalents at the end of the year (Refer Note 10)	**128.13**	77.75

See accompanying notes forming part of the standalone financial statements

In terms of our report attached
For **B.K. Khare & Co**
Chartered Accountants
ICAI Firm Registration No. 105102W

Shirish Rahalkar
Partner
Membership No. 111212

Place : Mumbai
Date : April 29, 2022

For and on behalf of the Board

B. Suresh
CEO & Managing Director

Place : Chennai
Date : April 29, 2022

Parag C Shah
Director

Place : Mumbai
Date : April 29, 2022

STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2022

A. Equity share capital

	As at 31-March-2022	As at 31-March-2021
Issued, subscribed and Paid up		
1,890,590 (Previous year: 1,890,590 shares) equity shares of Rs. 10 each	**189.06**	189.06
Balance as at beginning / end of the year	**189.06**	189.06

B. Other equity

Rupees in Lakhs

	Reserves and Surplus					Items of other comprehensive income	
Particulars	**Capital Reserve**	**Securities Premium**	**Capital Redemption Reserve**	**General Reserve**	**Retained Earnings**	**Other items of Other Comprehensive Income (Defined Benefit Obligation)**	**Total**
As at April 01, 2020	**16.28**	**53.64**	**23.47**	**194.75**	**1,308.49**	**(23.41)**	**1,573.22**
Profit for the year					129.42		129.42
Adjustment on:-							
Other Comprehensive Loss						6.31	6.31
As at March 31, 2021	**16.28**	**53.64**	**23.47**	**194.75**	**1,437.91**	**(17.10)**	**1,708.95**
Profit for the year					132.18		132.18
Adjustment on:-							
Other Comprehensive Income						(0.25)	(0.25)
As at March 31, 2022	**16.28**	**53.64**	**23.47**	**194.75**	**1,570.09**	**(17.35)**	**1,840.88**

See accompanying notes forming part of the standalone financial statements

In terms of our report attached
For **B.K. Khare & Co**
Chartered Accountants
ICAI Firm Registration No. 105102W

Shirish Rahalkar
Partner
Membership No. 111212

Place : Mumbai
Date : April 29, 2022

For and on behalf of the Board

B. Suresh
CEO & Managing Director

Place : Chennai
Date : April 29, 2022

Parag C Shah
Director

Place : Mumbai
Date : April 29, 2022

Notes forming part of Standalone Financial Statements as at and for the year ended March 31, 2022

1. General information

Mahindra Consulting Engineers Limited (MACEL/Company) was incorporated on October 26, 1993.

The Company is a multidisciplinary engineering consultancy organization providing Engineering, Project Advisory Services and Infrastructure Consulting. The sectors of operation covers urban infrastructure, industrial infrastructure, water and wastewater, environment, transportation sector, tourism infrastructure, renewable energy, sustainable development studies, buildings and structures, industrial plants and systems, agribusiness and food infrastructure, social infrastructure, institutional studies. The Company offers wide range of services in both domestic and international market right from project conceptualization, market demand, feasibility studies, planning, design, engineering, project management, Public Private Partnership (PPP) transaction advisory etc. across several sectors. The clientele base includes Central Government, State Government, Public Sector Undertakings, Infrastructure Development Agencies, Private Sector, Financial Institutions, International Consulting firms, etc.

2. Significant Accounting Policies

2.1. Statement of compliance

The Standalone financial statements have been prepared in accordance with Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under Section 133 of the Companies Act, 2013 (the 'Act') and other relevant provisions of the Act.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

2.2. Basis of preparation and presentation

The Standalone financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and / or disclosure purposes in these Standalone financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 116 and measurements that have some similarities to fair value but are not fair value, such as net realizable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorized into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

2.3. Exemption from preparation of Consolidated Financial Statements

The Company has investments in a Subsidiary. The Holding company, Mahindra and Mahindra Limited, having its registered office at Gateway Building, Apollo Bunder, Mumbai are presenting the consolidated financial statements. The Company has therefore availed the exemption under paragraph 4(a) of Ind AS 110 having satisfied the conditions for exemption from preparing consolidated financial statements as per Companies (Accounts) Amendments Rules, 2016 and thereby does not present consolidated financial statements.

Consequently, the accounting policies mentioned herein relate to the standalone financial statements of the Company.

2.4. Revenue recognition

a. The Company recognizes revenue on the percentage of completion method, which involves technical estimates with respect to costs to completion, of each contract / activity. The percentage of completion of a contract is determined considering the proportion that contract costs incurred to measure the efforts or work performed up to the reporting date bear to the estimated total contract costs estimated.

   Provisions for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the expected contract estimates at the reporting date.

b. Revenue from project supervision/maintenance services (included under consultancy) is recognized based on agreed terms of contract, covers personnel costs of employees deputed for the project, materials used, and includes appropriate overheads and margins.

Other income

a. Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

b. Export incentive income is recognized when the Company fulfills all the eligible conditions and there is no uncertainty as to ultimate collection.

2.5. Foreign currencies

In preparing the Standalone financial statements of the Company, transactions in currencies other than the entity's functional currency, which is Indian Rupee, are recognized at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are translated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not translated.

Exchange differences on monetary items are recognized in statement of profit and loss in the period in which they arise except for:

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings; and
- exchange differences on transactions entered into in order to hedge certain foreign currency risks (see Note 2.19 below for hedging accounting policies)

2.6. Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

2.6.1. Current tax

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible.

2.6.2. Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the Standalone financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

2.6.3. Current and deferred tax for the year

Current and deferred tax are recognized in statement of profit and loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively.

2.7. Tangible and Intangible assets

Property, Plant and Equipment are stated at cost less accumulated depreciation and impairment losses, if any. The cost of Property, Plant and Equipment comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses and interest on borrowings attributable to acquisition of qualifying assets up to the date the asset is ready for its intended use. Subsequent expenditure on assets after its purchase / completion is capitalized only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance. When an asset is scrapped or otherwise disposed of, the cost and related depreciation are removed from the books of account and resultant profit or loss, if any, is reflected in the statement of profit and loss.

Depreciation is recognized so as to write off the cost of assets less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

2.8. Impairment of assets

The carrying values of assets/cash generating units at each balance sheet date are reviewed for impairment if any indication of impairment exists. The following intangible assets are tested for impairment each financial year even if there is no indication that the asset is impaired:

(a) an intangible asset that is not yet available for use; and (b) an intangible asset that is amortized over a period exceeding ten years from the date when the asset is available for use.

If the carrying amount of the assets exceed the estimated recoverable amount, an impairment is recognized for such excess amount. The impairment loss is recognized as an expense in the statement of profit and loss, unless the asset is carried at revalued amount, in which case any impairment loss of the revalued asset is treated as a revaluation decrease to the extent a revaluation reserve is available for that asset.

The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor.

When there is indication that an impairment loss recognized for an asset (other than a revalued asset) in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognized in the statement of profit and loss , to the extent the amount was previously charged to the statement of profit and loss. In case of revalued assets such reversal is not recognized.

2.9. Cash flow statement

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

Cash flows from operating activities are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flow from operating, investing and financing activities of the Company are segregated based on the available information.

2.10. Depreciation and amortization

Depreciation is recognized so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in statement of profit and loss.

Assets individually costing less than Rs.5000/- are fully depreciated in the year of purchase.

The estimated useful life for the other categories of assets are as given below:

Computers	3 years
Furniture & fixtures	10 years
Office equipment	5 years
Vehicles	8 years

2.11. Employee benefits

Employee benefits include provident fund, superannuation fund, employee state insurance scheme, gratuity fund and compensated absences.

Defined contribution plans

The Company's contribution to provident fund, superannuation fund and employee state insurance scheme are considered as defined contribution plans and are recognized as an expense when employees have rendered service entitling them to the contributions.

Defined benefit plans

For defined benefit plans in the form of gratuity fund, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out by an independent actuary at the end of each reporting period. Defined benefit costs are categorized as follows:

- Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- Net interest expense or income; and
- Re-measurement

The Company presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expense'. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognized in other comprehensive income in the period in which they occur.

Re-measurement recognized in other comprehensive income is reflected immediately in retained earnings and is not reclassified to statement of profit and loss. Curtailment gains and losses are accounted for as past service costs. Past service cost is recognized in statement of profit and loss in the period of a plan amendment.

The obligation recognized in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

Short-term and other long-term employee benefits

A liability is recognized for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service. Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service. Liabilities recognized in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflow expected to be made by the group in respect of services provided by employees up to the reporting date.

2.12. Earnings per share

Basic earnings per share is computed by dividing the profit after tax by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit/(loss) after tax as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

Potential equity shares are deemed dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

2.13. Goods and Services Tax input credit

Goods and Services Tax Input Credit is accounted for in the books in the period in which the underlying service received is accounted and when there is reasonable certainty in availing / utilizing the credits.

2.14. Operating cycle

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents.

Based on the nature of services / activities of the Company and the normal time between acquisition of assets and their realization in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

The Company present the assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed it, in its normal operating cycle
- Held preliminarily for the purpose of trade
- Expected to be realized within 12 months from the end of the reporting period or
- cash or a cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current

A liability is current when it is:

- Expected to be settled in the normal operating cycle
- Held preliminarily for the purpose of trade
- Due to be settled within 12 months after the reporting period or
- There is no unconditional right to defer the settlement of the liability for atleast 12 months after the reporting period

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Borrowings are classified as current if they are due to be settled within 12 months after the reporting period.

2.15. Provisions

A provision is recognized when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes. Contingent assets are not recognized in the Standalone financial statements.

2.16. Financial instruments

Financial assets and financial liabilities are recognized when a Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in statement of profit and loss.

2.17. Financial assets

A financial asset is any asset that is:

(a) cash;

(b) an equity instrument of another entity;

(c) a contractual right:

i. to receive cash or another financial asset from another entity; or

ii. to exchange financial assets or financial liabilities with another entity under conditions that are potentially favorable to the Company; All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognized financial assets are subsequently measured in their entirety at either amortized cost or fair value, depending on the classification of the financial assets

Impairment of financial assets recorded at amortised costs

The Company has used reasonable and supportable information to determine the credit risk on financial assets recorded at amortized cost and provides for impairment loss based on best estimate basis as prescribed under Ind AS 109.

2.17.1. Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortized cost (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

2.17.2. Foreign exchange gains and losses

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

For foreign currency denominated financial assets measured at amortized cost and FVTPL, the exchange differences are recognized in profit or loss except for those which are designated as hedging instruments in a hedging relationship.

2.18. Financial liabilities and equity instruments

2.18.1. Classification as debt or equity

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

2.18.2. Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognized at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognized and deducted directly in equity. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

2.18.3. Financial liabilities

A financial liability is any liability that is a contractual obligation to deliver cash or another financial asset to another entity.

Financial liabilities are subsequently measured at amortized cost using the effective interest method.

2.18.4. Derecognition of financial assets and financial liabilities

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized in other comprehensive income and accumulated in equity is recognized in profit or loss if such gain or loss would have otherwise been recognized in profit or loss on disposal of that financial asset.

On derecognition of a financial asset other than in its entirety (e.g. when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognize under continuing involvement, and the part it no longer recognizes on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognized and the sum of the consideration received for the part no longer recognized and any cumulative gain or loss allocated to it that had been recognized in other comprehensive income is recognized in profit or loss if such gain or loss would have otherwise been recognized in profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognized in other comprehensive income is allocated between the part that continues to be recognized and the part that is no longer recognized on the basis of the relative fair values of those parts.

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

2.18.5. Classification of debt instruments

The Company has determined the classification of debt instruments in terms of whether they meet the amortized cost criteria or the FVTOCI criteria based on the facts and circumstances that existed as of the transition date.

3. a. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in Note 1, the management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only the period of the revision and future periods if the revision affects both current and future periods.

b. Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, as below.

(i) Ind AS 16 – Property Plant and equipment - The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognized in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022. The Company has evaluated the amendment and there is no impact on its standalone financial statements.

(ii) Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets – The amendment specifies that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labor, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022, although early adoption is permitted.

The Company has evaluated the amendment and the impact is not expected to be material

Note No. 4 - (i) Property, plant and equipment

Rupees in Lakhs

Description of Assets	Computers	Office Equipment	Furniture and Fixtures	Vehicles	Total
I. Gross Block					
Balance as at 1 April, 2021	40.73	17.07	1.06	54.00	**112.86**
Additions during the year	3.78	0.50			**4.28**
Disposals of Assets					–
Balance as at 31 March, 2022	**44.51**	**17.57**	**1.06**	**54.00**	**117.14**
II. Accumulated depreciation and impairment					
Balance as at 1 April, 2021	35.94	15.04	0.80	29.95	**81.73**
Depreciation expense for the year	2.97	1.37	0.07	4.11	**8.52**
Eliminated on disposal of assets					–
Balance as at 31 March, 2022	**38.91**	**16.41**	**0.87**	**34.06**	**90.25**
Net block (I-II)					
Balance as at 31 March, 2022	**5.60**	**1.16**	**0.19**	**19.94**	**26.89**
I. Gross Block					
Balance as at 1 April, 2020	38.10	16.90	1.06	55.30	**111.36**
Additions during the year	2.63	0.17			**2.80**
Disposals of Assets	–			1.30	**1.30**
Balance as at 31 March, 2021	**40.73**	**17.07**	**1.06**	**54.00**	**112.86**
II. Accumulated depreciation and impairment					
Balance as at 1 April, 2020	33.18	13.30	0.73	26.95	**74.16**
Depreciation expense for the year	2.76	1.74	0.07	4.17	**8.74**
Eliminated on disposal of assets	–	–	–	1.17	**1.17**
Balance as at 31 March, 2021	**35.94**	**15.04**	**0.80**	**29.95**	**81.73**
Net block (I-II)					
Balance as at 31 March, 2021	**4.79**	**2.03**	**0.26**	**24.05**	**31.13**

Note No. 4 - (ii) Intangible assets

Rupees in Lakhs

Description of Assets	Technical Knowhow	Total
Intangible Assets		
Cost		
Balance as at 1 April, 2021	40.69	40.69
Additions during the year	–	–
Balance as at 31 March, 2022	40.69	40.69
II. Accumulated depreciation and impairment		
Balance as at 1 April, 2021	40.69	40.69
Additions during the year		–
Balance as at 31 March, 2022	40.69	40.69
Net block (I-II)	–	–
Balance as at 31 March, 2022	–	–

Description of Assets	Technical Knowhow	Total
Intangible Assets		
Cost		
Balance as at 1 April, 2020	40.69	40.69
Additions during the year	–	–
Balance as at 31 March, 2021	40.69	40.69
II. Accumulated depreciation and impairment		
Balance as at 1 April, 2020	40.69	40.69
Additions during the year	–	–
Balance as at 31 March, 2021	40.69	40.69
Net block (I-II)	–	–
Balance as at 31 March, 2021	–	–

Note No. 5 - Investments

Rupees in Lakhs

Particulars	As at 31-March-2022 Current	Non-Current	As at 31-March-2021 Current	Non-Current
At cost				
Unquoted investment (fully paid)				
Investment in equity instruments				
Subsidiary				
Mahindra Namaste Limited (9,010,000 Shares, face value of Rs.10 each)*		**0.00**		0.00
TOTAL		**0.00**		0.00

* Investment under Non-current Re.1 in Mahindra Namaste Ltd and shown as 0.00 lakhs due to round off

Note No. 6 - Other financial assets

Rupees in Lakhs

Particulars	As at 31-March-2022 Current	Non–Current	As at 31-March-2021 Current	Non–Current
Security Deposits	**12.02**	**3.41**	10.96	3.41
Interest accrued on fixed deposits	**8.68**	–	7.42	–
Other receivables	**33.44**	**60.55**		62.55
TOTAL	**54.14**	**63.96**	18.38	65.96

Note No.7 - Other assets

Rupees in Lakhs

Particulars	As at 31-March-2022 Current	Non-Current	As at 31-March-2021 Current	Non-Current
Advance Income tax (Net of Provision for Tax Rs.1223.48 lakhs, 31-March-21 - Rs. 1,161.34 Lakhs)		**191.01**		199.00
TOTAL	–	**191.01**	–	199.00

Note No. 8 - Deferred tax assets

Rupees in Lakhs

Particulars	As at 31-March-2022	As at 31-March-2021
Deferred tax assets	**80.88**	63.17
Net deferred tax assets	**80.88**	63.17

Deferred tax assets as on 31-March-2022

Rupees in Lakhs

Particulars	Balance as on 01.04.2021	CY charge / (credit) thru PL	CY charge / (credit) thru OCI	Balance as on 31.03.2022
On difference between book balance and tax balance of Property, plant and equipment	**2.68**	**(0.21)**		2.47
Provision for compensated absences, gratuity and retirement benefits	**30.08**	**2.90**	**0.08**	33.06
Allowance for doubtful debts	**30.41**	**14.94**		45.35
Total	**63.17**	**17.63**	**0.08**	80.88

Deferred tax assets as on 31-March-2021

Rupees in Lakhs

Particulars	Balance as on 01.04.2020	CY charge / (credit) thru PL	CY charge / (credit) thru OCI	Balance as on 31.03.2021
On difference between book balance and tax balance of Property, plant and equipment	3.16	(0.48)	–	2.68
Provision for compensated absences, gratuity and retirement benefits	29.52	2.68	(2.12)	30.08
Allowance for doubtful debts	22.15	8.26	–	30.41
Total	**54.83**	**10.46**	**(2.12)**	63.17

Effective Tax rate Vs Corporate tax rate reconciliation

Rupees in Lakhs

Particulars	for the year ended 31-March-2022	for the year ended 31-March-2021
Profit Before Tax for the year	**176.69**	168.08
Current Tax - at statutory rates	**44.47**	42.30
Impact of permanent differences		
- Rate difference from PY (25.168% -25.168%)	–	(1.54)
Other adjustments		
- Interest paid on tds, GST	–	0.01
- roundoff adjustments	**(0.04)**	0.01
Total tax expense	**44.43**	40.78

Note No. 9 - Trade receivables

Particulars	As at 31-March-2022 Current	As at 31-March-2022 Non-Current	As at 31-March-2021 Current	As at 31-March-2021 Non-Current
Trade receivables -				
- Unsecured Considered good	**574.68**		759.94	
- Unsecured Considered doubtful	**18.22**		15.46	
Total Receivables	**592.90**		775.40	
Allowance for doubtful receivables	**(18.22)**		(15.46)	
- Credit impaired	**41.95**		16.95	
Allowance for doubtful receivables - credit impaired	**41.95**		16.95	
TOTAL	**574.68**	–	759.94	–

Trade Receivables breakup

Particulars	As at 31-March-2022 Current	As at 31-March-2022 Non-Current	As at 31-March-2021 Current	As at 31-March-2021 Non-Current
Of the above, trade receivables from:				
– Related Parties (Refer Note 30)	**13.07**	–	0.22	–
– Others	**561.61**	–	759.72	–
TOTAL	**574.68**	–	759.94	–

Trade Receivables ageing schedule

Particulars	Outstanding for following periods from due date of payment: Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed Trade receivables – considered good	**417.69**	**29.50**	88.34	39.15	–	574.68
Total	**417.69**	**29.50**	88.34	39.15	–	574.68

Movement in expected credit loss allowance

Particulars	As at 31-March-2022 Current	As at 31-March-2022 Non-Current	As at 31-March-2021 Current	As at 31-March-2021 Non-Current
Balance at beginning of the year	**32.41**		30.24	
Net movement in expected credit loss allowance on trade receivables	**27.76**		2.17	
Balance at end of the year	**60.17**	–	32.41	–

No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

Trade receivables are non-interest bearing and the average credit period on service rendered is as per the terms of the service agreement with clients. Credit period allowed to customers varies between 07 days to 45 days.

Refer Note 28 for disclosures related to credit risk, impairment of trade receivables under expected credit loss model and related financial instrument disclosures.

Note No.10 - Cash and bank balances

Rupees in Lakhs

Particulars	As at 31-March-2022	As at 31-March-2021
Cash and cash equivalents		
Balances with banks		
In current accounts	**128.13**	77.75
TOTAL	**128.13**	77.75
Other Bank balances		
In deposit accounts more than 3 months and less than 12 months maturity	**317.91**	307.93
In earmarked accounts		
Deposits with clients	**32.68**	35.48
TOTAL	**350.59**	343.41

Note No. 11 - Other current assets -Unsecured Considered good unless otherwise stated

Particulars	As at 31-March-2022 Current	As at 31-March-2022 Non-Current	As at 31-March-2021 Current	As at 31-March-2021 Non-Current
Prepaid expenses	**10.16**	**3.34**	11.91	5.50
Advances to employees	**4.36**	–	4.45	–
Input Credit on GST	**1.23**	–	–	–
TOTAL (a)	**15.75**	**3.34**	16.36	5.50
Due from customers - Unbilled revenue				
- Unsecured considered good	**1,349.99**		1,325.63	
Less unbilled revenue written off	**52.48**		43.53	
	1,297.51		1,282.10	
- Unsecured considered doubtful	**58.04**		61.44	
Total of Due from customers - Unbilled revenue	**1,355.55**		1,343.54	
Provision for loss allowance on dues from customers	**(58.04)**	–	(61.44)	–
- Credit impaired	**60.00**	–	25.00	–
Allowance for doubtful unbilled revenue - credit impaired	**60.00**	–	25.00	–
TOTAL (b)	**1,297.51**	–	1,282.10	–
TOTAL (a+b)	**1,313.26**	**3.34**	1,298.46	5.50

The unbilled revenue written off during the year is reduced from "Due from customers - Unbilled revenue" as shown in Note No.11

Note No. 11(a) - Unbilled revenue

Particulars	for the year ended 31-March-2022	for the year ended 31-March-2021
i) Contract revenue recognized for the year	**1,518.55**	1,264.70
ii) In respect of contracts in progress as at 31 March 2022/ 2021, the aggregate costs incurred and recognized profits (net) up to the year end	**3,720.50**	4,016.22
ii) Retention money for contracts in progress	**0.95**	0.95

Note No.11(b) Movement in expected credit loss allowance

Rupees in Lakhs

Particulars	for the year ended 31-March-2022 Current	for the year ended 31-March-2022 Non-Current	for the year ended 31-March-2021 Current	for the year ended 31-March-2021 Non-Current
Balance at beginning of the year	**86.44**		60.24	
Net movement in expected credit loss allowance on Unbilled revenue	**31.60**		26.20	
Balance at end of the year	**118.04**	–	86.44	–

Note No.12 : (a) Equity share capital

Rupees in Lakhs

Particulars	As at 31-March-2022	As at 31-March-2021
Authorized		
4,000,000 equity shares of Rs.10 each (Previous year: 4,000,000 shares)	**400.00**	400.00
Issued, Subscribed & Paid-up		
1,890,590 (Previous year: 1,890,590 shares) equity shares of Rs. 10 each	**189.06**	189.06
Notes:		
(i) The Company has only one class of equity shares having a par value of Rs. 10/-. Each holder is entitled to one vote per equity share		
(ii) The Company declares and pays dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders at the Annual General Meeting		
(iii) Repayment of capital will be in proportion to the number of equity shares held	**189.06**	189.06

Note

(i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of reporting period:

Name of Shareholder	For the year ended 31-March-2022 Number of shares held	Amount	For the year ended 31-March-2021 Number of shares held	Amount
Opening Balance	**1,890,590**	**189.06**	1,890,590	189.06
Closing Balance	**1,890,590**	**189.06**	1,890,590	189.06

ii) Details of shares held by each shareholder holding more than 5% shares:

Name of Shareholder	As at 31-March-2022 Number of shares held	% holding	As at 31-March 2021 Number of shares held	% holding
Mahindra & Mahindra Ltd and its nominees (Holding Company)	**1,151,000**	**60.88%**	1,151,000	60.88%
Mahindra Consulting Engineers Employees Stock Option Trust (MCET)	**587,882**	**31.10%**	587,882	31.10%
B.Suresh	**100,000**	**5.29%**	100,000	5.29%

iii) Details of shares held by holding company:

Name of Shareholder	As at 31-March-2022 Number of shares held	% holding	As at 31-March 2021 Number of shares held	% holding
Mahindra & Mahindra Ltd and its nominees (Holding Company)	**1,151,000**	**60.88%**	1,151,000	60.88%

Note No. 13

b. Other equity

Rupees in Lakhs

Particulars	Reserves and Surplus					Items of other comprehensive income	
	Capital Reserve	Securities Premium	Capital Redemption Reserve	General Reserve	Retained Earnings	Other items of Other Comprehensive Income (Defined Benefit Obligation)	Total
As at April 01, 2020	16.28	53.64	23.47	194.75	1,308.49	(23.41)	**1,573.22**
Profit for the year					129.42		**129.42**
Adjustment on:-							
Other Comprehensive Loss						6.31	**6.31**
As at March 31, 2021	**16.28**	**53.64**	**23.47**	**194.75**	**1,437.91**	**(17.10)**	**1,708.95**
Profit for the year					132.18		**132.18**
Adjustment on:-							
Other Comprehensive Income						**(0.25)**	**(0.25)**
As at March 31, 2022	**16.28**	**53.64**	**23.47**	**194.75**	**1,570.09**	**(17.35)**	**1,840.88**

Description of the nature and purpose of Other Equity

General reserve: In the year of declaration of dividend the company transfers such amounts from the current profits to the reserves as deemed appropriate by the Board of Directors.

Capital Redemption Reserve: Capital Redemption Reserve was created against Buyback of Shares as required under Companies Act, 2013

Securities Premium Account: The Securities Premium is created on issue of shares at a premium.

Retained Earnings: This reserve represents cumulative profits of the Company. This reserve can be utilised in accordance with the provisions of Companies Act, 2013.

Note No. 14 : Provisions

Rupees in Lakhs

Particulars	As at 31-March-2022		As at 31-March-2021	
	Current	Non-Current	Current	Non-Current
Provision for employee benefits :				
Compensated absences	**19.77**	**70.38**	19.23	65.43
Gratuity	**14.88**	–	14.81	–
Retirement benefits	**25.99**	–	20.05	–
TOTAL	**60.64**	**70.38**	54.09	65.43

Note No. 15 : Trade payables

Rupees in Lakhs

Particulars	As at 31-March-2022		As at 31-March-2021	
	Current	Non-Current	Current	Non-Current
Trade payable - Micro and small enterprises	–	–	–	–
Trade payable - Other than micro and small enterprises				
Amounts payable to related parties (Refer Note 30)	**376.70**	–	460.73	–
Other payables	**150.16**	–	208.39	–
TOTAL	**526.86**	–	669.12	–

(i) Trade Payables are payables in respect of the amount due on account of services received in the normal course of business. Usually, Credit period with vendors varies from 07 days to 30 days.

(ii) Refer Note 31 for Disclosures on Micro and Small Enterprises.

Trade Payables (Undisputed) ageing schedule

Particulars	Outstanding for following periods from due date of payment#				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	–	–	–	–	–
(ii) Others	**297.16**	79.30	62.94	87.46	526.86
Total	**297.16**	79.30	62.94	87.46	526.86

Note No. 16: Other current liabilities

Rupees in Lakhs

Particulars	As at 31-March-2022	As at 31-March-2021
Advance from customers	**66.98**	132.51
Statutory dues (PF, ESIC, TDS, Service tax / GST, etc)	**32.08**	43.54
TOTAL	**99.06**	176.05

Note No. 17 - Revenue from operations

Rupees in Lakhs

Particulars	For the year ended 31-March-2022	For the year ended 31-March-2021
(a) Revenue from consulting services	**1,699.59**	1,457.81
(b) Revenue from EPC Contracts	**11.37**	7.40
TOTAL	**1,710.96**	1,465.21
Note: The above excludes GST as applicable	**110.39**	122.40
Breakup of international and domestic revenue		
Revenue from International projects	**849.92**	616.03
Revenue from Domestic projects	**861.04**	849.18
Total	**1,710.96**	1,465.21

Note No. 18 - Other income

Rupees in Lakhs

Particulars	For the year ended 31-March-2022	For the year ended 31-March-2021
(a) Interest Income	**16.09**	15.66
(b) Net gain on foreign currency transactions	**12.57**	–
(c) Gain on sale of property, plant and equipment	**–**	1.14
(d) Incentive Income – Service exports from India scheme	**33.44**	22.18
(e) Rental income	**6.02**	9.31
(f) Interest on Income tax refund	**7.06**	–
TOTAL	**75.18**	48.29

Note 17 Contd : Revenue information

Disaggregation of revenue

(i) The following table provides information about disaggregated revenue by primary geographical market, major product line and timing of revenue recognition, and includes a reconciliation of the disaggregated revenue with reportable segments:

Rupees in Lakhs

Particulars	Disaggregation based on customer base					
	For the year ended 31-March-2022			For the year ended 31-March-2021		
	Government	Non Government	Total	Government	Non Government	Total
Primary geographical markets:						
India	**651.24**	**209.80**	**861.04**	640.80	208.38	849.18
Neighbouring countries	**16.67**	**–**	**16.67**	62.95	–	62.95
Africa	**833.25**	**–**	**833.25**	549.40	3.68	553.08
Total	**1,501.16**	**209.80**	**1,710.96**	**1,253.15**	**212.06**	**1,465.21**

Particulars	For the year ended 31-March-2022	For the year ended 31-March-2021
Timing of revenue recognition		
Products & services transferred at point in time	**192.41**	200.50
Products & services transferred over time	**1,518.55**	1,264.71
Total	**1,710.96**	1,465.21

Contract balances

(ii) The following table provides information about receivables, contract assets and contract liabilities from contracts with customers :

Particulars	As at 31-March-2022	As at 31-March-2021
Receivables	**574.68**	759.94
Short-term contract assets	**1,297.51**	1,282.10

Note No. 19 - Employee benefits expense

Rupees in Lakhs

Particulars	For the year ended 31-March-2022	For the year ended 31-March-2021
(a) Salaries and wages, including bonus	**800.24**	761.30
(b) Contribution to provident and other funds (Refer Note 27)	**31.77**	48.12
(c) Staff welfare expenses	**8.62**	8.22
TOTAL	**840.63**	817.64

Note No. 20 - Finance costs

Rupees in Lakhs

Particulars	For the year ended 31-March-2022	For the year ended 31-March-2021
(a) Interest paid on Advance from Clients	**6.92**	2.49
(b) Interest paid on Cash Credit account (OD)	**–**	7.40
TOTAL	**6.92**	**9.89**

Note No. 21 - Depreciation and amortization expense

Rupees in Lakhs

Particulars	For the year ended 31-March-2022	For the year ended 31-March-2021
(a) Depreciation of property, plant and equipment	**8.52**	8.74
TOTAL	**8.52**	**8.74**

Note No.22 - Other expenses

Rupees in Lakhs

Particulars	For the year ended 31-March-2022	For the year ended 31-March-2021
(a) Sub contractors' costs	**172.90**	66.50
(b) Consortium project costs	**93.72**	114.80
(c) Rent	**54.40**	48.69
(d) Rates and taxes	**0.06**	0.10
(e) Repairs and maintenance-others	**23.63**	15.36
(f) Power and fuel	**5.19**	4.90
(g) Commission to Directors *	**3.00**	3.00
(h) Professional charges (refer note below)	**78.87**	61.76
(i) Postage, telephone and fax	**6.37**	5.32
(j) Insurance	**8.30**	6.16
(k) Printing and stationery	**5.92**	4.66
(l) Traveling & conveyance expenses	**164.00**	68.24
(m) Vehicle expenses	**5.05**	3.94
(n) Bad debts / unbilled revenu written off	**52.48**	51.20
(o) Allowance for doubtful receivables, Net	**2.76**	2.17
(p) Provision for loss allowance on dues from customers	**(3.40)**	1.20
(q) Provision for due from customers -Unbilled revenue	**35.00**	25.00
(r) Provision for due from customers -Billed debtors	**25.00**	**–**
(s) Net loss on foreign currency transactions	**–**	11.33
(t) Miscellaneous expenses	**20.13**	14.82
TOTAL	**753.38**	509.15

* subject to approval of shareholders in the ensuing AGM

Amount paid / payable to the statutory auditors (included under professional charges in Note 22)

Rupees in Lakhs

Particulars	For the year ended 31-March-2022	For the year ended 31-March-2021
Statutory Audit fees	**6.25**	6.25
TOTAL	**6.25**	6.25

Note No. 23 - Segment information

The Managing Director & CEO is also the Chief Operating Decision Maker (CODM) and reviews the performance of the Company.

The CODM monitors the operating results of the business for the purpose of making decisions about resource allocation and performance assessment using profit or loss and return on capital employed.

The Company has a single reportable business segment viz. income from consultancy services for the purpose of Accounting Standard 108 on Segment Reporting.

Geographic information

The Company is domiciled in India. The amount of its revenue from external customer broken down by location of the customers and information about its non-current assets other than financial instruments, deferred tax assets, post employment benefit asset by location are detailed below:

Rupees in Lakhs

Geographic information	Year Ended 31-March-2022	Year Ended 31-March-2021
Revenue from external customers		
India	**861.04**	849.18
Outside India	**849.92**	616.03
Total revenue per statement of profit or loss	**1,710.96**	1,465.21

Rupees in Lakhs

Non-current operating assets:	As at 31-March-2022	As at 31-March-2021
India	**221.24**	235.63
Outside India	**–**	–
TOTAL	**221.24**	235.63

Non-current assets for this purpose consists of property, plant and equipment, investment properties and intangible assets.

Information about major customers

During the year ended 31-March-2022, total income from three international customers constituted 31% of total revenue. The total income from three domestic customers constituted 38% of total revenue and one international customer constituted 13% of total revenue for 2020-21.

Note No.24 - Earnings per Share

Basic earnings per share

The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:

Rupees in Lakhs

Particulars	For the year ended 31-March-2022	For the year ended 31-March-2021
Profit for the year after tax (Rupees in Lakhs)	**132.18**	129.42
Weighted average number of equity shares	**18,90,590**	18,90,590
Earnings per share - Basic & Diluted (of Rs. 10 each)	**6.99**	6.85

Note No. 25 - Ratios

Particulars	For the year ended 31-March-2022	For the year ended 31-March-2021
Current Ratio	**3.53**	2.78
Debt-Equity Ratio	**Not applicable**	Not applicable
Debt Service Coverage Ratio	**Not applicable**	Not applicable
Return on Equity Ratio	**6.51%**	6.82%
Inventory turnover ratio	**Not applicable**	Not applicable
Trade Receivables turnover ratio	**2.55**	2.23
Trade payables turnover ratio	**2.86**	2.35
Net capital turnover ratio	**1.03**	0.95
Net profit ratio	**7.40%**	8.55%
Return on Capital employed	**9.00%**	9.18%
Return on investment	**Nil**	Nil

Note No. 26 - Disclosure of interest in Subsidiaries

(a) Details of the Company's subsidiaries at the end of the reporting period are as follows:

Name of the Subsidiary	Principal Activity	Place of Incorporation and Place of Operation	Proportion of Ownership Interest and Voting power held by the Company 31-March-2022	31-March-2021	Quoted (Y/N)
Mahindra Namaste Limited	Capacity building and training activities	Place of Incorporation - Mumbai Place of Operation - Chennai	**100%**	100%	No

Note No. 27 - Employee benefits

(a) Defined Contribution Plan

The Company has recognized Rs. 19.63 Lakhs (Previous Year Rs.19.09 Lakhs) towards Company's Contribution to Provident Fund and Rs.5.20 Lakhs (Previous Year Rs 22.41 Lakhs) towards Company's Contribution to Superannuation Fund in the Statement of Profit and Loss.

(b) Defined Benefit Plans:

Gratuity

Gratuity payable as per Payment of Gratuity Act, 1972. In terms of the same Gratuity is computed by multiplying last drawn salary (Basic salary) by completed years of continuous service with part thereof in excess of six months and again by 15/26. The Gratuity Act provides for a vesting period of 5 years for withdrawal and retirement and ceiling of Rs.20,00,000/-. However if the enterprise has more favourable terms in these regard, the same is to be adopted.

Investment risk

The present value of the defined benefit plan liability (denominated in Indian Rupee) is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds.

Interest risk

A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments.

Longevity risk

The present value of defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary risk

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

The significant actuarial assumptions used for the purposes of the actuarial valuations were as follows:

	Valuation as at	
	31-March-2022	31-March-2021
Expected rate(s) of salary increase	**5%**	5%
Average Longevity	**11.70**	12.50

The expected rate of return on plan assets is based on the average long term rate of return expected on investments of the fund during the estimated term of obligation.

The estimate of future salary increases, considered in actuarial valuation, takes account of inflation, seniority, priority and other relevant factor, such as supply and demand in the employment market.

Defined benefit plans – as per actuarial valuation on March 31, 2022

Particulars	Funded Plan- Gratuity Year ended	Rupees in Lakhs
	31-March-2022	31-March-2021
Ia. Expense recognized in the Statement of Profit and Loss for the year ended 31st March:	**6.32**	6.83
1. Current service cost	**5.53**	5.53
2. Past Service Credit		–
3. Interest cost	**0.79**	1.30
Ib. Included in other Comprehensive Income	**0.33**	(8.43)
1. Return on plan assets	**0.56**	(6.72)
2. Actuarial (Gain)/Loss on account of :		
– Demographic Assumptions		
– Financial Assumptions	**(0.23)**	(1.71)
– Experience Adjustments		

Particulars	Funded Plan- Gratuity Year ended	Rupees in Lakhs
	31-March-2022	31-March-2021
Amounts recognized in comprehensive income in respect of these defined benefit plans are as follows:		
Current Service Cost	**5.53**	5.53
Past service cost and (gains)/ losses from settlements		
Net interest expense	**0.79**	1.30
Components of defined benefit costs recognized in profit or loss	**6.32**	6.83
Remeasurement on the net defined benefit liability		
Return on plan assets (excluding amount included in net interest expense)		
Actuarial gains and loss arising form changes in financial assumptions	**0.56**	(6.72)
Actuarial gains and loss arising form experience adjustments	**(0.23)**	(1.71)
Others (describe) (expected return on plan assets)		
Components of defined benefit costs recognized in other comprehensive income	**0.33**	(8.43)
Total	**6.65**	(1.60)
I. Net Asset/(Liability) recognized in the Balance Sheet as at 31st March		
1. Present value of defined benefit obligation as at 31st March	**112.99**	102.29
2. Fair value of plan assets as at 31st March	**98.11**	87.48
3. Surplus/(Deficit)	**(14.88)**	(14.81)
4. Current portion of the above	**(14.88)**	(14.81)
II. Change in the obligation during the year ended 31st March		
1. Present value of defined benefit obligation at the beginning of the year	**102.29**	98.81
2. Expenses Recognized in Profit and Loss Account		
- Current Service Cost	**5.53**	5.53
- Past Service Cost		

Particulars	Rupees in Lakhs Funded Plan- Gratuity Year ended 31-March-2022	31-March-2021
- Interest Expense (Income)	**6.95**	6.53
3. Recognized in Other Comprehensive Income		
Remeasurement gains / (losses)		
- Actuarial Gain (Loss) arising from:		
i. Demographic Assumptions		
ii. Financial Assumptions		
iii. Experience Adjustments	**0.56**	(6.72)
4. Benefit payments	**(2.34)**	(1.86)
5. Present value of defined benefit obligation at the end of the year	**112.99**	102.29
III. Change in fair value of assets during the year ended 31st March		
1. Fair value of plan assets at the beginning of the year	**87.48**	76.22
2. Add/(Less) on account of Scheme of Arrangement/ Business Transfer		
3. Expenses Recognized in Profit and Loss Account		
- Expected return on plan assets	**6.16**	5.23
4. Recognized in Other Comprehensive Income		
Remeasurement gains / (losses)		
- Actual Return on plan assets in excess of the expected return	**0.23**	1.71
- Others (specify)		
5. Contributions by employer (including benefit payments recoverable)	**6.58**	6.18
6. Benefit payments	**(2.34)**	(1.86)
7. Fair value of plan assets at the end of the year	**98.11**	87.48
IV. The Major categories of plan assets		
- Plan assets by category		
With Insurer	**98.11**	87.48
	100%	100%
V. Actuarial assumptions		
1. Discount rate	**7.21%**	6.87%
2. Expected rate of return on plan assets	**7.21%**	6.87%
3. Attrition rate	**3.00%**	3.00%

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

Rupees in Lakhs

			Impact on defined benefit obligation	
Principal assumption		**Changes in assumption**	**Increase in assumption**	**Decrease in assumption**
Discount rate	**2022**	+/- 0.50%	**110.39**	**115.71**
	2021	+/- 0.50%	99.85	104.85
Salary growth rate	**2022**	+/- 0.50%	**115.81**	**110.26**
	2021	+/- 0.50%	104.94	99.75

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognized in the Balance sheet.

The methods and types of assumptions used in preparing the sensitivity analyses did not change compared to previous period.

The Company expects to contribute Rs.6.00 Lakhs to the gratuity trusts during the next financial year of 2022.

Maturity profile of defined benefit obligation:

Rupees in Lakhs

	31-March-2022	31-March-2021
Within 1 year	**5.07**	4.43
1 - 2 year	**62.68**	59.69
2 - 3 year	**2.62**	2.17
3 - 4 year	**2.70**	2.23
4 - 5 year	**3.00**	2.30
5 - 10 years	**72.21**	63.36

The weighted average duration of the defined benefit obligation as at 31 March 2022 is 5.2 years (2021: 5.3 years)

VIII. Experience Adjustments :

Rupees in Lakhs

	2022	**2021**	**Year Ended 2020 Gratuity**	**2019**	**2018**
1. Defined Benefit Obligation	**112.99**	102.29	98.81	87.74	77.01
2. Fair value of plan assets	**98.11**	87.48	76.22	76.24	61.77
3. Surplus/ (Deficit)	**(14.88)**	-14.81	(22.59)	(11.50)	(15.24)
4. Experience adjustment on plan liabilities [(Gain)/ Loss]	–	–	(5.71)	(0.15)	(1.43)
5. Experience adjustment on plan assets [Gain/ (Loss)]	**0.23**	1.71	(0.98)	(0.25)	0.36

Note No. 28 - Financial Instruments

Capital management

The Company manages its capital risk in order to maximize shareholders' profit by maintaining optimal capital structure. There is no change in the overall capital risk management strategy of the Company compared to last year. The Company manages its funding requirements fully through internal accruals. Presently the credit facility limits are Rs.150 Lakhs and Rs.1000 Lakhs for fund and non fund based respectively. The company has not utilised fund based facility during the year 2021-22.

As at 31-March-2022
Rupees in Lakhs

	Amortized Costs	FVTPL	FVOCI	Total
Non-current Assets				
Investments	**0.00**			**0.00**
Other Financial Assets	**63.96**			**63.96**
Current Assets				
Trade Receivables	**574.68**			**574.68**
Cash and Cash equivalents	**128.13**			**128.13**
Other bank balances	**350.59**			**350.59**
Other Financial Assets	**54.14**	–	–	**54.14**
	1,171.50	–	–	**1,171.50**
Non-current Liabilities				
Borrowings	–	–	–	–
Other Financial Liabilities	–	–	–	–
Current Liabilities				
Borrowings	–	–	–	–
Trade Payables	**526.86**	–	–	**526.86**
Other Financial Liabilities	–			–
	526.86	–	–	**526.86**

Categories of financial assets and financial liabilities

As at 31-March-2021
Rupees in Lakhs

	Amortized Costs	FVTPL	FVOCI	Total
Non-current Assets				
Investments	–	–	–	–
Other Financial Assets	65.96	–	–	65.96
Current Assets				
Trade Receivables	759.94	–	–	759.94
Cash and Cash equivalents	77.75	–	–	77.75
Other bank balances	343.41	–	–	343.41

As at 31-March-2021
Rupees in Lakhs

	Amortized Costs	FVTPL	FVOCI	Total
Other Financial Assets	18.38	–	–	18.38
	1,265.44	–	–	**1,265.44**
Non-current Liabilities				
Borrowings	–	–	–	–
Other Financial Liabilities	–	–	–	–
Current Liabilities				
Borrowings	–	–	–	–
Trade Payables	669.12	–	–	669.12
Other Financial Liabilities	–			–
	669.12	–	–	**669.12**

Financial Risk Management Framework

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk. In order to manage the aforementioned risks, the Company operates a risk management policy and a program that performs close monitoring of and responding to each risk factors.

CREDIT RISK

(i) Credit risk management

Credit risk arises when a counterparty defaults on its contractual obligations to pay resulting in financial loss to the Company. The Company enters into an agreement with each customer. The trade receivables are also reviewed by the Management regularly and necessary actions are taken in order to collect any amount outstanding from customers.

Allowance for credit loss receivables, amounts due from customers and carry forward as current assets and allowance towards credit impaired receivables have been provided based on expected credit loss estimates by the management, based on past experience and on specific case to case basis on credit impaired receivables, current portfolio of customers and economic conditions in the geographies from where the customer operates etc.

LIQUIDITY RISK

(i) Maturities of financial liabilities

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The amount disclosed in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows.

To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Company may be required to pay.

Rupees in Lakhs

Particulars	Less than 1 Year	1-3 Years	3 Years to 5 Years	5 years and above
Non-derivative financial liabilities				
31-March-2022				
Non-interest bearing				
Trade Payable	**526.86**	–	–	–
Total	**526.86**	–	–	–
31-March-2021				
Non-interest bearing				
Trade Payable	669.12	–	–	–
Interest bearing				
Borrowings	–	–		
Total	**669.12**	–	–	–

(iv) *Maturities of financial assets*

The following table details the Company's expected maturity for its non-derivative financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Company's liquidity risk management as the liquidity is managed on a net asset and liability basis.

Rupees in Lakhs

Particulars	Less than 1 Year	1-3 Years	3 Years to 5 Years	5 years and above
Non-derivative financial assets				
31-March-2022				
Non-interest bearing				
Non Current Investment	–	–	–	–
Trade Receivable	**574.68**	–	–	–
Cash and Cash equivalents	**128.13**	–	–	–
Bank balances	**350.59**			
Other Non Current Financial Assets		**63.96**	–	–
Other Current Financial Assets	**54.14**		–	–
TOTAL	**1,107.54**	**63.96**	–	–
31-March-2021				
Non-interest bearing				
Non Current Investment	–	–	–	–
Trade Receivable	759.94	–	–	–
Cash and Cash equivalents	77.75	–	–	–
Bank balances	343.41			
Other Non Current Financial Assets		65.96	–	–
Other Current Financial Assets	18.38		–	–
TOTAL	**1,199.48**	**65.96**	–	–

MARKET RISK

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk such as equity price risk and commodity price risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return. The Company uses derivatives to manage market risks. Derivatives are only used for economic hedging purposes and not as speculative investments. All such transactions are carried out within the guidelines set by the Board of Directors.

CURRENCY RISK

The company is yet to formulate its risk mitigation policies and accordingly the Company has not hedged its exposures in foreign currencies

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period and remain unhedged are as follows.

Particulars	Currency	31-March-2022	31-March-2021
Trade Receivables	USD	**2.40**	4.76
	OMR	**0.07**	0.07
	Euro	**0.74**	0.74

Foreign Currency Sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD and EUR exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities including non-designated foreign currency derivatives and embedded derivatives. The impact on the Company's pre-tax equity is due to changes in the fair value of forward exchange contracts designated as cash flow hedges. The Company's exposure to foreign currency changes for all other currencies is not material.

Particulars	Currency	Change in rate	Effect on profit before tax
31-March-22	USD	+10%	0.24
	USD	-10%	(0.24)
	EUR	+9%	0.07
	EUR	-9%	(0.07)

Particulars	Currency	Change in rate	Effect on profit before tax
31-March-21	USD	+10%	0.48
	USD	-10%	(0.48)
	EUR	+9%	0.07
	EUR	-9%	(0.07)

Note No. 29 - Fair Value Measurement

Fair value of financial assets and financial liabilities that are not measured at fair value

Rupees in Lakhs

Particulars	31-March-2022		31-March-2021	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Financial assets carried at Amortized Cost				
– investments in Equity	0.00	0.00	0.00	0.00
– trade and other receivables	**574.68**	**574.68**	759.94	759.94
– cash and cash equivalents	**128.13**	**128.13**	77.75	77.75
– other bank balances	**350.59**	**350.59**	343.41	343.41
– other Financial Assets	**118.10**	**118.10**	84.34	84.34
TOTAL	**1,171.50**	**1,171.50**	1,265.44	1,265.44
Financial liabilities				
Financial liabilities held at amortized cost				
– Borrowings	–	–	–	–
– Trade and other payables	**526.86**	**526.86**	669.12	669.12
TOTAL	**526.86**	**526.86**	669.12	669.12

Particulars	Fair value hierarchy as at 31-March-2022			
	Level 1	Level 2	Level 3	Total
Financial assets				
Financial assets carried at Amortized Cost				
– investments in Equity		**0.00**		**0.00**
– trade and other receivables		**574.68**		**574.68**
– cash and cash equivalents		**128.13**		**128.13**
– other bank balances		**350.59**		**350.59**
– Other Financial Assets		**118.10**		**118.10**
TOTAL	–	**1,171.50**	–	**1,171.50**
Financial liabilities				
Financial Liabilities carried at amortized cost				
– trade and other payables	–	**526.86**	–	**526.86**
TOTAL	–	**526.86**	–	**526.86**

Particulars	Fair value hierarchy as at 31-March-2021			
	Level 1	Level 2	Level 3	Total
Financial assets				
Financial assets carried at Amortized Cost				
– investments in Equity		0.00		0.00
– trade and other receivables		759.94		759.94
– cash and cash equivalents		77.75		77.75
– other bank balances		343.41		343.41
– other Financial Assets		84.34		84.34
TOTAL		**1,265.44**	–	**1,265.44**
Financial liabilities				
Financial Liabilities carried at amortized cost				
– Borrowings		–	–	–
– Trade and other payables		669.12	–	669.12
TOTAL		**669.12**	–	**669.12**

The fair values of the financial assets and financial liabilities included in the level 2 and level 3 categories above have been determined in accordance with generally accepted pricing models based on a discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the credit risk of counterparties.

Note No.30 - Related party disclosures

a) Names of related parties and nature of relationship

Sl. No.	Particulars	Nature of relationship
1	Mahindra & Mahindra Limited	Holding Company
2	Mahindra Consulting Engineers Employees Stock Option Trust	Employee Welfare Trust
3	Mahindra Namaste Limited	Subsidiary
4	Mahindra Engineering & Chemical Products Ltd	Fellow Subsidiary
5	Mahindra World City Developers Ltd*	Joint Venture
6	Mahindra Industrial Park Chennai Limited*	Joint Venture
7	Mr. B. Suresh, CEO & Managing Director	Key Managerial Personnel (KMP)

* only those parties with whom there were transactions.

b) Details of related party transactions as at year ended 31-March-2022 and balances outstanding as at 31-March-2022

Rupees in Lakhs

S. No.	Nature of transaction	For the year ended	Holding Company	Subsidiary	Fellow Subsidiary	Joint Venture		Welfare Trust	
			Mahindra & Mahindra Ltd.	Mahindra Namaste Ltd.	Mahindra Engineering & Chemical Products Ltd	Mahindra World City Developers Ltd	Mahindra Industrial Park Chennai Ltd.	Mahindra Consulting Engineers Employees Stock Option Trust	KMP
1	2		3	5	4	6	7	8	9
1	Income from consultancy services	31-03-2022	–	25.18	–	1.50	167.86	–	–
		31-03-2021	–	(40.94)	(–)	(3.00)	(152.36)	(–)	(–)
2	Reimbursement of expenses	31-03-2022	39.54	19.06	–	–	–	–	–
		31-03-2021	(35.92)	(20.13)	(–)	(–)	(–)	(–)	(–)
3	Rent expense	31-03-2022	40.17	–	–	–	–	–	–
		31-03-2021	(37.26)	(–)	(–)	(–)	(–)	(–)	(–)
4	Staff Welfare expenses	31-03-2022	–	–	–	–	–	–	–
		31-03-2021	(–)	(–)	(0.27)	(–)	(–)	(–)	(–)
5	Rent income	31-03-2022	–	6.02	–	–	–	–	–
		31-03-2021	(–)	(9.31)	(–)	(–)	(–)	(–)	(–)
6	Consortium project cost - Professional charges	31-03-2022	–	93.00	–	–	–	–	–
		31-03-2021	(–)	(103.05)	(–)	(–)	(–)	(–)	(–)
7	Managerial Remuneration	31-03-2022	–	–	–	–	–	–	205.74
		31-03-2021	(–)	(–)	(–)	(–)	(–)	(–)	(204.67)
8	Outstanding as at year end								
	Payables	31-03-2022	310.54	66.16	–	–	–	–	–
		31-03-2021	(405.48)	(55.25)	(–)	(–)	(–)	(–)	(–)
	Receivables	31-03-2022	–	–	–	–	13.07	–	–
		31-03-2021	(–)	(–)	(–)	(–)	(0.22)	(–)	(–)

Note No. 31 - Additional Information to the Financial Statements

i) Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

There are no overdue amounts payable to Micro, Small and Medium Enterprises, as defined in the Micro, Small and Medium Enterprises Development Act, 2006, as at the reporting date or anytime during the year and hence no interest has been paid or payable accordingly no additional disclosures have been made.

Rupees in Lakhs

Sl. No.	Particulars	As at 31-March-2022	As at 31-March-2021
1.	Dues remaining unpaid		
	- Principal	–	–
	- Interest	–	–
2.	Interest paid in terms of Section 16 of the MSMED Act along with the amount of payment made to the supplier beyond the appointed day during the year	–	–
	Principal paid beyond the appointed date		
	Interest paid in terms of Section 16 of the MSMED Act		
3.	Amount of interest due and payable for the period of delay on payments made beyond the appointed day during the year	–	–
4.	Further interest due and payable even in the succeeding years until such date when the interest due as above are actually paid to the small enterprises	–	–
5.	Amount of interest accrued and remaining unpaid		

ii) Earnings in foreign exchange (on accrual basis)

Rupees in Lakhs

Particulars	For the year ended 31-March-2022	For the year ended 31-March-2021
Consultancy fees	**849.92**	616.03
TOTAL	**849.92**	616.03

iii) Expenditure in foreign currency (on accrual basis)

		Rupees in Lakhs
Particulars	**For the year ended 31-March-2022**	For the year ended 31-March-2021
Consultancy fees	**131.79**	39.50
Travel	**62.43**	17.78
TOTAL	**194.22**	57.28

Note No.32 - Contingent Liabilities

Income Tax dues - arising out of disallowance of expenses relating to financial year 2013-14 with tax impact of approximately Rs. 26.28 Lakhs - being contested by Company at Commissioner of Income tax (Appeals).

Note No. 33 - Other Notes

i. The Company did not have any other pending litigation which would impact its financial position - other than as disclosed in Note 33 above.

ii. The Company did not have any material foreseeable losses on long term contracts and the Company has not entered into any derivative contracts.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

iv. The provisions of Section 135 of Companies Act, 2013 are not applicable to the Company in the current year.

v. Donations made to political parties - Rs. Nil (Previous year -Rs. Nil)

vi. No material events have occurred after the Balance Sheet date and up to the approval of the financial statements

vii. From December 2019, COVID - 19 has spread globally, including India, and various states are still reeling under the pressure of COVID-19. This event has significantly affected economic activity across the infrastructure and industrial sector, globally and in India. As a result, it has impacted the operations and financial results of the Company in the year Fy22 in terms of revenue. For Fy 22 financial reporting, the Company has used the principles of prudence in applying judgments, estimates and assumptions in significant areas like estimating the remaining useful life of the tangible assets, cost to complete provision for long term contracts, evaluating the long term contracts for any onerous elements, recoverability of receivables including unbilled receivables, provision for receivables, provision for warranties, the impact of cancellation or modifications to the terms of the revenue contracts, cancellation or deferment of revenue contracts, penalties due to non-fulfilment of service legal obligations, fair valuation of financial assets and liabilities etc. The Company has considered internal and external information up to the date of approval of these financial statements, and the Company expects to recover the carrying amount of these assets.

viii. The disclosure on the following matters required under Schedule III as amended not being relevant or applicable in case of the Company, same are not covered such as

a. The Company has not traded or invested in crypto currency or virtual currency during the financial year

b. There are no transaction which have not been recorded in the books.

c. No proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

d. The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority

e. The Company has not entered into any scheme of arrangement

f. No Registration or satisfaction of charges are pending to be filed with ROC.

ix. (a) No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) No funds have been received by the Company from any person(s) or entity(ies), including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

x. During the year, the company has been sanctioned working capital limits in excess of five crore rupees, in aggregate from The Federal Bank Limited including fund and non fund based faiclity, based on trade receivable and the company has been filing monthly statements filed by the company with such bank.

xi. The company has no transactions with companies struck off under the Companies Act.

xii. The figures for previous year have been regrouped wherever necessary to confirm to current year’s grouping

Note No. 34 - Approval of standalone financial statements

The financial statements were approved for issue by the Board of Directors on 29th April 2022.

In terms of our report attached
For **B.K. Khare & Co**
Chartered Accountants
ICAI Firm Registration No. 105102W

Shirish Rahalkar
Partner
Membership No. 111212

Place : Mumbai
Date : April 29, 2022

For and on behalf of the Board

B. Suresh
CEO & Managing Director

Place : Chennai
Date : April 29, 2022

Parag C Shah
Director

Place : Mumbai
Date : April 29, 2022

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF MAHINDRA HOLIDAYS & RESORTS INDIA LIMITED

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of Mahindra Holidays & Resorts India Limited (the "Company"), which comprise the standalone balance sheet as at March 31, 2022, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, and its profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Standalone Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the Standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Description of Key Audit Matters'

I) Revenue from Contracts with Customers under Ind AS 115 **See note 35 and 51 to the standalone financial statements**	
The key audit matter	**How the matter was addressed in our audit**
The Company has a unique business model and its revenue comprises of numerous individual transactions and also multiple streams of revenue with its members. In accordance with Ind AS 115 (a) the membership fees and (b) incremental costs to obtain a contract with a customer, are recognized over the effective membership period. The application of the accounting standard on revenue recognition, involves certain judgements relating to identification of distinct performance obligations, determination of transaction price of the identified performance obligations and the appropriateness of the basis used to recognize revenue over a period. Incremental costs are those that would not have been incurred if the contract was not obtained. The Company has applied significant judgement in identifying the expenses which can be treated as incremental cost of acquiring new members.	Our procedures included the following: - Evaluating the appropriateness of accounting policy in accordance with Ind AS 115 for membership contracts entered with customers. - Evaluating and testing the identification of expenses incurred by the Company, which can get classified as incremental costs of acquisition. - Evaluating the process followed by the Company and the data used for the purpose of identifying and determining the effective membership period after considering breakage i.e., customer's unexercised rights and comparing the basis with historical experience of utilization of memberships. - Evaluating the process followed by the Company and the data used for the purpose of deferral of revenue due to uncertainty of collection based on historical trends and considering factors impacting future collections. - Testing the processes and controls instituted for recognition of revenue and incremental costs of acquisition, over the effective membership period. Involving our IT specialists to test the controls in the IT system for recording revenue as per Ind AS 115. - Assessing the adequacy of the Company's disclosures in accordance with the requirements of Ind AS 115.

II) Contingent liabilities See note 42 to the standalone financial statements	
The key audit matter	**How the matter was addressed in our audit**
The Company has significant tax litigations for both direct and indirect taxes. There is a high level of judgement required in estimating the level of provisioning and appropriateness of disclosure of those litigations in the financial statements. The value of the litigations together with the level of judgement involved make it a significant matter for our audit.	Our audit procedures included the following: - Examining the list of outstanding litigation against the Company. - Inquiring and obtaining explanation for movement during the year. - Reading the latest correspondence between the Company and the regulatory authorities for significant matters. - Discussing the status of significant litigation with the Company's senior management personnel and assessing their responses. - Examining opinions obtained by the Company from external advisors. - Involving our tax specialists, and discussing with the Company's tax officers, their views and strategies on significant cases, as well as the related technical grounds relating to their conclusions based on applicable tax laws. - Assessing the decisions and rationale for provisions made or for decisions not to record provisions or make disclosures.

III) Leases in accordance with Ind AS 116 See note 5, 25, 29 and 52 to the standalone financial statements	
The key audit matter	**How the matter was addressed in our audit**
The Company has a large number of leasing arrangements. The application of the accounting standard on leases, involves certain judgements relating to determination of incremental borrowing rate, determination of leases to which Ind AS 116 applies and determination of lease period. During the current year, Company has also negotiated lease concessions with lessors based on mutually agreed terms.	Our audit procedures included the following: - Assessing and testing processes and controls in respect of Ind AS 116. - Assessing the Company's evaluation on the identification of leases based on the contractual agreements and our knowledge of the business. - Evaluating the reasonableness of Company's key judgements and estimates made in determining the amounts at which ROU assets and lease liabilities are accounted. - Assessing management's calculation on remeasurement of lease liabilities. - On a statistical sample, assessing the key terms and conditions of each lease with the underlying lease contracts, including lease rent concessions received. - On a statistical sample, evaluating computation of lease liabilities and assessing the key estimates such as, discount rates and the lease term. - Assessing the computation of lease incentives with the aforesaid lease rent concession terms agreed with lessors. - Assessing and testing the presentation and disclosures relating to Ind AS 116.

IV) Property, plant and equipment See note 4 to the standalone financial statements	
The key audit matter	**How the matter was addressed in our audit**
The Company has revalued freehold land and measured at fair value, based on periodic valuation done by an external independent valuer. Significant judgement is required by the valuer in determining the fair value of freehold land. Company owns many land parcels in different jurisdictions. The value of impact together with the level of judgement involved make it a significant matter for our audit.	Our audit procedures included the following: - Evaluating and testing the objectivity and competence of the management's external expert, involved in fair valuation of the land parcels. - Evaluating the valuation report received from the management's external valuation experts and assessing the work performed by them, including the valuation methodology followed along with key judgements made in determining the fair values. - Involving our internal valuation specialists to consider and evaluate the appropriateness of the valuation methodology applied. - Assessing the adequacy of the Company's disclosures in respect of the measurement of freehold land.

Other Information

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's and Board of Directors' Responsibility for the Standalone Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of standalone financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. (A) As required by Section 143(3) of the Act, we report that:

    a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

    b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

    c) The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account.

    d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.

    e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164(2) of the Act.

    f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

   (B) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

    a) The Company has disclosed the impact of pending litigations as at March 31, 2022 on its financial position in its standalone financial statements - Refer Note 42 to the standalone financial statements.

    b) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

    c) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

    d) (i) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:

- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or
- provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(ii) The management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall:

- directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Party or
- provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries.

(iii) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (d) (i) and (d) (ii) contain any material misstatement.

e) The Company has neither declared nor paid any dividend during the year.

(C) With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For B S R & Co LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Koosai Lehery
Partner
Membership No. 112399
UDIN: 22112399AIGNGZ2312

Mumbai
May 2, 2022

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT - MARCH 31, 2022

(Referred to in our report of even date)

i. (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified in a phased manner over a period of three years. In accordance with this programme, certain property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the standalone financial statements are held in the name of the Company, except for the following which are not held in the name of the Company:

Description of property	Gross carrying value (₹ in lakhs)	Held in the name of	Whether promoter, director or their relative or employee	Property held since which date	Reason for not being held in the name of the Company. Also indicate if in dispute
Freehold land – Manali	1,243.05	Competent Hotels Private Limited - Manali	No	Merger date February 9, 2016 effective from April 1, 2015	Received on merger of the erstwhile Companies. Company has submitted relevant documents with necessary charges & fees and awaiting closure from the respective government authorities.
Freehold land - Jaisalmer	1,944.00	Divine Heritage Hotels Private Limited - Jaisalmer	No	Merger date February 29, 2016 effective from April 1, 2015	
Building – Manali	629.12	Competent Hotels Private Limited - Manali	No	Merger date February 9, 2016 effective from April 1, 2015	
Building - Jaisalmer	1,211.15	Divine Heritage Hotels Private Limited - Jaisalmer	No	Merger date February 29, 2016 effective from April 1, 2015	

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets during the year except for all assets comprising 'Freehold Land' (see Note 4 in the standalone financial statements).

The aforesaid revaluation is based on the valuation performed by a Registered Valuer and the amount of net change was less than 10% in the aggregate of the net carrying value of freehold land as a class of Property, Plant and Equipment.

(e) According to information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks or financial institutions are in agreement with the books of account of the Company.

(iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has made investments in mutual funds during the year. The Company has also provided guarantee and has granted loans to Companies during the year, in respect of which the requisite information is as below. The Company has not provided security and advances in the nature of loans to Companies during the year. The Company has not provided any guarantee or security, granted any loans or advances in the nature of loans, secured or unsecured, to limited liability partnership or any other parties during the year.

(a) Based on the audit procedures carried on by us and as per the information and explanations given to us, the Company has provided loans or provided guarantee as below:

(₹ in lakhs)

Particulars	Guarantees	Loans (including interest accrued)
Aggregate amount during the year		
Subsidiaries:		
– MH Boutique Hospitality Limited	Nil	985.81
– MHR Holdings (Mauritius) Limited	61,685.00	283.25
– Gables Promoters Private Limited	Nil	4,779.40
– Mahindra Hotels and Residences India Limited	Nil	19.31
– Heritage Bird (M) Sdn Bhd.	Nil	762.03
– Infinity Hospitality Group Company Limited	4,841.00	1,078.00
Balance outstanding as at balance sheet date	4,623.23	5,334.38
Subsidiaries:		
– MH Boutique Hospitality Limited	Nil	985.81
– MHR Holdings (Mauritius) Limited	83,739.50	283.25
– Gables Promoters Private Limited	Nil	4,779.40
– Mahindra Hotels and Residences India Limited	Nil	19.31
– Heritage Bird (M) Sdn Bhd.	Nil	719.08
– Infinity Hospitality Group Company Limited	Nil	1,025.37

(b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion, the investments made during the year, the guarantees provided during the year and the terms and conditions of the grant of loans provided during the year are, prima facie, not prejudicial to the interest of the Company.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of loans given, in our opinion the repayment of principal and payment of interest has been stipulated. These loans are renewed during the year on expiry of their prior agreed term. Further, the Company has not given any advance in the nature of loan to any party during the year.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount for more than ninety days in respect of loans given. Further, the Company has not given any advances in the nature of loans to any party during the year.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, following instances of loans falling due during the year were renewed:

(₹ in lakhs)

Name of the parties	Aggregate amount dues (including interest accrued) renewed
Subsidiaries:	
– MH Boutique Hospitality Limited	985.81
– MHR Holdings (Mauritius) Limited	283.25
– Gables Promoters Private Limited	4,779.40
– Mahindra Hotels and Residences India Limited	19.31
– Heritage Bird (M) Sdn Bhd.	719.08
– Infinity Hospitality Group Company Limited	1,078.00
Total	7,864.85
Percentage of the aggregate to the total loans granted during the year	100%

(f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.

(iv) According to the information and explanations given to us and on the basis of our examination of records of the Company, in respect of investments made and loans, guarantees and security given by the Company, in our opinion the provisions of Section 185 and 186 of the Companies Act, 2013 ("the Act") have been complied with.

(v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.

(vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act for the services provided by it. Accordingly, clause 3(vi) of the Order is not applicable.

(vii) (a) The Company does not have liability in respect of Service tax, Duty of excise and Sales tax during the year since effective July 1, 2017, these statutory dues have been subsumed into GST.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Services Tax ('GST'), Provident fund, Employees' State Insurance, Income-Tax, Duty of Customs, Cess and other statutory dues have been generally regularly deposited by the Company with the appropriate authorities;

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, statutory dues relating to Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues which have not been deposited on account of any dispute are as follows:

Name of the Statute	Nature of the Dues	Amount* (₹ in lakhs)	Period to which amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income tax, Interest and Penalty	31,251	AY 1999 to 2011	High Court
Income Tax Act, 1961	Income tax, Interest and Penalty	42,212	AY 2010 AY 2012 to 2016	ITAT
Income Tax Act, 1961	Income tax, Interest and Penalty	12,613	AY 2017	Commissioner of Income Tax-Appeals
Finance Act, 1994	Service Tax, Interest and Penalty	47,664	FY 2007 to 2016	Appellate Authorities
Tamil Nadu Luxury Tax Act	Luxury Tax	64	FY 2003 to 2006	Deputy Commissioner
		17	FY 2011 to 2012	Commissioner-Appeals
Kerala Luxury Tax Act	Luxury Tax	659	FY 2009 to 2011	Intelligence officer-Debikulam
		3,270	FY 2010 to 2016	Appellate Commissioner
		1,706	FY 2012 to 2015	High Court
Uttarakhand Luxury Tax Act	Luxury Tax	34	FY 2013	Appellate Commissioner
Maharashtra Luxury Tax Act	Luxury Tax	42	FY 2013 to 2014	Commissioner of Commercial taxes
Rajasthan Luxury Tax Act	Luxury Tax	1,763	FY 2011 to 2017	High Court
Rajasthan Value Added Tax Act	Value Added Tax	15	FY 2015 to 2017	High Court
Kerala Value Added Tax Act	Value Added Tax	23	FY 2015 to 2017	Assistant Commissioner

* net of amounts paid under protest.

(viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.

(ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to any lender. Further, the Company did not have any outstanding loans or borrowings from any lender during the year.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.

(c) According to the information and explanations given to us by the management, the Company has not obtained any term loans during the year. Accordingly, clause 3(ix)(c) of the Order is not applicable.

(d) According to the information and explanations given to us and on an overall examination of the standalone balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries as defined under the Act.

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries (as defined under the Act).

(x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) Accordingly, clause 3(x)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.

(xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the course of the audit.

(b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditor's) Rules, 2014 with the Central Government.

(c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.

(xii) (a), (b) and (c) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

(xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the internal audit reports of the Company issued till date for the period under audit.

(xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non- cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.

(xvi) (a) and (b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) and 3(xvi)(b) of the Order is not applicable.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.

(d) According to the information and explanations provided to us, the Group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016) has six CICs.

(xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) (a) and (b) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the order are not applicable.

For B S R & Co LLP
Chartered Accountants
Firm’s Registration No: 101248W/W-100022

Koosai Lehery
Partner
Membership No. 112399
UDIN: 22112399AIGNGZ2312

Mumbai
May 2, 2022

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT ON THE STANDALONE FINANCIAL STATEMENTS OF MAHINDRA HOLIDAYS & RESORTS INDIA LIMITED FOR THE YEAR ENDED MARCH 31, 2022

Report on the internal financial controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

(Referred to in paragraph 2 (A) (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to financial statements of Mahindra Holidays & Resorts India Limited ("the Company") as of March 31, 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such internal financial controls were operating effectively as at March 31, 2022, based on the internal financial controls with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to the standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to the standalone financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to the standalone financial statements were established and maintained and whether such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to the standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to the standalone financial statements included obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to the standalone financial statements.

Meaning of Internal Financial controls with Reference to Financial Statements

A company's internal financial controls with reference to the standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to the standalone financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of the standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use or disposition of the company's assets that could have a material effect on the standalone financial statements.

Inherent Limitations of Internal Financial controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to the standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to the standalone financial statements to future periods are subject to the risk that the internal financial controls with reference to the standalone financial statements may become inadequate because of changes in conditions or that the degree of compliance with the policies or procedures may deteriorate.

For B S R & Co LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Koosai Lehery
Partner
Membership No. 112399
UDIN: 22112399AIGNGZ2312
Mumbai,
May 2, 2022

STANDALONE BALANCE SHEET AS AT MARCH 31, 2022

All amounts are in ₹ Lakhs unless otherwise stated

Particulars	Note No.	2022	2021
ASSETS			
Non-current assets			
Property, Plant and Equipment	4	**216,263.32**	201,572.43
Right of Use Asset	5	**26,781.17**	15,412.03
Capital work-in-progress	47	**10,744.48**	11,182.29
Other intangible assets	6	**1,480.98**	588.31
Intangible assets under development	47	**714.14**	941.90
Financial Assets			
Investments			
Investments in subsidiaries	7	**9,532.75**	9,532.75
Other Investments	7	**580.49**	702.09
Trade receivables	8	**22,120.23**	29,008.39
Other financial assets	9	**56,264.61**	13,116.84
Deferred Tax Assets (Net)	10	**40,316.39**	42,872.74
Other non-current tax assets (Net)	11	**10,205.41**	18,656.37
Deferred Acquisition Cost	12	**67,035.95**	65,379.84
Other non-current assets	13	**4,113.90**	3,271.31
		466,153.82	412,237.29
Current assets			
Inventories	14	**633.00**	453.75
Financial Assets			
Investments	15	**27,943.07**	5,942.51
Trade receivables	16	**90,696.58**	91,470.80
Cash and cash equivalents	17	**5,648.46**	1,962.78
Other bank balances	18	**32,610.82**	32,318.59
Loans	19	**6,850.45**	5,083.78
Other financial assets	20	**8,265.88**	52,626.20
Deferred Acquisition Cost	21	**5,306.39**	5,001.16
Other current assets	22	**6,292.86**	4,623.23
		184,247.51	199,482.80
		650,401.33	611,720.09
EQUITY AND LIABILITIES			
Equity			
Equity share capital	23	**19,984.81**	13,292.38
Other equity	24		
Reserves & Surplus		**92,935.53**	83,688.45
Revaluation Reserve		**84,007.33**	76,925.70
Other Comprehensive Income		**(215.74)**	(162.92)
Transition Difference		**(140,272.59)**	(140,272.59)
		36,454.53	20,178.64
		56,439.34	33,471.02
LIABILITIES			
Non-current liabilities			
Financial Liabilities			
Lease liabilities	25	**23,689.52**	11,779.15
Other financial liabilities	26	**850.69**	787.16
Provisions	27	**845.35**	795.46
Deferred Tax Liabilities	10	**21,002.18**	19,235.44
Other non-current liabilities			
Contract Liability-Deferred Revenue	28	**450,805.44**	454,752.79
		497,193.18	487,350.00
Current liabilities			
Financial Liabilities			
Lease liabilities			
Trade payables	29	**4,472.22**	4,690.28
Total outstanding dues of micro enterprises and small enterprises; and	30	**445.88**	154.23
Total outstanding dues of creditors other than micro enterprises and small enterprises		**21,327.10**	19,342.32
Other financial liabilities	31	**9,443.72**	10,161.19
Provisions	32	**849.48**	697.61
Other current liabilities			
Contract Liability-Deferred Revenue	33	**57,469.04**	53,373.85
Others	34	**2,761.37**	2,479.59
		96,768.81	90,899.07
		650,401.33	611,720.09

See accompanying notes to the financial statements
In terms of our report attached

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No. 101248W/W-100022

Koosai Lehery
Partner

Membership Number: 112399

Place: Mumbai
Date: May 2, 2022

For and on behalf of the Board of Directors

Arun Nanda
Chairman
DIN: 00010029

Kavinder Singh
Managing Director & CEO
DIN: 06994031

Sujit Vaidya
Chief Financial Officer

Dhanraj Mulki
Company Secretary

Place: Mumbai
Date: May 2, 2022

Place: Mumbai
Date: May 2, 2022

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2022

All amounts are in ₹ Lakhs unless otherwise stated

Particulars	Note No.	2022	2021
Income			
Revenue from operations	35	**96,068.43**	82,224.45
Other income	36	**11,003.80**	8,651.94
Total Income		**107,072.23**	90,876.39
Expenses			
Employee benefits expense	37	**24,861.81**	24,300.84
Finance costs	38	**2,115.85**	1,295.83
Depreciation and amortisation expense	4, 5 & 6	**11,988.56**	10,374.24
Other expenses	39	**47,753.44**	37,958.99
Total Expenses		**86,719.66**	73,929.90
Profit before tax		**20,352.57**	16,946.49
Tax expense excluding impact of change in tax rate			
Current tax	40	**2,665.76**	–
Deferred tax	40	**2,556.35**	4,370.00
Total tax expense		**5,222.11**	4,370.00
Profit after tax		**15,130.46**	12,576.49
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Remeasurements of the defined benefit (asset)/liability		**(70.58)**	(20.08)
Freehold land revaluation		**8,848.36**	–
Income taxes related to items that will not be reclassified to profit or loss		**(1,748.98)**	3,171.31
Net other comprehensive income not to be reclassified subsequently to profit or loss		**7,028.80**	3,151.23
Total comprehensive income for the year		**22,159.26**	15,727.72
Earnings per equity share :			
(face value of ₹ 10 per share)			
Basic (in ₹)	41	**7.58**	6.31
Diluted (in ₹)	41	**7.55**	6.30

See accompanying notes to the financial statements
In terms of our report attached

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No. 101248W/W-100022

Koosai Lehery
Partner
Membership Number: 112399

Place: Mumbai
Date: May 2, 2022

For and on behalf of the Board of Directors

Arun Nanda
Chairman
DIN: 00010029

Kavinder Singh
Managing Director & CEO
DIN: 06994031

Sujit Vaidya
Chief Financial Officer

Dhanraj Mulki
Company Secretary

Place: Mumbai
Date: May 2, 2022

Place: Mumbai
Date: May 2, 2022

STATEMENT OF CHANGES IN EQUITY

All amounts are in ₹ Lakhs unless otherwise stated

Particulars	**Share Capital**	**Other Equity**									**Total**
		Reserves & Surplus						**Revaluation Reserve**	**Other Comprehensive Income Actuarial Loss**	**Transition Difference**	
	Equity Share Capital	**Capital Reserve**	**Securities Premium**	**General Reserve**	**Share Options Outstanding Account**	**Capital Redemption Reserve**	**Retained Earnings**				
Balance at the beginning of the reporting year - April 1, 2021	**13,292.38**	**44.75**	**10,361.67**	**10,381.68**	**1,603.47**	**145.80**	**61,151.08**	**76,925.70**	**(162.92)**	**(140,272.59)**	**33,471.02**
Profit for the year	–	–	–	–	–	–	15,130.46	–	–	–	15,130.46
Additions during the year (net of taxes)	–	–	–	–	268.90	–	–	7,081.63	–	–	7,350.53
Bonus Issue	6,653.25	–	(6,653.25)	–	–	–	–	–	–	–	–
Capitalisation of Share Issue Expenses	–	–	(112.50)	–	–	–	–	–	–	–	(112.50)
Fresh Issue of shares	39.18		613.47	–	–	–	–	–	–	–	652.65
OCI component of actuarial gains/(losses) (Net of taxes)	–	–	–	–	–	–	–	–	(52.82)	–	(52.82)
Balance at the end of the reporting period - March 31, 2022	**19,984.81**	**44.75**	**4,209.39**	**10,381.68**	**1,872.37**	**145.80**	**76,281.54**	**84,007.33**	**(215.74)**	**(140,272.59)**	**56,439.34**

Particulars	Share Capital	Other Equity									Total
		Reserves & Surplus						Revaluation Reserve	Other Comprehensive Income Actuarial Loss	Transition Difference	
	Equity Share Capital	Capital Reserve	Securities Premium Reserve	General Reserve	Share Options Outstanding Account	Capital Redemption Reserve	Retained Earnings				
Balance at the beginning of the reporting year - April 1, 2020	13,292.38	44.75	10,361.67	10,381.68	1,475.48	145.80	48,574.59	73,759.44	(147.89)	(140,272.59)	17,615.31
Profit for the year	–	–	–	–	–	–	12,576.49	–	–	–	12,576.49
Effect of change in tax base	–	–	–	–	–	–	–	3,166.26	–	–	3,166.26
Additions during the year	–	–	–	–	127.99	–	–	–	–	–	127.99
OCI component of actuarial gains/ (losses) (Net of taxes)	–	–	–	–	–	–	–	–	(15.03)	–	(15.03)
Balance at the end of the reporting year - March 31, 2021	13,292.38	44.75	10,361.67	10,381.68	1,603.47	145.80	61,151.08	76,925.70	(162.92)	(140,272.59)	33,471.02

See accompanying notes to the financial statements
In terms of our report attached

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No. 101248W/W-100022

Koosai Lehery
Partner

Membership Number: 112399

Place: Mumbai
Date: May 2, 2022

For and on behalf of the Board of Directors

Arun Nanda
Chairman
DIN: 00010029

Kavinder Singh
Managing Director & CEO
DIN: 06994031

Sujit Vaidya
Chief Financial Officer

Dhanraj Mulki
Company Secretary

Place: Mumbai
Date: May 2, 2022

Place: Mumbai
Date: May 2, 2022

STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2022

All amounts are in ₹ Lakhs unless otherwise stated

	Particulars	2022	2021
A.	**CASH FLOW FROM OPERATING ACTIVITIES :**		
	Net Profit before tax for the year	**20,352.57**	16,946.49
	Adjustments for:		
	Finance costs	**2,115.85**	1,295.83
	Interest income	**(5,432.85)**	(5,038.59)
	Depreciation and amortisation	**11,988.56**	10,374.24
	Net Loss on disposal of property, plant and equipment	**222.16**	122.68
	Gain due to change in lease arrangements	**(1,247.46)**	(3,156.05)
	Net foreign exchange loss	**164.00**	8.50
	Net Gain on sale of investment	**(2,773.46)**	(89.44)
	Net Gain on Investments carried at FVTPL	**(738.86)**	(61.54)
	Equity-settled share-based payments	**268.90**	127.99
		4,566.84	3,583.62
	Operating profit before working capital changes	**24,919.41**	20,530.11
	Movements in working capital:		
	Decrease in trade and other receivables	**3,423.50**	47,575.62
	(Increase) / Decrease in inventories	**(179.25)**	18.54
	Increase in trade payables	**2,218.25**	1,676.44
	Increase in provisions	**131.18**	172.02
	Increase / (Decrease) in contract liability-deferred revenue	**147.84**	(43,747.02)
	(Decrease) / Increase in other liabilities	**(868.32)**	878.37
		4,873.20	6,573.97
	Cash generated from operations	**29,792.61**	27,104.08
	Income taxes paid	**5,802.96**	(428.67)
	NET CASH GENERATED FROM OPERATING ACTIVITIES	**35,595.57**	26,675.41
B.	**CASH FLOW FROM INVESTING ACTIVITIES :**		
	Interest received	**4,636.90**	4,053.76
	ICD given to related parties	**(1,880.00)**	(818.50)
	ICD repayments by related parties	**42.95**	244.33
	Placement of fixed deposits and other deposits	**(86,701.22)**	(130,189.71)
	Proceeds from maturity of fixed deposits and other deposits	**88,811.84**	80,943.44
	Payments for property, plant and equipment and intangibles	**(12,733.81)**	(10,159.18)
	Proceeds from disposal of property, plant and equipment	**49.59**	146.65
	Proceeds from disposal of investment	**21,731.36**	64,095.16
	Equity Investment in other entities	**–**	(305.00)
	Purchase of investment	**(40,098.00)**	(30,600.00)
	NET CASH USED IN INVESTING ACTIVITIES	**(26,140.39)**	(22,589.06)
C.	**CASH FLOW FROM FINANCING ACTIVITIES :**		
	Proceeds from issue of equity share capital	**652.65**	–
	Share Issue Expenses	**(112.50)**	–
	Proceeds from borrowings	**749.24**	79.94
	Repayment of borrowings	**(749.24)**	(79.94)
	Payment of lease liabilities	**(4,193.80)**	(2,291.22)
	Interest paid on borrowings	**(0.22)**	(0.04)
	Interest paid on lease liabilities	**(2,115.63)**	(1,295.79)
	NET CASH USED IN FINANCING ACTIVITIES	**(5,769.50)**	(3,587.05)
	NET INCREASE IN CASH AND CASH EQuIVALENTS (A+B+C)	**3,685.68**	499.30
	Cash and cash equivalents at the beginning of the year	**1,962.78**	1,463.48
	Cash and cash equivalents at the end of the year (Refer note no 17)	**5,648.46**	1,962.78

See accompanying notes to the financial statements
In terms of our report attached

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No. 101248W/W-100022

Koosai Lehery
Partner

Membership Number: 112399

Place: Mumbai
Date: May 2, 2022

For and on behalf of the Board of Directors

Arun Nanda
Chairman
DIN: 00010029

Kavinder Singh
Managing Director & CEO
DIN: 06994031

Sujit Vaidya
Chief Financial Officer

Dhanraj Mulki
Company Secretary

Place: Mumbai
Date: May 2, 2022

Place: Mumbai
Date: May 2, 2022

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

1 Corporate Information

The Company was incorporated on September 20, 1996, and is in the business of selling vacation ownership and providing holiday facilities.

2(a) Significant accounting policies

(i) Statement of compliance

The standalone financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) prescribed under section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time.

(ii) Basis of preparation and presentation

The financial statements of the Company have been prepared on the historical cost basis except for certain financial instruments that are measured at fair value at the end of each reporting period, as explained in the accounting policies below.

All amounts have been rounded off to the nearest lakhs, unless stated otherwise.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/ or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of Ind AS 102 and measurements that have some similarities to fair value but are not fair value, such as net realizable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The principal accounting policies are set out below.

(iii) Revenue recognition

a. Revenue from sale of Vacation Ownership

The Company's business is to sell vacation ownership and provide holiday facilities to members for a specified period each year, over a number of years, for which membership fee is collected either in full upfront, or on a deferred payment basis.

Revenue from Membership fees

The Company recognises the membership fees over the tenure of membership as the performance obligation is fulfilled over the tenure of membership (33 years / 25 years / 10 years or any other tenure applicable to the respective member). The Company will recognise revenue on a straight line basis over the tenure of membership after considering the expected customer unexercised rights from date of admission of each member. The revenue which will be recognised in future periods are disclosed under other liabilities – contract liability - deferred revenue-vacation ownership. Revenue from consumer offers and other benefits provided on membership are recognized as and when such benefits are provided to members at its respective fair value.

Discounts and other incentives provided to the customer's are reduced from the overall contract value. Incremental costs of acquisition of the members are deferred over the period of effective membership in line with revenue deferral. Incremental costs are those that would not have been incurred if the contract was not obtained. Such cost which will be amortised in the future period are disclosed under deferred acquisition cost.

Revenue from Annual subscription fees

Annual subscription fee dues from members are recognized as income on accrual basis and fees pertaining to the period beyond the date of the Balance Sheet is grouped under Other liabilities - Deferred revenue – Annual subscription fee.

Interest income on deferred payment plans

Interest revenue is recognised only to the extent that a contract asset (or receivable) or a contract liability is recognised in accounting for a contract with the customer. Also refer accounting policy for financial instruments (note no. xv).

Revenue is recognized only when it is probable that the economic benefits associated with the transaction will flow to the Company. Revenue with respect to instalments/contracts where there is an uncertainty about collectability, is deferred (even though the membership is not cancelled). The estimation of such revenues where there is uncertainity in collection has been made by the Company based on past trends of year-wise cancellation of memberships and considering factors impacting future collections.

b. Income from resorts include income from room rentals, food and beverages, etc. and is recognized when services are rendered.

(iv) Leases

The Company's lease asset classes primarily consist of leases for land and buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

The right-of-use assets are initially recognized at cost, which comprises the present value of future lease liability. They are subsequently measured at cost less accumulated depreciation and impairment losses. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the period of lease term. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the incremental borrowing rates in the country of domicile of these leases.

(v) Foreign currencies

The financial statements of the Company are presented in Indian Rupees (`), which is the Company's functional currency. In preparing the financial statements of the Company, transactions in currencies other than the Company's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Under previous GAAP, paragraph 46A of AS 11, The Effects of Changes in Foreign Exchange Rates, provided an accounting treatment to Companies with respect to exchange differences arising on restatement of long-term foreign currency monetary items. Exchange differences in respect of items other than those related to acquisition of depreciable assets, could be accumulated in a foreign currency monetary item translation difference account ('FCMITDR'), and amortised over the balance period of such long term monetary item. Ind AS provides an option to Company to continue the above accounting treatment in respect of long term foreign currency items recognised in the financial statements for the period ending immediately before the beginning of the first Ind As reporting period. The Company has elected this option.

(vi) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

All other borrowing costs are recognized in the statement of profit or loss in the period in which they are incurred.

(vii) Employee benefits

Employee benefits include provident fund, superannuation fund, employee state insurance scheme, gratuity fund and compensated absences.

Defined contribution plans

The Company's contribution to provident fund, superannuation fund and employee state insurance scheme are considered as defined contribution plans and are recognized as an expense when employees have rendered service entitling them to the contributions.

Defined benefit plans

For defined benefit plans in the form of gratuity fund, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out by an independent actuary at the end of each reporting period. Defined benefit costs are categorised as follows:

- Service cost (including current service cost, past service cost, as well as gains and losses on curtailments; settlements);
- Net interest expense or income; and
- Re-measurement

The Company presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expense'. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognized in other comprehensive income in the period in which they occur. Re-measurement recognized in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Curtailment gains and losses are accounted for as past service costs. Past service cost is recognized in profit or loss in the period of a plan amendment.

The obligation recognized in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

Short-term and other long-term employee benefits

A liability is recognized for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognized in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflow expected to be made by the Company in respect of services provided by employees upto the reporting date.

(viii) Share based payment arrangements

Equity-settled share based payments to employees are measured at the fair value of the equity instruments at the grant date.

Details regarding the determination of the fair value of equity-settled share-based transactions are set out in Note 23.

The fair value determined at the grant date of the equity-settled share based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognized in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to Share options outstanding account in Reserves & Surplus.

(ix) Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The company's current tax is calculated using tax rates that have been enacted by the end of the reporting period.

Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognized if the temporary difference arises from the initial recognition of goodwill.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred taxes are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realized, based on the tax rates and the tax laws enacted or substantively enacted as at the reporting date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively.

(x) Property, plant and equipment (PPE)

Buildings held for use in the supply or production of goods or services, or for administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses.

Freehold land is valued at Fair value based on valuations by external independent valuers at sufficient regularity.

Any revaluation surplus is recognised in other comprehensive income and accumulated in equity under revaluation reserve, except to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss, in which case the increase is recognised in profit or loss. A revaluation deficit is recognised in profit or loss, except to the extent that it offsets an existing surplus on the same asset carried in the revaluation reserve.

Fixtures and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

PPE in the course of construction for supply, production or administrative purposes are carried at cost, less any recognized impairment loss. Cost includes professional fees, other directly attributable expenses and, for qualifying assets, borrowing costs capitalized in accordance with the Company's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Category of Asset	Estimated useful lives
Leasehold Building	Period of lease
Buildings (other than those mentioned below)	30 - 60 years
Floating cottages (grouped under buildings)	25 years
Plant & equipment	5 - 15 years
Furniture and Fixtures (other than those mentioned below)	5 - 10 years
Furniture and Fixtures (in Club Mahindra Holiday World)	3 years
Vehicles (other than those mentioned below)	8 years
Motor vehicles/other assets provided to employees	4/5 years
Office equipment	5 years

Depreciation is recognized so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the statement of profit and loss.

(xi) Intangible assets

Intangible assets with finite useful lives are carried at cost less accumulated amortisation and accumulated impairment losses. Amortization is recognized on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Category of Asset	Estimated useful lives
Computer Software and website development cost	3 years

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognized in statement of profit and loss when the asset is derecognized.

(xii) Impairment of tangible and intangible assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash- generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash- generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash- generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in statement of profit and loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in statement of profit and loss.

(xiii) Inventories

Inventories are carried at the lower of cost and net realizable value. Costs of inventories are determined on moving weighted average basis. Cost includes the purchase price, non-refundable taxes and delivery handling cost. Net realizable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

(xiv) Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

(xv) Financial instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in statement of profit and loss.

Interest income from other financial assets is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Dividend income from investments is recognized when the shareholder's right to receive payment has been established, provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably.

Effective interest method

The effective interest method is a method of calculating the amortized cost of a financial instrument and of allocating interest over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts/payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

(xvi) Financial assets

A financial asset is any asset that is:

(a) cash;

(b) an equity instrument of another entity;

(c) a contractual right:

(i) to receive cash or another financial asset from another entity; or

(ii) to exchange financial assets or financial liabilities with another entity under conditions that are potentially favorable to the Company; or

(d) a contract that will or may be settled in the Company's own equity instruments and is:

(i) a non-derivative for which the Company is or may be obliged to receive a variable number of the entity's own equity instruments; or

(ii) a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments.

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognized financial assets are subsequently measured in their entirety at either amortized cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

Debt

Debt instruments that meet the following conditions are subsequently measured at amortised cost (except for debt instruments that are designated as at "fair value through profit and loss (FVTPL)" on initial recognition):

the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and

the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments (except for debt instruments that are designated as at FVTPL on initial recognition) that meet the following conditions are subsequently measured at "fair value through other comprehensive income (FVTOCI)":

the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and

the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Income is recognized on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL.

Interest income is recognized in statement of profit and loss for FVTOCI debt instruments. For the purposes of recognising foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortised cost. Thus, the exchange differences on the amortized cost are recognized in statement of profit and loss and other changes in the fair value of FVTOCI financial assets are recognized in other comprehensive income and accumulated under the heading of 'Reserve for debt instruments through other comprehensive income'. When the investment is disposed of, the cumulative gain or loss previously accumulated in this reserve is reclassified to statement of profit and loss.

A debt instrument that meets the amortised cost criteria or the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

Debt instruments classified as FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement recognized in statement of profit and loss. The Company has not designated any debt instrument as at FVTPL.

Equity

Investments in equity instruments are classified as at FVTPL, unless the Company irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading.

Equity instruments at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement recognized in statement of profit and loss. The net gain or loss recognized in statement of profit and loss incorporates any dividend earned on the financial asset and is included under 'Other income'. Dividend on financial assets at FVTPL is recognized when the Company's right to receive the dividends is established and the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

Investments in equity instruments of subsidiaries, joint ventures and associates are measured at cost.

Impairment of financial assets

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, trade receivables, and other contractual rights to receive cash or other financial asset not designated as at FVTPL.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls). The Company estimates cash flows by considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument.

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses considering the nature of industry and the deferred payment schemes operated.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Company uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

Derecognition of financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognizes a collateralized borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized in other comprehensive income and accumulated in equity is recognized in statement of profit and loss if such gain or loss would have otherwise been recognized in statement of profit and loss on disposal of that financial asset.

On derecognition of a financial asset other than in its entirety (e.g. when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognized and the sum of the consideration received for the part no longer recognized and any cumulative gain or loss allocated to it that had been recognized in other comprehensive income is recognized in statement of profit and loss if such gain or loss would have otherwise been recognized in statement of profit and loss on disposal of that financial asset. A cumulative gain or loss that had been recognized in other comprehensive income is allocated between the part that continues to be recognized and the part that is no longer recognized on the basis of the relative fair values of those parts.

Foreign exchange gains and losses on financial assets

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

For foreign currency denominated financial assets measured at amortised cost and FVTPL, the exchange differences are recognized in statement of profit and loss.

Changes in the carrying amount of investments in equity instruments at FVTOCI relating to changes in foreign currency rates are recognized in other comprehensive income.

For the purposes of recognising foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortised cost. Thus, the exchange differences on the amortized cost are recognized in statement of profit and loss and other changes in the fair value of FVTOCI financial assets are recognized in other comprehensive income.

(xvii) Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognized at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognized and deducted directly in equity. No gain or loss is recognized in statement of profit and loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Financial liabilities

A financial liability is any liability that is:

(a) a contractual obligation :

- (i) to deliver cash or another financial asset to another entity; or
- (ii) to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable to the Company; or

(b) a contract that will or may be settled in the Company's own equity instruments and is:

(i) a non-derivative for which the Company is or may be obliged to deliver a variable number of the Company's own equity instruments; or

(ii) a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments. For this purpose, rights, options or warrants to acquire a fixed number of the entity's own equity instruments for a fixed amount of any currency are equity instruments if the Company offers the rights, options or warrants pro rata to all of its existing owners of the same class of its own non-derivative equity instruments. Apart from the aforesaid, the equity conversion option embedded in a convertible bond denominated in foreign currency to acquire a fixed number of the Company's own equity instruments is an equity instrument if the exercise price is fixed in any currency.

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, financial guarantee contracts issued by the Company, and commitments issued by the Company to provide a loan at below-market interest rate are measured in accordance with the specific accounting policies set out below.

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is either contingent consideration recognized by the Company as an acquirer in a business combination to which Ind AS 103 applies or is held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

a) it has been incurred principally for the purpose of repurchasing it in the near term; or

b) on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or

c) it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading or contingent consideration recognized by the Company as an acquirer in a business combination to which Ind AS 103 applies, may be designated as at FVTPL upon initial recognition if:

a) such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;

b) the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Company's documented risk management or investment strategy, and information about the Company is provided internally on that basis; or

c) it forms part of a contract containing one or more embedded derivatives, and Ind AS 109 permits the entire combined contract to be designated as at FVTPL in accordance with Ind AS 109.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on re-measurement recognized in statement of profit and loss. The net gain or loss recognized in statement of profit and loss incorporates any interest paid on the financial liability and is included in the 'Other income' / 'Other expenses' line item as appropriate.

Gains or losses on financial guarantee contracts and loan commitments issued by the Company that are designated by the Company as at fair value through profit and loss are recognized in statement of profit and loss.

Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalized as part of costs of an asset is included under 'Finance costs'.

Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by the Company are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109; and
- the amount initially recognized less, when appropriate, the cumulative amount of income recognized.

Foreign exchange gains and losses on financial liabilities

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains are determined based on the amortised cost of the instruments and are recognized in "Other income" and losses are recognised in "Finance Cost" to the extent it is related to borrowings.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognized in statement of profit and loss.

Derecognition of financial liabilities

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in statement of profit and loss.

(xviii) Cash flow statements

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

Cash flows from operating activities are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flow from operating, investing and financing activities of the Company are segregated based on the available information.

(xix) Earnings per share

Basic earnings per share is computed by dividing the profit after tax by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit/ (loss) after tax as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

(xx) Insurance Claims

Insurance claims are accounted for on the basis of claims admitted/ expected to be admitted and to the extent that the amount recoverable can be measured reliably and it is reasonable to expect ultimate collection.

(xxi) Operating cycle

Based on the nature of services / activities of the Company and the normal time between acquisition of assets and their realization in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

2(b) Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described above, the management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only the period of the revision and future periods if the revision affects both current and future periods.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below :

a. Share based payments

The entity initially measures the cost of equity settled transactions with employees using the Black Scholes model to determine the fair value of the options granted. Estimating the fair value of the share options granted require determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating the fair value for the share based payment transactions are disclosed in Note no. 23.

b. Defined benefit plans (gratuity)

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. Further details about the gratuity obligation are disclosed in Note no. 43.

c. Intangible assets under development

The Company capitalizes intangibles under development in accordance with the accounting policy. Initial capitalization of costs is based on management's judgement that technological and economic feasibility is confirmed.

d. Estimation towards revenue deferred due to uncertainity of collection

The quantum of revenue deferred due to uncertainity of collection is computed based on past trends of year-wise cancellation of memberships and considering factors impacting future collections.

e. Significant financing component

Given the nature of vacation ownership business, the Company has determined that membership fee does not include a significant financing component. Where the payment is received in installments, the Company charges appropriate interest to the members.

f. Customer unexercised rights

The Company considers the expected Customers unexercised rights, while determining the effective membership period over which the membership fee needs to be recognised. This customer unexercised right is computed based on past trend of utilisation of membership by the customer.

g. Litigation for taxation matters

The company is subject to tax litigation, the outcome of which is subject to many uncertainities inherent in litigation such as interpretation of legislation, outcome of appeals etc. Litigation provisions are reviewed at each accounting period and revisions made for the change in facts and circumstances.

h. Fair valuation of Freehold land

Freehold land is measured at Fair value based on valuations by external independent valuers using the market approach at sufficient regularity.

i. Leases

The Company makes an assessment on the expected lease term on a lease-by lease basis as per the contract period. Further, discount rate is based on the incremental borrowing rate of the company at the time of commencement of lease.

3 Recent pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1, 2022, as below:

(i) Ind AS 103 – Reference to Conceptual Framework

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any significant impact in its financial statements.

(ii) Ind AS 16 – Proceeds before intended use

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Company does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

(iii) Ind AS 109 – Annual Improvements to Ind AS (2021)

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact in its financial statements.

All amounts are in ₹ Lakhs unless otherwise stated

Note No. 4 - Property Plant and Equipment

Description of Assets	Land - Freehold	Buildings - Freehold	Buildings - Leasehold	Plant and Equipment	Office Equipment	Furniture and Fixtures	Vehicles	Total
I. Gross Block								
Balance as at April 1, 2021	**114,484.49**	**81,317.60**	**156.09**	**30,116.49**	**2,748.83**	**20,514.38**	**1,348.88**	**250,686.76**
Additions	**15.00**	**4,910.11**	**–**	**3,160.46**	**659.81**	**2,925.80**	**207.08**	**11,878.26**
Disposals	**–**	**(264.29)**	**–**	**(1,294.84)**	**(58.56)**	**(65.76)**	**(51.04)**	**(1,734.49)**
Revaluation (refer note below)	**8,848.36**	**–**	**–**	**–**	**–**	**–**	**–**	**8,848.36**
Balance as at March 31, 2022	**123,347.85**	**85,963.42**	**156.09**	**31,982.11**	**3,350.08**	**23,374.42**	**1,504.92**	**269,678.89**
II. Accumulated depreciation								
Balance as at April 1, 2021	**–**	**12,699.35**	**156.09**	**18,590.10**	**2,288.13**	**14,500.54**	**880.12**	**49,114.33**
Depreciation for the year	**–**	**1,478.06**	**–**	**2,451.06**	**298.23**	**1,408.13**	**128.58**	**5,764.06**
Eliminated on disposal of assets	**–**	**(39.63)**	**–**	**(1,254.57)**	**(57.40)**	**(60.78)**	**(50.44)**	**(1,462.82)**
Revaluation (refer note below)								
Balance as at March 31, 2022	**–**	**14,137.78**	**156.09**	**19,786.59**	**2,528.96**	**15,847.89**	**958.26**	**53,415.57**
Net block (I-II)								
Balance as at March 31, 2022	**123,347.85**	**71,825.64**	**–**	**12,195.52**	**821.12**	**7,526.53**	**546.66**	**216,263.32**
Balance as at March 31, 2021	**114,484.49**	**68,618.25**	**–**	**11,526.39**	**460.70**	**6,013.84**	**468.76**	**201,572.43**

Note

During the year, the Company in accordance with its accounting policy of remeasurement of freehold land at fair value, based on periodic valuation done by external independent registered valuer using market approach, has recognised a gain of ₹ 8,848.36 lakhs in the standalone financial statements of the Company.

Description of Assets	Land - Freehold	Buildings - Freehold	Buildings - Leasehold	Plant and Equipment	Office Equipment	Furniture and Fixtures	Vehicles	Total
I. Gross Block								
Balance as at April 1, 2020	112,902.97	70,245.13	156.09	24,807.17	2,381.18	16,148.83	1,265.28	227,906.65
Additions	1,581.52	11,311.58	–	5,520.48	370.96	4,375.61	131.96	23,292.11
Disposals	–	(239.11)	–	(211.16)	(3.31)	(10.06)	(48.36)	(512.00)
Others (reclassification)	–	–	–			–	–	–
Balance as at March 31, 2021	114,484.49	81,317.60	156.09	30,116.49	2,748.83	20,514.38	1,348.88	250,686.76
II. Accumulated depreciation								
Balance as at April 1, 2020	–	11,486.60	156.09	16,503.91	2,110.92	13,404.34	792.98	44,454.84
Depreciation for the year	–	1,295.74	–	2,194.36	180.43	1,105.31	126.41	4,902.25
Eliminated on disposal of assets	–	(82.99)	–	(108.17)	(3.22)	(9.11)	(39.27)	(242.76)
Others (reclassification)	–	–	–	–	–	–	–	–
Balance as at March 31, 2021	–	12,699.35	156.09	18,590.10	2,288.13	14,500.54	880.12	49,114.33
Net block (I-II)								
Balance as at March 31, 2021	114,484.49	68,618.25	–	11,526.39	460.70	6,013.84	468.76	201,572.43
Balance as at March 31, 2020	112,902.97	58,758.53	–	8,303.26	270.26	2,744.49	472.30	183,451.81

All amounts are in ₹ Lakhs unless otherwise stated

Details of Title deeds of Immovable Properties not held in the name of the Company as at March 31, 2022 and March 31, 2021:

Relevant line item in the Balance sheet	Description of item of property	Gross carrying value as at March 31, 22	Gross carrying value as at March 31, 21	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter/ director or employee of promoter/ director	Property held since which date	Reason for not being held in the name of the company
Freehold land	Manali - Resort	1,243.05	1,135.00	Competent Hotels Private Limited - Manali	No	Merger effective from 1/4/2015	Received on merger of the erstwhile Companies. Company has submitted relevant documents with necessary charges & fees and awaiting closure from the respective government authorities.
Freehold land	Jaisalmer Divine - Resort	1,944.00	1,891.00	Divine Heritage Hotels Private Limited - Jaisalmer	No	Merger effective from 1/4/2015	Received on merger of the erstwhile Companies. Company has submitted relevant documents with necessary charges & fees and awaiting closure from the respective government authorities.
Building	Manali - Resort	629.19	629.19	Competent Hotels Private Limited - Manali	No	Merger effective from 1/4/2015	Received on merger of the erstwhile Companies. Company has submitted relevant documents with necessary charges & fees and awaiting closure from the respective government authorities.
Building	Jaisalmer Divine - Resort	1,211.15	1,211.15	Divine Heritage Hotels Private Limited - Jaisalmer	No	Merger effective from 1/4/2015	Received on merger of the erstwhile Companies. Company has submitted relevant documents with necessary charges & fees and awaiting closure from the respective government authorities.

Note No. 5 - Right of Use Asset

Description of Assets	**Right of Use Asset**
I. Gross Block	
Balance as at April 1, 2021	25,740.06
Additions	17,292.99
Deletions	986.77
Balance as at March 31, 2022*	**42,046.28**
II. Accumulated depreciation	
Balance as at April 1, 2021	10,328.03
Depreciation expense for the year	5,763.31
Eliminated on disposal of assets	826.23
Balance as at March 31, 2022	**15,265.11**
Net block (I-II)	
Balance as at March 31, 2022 (refer note no. 52)	**26,781.17**
Balance as at March 31, 2021	15,412.03

* Pertains to lease of resorts and office properties

Description of Assets	Right of Use Asset
I. Gross Block	
Balance as at April 1, 2020	22,543.05
Additions	3,967.62
Deletions	770.61
Balance as at March 31, 2021	25,740.06
II. Accumulated depreciation	
Balance as at April 1, 2020	5,116.52
Depreciation expense for the year	5,211.51
Balance as at March 31, 2021	10,328.03
Net block (I-II)	
Balance as at March 31, 2021 (refer note no. 52)	15,412.03
Balance as at March 31, 2020	17,426.53

* Pertains to lease of resorts and office properties

All amounts are in ₹ Lakhs unless otherwise stated

Note No. 6 - Other Intangible Assets

Description of Assets	**Computer Software (including Website development cost)**
I. Gross Block	
Balance as at April 1, 2021	7,920.10
Additions	1,353.86
Disposals	(13.65)
Balance as at March 31, 2021	**9,260.31**
II. Accumulated amortization	
Balance as at April 1, 2021	7,331.79
Amortisation expense for the year	461.19
Eliminated on disposal of assets	(13.65)
Balance as at March 31, 2022	**7,779.33**
Net block (I-II)	
Balance as at March 31, 2022	**1,480.98**
Balance as at March 31, 2021	588.31

Description of Assets	**Computer Software (including Website development cost)**
I. Gross Block	
Balance as at April 1, 2020	7,466.26
Additions	453.84
Balance as at March 31, 2021	**7,920.10**
II. Accumulated amortization	
Balance as at April 1, 2020	7,071.31
Amortisation expense for the year	260.48
Balance as at March 31, 2021	**7,331.79**
Net block (I-II)	
Balance as at March 31, 2021	**588.31**
Balance as at March 31, 2020	394.95

Note No. 7 - Non-Current Investments

Particulars	**Face value**	**Currency**	**As at March 31, 2022**		As at March 31, 2021	
			Quantity	**Amount**	Quantity	Amount
Unquoted Investments at Cost (fully paid)						
In Equity Instruments of Subsidiaries						
Heritage Bird (M) Sdn. Bhd.	1	MYR	**300,002**	**40.27**	300,002	40.27
Mahindra Hotels and Residences India Ltd.	10	₹	**49,994**	**5.00**	49,994	5.00
Gables Promoters Private Limited	10	₹	**65,000,000**	**6,543.78**	65,000,000	6,543.78
MH Boutique Hospitality Limited	100	THB	**49,000**	**95.38**	49,000	95.38
Infinity Hospitality Group Company Limited	100	THB	**734,850**	**2,681.11**	734,850	2,681.11
MHR Holdings (Mauritius) Limited	1	EUR	**145,000**	**115.10**	145,000	115.10
Arabian Dreams Hotel Apartments LLC	100	AED	**147**	**52.11**	147	52.11
				9,532.75		9,532.75
Unquoted Investments at FVTPL (fully paid)						
In Equity Instruments of other entities						
Mahindra World City Developers Ltd.	10	₹	**1**	**0.00**	1	0.00
Mahindra Hotels and Resorts Limited (cost of investment ₹ 1/-)	10	₹	**20,011**	**0.00**	20,011	0.00
Nreach Online Services Private Limited	10	₹	–	–	5,738	300.00
Great Rocksport Private Limited	1	₹	**148,942**	**366.01**	148,942	305.00
In Preference Instruments of other entities						
Guestline Hospitality Management and Developement Services Limited (25,000 7% non-cumulative redeemable participating optionally convertible preference shares of ₹ 10/- each)	10	₹	**25,000**	**214.48**	25,000	97.09
				580.49		702.09
Aggregate Book Value of Unquoted Investments				**10,113.24**		10,234.84

All amounts are in ₹ Lakhs unless otherwise stated

Notes:

The preference shares of Guestline Hospitality Management and Developement Services Limited can be redeemed at par at the option of the investee at any time after five years but before twenty years from the date of allotment viz. December 06, 2002 or at the option of the holder be convertible into fully paid equity shares of the face value of ₹ 10 each anytime after thirty six months from the date of allotment.

Name of Subsidiaries	Place of Business	2022 % of holding	2021 % of holding
Heritage Bird (M) Sdn. Bhd.	Malaysia	**100**	100
Mahindra Hotels and Residences India Ltd.	Mumbai	**100**	100
Gables Promoters Private Limited	Chandigarh	**100**	100
MH Boutique Hospitality Limited	Thailand	**49**	49
Infinity Hospitality Group Company Limited	Thailand	**73.99**	73.99
MHR Holdings (Mauritius) Limited	Mauritius	**100**	100
Arabian Dreams Hotel Apartments LLC	Dubai	**49**	49

Note No. 8 - Non-Current Trade Receivables

Particulars	2022	2021
Unsecured, considered good	**22,120.23**	29,008.39
	22,120.23	29,008.39

Note No. 9 - Other Financial Assets

Particulars	2022	2021
Financial assets at amortised cost		
Guarantee commission receivable from related parties (refer note no 50)	**3,085.70**	2,620.16
Bank deposit with more than 12 months maturity ..	**10,908.76**	6,112.88
Security Deposits	**4,570.15**	4,383.80
Other Deposits*	**37,700.00**	–
	56,264.61	13,116.84

* Out of the total amount, ₹ 23,500 lakhs pertains to deposit with related parties

Note No. 10 (a) - Deferred Tax Assets (Net)

Particulars	2022	2021
Tax effect of items constituting deferred tax liabilities		
Property, Plant and Equipment (excluding land)	**7,134.49**	6,623.44
Deferred Acquisition Cost	**18,207.12**	17,713.49
Fair valuation of financial assets	**1,688.72**	1,466.06

Particulars	2022	2021
Tax effect of items constituting deferred tax assets		
Employee Benefits	**370.90**	311.07
Deferred Revenue	**64,832.33**	65,335.87
Receivables / Revenue derecognition	**645.20**	645.20
Lease Arrangements	**1,450.59**	1,374.67
Income tax loss	**–**	961.19
Provisions	**47.70**	47.73
Net Deferred Tax Asset	**40,316.39**	42,872.74

Note No. 10 (b) - Deferred Tax Liabilities

Particulars	2022	2021
Fair valuation of Land	**21,002.18**	19,235.44
	21,002.18	19,235.44

Note No. 11 - Other Non-Current Tax Assets

Particulars	2022	2021
Other Non-Current Tax Assets (Net of provisions up to the reporting date)	**10,205.41**	18,656.37
	10,205.41	18,656.37

Note No. 12 - Deferred Acquisition Cost

Particulars	2022	2021
Deferred Acquisition Cost (refer note no. 2(a)(iii))	**67,035.95**	65,379.84
	67,035.95	65,379.84

Note No. 13 - Other Non-Current Assets

Particulars	2022	2021
Capital Advances	**2,499.18**	1,835.84
Prepayments	**552.23**	443.18
Duty paid under protests	**310.22**	263.93
With Government authorities (excluding income taxes)	**752.27**	728.36
	4,113.90	3,271.31

Note No. 14 - Inventories (At lower of cost and net realisable value)

Particulars	2022	2021
Food and beverages	**175.26**	127.65
Operating supplies	**457.74**	326.10
	633.00	453.75
Cost of food and beverages recognised as an expense during the year (refer note no 39)	**3,118.32**	1,860.26

All amounts are in ₹ Lakhs unless otherwise stated

Note No. 15 - Current Investments

Particulars	2022 Units	2022 Amount	2021 Units	2021 Amount
Unquoted Investments at FVTPL (all fully paid)				
Investments in Mutual Funds				
Axis Banking & PSU Debt Fund -Direct - Growth	**235,746**	**5,155.91**	57,200	1,199.94
IDFC Bond Fund-Short Term Plan-Direct Growth	**11,723,872**	**5,744.32**	–	–
HDFC Corporate Bond Fund-Regular Plan-Growth	**395,034**	**103.23**	–	–
HDFC Corporate Bond Fund-Direct Plan-Growth	**22,066,862**	**5,843.61**	–	–
Mahindra Liquid Fund - Dir - Growth	**408,343**	**5,652.22**	354,668	4,742.57
Mahindra Manulife Overnight Direct-Growth	**1,241**	**13.65**	–	–
Kotak-Corporate Bond -Direct Growth	**160,461**	**5,027.04**	–	–
Nippon India Liquid Fund-Direct Plan Growth	**7,740**	**403.09**	–	–
Aggregate book value of unquoted investments	**34,999,299**	**27,943.07**	411,868	5,942.51

Note No. 16 - Current Trade Receivables

Particulars	2022	2021
Unsecured, considered good	**90,696.58**	91,470.80
	90,696.58	91,470.80

Note No. 17 - Cash and Cash Equivalents

Particulars	2022	2021
Balances with banks	**2,255.59**	1,899.36
Deposits with original maturity less than 3 months	**3,300.00**	–
Cash on hand	**92.87**	63.42
	5,648.46	1,962.78

Note No. 18 - Other Bank Balances

Particulars	2022	2021
Earmarked balances with banks (Unpaid Dividend)	**5.48**	6.76
Bank Deposits with original maturity greater than three months and less than twelve months	**32,605.34**	32,311.83
	32,610.82	32,318.59

Note No. 19 - Loans (Unsecured, Considered good)

Particulars	2022	2021
Loans to related parties (refer note no. 51)	**6,787.66**	5,042.92
Loans and advances to employees	**62.79**	40.86
	6,850.45	5,083.78

Note No. 20 - Other Financial Assets

Particulars	2022	2021
Financial assets at amortised cost		
Other receivables from related parties (refer note no. 50)	**111.97**	12.47
Interest accrued but not due	**3,453.92**	3,013.73
Other Deposits	**4,699.99**	49,600.00
	8,265.88	52,626.20

Note No. 21 - Deferred Acquisition Cost

Particulars	2022	2021
Deferred Acquisition Cost (refer note no. 2(a)(iii))	**5,306.39**	5,001.16
	5,306.39	5,001.16

Note No. 22 - Other Current Assets

Particulars	2022	2021
With Government authorities (excluding income taxes)	**4,550.88**	3,525.77
Prepayments	**688.44**	227.97
Advance to suppliers:		
Considered good *	**1,053.54**	869.49
Considered doubtful *	**250.00**	250.00
Less: Provision for doubtful advances	**(250.00)**	(250.00)
	6,292.86	4,623.23

* Both include advances given to related parties - ₹ 250 lakhs

All amounts are in ₹ Lakhs unless otherwise stated

Note No. 23 - Equity Share Capital

Particulars	As at March 31, 2022 No. of Shares	As at March 31, 2022 Amount	As at March 31, 2021 No. of Shares	As at March 31, 2021 Amount
Authorised:				
Equity shares of ₹ 10 each with voting rights	**300,000,000**	**30,000.00**	150,000,000	15,000.00
Issued, Subscribed and Fully Paid:				
Equity shares of ₹ 10 each with voting rights	**200,598,176**	**20,059.82**	133,553,784	13,355.38
Treasury Shares (par value)	**(750,060)**	**(75.01)**	(630,040)	(63.00)
	199,848,116	**19,984.81**	132,923,744	13,292.38

Treasury shares represents equity shares of ₹ 10/- each fully paid up, allotted to Mahindra Holidays & Resorts India Limited Employees' Stock Option Trust ('ESOP Trust') but not exercised by employees.

23 a) Terms/rights attached to equity shares:

i) The Company has only one class of shares referred to as equity shares having a par value of ₹ 10/-. Each holder of equity share is entitled to one vote per share.

ii) Repayment of capital will be in proportion to the number of equity shares held.

iii) The dividends proposed by the Board of Directors is subject to approval of the shareholders in the Annual General Meeting.

iv) With the adoption of new revenue recognition policy in accordance with Ind AS 115, the Company had to change its revenue recognition policy. Consequently, the Deferred Revenue and Deferred Costs had to be recomputed and that resulted in a Transition Difference. The Company is profitable and has healthy cash flows and has declared dividends every year since 2006. The Company is seeking a clarification from Ministry of Corporate Affairs (MCA) that this Transition Difference ought not to be considered for the purpose of calculation of dividend, under section 123(1) of the Companies Act, 2013. The declaration of dividend, if any shall be subject to clarification from MCA.

23 b) Shares in the Company held by Holding Company :

Name of shareholder	No. of shares	% held as at March 31, 2022	No. of shares	% held as at March 31, 2021
Mahindra & Mahindra Limited (Holding Company)	**134,835,922**	**67.22%**	89,890,615	67.31%

23 c) Shares in the Company held by Promoters :

Promoter name	Shares held by promoters at the end of the year Year ended	No. of Shares	% of Total Shares	% Change during the year
Mahindra & Mahindra Limited	**March ,31 2022**	**134,835,922**	**67.22%**	**-0.09%**
Mahindra & Mahindra Limited	March 31, 2021	89,890,615	67.31%	

23 d) Details of shares held by each shareholder holding more than 5% shares:

Name of shareholder	No. of shares	% held as at March 31, 2022	No. of shares	% held as at March 31, 2021
Mahindra & Mahindra Limited	**134,835,922**	**67.22%**	89,890,615	67.31%
HDFC Trustee Company Limited	**18,275,853**	**9.11%**	12,051,889	9.02%

23 e) The reconciliation of the number of shares outstanding as at March 31, 2022 and March 31, 2021 is set out below:-

Particulars	As at March 31, 2022 No. of Shares	As at March 31, 2022 In ₹ Lakhs	As at March 31, 2021 No. of Shares	As at March 31, 2021 In ₹ Lakhs
Number of shares at the beginning	**132,923,744**	**13,292.38**	132,923,744	13,292.38
Add: Bonus Shares issued during the year	**66,816,892**	**6,681.69**	–	–
Add: Shares issued on exercise of employee stock options	**391,875**	**39.18**	–	–
Less: Shares issued to ESOP Trust as Bonus Shares	**(284,395)**	**(28.44)**	–	–
Number of shares at the end	**199,848,116**	**19,984.81**	132,923,744	13,292.38

The Board of Directors at its meeting held on July 29, 2021 had approved issue of bonus shares in the proportion of 1:2, i.e. 1(one) bonus equity share of ₹ 10/- each for 2(two) fully paid up equity shares which was allotted on September 13, 2021 on approval being received in the shareholder's meeting.

All amounts are in ₹ Lakhs unless otherwise stated

23 f) i) Under the Employee Stock Option Scheme ("ESOS 2006") equity shares are allotted to the ESOP Trust set up by the Company. The ESOP Trust holds these shares for the benefit of the eligible employees/directors as defined under the scheme and transfers these shares to them as per the recommendation of the remuneration committee.

ii) The Company formulated the Employee Stock Option Scheme ("ESOS 2014"), under which the Company has the option to issue and allot the shares either directly to the eligible employees/directors or through the ESOP Trust. To the extent allotted, ESOP Trust would hold these shares for the benefit of the eligible Employees/Directors as defined under the scheme and would transfer the shares to them as per the recommendation of the remuneration committee.

iii) The Company formulated the Employee Stock Option Scheme ("ESOS 2020"), under which the Company has the option to issue and allot the shares directly to the eligible employees/directors as per the recommendation of the remuneration committee.

iv) The details of the Employees' Stock Option Schemes are as under:

Type of Arrangement	ESOS 2006 - Equity settled option plan administered through Employee Stock Option Trust.
	ESOS 2014 - Equity settled option plan issued directly/administered through Employee Stock Option Trust.
	ESOS 2020 - Equity settled option plan issued directly
Method of Settlement	By issue of shares at Exercise Price.

Particulars	Date of Grant	Original Exercise price (in ₹)	Adjusted Exercise Price upon issue of Bonus shares	Average Exercise Price (in ₹)	Vesting period (in Yrs)	No. of options granted	Contractual life	Vesting condition	No. of options exercis-able in each tranche
Grant I (ESOS 2006)	15/07/2006	16.00	N.A.	6.00	5	759,325	6 yrs from the date of grant	refer note (a) below	
Grant II (ESOS 2006)	30/03/2007	52.00	N.A.	19.50	4	122,235	5 yrs from the date of each vesting	25% each on expiry of 12,24,36 and 48 months from the date of grant.	Minimum of 25 and a maxi-mum of all the options vested but not exercised till that date.
Grant III (ESOS 2006)	11/01/2007	52.00	N.A.	19.50	4	56,700			
Grant V (ESOS 2006)	11/01/2008	52.00	34.67	52.00	4	261,590			
Grant VI (ESOS 2006)	21/02/2012	370.00	N.A.	370.00	4	400,000			
Grant VII (ESOS 2006)	21/02/2012	323.00	143.55	215.33	4	186,500			
Grant VIII (ESOS 2006)	31/01/2013	323.00	143.55	215.33	4	130,000			
Grant IX (ESOS 2006)	29/01/2014	253.00	N.A.	253.00	4	35,000			
Grant I (ESOS 2014)	22/01/2015	264.00	117.33	176.00	4	620,000			refer note (b)below
Grant II (ESOS 2014)	27/10/2015	365.00	162.22	243.33	4	110,000			
Grant III (ESOS 2014)	18/02/2016	370.00	164.45	246.67	4	200,000			
Grant IV (ESOS 2014)	31/01/2017	406.00	180.45	270.67	4	80,000			
Grant V (ESOS 2014)	02/08/2017	410.00	273.33	410.00	4	60,000			
Grant VI (ESOS 2014)	15/05/2019	234.00	156.00	234.00	4	145,000			
Grant VII (ESOS 2014)	31/07/2019	226.00	N.A.	226.00	4	45,000			
Grant VIII (ESOS 2014)	04/11/2019	215.00	143.33	215.00	4	60,000			
Grant IX (ESOS 2014)	04/11/2019	215.00	N.A.	215.00	4	300,000			
Grant X (ESOS 2014)	01/02/2020	238.00	158.67	238.00	4	300,000			
Grant I (ESOS 2020)	29/10/2020	10.00	N.A.	10.00	3	100,000	5 yrs from the date of grant	33% each on expiry of 12,24 and 36 months from the date of grant.	
Grant II (ESOS 2020)	29/07/2021	10.00	N.A.	10.00	3	58,366			
Grant III (ESOS 2020)	22/10/2021	10.00	N.A	10.00	3	61,395			

Notes:

(a) 35%, 30%, 15%, 10% and 10% on expiry of 12,24,36,48 and 60 months from the date of grant respectively.

(b) Minimum of 100 and a maximum of all the options vested but not exercised till that date.

All amounts are in ₹ Lakhs unless otherwise stated

v) Summary of Stock options (including bonus shares)

Particulars	Date of Grant	Options outstanding as on April 1, 2021	Options granted during the year	Options augmented upon issue of Bonus shares	Options vested during the year	Options exercised during the year	Options lapsed during the year	Options outstanding as on March 31, 2022	Options vested but not exercised
Grant I (ESOS 2006)	15/07/2006				Closed				
Grant II (ESOS 2006)	30/03/2007				Closed				
Grant III (ESOS 2006)	11/01/2007				Closed				
Grant V (ESOS 2006)	11/01/2008				Closed				
Grant VI (ESOS 2006)	21/02/2012				Closed				
Grant VII (ESOS 2006)	21/02/2012	20,624	–	10,312	-	-	-	30,936	30,936
Grant VIII (ESOS 2006)	31/01/2013	93,750	–	30,625	-	50,000	39,375	35,000	35,000
Grant IX (ESOS 2006)	29/01/2014				Closed				
Grant I (ESOS 2014)	22/01/2015	600,000	–	262,500	–	187,500	–	675,000	675,000
Grant II (ESOS 2014)	27/10/2015	120,000	–	55,000	–	25,000	22,500	127,500	127,500
Grant III (ESOS 2014)	18/02/2016	150,000	–	75,000	–	–	–	225,000	225,000
Grant IV (ESOS 2014)	31/01/2017	60,000	–	9,375	–	69,375	–	–	–
Grant V (ESOS 2014)	02/08/2017	30,000	–	15,000	–	–	–	45,000	45,000
Grant VI (ESOS 2014)	15/05/2019	145,000	–	72,500	54,375	20,000	–	197,500	88,750
Grant VII (ESOS 2014)	31/07/2019				Closed				
Grant VIII (ESOS 2014)	04/11/2019	60,000	–	30,000	22,500	–	–	90,000	45,000
Grant IX (ESOS 2014)	04/11/2019				Closed				
Grant X (ESOS 2014)	01/02/2020	200,000	–	97,500	75,000	40,000	–	257,500	107,500
Grant I (ESOS 2020)	29/10/2020	100,000	–	50,000	49,999	–	–	150,000	49,999
Grant II (ESOS 2020)	29/07/2021	–	58,366	29,180	–	–	–	87,546	–
Grant III (ESOS 2020)	22/10/2021	–	61,395	–	–	–	–	61,395	–
Total		**1,579,374**	**119,761**	**736,992**	**201,874**	**391,875**	**61,875**	**1,982,377**	**1,429,685**

The fair value of options as certified by independent valuer as of the respective dates of grant i.e. February 21, 2012 is ₹ 129.93 for Grant VII (ESOS 2006), January 31, 2013 is ₹ 94.43 for Grant VIII (ESOS 2006), January 22, 2015 is ₹ 97.24 for Grant I (ESOS 2014), October 27, 2015 is ₹ 158.85 for Grant II (ESOS 2014), February 18, 2016 is ₹ 126.91 for Grant III (ESOS 2014), January 31, 2017 is ₹ 150.35 for Grant IV (ESOS 2014), August 2, 2017 is ₹ 161.83 for Grant V (ESOS 2014), May 15, 2019 is ₹ 82.36 for Grant VI (ESOS 2014), July 31, 2019 is ₹ 84.92 for Grant VII (ESOS 2014), November 4, 2019 is ₹ 85.97 for Grant VIII (ESOS 2014), November 4, 2019 is ₹ 85.97 for Grant IX (ESOS 2014), February 1, 2020 is ₹ 85.97 for Grant X (ESOS 2014) and October 29, 2020 is ₹ 157.53 for Grant I (ESOS 2020), July 29, 2021 is ₹ 311.84 for Grant II (ESOS 2020) and October 22, 2021 is ₹ 234.67 for Grant III (ESOS 2020).

The fair value has been calculated using the Black Scholes Options Pricing Model and the significant assumptions made in this regard are as follows:

Grant details	Grant Date	Risk free interest rate	Expected life	Expected volatility	Expected dividend yield
Grant VI & VII (ESOS 2006)	21/02/2012	8.00%	6.00	33%	₹ 4.00
Grant VIII (ESOS 2006)	31/01/2013	7.78%	3.50	31%	1.38%
Grant IX (ESOS 2006)	29/01/2014	8.81%	3.50	29%	1.66%
Grant I (ESOS 2014)	22/01/2015	7.74%	3.50	29%	1.48%
Grant II (ESOS 2014)	27/10/2015	7.52%	3.50	30%	1.01%
Grant III (ESOS 2014)	18/02/2016	7.51%	3.50	34%	1.15%
Grant IV (ESOS 2014)	31/01/2017	6.40%	3.50	35%	1.22%
Grant V (ESOS 2014)	02/08/2017	6.31%	3.00	45%	0.42%
Grant VI (ESOS 2014)	15/05/2019	6.83%	3.00	38%	0.00%
Grant VII (ESOS 2014)	31/07/2019	6.05%	3.00	38%	0.00%
Grant VIII (ESOS 2014)	04/11/2019	5.74%	3.00	38%	0.00%
Grant IX (ESOS 2014)	04/11/2019	5.74%	3.00	38%	0.00%
Grant X (ESOS 2014)	01/02/2020	5.74%	3.00	38%	0.00%
Grant I (ESOS 2020)	29/10/2020	4.63%	3.00	38%	0.00%
Grant II (ESOS 2020)	29/07/2021	5.25%	3.50	39%	0.00%
Grant III (ESOS 2020)	22/10/2021	5.19%	3.50	39%	0.00%

The weighted average share price at the date of exercise for options was ₹ 251.07 per share (March 31, 2021 ₹ 256.90 per share) and weighted average remaining contractual life for the share options outstanding as at March 31, 2022 was 3.73 years (March 31, 2021 4.65 years).

All amounts are in ₹ Lakhs unless otherwise stated

Note No. 24 - Other Equity

Particulars	2022	2021
General reserve	**10,381.68**	10,381.68
Securities premium	**4,209.39**	10,361.67
Share options outstanding account	**1,872.37**	1,603.47
Retained earnings	**76,281.54**	61,151.08
Capital reserve	**44.75**	44.75
Capital redemption reserve	**145.80**	145.80
Reserves & Surplus	**92,935.53**	83,688.45
Revaluation Reserve	**84,007.33**	76,925.70
Other Comprehensive Income-Actuarial Loss	**(215.74)**	(162.92)
Transition Difference	**(140,272.59)**	(140,272.59)
	36,454.53	20,178.64

Notes :

a) **General reserve**: The general reserve is used from time to time to transfer net profits from retained earnings for appropriation purposes.

b) **Securities Premium**: Securities premium is credited when shares are issued at premium. It is utilised in accordance with the provisions of the Act, to issue bonus shares, write-off equity related expenses like share issue expenses, etc.

c) **Share Option Outstanding Account**: The Company has share option schemes under which options to subscribe the shares of the Company have been granted to certain eligible employees. The share-based payment reserve is used to recognise the value of equity-settled share-based payments provided to employees, including key management personnel, as part of their remuneration.

d) **Capital Reserve**: Capital Reserves are mainly the reserves created during business combination for the gain on bargain purchase and common control mergers. It is not available for distribution as dividend.

e) **Capital Redemption Reserve**: The capital redemption reserve is used towards issue of fully paid bonus shares of the Company.

f) **Revaluation Reserve**: The revaluation reserve is credited on account of revaluation of freehold land. It is not available for distribution as dividend.

g) **Transition Difference**: The Cumulative effect of applying Ind AS 115 Revenue from Contract with Customers, Ind AS 116 Leases and change in income tax rate resulting in re-measurement of accumulated deferred tax balances on the effect of applying Ind AS 115 and Ind AS 116 is recognised as an adjustment to other equity, by separately disclosing it in Transition Difference. Subsequent impact of unwinding of transition adjustments of Ind AS 115 and Ind AS 116 is included in retained earnings.

Note No. 25 - Lease Liabilities (At amortised cost)

Particulars	2022	2021
Lease Liabilities	**23,689.52**	11,779.15
	23,689.52	11,779.15

Note No. 26 - Other Financial Liabilities (At amortised cost)

Particulars	2022	2021
Retention Money	**850.69**	787.16
	850.69	787.16

Note No. 27 - Non-Current Provisions

Particulars	2022	2021
Provision for employee benefits – Compensated absences	**845.35**	795.46
	845.35	795.46

Note No. 28 - Other Non-Current Liabilities - Contract Liability - Deferred Revenue

Particulars	2022	2021
Contract Liability - Deferred Revenue - Vacation ownership	**450,805.44**	454,752.79
	450,805.44	454,752.79

Note No. 29 - Lease Liabilities

Particulars	2022	2021
Lease liabilities	**4,472.22**	4,690.28
	4,472.22	4,690.28

Note No. 30 - Trade Payables

Particulars	2022	2021
Total outstanding dues of micro enterprises and small enterprises (Refer Note No. 48)	**445.88**	154.23
Total outstanding dues of creditors other than micro enterprises and small enterprises	**21,327.10**	19,342.32
	21,772.98	19,496.55

Micro and small enterprises have been identified by the Company on the basis of the information available with the Company.

Note No. 31 - Other Financial Liabilities

Particulars	2022	2021
Creditors for capital supplies/services	**1,477.15**	1,044.52
Guarantee liability	**833.50**	764.63
Commission payable to non-whole time directors	**184.50**	174.00
Unpaid Dividends *	**5.49**	6.76
Employee benefits payable	**4,530.43**	4,899.45
Other payables	**2,412.65**	3,271.83
	9,443.72	10,161.19

* There are no amounts due and outstanding to be transferred to Investor Education and Protection Fund as at March 31, 2022

Note No. 32 - Provisions

Particulars	2022	2021
Provision for employee benefits		
- Gratuity (refer note no 43)	**221.13**	257.01
- Compensated absences	**628.35**	440.60
	849.48	697.61

Note No. 33 - Other Current Liabilities - Contract Liability - Deferred Revenue

Particulars	2022	2021
Contract Liability - Deferred Revenue - Vacation Ownership	**41,560.15**	38,180.36
Contract Liability - Deferred Revenue - Annual subscription fee	**15,908.89**	15,193.49
	57,469.04	53,373.85

All amounts are in ₹ Lakhs unless otherwise stated

Note No. 34 - Other Current Liabilities

Particulars	2022	2021
Taxes (excluding income taxes) and other statutory dues	**2,761.37**	2,479.59
	2,761.37	2,479.59

Note No. 35 - Revenue from Operations

Particulars	2022	2021
Revenue from contract with customers		
Vacation Ownership Income	**39,337.57**	34,507.16
Income from resorts :		
Room rentals	**2,773.88**	1,804.62
Food and beverages	**12,889.05**	7,070.18
Wine and liquor	**379.02**	201.12
Others	**3,228.76**	1,361.64
Annual subscription fee	**30,787.93**	29,303.94
	89,396.21	74,248.66
Other operating revenue		
Interest income on instalment sales	**5,800.65**	7,727.35
Miscellaneous income	**871.57**	248.44
	6,672.22	7,975.79
	96,068.43	82,224.45

Note No. 36 - Other Income

Particulars	2022	2021
Interest Income on Financial Assets at Amortised Cost		
On deposits with bank	**1,927.83**	1,695.16
On other deposits (refer note no. 50)	**2,783.75**	2,786.50
On Inter Corporate Deposits with related parties (refer note no. 50)	**421.97**	338.93
Others	**743.64**	218.00
Net gain arising on financial assets designated as at FVTPL	**3,512.32**	150.98
Gain due to change in lease arrangements	**1,247.46**	3,156.05
Guarantee Commission from related parties (refer note no. 50)	**366.83**	306.32
	11,003.80	**8,651.94**

Note No. 37 - Employee Benefits Expense

Particulars	2022	2021
Salaries and wages, including bonus	**21,753.19**	21,901.36
Contribution to Provident and other funds	**1,624.96**	1,442.75
Equity-settled share-based payments	**268.90**	127.99
Staff welfare expenses	**1,214.76**	828.74
	24,861.81	24,300.84

Note No. 38 - Finance Costs

Particulars	2022	2021
Interest on Lease Liabilities	**2,115.63**	1,295.79
Interest on short-term borrowings	**0.22**	0.04
	2,115.85	1,295.83

Note No. 39 - Other Expenses

Particulars		2022		2021
Cost of food and beverages consumed				
Opening stock	**127.65**		111.82	
Add: Purchases	**3,165.93**		1,876.09	
Less: Closing stock	**175.26**		127.65	
		3,118.32		1,860.26
Operating supplies		**3,384.00**		2,250.95
Power & Fuel		**3,068.05**		2,061.85
Rent including lease rentals		**4,821.61**		4,612.72
Rates and taxes		**996.65**		1,153.89
Insurance		**539.93**		516.45
Repairs and maintenance				
Buildings		**783.64**		1,240.29
Plant & equipment		**575.52**		386.48
Others		**1,417.93**		1,153.04
Advertisement		**177.39**		146.24
Sales promotion		**12,959.41**		9,325.81
Travelling and Conveyance		**1,776.98**		1,314.75
Commission and other customer offers		**4,777.40**		5,073.67
Net loss on foreign currency transactions		**193.49**		25.62
Auditor's remuneration and out-of-pocket expenses				
For Statutory audit		**63.00**		58.00
For Other services		**45.05**		68.57
For reimbursement of expenses		**1.50**		1.25
Director's fees		**69.80**		48.80
Commission to non whole time directors		**184.50**		174.00
Legal and other professional costs...		**3,745.63**		2,060.61
Communication		**508.20**		633.62
Software charges		**161.99**		148.05
Service charges		**1,372.47**		1,017.65
Bank charges		**503.32**		832.86
Corporate Social Responsibility (CSR) expenditure (refer note no. 46)		**272.11**		301.45
Loss on sale of property, plant and equipment (net)		**222.16**		122.68
Miscellaneous expenses		**2,013.39**		1,369.43
		47,753.44		37,958.99

All amounts are in ₹ Lakhs unless otherwise stated

Note No. 40 - Current Tax and Deferred Tax

(a) Income Tax recognised in profit or loss

Particulars	2022	2021
Current Tax:		
In respect of current year	**2,665.76**	–
Deferred Tax:		
In respect of current year origination and reversal of temporary differences	**2,556.35**	4,370.00
Total income tax expense	**5,222.11**	4,370.00

The Special Bench of the Income Tax Appellate Tribunal (ITAT) has, after considering the relevant facts pertaining to the Company, by its order dated May 26, 2010 upheld the contention of the Company that in the Company's case 60% of the membership fees should be considered chargeable to tax in the year of enrolment of a member whereas the balance 40% should be charged on pro rata basis over the period of membership. The Department's appeal against the said order is pending before Madras High Court. Consequently, the Company has continued to provide for income tax by computing income by applying the order of the ITAT.

The Company has been advised that after the introduction of Section 43CB with effect from April 1, 2017 the revenue from membership fees is chargeable as per ICDS IV. The Company is further advised that as per the said ICDS the revenue from membership fees is chargeable to tax by spreading the entire fees over the membership period. The Company has, accordingly, filed its Return of Income from Assessment Year 2017-18 as per ICDS and proposes to make a similar claim in the Return of Income for the Financial Year 2021-22. However in the books of accounts, the Company has continued to make its provision for tax on the basis of the order of the ITAT. If the tax liability is computed applying ICDS IV the liability for current tax will be significantly lower.

(b) Income tax recognised in other Comprehensive income

Particulars	2022	2021
Current/Deferred Tax		
Remeasurement of defined benefit obligations and freehold land revaluation	**(1,748.98)**	3,171.31
	(1,748.98)	3,171.31
Classification of income tax recognised in other comprehensive income		
Income taxes related to items that will not be reclassified to profit or loss	**1,748.98**	(3,171.31)
	1,748.98	(3,171.31)

(c) Reconciliation of income tax expense and the accounting profit multiplied by Company's domestic tax rate:

Particulars	2022	2021
Profit before tax	**20,352.57**	16,946.49
Income tax expense calculated at 25.168%	**5,122.33**	4,265.09
Income taxed at different rate	**(53.95)**	–
Effect of expenses that is non-deductible in determining taxable profit	**153.73**	104.91
Income tax expense recognised in statement of profit and loss	**5,222.11**	4,370.00

The tax rate used for the March 31, 2022 and March 31, 2021 reconciliations above is at the corporate tax rate plus surcharges and cess at applicable rate of 25.168% payable by company on taxable profits under Indian Income Tax Laws.

(i) Movement in deferred tax balances

Particulars	For the Year ended March 31, 2022			
	Opening Balance	**Recognised in Profit and Loss**	**Recognised in OCI**	**Closing Balance**
Tax effect of items constituting deferred tax liabilities				
Property, Plant and Equipment	**(25,858.88)**	**(511.05)**	**(1,766.74)**	**(28,136.67)**
Deferred Cost	**(17,713.49)**	**(493.63)**	**–**	**(18,207.12)**
Fair valuation of financial assets	**(1,466.06)**	**(222.66)**	**–**	**(1,688.72)**
	(45,038.43)	**(1,227.34)**	**(1,766.74)**	**(48,032.51)**
Tax effect of items constituting deferred tax assets				
Employee Benefits	**311.07**	**59.81**	**–**	**370.88**
Receivables / Revenue derecognition	**645.20**	**–**	**–**	**645.20**
Deferred Revenue	**65,335.87**	**(503.55)**	**–**	**64,832.32**
Income tax loss	**961.19**	**(961.19)**	**–**	**–**
Provisions	**47.73**	**–**	**–**	**47.73**
Leases	**1,374.67**	**75.92**	**–**	**1,450.59**
	68,675.73	**(1,329.01)**	**–**	**67,346.72**
Net Tax Assets/(Liabilities)	**23,637.30**	**(2,556.35)**	**(1,766.74)**	**19,314.21**

All amounts are in ₹ Lakhs unless otherwise stated

Particulars	Opening Balance	Recognised in Profit and Loss	Recognised in OCI	Closing Balance
	For the Year ended March 31, 2021			
Tax effect of items constituting deferred tax liabilities				
Property, Plant and Equipment	(28,585.58)	(439.56)	3,166.26	(25,858.88)
Deferred Cost	(17,956.83)	243.34	–	(17,713.49)
Fair valuation of financial assets	(1,413.96)	(52.10)	–	(1,466.06)
	(47,956.37)	(248.32)	3,166.26	(45,038.43)
Tax effect of items constituting deferred tax assets				
Employee Benefits	308.00	(1.98)	5.05	311.07
Receivables / Revenue derecognition	645.20	–	–	645.20
Deferred Revenue	71,164.05	(5,828.18)	–	65,335.87
Income tax loss	–	961.19	–	961.19
MAT Credit Entitlement	–	–	–	–
Provisions	41.78	5.95	–	47.73
Leases	633.33	741.34	–	1,374.67
	72,792.36	(4,121.68)	5.05	68,675.73
Net Tax Assets / (Liabilities)	24,835.99	(4,370.00)	3,171.31	23,637.30

Pursuant to the amendment in Finance Act 2021, during the previous year, the company has changed the estimation relating to availment of indexation benefits under Section 48 of Income Tax Act, 1961. The impact of such change in estimate on the deferred tax liability has been given in the other comprehensive income amounting to ₹ 3,166.26 Lakhs.

Note No. 41 - Earnings per Share

Basic earnings per share

Particulars	**2022**	2021
Profit for the year after tax	**15,130.46**	12,576.49
Weighted average number of equity shares (in lakhs)	**1,996.44**	1,994.56
Earnings per share - Basic (in ₹)	**7.58**	6.31*

Diluted earnings per share

Particulars	**2022**	2021
Profit for the year after tax	**15,130.46**	12,576.49
Weighted average number of equity shares (in lakhs)	**2,004.71**	1,995.52
Earnings per share - Diluted	**7.55**	6.30*

The weighted average number of ordinary shares for the purpose of diluted earnings per share reconciles to the weighted average number of ordinary shares used in the calculation of basic earnings per share as follows:

Particulars	**2022**	2021
Weighted average number of equity shares used in the calculation of Basic EPS (in lakhs)	**1,996.44**	1,994.56
Add: Effect of ESOPs (in lakhs)	**8.27**	0.96
Weighted average number of equity shares used in the calculation of Diluted EPS (in lakhs)	**2,004.71**	1,995.52

* The earnings per share has been adjusted on account of issuance of bonus equity shares

Note No. 42 - Contingent liabilities and commitments

Contingent liabilities (to the extent not provided for)

Particulars	**2022**	2021
(a) Income Tax matters:		
Claims against the Company not acknowledged as debt (for matters disputed by the Company)		
pertaining to Revenue Recognition (timing difference *) pending before the CIT(A)/ITAT (Company appeal)	**53,711.17**	52,652.65
interest included in the above till the date of order	**14,124.67**	13,584.11
pertaining to other matters (mainly timing differences *), pending before the CIT(A)/ITAT (Company appeal)	**6,778.79**	5,153.63
interest included in the above till the date of order	**1,419.92**	1,086.96
Matters decided in favour of the Company, (but under appeal by the Department)		
pertaining to Revenue Recognition (timing difference *) pending before the Madras High Court (Department appeal) excluding interest	**27,140.61**	27,140.61
(b) Service Tax matters:		
(i) Service tax demand on the enrollment of member as against service tax paid on receipt basis (timing differences *) (inclusive of penalty where quantified in demand)	**43,105.47**	–
(ii) Other items (inclusive of penalty where quantified in demand)	**3,468.63**	3,080.32
(c) Luxury Tax matters:		
In respect of certain States, the Company has received demands for payment of luxury tax for member stay at resorts as summarised below:		
Demands raised (inclusive of penalty)	**6,895.37**	6,895.37

The Company has challenged the above demands before various appellate authorities / High Court, the outcome of which is pending. For all such matters, the Company has made cumulative provisions for ₹ 698.72 lakhs (Previous year ₹ 698.72 lakhs) on a best estimate basis.

* For matters pertaining to timing differences, if liability were to crystallise, there would be future tax benefits, except to the extent of tax rate differences and interest, if any.

All amounts are in ₹ Lakhs unless otherwise stated

Notes:

1) The above amounts are based on demands raised, which the Company is contesting with the concerned authorities. Outflows, if any, arising out of these claims would depend on the outcome of the decision of the appellate authorities and the Company's rights for future appeals. No reimbursements are expected.

2) The Company had received show cause notices from service tax authorities of ₹ 21,991.33 lakhs. The detailed reply to the SCN was submitted by the Company and the said matter were also reported in prior financial statements. During the year, the Company has received an Order in Original from the Principal Commissioner of CGST and Central Exercise confirming the demand amounting to ₹ 43,105.47 lakhs including interest and penalty and the same has been disclosed as Contingent liability in above table.

   The Company filed rectification application against the said order before Principal Commissioner on 18th Jan 22 for rectification of mistake apparent from the record as department has incorrectly interpreted the financial statement to determine service tax demand. However Principal Commissioner rejected rectification application on 7th Feb 22 without giving any opportunity for personal hearing. Thereafter Company filed Writ Application before Madras High Court on 22nd Feb 22 against rejection of rectification application order. The Madras High Court has admitted Writ Appeal on March 17 2022 and same is pending for disposal. Company is confident that no payment is expected to be made for this matter.

3) The Company has accounted for service tax receivable of ₹ 752.27 lakhs (Previous year ₹ 728.36 lakhs) in relation to the service tax paid on ASF and Membership fee invoices for contracts which have been cancelled post GST implementation. The Company has received an unfavorable order against the refund claim and has filed an appeal against the order.

Particulars	**2022**	2021
(d) Guarantees given for its subsidaries:		
Amount of guarantees given (Euro)	**991.00**	778.70
Outstanding amount against guarantees (Euro)	**838.98**	750.64
Amount of guarantees given (THB)	**–**	2,060.00
Outstanding amount against guarantees (THB)	**–**	1,780.00
Amount of guarantees given (₹)	**83,739.50**	71,910.43
Outstanding amount against guarantees (₹)	**70,892.97**	68,835.25

(e) Other matters under appeal (Property related):

(i) The Government of Kerala through the Sub Collector, District of Devikulam issued an Order dated July 3, 2007 cancelling the assignment of land underlying the Munnar resort and directed repossession of land on the ground that it is agricultural land and cannot be used for commercial purposes. The Company had filed an appeal before the Commissioner of Land Revenue, Trivandrum against the said Order stating that the Patta issued does not specify that the land should be used only for agricultural purpose. The Commissioner of Land Revenue, Trivandrum vide his Order dated November 22, 2007 dismissed the appeal filed by the Company and cancelled the assignment of land underlying the Munnar Resort (Total Gross Value ₹ 605.12 Lakhs) and further directed repossession of land on the ground that it is agricultural land and cannot be used for commercial purposes. The Company had filed a writ petition before the Kerala High Court against the said Order. The writ Petition has been disposed of by an Order dated May 21, 2019. Against the said Order, the company has filed a Writ Appeal and by an order dated June 19, 2019, the Court granted an interim stay of all further proceedings. The matter is pending.

(ii) With respect to certain claims of neighbouring property owners, the Company filed a suit in the Civil Court, Pune seeking inter-alia permanent injunction against them disturbing the possession of the Company's resort property at Lonavala, Maharashtra and obtained an interim stay. In another development, notwithstanding these proceedings, the neighbouring property owner obtained an order from the local Mamlatdar's Court for alleged access to his property through the resort property. The Company obtained a stay against the said order of the Mamlatdar. All matters with respect to the neighbouring property owner are currently pending before the Civil Court, Pune. Further, on account of the cancellation of the Non-Agricultural land conversion order by the Collector, Pune on the basis of complaint made by the said neighbouring owner and subsequently confirmed by the Additional Divisional Commissioner, Pune, the Company has also filed another Civil Suit at Civil Court, Pune against State of Maharashtra and Others, inter alia, seeking declaration that the proceedings and Orders in respect of cancellation of the NA status of the land underlying the resort property at Lonavala (Total Gross Value ₹ 1,545.01 Lakhs) are not enforceable and also sought other reliefs. Ad-interim stay has been granted against State of Maharashtra and the Collector, Pune not to give effect to the Orders of NA cancellation and the matter is pending for further hearing.

(f) Other matters:

The Company engaged a building contractor for construction of a resort. As the construction did not proceed as per agreed timelines the Company terminated the contract. The contractor has claimed ₹ 1,256.15 lakhs as damages for termination of the Contract. The Company has made a counter claim of ₹ 2,003.56 lakhs towards liquidated damages and other losses. The matter has been heard by the Arbitrator and is reserved for Orders.

(g) With respect to member complaints pending before various consumer forum and other matters:

Estimated amount of claims ₹ 579.39 lakhs (As at March 31, 2021: ₹ 489.85 lakhs). In addition, there are claims by some members seeking certain reliefs which are not agreed by the company, the financial impact of these claims are currently not ascertainable and hence not captured in above.

(h) Capital commitment:

Particulars	**2022**	2021
Estimated amount of contracts remaining to be executed on Property, Plant & Equipment and not provided for (net of advances)	**3,605.47**	4,236.93

(i) Employees' Provident Funds and Miscellaneous Provisions Act, 1952:

In February 2019, the Supreme Court of India in its judgement clarified the applicability of allowances that should be considered to measure obligations under Employees Provident Fund Act, 1952. The Company has been legally advised that there are interpretative challenges on the application of judgement retrospectively and as such does not consider there is any probable obligation for past periods. Accordingly, based on legal advice the Company had made a provision for provident fund contribution from the date of the Supreme Court order.

Note No. 43 - Employee benefits

(a) Defined Contribution Plan:

The Company's contribution to Provident Fund and Superannuation Fund aggregating ₹ 1,312.77 lakhs (2021: ₹ 1,148.73 lakhs) has been recognised in the Statement of Profit and Loss under the head Employee Benefits Expense.

All amounts are in ₹ Lakhs unless otherwise stated

(b) Defined Benefit Plans (Gratuity):

The Company has a funded Gratuity Scheme for its employees and gratuity liability has been provided based on the actuarial valuation done at the year end. The Gratuity scheme of the Company is funded with the Life Insurance Corporation of India.

Defined benefit plans – as per actuarial valuation on March 31, 2022 and March 31, 2021:

Particulars	Funded Plan Gratuity 2022	2021
Ia. Expense recognised in the Statement of Profit and Loss for the year ended 31st March:		
Current service cost	**184.23**	164.62
Net Interest cost	**12.07**	3.97
Components of defined benefit costs recognised in profit & loss	**196.30**	168.59
Ib. Included in other Comprehensive Income:		
Difference between actual and expected return on plan assets	**1.17**	14.52
Actuarial (Gain)/Loss on account of :		
Demographic Assumptions	**(10.49)**	6.04
Financial Assumptions	**8.62**	14.03
Experience Adjustments	**71.28**	(14.51)
Components of defined benefit costs recognised in other comprehensive income	**70.58**	20.08
I. Net Liability recognised in the Balance Sheet as at 31st March:		
Present value of defined benefit obligation as at 31st March	**1,213.55**	1,020.04
Fair value of plan assets as at 31st March	**992.42**	763.03
Deficit	**(221.13)**	(257.01)
II. Change in the obligation during the year ended 31st March:		
Present value of defined benefit obligation at the beginning of the year	**1,020.04**	882.21
Expenses Recognised in the Statement of Profit and Loss		
– Current Service Cost	**184.23**	164.62
– Interest Expense	**47.91**	45.40
Recognised in Other Comprehensive Income		
Actuarial Gain/(Loss) arising from:		
Change in Demographic Assumptions	**(10.49)**	6.04
Financial Assumptions	**8.62**	14.03
Experience Adjustments	**71.28**	(14.51)
Benefit payments	**(108.04)**	(77.75)
Present value of defined benefit obligation at the end of the year	**1,213.55**	1,020.04
III. Change in fair value of assets during the year ended 31st March:		
Fair value of plan assets at the beginning of the year	**763.03**	805.03
Expenses Recognised in the Statement of Profit and Loss		
Expected return on plan assets	**35.84**	41.41

Particulars	Funded Plan Gratuity 2022	2021
Recognised in Other Comprehensive Income		
Remeasurement gains / (losses)		
Difference between actual and expected return on plan assets	**(1.17)**	(14.52)
Contributions by employer (including benefit payments recoverable)	**302.76**	8.86
Benefit payments	**(108.04)**	(77.75)
Fair value of plan assets at the end of the year	**992.42**	763.03
IV. Major categories of plan assets:		
Deposits with Insurance companies	**992.42**	763.03

The significant actuarial assumptions (estimated for adequate coverage of the obligation on a prudent basis), are as under:

Particulars	Valuation as at 2022	2021
Discount rate(s)	**5.00%**	4.70%
Expected rate(s) of salary increase	**5.50%**	5.00%
Expected rate of return on plan assets	**5.00%**	4.70%
Attrition	**18%-68%**	17%-56%
Mortality table	**IALM 2012-14**	IALM 2012-14

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

Principal assumption	Financial Year	Changes in assumption	Impact on defined benefit obligation: Decrease in assumption	Increase in assumption
Discount rate	**2021-2022**	**0.50%**	20.17	(20.89)
	2020-2021	0.50%	19.05	(19.76)
Salary growth rate	**2021-2022**	**0.50%**	(20.89)	20.17
	2020-2021	0.50%	(19.61)	19.09
Attrition rate	**2021-2022**	**0.50%**	43.58	(63.89)
	2020-2021	0.50%	47.06	(66.99)
Mortality rate	**2021-2022**	**0.50%**	(0.01)	0.01
	2020-2021	0.50%	(0.02)	0.02

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the Balance sheet.

The methods and types of assumptions used in preparing the sensitivity analyses did not change compared to previous period.

The Company expects to contribute ₹ 368.90 lakhs (Previous Year 409.79 lakhs) to the gratuity trust during the next financial year of 2022-23.

All amounts are in ₹ Lakhs unless otherwise stated

V. Maturity profile of defined benefit obligation:

Particulars	2022	2021
Within 1 year	**379.12**	243.11
1 - 2 year	**260.24**	219.93
2 - 3 year	**189.73**	177.90
3 - 4 year	**143.79**	133.71
4 - 5 year	**109.01**	99.46
> 5 years	**275.25**	258.59

Plan Assets.

The fair value of Company's pension plan asset as of March 31, 2022 and March 31, 2021 by category are as follows:

Particulars	2022	2021
Asset category:		
Contributions placed with Insurance companies	**992.42**	763.03
	100%	100%

The weighted average duration of the defined benefit obligation as at March 31, 2022 is 3 years (2021: 3 years)

VI. Experience Adjustments:

	Year Ended				
	2022	2021	2020	2019	2018
Particulars			**Gratuity**		
Defined Benefit Obligation	**1,213.55**	1,020.04	882.21	723.74	626.49
Fair value of plan assets	**992.42**	763.03	805.03	626.02	543.88
Surplus/(Deficit)	**(221.13)**	(257.01)	(77.18)	(97.72)	(82.61)
Experience adjustment on plan liabilities [(Gain)/Loss]	**69.41**	5.56	(66.21)	(8.50)	(77.78)
Experience adjustment on plan assets [Gain/ (Loss)]	**(1.17)**	(14.52)	(6.77)	(4.83)	(31.66)

The expected rate of return on plan assets is based on the average long term rate of return expected on investments of the fund during the estimated term of obligation.

The estimate of future salary increases, considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

(c) Defined Benefit Plans (Compensated absences)

The amount recognized as an expense in respect of compensated absences is ₹ 356.57 lakhs (Previous Year: ₹ 184.71 lakhs).

Note No. 44 - Financial Instruments

Capital management

The Company's key objective in managing its financial structure is to maximize value for shareholders, reduce cost of capital, while at the same time ensuring that the Company has the financial flexibility required to continue its expansion. The Company manages its financial structure majorly through internal accruals and makes any necessary adjustments in light of prevailing economic conditions. In this context, the capital structure of the Company consists only of equity and lease liability is not considered as debt. Equity comprises issued share capital, reserves and retained earnings as set out in the statement of changes in equity.

Categories of financial assets and financial liabilities

				As at March 31, 2022
Particulars	**Amortised Costs**	**FVTPL**	**FVOCI**	**Total**
Non-current Assets				
Investments	–	**580.49**	–	**580.49**
Trade Receivables	**22,120.23**	–	–	**22,120.23**
Other Financial Assets				
– Non Derivative Financial Assets	**56,264.61**	–	–	**56,264.61**
Current Assets				
Investments	–	**27,943.07**	–	**27,943.07**
Trade Receivables	**90,696.58**	–	–	**90,696.58**
Cash and cash equivalents	**5,648.46**	–	–	**5,648.46**
Other Bank Balances	**32,610.82**	–	–	**32,610.82**
Loans	**6,850.45**	–	–	**6,850.45**
Other Financial Assets				
– Non Derivative Financial Assets	**8,265.88**	–	–	**8,265.88**
Non-current Liabilities				
Lease liabilities	**23,689.52**	–	–	**23,689.52**
Other Financial Liabilities				
– Non Derivative Financial Liabilities	**850.69**	–	–	**850.69**
Current Liabilities				
Trade Payables	**21,772.98**	–	–	**21,772.98**
Lease liabilities	**4,472.22**	–	–	**4,472.22**
Other Financial Liabilities				
– Non Derivative Financial Liabilities	**9,443.72**	–	–	**9,443.72**

				As at March 31, 2021
Particulars	Amortised Costs	FVTPL	FVOCI	Total
Non-current Assets				
Investments	–	702.09	–	702.09
Trade Receivables	29,008.39	–	–	29,008.39
Other Financial Assets				
– Non Derivative Financial Assets	13,116.84	–	–	13,116.84
Current Assets				
Investments	–	5,942.51	–	5,942.51
Trade Receivables	91,470.80	–	–	91,470.80
Cash and cash equivalents	1,962.78	–	–	1,962.78
Other Bank Balances	32,318.59	–	–	32,318.59
Loans	5,083.78	–	–	5,083.78
Other Financial Assets				
– Non Derivative Financial Assets	52,626.20	–	–	52,626.20
Non-current Liabilities				
Lease liabilities	11,779.15	–	–	11,779.15
Other Financial Liabilities				
– Non Derivative Financial Liabilities	787.16	–	–	787.16
Current Liabilities				
Trade Payables	19,496.55	–	–	19,496.55
Lease liabilities	4,690.28	–	–	4,690.28
Other Financial Liabilities				
– Non Derivative Financial Liabilities	10,161.19	–	–	10,161.19

All amounts are in ₹ Lakhs unless otherwise stated

Financial Risk Management Framework

The Company has a robust business risk management process to identify, evaluate and mitigate risks impacting business of the Company. This framework seeks to create transparency, minimise adverse impact on the business objectives and enhance the Company's competitive advantage. This also defines the risk management approach across the enterprise at various levels including documentation and reporting. Risk management forms an integral part of the Company's Business Plan. The Company has adequate internal processes to assess, monitor and manage financial risks. These risks include credit risk, liquidity risk and market risk.

Risk	Exposure primarily from	Measurement	Management
Credit risk	Trade receivables	Ageing analysis, Credit assessment	Assessment of customer credit worthiness at inception and through the credit period
Liquidity risk	Capital commitments	Cash flow forecast	Availability of committed credit lines and borrowing facilities

(i) Credit risk management

A significant portion of the Company's sales of Vacation Ownerships are by way of deferred payment schemes where the customer is obligated to pay the membership fee in Equated Monthly Instalments (EMIs) and the ensuing credit risk is managed by the Company in the following manner:

(a) preliminary assessment of customer credit worthiness, ensuring realisation of minimum down payment and adherence to internal KYC norms;

(b) collecting post dated instruments such as cheques, Automated Clearing House (ACH) mandates, standing credit card instructions from the customers at inception to ensure security cover.

From an accounting perspective, revenue is recognised only when it is probable that the economic benefits associated with the transaction will flow to the Company. The member is not allowed to use the benefits of membership untill the overdue amount is regularised or fully paid in that relevant period. The Company also assesses lifetime expected credit loss by using appropriate models, as prescribed by Ind AS 109, using past trends of collections and historical credit loss experience. The categorisation of the receivables into its ageing buckets for the purposes of estimating the expected loss allowance has been profiled based on the longest overdue of that member, for example, if a member has one instalment overdue for say 12 months, the entire receivable of the member is aggregated into that ageing bucket and the credit loss allowance is determined after taking into account the credits against the member under "Contract liability- Deferred Revenue - Vacation ownership fee" (refer note 29 and note 34).

The allowances for credit loss and for revenue deferred at inception referred to above, carried at the end of every reporting period, are tested for adequacy and appropriately dealt with.

The credit loss allowance carried by the Company is as under:

Particulars	2022	2021
Carrying value of receivables (refer note no. 8 and 16)*	**112,816.81**	120,479.19
Credit loss allowance	**–**	–
Loss allowance (%)	**0.00%**	0.00%

* Given that the Company is deferring recognition of revenue at inception, as explained above the risk of credit loss is reduced and the member is allowed to avail the benefits of membership only when all the overdue amount is regularised or fully paid in that relevant period. The amounts deferred at inception are adjusted from the carrying value of receivables (refer note 8 and 16) in the same proportion, except in cases where the allowance is directly attributable to a particular contract.

Reconciliation of credit loss allowance adjusted from Trade Receivables

Particulars	Amount
Balance as at March 31, 2021	–
Allowance for credit loss recognised during the year	–
Amounts written off during the year	–
Balance as at March 31, 2022	**–**
Balance as at March 31, 2020	113.97
Allowance for credit loss recognised during the year	–
Amounts written off during the year	(113.97)
Balance as at March 31, 2021	–

As at March 31, 2022 outstanding for following periods from due date of payment

Particulars	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	**50,990.31**	**11,786.37**	**9,427.76**	**11,780.75**	**5,788.03**	**23,012.61**	**112,785.82**
(ii) Disputed Trade Receivables– considered good	**–**	**9.73**	**7.24**	**7.90**	**3.87**	**2.24**	**30.99**
	50,990.31	**11,796.10**	**9,435.00**	**11,788.65**	**5,791.90**	**23,014.85**	**112,816.81**

As at March 31, 2021 outstanding for following periods from due date of payment

Particulars	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	61,528.76	12,678.53	9,865.29	10,570.06	5,986.33	19,832.64	120,461.60
(ii) Disputed Trade Receivables– considered good	–	7.46	3.54	4.34	1.33	0.91	17.59
	61,528.76	12,685.99	9,868.83	10,574.40	5,987.66	19,833.54	120,479.19

All amounts are in ₹ Lakhs unless otherwise stated

Additional Disclosure of Trade Receivables

	As at March 31, 2022 outstanding for following periods from due date of payment						
Particulars	**Not due**	**Less than 6 months**	**6 months -1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
Gross Trade Receivables	**50,990.31**	**11,796.10**	**9,435.00**	**11,788.65**	**5,791.90**	**23,014.85**	**112,816.81**
Less : Deferred revenue pertaining to above contracts restricted to total receivables in case the deferred revenue exceeds the outstanding receivable on the contract (Refer Note 28 & 33)	**(49,069.95)**	**(11,039.34)**	**(8,697.01)**	**(11,135.84)**	**(5,622.57)**	**(22,908.82)**	**(108,473.53)**
Net Balance	**1,920.36**	**756.76**	**737.99**	**652.80**	**169.33**	**106.02**	**4,343.27**

	As at March 31, 2021 outstanding for following periods from due date of payment						
Particulars	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
Gross Trade Receivables	61,528.76	12,685.99	9,868.83	10,574.40	5,987.66	19,833.54	120,479.19
Less : Deferred revenue pertaining to above contracts restricted to total receivables in case the deferred revenue exceeds the outstanding receivable on the contract (Refer Note 28 & 33)	(59,589.02)	(12,071.73)	(9,480.89)	(9,908.31)	(5,701.78)	(19,792.33)	(116,544.05)
Net Balance	1,939.74	614.26	387.95	666.10	285.89	41.21	3,935.14

(ii) Liquidity risk management

The Company manages liquidity risk by maintaining adequate reserves and banking facilities, by continuously monitoring forecast and actual cash flows and by matching the maturity profiles of financial assets and liabilities.

Maturities of financial liabilities

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities (predominantly trade payables, retention payables, etc) with agreed repayment periods. The amount disclosed in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay.

Particulars	**Less than 1 Year**	**1-3 Years**	**3-5 Years**	**5 years and above**
Non-derivative financial liabilities as at March 31, 2022				
Trade Payables	**21,772.98**	–	–	–
Lease Liabilities	**6,560.54**	**9,858.45**	**6,751.82**	**19,304.85**
Other Financial Liabilities	**9,443.72**	**850.69**	–	–
Financial guarantee contracts	**70,892.97**	–	–	–
Total	**108,670.21**	**10,709.14**	**6,751.82**	**19,304.85**

Particulars	**Less than 1 Year**	**1-3 Years**	**3-5 Years**	**5 years and above**
Non-derivative financial liabilities as at March 31, 2021				
Trade Payables	19,496.55	–	–	–
Lease Liabilities	5,812.07	7,100.17	4,452.02	2,774.98
Other Financial Liabilities	9,396.56	787.16	–	–
Financial guarantee contracts	68,835.25	–	–	–
Total	103,540.43	7,887.33	4,452.02	2,774.98

The Company has provided financial guarantees to its wholly owned subsidiaries. The amounts included above for financial guarantee contracts are the maximum amounts the Company could be forced to settle under the arrangement for the full guaranteed amount if that amount is claimed by the counterparty to the guarantee. Based on expectations at the end of the reporting period, the Company considers that it is more likely that such an amount will not be payable under the arrangement.

All amounts are in ₹ Lakhs unless otherwise stated

	Outstanding as at March 31, 2022				
Trade Payables	**Less than 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
(i) MSME	**445.88**	**–**	**–**	**–**	**445.88**
(ii) Others	**16,702.98**	**2,599.67**	**1,979.99**	**44.46**	**21,327.10**
(iii) Disputed dues – MSME	**–**	**–**	**–**	**–**	**–**
(iv) Disputed dues – Others	**–**	**–**	**–**	**–**	**–**
	17,148.86	**2,599.67**	**1,979.99**	**44.46**	**21,772.98**

	Outstanding as at March 31, 2021				
Trade Payables	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	154.23	–	–	–	154.23
(ii) Others	14,942.97	2,855.79	1,498.63	44.93	19,342.32
(iii) Disputed dues – MSME	–	–	–	–	–
(iv) Disputed dues – Others	–	–	–	–	–
	15,097.20	2,855.79	1,498.63	44.93	19,496.55

Financing arrangements

The Company had access to following undrawn borrowing facilities at the end of the reporting period:

Particulars	**2022**	2021
Cash credit		
– Expiring within one year	**10,500**	6,000
	10,500	6,000

During the year, for borrowings from banks on the basis of security of current assets, quarterly returns or quarterly statements of current assets filed by the Company with banks are in agreement with the books of account.

(iii) Market risk management

The Company's market risk comprises solely of its foreign currency exposure which are limited and not material to the size of its operations.

Currency Risk

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. The Company's exposure to currency risk relates primarily to the Company's investing activities when transactions are denominated in a different currency from the Company's functional currency.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows. :

in ₹ Lakhs

Particulars	**Currency**	**2022**	2021
Receivables	**MYR**	**719.20**	732.94
	EUR	**2,487.64**	2,109.69
	AED	**301.64**	220.45
	THB	**2,058.99**	1,079.46
	USD	**–**	5.48
	SGD	**–**	65.52

in ₹ Lakhs

Particulars	**Currency**	**2022**	2021
Payables	**USD**	**0.81**	–
	MYR	**21.63**	42.34
	GBP	**2.60**	–
	SGD	**0.75**	–
	AED	**261.56**	513.70
	THB	**33.54**	34.73

Of the above foreign currency exposures, none of the exposures are hedged by a derivative. These foreign currency exposures are denominated in currencies that are not very volatile. Hence, the Company is not exposed to major currency risks.

Foreign Currency Sensitivity

The Company is exposed to the following currency risks - USD, AED, THB, MYR, GBP, SGD and EUR - and the following table demonstrates the sensitivity.

In ₹ Lakhs

Particulars	**Currency**	**Change in rate**	**Impact on profit before tax**
March 31, 2022	**USD**	**10%**	**(0.08)**
	USD	**(10)%**	**0.08**
	MYR	**10%**	**69.76**
	MYR	**(10)%**	**(69.76)**
	EUR	**10%**	**248.76**
	EUR	**(10)%**	**(248.76)**
	SGD	**10%**	**(0.08)**
	SGD	**(10)%**	**0.08**
	AED	**10%**	**4.01**
	AED	**(10)%**	**(4.01)**
	GBP	**10%**	**(0.26)**
	GBP	**(10)%**	**0.26**
	THB	**10%**	**202.54**
	THB	**(10)%**	**(202.54)**

All amounts are in ₹ Lakhs unless otherwise stated

Particulars	Currency	Change in rate	Impact on profit before tax (In ₹ Lakhs)	Particulars	Currency	Change in rate	Impact on profit before tax (In ₹ Lakhs)
March 31, 2021	USD	10%	0.55		SGD	10%	6.55
	USD	(10)%	(0.55)		SGD	(10)%	(6.55)
	MYR	10%	69.06		AED	10%	(29.32)
	MYR	(10)%	(69.06)		AED	(10)%	29.32
	EUR	10%	210.97		THB	10%	104.47
	EUR	(10)%	(210.97)		THB	(10)%	(104.47)

Sr. No.	Ratio Analysis	Formula	2022	2021	% Variance	Reason for variance
1.	Current Ratio	Current Assets / Current Liabilities	**1.90**	2.19	(13)%	NA
2.	Debt – Equity Ratio	Total Debt / Shareholder's Equity	**NA**	NA	NA	NA
3.	Debt Service Coverage Ratio	Earnings available for debt service / Debt Service	**NA**	NA	NA	NA
4.	Return on Equity (ROE):	Net Profits after taxes / Average Shareholder's Equity	**33.66%**	25.05%	34%	Profitability increased during the year on account of resumption of resort operations, Profit from Sale of Investment (Nreach), Lease Rent Waivers and Interest Income from IT Refund.
5.	Inventory Turnover Ratio	Cost of food and beverages consumed / Average Inventory	**5.74**	4.02	43%	Last year cost of food and beverages consumed was impacted on account of COVID 19 related lockdown restrictions.
6.	Trade receivables turnover ratio	Revenue from operations / Average Accounts Receivable	**0.82**	0.57	45%	Last year sales were impacted on account of COVID 19 related lockdown restrictions.
7.	Trade payables turnover ratio	Purchases, Operating supplies and Rent expenses / Average Trade Payables	**0.55**	0.47	18%	NA
8.	Net capital turnover ratio	Revenue from operations / Working Capital	**1.10**	0.76	45%	Last year sales were impacted on account of COVID 19 related lockdown restrictions.
9.	Net profit ratio	Net Profits after taxes / Revenue from operations	**0.16**	0.15	3%	NA
10.	Return on capital employed (ROCE)	Earning before interest and taxes / Shareholder's Equity	**39.81%**	41.81%	(5)%	NA
11.	Return on investment	Investment Income / Average Investment	**5.30%**	5.36%	(1)%	NA

All amounts are in ₹ Lakhs unless otherwise stated

Note No. 45 - Fair Value Measurement

Fair Valuation Techniques and Inputs used - recurring Items

Financial assets/ financial liabilities* measured at Fair value	Fair value as at 2022	2021	Fair value hierarchy	Valuation technique(s) and key input(s)
Financial assets				
Investments				
Mutual fund investments	**27,943.07**	5,942.51	Level 1	Refer note 1 below
Equity and preference investments	**580.49**	702.09	Level 3	Refer note 2 below
Total financial assets	**28,523.56**	6,644.60		

Note 1: Fair value determined using NAV.

Note 2: Fair value determined using discounted cash flow method.

Reconciliation of Level 3 fair values

Particulars	**Equity and Preference**
Balance as at March 31, 2021	702.09
Redemption of investment	(300.00)
Fair value gain included in statement of profit and loss (unrealised)	178.40
Balance as at March 31, 2022	**580.49**

* Fair value of financial assets and financial liabilities (that are measured at amortised cost) closely approximate their carrying value.

Note No. 46 - Expenditure on Corporate Social Responsibility

As per Section 135 of the Companies Act 2013, the Company needs to spend 2% of its average net profit for the immediately preceding three financial years on Corporate Social Responsibility (CSR) activities. The Company has incurred CSR expenditure on activities specified in Schedule VII of the Companies Act, 2013.

Particulars	**2022**	2021
(i) Amount required to be spent by the Company during the year	**270.00**	296.00
(ii) Amount of expenditure incurred	**272.11**	301.45
(iii) Shortfall at the end of the year	**-**	-
(iv) Total of previous years shortfall	**-**	-
(v) Reason for shortfall	**Not applicable**	Not applicable
(vi) Nature of CSR activities	**Environmental Sustainability, Education & Skill Development, Covid Relief and Rehabilitation, Women Empowerment etc**	Promoting Education, Rural Development, Environment sustainability, Disaster relief & rehabilitation, Contribution to PM Cares fund etc
(vii) Details of related party transactions	**Not applicable**	Not applicable

Particulars	**Paid**	**Yet to be paid**	**Total**
(i) Construction/Acquisition of any asset	–	–	–
(ii) On purposes other than (i) above	272.11	–	272.11

Note No. 47 - Capital work in progress (CWIP) and expenditure during construction pending allocation included therein:

Particulars	**2022**	2021
Balance as at beginning of the year	**11,182.29**	23,606.27
Additions during the current year to CWIP	**10,572.29**	8,828.92
Capitalization/(Deletions) during the current year from CWIP	**(11,010.10)**	(21,252.90)
Balance as at end of the year	**10,744.48**	11,182.29

As at March 31, 2022 amount in CWIP for a period of

CWIP	**Less than 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
Projects in progress	**5,887.51**	**1,957.84**	**595.29**	**2,303.84**	**10,744.48**
Projects temporarily suspended	**–**	**–**	**–**	**–**	**–**
	5,887.51	**1,957.84**	**595.29**	**2,303.84**	**10,744.48**

As at March 31, 2021 amount in CWIP for a period of

CWIP	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	2,822.61	1,120.62	488.49	6,750.57	11,182.29
Projects temporarily suspended	–	–	–	–	–
	2,822.61	1,120.62	488.49	6,750.57	11,182.29

As at March 31, 2022 amount in CWIP for a period of

Intangible assets under development	**Less than 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
Projects in progress	**538.98**	**140.23**	**34.93**	**–**	**714.14**
Projects temporarily suspended	**–**	**–**	**–**	**–**	**–**
	538.98	**140.23**	**34.93**	**–**	**714.14**

As at March 31, 2021 amount in CWIP for a period of

Intangible assets under development	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	532.30	297.97	60.05	51.58	941.90
Projects temporarily suspended	–	–	–	–	–
	532.30	297.97	60.05	51.58	941.90

All amounts are in ₹ Lakhs unless otherwise stated

Expenditure during construction pending allocation included in (CWIP) above:

Particulars	**2022**	2021
Salaries, Wages & Bonus	**894.57**	596.65
Staff welfare Expenses	**15.45**	13.43
Power & Fuel	**6.61**	15.85
Rent	**8.72**	11.68
Rates & Taxes	**0.96**	0.96
Repairs-Others	**13.77**	13.77
Travelling	**83.93**	72.83
Consultancy Charges	**207.02**	163.50
Miscellaneous	**265.45**	262.07
	1,496.48	1,150.74

Note No. 48 - Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

Particulars	**2022**	2021
(i) Principal amount remaining unpaid to MSME suppliers as on	**445.88**	154.23
(ii) the amount of interest paid by the buyer under MSMED Act,	**–**	–
(iii) Interest accrued and remaining unpaid at the end of each accounting year to MSME suppliers as on	**–**	–
(iv) Further interest due and payable even in the succeeding years, until such date when the interest due as above are actually paid to the small enterprises	**–**	–
(v) Interest due and payable on unpaid principal amount to MSME suppliers as on	**–**	–

Note No. 49 - Segment information

The Company is primarily engaged in the business of sale of Vacation Ownership and other related services in India. As such, the Company operates in a single segment and there are no separate reportable segments. The same is consistent with the information reviewed by the Chief Operating Decision Maker (CODM).

Note No. 50 - Related party transactions

Particulars		**2022**	2021
Transactions during the year:	**Holding company**		
Sale of services	Mahindra & Mahindra Ltd.	**28.61**	28.46
Purchases of PPE	Mahindra & Mahindra Ltd.	**146.55**	37.89
Purchase of services	Mahindra & Mahindra Ltd.	**547.68**	583.72
	Subsidiary companies		
ICD, Loans & Advances given	Gables Promoters Private Ltd.	**800.00**	810.00
	Mahindra Hotels & Residences India Ltd.	**2.00**	8.50
	Infinity Hospitality Group Company Ltd.	**1,078.00**	–
ICD, Loans & Advances repaid	Heritage Bird (M) Sdn Bhd.	**42.95**	–
	Arabian Dreams Hotels Apartments LLC	**–**	196.30
Purchase of services	Heritage Bird (M) Sdn Bhd.	**128.01**	129.20
	Infinity Hospitality Group Company Ltd.	**369.12**	388.93
	Gables Promoters Private Ltd.	**1,202.16**	994.24
	Arabian Dreams Hotels Apartments LLC	**300.38**	644.81
Reimbursement of Expenses	Gables Promoters Private Ltd.	**116.84**	107.80
Interest Income	Heritage Bird (M) Sdn Bhd.	**31.09**	32.75
	Gables Promoters Private Ltd.	**332.54**	271.02
	Infinity Hospitality Group Company Ltd	**30.94**	–
	MH Boutique Hospitality Ltd.	**21.44**	22.79
	Mahindra Hotels & Residences India Ltd.	**1.24**	0.97
	MHR Holdings (Mauritius) Ltd.	**4.72**	4.77
	Arabian Dreams Hotels Apartments LLC	**–**	6.63

All amounts are in ₹ Lakhs unless otherwise stated

Particulars		2022	2021
Commission on Corporate Guarantee	MHR Holdings (Mauritius) Ltd.	**350.60**	280.80
	Covington S.a.r.l	**–**	6.47
	Infinity Hospitality Group Company Ltd.	**16.22**	19.05
Corporate guarantees given on behalf of	MHR Holdings (Mauritius) Ltd.	**60,431.00**	67,069.43
	Infinity Hospitality Group Company Ltd.	**–**	4,841.00
	Fellow Subsidiaries / Associates		
Sale of services	Mahindra Intertrade Ltd.	**1.18**	1.13
	Mahindra Lifespace Developers Ltd.	**16.99**	10.84
	Mahindra & Mahindra Financial Services Ltd.	**2.51**	–
	Bristlecone India Ltd.	**0.20**	0.40
	Tech Mahindra Ltd.	**3.01**	2.87
	Mahindra Susten Pvt. Ltd.	**0.62**	–
Interest Income	Mahindra Rural Housing Finance Ltd.	**1,161.27**	1,239.08
	Mahindra & Mahindra Financial Services Ltd.	**944.50**	1,029.94
Purchase of PPE	Mahindra Engineering & Chemical Products Ltd.	**57.78**	202.71
	NBS International Ltd.	**25.68**	–
Purchase of services	Mahindra Integrated Business Solutions Pvt. Ltd.	**649.68**	374.11
	Mahindra Engineering & Chemical Products Ltd.	**169.57**	107.88
	Bristlecone India Ltd.	**150.87**	124.07
	Mahindra Logistics Ltd.	**7.59**	0.14
	Tech Mahindra Ltd.	**123.86**	137.80
Other Entity	**Director's Interest**		
Purchase of services	Nowigence India Pvt. Ltd.	**–**	7.80
	Fifth Gear Ventures Ltd.	**–**	16.06
	Shawman Software Pvt Ltd.	**21.00**	–
Managerial remuneration:	**Key Management Personnel**		
	Mr. Kavinder Singh	**514.65**	475.28
	Mrs. Akhila Balachandar (till May 31, 2021)	**59.20**	140.17
	Mr. Sujit vaidya (from 1 June 2021)	**124.46**	–
	Mr. Dhanraj Mulki	**88.20**	86.38
	Director's Sitting Fees	**69.80**	48.80
	Commission to non whole time directors	**184.50**	174.00
Investment in Inter Corporate Deposits	**Fellow Subsidiaries/Associates**		
	Mahindra Rural Housing Finance Ltd.	**9,000.00**	14,000.00
	Mahindra & Mahindra Financial Services Ltd.	**14,500.00**	19,500.00
Redemption of Inter Corporate Deposits	Mahindra Rural Housing Finance Ltd.	**20,500.00**	–
	Mahindra & Mahindra Financial Services Ltd.	**19,500.00**	1,590.00
	Other entities under the control of the company		
Other: Received	Mahindra Holidays & Resorts India Ltd.		
	Employees' Stock Option Trust	**–**	48.02
Balances as at:	**Holding company**		
Outstanding: Payable	Mahindra & Mahindra Ltd.	**256.84**	443.38
Outstanding: Receivable	Mahindra & Mahindra Ltd.	**5.32**	12.00

All amounts are in ₹ Lakhs unless otherwise stated

Particulars		2022	2021
Investments	**Subsidiary companies**		
	Mahindra Hotels & Residences India Ltd.	**5.00**	5.00
	Heritage Bird (M) Sdn Bhd.	**40.27**	40.27
	Gables Promoters Private Ltd.	**6,543.78**	6,543.78
	Infinity Hospitality Group Company Ltd.	**2,681.11**	2,681.11
	MH Boutique Hospitality Ltd.	**95.38**	95.38
	Arabian Dreams Hotels Apartments LLC	**52.11**	52.11
	MHR Holdings (Mauritius) Ltd.	**115.11**	115.11
	Gables Promoters Private Ltd.	**4,779.40**	3,800.12
	MH Boutique Hospitality Ltd.	**985.81**	1,001.54
Inter Corporate Deposits including interest accrued	Gables Promoters Private Ltd.	**4,779.40**	3,800.12
	MH Boutique Hospitality Ltd.	**985.81**	1,001.54
	Mahindra Hotels & Residences India Ltd.	**19.31**	16.19
	MHR Holdings (Mauritius) Ltd.	**283.25**	283.97
	Infinity Hospitality Group Company Ltd.	**1,025.37**	–
	Heritage Bird (M) Sdn Bhd.	**719.08**	720.15
Other Receivables	MHR Holdings (Mauritius) Ltd.	**1,981.88**	1,598.90
	Covington S.a.r.l	**222.52**	226.81
	Infinity Hospitality Group Company Ltd.	**47.81**	29.82
	Arabian Dreams Hotels Apartments LLC	**97.72**	–
Other Payables	Infinity Hospitality Group Company Ltd.	**33.54**	34.73
	Heritage Bird (M) Sdn Bhd.	**21.63**	42.34
	Gables Promoters Private Ltd.	**242.67**	182.58
	Arabian Dreams Hotels Apartments LLC	**–**	184.11
Corporate guarantees given on behalf of	MHR Holdings (Mauritius) Ltd.	**83,739.50**	67,069.43
	Infinity Hospitality Group Company Ltd.	**–**	4,841.00
Loan outstanding against above guarantees	MHR Holdings (Mauritius) Ltd.	**70,892.97**	64,652.25
	Infinity Hospitality Group Company Ltd.	**–**	4,183.00
Outstanding: Payable	**Fellow Subsidiaries / Associates**		
	Mahindra Engineering & Chemical Products Ltd.	**27.12**	27.35
	Tech Mahindra Ltd.	**62.34**	32.03
	Bristlecone India Ltd.	**23.70**	10.85
	Mahindra Logistics Ltd.	**0.23**	0.05
	Mahindra Integrated Business Solutions Pvt. Ltd.	**166.74**	68.94
	Nowigence India Private Ltd.	**–**	0.65
	NBS International Ltd.	**2.39**	–

All amounts are in ₹ Lakhs unless otherwise stated

Particulars		2022	2021
Outstanding: Receivable	Mahindra Lifespace Developers Ltd.	**10.54**	9.86
	Tech Mahindra Ltd.	**–**	0.21
Other Deposits (Including accrued interest)	Mahindra & Mahindra Financial Services Ltd.	**15,036.27**	20,360.00
	Mahindra Rural Housing Finance Ltd.	**9,395.50**	21,233.49
Other entities under the control of the company			
Balances as at :			
Outstanding: Receivable	Mahindra Holidays and Resorts India Ltd. Employees' Stock Option Trust	**497.78**	819.00

Note No. 51 - Revenue from contract with customers

a) Disaggregation of revenue from contracts with customers

The Company derives revenue from the sale of vacation ownership and provide holiday facilities to members over time and at a point in time as under :

Particulars	2022	2021
Revenue from contracts with customers		
Over time (A)		
Vacation Ownership Income	**39,337.57**	34,507.16
Annual subscription fee	**30,787.93**	29,303.94
Total (A)	**70,125.50**	63,811.10
At a point in time (B)		
Income From resorts:		
Room rentals	**2,773.88**	1,804.62
Food and beverages	**12,889.05**	7,070.18
Wine and liquor	**379.02**	201.12
Others	**3,228.76**	1,361.64
Total (B)	**19,270.71**	10,437.56
Total Revenue from contract with customers (A + B)	**89,396.21**	74,248.66

b) Movement of Deferred Acquisition Cost and Deferred Contract Liability

1. Movement of Deferred Acquisition Cost:

Particulars	2022	2021
Opening Balance	**70,381.00**	71,347.86
i) Additions during the year (Net)	**7,082.80**	3,905.16
ii) Amortised during the year	**(5,121.46)**	(4,872.02)
Closing Balance	**72,342.34**	70,381.00

The deferred acquisition cost relates to incremental costs of acquisition of the member that are deferred over the period of effective membership. Incremental costs are those that would not have been incurred if the contract was not obtained.

2. Movement of Deferred Contract Liability:

Particulars	March 31, 2022		
	Vacation Ownership	**Annual Subscrip-tion Fee**	**Total**
Opening Balance	**492,933.15**	**15,193.49**	**508,126.64**
i) Addition during the year (Net)	**38,770.01**	**31,503.33**	**70,273.34**
ii) Income recognised during the year	**(39,337.57)**	**(30,787.93)**	**(70,125.50)**
Closing Balance	**492,365.59**	**15,908.89**	**508,274.48**

Particulars	March 31, 2021		
	Vacation Ownership	Annual Subscrip-tion Fee	Total
Opening Balance	537,137.48	14,736.18	551,873.66
i) Addition during the year (Net)	(9,697.17)	29,761.25	20,064.08
ii) Income recognised during the year	(34,507.16)	(29,303.94)	(63,811.10)
Closing Balance	492,933.15	15,193.49	508,126.64

The deferred contract liability relates to the consideration received/receivable from customers, for which services will be provided over the effective membership period and revenue is recognised over that period.

c) Obligations for returns, refunds and other similar obligations:

Particulars	2022	2021
Return, refunds and other similar obligations	**52.18**	83.38
Total	**52.18**	83.38

The above obligation is only to the extent of revenue recognised, this does not include the obligation on refundable entitlement fees.

All amounts are in ₹ Lakhs unless otherwise stated

d) **Revenue expected to be recognised in the future from Deferred Contract Liability:**

Time Band	2022	2021
< 1 Year - Vacation Ownership	**41,560.15**	38,180.36
< 1 Year - ASF	**15,908.89**	15,193.49
1 - 2 Year	**40,186.15**	37,669.87
2 - 3 Year	**38,388.33**	36,312.86
3 - 4 Year	**36,919.82**	35,313.16
4 - 5 Year	**36,319.03**	34,922.32
5-10 Year	**157,878.58**	157,186.75
> 10 year	**141,113.53**	153,347.83
Total	**508,274.48**	508,126.64

The deferred contract liability broken year wise shows summary of Vacation Ownership and Annual subscription fee recognisible over the time. Annual subscription fee being the annual fees chargeable to the member every year over the life of contract.

e) **Reconciliation of revenue from contract with customer:**

Particulars	2022	2021
Revenue from contract with customer as per the contract price	**97,396.57**	77,937.77
Adjustments made to contract price on account of :-		
Discounts / Rebates / Incentives	**(8,000.36)**	(3,689.11)
Revenue from contract with customer as per the statement of Profit and Loss	**89,396.21**	74,248.66

Note No. 52 - Leases

Right of Use Asset

Particulars	2022	2021
Balance as at beginning of the year	**15,412.03**	17,426.53
Additions during the current year	**17,292.99**	3,967.62
Deletions during the current year	**(160.54)**	(770.61)
Amortisation of ROU	**(5,763.31)**	(5,211.51)
Balance as at end of the year	**26,781.17**	15,412.03

Lease Liabilities

Particulars	2022	2021
Current	**4,472.22**	4,690.28
Non-Current	**23,689.52**	11,779.15
Lease liabilities included in the Balance Sheet as at the end of the year	**28,161.74**	16,469.43

Maturity analysis - contractual undiscounted cash flows

Particulars	2022	2021
Less than one year	**6,560.54**	5,812.07
1 - 2 Year	**5,085.02**	4,150.80
2 - 3 Year	**4,773.43**	2,949.37
3 - 4 Year	**3,721.68**	2,645.04
4 - 5 Year	**3,030.14**	1,806.98
More than five years	**19,304.85**	2,774.98
Total undiscounted lease liabilities as at the end of the year	**42,475.66**	20,139.24

Amounts recognised in statement of Profit and Loss

Particulars	2022	2021
Interest expense on lease liabilities	**2,115.63**	1,295.79
Amortisation of ROU	**5,763.31**	5,211.51
Expenses relating to short term leases	**4,821.61**	4,612.72
Total	**12,700.55**	11,120.02

Amounts recognised in Cash Flow Statement

Particulars	2022	2021
Total Cash outflow for Leases	**6,309.43**	3,587.01

The Company has renegotiated with certain lessors on the rent reduction / waiver due to COVID 19 pandemic which is short term in nature. Accordingly, the Company in the statement of profit and loss has recognised an amount of ₹ 1,238.60 lakhs (Previous year: ₹ 3,074.87 Lakhs) as part of Other Income.

All amounts are in ₹ Lakhs unless otherwise stated

Note No. 53 - Estimation uncertainty relating to COVID-19 outbreak

The Company has considered internal and external sources of information, economic forecasts and industry reports, up to the date of approval of the financial statements, in determining the impact of COVID 19 pandemic on various elements of its business operations and financial statements. The Company has used the principles of prudence in applying judgements, estimates and assumptions and based on the current estimates, the Company expects to recover the carrying amount of its current and non current assets. The eventual outcome of impact of the global health pandemic may be different from those estimated as on the date of review of these financial statements depending on how long the pandemic lasts and time period taken for the economic activities to return to normalcy.

Note No. 54 - Transactions with Struck off Companies

Name of the Struck off Company	**Nature of Transactions with struck off Company**	**Balance outstanding as at 31 March 22**	Balance outstanding as at 31 March 21
A4M Trading Private Limited	Trade Payables	–	0.06
GNG Staffing Private Limited	Security Deposit given	–	0.20

Note No. 55 - Reporting under Rule 11(d) of the Companies (Audit and Auditor's) Rules, 2014

No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

Note No. 56

The figures for the previous year have been regrouped/ reclassified to correspond with current year's classification/ disclosure. The financial statements of Mahindra Holidays & Resorts India Limited were approved by the Board of Directors and authorised for issue on May 2, 2022.

In terms of our report attached
For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No. 101248W/W-100022

Koosai Lehery
Partner
Membership Number: 112399
Place: Mumbai
Date: May 2, 2022

For and on behalf of the Board of Directors

Arun Nanda
Chairman
DIN: 00010029

Kavinder Singh
Managing Director & CEO
DIN: 06994031

Sujit Vaidya
Chief Financial Officer

Dhanraj Mulki
Company Secretary

Place: Mumbai
Date: May 2, 2022

Place: Mumbai
Date: May 2, 2022

INDEPENDENT AUDITOR'S REPORT

To the Members of
MAHINDRA HOTELS AND RESIDENCES INDIA LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying Financial Statements of Mahindra Hotels and Residences India Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, its loss and total comprehensive loss, its changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Financial Statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("the ICAI") together with the ethical requirements that are relevant to our audit of the Financial Statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Financial Statements.

Information Other than the Financial Statements and Auditors' Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the Directors Report and the related annexures, but does not include the Financial Statements and our Auditors' Report thereon.

Our opinion on the Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Financial Statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Financial Statements of the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-Section (11) of Section 143 of the Act and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in Annexure B, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   (c) The Balance Sheet, the Statement of Profit and Loss, the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this report are in agreement with the books of account.

   (d) In our opinion, the aforesaid Financial Statements comply with the Accounting Standards specified under Section 133 of the Act.

   (e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164(2) of the Act.

   (f) With respect to the adequacy of the internal financial controls with reference to Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure A. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to Financial Statements.

   (g) The Company has not paid / provided for managerial remuneration for the year ended March 31, 2022.

   (h) With respect to the other matters to be included in the Auditors' Report in accordance with the requirements of Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

      (i) The Company does not have any pending litigations which will impact its financial positions.

      (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

      (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

      (iv) (a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

(v) The Company has not declared/ paid/ declared and paid any dividend during the year.

For B. K. Khare & Co.
Chartered Accountants
(Firm's Registration No. 105102W)

Shirish Rahalkar
Partner
Membership No.111212
UDIN: 22111212AIFFCS1534

Place: Mumbai
Date: April 26, 2022

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of sub-section (3) of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of Mahindra Hotels and Residences India Limited ("the Company") as of March 31, 2022 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2022, based on the criteria for internal financial control with reference to financial statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For B. K. Khare & Co.
Chartered Accountants
(Firm's Registration No. 105102W)

Shirish Rahalkar
Partner
Membership No.111212 Place: Mumbai
UDIN: 22111212AIFFCS1534 Date: April 26, 2022

ANEXURE B TO THE AUDITOR'S REPORT

[Referred to in Clause 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date]

i. According to the information and explanations given to us, the Company does not have property, plant and equipment and intangible asset. Accordingly, the reporting under Clauses 3(i)(a) to 3(i)(e) of the Order is not applicable to the Company.

   (f) Based on the audit procedures performed by us and according to the information, explanations and representations given to us, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

ii. (a) According to the information and explanations given to us, the Company does not have inventory. Accordingly, the reporting under Clause 3(ii)(a) of the Order is not applicable to the Company.

   (b) According to the information and explanations given to us, the Company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets at any point of time during the year.

iii. According to the information and explanations given to us, the Company has not made investments in or provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year. Accordingly, the reporting under Clauses 3(iii)(a) to 3(iii)(f) of the Order is not applicable to the Company.

iv. According to the information and explanations given to us, the Company has not granted any loans or made any investments or provided any guarantees or security to the parties covered under Sections 185 and 186 of the Act. Accordingly, the reporting under Clause 3(iv) of the Order is not applicable to the Company.

v. According to the information and explanations given to us, the Company has not accepted deposits under the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. Accordingly, the reporting under Clause 3(v) of the Order is not applicable to the Company.

vi. The Central Government has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company. Accordingly, the reporting under Clause 3(vi) of the Order is not applicable to the Company.

vii. According to the information and explanations given to us and on the basis of our examination of records of the Company, the amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Services tax, Income-tax, Cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. The amounts deducted / accrued in the books of account in respect of undisputed statutory dues of Income-tax have generally been regularly deposited during the year by the Company with the appropriate authorities. According to the information and explanations given to us and on the basis of our examination of records of the Company, there were no undisputed statutory dues payable in respect of Sales tax, Service tax, Duty of Customs, Duty of Excise and Value Added Tax.

   According to the information and explanations given to us and on the basis of our examination of records of the Company, there were no arrears of outstanding statutory dues in respect of Goods and Services tax, Provident fund, Employees' State Insurance, Income-tax, Sales tax, Service tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other material statutory dues as on the last day of the financial year for a period of more than six months from the date they became payable.

   According to the information and explanations given to us and on the basis of our examination of records of the Company, there were no statutory dues in respect of Goods and Services tax, Provident fund, Employees' State Insurance, Income-tax, Sales tax, Service tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other material statutory dues as at March 31, 2022, which have not deposited with the appropriate authorities on account of any dispute.

viii. According to the information and explanations given to us, there are no transactions not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income-tax Act, 1961.

ix. (a) According to the information and explanations given to us and based on the audit procedures performed by us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.

   (b) According to the information and explanations given to us, the Company has not been declared a willful defaulter by any bank or financial institution or any other lender till the date of our audit report.

   (c) According to the information and explanation given to us, the Company has not obtained any term loan during the year. Accordingly, the reporting under Clause 3(ix)(c) of the Order is not applicable to the Company.

   (d) According to the information and explanation given to us, the Company has not raised funds on short term basis during the year. Accordingly, the reporting under Clause 3(ix)(d) of the Order is not applicable to the Company.

   (e) According to the information and explanations given to us, the Company does not have any subsidiaries, associates or joint ventures. Accordingly, the reporting under Clauses 3(ix)(f) and 3(ix)(e) of the Order is not applicable to the Company.

x. (a) According to the information and explanations given to us, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under Clause 3(x)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year.

xi. (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company noticed or reported during the year, nor have we been informed of any such case by the management.

(b) There has been no report filed by us under sub-section (12) of Section 143 of the Act in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) As represented to us by the management, no whistle blower complaints were received by the Company during the year.

xii. According to the information and explanations given to us, the Company is not a Nidhi company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, the reporting under Clause 3(xii) of the Order is not applicable to the Company.

xiii. In our opinion and according to the information and explanations given to us, the Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required by Indian Accounting Standard (Ind AS) 24, Related Party Disclosures, specified under Section 133 of the Act.

xiv. In our opinion and based on our examination, the Company does not have an internal audit system and is not required to have an audit system as per the provisions of the act. Accordingly, the reporting under Clauses 3(xiv)(a) and 3(xiv)(b) of the Order is not applicable to the company.

(b) We have considered the Internal Audit reports of the Company issued till date for the period under audit.

xv. According to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or directors of its holding company or persons connected with them during the year and hence, the provisions of Section 192 of the Act are not applicable to the Company.

xvi. (a) According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

(b) In our opinion and according to the information and explanations given to us, the Company has not conducted any Non-Banking Financial or Housing Finance activities.

(c) In our opinion and according to the information and explanations given to us, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under Clauses 3(xvi)(c) and 3(xvi)(d) of the Order is not applicable to the Company.

(d) Based on the information and explanations given to us and the edit procedures performed by us, we report that the Group has 6 Core investment Companies.

xvii. In our opinion and according to the information and explanations given to us, the Company has incurred cash losses of Rs. 2,05,444 during the current financial year and Rs. 1,64,560 in the immediately preceding financial year.

xviii. There has been no resignation of the statutory auditors during the year. Accordingly, the reporting under Clause 3(xviii) of the Order is not applicable to the Company.

xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of Balance Sheet as and when they fall due within a period of one year from the Balance Sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the Balance Sheet date, will get discharged by the Company as and when they fall due.

xx. According to the information and explanations given to us, company is not liable to adhere compliance under section 135 of the Companies Act,2013.Accordingly, the reporting Clause 3(xx) of the Order is not applicable to the Company.

For B. K. Khare & Co.
Chartered Accountants
(Firm's Registration No. 105102W)

Shirish Rahalkar
Partner
Membership No.111212
UDIN: 22111212AIFFCS1534

Place: Mumbai
Date: April 26, 2022.

BALANCE SHEET AS AT MARCH 31, 2022

In Rs.

Particulars	Note	2022	2021
ASSETS			
Current Assets			
Cash and Cash Equivalents	2	**2,04,327**	62,473
		2,04,327	62,473
		2,04,327	62,473
EQUITY AND LIABILITIES			
Equity:			
Share Capital	3	**5,00,000**	5,00,000
Other Equity	4	**(22,99,643)**	(20,94,199)
		(17,99,643)	(15,94,199)
Current Liabilities			
Financial Liabilities			
Borrowings	5	**19,30,822**	16,19,407
Other Current Liabilities	6	**73,149**	37,265
		20,03,970	16,56,672
		2,04,327	62,473
Significant Accounting Policies	1		

The Notes referred above forms an integral part of the Financial Statements

In terms of our report attached

For B.K. Khare & Company
Chartered Accountants
Firm Regn No : 105102W

Shirish Rahalkar
Partner
Membership No: 111212

Place : Mumbai
Date : 26 April, 2022

For and on behalf of the Board of Directors

Sujit Vaidya
Director
DIN: 03287161

Place : Mumbai
Date : 26 April, 2022

Dhanraj Mulki
Director
DIN: 08321516

Place : Mumbai
Date : 26 April, 2022

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED MARCH 31, 2022

			In Rs.
Particulars	**Note**	**2022**	2021
Revenue:			
Revenue from operations		–	–
Other Income		–	20,324
Total Revenue		–	20,324.00
Expenses:			
Finance Costs	**7**	**1,23,794**	96,825
Other Expenses	**8**	**81,650**	88,059
Total Expenses		**2,05,444**	1,84,884
Profit Before Tax		**(2,05,444)**	(1,64,560)
Less: Tax Expense			
Current Tax		–	–
Deferred Tax		–	–
Profit/(Loss) for the Year		**(2,05,444)**	(1,64,560)
Other comprehensive income			
Items that will not be reclassified to profit or loss :		–	–
Items that will be reclassified to profit or loss :		–	–
Total other comprehensive income for the period		–	–
Total comprehensive income for the period		**(2,05,444)**	(1,64,560)
Earnings Per Share (Basic & Diluted)	**9**	**(4.11)**	(3.29)
Significant Accounting Policies	**1**		

The Notes referred above forms an integral part of the Financial Statements

In terms of our report attached

For B.K. Khare & Company
Chartered Accountants
Firm Regn No : 105102W

Shirish Rahalkar
Partner
Membership No: 111212

Place : Mumbai
Date : 26 April, 2022

For and on behalf of the Board of Directors

Sujit Vaidya
Director
DIN: 03287161

Place : Mumbai
Date : 26 April, 2022

Dhanraj Mulki
Director
DIN: 08321516

Place : Mumbai
Date : 26 April, 2022

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2022

Particulars	2022	In Rs. 2021
Cash Flow from Operating Activities:		
Profit/(Loss) before exceptional items and tax	**(2,05,444)**	(1,64,560)
Adjustments:		
Finance Costs	**1,23,794**	96,825
Operating profit before working capital changes	**(81,650)**	(67,735)
Changes in working capital:		
(Increase)/Decrease Other Current Liabilities	**35,883**	(7,61,181)
Income Tax Paid	**–**	–
Net Cash (used in)/from Operating Activities	**(45,767)**	(8,28,916)
Cash Flow from Investing Activities:		
Net Cash (used in)/from Investing Activities	**–**	–
Cash Flow from Financing Activities:		
Proceeds from borrowings	**3,11,415**	9,39,563
Finance Costs	**(1,23,794)**	(96,825)
Net Cash (used in)/from Financing Activities	**1,87,621**	8,42,738
Net increase/(Decrease) in Cash & Cash Equivalents	**1,41,854**	13,822
Cash & Cash Equivalents:		
Cash and cash equivalents at the beginning of the year	**62,473**	48,651
Cash and cash equivalents at the end of the year	**2,04,327**	62,473
Net Increase/(Decrease) as disclosed above	**1,41,854**	13,822

The Notes referred above forms an integral part of the Financial Statements

In terms of our report attached

For B.K. Khare & Company
Chartered Accountants
Firm Regn No : 105102W

Shirish Rahalkar
Partner
Membership No: 111212

Place : Mumbai
Date : 26 April, 2022

For and on behalf of the Board of Directors

Sujit Vaidya
Director
DIN: 03287161

Place : Mumbai
Date : 26 April, 2022

Dhanraj Mulki
Director
DIN: 08321516

Place : Mumbai
Date : 26 April, 2022

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2022

Equity share capital

Particulars	**In Rs.** **Amount**
As at 1st April, 2020	**5,00,000**
Changes in equity share capital during the year	
Issue of equity shares during the year	–
As at 31st March, 2021	**5,00,000**
Changes in equity share capital during the year	
Issue of equity shares during the year	–
As at March 31, 2022	**5,00,000**

In Rs.

Other equity

	Reserves & Surplus	**Items of other comprehensive income**	
Particulars	**Retained earnings**	**Remeasurements of the defined benefit liabilities / (assets)**	**Total**
As at 1st April, 2020	**(19,29,639)**	**–**	**(19,29,639)**
Loss for the year	**(1,64,560)**	**–**	**(1,64,560)**
Other comprehensive income	**–**	**–**	**–**
Total comprehensive income	**(1,64,560)**	**–**	**(1,64,560)**
As at 31st March, 2021	**(20,94,199)**	**–**	**(20,94,199)**
Loss for the year	**(2,05,444)**	**–**	**(2,05,444)**
Other comprehensive income	**–**	**–**	**–**
Total comprehensive income	**(2,05,444)**	**–**	**(2,05,444)**
As at 31st March, 2022	**(22,99,643)**	**–**	**(22,99,643)**

The Notes referred above forms an integral part of the Financial Statements

In terms of our report attached

For B.K. Khare & Company
Chartered Accountants
Firm Regn No : 105102W

Shirish Rahalkar
Partner
Membership No: 111212

Place : Mumbai
Date : 26 April, 2022

For and on behalf of the Board of Directors

Sujit Vaidya
Director
DIN: 03287161

Place : Mumbai
Date : 26 April, 2022

Dhanraj Mulki
Director
DIN: 08321516

Place : Mumbai
Date : 26 April, 2022

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

Corporate Information

The Company was incorporated on April 26, 2007 and has not yet commenced commercial operations.

1 Significant accounting policies

(i) Statement of compliance

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015.

Up to the year ended March 31, 2016, the Company prepared its financial statements in accordance with the requirements of Generally Accepted Accounting Principles in India (previous GAAP), which includes Standards notified under the Companies (Accounting Standards) Rules, 2006.

(ii) Basis of preparation and presentation

The financial statements of the Company have been prepared on the historical cost basis except for certain financial instruments that are measured at fair value at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorized into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The principal accounting policies are set out below.

(iii) Revenue recognition

The Company had not commenced commercial operations during the year ended March 31, 2022.

(iv) Taxation

Since the Company did not have any commercial operations during the year, the question of income tax / deferred tax does not arise.

(v) Property, plant and equipment

There were no fixed assets in the Company during the year ended March 31, 2022.

(vi) Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

(vii) Financial instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

Effective interest method

The effective interest method is a method of calculating the amortized cost of a financial instrument and of allocating interest over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts/payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Classification of financial assets

Debt

Debt instruments that meet the following conditions are subsequently measured at amortized cost (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Income is recognized on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL.

A debt instrument that meets the amortized cost criteria or the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognizing the gains and losses on them on different bases.

Debt instruments classified as FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement recognized in profit or loss. The Company has not designated any debt instrument as at FVTPL.

Equity

Investments in equity instruments are classified as at FVTPL, unless the Company irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading.

De-recognition of financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is either contingent consideration recognized by the Company as an acquirer in a business combination to which Ind AS 103 applies or is held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading or contingent consideration recognized by the Company as an acquirer in a business combination to which Ind AS 103 applies, may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Company's documented risk management or investment strategy, and information about the Company is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and Ind AS 109 permits the entire combined contract to be designated as at FVTPL in accordance with Ind AS 109.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on re-measurement recognized in profit or loss. The net gain or loss recognized in profit or loss incorporates any interest paid on the financial liability and is included in the 'Other income' line item.

Financial liabilities subsequently measured at amortized cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortized cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortized cost are determined based on the effective interest method. Interest expense that is not capitalized as part of costs of an asset is included under 'Finance costs'.

De-recognition of financial liabilities

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired.

(viii) Cash flow statements

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

Cash flows are reported using the indirect method, whereby profit before extra-ordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flow from operating, investing and financing activities of the Company are segregated based on the available information.

(ix) Earnings per share

Basic earnings per share is computed by dividing the profit after tax by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

2 Cash & Cash Equivalents

In Rs.

Particulars	**2022**	2021
Cash on hand	**–**	–
Balances with Banks		
On Current Account	**2,04,327**	62,473
	2,04,327	62,473

3 Share Capital

Particulars	**2022**		2021	
	No. of Shares	**Rs.**	No. of Shares	Rs.
Authorised :				
50,000 Equity Shares of Rs. 10 each	**50,000**	**5,00,000**	50,000	5,00,000
	50,000	**5,00,000**	50,000	5,00,000
Issued, Subscribed & Paid up:				
Equity :				
50,000 Equity Shares of Rs. 10 each	**50,000**	**5,00,000**	50,000	5,00,000
	50,000	**5,00,000**	50,000	5,00,000

Notes:

1 The Company has only one class of shares referred to as equity shares having a par value of Rs. 10. Each holder of equity share is entitled to one vote per share.

2 In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the company, after distribution of all preferential amounts. However, no such preferential amounts exist currently. The distribution will be in proportion to the number of equity shares held by the shareholders.

3 Reconciliation of No. of Shares and amount outstanding at the beginning and at the end of the reporting period:

	2022		2021	
Particulars	**No. of Shares**	**Rs.**	No. of Shares	Rs.
At the beginning of the year	**50,000**	**5,00,000**	50,000	5,00,000
Add: Issued during the year	**–**	**–**	–	–
At the end of the year	**50,000**	**5,00,000**	50,000	5,00,000

4 Shares in the company held by each shareholder holding more than 5% shares specifying the no. of shares held

Name of the Shareholder	**No. of Shares 2022**	**% held as at 2022**	No. of Shares 2021	% held as at 2021
Mahindra Holidays & Resorts India Limited	**49,994**	**99.99%**	49,994	99.99%

5 Shareholding of Promoters in the company

Shares held by promoters at the end of 31st March, 2022

Promoter Name	**No. of Shares**	**% to Total Shares**	**% Change during the year**
Mahindra Holidays & Resorts India Limited	**49,994**	**99.99%**	0.00%

Shares held by promoters at the end of 31st March, 2021

Promoter Name	**No. of Shares**	**% to Total Shares**	**% Change during the year**
Mahindra Holidays & Resorts India Limited	49,994	99.99%	0.00%

4 Other Equity

In Rs.

Particulars	**2022**	2021
Surplus/(Deficit) in Statement of Profit & Loss		
As per last balance sheet	**(20,94,199)**	(19,29,639)
Add: Profit/(Loss) for the year	**(2,05,444)**	(1,64,560)
	(22,99,643)	(20,94,199)

5 Borrowings

In Rs.

Particulars	**2022**	2021
Loans from related party	**16,00,000**	14,00,000
Interest accrued on Loans from related party	**3,30,822**	2,19,407
	19,30,822	16,19,407

6 Other Current Liabilities

In Rs.

Particulars	**2022**	2021
Audit Fee Payable	**70,000**	35,000
TDS Payable	**3,149**	2,265
	73,149	37,265

7 Finance Costs

In Rs.

Particulars	**2022**	2021
Interest on ICD	**1,23,794**	96,825
	1,23,794	96,825

8 Other Expenses

In Rs.

Particulars	**2022**	2021
Rates & Taxes	**11,800**	12,200
Legal and Professional Charges	**34,850**	40,625
Auditors' Remuneration for Statutory Audit	**35,000**	35,000
Interest on tax	**–**	234
	81,650	88,059

9 Earnings per Share

In Rs.

	2022	2021
Basic and Diluted Earnings per share	**(4.11)**	(3.29)

In Rs.

	2022	2021
Profits used in the calculation of basic earnings per share and diluted earnings per share from continuing operations	**(2,05,444)**	(1,64,560)
Weighted average number of equity shares	**50,000**	50,000
Earnings per share - Basic and Diluted	**(4.11)**	(3.29)

10 Categories of financial assets and financial liabilities

In Rs.

	As at March 31, 2022	
	Amortised Costs	**Total**
Current Assets		
Cash & Bank balances	**2,04,327**	**2,04,327**
Current Liabilities		
Borrowings	**19,30,822**	**19,30,822**

In Rs.

	As at March 31, 2021	
	Amortised Costs	Total
Current Assets		
Cash & Bank balances	62,473	62,473
Current Liabilities		
Borrowings	16,19,407	16,19,407

11 Fair Value Measurement

Fair value of financial assets and financial liabilities that are not measured at fair value

The fair value of the financial assets and financial liabilties that are not measured at fair value is closely approximates the carrying value as disclosed below:

In Rs.

	2022		2021	
	Carrying Amount	**Fair value**	Carrying Amount	Fair value
Financial liabilities				
Cash and Cash Equivalents	**2,04,327**	**2,04,327**	62,473	62,473
Financial liabilities				
Borrowings	**19,30,822**	**19,30,822**	16,19,407	16,19,407
Total	**19,30,822**	**19,30,822**	16,19,407	16,19,407

12 Ratios

Particulars	**Ratios**	**2022**	2021
Current Ratio	Current Asset/ Current Liability	2.79	1.68
Debt-Equity Ratio	Total debt/ Shareholders equity	(1.07)	(1.02)
Debt Service Coverage Ratio	Net operating income/debt (principal+interest)	(0.04)	(0.04)
Return on Equity Ratio	Net Income/ Average Total shareholders Equity	0.12	0.11
Return on Capital employed	Earning before Interest and tax/ capital employed	(0.62)	(2.69)
Return on investment	Net profit/Cost of investment	(0.41)	(0.33)

Note :

1. Current Ratio increased from 1.68 to 2.79 as on March'22 due to increase in Cash & Cash Equivalents.
2. Return on Capital employed change from 2.69 to 0.62 as on March'22 due to increase in Total Debt during the year.

13 Segment information

The Company did not commence commercial operations during the year ended March 31, 2022. Hence, the disclosure requirement as per Ind AS 108 on Operating Segment would not be applicable to the Company.

14 Related Party Transactions

(i) Names of related parties and nature of relationship where control exists:

Nature of Relationship	**Name of the Related Party**
Holding Company	Mahindra Holidays & Resorts India Limited
Ultimate Holding Company	Mahindra & Mahindra Limited

(ii) Related Party Transactions and balances

In Rs.

Particulars	**2022**	2021
Holding company		
Transactions during the year:		
Interest accrued on ICD	**1,23,794**	**96,825**
ICD Availed/ Converted	**2,00,000**	**8,50,000**
Holding company		
Balances as at:		
ICD Outstanding	**16,00,000**	**14,00,000**
Interest accrued but not due on ICD	**3,30,822**	**2,19,407**

15 Previous year figures have been regrouped / reclassified to correspond with current year's classification / disclosure, wherever deemed necessary.

In terms of our report attached

For B.K. Khare & Company
Chartered Accountants
Firm Regn No : 105102W

Shirish Rahalkar
Partner
Membership No: 111212

Place : Mumbai
Date : 26 April, 2022

For and on behalf of the Board of Directors

Sujit Vaidya
Director
DIN: 03287161

Place : Mumbai
Date : 26 April, 2022

Dhanraj Mulki
Director
DIN: 08321516

Place : Mumbai
Date : 26 April, 2022

REPORT ON AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

TO THE MEMBERS OF GABLES PROMOTERS PRIVATE LIMITED

Opinion

We have audited the accompanying Financial Statements of Gables Promoters Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, its profit and total comprehensive income, its changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Financial Statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("the ICAI") together with the ethical requirements that are relevant to our audit of the Financial Statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Financial Statements.

Information Other than the Financial Statements and Auditors' Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the Directors Report and the related annexures, but does not include the Financial Statements and our Auditors' Report thereon.

Our opinion on the Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Financial Statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Financial Statements of the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements:-

As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-Section (11) of Section 143 of the Act and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in Annexure B, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

As required by Section 143(3) of the Act, we report that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

(b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

(c) The Balance Sheet, the Statement of Profit and Loss, the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this report are in agreement with the books of account.

(d) In our opinion, the aforesaid Financial Statements comply with the Accounting Standards specified under Section 133 of the Act.

(e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164(2) of the Act.

(f) With respect to the adequacy of the internal financial controls with reference to Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure A. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to Financial Statements.

(g) The Company has not paid / provided for managerial remuneration for the year ended March 31, 2022.

(h) With respect to the other matters to be included in the Auditors' Report in accordance with the requirements of Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

(i) The Company does not have any pending litigations which will impact its financial positions.

(ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

(iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

(iv) (a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

(v) The Company has not declared/ paid/ declared and paid any dividend during the year.

For Sharma Ajay & Associates,
Chartered Accountants
Firm Registration No. 017320N

(Ajay Sharma)
Partner
M. No. 090881
UDIN: 22090881AIGGHT4101

Place: Panchkula
Date: 30.04.2022

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE IND AS FINANCIAL STATEMENTS OF GABLES PROMOTERS PRIVATE LIMITED

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of sub-section (3) of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of Gables Promoters Private Limited ("the Company") as of March 31, 2022 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2022, based on the criteria for internal financial control with reference to financial statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Sharma Ajay & Associates,
Chartered Accountants
Firm Registration No.017320N

(Ajay Sharma)
Partner
M. No. 090881
UDIN: 22090881AIGGHT4101
Place: Panchkula
Date: 30.04.2022

ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT

[Referred to in Clause 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date]

i. (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(a) (B) The Company has maintained proper records showing full particulars of intangible assets.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified in a phased manner. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment or intangible assets during the year except for assets comprising 'Freehold Land'.

The aforesaid revaluation is based on the valuation performed by a Registered Valuer and the amount of net change was less than 10% in the aggregate of the net carrying value of land as a class of Property, Plant and Equipment.

(e) Based on the audit procedures performed by us and according to the information, explanations and representations given to us, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

ii. (a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory.

(b) According to the information and explanations given to us, the Company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets at any point of time during the year.

iii. According to the information and explanations given to us, the Company has not made investments in or provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year. Accordingly, the reporting under Clauses 3(iii)(a) to 3(iii)(f) of the Order is not applicable to the Company.

iv. According to the information and explanations given to us, the Company has not granted any loans or made any investments or provided any guarantees or security to the parties covered under Sections 185 and 186 of the Act. Accordingly, the reporting under Clause 3(iv) of the Order is not applicable to the Company.

v. According to the information and explanations given to us, the Company has not accepted deposits under the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. Accordingly, the reporting under Clause 3(v) of the Order is not applicable to the Company.

vi. The Central Government has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company. Accordingly, the reporting under Clause 3(vi) of the Order is not applicable to the Company.

vii. According to the information and explanations given to us and on the basis of our examination of records of the Company, the amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Services tax, Income-tax, Cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. The amounts deducted / accrued in the books of account in respect of undisputed statutory dues of Income-tax have generally been regularly deposited during the year by the Company with the appropriate authorities. According to the information and explanations given to us and on the basis of our examination of records of the Company, there were no undisputed statutory dues payable in respect of Sales tax, Service tax, Duty of Customs, Duty of Excise and Value Added Tax.

According to the information and explanations given to us and on the basis of our examination of records of the Company, there were no arrears of outstanding statutory dues in respect of Goods and Services tax, Provident fund, Employees' State Insurance, Income-tax, Sales tax, Service tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other material statutory dues as on the last day of the financial year for a period of more than six months from the date they became payable.

viii. According to the information and explanations given to us, there are no transactions not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income-tax Act, 1961.

ix. (a) According to the information and explanations given to us and based on the audit procedures performed by us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.

(b) According to the information and explanations given to us, the Company has not been declared a willful defaulter by any bank or financial institution or any other lender till the date of our audit report.

(c) The company has taken a Term Loan loans amounting to Rs. 65 .00 Crore from Kotak Mahindra Bank against Naldhera Property in 2016-2017(FY). The amount Standing as on 31/03/2022 is Rs. 16.34 Crore (Previous Year Rs.29.42 Crore) (including Interest). The loan has been repayable within 7 years (fully repayable by 2023-2024) including morotorium of 2 year from the date of first drawdown. The loan has been taken for the purpose of construction of Resort /Hotels at Naldhera, HP. According to the information and explanations given to us, and based on the records of the Company, the Company has not defaulted in the repayment of loans or borrowings to banks.

(d) According to the information and explanation given to us, the Company has not raised funds on short term basis during the year. Accordingly, the reporting under Clause 3(ix)(d) of the Order is not applicable to the Company.

(e) According to the information and explanations given to us, the Company does not have any subsidiaries, associates or joint ventures. Accordingly, the reporting under Clauses 3(ix)(f) and 3(ix)(e) of the Order is not applicable to the Company.

x. (a) According to the information and explanations given to us, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under Clause 3(x)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year.

xi. (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company noticed or reported during the year, nor have we been informed of any such case by the management.

(b) There has been no report filed by us under sub-section (12) of Section 143 of the Act in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) As represented to us by the management, no whistle blower complaints were received by the Company during the year.

xii. According to the information and explanations given to us, the Company is not a Nidhi company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, the reporting under Clause 3(xii) of the Order is not applicable to the Company.

xiii. In our opinion and according to the information and explanations given to us, the Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required by Indian Accounting Standard (Ind AS) 24, Related Party Disclosures, specified under Section 133 of the Act.

xiv. In our opinion and according to the information and explanations given to us and based on our examination, the Company has an internal audit system commensurate with the size and nature of its business.

xv. According to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or directors of its holding company or persons connected with them during the year and hence, the provisions of Section 192 of the Act are not applicable to the Company.

xvi. (a) According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

(b) In our opinion and according to the information and explanations given to us, the Company has not conducted any Non-Banking Financial or Housing Finance activities.

(c) In our opinion and according to the information and explanations given to us, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under Clauses 3(xvi)(c) and 3(xvi)(d) of the Order is not applicable to the Company.

xvii. The Company has not incurred cash losses in the current and in the immediately preceding financial year.

xviii. There has been no resignation of the statutory auditors during the year. Accordingly, the reporting under Clause 3(xviii) of the Order is not applicable to the Company.

xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of Balance Sheet as and when they fall due within a period of one year from the Balance Sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the Balance Sheet date, will get discharged by the Company as and when they fall due.

xx. (a) According to the information and explanations given to us, in respect of other than ongoing projects, the Company has no unspent amount that needs to be transferred to a Fund specified in Schedule VII to the Act in compliance with second proviso to sub-section (5) of Section 135 of the Act.

(b) According to the information and explanations given to us, in respect of ongoing projects, the Company has no unspent amount which needs to be transferred to a special account in compliance with sub-section (6) of Section 135 of the Act.

xxi. The consolidated financial statements are not applicable to the Company. Accordingly, the reporting under Clause 3(xxi) of the Order is not applicable to the Company.

For SHARMA AJAY & ASSOCIATES

Chartered Accountants
Firm Registration No. 017320N

(AJAY SHARMA)

Partner
Membership Number : 090881
UDIN: 22090881AIGGHT4101

Place: Panchkula
Date: 30.04.2022

BALANCE SHEET AS AT MARCH 31, 2022

Particulars	Notes	2022	In Rs. 2021
ASSETS			
Non-current assets			
Property, Plant and Equipment	3	**1,546,232,335**	1,518,199,497
Intangible Assets	4	**1,045,997**	–
Capital work-in-progress		**–**	1,302,498
Financial Assets			
Deposits	5	**4,637,222**	200,000
Other non-current tax assets	6	**19,111,725**	17,871,565
		1,571,027,279	1,537,573,560
Current assets			
Inventories	7	**1,217,001**	1,247,991
Financial Assets			
Trade Receivables	8	**24,352,018**	17,957,449
Cash and cash equivalents	9	**5,228,812**	9,601,616
Other Bank Balances	10	**33,156,082**	–
Other current assets	11	**5,249,086**	4,391,531
		69,202,999	33,198,586
		1,640,230,278	1,570,772,147
EQUITY AND LIABILITIES			
Equity			
Equity Share capital	12	**650,000,000**	650,000,000
Other Equity	13	**283,316,339**	199,219,562
		933,316,339	849,219,562
Non-current liabilities			
Financial Liabilities			
Borrowings	14	**33,413,617**	164,226,551
Others	15	**12,494,878**	12,494,878
Provisions	16	**436,340**	367,881
Deferred Tax Liabilities (Net)	17	**32,758,116**	20,814,933
		79,102,951	197,904,243
Current liabilities			
Financial Liabilities			
Borrowings	18	**607,940,484**	510,012,247
Trade payables	19		
Total outstanding dues of micro enterprises and small enterprises		**–**	–
Total outstanding dues of creditors other than micro enterprises and small enterprises		**11,660,057**	69,84,382
Others	20	**1,053,990**	646,815
Provisions	21	**127,437**	76,127
Other current liabilities	22	**7,029,020**	5,928,770
		627,810,988	523,648,341
		1,640,230,278	1,570,772,147

See accompanying notes to the financial statements

In terms of our report attached.

For Sharma Ajay & Associates
Chartered Accountants
Firm Registration No. 017320N

Ajay Sharma
Partner
Membership Number: 090881

Place: Panchkula
Date: 30.04.2022

For and on behalf of the Board of Directors

Dhanraj Mulki
Director
DIN: 08321516
Place: Mumbai
Date: 30.04.2022

Sujit Vaidya
Director
DIN- 03287261
Place: Mumbai
Date: 30.04.2022

Narender Pratap Singh
CFO
Place: Mumbai
Date: 30.04.2022

Kasturi Banerjee
Company Secretary
Place: Mumbai
Date: 30.04.2022

Balamurugan PS
Manager
Place: Mumbai
Date: 30.04.2022

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2022

Particulars	Notes	2022	In Rs. 2021
REVENUE			
Revenue from operations	**23**	**210,700,409**	147,758,468
Other Income	**24**	**1,068,510**	2,259,416
Total Revenue		**211,768,919**	150,017,885
EXPENSES			
Employee benefit expense	**25**	**31,541,428**	27,161,958
Finance Charges	**26**	**49,102,834**	53,608,141
Depreciation and amortisation expense	**3 & 4**	**47,988,012**	48,079,053
Other expenses	**27**	**62,074,801**	35,387,530
Total Expenses		**190,707,075**	164,236,682
Profit/(Loss) before tax		**21,061,844**	(14,218,797)
Tax Expense			
Current tax		**–**	–
Deferred tax		**–**	–
Total tax expense		**–**	–
Profit/(Loss) after tax for the year		**21,061,844**	(14,218,797)
Profit/(Loss) for the year		**21,061,844**	(14,218,797)
Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
Freehold land revaluation		**74,978,115**	–
Income taxes related to items that will not be reclassified to profit or loss		**(11,943,183)**	42,001,067
Net other comprehensive income not to be reclassified subsequently to profit or loss		**63,034,932**	42,001,067
Total comprehensive income for the year		**84,096,777**	27,782,270
Earnings per equity share (for continuing operation):			
Basic and Diluted	**28**	**0.32**	(0.22)

See accompanying notes to the financial statements

In terms of our report attached.
For Sharma Ajay & Associates
Chartered Accountants
Firm Registration No. 017320N

Ajay Sharma
Partner
Membership Number: 090881

Place: Panchkula
Date: 30.04.2022

For and on behalf of the Board of Directors

Dhanraj Mulki
Director
DIN: 08321516
Place: Mumbai
Date: 30.04.2022

Sujit Vaidya
Director
DIN- 03287261
Place: Mumbai
Date: 30.04.2022

Narender Pratap Singh
CFO
Place: Mumbai
Date: 30.04.2022

Kasturi Banerjee
Company Secretary
Place: Mumbai
Date: 30.04.2022

Balamurugan PS
Manager
Place: Mumbai
Date: 30.04.2022

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2022

Particulars	2022	In Rs. 2021
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Profit/(Loss) before tax for the year	**21,061,844**	(14,218,797)
Adjustments for:		
Finance Cost	**49,102,834**	53,608,141
Depreciation	**47,988,012**	48,079,053
Movements in working capital:		
Decrease/(Increase) in other assets	**(12,898,516)**	5,822,450
Increase/(decrease) in trade and other payables	**6,302,869**	(6,623,563)
Cash generated from operations	**111,557,044**	86,667,284
Income taxes paid	**–**	–
NET CASH (USED IN)/GENERATED FROM OPERATING ACTIVITIES	**111,557,044**	86,667,284
B. CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of fixed assets	**(780,733)**	(695,869)
Placement of Fixed Deposits	**(33,156,082)**	–
Capital work-in-progress	**1,302,498**	(1,302,498)
Addition in Intangible assets	**(1,307,998)**	–
NET CASH (USED IN)/GENERATED FROM INVESTING ACTIVITIES	**(33,942,315)**	(1,998,367)
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Equity Share Capital		
Proceeds from borrowings	**(32,884,701)**	(37,602,521)
Finance cost	**(49,102,834)**	(53,608,141)
NET CASH (USED IN)/GENERATED FROM FINANCING ACTIVITIES	**(81,987,535)**	(91,210,662)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	**(4,372,806)**	(6,541,745)
Cash and cash equivalents at the beginning of the year	**9,601,617**	16,143,361
Cash and cash equivalents at the end of the year	**5,228,811**	9,601,617

See accompanying notes forming part of the financial statements

In terms of our report attached.
For Sharma Ajay & Associates
Chartered Accountants
Firm Registration No. 017320N

Ajay Sharma
Partner
Membership Number: 090881

Place: Panchkula
Date: 30.04.2022

For and on behalf of the Board of Directors

Dhanraj Mulki
Director
DIN: 08321516
Place: Mumbai
Date: 30.04.2022

Sujit Vaidya
Director
DIN- 03287261
Place: Mumbai
Date: 30.04.2022

Narender Pratap Singh
CFO
Place: Mumbai
Date: 30.04.2022

Kasturi Banerjee
Company Secretary
Place: Mumbai
Date: 30.04.2022

Balamurugan PS
Manager
Place: Mumbai
Date: 30.04.2022

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

1 Corporate Information

The Company was incorporated on January 9, 2012 (CIN:U45209 CH2012PTC033473) and is in the principle business of construction, maintenance & running of hotels, resorts, shopping malls, buildings and other commercial & residential apartments.

2 Significant accounting policies

(i) Statement of compliance

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 and as amended from time to time.

(ii) Basis of preparation and presentation

The financial statements of the Company have been prepared on the historical cost basis except for certain financial instruments that are measured at fair value at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorized into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The principal accounting policies are set out below.

(iii) Revenue recognition

Income from resorts include income from room rentals, food and beverages, etc. and is recognized when services are rendered.

(iv) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

All other borrowing costs are recognized in profit or loss in the period in which they are incurred.

(v) Taxation

The tax currently payable is based on taxable profit for the year. Taxable profit differs from ‘profit before tax’ as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The company’s current tax is calculated using tax rates that have been enacted by the end of the reporting period. Since the company has commenced operations during the current year and has not generated any profit before tax, current tax is Nil.

(vi) Property, plant and equipment

Buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses. Freehold land is measured at fair value and not depreciated.

Fixtures and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

PPE in the course of construction for production, supply or administrative purposes are carried at cost, less any recognized impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalized in accordance with the Company’s accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, commences when the assets are ready for their intended use.

Category of Asset	Estimated useful lives
Buildings (other than those mentioned below)	60 years
Plant & equipment	10 years
Furniture and Fixtures (other than those mentioned below)	10 years
Vehicles (other than those mentioned below)	8 years
Motor vehicles/other assets provided to employees	4/5 years
Office equipment	5 years

Depreciation is recognized so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

(vii) Inventories

Inventories are carried at the lower of cost and net realizable value. Costs of inventories are determined on moving weighted average basis. Cost includes the purchase price, non-refundable taxes and delivery handling cost. Net realizable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

(viii) Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

(ix) Financial instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

Effective interest method

The effective interest method is a method of calculating the amortized cost of a financial instrument and of allocating interest over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts/payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Classification of financial assets

Debt

Debt instruments that meet the following conditions are subsequently measured at amortized cost (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Income is recognized on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL.

Debt instruments classified as FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement recognized in profit or loss. The Company has not designated any debt instrument as at FVTPL.

Equity

Investments in equity instruments are classified as at FVTPL, unless the Company irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading.

De-recognition of financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is either contingent consideration recognized by the Company as an acquirer in a business combination to which Ind AS 103 applies or is held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading or contingent consideration recognized by the Company as an acquirer in a business combination to which Ind AS 103 applies, may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Company's documented risk management or investment strategy, and information about the Company is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and Ind AS 109 permits the entire combined contract to be designated as at FVTPL in accordance with Ind AS 109.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on re-measurement recognized in profit or loss. The net gain or loss recognized in profit or loss incorporates any interest paid on the financial liability and is included in the 'Other income' line item.

Financial liabilities subsequently measured at amortized cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortized cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortized cost are determined based on the effective interest method. Interest expense that is not capitalized as part of costs of an asset is included under 'Finance costs'.

De-recognition of financial liabilities

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired.

(x) Cash flow statements

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

Cash flows are reported using the indirect method, whereby profit before extra-ordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flow from operating, investing and financing activities of the Company are segregated based on the available information.

(xi) Earnings per share

Basic earnings per share is computed by dividing the profit/(loss) after tax by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit/(loss) after tax as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

Note No. 3 - Tangible Assets

2022

In Rs.

Description of Assets	Land - Freehold	Buildings - Freehold	Plant and Equipment	Office Equipment	Furniture and Fixtures	Vehicles - Freehold	Total
I. Gross Block							
Balance as at April 1, 2021	430,400,010	983,332,383	155,938,692	4,734,490	118,047,681	5,350,625	1,697,803,881
Additions	–	–	242,696	538,037	–	–	780,733
Revaluation Reserve	74,978,115	–	–	–	–	–	74,978,115
Balance as at March 31, 2022	**505,378,125**	**983,332,383**	**156,181,388**	**5,272,527**	**118,047,681**	**5,350,625**	**1,773,562,729**
II. Accumulated depreciation and impairment for the year							
Balance as at April 1, 2021	–	59,244,135	62,347,202	3,250,424	52,320,144	2,442,478	179,604,383
Depreciation / amortisation expense for the year	–	16,388,873	15,436,810	877,875	14,353,625	668,828	47,726,011
Balance as at March 31, 2022	–	**75,633,008**	**77,784,012**	**4,128,299**	**66,673,769**	**3,111,306**	**227,330,394**
Net block (I-II)							
Balance as at March 31, 2022	**505,378,125**	**907,699,375**	**78,397,376**	**1,144,228**	**51,373,912**	**2,239,319**	**1,546,232,335**
Balance as at March 31, 2021	430,400,010	924,088,248	93,591,490	1,484,066	65,727,537	2,908,147	1,518,199,497

2021

In Rs.

Description of Assets	Land - Freehold	Buildings - Freehold	Plant and Equipment	Office Equipment	Furniture and Fixtures	Vehicles - Freehold	Total
I. Gross Block							
Balance as at April 1, 2020	430,400,010	983,332,383	155,796,172	4,181,141	118,047,681	5,350,625	1,697,108,012
Additions	–	–	142,520	553,349	–	–	695,869
Balance as at March 31, 2021	**430,400,010**	**983,332,383**	**155,938,692**	**4,734,490**	**118,047,681**	**5,350,625**	**1,697,803,881**
II. Accumulated depreciation and impairment for the year							
Balance as at April 1, 2020	–	42,855,262	46,577,252	2,362,789	37,956,377	1,773,650	131,525,331
Depreciation/amortisation expense for the year	–	16,388,873	15,769,950	887,635	14,363,767	668,828	48,079,053
Balance as at March 31, 2021	–	59,244,135	62,347,202	3,250,424	52,320,144	2,442,478	179,604,384
Net block (I-II)							
Balance as at March 31, 2021	430,400,010	924,088,248	93,591,490	1,484,066	65,727,537	2,908,147	1,518,199,497
Balance as at March 31, 2020	430,400,010	940,477,121	109,218,920	1,818,351	80,091,304	3,576,975	1,565,582,681

Note No. 4 - Other Intangible Assets

Description of Assets	**In Rs.** **Computer Software**
I. Gross Block	
Balance as at April 1, 2021	–
Additions	1,307,998
Balance as at March 31, 2022	**1,307,998**

Description of Assets	**In Rs.** **Computer Software**
II. Accumulated amortization	
Balance as at April 1, 2021	–
Amortisation expense for the year	262,001
Balance as at March 31, 2022	**262,001**
Net block (I-II)	
Balance as at March 31, 2022	**1,045,997**
Balance as at March 31, 2021	–

Note No. 5 - Financial assets - Non-Current - Loans and Advances

In Rs.

Particulars	2022	2021
Deposits - Non Current	**4,637,222**	200,000
Less : Provision for doubtful deposit	**–**	–
	4,637,222	200,000

Note No. 6 - Other Non-Current Tax Assets

In Rs.

Particulars	2022	2021
Advance Income tax	**19,111,725**	17,871,565
(Net of provisions up to the reporting date)		
	19,111,725	17,871,565

Note No. 7 - Inventories
(At lower of cost and net realisable value)

In Rs.

Particulars	2022	2021
Food, beverages and smokes	**1,217,001**	1,247,991
	1,217,001	1,247,991

Note No. 8 - Trade Receivables
(Unsecured)

In Rs.

Particulars	2022	2021
Due for less than six months and within the next one year		
Considered good	**24,352,018**	17,957,449
	24,352,018	17,957,449

Note No. 9 - Cash and Bank Balances

In Rs.

Particulars	2022	2021
Cash and cash equivalents		
Cash at hand	**155,209**	99,575
Balances with banks	**5,073,603**	9,502,041
	5,228,812	9,601,616

Note No. 10 - Other Bank Balances

In Rs.

Particulars	2022	2021
Bank Deposits with original maturity greater than three months and less than twelve months	**33,156,082**	–
	33,156,082	–

Note No. 11 - Other assets - Current

In Rs.

Particulars	2022	2021
Advances other than capital advances		
Balances with government authorities (other than income taxes)	**3,560,294**	2,386,477
Prepaid Expenses	**1,687,792**	1,874,904
Other advances		
Advance to suppliers	**1,000**	130,150
	5,249,086	4,391,531

Note No. 12 - Equity Share Capital

Particulars	**As At March 31, 2022**		As At March 31, 2021	
	No. of shares	**Rs.**	No. of shares	Rs.
Authorised:				
Equity shares of Rs. 10 each with voting rights	**65,000,000**	**650,000,000**	65,000,000	650,000,000
Issued, Subscribed and Fully Paid:				
Equity shares of Rs. 10 each with voting rights	**65,000,000**	**650,000,000**	65,000,000	650,000,000
	65,000,000	**650,000,000**	65,000,000	650,000,000

12 a) Terms / rights attached to equity shares:

i) The Company has only one class of shares referred to as equity shares having a par value of Rs. 10/-. Each holder of equity share is entitled to one vote per share.

ii) Repayment of capital will be in proportion to the number of equity shares held.

12 b) Shares in the Company held by Holding Company and each shareholder holding more than 5% shares specifying the number of shares held.

Name of shareholder	No. of shares	% held as at March 31, 2022	No. of shares	% held as at March 31, 2021
Mahindra Holidays & Resorts India Limited (Holding Company)	**65,000,000**	**100.00%**	65,000,000	100.00%

12 c) The reconciliation of the number of shares outstanding as at March 31, 2021, March 31, 2020 is set out below:-

Particulars	**As at March 31, 2022**		As at March 31, 2021	
	No. of Shares	**In Rs.**	No. of Shares	In Rs.
Number of shares at the beginning	**65,000,000**	**650,000,000**	65,000,000	650,000,000
Add: Issued during the year	**–**	**–**	–	–
Number of shares at the end	**65,000,000**	**650,000,000**	65,000,000	650,000,000

12 d) Shareholding of promoters in the company

Shares held by promoters at the end of March 31, 2022

Promoter name	No of shares	% of total shares	% change during the year
Mahindra holidays & Resorts India limited	65,000,000	100%	0%

Shares held by promoters at the end of March 31, 2021

Promoter name	No of shares	% of total shares	% change during the year
Mahindra holidays & Resorts India limited	65,000,000	100%	0%

Note No. 13 - Other Equity

In Rs.

Particulars	Retained earnings	Total
Balance at the beginning of the reporting period- April 1, 2021	171,437,292	171,437,292
Total Comprehensive income for the year	27,782,270	27,782,270
Balance at the end of the reporting period- March 31, 2022	**199,219,562**	**199,219,562**
Balance at the beginning of the reporting period-April 1, 2021	199,219,562	199,219,562
Total Comprehensive income for the year	84,096,777	84,096,777
Balance at the end of the reporting period- March 31,2022	**283,316,339**	**283,316,339**

Note No. 14 - Borrowings Non-current

In Rs.

Particulars	2022	2021
Secured Borrowings		
Loans from banks	**33,413,617**	164,226,551
	33,413,617	164,226,551

Loans from banks are secured by a hypothecation of current assets of the Company and mortgage of immovable property of the company. This loan is repayable by 2023 - 2024 and carries an interest rate @ 6M MCLR + 0.10%.

Note No. 15 - Other Financial Liabilities - Non-current

In Rs.

Particulars	2022	2021
Other Financial Liabilities Measured at Amortised Cost		
Other long term liabilities - Retention Money	**12,494,878**	12,494,878
	12,494,878	12,494,878

Note No. 16 - Provisions

In Rs.

Particulars	2022	2021
Provision for Employee Benefits		
Gratuity	**230,891**	**154,143**
Compensated Absences	**205,449**	**213,738**
	436,340	**367,881**

Note No. 17 - Deferred tax liabilities

In Rs.

Particulars	2022	2021
Tax effect of items constituting deferred tax liabilities		
Revaluation of freehold land	**32,758,116**	20,814,933
	32,758,116	20,814,933

Note No. 18 - Borrowings Current

In Rs.

Particulars	2022	2021
Unsecured Borrowings		
Current maturities of long term borrowings	**130,000,000**	130,000,000
Loans from related parties*	**477,940,484**	380,012,247
	607,940,484	510,012,247

*This Loan carries an interest rate @ 8.75% per annum including interest of Rs. 529.40 lakhs.

Note No. 19 - Trade Payables

In Rs.

Particulars	2022	2021
Total outstanding dues of micro enterprises and small enterprises	**–**	–
Total outstanding dues of creditors other than micro enterprises and small enterprises	**11,660,057**	6,984,382
	11,660,057	6,984,382

Note No. 20 - Other Financial Liabilities - Current

In Rs.

Particulars	2022	2021
Employee Creditor	**276,784**	47,001
Others		
- Other payables (Capital Creditors)	**777,206**	599,814
	1,053,990	646,815

Note No. 21 - Provisions

In Rs.

Particulars	**2022**	2021
Provision for Employee Benefits		
Gratuity	**43,008**	**336**
Compensated Absences	**84,429**	**75,791**
	127,437	**76,127**

Note No. 22 - Other Current Liabilities

In Rs.

Particulars	**2022**	2021
Statutory dues		
- taxes payable (other than income taxes)	**7,029,020**	5,928,770
	7,029,020	5,928,770

Note No. 23 - Revenue from Operations

In Rs.

Particulars	**2022**	2021
Income from resorts :		
Room Rentals	**133,336,281**	111,575,990
Food and Beverages	**63,650,035**	32,034,925
Wine and liquor	**1,558,230**	630,220
Holiday Activity	**5,254,632**	1,421,779
Others	**6,901,231**	2,095,554
	210,700,409	147,758,468

Note No. 24 - Other Income

In Rs.

Particulars	**2022**	2021
Interest Income		
On Income Tax Refund	**897,770**	713,148
On deposits with bank	**170,740**	–
Old Vendors Written Back	**–**	1,546,268
	1,068,510	2,259,416

Note No. 25 - Employee Benefits Expense

In Rs.

Particulars	**2022**	2021
Salaries and wages, including bonus	31,541,428	27,161,958
	31,541,428	27,161,958

Note No. 26 - Finance Costs

In Rs.

Particulars	**2022**	2021
Interest on borrowings from Bank	15,849,237	26,505,915
Interest on borrowings from related party	33,253,597	27,102,226
	49,102,834	53,608,141

Note No. 27 - Other Expenses

In Rs.

Particulars	**Year Ended March 31, 2022**	Year Ended March 31, 2021
Cost of food, beverages and smokes consumed		
Opening stock	**1,247,991**	1,444,724
Add: Purchases	**14,594,588**	8,237,465
Less: Closing stock	**1,217,001**	1,247,991
	14,625,578	8,434,197
Operating Supplies	**11,488,826**	5,846,345
Power and Fuel	**18,549,683**	7,459,810
Rates and taxes	**746,566**	646,298
Travelling expenses	**1,780,080**	1,720,930
Auditors remuneration and out-of-pocket expenses		
As Auditors	**187,500**	125,000
Consultancy Charges	**533,906**	412,697
Repairs and maintenance		
Buildings	**229,649**	224,173
Plant & equipment	**2,374,051**	1,941,640
Others	**4,704,069**	3,612,438
Communication	**391,926**	192,909
Printing and Stationary	**835,323**	362,533
Insurance	**1,272,612**	1,450,403
Service Charges	**2,153,196**	1,674,601
Miscellaneous	**2,201,835**	1,283,554
	62,074,800	35,387,530

Note No. 28 - Earnings Per Share

In Rs.

Particulars	**2022**	2021
Basic and Diluted Earnings per share	**0.32**	(0.22)

Particulars	**2022**	2021
Profits used in the calculation of basic earnings per share and diluted earnings per share from continuing operations	**21,061,844**	(14,218,797)
Weighted average number of equity shares	**65,000,000.00**	65,000,000.00
Earnings per share from continuing operations - Basic and Diluted	**0.32**	(0.22)

Note No. 29 - Categories of financial assets and financial liabilities

In Rs.

Particulars	As at March 31, 2022 Amortised Cost	Total
Non-Current Assets		
Loans	**4,637,222**	**4,637,222**
Current Assets		
Trade Receivables	**24,352,018**	**24,352,018**
Cash & Bank balances	**38,384,894**	**38,384,894**
Non-current Liabilities		
Borrowings	**33,413,617**	**33,413,617**
Other Financial Liabilities		
- Non Derivative Financial Liabilities	**12,931,218**	**12,931,218**
Current Liabilities		
Borrowings	**607,940,484**	**607,940,484**
Trade Payables	**11,660,057**	**11,660,057**
Other Financial Liabilities		
- Non Derivative Financial Liabilities	**1,053,990**	**1,053,990**

In Rs.

Particulars	As at March 31, 2021 Amortised Cost	Total
Non-Current Assets		
Loans	200,000	200,000
Current Assets		
Trade Receivables	17,957,449	17,957,449
Cash & Bank balances	9,601,616	9,601,616
Non-current Liabilities		
Borrowings	164,226,551	164,226,551
Other Financial Liabilities		
- Non Derivative Financial Liabilities	12,862,759	12,862,759
Current Liabilities		
Borrowings	510,012,247	510,012,247
Trade Payables	6,984,382	6,984,382
Other Financial Liabilities		
- Non Derivative Financial Liabilities	646,815	646,815

Note No. 30 - Fair Value Measurement

Fair value of financial assets and financial liabilities that are not measured at fair value

The fair value of the financial assets and financial liabilities that are not measured at fair value closely approximates the carrying value as disclosed below:

In Rs.

Particulars	March 31, 2022 Carrying amount	March 31, 2022 Fair value	March 31, 2021 Carrying amount	March 31, 2021 Fair value
Financial assets				
Loans	**4,637,222**	**4,637,222**	200,000	200,000
Trade Receivables	**24,352,018**	**24,352,018**	17,957,449	17,957,449
Cash & Bank balances	**38,384,894**	**38,384,894**	9,601,616	9,601,616
Total	**67,374,134**	**67,374,134**	27,759,064	27,759,064
Financial liabilities				
Borrowings	**641,354,101**	**641,354,101**	674,238,798	674,238,798
Other long term liabilities	**12,931,218**	**12,931,218**	12,862,759	12,862,759
Trade Payables	**11,660,057**	**11,660,057**	6,984,382	6,984,382
Other current financial liabilities	**1,053,990**	**1,053,990**	646,815	646,815
Total	**666,999,365**	**666,999,365**	694,732,754	694,732,754

Note No. 31 - Segment information

The Company is primarily engaged in the business of maintenance & running of resorts and related services in India. As such, the Company operates in a single segment and there are no separate reportable segments. The same is consistent with the information reviewed by the chief operating decision maker (CODM).

Note No. 32 - Related Party Transactions

(i) Names of related parties and nature of relationship where control exists:

Nature of Relationship	Name of the Related Party
Holding Company	Mahindra Holidays & Resorts India Limited

Key Managerial Personnel

Narender Pratap Singh
Balamurugan PS
Rutika Nandwana

(ii) Related Party Transactions and balances

In Rs.

Particulars	2022	2021
Holding company		
Transactions during the year:		
ICD received	**80,000,000**	81,000,000
Interest on ICD repaid	**12,000,000**	–
Interest on ICD	**33,253,596**	27,102,226
Share Capital	**–**	–
Manpower deputation	**11,640,886**	9,968,444
Sale of services	**110,358,300**	95,278,848
Holding company		
Balances as at:		
ICD received	**477,940,483**	380,012,247
Trade payables	**–**	–
Trade Receivables	**24,266,573**	18,257,927

Note No. 33 - Capital Work in Progress

In Rs.

Particulars	2022	2021
Balance at the beginning of the reporting period	**1,302,498**	–
Add: Cost of construction during the year	**–**	1,302,498
Expensed out during the year	**–**	–
Transferred to fixed Assets	**(1,302,498)**	–
Balance at the end of the reporting period	**–**	1,302,498

Note No. 34 - Capital Commitment

In Rs.

Particulars	2022	2021
Estimated amount of Contracts remaining to be executed on capital account and not provided for net of advances	–	–
	–	–

Note No. 35 - Revaluation of land

As at September 30, 2018, the Company has changed its accounting policy with respect to measurement of freehold land. According to the revised policy, freehold land is revalued and measured at fair value, based on periodic valuation done by external independent valuer using market approach. Any revaluation surplus is recorded in OCI and credited to revaluation reserve in other equity. This revaluation surplus is not available for distribution to shareholders.

Particulars	In Rs.
Revaluation surplus as at March 31, 2022	376,978,115
Deferred tax on the above revaluation	(50,872,817)
As at March 31, 2022	**326,105,298**

The carrying amount of freehold land as at March 31, 2022 under cost and revaluation model are given below:

Block of asset	**Revaluation Model**	**Cost Model**
Freehold Land	505,378,125	128,400,010

Note No. 36 - Employee benefits

(a) Defined Contribution Plan

The Group's contribution to Provident Fund and Superannuation Fund aggregating Rs. 12,12,097 (2021: Rs. 9,50,868) has been recognised in the Statement of Profit and Loss under the head Employee Benefits Expense.

(b) Defined Benefit Plans (Gratuity)

The Company does not have a funded Gratuity Scheme for its employees and gratuity liability has been provided based on the actuarial valuation done at the year end. The Gratuity scheme of the Company is not funded.

Defined benefit plans – as per actuarial valuation on March 31, 2022 and March 31, 2021:

	Unfunded Plan	
	Gratuity	
Particulars	**2022**	**2021**
Ia. Expense recognised in the Statement of Profit and Loss for the year ended March 31:		
Current service cost	119,420	154,479.00
Net Interest cost	–	–
Components of defined benefit costs recognised in profit & loss	**119,420**	**154,479.00**
Ib. Included in other Comprehensive Income		
Difference between actual and expected return on plan assets	–	–
Actuarial (Gain)/Loss on account of :		
Demographic Assumptions	–	–
Financial Assumptions	–	–
Experience Adjustments	–	–
Components of defined benefit costs recognised in other comprehensive income	–	–
I. Net Liability recognised in the Balance Sheet as at March 31:		
1. Present value of defined benefit obligation as at March 31	119,420	154,479
2. Fair value of plan assets as at March 31	–	–
3. Deficit	–	–
	119,420	**154,479**

	Unfunded Plan	
	Gratuity	
Particulars	**2022**	**2021**
II. Change in the obligation during the year ended March 31:		
Present value of defined benefit obligation at the beginning of the year	154,479	–
Expenses Recognised in the Statement of Profit and Loss		
– Current Service Cost	119,420	154,479
– Interest Expense (Income)	–	–
Recognised in Other Comprehensive Income		
Actuarial Gain (Loss) arising from:		
Change in Demographic Assumptions	–	–
Financial Assumptions	–	–
Experience Adjustments	–	–
Benefit payments	–	–
Present value of defined benefit obligation at the end of the year	**273,899**	154,479

The significant actuarial assumptions (estimated for adequate coverage of the obligation on a prudent basis), are as under:

Particulars	**Valuation as at**	
	March 31, 2022	March 31, 2021
Discount rate(s)	5.66%	5.18%
Expected rate(s) of salary increase	5.00%	5.00%
Expected rate of return on plan assets	–	0.00%
Attrition	25.00%	25.00%
Mortality table	IALM 2012-14	IALM 2006-08

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

		Changes in assumption	**Impact on defined benefit obligation**	
Principal assumption			**Increase in assumption**	**Decrease in assumption**
Discount rate	**2021-2022**	**0.50%**	**(4,364)**	**3,585**
	2020-2021	0.50%	(3,444)	3,585
Salary growth rate	**2021-2022**	**0.50%**	**4,527**	**(3,466)**
	2020-2021	0.50%	3,574	(3,466)
Attrition rate	**2021-2022**	**0.50%**	**(1,179)**	**1,896**
	2020-2021	0.50%	(1,878)	1,896
Mortality rate	**2021-2022**	**0.50%**	**9**	**(9)**
	2020-2021	0.50%	8	(7)

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the Balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to previous period.

III. Maturity profile of defined benefit obligation:

Particulars	2022	2021
Within 1 year	**43,008**	336
1 - 2 year	**49,562**	19,948
2 - 3 year	**43,623**	28,549
3 - 4 year	**42,501**	26,675
4 - 5 year	**34,884**	26,742
> 5 years	**28,283**	97,950

The weighted average duration of the defined benefit obligation as at March 31, 2022 is 3 years (2021: 3 years)

IV. Experience Adjustments:

Particulars	2022	2021	2019	2018	2017
		Period Ended			
		Gratuity			
Defined Benefit Obligation	273,899.00	154,479.00	–	–	–
Fair value of plan assets	–	–	–	–	–
Surplus/(Deficit)	(273,899.00)	(154,479.00)	–	–	–
Experience adjustment on plan liabilities [(Gain)/Loss]	–	–	–	–	–
Experience adjustment on plan assets [Gain/ (Loss)]	–	–	–	–	–

The estimate of future salary increases, considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

(c) Defined Benefit Plans (Compensated absences)

The amount recognized as an expense in respect of Compensated absences is Rs. 37,241 (Previous Year: Rs. 4,01,597).

Note No. 37- Trade receivables Schedule

Trade receivables Aging schedule **In Rs.**

Defined Benefit Plans (Compensated absences)	Outstanding for following period from due date of payment					
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables - considered good	23,969,097			157,450	225,471	24,352,018
(ii) Undisputed Trade receivables - considered doubtful						
(iii) Disputed Trade receivables - considered good						
(iv) Disputed Trade receivables - considered doubtful						
	23,969,097	–	–	157,450	225,471	24,352,018

Note No. 38- Trade Payables aging Schedule

Trade payables Aging schedule **In Rs.**

Defined Benefit Plans (Compensated absences)	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME					
(ii) Others	11,660,057				11,660,057
(iii) Disputed dues - MSME					
(iv) Disputed dues - Others					
	11,660,057	–	–	–	11,660,057

Note No. 39 Ratios

Particulars	Ratios	For the year ended March 31, 2022	For the year ended March 31, 2021
#Current Ratio	Current Assets/Current Liabilities	**0.11**	0.06
Debt-Equity Ratio	Total Debt/Shareholders equity	**0.69**	0.79
*Debt Service Coverage Ratio	Net operating income/Debt (principal + Interest)	**0.18**	0.13
*Return on Equity Ratio	Net income / Average total shareholders Equity	**0.02**	(0.02)
*Inventory turnover ratio	Turnover /Average inventory	**170.95**	116.52
*Trade receivable turnover ratio	Turnover /Average Trade receivables	**9.96**	7.80
*Trade payable turnover ratio	Turnover /Average Trade Payables	**22.60**	13.61
*Net Capital turnover ratio	Turnover/Net Capital	**(0.38)**	(0.30)
*Net Profit ratio	PAT/ Turnover	**0.10**	(0.09)
*Return on Capital employed	Earning before Interest and tax/Capital employed	**0.33**	0.26
*Return on investment.	Net Profit/ Cost of investment	**0.02**	0.17

The ratio has improved as the company has placed fixed deposits with bank in FY 21-22

* Revenue has increased in FY 21-22 as compared to FY 20-21 as Covid-19 restrictions have been uplifted and the company's turnover has increased.

Note No. 40 - Others

1. The outbreak of Coronavirus (COVID-19) pandemic globally and in India is causing significant disturbance and slowdown of economic activity. In many countries, businesses are being forced to cease or limit their operations for long or indefinite period of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown.
2. As on March 31, 2022, based on facts and circumstances existing as of that date, at present the Company does not anticipate any material uncertainties on account of COVID-19 outbreak which affects its liquidity position and also ability to continue as going concern. However Revenue in future is total depend on the Govt. Policies and Lock down period for the industries.
3. The figures for the previous year have been regrouped/reclassified to correspond with current year's classification/disclosure.

In terms of our report attached.

For Sharma Ajay & Associates
Chartered Accountants
Firm Registration No. 017320N

Ajay Sharma
Partner
Membership Number: 090881

Place: Panchkula
Date: 30.04.2022

For and on behalf of the Board of Directors

Dhanraj Mulki
Director
DIN: 08321516
Place: Mumbai
Date: 30.04.2022

Sujit Vaidya
Director
DIN- 03287261
Place: Mumbai
Date: 30.04.2022

Narender Pratap Singh
CFO
Place: Mumbai
Date: 30.04.2022

Kasturi Banerjee
Company Secretary
Place: Mumbai
Date: 30.04.2022

Balamurugan PS
Manager
Place: Mumbai
Date: 30.04.2022

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF HERITAGE BIRD (M) SDN. BHD.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Heritage Bird (M) Sdn. Bhd., which comprise the statement of financial position as at March 31, 2022, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages herein.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at March 31, 2022, and of its financial performance and its cash flows for the year then ended in accordance with Malaysian Private Entities Standards and the requirements of the Companies Act, 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Information Other than the Financial Statements and Auditors' Report Thereon

The directors of the Company are responsible for the other information. The other information comprises the Directors' Report but does not include the financial statements of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Company does not cover the Directors' Report and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Company, our responsibility is to read the Directors' Report and, in doing so, consider whether the Directors' Report is materially inconsistent with the financial statements of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of the Directors' Report, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements of the Company that give a true and fair view in accordance with Malaysian Private Entities Standards and the requirements of the Companies Act, 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Company, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report.
- Evaluate the overall presentation, structure and content of the financial statements of the Company, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 2016 in Malaysia, we also report that in our opinion, the accounting and other records and the registers required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act, 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

LLOYDS EARLE	**DATUK K.**
PANICKER & TAN	**K. PANICKER**
A.F. 0604	761/03/23(J)
Chartered Accountants	*Chartered Accountant*

Place : Kuala Lumpur.
Dated : April 28, 2022

STATEMENT OF FINANCIAL POSITION AS AT MARCH 31, 2022

	Note	2022 RM	2021 RM
ASSETS			
Non-Current Assets			
Property, plant and equipment	7	3,557,592	3,656,414
		3,557,592	3,656,414
Current Assets			
Trade receivables	8	120,000	240,000
Non-trade receivables		825	825
Cash at bank		715,412	387,035
		836,237	627,860
TOTAL ASSETS		4,393,829	4,284,274
EQUITY AND LIABILITIES			
Equity			
Share capital	9	300,002	300,002
Accumulated losses		(7,070)	(199,344)
Total Equity		292,932	100,658
Current Liabilities			
Non-trade payables		88,869	68,908
Amount due to holding company	10	3,988,886	4,082,502
Amount due to directors	11	–	14,000
Tax payable		23,142	18,206
		4,100,897	4,183,616
Total Liabilities		4,100,897	4,183,616
TOTAL EQUITY AND LIABILITIES		4,393,829	4,284,274

The notes on pages herein form an integral part of these financial statements.

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED MARCH 31, 2022

	Note	2022 RM	2021 RM
Revenue	12	**720,000**	720,000
Cost of sales		**(46,800)**	(46,800)
Gross profit		**673,200**	673,200
Administration expenses		**(211,337)**	(218,525)
Profit from operations	13	**461,863**	454,675
Finance costs	14	**(173,760)**	(184,000)
Net profit before taxation		**288,103**	270,675
Taxation	15	**(95,829)**	(56,852)
Total comprehensive income for the year		**192,274**	213,823

The notes on pages herein form an integral part of these financial statements.

DETAILED INCOME STATEMENT FOR THE YEAR ENDED MARCH 31, 2022

	Note	2022 RM	2021 RM
Time Sharing Revenue	6	**720,000**	720,000
Less: Cost of Sales	7	**(46,800)**	(46,800)
Gross Profit		**673,200**	673,200
Less: Expenditure			
Administration expenses			
Audit fee		**19,000**	24,800
Accountancy fee		**51,000**	48,000
Assessment and quit rent		**3,304**	4,256
Bank charges		**132**	120
Depreciation of property, plant and equipment	1	**98,822**	99,662
Directors' fee	10	**14,000**	14,000
Fine & penalty	11	**1,166**	8,885
Forex loss/(Gain)		**1,886**	–
		806	338
Printing and stationery		**1,392**	116
Professional fee	12	**7,850**	3,313
Secretarial fees and charges		**3,180**	3,180
Service tax		**6,086**	3,184
Severage charges		**768**	7,378
Travelling charges		**1,466**	210
Under/(Over) provision of taxation		**–**	–
Water charges		**480**	1,083
		2,11,338	2,18,525
Finance Costs			
Interest on loan	8	**1,73,760**	1,84,000
Net Profit for the Period		**2,88,103**	2,70,675

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2022

	2022	2021
	RM	RM
Cash Flows From Operating Activities		
Net profit before taxation	**288,103**	270,675
Adjustment :-		
Depreciation of property, plant and equipment	**98,822**	99,662
Interest on loan	**173,760**	184,000
Operating profit before working capital changes	**560,685**	554,337
Changes in receivables	**120,000**	61,830
Changes in payables	**19,963**	(14,436)
Cash generated from operations	**700,648**	601,731
Tax paid	**(90,895)**	(136,866)
Net cash from operating activities	**609,753**	464,865
Cash Flows From Investing Activities	**–**	–
Cash Flows From Financing Activities		
Amount due to holding company	**(93,616)**	41,328
Interest paid to holding company	**(173,760)**	(184,000)
Amount due to directors	**(14,000)**	(7,000)
Net cash used in financing activities	**(281,376)**	(149,672)
Net increase in cash and cash equivalents	**328,377**	315,193
Cash and cash equivalents brought forward	**387,035**	71,842
Cash and cash equivalents carried forward	**715,412**	387,035

Note:

Cash and cash equivalent at the end of the year comprises:

	2022	2021
	RM	RM
Cash at bank	**715,412**	387,035

The notes on pages herein form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2022

	Share Capital	Accumulated Losses	Total
	RM	RM	RM
March 31, 2022			
Balance as at March 31, 2021	300,002	(199,344)	100,658
Total comprehensive income for the year	–	192,274	192,274
Balance as at March 31, 2022	**300,002**	**(7,070)**	**292,932**
March 31, 2021			
Balance as at March 31, 2020	300,002	(413,167)	(113,165)
Total comprehensive income for the year	–	213,823	213,823
Balance as at March 31, 2021	300,002	(199,344)	100,658

The notes on pages herein form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS MARCH 31, 2022

1. General Information

The Company is a private company, incorporated and domiciled in Malaysia. The registered office is situated at 802, 8th Floor, Block C, Kelana Square, 17 Jalan SS 7/26, 47301 Petaling Jaya, Selangor, and its principal place of business is located at 3A07, Block B, Phileo Damansara II, 15 Jalan 16/11, Off Jalan Damansara, 46350 Petaling Jaya, Selangor.

The Company's principal activities are holding of investment properties and lease rental.

The financial statements of the Company are presented in Ringgit Malaysia (RM).

2. Compliance With Financial Reporting Standards and the Companies Act, 2016

The financial statements have been prepared in compliance with the Malaysian Private Entities Reporting Standard (MPERS) issued by the Malaysian Accounting Standards Board (MASB) and the provisions of the Malaysian Companies Act, 2016.

3. Basis of Preparation

The financial statements of the Company have been prepared using cost bases which include historical cost, amortised cost, and lower of cost and net realisable value and fair value bases which include fair value basis and fair value less costs to sell basis.

Management has used estimates and assumptions in measuring the reported amounts of assets and liabilities at the end of the reporting year and the reported amounts of revenues and expenses during the reporting year. Judgements and assumptions are applied in measurement, and hence, the actual results may not coincide with the reported amounts. The areas involving significant judgements and estimation uncertainties are disclosed in Note 6.

4. Significant Accounting Policies

a) Property, plant and equipment

Operating tangible assets that are used for more than one accounting period in the production and supply of goods and services, for administrative purposes or for rental to others are recognised as property, plant and equipment when the Company obtains control of the asset. These include assets constructed or acquired for environmental protection purposes and investment property measured on the cost model. The assets, including major spares, stand-by equipment and servicing equipment, are classified into appropriate classes based on their nature. Any subsequent replacement of a significant component in an existing asset is capitalised as a new component in the asset and the old component is derecognised.

All property, plant and equipment are initially measured at cost. For a purchased asset, cost comprises purchase price plus all directly attributable costs incurred in bringing the asset to its present location and condition for management's intended use. For a self-constructed asset, cost comprises all direct and indirect costs of construction (including provision for restoration and cost of major inspection) but excludes internal profits. For an exchange of non-monetary asset that has a commercial substance, cost is measured by reference to the fair value of the asset received. For an asset transferred from a customer or a grantor, cost is measured by reference to the fair value of the asset.

All property, plant and equipment are subsequently measured at cost less accumulated depreciation and accumulated impairment losses.

All other property, plant and equipment are depreciated by allocating the depreciable amount of significant component or of an item over the remaining useful life. The depreciation methods used and the useful lives of the respective classes of property, plant and equipment are as follows:

	Method	Useful life (years)
Furniture and fittings	Straight-line	5
Building	Straight-line	50

At the end of each reporting period, the residual values, useful lives and depreciation methods for the property, plant and equipment are reviewed for reasonableness. Any changes in estimate of an item is adjusted prospectively over its remaining useful life, commencing in the current period.

b) Impairment of non-financial assets

An impairment loss arises when the carrying amount of a Company's asset exceeds its recoverable amount.

At the end of each reporting date, the Company assesses whether there is any indication that a standalone asset or a cash-generating unit may be impaired by using external and internal sources of information. If any such indication exists, the Company estimates the recoverable amount of the asset or cash-generating unit.

If an individual asset generates independent cash inflows, it is tested for impairment as a standalone asset. If an asset does not generate independent cash inflows, it is tested for impairment together with other assets in a cash generating unit at the lowest level in which independent cash inflows are generated and monitored for internal management purposes.

The recoverable amount of an asset or cash-generating unit is the higher of its fair value less costs to sell and the value in use. The Company determines the fair value less costs to sell of an asset or a cash-generating unit in a hierarchy based on: (i) price in a binding sale agreement; (ii) market price traded in an active market; and (iii) estimate of market price using the best available information. The value in use is estimated by discounting the net cash inflows (by an appropriate discount rate) of the asset or unit, using reasonable and supportable management's budgets and forecasts of five years and extrapolation of cash inflows for periods beyond the five-year forecast or budget.

For an asset measured on a cost-based model, any impairment loss is recognised in the profit or loss. For a property, plant and equipment measured on the revaluation model, any impairment loss is treated as a revaluation decrease.

For a cash-generating unit, any impairment loss is first allocated to reduce the carrying amount of goodwill allocated to the unit, if any, and the balance of the impairment loss is then allocated to the other assets of the unit pro rata based on the relative carrying amounts of the assets.

The Company reassesses the recoverable amount of an impaired asset or a cash-generating unit if there is any indication that an impairment loss recognised previously may have reversed.

Any reversal of impairment loss for an asset carried at a cost-based model is recognised in profit or loss, subject to the limit that the revised carrying amount does not exceed the amount that would have been determined had no impairment loss been recognised previously.

c) Share capital and distribution

(i) Share capital

Ordinary shares issued that carry no put option and no mandatory contractual obligation: (i) to deliver cash or another financial asset; or (ii) to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the Company, are classified as equity instruments.

When ordinary shares and other equity instruments are issued in a private placement or in a rights issue to existing shareholders, they are recorded at the issue price. For ordinary shares and other equity instruments issued in exchange for non-monetary assets, they are measured by reference to the fair values of the assets received.

When ordinary shares and other equity instruments are issued as consideration transferred in a business combination or as settlement of an existing financial liability, they are measured at fair value at the date of the exchange transaction.

Transaction costs of an equity transaction are accounted for as a deduction from equity, net of any related income tax effect.

(ii) Distributions

Distributions to holders of an equity instrument are recognised as equity transactions and are debited directly in equity, net of any related income tax effect.

A dividend declared is recognised as a liability only after it has been appropriately authorised, which is the date when the Board of Directors declares an interim dividend, or in the case of a proposed final dividend, the date the shareholders of the Company approve the proposed final dividend in an annual general meeting of shareholders. For a distribution of non-cash assets to owners, including a distribution in specie, the Company measures the dividend payable at the fair value of the assets to distributed. At the end of each reporting period and at the date of settlement, the Company reviews and adjusts the carrying amount of the dividend payable to reflect changes in the fair value of the assets to be distributed, with any changes recognised in equity as adjustments to the amount of the distribution. Upon settlement, the difference between the carrying amount of the dividend payable and the carrying amount of the assets distributed is recognised as a gain or loss in profit or loss.

d) Financial instrument

(i) Initial recognition and measurement

The Company recognises a financial asset or a financial liability (including derivative instruments) in the statement of financial position when, and only when, it becomes a party to the contractual provisions of the instrument.

On initial recognition, all financial assets and financial liabilities are measured at fair value, which is generally the transaction price, plus transaction costs if the financial asset or financial liability is not measured at fair value through profit or loss. For instruments measured at fair value through profit or loss, transaction costs are expensed to profit or loss when incurred.

(ii) Derecognition of financial instrument

For derecognition purposes, the Company first determines whether a financial asset or a financial liability should be derecognised in its entirely as a single item or derecognised part-by-part of a single item or a group of similar items.

A financial asset is derecognised when, and only when, the contractual rights to receive the cash flows from the financial assets expire, or when the Company transfers the contractual rights to receive cash flows of the financial asset, including circumstances when the Company acts only as a collecting agent of the transferee, and retains no significant risks and rewards of ownership of the financial asset or no continuing involvement in the control of the financial asset transferred.

A financial liability is derecognised when, and only when, it is legally extinguished, which is either when the obligation specified in the contract is discharged, cancelled or expires. A substantial modification of the terms of an existing financial liability is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. For this purpose, the Company considers a modification as substantial if the present value of the revised cash flows of the modified terms discounted at the original effective interest rate differs by 10% or more than compared with the carrying amount of the original liability.

(iii) Subsequent measurement of financial assets

For the purpose of subsequent measurement, the Company classifies financial assets into two categories namely (i) financial assets at fair value through profit or loss; and (ii) financial assets at amortised cost.

After initial recognition, the Company measures investments in quoted preference shares, quoted ordinary shares and derivatives that are assets at their fair values by reference to the active market prices, if observable, or otherwise by a valuation technique, without any deduction for transaction costs it may incur on sale or other disposal.

Investments in debt instruments, whether quoted or unquoted, are subsequently measured at amortised cost using the effective interest method. Investments in unquoted equity instruments and whose fair value cannot be reliably measured are measured at cost.

Other than financial assets measured at fair value through profit or loss, all other financial assets are subject to review for impairment in accordance with Note 4(d)(vii).

(iv) Subsequent measurement of financial liabilities

After initial recognition, the Company measures all financial liabilities are measured at amortised cost using the effective interest method, except for derivatives instruments that are liabilities and financial guarantee contracts, which are measured at fair value.

(v) Fair value measurement of financial instruments

The fair value of a financial asset or a financial liability is determined by reference to the quoted market price in an active market, and in the absence of an observable market price, by a valuation technique using reasonable and supportable assumptions.

(vi) Recognition of gains and losses

Fair value changes of financial assets and financial liabilities classified as at fair value through profit or loss are recognised in profit or loss when they arise.

For financial assets and financial liabilities carried at amortised cost, a gain or loss is recognised in profit or loss only when the financial assets or liability is derecognised or impaired, and through the amortization process of the instrument.

(vii) Impairment and uncollectibility of financial assets

At the end of each reporting year, the Company examines whether there is any objective evidence that a financial asset or a group of financial assets is impaired. Evidences of trigger loss events include: (i) significant difficulty of the issuer or obligor; (ii) a breach of contract, such as a default or delinquency in interest or principal payments; (iii) granting exceptional concession to a customer; (iv) it is probable that a customer will enter bankruptcy or other reorganization; (v) the disappearance of an active market for that financial asset because of financial difficulties; or (vi) any observable market data indicating that there may be a measurable decrease in the estimated future cash flows from a group of financial assets.

For a non-current loan and receivable carried at amortised cost, the revised estimated cash flows are discounted at the original effective interest rate. Any impairment loss is recognised in profit or loss and a corresponding amount is recorded in a loss allowance account. Any subsequent reversal of impairment loss of the financial asset is reversed in profit or loss with a corresponding adjustment to the loss allowance account, subject to the limit that the reversal should not result in the revised carrying amount of the financial asset exceeding the amount that would have been determined had no impairment loss been recognised previously.

For short-term trade and other receivables, where the effect of discounting is immaterial, impairment loss is tested for each individually significant receivable wherever there is any indication of impairment. Individually significant receivables for which no impairment loss is recognised are grouped together with all other receivables by classes based on credit risk characteristics and aged according to their past due year. A collective allowance is estimated for a class group based on the Company's experience of loss ratio in each class, taking into consideration current market conditions.

For an unquoted equity investment measured at cost less impairment, the impairment is the difference between the asset's carrying amount and the best estimate (which will necessarily be an approximation) of the amount (which might be zero) that the Company expects to receive for the assets if it were sold at the reporting date. The Company may estimate the recoverable amount using an adjusted net asset value approach.

e) Related parties

Related parties refer to persons connected to the directors and/or shareholders of the Company, and companies in which the directors and/or shareholders or persons connected to the said directors and/or shareholders have substantial equity interest.

f) Cash and cash equivalents

Cash comprises cash at bank.

g) Provisions

The Company recognises a liability as a provision if the outflows required to settle the liability are uncertain in timing or amount.

A provision for warranty costs, restoration costs, restructuring costs, onerous contracts or lawsuit claims is recognised when the Company has a present legal or constructive obligation as a result of a past event, and of which the outflows of resources on settlement are probable and a reliable estimate of the amount can be made. No provision is recognised if these conditions are not met.

Any reimbursement attributable to a recognised provision from a counterparty (such as an insurer) is not off-set against the provision but recognised separately as an asset when, and only when, the reimbursement is virtually certain.

A provision is measured at the best estimate of the expenditure required to settle the present obligation at the end of the reporting year. For a warranty provision, a probability-weighted expected outcome of the resources required to settle the obligation is applied, taking into account the Company's experiences of similar transactions and supplemented with current facts and circumstances. For a restoration provision, where a single obligation is being measured, the Company uses the individual most likely outcome as the best estimate of the liability by reference to current prices that contractors would charge to undertake such obligations, and taking into account likely future events that may affect the amount required to settle an obligation.

For an onerous contract, provision is measured based on the amount by which costs to fulfil the contract exceed the benefits. For a lawsuit provision, a probability-weighted expected outcome is applied in the measurement, taking into account past court judgements made in similar cases and advices of legal experts.

A provision is measured at the present value of the expenditures expected to be required to settle the obligation using a discount rate that reflects the time value of money and the risk that the actual outcome might differ from the estimate made. The unwinding of the discount is recognised as an interest expense.

h) Foreign currency transactions and balances

Transactions denominated in foreign currencies are translated and recorded at the rates of exchange prevailing at the respective dates of transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the end of the period (i.e. the closing rates). Non-monetary items carried at revalued amounts or at fair values that are denominated in foreign currencies are retranslated at the rates prevailing at the dates the fair values were determined. Non-monetary items that are measured at their historical cost amounts continue to be translated at their respective historical rates and are not retranslated.

All exchange differences arising on settled transactions and on unsettled monetary items are recognised in profit or loss in the period except for: (i) loans and advances that form part of the net investment in a foreign operation; and (ii) transactions entered into in order to hedge foreign currency risks of net investments in foreign operations.

i) Tax Assets and Tax Liabilities

A current tax for current and prior periods, to the extent unpaid, is recognised as a current tax liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as a current tax asset. A current tax liability (asset) is measured at the amount the equity expects to pay (recover) using tax rates and laws that have been enacted or substantially enacted by the reporting date.

A deferred tax liability is recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from: (a) the initial recognition of goodwill; or (b) the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit (or tax loss). The exceptions for initial recognition differences include items of property, plant and equipment that to not qualify for capital allowances and acquired intangible assets that are not deductible for tax purposes.

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilised, unless the deferred tax asset arises from the initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit (or tax loss). The exceptions for the initial recognition differences include non-taxable government grants received and reinvestment allowances and investment tax allowances on qualifying property, plant and equipment. However, for deductible temporary differences related to investments in subsidiaries and branches, a deferred tax asset is recognised to the extent, and only to the extent that, it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

A deferred tax asset is recognised for the carry-forward of unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilised.

Deferred taxes are measured using tax rates (and tax laws) that have been enacted or substantially enacted by the end of the reporting period. The measurement of deferred taxes reflects the tax consequences that would follow from the manner in which an entity in the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets or liabilities. For an investment property measured at fair value, if the owner-entity of the Group does not have a business model to hold the property solely for rental income, the deferred tax liability on the fair value gain is measured based on the presumption that the property is recovered through sale at the end of the reporting period.

At the end of each reporting period, the carrying amount of a deferred tax asset is reviewed, and is reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of a part or all of that deferred tax asset to be utilised. Any such reduction will be reversed to the extent that it becomes probable that sufficient taxable profit will be available.

A current or deferred tax is recognised as income or expense in profit or loss for the period, except to the extent that the tax arises from items recognised outside profit or loss. For an income or expense item recognised in other comprehensive income, the current or deferred tax expense or tax income is recognised in other comprehensive income. For items recognised directly in equity, the related tax effect is also recognised directly in equity. Deferred tax assets and liabilities arising from a business combination, including tax effects of any fair value adjustment, are recognised as part of the net assets acquired.

j) Revenue recognition

The Company measures revenue from a sale of goods or service transaction at the fair value of the consideration received or receivable, which is usually the invoice price, net of any trade discounts and volume rebates given to a customer in a sale or service transaction.

Revenue from a sale of goods is recognised when: (a) the Company has transferred to the buyer the significant risk and rewards of ownership of the goods; (b) the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold; (c) the amount of the revenue can be measured reliably; (d) it is probable that economic benefits associated with the transaction will flow to the Company; and (e) the cost incurred or to be incurred in respect of the transaction can be measured reliably.

k) Fair Value Measurement

For assets, liabilities and equity instruments whether financial or non-financial items that require fair value measurement disclosure, the Company establishes a fair value measurement hierarchy that gives the highest priority to quoted prices (unadjusted) in active markets for identical assets, liabilities or equity instruments and the lowest priority to unobservable inputs.

A fair value measurement of an item is estimated using a quoted price in an active market if that price is observable. The active market is the principal market for the asset or liability or, in the absence of a principal market, the most advantageous market for the asset or liability; and for which the Company can enter into a transaction for the asset or liability at the price in that market at the measurement date.

In the absence of an active market price, the fair value of an item is estimated by an established valuation technique using inputs from the marketplace that are observable for substantially the full term of the asset or liability.

5. Financial Risk Management Policies

The Company's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Company's business whilst managing its risks. The Company operates within clearly defined guidelines that are approved by the Board and the Company's policy is not to engage in speculative transactions.

The main areas of financial risks faced by the Company and the policy in respect of the major areas of treasury activity are set out as follows:

a) Liquidity and cash flow risks

The Company ensures that there are adequate funds to meet all its obligations in a timely and cost-effective manner.

b) Foreign currency risk

The Company is exposed to foreign currency risk as a result of its normal trading activities, where the currency denomination differs from the local currency, Ringgit Malaysia (RM). The Company manages its exposure to foreign currency risk by monitoring fluctuations in foreign exchange and by timing its payments in foreign currencies accordingly.

c) Credit risk

Credit risk is controlled by monitoring procedures and by internal credit review where credit risk is material.

d) Interest rate risk

The Company's interest rate exposure arises principally from the borrowings. The interest rate risk is managed through the use of fixed and floating rate financial instruments.

Apart from the above, the Company does not face any material financial risks in other areas such as market risk, etc.

6. Critical Judgement and Estimation Uncertainty

The preparation of the financial statements in conformity with Malaysian Financial Reporting Standards requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in the future periods effected.

In particular, information about significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are described below:

a) Loss allowances of financial assets

The Company recognises impairment losses for loans and receivables using the incurred loss model. Individually significant loans and receivables are tested for impairment separately by estimating the cash flows expected to be recoverable. All others are grouped into credit risk classes and tested for impairment collectively, using the Company's past experiences of loss statistics, ageing of past due amounts and current economic trends. The actual eventual losses may be different from the allowance made and this may affect the Company's financial position and results.

b) Depreciation of property, plant and equipment

The cost of an item of property, plant and equipment is depreciated on the straight-line method or another systematic method that reflects the consumption of the economic benefits of the asset over its useful life. Estimates are applied in the selection of the depreciation method, the useful lives and the residual values. The actual consumption of the economic benefits of the property, plant and equipment may differ from the estimates applied and this may lead to a gain or loss on an eventual disposal of an item of property, plant and equipment.

c) Measurement of income taxes

Significant judgement is required in determining the Company's provision for current and deferred taxes because the ultimate tax liability for the Company as a whole is uncertain. When the final outcome of the taxes payable is determined with the tax authorities in each jurisdiction, the amounts might be different from the initial estimates of the taxes payable. Such differences may impact the current and deferred taxes in the period when such determination is made. The Company will adjust for the differences as over- or under-provision of current or deferred taxes in the current period in which those differences arise.

d) Measurement of a provision

The Company uses a "best estimate" as the basis for measuring a provision. Management evaluates the estimates based on the Company's historical experiences and other inputs or assumptions, current developments and future events that are reasonably possible under the particular circumstances. In the case when a provision relates to large population of customers (such as a warranty provision), a probability- weighted estimate of the outflows required to settle the obligation is used. In the case of a single estimate (such as a provision for environmental restoration costs), a referenced contractor's price or market price is used as the best estimate. If an obligation is to be settled overtime, the expected outflows are discounted at a rate that takes into account the time value of money and the risk that the actual outcome might differ from the estimates made.

7. Property, Plant and Equipment

	Leasehold Properties RM	Furniture and Fittings RM	Total RM
Gross Carrying Amount:			
At April 1, 2021	4,941,100	54,454	4,995,554
Additions	–	–	–
At March 31, 2022	**4,941,100**	**54,454**	**4,995,554**
Accumulated Depreciation:			
At April 1, 2021	1,284,686	54,454	1,339,140
Charge for the year	98,822	–	98,822
At March 31, 2022	**1,383,508**	**54,454**	**1,437,962**
Net Book Value at April 1, 2021	3,656,414	–	3,656,414
Net Book Value at March 31, 2022	**3,557,592**	**–**	**3,557,592**

Strata-titles in respect of the lease properties have yet to be received from the relevant authorities.

8. Trade Receivables

	2022 RM	2021 RM
Holding Company	**120,000**	240,000

9. Share Capital

	2022 No. of shares	**2022 RM**	2021 No. of shares	2021 RM
Issued and fully paid ordinary shares:-				
Balance b/f	**300,002**	**300,002**	300,002	300,002
Issued during the year	**–**	**–**	–	–
Balance c/f	**300,002**	**300,002**	300,002	300,002

10. Amount Due To Holding Company

The holding company is Mahindra Holidays & Resorts India Ltd., a company incorporated in India, which holds the entire issued and paid up capital of the Company.

The amount due to holding company, consisting of non-trade balances, is unsecured and bears interest at the rate of 4.6% p.a. (2021:4.6% p.a.). The amount due is renewed on expiry and payable if it is not renewed by holding company.

11. Amount Due To Directors

The amount due to directors is RM NIL (2021: RM14,000). The said amount is interest free, unsecured and without any fixed terms of repayment.

12. Revenue

Revenue represents income from lease rental and rental income receivable.

13. Profit From Operations

The following items have been charged in arriving at profit from operations:-

	2022 RM	2021 RM
Directors' fee	**14,000**	14,000
Audit fee	**19,000**	24,800
Assessment and quit rent	**3,304**	4,256
Depreciation of property, plant and equipment	**98,822**	99,662

14. Finance Costs

	2022 RM	2021 RM
Interest expense on loan from holding company	**173,760**	184,000

15. Taxation

	2022 RM	2021 RM
Current year provision	**93,142**	88,206
Over provision in prior years	**2,688**	(31,354)
	95,830	56,852

A reconciliation of income tax expense applicable to profit before taxation at the statutory income tax rate to income tax expense at the effective income tax rate of the Company is as follows:

	2022 RM	2021 RM
Profit before taxation	**288,103**	270,675
Tax at statutory income tax rate of 24% (2021:24%)	**69,145**	64,962
Tax effect of expenses that are not deductible for tax purposes	**23,997**	23,244
Over provision in prior years	**2,688**	(31,354)
	95,830	56,852

16. Related Party Transactions

	2022 RM	2021 RM
Revenue	**(720,000)**	(720,000)
Interest on loan	**173,760**	184,000

The directors are of the opinion that the above transactions have been entered into in the normal course of business and have been established on a negotiated basis.

17. Employees

The number of employees of the Company as at March 31, 2022 is Nil (2021 : Nil).

18. Date of Authorisation for Issue of the Financial Statements

The financial statements have been approved for issue in accordance with a resolution of the Board of Directors on April 28, 2022.

Signature :

Place : Mumbai

Dated : April 28, 2022

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Infinity Hospitality Group Company Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Infinity Hospitality Group Company Limited (the Company), which comprise the statement of financial position as at March 31, 2022, the statement of income and statement of changes in equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at March 31, 2022, and its financial performance for the year then ended in accordance with Thai Financial Reporting Standards for Non-Publicly Accountable Entities.

Basis for Opinion

We conducted our audit in accordance with Thai Standards on Auditing. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Federation of Accounting Professions's Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Thai Financial Reporting Standards for Non-Publicly Accountable Entities, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement. whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Thai Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit In accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with management regarding, among other matters. the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Mr. Pongteera Chainsakultam

Certified Public Accountant Registration No. 9387

Cover Biz Company Limited
April 19, 2022

STATEMENT OF FINANCIAL POSITION AS AT MARCH 31, 2022

ASSETS

Currency : Baht

	Notes	2022	2021
CURRENT ASSETS			
Cash and cash equivalents		**1,273,478.17**	253,346.75
Trade and other receivables	**5**	**2,128,639.09**	2,140,110.70
Inventory	**6**	**362,750.04**	334,958.27
Other current assets		**91,419.69**	1,137,382.79
TOTAL CURRENT ASSETS		**3,856,286.99**	3,865,798.51
NON-CURRENT ASSETS			
Property, plant and equipment	**7**	**195,356,759.70**	201,564,490.73
Intangible assets	**8**	**15.00**	3,140.25
Other non-current assets		**401,000.00**	401,000.00
TOTAL NON-CURRENT ASSETS		**195,757,774.70**	201,968,630.98
TOTAL ASSETS		**199,614,061.69**	205,834,429.49

LIABILITIES AND SHAREHOLDERS' EQUITY

Currency : Baht

	Notes	2022	2021
CURRENT LIABILITIES			
Short-term loan from financial institution	**9**	**–**	44,000,000.00
Trade and other payables	**10**	**4,166,478.23**	1,875,282.28
Short-term borrowings	**12**	**44,000,000.00**	
Current portion of Long-term loan	**13**	**130,500,000.00**	134,000,000.00
Other current liabilities	**11**	**249,901.27**	122,534.14
TOTAL CURRENT LIABILITIES		**178,916,379.50**	179,997,816.42
TOTAL LIABILITIES		**178,916,379.50**	179,997,816.42
SHAREHOLDERS' EQUITY			
Authorized share capital			
1,500,000 ordinary shares of Baht 100 each		**150,000,000.00**	150,000,000.00
Issued and paid-up share capital			
1,500,000 ordinary shares of Baht 100 each		**150,000,000.00**	150,000,000.00
Retained earnings (Deficits)		**(129,302,317.81)**	(124,163,386.93)
TOTAL SHAREHOLDERS' EQUITY		**20,697,682.19**	25,836,613.07
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**199,614,061.69**	205,834,429.49

The accompanying notes are an integral part of the financial statements.

PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED MARCH 31, 2022

Currency : Baht

	Notes	2022	2021
REVENUES			
Revenue from rent and services		**16,346,728.85**	16,293,273.24
Other income		**366,272.05**	88,580.19
TOTAL REVENUES		**16,713,000.90**	16,381,853.43
EXPENSES			
Cost of rent and services		**7,362,543.91**	10,208,215.32
Selling expenses		**607,687.16**	722,806.00
Administrative expenses		**7,820,389.10**	8,405,585.08
TOTAL EXPENSES		**15,790,620.17**	19,336,606.40
EARNINGS BEFORE FINANCIAL COST		**922,380.73**	(2,954,752.97)
Financial costs		**(6,061,311.61)**	(6,173,474.88)
NET PROFIT/(LOSS)		**(5,138,930.88)**	(9,128,227.85)

The accompanying notes are an integral part of the financial statements.

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED MARCH 31, 2022

Currency : Baht

	Notes	Issued and paid-up share capital	Retained earnings (Deficits)	Total
Beginning balance as of 31 March 2020		150,000,000.00	(115,035,159.08)	34,964,840.92
Changes in shareholders' equity for the period				
Net profit/(loss) for the period		–	(9,128,227.85)	(9,128,227.85)
Ending balance as of 31 March 2021		150,000,000.00	(124,163,386.93)	25,836,613.07
Changes in shareholders' equity for the period				
Net profit/(loss) for the period		–	(5,138,930.88)	(5,138,930.88)
Ending balance as of 31 March 2022		**150,000,000.00**	**(129,302,317.81)**	**20,697,682.19**

The accompanying notes are an integral part of the financial statements.

NOTES TO FINANCIAL STATEMENTS AS AT MARCH 31, 2022

1 GENERAL INFORMATION

Company status

Infinity Hospitality Group Company Limited, ("The Company") is a limited company under Thai Civil and Commercial Code and domiciled in Thailand. It was incorporated on May 6, 2005, with registration no. 0105548060791

Place of company

20, Soi Sukhumvit 7 (Lerdsin 2) , Sukhumvit Rd., North Klongtoey, Wattana, Bangkok, Thailand

Business and operation

The objective of the Company are services and rent of hotel, apartment, mansion and condominium.

2 CORONAVIRUS DISEASE 2019 PANDEMIC

The Covid-19 pandamic is impacting various businesses and industries. The exponential reduction in personal and business travel has imposed significant pressure on the hospitality industry resulting in lower occupancy and revenue per available room. This situation significantly affects the Company's business activities in terms of hotel business. The company had to temporarily suspend the hotel operations since March 2020 due to lockdown measures in order to prevent the spread of Covid -19 and a decrease in number of foreign and local tourists. The company still unable return to its normal operations because the main client is foreign tourists. However the company have main service agreement with headquarter to support the current cash flows. The management has continuously monitored ongoing developments and assessed the financial impact in respect of the valuation of assets, provision and contingent liabilities, and has used estimates and judgements in respect of various isssues as the situation has evolved .The management considered that there is no impairment and additional provision on this Covid-19 pandemic situation as of March 31, 2022.

3 BASIS OF FINANCIAL STATEMENT PREPARATION

The financial statements have been prepared in accordance with Generally Accepted Accounting Principles and Thai Financial Reporting Standards for Non-Publicly Accountable Entities enunciated on Notification of Federation of Accounting Professions (FAP) no. 20 (B.E.2554) under the Accounting Profession Act B.E.2547 which is effective on the financial statements for fiscal year beginning on or after January 1, 2011.

The management of the Company assessed that there is no material effects of this standard for the period in which they are initially applied.

The presentation of the financial statements has been made in compliance with the Notification of the Department of Business Development; Define Financial statement abstract B.E.2554 dated September 28, 2011, issued under the Accounting Act B.E.2543 which is effective on the financial statements for fiscal year beginning on or after January 1, 2011.

The financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.

4 SUMMARIZED SIGNIFICANT ACCOUNTING POLICIES

4.1 Cash and cash equivalents

Cash and cash equivalents is consist of cash on hand and deposit at banks including time deposit and temporary investment which is not over than 3 months to maturity date excepted cash deposit with obligation.

4.2 Inventories

Inventories are stated at the lower of cost or net realizable value. Cost being determined on first-in, first-out method. The Company determine to accrue provision for decline in value of inventories on deteriorated or obsolescent inventories.

4.3 Property, plant and equipment

Land are stated at cost, Buiding and Equipment are stated at cost less accumulated depreciation.

Depreciation is calculated by a straight-line method over their estimated useful life as follows:

	Useful life	
Land	–	
Years Building	20	Years
Improvement & Decoration	20-5	Years
Furniture Fixture & Equipment	5	Years
General Equipment	5	Years
Computer	3-5	Years

4.4 Intangible assets

Intangible assets are stated at cost less accumulated amortisation. Amortisation is calculated by reference to their costs on the straight-line basis over the expected future period, for which the assets are expected to generate economic benefit, as follows :

	Year life	
Computer software	3-5	Years

4.5 Employee benefits

Salaries, wages and contributions to the social security fund are recognized as expenses when incurred.

4.6 Provisions and contigent liabilities

The Company recongnized provision in the best estimated amount of expenses which have to be paid on current obligation as at the end of accounting period.

4.7 Revenue and expenses recognition

Hotel revenues from rooms, food and beverage and other services are recognised when the rooms are occupied, food and beverage are sold and the services are rendered.

The company record other revenue and expenses base on accrual basis.

4.8 Income tax expense

The Company record income tax as expenses by calculating on profit and loss of tax regulation basis.

5 TRADE AND OTHER RECEIVABLES

Currency : Baht

Consist of:	**2022**	2021
Accounts Receivables - Trade	**4,607.96**	4,607.96
Allowance for doubtful accounts	**(4,607.96)**	(4,607.96)
Accrued income - related parties (Note 12)	**1,477,723.50**	1,477,723.50
Other account receivables - related parties (Note 12)	**476,581.00**	418,061.00
Prepaid expenses	**174,334.59**	238,326.20
Other receivable	**–**	6,000.00
Total	**2,128,639.09**	2,140,110.70

6 INVENTORY

Currency : Baht

Consist of:	**2022**	2021
Finished Goods	**362,750.04**	334,958.27
Total	**362,750.04**	334,958.27

7 PROPERTY, PLANT AND EQUIPMENT

Currency : Baht

Consist of:	Construction in Progress	Land	Building	Improvement & Decoration	Furniture, Fixture & Equipment	General Equipment	Computer	Vehicles	Total
Cost									
As at 31 March 2021	–	114,770,000.00	108,968,618.24	52,118,847.46	1,048,736.08	2,646,998.34	395,952.46	175,000.00	280,124,152.58
Acquisitions	225,000.00	–	–	1,498,529.52	316,400.00	3,400.00	–	–	2,043,329.52
Disposals	–	–	–	(150,000.00)	(16,763.14)	(381,063.01)	(5,747.68)	–	(553,573.83)
Adjustment/Reclassification	–	–	–	–	–	–	–	–	–
As at March 31, 2022	**225,000.00**	**114,770,000.00**	**108,968,618.24**	**53,467,376.98**	**1,348,372.94**	**2,269,335.33**	**390,204.78**	**175,000.00**	**281,613,908.27**
Accumulated depreciation									
As at March 31, 2021	–	–	71,438,109.92	3,329,535.76	804,872.57	2,468,272.02	343,872.58	174,999.00	78,559,661.85
Depreciation for the period	–	–	5,448,430.81	2,615,624.04	93,983.46	72,903.98	20,045.26	–	8,250,987.55
Depreciation on disposals	–	–		(149,999.00)	(16,758.14)	(380,999.01)	(5,744.68)	–	(553,500.83)
As at March 31, 2022	**–**	**–**	**76,886,540.73**	**5,795,160.80**	**882,097.89**	**2,160,176.99**	**358,173.16**	**174,999.00**	**86,257,148.57**
Net book value									
As at March 31, 2021	–	114,770,000.00	37,530,508.32	48,789,311.70	243,863.51	178,726.32	52,079.88	1.00	201,564,490.73
As at March 31, 2022	**225,000.00**	**114,770,000.00**	**32,082,077.51**	**47,672,216.18**	**466,275.05**	**109,158.34**	**32,031.62**	**1.00**	**195,356,759.70**

Depreciation for the period	
For the year ended March 31, 2021 (Included in cost and administrative expenses)	7,897,835.15
For the year ended March 31, 2022 (Included in cost and administrative expenses)	**8,250,987.55**

Security

At March 31, 2022 and 2021, the Company's properties, all Land and Buildings, with a net book value of Baht 146.85 and 152.30 million were subjected to secure loans from a financial institutions (see note 13).

8 INTANGIBLE ASSETS

Currency : Baht

Consist of:	Computer software	Total
Cost		
As at March 31, 2021	797,433.00	797,433.00
Acquisitions	–	–
Disposals	–	–
Adjustment/Reclassification	–	–
As at March 31, 2022	**797,433.00**	**797,433.00**
Accumulated amortisation		
As at March 31, 2021	794,292.75	794,292.75
Amortisation for the period	3,125.25	3,125.25
Depreciation on disposals	–	–
Adjustment/Reclassification	–	–
As at March 31, 2022	**797,418.00**	**797,418.00**
Net book value		
As at March 31, 2021	3,140.25	3,140.25
As at March 31, 2022	**15.00**	**15.00**
Amortisation for the period		
For the year ended March 31, 2021 (Included in administrative expenses)		33,365.55
For the year ended March 31, 2022 (Included in administrative expenses)		**3,125.25**

9 SHORT-TERM LOAN FROM FINANCIAL INSTITUTION

On November 21, 2019 (Revised on February 11, 2021), The Company has entered into Banking Facility Agreement for Short Term Loan of Baht 44 million which was fully repaid during the year. The rate of interest on each Loan for each interest period is the rate of the sum of BIBOR plus the applicable Margin per annum.

The details of above Banking Facility Agreement as follows:

Currency : Baht

	2022	2021
Balance as of April 1,	**44,000,000.00**	25,000,000.00
Add: Loan received	**–**	19,000,000.00
Less: Repayment	**(44,000,000.00)**	–
Balance as of March 31,	**–**	44,000,000.00

10 TRADE AND OTHER PAYABLES

Currency : Baht

Consist of:	**2022**	2021
Trade payables	**181,125.62**	181,629.97
Advance received	**–**	2,076.24
Accrued interest expenses - related party (Note 12)	**1,377,139.69**	–
Accrued interest expenses - Other	**163,088.92**	177,107.32
Accrued expenses - related party (Note 12)	**2,106,028.00**	1,268,874.00
Accrued expenses	**339,096.00**	245,594.75
Total	**4,166,478.23**	1,875,282.28

NOTES TO FINANCIAL STATEMENTS AS AT MARCH 31, 2022

11 OTHER CURRENT LIABILITIES

Currency : Baht

Consist of:	2022	2021
Unrealised output tax	**96,974.94**	96,115.85
Withholding tax payable	**11,741.21**	13,064.29
Social security tax payable	**24,060.00**	13,354.00
Revenue Department payable	**63,386.80**	–
Retention of construction	**53,738.32**	–
Total	**249,901.27**	122,534.14

12 RELATED PARTIES TRANSACTIONS

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the company, including holding companies, subsidiaries and fellow subsidiaries are related parties of the company. Associates and individuals owning, directly or indirectly, an interest in the voting power of the company that gives them significant influence over the enterprise, key management personnel, including directors and officers of the company and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

In considering each possible related-party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

Relationship with related parties were as follows:

Name of entities	Country of incorporation/ nationality	Nature of relationships
Mahindra Holidays & Resorts India Limited	India	49% shareholder
MH Boutique Hospitality Limited	Thailand	51% shareholder

The Pricing policies for particular types of transactions are explained further below:

Transactions	Pricing policies
Revenue from rent and services	Contractually agreed rate
Corporate guarantee charged	Contractually agreed rate
Loan interest	Contractually agreed rate

Relationships with related parties that control or jointly control the Company or are being controlled or jointly controlled by the Company or have transactions with the Group were as follows:

Currency : Baht

	2022	2021
Income		
Mahindra Holidays & Resorts India Limited (Included VAT 7%)	**16,260,750.00**	17,399,002.50
Expenses		
Mahindra Holidays & Resorts India Limited	**2,214,293.69**	940,029.00
Receivable		
Mahindra Holidays & Resorts India Limited	**1,477,723.50**	1,477,723.50
MH Boutique Hospitality Limited	**476,581.00**	418,061.00
Payable		
Mahindra Holidays & Resorts India Limited	**3,483,167.69**	1,268,874.00
Loan		
Mahindra Holidays & Resorts India Limited	**44,000,000.00**	–
Interest rate	**3.40%**	–

13 LONG-TERM LOAN

On February 6, 2017, The Company has entered into 5-Year Secured Committed Term Loan Facility of Baht 162,000,000 Facility Agreement with a financial institution. The rate of interest on each Loan for each interest period is the rate of the sum of BIBOR plus 2.10 percent per annum. Details of Loan are as followed:

Currency : Baht

	2022	2021
Long-term loan	**130,500,000.00**	134,000,000.00
Less: Current portion of Long-term borrowings	**(130,500,000.00)**	(134,000,000.00)
Net Long-term loan	–	–

Moving of long-term loan during the years ended March 31, 2022 and 2021 are as followed:

Currency : Baht

	2022	2021
Balance as of April 1,	**134,000,000.00**	141,000,000.00
Add: Loan received	**–**	–
Less: Repayment	**(3,500,000.00)**	(7,000,000.00)
Balance as of March 31,	**130,500,000.00**	134,000,000.00

The Company has entered on the first amendment agreement dated March 15, 2022 for final repayment date which shall be April 29, 2022.

14 APPROVAL OF FINANCIAL STATEMENT

These financial statement were authorized for issue by company's authorized director on April 19, 2022.

____________________ Director

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of MH Boutique Hospitality Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of MH Boutique Hospitality Limited (the Company), which comprise the statement of financial position as at March 31, 2022, the statement of income and statement of changes in equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at March 31, 2022, and its financial performance for the year then ended in accordance with Thai Financial Reporting Standards for Non-Publicly Accountable Entities.

Basis for Opinion

We conducted our audit in accordance with Thai Standards on Auditing. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Federation of Accounting Professions's Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Thai Financial Reporting Standards for Non-Publicly Accountable Entitles, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Thai Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error. as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained. Whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

(Mr. Pongteera Chainsakultam)
Certified Public Accountant Registration No. 9387

Cover Biz Company Limited

April 19, 2022

STATEMENT OF FINANCIAL POSITION AS AT MARCH 31, 2022

Currency : Baht

ASSETS	Notes	2022	2021
CURRENT ASSETS			
Cash and cash equivalents		**63,448.26**	63,369.82
TOTAL CURRENT ASSETS		**63,448.26**	63,369.82
NON-CURRENT ASSETS			
Investment in subsidiaries	*5*	**38,000,000.00**	38,000,000.00
TOTAL NON-CURRENT ASSETS		**38,000,000.00**	38,000,000.00
TOTAL ASSETS		**38,063,448.26**	38,063,369.82
LIABILITIES AND SHAREHOLDERS' EQUITY			
CURRENT LIABILITIES			
Trade and other payable	*6*	**18,650,312.00**	17,639,792.00
Short-term loan	*7*	**28,000,000.00**	28,000,000.00
TOTAL CURRENT LIABILITIES		**46,650,312.00**	45,639,792.00
TOTAL LIABILITIES		**46,650,312.00**	45,639,792.00
SHAREHOLDERS' EQUITY			
Authorized share capital			
51,000 preference shares of Baht 100 each		**5,100,000.00**	5,100,000.00
49,000 ordinary shares of Baht 100 each		**4,900,000.00**	4,900,000.00
Issued and paid-up share capital			
51,000 preference shares of Baht 100 each		**5,100,000.00**	5,100,000.00
49,000 ordinary shares of Baht 100 each		**4,900,000.00**	4,900,000.00
Retained earnings (Deficits)		**(18,586,863.74)**	(17,576,422.18)
TOTAL SHAREHOLDERS' EQUITY		**(8,586,863.74)**	(7,576,422.18)
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**38,063,448.26**	38,063,369.82

The accompanying notes are an integral part of the financial statements.

STATEMENT OF INCOME FOR THE YEAR ENDED MARCH 31, 2022

Currency : Baht

	Notes	2022	2021
REVENUES			
Other income		**79.23**	108.15
TOTAL REVENUES		**79.23**	108.15
EXPENSES			
Administrative expenses		**58,520.79**	62,721.08
TOTAL EXPENSES		**58,520.79**	62,721.08
EARNINGS BEFORE FINANCIAL COST		**(58,441.56)**	(62,612.93)
Financial Cost		**952,000.00**	952,000.00
NET PROFIT/(LOSS)		**(1,010,441.56)**	(1,014,612.93)

The accompanying notes are an integral part of the financial statements.

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED MARCH 31, 2022

Currency : Baht

	Issued and paid-up share capital		Retained earnings (Deficits)	Total
	Preference	Ordinary		
Beginning balance as of March 31, 2020	5,100,000.00	4,900,000.00	(16,561,809.25)	(4,541,244.67)
Changes in shareholders' equity for the year				
Net Profit/(Loss) for the year	–	–	(1,014,612.93)	(1,014,612.93)
Ending balance as of March 31, 2021	5,100,000.00	4,900,000.00	(17,576,422.18)	(7,576,422.18)
Changes in shareholders' equity for the year				
Net Profit/(Loss) for the year	–	–	(1,010,441.56)	(1,010,441.56)
Ending balance as of March 31, 2022	**5,100,000.00**	**4,900,000.00**	**(18,586,863.74)**	**(8,586,863.74)**

The accompanying notes are an integral part of the financial statements.

NOTES TO FINANCIAL STATEMENTS AS AT MARCH 31, 2022

1. GENERAL INFORMATION

Company status

MH Boutique Hospitality Limited, "The Company", is a limited company under Thai Civil and Commercial Code and domiciled in Thailand. It was incorporated on October 10, 2012 with registration no. 0105555151500

Place of company

33/118-119 23th Floor Wall street Tower, Surawongse, Suriyawongse, Bangrak, Bangkok

Business and operation

The objective of the Company is to become a partner with limited liability in a partnership or a shareholder in a private limited company and a public limited company.

2 CORONAVIRUS DISEASE 2019 PANDEMIC

The Coronavirus disease 2019 pandemic is impacting most business and industries, resulting in an economic slowdown. This situation may bring uncertainties and have an impact on the environment in which the Company operates. The Company's management continuously monitored the ongoing development and assessed the financial impact in respect of the valuation of assets, provisions and contingent liabilities.

3 BASIS OF FINANCIAL STATEMENT PREPARATION

The company financial statements have been prepared in accordance with Generally Accepted Accounting Principles and Thai Financial Reporting Standards for Non-Publicly Accountable Entities enunciated on Notification of Federation of Accounting Professions (FAP) no. 20 (B.E.2554) under the Accounting Profession Act B.E.2547 which is effective on the financial statements for fiscal year beginning on or after January 1, 2011.

The presentation of the financial statements has been made in compliance with the Notification of the Department of Business Development; Define Financial statement abstract B.E.2554 dated September 28, 2011, issued under the Accounting Act B.E.2543 which is effective on the financial statements for fiscal year beginning on or after January 1, 2011.

The company financial statements have been prepared under the historical cost convention, except those explain in accounting policies.

4 SUMMARIZED SIGNIFICANT ACCOUNTING POLICIES

4.1 Cash and cash equivalents

Cash and cash equivalents is consist of cash on hand and deposit at banks including time deposit and temporary investment which is not over than 3 months to maturity date excepted cash deposit with obligation.

4.2 Investment

Investments in subsidiary, associated and other companies are stated at cost. An allowance for impairment loss will be made when the net realisable value of the investment is lower than its cost.

4.3 Revenue and expenses recognition

The company record other revenue and expenses base on accrual basis.

5 INVESTMENT IN SUBSIDIARIES

On November 5, 2012 , the Company invested in 51% of Infinity Hospitality Group Company Limited as a subsidiary company, which had authorised capital of Baht 150 million divided into 1,500,000 ordinary shares at a par value of Baht 100.

Details of the Company's subsidiaries, as at 31 March 2022 are as follows:

Name of the entity	Type of business	Country of incorporation	Ownership interest (%)
Investment in subsidiaries			
Infinity Hospitality Group Company Limited	Hotel	Thailand	51

6 TRADE AND OTHER PAYABLES

Consist of: *Currency : Baht*

	2022	2021
Accrued interest expenses - Related parties (Note 7)	**15,427,942.82**	14,618,742.85
Accrued interest expenses for withholding tax	**2,722,578.18**	2,579,778.15
Accrued expenses	**23,210.00**	23,210.00
Other payable - Related parties (Note 7)	**476,581.00**	418,061.00
Total	**18,650,312.00**	17,639,792.00

7 RELATED PARTIES TRANSACTIONS

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the company, including holding companies, subsidiaries and fellow subsidiaries are related parties of the company. Associates and individuals owning, directly or indirectly, an interest in the voting power of the company that gives them significant influence over the enterprise, key management personnel, including directors and officers of the company and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

In considering each possible related-party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

Relationship with related parties were as follows:

Name of entities	Country of incorporation/ nationality	Nature of relationships
Mahindra Holidays & Resorts India Limited	India	49% shareholder

The Pricing policies for particular types of transactions are explained further below:

Transactions	Pricing policies
Interest charged	Contractually agreed rate

Relationships with related parties that control or jointly control the Company or are being controlled or jointly controlled by the Company or have transactions with the Group were as follows:

Currency : Baht

	2022	2021
Expenses		
Mahindra Holidays & Resorts India Limited	**952,000.00**	952,000.00
Payable		
Mahindra Holidays & Resorts India Limited	**15,427,942.82**	14,618,742.85
Infinity Hospitality Group Company Limited	**476,581.00**	418,061.00
Loan from related parties		
Mahindra Holidays & Resorts India Limited	**28,000,000.00**	28,000,000.00
Interest rate	**3.40%**	3.40%

8 APPROVAL OF FINANCIAL STATEMENT

These financial statement were authorized for issue by company's authorized director on April 19, 2022.

____________________ Director

INDEPENDENT AUDITORS' REPORT
TO THE MEMBER OF MHR Holdings (Mauritius) Ltd

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of MHR Holdings (Mauritius) Ltd, the "Company", which comprise the statement of financial position as at March 31, 2022, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements on pages herein give a true and fair view of the financial position of the Company as at March 31, 2022 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as modified by the exemption from consolidation in the Mauritius Companies Act 2001 for companies holding a Global Business Licence and in compliance with the requirements of the Mauritius Companies Act 2001.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 20 in the financial statements which indicates that the Company had accumulated losses of EUR 6,822,697 during the year ended March 31, 2022 and, as of that date, the Company had a shareholder's deficit of EUR 6,677,697. As stated in Note 20, these conditions, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. The shareholder has undertaken to provide financial support to ensure continuation of the Company's operations. Our opinion is not modified in respect of this matter.

Information Other than the Financial Statements and Auditors' Report Thereon ("Other Information")

Management is responsible for the Other Information. The Other Information comprises the information included under the Corporate Data and Commentary of the Directors sections but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the Other Information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the Other Information and, in doing so, consider whether the Other Information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this Other Information; we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation of the financial statements in accordance with International Financial Reporting Standards as modified by the exemption from consolidation in the Mauritius Companies Act 2001 for companies holding a Global Business Licence and in compliance with the requirements of the Mauritius Companies Act 2001, and for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with International Standards of Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The

risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Mauritius Companies Act 2001, we report as follows:

- We have no relationship with, or any interests in, the Company other than in our capacity as auditors;
- We have obtained all the information and explanations we have required; and
- In our opinion, proper accounting records have been kept by the Company as far as it appears from our examination of those records.

Other Matter

Our report is made solely to the member of the Company as a body in accordance with Section 205 of the Mauritius Companies Act 2001. Our audit work has been undertaken so that we might state to the Company's member those matters we are required to state to it in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's member as a body, for our audit work, for this report, or for the opinion we have formed.

Grant Thornton
Chartered Accountants

K RAMCHURUN, FCCA
Licensed by FRC

Date: April 29, 2022

Ebene 72201, Republic of Mauritius

STATEMENT OF FINANCIAL POSITION AS AT MARCH 31, 2022

	Notes	2022	2021
		EUR	EUR
ASSETS			
Non-Current			
Investments in subsidiary	9	23,182,500	23,182,500
Loans	11	29,091,732	31,679,327
Non-current assets		52,274,232	54,861,827
Current			
Loans	11	24,764,527	17,100,059
Other receivable and prepayments	13	7,056	2,403
Cash and cash equivalents		2,366,339	50,280
Current assets		27,137,922	17,152,742
Total assets		79,412,154	72,014,569
EQUITY AND LIABILITIES			
Equity			
Stated capital	14	145,000	145,000
Accumulated losses		(6,822,697)	(5,098,220)
Total shareholder's deficit		(6,677,697)	(4,953,220)
Liabilities			
Non-current Liabilities			
Borrowings	12	63,868,930	72,070,362
Current			
Borrowings	12	19,811,520	3,013,167
Other payables and accruals	15	2,409,401	1,884,260
Current liabilities		22,220,921	4,897,427
Total liabilities		86,089,851	76,967,789
Total equity and liabilities		79,412,154	72,014,569

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED MARCH 31, 2022

	Notes	2022	2021
		EUR	EUR
INCOME		**–**	–
EXPENDITURE			
Professional fees	14	**51,600**	98,557
Audit fees		**7,321**	6,948
License fees		**2,304**	2,424
Bank charges		**1,166**	1,998
		62,391	109,927
OPERATING LOSS		**(62,391)**	(109,927)
Finance income	10.1	**1,231,994**	1,273,088
Finance costs	10.2	**(2,894,080)**	(2,038,814)
LOSS BEFORE TAX		**(1,724,477)**	(875,653)
Tax expense	8	**–**	–
LOSS FOR THE YEAR		**(1,724,477)**	(875,653)
OTHER COMPREHENSIVE INCOME:			
Items that will not be reclassified subsequently to profit or loss		**–**	–
Items that will be reclassified subsequently to profit or loss		**–**	–
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX		**–**	–
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		**(1,724,447)**	(875,653)

The notes on herein an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2022

	Stated capital	**Accumulated losses**	**Total**
	EUR	**EUR**	**EUR**
At April 01, 2020	145,000	(4,222,567)	(4,077,567)
Loss for the year	–	(875,653)	(875,653)
Other comprehensive income	–	–	–
Total comprehensive loss for the year	–	–	–
At March 31, 2021	145,000	(5,098,220)	(4,953,220)
At April 01, 2021	**145,000**	**(5,098,220)**	**(4,953,220)**
Loss for the year	**–**	**(1,724,477)**	**(1,724,477)**
Other comprehensive income	**–**	**–**	**–**
Total comprehensive loss for the year	**–**	**–**	**–**
At March 31, 2022	**145,000**	**(6,822,697)**	**(6,677,697)**

The notes on herein an integral part of these financial statements.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2022

	2022	2021
	EUR	EUR
Operating activities		
Loss before tax	**(1,724,477)**	(875,653)
Adjustments for:		
Interest income	**(1,177,138)**	(1,140,530)
Interest expense (Note 17)	**1,505,467**	1,396,250
Amortisation of transaction costs (Note 17)	**485,913**	120,362
Loss on interest rate swaps	**–**	123,225
Net fair value adjustment – Derivative financial instruments	**–**	(132,558)
Non-cash movement – Transaction costs (Note 17)	**247,854**	-
	(662,381)	(508,904)
Changes in working capital:		
(Increase)/decrease in other receivable and prepayments	**(4,652)**	47
Increase in other payables and accruals	**525,141**	395,230
Net cash used in operations	**(141,892)**	(113,627)
Interest received	**100,264**	307,801
Interest paid (Note 17)	**(1,526,398)**	(1,462,280)
Net cash used in operating activities	**(1,568,026)**	(1,268,106)
Investing activities		
Loans to subsidiary	**(4,000,000)**	(3,500,000)
Net cash used in investing activities	**(4,000,000)**	(3,500,000)
Financing activities		
Loans received (Note 17)	**62,047,503**	4,230,000
Processing fees paid (Note 17)	**(674,428)**	–
Repayment of loans (Note 17)	**(53,488,990)**	–
Net cash from financing activities	**7,884,085**	4,230,000
Net change in cash and cash equivalents	**2,316,059**	(538,106)
Cash and cash equivalents at beginning of the year	**50,280**	588,386
Cash and cash equivalents at end of the year	**2,366,339**	50,280
Cash and cash equivalents made up of:		
Cash at bank	**2,366,339**	50,280

The notes on herein an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED MARCH 31, 2022

1. GENERAL INFORMATION AND STATEMENT OF COMPLIANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRS")

MHR Holdings (Mauritius) Ltd, the "Company", was incorporated in the Republic of Mauritius under the Mauritius Companies Act 2001 on June 26, 2014 as a private company with liability limited by shares and holds a Global Business Licence issued by the Financial Services Commission. The Company's registered office is Sanne House, Bank Street, TwentyEight, Cybercity, Ebene 72201, Republic of Mauritius.

The principal activity of the Company is to hold investments.

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS") as modified by the exemption from consolidation in the Mauritius Companies Act 2001 for companies holding a Global Business Licence.

2. ADOPTION OF NEW AND AMENDED IFRS

2.1 New and amended Standards that are effective for the current year

The Company has applied the following Standards, amendments and Interpretations to existing Standards for the first time for the financial year commencing on 1 April 2021:

Various	Interest Rate Benchmark Reform Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)
IFRS 16	COVID - 19 Related Rent Concessions (Amendment to IFRS 16)

Management has assessed the impact of these new and revised Standards and Interpretations and concluded that none of the above has an impact on these financial statements.

2.2 Standards, amendments and Interpretations to existing Standards that are not yet effective and have not been adopted early by the Company

At the date of authorisation of these financial statements, several new, but not yet effective, Standards, amendments to existing Standards and Interpretations have been published by the IASB. None of these Standards, amendments or Interpretations have been adopted early by the Company.

Management anticipates that all relevant pronouncements, will be adopted in the Company's accounting policies for the first period beginning on or after the effective date of the pronouncement. Information on new Standards, amendments to existing Standards and Interpretations is provided below.

IFRS 3	References to the Conceptual Framework (Amendments to IFRS 3)
IFRS 16	Covid - 19 - Related Rent Concessions beyond 30 June 2021 (Amendments to IFRS 16)
IAS 16	Proceeds before Intended Use (Amendments to IAS 16)
IAS 37	Onerous Contract - Cost of Fulfilling a Contract (Amendments to IAS 37)
IFRS 17	Insurance Contracts
IFRS 1, IFRS 9, IFRS 16 and IAS 41	Annual improvements to IFRS Standards 2019-2020 Cycle (Amendments to IFRS 1, IFRS 9, IFRS 16, IAS 41)
IFRS 4	Extension of the Temporary Exemption from Applying IFRS 9 (Amendments to IFRS 4)
IFRS 17	Initial application of IFRS 17 and IFRS 9 - Comparative Information (Amendments to IFRS 17)
IAS 1	Classification of Liabilities as Current or Non-current (Amendments to IAS 1)
IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)

Management has yet to assess the impact of the above Standards, amendments to existing Standards and Interpretations on the Company's financial statements.

3. SUMMARY OF ACCOUNTING POLICIES

3.1 Overall considerations

The financial statements have been prepared using the significant accounting policies and measurement bases summarised below.

3.2 Revenue

Interest income is recognised on the accrual basis using the effective interest method, unless collectability is in doubt.

3.3 Expenses

All expenses are accounted for in the statement of comprehensive income on the accrual basis.

3.4 Taxation

Tax expense recognised in the statement of comprehensive income comprises of deferred tax and current tax not recognised in other comprehensive income or directly in equity.

Current income tax assets and/or liabilities comprise of those obligations to, or claims from, fiscal authorities relating to the current period, that are unpaid at the reporting date. Current tax is payable on taxable profit, which differs from profit or loss in the financial statements. Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting date.

Deferred income taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases.

3.5 Financial instruments

Recognition and derecognition

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instruments.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and initial measurement of financial assets

Except for trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with IFRS 15: Revenue from contacts with customers, all financial assets are initially measured at fair value adjusted for transaction costs, where appropriate.

Financial assets, other than those designated and effective as hedging instruments, are classified into the following categories:

- amortised cost;
- fair value through profit or loss (FVTPL); and
- fair value through other comprehensive income (FVOCI).

In the current year, the Company does not have any financial assets categorised as FVTPL and FVOCI.

The classification is determined by both:

- the Company's business model for managing the financial asset; and
- the contractual cash flow characteristics of the financial asset.

All income and expenses relating to financial assets are recognised in the statement of comprehensive income.

Financial assets at amortised cost

Financial assets are measured at amortised cost using the effective interest method if the assets meet the following conditions (and are not designated as FVTPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows; and
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Discounting is omitted where the effect of discounting is immaterial. The Company's cash and cash equivalents, loans and other receivable fall into this category of financial instruments.

Impairment of financial assets

IFRS 9's impairment requirements use more forward-looking information to recognise expected credit losses – the 'expected credit loss (ECL) model'. For the Company, instruments within the scope of the new requirements include its loans and other receivable.

Recognition of credit losses is no longer dependent on the Company's first identifying a credit loss event. Instead, the Company considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:

- Financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ("Stage 1"); and
- Financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ("Stage 2").

'Stage 3' would cover financial assets that have objective evidence of impairment at the reporting date.

'12-month expected credit losses' are recognized for the first category while 'lifetime expected credit losses' are recognized for the second category.

Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

Classification and subsequent measurement of financial liabilities

The Company's financial liabilities consist of borrowings, other payables and accruals.

Financial liabilities are measured subsequently at amortised cost using the effective interest method.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

3.6 Consolidated financial statements

The financial statements are separate financial statements which contain information about MHR Holdings (Mauritius) Ltd as an individual company and do not contain consolidated financial information as the parent of a group.

The Company holds a Global Business Licence issued by the Financial Services Commission and has taken advantage of the exemption given in Section 12 of Part 1 of the Fourteenth Schedule of the Mauritius Companies Act 2001 from the requirement to prepare consolidated financial statements as it is a wholly owned subsidiary of a quoted company incorporated in the Republic of India, Mahindra Holidays and Resorts India Limited.

3.7 Investment in subsidiary

A subsidiary is an entity over which the Company has control. The Company controls an entity when the Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Investment in subsidiary is initially shown at cost. Where an indication of impairment exists, the recoverable amount of the investment is assessed. Where the carrying amount of an investment is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount and the difference is charged to the statement of comprehensive income.

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the statement of comprehensive income.

3.8 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank. Cash equivalents are short term, highly liquid investments maturing within 90 days from the date of acquisition that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

3.9 Equity

Stated capital represents the value of shares that have been issued.

Accumulated losses include current and prior years' results as disclosed in the statement of comprehensive income.

3.10 Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation and the amount can be estimated reliably.

Provisions are measured at the estimated expenditure required to settle the present obligation based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. The increase in the provision due to passage of time is recognised as interest expense in the statement of comprehensive income.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole.

3.11 Related parties

A related party is a person or company where that person or company has control or joint control of the reporting Company; has significant influence over the reporting Company; or is a member of the key management personnel of the reporting Company or of a parent of the reporting Company.

3.12 Foreign currency translation

Functional and presentation currency

The financial statements are presented in Euro ("EUR"), which is the Company's functional and presentation currency.

Foreign currency transactions and balances

Foreign currency transactions are translated into the functional currency of the Company using the exchange rates prevailing at the dates of the transactions (spot exchange rate). Foreign exchange gains and losses resulting from the settlement of such transactions and from the remeasurement of monetary items denominated in foreign currency at year-end exchange rates are recognised in the statement of comprehensive income.

Non-monetary items are not retranslated at year-end and are measured at historical cost (translated using the exchange rates at the transaction date), except for non-monetary items measured at fair value which are translated using the exchange rates at the date when fair value was determined.

3.13 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the year of the borrowings using the effective interest method.

Fees paid on loan facilities are recognised as transaction costs and are deducted from borrowings and amortised over the period of the facility to which it relates.

3.14 Impairment of assets

At each reporting date, the Company reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered any impairment loss. When an indication of impairment loss exists, the carrying amount of the asset is assessed and written down to its recoverable amount

3.15 Comparatives

Where necessary, comparative figures have been adjusted to conform to changes in presentation in the current year.

4. SIGNIFICANT MANAGEMENT JUDGEMENT IN APPLYING ACCOUNTING POLICIES AND ESTIMATION UNCERTAINTY

When preparing the financial statements, management undertakes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

Significant management judgements

The following are the significant management judgements in applying the accounting policies of the Company that have the most significant effect on the financial statements.

Determination of functional currency

The determination of the functional currency of the Company is critical since recording of transactions and exchange differences arising therefrom are dependent on the functional currency selected. The directors have considered those factors and have determined that the functional currency of the Company is the EUR.

Going concern assumption

The directors have exercised significant judgement in assessing that the preparation of these financial statements on a going concern basis is appropriate. In making this assessment, the directors have considered the Company's future business projects, future cash flows and future profitability.

Estimation uncertainty

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

Impairment losses on financial assets

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

Impairment of investments in subsidiary

In assessing impairment, management estimates the recoverable amount of each asset based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate. The directors have assessed the recoverable amount of the investments and confirmed that the carrying amount has not suffered any impairment in value at the reporting date.

Impact of COVID-19

In January 2020, the World Health Organization has declared the outbreak of a novel coronavirus (COVID-19) as a "Public Health Emergency of International Concern," which continues to spread throughout the world and has adversely impacted global commercial activity and contributed to significant declines and volatility in financial markets.

The directors have considered the potential adverse impact of the COVID-19 pandemic on the Fund's business activities by making assumptions using the existing market conditions as well as forward looking estimates at the end of the reporting date. Estimation uncertainty relates to assumptions about future operating results.

5. FINANCIAL INSTRUMENT RISK

Risk management objectives and policies

The Company is exposed to various risks in relation to its financial instruments. The main types of risks are market risk, credit risk and liquidity risk.

The Company's financial assets and financial liabilities by category are summarised below.

	2022	2021
	EUR	EUR
Financial assets at amortised cost		
Non-current		
Loans	**29,091,732**	31,679,327
Current		
Loans	**24,764,527**	17,100,059
Other receivable	**4,138**	–
Cash and cash equivalents	**2,366,339**	50,280
	27,135,004	17,150,339
Total financial assets	**56,226,736**	48,829,666

	2022	2021
	EUR	EUR
Financial liabilities measured at amortised cost		
Non-current		
Borrowings	**63,868,930**	72,070,362
Current		
Borrowings	**19,811,520**	3,013,167
Other payables and accruals	**2,409,401**	1,884,260
	22,220,921	4,897,427
Total financial liabilities	**86,089,851**	76,967,789

Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyse the risks faced by the Company to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and in the Company's activities.

5.1 Market risk analysis

The Company is exposed to market risk through its use of financial instruments. Market risk is comprised specifically of currency risk and interest rate risk, which result from both its operating and investing activities.

Foreign currency sensitivity

Foreign currency risk, as defined in IFRS 7: Financial Instruments: Disclosures, arises as the value of future transactions, recognised monetary assets and monetary liabilities denominated in other currencies fluctuate due to changes in foreign exchange rates.

The Company is not exposed to any currency risk as most of its financial assets and financial liabilities are denominated in the Euro, which is the functional currency of the Company.

The currency profile of its financial assets and liabilities is as follows:

	Financial assets 2022	**Financial liabilities 2022**
	EUR	**EUR**
Long term exposure		
Euro (EUR)	**29,091,732**	**63,868,930**
Short term exposure		
Euro (EUR)	**27,135,004**	**22,191,794**
United States Dollar (USD)	**–**	**29,127**
	56,226,736	**86,089,851**

	Financial assets 2021	Financial liabilities 2021
	EUR	EUR
Long term exposure		
Euro (EUR)	31,679,327	72,070,362
Short term exposure		
Euro (EUR)	17,150,339	4,869,551
United States Dollar (USD)	–	27,876
	48,829,666	76,967,789

Interest rate sensitivity

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company has interest bearing financial assets and liabilities in the form of loans and borrowings.

The Company's interest-bearing financial assets are in the form of loans to the subsidiary at a fixed rate of interest and therefore are not subject to market fluctuations.

As March 31, 2022, the Company has interest bearing financial liabilities in the form of bank loans from HSBC Bank (Mauritius) Limited and AXIS Bank Limited.

The Company has taken the following loans from HSBC Bank (Mauritius) Limited and AXIS Bank Limited:

Loans from HSBC Bank (Mauritius) Limited

Loan of EUR 6,850,000

The bank loan of EUR 6,850,000 from HSBC Bank (Mauritius) Limited carried interest at Fixed EUR Interest Rate Swap ("IRS") 5 year plus a margin of 2.75% per annum on fixed basis (Note 12 (ii)). The all-inclusive rate of interest was initially fixed at 3.45% and interest is payable at the end of every 6 months. Pursuant to board minutes dated August 02, 2019, the loan extension period was revised to August 04, 2022 and the margin rate modified to 1.10% per annum.

Loan of EUR 5,000,000

The bank loan of EUR 3,600,000 from HSBC Bank (Mauritius) Limited bears interest at EUR Interest Rate EURIBOR 3 months plus a margin of 1.35% per annum on fixed basis (Note 12 (ii)). It is agreed that if the EURIBOR is negative, it would be deemed to be zero for the purpose of this facility. The loan is repayable within one year from the date of each drawdown. The interest is payable at the end of every 3 months.

The bank loan of EUR 3,600,000 disbursed in prior financial years form part of EUR 5,000,000 Revolving Credit Facility. During the year ended March 31, 2020, an additional disbursement of EUR 700,000 was made from the Revolving Credit Facility with the same conditions pertaining to repayment and interest rate.

During the financial year ended March 31, 2021, the Company approached the bank to roll-over the loan for an additional period of 1.99 years at an interest rate of EURIBOR 3 months plus a margin of 2.5 % per annum on a fixed basis. Moreover, an additional amount of EUR 700,000 was disbursed by the Bank with repayment date being 28 September 2022. With the additional disbursement made, the loan sanction amount of EUR 500,000 has been fully utilised by the Company.

Loan of EUR 10,000,000

As at March 31, 2021, the Company was sanctioned a bank loan of EUR 10,000,000 bearing interest at EUR Interest Rate EURIBOR 6 months plus a margin of 1.10% per annum on fixed basis (Note 12(ii)). It is agreed that if EURIBOR is negative, it would be deemed to be zero for the purpose of this facility. The tenure of the loan is 2.99 years from each drawdown.

Loan of EUR 2,500,000

During the year ended March 31, 2022, the Company received an additional bank loan of EUR 2,500,000 from HSBC Bank (Mauritius) Limited bearing interest at EUR Interest Rate EURIBOR plus a margin of 1.20% per annum on fixed basis (Note 12 (ii)). It is agreed that if the EURIBOR is negative, it would be deemed to be zero for the purpose of this facility.The interest is payable at the end of every 3 or 6 months and has a maturity date of February 24 .2025,

Loan of EUR 3,000,000

Pursuant to agreement dated June 16, 2021, HSBC Bank (Mauritius) Limited sanctioned a loan of EUR 3,000,000 to the Company. The loan has a tenure period of 0.99 year from date of first disbursement and can be rolled over for another 0.99 year. The loan bears interest at EUR Interest Rate EURIBOR plus a margin of 2.50% per annum on fixed basis (Note 12 (ii)). It is agreed that if the EURIBOR is negative, it would be deemed to be zero for the purpose of this facility. The interest is payable at the end of every 3 or 6 months. As at March 31, 2022, an amount of EUR 1,000,000 has been disbursed out of the total facility.

Loan of EUR 40,000,000

Pursuant to agreement dated 08 February 2022, HSBC Bank (Mauritius) Limited sanctioned a loan of EUR 40,000,000 to the Company. The loan has a tenure period of 2.99 years from date of first disbursement and can be rolled over for another 0.99 year. The loan bears interest at EUR Interest Rate EURIBOR plus a margin of 1.20% per annum on fixed basis (Note 12 (ii)). It is agreed that if the EURIBOR is negative, it would be deemed to be zero for the purpose of this facility. The interest is payable at the end of every 3 or 6 months. As at March 31 2022, an amount of EUR 36,547,503 has been disbursed.

Loans from AXISBank Limited

Loan of EUR 30,000,000

Pursuant to facility agreement dated February 17, 2022, AXIS Bank Limited granted a total commitment of EUR 30,000,000 to the Company. The total commitment comprises of a Term Loan Facility of EUR 15,000,000, a Revolving Credit Facility 1 amounting to EUR 7,000,000 and a Revolving Credit Facility 2 amounting to EUR 8,000,000. The Term Loan Facility and Revolving Credit Facility 1 bear interest rate of 6 months EURIBOR, floored to zero if EURIBOR is negative, plus 104 basis point per annum.As per the facility agreement, Revolving Credit Facility 2 interest rate will be decided at time of disbursement. As at March 31, 2022, the Term Loan Facility and Revolving Credit Facility 1 have been disbursed by the AXIS Bank Limited.

Interest rate sensitivity analysis

The following table illustrates the sensitivity of loss and shareholder's deficit to reasonably possible changes in interest rates of +/- 1% for the year ended March 31, 2022. These changes are considered to be reasonably possible based on observation of current market conditions. The calculations are based on a change in the average market interest rates for each year, and the financial instruments held at each reporting date that are sensitive to changes in interest rates. All other variables are held constant. In the prior financial year ended March 31, 2021, the Company managed its cash flow interest rate risk on its loans by using floating to fixed interest rate swaps. However, as at March 31, 2021, the swaps agreements had reached maturity.

A 1% increase in interest rate will have the following impact:

	Loss for the year	Shareholder's deficit
	EUR	**USD**
At March 31, 2022	**832,655**	**832,655**

A 1% decrease in interest rate would have the reversed impact.

5.2 Credit risk analysis

Credit risk is the risk that the counterparty fails to discharge an obligation to the Company.

The Company's maximum exposure to credit risk is limited to the carrying amount of financial assets recognised at the reporting date, as summarised as follows:

	2022	2021
	EUR	EUR
ASSETS		
Non-current		
Loans	**29,091,732**	31,679,327
Current assets		
Loans	**24,764,527**	17,100,059
Other receivable	**4,138**	–
Cash and cash equivalents	**2,366,339**	50,280
	27,135,004	17,150,339
	56,226,736	48,829,666

The Company has sanctioned several loans to its Subsidiary. The terms and conditions of the loans are detailed in Note 11 of these financial statements. Other receivable pertains to amount due from subsidiary in respect of commission fee income (Note 12).

The Company measures credit risk and ECL using probability of default, exposure at default and loss given default of the loans to subsidiary and other receivable. The directors consider both historical analysis and forward-looking information in determining any ECL. The directors acknowledge the outbreak of Covid-19 and its adverse economic impact on the countries, industries and markets in which the Company invests. However, the directors believe that Covid-19 will only have a short-term impact on the Company and these investments were made in the Subsidiary with a view of long-term appreciation and returns. Additionally, the Company has the financial support of its shareholder to ensure continuation of its operations. Therefore, the directors consider the probability of default to be close to zero as the Subsidiary has strong capacity to meet their contractual obligations and have not defaulted in the past. As a result, no loss allowance has been recognised based on 12-month ECL under Stage 1 of the ECL model.

The credit risk for the bank balance is considered negligible, since the counterparty is a reputable bank with high quality external credit ratings.

The carrying amounts disclosed above are the Company's maximum possible credit risk exposure in relation to these instruments.

None of the Company's financial assets are secured by collateral or other credit enhancements. The borrowings taken are secured against an Unconditional and Irrevocable Corporate Guarantee from Mahindra Holidays and Resorts India Limited, the parent company.

5.3 Liquidity risk analysis

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due.

The Company's approach to managing liquidity risk is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

As at March 31, 2022. The Company has contractual maturities which are summarised below:

	2022		2021	
	Less than 1 year	**More than 1 year**	Less than 1 year	More than 1 year
	EUR	**EUR**	EUR	EUR
Borrowings	**19,811,520**	**63,868,930**	3,013,167	72,070,362
Other payables and accruals	**2,409,401**	–	1,884,260	–
Total	**22,220,921**	**63,868,930**	4,897,427	72,070,362

6. FAIR VALUE MEASUREMENT

6.1 Fair value measurement of financial instruments

The Company has financial assets and financial liabilities, and they are measured at their carrying amounts which approximate their fair values.

6.2 Fair value measurement of non-financial instruments

The Company's non-financial assets consist of investments in subsidiary and prepayments for which fair value measurement is not applicable since these are not measured at fair value on a recurring or non-recurring basis in the statement of financial position. At the reporting date, the Company did not have any non-financial liabilities.

7. CAPITAL MANAGEMENT POLICIES AND PROCEDURES

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns to its member.

In order to maintain or adjust the capital structure, the Company may adjust the amounts of dividends paid to its member, buy back shares or issue new shares.

The Company monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. For the years ended March 31, 2022 and March 31, 2021, the Company was fully geared since it relies on external borrowings to finance its operations.

8. TAXATION

(i) Income tax

The Company holds a Global Business License for the purpose of the Financial Services Act 2007 of Mauritius. Pursuant to the enactment of the Finance Act 2018, with effect as from January 1, 2019, the deemed tax credit has been phased out, through the implementation of a new tax regime. Companies which had obtained their Global Business Licence on or before October 16, 2017, including the Company, have been grandfathered and would benefit from the deemed tax credit regime up to June 30, 2021.

Accordingly, the Company is entitled to a foreign tax credit equivalent to the higher of the actual foreign tax suffered or 80% of the Mauritian tax ("Deemed tax credit") on its foreign source income resulting in an effective tax rate on net income of up to 3%, up to June 30, 2021. Further, the Company is exempted from income tax in Mauritius on profits or gains arising from sale of securities. In addition, there is no withholding tax payable in Mauritius in respect of payments of dividends to Shareholder or in respect of redemptions or exchanges of shares.

Post June 30, 2021 and under the new tax regime and subject to meeting the necessary substance requirements as required under the Financial Services Act 2007 (as amended by the Finance Act 2018) and such guidelines issued by the Financial Services Commission, the Company would be entitled to either (a) a foreign tax credit equivalent to the actual foreign tax suffered on its foreign income against the Company's tax liability computed at 15% on such income, or (b) a partial exemption of 80% of some of the income derived, including but not limited to foreign source dividends or interest income.

At March 31, 2022, the Company has accumulated tax losses of EUR 1,823,551 (2021: EUR 1,240,267) which will be carried forward and available for set off against future taxable profit as follows:

	EUR
Up to the year ending March 31, 2023	**127,557**
Up to the year ending March 31, 2024	**114,101**
Up to the year ending March 31, 2025	**165,327**
Up to the year ending March 31, 2026	**370,672**
Up to the year ending March 31, 2027	**1,045,894**
	1,823,551

(ii) Deferred tax

Deferred income tax is calculated on all temporary differences under the liability method at the rate of 3%. At March 31, 2022, no deferred tax has been recognised in respect of the tax losses carried forward as it is not probable that taxable profit will be available in the foreseeable future.

(iii) Income tax reconciliation

The income tax on the Company's loss before tax differs from the theoretical amount that would arise using the effective tax rate of the Company as follows:

	2022	2021
	EUR	EUR
Loss for the year	**(1,724,447)**	(875,653)
Tax expense	**–**	–

9. INVESTMENTS IN SUBSIDIARY

	2022	2021
	EUR	EUR
(i) Unquoted investments at cost:		
At 01 April and March 31,	**23,182,500**	23,182,500

(ii) Details pertaining to the unquoted investments are as follows:

Name of investee company	Country of incorporation	Type of investments	Number of shares	Cost 2022	Cost 2021
				EUR	EUR
Covington S.à.r.l	Luxembourg	Equity	**12,500**	**17,500**	17,500
Covington S.à.r.l	Luxembourg	Non-equity	–	**23,165,000**	23,165,000
			12,500	**23,182,500**	23,182,500

(iii) Pursuant to a Share Sale and Purchase Agreement dated July 17, 2014 between the Company (the "Purchaser") and D.LAW (the "Seller"), the Company purchased 12,500 shares without nominal value corresponding to 100% of the share capital of Covington S.à.r.l, a private limited company incorporated in Luxembourg, for a total consideration of EUR 17,500.

In addition, pursuant to Contribution Agreements dated July 31, 2014, November 10, 2014 and August 18, 2015 between the Company and Covington S.à.r.l (the "Receiver"), the Company contributed EUR 3,165,000, EUR 4,000,000, and EUR 16,000,000 respectively to the Receiver.

(iv) The directors have assessed the recoverable amount of the investments (equity and non-equity) and confirmed that the carrying amount of these investments have not suffered any impairment in value at the reporting date.

(v) The Company has 100% shareholding in Covington S.à.r.l and is therefore considered as the Company's subsidiary since it has control over the subsidiary through its 100% voting rights. The Company holds a Global Business Licence issued by the Financial Services Commission and has therefore taken advantage of Section 12 of Part 1 of the Fourteenth Schedule of the Mauritius Companies Act 2001 which dispenses it from presenting consolidated financial statements as it is a wholly owned subsidiary of a company incorporated in the Republic of India.

(vi) The non-equity investment in Covington S.à.r.l represents funds invested as "capital contribution" and settlement is not likely within one year. Repayment would be agreed between the Company and its investee company.

10. FINANCE INCOME AND FINANCE COSTS

	2022	2021
	EUR	EUR
10.1 Finance income		
Net fair value adjustment - Derivative financial instruments (Note (i))	**–**	132,558
Corporate Guarantee Commission income (Note 12(ii))	**54,856**	–
Interest on loans (Note 11(i))	**1,177,138**	1,140,530
	1,231,994	1,273,088
10.2 Finance costs		
Interest on borrowings (Note 12(i))	**1,505,467**	1,396,250
Other legal expenses	**6,498**	5,025
SBLC commission fees	**–**	13,253
Commissions on Corporate Guarantee (Note 12(ii))	**489,031**	380,699
Loan expenses (Note (ii))	**407,171**	–
Amortisation of transaction costs (Note 12 (i))	**485,913**	120,362
Loss on interest rate swaps (Note (i))	**–**	123,225
	2,894,080	2,038,814

(i) The Company entered into interest rate swap agreements in the prior financial years in order to manage its interest rate risk exposures. During the year ended March 31, 2021, the swap agreements had reached their maturity date and the loans were fully repaid. Consequently, no fair value adjustment has been noted for the year under review.

(ii) Loan expenses include mainly fees incurred for early settlement of bank loans.

11 LOANS

	2022	2021
	EUR	EUR
Loans to subsidiary:		
Non-current		
Principal amounts	**27,870,000**	30,420,000
Interest receivable	**1,221,732**	1,259,327
	29,091,732	31,679,327
Current		
Principal amounts	**23,250,000**	16,700,000
Interest receivable	**1,514,527**	400,059
	24,764,527	17,100,059
Total	**53,856,259**	48,779,386

(ii) The movements during the year on the loans as follows:

	2022	2021
	EUR	EUR
Opening balance	**48,779,386**	44,446,657
Loans given during the year	**4,000,000**	3,500,000
Interest income for the year	**1,177,138**	1,140,530
Interest received during the year	**(100,265)**	(307,801)
Closing balance	**53,856,259**	48,779,386

(iii) Pursuant to Loan Agreement dated February 09, 2022 the Company has disbursed an additional loan of EUR 4,000,000 to its subsidiary, Covington S.à.r.l, a private limited company incorporated in Luxembourg, to be used in the ordinary course of business. The loan amount carries an interest rate fixed at 2.20% per annum which is repayable along with the principal upon maturity. The loan is unsecured and is repayable after 2 years from disbursement date. The repayment date is extendable at the consent of the Company.

(iv) The loans amounting to EUR 6,700,000 and EUR 10,000,000 which were receivable by August 21, 2021 were extended for a period of additional two years pursuant to Addendum to Loan Agreement dated August 21, 2021. These loans have been classified as non-current assets in these financial assets. The remaining loans are receivable within one year/more than one year and bear interest at rate ranging between 2.2% to 3% per annum.

(v) The directors have taken into consideration both historical analysis and forward-looking information in determining any ECL. The directors acknowledge the outbreak of COVID-19 and its adverse economic impact on the countries, industries and markets in which the subsidiary operates. However, the directors believe that the COVID-19 will not have a long-term impact on the subsidiary and consequently, the directors consider the probability of default to be close to zero as the subsidiary has a strong capacity to meet the contractual obligations in the near term and have not defaulted in the past. As a result, no loss allowance has been recognised based on 12-month ECL under Stage 1 of the ECL model.

12 BORROWINGS

	2022	2021
	EUR	EUR
Non-current		
Bank loans (Note 12 (ii))	**63,868,930**	72,070,362
Current		
Bank loans (Note 12(ii))	**19,476,316**	2,683,464
Loan from holding company (Note 12 (iii))	**335,204**	329,703
	19,811,520	3,013,167
Total	**83,680,450**	75,083,529

(i) The movement during the year on the borrowings is as follows:

	2022	2021
	EUR	EUR
At April 01	**75,083,529**	70,675,972
Loans taken during the year:		
AXIS Bank Limited	**22,000,000**	–
HSBC Bank (Mauritius) Limited	**40,047,503**	4,200,000
ICICI Bank Limited	**–**	50,100,000
Loan repaid during the year:		
AXIS BANK LIMITED	**–**	(50,070,000)
ICICI Bank Limited	**(50,988,990)**	–
HSBC Bank (Mauritius) Limited	**(2,500,000)**	–
Interest element for the year:		
Interest expense	**1,505,467**	1,396,250
Interest payment	**(1,526,398)**	(1,339,055)
Loss on interest rate swaps	**–**	123,225
Interest rate swap payment	**–**	(123,225)
Transaction costs incurred for the year:		
Amortisation of transaction costs	**485,913**	120,362
Early repayment fees	**282,713**	–
Processing fees	**(709,287)**	–
At March 31	**83,680,450**	75,083,529

(ii) Summary of bank borrowings arrangements are as follows:

HSBC Bank (Mauritius) Limited

Loan of EUR 6,850,000

The Company (the "Borrower") entered into a Facility Agreement with HSBC Bank (Mauritius) Limited ("the Lender") on July 31, 2014 whereby the loan was repayable on August 04, 2019. The loan had interest rate at Fixed EUR Interest Rate Swap ("IRS") 5 year plus a margin of 2.75% per annum on fixed basis. The all-inclusive rate of interest was initially fixed at 3.45%. Pursuant to board minutes dated August 02, 2019, the loan extension period was revised to August 04, 2022 and the margin rate was modified to 1.10% per annum. Interest accrued on the loan outstanding at the reporting date amounted to EUR 11,036.

Loan of EUR 5,000,000

The Company (the "Borrower") entered into a Facility Agreement with HSBC Bank (Mauritius) Limited ("the Lender") on September 28, 2018 whereby the loan is repayable within 1 year from the date of each drawdown + rollover basis for 1 year tenure. The loan bears interest at EURIBOR 3 months plus a margin of 1.35% per annum on fixed basis. It is agreed that if EURIBOR is negative, it would be deemed to be zero for the purpose of this facility. As at March 31, 2022, the loan sanction amount of EUR 5,000,000 was fully utilized by the Company. Interest accrued on the loan outstanding at the reporting date amounted to EUR 28,646.

Loan of EUR 10,000,000

The Company (the "Borrower") entered into a Term Loan Credit Facility Agreement with HSBC Bank (Mauritius) Limited ("the Lender") on 29 October 2019 for a loan of EUR 10,000,000 and repayable in 2.99 years. As at March 31, 2020, an amount of EUR 6,500,000 was disbursed. The loan bears interest at EURIBOR plus a margin of 1.10% per annum. It is agreed that if EURIBOR is negative, it would be deemed to be zero for the purpose of this facility. The interest is payable at the end of every 3 or 6 months and interest accrued on the loan outstanding at the reporting date amounted to EUR 29,110.

During the year ended March 31, 2021, an additional loan of EUR 3,500,000 was disbursed to the Company out of the Term Loan Credit Facility Agreement of EUR 10,000,000. The additional amount was disbursed at the same conditions prevailing for the first tranche. The interest accrued on the loan EUR 3,500,000 outstanding at the reporting date amounted to EUR 3,471.

Subsequent to the second tranche of disbursement, the loan sanction amount of EUR 10,000,000 has been fully utilised by the Company.

Loan of EUR 2,500,000

The Company (the "Borrower") entered into a Facility Agreement with HSBC Bank (Mauritius) Limited ("the Lender") on March 24, 2020 for a loan of EUR 2,500,000 and repayable in 1.99 years. The loan carried interest at EURIBOR plus a margin of 1.20% per annum. It was agreed that if EURIBOR is negative, it would be deemed to be zero for the purpose of this facility. During the year ended March 31, 2022, the loan was fully repaid.

HSBC Bank (Mauritius) Limited

Loan of EUR 1,000,000

The Company (the "Borrower") entered into a Facility Agreement with HSBC Bank (Mauritius) Limited ("the Lender") on 16 June 2021 to borrow a loan facility up to EUR 3,000,000 whereby the loan is repayable within 0.99 year from the date of first drawdown with the possibility to roll over for another 0.99 year. The loan bears interest at EURIBOR plus a margin of 2.50% per annum on fixed basis. It is agreed that if EURIBOR is negative, it would be deemed to be zero for the purpose of this facility. As at March 31, 2022, an amount of EUR 1,000,000 was disbursed. Interest accrued on the loan outstanding at the reporting date amounted to EUR 2,500.

Loan of EUR 40,000,000

The Company (the "Borrower") entered into a Facility Agreement with HSBC Bank (Mauritius) Limited ("the Lender") on February 08, 2022 to borrow a loan facility up to EUR 40,000,000 whereby the loan is repayable within 2.99 years from the date of first drawdown with the possibility to roll over for another 0.99 year. The loan bears interest at EURIBOR plus a margin of 1.50% per annum on fixed basis. It is agreed that if EURIBOR is negative, it would be deemed to be zero for the purpose of this facility. As at March 31, 2022, an amount of EUR 36,547,503 was disbursed. An upfront fee of 0.90% was incurred on the loan disbursed by the Bank. An effective interest rate has been computed for the loan facility and interest accrued on the loan outstanding at the reporting date amounted to EUR 45,409.

Loan of EUR 2,500,000

The Company (the "Borrower") entered into a Facility Agreement with HSBC Bank (Mauritius) Limited ("the Lender") on March 16, 2022 to borrow a loan facility up to EUR 2,500,000 whereby the loan has a maturity date of February 24, 2025. The loan bears interest at EURIBOR plus a margin of 1.20% per annum on fixed basis. It is agreed that if EURIBOR is negative, it would be deemed to be zero for the purpose of this facility. As at March 31, 2022, the loan was fully disbursed. An upfront fee of 0.90% was incurred on the loan disbursed by the Bank. An effective interest rate has been computed for the loan facility and interest accrued on the loan outstanding at the reporting date amounted to EUR 1,109.

ICICI Bank Limited

Pursuant to board minutes and Credit Agreement Letter dated August 21, 2020 and August 25, 2020 respectively, the Company was sanctioned a Foreign Currency Term Loan facility of EUR 55,000,000 by ICICI Bank Limited. The holding company, Mahindra Holidays & Resorts India Limited stood as guarantor for the loan with the Bank. The loan had a repayment term of 4 years.

The loan carried interest at EURIBOR 6 months plus a margin of 2.50%. It was agreed that if EURIBOR was negative, it would be deemed to be zero for the purpose of this facility. An upfront processing fee of 1.20% of disbursed amount was incurred by the Company as per the Credit Agreement Letter.

During the year ended March 31, 2022, the loans payable to ICICI Bank Limited amounting to EUR 52,107,819 (inclusive of interest) was repaid by the Company through loans disbursed by HSBC Bank (Mauritius) Limited and AXIS Bank Limited. Since the loan was repaid earlier, the Company has incurred early repayment fees. The remaining transaction cost of EUR 485,913 was fully amortised during the year.

AXIS Bank Limited

Pursuant to facility agreement dated 17 February 2022, AXIS Bank Limited has granted a total commitment of EUR 30,000,000 to the Company. The total commitment comprises of a Term Loan Facility of EUR 15,000,000, a Revolving Credit Facility 1 amounting to EUR 7,000,000 and a Revolving Credit Facility 2 amounting to EUR 8,000,000. The Term Loan Facility and Revolving Credit Facility 1 bear interest rate of 6 months EURIBOR, floored to zero if EURIBOR is negative, plus 104 basis point per annum. As per facility agreement, Revolving Credit Facility 2 interest rate will be decided at time of disbursement. As at March 31, 2022, the Term Loan Facility and Revolving Credit Facility 1 have been disbursed by the AXIS Bank Limited. An upfront fee of 0.90% was incurred on the loan disbursed by the Bank. An effective interest rate has been computed for the loan facility and interest accrued on the loan outstanding at the reporting date amounted to EUR 30,713.

The above loans are secured against an Unconditional and Irrevocable Corporate Guarantee from Mahindra Holidays & Resorts India Limited (the "Guarantor"). In that respect, an annual commission of 0.53% on the Corporate Guarantee should be paid to the Guarantor until the loans are fully repaid. During the year ended March 31, 2022, an amount of EUR 489,031 (2021: EUR 380,699) was charged as commission and an amount of EUR 2,345,415 (2020: EUR 1,856,384) remains payable as at March 31, 2022.

Since Holiday Club Resorts Oy ("HCR"), the indirect subsidiary incorporated in the Republic of Finland, is also benefiting from the loans borrowed by the Company in terms of the pledge provided, HCR therefore pays a commission to the Company which is then partly remitted to the Guarantor. During the year under review, an amount of EUR 54,856 (2021: EUR Nil) was charged as commission and an amount of EUR 4,138 (2021: EUR Nil) is receivable as at March 31, 2022.

(iii) The Company borrowed a loan amounting to EUR 250,000 from Mahindra Holidays& Resorts India Limited ("MHRIL"), the immediate holding company, bearing interest of 2.2% per annum and repayable on demand.

13. RECEIVABLE AND PREPAYMENTS

	2022	2021
	EUR	EUR
Receivable from a related party (Note 12(ii))	**4,138**	–
Prepayments	**2,918**	2,403
	7,056	2,403

(i) The amount receivable from a related party is unsecured, interest free and receivable on demand.

(ii) The directors have taken into consideration both historical analysis and forward-looking information in determining any ECL. The directors considers the probability of default of the counterparty and as a result, no loss allowance has been recognised based on 12-month ECL as any such impairment would be wholly insignificant to the Company.

14. PROFESSIONAL FEES

	2022	2021
	EUR	EUR
Administration fees and disbursements	**45,529**	62,771
Directors' fees	**2,785**	3,071
Fees for tax filings	**1,406**	1,818
Secretarial fees	**1,286**	1,420
Professional fees	**594**	378
Legal fees	**–**	29,099
	51,600	98,557

15. OTHER PAYABLES AND ACCRUALS

	2022	2021
	EUR	EUR
Commission on Corporate Guarantee (Note 12 (ii))	**2,345,415**	1,856,384
Audit fees	**7,231**	7,140
Administration fees	**13,569**	16,175
Legal fees	**34,858**	–
Disbursements	**8,328**	4,561
	2,409,401	1,884,260

16. STATED CAPITAL

	2022	2021
	EUR	EUR
Issued and paid:		
145,000 Ordinary shares of EUR1 each	**145,000**	145,000

In accordance with the Company's Constitution, the main rights and obligations attached to the ordinary shares are as follows:

- confer to its holder the rights to attend and exercise one vote at meetings of members generally and class meetings of the ordinary shares;
- have a right to receive any dividend or distribution; and
- be entitled, on a winding up, to share in the assets of the Company available for distribution.

17. CASH FLOW INFORMATION

Net debt reconciliation

	2022	2021
	EUR	EUR
Net debt		
Borrowings:		
- Repayable within one year	**19,811,520**	3,013,167
- Repayable after one year	**63,868,930**	72,070,362
	83,680,450	75,083,529

	Borrowings due within 1 year	Borrowings due after 1 year	Total
	EUR	**EUR**	**EUR**
Net debt as at April 1, 2021	**3,013,167**	**72,070,362**	**75,083,529**
Cash flows:			
- Additional loan from Axis Bank Limited	**–**	**22,000,000**	**22,000,000**
- Additional loan from HSBC Bank (Mauritius) Limited	**1,000,000**	**39,047,503**	**40,047,503**
- Repayment of loan from HSBC Bank (Mauritius) Limited	**(2,500,000)**	**–**	**(2,500,000)**
- Repayment of loan from ICICI Bank Limited	**–**	**(50,988,990)**	**(50,988,990)**
- Payment of processing fees	**–**	**(674,428)**	**(674,428)**
- Interest rate	**(1,526,398)**	**–**	**(1,526,398)**
Non-cash movement:			
- Transaction fees	**–**	**247,854**	**247,854**
- Amortisation of loan	**–**	**485,913**	**485,913**
- Interest expense	**1,505,467**	**–**	**1,505,467**
- Reclassification of loans	**18,319,284**	**(18,319,284)**	**–**
Net debt as at March 31, 2022	**19,811,520**	**63,868,930**	**83,680,450**

	Borrowings due within 1 year	Borrowings due after 1 year	Total
	EUR	EUR	EUR
Net debt as at April 1, 2020	54,825,972	15,850,000	70,675,972
Cash flows:			
- Additional loan from ICICI Bank Limited	–	30,000	30,000
- Additional loan from HSBC Bank (Mauritius) Limited		4,200,000	4,200,000
- Interest paid	(1,339,055)	–	(1,339,055)
- Interest rate swap paid	(123,225)	–	(123,225)
Non-cash movement:			
- Loss on interest rate swaps	123,225	–	123,225
- Amortisation of loan	–	120,362	120,362
- Interest expense	1,396,250	–	1,396,250
- Repayment to AXIS BANK LIMITED	(50,070,000)	–	(50,070,000)
- Additional loan from ICICI Bank Limited	–	50,070,000	50,070,000
- Reclassification of loan	(1,800,000)	1,800,000	–
Net debt as at March 31, 2021	3,013,167	72,070,362	75,083,529

18. RELATED PARTY TRANSACTIONS

During the year ended March 31, 2022, the Company had transactions with related parties. The nature, volume of transactions and balances with the related parties are as follows:

Name of companies	**Nature of relationship**	**Nature of transactions**	**Volume of transactions**	**Debit/ (credit) balances at March 31, 2022**	Debit/ (credit) balances at March 31, 2021
			EUR	**EUR**	EUR
Covington S.à.r.l. (Note 11 (i))	Subsidiary	Loans and interest receivable	**5,076,873**	**53,856,259**	48,779,386
Mahindra Holidays and Resorts India Limited (Note 12(iii))	Holding company	Loan	–	**(250,000)**	(250,000)
Mahindra Holidays and Resorts India Limited (Note 12(iii))	Holding company	Interest payable	**5,499**	**(85,203)**	(79,703)
Holiday Club Resorts Oy (Note 13)	Indirect subsidiary	Other receivable	–	**4,138**	–

Name of companies	Nature of relationship	Nature of transactions	Volume of transactions	Debit/ (credit) balances at March 31, 2022	Debit/ (credit) balances at March 31, 2021
			EUR	**EUR**	EUR
Mahindra Holidays and Resorts India Limited (Note 12(ii))	Holding company	Commission on Corporate Guarantee	**489,031**	**(2,345,415)**	(1,856,384)

The terms and conditions of the loans, other receivable from related party and payable to holding company are as disclosed in notes 11, 12 and 13 to the financial statements

19. CONTINGENT LIABILITIES

The Company has no litigation claims outstanding, pending or threatened against it, which could have a material adverse effect on the Company's financial position or results as at March 31, 2022.

20. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared on the going concern basis which assumes that the Company will continue in operational existence for the foreseeable future. The validity of this assumption depends on the continued financial support of the shareholder.

The Company's accumulated losses have increased over the years to reach EUR 6,822,697 as at March 31, 2022 (March 31, 2021: EUR 5,098,220) and has also a net liability position of EUR 6,677,697 (March 31, 2021: EUR 4,953,220). The directors are of the opinion that financial support from the shareholder will be forthcoming over the next twelve months. They therefore believe that it is appropriate for the financial statements to be prepared on the going concern basis.

21. HOLDING COMPANIES

The directors consider Mahindra Holidays and Resorts India Limited, a quoted company incorporated in the Republic of India, as the Company's immediate holding company and Mahindra and Mahindra Limited, a quoted company incorporated in the Republic of India, as the Company's ultimate holding company.

Grant Thornton
Chartered Accountants

K RAMCHURUN, FCCA
Licensed by FRC

Date: April 29, 2022

Ebene 72201, Republic of Mauritius

REPORT OF THE REVISEUR D'ENTREPRISES AGREE

To the Board of Managers of Covington S.a.r.l.

Opinion

We have audited the annual accounts of Covington S.à.r.l. (the "Company"), which comprise the balance sheet as at March 31, 2022, and the profit and loss account for the year then ended, and notes to the annual accounts, including a summary of significant accounting policies.

In our opinion, the accompanying annual accounts give a true and fair view of the financial position of the Company as at March 31, 2022 and of the results of its operations for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the annual accounts.

Basis for opinion

We conducted our audit in accordance with the Law of July 23, 2016 on the audit profession ("Law of 23 July 2016") and with International Standards on Auditing ("ISAs") as adopted for Luxembourg by the Commission de Surveillance du Secteur Financier ("CSSF"). Our responsibilities under the Law of July 23, 2016 and ISAs as adopted for Luxembourg by the CSSF are further described in the *"Responsibilities of "réviseur d'entreprises agréé" for the audit of the annual accounts"* section of our report. We are also independent of the Company in accordance with the International Code of Ethics for Professional Accountants, including International Independence Standards, issued by the International Ethics Standards Board for Accountants ("IESBA Code") as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the annual accounts, and have fulfilled our other ethical responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board of Managers for the annual accounts

The Board of Managers is responsible for the preparation and fair presentation of the annual accounts in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the annual accounts, and for such internal control as the Board of Managers determines is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts, the Board of Managers is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Managers either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Responsibilities of the réviseur d'entreprises agréé for the audit of the annual accounts

The objectives of our audit are to obtain reasonable assurance about whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue a report of the "réviseur d'entreprises agréé" that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Law of July 23, 2016 and with ISAs as adopted for Luxembourg by the CSSF will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts.

As part of an audit in accordance with the Law of July 23, 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Managers.
- Conclude on the appropriateness of the Board of Managers' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report of the "réviseur d'entreprises agréé" to the related disclosures in the annual accounts or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report of the "réviseur d'entreprises agréé". However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual accounts, including the disclosures, and whether the annual accounts represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Luxembourg, April 28, 2022

KPMG Luxembourg
Société anonyme
Cabinet de révision agréé

S Yeo
Associate Partner

BALANCE SHEET AS AT MARCH 31, 2022
(expressed in EUR)

ASSETS	Notes	2022 EUR	2021 EUR
FIXED ASSETS			
Financial fixed assets	3		
Shares in affiliated undertakings		**67,884,594.23**	67,884,594.23
		67,884,594.23	67,884,594.23
CURRENT ASSETS			
Debtors	4		
Amounts owed by affiliated undertakings			
becoming due and payable within one year		**–**	3,273,554.21
becoming due and payable after more than one year		**7,350,186.97**	–
Other debtors			
becoming due and payable within one year		**1,203.75**	–
		7,351,390.72	3,273,554.21
Cash at bank, cash in postal cheque accounts, cheques and cash in hand		**237,384.36**	270,767.65
PREPAYMENTS		**5,997.71**	4,620.03
TOTAL ASSETS		**75,479,367.02**	71,433,536.12
LIABILITIES			
CAPITAL AND RESERVES	5		
Subscribed capital		**12,500.00**	12,500.00
Share premium and similar premiums		**23,165,000.00**	23,165,000.00
Reserves			
Legal reserve		**1,250.00**	1,250.00
Profit/(Loss) brought forward		**(858,870.81)**	319,616.41
Profit/(Loss) for the financial year		**(1,059,070.15)**	(1,178,487.22)
		21,260,809.04	22,319,879.19
CREDITORS	6		
Trade Creditors			
becoming due and payable within one year		**94,149.81**	64,647.20
Amounts owed to affiliated undertakings			
becoming due and payable within one year		**25,027,861.85**	17,363,393.77
becoming due and payable after more than one year		**29,091,731.32**	31,679,325.61
Tax and social security debts			
Tax debts		**4,815.00**	6,290.35
		54,218,557.98	49,113,656.93
TOTAL CAPITAL, RESERVES, LIABILITIES		**75,479,367.02**	71,433,536.12

PROFIT AND LOSS ACCOUNT FOR THE PERIOD FROM APRIL 1, 2021 TO MARCH 31, 2022

(expressed in EUR)

	Notes	2022 EUR	2021 EUR
Raw materials and consumables and other external expenses	7	**(115,616.12)**	(100,006.06)
Other external expenses		**(115,616.12)**	(100,006.06)
Other operating expenses		**–**	(2,445.60)
Income from participating interests	8	**161,616.00**	–
Derived from affiliated undertakings		**161,616.00**	–
Other interest receivable and similar income	9	**76,882.76**	95,396.18
Derived from affiliated undertakings		**76,632.76**	69,783.44
Other interest and similar income		**250.00**	25,612.74
Interest payable and similar expenses	10	**(1,177,137.79)**	(1,166,116.74)
Concerning affiliated undertakings		**(1,177,137.79)**	(1,140,504.00)
Other interest and similar expenses		**–**	(25,612.74)
Tax on profit/(loss)	11	**–**	(500.00)
Profit/(Loss) after taxation		**(1,054,255.15)**	(1,173,672.22)
Other taxes not shown under items 1 to 16	11	**(4,815.00)**	(4,815.00)
Profit/(Loss) for the financial year		**(1,059,070.15)**	(1,178,487.22)

NOTES TO THE ANNUAL ACCOUNTS

Note 1 - General information

Covington S.à.r.l., hereinafter the "Company", was incorporated on November 27, 2013 as a "société à responsabilité limitée" for an unlimited period. The Company is organised under the laws of Luxembourg, in particular the law of August 10, 1915 on commercial companies, as amended.

The registered office of the Company is established in Luxembourg City and is registered at the Trade and Companies register in Luxembourg under the number B 182 265.

The financial year of the Company starts on April 1 and ends on March 31 of each year.

Based on the criteria defined by article 1711-7 of the Luxembourg law, the Company is exempt from the obligation to draw up consolidated accounts and a consolidation management report for the year ended March 31, 2022.

The Company is included in the consolidated accounts of Mahindra Holidays & Resorts India Limited, forming the smallest and largest body of undertakings of which the Company forms a part as direct subsidiary undertakings. The registered office of that company is located at Mahindra Towers, 2nd floor, 17/18 Patullos Road, Chennai - 600 002 and the consolidated financial statements are available at the registered adress.

The object of the Company is the acquisition of ownership interests, in Luxembourg or abroad, in any companies or enterprises in any form whatsoever and the administration, management, control and development of such participations. The Company may in particular acquire by way of subscription, purchase, exchange or in any other manner any stock, shares and/or other participation securities, bonds, debentures, certificates of deposit and/or other debt instruments and more generally any securities and/or financial instruments issued by any public or private entity whatsoever. It may participate in the creation, development, management and control of any company or enterprise. It may further make direct or indirect real estate investments and invest in the acquisition and management of a portfolio of patents or other intellectual property rights of any nature or origin whatsoever.

The Company may borrow in any form, except for borrowing from the public. It may issue notes, bonds, debentures and any other kind of debt and/or equity securities, including but not limited to preferred equity certificates and warrants, whether convertible or not in all cases. The Company may lend funds, including the proceeds of any borrowings and/or issues of debt securities, to its subsidiaries, affiliated companies or to any other company. It may also give guarantees and grant security interests in favour of third parties to secure its obligations or the obligations of its subsidiaries, affiliated companies or any other company. The Company may further mortgage, pledge, transfer, encumber or otherwise hypothecate all or some of its assets.

The Company may generally employ any techniques and utilize any instruments relating to its investments for the purpose of their efficient management, including techniques and instruments designed to protect the Company against creditors, currency fluctuations, interest rate fluctuations and other risks.

The Company may carry out any commercial, financial or industrial operations and any transactions with respect to real estate or movable property, which directly or indirectly, further or relate to its purpose.

During December 2019, a new virus ("Covid-19") emerged in China and infections started to occur across Asia and latterly the rest of the world in the beginning of 2020. On March 11, 2020, the World Health Organisation ("WHO") declared Covid-19 a pandemic and national governments have acted to implement a range of policies and actions to combat the virus and its economic impact to national markets and the global economy.

The company's operations have not been materially impacted by the Covid-19 pandemic and business continuity can be ensured.

Note 2 - Summary of significant accounting policies and valuation rules

Basis of preparation

These annual accounts have been prepared in accordance with Luxembourg legal and regulatory requirements under the historical cost convention. Accounting policies and valuation rules are, besides the ones laid down by the amended law of December 19, 2002, (the "Law"), determined and applied by the managers of the Company (the "Board of Managers") in conformity with the going concern basis.

The preparation of annual accounts requires the use of certain critical accounting estimates. It also requires the Board of Managers to exercise its judgement in the process of applying the accounting policies. Changes in assumptions may have a significant impact on the annual accounts in the period in which the assumptions changed. Board of Managers believes that the underlying assumptions are appropriate and that the annual accounts therefore present the financial position and results fairly.

The Company makes estimates and assumptions that affect the reported amounts of assets and liabilities in the next financial year. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Although the current liabilities of the Company exceed the current assets as of March 31, 2022, the Board of Managers has prepared these annual accounts on a going concern basis. The Company has received positive indicators from its shareholder acting as creditor that they will not ask for repayment of the principal amount nor of the accrued but unpaid interests if this repayment would trigger an insolvency for the Company and its shareholder will provide a financial support if it is needed. The Board of Managers is not aware of anything that would prevent the Company from continuing as a going concern.

Significant accounting policies and valuation rules

The main accounting and valuation rules applied by the Company are the following:

Financial assets

Shares in affiliated undertakings or participating interests are valued at acquisition cost including the expenses incidental thereto. Loans to these undertakings/investment held as fixed assets and other loans are valued at nominal value.

In the case of durable depreciation in value according to the opinion of the Board of the Managers, value adjustments are made in respect of financial fixed assets, so that they are valued at the lower figure to be attributed to them at the balance sheet date. These value adjustments are not continued if the reasons for which they were made have ceased to apply.

Debtors

Debtors are valued at their nominal value. They are subject to value adjustments where their recovery is compromised. These value adjustments are not continued if the reasons for which they were made have ceased to apply.

Creditors

Creditors are stated at their reimbursement value.

Current tax liability

The tax liability estimated by the Company for the financial years for which the tax assessments have not yet been received are recorded under the caption "Tax authorities". The advance payments are shown in the assets of the balance sheet under the caption "Other Debtors", if applicable.

Foreign currency translation

The Company maintains its accounting records in Euro (EUR) and the balance sheet and the profit and loss accounts are expressed in this currency.

Transactions expressed in currencies other than EUR are translated into EUR at the exchange rate effective at the time of the transaction.

Formation expenses and long term non-monetary assets expressed in currencies other than EUR are translated into EUR at the exchange rate effective at the time of the transaction. At the balance sheet date, these assets remain converted using the exchange rate at the time of the transaction (the "historical exchange rate").

Cash at bank is translated at the exchange rate effective at the balance sheet date. Exchange losses and gains are recorded in the profit and loss account of the year.

In accordance with prudence principles found within generally accepted accounting principles in Luxembourg ("Lux Gaap"), other assets are translated separately, at the lower of the value converted using the historical exchange rate and the value converted using the exchange rate at the balance sheet date. Conversely, other liabilities are translated separately, at the higher of the value converted using the historical exchange rate and the exchange rate at the balance sheet date. Consequently, both realised and unrealised exchange losses are recorded in the profit and loss account while exchange gains are recorded in the profit and loss account when realised only.

Where there is an economic link between an asset and a liability, these are valued in total according to the method described above and the net unrealised losses are recorded in the profit and loss account while the net unrealised gains are not recognised.

Note 3 - Financial assets

a) The movements for the year are as follows:

	Shares in affiliated undertakings 2022 EUR	Total 2022 EUR	Total 2021 EUR
Gross book value - opening balance	**67,884,594.23**	**67,884,594.23**	67,853,012.21
Additions for the year	–	–	31,582.02
Gross book value - closing balance	**67,884,594.23**	**67,884,594.23**	67,884,594.23
Net book value - closing balance	**67,884,594.23**	**67,884,594.23**	67,884,594.23
Net book value - opening balance	**67,884,594.23**	**67,884,594.23**	67,853,012.21

On June 8, 2020, the Company paid transfer tax of EUR 31,582.02 pertaining to shares acquired on March 31, 2020.

b) Undertakings in which the Company holds at least 20% interests in their share capital as at 31/03/2022 are as follows:

Undertaking's name	Registered office	Percentage of holding	Last balance sheet date	Net equity at the last balance sheet date (EUR)	Result for the last financial year (EUR)	Net book value 2022 EUR	Net book value 2021 EUR
Holiday Club Resorts Oy	Finland	95.96%	31/03/2022	46,326,512.00	(5,311,444.09)	**64,084,712.84**	64,084,712.84
HCR Management Oy	Finland	100.00%	31/03/2022	2,102,910.00	(2,669.00)	**3,799,881.39**	3,799,881.39
Total						**67,884,594.23**	67,884,594.23

As at the end of the financial year, the Managers estimated that the financial assets do not present any durable loss in value.

Based on the assessment performed the management of the Company believes that there are no indicators of durable value adjustment regarding shares in affiliated undertakings.

Note 4 - Debtors

This caption is detailed as follows:

	Within one year	After one year and within five years	Total 2022 EUR	Total 2021 EUR
<u>Amounts owed to affiliated undertakings:</u>				
Loans to Holiday Club Resorts OY - Principal (*)	–	7,151,337.45	**7,151,337.45**	3,151,337.45
Loans to Holiday Club Resorts OY - Accrued interest	–	198,849.52	**198,849.52**	122,216.76
<u>Other debtors :</u>				
Net Wealth tax - Advances	1,203.75	–	**1,203.75**	–
Total	**1,203.75**	**7,350,186.97**	**7,351,390.72**	3,273,554.21

(*) On September 1, 2017, the Company agreed to lend to Holiday Club Resorts Oy the sum of EUR 2,000,000.00 which bears interest at a nominal rate of 2.50% per annum. The tenure of the loan is one year, extendable with the consent of the Company. On August 20, 2018, EUR 1,318,662.55 has been repaid. On November 12, 2018, the remaining amount of EUR 681,337.45 together with the EUR 2,318,662.55 out of the remaining loan of EUR 2,470,000.00 from the second loan (below) has been converted into 200,000 new shares at the subscription price of EUR 15.00 per share for a total value of EUR 3,000,000.00.

On July 17, 2018, the Company entered into a second loan agreement with Holiday Club Resorts Oy for an amount up to EUR 3,000,000.00 with an interest rate of 2.50%. On July 23, 2018, the Company paid out an amount of EUR 2,470,000.00 to Holiday Club Resorts Oy. As stated above, on November 12, 2018, EUR 2,318,662.55 of the loan have been converted into equity. The initial maturity date of this loan was July 13, 2019 and has been extended for four additional years. On March 31, 2022, the outstanding amount of this loan is EUR 151,337.45 and the accrued interest amount to EUR 10,409.58.

On October 5, 2018, the Company entered into a third loan agreement of EUR 3,000,000.00 with Holiday Club Resorts Oy with an interest rate of 2.20% per annum. The initial maturity date of this loan was October 4, 2019 and has been extended for four additional years. On March 31, 2022, the accrued interest amount to EUR 181,590.62.

On March 1, 2022, the Company entered in a fourth loan agreement up to EUR 6,000,000.00 with Holiday Club Resorts Oy with an interest rate of 2.5% per annum. The maturity date of this loan is on March 1, 2024. On March 7, 2022, the Company transferred EUR 4,000,000.00 to Holiday Club Resorts Oy. On March 31, 2022, the accrued interest amount to EUR 6,849.32.

Note 5 - Capital and reserves

Subscribed capital and share premium (and similar premiums)

The share capital of the Company amounts to EUR 12,500.00 and is divided into 12,500 shares fully paid up to EUR 12,500.00 without nominal value.

The movements on the "Subscribed capital" caption during the year are as follows:

	Share capital 2022 EUR	Total number of Shares 2022
Opening balance	**12,500.00**	**12,500**
Subscriptions for the year	–	–
Closing balance	**12,500.00**	**12,500**

Share premium account

The movements on the "Share premium account" caption during the year are as follows:

	Share premium 2022 EUR
Opening balance	**23,165,000.00**
Additions for the year	–
Closing balance	**23,165,000.00**

Legal reserve

Luxembourg companies are required to allocate to a legal reserve a minimum of 5.00% of its annual net profit until this reserve equals 10.00% of the subscribed share capital. This reserve may not be distributed.

Movements for the year on the reserves and profit/(loss) captions

	Legal reserve EUR	Other reserves EUR	Profit/(Loss) brought forward EUR	Profit/(Loss) for the financial year EUR
As at the beginning of the year	**1,250.00**	–	**319,616.41**	**(1,178,487.22)**
Allocation of the prior year's result:				
Allocation to the result brought forward	–	–	(1,178,487.22)	1,178,487.22
Profit/(Loss) for the year	–	–	–	(1,059,070.15)
As at the end of the year	**1,250.00**	–	**(858,870.81)**	**(1,059,070.15)**

Note 6 - Creditors

Creditors as at March 31, 2022 are composed of the following:

	Within one year	After one year and within five years	Total 2022 EUR	Total 2021 EUR
Trade creditors	94,149.81	–	**94,149.81**	64,647.20
Amounts owed to affiliated undertakings:				
Loans from MHR Holdings (Mauritius) Ltd. - Principal (*)	23,250,000.00	27,870,000.00	**51,120,000.00**	47,120,000.00
Loans from MHR Holdings (Mauritius) Ltd. - Accrued interest	1,514,526.85	1,221,731.32	**2,736,258.17**	1,659,384.38
Mahindra Holidays & Resorts India Ltd. (*)	263,335.00	–	**263,335.00**	263,335.00
	25,027,861.85	**29,091,731.32**	**54,119,593.17**	49,042,719.38
Tax debts :				
Net wealth tax - estimated tax 2021	–	–	–	4,815.00
Net wealth tax - estimated tax 2022	4,815.00	–	**4,815.00**	–
Net wealth tax - payable tax 2020	–	–	–	1,203.75
Withholding tax on director's fees	–	–	–	250.00
ACD - Other amounts payable	–	–	–	21.60
	4,815.00	–	**4,815.00**	6,290.35
Total	**25,126,826.66**	**29,091,731.32**	**54,218,557.98**	49,113,656.93

(*) The loans owed to affiliated undertakings are as follows:

	Interest rate	Maturity	**Total 2022 EUR**	Total 2021 EUR
Interest bearing loan owed to MHR Holdings (Mauritius) Ltd.	2.20%	31/07/2022	**3,500,000.00**	3,500,000.00
Interest bearing loan owed to MHR Holdings (Mauritius) Ltd.	3.00%	21/08/2023	**16,700,000.00**	16,700,000.00
Interest bearing loan owed to MHR Holdings (Mauritius) Ltd.	2.20%	21/09/2022	**1,750,000.00**	1,750,000.00
Interest bearing loan owed to MHR Holdings (Mauritius) Ltd.	2.20%	26/12/2022	**6,000,000.00**	6,000,000.00
Interest bearing loan owed to MHR Holdings (Mauritius) Ltd.	2.25%	3/04/2023	**1,100,000.00**	1,100,000.00
Interest bearing loan owed to MHR Holdings (Mauritius) Ltd.	2.20%	31/08/2023	**2,570,000.00**	2,570,000.00
Interest bearing loan owed to MHR Holdings (Mauritius) Ltd.	2.20%	3/10/2022	**3,000,000.00**	3,000,000.00
Interest bearing loan owed to MHR Holdings (Mauritius) Ltd.	2.20%	31/10/2022	**6,500,000.00**	6,500,000.00
Interest bearing loan owed to MHR Holdings (Mauritius) Ltd.	2,20%	24/03/2023	**2,500,000.00**	2,500,000.00
Interest bearing loan owed to MHR Holdings (Mauritius) Ltd.	2.20%	21/08/2023	**3,500,000.00**	3,500,000.00
Interest bearing loan owed to MHR Holdings (Mauritius) Ltd.	2.20%	9/02/2024	**4,000,000.00**	–
Payable owed to Mahindra Holidays & Resorts India Ltd	0.00%	–	**263,335.00**	263,335.00
Total			**51,383,335.00**	47,383,335.00

On September 10, 2014, a loan agreement up to EUR 100,000.00 has been made between MHR Holdings (Mauritius) Ltd and Covington S.à.r.l., bearing an interest of 2.20% per annum. The maturity date is September 9, 2022. The loan has never been drawdown.

EUR 3,500,000.00 loan which bears interest at a nominal rate of 2.20% per annum has been made between MHR Holdings (Mauritius) Ltd. and Covington S.à.r.l.. The maturity date of the loan is on July 31, 2022. The accrued interest as at March 31, 2022 amount to EUR 187,295.03.

EUR 16,700,000.00 loan which bears interest at a nominal rate of 3.00% per annum has been made between MHR Holdings (Mauritius) Ltd. and Covington S.à.r.l.. The maturity date of the loan is on August 21, 2023. The accrued interest as at March 31, 2022 amount to EUR 800,794.73.

EUR 1,750,000.00 which bears interest at a nominal rate of 2.20% per annum has been made between MHR Holdings (Mauritius) Ltd. and Covington S.à.r.l.. The maturity date of the loan is on September 21, 2022. The accrued interest as at March 31, 2022 amount to EUR 144,820.50.

EUR 6,000,000.00 loan which bears interest at a nominal rate of 2.20% per annum has been made between MHR Holdings (Mauritius) Ltd. and Covington S.à r.l.. The maturity date of the loan is on December 26, 2022. The accrued interest as at March 31, 2022 amount to EUR 497,317.43.

EUR 1,100,000.00 loan which bears interest at a nominal rate of 2.25% per annum has been made between MHR Holdings (Mauritius) Ltd. and Covington S.à.r.l.. The maturity date of the loan is on April 3, 2023 and the accrued interest as at March 31, 2022 amount to EUR 92,828.98.

EUR 2,570,000.00 loan which bears interest at a nominal rate of 2.20% per annum (2.25% per annum between April 1, 2020 and August 31, 2020) has been made between MHR Holdings (Mauritius) Ltd. and Covington S.à.r.l.. The maturity date of the loan is on August 31, 2023. The accrued interest as at March 31, 2022 amount to EUR 198,880.17.

EUR 3,000,000.00 loan which bears interest at a nominal rate of 2.20% per annum has been made between MHR Holdings (Mauritius) Ltd. and Covington S.à.r.l.. The maturity date of the loan is on October 3, 2022. The accrued interest as at March 31, 2022 amount to EUR 230,367.12.

EUR 6,500,000.00 loan which bears interest at a nominal rate of 2.20% per annum has been made between MHR Holdings (Mauritius) Ltd. and Covington S.à.r.l.. The maturity date of the loan is on October 31, 2022. The accrued interest as at March 31, 2022 amount to EUR 343,825.14.

EUR 2,500,000.00 loan which bears interest at a nominal rate of 2.20% per annum has been made between MHR Holdings (Mauritius) Ltd. and Covington S.à.r.l.. The maturity date of the loan is on March 24, 2023. The accrued interest as at March 31, 2022 amount to EUR 110,901.63.

EUR 3,500,000.00 loan which bears interest at a nominal rate of 2.20% per annum has been made between MHR Holdings (Mauritius) Ltd. and Covington S.à.r.l.. The maturity date of the loan is on August 21, 2023. The accrued interest as at March 31, 2022 amount to EUR 123,200.04.

EUR 4,000,000.00 loan which bears interest at a nominal rate of 2.20% per annum has been made between MHR Holdings (Mauritius) Ltd. and Covington S.à.r.l.. The maturity date of the loan is on February 9, 2024. The accrued interest as at March 31, 2022 amount to EUR 6,027.40.

On March 1, 2022, an increase on this facility from up to EUR 5,000,000.00 to up to EUR 6,000,000.00 was decided.

MHR Holdings (Mauritius) Ltd. considers to extend the repayment date of the loans for a period as mutually agreed upon. The necessary agreement for renewal of the loans will be executed on or before the due dates of the loans.

The payable owed to Mahindra Holidays & Resorts India Ltd., amounting to EUR 263,335.00 does not bear any interest and has no maturity date.

Note 7 - Other external charges

This caption is detailed as follows:	**2022 EUR**	2021 EUR
Professional fees	**105,000.84**	83,228.12
Commission on Corporate Guarantee	**3,060.00**	11,997.00
Bank fees	**7,205.28**	4,430.94
Luxembourg Chamber of Commerce contribution	**350.00**	350.00
	115,616.12	100,006.06

Note 8 - Income from participating interests

This caption is detailed as follows:	**2022 EUR**	2021 EUR
Dividend from HCR Management Oy	**161,616.00**	–
	161,616.00	–

Note 9 - Other interest and similar financial income

This caption is detailed as follows:	**2022 EUR**	2021 EUR
Concerning affiliated undertakings:		
Interest receivable from HCRO	**76,632.76**	69,783.44
Other interest and similar income:		
Waiver on interest payable to RCI Europe	**–**	25,612.74
Other miscellaneous income	**250.00**	–
	76,882.76	95,396.18

Note 10 - Interest payable and similar charges

This caption is detailed as follows:	**2022** **EUR**	2021 EUR
Concerning affiliated undertakings:		
Interest charge on loan amounts owed to MHR Holdings (Mauritius) Ltd. (See Note 6)	**1,177,137.79**	1,140,504.00
Other interest and similar expenses:		
Interest charge on loan amounts owed to RCI Europe	**–**	25,612.74
	1,177,137.79	1,166,116.74

Note 11 - Taxation

The Company is subject to the general tax regulation applicable to all Luxembourg commercial companies.

Note 12 - Staff

The company did not employ any staff during the financial year ended March 31, 2022 (2021: Nil).

Note 13 - Emoluments granted to the members of the management and supervisory bodies and commitments in respect of retirement pensions for former members of those bodies

The Company did not grant any emoluments and has no commitments in respect of retirement pensions to members of its management during the financial year ended March 31, 2022 (2021: EUR Nil).

During the financial year, the Company incurred directors' fees for an amount of EUR 2,065.00 that are already included in professional fees (note 7) (2021: EUR 2,425.00).

Note 14 - Advances and loans granted to the members of the management and supervisory bodies

The Company did not grant any advances or loans to members of its management during the financial period ended March 31, 2022 (2021: Nil).

Note 15 - Off balance sheet commitments and contingencies

The Company does not have any off balance sheet commitments or contingencies at the end of the financial year.

Note 16 - Subsequent events

On April 1, 2022, the Company made a EUR 1,000,000.00 drawdown on the new loan payable to MHR Holdings (Mauritius) Ltd.

In February 2022, a number of countries (including the US, UK and EU) imposed new sanctions against certain entities (of which financial institutions) and individuals in Russia as a result of the official recognition of the Donetsk People Republic and Lugansk People Republic by the Russian Federation.

Additional sanctions have been made following military operations initiated by Russia on February 24, 2022 against Ukraine including the restriction of the access of already sanctioned Russian banks to the international payments system SWIFT.

Such sanctions can impact not only the sanctioned entities and individuals including entities under their control but also Business Counterparties of these sanctioned entities.

The results of the sanctions and the geopolitical instability have created an important volatility in the financial markets with a potential to adversely impact global economies and increase instability across markets.

The Board of Directors regards these events as non-adjusting events after the reporting period. At the date of this report, the Company including its going concern is not impacted (directly or indirectly) by the above and the situation including the possible impact of changing micro- and macroeconomic conditions will be continued to be monitored.

Luxembourg, April 28, 2022

KPMG Luxembourg
Société anonyme
Cabinet de révision agréé

S Yeo
Associate Partner

AUDITOR'S REPORT

To the Annual General Meeting of HCR Management Oy

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of HCR Management Oy (business identity code 2277650-4) for the year ended March 31, 2022. The financial statements comprise the balance sheet, income statement, cash flow statement and notes.

In our opinion, the financial statements give a true and fair view of the company's financial performance and financial position in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements.

Basis for Opinion

We conducted our audit in accordance with good auditing practice in Finland. Our responsibilities under good auditing practice are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the company in accordance with the ethical requirements that are applicable in Finland and are relevant to our audit, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board of Directors for the Financial Statements

The Board of Directors and the Managing Director are responsible for the preparation of financial statements that give a true and fair view in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors and the Managing Director are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting. The financial statements are prepared using the going concern basis of accounting unless there is an intention to liquidate the company or cease operations, or there is no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with good auditing practice will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with good auditing practice, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events so that the financial statements give a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Other Reporting Requirements

Other Information

The Board of Directors and the Managing Director are responsible for the other information. The other information comprises the report of the Board of Directors. Our opinion on the financial statements does not cover the other information.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. Our responsibility also includes considering whether the report of the Board of Directors has been prepared in accordance with the applicable laws and regulations.

In our opinion, the information in the report of the Board of Directors is consistent with the information in the financial statements and the report of the Board of Directors has been prepared in accordance with the applicable laws and regulations.

If, based on the work we have performed, we conclude that there is a material misstatement of the report of the Board of Directors, we are required to report that fact. We have nothing to report in this regard.

Helsinki, April 25, 2022

KPMG OY AB

ESA KAILIALA
Authorised Public Accountant, KHT

BALANCE SHEET AS AT MARCH 31, 2022

	Eur 2022	Eur 2021
ASSETS		
NON-CURRENT ASSETS		
Investments		
Other shares	**2,094,675.20**	2,094,675.20
TOTAL FOR NON-CURRENT ASSETS	**2,094,675.20**	2,094,675.20
CURRENT ASSETS		
Cash and cash equivalents	**10,095.26**	1,73,759.86
TOTAL FOR CURRENT ASSETS	**10,095.26**	1,73,759.86
TOTAL ASSETS	**2,104,770.46**	2,268,435.06
LIABILITIES		
SHAREHOLDERS' EQUITY		
Share Capital	**2,500.00**	2,500.00
Reserve for invested non-restricted equity	**1,833,300.00**	1,833,300.00
Retained earnings	**269,779.06**	432,467.81
Profit/(Loss) for the period	**(2,668.60)**	(1,072.75)
TOTAL FOR SHAREHOLDERS' EQUITY	**2,102,910.46**	2,267,195.06
LIABILITIES		
Long Term Liabilities	**0.00**	0.00
Short Term Liabilities	**1,860.00**	1,240.00
TOTAL FOR LIABILITIES	**1,860.00**	1,240.00
TOTAL LIABILITIES	**2,104,770.46**	2,268,435.06

PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED MARCH 31, 2022

	Eur 2022	Eur 2021
Other operative expenses	**(2,668.60)**	(1,072.75)
PROFIT/(LOSS)	**(2,668.60)**	(1,072.75)
Dividend income	**0.00**	0.00
Interest expenses	**0.00**	0.00
PROFIT/(LOSS) BEFORE TAXES	**(2,668.60)**	(1,072.75)
PROFIT/(LOSS) FOR THE FINANCIAL YEAR	**(2,668.60)**	(1,072.75)

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2022

	Eur 2022	Eur 2021
Operative Cash Flow		
Cash paid to suppliers and employees	**(2,048.60)**	(1,332.75)
Operative Cashflow before financing items and taxes	**(2,048.60)**	(1,332.75)
Paid interest and other payments related to financing activities	**0.00**	0.00
Dividends received	**0.00**	0.00
Operative Cash Flow	**(2,048.60)**	(1,332.75)
Financing Cash Flow		
Proceeds from issuance of Equity	**0.00**	0.00
Withdrawals of Long Term Loans	**0.00**	0.00
Re-payments of Long Term Loans	**0.00**	0.00
Dividends paid	**(1,61,616.00)**	0.00
Financing Cash Flow	**(1,61,616.00)**	0.00
Net increase/decrease in cash and cash equivalents	**(1,63,664.60)**	(1,332.75)
Cash and cash equivalents at the beginning of the period	**1,73,759.86**	1,75,092.61
Cash and cash equivalents at the end of the period	**10,095.26**	1,73,759.86

BASIC INFORMATION OF THE COMPANY

HCR Management Oy is a subsidiary of Covington S.a.r.l.

The Company’s registered domicile is in Luxembourg.

Covington S.a.r.l owns 100% of the company’s shares.

Covington S.a.r.l is a subsidiary of MHR Holdings (Mauritius) Limited and in turn Mahindra Holidays & Resorts India Limited (domicile in India) and in turn subsidiary of the ultimate holding company Mahindra & Mahindra Limited (domicile in India).

AUDITING FEES

	Eur 2022	Eur 2021
Auditing services	2,480.00	980.00
Total	**2,480.00**	980.00

NON CURRENT ASSETS

INVESTMENTS

Eur	**Shares, other**	**Total**
Acquisition Cost 31.3.2021	2,094,675.20	2,094,675.20
Acquisition Cost 31.3.2022	**2,094,675.20**	**2,094,675.20**
Book value 31.3.2022	**2,094,675.20**	**2,094,675.20**

HCR Management Oy owns 4.04 % of the shares of Holiday Club Resorts Oy.

SHAREHOLDERS' EQUITY

	Eur 2022
RESTRICTED SHAREHOLDERS' EQUITY	
Share Capital 31.3.2021	**2,500.00**
Share Capital 31.3.2022	**2,500.00**
RESTRICTED SHAREHOLDERS' EQUITY TOTAL	**2,500.00**
NON-RESTRICTED SHAREHOLDERS' EQUITY	
Reserve for Invested non-restricted equity 31.3.2021	**1,833,300.00**
Proceeds from issuance of Equity	**0.00**
Reserve for Invested non-restricted equity 31.3.2022	**1,833,300.00**
Retained earnings 31.3.2021	**431,395.06**
Dividends	**(161,616.00)**
Retained earnings 31.3.2022	**269,779.06**
Profit for the period	**(2,668.60)**
NON-RESTRICTED SHAREHOLDERS' EQUITY TOTAL	**2,100,410.46**
SHAREHOLDERS' EQUITY TOTAL	**2,102,910.46**

CALCULATION FOR DISTRIBUTABLE FUNDS

	Eur 2022
Reserve for invested non-restricted equity	**1,833,300.00**
Retained earnings	**269,779.06**
Profit for the period	**(2,668.60)**
Total	**2,100,410.46**

SHARE CAPITAL BY TYPES OF SHARES

Eur	**pcs**	**Eur**
1 vote/share	124,320	2,500.00
Total	**124,320**	**2,500.00**

REDEMPTION CLAUSE IN ACCORDANCE WITH THE ARTICLES OF ASSOCIATION

A shareholder and the company have the right to redeem a share transferred from another owner, other than the company, to another. The primary right of redemption belongs to the shareholder. If more than one shareholder wants to use redemption right, the shares will be distributed among those willing to redeem them in proportion to the shares. If the distribution of shares does not go evenly, the remaining shares will be distributed among those wishing to redeem by lot. The company has the right of redemption if none of the shareholders redeems the transferable shares. In other respects, the provisions of the Companies Act apply to redemption.

SHORT TERM LIABILITIES

	Eur 2022	Eur 2021
Bank Loans	**0.00**	0.00
Accrued interest	**0.00**	0.00
Total	**0.00**	0.00

OTHER NOTES

COLLATERALS GIVEN

ASSETS PLEDGED AND MORTGAGES GIVEN FOR FINANCIAL LIABILITIES

	Eur 2022	**Eur** 2021
Other Loans	**0.00**	0.00
Total	**0.00**	0.00
Pledged assets	**0.00**	0.00
Total	**0.00**	0.00

Effects of Corona virus (Covid-19) and Russian invasion Ukraine to HCR Management's business

The Board of HCR Management Oy has estimated the effects of Corona virus and Russian invasion to Ukraine to company's business and market environment.

So far these have not effected significantly to company's business.

The Board and management of the company will follow the status and update the estimated effects to company's business and market environment.

Signing of the annual report and the board of director's report.

Helsinki, April 25, 2022

Arunkumar Nanda
Chairman of the Board

Sujit Vaidya
Member of the Board

Joonas Mäkipeska
Member of the Board

APPROVAL OF THE ANNUAL REPORT

The audit report has been given today.

Helsinki, April 25, 2022

KPMG Oy Ab

Esa Kailiala
KHT

AUDITOR'S REPORT

To the Annual General Meeting of Holiday Club Resorts Oy

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Holiday Club Resorts Oy (business identity code 2033337-1) for the year ended March 31, 2022. The financial statements comprise the balance sheets, the income statements, cash flow statements and notes for the group as well as for the parent company.

In our opinion, the financial statements give a true and fair view of the group's and the company's financial performance and financial position in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements.

Basis for Opinion

We conducted our audit in accordance with good auditing practice in Finland. Our responsibilities under good auditing practice are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the parent company and of the group companies in accordance with the ethical requirements that are applicable in Finland and are relevant to our audit, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board of Directors and the Managing Director for the Financial Statements

The Board of Directors and the Managing Director are responsible for the preparation of financial statements that give a true and fair view in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors and the Managing Director are responsible for assessing the parent company's and the group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting. The financial statements are prepared using the going concern basis of accounting unless there is an intention to liquidate the parent company or the group or cease operations, or there is no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with good auditing practice will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with good auditing practice, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the parent company's or the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the parent company's or the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events so that the financial statements give a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Other Reporting Requirements

Other Information

The Board of Directors and the Managing Director are responsible for the other information. The other information comprises the report of the Board of Directors. Our opinion on the financial statements does not cover the other information.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. Our responsibility also includes considering whether the report of the Board of Directors has been prepared in accordance with the applicable laws and regulations.

In our opinion, the information in the report of the Board of Directors is consistent with the information in the financial statements and the report of the Board of Directors has been prepared in accordance with the applicable laws and regulations.

If, based on the work we have performed, we conclude that there is a material misstatement of the report of the Board of Directors, we are required to report that fact. We have nothing to report in this regard.

Helsinki, April 25, 2022

KPMG OY AB

ESA KAILIALA
Authorised Public Accountant, KHT

BALANCE SHEET OF THE GROUP AS AT MARCH 31, 2022

	Note	Eur 2022	Eur 2021
ASSETS			
NON CURRENT ASSETS			
Intangible assets	10	**6,398,872**	7,033,957
Group goodwill	10	**915,433**	1,033,945
Tangible assets	11	**29,728,076**	31,163,808
Investments	12	**6,462,238**	5,134,041
TOTAL NON CURRENT ASSETS		**43,504,619**	44,365,750
CURRENT ASSETS			
Inventories	14	**56,482,737**	57,486,281
Long-term receivables	15	**584,721**	774,060
Deferred tax receivables	18	**4,578,308**	4,007,058
Short-term receivables	16	**12,897,214**	9,142,221
Financial instruments		**3,558**	3,558
Cash and cash equivalents		**2,501,880**	5,939,034
TOTAL CURRENT ASSETS		**77,048,418**	77,352,212
TOTAL ASSETS		**120,553,038**	121,717,963
EQUITY AND LIABILITIES			
EQUITY	17		
Share capital		**11,959,146**	11,959,146
Other reserves		**42,395,175**	42,395,175
Profit/(Loss) from previous years		**(2,716,365)**	8,709,997
Profit/(Loss) for the financial year		**(5,311,444)**	(11,396,534)
TOTAL EQUITY		**46,326,512**	51,667,783
STATUTORY PROVISIONS	19	**1,104,842**	925,868
LIABILITIES			
Deferred tax liabilities	18	**18,915**	10,739
Long-term liabilities	20	**17,587,508**	16,514,485
Short-term liabilities	21	**55,515,261**	52,599,087
TOTAL LIABILITIES		**73,121,684**	69,124,311
TOTAL EQUITY AND LIABILITIES		**120,553,038**	121,717,963

INCOME STATEMENT OF THE GROUP FOR THE YEAR ENDED MARCH 31, 2022

	Note	Eur 2022	Eur 2021
REVENUE	1	**110,914,385**	92,103,313
Other operating income	2	**11,039,727**	7,065,303
Share of Associated Company Profit (Loss)		**2,198**	3,361
Materials and services	3	**(30,303,218)**	(29,749,960)
Personnel expenses	4	**(34,296,531)**	(28,832,987)
Depreciations and impairments	5	**(4,573,035)**	(5,402,819)
Other operating expenses	6	**(57,726,641)**	(49,786,072)
PROFIT/(LOSS)		**(4,943,114)**	(14,599,862)
Financial income and expenses	7	**(935,987)**	(582,350)
PROFIT/(LOSS) BEFORE APPROPRIATIONS AND TAXES		**(5,879,101)**	(15,182,211)
Income taxes	9	**567,657**	3,048,957
Minority Share		**0**	736,720
PROFIT/(LOSS) FOR THE FINANCIAL YEAR		**(5,311,444)**	(11,396,534)

CASH FLOW STATEMENT OF THE GROUP FOR THE YEAR ENDED MARCH 31, 2022

	Eur 2022	Eur 2021
Cash flow from operating activities		
Profit/(Loss) before appropriations and taxes	**(5,879,101)**	(15,182,211)
Adjustments:		
Depreciations	**4,573,035**	5,402,819
Other non-cash items	**(407,877)**	(218,684)
Financial income and expenses	**877,460**	744,227
Cash generated from operations before net working capital	**(836,483)**	(9,253,849)
Change in net working capital		
Change in non-interest-bearing receivables	**(3,173,628)**	1,044,044
Change in inventories	**961,086**	1,922,956
Change in non-interest-bearing liabilities	**3,101,073**	1,159,362
Change in provisions	**179,059**	(679,913)
Cash generated from operations before financial items and taxes	**231,107**	(5,807,400)
Interest expenses paid and other financial expenses	**(797,775)**	(716,616)
Income taxes paid	**2,804**	202,687
Net cash flow from operating activities	**(563,864)**	(6,321,329)
Cash flow from investments activities		
Investments in tangible and intangible assets	**(2,949,702)**	(2,024,666)
Proceeds from sale of tangible and intangible assets	**544,152**	29,995
Investments in other investments	**(126,000)**	0
Proceeds from disposals of other investments	**0**	136,389
Net cash flow from investing activities	**(2,531,550)**	(1,858,283)
Cash flow from financing activities		
Proceeds from short-term borrowings	**5,540,322**	3,337,085
Repayments in short-term borrowngs	**(9,847,778)**	(4,287,887)
Proceeds from long-term borrowing	**4,000,000**	8,500,000
Net cash used in financing activities	**(307,455)**	7,549,198
Net increase/decrease in cash and cash equivalents	**(3,402,870)**	(630,414)
Cash and cash equivalents at the beginning of period	**5,942,592**	6,545,498
Effects of exchange rate fluctuations on cash held	**(34,285)**	27,508
Cash and cash equivalents at the end of period	**2,505,438**	5,942,592
Change in net cash	**(3,402,870)**	(630,414)

PARENT COMPANY BALANCE SHEET AS AT MARCH 31, 2022

	Note	Eur 2022	Eur 2021
ASSETS			
NON CURRENT ASSETS			
Intangible assets	10	**6,398,872**	6,988,548
Tangible assets	11	**8,908,502**	9,085,059
Investments			
Shares of the group companies	12	**7,458,347**	7,658,347
Shares of the associated companies	12	**1,543,500**	217,500
Receivables from group companies	12	**11,778,079**	11,891,623
Other shares	12	**4,846,069**	4,846,069
Other receivables	12	**64,549**	64,549
TOTAL NON CURRENT ASSETS		**40,997,918**	40,751,694
CURRENT ASSETS			
Inventories	14	**43,636,450**	44,920,793
Long-term receivables	15	**11,202,574**	13,187,972
Short-term receivables	16	**13,150,085**	10,547,787
Financial instruments		**3,558**	3,558
Cash and cash equivalents		**175,412**	780,492
TOTAL CURRENT ASSETS		**68,168,079**	69,440,603
TOTAL ASSETS		**109,165,997**	110,192,297
EQUITY AND LIABILITIES			
EQUITY	17		
Share capital		**11,959,146**	11,959,146
Reserve for invested non-restricted equity		**42,395,175**	42,395,175
Profit/(Loss) from previous years		**(7,687,310)**	3,757,420
Profit/(Loss) for the financial year		**(7,803,587)**	(11,444,731)
TOTAL EQUITY		**38,863,423**	46,667,010
ACCUMULATED DEPRECIATION		**3,114**	0
STATUTORY PROVISIONS	19	**344,424**	199,333
LIABILITIES			
Long-term liabilities	20	**22,430,596**	20,364,391
Short-term liabilities	21	**47,524,441**	42,961,562
TOTAL LIABILITIES		**69,955,037**	63,325,953
TOTAL EQUITY AND LIABILITIES		**109,165,997**	110,192,297

PARENT COMPANY INCOME STATEMENT FOR THE YEAR ENEDED MARCH 31, 2022

	Note	Eur 2022	Eur 2021
REVENUE	1	**91,309,135**	77,017,835
OTHER OPERATING INCOME	2	**7,155,851**	5,084,483
Materials and services	3	**(26,828,020)**	(26,624,994)
Personnel expenses	4	**(27,662,696)**	(23,367,956)
Depreciations and impairments	5	**(3,095,661)**	(3,338,086)
Other operating expenses	6	**(48,036,918)**	(40,699,643)
PROFIT/(LOSS)		**(7,158,308)**	(11,928,361)
Financial income and expenses	7	**(642,166)**	(478,784)
PROFIT/(LOSS) BEFORE APPROPRIATIONS AND TAXES		**(7,800,474)**	(12,407,145)
Appropriations	8	**(3,114)**	962,414
PROFIT/(LOSS) FOR THE FINANCIAL YEAR		**(7,803,587)**	(11,444,731)

CASH FLOW STATEMENT OF THE PARENT COMPANY FOR THE YEAR ENDED MARCH 31, 2022

	Eur 2022	Eur 2021
Cash flow from operating activities		
Profit/(Loss) before appropriations and taxes	**(7,800,474)**	(12,407,145)
Adjustments:		
Amortizations and depreciations	**3,095,661**	3,338,086
Sales Profit/(Loss) from the Sales of Non-Current Assets	**(73,604)**	(115,260)
Unrealized foreign exchange gains and losses	**(3,251)**	0
Other non-cash items	**185,054**	14,109
Financial income and expenses	**645,417**	464,676
Other adjustments	**0**	61,814
Cash generated from operations before net working capital	**(3,951,197)**	(8,643,720)
Change in working capital		
Change in non-interest-bearing receivables	**(2,800,115)**	(89,698)
Change in inventories	**1,284,343**	1,933,525
Change in non-interest-bearing liabilities	**5,062,844**	(2,681,067)
Cash generated from operations before financial items and taxes	**(404,124)**	(9,480,961)
Interest expenses paid and other financial expenses	**(821,038)**	(708,103)
Income taxes paid	**0**	156,642
Net cash flow from operating activities	**(1,225,163)**	(10,032,422)
Cash flow from investments activities		
Investments in tangible and intangible assets	**(2,799,978)**	(1,346,966)
Proceeds from sale of tangible and intangible assets	**544,152**	29,995
Investments in equity investments	**(126,000)**	0
Proceeds from loan receivables	**2,000,000**	0
Proceeds from other investments	**0**	135,389
Interest received from investments	**625,893**	49,635
Dividends received from investments	**3,523**	2,213
Net cash flow from investing activities	**247,590**	(1,129,734)
Cash flow from financing activities		
Proceeds from short-term borrowings	**5,368,718**	2,817,898
Repayments of short-term borrowings	**(8,969,085)**	(2,943,898)
Proceeds from long-term borrowings	**4,000,000**	8,000,000
Received and paid group contributions	**0**	(40,700)
Loans given	**(31,500)**	(103,000)
Net cash used in financing activities	**368,132**	7,730,300
Net increase/decrease in cash and cash equivalents	**(609,440)**	(3,431,856)
Cash and cash equivalents at the beginning of period	**784,050**	4,215,906
Cash received from group internal rearrangements	**4,361**	0
Cash and cash equivalents at the end of period	**178,970**	784,050
Change in net cash	**(609,440)**	(3,431,856)

ACCOUNTING PRINCIPLES FOR THE CONSOLIDATED FINANCIAL STATEMENTS

Basic information of the Group

The Group's main branch of business is to sell and rent the timeshare weeks and Villas apartments constructed by the Group. The Group also operates in the Spa hotel business. Group has activities in four countries: Finland, Sweden, Spain and Russia.

Holiday Club Resorts Oy is a parent company for the Group, having its registered domicile in Helsinki at Konepajankuja 5 C, FI-00510 Helsinki.

Holiday Club Resorts Oy is a subsidiary of Covington S.a.r.l. The Company's registered domicile is in Luxembourg. Covington S.a.r.l owns 100% of the company's shares (4.04% of ownership coming through HCR Management Oy). Covington S.a.r.l is a subsidiary of MHR Holdings (Mauritius) Limited and in turn Mahindra Holidays & Resorts India Limited (domicile in India) and in turn subsidiary of the ultimate holding company Mahindra & Mahindra Limited (domicile in India).

Consolidation principles

Intragroup ownership

Subsidiaries are consolidated using the acquisition method. The subsidiaries' acquisition cost and the corresponding share of the difference in shareholder's equity has been allocated partly to fixed assets, partially presented as goodwill and as group reserve. The acquired subsidiaries are consolidated from the moment the control has been obtained and divested subsidiaries until the day that the control has ceased to exist.

The consolidated financial statements include the parent company, Holiday Club Resorts Oy and all the subsidiaries in which it holds, directly or indirectly, over 50% of the voting rights or over which it otherwise has control. This does not include timeshare and Villas apartment companies as they are represented in the current assets. Also, according to the Finnish Accounting Act's chapter six, companies which do not have a material impact on the group's result and financial position, have been left out of the consolidated financial statements.

Intra-group transactions, unrealized internal margin, receivables, liabilities and dividends between group companies are eliminated in consolidation.

The subsidiaries' financial statements are prepared in correspondence of the accounting principles used by the group.

Associated companies and joint ventures

Associated companies and joint ventures are consolidated using the equity method in accordance with the instructions of the Finnish Accounting Board. The group's share of the results of the associated companies are shown under other operating income.

All timeshare and Villas apartment companies, including the ones of which the group owns more than 20%, are pre-sented in the current assets as they are actively traded.

Minority Share

The minority shares have been separated from Group's equity and financial year profit.

Foreign Currency Translation

Transactions in foreign currencies

Items in the subsidiaries' financial statements are valued in the currency, which is used in each subsidiary's main operating environment (functional currency). The consolidated financial statements are presented in euros, which is the functional and presentation currency of the group. Assets and liabilities are translated into euros at the closing rate of the balance sheet date. Exchange differences resulting from sales and purchases are recorded as adjustments to the corresponding items above the operating profit. At the company level, exchange gains from foreign currency denominated loans are presented in the accrued expenses according to the principle of prudence. Exchange losses are recognized through profit and loss. At the group level, exchange gains and losses are recognized in equity as retained earnings.

Foreign subsidiaries

Foreign subsidiaries' income statements are translated into euros using the average exchange rates for the period. All balance sheet items, except profit for the period, are translated into euros using the closing exchange rates. The translation differences arising from the translation of income statement and balance sheet at different exchange rates and from eliminating the foreign subsidiaries equity is recognized in the group's equity. When a subsidiary is divested entirely or partially, the cumulative translation difference is recognized in the income statement as a part of the gain or loss from the sale.

Valuation and depreciation of non-current assets

Non-current assets

Goodwill

Goodwill represents the excess of the acquisition cost and the acquired company's net assets at the fair value at the date of the acquisition. Goodwill is allocated to cash-generating units, if such can be designated. As a main rule, goodwill is amortized and if the expected future operating cash flow is lower than the carrying amount of the goodwill, an impairment loss is recognized as an expense in the income statement.

Other intangible assets

Intangible assets are recorded in the balance sheet at their original acquisition cost, if the cost can be measured reliably and if it is probable that the expected benefits of the asset will benefit the company. Significant renovations are capitalized and amortized over the remaining useful life of the asset, if it is probable that the future benefits associated with the asset will benefit the company.

Intangible assets mainly include software licenses and renovation investments

Tangible assets

The subsidiaries' tangible assets have been valued in the balance sheet at historical cost less accumulated, straight-line depreciations and possible impairment losses. Land areas are not depreciated.

Residual values and useful lifetimes are reviewed at each balance sheet date and, if necessary, adjusted to reflect the changes of expected economic benefits.

Additional investments are capitalized and depreciated over the remaining useful life of the asset, if it is probable that the future benefits associated with the asset will benefit the company. Capital gains are presented in other operating income and losses under other operating expenses. The interest expenses related to the acquisition of the asset are expensed.

Fixed asset amortization and depreciation periods

The useful lives of the different asset categories are as follows:

Intangible rights	5-10 years
Goodwill and group goodwill	5-10 years
Long-term expenses	5-10 years
Buildings	50-60 years
Other constructions	10 years
Machinery and equipment	5-10 years
Renovations	5-10 years
Other tangible assets	10 years

Investments

Investments have been valued with original acquisition cost less possible impairments in the balance sheet.

Group reserve

The group reserve is allocated, in accordance with the share of ownership, to those assets and liabilities of the subsidiary that the group reserve is considered to derive from. The unallocated portion is recognized in the group's balance sheet as a separate item before liabilities. The group reserve is recognized as income when the corresponding expenditure or loss is recorded as an expense in the income statement of the subsidiary or where it corresponds to a realized return. The unallocated group reserve is recognized as income over time. These procedures are in accordance with the Finnish Accounting Act.

Received grants

Grants received by the company are recorded as other operating income in the income statement during the periods in which the related expenses are incurring. Investment grant for the acquisition of fixed assets is recorded in the balance sheet as accrued expense and recognized in the income statement as revenue over the asset's systematical depreciation period.

Inventory

Inventory is valued at the original acquisition cost or the lower net realizable value. Net realizable value is the estimated selling price less the estimated costs of completion and selling in the ordinary course of business. The cost of finished and unfinished products comprises of raw materials, direct labor costs and other direct costs. The costs of selling and financing are not allocated to the acquisition cost.

Receivables

Receivables are valued at the nominal value or the lower probable value.

Financial assets

The group's cash and cash equivalents consist of cash, bank deposits and other short-term highly liquid investments. Cash and cash equivalents have a maximum maturity of three months from the acquisition date. Financial assets are recognized on the settlement date and derecognized when the group has lost its contractual rights to the cash flows or when it has transferred substantial part of all the risks and rewards of ownership to parties outside the group.

Liabilities

Liabilities are valued at the nominal value. Transaction costs are expensed as incurred.

Deferred tax assets and liabilities

Deferred tax assets and liabilities of the Group are calculated with a current tax rate as temporary differences between taxation and financial statements. Deferred tax assets are recognized at the probable amount in the balance sheet. The deferred tax assets have been booked only to the amount of confirmed tax losses in the local taxation.

Deferred taxes are not recognized in parent company income statement nor balance sheet.

Ordinary repair and maintenance

Ordinary repair and maintenance costs are expensed as they incur.

External services

External services include among other things expenses from rented personnel and expenses from cleaning and laundry services used by the hotel.

Pensions

Payments for defined contribution plans are made to a pension insurance company. Payments made for defined contribution plans are recognized as expenses in the income statement for the financial period to which the debit relates.

Direct taxes

Taxes based on taxable income for the period are calculated on taxable income using the tax rate that is in force in the country in which the particular subsidiary is based. The amount of tax is adjusted for any taxes concerning previous periods.

Revenue recognition

Revenue from services is recognized as income when the service is rendered to the customer. Revenue from the sale of goods is recognized when the significant risks and rewards of ownership have been transferred to the buyer. At that time, the group has no longer any supervision or control power over the good sold.

Rental income from holiday homes and revenue from hotels are recognized when the customer has accommodated. Income from restaurants and from other services related to hotel activities are recognized as revenue when the service is rendered. Rental income from retail premises are recognized on a straight-line basis over the rental period.

Income from Villas apartments, and starting end of financial year 2020-2021, also income from Timeshare apartments, is recognized by using the stage of completion method in accordance with the guidelines of the Confederation of Finnish Construction Industries and the Finnish Accounting Board. The percentage of completion is defined based on the percentage of the completion of the construction project and the percentage of the shares sold.

At the closing of the Timeshare deal, the company will record a so-called cancellation provision in case of future cancellation of deals. This is done based on previous experience and statistics on customer behavior. Statutory cancellation time is 14 days from the moment the deal was signed.

Use of estimates and assumptions

The preparation of financial statements requires management to make estimates and assumptions regarding future events. Actual results may differ from these estimates and assumptions. In addition, management must exercise judgment in applying accounting principles. Estimates are based on management's best knowledge at the time. Possible changes in estimates and assumptions are recognized during the period in which the estimates or assumptions are adjusted and in all subsequent financial periods.

The key assumptions and uncertainties concerning the future, which may cause significant changes in the carrying values of assets and liabilities within the next financial year are as follows:

Impairment losses

The group reviews fixed assets and inventory annually and evaluates indications of impairment as set out above in the accounting policies. The deferred tax assets have been booked only to the amount of confirmed tax losses in the local taxation.

Revenue recognition

Timeshare weeks have a 14-day cancellation right stated by the Consumer Protection Act. The cancellation policy is taken into account in profit recognition by taking advantage of the experience and statistics on customer behavior.

Receivables

From uncertain loans and any permanent impairments, the group recognizes a credit loss in accordance with the principle of prudence.

Significant events during the financial year

The ongoing Covid-19 pandemic had a significant impact on the company’s business during the financial year. After a difficult spring, when the disease situation temporarily improved for the summer, the company's business returned to almost normal levels. The deterioration of the situation that began in the late autumn and the escalation of the Omicron variant in December again led to significant challenges. The most difficult situation has been in spa hotels and related services, which have also been affected by official restrictions. On the other hand, rental of timeshare apartments has remained at a good level. Sales of timeshare weeks remained at a reasonable level given the circumstances.

The Group's profitability developed in line with net sales and thus suffered significantly from a temporary lack of demand. However, the company reacted immediately to the changed situations, adjusting its costs accordingly. Variable costs were well adjusted, but the high fixed costs of the spa business in particular weighed on the result.

The company has also carefully assessed the impact of the situation in Ukraine on its business. Based on the assessment, the effects of the current situation are very limited. On the other hand, indirectly, for example, high inflation may have an impact, but the company is expected to be able to respond reasonably effectively to its cost effects. It is still difficult to assess the possible impact of inflation on consumer behavior, for example.

Support received

Due to the Covid-19 pandemic, the Group has received various subsidies totaling EUR 5,249,207 (1.4.20-31.3.21 EUR 1,888,022). The amount includes EUR 2,755,188 received from the state by the parent company Holiday Club Resorts Oy (1.4.20-31.3.21 EUR 311,891). The subsidies received by the company are recognized in the income statement for the financial year in other operating income.

NOTES TO THE FINANCIAL STATEMENTS

1. TURNOVER

TURNOVER BY BUSINESS AREAS

Business area review Eur	Group 2022	Group 2021	Parent 2022	Parent 2021
Timeshare	**27,819,603**	25,924,946	**26,758,336**	25,113,419
Service sector	**58,995,049**	40,141,063	**50,267,383**	33,663,264
Renting	**10,939,997**	8,650,264	**7,711,109**	3,668,263
Real Estate Management	**5,984,383**	5,662,225	**3,000,637**	2,937,912
Villas	**3,552,540**	8,705,139	**3,552,540**	8,705,139
Other Sales	**3,622,814**	3,019,676	**19,130**	2,929,838
Total	**110,914,385**	92,103,313	**91,309,135**	77,017,835

Partial revenue recognition Eur	Group 2022	Group 2021	Parent 2022	Parent 2021
Share of turnover recorded as revenue according to the percentage of completion method	**3,508,019**	477,081	**3,508,019**	477,081
Amount of revenue recognised in the current and previous financial years for construction projects in progress according to the percentage of completion method	**3,348,992**	477,081	**3,348,992**	477,081
Revenue not recognised of construction in progress	**1,540,047**	159,027	**1,540,047**	159,027

TURNOVER BY MARKET AREAS

Geographical review Eur	Group 2022	Group 2021	Parent 2022	Parent 2021
Finland	**91,236,047**	76,821,173	**91,309,135**	77,017,835
Sweden	**13,155,983**	7,828,874	**0**	0
Spain	**6,522,356**	7,453,265	**0**	0
Total	**110,914,385**	92,103,313	**91,309,135**	77,017,835

2. OTHER OPERATING INCOME

Eur	Group 2022	Group 2021	Parent 2022	Parent 2021
Profit from the sales of fixed assets	**465,862**	115,260	**75,260**	115,260
Rental income	**898,281**	870,256	**775,996**	800,539
Commissions	**960,644**	893,273	**958,287**	890,397
Service income	**755,124**	743,902	**141,343**	135,854
Other income	**7,959,816**	4,442,613	**5,204,965**	3,142,433
Total	**11,039,727**	7,065,303	**7,155,851**	5,084,483

Other income includes subsidies related to the Covid-19 pandemic amounting to EUR 5,249,207.

(FY20-21 EUR 1,478,131). Of this amount, EUR 2,755,188 (FY20-21 EUR 581,981) was received by the parent company.

In financial year 20-21, other income included EUR 404,891 compensation received from the government for the restriction period April 4 - May 31, 2020.

3. MATERIALS AND SERVICES

Materials and supplies Eur	Group 2022	Group 2021	Parent 2020	Parent 2021
Purchases during the financial year	**21,211,051**	21,072,875	**19,071,920**	19,151,811
Change in inventory	**102,993**	1,678,968	**403,589**	1,636,862
Total	**21,314,044**	22,751,843	**19,475,509**	20,788,673
External services	**8,989,173**	6,998,117	**7,352,511**	5,836,321
Materials and services total	**30,303,218**	29,749,960	**26,828,020**	26,624,994

4. PERSONNEL AND MEMBERS OF THE BOARD

PERSONNEL EXPENSES

Eur	Group 2022	Group 2021	Parent 2022	Parent 2021
Salaries, wages, comissions	**28,332,854**	24,083,635	**22,921,401**	19,693,496
Pension expenses	**4,086,946**	3,230,733	**3,919,444**	3,056,202
Other indirect employee expenses	**1,876,732**	1,518,620	**821,851**	618,259
Total	**34,296,531**	28,832,987	**27,662,696**	23,367,956

EXECUTIVE REMUNERATION

Eur	Group 2022	Group 2021	Parent 2022	Parent 2021
Management board	**1,666,196**	1,458,881	**1,666,196**	1,458,881
Members of the board of directors	**34,340**	24,000	**34,340**	24,000
Total	**1,700,536**	1,482,881	**1,700,536**	1,482,881

THE AVERAGE NUMBER OF EMPLOYEES DURING THE FINANCIAL YEAR

	Group 2022	Group 2021	Parent 2022	Parent 2021
Employees	**882**	805	**625**	603
Total	**882**	805	**625**	603

NOTES TO THE BALANCE SHEET

5. AMORTIZATIONS, DEPRECIATIONS AND IMPAIRMENTS

Eur	Group 2022	Group 2021	Parent 2022	Parent 2021
Intangible assets	**733,585**	398,093	**730,966**	391,736
Goodwill	**43,207**	654,510	**417**	222,827
Other long-term expenses	**995,341**	1,045,581	**995,341**	1,045,581
Buildings and structures	**907,527**	975,870	**85,417**	85,380
Machinery and equipment	**1,670,006**	2,149,931	**1,175,371**	1,484,413
Other tangible assets	**113,649**	113,649	**108,149**	108,149
Total	**4,463,315**	5,337,634	**3,095,661**	3,338,086
Group goodwill	**109,720**	65,184	**0**	0
Total	**4,573,035**	5,402,819	**3,095,661**	3,338,086

6. OTHER OPERATING EXPENSES

Eur	Group 2022	Group 2021	Parent 2022	Parent 2021
Voluntary employee expenses	**677,849**	531,475	**638,353**	504,561
Rents	**19,009,170**	17,312,379	**15,221,159**	13,216,177
Maintenance fees	**7,357,677**	7,126,015	**7,109,352**	6,867,565
Marketing expenses	**6,108,962**	5,339,056	**5,506,685**	4,772,201
Travel and entertainment expenses	**564,356**	402,609	**558,294**	392,743
Maintenance expenses	**5,794,618**	4,300,810	**5,202,569**	3,889,501
Real estate expenses	**8,767,979**	7,145,099	**6,941,033**	5,550,951
Consulting and other services	**3,497,876**	3,114,807	**2,892,173**	2,618,076
Other operating expenses	**5,948,155**	4,513,823	**3,967,301**	2,887,868
Total	**57,726,641**	49,786,072	**48,036,918**	40,699,643

AUDITING FEES

Eur	Group 2022	Group 2021	Parent 2022	Parent 2021
Auditing services	**344,861**	260,853	**234,009**	179,057
Tax consultancy	**26,859**	22,371	**2,859**	0
Other fees	**152,780**	322,865	**131,152**	284,355
Total	**524,500**	**606,089**	**368,019**	**463,413**

7. FINANCIAL INCOME AND EXPENSE

Eur	Group 2022	Group 2021	Parent 2022	Parent 2021
Dividends	**3,523**	2,213	**3,523**	2,213
Other interest and financial income				
Interest income				
Group companies	**0**	0	**371,284**	397,332
Others	**102,081**	127,393	**39,533**	48,344
Financial income				
Others	**1,797,595**	2,154,602	**360**	0
Total interest and financial income	**1,903,199**	2,284,207	**414,700**	447,889
Interest expenses and other financial expenses				
Interest expenses				
Group companies	**0**	0	**165,138**	166,730
Others	**571,911**	554,582	**477,171**	431,911
Other financial expenses				
Reversal of impairment losses from financial securities	**0**	(24,000)	**0**	(24,000)
Foreign exchange loss (other items), unrealised	**1,838,346**	1,992,724	**(3,251)**	14,109
Others	**428,928**	343,250	**417,807**	337,924
Total interest expenses and other financial expenses	**2,839,186**	2,866,557	**1,056,866**	926,673
Financial income and expense	**(935,987)**	(582,350)	**(642,166)**	(478,784)

8. APPROPRIATIONS

Eur	Group 2022	Group 2021	Parent 2022	Parent 2021
Change in accumulated depreciation	**0**	0	**(3,114)**	962,414
Total	**0**	0	**(3,114)**	962,414

9. INCOME TAXES

Eur	Group 2022	Group 2021	Parent 2022	Parent 2021
Income taxes from operating activities	**(2,109)**	(628)	**0**	0
Income taxes, previous financial year	**1**	(0)	**0**	0
Change in deferred tax receivables	**577,941**	2,787,136	**0**	0
Change in deferred tax liabilities	**(8,176)**	262,449	**0**	0
Total	**567,657**	3,048,957	**0**	0

FIXED ASSETS

10. INTANGIBLE ASSETS AND GROUP GOODWILL, GROUP

2021

Eur	**Intangible assets**	**Other long-term expenses**	**Goodwill**	**Group goodwill**	**Total**
Acquisition cost April 1, 2020	5,892,597	15,157,583	6,777,195	470,382	28,297,758
Translation difference	1,305	0	45,632	11,829	58,766
Additions	836,831	204,960	0	1,075,534	2,117,325
Transfers between items	308,763	22,363	0	0	331,126
Acquisition cost March 31, 2021	7,039,496	15,384,906	6,822,827	1,557,745	30,804,974
Accumulated amortizations April 1, 2020	(4,761,454)	(9,227,475)	(6,084,673)	(458,024)	(20,531,625)
Translation difference	(1,049)	0	(40,438)	(591)	(42,078)
Amortizations	(395,204)	(1,048,471)	(654,510)	(65,184)	(2,163,369)
Accumulated amortizations March 31, 2021	(5,157,707)	(10,275,945)	(6,779,621)	(523,800)	(22,737,073)
Book value March 31, 2021	1,881,789	5,108,960	43,207	1,033,945	8,067,902

2022

Eur	**Intangible assets**	**Other long-term expenses**	**Goodwill**	**Group goodwill**	**Total**
Acquisition cost April 1, 2021	7,039,496	15,384,906	6,822,827	1,557,745	30,804,974
Translation difference	(167)	0	(5,856)	(10,382)	(16,406)
Additions	791,296	237,535	0	0	1,028,831
Deductions	(4,424)	(801,991)	0	0	(806,415)
Transfers between items	108,217	0	0	0	108,217
Acquisition cost March 31, 2022	**7,934,417**	**14,820,450**	**6,816,971**	**1,547,363**	**31,119,202**
Accumulated amortizations April 1, 2021	(5,157,707)	(10,275,945)	(6,779,621)	(523,800)	(22,737,073)
Translation difference	168	0	5,856	1,590	7,614
Accumulated amortizations from transfers/deductions	4,424	801,991	0	0	806,415
Amortizations	(731,408)	(997,518)	(43,207)	(109,720)	(1,881,853)
Accumulated amortizations March 31, 2022	**(5,884,523)**	**(10,471,473)**	**(6,816,971)**	**(631,929)**	**(23,804,897)**
Book value March 31, 2022	**2,049,894**	**4,348,977**	**0**	**915,433**	**7,314,305**

10. INTANGIBLE ASSETS, PARENT COMPANY

2021

Eur	**Intangible assets**	**Other long-term expenses**	**Goodwill**	**Total**
Acquisition cost April 1, 2020	5,876,365	15,108,662	2,701,524	23,686,551
Additions	836,831	204,960	0	1,041,791
Transfers between items	308,763	22,363	0	331,126
Acquisition cost March 31, 2021	7,021,960	15,335,984	2,701,524	25,059,468
Accumulated amortizations April 1, 2020	(4,748,877)	(9,183,619)	(2,478,280)	(16,410,776)
Amortizations	(391,736)	(1,045,581)	(222,827)	(1,660,144)
Accumulated amortizations March 31, 2021	(5,140,612)	(10,229,201)	(2,701,107)	(18,070,920)
Book value March 31, 2021	1,881,348	5,106,784	417	6,988,548

2022

Eur	Intangible assets	Other long-term expenses	Goodwill	Total
Acquisition cost April 1, 2021	7,021,960	15,335,984	2,701,524	25,059,468
Additions	791,296	237,535	0	1,028,831
Deductions	(4,424)	(801,991)	0	(806,415)
Transfers between items	108,217	0	0	108,217
Acquisition cost March 31, 2022	**7,917,048**	**14,771,529**	**2,701,524**	**25,390,101**
Accumulated amortizations April 1, 2021	(5,140,612)	(10,229,201)	(2,701,107)	(18,070,920)
Accumulated amortizations from transfers/deductions	4,424	801,991	0	806,415
Amortizations	(730,966)	(995,341)	(417)	(1,726,723)
Accumulated amortizations March 31, 2022	**(5,867,154)**	**(10,422,551)**	**(2,701,524)**	**(18,991,229)**
Book value March 31, 2022	**2,049,894**	**4,348,978**	**0**	**6,398,872**

11. TANGIBLE ASSETS, GROUP

2021

Eur	Land and water areas	Buildings and structures	Machinery and equipment	Other tangible assets	Unfinished assets and advance payments	Total
Acquisition cost April 1, 2020	13,177,590	21,552,541	24,510,670	3,345,627	453,748	63,040,176
Translation difference	20,770	318,721	85,639	0	0	425,131
Additions	0	0	112,983	0	242,508	355,491
Deductions	(26,124)	0	(16,125)	0	(61,814)	(104,063)
Transfers between items	0	0	0	0	(331,126)	(331,126)
Acquisition cost March 31, 2021	13,172,236	21,871,262	24,693,167	3,345,627	303,316	63,385,609
Accumulated amortizations April 1, 2020	(2,895,129)	(6,150,785)	(18,462,411)	(1,340,737)	0	(28,849,062)
Translation difference	0	(90,868)	(58,545)	0	0	(149,413)
Accumulated amortizations from transfers/ deductions	0	0	16,125	0	0	16,125
Amortizations	0	(975,870)	(2,149,932)	(113,649)	0	(3,239,451)
Accumulated amortizations March 31, 2021	(2,895,129)	(7,217,524)	(20,654,763)	(1,454,386)	0	(32,221,801)
Book value March 31, 2021	10,277,107	14,653,739	4,038,404	1,891,242	303,316	31,163,808

2022

Eur	Land and water areas	Buildings and structures	Machinery and equipment	Other tangible assets	Unfinished assets and advance payments	Total
Acquisition cost April 1, 2021	13,172,236	21,871,262	24,693,167	3,345,627	303,316	63,385,609
Translation difference	(2,075)	(40,902)	(11,291)	0	0	(54,268)
Additions	662,599	1,000	607,318	0	649,954	1,920,871
Deductions	(515,545)	0	(223,137)	0	(10,418)	(749,099)
Transfers between items	0	0	16,620	0	(124,837)	(108,217)
Acquisition cost March 31, 2022	**13,317,216**	**21,831,361**	**25,082,678**	**3,345,627**	**818,015**	**64,394,897**
Accumulated amortizations April 1, 2021	(2,895,129)	(7,217,524)	(20,654,763)	(1,454,386)	0	(32,221,801)
Translation difference	0	17,136	10,422	0	0	27,558
Accumulated amortizations from transfers/ deductions	0	0	218,606	0	0	218,606
Amortizations	0	(907,527)	(1,670,007)	(113,649)	0	(2,691,183)
Accumulated amortizations March 31, 2022	**(2,895,129)**	**(8,107,914)**	**(22,095,743)**	**(1,568,035)**	0	**(34,666,821)**
Book value March 31, 2022	**10,422,087**	**13,723,446**	**2,986,935**	**1,777,593**	**818,015**	**29,728,076**

11. TANGIBLE ASSETS, PARENT COMPANY

2021

Eur	Land and water areas	Buildings and structures	Machinery and equipment	Other tangible assets	Unfinished assets and advance payments	Total
Acquisition cost April 1, 2020	3,465,497	2,338,680	18,249,097	3,179,009	443,831	27,676,113
Additions	0	0	63,582	0	241,593	305,175
Deductions	(26,124)	0	0	0	(61,814)	(87,938)
Transfers between items	0	0	0	0	(331,126)	(331,126)
Acquisition cost March 31, 2021	3,439,373	2,338,680	18,312,679	3,179,009	292,483	27,562,224
Accumulated depreciations and impairments April 1, 2020	(583,298)	(688,719)	(14,225,213)	(1,301,993)	0	(16,799,224)
Depreciations for the financial year	0	(85,380)	(1,484,413)	(108,149)	0	(1,677,942)
Accumulated depreciations and impairments March 31, 2021	(583,298)	(774,100)	(15,709,626)	(1,410,142)	0	(18,477,166)
Book value March 31, 2021	2,856,075	1,564,581	2,603,053	1,768,867	292,483	9,085,059

2022

Eur	Land and water areas	Buildings and structures	Machinery and equipment	Other tangible assets	Unfinished assets and advance payments	Total
Acquisition cost April 1, 2021	3,439,373	2,338,680	18,312,679	3,179,009	292,483	27,562,224
Additions	662,599	1,000	457,594	0	649,954	1,771,147
Deductions	(455,599)	0	(223,137)	0	(10,418)	(689,154)
Transfers between items	0	0	16,620	0	(124,837)	(108,217)
Acquisition cost March 31, 2022	**3,646,373**	**2,339,680**	**18,563,756**	**3,179,009**	**807,182**	**28,536,001**
Accumulated depreciations and impairments April 1, 2021	(583,298)	(774,100)	(15,709,626)	(1,410,142)	0	(18,477,166)
Accumulated depreciations from deductions and transfers	0	0	218,606	0	0	218,606
Depreciations for the financial year	0	(85,417)	(1,175,372)	(108,149)	0	(1,368,938)
Accumulated depreciations and impairments March 31, 2022	**(583,298)**	**(859,517)**	**(16,666,392)**	**(1,518,291)**	**0**	**(19,627,498)**
Book value March 31, 2022	**3,063,075**	**1,480,164**	**1,897,364**	**1,660,718**	**807,182**	**8,908,502**

12. INVESTMENTS, GROUP

2021

Eur	Other shares	Shares in associated companies	Other receivables	Receivables from associated companies	Total
Acquisition cost April 1, 2020	5,074,597	219,997	64,549	0	5,359,143
Deductions	(25,000)	0	0	0	(25,000)
Share of associated companies' results	0	3,361	0	0	3,361
Exchange rate differences	3,750	0	0	0	3,750
Acquisition cost March 31, 2021	5,053,347	223,358	64,549	0	5,341,254
Accumulated impairments April 1, 2020	(227,528)	0	0	0	(227,528)
Reversal of impairments	24,000	0	0	0	24,000
Exchange rate differences	(3,750)	0	0	0	(3,750)
Accumulated impairments March 31, 2021	(207,278)	0	0	0	(207,278)
Book value March 31, 2021	4,846,069	223,358	64,549	0	5,133,976

2022

Eur	Other shares	Shares in associated companies	Other receivables	Receivables from associated companies	Total
Acquisition cost April 1, 2021	5,053,347	223,358	64,549	0	5,341,254
Additions	0	1,326,000	0	0	1,326,000
Share of associated companies' results	0	2,198	0	0	2,198
Exchange rate differences	(481)	0	0	0	(481)
Acquisition cost March 31, 2022	**5,052,866**	**1,551,556**	**64,549**	**0**	**6,668,971**
Accumulated impairments April 1, 2021	(207,278)	0	0	0	(207,278)
Exchange rate differences	481	0	0	0	481
Accumulated impairments March 31, 2022	**(206,797)**	0	**0**	**0**	**(206,797)**
Book value March 31, 2022	**4,846,069**	**1,551,556**	**64,549**	**0**	**6,462,174**

12. INVESTMENTS, PARENT COMPANY

2021

Eur	Shares in group companies	Shares in associated companies	Other shares	Capital Loan Receivables from group companies	Receivables from associated companies	Other receivables	Total
Acquisition cost April 1, 2020	9,187,956	1,096,725	5,026,914	11,006,844	18,000	103,190	26,439,629
Deductions	0	0	(24,000)	0	0	0	(24,000)
Exchange rate differences	0	0	0	884,779	0	0	884,779
Acquisition cost March 31, 2021	9,187,956	1,096,725	5,002,914	11,891,623	18,000	103,190	27,300,408
Accumulated depreciations and impairments April 1, 2020	(1,529,608)	(879,225)	(180,845)	0	(18,000)	(38,642)	(2,646,320)
Reversal of impairments	0	0	24,000	0	0	0	24,000
Accumulated depreciations and impairments March 31, 2021	(1,529,608)	(879,225)	(156,845)	0	(18,000)	(38,642)	(2,622,320)
Book value March 31, 2021	7,658,348	217,500	4,846,069	11,891,623	0	64,549	24,678,089

2022

Eur	Shares in group companies	Shares in associated companies	Other shares	Capital Loan Receivables from group companies	Receivables from associated companies	Other receivables	Total
Acquisition cost April 1, 2021	9,187,956	1,096,725	5,002,914	11,891,623	18,000	103,190	27,300,408
Additions	0	1,326,000	0	0	0	0	1,326,000
Deductions from group internal rearrangements	(200,000)	0	0	0	0	0	(200,000)
Exchange rate differences	0	0	0	(113,544)	0	0	(113,544)
Acquisition cost March 31, 2022	**8,987,956**	**2,422,725**	**5,002,914**	**11,778,079**	**18,000**	**103,190**	**28,312,865**
Accumulated depreciations and impairments April 1, 2021	(1,529,608)	(879,225)	(156,845)	0	(18,000)	(38,642)	(2,622,320)
Accumulated depreciations and impairments March 31, 2022	**(1,529,608)**	**(879,225)**	**(156,845)**	**0**	**(18,000)**	**(38,642)**	**(2,622,320)**
Book value March 31, 2022	**7,458,348**	**1,543,500**	**4,846,069**	**11,778,079**	**0**	**64,549**	**25,690,545**

13. GROUP COMPANIES

Consolidated		Domicile	Group ownership %	Parent ownership %
Holiday Club Canarias Investment S.L.U		Las Palmas	100.00	0.00
Holiday Club Canarias Resort Management S.L.U		Las Palmas	100.00	0.00
Holiday Club Canarias Sales & Marketing S.L.U		Las Palmas	100.00	0.00
Holiday Club Canarias Vacation Club S.L.U		Las Palmas	100.00	0.00
Holiday Club Rus LLC		Pietari	100.00	100.00

Consolidated		Domicile	Group ownership %	Parent ownership %
Holiday Club Sweden AB		Åre	100.00	100.00
Kiinteistö Oy Himos Gardens	*	Helsinki	100.00	100.00
Kiinteistö Oy Kuusamon Pulkkajärvi 1	*	Kuusamo	100.00	100.00
Kiinteistö Oy Rauhanranta 1	*	Helsinki	100.00	100.00
Kiinteistö Oy Rauhanranta 2	*	Helsinki	100.00	100.00
Kiinteistö Oy Katinnurkka	*	Helsinki	100.00	100.00
Kiinteistö Oy Tiurunniemi	*	Helsinki	100.00	100.00
Kiinteistö Oy Tenetinlahti	*	Helsinki	100.00	100.00
Kiinteistö Oy Vanha Ykköstii	*	Helsinki	100.00	100.00
Ownership Services AB		Åre	100.00	0.00
Kiinteistö Oy Kylpyläntorni 1	*	Lappeenranta	100.00	100.00
Kiinteistö Oy Rauhan Liikekiinteistöt 1	**	Lappeenranta	100.00	100.00
Åre Villas 3 AB		Åre	100.00	0.00
Holiday Club Sport and Spa Hotels AB		Åre	100.00	0.00
Kiinteistö Oy Spa Lofts 2	*	Lappeenranta	100.00	100.00
Kiinteistö Oy Spa Lofts 3	*	Lappeenranta	100.00	100.00
Kiinteistö Oy Mällösniemi	*	Sotkamo	100.00	100.00
Supermarket Capri Oy		Lappeenranta	100.00	100.00

Suomen Vapaa-aikakiinteistöt Oy was liquidated on 15.3.2022. The company was not active.

The companies marked with * have been merged with their parent company Holiday Club Resorts Oy on 1.4.2022

The company marked with ** has been merged with its' sister company Supermarket Capri Oy on 8.4.2022

Associated companies and joint ventures	Domicile	Group ownership %	Parent ownership %
Kiinteistö Oy Seniori-Saimaa	Lappeenranta	31.15	31.15
Tropiikin Rantasauna Oy	Kuusamo	50.00	50.00
Kiinteistö Oy Vierumäen Kaari	Vierumäki	100.00	100.00

All associated companies have been consolidated into the group financial statements.

14. INVENTORY

Eur	**Group 2022**	Group 2021	**Parent 2022**	Parent 2021
Materials and supplies	**831,665**	727,403	**691,464**	585,477
Timeshare	**46,491,953**	44,906,568	**34,194,538**	32,872,976
Unfinished construction projects	**1,046,048**	1,369,689	**743,083**	1,086,443
Other inventory	**2,885,504**	2,869,797	**2,870,993**	2,855,146
Villas apartments	**5,227,567**	7,612,824	**5,136,372**	7,520,751
Total	**56,482,737**	57,486,281	**43,636,450**	44,920,793

RECEIVABLES

15. LONG-TERM RECEIVABLES

Eur	**Group 2022**	Group 2021	**Parent 2022**	Parent 2021
Sales receivables	**491,118**	680,456	**396,843**	412,242
Loan receivables from group companies	**0**	0	**10,805,730**	12,775,730
Other receivables	**93,603**	93,603	**0**	0
Deferred tax receivable	**4,578,308**	4,007,058	**0**	0
Total	**5,163,030**	4,781,118	**11,202,574**	13,187,972

16. SHORT-TERM RECEIVABLES

Eur	**Group 2022**	Group 2021	**Parent 2022**	Parent 2021
Sales receivables	**9,089,525**	6,138,983	**6,608,837**	4,389,343
Receivables from group companies				
Sales receivables	**0**	0	**19,111**	99,200
Loan receivables	**0**	0	**3,164,281**	3,162,781
Accrued income	**0**	0	**1,003,270**	1,216,912
Receivables from group companies, total	**0**	0	**4,186,663**	4,478,893

Eur	Group 2022	Group 2021	Parent 2022	Parent 2021
Receivables from others				
Loan receivables	**127,730**	127,243	**127,730**	**127,243**
Accrued income	**2,505,756**	1,653,934	**2,177,473**	1,287,602
Other receivables	**1,174,202**	1,222,060	**49,382**	264,706
Total	**12,897,214**	9,142,221	**13,150,085**	10,547,787

RELEVANT ACCRUED INCOME (excluding receivables from group and associated companies)

Eur	Group 2022	Group 2021	Parent 2022	Parent 2021
Accrued expenses	**1,186,174**	933,020	**1,122,357**	869,774
Accrued income	**898,520**	308,924	**796,752**	167,764
Tax receivables	63,621	69,768	0	0
Social security receivables	**68,120**	72,716	**68,120**	72,716
Others	**289,320**	269,506	**190,244**	177,347
Total	**2,505,756**	1,653,934	**2,177,473**	1,287,602

17. EQUITY

Eur	Group 2022	Group 2021	Parent 2022	Parent 2021
RESTRICTED SHAREHOLDERS' EQUITY				
Share capital at the beginning of the financial year	**11,959,146**	11,959,146	**11,959,146**	11,959,146
Share capital at the end of financial year	**11,959,146**	11,959,146	**11,959,146**	11,959,146
RESTRICTED SHAREHOLDERS' EQUITY TOTAL	**11,959,146**	11,959,146	**11,959,146**	11,959,146
NON-RESTRICTED SHAREHOLDERS' EQUITY				
Reserve for invested non-restricted equity at the beginning of the financial year	**42,395,175**	42,395,175	**42,395,175**	42,395,175
Reserve for invested non-restricted equity at the end of the financial year	**42,395,175**	42,395,175	**42,395,175**	42,395,175
Profit from previous financial years at the beginning of the financial year	**(2,686,537)**	8,469,819	**(7,687,310)**	3,757,420
Translation differences	**(29,828)**	240,178	**0**	0
Profit from previous financial years at the end of financial year	**(2,716,365)**	8,709,997	**(7,687,310)**	3,757,420
Profit for the period	**(5,311,444)**	(11,396,534)	**(7,803,587)**	(11,444,731)
NON-RESTRICTED SHAREHOLDERS' EQUITY TOTAL	**34,367,366**	39,708,637	**26,904,277**	34,707,864
SHAREHOLDERS' EQUITY TOTAL	**46,326,512**	51,667,783	**38,863,423**	46,667,010

The Shareholders' equity of the Group includes EUR 75,660 (FY 20-21 EUR 42,955) from appropriations and other voluntary provisions.

CALCULATION FOR DISTRIBUTABLE FUNDS

Eur	Parent 2022	Parent 2021
Reserve for invested non-restricted equity	**42,395,175**	42,395,175
Profit from the previous financial years	**(7,687,310)**	3,757,420
+ Profit for the period	**(7,803,587)**	(11,444,731)
- Compensation received from the government during the restriction period 4.4.-31.5.2020	**0**	(404,891)
- Received grant from the government for re-employment	**0**	(177,000)
- Received business cost supprt from the government for the period 1.11.2020-28.2.2021	**(1,000,000)**	0
- Received closure compensation from the government for the period 8.3-23.4.2021	**(755,188)**	0
- Received support for uncovered fixed expenses from the government for the period 1.3-31.5.2021	**(1,000,000)**	0
Total	**24,149,089**	34,125,973

18. DEFERRED TAX RECEIVABLES AND LIABILITIES

Eur	Group 2022	Group 2021	Parent 2022	Parent 2021
Deferred tax receivables:				
from unused losses in taxation	**3,855,706**	3,274,743	**0**	0
from other temporary differences	**722,603**	732,316	**0**	0
Total	**4,578,308**	4,007,058	**0**	0
Deferred tax liabilities:				
from appropriations	**18,915**	10,739	**0**	0
Total	**18,915**	10,739	**0**	0
Deferred not booked tax receivables:				
from unused losses in taxation	**6,780,269**	7,004,508	**0**	0
from other temporary differences	**1,549,846**	1,573,846	**0**	0
Total	**8,330,115**	8,578,354	**0**	0

19. STATUTORY PROVISIONS, GROUP

Eur 2021	Litigation provision	Other provisions	Total
Opening balance April 1, 2020	764,838	840,572	1,605,410
Additional provisions recognised	305,000	3,660,311	3,965,311
Amounts used during the period	(318,422)	(3,539,497)	(3,857,918)
Unused amounts reversed during the period	(60,000)	(727,305)	(787,305)
Translation differences	0	371	371
Book Value 31.03.2021	691,416	234,452	925,868

Eur 2022	Litigation provision	Other provisions	Total
Opening balance April 1, 2021	**691,416**	**234,452**	**925,868**
Additional provisions recognised	**180,000**	**3,772,202**	**3,952,202**
Amounts used during the period	**(88,290)**	**(2,911,297)**	**(2,999,587)**
Unused amounts reversed during the period	**(47,000)**	**(726,557)**	**(773,556)**
Translation differences	**0**	**(86)**	**(86)**
Book value March 31, 2022	**736,127**	**368,715**	**1,104,842**

Holiday Club Canarias Sales & Marketing company has received claims from time share customers arguing that the contracts are null and void. Total amount of received claims is EUR 6.5 million. Claims are related to different interpretations of changing timeshare legislation in Spain. The company has received 146 claims, out of which 85 have a ruling from first instance and 40 also have a ruling from second instance, for the amount of EUR 2.6 million. The amount to pay for the rulings can be the money received for the company minus the enjoyment of the weeks or a bigger amount. All the rulings been appealed and are expected to get a favourable outcome for the contracts signed after July 2012, which constitute the majority. Based on these rulings the company has made a provision that is estimated to cover possible future liabilities.

19. STATUTORY PROVISIONS, PARENT COMPANY

Eur 2021	Litigation provision	Other provisions	Total
Opening balance April 1, 2020	210,000	832,172	1,042,172
Additional provisions recognised	0	3,398,218	3,398,218
Amounts used during the period	(210,000)	(3,354,160)	(3,564,160)
Unused amounts reversed during the period	0	(676,896)	(676,896)
Book Value 31.03.2021	0	199,333	199,333

Eur 2022	Litigation provision	Other provisions	Total
Opening balance April 1, 2021	**0**	**199,333**	**199,333**
Additional provisions recognised	**0**	**3,432,621**	**3,432,621**
Amounts used during the period	**0**	**(2,874,597)**	**(2,874,597)**
Unused amounts reversed during the period	**0**	**(412,933)**	**(412,933)**
Book value March 31, 2022	**0**	**344,424**	**344,424**

20. LONG-TERM LIABILITIES

Eur	**Group 2022**	Group 2021	**Parent 2022**	Parent 2021
Loans from financial institutions	**10,418,557**	16,476,443	**7,974,851**	12,969,299
Other long-term loans	**17,614**	38,041	**16,514**	36,941
Loans from group companies	**7,151,337**	0	**14,439,231**	7,358,151
Total	**17,587,508**	16,514,485	**22,430,596**	20,364,391

Holiday Club Resort Oy has three long-term loans from its parent company Covington S.a.r.l, amounting to EUR 7,151,337, in total. The loans are unsecured and their interest rates are 2.2% and 2.5% p.a.

Secured loans include covenant terms. The covenant conditions were not met in the financial statements 2021-2022.

According to the funding agreement, a breach of the covenants could lead to a change in the terms of the funding. However, the company has obtained the consent of the creditors not to invoke their right of termination. For this reason, the company may continue to operate in accordance with the going concern principle.

The Group and the parent company have no loans from financial institutions maturing in more than five years.

21. SHORT-TERM LIABILITIES

Eur	**Group 2022**	Group 2021	**Parent 2022**	Parent 2021
Loans from financial institutions	**7,879,154**	6,128,617	**6,565,715**	5,171,635
Pension loans	**0**	0	**0**	0
Received advance payments	**12,095,300**	11,302,494	**11,219,537**	10,690,204
Accounts payable	**8,905,948**	7,792,688	**7,443,178**	4,136,612
Loans from group companies				
Accounts payable	**0**	0	**326,210**	193,285
Unsecured loans	**0**	3,151,337	**0**	3,151,337
Other loans	**0**	0	**750,781**	759,731
Group contributions payable	**0**	0	**100,985**	100,985
Accrued liabilities	**0**	0	**570,821**	420,009
Total	**0**	3,151,337	**1,748,797**	4,625,347
Other loans	**7,805,301**	6,559,644	**5,185,191**	4,181,478
Accrued liabilities	**18,829,558**	17,664,307	**15,362,023**	14,156,287
Short-term liabilities, total	**55,515,261**	52,599,087	**47,524,441**	42,961,562

RELEVANT ACCRUED LIABILITIES (excluding receivables from group and associated companies)

Eur	**Group 2022**	Group 2021	**Parent 2022**	Parent 2021
Personnel and social expenses	**6,909,226**	6,991,196	**6,204,525**	6,246,612
Accrued interests	**229,481**	152,592	**212,493**	136,553
Sales comissions	**279,046**	320,159	**255,951**	262,896
Taxes	**-38**	614	**0**	0
Deferred discounts related to TS and Villas sales	**2,284,520**	2,871,923	**2,284,520**	2,871,923
Deferred revenue	2,161,585	2,296,071	0	0
Real estate tax accrual	1,181,766	911,760	1,002,558	829,782
Exchange rate differences	0	0	294,020	337,306
Leases	**2,117,757**	1,769,936	**2,117,757**	1,769,936
Other	**3,666,215**	2,350,055	**2,990,200**	1,701,278
Total	**18,829,558**	17,664,307	**15,362,023**	14,156,287

OTHER NOTES TO THE FINANCIAL STATEMENTS

COMMITMENTS AND CONTINGENT LIABILITIES

ASSETS PLEDGED AND MORTGAGES GIVEN FOR FINANCIAL LIABILITIES

Eur	Group 2022	Group 2021	Parent 2022	Parent 2021
Loans from financial institutions	**10,430,837**	13,488,355	**7,430,837**	10,140,934
Total	**10,430,837**	13,488,355	**7,430,837**	10,140,934
Property under mortgages	**16,100,000**	16,100,000	**6,100,000**	6,100,000
Mortgage on company assets	**28,445,638**	28,445,638	**28,445,638**	28,445,638
Pledged assets	**48,109,064**	48,731,961	**48,109,064**	48,731,961
Total	**92,654,702**	93,277,598	**82,654,702**	83,277,598

OTHER COLLATERAL FOR OWN COMMITMENTS

Eur	Group 2022	Group 2021	Parent 2022	Parent 2021
Deposits, rent guarantees	**1,821,860**	2,449,970	**1,821,860**	2,449,970
Total	**1,821,860**	2,449,970	**1,821,860**	2,449,970

COLLATERAL FOR GROUP COMPANIES' LIABILITIES

Eur	Group 2022	Group 2021	Parent 2022	Parent 2021
Mortgage on company assets	**1,838,057**	1,855,777	**0**	0
Guarantees given	**3,100,000**	3,200,000	**3,100,000**	3,200,000
Pledged assets	**4,167,259**	4,365,152	**0**	0
Total	**9,105,317**	9,420,929	**3,100,000**	3,200,000

CONTINGENT LIABILITIES AND OTHER COMMITMENTS

LEASING CONTRACT COMMITMENTS

Eur	Group 2022	Group 2021	Parent 2022	Parent 2021
Due during the next financial year	**998,723**	792,674	**813,902**	717,849
Due thereafter	**1,422,715**	840,558	**750,383**	591,522
Total	**2,421,437**	1,633,231	**1,564,285**	1,309,371

RENTAL COMMITMENTS

Eur	Group 2022	Group 2021	Parent 2022	Parent 2021
Due during the next financial year	**16,957,248**	17,269,781	**12,900,801**	13,312,301
Due thereafter	**183,836,799**	205,149,868	**173,794,037**	191,768,661
Total	**200,794,047**	222,419,649	**186,694,838**	205,080,961

CONTINGENT LIABILITIES AND OTHER COMMITMENTS

Eur	Group 2022	Group 2021	Parent 2022	Parent 2021
Investing commitments	**1,996,780**	1,996,780	**1,996,780**	1,996,780
Responsibility to review tax deduction related to real estate	**1,886,604**	2,549,727	**1,349,267**	1,705,765
Purchase and sales commitments	**2,548,515**	8,125,759	**2,548,515**	8,125,759
Other liabilities and guarantees	**4,005,087**	3,915,541	**4,005,087**	3,915,541

Investing commitments

Holiday Club Resorts Oy has given completion commitments to Fennia in relation to the land areas sold. If the completion commitments are not met, Fennia has the right to cancel the deal. Holiday Club Resorts Oy has guaranteed the land lease payments until apartments have been build on the plots.

Responsibility to review tax deductions related to real estate investments

Holiday Club Resorts Oy and Koy Rauhan Liikekiinteistöt 1 are responsible to annually review vat deductions made from the real estate investments and from renovation costs made to leased properties. Responsibility is for 10 years after the completion of the investment, in so far as the VAT taxable use of the property decreases during the ten-year period.

Purchase and sales commitments

According to the agreement made between Holiday Club Resorts Oy, Sunborn Oy and Sunborn Saga Oy, Holiday Club Resorts Oy is obliged to sell annually 75 Sunborn timeshares. If Holiday Club Resorts Oy doesn't achieve its yearly target, Holiday Club is obliged to purchase the missing amount of timeshares with a price related to the agreement.

Holiday Club Resorts Oy has committed to purchase back the shares of Kiinteistö Oy Salla Star -named company from the buyer no later than 30.6.2025. The new date was agreed upon on in August 2020.

In October 2014, Holiday Club Resorts Oy sold Ylläs Saga's business to Lapland Hotels Oy, at which time the lessor Ilmarinen Mutual Pension Insurance Company required Holiday Resorts Oy to remain jointly and severally liable for the obligations under the lease and repurchase agreement. This joint and several liability, as well as the commitment to repurchase the shares of the company Kiinteistö Oy Iso-Ylläksentie 42 from Ilmarinen Mutual Pension Insurance Company no later than March 31, 2022, have expired and the obligations have been removed.

In the course of the Holiday Club Åre asset deal the commitment given by Holiday Club Spa Hotels AB to purchase a multi-purpose arena from Åre Kongress AB in 2023, if Åre Kongress AB has not sold the arena before that, transferred to Holiday Club Sport And Spa Hotels AB. Holiday Club Resorts Oy and Holiday Club Sport And Spa Hotels AB are jointly responsible for the sales price of the arena towards Åre Kongress AB.

Other liabilities and guarantees

Other liabilities and guarantees contain a surety that the parent has given regarding the lease obligations of Holiday Club Sport and Spa Hotels AB. The surety equates the lease obligation of 12 months.

Liabilities from customer finance agreements

Holiday Club Resorts Oy has agreed in the customer financing agreement made between Holiday Club Resorts Oy and OP Corporate Bank Oyj (OP Financing) the following:

The customer's inability to pay, or if the customer otherwise is in breach with contract, gives OP Financing the right to call in the financing or to terminate the financing contract. If OP Financing claims, Holiday Club Resorts Oy has committed to redeem the financing with the amount that corresponds 50% of the current financing agreement balance between customer and OP Financing related to the purchase of the timeshare week. Redemption price may be at maximum 50% of the original purchase price of the timeshare week.

The financing agreement between Holiday Club Resorts Oy and OP Corporate Bank Oyj has been amended on 2.11.2014 and by this amendment a 100% financing without redemption was taken into use. This amendment does not apply to those timeshares that Holiday Club Resorts Oy finances on its own risk and of which Holiday Club Resorts Oy has in 2012 signed a 100% buyback commitment.

Holiday Club Resorts Oy has agreed in the customer financing agreement made between Holiday Club Resorts Oy and Danske Bank Oyj the following:

If Danske Bank terminates the customer's financing contract for timeshare purchase based on the terms of contract, the following risk distribution contract applies:

If Danske Bank claims, Holiday Club Resorts Oy is committed to purchase the timeshare which has been given as a collateral for a financing agreement. The purchase price is 30% of the timeshare's original purchase price. If the purchase price, calculated by the foregoing way, is more than the financier's financed part based on the sale agreement issue, the purchase price will be the amount of financed part of the sale agreement at issue. For the timeshares Holiday Club Resorts Oy has financed on its own risk, 100% buyback commitment is applied.

RELATED PARTY TRANSACTIONS

Eur	Group 2022	Group 2021	Parent 2022	Parent 2021
MHR Holdings Mauritius Ltd. (Parent company of Covington S.a.r.l.)				
Financial expenses	**54,874**	0	**54,874**	0
Accrued expenses	**4,138**	0	**4,138**	0

Eur	Group 2022	Group 2021	Parent 2022	Parent 2021
Received Guarantee	**3,166,136**	0	**3,166,136**	0
Covington S.a.r.l. (parent company of Holiday Club Resorts Oy)				
Interest expenses	**76,633**	69,769	**76,633**	69,769
Interest liabilities	**198,850**	122,217	**198,850**	122,217
Loans	**7,151,337**	3,151,337	**7,151,337**	3,151,337
Subsidiaries				
Sales of Services / Materials	**0**	0	**279,382**	419,159
Purchases of Services / Materials	**0**	0	**16,380**	70,930
Rental income	**0**	0	**1,074**	6,946
Rent expenses	**0**	0	**785,969**	833,470
Interest income	**0**	0	**377,677**	397,332
Interest expenses	**0**	0	**165,138**	166,729
Associated companies				
Rental expenses	**47,644**	24,439	**47,644**	24,439

List of ledgers, materials and corresponding safekeeping methods

Financial statements

The financial statements will be saved as PDF files and kept in the root folder.

List of ledgers and balances lists

The ledger-specific income statements, balance sheets and list of ledgers will be saved as PDF files and kept in the root folder.

Ledgers, voucher types and corresponding safekeeping methods

The daily and main ledgers of the Hansa accounting system will be saved as PDF files and kept in the root folder.

Summary of subsidiary ledgers

Subsidiary ledgers	**System**	Voucher types	**Voucher series**	Safekeeping method
Accounts receivables, share and other business areas	Hansa	Sales invoices	multiple, based on the sale type	Electronic
Accounts receivables, SPA business area	Hotellinx Cloud	Sales invoices, SPA	multiple for each spa	Electronic
Accounts receivables, renting	Cabinlinx Cloud	Sales invoices, renting	multiple for each resort	Electronic
Accounts receivables, shares and other business areas	Hansa	Sales invoice payments	SUOR.22000000-SUOR.22009067	Electronic
Accounts receivables, SPA and renting	Hansa	Sales invoice payments	bank receipts	Electronic
Accounts payables	Basware/Palette	Purchase invoices	OL.22200001-OL.22279867	Electronic
	Hansa	Purchase payments	MAKS.202200001-MAKS.202202961	Electronic
Payroll accounting	Mepco	Summary of payroll system	2022.940000-2022.940547	Electronic
Travel invoices accounting	M2	Travel invoice	2022.950000-2022.950051	Electronic
Cash book	Excel	Memo voucher	–	As PDF files in the root folder
Hotels' stock records	Hotellinx and excel	Memo voucher	–	Electronic
Share sales' stock records	SPI	Memo voucher	–	Printed

Subsidiary ledgers	System	Voucher types	Voucher series	Safekeeping method
Other voucher types	**Voucher series**		**Storage method**	
Memo vouchers	multiple		Electronic	
Bank receipts	2022.19970000 -2022.19996637		Electronic	
Notes vouchers	LTT01-		As PDF files in the root folder	

A more detailed description of the methods used for the safekeeping of accounting records and backup procedures is provided in a separate company document.

This document also contains a listing of all voucher types.

DATE AND SIGNATURES

Signatures of the financial statements and annual report

Helsinki, 25 April 2022

Arunkumar Nanda
Chairman of the Board

Kavinder Singh
Member of the Board

Harri Pärssinen
Member of the Board

Sridar Iyengar
Member of the Board

Maisa Romanainen
CEO

AUDITOR'S NOTE

Auditor's report has been issued today.

Helsinki, April 25, 2022

KPMG Oy Ab

Esa Kailiala
Authorised Public Accountant

AUDITOR’S REPORT

To the Annual General Meeting of Kiinteistö Oy Himos Gardens

Opinion

We have audited the financial statements of Kiinteistö Oy Himos Gardens (business identity code 2165494-3) for the year ended March 31, 2022. The financial statements comprise the balance sheet, income statement and notes.

In our opinion, the financial statements give a true and fair view of the company’s financial performance and financial position in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements.

Basis for Opinion

We conducted our audit in accordance with good auditing practice in Finland. Our responsibilities under good auditing practice are further described in the *Auditor’s Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the company in accordance with the ethical requirements that are applicable in Finland and are relevant to our audit, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board of Directors for the Financial Statements

The Board of Directors is responsible for the preparation of financial statements that give a true and fair view in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements. The Board of Directors is also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the company’s ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting. The financial statements are prepared using the going concern basis of accounting unless there is an intention to liquidate the company or cease operations, or there is no realistic alternative but to do so.

Auditor’s Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with good auditing practice will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with good auditing practice, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company’s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the Board of Directors’ use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events so that the financial statements give a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Helsinki, April 19, 2022

KPMG OY AB

ESA KAILIALA
Authorised Public Accountant, KHT

BALANCE SHEET AS AT MARCH 31, 2022

	Appendix	Eur 2022	Eur 2021
ASSETS			
NON-CURRENT ASSETS			
Tangible assets	1		
Land areas		**527,069.84**	527,069.84
Total tangible assets		**527,069.84**	527,069.84
TOTAL NON-CURRENT ASSETS		**527,069.84**	527,069.84
CURRENT ASSETS			
Short-term receivables	2		
Loan receivables from group companies		**573,765.19**	565,173.93
Accrued income		**1,714.70**	1,609.98
Total short-term receivables		**575,479.89**	566,783.91
Cash and cash equivalents			
Cash at bank		**1,967.21**	2,866.35
Total cash and cash equivalents		**1,967.21**	2,866.35
TOTAL CURRENT ASSETS		**577,447.10**	569,650.26
TOTAL ASSETS		**1,104,516.94**	1,096,720.10
LIABILITIES			
EQUITY	3		
Share capital		**2,500.00**	2,500.00
Building fund		**1,040,077.00**	1,040,077.00
Profit/(Loss) from previous years		**46,162.40**	46,161.71
Profit/(Loss) for the financial year		**(32.46)**	0.69
TOTAL EQUITY		**1,088,706.94**	1,088,739.40
BORROWED CAPITAL			
Short-term borrowed capital	4		
Group contribution liabilities		**15,810.00**	7,950.00
Accruals and deferred income		**0.00**	30.70
Total short-term borrowed capital		**15,810.00**	7,980.70
TOTAL LIABILITIES		**1,104,516.94**	1,096,720.10

PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED MARCH 31, 2022

	Eur 2022	Eur 2021
Property management expenses		
Administration	**(1,366.46)**	(1,236.08)
Property tax	**(1,403.13)**	(1,403.13)
Total	**(2,769.59)**	(2,639.21)
Profit/(Loss)	**(2,769.59)**	(2,639.21)
Financial income and expenses		
Interest income	**10,591.26**	10,591.26
Interest charges	**4.88**	(0.82)
Total financial income and expenses	**10,596.14**	10,590.44
Profit/(Loss) before appropriations and taxes	**7,826.55**	7,951.23
Group contribution	**(7,860.00)**	(7,950.00)
Income taxes	**0.99**	(0.54)
Profit/(Loss) for the financial year	**(32.46)**	0.69

NOTES TO THE FINANCIAL STATEMENTS

The financial statements have been drawn up in accordance with regulations governing small and medium-sized enterprises (Government Decree on the information presented in the financial statements of a small undertaking and micro-undertaking, 1753/2015).

Tangible and intangible assets have been entered under acquisition costs and financial assets under nominal value. Revenues and expenses are amortised on an accrual basis.

The company belongs to the Holiday Club Resorts Oy group. The parent company is Holiday Club Resorts Oy. Copies of the consolidated financial statements are available at the Holiday Club Resorts Group headquarters. Hitsaajankatu 22, 00810 Helsinki

NOTES TO THE BALANCE SHEET

ASSETS

NON-CURRENT ASSETS

INTANGIBLE AND TANGIBLE ASSETS

1 Tangible assets

	Eur
	Land areas
Acquisition cost 1.4.	527,069.84
Acquisition cost 31.3.	527,069.84
Book value 31.3.	**527,069.84**

CURRENT ASSETS

RECEIVABLES

2 Short-term receivables

	Eur	Eur
	2022	2021
Loan receivables from group companies	**573,765.19**	565,173.93
Tax assets	**1,714.70**	1,609.98
Total	**575,479.89**	566,783.91

LIABILITIES

3 EQUITY

	Eur	Eur
	2022	2021
Share capital in the beginning of the year	**2,500.00**	2,500.00
Share capital in the end of the year	**2,500.00**	2,500.00
Building fund in the beginning of the year	**1,040,077.00**	1,040,077.00
Building fund in the end of the year	**1,040,077.00**	1,040,077.00
Profit/(Loss) from previous financial period	**46,162.40**	46,161.71
Profit/(Loss) for the financial year	**(32.46)**	0.69
Total equity	**1,088,706.94**	1,088,739.40

BREAKDOWN OF SHARE CAPITAL

	2022		2021	
Eur	**No.**	**Eur**	No.	Eur
1 vote/share	**50.00**	**2,500.00**	50.00	2,500.00
Total	**50.00**	**2,500.00**	50.00	2,500.00

4 SHORT-TERM BORROWED CAPITAL

	Eur	Eur
	2022	2021
Group contribution liabilities	**15,810.00**	7,950.00
Accruals and deferred income	**0.00**	30.70
Total	**15,810.00**	7,980.70

Notes to the financial statements compliant with the Limited Liability Companies Act.

Board of Directors' proposal for profit distribution

Loss for the financial year EUR -32.46. The Board of Directors proposes to the Annual General Meeting that the profit be transferred to equity and that no dividends be distributed.

FINANCIAL STATEMENTS
DATE AND SIGNATURES

Helsinki April 19, 2022

Pauli Puntala
Board member

AUDITOR'S NOTE

A report of the audit has been submitted today.

Helsinki April 19, 2022

KPMG OY AB

Esa Kailiala
Authorised Public Accountant

AUDITOR'S REPORT

To the Annual General Meeting of Kiinteistö Oy Vanha Ykköstii

Opinion

We have audited the financial statements of Kiinteistö Oy Vanha Ykköstii (business identity code 2425177-9) for the year ended March 31, 2022. The financial statements comprise the balance sheet, income statement and notes.

In our opinion, the financial statements give a true and fair view of the company's financial performance and financial position in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements.

Basis for Opinion

We conducted our audit in accordance with good auditing practice in Finland. Our responsibilities under good auditing practice are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the company in accordance with the ethical requirements that are applicable in Finland and are relevant to our audit, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board of Directors for the Financial Statements

The Board of Directors is responsible for the preparation of financial statements that give a true and fair view in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements. The Board of Directors is also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting. The financial statements are prepared using the going concern basis of accounting unless there is an intention to liquidate the company or cease operations, or there is no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with good auditing practice will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with good auditing practice, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events so that the financial statements give a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Helsinki, April 19, 2022

KPMG OY AB

ESA KAILIALA
Authorised Public Accountant, KHT

BALANCE SHEET AS AT MARCH 31, 2022

	Appendix	Eur 2022	Eur 2021
ASSETS			
NON-CURRENT ASSETS			
Tangible assets	1		
Land areas		**52,142.00**	52,142.00
Total tangible assets		**52,142.00**	52,142.00
TOTAL NON-CURRENT ASSETS		**52,142.00**	52,142.00
CURRENT ASSETS			
Short-term receivables	2		
Group contribution receivables		**9,105.00**	9,105.00
Total short-term receivables		**9,105.00**	9,105.00
Cash and cash equivalents			
Cash at bank		**134.64**	2,039.85
Total cash and cash equivalents		**134.64**	2,039.85
TOTAL CURRENT ASSETS		**9,239.64**	11,144.85
TOTAL ASSETS		**61,381.64**	63,286.85
LIABILITIES			
EQUITY	3		
Share capital		**2,500.00**	2,500.00
Invested unrestricted equity fund		**60,762.15**	60,762.15
Profit/(Loss) from previous year		**24.70**	24.78
Profit/(Loss) for the financial year		**(1,905.21)**	(0.08)
TOTAL EQUITY		**61,381.64**	63,286.85
BORROWED CAPITAL			
TOTAL LIABILITIES		**61,381.64**	63,286.85

PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED MARCH 31, 2022

	Eur 2022	Eur 2021
Property management expenses		
Administration	**(1,268.57)**	(1,125.39)
Property tax	**(636.64)**	(636.64)
Total	**(1,905.21)**	(1,762.03)
Profit/(Loss)	**(1,905.21)**	(1,762.03)
Profit before appropriations and taxes	**(1,905.21)**	(1,762.03)
Group contribution	**0.00**	1,755.00
Income taxes	**0.00**	(6.95)
Profit/(Loss) for the financial year	**(1,905.21)**	(0.08)

ACCOUNTING PRINCIPLES

Valuation principles

The financial statements have been drawn up in accordance with regulations governing small and medium-sized enterprises (Government Decree on the information presented in the financial statements of a small undertaking and micro-undertaking, 1753/2015).

Tangible and intangible assets have been entered under acquisition costs and financial assets under nominal value. Revenues and expenses are amortised on an accruals basis.

The company belongs to the Holiday Club Resorts Oy group. The parent company is Holiday Club Resorts Oy. Copies of the consolidated financial statements are available at the Holiday Club Resorts Group headquarters. Hitsaajankatu 22, 00810 Helsinki

NOTES TO THE BALANCE SHEET

ASSETS

NON-CURRENT ASSETS

INTANGIBLE AND TANGIBLE ASSETS

1 Tangible assets

	Eur Land areas
Acquisition cost 1.4.	52,142.00
Acquisition cost 31.3.	52,142.00
Book value 31.3.	**52,142.00**

2 Short-term receivables

	Eur
Group contribution receivables	9,105.00
Total	**9,105.00**

Liabilities

3 EQUITY

	Eur **2022**	Eur 2021
Share capital in the beginning of the year	**2,500.00**	2,500.00
Share capital in the end of the year	**2,500.00**	2,500.00
Invested unrestricted equity fund in the beginning of the year	**60,762.15**	60,762.15
Invested unrestricted equity fund in the end of the year	**60,762.15**	60,762.15
Profit/(Loss) from previous financial period	**24.70**	24.78
Profit/(Loss) for the financial year	**(1,905.21)**	(0.08)
Total equity	**61,381.64**	63,286.85

BREAKDOWN OF SHARE CAPITAL

Eur	**2022** **No.**	2021 No.
1 vote/share	**2,500.00**	2,500.00
Total	**2,500.00**	2,500.00

OTHER NOTES

PERPETUAL EASEMENTS, CONTINGENT LIABILITIES AND OTHER COMMITMENTS

The company-owned area (765-401-2-398) encumbers the land lease agreement signed on June 28, 2011.

The lease term is 50 years.

Notes to the financial statements compliant with the Limited Liability Companies Act.

Board of Directors' proposal for profit distribution

Loss for the financial year EUR -1,905.21. The Board of Directors proposes to the Annual General Meeting that the loss be transferred to equity and that no dividends be distributed.

FINANCIAL STATEMENTS

DATE AND SIGNATURES

Helsinki April 19, 2022

Puntala Pauli
Chair of the Board of Directors

Valtanen Ville
Board Member

Aro Tatu
Board Member

AUDITOR'S NOTE

A report of the audit has been submitted today.

Helsinki April 19, 2022
KPMG OY AB

Esa Kailiala
Authorised Public Accountant

AUDITOR'S REPORT

To the Annual General Meeting of Kiinteistö Oy Katinnurkka

Opinion

We have audited the financial statements of Kiinteistö Oy Katinnurkka (business identity code 2444096-7) for the year ended March 31, 2022. The financial statements comprise the balance sheet, income statement and notes.

In our opinion, the financial statements give a true and fair view of the company's financial performance and financial position in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements.

Basis for Opinion

We conducted our audit in accordance with good auditing practice in Finland. Our responsibilities under good auditing practice are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the company in accordance with the ethical requirements that are applicable in Finland and are relevant to our audit, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board of Directors for the Financial Statements

The Board of Directors is responsible for the preparation of financial statements that give a true and fair view in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements. The Board of Directors is also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting. The financial statements are prepared using the going concern basis of accounting unless there is an intention to liquidate the company or cease operations, or there is no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with good auditing practice will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with good auditing practice, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events so that the financial statements give a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Helsinki, April 19, 2022
KPMG OY AB

ESA KAILIALA
Authorised Public Accountant, KHT

BALANCE SHEET AS AT MARCH 31, 2022

	Appendix	Eur 2022	Eur 2021
ASSETS			
NON-CURRENT ASSETS			
Tangible assets	**1**		
Land areas		**307,229.00**	307,229.00
Total tangible assets		**307,229.00**	307,229.00
TOTAL NON-CURRENT ASSETS		**307,229.00**	307,229.00
CURRENT ASSETS			
Short-term receivables	**2**		
Group contribution receivables		**10,600.00**	10,600.00
Total short-term receivable		**10,600.00**	10,600.00
Cash and cash equivalents			
Cash at bank		**152.81**	1,396.89
Total cash and cash equivalents		**152.81**	1,396.89
TOTAL CURRENT ASSETS		**10,752.81**	11,996.89
TOTAL ASSETS		**317,981.81**	319,225.89
LIABILITIES			
EQUITY	**3**		
Share capital		**2,500.00**	2,500.00
Invested unrestricted equity fund		**317,741.01**	317,741.01
Profit/(Loss) from previous years		**(1,015.12)**	87.84
Profit/(Loss) for the financial year		**(1,244.08)**	(1,102.96)
TOTAL EQUITY		**317,981.81**	319,225.89
TOTAL LIABILITIES		**317,981.81**	319,225.89

PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED MARCH 31, 2022

	Eur 2022	Eur 2021
Property management expenses		
Administration	**(1,155.88)**	(1,014.76)
Property tax	**(88.20)**	(88.20)
Total	**(1,244.08)**	(1,102.96)
Profit/(Loss)	**(1,244.08)**	(1,102.96)
Profit/(Loss) before appropriations and taxes	**(1,244.08)**	(1,102.96)
Profit/(Loss) for the financial year	**(1,244.08)**	(1,102.96)

ACCOUNTING PRINCIPLES

Valuation principles

The financial statements have been drawn up in accordance with regulations governing small and medium-sized enterprises (Government Decree on the information presented in the financial statements of a small undertaking and micro-undertaking, 1753/2015).

Tangible and intangible assets have been entered under acquisition costs and financial assets under nominal value.

Revenues and expenses are amortised on an accrual basis.

The company belongs to the Holiday Club Resorts Oy group. The parent company is Holiday Club Resorts Oy. Copies of the consolidated financial statements are available at the Holiday Club Resorts Group headquarters.
Hitsaajankatu 22, 00810 Helsinki

NOTES TO THE BALANCE SHEET

ASSETS

NON-CURRENT ASSETS

INTANGIBLE AND TANGIBLE ASSETS

1 Tangible assets

	Eur
	Land areas
Acquisition cost 1.4.	307,229.00
Acquisition cost 31.3.	307,229.00
Book value 31.3.	**307,229.00**

2 Short-term receivables

	Eur
Group contribution receivables	10,600.00
Total	**10,600.00**

LIABILITIES

3 EQUITY

	Eur	Eur
	2022	2021
Share capital in the beginning of the year	**2,500.00**	2,500.00
Share capital in the end of the year	**2,500.00**	2,500.00
Invested unrestricted equity fund in the beginning of the year	**317,741.01**	317,741.01
Invested unrestricted equity fund in the end of the year	**317,741.01**	317,741.01
Profit/(Loss) from previous financial period	**(1,015.12)**	87.84
Profit/(Loss) for the financial year	**(1,244.08)**	(1,102.96)
Total equity	**317,981.81**	319,225.89

BREAKDOWN OF SHARE CAPITAL

	2022		2021	
Eur	**No.**	**Eur**	No.	Eur
1 vote/share	**25.00**	**2,500.00**	25.00	2,500.00
Total	**25.00**	**2,500.00**	25.00	2,500.00

NOTES TO THE BALANCE SHEET

Notes to the financial statements compliant with the Limited Liability Companies Act.

Board of Directors' proposal for profit distribution

Loss for the financial year EUR -1,244.08. The Board of Directors proposes to the Annual General Meeting that the profit be transferred to equity and that no dividends be distributed.

FINANCIAL STATEMENTS

DATE AND SIGNATURES

Helsinki April 19, 2022

Pauli Puntala
Chair of the Board of Directors

Ville Valtanen
Board Member

Tatu Aro
Board Member

AUDITOR'S NOTE

A report of the audit has been submitted today.

Helsinki April 19, 2022

KPMG OY AB

Esa Kailiala
Authorised Public Accountant

AUDITOR'S REPORT

To the Annual General Meeting of Kiinteistö Oy Tenetinlahti

Opinion

We have audited the financial statements of Kiinteistö Oy Tenetinlahti (business identity code 2455539-3) for the year ended March 31, 2022. The financial statements comprise the balance sheet, income statement and notes.

In our opinion, the financial statements give a true and fair view of the company's financial performance and financial position in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements.

Basis for Opinion

We conducted our audit in accordance with good auditing practice in Finland. Our responsibilities under good auditing practice are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the company in accordance with the ethical requirements that are applicable in Finland and are relevant to our audit, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board of Directors and the Managing Director for the Financial Statements

The Board of Directors is responsible for the preparation of financial statements that give a true and fair view in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements. The Board of Directors is also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting. The financial statements are prepared using the going concern basis of accounting unless there is an intention to liquidate the company or cease operations, or there is no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with good auditing practice will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with good auditing practice, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events so that the financial statements give a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Helsinki, April 19, 2022
KPMG OY AB

ESA KAILIALA
Authorised Public Accountant, KHT

BALANCE SHEET AS AT MARCH 31, 2022

	Appendix	Eur 2022	Eur 2021
ASSETS			
NON-CURRENT ASSETS			
Tangible assets	**1**		
Land areas		**108,666.66**	108,666.66
Total tangible assets		**108,666.66**	108,666.66
TOTAL NON-CURRENT ASSETS		**108,666.66**	108,666.66
CURRENT ASSETS			
Short-term receivables	**2**		
Accrued income		**0.00**	0.00
Group contribution receivables		**7,710.00**	6,850.00
Total short-term receivables		**7,710.00**	6,850.00
Cash and cash equivalents			
Cash at bank		**117.46**	1,500.00
Total cash and cash equivalents		**117.46**	1,500.00
TOTAL CURRENT ASSETS		**7,827.46**	8,350.00
TOTAL ASSETS		**116,494.12**	117,016.66
LIABILITIES			
EQUITY	**3**		
Share capital		**2,500.00**	2,500.00
Invested unrestricted equity fund		**115,712.28**	115,712.28
Profit/(Loss) from previous years		**(1,195.62)**	33.85
Profit/(Loss) for the financial year		**(522.54)**	(1,229.47)
TOTAL EQUITY		**116,494.12**	117,016.66
BORROWED CAPITAL			
TOTAL LIABILITIES		**116,494.12**	117,016.66

PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED MARCH 31, 2022

	Eur 2022	Eur 2021
Property management expenses		
Administration	**(1,258.03)**	(1,113.42)
Property tax	**(124.51)**	(124.51)
Total	**(1,382.54)**	(1,237.93)
Profit/(Loss)	**(1,382.54)**	(1,237.93)
Profit before appropriations and taxes	**(1,382.54)**	(1,237.93)
Group contribution	**860.00**	0.00
Income taxes	**0.00**	(8.46)
Profit/(Loss) for the financial year	**(522.54)**	(1,229.47)

ACCOUNTING PRINCIPLES

Valuation principles

The financial statements have been drawn up in accordance with regulations governing small and medium-sized enterprises (Government Decree on the information presented in the financial statements of a small undertaking and micro-undertaking, 1753/2015).

Tangible and intangible assets have been entered under acquisition costs and financial assets under nominal value. Revenues and expenses are amortised on an accrual basis.

The company belongs to the Holiday Club Resorts Oy group. The parent company is Holiday Club Resorts Oy. Copies of the consolidated financial statements are available at the Holiday Club Resorts Group headquarters. Hitsaajankatu 22, 00810 Helsinki

NOTES TO THE BALANCE SHEET

ASSETS

NON-CURRENT ASSETS

INTANGIBLE AND TANGIBLE ASSETS

1. Tangible assets

	Eur Land areas
Acquisition cost 1.4.	108,666.66
Acquisition cost 31.3.	108,666.66
Book value 31.3.	**108,666.66**

2. Short-term receivables

	Eur
Group contribution receivables	7,710.00
Total	**7,710.00**

LIABILITIES

	Eur 2022	Eur 2021
3. Equity		
Share capital in the beginning of the year	**2,500.00**	2,500.00
Share capital in the end of the year	**2,500.00**	2,500.00
Invested unrestricted equity fund in the beginning of the year	**115,712.28**	115,712.28
Invested unrestricted equity fund in the end of the year	**115,712.28**	115,712.28
Profit/loss from previous financial period 1.10.	**(1,195.62)**	33.85
Profit/loss for the financial year	**(522.54)**	(1,229.47)
Total equity	**116,494.12**	117,016.66

BREAKDOWN OF SHARE CAPITAL

	2022		2021	
Eur	**No.**	**Eur**	No.	Eur
1 vote/share	**25.00**	**2,500.00**	25.00	2,500.00
Total	**25.00**	**2,500.00**	25.00	2,500.00

Notes to the financial statements compliant with the Limited Liability Companies Act.

Board of Directors’ proposal for profit distribution

Loss for the financial year EUR (522.54). The Board of Directors’ proposes to the Annual General Meeting that the loss be transferred to equity and that no dividends be distributed.

FINANCIAL STATEMENTS DATE AND SIGNATURES

Helsinki April 19, 2022

Pauli Puntala
Chair of the Board of Directors

Valtanen Ville
Board Member

Aro Tatu
Board Member

AUDITOR’S NOTE

A report of the audit has been submitted today.

Helsinki April 19, 2022

KPMG OY AB

Esa Kailiala
Authorised Public Accountant

AUDITOR'S REPORT

To the Annual General Meeting of Kiinteistö Oy Mällösniemi

Opinion

We have audited the financial statements of Kiinteistö Oy Mällösniemi (business identity code 1765304-0) for the year ended March 31, 2022. The financial statements comprise the balance sheet, income statement and notes.

In our opinion, the financial statements give a true and fair view of the company's financial performance and financial position in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements.

Basis for Opinion

We conducted our audit in accordance with good auditing practice in Finland. Our responsibilities under good auditing practice are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the company in accordance with the ethical requirements that are applicable in Finland and are relevant to our audit, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board of Directors for the Financial Statements

The Board of Directors is responsible for the preparation of financial statements that give a true and fair view in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements. The Board of Directors is also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting. The financial statements are prepared using the going concern basis of accounting unless there is an intention to liquidate the company or cease operations, or there is no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with good auditing practice will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with good auditing practice, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events so that the financial statements give a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Helsinki, April 19, 2022

KPMG OY AB

ESA KAILIALA
Authorised Public Accountant, KHT

BALANCE SHEET AS AT MARCH 31, 2022

	Appendix	Eur 2022	Eur 2021
ASSETS			
NON-CURRENT ASSETS			
Tangible assets	1		
Buildings and structures		**200,000.00**	200,000.00
Machines and equipment		**5,000.00**	5,000.00
Total tangible assets		**205,000.00**	205,000.00
TOTAL NON-CURRENT ASSETS		**205,000.00**	205,000.00
CURRENT ASSETS			
Short-term receivables	2		
Receivables from companies in the same Group		**94,468.38**	92,655.70
Accrued income		**568.44**	0.00
Total short-term receivables		**95,036.82**	92,655.70
Cash and cash equivalents			
Cash at bank		**217.75**	8,426.56
Total cash and cash equivalents		**217.75**	8,426.56
TOTAL CURRENT ASSETS		**95,254.57**	101,082.26
TOTAL ASSETS		**300,254.57**	306,082.26
LIABILITIES			
EQUITY	3		
Share capital		**9,000.00**	9,000.00
Building fund		**836,372.70**	836,372.70
Profit/(Loss) from previous years		**(541,982.35)**	(543,986.08)
Profit/(Loss) for the financial year		**(6,294.98)**	2,003.73
TOTAL EQUITY		**297,095.37**	303,390.35
BORROWED CAPITAL			
Short-term borrowed capital	4		
Trade payables		**412.78**	0.00
Accruals and deferred income		**2,746.42**	2,691.91
Total short-term borrowed capital		**3,159.20**	2,691.91
TOTAL LIABILITIES		**300,254.57**	306,082.26

PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED MARCH 31, 2022

	Appendix	**Eur 2022**	Eur 2021
TURNOVER			
Considerations		**16,380.00**	16,380.00
Total		**16,380.00**	16,380.00
Property management expenses			
Administration		**(1,112.83)**	(1,045.09)
Operation and maintenance		**(127.30)**	0.00
Cleaning		**(5,172.25)**	795.58
Water and sewage		**(828.48)**	(557.00)
Electricity		**(14,936.25)**	(13,459.24)
Indemnity insurance		**(322.48)**	(439.93)
Rents		**(1,074.42)**	(1,036.16)
Property tax		**(706.48)**	(720.07)
Repairs		**(207.17)**	272.96
Total		**(24,487.66)**	(16,188.95)
Profit/(Loss)		**(8,107.66)**	191.05
Financial income and expenses			
Interest income		**1,812.68**	1,812.68
Total financial income and expenses		**1,812.68**	1,812.68
Profit before appropriations and taxes		**(6,294.98)**	2,003.73
Profit/(Loss) for the financial year		**(6,294.98)**	2,003.73

ACCOUNTING PRINCIPLES

Valuation principles

The financial statements have been drawn up in accordance with regulations governing small and medium-sized enterprises (Government Decree on the information presented in the financial statements of a small undertaking and micro-undertaking, 1753/2015).

Tangible and intangible assets have been entered under acquisition costs and financial assets under nominal value.

The acquisition cost of the building will be depreciated over its useful life.

No tax depreciation was made in the financial year 2020-2021, as the acquisition cost still corresponds to the fair value of the building.

Revenues and expenses are amortised on an accrual basis.

The company belongs to the Holiday Club Resorts Oy group. The parent company is Holiday Club Resorts Oy.

Copies of the consolidated financial statements are available at the Holiday Club Resorts Group headquarters.
Hitsaajankatu 22, 00810 Helsinki

NOTES TO THE BALANCE SHEET

ASSETS

NON-CURRENT ASSETS

INTANGIBLE AND TANGIBLE ASSETS

1. Tangible Assets

Eur	Buildings and structures	Machines and equipment	Total
Acquisition cost 1.4	200,000.00	5,000.00	205,000.00
Acquisition cost 31.3	200,000.00	5,000.00	205,000.00
Book value 31.3	200,000.00	5,000.00	205,000.00

CURRENT ASSETS

RECEIVABLES

2. Short-term receivables

	Eur	Eur
	2022	2021
Receivables from companies in the same Group	**94,468.38**	92,655.70
TOTAL	**94,468.38**	92,655.70

LIABILITIES

3. EQUITY

	Eur	Eur
	2022	2021
Share capital in the beginning of the year	**9,000.00**	9,000.00
Share capital in the end of the year	**9,000.00**	9,000.00
Building fund in the beginning of the year	**836,372.70**	836,372.70
Building fund in the end of the year	**836,372.70**	836,372.70
Profit/loss from prev. financial period	**(541,982.35)**	(543,986.08)
Profit/loss for the financial year	**(6,294.98)**	2,003.73
Total equity	**297,095.37**	303,390.35

The company has no distributable assets

4. Short-term borrowed capital

	Eur	Eur
	2022	2021
Trade payables	**412.78**	0.00
Accruals and deferred income to group companies	**1,074.42**	0.00
Accruals and deferred income	**1,672.00**	2,691.91
Total borrowed capital	**3,159.20**	2,691.91

BREAKDOWN OF SHARE CAPITAL

	2022		2021	
Eur	**No.**	**Eur**	No.	Eur
1 vote/share	**45.00**	**9,000.00**	45.00	9,000.00
Total	**45.00**	**9,000.00**	45.00	9,000.00

OTHER NOTES

PERPETUAL EASEMENTS, CONTINGENT LIABILITIES AND OTHER COMMITMENTS

The sauna and recreation building owned by the company is located in Hiekkaniemi-property (765-401-2-394) leased from Holiday Club Resorts Oy (2033337-1).

The lease agreement was signed on 20 October 2015 and is valid for 50 years. The amount of the rent is linked to cost of living-index.

Rental estimate for the financial year 2022-2023	1,074.42
Rental estimate for the financial year 2023-2065	45,125.64

Notes to the financial statements compliant with the Limited Liability Companies Act.

Board of Directors' proposal for profit distribution

Loss for the financial year EUR -6,294.98. The Board of Directors proposes to the Annual General Meeting that the loss be transferred to equity and that no dividends be distributed.

FINANCIAL STATEMENTS

DATE AND SIGNATURES

Helsinki April 19, 2022

Pauli Puntala
Chair of the Board of Directors

Ville Valtanen
Board Member

Tatu Aro
Board Member

AUDITOR'S NOTE

A report of the audit has been submitted today.

Helsinki April 19, 2022

KPMG OY AB

Esa Kailiala
Authorised Public Accountant

AUDITOR'S REPORT

To the Annual General Meeting of Kiinteistö Oy Rauhan Ranta 1

Opinion

We have audited the financial statements of Kiinteistö Oy Rauhan Ranta 1 (business identity code 2145035-0) for the year ended March 31, 2022. The financial statements comprise the balance sheet, income statement and notes.

In our opinion, the financial statements give a true and fair view of the company's financial performance and financial position in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements.

Basis for Opinion

We conducted our audit in accordance with good auditing practice in Finland. Our responsibilities under good auditing practice are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the company in accordance with the ethical requirements that are applicable in Finland and are relevant to our audit, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board of Directors for the Financial Statements

The Board of Directors is responsible for the preparation of financial statements that give a true and fair view in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements. The Board of Directors is also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting. The financial statements are prepared using the going concern basis of accounting unless there is an intention to liquidate the company or cease operations, or there is no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with good auditing practice will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with good auditing practice, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events so that the financial statements give a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Helsinki, April 19, 2022

KPMG OY AB

ESA KAILIALA
Authorised Public Accountant, KHT

BALANCE SHEET AS AT MARCH 31, 2022

	Notes	Eur 2022	Eur 2021
ASSETS			
NON-CURRENT ASSETS			
Tangible assets			
Land areas	**1**	124,800.00	124,800.00
Total tangible assets		**124,800.00**	124,800.00
TOTAL NON-CURRENT ASSETS		**124,800.00**	124,800.00
CURRENT ASSETS			
Short-term receivables	**2**		
Group contribution receivables		12,836.69	12,836.69
Total short-term receivables		12,836.69	12,836.69
Cash and cash equivalents			
Cash at bank		132.29	3,147.11
Total cash and cash equivalents		132.29	3,147.11
TOTAL CURRENT ASSETS		**12,968.98**	15,983.80
TOTAL ASSETS		**137,768.98**	140,783.80
LIABILITIES			
EQUITY	**3**		
Share capital		2,500.00	2,500.00
Building fund		124,800.00	124,800.00
Invested unrestricted equity fund		13,636.76	13,636.76
Profit/(Loss) from previous years		(152.96)	(1,792.32)
Profit/(Loss) for the financial year		(3,014.82)	1,639.36
TOTAL EQUITY		**137,768.98**	140,783.80
TOTAL LIABILITIES		**137,768.98**	140,783.80

PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED MARCH 31, 2022

	Eur 2022	Eur 2021
Property management expenses		
Administration	(1,270.11)	(1,135.93)
Outdoor area management	(1,488.00)	(1,488.00)
Property tax	(256.71)	(256.71)
Total	**(3,014.82)**	(2,880.64)
Profit/(Loss)	**(3,014.82)**	(2,880.64)
Profit before appropriations and taxes	**(3,014.82)**	(2,880.64)
Group contribution	**0.00**	4,520.00
Profit/(Loss) for the financial year	**(3,014.82)**	1,639.36

ACCOUNTING PRINCIPLES

The financial statements have been drawn up in accordance with regulations governing small and medium-sized enterprises (Government Decree on the information presented in the financial statements of a small undertaking and micro-undertaking, 1753/2015)

Valuation principles

Tangible and intangible assets have been entered under acquisition costs and financial assets under nominal value.
Revenues and expenses are amortised on an accrual basis.

The company belongs to the Holiday Club Resorts Oy group. The parent company is Holiday Club Resorts Oy. Copies of the consolidated financial statements are available at the Holiday Club Resorts Group headquarters. Hitsaajankatu 22, 00810 Helsinki

NOTES TO THE BALANCE SHEET

ASSETS

NON-CURRENT ASSETS

INTANGIBLE AND TANGIBLE ASSETS

1 Tangible assets

	Eur
	Land areas
Acquisition cost 1.4.	124,800.00
Acquisition cost 31.3.	124,800.00
Book value 31.3.	**124,800.00**

2 Short-term receivables

	Eur
Group contribution receivables	12,836.69
Total	**12,836.69**

LIABILITIES

3 EQUITY

	Eur	Eur
	2022	2021
Share capital in the beginning of the year	2,500.00	2,500.00
Share capital in the end of the year	**2,500.00**	2,500.00
Building fund in the beginning of the year	124,800.00	124,800.00
Building fund in the end of the year	**124,800.00**	**124,800.00**
Invested unrestricted equity fund in the beginning of the year	13,636.76	13,636.76
Invested unrestricted equity fund in the end of the year	**13,636.76**	13,636.76
Profit/(Loss) from previous financial period	(152.96)	(1,792.32)
Profit/(Loss) for the financial year	(3,014.82)	1,639.36
Total equity	**137,768.98**	140,783.80

BREAKDOWN OF SHARE CAPITAL

	2022		2021	
Eur	**No.**	**Eur**	No.	Eur
1 vote/share	**25.00**	**2,500.00**	25.00	2,500.00
Total	**25.00**	**2,500.00**	25.00	2,500.00

Notes to the financial statements compliant with the Limited Liability Companies Act.

Board of Directors' proposal for profit distribution

Loss for the financial year EUR -3,014.82. The Board of Directors proposes to the Annual General Meeting that the loss be transferred to equity and that no dividends be distributed.

FINANCIAL STATEMENTS
DATE AND SIGNATURES

Helsinki April 19, 2022

Pauli Puntala
Board Member

AUDITOR'S NOTE

A report of the audit has been submitted today.

Helsinki April 19, 2022

KPMG OY AB

Esa Kailiala
Authorised Public Accountant

AUDITOR'S REPORT

To the Annual General Meeting of Kiinteistö Oy Rauhan Ranta 2

Opinion

We have audited the financial statements of Kiinteistö Oy Rauhan Ranta 2 (business identity code 2145034-2 for the year ended March 31, 2022. The financial statements comprise the balance sheet, income statement and notes.

In our opinion, the financial statements give a true and fair view of the company's financial performance and financial position in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements.

Basis for Opinion

We conducted our audit in accordance with good auditing practice in Finland. Our responsibilities under good auditing practice are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the company in accordance with the ethical requirements that are applicable in Finland and are relevant to our audit, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board of Directors for the Financial Statements

The Board of Directors is responsible for the preparation of financial statements that give a true and fair view in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements. The Board of Directors is also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting. The financial statements are prepared using the going concern basis of accounting unless there is an intention to liquidate the company or cease operations, or there is no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with good auditing practice will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with good auditing practice, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events so that the financial statements give a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Helsinki, April 19, 2022

KPMG OY AB

ESA KAILIALA
Authorised Public Accountant, KHT

BALANCE SHEET AS AT MARCH 31, 2022

	Appendix	Eur 2022	Eur 2021
ASSETS			
NON-CURRENT ASSETS			
Tangible assets			
Land areas	1	**202,800.00**	202,800.00
Total tangible assets		**202,800.00**	202,800.00
TOTAL NON-CURRENT ASSETS		**202,800.00**	202,800.00
CURRENT ASSETS			
Short-term receivables	2		
Accrued income		**0.00**	0.00
Group contribution receivables		**29,724.00**	29,724.00
Total short-term receivables		**29,724.00**	29,724.00
Cash and cash equivalents			
Cash at bank		**109.57**	4,018.56
Total cash and cash equivalents		**109.57**	4,018.56
TOTAL CURRENT ASSETS		**29,833.57**	33,742.56
TOTAL ASSETS		**232,633.57**	236,542.56
LIABILITIES			
EQUITY	3		
Share capital		**2,500.00**	2,500.00
Building fund		**202,800.00**	202,800.00
Invested unrestricted equity fund		**32,555.11**	32,555.11
Profit/(Loss) from previous years		**(1,312.55)**	47.95
Profit/(Loss) for the financial year		**(3,908.99)**	(1,360.50)
TOTAL EQUITY		**232,633.57**	236,542.56
TOTAL LIABILITIES		**232,633.57**	236,542.56

PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED MARCH 31, 2022

	Eur 2022	Eur 2021
Property management expenses		
Administration	**(1,270.11)**	(1,145.62)
Outdoor area management	**(2,219.10)**	(2,219.10)
Property tax	**(419.78)**	(419.78)
Total	**(3,908.99)**	(3,784.50)
Profit/(Loss)	**(3,908.99)**	(3,784.50)
Profit before appropriations and taxes	**(3,908.99)**	(3,784.50)
Group contribution	**0.00**	2,424.00
Profit/(Loss) for the financial year	**(3,908.99)**	(1,360.50)

ACCOUNTING PRINCIPLES

The financial statements have been drawn up in accordance with regulations governing small and medium-sized enterprises (Government Decree on the information presented in the financial statements of a small undertaking and micro-undertaking, 1753/2015)

Valuation principles

Tangible and intangible assets have been entered under acquisition costs and financial assets under nominal value. Revenues and expenses are amortised on an accrual basis.

The company belongs to the Holiday Club Resorts Oy group. The parent company is Holiday Club Resorts Oy. Copies of the consolidated financial statements are available at the Holiday Club Resorts Group headquarters. Hitsaajankatu 22, 00810 Helsinki

NOTES TO THE BALANCE SHEET

ASSETS

NON-CURRENT ASSETS

INTANGIBLE AND TANGIBLE ASSETS

1 Tangible assets

	Eur
	Land areas
Acquisition cost 1.4.	202,800.00
Acquisition cost 31.3.	202,800.00
Book value 31.3.	**202,800.00**

2 Short-term receivables

	Eur
Receivables from the companies in the same group	0.00
Group contribution receivables	29,724.00
Total	**29,724.00**

LIABILITIES

3 EQUITY

	Eur	Eur
	2022	2021
Share capital in the beginning of the year	2,500.00	2,500.00
Share capital in the end of the year	**2,500.00**	2,500.00
Building fund in the beginning of the year	202,800.00	202,800.00
Building fund in the end of the year	**202,800.00**	202,800.00
Invested unrestricted equity fund in the beginning of the year	32,555.11	32,555.11
Invested unrestricted equity fund in the end of the year	**32,555.11**	32,555.11
Profit/(Loss) from previous financial period	(1,312.55)	47.95
Profit/(Loss) for the financial year	(3,908.99)	(1,360.50)
Total equity	**232,633.57**	236,542.56

BREAKDOWN OF SHARE CAPITAL

	2022		2021	
Eur	**No.**	**Eur**	No.	Eur
1 vote/share	**25.00**	**2,500.00**	25.00	2,500.00
Total	**25.00**	**2,500.00**	25.00	2,500.00

Notes to the financial statements compliant with the Limited Liability Companies Act.

Board of Directors' proposal for profit distribution

Loss for the financial year EUR -3,908.99. The Board of Directors proposes to the Annual General Meeting that the loss be transferred to equity and that no dividends be distributed.

FINANCIAL STATEMENTS

DATE AND SIGNATURES

Helsinki April 19, 2022

Pauli Puntala
Board Member

AUDITOR'S NOTE

A report of the audit has been submitted today.

Helsinki April 19, 2022

KPMG OY AB

Esa Kailiala

Authorised Public Accountant

AUDITOR'S REPORT

To the Annual General Meeting of Kiinteistö Oy Tiurunniemi

Opinion

We have audited the financial statements of Kiinteistö Oy Tiurunniemi (business identity code 2452737-6) for the year ended March 31, 2022. The financial statements comprise the balance sheet, income statement and notes.

In our opinion, the financial statements give a true and fair view of the company's financial performance and financial position in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements.

Basis for Opinion

We conducted our audit in accordance with good auditing practice in Finland. Our responsibilities under good auditing practice are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the company in accordance with the ethical requirements that are applicable in Finland and are relevant to our audit, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board of Directors for the Financial Statements

The Board of Directors is responsible for the preparation of financial statements that give a true and fair view in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements. The Board of Directors is also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting. The financial statements are prepared using the going concern basis of accounting unless there is an intention to liquidate the company or cease operations, or there is no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with good auditing practice will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with good auditing practice, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events so that the financial statements give a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Helsinki, April 19, 2022

KPMG OY AB

ESA KAILIALA
Authorised Public Accountant, KHT

BALANCE SHEET AS AT MARCH 31, 2022

	Appendix	Eur 2022	Eur 2021
ASSETS			
NON-CURRENT ASSETS			
Tangible assets			
Land areas	1	**3,60,000.00**	3,60,000.00
Total tangible assets		**3,60,000.00**	3,60,000.00
TOTAL NON-CURRENT ASSETS		**3,60,000.00**	3,60,000.00
CURRENT ASSETS			
Short-term receivables	2		
Accrued income		**0.00**	0.00
Group contribution receivables		**38,906.50**	35,706.50
Total short-term receivables		**38,906.50**	35,706.50
Cash and cash equivalents			
Cash at bank		**117.34**	3,704.50
Total cash and cash equivalents		**117.34**	3,704.50
TOTAL CURRENT ASSETS		**39,023.84**	39,411.00
TOTAL ASSETS		**399,023.84**	399,411.00
LIABILITIES			
EQUITY	3		
Share capital		**2,500.00**	2,500.00
Invested unrestricted equity fund		**977,588.63**	977,588.63
Profit/(Loss) from previous years		**(580,677.63)**	(577,229.68)
Profit/(Loss) for the financial year		**(387.16)**	(3,447.95)
TOTAL EQUITY		**399,023.84**	399,411.00
TOTAL LIABILITIES		**399,023.84**	399,411.00

PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED MARCH 31, 2022

	Appendix	Eur 2022	Eur 2021
Property management expenses			
Administration		**(1,268.57)**	(1,125.39)
Property tax		**(2,318.59)**	(2,323.34)
Total		**(3,587.16)**	(3,448.73)
Profit/(Loss)		**(3,587.16)**	(3,448.73)
Profit before appropriations and taxes		**(3,587.16)**	(3,448.73)
Group contribution		**3,200.00**	0.00
Income taxes		**0.00**	(0.78)
Profit/(Loss) for the financial year		**(387.16)**	(3,447.95)

ACCOUNTING PRINCIPLES

Valuation principles

The financial statements have been drawn up in accordance with regulations governing small and medium-sized enterprises (Government Decree on the information presented in the financial statements of a small undertaking and micro-undertaking, 1753/2015).

Tangible and intangible assets have been entered under acquisition costs and financial assets under nominal value. Revenues and expenses are amortised on an accrual basis.

The company belongs to the Holiday Club Resorts Oy group. The parent company is Holiday Club Resorts Oy. Copies of the consolidated financial statements are available at the Holiday Club Resorts Group headquarters. Hitsaajankatu 22, 00810 Helsinki

NOTES TO THE BALANCE SHEET

ASSETS

NON-CURRENT ASSETS

INTANGIBLE AND TANGIBLE ASSETS

1 Tangible assets

	Eur
	Land areas
Acquisition cost 1.4.	9,37,229.00
Accrued deductions	(5,77,229.00)
Acquisition cost 31.3.	**3,60,000.00**
Book value 31.3.	**3,60,000.00**

2 Short-term receivables

	Eur
Konserniavustussaaminen	38,906.50
Total	**38,906.50**

LIABILITIES

3 Equity

	Eur	Eur
	2022	2021
Share capital in the beginning of the year	2,500.00	2,500.00
Share capital in the end of the year	**2,500.00**	2,500.00
Invested unrestricted equity fund in the beginning of the year	9,77,588.63	9,77,588.63
Invested unrestricted equity fund in the end of the year	**9,77,588.63**	9,77,588.63
Profit/(Loss) from previous financial period	(5,80,677.63)	(5,77,229.68)
Profit/(Loss) for the financial year	(387.16)	(3,447.95)
Total equity	**3,99,023.84**	3,99,411.00

BREAKDOWN OF SHARE CAPITAL

	2022		2021	
Eur	**No.**	**Eur**	No.	Eur
1 vote/share	**2,500.00**	**2,500.00**	2,500.00	2,500.00
Total	**2,500.00**	**2,500.00**	2,500.00	2,500.00

Notes to the financial statements compliant with the Limited Liability Companies Act.

Board of Directors' proposal for profit distribution

Loss for the financial year EUR -387.16. The Board of Directors proposes to the Annual General Meeting that the loss be transferred to equity and that no dividends be distributed.

FINANCIAL STATEMENTS

DATE AND SIGNATURES

Helsinki April 19, 2022

Pauli Puntala

Chair of the Board of Directors

Valtanen Ville

Board Member

Aro Tatu

Board Member

AUDITOR'S NOTE

A report of the audit has been submitted today.

Helsinki April 19, 2022

KPMG OY AB

Esa Kailiala

Authorised Public Accountant

AUDITOR'S REPORT

To the Annual General Meeting of Kiinteistö Oy Rauhan liikekiinteistöt 1

Opinion

We have audited the financial statements of Kiinteistö Oy Rauhan liikekiinteistöt 1 (business identity code 2384842-6) for the year ended March 31, 2022. The financial statements comprise the balance sheet, income statement and notes.

In our opinion, the financial statements give a true and fair view of the company's financial performance and financial position in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements.

Basis for Opinion

We conducted our audit in accordance with good auditing practice in Finland. Our responsibilities under good auditing practice are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the company in accordance with the ethical requirements that are applicable in Finland and are relevant to our audit, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board of Directors for the Financial Statements

The Board of Directors is responsible for the preparation of financial statements that give a true and fair view in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements. The Board of Directors is also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting. The financial statements are prepared using the going concern basis of accounting unless there is an intention to liquidate the company or cease operations, or there is no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with good auditing practice will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with good auditing practice, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events so that the financial statements give a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Helsinki, April 19, 2022

KPMG OY AB

ESA KAILIALA
Authorised Public Accountant, KHT

BALANCE SHEET AS AT MARCH 31, 2022

	Appendix	Eur 2022	Eur 2021
ASSETS			
NON-CURRENT ASSETS			
Tangible assets	7	**7,803,472.66**	8,171,952.58
Investments			
Other receivables	8	**93,603.26**	93,603.26
Total tangible assets		**7,803,472.66**	8,171,952.58
TOTAL NON-CURRENT ASSETS		**7,897,075.92**	8,265,555.84
CURRENT ASSETS			
Short-term receivables			
Short-term receivables	9	**328,181.32**	192,867.24
Total short-term receivables		**328,181.32**	192,867.24
Cash and cash equivalents			
Cash at bank		**335,050.38**	7,367.65
Total cash and cash equivalents		**663,231.70**	7,367.65
TOTAL CURRENT ASSETS		**663,231.70**	200,234.89
TOTAL ASSETS		**8,560,307.62**	8,465,790.73
LIABILITIES			
EQUITY	10		
Share capital		**2,500.00**	2,500.00
Building fund		**4,873,919.95**	4,873,919.95
Profit/(Loss) from previous years		**(3,048,698.25)**	(3,048,698.09)
Profit/(Loss) for the financial year		**(214.54)**	(0.16)
TOTAL EQUITY		**1,827,507.16**	1,827,721.70
ACCUMULATED APPROPRIATIONS			
Accumulated depreciation difference	11	**91,461.50**	53,693.42
BORROWED CAPITAL			
Long-term borrowed capital	12	**2,000,000.00**	2,750,000.00
Short-term borrowed capital	13	**4,641,338.96**	3,834,375.61
TOTAL BORROWED CAPITAL		**6,641,338.96**	6,584,375.61
TOTAL LIABILITIES		**8,560,307.62**	8,465,790.73

PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED MARCH 31, 2022

	Appendix	Eur 2022	Eur 2021
TURNOVER	1	**787,000.00**	815,290.31
Other operating income		**0.00**	0.00
External expenses	2	**(7,305.40)**	(9,210.04)
Depreciation and impairments	3	**(368,479.92)**	(368,479.92)
Other operating expenses	4	**(220,992.93)**	(244,115.40)
Total		**(596,778.25)**	(621,805.36)
Profit/(Loss)		**190,221.75**	193,484.95
Financial income and expenses	5		
Interest charges		**(152,668.21)**	(155,029.02)
Total financial income and expenses		**(152,668.21)**	(155,029.02)
		37,553.54	38,455.93
Profit before appropriations and taxes		**37,553.54**	38,455.93
Change in depreciation difference	6	**37,768.08**	38,456.09
Profit/(Loss) for the financial year		**(214.54)**	(0.16)

NOTES TO THE FINANCIAL STATEMENTS

The company belongs to the Holiday Club Resorts Oy group. The parent company is Holiday Club Resorts Oy. Copies of the consolidated financial statements are available at the Holiday Club Resorts Group headquarters.

Hitsaajankatu 22, 00810 Helsinki

ACCOUNTING PRINCIPLES

The financial statements have been drawn up in accordance with regulations governing small and medium-sized enterprises (Government Decree on the information presented in the financial statements of a small undertaking and micro-undertaking, 1753/2015)

Non-current assets

In this balance sheet, capital assets are listed as the difference between purchase price and accumulated planned depreciation.

Planned depreciation is calculated as a straight-line depreciation based on the useful life of the object.

The indicative useful lives on which the planned depreciation is based are as follows:

– buildings	20-30 yrs
– machines and equipment	5-10 yrs
– other tangible assets	30 yrs

Current assets

Receivables and liabilities have been valued at the nominal value.

Board of Directors proposal to process profit and loss for the previous financial year

The Board of Directors proposes to the Annual General Meeting that a loss of EUR -214.54 be transferred to the profit and loss account and that no dividends be distributed.

Company shares

There are 100 company shares. Each share confers the same right to dividends and company assets.

Events subsequent to balance sheet date

Kiinteistö Oy Rauhan Liikekiinteistöt 1 will merge into Supermarket Capri Oy on April 8, 2022.

NOTES TO THE PROFIT AND LOSS STATEMENT

1. TURNOVER BY SECTOR

Breakdown by sector	Eur 2022	Eur 2021
Rent revenues	**787,000.00**	815,290.31
Service revenues	**0.00**	0.00
Other revenues	**0.00**	0.00
Total	**787,000.00**	815,290.31

2. MATERIALS AND SERVICES

Outsourced services	**7,305.40**	9,210.04
Total	**7,305.40**	9,210.04

3. DEPRECIATION AND OTHER IMPAIRMENTS

	Eur 2022	Eur 2021
Store and warehouse buildings	**314,372.00**	314,372.00
Building elements	**43,535.52**	43,535.52
Machines and equipment	**972.40**	972.40
Other tangible assets	**5,500.00**	5,500.00
Civil defence shelters	**4,100.00**	4,100.00
Total	**368,479.92**	368,479.92

4. OTHER OPERATING EXPENSES

	Eur 2022	Eur 2021
Operating and maintenance expenses	**6,981.88**	10,046.41
Property management expenses	**199,656.96**	219,714.98
Other business expenses	**13,645.09**	12,796.19
Total	**220,283.93**	242,557.58

5. FINANCIAL INCOME AND EXPENSES

	Eur 2022	Eur 2021
Interest expenses to companies in the same Group	**77,776.54**	76,576.94
Other interest expenses	**74,891.67**	78,452.08
Total interest expenses	**152,668.21**	155,029.02
Total financial income and expenses	**(152,668.21)**	**(155,029.02)**

6. APPROPRIATIONS

	Eur 2022	Eur 2021
Building elements	**30,377.08**	30,995.19
Machines and equipment	**7,391.00**	7,460.90
Total	**37,768.08**	38,456.09

NOTES TO THE BALANCE SHEET

CAPITAL ASSETS AND OTHER LONG-TERM INVESTMENTS, I.E. NON-CURRENT ASSETS

INTANGIBLE AND TANGIBLE ASSETS

7. Tangible assets

Eur	Land and water areas	Buildings	Machines and equipment	Other tangible assets	Total
Acquisition cost 1.4.2021	329,375.58	10,542,489.36	111,741.31	165,000.00	11,148,606.25
Acquisition cost 31.3.2022	**329,375.58**	**10,542,489.36**	**111,741.31**	**165,000.00**	**11,148,606.25**
Accumulated depreciation and impairments	0.00	(2,824,475.26)	(109,553.41)	(42,625.00)	(2,976,653.67)
Depreciation for the financial year	0.00	(362,007.52)	(972.40)	(5,500.00)	(368,479.92)
Accumulated depreciation	**0.00**	**(3,186,482.78)**	**(110,525.81)**	**(48,125.00)**	**(3,345,133.59)**
Book value 31.3.2022	**329,375.58**	**7,356,006.58**	**1,215.50**	**116,875.00**	**7,803,472.66**

8. OTHER RECEIVABLES

	Eur 2022	Eur 2021
Acquisition cost 1.4.2021	**93,603.26**	93,603.26
Acquisition cost 31.3.2022	**93,603.26**	93,603.26
Book value 31.3.2022	**93,603.26**	93,603.26

9. SHORT-TERM RECEIVABLES

	Eur 2022	Eur 2021
Receivables from companies in the same Group	**326,209.98**	190,960.00
Accounts receivable	**0.00**	0.00
Accrued income	**1,971.34**	1,907.24
Total	**328,181.32**	192,867.24

LIABILITIES

10. EQUITY	**Eur 2022**	Eur 2021
Share capital 1.1.	**2,500.00**	2,500.00
Share capital 31.3.	**2,500.00**	2,500.00
Building fund 1.4	**4,873,919.95**	4,873,919.95
Building fund 31.3.	**4,873,919.95**	4,873,919.95
Profit/(Loss) from prev. financial period 1.4	**(3,048,698.25)**	(3,048,698.09)
Profit/(Loss) for the financial year	**(214.54)**	(0.16)
Total equity	**1,827,507.16**	1,827,721.70

CALCULATION OF DISTRIBUTABLE FUNDS	**Eur 2022**	Eur 2021
Profit/(Loss) from prev. financial period 1.4.	**(3,048,698.09)**	(3,048,698.09)
Profit/(Loss) from prev. financial period 31.3.	**(3,048,698.25)**	(3,048,698.09)
Profit/(Loss) for the financial year	**(214.54)**	(0.16)
Total	**(3,048,912.79)**	(3,048,698.25)

11. ACCUMULATED APPROPRIATIONS

	Eur 2022	Eur 2021
Depreciation difference retail and warehouse buildings	**26,364.54**	26,364.54
Depreciation difference on building elements	**119,315.48**	88,938.40
Depreciation difference on machines and equipment	**(54,218.52)**	(61,609.52)
Total accumulated depreciation difference	**91,461.50**	53,693.42

12. LONG-TERM BORROWED CAPITAL

	Eur 2022	Eur 2021
Loans from financial institutions	**2,750,000.00**	2,750,000.00
Total long-term borrowed capital	**2,750,000.00**	2,750,000.00

13. SHORT-TERM BORROWED CAPITAL

	Eur 2022	Eur 2021
Loans from financial institutions	**1,000,000.00**	250,000.00
Trade payables	**0.00**	0.00
Liabilities for companies in the same Group	**3,567,448.12**	3,490,291.58
Other liabilities	**27,672.45**	43,726.42
Accruals and deferred income	**46,218.39**	50,357.61
Total short-term borrowed capital	**4,641,338.96**	3,834,375.61

ESSENTIAL ITEMS OF ACCRUALS AND DEFERRED INCOME

	Eur	Eur
Accrued interest expense	**16,987.50**	16,039.04
Reserve for missing purchase invoices	**29,230.89**	34,318.57
Total	**46,218.39**	50,357.61

GUARANTEES GIVEN

LOANS FOR WHICH MORTGAGE ON PROPERTY HAS BEEN GIVEN AS A GUARANTEE

	Eur 2022	Eur 2021
Loans from financial institutions	**3,000,000.00**	3,000,000.00
Total	**3,000,000.00**	3,000,000.00
Mortgages	**10,000,000.00**	10,000,000.00
Total	**10,000,000.00**	10,000,000.00

OTHER NOTES

The company is obligated to audit VAT deductions made on its property investments every year for 10 years after completion of the investment, to the extent that the value added taxable use of the property decreases during the period under review.

The maximum liability is EUR 537,337.02 as of March 31, 2022.

Notes to the financial statements compliant with the Limited Liability Companies Act.

Board of Directors' proposal for profit distribution

Loss for the financial year EUR -214.54. The Board of Directors proposes to the Annual General Meeting that the profit be transferred to equity and that no dividends be distributed.

FINANCIAL STATEMENTS
DATE AND SIGNATURES

Helsinki April 19, 2022

Valtanen Ville
Board Member

AUDITOR'S NOTE

A report of the audit has been submitted today.

Helsinki April 19, 2022

KPMG OY AB

Esa Kailiala
KHT

AUDITOR'S REPORT

To the Annual General Meeting of Supermarket Capri Oy

Opinion

We have audited the financial statements of Supermarket Capri Oy (business identity code 2535232-8) for the year ended March 31, 2022. The financial statements comprise the balance sheet, income statement and notes.

In our opinion, the financial statements give a true and fair view of the company's financial performance and financial position in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements.

Basis for Opinion

We conducted our audit in accordance with good auditing practice in Finland. Our responsibilities under good auditing practice are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the company in accordance with the ethical requirements that are applicable in Finland and are relevant to our audit, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board of Directors for the Financial Statements

The Board of Directors is responsible for the preparation of financial statements that give a true and fair view in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements. The Board of Directors is also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting. The financial statements are prepared using the going concern basis of accounting unless there is an intention to liquidate the company or cease operations, or there is no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with good auditing practice will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with good auditing practice, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events so that the financial statements give a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Helsinki April 19, 2022

KPMG OY AB

ESA KAILIALA
Authorised Public Accountant, KHT

BALANCE SHEET AS AT MARCH 31, 2022

	Appendix	Eur 2022	Eur 2021
ASSETS			
Short-term receivables	4		
Receivables from companies in the same Group		**173,753.01**	171,036.01
Other receivables		**120.00**	148.80
Total short-term receivables		**173,873.01**	171,184.81
Cash and cash equivalents			
Cash at bank		**4,704.24**	6,356.41
Total cash and cash equivalents		**4,704.24**	6,356.41
TOTAL CURRENT ASSETS		**178,577.25**	177,541.22
TOTAL ASSETS		**178,577.25**	177,541.22
LIABILITIES			
EQUITY	**5**		
Share capital		**1,00,000.00**	1,00,000.00
Invested unrestricted equity fund		**10,23,860.96**	10,23,860.96
Profit/(Loss) from previous years		**(9,47,091.74)**	(9,42,205.58)
Profit/(Loss) for the financial year		**(191.97)**	(4,886.16)
TOTAL EQUITY		**1,76,577.25**	1,76,769.22
BORROWED CAPITAL			
Short-term borrowed capital	**6**		
Accruals and deferred income		**2,000.00**	772.00
		2,000.00	772.00
TOTAL BORROWED CAPITAL		**2,000.00**	772.00
TOTAL LIABILITIES		**178,577.25**	177,541.22

PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED MARCH 31, 2022

	Appendix	Eur 2022	Eur 2021
TURNOVER		**0.00**	16,760.82
Other operating income		**555.66**	6,493.46
Materials and services			
Purchases during the financial year		**0.00**	1,963.48
Change in inventory		**0.00**	(14,824.34)
External services	**1**	**0.00**	(775.52)
		0.00	(13,636.38)
Personnel expenses			
Salaries and fees	**2**	**0.00**	(1,916.96)
Social security costs			
Pension expenses		**0.00**	275.92
Other social security costs		**0.00**	208.89
		0.00	(1,432.15)
Other operating expences			
Other operating expenses	**3**	**(10,904.79)**	(16,322.02)
		(10,904.79)	(16,322.02)
Profit/(Loss)		**(10,349.13)**	(8,136.27)
Financial income and expenses	**4**		
Interest income			
Other interest income		**0.16**	0.00
Interest income in the same group		**3,157.00**	3,300.11
Interest charges			
for others		**0.00**	(50.00)
		3,157.16	3,250.11
Total financial income and expenses		**3,157.16**	3,250.11
Profit/(Loss) before extraordinary items		**(7,191.97)**	(4,886.16)
Profit before appropriations and taxes		**(7,191.97)**	(4,886.16)
Group contribution		**7,000.00**	0.00
Profit/(Loss) for the financial year		**(191.97)**	(4,886.16)

NOTES TO THE FINANCIAL STATEMENTS

The company belongs to the Holiday Club Resorts Oy group. The parent company is Holiday Club Resorts Oy.

Copies of the consolidated financial statements are available at the Holiday Club Resorts Group headquarters.

Hitsaajankatu 22, 00810 Helsinki. The business operations of the company have ceased in spring 2020.

ACCOUNTING PRINCIPLES

The financial statements have been drawn up in accordance with regulations governing small and medium-sized enterprises (Government Decree on the information presented in the finacial statements of a small undertaking and micro-undertaking, 1753/2015)

Current assets

Receivables and liabilities have been valued at the nominal value.

Board of Directors proposal to process profit and loss for the previous financial year

The Board of Directors proposes to the Annual General Meeting that a loss of EUR -191.97 be transferred to the profit and loss account and that no dividends be distributed.

Company shares

There are 100 company shares. Each share confers the same right to dividends and company assets.

Redemption clause

Company's Articles of Association includes a redemption clause (10§). In accordance with such redemption clause, primarily the company and secondarily a shareholder has the right to redeem shares under conditions specified in the Articles of Association (paragraphs 1-9). The right of redemption shall not apply to acquisitions based on merger, demerger or change of business form.

Events subsequent to balance sheet date

Koy Rauhan Liikekiinteistöt 1 will merge into Supermarket Capri Oy on April 8, 2022.

NOTES TO THE PROFIT AND LOSS STATEMENT

1. MATERIALS AND SERVICES

	Eur 2022	Eur 2021
Outsourced services	**0.00**	775.52
Other personnel expenses	**0**	0
TOTAL	**0.00**	775.52

2. OTHER OPERATING EXPENSES

	2022	2021
Marketing expenses	**0.00**	(68.68)
Operating and maintenance expenses	**(1,241.00)**	(1,778.31)
Rents	**0.00**	(6,946.42)
Other expenses	**(9,663.79)**	(7,528.61)
TOTAL	**(10,904.79)**	(16,322.02)

3. FINANCIAL INCOME AND EXPENSES

	Eur 2022	Eur 2021
Other interest income	**0.16**	0.00
Interest income in the same group	**3,157.00**	3,300.11
TOTAL	**3,157.16**	3,300.11
Other interest expenses	**0.00**	(50.00)
Tax Increases and increases, non-deductible	**0.00**	0.00
Total interest expenses	**0.00**	(50.00)
Total financial income and expenses	**3,157.16**	3,250.11

4. SHORT-TERM RECEIVABLES

	Eur 2022	Eur 2021
Receivables from companies in the same Group	**1,73,753.01**	1,71,036.01
Other receivables	**120.00**	148.80
TOTAL	**1,73,873.01**	1,71,184.81

LIABILITIES

5. EQUITY

	Eur 2022	Eur 2021
Share capital 1.1.	**1,00,000.00**	1,00,000.00
Share capital 31.3.	**1,00,000.00**	1,00,000.00
Invested unrestricted equity fund 1.4.	**10,23,860.96**	10,23,860.96
Invested unrestricted equity fund 31.3.	**10,23,860.96**	10,23,860.96
Profit/(Loss) from prev. financial period	**(9,47,091.74)**	(9,42,205.58)
Profit/(Loss) for the financial year	**(191.97)**	(4,886.16)
Total equity	**1,76,577.25**	1,76,769.22

6. SHORT-TERM BORROWED CAPITAL

	Eur	Eur
	2022	2021
Accruals and deferred income	**2,000.00**	772.00
Total short-term borrowed capital	**2,000.00**	772.00

OTHER NOTES

Notes to the financial statements compliant with the Limited Liability Companies Act.

Board of Directors' proposal for profit distribution

Loss for the financial year EUR -191.97. The Board of Directors proposes to the Annual General Meeting that the profit be transferred to equity and that no dividends be distributed.

FINANCIAL STATEMENTS
DATE AND SIGNATURES

Helsinki April 19, 2022

Puntala Pauli
Chair of the Board of Directors

Kaarnijärvi Anne
Board Member

Valtanen Ville
Board Member

AUDITOR'S NOTE

A report of the audit has been submitted today.

Helsinki April 19, 2022

KPMG OY AB

Esa Kailiala

KHT

AUDITOR'S REPORT

To the Annual General Meeting of Kiinteistö Oy Kylpyläntorni 1

Opinion

We have audited the financial statements of Kiinteistö Oy Kylpyläntorni 1 (business identity code 2498932-7) for the year ended March 31, 2022. The financial statements comprise the balance sheet, income statement and notes.

In our opinion, the financial statements give a true and fair view of the company's financial performance and financial position in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements.

Basis for Opinion

We conducted our audit in accordance with good auditing practice in Finland. Our responsibilities under good auditing practice are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the company in accordance with the ethical requirements that are applicable in Finland and are relevant to our audit, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board of Directors for the Financial Statements

The Board of Directors is responsible for the preparation of financial statements that give a true and fair view in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements. The Board of Directors is also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting. The financial statements are prepared using the going concern basis of accounting unless there is an intention to liquidate the company or cease operations, or there is no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with good auditing practice will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with good auditing practice, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events so that the financial statements give a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Helsinki, April 19, 2022

KPMG OY AB

ESA KAILIALA
Authorised Public Accountant, KHT

BALANCE SHEET AS AT MARCH 31, 2022

	Appendix	Eur 2022	Eur 2021
ASSETS			
NON-CURRENT ASSETS			
Tangible assets			
Land areas	1	**250,566.00**	250,566.00
Total tangible assets		**250,566.00**	250,566.00
TOTAL NON-CURRENT ASSETS		**250,566.00**	250,566.00
CURRENT ASSETS			
Short-term receivables			
Cash and cash equivalents			
Cash at bank		**106.63**	102.14
Total cash and cash equivalents		**106.63**	102.14
TOTAL CURRENT ASSETS		**106.63**	102.14
TOTAL ASSETS		**250,672.63**	250,668.14
LIABILITIES			
EQUITY	2		
Share capital		**2,500.00**	2,500.00
Invested unrestricted equity fund		**259,305.79**	259,305.79
Profit/(Loss) from previous years		**(11,162.65)**	(9,753.64)
Profit/(Loss) for the financial year		**(1,470.51)**	(1,409.01)
TOTAL EQUITY		**249,172.63**	250,643.14
BORROWED CAPITAL			
Short-term borrowed capital	3		
Liabilities to group companies		**1,500.00**	0.00
Accruals and deferred income		**0.00**	25.00
Total short-term borrowed capital		**1,500.00**	25.00
TOTAL LIABILITIES		**250,672.63**	250,668.14

PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED MARCH 31, 2022

	Appendix	Eur 2022	Eur 2021
Property management expenses			
Administration		**(1,272.12)**	(1,210.62)
Property tax		**(198.39)**	(198.39)
Total		**(1,470.51)**	(1,409.01)
Profit/(Loss)		**(1,470.51)**	(1,409.01)
Profit before appropriations and taxes		**(1,470.51)**	(1,409.01)
Profit/(Loss) for the financial year		**(1,470.51)**	(1,409.01)

ACCOUNTING PRINCIPLES

The financial statements have been drawn up in accordance with regulations governing small and medium-sized enterprises (Government Decree on the information presented in the financial statements of a small undertaking and micro-undertaking, 1753/2015).

Valuation principles

Tangible and intangible assets have been entered under acquisition costs and financial assets under nominal value.

Revenues and expenses are amortised on an accrual basis.

NOTES TO THE BALANCE SHEET

ASSETS

NON-CURRENT ASSETS

INTANGIBLE AND TANGIBLE ASSETS

1. TANGIBLE ASSETS

	Eur
	Land areas
Acquisition cost 1.4.	250,566.00
Acquisition cost 31.3.	250,566.00
Book value 31.3.	**250,566.00**

LIABILITIES

2. EQUITY

	Eur	Eur
	2022	**2021**
Share capital in the beginning of the year	2,500.00	2,500.00
Share capital in the end of the year	**2,500.00**	**2,500.00**
Invested unrestricted equity fund in the beginning of the year	259,305.79	259,305.79
Lisäykset	0.00	0.00
Invested unrestricted equity fund in the end of the year	**259,305.79**	**259,305.79**
Profit/(Loss) from prev. financial period	(11,162.65)	(9,753.64)
Profit/(Loss) for the financial year	(1,470.51)	(1,409.01)
Total equity	**249,172.63**	**250,643.14**

The company belongs to the Holiday Club Resorts Oy group. The parent company is Holiday Club Resorts Oy. Copies of the consolidated financial statements are available at the Holiday Club Resorts Group headquarters.
Hitsaajankatu 22, 00810 Helsinki

Events subsequent to balance sheet date

Kiinteistö Oy Kylpyläntorni 1 will merge into Holiday Club Resorts Oy on April 1, 2022.

3. BORROWED CAPITAL

	Eur	Eur
	2022	**2021**
Liabilities to group companies	**1,500.00**	0.00
Accruals and deferred income	**0.00**	25.00
Total borrowed capital	**1,500.00**	25.00

BREAKDOWN OF SHARE CAPITAL

	2022		2021	
Eur	**No.**	**Eur**	No.	Eur
1 vote/share	**100.00**	**2,500.00**	100.00	2,500.00
Total	**100.00**	**2,500.00**	100.00	2,500.00

OTHER NOTES

PERPETUAL EASEMENTS, CONTINGENT LIABILITIES AND OTHER COMMITMENTS

In the deed dated October 29, 2013, Kiinteistö Oy Kylpyläntorni 1 is obligated to refrain from selling or otherwise transferring undeveloped lots to any party other than those given advance approval by the City based on a written application submitted to it.

Notes to the financial statements compliant with the Limited Liability Companies Act.

Board of Directors' proposal for profit distribution

Loss for the financial year EUR -1470.51. The Board of Directors proposes to the Annual General Meeting that the profit be transferred to equity and that no dividends be distributed.

FINANCIAL STATEMENTS

DATE AND SIGNATURES

Helsinki April 19, 2022

Puntala Pauli	**Valtanen Ville**	**Aro Tatu**
Chair of the Board of Directors	Board member	Board Member

AUDITOR'S NOTE

A report of the audit has been submitted today.

Helsinki April 19, 2022

KPMG OY AB

Esa Kailiala
Authorised Public Accountant

AUDITOR'S REPORT

To the Annual General Meeting of Kiinteistö Oy Spa Lofts 2

Opinion

We have audited the financial statements of Kiinteistö Oy Spa Lofts 2 (business identity code 2428891-8) for the year ended March 31, 2022. The financial statements comprise the balance sheet, income statement and notes.

In our opinion, the financial statements give a true and fair view of the company's financial performance and financial position in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements.

Basis for Opinion

We conducted our audit in accordance with good auditing practice in Finland. Our responsibilities under good auditing practice are further described in *the Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the company in accordance with the ethical requirements that are applicable in Finland and are relevant to our audit, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board of Directors for the Financial Statements

The Board of Directors is responsible for the preparation of financial statements that give a true and fair view in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements. The Board of Directors is also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting. The financial statements are prepared using the going concern basis of accounting unless there is an intention to liquidate the company or cease operations, or there is no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with good auditing practice will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with good auditing practice, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events so that the financial statements give a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Helsinki, April 19, 2022

KPMG OY AB

ESA KAILIALA
Authorised Public Accountant, KHT

BALANCE SHEET AS AT MARCH 31, 2022

	Appendix	Eur 2022	Eur 2021
ASSETS			
NON-CURRENT ASSETS			
Tangible assets	1		
Land areas		**142,350.28**	142,350.28
Total tangible assets		**142,350.28**	142,350.28
TOTAL NON-CURRENT ASSETS		**142,350.28**	142,350.28
CURRENT ASSETS			
Short-term receivables	2		
Group contribution receivables		**4,726.01**	4,726.01
Total short-term receivables		**4,726.01**	4,726.01
Cash and cash equivalents			
Cash at bank		**112.53**	2,850.87
Total cash and cash equivalents		**112.53**	2,850.87
TOTAL CURRENT ASSETS		**4,838.54**	7,576.88
TOTAL ASSETS		**147,188.82**	149,927.16
LIABILITIES			
EQUITY	3		
Share capital		**2,500.00**	2,500.00
Building fund		**139,130.28**	139,130.28
Invested unrestricted equity fund		**8,291.29**	8,291.29
Profit/(Loss) from previous years		**5.59**	0.80
Profit/(Loss) for the financial year		**(2,738.34)**	4.79
TOTAL EQUITY		**147,188.82**	149,927.16
BORROWED CAPITAL			
TOTAL LIABILITIES		**147,188.82**	149,927.16

PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED MARCH 31, 2022

	Eur 2022	Eur 2021
Property management expenses		
Administration	**(1,373.32)**	(1,230.39)
Outdoor area management	**(1,215.20)**	(1,215.20)
Property tax	**(149.82)**	(149.82)
Total	**(2,738.34)**	(2,595.41)
Profit/(Loss)	**(2,738.34)**	(2,595.41)
Profit before appropriations and taxes	**(2,738.34)**	(2,595.41)
Group contribution	**0.00**	2,600.00
Income taxes	**0.00**	0.20
Profit/(Loss) for the financial year	**(2,738.34)**	4.79

ACCOUNTING PRINCIPLES

Valuation principles

The financial statements have been drawn up in accordance with regulations governing small and medium-sized enterprises. (Government Decree on the information presented in the financial statements of a small undertaking and micro-undertaking, 1753/2015)

Tangible and intangible assets have been entered under acquisition costs and financial assets under nominal value. Revenues and expenses are amortised on an accrual basis.

The company belongs to the Holiday Club Resorts Oy group. The parent company is Holiday Club Resorts Oy. Copies of the consolidated financial statements are available at the Holiday Club Resorts Group headquarters. Hitsaajankatu 22, 00810 Helsinki

Events subsequent to balance sheet date

Koy Spa Lofts 2 will merge into Holiday Club Resorts Oy on April 1, 2022.

NOTES TO THE BALANCE SHEET

ASSETS

NON-CURRENT ASSETS

INTANGIBLE AND TANGIBLE ASSETS

1 Tangible assets

	Eur Land areas
Acquisition cost 1.4.	142,350.28
Acquisition cost 31.3.	142,350.28
Book value 31.3.	**142,350.28**

2 Short-term receivables

	Eur
Group contribution receivables	4,726.01
Total	**4,726.01**

LIABILITIES

3. EQUITY

	Eur 2022	Eur 2021
Share capital in the beginning of the year	**2,500.00**	2,500.00
Share capital in the end of the year	**2,500.00**	2,500.00
Building fund in the beginning of the year	**139,130.28**	139,130.28
Building fund in the end of the year	**139,130.28**	139,130.28
Invested unrestricted equity fund in the beginning of the year	**8,291.29**	8,291.29
Invested unrestricted equity fund in the end of the year	**8,291.29**	8,291.29
Profit/(Loss) from prev. financial period	**5.59**	0.80
Profit/(Loss) for the financial year	**(2,738.34)**	4.79
Total equity	**147,188.82**	149,927.16

BREAKDOWN OF SHARE CAPITAL

	2022		2021	
Eur	**No.**	**Eur**	No.	Eur
1 vote/share	**100.00**	**2,500.00**	100.00	2,500.00
Total	**100.00**	**2,500.00**	100.00	2,500.00

OTHER NOTES

Easements

The company is hereby obligated under the following easement agreements:

Easement agreement signed on May 31, 2011. Concerns motor vehicle road and pedestrian access and rescue services access.

Easement agreement signed on October 29, 2014. Kiinteistö Oy Lappeenranta-owned Saimaan Kreivi is entitled to build three parking spaces and rescue services access.

Easement agreement signed on October 31, 2014. Spa Lofts 2 is entitled to build rescue services access to the Saimaan Action Park Oy lot.

Notes to the financial statements compliant with the Limited Liability Companies Act.

Board of Directors' proposal for profit distribution

Loss for the financial year EUR -2,738.34. The Board of Directors proposes to the Annual General Meeting that the profit be transferred to equity and that no dividends be distributed.

FINANCIAL STATEMENTS

DATE AND SIGNATURES

Helsinki April 19, 2022

Pauli Puntala
Chair of the Board of Director's

AUDITOR'S NOTE

A report of the audit has been submitted today.

Helsinki April 19, 2022

KPMG OY AB

Esa Kailiala
Authorised Public Accountant

AUDITOR'S REPORT

To the Annual General Meeting of Kiinteistö Oy Spa Lofts 3

Opinion

We have audited the financial statements of Kiinteistö Oy Spa Lofts 3 (business identity code 2428894-2) for the year ended March 31, 2022. The financial statements comprise the balance sheet, income statement and notes.

In our opinion, the financial statements give a true and fair view of the company's financial performance and financial position in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements.

Basis for Opinion

We conducted our audit in accordance with good auditing practice in Finland. Our responsibilities under good auditing practice are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the company in accordance with the ethical requirements that are applicable in Finland and are relevant to our audit, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board of Directors for the Financial Statements

The Board of Directors is responsible for the preparation of financial statements that give a true and fair view in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements. The Board of Directors is also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting. The financial statements are prepared using the going concern basis of accounting unless there is an intention to liquidate the company or cease operations, or there is no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with good auditing practice will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with good auditing practice, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events so that the financial statements give a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Helsinki, April 19, 2022

KPMG OY AB

ESA KAILIALA
Authorised Public Accountant, KHT

BALANCE SHEET AS AT MARCH 31, 2022

	Appendix	Eur 2022	Eur 2021
ASSETS			
NON-CURRENT ASSETS			
Tangible assets	1		
Land areas		**140,090.60**	140,090.60
Total tangible assets		**140,090.60**	140,090.60
TOTAL NON-CURRENT ASSETS		**140,090.60**	140,090.60
CURRENT ASSETS			
Short-term receivables	2		
Accrued income		**0.00**	0.00
Group contribution receivables		**2,735.47**	2,735.47
Total short-term receivables		**2,735.47**	2,735.47
Cash and cash equivalents			
Cash at bank		**115.09**	3,002.43
Total cash and cash equivalents		**115.09**	3,002.43
TOTAL CURRENT ASSETS		**2,850.56**	5,737.90
TOTAL ASSETS		**142,941.16**	145,828.50
LIABILITIES			
EQUITY	3		
Share capital		**2,500.00**	2,500.00
Building fund		**137,110.60**	137,110.60
Invested unrestricted equity fund		**8,941.89**	8,941.89
Profit/(Loss) from previous years		**(2,723.99)**	21.52
Profit/(Loss) for the financial year		**(2,887.34)**	(2,745.51)
TOTAL EQUITY		**142,941.16**	145,828.50
BORROWED CAPITAL			
TOTAL LIABILITIES		**142,941.16**	145,828.50

PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED MARCH 31, 2022

	Eur 2022	Eur 2021
Property management expenses		
Administration	**(1,270.11)**	(1,135.93)
Outdoor area management	**(1,215.20)**	(1,215.20)
Property tax	**(402.03)**	(402.03)
Total	**(2,887.34)**	(2,753.16)
Profit/(Loss)	**(2,887.34)**	(2,753.16)
Profit before appropriations and taxes	**(2,887.34)**	(2,753.16)
Income Taxes	**0.00**	(7.65)
Profit/(Loss) for the financial year	**(2,887.34)**	(2,745.51)

ACCOUNTING PRINCIPLES

Valuation principles

The financial statements have been drawn up in accordance with regulations governing small and medium-sized enterprises (Government Decree on the information presented in the financial statements of a small undertaking and micro-undertaking, 1753/2015)

Tangible and intangible assets have been entered under acquisition costs and financial assets under nominal value. Revenues and expenses are amortised on an accrual basis.

The company belongs to the Holiday Club Resorts Oy group. The parent company is Holiday Club Resorts Oy. Copies of the consolidated financial statements are available at the Holiday Club Resorts Group headquarters.
Hitsaajankatu 22, 00810 Helsinki

NOTES TO THE BALANCE SHEET

ASSETS

NON-CURRENT ASSETS

INTANGIBLE AND TANGIBLE ASSETS

1 Tangible assets

	Eur
	Land areas
Acquisition cost 1.4.	140,090.60
Acquisition cost 31.3.	140,090.60
Book value 31.3.	**140,090.60**

2 Short-term receivables

	Eur
Receivables from the companies in the same group	0.00
Group contribution receivables	2,735.47
Total	**2,735.47**

LIABILITIES

3 Equity

	Eur	Eur
	2022	2021
Share capital in the beginning of the year	2,500.00	2,500.00
Share capital in the end of the year	**2,500.00**	2,500.00
Building fund in the beginning of the year	137,110.60	137,110.60
Building fund in the end of the year	**137,110.60**	137,110.60
Invested unrestricted equity fund in the beginning of the year	8,941.89	8,941.89
Additions	0.00	0.00
Invested unrestricted equity fund in the end of the year	**8,941.89**	8,941.89
Profit/(Loss) from prev. financial period	(2,723.99)	21.52
Profit/(Loss) for the financial year	(2,887.34)	(2,745.51)
Total equity	**142,941.16**	145,828.50

BREAKDOWN OF SHARE CAPITAL

	2022		2021	
Eur	**No.**	**Eur**	No.	Eur
1 vote/share	**100.00**	**2,500.00**	100.00	2,500.00
Total	**100.00**	**2,500.00**	100.00	2,500.00

OTHER NOTES

Easements

The company is hereby obligated under the following easement agreements:

Easement agreement signed on May 31, 2011. Concerns motor vehicle road and pedestrian access and rescue services access.

Easement agreement signed on October 29, 2014. Spa Lofts 2 is entitled to build five parking spaces and rescue services access.

Mortgages

Real property owned by the company has been mortgaged as collateral for liabilities set under an agreement signed by Holiday Club Resorts Oy.

Notes to the financial statements compliant with the Limited Liability Companies Act.

Board of Director’s proposal for profit distribution

Loss for the financial year EUR -2,887.34. The Board of Directors proposes to the Annual General Meeting that the loss be transferred to equity and that no dividends be distributed.

FINANCIAL STATEMENTS
DATE AND SIGNATURES

Helsinki April 19, 2022

Pauli Puntala
Chair of the Board of Directors

AUDITOR’S NOTE

A report of the audit has been submitted today.

Helsinki April 19, 2022

KPMG OY AB

Esa Kailiala
Authorised Public Accountant

AUDITOR'S REPORT

To the Annual General Meeting of Kiinteistö Oy Kuusamon Pulkkajärvi 1

Opinion

We have audited the financial statements of Kiinteistö Oy Kuusamon Pulkkajärvi 1 (business identity code 0780839-5) for the year ended March 31, 2022. The financial statements comprise the balance sheet, income statement and notes.

In our opinion, the financial statements give a true and fair view of the company's financial performance and financial position in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements.

Basis for Opinion

We conducted our audit in accordance with good auditing practice in Finland. Our responsibilities under good auditing practice are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the company in accordance with the ethical requirements that are applicable in Finland and are relevant to our audit, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board of Directors and the Managing Director for the Financial Statements

The Board of Directors and the Managing Director are responsible for the preparation of financial statements that give a true and fair view in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors and the Managing Director are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting. The financial statements are prepared using the going concern basis of accounting unless there is an intention to liquidate the company or cease operations, or there is no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with good auditing practice will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with good auditing practice, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events so that the financial statements give a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Helsinki, April 19, 2022

KPMG OY AB

ESA KAILIALA
Authorised Public Accountant, KHT

BALANCE SHEET AS AT MARCH 31, 2022

	Appendix	Eur 2022	Eur 2021
ASSETS			
NON-CURRENT ASSETS			
Tangible assets	**2**		
Land areas		**2,48,581.74**	2,48,581.74
Buildings and structures		**79,301.20**	82,605.40
Total tangible assets		**3,27,882.94**	3,31,187.14
TOTAL NON-CURRENT ASSETS		**3,27,882.94**	3,31,187.14
CURRENT ASSETS			
Short-term receivables	**3**		
Consideration receivables		**0.00**	969.00
Tax receivables		**601.42**	582.32
Total short-term receivables		**601.42**	1,551.32
Cash and cash equivalents			
Cash at bank		**13,968.33**	5,090.26
Total cash and cash equivalents		**13,968.33**	5,090.26
TOTAL CURRENT ASSETS		**14,569.75**	6,641.58
TOTAL ASSETS		**3,42,452.69**	3,37,828.72
LIABILITIES			
EQUITY	**4**		
Share capital		**2,522.81**	2,522.81
Building fund		**82,860.58**	82,860.58
Other equity		**1,70,766.78**	1,70,766.78
Profit/(Loss) from previous years		**25,946.22**	25,946.04
Profit/(Loss) for the financial year		**(19.05)**	0.18
TOTAL EQUITY		**2,82,077.34**	2,82,096.39
BORROWED CAPITAL			
Short-term borrowed capital	**5**		
Other loans group companies		**51,720.92**	51,720.92
Interest liabilities group companies		**1,405.43**	112.41
Group contribution liabilities		**6,549.00**	3,349.00
Accruals and deferred income		**700.00**	550.00
Total short-term borrowed capital		**60,375.35**	55,732.33
TOTAL LIABILITIES		**3,42,452.69**	3,37,828.72

PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED MARCH 31, 2022

	Appendix	Eur 2022	Eur 2021
TURNOVER			
Rent income		**11,628.00**	11,628.00
Total		**11,628.00**	11,628.00
Depreciation	**1**		
Buildings and structures		**(3,304.20)**	(3,441.84)
Total		**(3,304.20)**	(3,441.84)
Property management expenses			
Administration		**(1,417.31)**	(1,270.87)
Water and sewage		**3.60**	0.00
Electricity		**(2,121.24)**	(1,844.90)
Indemnity insurance		**(69.31)**	(60.55)
Property tax		**(247.69)**	(256.66)
Total		**(3,851.95)**	(3,432.98)
Profit/(Loss)		**4,471.85**	4,753.18
Financial income and expenses			
Interest income		**1.76**	0.08
Interest charges		**(1,293.02)**	(1,404.12)
Total financial income and expenses		**(1,291.26)**	(1,404.04)
Profit/(Loss) before appropriations and taxes		**3,180.59**	3,349.14
Other direct taxes			
Group contribution		**(3,200.00)**	(3,349.00)
Direct taxes		**0.36**	0.04
Total		**(3,199.64)**	(3,348.96)
Profit/(Loss) for the financial year		**(19.05)**	0.18

ACCOUNTING PRINCIPLES

Valuation principles

The financial statements have been drawn up in accordance with regulations governing small and medium-sized enterprises (Government Decree on the information presented in the financial statements of a small undertaking and micro-undertaking, 1753/2015).

Tangible and intangible assets have been entered under acquisition costs and financial assets under nominal value. Revenues and expenses are amortised on an accrual basis.

4% of the buildings were written off during the financial year.

The company belongs to the Holiday Club Resorts Oy group. The parent company is Holiday Club Resorts Oy. Copies of the consolidated financial statements are available at the Holiday Club Resorts Group headquarters. Hitsaajankatu 22, 00810 Helsinki

NOTES TO THE PROFIT AND LOSS STATEMENT

1. Depreciation and impairments

	Eur 2022	Eur 2021
Buildings and structures	**(3,304.20)**	(3,441.84)
Total	**(3,304.20)**	(3,441.84)

NOTES TO THE BALANCE SHEET

ASSETS

NON-CURRENT ASSETS

INTANGIBLE AND TANGIBLE ASSETS

2 Tangible assets

Eur	**Land areas**	**Buildings and structures**	**Total**
Acquisition cost 1.4.	2,48,581.74	1,21,796.28	3,70,378.02
Acquisition cost 31.3.	2,48,581.74	1,21,796.28	3,70,378.02
Accumulated depreciation 1.4.	0.00	39,190.88	39,190.88
Depreciation for the financial year	0.00	3,304.20	3,304.20
Book value 31.3.	**2,48,581.74**	**79,301.20**	**3,27,882.94**

CURRENT ASSETS

RECEIVABLES

3 Short-term receivables

	Eur 2022	Eur 2021
Consideration receivables	**0.00**	969.00
Tax assets	**601.42**	582.32
Total	**601.42**	1,551.32

LIABILITIES

4 EQUITY

	Eur 2022	Eur 2021
Share capital in the beginning of the year	2,522.81	2,522.81
Share capital in the end of the year	**2,522.81**	2,522.81
Building fund in the beginning of the year	82,860.58	82,860.58
Building fund in the end of the year	**82,860.58**	82,860.58
Other restricted equity in the beginning of the year	1,70,766.78	1,70,766.78
Other restricted equity in the end of the year	**1,70,766.78**	1,70,766.78
Profit/(Loss) from prev. financial period	25,946.22	25,946.04
Profit/(Loss) for the financial year	(19.05)	0.18
Total equity	**2,82,077.34**	2,82,096.39

5 SHORT-TERM BORROWED CAPITAL

	Eur 2022	Eur 2021
Other loans group companies	**51,720.92**	51,720.92
Interest liabilities group companies	**1,405.43**	112.41
Group contribution liabilities	**6,549.00**	3,349.00
Accruals and deferred income	**700.00**	550.00
Total borrowed capital	**60,375.35**	55,732.33

BREAKDOWN OF SHARE CAPITAL

	2022		2021	
Eur	**No.**	**Eur**	No.	Eur
1 vote/share	**30.00**	**2,522.81**	30.00	2,522.81
Total	**30.00**	**2,522.81**	30.00	2,522.81

Notes to the financial statements compliant with the Limited Liability Companies Act.

Board of Directors' proposal for profit distribution

Loss for the financial year EUR -19.05. The Board of Directors proposes to the Annual General Meeting that the profit be transferred to equity and that no dividends be distributed.

FINANCIAL STATEMENTS

DATE AND SIGNATURES

Helsinki April 19, 2022

Pauli Puntala
Chair of the Board of Directors

Marja Paija
CEO & Board Member

Kati Pätsi
Board Member

AUDITOR'S NOTE

A report of the audit has been submitted today.

Helsinki April 19, 2022

KPMG OY AB

Esa Kailiala
Authorised Public Accountant

AUDITOR'S REPORT

To the general meeting of the shareholders of Ownership Service Sweden AB, corporate identity number 559137-7659

Report on the annual accounts

Opinions

We have audited the annual accounts of Ownership Service Sweden AB for the financial year April 1, 2021 to March 31, 2022.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of Ownership Service Sweden AB as of March 31, 2022 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet.

Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of Ownership Service Sweden AB in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Responsibilities of the Board of Directors

The Board of Directors is responsible for the preparation of the annual accounts and that they give a fair presentation in accordance with the Annual Accounts Act. The Board of Directors is also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts, The Board of Directors is responsible for the assessment of the company's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors intends to liquidate the company, to cease operations, or has no realistic alternative but to do so.

Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts.

A further description of our responsibility for the audit of the annual accounts and consolidated accounts is available on Revisorsinspektionen's website: www.revisorsinspektionen.se/revisornsansvar. This description is part of the auditor´s report.

Report on other legal and regulatory requirements

Opinions

In addition to our audit of the annual accounts, we have also audited the administration of the Board of Directors of Ownership Service Sweden AB for the financial year April 1, 2021 to March 31, 2022 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors be discharged from liability for the financial year.

Basis for Opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of Ownership Service Sweden AB in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Responsibilities of the Board of Directors

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's type of operations, size and risks place on the size of the company's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner.

Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

A further description of our responsibility for the audit of the administration is available on Revisorsinspektionen's website: www.revisorsinspektionen.se/revisornsansvar. This description is part of the auditor´s report.

Sundsvall, April 14, 2022 (electronically signed)

Öhrlings PricewaterhouseCoopers AB

Magnus Olsson
Authorized Public Accountant

BALANCE SHEET AS AT MARCH 31, 2022

	Note	2022 SEK	2021 SEK
Assets			
Current assets			
Current receivables			
Other receivables		**2,075,542**	1,351,840
Receivables from Group comp.		**2,372,954**	2,372,954
Total current receivables		**4,448,496**	3,724,794
Cash and bank balances			
Cash and bank balances		**8,331,883**	7,721,595
Total cash and bank balances		**8,331,883**	7,721,595
Total current assets		**12,780,379**	11,446,389
Total assets		**12,780,379**	11,446,389
Equity and liabilities			
Equity			
Restricted equity			
Share capital		**100,000**	100,000
Total restricted equity		**100,000**	100,000
Non-restricted equity			
Profit bought forward		**1,862,772**	1,873,550
Profit/(Loss) for the year		**(8,825)**	(10,777)
Total non-restricted equity		**1,853,947**	1,862,773
Total equity		**1,953,947**	1,962,773
Current liabilities			
Other liabilities		**10,826,432**	9,472,717
Accrued expense and deferred income		**0**	10,899
Total current liabilities		**10,826,432**	9,483,616
Total equity and liabilities		**12,780,379**	11,446,389

INCOME STATEMENT FOR THE YEAR ENDED MARCH 31, 2022

	Note	2022 SEK	2021 SEK
Operating expenses			
Other external expenses		**(8,825)**	(10,777)
Total operating expenses		**(8,825)**	(10,777)
Operating Profit/(Loss)		**(8,825)**	(10,777)
Financial items			
Other interest income and similar profit/loss items		**0**	0
Total financial items		**0**	0
Profit/(Loss) after financial items		**(8,825)**	(10,777)
Profit/(Loss) before tax		**(8,825)**	(10,777)
Profit/(Loss) for the year		**(8,825)**	(10,777)

SUPPLEMENTARY DISCLOSURES

Note 1 Accounting and Valuation Principles

The annual accounts have been prepared in accordance with BFNAR 2016:10 Annual Accounts of Small Limited Companies.

Definitions of key performance indicators

Equity/assets ratio

Equity and untaxed reserves (less deferred tax) as a percentage of total assets.

Note 2 Significant events during/after the financial year

The company has taken into account the impact of the effects of the COVID-19 outbreak and it has been concluded that the impact during the year has been limited. The company also has taken into account the impact on the company's future development and risks that may affect financial reporting going forward. In this asessment, it has been concluded that the impact on the company still is limited.

Note 3 Parent Company

The parent company in the smallest group in which the company is included, and which prepares consolidated accounts is Holiday Club Resorts OY, Corporate Identity Number 2033337-1, which has its registered office in Helsinki, Finland. The parent company in the largest group in which the company is included and which prepares consolidated accounts is Mahindra & Mahindra Ltd, L65990MH1945PLC004558 with its registered office in India.

Annual reports for parent company could be found at Patent- och registerstyrelsen, PRH, for Finland and Ministry of Corporate Affairs (Company Master Data) for India.

The income statement and balance sheet will be presented for adoption at the Annual General Meeting of Shareholders held on 2022

Åre April 14, 2022

Pauli Puntala

Joonas Mäkipeska

Our auditor's report has been submitted 2022
Öhrlings PricewaterhouseCoopers AB

Magnus Olsson

Authorized Public Accountant

AUDITOR'S REPORT

To the general meeting of the shareholders of Åre Villa 3 AB, corporate identity number 559137-7659

Report on the annual accounts

Opinions

We have audited the annual accounts of Åre Villa 3 AB for the financial year April 1, 2021 to March 31, 2022.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of Åre Villa 3 AB as of March 31, 2022 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet.

Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of Åre Villa 3 AB in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Responsibilities of the Board of Directors

The Board of Directors is responsible for the preparation of the annual accounts and that they give a fair presentation in accordance with the Annual Accounts Act. The Board of Directors is also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts, The Board of Directors is responsible for the assessment of the company's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors intends to liquidate the company, to cease operations, or has no realistic alternative but to do so.

Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts.

A further description of our responsibility for the audit of the annual accounts and consolidated accounts is available on Revisorsinspektionen's website: www.revisorsinspektionen.se/revisornsansvar. This description is part of the auditor´s report.

Report on other legal and regulatory requirements

Opinions

In addition to our audit of the annual accounts, we have also audited the administration of the Board of Directors of Åre Villa 3 AB for the financial year April 1, 2021 to March 31, 2022 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors be discharged from liability for the financial year.

Basis for Opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of Åre Villa 3 AB in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Responsibilities of the Board of Directors

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's type of operations, size and risks place on the size of the company's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner.

Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

A further description of our responsibility for the audit of the administration is available on Revisorsinspektionen's website: www.revisorsinspektionen.se/revisornsansvar. This description is part of the auditor´s report.

Sundsvall, April 14, 2022 (electronically signed)
Öhrlings PricewaterhouseCoopers AB

Magnus Olsson
Authorized Public Accountant

BALANCE SHEET AS AT MARCH 31, 2022

	Note	2022 SEK	2021 SEK
Assets			
Non-current assets			
Financial non-current assets			
Other non-current receivables	3	**4,611,434**	4,611,434
Total non-current assets		**4,611,434**	4,611,434
Current assets			
Current receivables			
Other receivables		**0**	0
Total current receivables		**0**	0
Cash and bank balances			
Cash and bank balances		**44,100**	45,650
Total cash and bank balances		**44,100**	45,650
Total current assets		**44,100**	45,650
Total assets		**4,655,534**	4,657,084
Equity and liabilities			
Equity			
Restricted equity			
Share capital, 50,000 shares		**50,000**	50,000
Total restricted equity		**50,000**	50,000
Non-restricted equity			
Retained earnings		**4,557,084**	4,558,634
Profit/(Loss) for the year		**(1,550)**	(1,550)
Total non-restricted equity		**4,555,534**	4,557,084
Total equity		**4,605,534**	4,607,084
Current liabilities			
Other liabilities		**50,000**	50,000
Total current liabilities		**50,000**	50,000
Total equity and liabilities		**4,655,534**	4,657,084

INCOME STATEMENT FOR THE YEAR ENDED MARCH 31, 2022

	Note	2022 SEK	2021 SEK
Operating income, changes in inventory, etc.			
Net sales		**0**	0
Total operating income, changes in inventory, etc.		**0**	0
Operating expenses			
Raw materials and consumables		**0**	0
Other external expenses		**(1,550)**	(1,550)
Total operating expenses		**(1,550)**	(1,550)
Operating Profit/(Loss)		**(1,550)**	(1,550)
Profit from shares in group companies		**0**	0
Profit/(Loss) after financial items		**(1,550)**	(1,550)
Profit/(Loss) before tax		**(1,550)**	(1,550)
Profit/(Loss) for the year		**(1,550)**	(1,550)

ADMINISTRATION REPORT

Operations

Information regarding the operations

The Company shall own and manage shares in subsidiaries and thus compatible business. The company has its registered office in Åre.

	2022	2021
Multi-year review	**SEK**	SEK
Net sales	**0**	0
Profit/(Loss) after financial items	**(2)**	(2)
Equity/assets ratio	**98.9%**	98.9%

Proposed appropriation of profits	SEK
The following profits are at the disposal of the Annual General Meeting:	
Profit bought forward	4,557,084
Profit/(Loss) for the year	(1,550)
Total	4,555,534

Changes in equity

	Share capital	Profit/ loss brought forward	Net profit/ loss	Total
Share capital	50000SEK	4558634SEK	-1550SEK	4607084SEK
Appropriation of profits as resolved by the AGM				
Dividends				
To be carried forward		-1550SEK	1550SEK	
Received unconditional shareholders' contributions				
Net profit/ (Loss) for the year			-1550SEK	-1550SEK
Balance at year-end	50000SEK	4557084SEK	-1550SEK	4605534SEK

SUPPLEMENTARY DISCLOSURES

Note 1 Accounting and Valuation Principles

The annual accounts have been prepared in accordance with the Annual Accounts Act and BFNAR 2016:10 Annual reports in small limited companies.

Definitions of key performance indicators

Equity/assets ratio

Equity and untaxed reserves (less deferred tax) as a percentage of total assets.

Note 2 Significant events during/after the financial year

The company has taken into account the impact of the effects of the COVID-19 outbreak and it has been concluded that the impact during the year has been limited.

The company also has taken into account the impact on the company's future development and risks that may affect financial reporting going forward. In this assessment, it has been concluded that the impact on the company still is limited.

Note 3 Parent Company

The parent company in the smallest group in which the company is included, and which prepares consolidated accounts is Holiday Club Resorts OY, Corporate Identity Number 2033337-1, which has its registered office in Helsinki, Finland.

The parent company in the largest group in which the company is included and which prepares consolidated accounts is Mahindra & Mahindra Ltd, L65990MH1945PLC004558 with its registered office in India.

Annual reports for parent company could be found at Patent- och registerstyrelsen, PRH, for Finland and Ministry of Corporate Affairs (Company Master Data) for India.

Note 4 Other non-current receivables

	2022	2021
	SEK	SEK
Additional receivables	**4,611,434**	4,611,434
Carrying amount	**4,611,434**	4,611,434

The income statement and balance sheet will be presented for adoption at the Annual General Meeting of Shareholders held on 2022-04-14.

Åre April 14, 2022

Pauli Puntala

Our auditor's report has been submitted 2022
Öhrlings PricewaterhouseCoopers AB

Magnus Olsson
Authorized Public Accountant

AUDITOR'S REPORT

To the general meeting of the shareholders of Holiday Club Sweden AB, corporate identity number 556683-0385

Report on the annual accounts

Opinions

We have audited the annual accounts of Holiday Club Sweden AB for the financial year April 1, 2021 to March 31, 2022.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of Holiday Club Sweden AB as of March 31, 2022 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet.

Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section. We are independent of Holiday Club Sweden AB in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and that they give a fair presentation in accordance with the Annual Accounts Act. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts, The Board of Directors and the Managing Director are responsible for the assessment of the company's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intends to liquidate the company, to cease operations, or has no realistic alternative but to do so.

Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts.

A further description of our responsibility for the audit of the annual accounts and consolidated accounts is available on Revisorsinspektionen's website: www.revisorsinspektionen.se/revisornsansvar. This description is part of the auditor´s report.

Report on other legal and regulatory requirements

Opinions

In addition to our audit of the annual accounts, we have also audited the administration of the Board of Directors and the Managing Director of Holiday Club Sweden AB for the financial year April 1, 2021 to March 31, 2022 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

Basis for Opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of Holiday Club Sweden AB in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's type of operations, size and risks place on the size of the company's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

A further description of our responsibility for the audit of the administration is available on Revisorsinspektionen's website: www.revisorsinspektionen.se/revisornsansvar. This description is part of the auditor´s report.

Sundsvall, April 14, 2022 (electronically signed)

Öhrlings PricewaterhouseCoopers AB

Magnus Olsson
Authorized Public Accountant

BALANCE SHEET AS AT MARCH 31, 2022

	Note	2022 kSEK	2021 kSEK
Equity and liabilities			
Equity			
Restricted equity			
Share capital, 1000 shares		**100**	100
Total restricted equity		**100**	100
Non-restricted equity			
Profit/(Loss) brought forward		**127,024**	126,643
Profit/(Loss) for the year		**(6,633)**	381
Total Non-restricted equity		**120,391**	127,024
Total equity		**120,491**	127,124
Non-current liabilities	**11**		
Liabilities to Group companies		**78,013**	57,430
Other liabilities		**0**	0
Total non-current liabilities		**78,013**	57,430
Current liabilities			
Advances from customers			
Trade creditors		**297**	324
Liabilities to Group companies		**68**	53
Other liabilities		**1,697**	2,509
Accrued expenses and deferred income		**991**	1,137
Total current liabilities		**3,054**	4,024
Total equity and liabilities		**201,558**	188,577

BALANCE SHEET AS AT MARCH 31, 2022

	Note	2022 kSEK	2021 kSEK
Non-current assets			
Property, plant and equipment			
Land and buildings	5	3,949	4,060
Equipment and tools	6	17	33
Current new developements	7	3,132	2,900
Total property, plant and equipment		7,098	6,993
Financial non-current assets			
Participations in Group companies	8,9	60,773	15,773
Receivables from Group companies	10	80,651	93,113
Other non-current receivables		0	0
Total financial assets		141,424	108,886
Total non-current assets		148,522	115,879
Current assets			
Inventories etc.			
Raw materials and consumables		41,549	43,462
Other inventory assets		0	0
Total inventories		41,549	43,462
Current receivables			
Trade receivables		388	1,036
Receivables from Group companies		6,103	2,868
Other receivables		346	1,782
Prepaid expenses and accrued income		341	339
Total current receivables		7,178	6,025
Cash and bank balances			
Cash and bank balances		4,308	23,212
Total cash and bank balances		4,308	23,212
Total current assets		53,035	72,698
Total assets		201,558	188,577

INCOME STATEMENT FOR THE YEAR ENDED MARCH 31, 2022

	Note	2022 kSEK	2021 kSEK
Operating income, changes in inventory, etc.			
Net sales		**15,859**	15,112
Other operating income		**8,606**	6,560
Total operating income, changes in inventory, etc.		**24,465**	21,672
Operating expenses			
Raw materials and consumables		**(6,267)**	(5,861)
Other external expenses		**(19,584)**	(12,295)
Personnel costs	**2**	**(5,449)**	(6,058)
Depreciation, amortisation and impairment of property, plant and equipment and intangible assets		**(127)**	(127)
Total operating expenses		**(31,426)**	(24,341)
Operating Profit/(Loss)		**(6,961)**	(2,669)
Financial items			
Share of profits from interests in associates		**0**	0
Other interest income and similar Profit/(Loss) items	**3**	**3,891**	4,507
Interest and similar expenses	**4**	**(3,562)**	(1,457)
Total financial items		**328**	3,050
Profit/(Loss) after financial items		**(6,633)**	381
Profit/(Loss) before tax		**(6,633)**	381
Profit/(Loss) for the year		**(6,633)**	381

SUPPLEMENTARY DISCLOSURES

Note 1 Accounting and Valuation Principles

The annual accounts have been prepared in accordance with BFNAR 2016:10 Annual Accounts of Small Limited Companies.

Service assignments and contract work

The Company's income from assignments undertaken on a fixed price basis is recognised according to the main rule.

Amortisation

Land and buildings	30 years
Equipment and tools	5 years

Definitions of key performance indicators

Equity/assets ratio

Equity and untaxed reserves (less deferred tax) as a percentage of total assets.

Note 2 Personnel

	2022	2021
Average number of employees	**11**	15

Note 3 Other interest income and similar profit/loss items

	2022 kSEK	2021 kSEK
Of which from Group companies	**3,891**	4,507

Note 4 Interest expense and similar profit/(loss) items

	2022 kSEK	2021 kSEK
Of which from Group companies	**3,005**	3,260

Note 5 Land and buildings

	2022 kSEK	2021 kSEK
Opening cost of acquisition	**5,571**	5,571
Sales	**0**	0
Closing cost of acquisition	**5,571**	5,571
Opening depreciation/amortisation	**(1,511)**	(1,400)
- Depreciation for the year	**(111)**	(111)
Closing depreciation	**(1,622)**	(1,511)
Carrying amount	**3,949**	4,060

Note 6 Equipment and tools

	2022 kSEK	2021 kSEK
Opening cost of acquisition	**80**	80
Purchase	**0**	0
Closing cost of acquisition	**80**	80
Opening depreciation/amortisation	**(47)**	(31)
- Depreciation for the year	**(16)**	(16)
Closing depreciation	**(63)**	(47)
Carrying amount	**17**	33

Note 7 Current new developements

	2022 kSEK	2021 kSEK
Opening cost of acquisition	**2,900**	2,505
Purchase	**232**	395
Sales	**0**	0
	3,132	2,900
- Depreciation for the year	**0**	**0**
Closing depreciation	**0**	**0**
Carrying amount	**3,132**	**2,900**

Note 8 Participations in Group companies

	2022 kSEK	2021 kSEK
Opening cost of acquisition	**15,773**	9,279
- Purchases	**0**	6,494
- Provided shareholder contribution	**45,000**	0
- Sales	**0**	0
Carrying amount	**60,773**	15,773

Note 9 Specification participations in Group companies

	2022 kSEK	**2022 kSEK**
Name	**Equity kSEK**	Net profit/loss kSEK
Ownership Service AB 556676-0327 Åre	**1,954**	(9)
HC Canarias Investment S.L B-76081603 Las Palmas	**38**	29
HC Sport and Spahotels AB 559032-5733 Åre	**24,358**	16,302
Åre Villa 3 AB 559137-7659 Åre	**4,606**	(2)
Total	**30,956**	16,321

Name	Number of shares	Share of equity, %	Carrying amount, 2022 SEK
Ownership Service AB	**1,000**	**100**	**100**
HC Canarias Investment	**1**	**100**	**129**
Holiday Club Sport and Spa Hotels AB	**1,000,000**	**100**	**60,494**
Åre Villa 3 AB	**50,000**	**100**	**50**
			60,773

Note 10 Receivables from Group companies

	2022 kSEK	2021 kSEK
Opening cost of acquisition	**93,113**	126,342
Deductible receivables	**0**	0
- Deductible receivables	**(12,462)**	(33,229)
- Reclassification	**0**	0
Carrying amount	**80,651**	93,113

Note 11 Non-current liabilities

	2022 kSEK	2021 kSEK
Non-current liabilities maturing more than five years after the balance sheet date:		
Liabilities to Group companies	**78,013**	57,430
Total	**78,013**	57,430

Note 12 Parent Company

The parent company in the smallest group in which the company is included, and which prepares consolidated accounts is Holiday Club Resorts OY, Corporate Identity Number 2033337-1, which has its registered office in Helsinki, Finland.

The parent company in the largest group in which the company is included and which prepares consolidated accounts is Mahindra & Mahindra Ltd, L65990MH1945PLC004558 with its registered office in India.

Annual reports for parent company could be found at Patent- och registerstyrelsen, PRH, for Finland and Ministry of Corporate Affairs (Company Master Data) for India.

Note 13 Pledged assets

	2022 kSEK	2021 kSEK
Mortgages	**0**	0
Guarantee commitments subsidiary	**0**	6,235
Other pledged assets	**40,508**	42,420
Total pledged assets	**40,508**	48,655

Note 14 Significant events after the financial year

The company is estimating increased interest for Åre as an year around destination. That increase will give the company possibility to widen the target group for TS shares and rental of appartments. Together with digitalization and branding the company will gradually increase turnover, mainly on periods outside the winter peak season.

The liquidity is good and the decision has been made that deferment of tax and other fees are not needed. Liquidity forecasts are made on a regular basis.

Stockholm April 14, 2022

Maisa Romanainen

Joonas Mäkipeska

Pauli Puntala

Satu-Maarit Andersson
Managing Director

Our auditor's report has been submitted April 14, 2022

Öhrlings PricewaterhouseCoopers AB

Magnus Olsson
Authorized Public Accountant

AUDITOR'S REPORT

To the general meeting of the shareholders of Holiday Club Sport and Spa Hotels AB, corporate identity number 559032-5733

Report on the annual accounts

Opinions

We have audited the annual accounts of Holiday Club Sport and Spa Hotels AB for the financial year April 1, 2021 to March 31, 2022.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of Holiday Club Sport and Spa Hotels AB as of March 31, 2022 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet.

Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of Holiday Club Sport and Spa Hotels AB in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and that they give a fair presentation in accordance with the Annual Accounts Act. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts, The Board of Directors and the Managing Director are responsible for the assessment of the company's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intend to liquidate the company, to cease operations, or has no realistic alternative but to do so.

Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts.

A further description of our responsibility for the audit of the annual accounts and consolidated accounts is available on Revisorsinspektionen's

website: www.revisorsinspektionen.se/revisornsansvar. This description is part of the auditor´s report.

Report on other legal and regulatory requirements

Opinions

In addition to our audit of the annual accounts, we have also audited the administration of the Board of Directors and the Managing Director of Holiday Club Sport and Spa Hotels AB for the financial year April 1, 2021 to March 31, 2022 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

Basis for Opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of Holiday Club Sport and Spa Hotels AB in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's type of operations, size and risks place on the size of the company's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

A further description of our responsibility for the audit of the administration is available on Revisorsinspektionen's website: www.revisorsinspektionen.se/revisornsansvar. This description is part of the auditor's report.

Sundsvall, April 14, 2022 (electronically signed)
Öhrlings PricewaterhouseCoopers AB

Magnus Olsson
Authorized Public Accountant

BALANCE SHEET AS AT MARCH 31, 2022

	Note	2022 kSEK	2021 kSEK
Fixed assets			
Intangible fixed assets			
Goodwill		**0**	0
Software	**8**	**0**	5
Total intangible fixed assets		**0**	5
Tangible assets			
Equipment, tools, fixtures and fittings	**9**	**23,121**	27,148
Improvement fees on the property of others	**10**	**1,708**	1,833
Total tangible fixed assets		**24,829**	28,982
Financial fixed assets			
Receivables group companies		**40,000**	0
Total financial fixed assets		**40,000**	0
Total fixed assets		**64,829**	28,986
Current assets			
Inventories etc.			
Raw materials and consumables		**873**	892
Finished goods and goods for resale		**377**	340
Total inventories		**1,250**	1,233
Current receivables			
Accounts receivable		**5,503**	1,723
Receivables group companies		**8**	0
Current tax assets	**11**	**230**	253
Other receivables		**3,455**	1,648
Prepaid expenses and accrued income	**12**	**3,293**	2,442
Total current receivables		**12,489**	6,065
Cash and bank balances			
Cash and bank balances		**6,801**	4,595
Total cash and bank balances		**6,801**	4,595
Total current assets		**20,540**	11,893
TOTAL ASSETS		**85,369**	40,879

BALANCE SHEET AS AT MARCH 31, 2022

	Note	2022 kSEK	2021 kSEK
Equity and liabilities			
Equity	**13,14**		
Restricted equity			
Share capital		**1,000**	1,000
Total restricted equity		**1,000**	1,000
Non-restricted equity			
Share premium reserve		**12,000**	12,000
Retained earnings		**(4,944)**	(10,169)
Profit/(Loss) for the year		**16,302**	(39,775)
Total Non-restricted equity		**23,358**	(37,944)
Total equity		**24,358**	(36,944)
Non-current liabilities			
Liabilities to Group companies		**10,000**	10,000
Total non-current liabilities		**10,000**	10,000
Current liabilities			
Liabilities to credit institutions	**15**	**0**	3,557
Advances from customers		**9,379**	6,023
Accounts payable		**12,051**	34,652
Liabilities to Group companies		**1,210**	1,343
Other liabilities		**15,860**	12,266
Accrued expenses and deferred income	**16**	**12,510**	9,982
Total current liabilities		**51,010**	67,823
TOTAL EQUITY AND LIABILITIES		**85,369**	40,879

INCOME STATEMENT FOR THE YEAR ENDED MARCH 31, 2022

	Note	2022 kSEK	2021 kSEK
Operating income			
Net sales	**3,4**	**120,044**	67,222
Other operating income		**25,822**	11,740
Total operating income		**145,866**	78,962
Operating expenses			
Raw materials and consumables		**(12,935)**	(5,946)
Other external expenses	**5,6**	**(78,409)**	(78,279)
Personnel costs	**7**	**(33,532)**	(27,946)
Depreciation, amortisation and impairment of property, plant and equipment and intangible assets		**(4,285)**	(5,950)
Total operating expenses		**(1,29,161)**	(118,121)
Operating Profit/(Loss)		**16,706**	(39,159)
Financial items			
Interest expenses to Group companies		**(325)**	(325)
Interest income		**1**	3
Interest expenses and similar profit/loss items		**(79)**	(294)
Total financial items		**(403)**	(616)
Profit/(Loss) after financial items		**16,302**	(39,775)
Profit/(Loss) before tax		**16,302**	(39,775)
Profit/(Loss) for the year		**16,302**	(39,775)

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2022

	Note	2022 kSEK	2021 kSEK
Operating activities			
Profit/(Loss) after financial items		**16,302**	(39,775)
Adjustments for items not included in cash flow	**17**	**4,285**	5,950
Income tax paid		**23**	348
Cash flow from operating activities before changes in working capital		**20,610**	(33,477)
Cash flow before changes in working capital			
Change in inventories		**(17)**	(98)
Change in accounts receivable		**(3,780)**	5,785
Change in current receivables		**(2,658)**	2,660
Change in accounts payable		**(22,601)**	25,559
Change in current liabilities		**9,337**	5,289
Cash flow from operating activities		**891**	5,719
Investing activities			
Net investments in tangible assets		**(128)**	(223)
Cash flow from investing activities		**(128)**	(223)
Financing activities			
Shareholder contribution		**5,000**	0
Repayment of debt		**(3,557)**	(1,895)
Cash flow from financing activities		**1,443**	(1,895)
Cash flow for the year		**2,206**	3,601
Cash and cash equivalents at beginning of the year			
Opening cash and cash equivalents		**4,595**	994
Closing cash and cash equivalents		**6,801**	4,595

SUPPLEMENTARY DISCLOSURE

Note 1 Accounting and Valuation Principles

General information

This annual report has been prepared in accordance with the Swedish Annual Accounts and the Swedish Accounting Standards Board's general guidelines BFNAR 2012:1 Annual Report and Consolidated Accounts (K3).

The accounting policies remain unchanged as compared to the previous year.

Revenue recognition

Revenue has been measured at the fair value of consideration received or receivable. The Company therefore recognises revenue at nominal value (invoice amount) of remuneration received in cash and cash equivalents directly upon delivery. Deduction is made for discounts granted.

Fixed assets

Intangible and tangible assets are recognised at cost less accumulated amortisation/depreciation and any impariment.

Amortisation/depreciation takes place on a straight-line basis over the estimated useful life of the asset taking the significant residual value into account. The following periods of depreciation/amortisation are applied:

Intangible fixed assets	
Software	20%
Tangible assets	
Improvement fees on the property of others	5%
Equipment, tools, fixtures and fittings	5-20%

Accounts receivable/current receivables

Accounts receivable and current receivables are recognised as current assets at the amount expected to be paid after deduction of individually assessed doubtful receivables.

Leases

The Company recognises all leases, both financial and operating, as operating leases. Operating leases are recognised as a cost straight-line over the leasing period.

Inventories

Inventories are valued at the lower of cost and net realisable value on the balance sheet date. The net realisable value refers to the calculated sales price of the products less selling costs. The selected valuation method means that the inventory obsolescence has been taken into consideration.

Income tax

Current tax

Current tax refers to income tax for the current financial year and the portion of previous income tax which has not yet been recognised. Current tax is calculated based on the tax rate applicable on the balance sheet date.

Definitions of key performance indicators

Equity/assets ratio (%)
Adjusted equity (equity and untaxed reserves less deferred tax) as a percentage of the balance sheet total.

Note 2 Significant events after the end of the financial year

We believe in a rapid recovery of the event and the conference market as well as a growth of the private market during the summer period. The booking status for meetings during the autumn is strong and the events in Åre, that will increase demand, is back.

Note 3 Distribution of sales

	2022 kSEK	2021 kSEK
Net sales by business segment		
Hotel operations	**120,044**	67,222
	120,044	67,222

Note 4 Intra-Group purchases and sales

	2022	2021
Percentage of total purchases during the year from other companies in the Group	**0.48%**	**0.26%**
Percentage of total sales during the year from other companies in the Group	**1.36%**	**1.95%**

Note 5 Leases - Operating leases lessee

Lease costs for the year amounted to SEK 41,465,486

Future lease payments, for non-cancellable leases, fall due for payment as follows:

	2022 kSEK	2021 kSEK
Within one year	**41,304**	40,756
Between one and five years	**163,889**	161,997
Later than five years	**40,417**	40,031
	245,610	242,784

Note 6 Auditors' fees

The audit assignment relates to the review of the annual report and accounts as well as the administration by the Board of Directors, other duties to be performed by the Company's auditor and advisory services or other assistance in response to observations during such examination or implementation or such other duties. Other services are such services as are not included in the audit assignment, auditing activities or tax advisory services.

	2022 kSEK	2021 kSEK
PwC		
Audit assignment	**259**	246
Tax advisory	**0**	5
Other services	**102**	399
	361	650

Note 7 Employees and personnel costs

	2022	2021
Average number of employees		
Women	**37**	34
Men	**27**	24
	64	58
Salaries and other remuneration		
Board of Directors and Managing Director	**1,238**	1,619
Other employees	**22,473**	18,708
	23,711	20,327
Social security expenses		
Pension costs for Board and Managing Director	**393**	137
Pension costs for other employees	**1,053**	1,387
Statutory and contractual other social security contributions	**6,946**	5,756
	8,391	7,280
Total salaries, remuneration, social security expenses and pension costs	**32,103**	27,607

Note 8 Software

	2022 kSEK	2021 kSEK
Opening cost	**180**	180
Purchase	**0**	0
Closing accumulated cost	**180**	180
Opening amortisation	**(175)**	(139)
- Amortisation for the year	**(5)**	(36)
Closing accumulated amortisation	**(180)**	(175)
Closing carrying amount	**0**	5

Note 9 Equipment, tools, fixtures and fittings

	2022 kSEK	2021 kSEK
Opening cost	**49,926**	49,703
Purchases	**128**	223
Closing accumulated cost	**50,054**	49,926
Opening depreciation	**(22,778)**	(17,826)
- Depreciation for the year	**(4,156)**	(4,952)
Closing accumulated depreciation	**(26,934)**	(22,778)
Closing carrying amount	**23,121**	27,148

Note 10 Improvement fees on the property of others

	2022 kSEK	2021 kSEK
Opening cost	**2,500**	2,500
	2,500	2,500
Opening depreciation	**(667)**	(542)
- Depreciation for the year	**(125)**	(125)
Closing depreciation	**(792)**	(667)
Carrying amount	**1,708**	1,833

Note 11 Tax loss carry forward

No tax is found in the company due to a rolling tax loss carry forward.

	2022 kSEK	2021 kSEK
Tax loss carry forward	**35,629**	51,655
	35,629	51,655

Note 12 Prepaid expenses and accrued income

	2022 kSEK	2021 kSEK
Property rental	**0**	0
Other	**3,293**	2,442
Carrying amount	**3,293**	2,442

Note 13 Number of shares and quotient value

	Number of shares	Quotient value
Number of Class A shares	1,000,000	1
	1,000,000	

Note 14 Appropriation of profit or loss

The Board of Directors proposes that the profit available for distribution:

	2022 kSEK
Accumulated loss	**(49,944)**
Share premium	**12,000**
Shareholder contribution	**45,000**
Loss for the year	**16,302**
Total pledged assets	**23,358**

Note 15 Liabilities recognised in several items

The Company's bank loans of kSEK 0 are recognised under the following items in the balance sheet.

	2022 kSEK	2021 kSEK
Non-current liabilities		
Other liabilities to credit institutions	**0**	0
Total pledged assets	**0**	0
Current liabilities		
Other liabilities to credit institutions	**0**	3,557
Total pledged assets	**0**	3,557

Note 16 Accrued expenses and deferred income

	2022 kSEK	2021 kSEK
Personnel-related items	**6,872**	5,797
Other	**5,638**	4,185
Total pledged assets	**12,510**	9,982

Note 17 Adjustments for non-cash items

	2022 kSEK	2021 kSEK
Depreciation	**4,285**	5,950
Interest expenses, Group	**0**	0
Total pledged assets	**4,285**	5,950

Note 18 Pledged assets

	2022 kSEK	2021 kSEK
Liabilities to credit institutions:		
Chattel mortgages	**19,000**	19,000
Total pledged assets	**19,000**	19,000
Liabilities for which security is provided		
Chattel mortgages	**0**	3,557
Total pledged assets	**0**	3,557

Åre April 14, 2022

Maisa Romanainen
Chairman

Joonas Mäkipeska

Pauli Puntala

Satu-Maarit Andersson
Managing Director

Our auditor's report has been submitted 2022
Öhrlings PricewaterhouseCoopers AB

Magnus Olsson
Authorized Public Accountant

AUDIT REPORT

To the Members of HOLIDAY CLUB RESORTS RUS, LLC

Opinions

We have audited the accompanying annual accounting (financial) statements of HOLIDAY CLUB RESORT RUS, LLC (Main State Registration Number (OGRN) 5067847052301; 196006 St. Petersburg, Ligovsky pr. 266, build. 1, office 2. 1-H.50, cubicle 19) consisting of the Balance Sheet as at December 31, 2021, the Income Statement, and appendices to the Balance Sheet and the Income Statement, including the Statement of Changes in Equity and the Cash Flow Statement for the year then ended, as well as explanatory information to the Balance Sheet and financial statements, and the key provisions of the accounting policies.

In our opinion, the accompanying annual accounting (financial) statements present fairly, in all material respects, the financial position of HOLIDAY CLUB RESORT RUS, LLC, as at December 31, 2021, and its financial performance and its cash flows for the year then ended in accordance with accounting (financial) reporting standards applicable in the Russian Federation.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA). In line with these Standards, our responsibility is delineated in the *Auditors' Responsibility for the Audit of Annual Accounting (Financial) Statements* paragraph of the present report. We are independent of the entity subject to the audit as required by rules on auditors' independence and the Auditors' Professional Code of Conduct, as well as the International Code of Ethics for Professional Accountants (including International Independence Standards) and performed our other professional duties in compliance with the above mentioned professional standards. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Substantial Doubt About the Entity's Ability to Continue as a Going Concern

We draw attention to Article 16 of the Explanatory Note to the 2021 Financial Statements, where the management's doubts are expressed as to the Entity's ability to continue as a going concern. This raises substantial doubts about the ability of HOLIDAY CLUB RESORT RUS to continue as a going concern. Our Opinion has not been modified due to this circumstance.

Management's Responsibility for the Annual Accounting (Financial) Statements

The management of the audited entity is responsible for the preparation and fair presentation of the annual accounting (financial) statements in accordance with accounting (financial) standards established in the Russian Federation and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounting (financial) statements, management bears responsibility for the assessment of the entity's ability to continue as a going concern, for the disclosure of information in connection with going concern, and for the preparation of the financial statements on a going concern basis, unless management intends to liquidate the audited entity or to cease trading, or has no realistic alternative but to do so. The management is responsible for the control over the preparation of the annual accounting statements of the audited entity.

Auditors' Responsibility for the Audit of the Annual Accounting (Financial) Statements

Our goal is to obtain reasonable assurance about whether the annual accounting (financial) statements are free from material misstatement, whether due to fraud or error, and to issue an auditor's report stating our opinion. Reasonable assurance is a high level of assurance, but it is not a guarantee that an audit, carried out in compliance with ISA, always detects material misstatements when there is any. Misstatements may arise from fraudulent activities or error and are considered to be material when there is reasonable assurance that, taken individually or collectively, they could reasonably be expected to influence the economic decisions of users taken on the basis of the annual accounting (financial) statements.

In performing an audit in accordance with ISA, we exercise professional judgment and maintain professional skepticism throughout the planning and performance of the audit and, among other things:

a) Identify and assess risks of material misstatements in the accounting (financial) statements, whether due to fraud or error; design and perform audit procedures in response to such risks; obtain sufficient and appropriate audit evidence to provide a reasonable basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting one resulting from error, as fraudulent activities may involve collusion, forgery, deliberate failure to record transactions, intentional misrepresentations or circumvention of internal control;

b) Obtain an understanding of the internal control system sufficient to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the audited entity's system of internal controls;

c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the auditee's management, as well as evaluating the overall financial statement presentation and disclosures;

d) Evaluate the appropriateness of management's use of the going concern assumption and conclude, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we determine that such estimation uncertainty exists, we must draw attention in our audit report to an adequate disclosure of such problem in the annual accounting (financial) statements or modify our opinion if such disclosure is inappropriate.

   Our conclusions are based on the audit evidence gathered prior to the date of our audit report. Future events or conditions, however may affect the entity's ability to continue as a going concern;

e) Evaluate the overall presentation, structure and content of the accounting (financial) statements, and whether the accounting (financial) statements represent the underlying transactions and events in a manner that achieves a fair presentation.

We have communicated to the management of the audited entity, among other matters, the scope and timing of the audit and material observations arising from the audit, including observations on the deficiencies of the system of internal controls identified during the audit.

Responsible for the audit assignment that formed the basis for the Audit Report,
Director General
I. Y. Kochinskaya

Audit Company:
Audit Company SPS, Limited Liability Company (AF SPS, LLC)
Main State Registration Number (OGRN) 1147847428684
Ushakovskaya nab., 3 build. 4, apt. 12, St. Petersburg 197342
Member of SODRUZHESTVO Self-Regulatory Organization of Auditors
Main Registration Number in the Register of Auditors and Audit Organizations (ORNZ) 12006132884

March 3, 2022

BALANCE SHEET AS OF DECEMBER 31, 2021

Company	**Holiday Club Resorts Rus LLC**
Taxpayer's ID number	**7801409574**
Line of business	**Rendering of intermediary services in purchasing, selling and renting of residential real estates**
Form of incorporation/Form of ownership **Limited liability company/ ownership of a foreign entity**	
Unit of measurement: **thousand RUR**	
Location (address) **196006, Saint-Petersburg. Ligovskiy pr., 266. str.1, pom.2.1-N.50 working place 19**	

Item	Code	As of December 31, 2021	As of December 31, 2020	As of December 31, 2019
ASSETS				
I. NON-CURRENT ASSETS				
Intangible assets	1110	**–**	–	–
Results of research and development	1120	**–**	–	–
Intangible development assets	1130	**–**	–	–
Tangible development assets	1140	**–**	–	–
Fixed assets	1150	**–**	–	–
Income-bearing investments in tangible assets	1160	**–**	–	–
Financial investments	1170	**–**	–	–
Deferred tax assets	1180	**–**	–	24,786
Other non-current assets	1190	**–**	–	–
Total section I	1100	**–**	–	24,786
II. CURRENT ASSETS				
Inventories	1210	**–**	–	–
Value-added tax on acquired assets	1220	**–**	–	–
Receivables	1230	**245**	337	513
Including:				
Suppliers and contractors	12301	**14**	8	439
Buyers and customers	12302	**–**	–	–
Tax and due payments	12303	**231**	329	–
Social ensurance payments	12304	**–**	–	17
Staff salary payments	12305	**–**	–	–
Settlements with accountable persons	12306	**–**	–	50
Settlements with various debtors and creditors	12307	**–**	–	7
Financial investments (except for monetary equivalents)	1240	**–**	–	–
Cash and cash equivalents	1250	**231**	774	14,548
Other current assets	1260	**–**	–	67
Total section II	1200	**476**	**1,111**	15,128
BALANCE	1600	**476**	**1,111**	39,913

Item	Code	As of December 31, 2021	As of December 31, 2020	As of December 31, 2019
LIABILITIES				
III. EQUITY AND RESERVES				
Authorized capital	1310	**300**	300	300
Treasury stock	1320	**–**	–	–
Non-current asset revaluation	1340	**–**	–	–
Capital surplus (without revaluation)	1350	**–**	–	–
Reserve capital	1360	**–**	–	–
Retained earnings	1370	**(45,490)**	(47,414)	(4,150)
Total section III	1300	**(45,190)**	(47,114)	(3,850)
IV. LONG-TERM LIABILITIES				
Loans	1410	**4,203**	3,627	–
Including:				–
Long-term loans (in currency)	14101	**4,203**	3,627	–
Deferred tax liabilities	1420	**–**	–	–
Estimated liabilities	1430	**–**	–	–
Other liabilities	1450	**–**	–	–
Total section IV	1400	**4,203**	3,627	–
V. SHORT-TERM LIABILITIES				
Loans	1510	**167**	60	–
Including:				
Interests on long-term loans (in currency)	15101	**167**	60	–
Payables	1520	**41,296**	44,538	42,752
Including:				
Suppliers and contractors	15201	**2**	19	13
Buyers and customers	15202	**21**	20	10,104
Tax and due payments	15203	**20**	–	132
Settlements with various debtors and creditors	15207	**41,253**	44,498	32,503
Prepaid income	1530	**–**	–	–
Estimated liabilities	1540	**–**	–	1,011
Other liabilities	1550	**–**	–	–
Total section V	1500	**41,463**	44,598	43,763
BALANCE	1700	**476**	1,111	39,913

Kovalev Dmitriy Vladimirovich
Director

February 07, 2022

FINANCIAL RESULTS STATEMENT FOR JANUARY - DECEMBER 2021

Company	**Holiday Club Resorts Rus LLC**
Taxpayer's ID number	**7801409574**
Line of business	**Rendering of intermediary services in purchasing, selling and renting of residential real estates**
Form of incorporation/Form of ownership **Limited liability company/ownership of a foreign entity**	
Unit of measurement: **Thousand RUR**	

Item	**Code**	**January - December 2021,**	January - December 2020
Revenue	2110	**–**	276
Cost of sales	2120	**–**	–
Gross profit (loss)	2100	**–**	276
Commercial expenses	2210	**–**	–
Administrative expenses	2220	**–**	(10,652)
Sales profit (loss)	2200	**–**	(7,894)
Income from participation in other organizations	2310	**–**	–
Interest receivable	2320	**–**	–
Interest payable	2330	**(116)**	–
Other income	2340	**10,765**	14,982
Other expenses	2350	**(8,494)**	(25,508)
Profit (loss) before taxation	2300	**(2,155)**	(18,478)
Profit tax	2410	**–**	–
Including :			–
Current profit tax	2411	**(231)**	–
Deferred profit tax	2412	**–**	–
Other	2460	**–**	(24,786)
Including :		**–**	–
Write–off deferred tax assets		**–**	(24,786)
Net profit (loss)	2400	**1,924**	(43,264)

FOR REFERENCE			
Revaluation of non-current assets not included in net profit (loss) for the period	2510		–
Result of other transactions not included in net profit/(loss) for the period	2520		–
Comprehensive financial result for the period	2500	**1,924**	(43,264)
Basic earnings (loss) per common share	2900		–
Diluted earnings (loss) per common share	2910		–

Kovalev Dmitriy Vladimirovich
Director

February 07, 2022

REPORT OF THE INDEPENDENT AUDITOR ON THE FINANCIAL STATEMENTS

To the Shareholders of HOLIDAY CLUB CANARIAS INVESTMENT, S.L.U.:

Report on the Financial Statements

We have audited the financial statements of HOLIDAY CLUB CANARIAS INVESTMENT, S.L.U., {the Company} which comprise the balance sheet as at March 31, 2022, the income statement and the related explanatory notes thereto for the year then ended.

In our opinion, the accompanying financial statements present, in all material aspects, a true and fair view of the net equity and financial situation of the Company as at March 31, 2022 and of it's results for the year then ended, in accordance with the regulatory financial reporting framework that is applicable (identified in note 2 to the financial statements) and, in particular, with the accounting principles and criteria contained therein.

Basis for the opinion

We have carried out our audit in accordance with the prevailing standards governing the activity of auditing accounts in Spain. Our responsibilities in accordance with these standards are described later in the section of our report on "*Responsibilities of the auditor in connection with the audit of the financial statements*".

We are independent from the Company in accordance with the requirements on ethics, including those of independence, which are applicable to our audit of financial statements in Spain, as required by the regulations governing the activity of auditing accounts. In this regard, we have not provided services other than the audit of the financial statements, nor have situations or circumstances arisen that, in accordance with the aforementioned regulations, may have compromised our necessary independence.

We believe that the audit evidence we have obtained provides a sufficient and adequate basis for our opinion.

Most relevant aspects of the audit

The most relevant aspects of the audit are those that, according to our professional judgment, have been considered to give rise to the most significant risks of material misstatement in our audit of the financial statements of the current period. These risks have been addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon we do not express a separate opinion on said risks.

Balances with related parties

As shown in the balance sheet, the items of assets and liabilities with the highest amount correspond to "Short-term investments in group, Multigroup and Associate companies", amounting to 2,345,642 euros, and "Short-term debts with Group and Associated Companies", amounting to 2,354,573 euros, respectively (see note 10 of the report). These items represent practically the total assets and liabilities of the balance sheet. Due to the monetary relevance of said Items and the balance connection, the valuation of said credits has been considered a relevant aspect, especially the collectability of the asset figure.

Our procedures included the analysis of the reconciliation of the balances with the group companies, as well as the collectability of the asset's item. To this end, the Annual Accounts of the group companies have been audited.

Directors' responsibilities

The Director is responsible for the preparation of the accompanying financial statements in order to present a true and fair view of the net equity, the financial position and the results of the Company in accordance with the Financial Reporting Standards applicable in Spain, and for such internal control as they consider necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In the preparation of the financial statements, the Director is responsible for assessing the Company's ability to continue as a going concern, disclosing, as appropriate, the issues related to going concern and using the accounting principle of going concern, except if the Director intends to liquidate the Company or cease operations, or if there is no other realistic alternative.

Responsibilities of the auditor in connection with the audit of the financial statements

Our objectives are to obtain reasonable assurance that the financial statements as a whole are free of material misstatement, due to fraud or error, and to issue an audit report that contains our opinion.

Reasonable assurance is a high degree of assurance but it does not guarantee that an audit conducted in accordance with the prevailing regulations governing the activity of auditing in Spain will always detect material misstatement when it exists. Misstatements may be due to fraud or error and are considered material if, individually or in aggregate, they can reasonably be expected to influence the economic decisions that users make based on the financial statements.

As part of an audit in accordance with the regulations governing the activity of auditing accounts in Spain, we apply our professional Judgment and maintain an attitude of professional skepticism throughout the audit. Furthermore:

- We identify and assess the risks of material misstatement in the financial statements, due to fraud or error, design and apply audit procedures to respond to such risks and obtain sufficient and adequate audit evidence to provide a basis for our opinion. The risk of not detecting a material misstatement due to fraud Is higher than in the case of a material misstatement due to error, since fraud may involve collusion, falsification, deliberate omissions, intentionally erroneous statements, or circumvention of internal control.

- We obtain knowledge of the internal control relevant to the audit in order to design audit procedures that are appropriate to the circumstances, and not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- We evaluate whether the accounting policies applied are adequate as well as the reasonableness of the accounting estimates and the corresponding information disclosed by the Director.
- We conclude on whether the use, by the Director, of the accounting principle of going concern is adequate and, based on the audit evidence obtained, we conclude on whether or not there is material uncertainty related to facts or conditions that could generate significant doubt as to the ability of the company to continue as a going concern. If we conclude that there Is material uncertainty, in our audit report we are required to draw attention to the corresponding information disclosed in the financial statements or, if such disclosures are not adequate, we are required to express an amended opinion. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause the Company to cease to be a going concern.
- We evaluate the overall presentation, the structure and content of the financial statements, including the disclosed information, and whether the financial statements represent the underlying transactions and events in a way that expresses a true and fair view.

We communicate with the entity's Director regarding, among other matters, the scope and timing of the planned audit and the significant findings of the audit, as well as any significant internal control deficiencies that we identified during the course of the audit.

Among the issues that have been communicated to the entity's Director, we determine those that have been most significant to the audit of the financial statements of the current period and that are, consequently, the risks considered most significant.

We describe those issues in our audit report unless legal or regulatory provisions prohibit public disclosure of the matter.

RSM SPAIN AUDITORES, SLP
(n° ROAC S2158)

JAVIER ALVAREZ CABRERA
(n° ROAC 16092)

Las Palmas de Gran Canaria,
on April 13, 2022

BALANCE AT MARCH 31, 2022

ASSET	Notes	(Euros) 2022	(Euros) 2021
NON CURRENT ASSET			
Long-Term investments in Group and Associated companies	5	**6,203**	6,203
TOTAL		**6,203**	6,203
CURRENT ASSETS			
Trade and other receivables	5	**781**	781
Other Debtors		**781**	781
Short-term investments in Group and Associated companies	5-10	**2,345,642**	1,871,689
Cash and equivalent liquid assets	5	**5,740**	1,067
TOTAL		**2,352,163**	1,873,538
TOTAL ASSET		**2,358,366**	1,879,741

TOTAL EQUITY AND LIABILITIES	Notes	(Euros) 2022	(Euros) 2021
TOTAL EQUITY			
EQUITY		**2,994**	896
Capital	7	**3,100**	3,100
Share Capital		**3,100**	3,100
Reserves		**1,901**	1,901
Profit/(Loss) from previous periods		**(14,137)**	(12,679)
Partner Contributions		**10,033**	10,033
Result for the period	3-8	**2,097**	(1,458)
TOTAL		**2,994**	896
CURRENT LIABILITIES			
Short-term debts with Group and Associated Companies	6-10	**2,354,573**	1,878,845
Trade Creditors and other Accounts payable	6	**800**	0
Other Creditors		**800**	0
TOTAL		**2,355,373**	1,878,845
TOTAL EQUITY AND LIABILITIES		**2,358,366**	1,879,741

PROFIT AND LOSS ACCOUNT AT MARCH 31, 2022

CONCEPTS	Notes	(Euros) 2022	(Euros) 2021
Revenue	10	5,800	0
Other operating expenses	9	(3,003)	(1,944)
Other results		(0)	0
OPERATING INCOME		2,796	(1,944)
PROFIT BEFORE TAXES		2,796	(1,944)
Corporate income Tax	8	(699)	486
PROFIT/(LOSS) IN THE PERIOD		2,097	(1,458)

ANNUAL REPORT CORRESPONDING TO THE FINANCIAL PERIOD ENDING ON MARCH 31, 2022

1. THE COMPANY'S BUSINESS

1.1. HOLIDAY CLUB CANARIAS INVESTMENT, S.L.U. was set up as a limited corporation on December 9, 2010, before the Notary Public Valentín Concejo Arranz, Member of the Guild of Notaries of the Canary Islands, whose offices are located in Maspalomas, under his Protocol Number 1525.

On March 3, 2011, it acquired its current status as a Sole Proprietor Limited Liability Company and on July 22, 2011, a corporate decision was notarised in which the accounting year initially established in the Corporate By-Laws from October 1, to September 30, was changed. However, in February 1, 2016 the General Meeting of the company decided to modify the beginning and the end of the financial period in the Company Bylaws and now is from April 1 till March 31, every year.

1.2. The main corporate mission comprises the acquisition, promotion, construction, urbanisation, management, operation, holding, use, enjoyment of, yielding of, business management of any type, or property, buildings, tourist complexes, hotels, and /or agricultural land in the country or urban areas and personal rights or rights in rem of real-estate property including its conveyance, whether in its entirety or partially, per apartment or by means of the sale of or assignment of rotational enjoyment rights, timeshare or any other kind of rights to use.

1.3. The Corporate offices are located at Avenida Ministra Anna Lindh 1, Urb. Amadores, in the municipality of Mogán (Gran Canaria).

1.4. The Company is dominant in the Holiday Club Canarias group under the terms of the article 42 of the Commercial Code. However, it does not prepare consolidated annual accounts because it does not exceed the limits set forth in the Capital Companies Law, so the following annual accounts refer exclusively to Holiday Club Canarias Investment, S.L.U. Furthermore, the company is a member of a group whose parent company is Holiday Club Resort OY, located in an EU Member State, Finland, that presents Consolidated Financial Statements in that country. In addition, Holiday Club Resort OY is a member of a group whose holding company is Mahindra & Mahindra limited, located in India.

The Spanish group is composed of the next companies:

- HOLIDAY CLUB CANARIAS INVESTMENT, S.L.U.
- HOLIDAY CLUB CANARIAS SALES & MARKETING, S.L.U.
- HOLIDAY CLUB CANARIAS RESORT MANAGEMENT, S.L.U.
- HOLIDAY CLUB CANARIAS VACATION CLUB, S.L.U.

1.5. Regarding the health situation due to COVID-19, during the financial period the group has been opening gradually all the resorts according to the demand and the health situation at any time, having the 5 resorts working at the date of formulation of these annual accounts. This situation has affected the Group's three companies in the Canary Islands equally: HOLIDAY CLUB CANARIAS SALES & MARKETING, S.L.U. (company that originally owns the weeks it sells under Time Sharing scheme) and the one that manages the Angry Birds activity park, HOLIDAY CLUB CANARIAS RESORT MANAGEMENT, S.L.U. (company that manages the maintenance of the hotels) and HOLIDAY CLUB CANARIAS VACATION CLUB, S.L.U. (company that buys weeks of accommodation and manage for renting the Group's available weeks in the Canary Islands).

The main consequences of the closure have been the following:

- Personnel: Due to the closure of the hotels, the Group companies in the Canary Islands have carried out a temporary employment regulation file (ERTE) that has affected 116 people out of the total of 128 people who work in the Group. These employees have been affected and disaffected by the ERTE during different periods along the financial year. At the date of formulation of these annual accounts there are not employees affected by ERTE.
- Owners: The Group in the Canary Islands invoices week's owners at the beginning of the calendar year for maintenance fees through the entity RESORT MANAGEMENT. Given that the activity has been abruptly interrupted before the end of the year, the company in the Canary Islands offered the owners the possibility of compensating the effect of not enjoying their week in exchange for being able to enjoy two weeks in the period 2021-2022. The majority of the owners welcomed this measure. In December 2021 the owners were offered a maintenance fee discount if they finally can't enjoy their deposited weeks during the period 2021-2022.
- Financial and non-financial assets: No possible deterioration has been identified at the date of formulation of these annual accounts.

1.6 Administrator has analyzed the consequences that the war in Ukraine could have on the Group, at the date of preparation of these abridged annual accounts it is considered that there are no significant repercussions for the Group's activity.

2. BASIS USED FOR THE PRESENTATION OF THE ANNUAL ACCOUNTS

The figures contained in the abridged annual accounts are expressed in Euros, which, upon being rounded out, cause small differences in their presentation.

In the presentation of the accompanying abridged annual accounts, expressed in euros, the current commercial guidelines have been followed, which are:

2.1. True and Fair View

The annual accounts are obtained from the Company's accounting records and have been presented according to the regulations set out in Law 16/2007 of July 4, on the revised and adapted mercantile accounting legislation to harmonise it internationally on the basis of the European Union and by Royal Decree 1515/2007 of November 16, in which the General Accounting Plan was approved and the added modifications by Royal Decree 1159/2010 of September 17 and Royal Decree 602/2016 of September 2, in order to reflect a true and fair view of the Equity, the financial situation and the Company's Profit & Loss as well as the veracity of the streams incorporated into the Cash-flow, according to generally accepted accounting practices and regulations.

During the period 2021/22 new accounting rules have been set and all of them have been taken into account to elaborate the current annual accounts. The new rules haven't changed the accounting policies for the company.

2.2. Non-Mandatory Accounting Principles Applied

During this Financial Year, only those Accounting Principles mandatory according to the Spanish Business Code and the Small & Medium Companies General Accounting Plan have been applied.

The Administrative Body has formulated these Annual Accounts, taking into account all mandatory accounting regulations and principles which carry a significant effect.

There is no principle which, if mandatory, has not been applied.

2.3. Critical Aspects in the Valuation and Judgement of Uncertainty

Due to future development, it is possible that additional information to the existing at the date of formulation of these annual accounts make that some estimates have to be changed in future periods.

2.4. Comparison of the Information

The figures corresponding to the Financial Year ending on March 31, 2022 according to the current law, show comparatively the balances of the previous financial period, which match with the information of the annual account for the financial period ending on March 31, 2021.

3. APPLICATION OF RESULTS

The proposal for the application of the results of the financial period ending March 31, 2022 which the Administrators shall draw up for approval by the Members, together with the distribution approved for the period ending on March 31, 2021, is as follows:

Euros		
Distribution Balance	**2022**	2021
Financial period Profit/Losses	**2,097**	(1,458)
Total	**2,097**	(1,458)
Distribution		
Losses accumulated from previous Financial Periods	**2,097**	(1,458)
Total	**2,097**	(1,458)

4. RECOGNITION AND MEASUREMENT

The main accounting principles and practices applied in the preparation of the annual accounts are adapted to the current legal requirements, highlighting as most important the principles of going concern, accrual, uniformity, prudence, not compensation and relative importance.

The main rules used by the company for the drafting of their financial period Annual Accounts, according to those established in the Spanish General Accounting Plan were the following:

4.1. Financial Instruments

The Company has registered in the chapter of financial instruments, those contracts that give rise to an asset in one company and, simultaneously, a financial liability or an equity instrument in another company. Therefore, this standard results from the application of the following financial instruments:

a) Financial assets:

- Cash and other equivalent liquid assets.
- Loans to third parties: such as loans and financial credits granted, including those arising from the sale of non-current assets
- Equity instruments acquired from other companies: shares, participations in institutions of collective investment and other equity instruments

Long and short-term financial investments

Financial Assets at Amortized cost: A financial asset is included in this category, even when is admitted to trading on an organized market, if the company maintains the investment with the aim of receiving the cash flows derived from the execution of the contract, and the contractual conditions of the financial asset give place, on specified dates, to cash flows that are solely collections of principal and interest on the outstanding principal amount.Contractual cash flows that are solely collections of principal and interest on the amount of the outstanding principal are inherent to an agreement that has the nature of an ordinary loan or common, without prejudice to the fact that the operation is agreed at a zero interest rate or below the market rate. In general, credits for commercial operations are included in this category (those financial assets that originate in the sale of goods and the provision of services for traffic operations of the company with collection deferred), and credits for non-commercial operations (those financial assets that, not being instruments of equity or derivatives, do not have commercial origin and whose collections are of a determined or determinable amount, which come from loan or credit operations granted by the company). That means, within this category there would be the loans and accounts receivable, as well as those securities representing debt, with a date of fixed maturity, collections of a determined or determinable amount, that are negotiated in an active market and that the Company intends and has the capacity to keep until maturity.

- Initial valuation: Initially they are valued at their fair value, plus the transaction costs that are directly attributable to them. However, credits for commercial operations with a maturity of no more than one year and that do not have an explicit contractual interest rate, as well as credits to personnel, dividends receivable and disbursements required on equity instruments, the amount of which is expected to receive in the short term, may be valued at their nominal value when the effect of not updating the cash flows is not significant.
- Subsequent valuation: It is done at amortized cost and accrued interest is recorded in the profit and loss account, applying the effective interest rate method.

  However, credits maturing in no more than one year which, in accordance with the provisions of the preceding section, are initially valued at their nominal value, will continue to be valued at that amount, unless they have been impaired.

  When the contractual cash flows of a financial asset are modified due to the financial difficulties of the issuer, the company will analyze whether it is appropriate to record a loss due to impairment of value.
- Impairment: The Company records the corresponding impairments for the difference between the amount to be recovered from accounts receivable and the book value for which they are recorded.

  At least at year-end, the necessary valuation adjustments are made whenever there is objective evidence that the value of a financial asset included in this category, or of a group of financial assets with similar risk characteristics valued collectively, has been impaired as result of one or more events that have occurred after its initial recognition and that cause a reduction or delay in future estimated cash flows, which may be motivated by the insolvency of the debtor.

The loss due to impairment of the value of these financial assets is the difference between their book value and the current value of future cash flows, including, where appropriate, those from the execution of real and personal guarantees, which is estimated will generate, discounted at the effective interest rate calculated at the time of initial recognition.

Value adjustments for impairment, as well as their reversal when the amount of said loss decreases for reasons related to a subsequent event, are recognized as an expense or income, respectively, in the profit and loss account. The reversal of impairment is limited to the book value of the asset that would be recognized on the reversal date if the impairment had not been recorded.

Financial assets at cost: This category includes, among others, investments in the equity of group companies, jointly controlled entities and associates, as well as other investments in equity instruments whose fair value cannot be determined by reference to a quoted price in an active market for an identical instrument, or a reliable estimate cannot be obtained.

Participating loans whose interests are contingent and any other financial asset that should initially be classified in the fair value portfolio with changes in the profit and loss account when it is not possible to obtain a reliable estimate of its fair value will also be included in this category.

- Initial valuation: They are valued at cost, which is equal to the fair value of the consideration given plus the transaction costs that are directly attributable to them.
- Subsequent valuation: The equity instruments included in this category are valued at their cost, less, where appropriate, the accumulated amount of the valuation corrections for impairment.
- Impairment: At least at year-end, the necessary valuation adjustments are made whenever there is objective evidence that the book value of an investment is not recoverable.

The Company records the corresponding impairments for the difference between the book value and the recoverable amount, understood as the higher amount between its fair value less cost of sale and the present value of the future cash flows derived from the investment, which, in the case of equity instruments, are calculated either by estimating what is expected to be received as a result of the distribution of dividends made by the investee company and the disposal or derecognition of the investment in the same, or by estimate of its participation in the cash flows that are expected to be generated by the investee company, both from its ordinary activities and from its disposal or derecognition.

Unless there is better evidence of the recoverable amount of investments in equity instruments, the estimate of the loss due to impairment of this class of assets is calculated based on the equity of the investee and the tacit capital gains existing at the valuation date, net of the tax effect.

Determining this value, and provided that the investee company has in turn invested in another, the equity included in the consolidated annual accounts prepared by applying the criteria of the Code of Commerce and its implementing regulations is taken into account.

The recognition of valuation corrections for value impairment and, where appropriate, their reversal, are recorded as an expense or income, respectively, in the profit and loss account. The reversal of impairment will be limited to the book value of the investment that would be recognized on the reversal date if the impairment had not been recorded.

b) Financial liabilities:

- Debts for commercial operations: suppliers and other creditors
- Other financial liabilities: debts with third parties, such as financial loans and credits received from persons or companies that are not credit institutions, including those arising from the purchase of non-current assets, guarantees and deposits received and disbursements required by third parties on shares.

  Financial liabilities, for measurement purposes, are included in one of the following categories:

Financial Liabilities at Amortized cost: All financial liabilities are classified in this category except when they must be valued at fair value with changes in the profit and loss account. In general, debits for commercial operations and debits for non-commercial operations are included in this category.

Participating loans that have the characteristics of an ordinary or common loan will also be included in this category without prejudice to the fact that the operation is agreed at a zero interest rate or below the market rate.

- Initial valuation: Initially they are valued at their fair value, which, unless there is evidence to the contrary, is the transaction price, which is equivalent to the fair value of the consideration received adjusted by the transaction costs that are directly attributable to it.

  However, debits for commercial transactions maturing in no more than one year and that do not have a contractual interest rate, as well as disbursements required by third parties on participations, the amount of which is expected to be paid in the short term, can be valued at their nominal value, when the effect of not updating the cash flows is not significant.

- Subsequent valuation: It is done at amortized cost. Accrued interest is recorded in the profit and loss account, applying the effective interest rate method. However, debits maturing in no more than one year which, in accordance with the provisions of the preceding section, are initially valued at their nominal value, will continue to be valued at that amount.

4.2. Tax on Profits

The Company pays tax under the Tax Consolidation System, according to what is set out in Chapter 7 of title 7 of the Law 274/2014 of November 27th of Corporate Tax. Holiday Club Canarias Investment is the parent Company, which presents the correspondent settlement.

A deferred tax asset has been recognized on negative tax bases.

4.3. Income and Expenses

The company recognizes the income derived from a contract when (or as) the transfer to the client of the control over the promised goods or services (that is, the obligation or obligations to be fulfilled) takes place.

The control of a good or service (an asset) refers to the ability to fully decide on the use of that asset and obtain substantially all of its remaining benefits. The control includes the ability to prevent other entities from deciding on the use of the asset and obtaining its benefits.

For each obligation to be fulfilled (delivery of goods or provision of services) that is identified, the company determines at the beginning of the contract whether the commitment assumed will be fulfilled over time or at a certain moment.

The income derived from the commitments (in general, the provision of services or the sale of goods) that are fulfilled over time are recognized based on the degree of progress or progress towards the complete fulfillment of the contractual obligations, provided that the company has reliable information to measure the degree of progress.

The company reviews and, if necessary, modifies the estimates of income to be recognized, as it complies with the commitment assumed. The need for such reviews does not necessarily indicate that the outcome or result of the operation cannot be reliably estimated.

When, at a certain date, the company is not able to reasonably measure the degree of compliance with the obligation (for example, in the early stages of a contract), although it expects to recover the costs incurred to satisfy said commitment, only revenue is recognized and the corresponding consideration in an amount equivalent to the costs incurred up to that date.

In case of contractual obligations that are fulfilled at a certain time, the income derived from their execution is recognized on that date. Until this circumstance occurs, the costs incurred in the production or manufacturing of the product (goods or services) are recorded as inventories.

When there are doubts regarding the collection of the credit right previously recognized as income from sales or provision of services, the impairment loss will be recorded as an expense for the correction of the value due to impairment and not as less income.

- Assessment.

Ordinary incomes from the sale of goods and the provision of services is valued at the monetary amount or, as the case may be, at the fair value of the consideration, received or expected to be received, derived from it, which, except evidence to the contrary, it is the agreed price for the assets to be transferred to the client, deducting: the amount of any discount, reduction in price or other similar items that the company may grant, as well as the interest included in the nominal value of the loans. However, interests included in commercial credits with a maturity of no more than one year that do not have a contractual interest rate may be included, when the effect of not updating the cash flows is not significant.

The taxes levied on the operations of delivery of goods and provision of services that the company must pass on to third parties, such as value added tax and special taxes, as well as the amounts received on behalf of third parties, are not part of the income.

In the income from medical-surgical assistance services, the General Indirect Canary Tax is not passed on as it is an activity exempt from this tax.

In purchases and services, the taxes levied on the operation are included, including the General Indirect Canary Tax, as it does not have the deductible condition.

The company takes into account in the valuation of income the best estimate of the variable consideration if it is highly probable that there will not be a significant reversal of the amount of recognized income when the uncertainty associated with said consideration is subsequently resolved.

4.4. Transactions between related parties

Transactions between related parties are accounted by their reasonable value which is the same value for transactions with not related third parties.

5. FINANCIAL ASSETS

5.1. Categories of financial assets (except investments in equity of group companies, multigroup and associates)

The breakdown of financial assets (excluding investments in group, multi-group and associated companies) by categories and classes is as follows:

Euros	**Equity Instruments**		**Debt Securities**		**Credits/Derivatives/ Others**	
	2022	2021	**2022**	2021	**2022**	2021
Short- term Financial Assets						
Financial assets at amortized cost	**–**	–	**–**	–	**2,345,814**	1,871,862
Liquid Assets	**–**	–	**–**	–	**5,740**	1,067
Totals	**–**	–	**–**	–	**2,351,555**	1,872,929

5.2. Breakdown by maturity:

The classification by maturity of the different financial assets is all related to the short-term and all the loans and receivables with companies of the group and associated, for the amount of 2,345,642 Euros and debtors for the amount of 173 Euros.

5.3. Companies of the group, multigroup and associated:

a) The information of companies of the group and associated referred to 31/03/2022 is detailed below:

Euros	GROUP COMPANIES								
	Balance 2021/22							Participation value	
Sociedad	%	Share Capital	Reserves	Profit & (loss) from previous periods	Result for the period	Grants	Participatory loan	Theoretical	Accountant
HOLIDAY CLUB CANARIAS SALES & MARKETING, S.L.U. Address: Avda Ministra Anna Lindh, número 1, Urbanización Amadores, Mogán Activity: Its main activity is the sale of use rights per shift of properties of the complexes Playa Amadores, Sol Amadores, Vista Amadores, Jardín Amadores and Puerto Calma.	100	3,100	5,396,060	(5,977,633)	(900,434)	83,242	2,000,000	604,335	3,100
HOLIDAY CLUB CANARIAS RESORT & MANAGEMENT, S.L.U. Address: Avda Ministra Anna Lindh, número 1, Urbanización Amadores, Mogán Activity: Its main activity is the management of five hotel complexes (Playa Amadores, Sol Amadores, Vista Amadores, Jardín Amadores y Puerto Calma)	100	3,100	5,788,261	—	1,100,093	—	—	6,891,454	3,100
HOLIDAY CLUB CANARIAS VACATION CLUB, S.L.U. Address: Avda Ministra Anna Lindh, número 1, Urbanización Amadores, Mogán Activity: Its main activity is that of tourist accommodation and other short-stay accommodation	100	3,000	908,416	(0)	383,841	—	—	1,295,257	3
TOTAL GROUP COMPANIES									**6,203**

b) There are not movements during 2021/22 and 2020/21 in equity instruments in companies of the Group and associated.

6. FINANCIAL LIABILITIES

6.1. Types of liabilities

The breakdown of financial liabilities by category is as follows:

Euros	Debits with Credit Institutions		Bonds and Other Market Securities		Derivatives/Others	
	2022	2021	**2022**	2021	**2022**	2021
Short-term Financial Liabilities						
Financial liabilities at amortized cost	–	–	–	–	**2,354,573**	1,878,845
Totals	–	–	–	–	**2,354,573**	1,878,845

6.2. Classification by maturity

The short-term financial liabilities indicated in the previous section correspond to "Debts with companies of the Group and associates in the short-term for the amount of 2,354,573 Euros and creditors for the amount of 800 Euros.

7. EQUITY

7.1. The Share Capital comes to 3,100 Euros, divided into thirty-one shares at face value of 100 Euros each.

7.2. The Company has the sole proprietorship status, being its unique partner the entity Holiday Club Sweden AB.

8. FISCAL POSITION

8.1 Tax Consolidation Regime

The Company is taxed in the consolidated tax system in accordance with Chapter VI, title VII of the 27/2017 law, of November 27, of the profit tax, which approved the revised text from the Law of Corporate Tax.

The Tax Group comprises the following corporations:

Parent: Holiday Club Canarias Investment, S.L.U. Subsidiaries: Holiday Club Canarias Sales & Marketing, S.L.U., Holiday Club Canarias Resort Management, S.L.U.and Holiday Club Canarias Vacation Club S.L.U.

8.2. Individual tax base

The reconciliation of the net amount of incomes and expenses with the taxable base of the Corporate Tax is as follows:

Euros	**Profit and Loss account**	**Expenses and income directly attributed to equity**
Balance of income and expenses for the year	**2,097**	—
Tax revenue	**699**	—
Tax base (tax result)	**2,796**	—
Full fee (25% of tax result)	**699**	

Notwithstanding the aforesaid, the Company is taxed within a group in which it is the parent company, subject to the special tax system of consolidated taxation. The generated taxable income that would be offset in future periods is compensated with positive taxable bases generated in the Group.

The tax base of the group, before the compensation of the negative tax bases (BINs) amounts 159,021 Euros. This base is reduced by the application of the BINs for the amount of 159,021 Euros, therefore the final tax base of the group amounts 0 Euros.

The BINs pending to apply the next years amount 274,963 Euros.

As per current legislation, taxes cannot be considered to have been settled until the returns presented have been inspected by the Revenue Service or the four year statute of limitations has passed.

Therefore, at the date of closing, the Company has all taxes applicable corresponding to the last four years, including its Corporate Tax for the period 2021/2022 available for inspection.

The Administrative body of the Company considers that the above mentioned taxes have all been adequately settled, for which, even in the event of discrepancies in the interpretation of current regulations in the fiscal treatment practised on the operations, possible resulting liabilities, in the event they should materialise, would not significantly affect the attached abridged annual accounts.

8.3 Profits or Tax Incentives

In the settlement of Corporate Taxes corresponding to the period 2021/2022, the Company has not applied any tax incentives.

9. INCOME AND EXPENSES

The Company has carried out the following operations in this period, which are reflected in the corresponding heading in the Profit and Loss Account:

a) External services:

Euros	**2022**	2021
Professional services	**1,794**	865
Banking services	**136**	**5**
Local Tax	**1,074**	1,074
Totals	**3,003**	1,944

10. TRANSACTIONS WITH RELATED PARTIES

The balances at March 31, 2022 and 2021 with related companies are as follows:

Euros	2022		2021	
	Debit Balances	**Credit Balances**	Debit Balances	Credit Balances
Company				
Holiday Club Canarias Sales & Marketing, S.L.U.	—	**2,354,573**	—	1,878,845
Holiday Club Canarias Resort Managemet, S.L.U.	**1,915,057**	—	1,551,580	—
Holiday Club Canarias Vacation Club, S.L.U.	**430,585**	—	320,109	—
Totals	**2,345,642**	**2,354,573**	1,871,689	1,878,845

During the financial year, services have been provided to the companies of the group Holiday Club Canarias Sales & Marketing, S.L.U. and Holiday Club Canarias Resort Management, S.L.U. for the amount of 2,900 euros respectively.

11. OTHER INFORMATION

11.1. Average number of Employees

The Company has not had employees during this period or the period before.

11.2. Information about the Environment and Greenhouse Gas Emission Rights.

Given the activity that the Company carries out, there are no responsibilities, expenses, assets or contingencies of any environmental nature that could be of any significance with regard to equity, the financial position and its results.Therefore, no specific breakdowns are included in this report.

Mogán
April 12, 2022

REPORT OF THE INDEPENDENT AUDITOR ON THE FINANCIAL STATEMENTS

To the Sole Shareholder of HOLIDAY CLUB CANARIAS SALES & MARKETING, SLU:

Report on the Financial Statements

We have audited the financial statements of HOLIDAY CLUB CANARIAS SALES & MARKETING, SLU, (the Company) which comprise the balance sheet as at March 31, 2022, the Income statement, and the related explanatory notes thereto for the year then ended.

In our opinion, the accompanying financial statements present, in all material aspects, a true and fair view of the net equity and financial situation of the Company as at March 31, 2022 and of its results and cash flows for the year then ended, in accordance with the regulatory financial reporting framework that is applicable (identified in note 2 to the financial statements) and, in particular, with the accounting principles and criteria contained therein.

Basis for the opinion

We have carried out our audit in accordance with the prevailing standards governing the activity of auditing accounts in Spain. Our responsibilities in accordance with these standards are described later in the section of our report on "*Responsibilities of the auditor in connection with the audit of the financial statements*".

We are independent from the Company in accordance with the requirements on ethics, including those of Independence, which are applicable to our audit of financial statements in Spain, as required by the regulations governing the activity of auditing accounts. In this regard, we have not provided services other than the audit of the financial statements, nor have situations or circumstances arisen that, in accordance with the aforementioned regulations, may have compromised our necessary Independence.

We believe that the audit evidence we have obtained provides a sufficient and adequate basis for our opinion.

Most relevant aspects of the audit

The most relevant aspects of the audit are those that, according to our professional judgment, have been considered to give rise to the most significant risks of material misstatement in our audit of the financial statements of the current period. These risks have been addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon we do not express a separate opinion on said risks.

Inventories

As shown in the liquid assets in the balance sheet, the Company has registered inventories for the net of 7.6 million euros. In note 10 is shown that 99% of the stocks are made up of the weeks not sold in timeshare regime for each of the complexes and type of room. The valuation of the unsold weeks can be of two types: The valuation of few weeks is the cost of the original acquisition that it had for the Company in April 2071 (see note 1.4). Other weeks, which were sold at the time and the Company had them back at rest due to contractual breach by customers, are valued at the cost of their repossession. The Entity maintains inventory control at the close of the fiscal year, both for the weeks acquired at the origin, as well as for the weeks repossessed. Due to the large number of none sold weeks, the diversity of room types by the complex and the results for which these weeks are activated in stock, the proof of the laborious work is correct and the units of the stocks, the integrity and the valuation of the inventories has been considered to be subject to significant risk.

Our procedures included, among others, the verification of the inventory of weeks not sold and the costs associated to each one of them, validating the possible types of valuation, based on the reason for registration in stock. In addition, it has carried out verifications in weeks sold in the year to verify that they have not been sold below cost and that they do not appear in the Company's stock at the end of the year.

Client claims

As explained by the Company in note 14.1, the Entity has received 98 customer claims, which request the nullity of the contract and an economic compensation. As of the date of issuance of this report 48 cases have been closed and there have been 85 Judgments at first instance decisions and 40 Judgments at second instance decisions. The Entity has estimated a risk amount of 736,127 euros at the year end. For the calculation of that risk, the Entity analyses, together with the legal advisor, case by case, since the Judgments do not all follow the same criteria. Due to the high volume of demands regarding the number and amounts, the diversity of judgments received since the conclusion on the estimation of risk is subject to significant judgments and estimates by the Company's Management, it has been considered a relevant aspect in our audit the correct accounting estimate of the existing risk and its correct explanation in the annual accounts.

Our audit procedures consisted, among others, in a meeting with the Company's legal counsel, analysing the type of Judgment on a case-by-case basis, verifying the cases in which there has been recourse by the Company and analysing the criteria followed by the company to determine the risk of each of them. Finally, it has been verified that notes 4.8 and 14.1 of the report include the information required by the applicable financial reporting framework.

Directors' responsibilities

The Director is responsible for the preparation of the accompanying financial statements in order to present a true and fair view of the net equity, the financial position and the results of the Company in accordance with the Financial Reporting Standards applicable in Spain, and for such internal control as they consider necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In the preparation of the financial statements, the Director is responsible for assessing the Company's ability to continue as a going concern, disclosing, as appropriate, the issues related to going concern and using the accounting principle of going concern, except if the Director intends to liquidate the Company or cease operations, or if there is no other realistic alternative.

Responsibilities of the auditor in connection with the audit of the financial statements

Our objectives are to obtain reasonable assurance that the financial statements as a whole are free of material misstatement, due to fraud or error, and to issue an audit report that contains our opinion.

Reasonable assurance is a high degree of assurance but it does not guarantee that an audit conducted in accordance with the prevailing regulations governing the activity of auditing in Spain will always detect material misstatement when it exists. Misstatements may be due to fraud or error and are considered material if, individually or in aggregate, they can reasonably be expected to influence the economic decisions that users make based on the financial statements.

As part of an audit in accordance with the regulations governing the activity of auditing accounts in Spain, we apply our professional judgment and maintain an attitude of professional scepticism throughout the audit. Furthermore:

- We identify and assess the risks of material misstatement in the financial statements, due to fraud or error, design and apply audit procedures to respond to such risks and obtain sufficient and adequate audit evidence to provide a basis for our opinion. The risk of not detecting a material misstatement due to fraud is higher than in the case of a material misstatement due to error, since fraud may involve collusion, falsification, deliberate omissions, intentionally erroneous statements, or circumvention of internal control.
- We obtain knowledge of the internal control relevant to the audit in order to design audit procedures that are appropriate to the circumstances, and not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- We evaluate whether the accounting policies applied are adequate as well as the reasonableness of the accounting estimates and the corresponding information disclosed by the Director.
- We conclude on whether the use, by the Director, of the accounting principle of going concern is adequate and, based on the audit evidence obtained, we conclude on whether or not there is material uncertainty related to facts or conditions that could generate significant doubt as to the ability of the company to continue as a going concern. If we conclude that there is material uncertainty, in our audit report we are required to draw attention to the corresponding information disclosed in the financial statements or, if such disclosures are not adequate, we are required to express an amended opinion. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause the Company to cease to be a going concern.
- We evaluate the overall presentation, the structure and content of the financial statements, including the disclosed information, and whether the financial statements represent the underlying transactions and events in a way that expresses a true and fair view.

We communicate with the entity's Director regarding, among other matters, the scope and timing of the planned audit and the significant findings of the audit, as well as any significant internal control deficiencies that we identified during the course of the audit.

Among the issues that have been communicated to the entity's Director, we determine those that have been most significant to the audit of the financial statements of the current period and that are, consequently, the risks considered most significant.

We describe those issues in our audit report unless legal or regulatory provisions prohibit public disclosure of the matter.

RSM SPAIN AUDITORES, SLP
(nº ROAC S2158)

Javier ALVAREZ CABRERA
(nº ROAC 16092)

Las Palmas de Gran Canaria,
on April 13, 2022

BALANCE SHEET AS AT MARCH 31, 2022

ASSETS	Notes	(Euros) 2022	(Euros) 2021
NON-CURRENT ASSETS			
Intangible Assets	**5**	**723,198**	906,175
Fixed Assets	**6**	**655,496**	978,494
Long-term financial investments	**7**	**572,814**	380,296
Deferred Tax Assets	**12**	**32,134**	41,258
TOTAL		**1,983,642**	2,306,222
LIQUID ASSETS			
Inventories	**10**	**7,624,620**	7,496,000
Commercial debtors and other accounts receivables		**401,201**	546,731
Trade receivables	**7**	**320,616**	492,792
Trade receivables/long term		**94,274**	268,214
Trade receivables/short term		**226,342**	224,578
Other debtors		**80,585**	53,939
Short-term Investments in affiliated group and associated companies	**7-18**	**5,563,312**	3,427,088
Short-term accruals	**7**	**1,372,633**	1,332,619
Cash and other equivalent liquid assets	**7**	**46,235**	150,059
TOTAL		**15,008,002**	12,952,497
TOTAL ASSETS		**16,991,644**	15,258,719

BALANCE SHEET AS AT MARCH 31, 2022

NET WORTH AND LIABILITIES	Notes	(Euros) 2022	(Euros) 2021
TOTAL EQUITY			
EQUITY		**(1,478,907)**	(578,473)
Capital	**9**	**3,100**	3,100
Shared Capital		**3,100**	3,100
Reserves	**9**	**5,396,060**	5,396,060
Profit/(Loss) from previous periods		**(5,977,633)**	(5,274,659)
Losses for the period	**3**	**(900,434)**	(702,974)
GRANTS, DONATIONS AND LEGACIES RECEIVED	**16**	**83,242**	121,573
TOTAL		**(1,395,665)**	(456,900)
NON-CURRENT LIABILITIES			
Long-term provisions	**14**	**736,127**	641,416
Long-term debts with Group and associated Companies	**8-18**	**6,834,764**	8,117,834
Deferred Tax liabilities	**12-16**	**340,144**	204,682
TOTAL		**7,911,035**	8,963,932
CURRENT LIABILITIES			
Short-term provisions	**14**	**34,937**	15,736
Short-term debts	**8**	**6,467**	679
Other financial liabilities		**6,467**	679
Short-term debts with Group and associated Companies	**8-18**	**10,301,178**	6,544,594
Trade Creditors and other Accounts payable		**133,692**	190,678
Suppliers	**8-18**	**0**	97,286
Other Payables		**133,692**	93,392
TOTAL		**10,476,274**	6,751,687
TOTAL NET WORTH AND LIABILITIES		**16,991,644**	15,258,719

PROFIT & LOSS STATEMENT FOR THE YEAR ENDED MARCH 31, 2022

ITEMS	Notes	(Euros) 2022	(Euros) 2021
CONTINUING OPERATIONS			
Turnover		**2,882,217**	2,827,997
Variation in inventories of products finished and being manufactured	**10**	**131,024**	137,666
Supplies	**13**	**(178,776)**	(34,402)
Other operations income	**13**	**112,850**	155,639
Personnel expenses	**13**	**(760,385)**	(626,164)
Other operating expenses	**13**	**(2,575,806)**	(2,709,798)
Depreciation of fixed assets	**5-6**	**(527,670)**	(698,152)
Allocation of subsidies for non-financial fixed assets and others	**16**	**51,108**	77,807
Other incomes and expenses	**13**	**(180,308)**	(195,992)
Operating Income (LOSS)		**(1,045,745)**	(1,065,400)
Financial Incomes	**7**	**32,990**	58,394
Financial expenses	**8-18**	**(197,980)**	(255,597)
Exchange differences	**11**	**(7,993)**	(6,662)
FINANCIAL PROFIT/(LOSS)		**(172,983)**	(203,865)
PROFIT/(LOSS) BEFORE TAXES		**(1,218,727)**	(1,269,266)
Corporate Income Tax	**12**	**318,293**	566,291
PROFIT/(LOSS) IN THE PERIOD		**(900,434)**	(702,974)

NOTES TO THE FINANCIAL STATEMENTS PERIOD ENDING ON MARCH 31, 2022

1. THE COMPANY'S BUSINESS ACTIVITY.

1.1. HOLIDAY CLUB CANARIAS SALES & MARKETING, S.L.U. was founded as a limited corporation on December 9, 2010, before the Notary Public of the Guild of the Canary Islands, whose office is located in Maspalomas, Mr. Valentín Concejo Arranz, under his Protocol number 1524.

On March 3, 2011, the Company acquired its current condition as a Sole Proprietor Limited Liability Company. On July 22, 2011 a social agreement changes the financial year that in the corporate statutes was from October 1 till September 30. However, on February 1, 2016 in the annual general meeting was agreed to modify the dates of starting and ending of the financial year to April 1 till March 31.

1.2. Its main corporate mission comprises the acquisition, promotion, construction, urbanisation, management, operation, holding, use, enjoyment of, yielding of, business management of any type, or property, buildings, tourist complexes, hotels, and /or agricultural land in the country or urban areas and personal rights or rights in rem of real-estate property including its conveyance, whether in its entirety or partially, per apartment or by means of the sale of or assignment of rotational enjoyment rights, timeshare or any other kind of rights to use. The main activity is the sale of rotational enjoyment rights of holiday units in the five resorts called Playa Amadores, Sol Amadores, Vista Amadores, Jardín Amadores and Puerto Calma, as well as the management of a theme park in the municipality of Mogán, in Gran Canaria.

1.3. The Corporate offices are located at Avenida Anna Lindh 1, Urbanización Amadores, in the municipality of Mogán (Gran Canaria).

1.4. On April 6, 2011 the Public Deed was signed, by means of which the Company, together with its related company HOLIDAY CLUB CANARIAS RESORT MANAGEMENT, S.L.U., acquired the business of the five tourist complexes which they are currently operating. In said acquisition, the Company was assigned the unsold weeks, which were recorded in the inventory for the amount of 3,730,000 Euros; the rights to client loans recorded as financial assets for the amount of 2,251,656 Euros, and the Goodwill corresponding to the main business of "Timeshare" for the amount of 1,967,742 Euros. The remaining assets (real-estate property and goodwill from the administration and maintenance business) was assigned to the abovementioned related Company. On June 1, 2012 a public Deed was also signed comprising a series of agreements related to the purchase of the business described above, which caused amongst other things, goodwill to be adjusted to 1,807,995 Euros.

1.5. The Company is a part of a Group whose parent Company is HOLIDAY CLUB CANARIAS INVESTMENT, S.L.U., headquartered in the same address. Said company does not present yearly consolidated accounts, because it is not mandatory due to its size. This Spanish Group is integrated in a higher one, which the parent company is Holiday Club Resorts Oy, located in a EU country, Finland, which presents yearly consolidated accounts. Furthermore, the mentioned company belongs to a group which parent company is Mahindra & Mahindra limited, located in India.

The Spanish group is composed of the next companies:

- HOLIDAY CLUB CANARIAS INVESTMENT, SLU
- HOLIDAY CLUB CANARIAS SALES & MARKETING, SLU
- HOLIDAY CLUB CANARIAS RESORT MANAGEMENT, SLU
- HOLIDAY CLUB CANARIAS VACATION CLUB, SLU

1.6. Regarding the health situation due to COVID-19, during the financial period the group has been opening gradually all the resorts according to the demand and the health situation at any time, having the 5 resorts working at the date of formulation of these annual accounts. This situation has affected the Group's three companies in the Canary Islands equally: HOLIDAY CLUB CANARIAS SALES & MARKETING, SLU (company that originally owns the weeks it sells under Time Sharing scheme) and the one that manages the Angry Birds activity park, HOLIDAY CLUB CANARIAS RESORT MANAGEMENT, SLU (company that manages the maintenance of the hotels) and HOLIDAY CLUB CANARIAS VACATION CLUB, SLU (company that buys weeks of accommodation and manage for renting the Group's available weeks in the Canary Islands).

The main consequences of the closure have been the following:

- Personnel: due to the closure of the hotels, the Group companies in the Canary Islands have carried out a temporary employment regulation file (ERTE) that has affected 116 people out of the total of 128 people who work in the Group. These employees have been affected and disaffected by the ERTE during different periods along the financial year. At the date of formulation of these annual accounts there are not employees affected by ERTE.
- Owners: The Group in the Canary Islands invoices week's owners at the beginning of the calendar year for maintenance fees through the entity RESORT MANAGEMENT. Given that the activity has been abruptly interrupted before the end of the year, the company in the Canary Islands offered the owners the possibility of compensating the effect of not enjoying their week in exchange for being able to enjoy two weeks in the period 2021-2022. The majority of the owners welcomed this measure. In December 2021 the owners were offered a maintenance fee discount if they finally can't enjoy their deposited weeks during the period 2021-2022.
- Financial and non-financial assets: No possible deterioration has been identified at the date of formulation of these annual accounts.

1.7. Administrator has analyzed the consequences that the war in Ukraine could have on the Group, at the date of preparation of these abridged annual accounts it is considered that there are no significant repercussions for the Group's activity.

2. BASIS USED FOR THE PRESENTATION OF THE ANNUAL ACCOUNTS

The figures contained in the abridged annual accounts are expressed in Euros, which, upon being rounded out, cause small differences in their presentation.

These annual accounts are presented for approval to the Ordinary General Meeting of Members.

2.1. **True and Fair View.**

The annual accounts are obtained from the Company's accounting records and have been presented according to the regulations set out in Law 16/2007 of July 4, on the revised and adapted mercantile accounting legislation to harmonise it internationally on the basis of the European Union and by Royal Decree 1515/2007 of November 16, in which the General Accounting Plan was approved and the added modifications by Royal Decree 1159/2010 of September 17 and Royal Decree 602/2016 of September 2, in order to reflect a true and fair view of the Equity, the financial situation and the Company's Profit & Loss as well as the veracity of the streams incorporated into the Cash-flow, according to generally accepted accounting practices and regulations.

During the period 2022 new accounting rules have been set and all of them have been taken into account to elaborate the current annual accounts. The new rules haven't changed the accounting policies for the company.

2.2. **Non-Mandatory Accounting Principles Applied.**

During this Financial Year, only those Accounting Principles mandatory according to the Spanish Business Code and the Small & Medium Companies General Accounting Plan have been applied.

The Administrative Body has formulated these Annual Accounts, taking into account all mandatory accounting regulations and principals which carry a significant effect. There is no principle which, if mandatory, has not been applied.

2.3. **Critical Aspects in the Valuation and Judgement of Uncertainty.**

At the end of the financial year some estimations are used to formulate these annual accounts: calculation of the asset's impairment, estimation of the assets useful life, and more. Due to future development, it is possible that additional information to the existing at the date of formulation of these annual accounts make that some estimates have to be changed in future periods.

At the end of the financial year the company has a negative net equity for an amount of 1,395,665 Euros. It means that, according to the article 363 of the Law on corporations, the company is in cause of dissolution. However, on January 31, 2022 a participating loan was signed with the company of the group Holiday Club Sweden AB for the amount of 2,000,000 euros (see notes 8.3 and 9.5)

However, shareholders consider that there are some mitigating factors, based on the fact that the reasonable value of the week's inventory owned by the company Is much bigger than the accounted value. It means that the real net equity is very positive (See Notes 10.1 and 10.2)

2.4. **Comparing Information.**

The figures corresponding to the Financial Year ending on March 31, 2022 according to the current law, show comparatively the balances of the previous financial period, which match with the information of the annual account for the financial period 2021. The difference the format used last period for the annual account was the regular one and this year was the abridged one, according to the current law.

3. APPLICATION OF RESULTS.

The proposal for the application of the results of the financial period ending March 31, 2022 which the Administrators shall draw up for approval by the Members, together with the distribution approved for the period ending on March 31, 2021, is as follows:

Euros	**2022**	2021
Distribution Balance		
Financial Period Losses	**(900,434)**	(702,974)
Distribution		
Losses accumulated from previous Financial Periods	**(900,434)**	(702,974)
Total	**(900,434)**	(702,974)

4. RECOGNITION AND MEASUREMENT REGULATIONS.

The main accounting principles and practices applied in the drafting of the Annual Accounts follow current legislation, highlighting as most important the principles of company operation, accrual, consistency, prudence, non-compensation and relative importance.

The most significant accounting criteria applied in the drafting of the Annual Accounts is the following ones:

4.1. Intangible Fixed Assets.

The intangible fixed assets are comprised of Goodwill and Computer applications which are valued at their acquisition price, including necessary additional expenses to get them up and running. The computer applications are amortised at 33 per cent according to their useful lives and the Goodwill is amortised at 10 per cent according to the Royal Decree 602/2016 of December 2, which determine that this intangible has to be amortised in 10 years.

At the closing of the financial period, goodwill has been measured and no impairment has been identified, as it has been estimated that the recoverable value is higher than the accounting value.

4.2. Tangible Fixed Assets.

These have been appraised at their acquisition cost, including those additional costs necessary to put the assets into operation.

Maintenance and repair costs which do not improve the use of or extend the useful life of the assets are charged to the Profit and Loss account when they occur.

It is depreciated linearly depending on the useful life of assets and their residual value, according to the normal depreciation experienced during its operation, use and enjoyment, using as a reference point, the regulations contained in Law 27/2014 of November 27, in which the Regulation of Corporate Taxes was approved, without prejudice to taking into consideration the technical or commercial obsolescence which could affect it. The percentages applied are the following:

Buildings.	11%
Machinery.	11 - 25%
Other installations.	10 - 25%
Furniture.	10 - 25%
IT Equipment	15- 25%
Other intangible assets.	10 - 33%

On November 1, 2021 has been renovated the Angry Birds' rental contract for a period of 8.5 years. Due to this renovation, the fixed assets assigned to this rental have been recalculated, provided that they were not fully depreciated at the renewal date.

The Company's administrators consider that the accounting value of these assets does not exceed their recoverable value.

4.3. Financial Instruments

The Company has registered in the chapter of financial instruments, those contracts that give rise to an asset in one company and, simultaneously, a financial liability or an equity instrument in another company. Therefore, this standard results from the application of the following financial instruments:

a) Financial assets:

- Cash and other equivalent liquid assets.
- Credits for commercial operations: customers and different debtors
- Loans to third parties: such as loans and financial credits granted, including those arising from the sale of non-current assets
- Debt securities of other companies acquired: such as obligations, bonds and promissory notes
- Equity instruments of other companies acquired: shares, shares in collective investment institutions and other equity instruments;
- Derivatives with a favorable valuation for the company: among them, futures or term operations, options, financial swaps, and forward foreign currency trading, and
- Other financial assets: such as deposits in credit institutions, advances and loans to personnel, guarantees and deposits, dividends receivable and disbursements required on own equity instruments.

Long and short term financial investments

Financial Assets at Amortized cost: A financial asset is included in this category, even when is admitted to trading on an organized market, if the company maintains the investment with the aim of receiving the cash flows derived from the execution of the contract, and the contractual conditions of the financial asset give place, on specified dates, to cash flows that are solely collections of principal and interest on the outstanding principal amount. Contractual cash flows that are solely collections of principal and interest on the amount of the outstanding principal are inherent to an agreement that has the nature of an ordinary loan or common, without prejudice to the fact that the operation is agreed at a zero-interest rate or below the market rate. In general, credits for commercial operations are included in this category (those financial assets that originate in the sale of goods and the provision of services for traffic operations of the company with collection deferred), and credits for non-commercial operations (those financial assets that, not being instruments of equity or derivatives, do not have commercial origin and whose collections are of a determined or determinable amount, which come from loan or credit operations granted by the company). That means, within this category there would be the loans and accounts receivable, as well as those securities representing debt, with a date of fixed maturity, collections of a determined or determinable amount, that are negotiated in an active market and that the Company intends and has the capacity to keep until maturity.

- Initial valuation: Initially they are valued at their fair value, plus the transaction costs that are directly attributable to them. However, credits for commercial operations with a maturity of no more than one year and that do not have an explicit contractual interest rate, as well as credits to personnel, dividends receivable and disbursements required on equity instruments, the amount of which is expected to receive in the short term, may be valued at their nominal value when the effect of not updating the cash flows is not significant.

- Subsequent valuation: It is done at amortized cost and accrued interest is recorded in the profit and loss account, applying the effective interest rate method.

However, credits maturing in no more than one year which, in accordance with the provisions of the preceding section, are initially valued at their nominal value, will continue to be valued at that amount, unless they have been impaired.

When the contractual cash flows of a financial asset are modified due to the financial difficulties of the issuer, the company will analyze whether it is appropriate to record a loss due to impairment of value.

- Impairment: The Company records the corresponding impairments for the difference between the amount to be recovered from accounts receivable and the book value for which they are recorded.

At least at year-end, the necessary valuation adjustments are made whenever there is objective evidence that the value of a financial asset included in this category, or of a group of financial assets with similar risk characteristics valued collectively, has been impaired as result of one or more events that have occurred after its initial recognition and that cause a reduction or delay in future estimated cash flows, which may be motivated by the insolvency of the debtor.

The loss due to impairment of the value of these financial assets is the difference between their book value and the current value of future cash flows, including, where appropriate, those from the execution of real and personal guarantees, which is estimated will generate, discounted at the effective interest rate calculated at the time of initial recognition.

Value adjustments for impairment, as well as their reversal when the amount of said loss decreases for reasons related to a subsequent event, are recognized as an expense or income, respectively, in the profit and loss account. The reversal of impairment is limited to the book value of the asset that would be recognized on the reversal date if the impairment had not been recorded.

Financial assets at cost: This category includes, among others, investments in the equity of group companies, jointly controlled entities and associates, as well as other investments in equity instruments whose fair value cannot be determined by reference to a quoted price in an active market for an identical instrument, or a reliable estimate cannot be obtained.

Participating loans whose interests are contingent and any other financial asset that should initially be classified in the fair value portfolio with changes in the profit and loss account when it is not possible to obtain a reliable estimate of its fair value will also be included in this category.

- Initial valuation: They are valued at cost, which is equal to the fair value of the consideration given plus the transaction costs that are directly attributable to them.

- Subsequent valuation: The equity instruments included in this category are valued at their cost, less, where appropriate, the accumulated amount of the valuation corrections for impairment.

- Impairment: At least at year-end, the necessary valuation adjustments are made whenever there is objective evidence that the book value of an investment is not recoverable.

The Company records the corresponding impairments for the difference between the book value and the recoverable amount, understood as the higher amount between its fair value less costs of sale and the present value of the future cash flows derived from the investment, which, in the case of equity instruments, are calculated either by estimating what is expected to be received as a result of the distribution of dividends made by the investee company and the disposal or derecognition of the investment in the same, or by estimate of its participation in the cash flows that are expected to be generated by the investee company, both from its ordinary activities and from its disposal or derecognition.

Unless there is better evidence of the recoverable amount of investments in equity instruments, the estimate of the loss due to impairment of this class of assets is calculated based on the equity of the investee and the tacit capital gains existing at the valuation date, net of the tax effect.

Determining this value, and provided that the investee company has in turn invested in another, the equity included in the consolidated annual accounts prepared by applying the criteria of the Code of Commerce and its implementing regulations is taken into account.

The recognition of valuation corrections for value impairment and, where appropriate, their reversal, are recorded as an expense or income, respectively, in the profit and loss account. The reversal of impairment will be limited to the book value of the investment that would be recognized on the reversal date if the impairment had not been recorded.

b) Financial liabilities:

- Debts for commercial operations: suppliers and different creditors
- Other financial liabilities: debts with third parties, such as financial loans and credits received from persons or companies that are not credit institutions, including those arising from the purchase of non-current assets, guarantees and deposits received and disbursements required by third parties on shares.
- Debts with credit institutions

Financial liabilities, for measurement purposes, are included in one of the following categories:

Financial Liabilities at Amortized cost: All financial liabilities are classified in this category except when they must be valued at fair value with changes in the profit and loss account. In general, debits for commercial operations and debits for non-commercial operations are included in this category.

Participating loans that have the characteristics of an ordinary or common loan will also be included in this category without prejudice to the fact that the operation is agreed at a zero-interest rate or below the market rate.

- Initial valuation: Initially they are valued at their fair value, which, unless there is evidence to the contrary, is the transaction price, which is equivalent to the fair value of the consideration received adjusted by the transaction costs that are directly attributable to it. However, debits for commercial transactions maturing in no more than one year and that do not have a contractual interest rate, as well as disbursements required by third parties on participations, the amount of which is expected to be paid in the short term, can be valued at their nominal value, when the effect of not updating the cash flows is not significant.
- Subsequent valuation: It is done at amortized cost. Accrued interest is recorded in the profit and loss account, applying the effective interest rate method. However, debits maturing in no more than one year which, in accordance with the provisions of the preceding section, are initially valued at their nominal value, will continue to be valued at that amount.

4.4. <u>Inventories.</u>

The Company's commercial stocks correspond to rotational enjoyment rights of rooms in the possession of the Company and merchandise stock in Angry Birds Park. Both are valued at acquisition price.

The Company's Administrators consider that the book value of the inventories does not exceed their recoverable value.

4.5. Transactions in Foreign Currency.

The accounts mentioned in foreign currency are measured at the exchange rate in effect at the time of the transaction. Positive or negative differences occurring at the time of payment or collection as a consequence of monetary fluctuations are carried over to the Profit and Loss Account. At closing of the period, differences both positive and negative that did not occur are carried over to the Profit and Loss Account.

4.6. Profit Tax.

The Company pays tax under the Tax Consolidation System, according to what is set out in Chapter 7 of Royal Legislative Decree 4/2004 of March 5, in which the Revised Text of the Corporate Tax Law was approved. Holiday Club Canarias Investment is the parent Company which presents the correspondent settlement.

Following the Accrual Principle, profit tax has been charged as an income during the period. Current tax has been calculated per the financial results before taxes, adjusted by permanent differences and consolidation and decreased by applying deductions, as set out in the tax regulations in effect.

Income has also been accrued from deferred tax by activating tax credits at different times, originated in part by a fiscally non-deductible amortisation.

4.7. Income and Expenses.

Regarding the incomes from delivery of goods and services, the criteria followed to conclude that the obligations assumed by the company are met over time or at a given time.

- **Common aspects.**

  The company recognizes incomes for the ordinary development of its activity when the transfer of control of the goods or services committed to customers occurs. At that time, the company will value the income at the amount that reflects the consideration to which it expects to be entitled in exchange for said goods or services.

- **Recognition**

  The company recognizes the income derived from a contract when (or as) the transfer to the client of the control over the promised goods or services (that is, the obligation or obligations to be fulfilled) takes place.

  The control of a good or service (an asset) refers to the ability to fully decide on the use of that asset and obtain substantially all of its remaining benefits. The control includes the ability to prevent other entities from deciding on the use of the asset and obtaining its benefits.

  For each obligation to be fulfilled (delivery of goods or provision of services) that is identified, the company determines at the beginning of the contract whether the commitment assumed will be fulfilled over time or at a certain moment.

  The income derived from the commitments (in general, the provision of services or the sale of goods) that are fulfilled over time are recognized based on the degree of progress or progress towards the complete fulfillment of the contractual obligations, provided that the company has reliable information to measure the degree of progress.

  The company reviews and, if necessary, modifies the estimates of income to be recognized, as it complies with the commitment assumed. The need for such reviews does not necessarily indicate that the outcome or result of the operation cannot be reliably estimated.

  When, at a certain date, the company is not able to reasonably measure the degree of compliance with the obligation (for example, in the early stages of a contract), although it expects to recover the costs incurred to satisfy said commitment, only revenue is recognized and the corresponding consideration in an amount equivalent to the costs incurred up to that date.

  In case of contractual obligations that are fulfilled at a certain time, the income derived from their execution is recognized on that date. Until this circumstance occurs, the costs incurred in the production or manufacturing of the product (goods or services) are recorded as inventories.

  When there are doubts regarding the collection of the credit right previously recognized as income from sales or provision of services, the impairment loss will be recorded as an expense for the correction of the value due to impairment and not as less income.

- **Assessment.**

  Ordinary incomes from the sale of goods and the provision of services is valued at the monetary amount or, as the case may be, at the fair value of the consideration, received or expected to be received, derived from it, which, except evidence to the contrary, it is the agreed price for the assets to be transferred to the client, deducting: the amount of any discount, reduction in price or other similar items that the company may grant, as well as the interest included in the nominal value of the loans. However, interests included in commercial credits with a maturity of no more than one year that do not have a contractual interest rate may be included, when the effect of not updating the cash flows is not significant.

  The taxes levied on the operations of delivery of goods and provision of services that the company must pass on to third parties, such as value added tax and special taxes, as well as the amounts received on behalf of third parties, are not part of the income.

  In the income from medical-surgical assistance services, the General Indirect Canary Tax is not passed on as it is an activity exempt from this tax.

  In purchases and services, the taxes levied on the operation are included, including the General Indirect Canary Tax, as it does not have the deductible condition.

  The company takes into account in the valuation of income the best estimate of the variable consideration if it is highly probable that there will not be a significant reversal of the amount of recognized income when the uncertainty associated with said consideration is subsequently resolved.

4.8. Provisions and Contingencies.

Provisions are present obligations on the date of the balance sheet that have arisen as a result of past events; the amount and timing of cancellation are undetermined. Provisions are recorded at the current value of the estimated amount that the company will have to pay to settle the obligation in the future.

Contingent liabilities are potential liabilities arising as a result of past events, whose realization is contingent upon that happening or not, one or more future events independent of the will of the Company. Contingent liabilities, as well as the Provisions whose amount cannot be estimated reliably or it is not very likely that the Company must dispose of resources embodying profits, for their cancellation are not recognized for accounting purposes but are broken down in the Report.

All the possible contingencies due to the health crisis of the COVID-19 and Ukraine war have been taken into account.

4.9. Personnel Expenses.

Personnel expenses are recognised on the basis of their accrual, considering that bonus payments are accrued on a yearly basis. There are no commitments for pensions nor retirement bonuses in the Company.

4.10. Grants, Donations and Legacies.

Capital grants, which are non-refundable, are recorded directly in Equity as revenue, excluding the tax effect and are attributed to the Financial Period's results in proportion to the allocation of depreciation in the period for the assets pertaining to the grant.

The operating grants are attributed to the financial period for the granted amount.

4.11. Criteria used in transactions between related parties.

Transactions between related parties are accounted for, in general, by their reasonable value.

5. INTANGIBLE FIXED ASSETS.

5.1. The transactions that occurred during the 2021 and 2022 periods were the following:

2021

Euros	Balance 2020	Acquisitions	Disposals	Balance 2021
Gross Costs.				
Goodwill	1,807,995	–	–	1,807,995
IT Applications.	29,227	–	–	29,227
Totals.	1,837,222	–	–	1,837,222
Accumulated amortization.				
Goodwill	723,198	180,799	–	903,997
IT Applications.	24,161	2,889	–	27,050
Totals.	747,359	183,689	–	931,047
Net Totals.	1,089,863			906,175

2022

Euros	Balance 2021	Acquisitions	Disposals	Balance 2022
Gross Costs.				
Goodwill	**1,807,995**	**–**	**–**	**1,807,995**
IT Applications.	**29,227**	**–**	**–**	**29,227**
Totals.	**1,837,222**	**–**	**–**	**1,837,222**
Accumulated amortization.				
Goodwill	**903,997**	**180,799**	**–**	**1,084,797**
IT Applications.	**27,050**	**2,177**	**–**	**29,227**
Totals.	**931,047**	**182,977**	**–**	**1,114,024**
Net Totals.	**906,175**			**723,198**

5.2. As indicated in Note 1.5, the Company acquired the Goodwill corresponding to the main "Timeshare" business in 2011 for the amount of 1,967,742 Euros. Said price was adjusted in the Purchase Deed granted in June 2012, for the amount of 159,747 Euros.

5.3. There is no evidence of impairment through March 31, on any of the elements in the Intangible Fixed Assets.

5.4. There are fully depreciated software applications in use at March 31, 2022 and March 31, 2021 for the amount of 29,226 Euros and 21,587 Euros respectively.

6. TANGIBLE FIXED ASSETS.

6.1. The transactions occurring during the 2021 and 2022 periods were the following:

2021

Euros	Balance 2020	Acquisitions	Transfers	Disposals	Balance 2021
Gross Costs.					
Buildings.	1,125,496	–	–	–	1,125,496
Machinery.	72,631	–	–	–	72,631
Other facilities.	2,891,988	–	–	–	2,891,988
Furniture.	250,450	169	–	–	250,619
IT Equipment	87,075	5,805	–	–	92,880
Vehicles	27,994	–	–	–	27,994
Other tangible fixed assets	328,945	18,783	–	–	347,728
Advances and fixed assets in progress	9,918	7,042	–	–	16,959
Totals	4,794,498	31,799	–	–	4,826,297
Accumulated amortization.					
Buildings.	852,576	132,358	–	–	984,934
Machinery.	46,092	9,201	–	–	55,293
Other installations.	1,957,437	305,341	–	–	2,262,778
Furniture.	240,450	2,851	–	–	243,301
IT Equipment	81,742	3,326	–	–	85,068
Vehicles	24,313	3,076	–	–	27,389
Other tangible fixed assets	130,729	58,310	–	–	189,039
Totals	3,333,339	514,464	–	–	3,847,803
Net Totals.	1,461,159				978,494

2022

Euros	Balance 2021	Acquisitions	Transfers	Disposals	Balance 2022
Gross Costs.					
Buildings.	**1,125,496**	–	–	–	**1,125,496**
Machinery.	**72,631**	–	–	–	**72,631**
Other facilities.	**2,891,988**	**3,171**	–	–	**2,895,159**
Furniture.	**250,619**	**1,540**	–	–	**252,159**
IT Equipment	**92,880**	**2,467**	–	–	**95,347**
Vehicles	**27,994**	–	–	–	**27,994**
Other tangible fixed assets	**347,728**	**15,442**	**5,202**	–	**368,372**
Advances and fixed assets in progress	**16,959**	–	**(5,202)**	**(925)**	**10,832**
Totals	**4,826,297**	**22,620**	–	**(925)**	**4,847,991**
Accumulated amortization.					
Buildings.	**984,934**	**62,170**	–	–	**1,047,105**
Machinery.	**55,293**	**8,761**	–	–	**64,054**
Other installations.	**2,262,778**	**203,411**	–	–	**2,466,189**
Furniture.	**243,301**	**2,791**	–	–	**246,092**
IT Equipment	**85,068**	**3,502**	–	–	**88,570**
Vehicles	**27,389**	**606**	–	–	**27,994**
Other tangible fixed assets	**189,039**	**63,453**	–	–	**252,492**
Totals	**3,847,803**	**344,693**	–	–	**4,192,496**
Net Totals.	**978,494**				**655,496**

6.2. The acquisitions in the period 2021 correspond, mainly, to investments in the Angry Birds Park.

6.3. There are no signs of impairment through March 31, for the elements in the Tangible Fixed.

6.4. The fixed assets are covered against risk of fire, theft, etc., by means of several insurance policies with the corresponding premiums paid up to date.

6.5. There are fully depreciated elements in use on March 31, 2022 for the amount of 1,293,888 Euros. On March 31, 2021 amounted 365,837 Euros.

7. FINANCIAL ASSETS

Information related to the Balance Sheet

7.1 Categories of financial assets (except for investments in the equity of Group, Multigroup and associated companies):

The breakdown of financial assets **(except for investments in the equity of Group, jointly controlled group and associated companies)** by categories and classes is as follows:

	Equity Instruments		**Debt Securities**		**Credits/Derivatives/Others**	
Euros	**2022**	2021	**2022**	2021	**2022**	2021
Long-term Financial Assets						
Financial assets at amortized cost	**–**	–	**–**	–	**667,089**	648,510
Totals	**–**	–	**–**	–	**667,089**	648,510
Short- term Financial Assets						
Financial assets at amortized cost	**–**	–	**–**	–	**5,796,841**	3,652,610
Liquid Assets	**–**	–	**–**	–	**46,235**	150,059
Totals	**–**	–	**–**	–	**5,843,076**	3,802,669

7.2. **Classification by Maturity:**

The ratings depending on the maturity of different financial assets are as follows:

Euros

Financial Assets	**2022/23**	**2023/24**	**2024/25**	**2025/26**	**2026/27**	**Next**	**Total l/t**
Financial Investments	**–**	**–**	**–**	**–**	**–**	**572,814**	**572,814**
Other financial assets	–	–	–	–	–	572,814	572,814
Investments in Group and Associated Companies	**5,563,312**	**–**	**–**	**–**	**–**	**–**	**–**
Loans to companies	5,563,312	–	–	–	–	–	–
Commercial Debts and other Receivables.	**233,530**	**58,758**	**29,601**	**5,192**	**723**	**--**	**94,274**
Customer receivables for sales and services.	333,934	58,758	29,601	5,192	723	--	94,274
Clients' Impairment.	(107,592)	–	–	–	–	–	–
Sundry Receivables	5,305	–	–	–	–	–	–
Personnel.	1,883	–	–	–	–	–	–
Cash and other Liquid Assets.	**46,235**	**–**	**–**	**–**	**–**	**–**	**–**
Liquid Assets	46,235	–	–	–	–	–	–
Totals.	**5,843,076**	**58,758**	**29,601**	**5,192**	**723**	**572,814**	**667,089**

7.3. Corrections due to Impairment caused by Credit Risk.

Transactions in the corrective accounts representative of impairment losses due to credit risk to customers are as follows:

Euros	**Amount**
Balance at 31.03.20	**103,509**
Impairment Maturity (Note 13.1)	118,426
Impairment reversal (Note 13.1)	(20,473)
Balance at 31.03.21	**201,462**
Impairment Maturity (Note 13.1)	2,078
Impairment reversal (Note 13.1)	(95,947)
Balance at 31.03.22	**107,593**

Information relating to the Profit and Loss Account.

7.4. Financial Income.

Under the heading Financial Income from Marketable Securities and Other Financial Instruments in the Profit and Loss Account for the amounts of 32,990 Euros and 58,394 Euros for 2022 and 2021 Financial Periods respectively, correspond mainly to the accrual of default interest on late payments from clients.

Other Information.

7.5 Reasonable Value.

The book value of the financial assets is an acceptable approximation to the reasonable value.

Equity Instruments not being traded on an active market according to what is provided for in the 9th Rule of Recognition and Measurement of the Spanish New General Accounting Plan, are valued at their cost.

Equity Instruments traded on an active market according to what is provided for in the 9th Rule of Recognition and Measurement of the Spanish New General Accounting Plan are measured at their reasonable value.

7.6 Information Regarding the Nature and Level of Risk from Financial Assets:

Due to its normal activity, the Company is exposed to different financial risks, essentially, credit risk, liquidity risk and market risk, the latter referring to the rate of exchange; of interest rates and other price risks.

Credit Risks:

This basically refers to sales on credit to clients and debtors. To prevent possible effects, credit granted to clients and debtors are granted based on a preliminary solvency study and strict follow-up of loans and receivables. The client base is quite diversified.

Liquidity Risk:

The Company tries to keep an adequate liquidity ratio at all times to be able to honour its commitments, ensuring that current assets not including inventories, shall reasonably cover the current payables.

Market Rate Risk:

Due to the Company's activity and scope, it is subject to exchange rate risks of the sales made in foreign currency, depending on the volatility of the exchange rates.

Interest rate risks are minimum, because the Company grants loans at a fixed interest rate.

7.7 Accrual adjustments

In January, every year, the company assumes the debt with the related company Holiday Club Canarias Resort Management SLU related to the yearly maintenance fees of the unsold weeks. At the end of the financial year there are, in the accrual adjustment balance, the proportional part of the not accrued months on March 31, 2022, for the amount of 1,354,815 Euros, 1,321,131 Euros in March 31, 2021.

8 FINANCIAL LIABILITIES.

Information related to the Balance Sheet.

8.1. Categories of Financial Liabilities:

The breakdown of the financial liabilities by categories and classes is as follows:

Euros	**Debits with Credit Institutions**		**Bonds and Other Market Securities**		**Derivatives/Others**	
	2022	2021	**2022**	2021	**2022**	2021
Long-Term financial Liabilities						
Financial liabilities at amortized cost	–	–	–	–	**6,834,764**	8,117,834
Totals.	–	–	–	–	**6,834,764**	8,117,834
Short- Term financial Liabilities						
Financial liabilities at amortized cost	–	–	–	–	**10,393,912**	6,692,914
Totals.	–	–	–	–	**10,393,912**	6,692,914

8.2 Classification by Maturity:

Classification according to the maturity of the different financial liabilities is as follows:

Euros **Financial Liabilities**	**2022/23**	**2023/24**	**2024/25**	**2025/26**	**2026/27**	**Next**	**Total l/t**
Debts	**6,467**	–	–	–	–	–	–
Other financial liabilities.	**6,467**	–	–	–	–	–	–
Debts with Group and Associated Companies	**10,301,178**	–	–	**2,000,000**	**–**	**4,834,764**	**6,834,764**
Trade Creditors and other Accounts Payable	**86,267**	–	–		–		
Sundry Creditors	**86,071**	–	–	–	–	–	–
Personnel (wages pending payment)	**196**	–	–	–	–	–	–
Totals	**10,393,912**	–	–	**2,000,000**	–	**4,834,764**	**6,834,764**

8.3 On January 31, 2022, the group company Holiday Club Sweden AB grants a participating loan to the Company for the amount of 2,000,000 Euros (see notes 2.3 and 9.5).

This participating loan expires on April 1, 2025, and has been established a fixed interest plus a variable one:

a) The variable interest is stipulated in 2% of the profit after taxes, as an exception, the profits from the first year will not be considered to calculate the first amount, so will be calculated as of March 31, 2022. If the loan is being amortized, the initial % will decrease in proportion to amortization.

b) The fixed interest will be calculated as the EURIBOR (12 months) + 2.5% per year.

Default interest is set at 5%.

Information relating to the Profit and Loss Account and Equity.

8.4 Financial Expenses

The heading for financial expenses for debts with group and associated companies for the 2022 and 2021 financial years for the amounts of 197,980 Euros and 255,467 Euros, respectively, correspond to the accrual of interest on loans granted by group companies (See Note 18.3). The heading of debts to third parties includes interest accrued with credit institutions and the amount for the 2021 financial period was 130 Euros.

Other Information.

8.5 Reasonable Value

The book value of the financial liabilities is an acceptable approximation to the reasonable value.

8.6 Information on the Nature and Level of Risk from Financial Liabilities

Due to its regular activity, the Company is exposed to diverse financial risks, basically credit risks, liquidity risks and market risks, the latter of which refers to exchange rate risks, interest rate risks and other price risks.

9 SHAREHOLDERS' EQUITY.

9.1 The share capital, for an amount of 3,100 Euros, comprises 31 shares of 100 Euros face value each

9.2 As per the Revised Text of the Law of Share Capital Companies, a figure equal to 10% of the period's profit must be kept in a reserve fund until this reaches at least 20% of the share capital. During the 2011/12 financial period, 3,100 Euros were allocated to these reserves.

9.3 The Canary Islands Investments Reserve Fund for the amount of 3,093,871 Euros, is subject to the availability limitations established in the tax regulations.

9.4 The corporation HOLIDAY CLUB CANARIAS INVESTMENT, S.L.U., owns 100 per cent of the share capital of the Company.

9.5 On January 31, 2022 the group company Holiday Club Sweden AB grants a participating loan to the company for the amount of 2,000,000 Euros (see notes 2.3 and 8.3)

9.6 The breakdown of the heading "reserves" from the Balance Sheet for the periods 2022 and 2021 is as follows:

Euros	**2022**	2021
Legal reserve	**3,100**	3,100
Voluntary Reserves	**1,892,290**	1,892,290
Canary Islands Investment Reserves	**3,093,871**	3,093,871
Goodwill Reserves.	**406,799**	406,799
Totals	**5,396,060**	5,396,060

10 INVENTORIES.

10.1. Inventories show the following break-down:

Euros	**2022**	2021
Merchandise in Stock, Angry Birds Theme Park	**33,779**	36,183
Unsold Weeks in Stock	**7,590,841**	7,459,817
Totals	**7,624,620**	7,496,000

10.2 The transactions of unsold weeks in stock during the 2021 and 2022 financial periods, have been as follows:

Euros	**Balance 2021**	**Acquisitions**	**Disposals**	**Balance 2022**
Unsold weeks in stock	7,459,817	271,673	(140,649)	**7,590,841**
	Balance 2020	**Acquisitions**	**Disposals**	**Balance 2021**
Unsold weeks in stock	7,322,151	185,550	(47,884)	7,459,817

Acquisitions of inventory during the 2020 and 2021 financial period owes to the weeks sold in previous financial periods and recovered in 2022 and 2021, due to defaulting on payment of clients of their debts to the Company, weeks received from the relates company RESORT OY or weeks that come back to the company due to a court ruling (See Note 14.1)

There are not commitments for sales or purchases or a future contract about the inventories or restraints on disposal.

10.3 There are no signs of impairment to the inventories at the end of the financial periods 2022 and 2021.

11 FOREIGN CURRENCY.

11.1 Assets in foreign currency mostly correspond to commercial loans for the sale of weeks in stock. The most significant balances in the diverse foreign currencies are detailed below:

Foreign currency	Balance at 2021	Exchange Rate at 31.03.21	Euros at 2021
- Pounds Sterling	103,526	0,85378 libra/euro	121,256
Foreign currency	**Balance at 2022**	**Exchange Rate at 31.03.22**	**Euros at 2022**
- Pounds Sterling	14,635	0,84595 libra/euro	17,299

11.2. The exchange differences recognized in the financial year 2022 and 2021 with debit balance for the amount of 7,993 Euros and 6,662 Euros respectively are related to the settled transactions during the period.

12 TAX POSITION.

Profit Tax.

12.1. Tax Consolidation Regime

The Company is taxed in the consolidated tax system in accordance with Chapter VI, title VII of the 27/2017 law, of November 27, of the profit tax, which approved the revised text from the Law of Corporate Tax.

The Tax Group comprises the following corporations:

Parent: Holiday Club Canarias Investment, S.L.U.

Subsidiaries: Holiday Club Canarias Sales & Marketing, S.L.U., Holiday Club Canarias Resort Management, S.L.U. and Holiday Club Canarias Vacation Club S.L.U.

12.2 Individual Tax Base.

The reconciliation of the net amounts of income and expenditures for the financial period against the tax base of Corporate Tax is the following:

Euros	Profit & Loss Account	Inc. & expend. directly attributable to Equity
Balance of income and expenditure for the financial year	**(900,434)**	–
Total Expenditure on Income Tax	**(318,293)**	–
Profit Tax	**(475,657)**	–
Current Tax	**157,364**	–
Deferred Tax		
Non-deductible Expenses	**12**	–
Goodwill Deduction	**90,400**	–
Participative loan interest	**8,082**	–
Temporary Differences		
70% Limit Amortization	**(30,413)**	–
Tax Base (Tax Profit & Loss)	**(1,150,647)**	–
Internal operations (Eliminations / additions)	**(592,959)**	
Negative tax bases	**(159,021)**	
Tax base (tax result)	**(1,902,626)**	

12.3. Corporate Tax Settlement

By applying the tax rate on the tax base, the full negative amount of 475,657 euros is obtained.

Under the rules applicable to the Tax Consolidation Regime, the taxable income of the tax group is determined by adding individual taxable bases corresponding to the companies comprising the Fiscal group, deletions, additions of deletions carried out in previous years and, in the event that the above sum proves to be positive, compensating the carry-forwards of the Fiscal group, as well as the outstanding tax bases to be applied by the companies taxable at the time of joining the Tax Group.

In consequence, the Individual Tax Base of Holiday Club Canarias Sales & Marketing, S.L.U., for a negative amount of 475,657 Euros, is subject to addition together with the rest of the tax bases of the remaining companies comprising the Tax Group. The group tax base includes the elimination and net addition for the amount of 148,240 Euros related to internal operations made by Holiday Club Canarias Sales & Marketing, S.L.U.

The tax base of the group, before the compensation of the negative tax bases (BINs) amounts 159,021 Euros. This base is reduced by the application of the BINs for the amount of 159,021 Euros, therefore the final tax base of the group amounts 0 Euros.

The BINs pending to apply the next years amount 274,963 Euros.

12.4 Breakdown of expenditure on Income Tax

The expenditure on Income Tax accrued in the financial periods 2022 and 2021 is broken down as follows:

Euros	2022	2021
1. Current Tax	**(475,657)**	(653,658)
2. Deferred tax	**157,364**	87,367
- Temporary differences, 70% limit fiscal amortisation	**9,124**	9,124
- Temporary differences from intragroup operations	**148,240**	78,243
3. Total expenditure on income tax	**(318,293)**	(566,291)

12.5. Deduction because of the investments

Investments in fix assets during the financial period subject to deduction amount 27,822 Euros. Using the deduction rate (25%) in the investments made during the financial year, a deduction for the amount of 6,956 Euros is obtained. It means that, at the end of the financial period, the outstanding deductions are as follows:

Euros

Exercise	**Initial outstanding amount**	**Acquisitions**	**Balance 2022**	**Limit**	**Time limit**
2017/2018	8,847	–	**8,847**	**50%**	**2032/33**
2019/2020	34,518	–	**34,518**	**50%**	**2034/35**
2021/2022	–	6,956	**6,956**	**50%**	**2036/27**
Totals	43,365	6,956	**50,321**		

12.6. Deferred Tax Asset.

Transactions during the 2021 and 2022 financial periods found in this heading have been the following:

Euros	**Balance 2020**	**Acquisitions**	**Applications**	**Balance 2021**
- Temporary differences, 70% limit fiscal amortisation	50,382	–	(9,124)	41,258
Totals	50,382	–	(9,124)	41,258
	Balance 2021	**Acquisitions**	**Applications**	**Balance 2022**
- Temporary differences, 70% limit fiscal amortisation	**41,258**	**–**	**(9,124)**	**32,134**
Totals	**41,258**	**–**	**(9,124)**	**32,134**

12.7 Deferred Tax Liabilities.

Transactions during the 2021 and 2022 financial periods found in this heading have been the following:

Euros	**Balance 2020**	**Acquisitions**	**Applications**	**Balance 2021**
Capital grant (Note 16.2)	59,976	–	(19,452)	40,523
Intragroup operations	85,915	81,656	(3,414)	164,158
Totals	**145,891**	**81,656**	**(22,865)**	**204,682**
	Balance 2021	**Acquisitions**	**Applications**	**Balance 2022**
Capital grant (Note 16.2)	**40,523**	**–**	**(12,777)**	**27,746**
Intragroup operations	**164,158**	**161,606**	**(13,366)**	**312,397**
Totals	**204,682**	**161,606**	**(26,143)**	**340,144**

12.8 The Canary Islands Investment Reserve.

The Canary Islands Investment Reserve was provided for from January 1, 2007 and what has been set out in Royal Decree Act 12/2016 of December 29, in which Law 19/1994 of July 6, Modification of the Canary Islands Financial and Tax Regime (REF) was modified, is applicable.

At the end of the financial year 2021, the situation of the Canary Islands Investment Reserve is as follows:

Euros

Item	2011	2011/12	2012/13
Provisions	**776,358**	**1,081,563**	**1,235,950**
Investments carried out			
Financial Period 2013/14	**(776,358)**	**(1,081,563)**	**(799,103)**
Financial Period 2014/15	**–**	**–**	**(263,916)**
Financial Period 2015/16	**–**	**–**	**(13,857)**
Financial Period 2016/17	**–**	**–**	**(159,074)**

The Company, during the Financial Period 2013/14, carried out the following Investments, materialising the Reserve in the following assets and on the indicated dates on the following table. This table shows the Financial Period for which the provisions were materialised by type of asset is indicated:

EURO Account	Item	Date Acquired	Acquisition Amount	Grant Deduction	Amount Used	Provision 2011	Provision 2011/2012	Provision 2012/2013
21100001	ANGRY BIRDS CONSTRUCTIONS	01.11.2013	1,084,195	633,330	633,330	633,330	–	–
					633,330	**633,330**	**–**	**–**
21301001	ANGRY BIRDS ASSETS	01.11.2013	55,851	23,226	32,625	32,625	–	–
21301001	Machinery	12.06.2014	3,500		3,500	3,500	–	–
					36,125	**36,125**	**–**	**–**
21508001	ANGRY BIRDS ASSETS	01.11.2013	2,833,292	1,178,231	1,655,060	106,902	1,081,563	466,595
21508001	Other Facilities	21.11.2013	7,710	–	7,710	–	–	7,710
21508001	Other Facilities	01.02.2014	1,102	–	1,102	–	–	1,102
21508001	Other Facilities	01.02.2014	2,590	–	2,590	–	–	2,590
21508001	Other Facilities	18.02.2014	755	–	755	–	–	755
21508001	Other Facilities	26.02.2014	746	–	746	–	–	746
21508001	Other Facilities	08.04.2014	1,609	–	1,609	–	–	1,609
21508001	Other Facilities	07.05.2014	110	–	110	–	–	110
21508001	Other Facilities	09.05.2014	298	–	298	–	–	298
21508001	Other Facilities	09.05.2014	943	–	943	–	–	943
21508001	Other Facilities	14.05.2014	893	–	893	–	–	893
21508001	Other Facilities	19.05.2014	1,609	–	1,609	–	–	1,609
21508001	Other Facilities	20.05.2014	1,390	–	1,390	–	–	1,390
21508001	Other Facilities	21.05.2014	396	–	396	–	–	396
21508001	Other Facilities	31.05.2014	1,476	–	1,476	–	–	1,476
21508001	Other Facilities	31.05.2014	604	–	604	–	–	604
21508001	Other Facilities	05.06.2014	1,811	–	1,811	–	–	1,811
21508001	Other Facilities	06.06.2014	26	–	26	–	–	26
21508001	Other Facilities	06.06.2014	15	–	15	–	–	15
21508001	Other Facilities	06.06.2014	76	–	76	–	–	76
21508001	Other Facilities	01.08.2014	269	–	269	–	–	269
21508001	Other Facilities	01.08.2014	1,616	–	1,616	–	–	1,616
21508001	Other Facilities	01.08.2014	3,493	–	3,493	–	–	3,493
21508001	Other Facilities	08.08.2014	2,001	–	2,001	–	–	2,001
21508001	Other Facilities	01.09.2014	2,319	–	2,319	–	–	2,319
					1,688,918	**106,902**	**1,081,563**	**500,453**
21601002	ANGRY BIRDS ASSETS	01.11.2013	83,856	34,871,61	48,984	–	–	48,984
21601002	Furniture	19.11.2013	783	–	783	–	–	783
21601002	Furniture	19.11.2013	175	–	175	–	–	175
21601002	Furniture	01.03.2014	600	–	600	–	–	600
21601002	Furniture	01.04.2014	690	–	690	–	–	690

EURO Account	Item	Date Acquired	Acquisition Amount	Grant Deduction	Amount Used	Provision 2011	Provision 2011/2012	Provision 2012/2013
21601002	Furniture	15.04.2014	690	–	690	–	–	690
21601002	Furniture	31.05.2014	356	–	356	–	–	356
21601002	Furniture	01.06.2014	199	–	199	–	–	199
21601002	Furniture	01.06.2014	63	–	63	–	–	63
21601002	Furniture	01.06.2014	175	–	175	–	–	175
21601002	Furniture	01.06.2014	1,142	–	1,142	–	–	1,142
21601002	Furniture	29.06.2014	814	–	814	–	–	814
					54,670	**–**	**–**	**54,670**
21701001	IT Equipment	26.10.2013	1,347	–	1,347	–	–	1,346
21701001	IT Equipment	04.12.2013	768	–	768	–	–	768
21701001	IT Equipment	04.12.2013	749	–	749	–	–	749
21701001	IT Equipment	04.12.2013	14,176	–	14,176	–	–	14,176
21701002	IT Equipment	11.10.2013	1,224	–	1,224	–	–	1,224
					18,264	**–**	**–**	**18,264**
21801001	Vehicles	10.09.2014	19,509	–	19,509	–	–	19,509
21801001	Vehicles	12.09.2014	285	–	285	–	–	285
					19,794	**–**	**–**	**19,794**
21901008	Other Tangible Fixed Assets	01.12.2013	1,400	–	1,400	–	–	1,400
21901008	Other Tangible Fixed Assets	16.09.2014	64	–	64	–	–	64
21901008	Other Tangible Fixed Assets	16.09.2014	2,500	–	2,500	–	–	2,500
21901008	Other Tangible Fixed Assets	17.09.2014	64	–	64	–	–	64
					4,029	**–**	**–**	**4,029**

Also, at the time of the initial investment relating to the opening of the Angry Birds Park, the creation of jobs occurred, which caused an increase of the total average number of employees. This has resulted in the materialization of the reserve in the creation of jobs, which, as indicated in the Report for the 2013 / 2014 Financial Period, amounted to 201,892 Euros.

During the financial period 2014/2015, the Company has carried out the following investments: using the Reserve on the following assets and on the dates indicated in the following table. This table shows the Financial Period for which the provisions were materialised by type of asset is indicated:

Euros

Account	Item	Acquisition Date	Acquisition Amount	Amount materialised	Provision 2012/2013
21601002	Furniture	28.02.2015	220	220	220
21601002	Furniture	28.02.2015	715	715	715
21601002	Furniture	12.03.2015	298	298	298
21601002	Furniture	19.03.2015	1,060	1,060	1,060
21601002	Furniture	19.03.2015	60	60	60
21601002	Furniture	30.04.2015	2,373	2,373	2,373
21601002	Furniture	30.09.2015	571	571	571
		Furniture	**5,297**	**5,297**	**5,297**
21701001	IT Equipment	31.10.2014	784	784	784
21701001	IT Equipment	31.10.2014	645	645	645
21701001	IT Equipment	30.11.2014	2,311	2,311	2,311
		IT Equipment	**3,740**	**3,740**	**3,740**

Furthermore, on the occasion of the initial investment for the launch of the Angry Birds Park on November 1, 2013, jobs have been created which have determined an increase of the average total number of staff. This has resulted in the realization of the reserve due to the creation of jobs.

In particular, the increase to the average amount of staff pursuant to Article 27.4.C of Law 19/1994, July 6 and Article 10 of the Royal Decree of 1758/2007, was 10,56 employees.

During the financial period 2014/2015, the amount of 24,136 Euros is the average cost of the gross wages and compulsory social contributions of employees connected to the park. Consequently, in accordance with Article 27.6 of Law 19/1994, the materialization of the reserve due to the increase of the number of employees at the initial investment, is 254,879 Euros.

This investment, due to the creation of jobs materializes part of the reserve allocated in the Financial Period 2012/2013.

During the financial period 2015/2016, the Company has carried out the following investments: using the Reserve on the following assets and on the dates indicated in the following table. This table shows the Financial Period for which the provisions were materialised by type of asset is indicated:

Euros

Account	Item	Acquisition Date	Acquisition amount	Amount materialised	Provision 2012/2013
21601002	Furniture	01.10.2015	6,898	6,898	6,898
21601002	Furniture	31.10.2015	320	320	320
		Furniture	**7,218**	**7,218**	**7,218**
21701002	IT Equipment	25.11.2015	749	749	749
21701002	IT Equipment	30.11.2015	460	460	460
		IT Equipment	**1,209**	**1,209**	**1,209**
21508001	Other facilities	29.02.2016	1,260	1,260	1,260
21508001	Other facilities	29.02.2016	355	355	355
		Other facilities	**1,615**	**1,615**	**1,615**
20601001	IT applications	01.03.2016	3,816	3,816	3,816
		IT applications	**3,816**	**3,816**	**3,816**

During the financial period 2016/2017, the Company has carried out the following investments: using the Reserve on the following assets and on the dates indicated in the following table. This table shows the Financial Period for which the provisions were materialised by type of asset is indicated:

Euros

Account	Item	Acquisition Date	Acquisition amount	Amount materialised	Provision 2012/2013
21601002	Furniture	01.06.2016	763	763	763
21601002	Furniture	28.06.2016	640	640	640
21608002	Furniture	01.03.2017	440	440	440
21608002	Furniture	23.03.2017	2,126	2,126	2,126
		Furniture	**3,969**	**3,969**	**3,969**
21701001	IT Equipment	06.02.2017	930	930	930
21701001	IT Equipment	01.03.2017	885	885	885
21701002	IT Equipment	25.05.2016	460	460	460
		IT Equipment	**2,275**	**2,275**	**2,275**
21901008	Other Tangible Fixed Assets	30.04.2016	35	35	35
21901008	Other Tangible Fixed Assets	30.04.2016	37	37	37
21901008	Other Tangible Fixed Assets	30.04.2016	12	12	12
21901008	Other Tangible Fixed Assets	30.04.2016	3	3	3
21901008	Other Tangible Fixed Assets	30.04.2016	4,749	4,749	4,749
21901008	Other Tangible Fixed Assets	01.05.2016	239	239	239
21901008	Other Tangible Fixed Assets	01.12.2016	48,551	48,551	48,551
21901008	Other Tangible Fixed Assets	22.02.2017	11,921	11,921	11,921
21901008	Other Tangible Fixed Assets	22.02.2017	86	86	86
21901008	Other Tangible Fixed Assets	22.02.2017	66	66	66
21901008	Other Tangible Fixed Assets	22.02.2017	113	113	113
21901008	Other Tangible Fixed Assets	01.03.2017	3,589	3,589	3,589
21901008	Other Tangible Fixed Assets	06.03.2017	6,603	6,603	6,603
21901008	Other Tangible Fixed Assets	06.03.2017	172	172	172
21901008	Other Tangible Fixed Assets	08.03.2017	1,340	1,340	1,340
21901008	Other Tangible Fixed Assets	16.03.2017	1,060	1,060	1,060
21901008	Other Tangible Fixed Assets	23.03.2017	34,200	34,200	34,200
21901008	Other Tangible Fixed Assets	29.03.2017	828	828	828
21901008	Other Tangible Fixed Assets	29.03.2017	3,700	3,700	3,700
21901008	Other Tangible Fixed Assets	31.03.2017	22,253	22,253	22,253
		Other Tangible Fixed Assets	**139,557**	**139,557**	**139,557**

Euros

Account	Item	Acquisition Date	Acquisition amount	Amount materialised	Provision 2012/2013
20601001	IT applications	01.05.2016	1,716	1,716	1,716
20601001	IT applications	01.03.2017	3,537	3,537	3,537
20601001	IT applications	29.03.2017	1,817	1,817	1,817
		IT applications	**7,070**	**7,070**	**7,070**
21508001	Other facilities	29.03.2017	6,202	6,202	6,202
		Other facilities	**6,202**	**6,202**	**6,202**

On March 31, 2017 the partners agreed to dispose part of the RIC 2012/13 special reserve, so that they agreed to transfer part of the special reserve to voluntary reserves, specifically for the amount pending to materialize at this date, the amount of 1,229,049 Euros. Consequently, one of the requirements established in the article 27 of the Law 19/1994 has been violated, integrating, in accordance with article 27.6 of Law 19/1994, this amount into the tax base of the corporate tax corresponding to 2016/17 period.

As a result of this breach, moratory interests have been paid to the administration for the amount of 53,975 Euros, of which 46,096 Euros were accrued as of March 31, 2017.

The realization for the amount of 26,781 Euros in the annual report for the financial period 2016/17 that was booked in the account 21100001, has been reclassified during the financial period 2017/18 to the account 21901008, but the assets are still in the company with the same amount and all the requirements related to the realization have been fulfilled.

Finally, it must be reported that the Company has not carried out investments prior the provision and it has not been benefited from any other tax benefit accrued at the time of the Investments made as a result of the realization of the RIC.

12.9 Financial Periods Open to the Possibility of a Tax Inspection.

As set forth in current legislation, taxes cannot be considered definitively settled until the tax returns presented have been inspected by the tax authorities or the four-year statute of limitations has run out.

At the closing date, the company is also open to inspection of all the taxes that are applicable to it, corresponding to the last four years.

The Board of Directors of the Company considered that liquidations of the mentioned taxes have been properly settled, so, even though discrepancies could arise in the interpretation or the existing tax regulations by the handling of tax granted to the operations, the eventual resulting liabilities in case of materialisation would not significantly affect the abridged annual accounts.

13 INCOMES AND EXPENSES

13.1 Breakdown of the following items in the Profit and Loss Account:

4.a) Consumption of goods: corresponding to the cost of the acquired weeks and with purchases of merchandise and merchandising for the Theme Park. The amounts are as follows:

Euros	**2022**	2021
Cost of weeks acquired	**70,970**	1,642
Merchandise purchased Theme Park	**105,401**	32,975
Change in Inventory merchandise Theme park	**2,404**	(215)
Totals	**178,776**	34,402

The purchase of acquired weeks has been carried out in Spanish territory and the theme park merchandise has been purchased from members countries of the European Union.

6.b) Social security: corresponds entirely with the business contribution whose amount totalled 233,331 Euros and 259,194 Euros for the Financial Periods 2022 and 2021, respectively. During the period 2022 have been accounted Social Security grants related to the employees affected by the ERTE for the amount of 111,313 Euros (155,141 Euros for the period 2021)

7.a) External Services:

Euros	**2022**	2021
Leases and Charges	**39,165**	20,003
Repair and Maintenance	**1,899,558**	1,991,509
Independent Professional Services	**342,564**	490,041
Insurance	**25,684**	26,989
Bank Services and Similar	**6,678**	5,248
Publicity, Advertising and Public Relations	**62,083**	32,722
Supplies	**83,827**	62,738
Other Services	**23,960**	15,176
Totals	**2,483,518**	2,644,426

7.c) Losses on, impairment of and change in trade provisions:

Euros	**2022**	2021
Losses from bad debts	**153,941**	25,650
Trade Provision	**2,078**	118,426
Excess Trade Provision	**(95,947)**	(20,473)
Provision Sales-persons' commissions	**12,838**	(51,979)
Provision RCI	**(2,320)**	(1,160)
Other provisions	**13,683**	(7,466)
Totals	**84,272**	62,998

13.2. Other results: these correspond to the net of Profit & Loss that stem from events that are not a part of the Company's typical activities and which are not expected to occur frequently. In the financial year 2022 and 2021 they correspond, mainly, to the long-term provision the for amount of 180,000 Euros and 195,000 Euros, respectively (See note 14.1)

14 PROVISIONS AND CONTINGENCIES.

Provisions

14.1 The long-term provision for the amount of 736,127 Euros corresponds to judicial processes in favour of different clients for claims for weeks sold in previous periods. Transactions during the 2021 and 2022 financial periods are as follows:

Euros	Balance at 2020	Acquisitions	Disposals	Balance at 2021	Acquisitions	Disposals	Balance at 2022
Long-term provisions	554,838	195,000	(108,422)	641,416	180,000	(85,289)	**736,127**

The company has been sued for several clients arguing that the contracts are null for the amount of 6,500,000 Euros. At the date of preparation of these annual accounts 146 claims have been received. 48 have been closed and 85 of them have a ruling from first instance and 40 have also a ruling from second instance. A positive ruling from the Supreme Court has been also received and the company, during the period 2022, has accepted several claims to analyse them but there is not a resolution at the date of the annual accounts. The rulings are mostly negative for the company for the amount of 2,600,000 Euros. The amount to pay for the rulings can be the money received for the company minus the enjoyment of the weeks or a bigger amount. Although there are unfavourable rulings all of them have been appealed and are expected to get a favourable ruling for the contracts signed after July 2012. Most of them are in this case. The maximum risk has been quantified in 736,127 Euros for March 31, 2022.

14.2 The short-term provision corresponds to the accrual of commissions pending payment to sales staff and provisions for the cancellation of sales. The balance at the end of the financial years 2022 and 2021 amounts 34,937 Euros and 15,736 Euros, respectively. Transactions during the 2021 and 2022 financial periods are as follows:

Euros	Balance at 2020	Acquisitions	Disposals	Balance at 2021	Acquisitions	Disposals	Balance at 2022
Short-term provisions	76,341	9,167	(69,772)	15,736	72,733	(53,532)	**34,937**

Contingencies.

14.3 There are guarantees provided to one of the group Companies, to respond to a loan granted by a financial institution, amounting 428,937 Euros at the end of the financial year (see Note 18.3).

14.4 The company provided a guarantee to a Finance company for the amount of 204,450 Euros to face all the trials commented in the note 14.1. being also endorsed by the company of the group Holiday Club Canarias Resort Management SLU. (See Note 18.3)

14.5 All the contingencies due to the health crisis because of the COVID-19 have been taken into account and have been detailed in the Note 1.6 and 1.7.

15. ENVIRONMENTAL INFORMATION.

Given the activity that the Company carries out, there are no responsibilities, expenses, assets or contingencies of any environmental nature that could be of any significance with regard to equity, the financial position and its results. Therefore, no specific breakdowns are included in this report.

16. GRANTS, DONATIONS AND LEGACIES.

16.1 On June 24, 2014, a grant was given by the Ministry of Finance and other Public Administrations for the investment Project in the Angry Birds Theme Park, for the amount of 870,213 Euros. On April 2018 the company paid back 69,982 Euros because some conditions were not complied. In November 2021 the rental contract was renewed for 8.5 years, which means a new calculation of allocation of the capital grant.

16.2 Variations in the capital grant during the financial years 2021 and 2022 are as follows:

Euros	Balance 2020	Acquisitions	Transfer to results	Balance 2021
Capital Grant	239,903	–	(77,807)	162,096
Tax Effect	(59,976)	–	19,452	(40,523)
Totals	179,928	–	(58,355)	121,573

Euros	Balance 2021	Acquisitions	Disposals	Balance 2022
Capital Grant	**162,096**	**–**	**(51,108)**	**110,988**
Tax Effect	**(40,523)**	**–**	**12,777**	**(27,746)**
Totals	**121,573**	**–**	**(38,331)**	**83,242**

17 EVENTS AFTER THE CLOSING OF THE YEAR

No events have occurred after closing that could be considered significant and affect the financial period's accounts.

18. TRANSACTIONS BETWEEN RELATED PARTIES.

18.1 Regarding the Managing Board and Key Company Staff.

Managers and the key personnel of the company with whom related-party transactions have been carried out are the following:

- Mr. Calvin Stuart Lucock, Administrator and Managing Director.

Remuneration paid to managers and key personnel of the company, during the financial periods 2022 and 2021, in their status as employees of the company, amounts 48,800 Euros.

On the Balance Sheet there is a current account with partners and administrators on March 31, 2022, that amounts 6,467 Euros in favour of the manager. (679 Euros on March 31, 2021)

18.2 Information required by Article 229 Of the Corporate Enterprises Act.

According to the Article 229 of the Corporate Enterprises Act, we hereby inform that the members of the Board of Directors do not have shares or hold positions or perform functions in companies whose corporate purpose is the same, similar, or complementary to the Company's.

However, the members of the Board of Directors hold various shares in companies related to the Company and hold management positions and carry out functions related to the management, which have not been subject to inclusion in this Note of the Report, as this does not pose any conflict with regard to their duties of diligence and loyalty or the existence of potential conflicts of interest in the context of Law 26/2004, July 17, that amended Law 24/1988, of July 28, in which the market values and the text revised from the Corporate Enterprises Act approved by Royal Legislative Decree 1/2010 of July 2.

Also, during the Financial Period, the members of the Board of Directors have not carried out transactions outside the normal course of business beyond the ordinary traffic or in conditions other than those of the market with the company or group companies. The only transactions with administrators are those outlined in Note 18.1.

18.3 Transactions and Balances with Group companies:

The transactions carried out with Group companies during the financial periods 2022 and 2021, are the following:

Euros	2022			
Company	**Financial Expenses**	**Services received**	**Services rendered**	**Supplies**
Holiday Club Canarias Resort Management, S.L.U	**–**	**1,849,417**	**173,235**	**–**
Holiday Club Canarias Invesment, S.L.U	**–**	**2,900**	**–**	**–**
Holiday Club Resort OY	**–**	**202,427**	**5,530**	**–**
Holiday Club Sweden AB	**197,689**	**–**	**–**	**–**
Holiday Club Canarias Vacation Club, S.L.U	**–**	**–**	**1,865,423**	**70,970**
Totals	**197,689**	**2,054,744**	**2,044,187**	**70,970**

Euros	2021			
Company	**Financial Expenses**	**Services received**	**Services rendered**	**Supplies**
Holiday Club Canarias Resort Management, S.L.U	–	1,872,163	130,007	–
Holiday Club Resort OY	–	336,740	48,580	–
Holiday Club Sweden AB	255,467	3,616	6,580	–
Passeport Sante, S.L.U	–	–	2,564,303	1,642
Totals	255,467	2,212,519	2,749,470	1,642

The transactions between the Group companies were performed under normal market conditions.

Balances outstanding with the Group Companies in the financial periods 2022 and 2021, both short-term and long-term, at the close of the Financial Periods are:

	2022		2021	
Euros	**Debit Balances**	**Creditor Balances**	Debit Balances	Creditor Balances
Holiday Club Canarias Resort Management, S.L.U	**–**	**10,255,489**	–	6,399,349
Holiday Club Canarias Investment, S.L.U	**2,354,573**	**–**	1,878,845	–
Holiday Club Resort OY	**1**	**–**	–	97,286
Holiday Club Sweden AB	**–**	**6,880,453**	–	8,263,079
Holiday Club Canarias Vacation Club, S.L.U	**3,208,738**	**–**	1,548,243	–
Totals.	**5,563,312**	**17,135,942**	3,427,088	14,759,714

The Company backed the Group Company Holiday Club Canarias Resort Management, SLU related to a loan granted by a financial institution, amounting 428,937 Euros at the end of the period (see Note 14.3).

Furthermore, the Group Company Holiday Club Canarias Resort Management, SLU provided a guarantee to a Finance Company for the amount of 204,450 Euros to face pending trials of the company (See Note 14.4)

18.4 Companies subject to the same unit of decision.

The Company shows the largest assets in the group of companies' subject to the same decision-making units, headquartered in Spain. The companies are the following ones:

- Holiday Club Canarias Investment, S.L.U.: Parent Company of the Group
- Holiday Club Canarias Sales & Marketing, S.L.U.: Subsidiary and with the highest assets.
- Holiday Club Canarias Resort Management, S.L.U.: Subsidiary.
- Holiday Club Canarias Vacation Club: Subsidiary

Aggregated amounts of these companies are as follows:

Euros	**2022**	2021
ASSETS		
Non-current Assets.	**8,873,068**	8,585,467
Current Assets	**32,582,840**	26,093,035
Total	**41,455,908**	34,678,502
EQUITY AND LIABILITIES		
Equity	**6,794,039**	6,246,773
Non-current Liabilities.	**8,355,841**	9,773,212
Current Liabilities.	**26,306,029**	18,658,517
Total	**41,455,908**	34,678,502
PROFIT & LOSS		
Turnover.	**10,803,182**	12,551,587
Results (Loss).	**585,597**	1,454,681

19 OTHER INFORMATION

19.1 Number of Employees.

The average number of persons employed by the Company during the financial periods 2022 and 2021, distributed by their professional categories, has been as follows:

	Persons	
	2022(*)	2021(*)
Executives and Administrative Staff.	**13.10**	7.08
Sales and Collections Staff.	**4.04**	0.05
Others	**12.36**	3.10
Totals	**29.50**	10.23

The distribution by gender at the end of the financial periods 2022 and 2021 is the following:

	2022(*)		20201(*)	
	Men	**Women**	Men	Women
Executives and Administrative Staff.	**8**	**6**	3	7
Sales and Collections Staff.	**2**	**2**	4	2
Others	**7**	**8**	11	8
Totals	**17**	**16**	18	17

The average number of disabled persons (more than 33% of disability) employed by the Company during the financial periods 2022 and 2021is as follows:

	2022(*)	2021(*)
Executives and Administrative Staff.	**1**	–
Others	**1**	–
Totals	**2**	–

(*) Employees affected by the ERTE haven't been taken into account

20 INFORMATION ABOUT DEFERRAL PAYMENTS MADE TO SUPPLIERS. THIRD ADDITIONAL REGULATION TO THE "DUTY OF INFORMATION" OF LAW 15/2010 OF 5 JULY.

The average period for payment to suppliers and creditors is 59 days for the financial year 2021/22 (34 days for the financial year 2020/21).

In Mogán, April 12, 2022.

REPORT OF THE INDEPENDENT AUDITOR ON THE FINANCIAL STATEMENTS

To the Sole Shareholder of HOLIDAY CLUB CANARIAS RESORT MANAGEMENT, S.L.U.:

Report on the Financial Statements

We have audited the financial statements of HOLIDAY CLUB CANARIAS RESORT MANAGEMENT, S.L.U., (the Company) which comprise the balance sheet as at March 31, 2022, and the Income statement, statement of changes in equity, the cash flow statement, and the related explanatory notes thereto for the year then ended.

In our opinion, the accompanying financial statements present, in all material aspects, a true and fair view of the net equity and financial situation of the Company as at March 31, 2022 and of its results and cash flows for the year then ended, in accordance with the regulatory financial reporting framework that is applicable (identified in note 2 to the financial statements) and, in particular, with the accounting principles and criteria contained therein.

Basis for the opinion

We have carried out our audit in accordance with the prevailing standards governing the activity of auditing accounts in Spain. Our responsibilities in accordance with these standards are described later in the section of our report on *"Responsibilities of the auditor in connection with the audit of the financial statements"*.

We are Independent from the Company in accordance with the requirements on ethics, including those of Independence, which are applicable to our audit of financial statements in Spain, as required by the regulations governing the activity of auditing accounts. In this regard, we have not provided services other than the audit of the financial statements, nor have situations or circumstances arisen that, in accordance with the aforementioned regulations, may have compromised our necessary independence.

We believe that the audit evidence we have obtained provides a sufficient and adequate basis for our opinion.

Most relevant aspects of the audit

The most relevant aspects of the audit are those that, according to our professional Judgment, have been considered to give rise to the most significant risks of material misstatement in our audit of the financial statements of the current period. These risks have been addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon we do not express a separate opinion on said risks.

Maintenance Fees incomes

As shown in the profit and loss account, the sales figure amounts to 5.2 million euros (see note 19), while in the current liabilities there is a balance of 3.84 million euros of short-term accruals. As explained in note 1, the main activity of the Company consists in offering maintenance services to five apartment complexes that the related company HOLIDAY CLUB CANARIAS SALES MARKETING, S.L.U. sells by the timeshare regime, or it exploits tourism. For each calendar year, the owners meeting of each complex approves the maintenance fees for each type of room and complex, which are invoiced in the following January, with then non-accrued portion registered in the section of short-term accruals. Due to the monetary relevance of the sales item and the diversity of quotes due to the number of complexes and types of rooms to which the Company provides services, a valuation of the sales and the short term accruals of the Company have been considered a relevant aspect of our audit.

Our procedures consisted, among other things, in a verification of the annual quotas approved in the minutes by the number and type of rooms of each complex, verifying the accrued portion based on the time elapsed between the billing and the closing of the financial year of the Company.

Cost center for apartment complexes

As indicated in note 19, the incomes for maintenance fee amounts of 5.02 million euros. The Company divides its activity among five apartment complexes, reason why each of them supports a part of those expenses. This information is used to establish, with approval in the owners· meeting, the maintenance fees that are invoiced (Income) to the owners of each Resort, differentiated by each type of room. The Company keeps track of the allocation of costs to each apartment complex and informs owners about the total expenses of the year for each of the complexes. Due to the high amount of expenses, together with the different nature of the same, where the assignment of these to each cost center entails a detailed analysis, we have considered a relevant aspect for our audit work.

As part of our audit, our procedures included the analysis of the reasonableness of the imputation of the expenses by complex. In addition, tests were carried out in detail to verify the correct assignment of the same.

Other Information: Management Report

The other information includes the management report for the year ended March 31, 2022, the formulation of which is the responsibility of the Company's Director, although it is not an integral part of the financial statements.

Our audit opinion on the financial statements does not cover the management report. Our responsibility for the other information, in accordance with the requirements of the regulations governing the activity of auditing accounts, consists of evaluating and reporting on the consistency of the other information with the financial statements, based on the knowledge of the entity obtained in the performance of the audit, without including information other than that obtained as audit evidence. Likewise, our responsibility with respect to the management report consists of evaluating and reporting on whether its content and presentation are in accordance with the applicable regulations, if, based on the work we have performed, we conclude that there are material misstatements, we are obliged to report them.

Based on the work carried out, as described in the previous paragraph, except for the material misstatement described in the following paragraph, the information contained in the management report is consistent with the financial statements for 2020-2021 and its content and presentation are in accordance with the applicable regulations.

Directors' responsibilities

The Director is responsible for the preparation of the accompanying financial statements in order to present a true and fair view of the net equity, the financial position and the results of the Company in accordance with the Financial Reporting Standards Applicable in Spain, and for such internal control as they consider necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In the preparation of the financial statements, the Director is responsible for assessing the Company's ability to continue as a going concern, disclosing, as appropriate, the issues related to going concern and using the accounting principle of going concern, except if the Director intend to liquidate the Company or cease operations, or if there is no other realistic alternative.

Responsibilities of the auditor in connection with the audit of the financial statements

Our objectives are to obtain reasonable assurance that the financial statements as a whole are free of material misstatement, due to fraud or error, and to issue an audit report that contains our opinion.

Reasonable assurance is a high degree of assurance, but it does not guarantee that an audit conducted in accordance with the prevailing regulations governing the activity of auditing in Spain will always detect material misstatement when it exists. Misstatements may be due to fraud or error and are considered material if, individually or in aggregate, they can reasonably be expected to influence the economic decisions that users make based on the financial statements.

As part of an audit in accordance with the regulations governing the activity of auditing accounts in Spain, we apply our professional Judgment and maintain an attitude of professional scepticism throughout the audit. Furthermore:

- We Identify and assess the risks of material misstatement in the financial statements, due to fraud or error, design and apply audit procedures to respond to such risks and obtain sufficient and adequate audit evidence to provide a basis for our opinion. The risk of not detecting a material misstatement due to fraud is higher than in the case of a material misstatement due to error, since fraud may involve collusion, falsification, deliberate omissions, intentionally erroneous statements, or circumvention of internal control.
- We obtain knowledge of the internal control relevant to the audit in order to design audit procedures that are appropriate to the circumstances, and not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- We evaluate whether the accounting policies applied are adequate as well as the reasonableness of the accounting estimates and the corresponding information disclosed by the Director.
- We conclude on whether the use, by the Director, of the accounting principle of going concern is adequate and, based on the audit evidence obtained, we conclude on whether or not there is material uncertainty related to facts or conditions that could generate significant doubt as to the ability of the company to continue as a going concern. If we conclude that there is material uncertainty, in our audit report we are required to draw attention to the corresponding information disclosed in the financial statements or, if such disclosures are not adequate, we are required to express an amended opinion. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause the Company to cease to be a going concern.
- We evaluate the overall presentation, the structure and content of the financial statements, including the disclosed information, and whether the financial statements represent the underlying transactions and events in a way that expresses a true and fair view.

We communicate with the entity's Director regarding, among other matters, the scope and timing of the planned audit and the significant findings of the audit, as well as any significant internal control deficiencies that we identified during the course of the audit.

Among the issues that have been communicated to the entity's Director, we determine those that have been most significant to the audit of the financial statements of the current period and that are, consequently, the risks considered most significant.

We describe those issues in our audit report unless legal or regulatory provisions prohibit public disclosure of the matter.

RSM SPAIN AUDITORES, SLP
(nº ROAC S2158)

Javier ALVAREZ CABRERA
(nº ROAC 16092)

Las Palmas de Gran Canaria, on April 13, 2022

BALANCE SHEET AS AT MARCH 31, 2022

ASSETS	Notes	(Euros) 2022	(Euros) 2021
NON-CURRENT ASSETS			
Intangible Assets	**5**	**680,000**	850,000
Goodwill		**680,000**	850,000
Fixed Assets	**6**	**3,185,967**	3,287,949
Property and Buildings		**2,750,386**	2,817,644
Technical Facilities and other Fixed Assets		**435,581**	419,732
Advances and fixed assets in progress		**0**	50,573
Real Estate Investments	**7**	**765,733**	783,114
Construction/ Buildings		**765,733**	783,114
Long-term financial investments	**8**	**141,409**	141,409
Debt securities		**136,300**	136,300
Other financial assets		**5,109**	5,109
Deferred Tax Assets	**11**	**78,522**	112,835
TOTAL		**4,851,630**	5,175,307
LIQUID ASSETS			
Commercial debtors and other accounts receivables		**1,122,801**	1,147,170
Trade receivables	**8**	**1,107,639**	1,131,267
Trade receivable from group and associated	**8-17**	**0**	2,325
Other debtors	**8**	**9,135**	11,850
Personnel	**8**	**6,010**	1,710
Other receivables from Public Administrations		**17**	17
Short-term Investments in affiliated group and associated companies	**8-17**	**10,255,367**	6,399,227
Loans to companies		**10,255,367**	6,399,227
Short-term financial investments	**8**	**1,557**	1,557
Other financial assets		**1,557**	1,557
Short term accruals		**37,863**	37,534
Cash and other equivalent liquid assets	**8**	**719,730**	1,764,815
Liquid assets		**719,730**	1,764,815
TOTAL		**12,137,318**	9,350,302
TOTAL ASSETS		**16,988,948**	14,525,609

BALANCE SHEET AS AT MARCH 31, 2022

NET WORTH AND LIABILITIES	Notes	(Euros) 2022	(Euros) 2021
TOTAL EQUITY			
EQUITY		**6,891,454**	5,791,361
Capital	10	**3,100**	3,100
Shared Capital		**3,100**	3,100
Reserves		**5,788,261**	4,096,345
Legal and statutory		**620**	620
Other reserves	10	**5,787,641**	4,095,725
Profit/(Loss) from previous periods		**0**	(73,342)
(Losses from previous periods)		**0**	(73,342)
Profits for the Period	3	**1,100,093**	1,765,257
TOTAL		**6,891,454**	5,791,361
NON CURRENT LIABILITIES			
Long-term Debts	9	**444,806**	758,245
Debts to Loan Institutions		**443,706**	757,145
Other financial liabilities		**1,100**	1,100
Long-term accruals		**0**	1,035
TOTAL		**444,806**	759,280
CURRENT LIABILITIES			
Provisiones a corto plazo	14	**294,892**	423,496
Short-term debts	9	**314,438**	360,561
Debts to Loan Institutions		**313,438**	359,561
Other financial liabilities		**1,000**	1,000
Short-term Debts with Group and Associated Companies	9-17	**4,489,732**	2,761,690
Trade Creditors and other Accounts payable		**715,556**	566,068
Suppliers, group companies and associates	9-17	**334**	560
Other Creditors	9-20	**260,138**	177,155
Staff (salaries pending payment).	9	**76**	64
Other debts with Public Administrations.		**437,350**	374,133
Customer advances		**17,659**	14,157
Short-term accruals	9	**3,838,070**	3,863,153
TOTAL		**9,652,688**	7,974,968
TOTAL NET WORTH AND LIABILITIES		**16,988,948**	14,525,609

PROFIT AND LOSS ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2022

ITEMS	Notes	(Euros) 2022	(Euros) 2021
CONTINUING OPERATIONS			
Turnover	**19**	**5,207,608**	5,089,631
Services rendered		**5,207,608**	5,089,631
Supplies	**13**	**(16,108)**	(8,670)
Consumption of merchandise		**(16,108)**	(8,670)
Other operations income		**253,661**	262,808
Accessory income and other current operations	**7**	**45,188**	28,414
Operating grants taken to income	**13**	**208,474**	234,394
Personnel expenses		**(1,820,197)**	(1,341,925)
Wages, salaries and similar		**(1,340,372)**	(908,624)
Social Security contributions	**13**	**(479,825)**	(433,301)
Other operating expenses		**(1,793,308)**	(1,429,696)
Outsourced services	**13**	**(1,304,650)**	(962,888)
Taxes		**(178,167)**	(132,421)
Losses, impairment and variation of supplies from trade operations	**13-14**	**(310,277)**	(334,180)
Other current operating expenses		**(214)**	(207)
Depreciation of fixed assets	**5-6-7**	**(348,187)**	(345,439)
Other incomes and expenses	**13**	**(472)**	(6,787)
Operating Income		**1,482,998**	2,219,923
Financial Income	**8**	**29,969**	22,664
Trade securities and other equity instruments		**29,969**	22,664
Third Parties		**29,969**	22,664
Financial expenses	**9**	**(15,214)**	(19,677)
Debts with Third Parties		**(15,214)**	(19,677)
Exchange differences	**12**	**331**	(71)
FINANCIAL PROFIT/(LOSS)		**15,086**	2,916
PROFIT BEFORE TAXES		**1,498,084**	2,222,839
Corporate Income Tax	**11**	**(397,991)**	(457,582)
PROFIT/(LOSS) IN THE PERIOD		**1,100,093**	1,765,257

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2022

ITEMS	Notes	(Euros) 2022	(Euros) 2021
CASH FLOW FROM OPERATING ACTIVITIES			
PROFIT & LOSS BEFORE TAXES		**1,498,084**	2,222,839
ADJUSTMENTS TO PROFIT & LOSS		**204,828**	545,544
Depreciation of Fixed Assets	**5-6-7**	**348,187**	345,439
Change to provisions	**14**	**(128,604)**	203,092
Financial Incomes	**8**	**(29,969)**	(22,664)
Financial Expenses	**9**	**15,214**	19,677
CHANGES IN WORKING CAPITAL		**147,410**	(661,849)
Trade and other accounts receivable		**24,370**	(346,144)
Other current assets		**(329)**	(20,540)
Creditors and other accounts payable		**149,488**	(138,221)
Other current liabilities		**(26,118)**	(156,944)
OTHER CASH FLOW FROM OPERATING ACTIVITIES		**14,755**	2,970
Interest payments	**9**	**(15,214)**	(19,677)
Interest receivable	**8**	**29,969**	22,664
Corporation tax payments		**0**	(17)
CASH FLOW FROM OPERATING ACTIVITIES		**1,865,077**	2,109,504
CASH FLOW FROM INVESTMENT ACTIVITIES			
PAYMENTS FOR INVESTMENTS		**(3,914,965)**	(2,804,496)
Group and Associated Companies		**(3,856,141)**	(2,750,856)
Fixed Assets	**6**	**(58,824)**	(53,641)
CASH FLOWS FROM INVESTMENT ACTIVITIES		**(3,914,965)**	(2,804,496)
CASH FLOWS FROM FINANCING ACTIVITIES			
RECEIVABLES AND PAYABLES FOR FINANCIAL LIABILITIES		**1,004,803**	916,152
Issue		**1,364,364**	1,083,878
Amounts owed to credit institutions		**0**	500,000
Debts with Group and Associated Companies		**1,364,364**	583,878
Repayment and amortization		**(359,561)**	(167,726)
Debts with credit institutions		**(359,561)**	(167,726)
CASH FLOW FROM FINANCING ACTIVITIES		**1,004,803**	916,152
NET INCREASE/DECREASE IN CASH OR CASH EQUIVALENTS		**(1,045,084)**	221,160
Cash or cash equivalents at the beginning of the year	**8**	**1,764,815**	1,543,654
Cash or equivalents at the end of the year	**8**	**719,730**	1,764,815

STATEMENT OF CHANGES IN EQUITY AT MARCH 31, 2022

A) STATEMENT OF RECOGNISED PROFIT AND LOSS

ITEMS	Notes	(Euros) 2022	(Euros) 2021
PROFIT/(LOSS) ACCOUNT	**3**	**1,100,093**	1,765,257
TOTAL OF RECOGNISED PROFIT/(LOSS)		**1,100,093**	1,765,257

B) COMPLETE STATEMENT OF CHANGES TO EQUITY (EUROS)

ITEM	Shared Capital	Reserves	Previous Year's Profit & Loss	Current Year's Profit & Loss	TOTAL
FINAL BALANCE YEAR 2020	**3,100**	**3,806,345**	**(236,134)**	**452,792**	**4,026,104**
ADJUSTED BALANCE BEGINNING 2021	**3,100**	**3,806,345**	**(236,134)**	**452,792**	**4,026,104**
Total recognised Profit & Loss	0	0	0	17,65,257	**17,65,257**
Other variations to Equity	0	290,000	162,792	(452,792)	(0)
FINAL BALANCE 2021	**3,100**	**4,096,345**	**(73,342)**	**1,765,257**	**5,791,361**
ADJUSTED BALANCE, BEGINNING 2022	**3,100**	**4,096,345**	**(73,342)**	**1,765,257**	**5,791,361**
Total recognised incomes and expenses	0	0	0	11,00,093	**11,00,093**
Other changes to Equity	0	1,691,915	73,342	(1,765,257)	0
FINAL BALANCE 2022	**3,100**	**5,788-,261**	**0**	**1,100,093**	**6,891,454**

NOTES TO THE FINANCIAL STATEMENTS PERIOD ENDING ON MARCH 31, 2022

1. THE COMPANY'S BUSINESS ACTIVITY.

1.1. HOLIDAY CLUB CANARIAS RESORT MANAGEMENT, S.L.U. was founded as a limited corporation on December 9, 2010, before the Notary Public of the Guild of the Canary Islands, whose office is located in Maspalomas, Mr. Valentín Concejo Arranz, under his Protocol number 1525.

On March 3, 2011, the Company acquired its current condition as a Sole Proprietor Limited Liability Company. On July 22, 2011 a social agreement changes the financial year that in the corporate statutes was from October 1 till September 30. However, on February 1, 2016 in the annual general meeting was agreed to modify the dates of starting and ending of the financial year to April 1 till March 31.

1.2. Its main corporate mission comprises the acquisition, promotion, construction, urbanisation, management, operation, holding, use, enjoyment of, yielding of, business management of any type, of property, buildings, tourist complexes, hotels, farms and/or agricultural land in the country or urban areas and personal rights or rights in rem of real-estate property including its conveyance, whether in its entirety or partially, per apartment or by means of the sale of or assignment of rotational enjoyment rights, timeshare or any other kind of rights to use. The main activity is the management of five hotel complexes (Playa Amadores, Sol Amadores, Vista Amadores, Jardín Amadores and Puerto Calma, as well as the lease of commercial premises).

1.3. The Corporate offices are located at Avenida Anna Lindh, number 1, Urbanización Amadores, in the municipality of Mogán in Gran Canaria.

1.4. On April 6, 2011 the Public Deed was signed, by means of which the Company, together with its related company HOLIDAY CLUB CANARIAS SALES & MARKETING, S.L.U., acquired the business of the five tourist complexes which they are currently operating. In said acquisition, the Company was assigned property for the amount of 3,170,602 Euros and the administration and maintenance operations' Goodwill valued at 1,700,000 Euros. The remaining assets (unsold weeks, customers' loan rights and goodwill corresponding to the main business of Timeshare) was assigned to the abovementioned related Company. On June 1, 2012 a public Deed was also signed comprising a series of agreements related to the purchase of the business described above.

1.5. The Company is a part of a Group whose parent Company is HOLIDAY CLUB CANARIAS INVESTMENT, S.L.U., headquartered in the same address. Said company does not present yearly consolidated accounts, because it is not mandatory due to its size. This Spanish Group is integrated in a higher one, which the parent company is Holiday Club Resorts Oy, located in a EU country, Finland, which presents yearly consolidated accounts. Furthermore, the mentioned company belongs to a group which parent company is Mahindra & Mahindra limited, located in India.

The Spanish group is composed of the next companies:

- HOLIDAY CLUB CANARIAS INVESTMENT, S.L.U.
- HOLIDAY CLUB CANARIAS SALES & MARKETING, S.L.U.
- HOLIDAY CLUB CANARIAS RESORT MANAGEMENT, S.L.U.
- HOLIDAY CLUB CANARIAS VACATION CLUB, S.L.U.

1.6. Regarding the health situation due to COVID-19, during the financial period the group has been opening gradually all the resorts according to the demand and the health situation at any time, having the 5 resorts working at the date of formulation of these annual accounts. This situation has affected the Group's three companies in the Canary Islands equally: HOLIDAY CLUB CANARIAS SALES & MARKETING, S.L.U. (company that originally owns the weeks it sells under Time Sharing scheme) and the one that manages the Angry Birds activity park, HOLIDAY CLUB CANARIAS RESORT MANAGEMENT, S.L.U. (company that manages the maintenance of the hotels) and HOLIDAY CLUB CANARIAS VACATION CLUB, S.L.U. (company that buys weeks of accommodation and manage for renting the Group's available weeks in the Canary Islands).

The main consequences of the closure have been the following:

- Personnel: due to the closure of the hotels, the Group companies in the Canary Islands have carried out a temporary employment regulation file (ERTE) that has affected 116 people out of the total of 128 people who work in the Group. These employees have been affected and disaffected by the ERTE during different periods along the financial year. At the date of formulation of these annual accounts there are not employees affected by ERTE.
- Owners: The Group in the Canary Islands invoices week's owners at the beginning of the calendar year for maintenance fees through the entity RESORT MANAGEMENT. Given that the activity has been abruptly interrupted before the end of the year, the company in the Canary Islands offered the owners the possibility of compensating the effect of not enjoying their week in exchange for being able to enjoy two weeks in the period 2021-2022. The majority of the owners welcomed this measure. In December 2021 the owners were offered a maintenance fee discount if they finally can't enjoy their deposited weeks during the period 2021-2022.
- Financial and non-financial assets: No possible deterioration has been identified at the date of formulation of these annual accounts.

1.7. Administrator has analyzed the consequences that the war in Ukraine could have on the Group, at the date of preparation of these abridged annual accounts it is considered that there are no significant repercussions for the Group's activity.

2. BASIS USED FOR THE PRESENTATION OF THE ANNUAL ACCOUNTS

The figures contained in the annual accounts are expressed in Euros, which, upon being rounded out, cause small differences in their presentation.

These annual accounts are presented for approval to the Annual General Meeting of Members.

2.1. True and Fair View.

The annual accounts are obtained from the Company's accounting records and have been presented according to the regulations set out in Law 16/2007 of July 4, on the revised and adapted mercantile accounting legislation to harmonise it internationally on the basis of the European Union and by Royal Decree 1515/2007 of November 16, in which the General Accounting Plan was approved and the added modifications by Royal Decree 1159/2010 of September 17 and Royal Decree 602/2016 of September 2, in order to reflect a true and fair view of the Equity, the financial situation and the Company's Profit & Loss as well as the veracity of the streams incorporated into the Cash-flow, according to generally accepted accounting practices and regulations.

During the period 2022 new accounting rules have been set and all of them have been taken into account to elaborate the current annual accounts. The new rules haven't changed the accounting policies for the company.

2.2. Critical Aspects in the Valuation and Judgement of Uncertainty.

At the end of the financial year some estimations are used to formulate these annual accounts: calculation of the asset's impairment, estimation of the assets useful life, and more. Due to future development, it is possible that additional information to the existing at the date of formulation of these annual accounts make that some estimates have to be changed in future periods.

2.3. Comparing Information.

The figures corresponding to the Financial Year ending on March 31, 2022 according to the current law, show comparatively the balances of the previous financial period, which match with the information of the annual account for the financial period 2021.

3. APPLICATION OF RESULTS.

The proposal for the application of the results of the financial period ending March 31, 2022 which the Administrators shall draw up for approval by the Members, together with the distribution approved for the period ending on March 31, 2021 is as follows:

Euros	2022	2021
Distribution Balance		
Financial Period Profits	**1,100,093**	1,765,257
Distribution		
Reserve for investments on Canary Islands (note 11.7)	–	360,000
Voluntary Reserves	**1,100,093**	1,331,915
Negative result from previous years	–	73,342
Totals	**1,765,257**	1,765,257

4. RECOGNITION AND MEASUREMENT REGULATIONS.

The main accounting principles and practices applied in the drafting of the Annual Accounts, follow current legislation, highlighting the principles of company operation, accrual, consistency, prudence, non-compensation and relative importance as most significant.

The most significant accounting criteria applied in the drafting of the Annual Accounts are the following ones:

4.1. Intangible Fixed Assets.

The intangible fixed assets are comprised of Goodwill.

At the closing of the financial period, goodwill has been measured and no impairment has been identified, as it has been estimated that the recoverable value is higher than the accounting value. The Goodwill is amortised at 10 per cent according to the Royal Decree 602/2016 of December 2, which determine that this intangible has to be amortised in 10 years.

4.2. Tangible Fixed Assets.

These have been measured at their acquisition cost, including those additional costs necessary to put the assets into operation.

Maintenance and repair costs which do not improve the use of or extend the useful life of the assets are charged to the Profit and Loss account when they occur.

It is depreciated linearly depending on the useful life of assets and their residual value, according to the normal depreciation experienced during operation, use and enjoyment, using as a reference point, the regulations contained in the Royal Decree 1777/2004 of July 30, in which the Regulation of Corporate Taxes was approved, without prejudice to taking into consideration the technical or commercial obsolescence which could affect it. The percentages applied are the following:

Buildings.	3%
Machinery.	12%
Other installations.	12%
Furniture.	10%
IT Equipment	25%
Transport elements	16%
Other intangible assets.	12-20%

The Company's administrators consider that the accounting value of these assets does not exceed their recoverable value.

4.3. Real-estate Investments.

The Company classifies as Real-estate Investments, those buildings which are not being used for the production process and the profits from which are obtained through revenue from leases. The recording and measurement criteria are the same as applied to intangible fixed assets. They are amortised linearly, and the percentage applied is 3 per cent.

The Company's administrators consider that the accounting value of these assets do not exceed their recoverable value.

4.4. Financial Instruments

The Company has registered in the chapter of financial instruments, those contracts that give rise to an asset in one company and, simultaneously, a financial liability or an equity instrument in another company. Therefore, this standard results from the application of the following financial instruments:

a) Financial assets:

- Cash and other equivalent liquid assets.
- Credits for commercial operations: customers and different debtors
- Loans to third parties: such as loans and financial credits granted, including those arising from the sale of non-current assets.
- Debt securities of other companies acquired: such as obligations, bonds and promissory notes
- Equity instruments of other companies acquired: shares, shares in collective investment institutions and other equity instruments.
- Other financial assets: such as deposits in credit institutions, advances and loans to personnel, guarantees and deposits, dividends receivable and disbursements required on own equity instruments

Long and short term financial investments

Financial Assets at Amortized cost: A financial asset is included in this category, even when is admitted to trading on an organized market, if the company maintains the investment with the aim of receiving the cash flows derived from the execution of the contract, and the contractual conditions of the financial asset give place, on specified dates, to cash flows that are solely collections of principal and interest on the outstanding principal amount. Contractual cash flows that are solely collections of principal and interest on the amount of the outstanding principal are inherent to an agreement that has the nature of an ordinary loan or common, without prejudice to the fact that the operation is agreed at a zero-interest rate or below the market rate. In general, credits for commercial operations are included in this category (those financial assets that originate in the sale of goods and the provision of services for traffic operations of the company with collection deferred), and credits for non-commercial operations (those financial assets that, not being instruments of equity or derivatives, do not have commercial origin and whose collections are of a determined or determinable amount, which come from loan or credit operations granted by the company). That means, within this category there would be the loans and accounts receivable, as well as those securities representing debt, with a date of fixed maturity, collections of a determined or determinable amount, that are negotiated in an active market and that the Company intends and has the capacity to keep until maturity.

- Initial valuation: Initially they are valued at their fair value, plus the transaction costs that are directly attributable to them. However, credits for commercial operations with a maturity of no more than one year and that do not have an explicit contractual interest rate, as well as credits to personnel, dividends receivable and disbursements required on equity instruments, the amount of which is expected to receive in the short term, may be valued at their nominal value when the effect of not updating the cash flows is not significant.

- Subsequent valuation: it is done at amortized cost and accrued interest is recorded in the profit and loss account, applying the effective interest rate method.

  However, credits maturing in no more than one year which, in accordance with the provisions of the preceding section, are initially valued at their nominal value, will continue to be valued at that amount, unless they have been impaired.

  When the contractual cash flows of a financial asset are modified due to the financial difficulties of the issuer, the company will analyze whether it is appropriate to record a loss due to impairment of value.

- Impairment: The Company records the corresponding impairments for the difference between the amount to be recovered from accounts receivable and the book value for which they are recorded.

At least at year-end, the necessary valuation adjustments are made whenever there is objective evidence that the value of a financial asset included in this category, or of a group of financial assets with similar risk characteristics valued collectively, has been impaired as result of one or more events that have occurred after its initial recognition and that cause a reduction or delay in future estimated cash flows, which may be motivated by the insolvency of the debtor.

The loss due to impairment of the value of these financial assets is the difference between their book value and the current value of future cash flows, including, where appropriate, those from the execution of real and personal guarantees, which is estimated will generate, discounted at the effective interest rate calculated at the time of initial recognition.

Value adjustments for impairment, as well as their reversal when the amount of said loss decreases for reasons related to a subsequent event, are recognized as an expense or income, respectively, in the profit and loss account. The reversal of impairment is limited to the book value of the asset that would be recognized on the reversal date if the impairment had not been recorded.

Financial assets at cost: This category includes, among others, investments in the equity of group companies, jointly controlled entities and associates, as well as other investments in equity instruments whose fair value cannot be determined by reference to a quoted price in an active market for an identical instrument, or a reliable estimate cannot be obtained.

Participating loans whose interests are contingent and any other financial asset that should initially be classified in the fair value portfolio with changes in the profit and loss account when it is not possible to obtain a reliable estimate of its fair value will also be included in this category.

- Initial valuation: They are valued at cost, which is equal to the fair value of the consideration given plus the transaction costs that are directly attributable to them.
- Subsequent valuation: The equity instruments included in this category are valued at their cost, less, where appropriate, the accumulated amount of the valuation corrections for impairment.
- Impairment: At least at year-end, the necessary valuation adjustments are made whenever there is objective evidence that the book value of an investment is not recoverable.

The Company records the corresponding impairments for the difference between the book value and the recoverable amount, understood as the higher amount between its fair value less costs of sale and the present value of the future cash flows derived from the investment, which, in the case of equity instruments, are calculated either by estimating what is expected to be received as a result of the distribution of dividends made by the investee company and the disposal or derecognition of the investment in the same, or by estimate of its participation in the cash flows that are expected to be generated by the investee company, both from its ordinary activities and from its disposal or derecognition.

Unless there is better evidence of the recoverable amount of investments in equity instruments, the estimate of the loss due to impairment of this class of assets is calculated based on the equity of the investee and the tacit capital gains existing at the valuation date, net of the tax effect.

Determining this value, and provided that the investee company has in turn invested in another, the equity included in the consolidated annual accounts prepared by applying the criteria of the Code of Commerce and its implementing regulations is taken into account.

The recognition of valuation corrections for value impairment and, where appropriate, their reversal, are recorded as an expense or income, respectively, in the profit and loss account. The reversal of impairment will be limited to the book value of the investment that would be recognized on the reversal date if the impairment had not been recorded.

b) Financial liabilities:

- Debts for commercial operations: suppliers and different creditors
- Other financial liabilities: debts with third parties, such as financial loans and credits received from persons or companies that are not credit institutions, including those arising from the purchase of non-current assets, guarantees and deposits received and disbursements required by third parties on shares.
- Debts with credit institutions

Financial liabilities, for measurement purposes, are included in one of the following categories:

Financial Liabilities at Amortized cost: All financial liabilities are classified in this category except when they must be valued at fair value with changes in the profit and loss account. In general, debits for commercial operations and debits for non-commercial operations are included in this category.

Participating loans that have the characteristics of an ordinary or common loan will also be included in this category without prejudice to the fact that the operation is agreed at a zero-interest rate or below the market rate.

- Initial valuation: Initially they are valued at their fair value, which, unless there is evidence to the contrary, is the transaction price, which is equivalent to the fair value of the consideration received adjusted by the transaction costs that are directly attributable to it. However, debits for commercial transactions maturing in no more than one year and that do not have a contractual interest rate, as well as disbursements required by third parties on participations, the amount of which is expected to be paid in the short term, can be valued at their nominal value, when the effect of not updating the cash flows is not significant.
- Subsequent valuation: it is done at amortized cost. Accrued interest is recorded in the profit and loss account, applying the effective interest rate method. However, debits maturing in no more than one year which, in accordance with the provisions of the preceding section, are initially valued at their nominal value, will continue to be valued at that amount.

4.5. Transactions in Foreign Currency.

Accounts mentioned in foreign currency are measured at the exchange rate in effect at the time of the transaction. Positive or negative differences occurring at the time of payment or collection as a consequence of monetary fluctuations are carried over to the Profit and Loss Account. At the end of the period, both positive and negative differences that did not occur are carried over to the Profit and Loss Account.

4.6. Profit Tax.

The Company pays tax under the Tax Consolidation System, according to what is set out in Chapter 7 of Royal Legislative Decree 27/2014 of November 27, the Corporate Tax Law. Holiday Club Canarias Investment is the parent Company, which presents the correspondent settlement.

Following the Accrual Principle, profit tax has been charged as an expense during the period. Current tax has been calculated per the financial results before taxes, adjusted by permanent differences and consolidation and decreased by applying deductions, as set out in the tax regulations in effect.

Income and expense have also been accrued from deferred tax by activating tax credits at different times, originated in part by a fiscally non-deductible amortisation and short-term provisions allocated in previous financial periods and which are respectively, tax deductible.

4.7. Provisions and Contingencies.

Provisions are present obligations on the date of the balance sheet that have arisen as a result of past events; the amount and timing of cancellation are undetermined. Provisions are recorded at the current value of the estimated amount that the company will have to pay to settle the obligation in the future.

Contingent liabilities are potential liabilities arising as a result of past events, whose realization is contingent upon that happening or not, one or more future events independent of the will of the Company. Contingent liabilities, as well as the Provisions whose amount cannot be estimated reliably or it is not very likely that the Company must dispose of resources embodying profits, for their cancellation are not recognized for accounting purposes but are broken down in the Report.

All the possible contingencies due to the health crisis of the COVID-19 and Ukraine war have been taken into account.

4.8. Income and Expenses.

Regarding the incomes from delivery of goods and services, the criteria followed to conclude that the obligations assumed by the company are met over time or at a given time.

- Common aspects.

The company recognizes incomes for the ordinary development of its activity when the transfer of control of the goods or services committed to customers occurs. At that time, the company will value the income at the amount that reflects the consideration to which it expects to be entitled in exchange for said goods or services.

- Recognition

The company recognizes the income derived from a contract when (or as) the transfer to the client of the control over the promised goods or services (that is, the obligation or obligations to be fulfilled) takes place.

The control of a good or service (an asset) refers to the ability to fully decide on the use of that asset and obtain substantially all of its remaining benefits. The control includes the ability to prevent other entities from deciding on the use of the asset and obtaining its benefits.

For each obligation to be fulfilled (delivery of goods or provision of services) that is identified, the company determines at the beginning of the contract whether the commitment assumed will be fulfilled over time or at a certain moment.

The income derived from the commitments (in general, the provision of services or the sale of goods) that are fulfilled over time are recognized based on the degree of progress or progress towards the complete fulfillment of the contractual obligations, provided that the company has reliable information to measure the degree of progress.

The company reviews and, if necessary, modifies the estimates of income to be recognized, as it complies with the commitment assumed. The need for such reviews does not necessarily indicate that the outcome or result of the operation cannot be reliably estimated.

When, at a certain date, the company is not able to reasonably measure the degree of compliance with the obligation (for example, in the early stages of a contract), although it expects to recover the costs incurred to satisfy said commitment, only revenue is recognized and the corresponding consideration in an amount equivalent to the costs incurred up to that date.

In case of contractual obligations that are fulfilled at a certain time, the income derived from their execution is recognized on that date. Until this circumstance occurs, the costs incurred in the production or manufacturing of the product (goods or services) are recorded as inventories.

When there are doubts regarding the collection of the credit right previously recognized as income from sales or provision of services, the impairment loss will be recorded as an expense for the correction of the value due to impairment and not as less income.

- Assessment.

Ordinary incomes from the sale of goods and the provision of services is valued at the monetary amount or, as the case may be, at the fair value of the consideration, received or expected to be received, derived from it, which, except evidence to the contrary, it is the agreed price for the assets to be transferred to the client, deducting: the amount of any discount, reduction in price or other similar items that the company may grant, as well as the interest included in the nominal value of the loans. However, interests included in commercial credits with a maturity of no more than one year that do not have a contractual interest rate may be included, when the effect of not updating the cash flows is not significant.

The taxes levied on the operations of delivery of goods and provision of services that the company must pass on to third parties, such as value added tax and special taxes, as well as the amounts received on behalf of third parties, are not part of the income.

In the income from medical-surgical assistance services, the General Indirect Canary Tax is not passed on as it is an activity exempt from this tax.

In purchases and services, the taxes levied on the operation are included, including the General Indirect Canary Tax, as it does not have the deductible condition.

The company takes into account in the valuation of income the best estimate of the variable consideration if it is highly probable that there will not be a significant reversal of the amount of recognized income when the uncertainty associated with said consideration is subsequently resolved.

4.9. Personnel Expenses.

Personnel expenses are recognised on the basis of their accrual, considering that bonus payments are accrued on a yearly basis. There are no commitments for pensions nor retirement bonuses in the Company.

4.10. Grants, Donations and Legacies.

The operating grants are attributed to the financial period for the granted amount.

4.11. Criteria used in transactions between related parties.

Transactions between related parties are accounted for, in general, by their reasonable value.

5. INTANGIBLE FIXED ASSETS.

5.1. As indicated in Note 1.6, during the 2011 financial period the Company acquired the goodwill corresponding to the business of administration and maintenance for the amount of 1,700,000 Euros. Transactions occurred during the financial periods 2021 and 2022 are the following:

Euros	**2020**	**Acquisitions**	**Disposals**	**2021**
Goodwill	1,700,000	–	–	1,700,000
Accumulated amortization	(680,000)	(170,000)	–	(850,000)
Net Totals	1,020,000			850,000
	2021	**Acquisitions**	**Disposals**	**2022**
Goodwill	**1,700,000**	**–**	**–**	**1,700,000**
Accumulated amortization	**(850,000)**	**(170,000)**	**–**	**(1,020,000)**
Net Totals	**850,000**			**680,000**

5.2. There is no evidence of impairment through March 31, 2022 on any of the elements in the Intangible Fixed Assets.

6. TANGIBLE FIXED ASSETS.

6.1. The transactions occurring during the 2021 and 2022 periods were the following:

Euros	2020	Acquisitions	Disposals	2021
Gross Costs				
Buildings	3,303,119	–	–	3,303,119
Machinery	121,435	–	–	121,435
Other facilities	245,758	1,991	–	247,750
Furniture	310,532	–	–	310,532
IT Equipment	29,835	–	–	29,835
Transportation elements	50,393	–	–	50,393
Other tangible fixed assets	401,923	1,077	–	403,000
Advances and fixed assets in progress	–	50,573	–	50,573
Totals	4,462,997	53,641	–	4,516,638
Accumulated amortization				
Buildings	418,217	67,259	–	485,475
Machinery	48,609	12,945	–	61,554
Other installations	90,343	29,522	–	119,864
Furniture	72,973	31,505	–	104,478
IT Equipment	22,925	3,402	–	26,326
Transportation elements	31,584	8,064	–	39,648
Other tangible fixed assets	385,983	5,362	–	391,345
Totals	1,070,631	158,058	–	1,228,690
Net Totals	3,392,367			3,287,949

	2021	**Acquisitions**	**Disposals**	**2022**
Gross Costs				
Buildings	**3,303,119**	**–**	**–**	**3,303,119**
Machinery	**121,435**	**–**	**–**	**121,435**
Other facilities	**247,750**	**–**	**–**	**247,750**
Furniture	**310,532**	**34,821**	**50,573**	**395,925**
IT Equipment	**29,835**	**24,003**	**–**	**53,839**
Transportation elements	**50,393**	**–**	**–**	**50,393**
Other tangible fixed assets	**403,000**	**–**	**–**	**403,000**
Advances and fixed assets in progress	**50,573**	**–**	**(50,573)**	**–**
Totals	**4,516,638**	**58,824**	**–**	**4,575,462**

Euros	**2021**	**Acquisitions**	**Disposals**	**2022**
Accumulated amortization				
Buildings	**485,475**	**67,259**	**–**	**552,734**
Machinery	**61,554**	**12,533**	**–**	**74,087**
Other installations	**119,864**	**29,193**	**–**	**149,058**
Furniture	**104,478**	**37,057**	**–**	**141,535**
IT Equipment	**26,326**	**2,739**	**–**	**29,065**
Transportation elements	**39,648**	**8,064**	**–**	**47,712**
Other tangible fixed assets	**391,345**	**3,961**	**–**	**395,306**
Totals	**1,228,690**	**160,806**	**–**	**1,389,496**
Net Totals	**3,287,949**			**3,185,967**

6.2. The buildings heading corresponds to property for which the value of the plots and buildings come to 1,061,167 Euros and 2,241,952 Euros, respectively.

6.3. Advances and fixed assets in progress during the period 2021 for the amount of 50,573 Euros corresponded to advances to buy furniture. All of them have been activated this period.

6.4. There are fully depreciated elements in use on March 31, 2022 for the amount of 457,927 Euros. (427,763 Euros on March 31, 2022).

6.5. There are no signs of impairment through March 31, March 2022 for the elements in the Tangible Fixed Assets.

6.6. There are tangible assets linked to tax incentives. (See Note 11.7)

6.7. The fixed assets are covered against risk of fire, theft, etc., by means of several insurance policies with the corresponding premiums paid up to date.

7. REAL-ESTATE INVESTMENTS.

7.1. The transactions occurring during the 2021 and 2022 periods were the following:

Euros	2020	Acquisitions	Disposals	2021
Buildings	935,518	–	–	935,518
Accumulated amortisation	(135,023)	(17,381)	–	(152,404)
Net Totals	800,495			783,114

	2021	**Acquisitions**	**Disposals**	**2022**
Buildings	**935,518**	**–**	**–**	**935,518**
Accumulated amortisation	**(152,404)**	**(17,381)**	**–**	**(169,785)**
Net Totals	**783,114**			**765,733**

7.2. The heading for Plots and Buildings correspond to property in which the value of the plot and the buildings come to 356,161 Euros and 579,357 Euros, respectively.

7.3. The Company's Real-estate investments for rental have generated revenue of 38,359 Euros and 28,414 Euros during the financial periods 2022 and 2021 respectively and correspond to three restaurants, a pool bar, a hairdressers' salon and a diving centre.

7.4. The main expenditures for these properties correspond to allocation for amortisation.

7.5. There are no signs of impairment through March 31, 2022 for the elements in the Real-estate investments.

7.6. The Real-estate investments are covered against risk of fire, theft, etc., by means of several insurance policies with the corresponding premiums paid up to date.

8. FINANCIAL ASSETS.

Information related to the Balance Sheet

8.1 Categories of financial assets (except for investments in the equity of Group, Multigroup and associated companies):

The breakdown of financial assets (except for investments in the equity of Group, jointly controlled group and associated companies) by categories is as follows:

Euros	Equity Instruments		Debt Securities		Credits/Derivatives/Others	
Long-term Financial Assets	**2022**	2021	**2022**	2021	**2022**	2021
Financial assets at amortized cost	–	–	**136,300**	136,300	**5,109**	5,109
Totals	–	–	**136,300**	136,300	**5,109**	5,109
Short- term Financial Assets						
Financial assets at amortized cost	–	–	–	–	**11,379,707**	7,547,936
Liquid Assets	–	–	–	–	**719,730**	1,764,815
Totals	–	–	–	–	**12,099,437**	9,312,751

8.2. Classification by Maturity:

The ratings depending on the maturity of the different financial assets are as follows:

Euros

Financial Assets	2022/23	2023/24	2024/25	2025/26	2026/27	Next	Total l/t
Investments in Group and Associated Companies	**10,255,367**	–	–	–	–	–	–
Loans to companies	**10,255,367**	–	–	–	–	–	–
Short-term financial investments	**1,557**	–	–	–	–	**141,409**	**141,409**
Debt securities	–	–	–	–	–	136,300	136,300
Other financial assets	**1,557**	–	–	–	–	5,109	5,109
Commercial Debts and other Receivables	**1,122,783**	–	–	–	–	–	–
Trade receivable	**1,107,639**	–	–	–	–	–	–
Sundry Receivables	**9,135**	–	–	–	–	–	–
Personnel	**6,010**	–	–	–	–	–	–
Cash and other Liquid Assets.	**719,730**	–	–	–	–	–	–
Liquid Assets	**719,730**	–	–	–	–	–	–
Totals	**12,099,437**	–	–	–	–	**141,409**	**141,409**

8.3. Corrections due to Impairment caused by Credit Risk.

No variations due to impairment have been applied to the corrective accounts during the financial periods 2022 and 2021.

Information relating to the Profit & Loss Account.

8.4 Financial Income.

Under the heading Financial Income from Marketable Securities and Other Financial Instruments in the Profit and Loss Account, the amounts of 29,969 Euros and 22,664 Euros for the financial periods 2022 and 2021 respectively, correspond mainly to the accrual of bank account interest, term deposits and interest on commercial clients.

Other Information.

8.5. Reasonable Value.

The book value of the financial assets is an acceptable approximation to the reasonable value.

Equity Instruments not being traded on an active market according to what is provided for in the 9th Rule of Recognition and Measurement of the Spanish New General Accounting Plan are valued at their cost.

8.6. Information Regarding the Nature and Level of Risk from Financial Assets:

Due to its normal activity, the Company is exposed to different financial risks, essentially, credit risk, liquidity risk and market risk, the latter referring to the rate of exchange, of interest rates and other price risks.

Credit Risks:

This basically refers to sales on credit to clients and debtors. To prevent possible effects, credit to clients and debtors are granted based on a preliminary solvency study and strict follow-up of credits and receivables. The client base is quite diversified.

Liquidity Risk:

The Company tries to keep an adequate liquidity ratio at all times to be able to honour its commitments, ensuring that current assets not including inventories, shall reasonably cover the current payables.

Market Rate Risk:

Due to the Company's activity and scope, it is subject to exchange rate risks of the sales made in foreign currency, depending on the volatility of the exchange rates.

Interest rate risks are minimum because the Company grants loans at a fixed interest rate.

9. FINANCIAL LIABILITIES

Information related to the Balance Sheet

9.1 Categories of Financial Liabilities:

The breakdown of the financial liabilities by categories is as follows:

Euros

	Debits with Credit Institutions		Bonds and Other Market Securities		Derivatives/Others	
	2022	2021	**2022**	2021	**2022**	2021
Long-term financial Liabilities						
Financial liabilities at amortized cost	**443,706**	757,145	**–**	–	**1,100**	1,100
Totals	**443,706**	757,145	**–**	–	**1,100**	1,100
Short-term Financial Liabilities						
Financial liabilities at amortized cost	**313,438**	359,561	**–**	–	**4,751,280**	2,940,468
Totals	**313,438**	359,561	**–**	–	**4,751,280**	2,940,468

9.2. Classification by Maturity:

Classification according to the maturity of the different financial liabilities is as follows:

Euros

Financial Liabilities	2022/23	2023/24	2024/25	2025/26	Next	Total l/t
Debts	**314,438**	294,763	127,506	21,437	1,100	444,806
Debts with Credit Institutions	**313,438**	294,763	127,506	21,437	–	443,706
Other financial liabilities	**1,000**	–	–	–	1,100	1,100
Debts with Group and Associated Companies	**4,489,732**	–	–	–	–	–
Trade Creditors and other accounts payable	**260,548**	–	–	–	–	–
Suppliers	**334**	–	–	–	–	–
Suppliers, group companies and associates	**260,138**	–	–	–	–	–
Staff (salaries pending payment)	**76**	–	–	–	–	–
Totals	**5,064,718**	**294,763**	**127,506**	**21,437**	**1,100**	**444,806**

Information related to the Profit & Loss Account

9.3. Financial Expenses

The heading of debts to third parties is mainly the interest accrued with credit institutions, the amounts of which come to 15,214 Euros and 19,677 Euros for the financial periods 2022 and 2021, respectively.

Other Information

9.4. Reasonable Value.

The book value of the financial liabilities is an acceptable approximation to the reasonable value.

9.5. Information on the Nature and Level of Risk from Financial Liabilities

Due to its regular activity, the Company is exposed to diverse financial risks, basically credit risks, liquidity risks and market risks, the latter of which refers to exchange rate risks, interest rate risks and other price risks.

9.6. Other Information about Financial Instruments.

a) Debts with credit institutions show the following breakdown:

Euros	2022	2021
Personal secured loans	**398,291**	525,780
ICO loans (note 9.6.b)	**358,853**	590,926
Totals	**757,145**	1,116,706

b) The ICO loans, which amount on March 31, 2022 is 358,853 Euros are backed for companies of the group. (See notes 14.2 and 17.3)

c) The average interest rate of non-commercial debts fluctuates between 1 and 2 per cent per annum.

9.7 Accrual adjustments

In January, every year, the company issues the maintenance fees invoices for every week. At the end of the financial period there are, in the heading of accrual adjustments, the proportional part of the not accrued months on March 31, 2022 for the amount of 3,838,070 Euros. It was 3,863,153 Euros on March 31, 2022.

10. SHAREHOLDERS´ EQUITY.

10.1 The share capital, for an amount of 3,100 Euros, comprises 31 shares of 100 Euros face value each.

10.2 The Canary Islands Investments Reserve Fund for the amount of 1,638,036 Euros, is subject to the availability limitations established in the tax regulations (See Note 11.7).

10.3 The corporation HOLIDAY CLUB CANARIAS INVESTMENT, S.L.U., owns 100 per cent of the share capital of the Company.

10.4 The breakdown of the heading “other reserves” from the Balance Sheet, is as follows:

Euros	2022	2021
Voluntary Reserves	**3,632,453**	2,300,538
Canary Islands Investment Reserves	**1,638,036**	1,278,036
Goodwill Reserves	**517,151**	517,151
Totals	**5,787,641**	4,095,725

11. TAX POSITION.

Profit Tax

11.1 Tax Consolidation Regime

The Company is taxed in the consolidated tax system in accordance with Chapter VI, title VII of the 27/2017 law, of November 27, of the profit tax, which approved the revised text from the Law of Corporate Tax. The Tax Group comprises the following corporations:

Parent: HOLIDAY CLUB CANARIAS INVESTMENT, S.L.U
Subsidiaries: HOLIDAY CLUB CANARIAS SALES & MARKETING, S.L.U, HOLIDAY CLUB CANARIAS RESORT MANAGEMENT, S.L.U. and HOLIDAY CLUB CANARIAS VACATION CLUB S.L.U

11.2 Individual Tax Base.

The reconciliation of the net amounts of income and expenditures for the financial period against the tax base of Corporate Tax, is the following:

Euros	Profit & Loss Account	Inc. & expend. directly attributable to Equity
Balance of income and expenditure for the financial year	**1,100,093**	–
Tax over benefits	**397,991**	–
Profit Tax	**363,677**	–
Current Tax	**34,314**	–
Deferred Tax		
Donations	**7,438**	–
Goodwill Deduction	**85,000**	–
Temporary Differences		
70% Limit Amortization	**(7,210)**	–
Provisions (Art. 14 LIS)	**(128,604)**	–
Tax Base (Tax Profit & Loss)	**1,454,708**	–

11.3 Corporate Tax Settlement.

By applying the tax rate on the tax base, the full amount of 363,677 euros is obtained.

Under the rules applicable to the Tax Consolidation Regime, the taxable income of the tax group is determined by adding individual taxable bases corresponding to the companies comprising the Fiscal group, deletions; additions of deletions carried out in previous years and, in the event that the above sum proves to be positive, compensating the carry-forwards of the Fiscal group, as well as the outstanding tax bases to be applied by the companies taxable at the time of joining the Tax Group.

In consequence, the Individual Tax Base of HOLIDAY CLUB CANARIAS RESORT MANAGEMENT, S.L.U. for the amount of 363,677 Euros (30,730,707 Rupees), is subject to addition together with the rest of the tax bases of the remaining companies comprising the Tax Group.

The tax base of the group, before the compensation of the negative tax bases (BINs) amounts 159,021 Euros. This base is reduced by the application of the BINs for the amount of 159,021 Euros, therefore the final tax base of the group amounts 0 Euros.

The BINs pending to apply the next years amount 274,963 Euros.

11.4 Breakdown of expenditure on Income Tax.

The expenditure on Income Tax accrued in the financial periods is broken down as follows:

Euros	2022	2021
Current Tax	**363,677**	506,192
Deferred tax	**34,314**	(48,610)
- deductible temporary differences that are activated in the period	**(70,951)**	(83,545)
- deductible temporary differences that are deducted in the period	**105,265**	34,935
Total expenditure on Income Tax	**397,991**	457,582

11.5 Deductions for Investments in Canaries.

There are no investments in fixed assets during the period 2022 that could be affected by the tax incentive. It means that, at the end of the financial period, the outstanding deductions are as follows:

Euros

Exercise	Initial outstanding amount	Acquisitions	Applications	Balance 2022	Limit	Time limit
2017/2018	35,857	–	–	35,857	50%	2032/33
2019/2020	47,615	–	–	47,615	50%	2034/35
Totals	**83,473**	**–**	**–**	**83,473**		

11.6 Deferred Tax Assets.

Transactions during the financial periods 2021 and 2022 found in this heading have been the following:

Euros	2020	Acquisitions	Applications	2021
- Temporary differences for non-deductible provisions	52,329	83,545	(32,772)	103,102
- Temporary differences, 70% limit fiscal amortisation	11,896	–	(2,163)	9,733
Totals	64,225	83,545	(34,935)	112,835

	2021	Acquisitions	Applications	2022
- Temporary differences for non-deductible provisions	103,102	70,951	(103,102)	70,951
- Temporary differences, 70% limit fiscal amortisation	9,733	–	(2,163)	7,570
Totals	112,835	70,951	(105,265)	78,521

11.7 The Canary Islands Investment Reserve.

The Canary Islands Investment Reserve was provided for from January 1, 2007 and what has been set out in Royal Decree Act 12/2016 of December 29, in which Law 19/1994 of July 6, Modification of the Canary Islands Financial and Tax Regime (REF) was modified, is applicable.

At the end of the financial period 2022, the situation of the Canary Islands Investment Reserve is as follows:

Euros

Item	2012/13	2013/14	2017/18	2018/19	2019/20	2020/21
Provisions	245,000	425,000	190,000	128,036	290,000	360,000
Investments made						
Financial Period 2013/14	(17,221)	–	–	–	–	–
Financial Period 2014/15	(191,443)	–	–	–	–	–
Financial Period 2015/16	(36,336)	(42,173)	–	–	–	–
Financial Period 2016/17	–	(117,833)	–	–	–	–
Financial Period 2017/18	–	(264,993)	(190,000)	–	–	–
Financial Period 2018/19	–	–	–	(69,409)	–	–
Financial Period 2019/20	–	–	–	(58,626)	(290,000)	–
Financial Period 2021/22	–	–	–	–	–	(109,397)
Unrealized amount	–	–	–	–	–	**250,603**

Specifically, investments made in the financial period 2013/2014 for which the Canary Island Investment Reserve was materialised, were the following:

Euros

Account	Item	Acquisition Date	Amount Materialised	Provision 2012/2013
21301001	Machinery	01.03.2014	1,103	1,103
21301001	Machinery	13.03.2014	690	690
21301001	Machinery	13.08.2014	1,152	1,152
21301001	Machinery	15.09.2014	12,015	12,015
	TOTAL MACHINERY		**14,961**	**14,961**
201608002	Furniture	29.11.2013	2,097	2,097
201608002	Furniture	22.11.2013	163	163
	TOTAL FURNITURE		**2,260**	**2,260**

Throughout the financial period 2014/2015 the Company has carried out the following investments, materialising the Reserve in the following assets and on the dates indicated in the table below. This table shows, the Financial Period, for which the provision was materialised by type of asset is indicated:

Euros

Account	Item	Acquisition Date	Amount materialised	Provision 2012/2013
21108022	Construction/Buildings	10.02.2015	4,020	4,020
21108022	Construction/Buildings	28.02.2015	6,759	6,759
21108022	Construction/Buildings	28.02.2015	392	392
21108022	Construction/Buildings	28.02.2015	329	329
21108022	Construction/Buildings	28.02.2015	15,212	15,212
21108022	Construction/Buildings	31.03.2015	2,183	2,183
21108022	Construction/Buildings	30.09.2015	76,825	76,825
	TOTAL CONSTRUCTION		**105,720**	**105,720**
21301001	Machinery	28.02.2015	1,103	1,103
21301001	Machinery	28.02.2015	1,103	1,103
21301001	Machinery	28.02.2015	1,103	1,103
21301001	Machinery	31.05.2015	562	562
21301001	Machinery	30.06.2015	601	601
21301001	Machinery	30.07.2015	601	601
	TOTAL MACHINERY		**5,074**	**5,074**
21508001	Other Facilities	31.05.2015	5,646	5,646
21508001	Other Facilities	17.06.2015	1,096	1,096
21508001	Other Facilities	17.06.2015	586	586
21508001	Other Facilities	29.09.2015	4,056	4,056
21508001	Other Facilities	30.09.2015	68,175	68,175
	TOTAL OTHER FACILITIES		**79,558**	**79,558**
201608001	Furniture	28.10.2014	437	437
201608001	Furniture	01.12.2014	654	654
	TOTAL FURNITURE		**1,091**	**1,091**

Throughout the financial period 2015/2016 the Company has carried out the following investments, materialising the Reserve in the following assets and on the dates indicated in the table below. This table shows, the Financial Period, for which the provision was materialised by type of asset is indicated:

Euros

Account	Item	Acquisition Date	Amount materialised	Provision 2012/2013	Provision 2013/2014
21108005	Constructions	20.11.2015	8,027	8,027	–
21108005	Constructions	20.11.2015	1,950	1,950	–
21108005	Constructions	24.12.2015	1,565	1,565	–
21108005	Constructions	24.12.2015	1,450	1,450	–
21108005	Constructions	24.12.2015	1,499	1,499	–
21108005	Constructions	24.12.2015	8,027	8,027	–
21108005	Constructions	31.01.2016	1,950	1,950	–
21108008	Constructions	31.01.2016	2,370	2,370	–
	TOTAL CONSTRUCTIONS		**26,837**	**26,837**	**–**
21301001	Machinery	31.01.2016	1,036	–	1,036
21301001	Machinery	31.01.2016	4,514	–	4,514
	TOTAL MACHINERY		**5,550**	**–**	**5,550**
21508001	Other facilities	30.11.2015	5,271	5,271	–
21508001	Other facilities	01.12.2015	30,707	320	30,387
21508001	Other facilities	31.12.2015	2,409	2,409	–
21508001	Other facilities	31.01.2016	1,499	1,499	–
	TOTAL OTHER FACILITIES		**39,886**	**9,499**	**30,387**
21608001	Furniture	02.01.2016	1,036	–	1,036
	TOTAL FURNITURE		**1,036**	**–**	**1,036**

Euros

Account	Item	Acquisition Date	Amount materialised	Provision 2012/2013	Provision 2013/2014
21708001	IT equipment	18.12.2015	5,024	–	5,024
21708001	IT equipment	18.12.2015	176	–	176
		TOTAL IT EQUIPMENT	**5,200**	**–**	**5,200**

Throughout the financial period 2016/2017 the Company has carried out the following investments, materialising the Reserve in the following assets and on the dates indicated in the table below. This table shows, the Financial Period, for which the provision was materialised by type of asset is indicated:

Euros

Account	Item	Acquisition Date	Amount materialised	Provision 2013/2014
21901009	Other Tangible Fixed Assets	01.09.2016	11,606	11,606
21908009	Other Tangible Fixed Assets	13.04.2016	201	201
21908009	Other Tangible Fixed Assets	13.04.2016	140	140
	TOTAL OTHER TANGIBLE FIXED ASSETS		**11,947**	**11,947**
21301001	Machinery	10.10.2016	3,300	3,300
21301001	Machinery	31.10.2016	1,654	1,654
21301001	Machinery	31.10.2016	293	293
21301001	Machinery	31.12.2016	875	875
21301001	Machinery	01.01.2017	(1,036)	(1,036)
21301001	Machinery	07.02.2017	800	800
21301001	Machinery	07.02.2017	155	155
		TOTAL MACHINERY	**6,043**	**6,043**
21408001	Other facilities	28.02.2017	7,975	7,975
		TOTAL OTHER FACILITIES	**7,975**	**7,975**
21608001	Furniture	30.06.2016	22,155	22,155
21608001	Furniture	05.10.2016	18,080	18,080
21608001	Furniture	01.03.2017	1,241	1,241
		TOTAL FURNITURE	**41,476**	**41,476**
21801001	Vehicles	24.05.2016	50,393	50,393
		TOTAL VEHICLE	**50,393**	**50,393**

Throughout the financial period 2017/2018 the Company has carried out the following investments, materialising the Reserve in the following assets and on the dates indicated in the table below. This table shows, the Financial Period, for which the provision was materialised by type of asset is indicated:

Euros

Account	Item	Acquisition Date	Amount materialised	Provision 2014/2015	Provision 2018/2019
21108026	Construction/Buildings	31.03.2018	124,597	124,597	–
21108028	Construction/Buildings	31.03.2018	140,397	140,397	–
	TOTAL CONSTRUCTION/BUILDING		**264,993**	**264,993**	**–**
21301001	Machinery	01.07.2017	6,745	–	6,745
21301001	Machinery	01.07.2017	5,416	–	5,416
21301001	Machinery	10.08.2017	1,845	–	1,845
21301001	Machinery	30.09.2017	2,500	–	2,500
21301001	Machinery	30.09.2017	4,866	–	4,866
21301001	Machinery	30.09.2017	9,200	–	9,200
21301001	Machinery	31.03.2018	294	–	294
		TOTAL MACHINERY	**30,865**	**–**	**30,865**

Euros

Account	Item	Acquisition Date	Amount materialised	Provision 2014/2015	Provision 2018/2019
21508001	Other Facilities	30.04.2017	109	–	109
21508001	Other Facilities	30.04.2017	225	–	225
21508001	Other Facilities	30.04.2017	466	–	466
21508001	Other Facilities	30.04.2017	1,209	–	1,209
21508001	Other Facilities	01.07.2017	3,560	–	3,560
21508001	Other Facilities	01.07.2017	1,500	–	1,500
21508001	Other Facilities	01.07.2017	1,183	–	1,183
21508001	Other Facilities	12.09.2017	1,627	–	1,627
21508001	Other Facilities	30.09.2017	13,434	–	13,434
21508001	Other Facilities	22.11.2017	3,863	–	3,863
	TOTAL OTHER FACILITIES		**27,176**	**–**	**27,176**
21601002	Furniture	01.09.2017	230	–	230
21601002	Furniture	11.09.2017	1,960	–	1,960
21608001	Furniture	01.08.2017	513	–	513
21608001	Furniture	10.08.2017	2,864	–	2,864
21608001	Furniture	28.08.2017	505	–	505
21608003	Furniture	31.03.2018	25,238	–	25,238
21608004	Furniture	31.03.2018	38,551	–	38,551
21608005	Furniture	31.03.2018	51,024	–	51,024
		TOTAL FURNITURE	**120,885**	**–**	**120,885**
21708001	IT equipment	28.01.2018	2,741	–	2,741
21708001	IT equipment	28.01.2018	2,741	–	2,741
21708001	IT equipment	28.01.2018	2,741	–	2,741
21708001	IT equipment	28.01.2018	1,371	–	1,371
21708001	IT equipment	28.01.2018	1,371	–	1,371
		TOTAL IT EQUIPMENT	**10,966**	**–**	**10,966**
21908001	Other tangible fixed assets	20.07.2017	108	–	108
TOTAL OTHER TANGIBLE FIXED ASSETS			**108**	**–**	**108**

Throughout the financial period 2018/2019 the Company has carried out the following investments, materialising the Reserve in the following assets and on the dates indicated in the table below. This table shows, the Financial Period, for which the provision was materialised by type of asset is indicated:

Euros

Account	Item	Acquisition Date	Amount materialised	Provision 2018/2019
21108026	Construction/Buildings	03.05.2018	2,550	2,550
21108026	Construction/Buildings	01.06.2018	5,120	5,120
21108028	Construction/Buildings	15.05.2018	2,600	2,600
21108028	Construction/Buildings	01.06.2018	5,910	5,910
	TOTAL CONSTRUCTION/BUILDING		**16,180**	**16,180**
21301001	Machinery	20.05.2018	15,500	15,500
21301001	Machinery	20.06.2018	2,500	2,500
21301001	Machinery	13.09.2018	182	182
21301001	Machinery	13.09.2018	2,409	2,409
21301001	Machinery	28.09.2018	1,700	1,700
	TOTAL MACHINERY		**22,292**	**22,292**

Euros

Account	Item	Acquisition Date	Amount materialised	Provision 2018/2019
21508001	Other Facilities	10.05.2018	2,300	2,300
21508001	Other Facilities	10.05.2018	1,700	1,700
	TOTAL OTHER FACILITIES		**4,000**	**4,000**
21608001	Furniture	20.05.2018	2,500	2,500
21608001	Furniture	31.01.2019	1,712	1,712
21608002	Furniture	28.03.2019	302	302
21608002	Furniture	28.03.2019	3,346	3,346
21608005	Furniture	30.04.2018	11,195	11,195
	TOTAL FURNITURE		**19,056**	**19,056**
21708001	IT equipment	20.06.2018	353	353
	TOTAL IT EQUIPMENT		**353**	**353**

Euros

Account	Item	Acquisition Date	Amount materialised	Provision 2018/2019
21908001	Other tangible fixed assets	01.04.2018	565	565
21908001	Other tangible fixed assets	09.04.2018	3,510	3,510
21908001	Other tangible fixed assets	12.10.2018	57	57
21908001	Other tangible fixed assets	12.10.2018	57	57
21908001	Other tangible fixed assets	12.10.2018	1,134	1,134
21908001	Other tangible fixed assets	12.10.2018	1,134	1,134
21908001	Other tangible fixed assets	06.03.2019	1,073	1,073
	TOTAL OTHER TANGIBLE FIXED ASSETS		**7,529**	**7,529**

During the period 2018/19 the Company has carried out investments prior to the provision of the same period for the amount of 69,409 Euros all of them detailed and it has not been benefited from grants or any other tax benefit accrued at the time of the investment made as a result of the realization of the RIC.

Throughout the financial period 2019/2020 the Company has carried out the following investments, materializing the Reserve in the following assets and on the dates indicated in the table below. This table shows, the Financial Period, for which the provision was materialized by type of asset is indicated:

Euros

Account	Item	Acquisition Date	Acquisitions	Amount materialised	Provision 2018/2019	Provision 2019/2020
21108004	Construction/Buildings	31.05.2019	57,886	57,886	57,886	–
21108004	Construction/Buildings	31.05.2019	29,628	29,628	740	28,888
21108026	Construction/Buildings	06.05.2019	800	800	–	800
21108029	Construction/Buildings	01.09.2019	211,087	148,587	–	148,587
21108029	Construction/Buildings	01.10.2019	10,000	10,000	–	10,000
TOTAL CONSTRUCTION/BUILDING			**309,401**	**246,902**	**58,626**	**188,275**
21301001	Machinery	31.05.2019	36,612	36,612	–	36,612
TOTAL MACHINERY			**36,612**	**36,612**	**–**	**36,612**
21508001	Other Facilities	31.05.2019	24,792	24,792	–	24,792
TOTAL OTHER FACILITIES			**24,792**	**24,792**	**–**	**24,792**
21608001	Furniture	31.05.2019	40,321	40,321	–	40,321
TOTAL FURNITURE			**40,321**	**40,321**	**–**	**40,321**

During the period 2019/20 the Company has carried out investments prior to the provision of the same period for the amount of 290,000 Euros all of them detailed and it has not been benefited from grants or any other tax benefit accrued at the time of the investment made as a result of the realization of the RIC.

During the period 2021/2022 the Company has carried out the following investments, materializing the Reserve in the following assets and on the dates indicated in the table below. This table shows, the Financial Period, for which the provision was materialized by type of asset is indicated.

Euros

Account	Item	Acquisition Date	Acquisitions	Amount materialised	Provision 2021
21608001	Furniture	01.05.2021	50,573	50,573	50,573
21608001	Furniture	31.05.2021	32,949	32,949	32,949
21608001	Furniture	30.06.2021	1,872	1,872	1,872
TOTAL FURNITURE			**85,393**	**85,393**	**85,393**
21701001	IT equipment	18.02.2022	295	295	295
21701001	IT equipment	18.02.2022	249	249	249
21701001	IT equipment	30.03.2022	23,459	23,459	23,459
TOTAL IT equipment			**24,003**	**24,003**	**24,003**

11.8 Financial Periods Open to the Possibility of a Tax Inspection.

As set forth in current legislation, taxes cannot be considered definitively settled until the tax returns presented have been inspected by the tax authorities or the four-year statute of limitations has run out.

At the closing date, the company is also open to inspection of all the taxes that are applicable to it, corresponding to the last four years.

The Board of Directors of the Company considered that liquidations of the mentioned taxes has been properly settled, so, even though discrepancies could arise in the interpretation or the existing tax regulations by the handling of tax granted to the operations, the eventual resulting liabilities in case of materialisation would not significantly affect the annual accounts.

12. FOREIGN CURRENCY.

The Exchange differences recognised for the financial periods 2022 and 2021 in the Profit and Loss Account, for creditor and debtor's amounts of 331 Euros and 71 Euros respectively. All the transactions have been made in Spanish territory.

13. INCOME AND EXPENSES

Breakdown of the following items in the Profit and Loss Account:

Consumption of goods: corresponding entirely to the purchases of merchandise for the amounts of 16,108 Euros and 8,670 Euros during the financial periods 2022 and 2021, respectively. All purchases have been made in Spanish territory.

Social security: corresponds entirely to the Business contribution to Social Security for a total amount of 479,825 Euros and 433,301 Euros for the financial periods 2022 and 2021, respectively. During the period 2022 and 2021 have been accounted Social Security grants related to the employees affected by the ERTE for the amount of 208,474 Euros and 234,394 Euros, respectively.

External Services:

Euros	2022	2021
Repair and Maintenance	**486,947**	292,069
Independent Professional Services	**285,057**	205,688
Insurance	**29,338**	29,798
Bank Services and Similar	**18,526**	13,952
Publicity, Advertising and Public Relations	**–**	177
Supplies	**417,994**	359,653
Other Services	**66,789**	61,550
Totals	**1,304,650**	962,888

Losses on impairment of and change in trade transactions:

Euros	2022	2021
Provisions Other Trade Transactions (Note 14).	**310,277**	334,180
Totals	**310,277**	334,180

Other results: these correspond to the Profits & Losses that stem from events that are not a part of the Company's typical activities and which are not expected to occur frequently. The negative result in 2022 and 2021 for the amount of 472 Euros and 6,787 Euros respectively correspond mainly penalties.

14. PROVISIONS AND CONTINGENCIES.

Provisions

14.1 Transactions during the financial periods 2021 and 2022 found in this heading have been the following:

Euros	2020	Acquisitions	Disposals	2021	**Acquisitions**	**Disposals**	**2022**
Sinking Fund	215,004	334,180	(131,088)	418,096	**310,277**	**(438,881)**	**289,492**
Collective labour agreement	5,400	–	–	5,400	**–**	**–**	**5,400**
	220,404	334,180	(131,088)	423,496	**310,277**	**(438,881)**	**294,892**

The sinking fund provision is a monthly provision to cover general expenses approved in the owners' meeting. The company uses this provision when it is necessary. The provision Collective labour agreement corresponds to the salaries increase.

Contingencies

14.2 A guarantee has been provided by one of the Group companies, to respond for a loan granted by a Finance Company, which balance at the end of the period is 358,853 Euros (See Notes 9.6b and 17.3).

14.3 The company provided a guarantee to a Finance company for the amount of 204,450 Euros to respond to all the trials of the related company Holiday Club Canarias Sales & Marketing (See Note 17.3)

14.4 All the contingencies due to the health crisis because of the COVID-19 and Ukraine war have been taken into account and have been detailed in the Notes 1.6 and 1.7.

15. ENVIRONMENTAL INFORMATION.

Given the activity that the Company carries out, there are no responsibilities, expenses, assets or deadlines of any environmental nature that could be of any significance with regard to equity, the financial position and its results. Therefore, no specific breakdowns are included in this report.

16. EVENTS AFTER THE CLOSING OF THE FINANCIAL YEAR.

No events have occurred after closing that could be considered significant and affect the financial period's accounts.

17. TRANSACTIONS BETWEEN RELATED PARTIES.

17.1. Regarding the Managing Board and Key Company Staff.

Managers and the key personnel of the company with whom related-party transactions have been carried out are the following:

- Mr. Calvin Stuart Lucock, Administrator and Managing Director.
- Mrs. Claudia Esplá Marín, Finance Manager
- Mr. Roberto Picón Pampin, Operations Manager

Remuneration paid to managers and key personnel of the company, during the financial periods 2022, in their status as employees of the company, amounts to 200,467 Euros and 216,610 Euros in the financial period 2021.

17.2. Information required by Article 229 Of the Corporate Enterprises Act.

According to the Article 229 of the Corporate Enterprises Act, we hereby inform that the members of the Board of Directors do not have shares or hold positions or perform functions in companies whose corporate purpose is the same, similar or complementary to the Company's.

However, the members of the Board of Directors hold various shares in companies related to the Company and hold management positions and carry out functions related to the management, which have not been subject to inclusion in this Note of the Report, as this does not pose any conflict with regard to their duties of diligence and loyalty or the existence of potential conflicts of interest in the context of Law 26/2004 of July 17, which amended Law 24/1988, of July 28, in which the Market Values and the revised text of the Corporate Enterprises Act approved by Royal Legislative Decree 1/2010 of 2 July.

Also, during the Financial Period, the members of the Board of Directors have not carried out transactions outside the normal course of business beyond the ordinary traffic or in conditions other than those of the market with the company or group companies. The only transactions with administrators are those outlined in Note 17.1.

17.3. Transactions and Balances with Group companies:

Transactions between related companies during the periods 2022 and 2021 are as follows:

Euros	2022		2021	
Company	Services received	Services rendered	Services received	Services rendered
Holiday Club Canarias Sales & Marketing, S.L.U.	**173,235**	**1,849,057**	130,007	1,872,163
Holiday Club Canarias Invesment, S.L.U.	**2,900**	–	–	–
Holiday Club Resort OY	–	**(1,031)**	1,392	2,173
Holiday Club Canarias Vacation Club, SL	–	**407,136**	–	414,747
Totals	**176,135**	**2,255,163**	131,399	2,289,082

Balances from clients have been transferred to the related company Holiday Club Canarias Vacation Club S.L.U. to be incorporated as intangible asset related to the rights of use of the repossessed weeks. The transfer amounts for the periods 2022 and 2021 respectively are 370,334 Euros and 93,711 Euros.

All the transactions between related companies have been made under normal market conditions.

Pending amount with related companies for the financial year 2022 and 2021, both long and short term is at the end of periods, are as follows:

Euros	2022		2021	
Company	Debit Balances	Credit Balances	Debit Balances	Credit Balances
Holiday Club Canarias Sales & Marketing, S.L.U.	**10,255,367**	–	6,399,227	–
Holiday Club Canarias Invesment, S.L.U	–	**1,915,057**	–	1,551,580
Holiday Club Resorts OY	–	**334**	2,325	560
Holiday Club Canarias Vacation Club, S.L.U	–	**2,574,675**	–	1,210,110
Totals.	**10,255,367**	**4,490,066**	6,401,552	2,762,250

The company provided a guarantee to a Finance company to respond to all the trials of the related company Holiday Club Canarias Sales & Marketing for the amount of 204,450 Euros (See Note 14.3).

The company is also backed by group companies in front of financial entities for a received loan. The breakdown and balance on March 31, 2022 is as follows (See Notes 9.6.b and 14.2):

Euros Company	2022
Holiday Club Canarias Sales & Marketing, S.L.U.	**335,809**
Holiday Club Canarias Vacation Club, S.L.U.	**23,044**
Totals	**358,853**

18. OTHER INFORMATION.

18.1. Number of Employees.

The average number of people employed by the Company during the 2022 and 2021 Financial Periods, distributed by professional categories, has been the following:

	People	
	2022 (*)	2021 (*)
Senior Managers	**3**	3
Administration and Middle Managers	**7**	8
Receptionists and Technical Staff	**32**	10
Housekeeping and others	**34**	15
Totals	**76**	36

Distribution by gender at the end of the financial periods 2022 and 2021 is the following:

	2022 (*)		2021 (*)	
	Men	**Women**	Men	Women
Senior Managers	**2**	**1**	2	1
Administration and Middle Managers	**–**	**6**	4	8
Receptionists and Technical Staff	**23**	**9**	20	4
Housekeeping and others	**11**	**34**	6	28
Totals	**36**	**50**	32	41

Distribution by disabled employees at the end of the financial periods 2022 and 2021 is one person for both periods in the category of housekeeping and other. This person was affected by the ERTE more than half of the period 2021.

(*) Employees affected by the ERTE haven't been taken into account

18.2 Auditor's Fees.

The fees for the audit of Annual Accounts for the Financial Periods 2022 and 2021 are as follows:

Euros	2022	2021
Fees charged for Account Auditing	**10,005**	9,800
Fees for other Services performed	**3,800**	3,800
Totals	**13,805**	13,600

19. SEGMENT INFORMATION.

The distribution of the net amount of turnover corresponding to ordinary activity, by categories, is as follows:

Euros	2022	2021
Maintenance Fee	**5,020,358**	4,782,613
Other incomes	**187,250**	307,019
Totals	**5,207,608**	5,089,631

20. INFORMATION ABOUT PAYMENT DEFERRALS MADE TO SUPPLIERS. THIRD ADDITIONAL PROVISION TO THE "DUTY OF INFORMATION" OF LAW 15/2010 OF 5 JULY

According to the Third Additional Regulation of Law 15/2010 of 5 July, the Company informs the following information:

Euros	**2022**	2021
	Days	**Days**
Payment Ratio	58	58
Outstanding payment Ratio	57	30
Average period for payment to suppliers	58	54
	Importe	**Importe**
Total payments in the period	1,415,941	1,169,063
Total outstanding payments	260,138	177,155

In Mogán, on April 12th, 2022

Calvin Stuart Lucock
Joint and Several Administrator and
Holiday Club Resorts OY Representative

REPORT OF THE INDEPENDENT AUDITOR ON THE FINANCIAL STATEMENTS

To the Sole Shareholder of HOLIDAY CLUB CANARIAS VACATION CLUB, SLU:

Report on the Financial Statements

We have audited the financial statements of HOLIDAY CLUB CANARIAS VACATION CLUB, SLU, (the Company) which comprise the balance sheet as at March 31, 2022, the income statement, and the related explanatory notes thereto for the year then ended.

In our opinion, the accompanying financial statements present, in all material aspects, a true and fair view of the net equity and financial situation of the Company as at March 31, 2022 and of its results and cash flows for the year then ended, in accordance with the regulatory financial reporting framework that is applicable (Identified in note 2 to the financial statements) and, in particular, with the accounting principles and criteria contained therein.

Basis for the opinion

We have carried out our audit in accordance with the prevailing standards governing the activity of auditing accounts in Spain. Our responsibilities in accordance with these standards are described later in the section of our report on *"Responsibilities of the auditor in connection with the audit of the financial statements"*.

We are independent from the Company in accordance with the requirements on ethics, including those of independence, which are applicable to our audit of financial statements in Spain, as required by the regulations governing the activity of auditing accounts. in this regard, we have not provided services other than the audit of the financial statements, nor have situations or circumstances arisen that, in accordance with the aforementioned regulations, may have compromised our necessary independence.

We believe that the audit evidence we have obtained provides a sufficient and adequate basis for our opinion.

Most relevant aspects of the audit

The most relevant aspects of the audit are those that, according to our professional judgment, have been considered to give rise to the most significant risks of material misstatement in our audit of the financial statements of the current period. These risks have been addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon we do not express a separate opinion on said risks.

Sales

As shown in the profit and loss account, the turnover amounts to 2,707,558 euros. The totality of sales comes from the operation of five hotels owned by the related company HOLIDAY CLUB SALES & MARKETING, SLU. The clients are mainly attracted from web pages and travel agencies. For the control of the services, the Company uses the web support of the intermediaries where the date of arrival, departure, clients, apartment complex, etc. is detailed. During the year there are numerous transactions that could affect the integrity and valuation of sales and, periodically, the information is transferred to the accounting program and reviewed by different people responsible for both administration and the Marketing department. Due to the monetary relevance of this item, the high number of transactions and the different complexes operated by the Entity, the analysis of the integrity and accuracy of the turnover has considered a relevant aspect for our audit work.

Our audit work has been focused on checking the effectiveness of the key controls detected in the sales procedure. Likewise, analytically, the development, both individually and comparatively, of the sales volumes, as well as margins obtained, has been analysed, giving reasonableness to those anomalous or specific behaviors. In addition, tests have been carried out in detail on a sample of services provided by the Company to verify the accounting and valuation.

Right of use over weeks

The Company has registered intangible assets amounting to 2,031,593 euros, which corresponds to the right to use the weeks of the hotels owned by the related company HOLIDAY CLUB CANARIAS SALES & MARKETING, SLU. When the Group repossesses a week, the aforementioned related party resigns its right of repossession in favor of HOLIDAY CLUB CANARIAS VACATION CLUB, SLU, who makes a financial compensation (see note 4.1). The valuation of each week and the aforementioned resignation, implies a related transaction that requires both fair value analysis. Due to the importance of this item in the assets of the balance sheet, as well as the complexity of the calculations and the increasing number of weeks repossessed, it has been considered a relevant aspect in our audit.

Our work has been focused on verifying the reconciliation of the auxiliary of intangible assets with the accounting, and on the analysis of the calculations made by the Company reflecting the auxiliary mentioned. The adequacy of the fair value of related-party transactions has also been analysed.

Directors' responsibilities

The Directors are responsible for the preparation of the accompanying financial statements in order to present a true and fair view of the net equity, the financial position and the results of the Company in accordance with the Financial Reporting Standards applicable in Spain, and for such internal control as they consider necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In the preparation of the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as appropriate, the issues related to going concern and using the accounting principle of going concern, except if the Directors intend to liquidate the Company or cease operations, or if there is no other realistic alternative.

Responsibilities of the auditor in connection with the audit of the financial statements

Our objectives are to obtain reasonable assurance that the financial statements as a whole are free of material misstatement, due to fraud or error, and to issue an audit report that contains our opinion.

Reasonable assurance is a high degree of assurance but it does not guarantee that an audit conducted in accordance with the prevailing regulations governing the activity of auditing in Spain will always detect material misstatement when it exists. Misstatements may be due to fraud or error and are considered material if, individually or in aggregate, they can reasonably be expected to influence the economic decisions that users make based on the financial statements.

As part of an audit in accordance with the regulations governing the activity of auditing accounts in Spain, we apply our professional judgment and maintain an attitude of professional scepticism throughout the audit. Furthermore:

- We identify and assess the risks of material misstatement in the financial statements, due to fraud or error, design and apply audit procedures to respond to such risks and obtain sufficient and adequate audit evidence to provide a basis for our opinion. The risk of not detecting a material misstatement due to fraud is higher than in the case of a material misstatement due to error, since fraud may involve collusion, falsification, deliberate omissions, intentionally erroneous statements, or circumvention of internal control.
- We obtain knowledge of the internal control relevant to the audit in order to design audit procedures that are appropriate to the circumstances, and not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- We evaluate whether the accounting policies applied are adequate as well as the reasonableness of the accounting estimates and the corresponding information disclosed by the Directors.
- We conclude on whether the use, by the Directors, of the accounting principle of going concern is adequate and, based on the audit evidence obtained, we conclude on whether or not there is material uncertainty related to facts or conditions that could generate significant doubt as to the ability of the company to continue as a going concern. if we conclude that there is material uncertainty, in our audit report we are required to draw attention to the corresponding information disclosed in the financial statements or, if such disclosures are not adequate, we are required to express an amended opinion. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause the Company to cease to be a going concern.
- We evaluate the overall presentation, the structure and content of the financial statements, including the disclosed information, and whether the financial statements represent the underlying transactions and events in a way that expresses a true and fair view.

We communicate with the entity's Directors regarding, among other matters, the scope and timing of the planned audit and the significant findings of the audit. as well as any significant internal control deficiencies that we identified during the course of the audit.

Among the issues that have been communicated to the entity's Directors, we determine those that have been most significant to the audit of the financial statements of the current period and that are, consequently, the risks considered most significant.

We describe those issues in our audit report unless legal or regulatory provisions prohibit public disclosure of the matter.

RSM SPAIN AUDITORES, SLP
(nº ROAC S2158)

Javier ALVAREZ CABRERA
(nº ROAC 16092)

Las Palmas de Gran Canaria,
on April 13, 2022

BALANCE SHEET AS AT MARCH 31, 2022

ASSET	Notes	(Euros) 2022	(Euros) 2021
A) NON-CURRENT ASSET			
II. Intangible Assets	**5**	**2,031,593**	1,097,735
TOTAL A		**2,031,593**	1,097,735
B) CURRENT ASSETS			
III. Commercial debtors and other accounts receivables.	**6**	**88,888**	101,124
1. Trade receivables		**80,713**	76,906
3. Other debtors		**8,175**	24,218
IV. Short-term Investments in group and associated companies	**6-12**	**2,574,675**	1,210,110
VI. Prepayments for currents assets	**6**	**321,669**	146,075
VII. Cash and equivalent liquid assets	**6**	**100,126**	459,389
TOTAL B		**3,085,358**	1,916,698
TOTAL ASSET (A + B)		**5,116,951**	3,014,433

TOTAL EQUITY AND LIABILITIES	Notes	(Euros) 2021/22	(Euros) 2020/21
A) TOTAL EQUITY			
A-1) EQUITY		**1,295,257**	911,416
I. Capital	**8**	**3,000**	3,000
1. Share Capital		**3,000**	3,000
III. Reserves		**908,416**	514,560
VII. Result for the period (benefit)	**3**	**383,841**	393,856
TOTAL A		**1,295,257**	911,416
B) NON-CURRIENT LIABILITIES			
I. Non-current provisions	**11**	**0**	50,000
TOTAL B		**0**	50,000
C) CURRENT LIABILITIES			
II. Non-current payables	**7**	**0**	1,437
5. Other financial liabilities		**0**	1,437
IV. Short term debts with Group and Associated Companies	**7-12**	**3,639,323**	1,868,353
V. Trade Creditors and other Accounts payable	**7**	**182,371**	183,228
2. Other Creditors		**182,371**	183,228
TOTAL C		**3,821,694**	2,053,017
TOTAL EQUITY AND LIABILITIES (A + C)		**5,116,951**	3,014,433

PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED MARCH 31, 2022

CONCEPTOS	Notes	(Euros) 2022	(Euros) 2021
1. Turnover		**2,707,558**	4,633,959
5. Other operating income	**10**	**64,607**	24,907
6. Personnel expenses	**10**	**(270,546)**	(255,477)
7. Other operating expenses	**10**	**(2,007,732)**	(3,787,507)
8. Depreciation of fixed assets	**5**	**(51,133)**	(24,163)
10. Provision surpluses	**10-11**	**50,000**	
11. Short-term Investments in Group and Associated companies	**5**	**2,030**	17
13. Other losses	**10-11**	**0**	(49,985)
A.1) OPERATING INCOME (BENEFIT)		**494,783**	541,750
14. Financial Incomes		**340**	33
15. Financial Expenses		**(0)**	
17. Exchange losses		**0**	25
A.2) FINANCIAL PROFIT/(LOSS) (BENEFIT)		**339**	58
A.3) PROFIT BEFORE TAXES (BENEFIT)		**495,122**	541,808
TOTAL EQUITY			
19. Corporate income Tax	**9**	**(111,280)**	(147,952)
A.5) PROFIT/(LOSS) IN THE PERIOD (BENEFIT)		**383,841**	393,856

2021 / 2022 ABRIDGED FINANCIAL REPORT

1. THE COMPANY'S BUSINESS

1.1. The company of this financial report was set up as an owned limited liability partnership on March 21, 2017, before the Notary Public Enrique Rojas Martínez, Member of the Guild of Notaries of the Canary Islands, whose offices are located in Las Palmas de Gran Canaria, under its Protocol Number 447. In May 9, 2019 the name of the company was changed to Holiday Club Canarias Vacation Club, SLU in a public deed.

1.2. On December 18, 2018, it was totally acquired for the company Holiday Club Canarias Investment, SLU. The same day the public deed makes public the adaptation of the corporate statutes being the more remarkable the following:

- it is agreed to transform the company from an owned limited liability partnership to a limited partnership.
- the main mission of the company is changed being now the touristic accommodations and other short-term accommodations.
- the financial period is changed, and it will finish the 31st of March every year. The financial period is from April 1st till March 31st.
- Corporate offices are located at Avenida Ministra Anna Lindh 1, Urb. Amadores, in the municipality of Mogán (Gran Canaria).

1.3. Its main corporate mission comprises the hotel business of own repossessed weeks (See Note 5) and weeks from the related parties Holiday Club Canarias Sales & Marketing SLU and Holiday Club Canarias Resort Management SLU.

1.4. The Company is a part of a Group whose parent Company is HOLIDAY CLUB CANARIAS INVESTMENT, S.L.U., headquartered in the same address. Said company does not present yearly consolidated accounts, because it is not mandatory due to its size.. This Spanish Group is integrated in a higher one, which parent company is Holiday Club Resorts Oy, located in a European Union Member, Finland, which presents yearly consolidated accounts. In addition, Holiday Club Resort OY is a member of a group which parent company is Mahindra & Mahindra limited, located in India.

The spanish group is composed of the next companies:

-HOLIDAY CLUB CANARIAS INVESTMENT, SLU

-HOLIDAY CLUB CANARIAS SALES & MARKETING, SLU

-HOLIDAY CLUB CANARIAS RESORT MANAGEMENT, SLU

-HOLIDAY CLUB CANARIAS VACATION CLUB, SLU

1.5 Regarding the health situation due to COVID-19, during the financial period the group has been opening gradually all the resorts according to the demand and the health situation at any time, having the 5 resorts working at the date of formulation of these annual accounts. This situation has affected the Group's three companies in the Canary Islands equally: HOLIDAY CLUB CANARIAS SALES & MARKETING, SLU (company that originally owns the weeks it sells under Time Sharing scheme) and the one that manages the Angry Birds activity park, HOLIDAY CLUB CANARIAS RESORT MANAGEMENT, SLU (company that manages the maintenance of the hotels) and HOLIDAY CLUB CANARIAS VACATION CLUB, SLU (company that buys weeks of accommodation and manage for renting the Group's available weeks in the Canary Islands).

The main consequences of the closure have been the following:

- Personnel: due to the closure of the hotels, the Group companies in the Canary Islands have carried out a temporary employment regulation file (ERTE) that has affected 116 people out of the total of 128 people who work in the Group. These employees have been affected and disaffected by the ERTE during different periods along the financial year. At the date of formulation of these annual accounts there are not employees affected by ERTE.
- Owners: The Group in the Canary Islands invoices week's owners at the beginning of the calendar year for maintenance fees through the entity RESORT MANAGEMENT. Given that the activity has been abruptly interrupted before the end of the year, the company in the Canary Islands offered the owners the possibility of compensating the effect of not enjoying their week in exchange for being able to enjoy two weeks in the period 2021-2022. The majority of the owners welcomed this measure. In December 2021 the owners were offered a maintenance fee discount if they finally can´t enjoy their deposited weeks during the period 2021-2022.
- Financial and non-financial assets: No possible deterioration has been identified at the date of formulation of these annual accounts.

1.6 Administrator has analyzed the consequences that the war in Ukraine could have on the Group, at the date of preparation of these abridged annual accounts it is considered that there are no significant repercussions for the Group's activity.

2. BASIS USED FOR THE PRESENTATION OF THE ANNUAL ACCOUNTS

The figures contained in the abridged annual accounts are expressed in Euros, which, upon being rounded out, cause small differences in their presentation.

In the presentation of the accompanying abridged annual accounts, expressed in euros, the current commercial guidelines have been followed, which are:

2.1. True and Fair View

The annual accounts are obtained from the Company's accounting records and have been presented according to the regulations set out in Law 16/2007 of July 4th, on the revised and adapted mercantile accounting legislation to harmonise it internationally on the basis of the European Union and by Royal Decree 1515/2007 of November 16th, in which the General Accounting Plan was approved and the added modifications by Royal Decree 1159/2010 of September 17th and Royal Decree 602/2016 of September 2nd, in order to reflect a true and fair view of the Equity, the financial situation and the Company's Profit & Loss as well as the veracity of the streams incorporated into the Cash-flow, according to generally accepted accounting practices and regulations.

During the period 2021/22 new accounting rules have been set and all of them have been taken into account to elaborate the current annual accounts. The new rules haven´t changed the accounting policies for the company.

2.2. Non-Mandatory Accounting Principles Applied

During this Financial Year, only those Accounting Principles mandatory according to the Spanish Business Code and the Small & Medium Companies General Accounting Plan have been applied.

The Administrative Body has formulated these Annual Accounts, taking into account all mandatory accounting regulations and principals which carry a significant effect.

There is no principle which, if mandatory, has not been applied.

2.3. Critical Aspects in the Valuation and Judgement of Uncertainty

At the end of the financial year some estimations are used to formulate these annual accounts:calculation of the assets impairment, estimation of the assets useful life, and more. Due to future development, it is possible that additional information to the existing at the date of formulation of these annual accounts make that some estimates have to be changed in future periods.

2.4. Comparison of the Information

The figures corresponding to the Financial Year ending on March 31, 2022 according to the current law, show comparatively the balances of the previous financial period, which match with the information of the annual account for the financial period 2020/21.

3. APPLICATION OF RESULTS

The proposal for the application of the results of the financial period ending March 31, 2022, which the Administrators shall draw up for approval by the Members, together with the distribution approved for the period ending on March 31, 2021, is as follows:

Euros	2022	2021
Distribution Balance		
Financial Period Benefit	**383,841**	393,856
Distribution		
Voluntary reserve	**383,841**	393,856
Total	**393,856**	393,856

4. RECOGNITION AND MEASUREMENT

The main accounting principles and practices applied in the preparation of the annual accounts are adapted to the current legal requirements, highlighting as most important the principles of going concern, accrual, uniformity, prudence, not compensation and relative importance.

The main rules used by the company for the drafting of their financial period Annual Accounts, according to those established in the Spanish General Accounting Plan were the following:

4.1. Intangible assets

The intangible assets consist of rights of use of weeks owned by Holiday Club Canarias Sales & Marketing SLU. The value is based on the reposition cost of the weeks plus 50-60% depending on the type of reposition and the difference between updated cadastral value of the week. The rights of use of these weeks are depreciated at 3%.

4.2. Financial Instruments

The Company has registered in the chapter of financial instruments, those contracts that give rise to an asset in one company and, simultaneously, a financial liability or an equity instrument in another company. Therefore, this standard results from the application of the following financial instruments:

a) Financial assets:

- Cash and other equivalent liquid assets.
- Credits for commercial operations: customers and different debtors
- Loans to third parties: such as loans and financial credits granted, including those arising from the sale of non-current assets
- Other financial assets: such as deposits in credit institutions, advances and loans to personnel, guarantees and deposits, dividends receivable and disbursements required on own equity instruments.

Long and short term financial investments

Financial Assets at Amortized cost: A financial asset is included in this category, even when is admitted to trading on an organized market, if the company maintains the investment with the aim of receiving the cash flows derived from the execution of the contract, and the contractual conditions of the financial asset give place, on specified dates, to cash flows that are solely collections of principal and interest on the outstanding principal amount. Contractual cash flows that are solely collections of principal and interest on the amount of the outstanding principal are inherent to an agreement that has the nature of an ordinary loan or common, without prejudice to the fact that the operation is agreed at a zero interest rate or below the market rate. In general, credits for commercial operations are included in this category (those financial assets that originate in the sale of goods and the provision of services for traffic operations of the company with collection deferred), and credits for non-commercial operations (those financial assets that, not being instruments of equity or derivatives, do not have commercial origin and whose collections are of a determined or determinable amount, which come from loan or credit operations granted by the company).That means, within this category there would be the loans and accounts receivable, as well as those securities representing debt, with a date of fixed maturity, collections of a determined or determinable amount, that are negotiated in an active market and that the Company intends and has the capacity to keep until maturity.

- Initial valuation: Initially they are valued at their fair value, plus the transaction costs that are directly attributable to them. However, credits for commercial operations with a maturity of no more than one year and that do not have an explicit contractual interest rate, as well as credits to personnel, dividends receivable and disbursements required on equity instruments, the amount of which is expected to received in the short term, may be valued at their nominal value when the effect of not updating the cash flows is not significant.
- Subsequent valuation: it is done at amortized cost and accrued interest is recorded in the profit and loss account, applying the effective interest rate method.

  However, credits maturing in no more than one year which, in accordance with the provisions of the preceding section, are initially valued at their nominal value, will continue to be valued at that amount, unless they have been impaired.

  When the contractual cash flows of a financial asset are modified due to the financial difficulties of the issuer, the company will analyze whether it is appropriate to record a loss due to impairment of value.
- Impairment: The Company records the corresponding impairments for the difference between the amount to be recovered from accounts receivable and the book value for which they are recorded.

  At least at year-end, the necessary valuation adjustments are made whenever there is objective evidence that the value of a financial asset included in this category, or of a group of financial assets with similar risk characteristics valued collectively, has been impaired as result of one or more events that have occurred after its initial recognition and that cause a reduction or delay in future estimated cash flows, which may be motivated by the insolvency of the debtor.

  The loss due to impairment of the value of these financial assets is the difference between their book value and the current value of future cash flows, including, where appropriate, those from the execution of real and personal guarantees, which is estimated will generate, discounted at the effective interest rate calculated at the time of initial recognition.

  Value adjustments for impairment, as well as their reversal when the amount of said loss decreases for reasons related to a subsequent event, are recognized as an expense or income, respectively, in the profit and loss account. The reversal of impairment is limited to the book value of the asset that would be recognized on the reversal date if the impairment had not been recorded.

Financial assets at cost: This category includes, among others, investments in the equity of group companies, jointly controlled entities and associates, as well as other investments in equity instruments whose fair value cannot be determined by reference to a quoted price in an active market for an identical instrument, or a reliable estimate cannot be obtained.

Participating loans whose interests are contingent and any other financial asset that should initially be classified in the fair value portfolio with changes in the profit and loss account when it is not possible to obtain a reliable estimate of its fair value will also be included in this category.

- Initial valuation: They are valued at cost, which is equal to the fair value of the consideration given plus the transaction costs that are directly attributable to them.
- Subsequent valuation: The equity instruments included in this category are valued at their cost, less, where appropriate, the accumulated amount of the valuation corrections for impairment.
- Impairment: At least at year-end, the necessary valuation adjustments are made whenever there is objective evidence that the book value of an investment is not recoverable.

  The Company records the corresponding impairments for the difference between the book value and the recoverable amount, understood as the higher amount between its fair value less costs of sale and the present value of the future cash flows derived from the investment, which, in the case of equity instruments, are calculated either by estimating what is expected to be received as a result of the distribution of dividends made by the investee company and the disposal or derecognition of the investment in the same, or by estimate of its participation in the cash flows that are expected to be generated by the investee company, both from its ordinary activities and from its disposal or derecognition.

Unless there is better evidence of the recoverable amount of investments in equity instruments, the estimate of the loss due to impairment of this class of assets is calculated based on the equity of the investee and the tacit capital gains existing at the valuation date, net of the tax effect.

Determining this value, and provided that the investee company has in turn invested in another, the equity included in the consolidated annual accounts prepared by applying the criteria of the Code of Commerce and its implementing regulations is taken into account.

The recognition of valuation corrections for value impairment and, where appropriate, their reversal, are recorded as an expense or income, respectively, in the profit and loss account. The reversal of impairment will be limited to the book value of the investment that would be recognized on the reversal date if the impairment had not been recorded.

a) Financial liabilities:

- Debts for commercial operations: suppliers and other creditors
- Debts with credit institutions
- Other financial liabilities: debts with third parties, such as financial loans and credits received from persons or companies that are not credit institutions, including those arising from the purchase of non-current assets, guarantees and deposits received and disbursements required by third parties on shares.

Financial liabilities, for measurement purposes, are included in one of the following categories:

Financial Liabilities at Amortized cost: All financial liabilities are classified in this category except when they must be valued at fair value with changes in the profit and loss account. In general, debits for commercial operations and debits for non-commercial operations are included in this category.

Participating loans that have the characteristics of an ordinary or common loan will also be included in this category without prejudice to the fact that the operation is agreed at a zero interest rate or below the market rate.

- Initial valuation: Initially they are valued at their fair value, which, unless there is evidence to the contrary, is the transaction price, which is equivalent to the fair value of the consideration received adjusted by the transaction costs that are directly attributable to it. However, debits for commercial transactions maturing in no more than one year and that do not have a contractual interest rate, as well as disbursements required by third parties on participations, the amount of which is expected to be paid in the short term, can be valued at their nominal value, when the effect of not updating the cash flows is not significant.
- Subsequent valuation: it is done at amortized cost. Accrued interest is recorded in the profit and loss account, applying the effective interest rate method. However, debits maturing in no more than one year which, in accordance with the provisions of the preceding section, are initially valued at their nominal value, will continue to be valued at that amount.

4.3. Tax on Profits

The Company pays tax under the Tax Consolidation System, according to what is set out in Chapter 7 of title 7 of the Law 274/2014 of November 27th of Corporate Tax. Holiday Club Canarias Investment is the parent Company, which presents the correspondent settlement

Following the accrual principle, the current tax has been accounted as a expense of the period and it has been calculated according to the profit and loss before taxes following the current tax laws.

4.4. Provisions and contingencies

Provisions are present obligations on the date of the balance sheet that have arisen as a result of past events; the amount and timing of cancellation are undetermined. Provisions are recorded at the current value of the estimated amount that the company will have to pay to settle the obligation in the future.

Contingent liabilities are potential liabilities arising as a result of past events, whose realization is contingent upon that happening or not, one or more future events independent of the will of the Company. Contingent liabilities, as well as the Provisions whose amount cannot be estimated reliably or it is not very likely that the Company must dispose of resources embodying profits, for their cancellation are not recognized for accounting purposes but are broken down in the Report.

All the possible contingencies due to the health crisis of the COVID-19 and Ukraine war have been taken into account.

4.5. Income and Expenses

Regarding the incomes from delivery of goods and services, the criteria followed to conclude that the obligations assumed by the company are met over time or at a given time.

- Common aspects

The company recognizes incomes for the ordinary development of its activity when the transfer of control of the goods or services committed to customers occurs. At that time, the company will value the income at the amount that reflects the consideration to which it expects to be entitled in exchange for said goods or services.

- Recognition

The company recognizes the income derived from a contract when (or as) the transfer to the client of the control over the promised goods or services (that is, the obligation or obligations to be fulfilled) takes place.

The control of a good or service (an asset) refers to the ability to fully decide on the use of that asset and obtain substantially all of its remaining benefits. The control includes the ability to prevent other entities from deciding on the use of the asset and obtaining its benefits.

For each obligation to be fulfilled (delivery of goods or provision of services) that is identified, the company determines at the beginning of the contract whether the commitment assumed will be fulfilled over time or at a certain moment.

The income derived from the commitments (in general, the provision of services or the sale of goods) that are fulfilled over time are recognized based on the degree of progress or progress towards the complete fulfillment of the contractual obligations, provided that the company has reliable information to measure the degree of progress.

The company reviews and, if necessary, modifies the estimates of income to be recognized, as it complies with the commitment assumed. The need for such reviews does not necessarily indicate that the outcome or result of the operation cannot be reliably estimated.

When, at a certain date, the company is not able to reasonably measure the degree of compliance with the obligation (for example, in the early stages of a contract), although it expects to recover the costs incurred to satisfy said commitment, only revenue is recognized and the corresponding consideration in an amount equivalent to the costs incurred up to that date.

In case of contractual obligations that are fulfilled at a certain time, the income derived from their execution is recognized on that date. Until this circumstance occurs, the costs incurred in the production or manufacturing of the product (goods or services) are recorded as inventories.

When there are doubts regarding the collection of the credit right previously recognized as income from sales or provision of services, the impairment loss will be recorded as an expense for the correction of the value due to impairment and not as less income.

- Assessment.

Ordinary incomes from the sale of goods and the provision of services is valued at the monetary amount or, as the case may be, at the fair value of the consideration, received or expected to be received, derived from it, which, except evidence to the contrary, it is the agreed price for the assets to be transferred to the client, deducting: the amount of any discount, reduction in price or other similar items that the company may grant, as well as the interest included in the nominal value of the loans. However, interests included in commercial credits with a maturity of no more than one year that do not have a contractual interest rate may be included, when the effect of not updating the cash flows is not significant.

The taxes levied on the operations of delivery of goods and provision of services that the company must pass on to third parties, such as value added tax and special taxes, as well as the amounts received on behalf of third parties, are not part of the income.

In the income from medical-surgical assistance services, the General Indirect Canary Tax is not passed on as it is an activity exempt from this tax.

In purchases and services, the taxes levied on the operation are included, including the General Indirect Canary Tax, as it does not have the deductible condition.

The company takes into account in the valuation of income the best estimate of the variable consideration if it is highly probable that there will not be a significant reversal of the amount of recognized income when the uncertainty associated with said consideration is subsequently resolved.

4.6. Personnel Expenses

Personnel expenses are recognised on the basis of their accrual, considering that bonus payments are accrued on a yearly basis. There are no commitments for pensions nor retirement bonuses in the Company.

4.7. Grant, donation and legacies

The operating grants are attributed to the financial period for the granted amount.

4.8. Transactions between related parties

Transactions between related parties are accounted by their reasonable value which is the same value for transactions with not related third parties.

5. INTANGIBLE ASSETS

5.1. The transactions occurring during the periods 2020/21 and 2021/22 were the following:

Euros	Balance 31.03.20	Acquisitions	Disposals	Balance 31.03.21
Rights Of Use	653,746	480,099	(1,642)	1,132,203
Accumulated amortization	(10,321)	(24,163)	17	(34,468)
Net Totals	**643,425**			**1,097,735**

Euros	**Balance 31.03.21**	**Acquisitions**	**Disposals**	**Balance 31.03.22**
Rights Of Use	1,132,203	1,057,652	(74,691)	2,115,164
Accumulated amortization	(34,468)	(51,133)	2,030	(83,572)
Net Totals	**1,097,735**			**2,031,593**

5.2. Right of use correspond to Time Share weeks owned by a company of the Group which runs the Company as touristic accommodation.

5.3. Disposals in the financial years 2021/22 and 2020/21 correspond to repurchase of the rights of use by the related company, which has generated a profit for the amount of 2,030 Euros and 17 Euros respectively, corresponding to the accumulated amortization of the sold weeks.

5.4. There is no evidence of impairment through March 31.

6. FINANCIAL ASSETS

6.1. Categories of financial assets (except investments in equity of group companies, multigroup and associates)

The breakdown of financial assets (excluding investments in group, multi-group and associated companies) by categories and classes is as follows:

Euros	**Equity Instruments**		**Debt Securities**		**Credits / Derivatives / Others**	
	31.03.22	31.03.21	**31.03.22**	31.03.21	**31.03.22**	31.03.21
Short-term Financial Assets						
Financial assets at amortized cost	**–**	–	**–**	–	**2,659,948**	1,289,516
Liquid Assets	**–**	–	**–**	–	**100,126**	459,389
Totals	**–**	–	**–**	–	**2,760,074**	1,748,905

6.2. Breakdown by maturity:

The classification by maturity of the different financial assets is all related to the short term, being all clients loans and receivables related to sales and services, several debtors and current account with companies of the group and associated for the amount of 80,713 Euros, 4,561 Euros and 2,574,675 Euros respectively.

6.3. Debt related to clients

There are customer advances for the amount of 117,338 Euros that correspond to accommodation services charges not accrued at the end of the financial year.

6.4 Accrual adjustments

In January, the company assume the debt with the related HOLIDAY CLUB CANARIAS RESORT MANAGEMENT corresponding to the yearly maintenance fees of the weeks in its intangible assets as rights of use (See note 5). At the end of the financial year there are accrual adjustments related to the not accrued months at March 31, 2022 for the amount of 321,669 Euros (146,075 Euros for 2020/21.)

7. FINANCIAL LIABILITIES

7.1. Types of liabilities

The breakdown of financial liabilities by category is as follows:

Euros	Debits with Credit Institutions		Bonds and Other Market Securities		Derivatives/Others	
	31.03.22	31.03.21	**31.03.22**	31.03.21	**31.03.22**	31.03.21
Short-term Financial Liabilities						
Debits and Payables	**–**	–	**–**	–	**3,685,391**	1,977,093
Totals	**–**	–	**–**	–	**3,685,391**	1,977,093

7.2. Classification by maturity

The short-term financial liabilities indicated in the previous section correspond to "Short Term Debts with companies of the Group"for the amount of 3,639,323 Euros, "Creditors for services rendered"for the amount of 46,068 Euros.

8. EQUITY

8.1. The Share Capital comes to 3,000 Euros, divided into 3000 shares at face value of 1 Euros each.

8.2. The unique partner of the company is the entity Holiday Club Canarias Investment SLU.

9. FISCAL POSITION

9.1. Tax consolidation regime

The Company is taxed in the consolidated tax system in accordance with Chapter VI, title VII of the 27/2017 law, of 27th November of the profit tax, which approved the revised text from the Law of Corporate Tax.

The Tax Group comprises the following corporations:

Parent: Holiday Club Canarias Investment, SLU

Subsidiaries: Holiday Club Canarias Sales & Marketing, SLU, Holiday Club Canarias Resort Management, SLU and Holiday Club Canarias Vacation Club, SLU

9.2 Individual tax base

The reconciliation of the net amounts of incomes and expenses for the financial period against the tax base of Corporate Tax, is the following:

Euros	Profit & Loss Account	Inc. & expend. directly attributable to Equity
Balance of income and expenditure for the financial year	**383,841**	**–**
Profit Tax	**111,280**	**–**
Permanent differences		
Fines and penalties	**(50,000)**	**–**
Tax Base (Tax Profit/(Loss))	**445,122**	**–**
Full fee (25% of tax result)	**111,280**	**–**

9.3 Corporate tax assessment:

Under the rules applicable to the Tax Consolidation Regime, the taxable income of the tax group is determined by adding individual taxable bases corresponding to the companies comprising the Fiscal group, deletions, additions of deletions carried out in previous years and, in the event that the above sum proves to be positive, compensating the carry-forwards of the Fiscal group, as well as the outstanding tax bases to be applied by the companies taxable at the time of joining the Tax Group.

In consequence, the Individual Tax Base of Holiday Club Canarias Vacation Club, SLU, for the amount of 445,122 Euros, are subject to addition together with the rest of the tax bases of the remaining companies comprising the Tax Group.

The tax base of the group, before the compensation of the negative tax bases (BINs) amounts 159,021 Euros. This base is reduced by the application of the BINs for the amount of 159,021 Euros, therefore the final tax base of the group amounts 0 Euros.

The BINs pending to apply the next years amount 274,963 Euros.

9.4 Breakdown of the corporate tax expense

Due to the fact that there are not temporary differences when calculating the tax base, the current tax for the period 2021/22 is the same as the expense for the corporate tax for the amount of 111,280 Euros.

9.5 Financial Periods Open to the Possibility of a Tax Inspection.

The corporate tax is open to be inspected for the following periods: 2018, 2018/19, 2019/20, 2020/21 and 2021/22.

9.6 Other taxes

At the closing date, the company is also open to inspection of all the taxes that are applicable to it:

- Withholdings related to paid incomes
- IGIC (General Indirect Canarian Tax)
- Property Transfer and Certified Legal Documents Tax
- Local taxes

It is not expected that contingent liabilities appear due to possible differences when the taxes are implemented.

10. INCOME AND EXPENSES

Breakdown of the next items the Profit and Loss Account:

a) Social expenses: the amount of 58,948 Euros is all related to the social security payable by the company for the period 2021/22, being 54,275 Euros for the period 2020/21, During the period 2021/22 and 2020/21 have been accounted Social Security grants related to the employees affected by the ERTE for the amount of 19,778 Euros and 24,907 Euros, respectively.

b) External services:

Euros	2022	2021
Leases and royalties	**1,347,243**	2,535,943
Repairs and conservations	**253,298**	116,754
Professional services	**11,355**	5,848
Transport	**28,749**	1,409
Insurance premiums	**1,025**	1,002
Bank Services and Similar	**24,601**	7,875
Advertising	**1,761**	1,705
Other Services	**339,690**	1,116,472
Other losses in current management	**10**	499
Totals	**2,007,732**	3,787,507

c) Other outcomes: there was a provision for responsibilities for the period 2020/21 for the amount of 50,000 Euros. During the period 2021/22 it has been an excess of provision for the same amount. (See Note 11.1)

11. PROVISIONS AND CONTINGENCIES

Provisions

11.1 The company has booked a provision in the financial year 2020/21 for the amount of 50,000 Euros corresponding to possible sanctions from the Mogán Town Hall against two of the hotels. During the period 2021/22 this provision has been reversed. (See Note 10.c)

Contingencies

11.2 There are guarantees provided to one of the group companies, Holiday Club Canarias Resort Management, SLU, to respond to a loan granted, amounting 23,044 Euros at the end of the financial year.

11.3 The company has taken into account all the possible contingencies due to health crisis because of the Covid-19 and due to Ukraine war, which have been detailed in notes 1.5 and 1.6.

12. TRANSACTIONS WITH RELATED PARTIES

The balances at March 31, 2022 and 2021 with related companies are as follows:

	2022		2021	
Euros	**Debit Balances**	**Credit Balances**	Debit Balances	Credit Balances
Company:				
Holiday Club Canarias Sales & Marketing, SLU	**–**	**3,208,738**	–	1,548,243
Holiday Club Canarias Resort Managemet, SLU	**2,574,675**	**–**	1,210,110	–
Holiday Club Canarias Investment, SLU	**–**	**430,585**	–	320,109
Totals	**2,574,675**	**3,639,323**	1,210,110	1,868,353

The Company backs the Group Company Holliday Club Canarias Resort Management, SLU in front of a financial institution, related to a loan obtained for that company being the balance at March 31, 2022 23,044 Euros.

All the transactions between related companies were made under normal market conditions.

Transactions during period 2021/22 and 2020/21 between related companies are as follows:

2022

Euros	Services received	Services provided	Purchase intangible fixed assets	Sale of intangible assets	Exceptional expenses
Company:					
Holiday Club Canarias Sales & Marketing, SLU	1,193,405	–	672,018	70,970	–
Holiday Club Canarias Resort Managemet, SLU	407,136	–	370,334	–	142,105
Holiday Club Resort OY	–	1,127	–	–	–
Totals	1,600,541	1,127	1,042,352	70,970	142,105

2021

Euros	Services received	Services provided	Purchase intangible fixed assets	Sale of intangible assets
Company:				
Holiday Club Canarias Sales & Marketing, SLU	2,237,677	–	328,267	1,642
Holiday Club Canarias Resort Managemet, SLU	414,747	–	93,711	–
Holiday Club Resort OY	115	18,318	–	–
Totals	2,652,539	18,318	421,978	1,642

13. OTHER INFORMATION

13.1. Average number of Employees

The average number of persons employed by the Company during the financial periods 2021 and 2020, distributed by their professional categories, has been as follows:

	Persons	
	2022	2021
Senior Managers	**1.00**	1.00
Administration	**6.56**	3.85
Totals	**7.56**	4.85

The distribution by gender at the end of the financial periods 2021/22 and 2020/21 is the following:

	2022		2021	
	Men	**Women**	Men	Women
Senior Managers	**1**	–	1	–
Administration	**1**	**5**	1	6
Totals	**2**	**5**	2	6

The company has not employed disabled people (more than 33% of disability) for the periods 2021 and 2020.

13.2. Information about the Environment and Greenhouse Gas Emission Rights

Given the activity that the Company carries out, there are no responsibilities, expenses, assets or contingencies of any environmental nature that could be of any significance with regard to equity, the financial position and its results. Therefore, no specific breakdowns are included in this report.

14. INFORMATION ABOUT DEFERRAL PAYMENTS MADE TO SUPPLIERS. THIRD ADDITIONAL REGULATION TO THE "DUTY OF INFORMATION" OF LAW 15/2010 OF 5 JULY

The average period for payment to suppliers and creditors is 41 days (35 days for the financial year 2020/21).

Mogán, April 12, 2022

Calvin Stuart Lucock

Joint and Several Administrator and

Holiday Club Resorts Oy Representative

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF
CLASSIC LEGENDS PRIVATE LIMITED

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying Standalone Financial Statements of **Classic Legends Private Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Cash Flow Statement for the year then ended, and notes to the Standalone Financial Statements, and a summary of significant accounting policies and other explanatory information (herein after referred to as "Standalone Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Act, in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, its loss and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Standalone Financial Statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditors' Responsibilities for the Audit of the Standalone Financial Statements' section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (the "ICAI") together with the ethical requirements that are relevant to our audit of the Standalone Financial Statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Financial Statements.

Information other than the Standalone Financial Statements and Auditors' Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the Directors Report and the related annexures, but does not include the Standalone Financial Statements and our Auditors' Report thereon.

Our opinion on Standalone Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibility of Management for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditors' Responsibility

Our objectives are to obtain reasonable assurance about whether the Standalone Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the

circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Standalone Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Standalone Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Standalone Financial Statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020, issued by the Central Government of India in term of sub-section (11) of section 143 of the Act (the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure A, a statement on the matters specified in the paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by section 143(3) of the Act, we report that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

   b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;

   c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;

   d) In our opinion, the aforesaid Standalone Financial Statements comply with the Accounting Standards specified under Section 133 of the Act.

   e) On the basis of written representations received from the directors as on March 31, 2022, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022, from being appointed as a director in terms of Section 164(2) of the Act.

   f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure B. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to Standalone Financial Statements.

   g) Based on the records examined by us and according to information and explanations given to us, the Company has not paid/provided for managerial remuneration. Hence, the provisions of Section 197 of the Act related to the managerial remuneration are not applicable.

   h) With respect to the other matters included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors') Rules, 2014 (as amended) in our opinion and to the best of our information and according to the explanations given to us:

      i. The Company does not have any pending litigations which would impact its financial position.

      ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

      iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

      iv. (a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes forming part the standalone financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

v. The Company has not declared/paid/declared and paid any dividend during the year.

For **B. K. Khare and Co.**
Chartered Accountants
Firm Registration No.: 105102W

Aniruddha Joshi
Partner
Membership No.: 040852
UDIN No: 22040852AIFHGW6524
Mumbai, April 28, 2022

ANNEXURE "A" TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

i. a) (A) According to the information and explanations given to us, the Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.

(B) According to the information and explanations given to us, the Company has maintained proper records showing full particulars of intangible assets.

b) The Company has a regular programme for physical verification of its property, plant and equipment by which the property, plant and equipment are verified by the management according to a programme designed to cover all the items once in three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its property, plant and equipment and investment properties. In accordance with the programme, the Company has physically verified property, plant and equipment during the year and no material discrepancies were noticed on such verification.

c) According to the information and explanations given to us, the Company does not have any immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee).

a) According to the information and explanations given to us, the Company has not revalued any of its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.

b) Based on the audit procedures performed by us and according to the information, explanations and representations given to us, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

ii. (a) According to the information and explanations given to us, the inventory comprising of traded goods have been physically verified at reasonable intervals by the management during the year. In our opinion, the coverage and procedure of such verification by the management is appropriate and no discrepancies of 10% or more in the aggregate for each class of inventory were noticed on such verification between the physical inventory and the book records.

(b) According to the information and explanations given to us, the Company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets at any point of time during the year.

iii. According to the information and explanations given to us, the Company has not provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year. Accordingly, the reporting under Clauses 3(iii)(a) and 3(iii)(c) to 3(iii)(f) of the Order is not applicable to the Company. According to the information and explanations given to us, the investment made by the Company during the year in its subsidiary is not prejudicial to the company's interest.

iv. According to the information and explanations given to us, the Company has not granted any loans or provided any guarantees or security to the parties covered under Sections 185 and 186 of the Act.

In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act, investments made by the Company.

v. According to the information and explanations given to us, in respect of deposits accepted by the Company or amounts which are deemed to be deposits, the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules made thereunder, where applicable, have been complied with. According to the information and explanations given to us, there is no order passed by the Company Law Board or National Company Law Tribunal or the Reserve Bank of India or any Court or any other Tribunal during the year.

vi. The Central Government has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company. Accordingly, the reporting under Clause 3(vi) of the Order is not applicable to the Company.

vii. (a) According to the information and explanations given to us and on the basis of our examination of records of the Company, the amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Services Tax, Provident Fund, Employees' State Insurance, Income Tax, Cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. According to the information and explanations given to us and on the basis of our examination of records of the Company, there were no undisputed statutory dues payable in respect of Sales tax, Service tax, Duty of Customs, Duty of Excise and Value Added Tax.

According to the information and explanations given to us and on the basis of our examination of records of the Company, there were no arrears of outstanding statutory dues in respect of Goods and Services Tax, Provident fund, Employees' State Insurance, Income-tax, Sales tax, Service tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other material statutory dues as on the last day of the financial year for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and on the basis of our examination of records of the Company, there are no statutory dues in respect of Goods and Services Tax, Provident Fund, Employees' State Insurance, Sales tax, Service tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and any other material statutory dues as at 31 March 2022, which have not been deposited with the appropriate authorities on account of any dispute.

viii. According to the information and explanations given to us, there are no transactions not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income-tax Act, 1961. Accordingly, the reporting under Clause 3(viii) of the Order is not applicable to the Company.

ix. (a) According to the information and explanations given to us and based on the audit procedures performed by us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.

(b) According to the information and explanations given to us, the Company has not been declared a willful defaulter by any bank or financial institution or any other lender till the date of our audit report.

(c) According to the information and explanations given to us and on the basis of our examination of records of the Company, the Company has not availed any term loans. Accordingly, the reporting under Clause 3(ix)(c) of the Order is not applicable to the Company.

(d) In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that funds raised on short-term basis have not been utilised for long-term purposes as at the Balance Sheet date.

(e) According to the information and explanations given to us and on an overall examination of the Financial Statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries

(f) According to the information and explanations given to us and based on the audit procedures performed by us, we report that the Company has not raised any loans during the year on the pledge of securities held in its subsidiaries. Accordingly, the reporting under Clause 3(ix)(f) of the Order is not applicable to the Company.

x. (a) According to the information and explanations given to us, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under Clause 3(x)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Accordingly, the reporting under Clause 3(x)(b) of the Order is not applicable to the Company.

xi. (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company noticed or reported during the year, nor have we been informed of any such case by the management.

(b) There has been no report filed by us under sub-section (12) of Section 143 of the Act in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government. Accordingly, the reporting under Clause 3(xi)(b) of the Order is not applicable to the Company.

(c) We have taken into consideration the whistle blower complaints received by the Company during the year while determining the nature, timing and extent of our audit procedures.

xii. According to the information and explanations given to us, the Company is not a Nidhi company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, the reporting under Clause 3(xii) of the Order is not applicable to the Company.

xiii. In our opinion and according to the information and explanations given to us, the Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the Standalone Financial Statements as required by Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act.

xiv. (a) In our opinion and according to the information and explanations given to us and based on our examination, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the Internal Audit reports of the Company issued till date for the period under audit.

xv. In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or directors of its holding company or subsidiary Companies persons connected with them during the year and hence the provisions of Section 192 of the Act are not applicable to the Company. Accordingly, the reporting under Clause 3(xv) of the Order is not applicable to the Company.

xvi. (a) According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under Clause 3(xvi)(a) of the Order is not applicable to the Company.

(b) In our opinion and according to the information and explanations given to us, the Company has not conducted any Non-Banking Financial or Housing Finance activities. Accordingly, the reporting under Clause 3(xvi)(b) of the Order is not applicable to the Company.

(c) In our opinion and according to the information and explanations given to us, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under Clauses 3(xvi)(c) and 3(xvi)(d) of the Order is not applicable to the Company.

(d) Based on the information and explanations given to us, we report that the Group has six Core Investment Companies.

xvii. In our opinion and according to the information and explanations given to us, the Company has incurred cash losses of Rs. 6,509.79 Lakhs during the current financial year and Rs. 5,856.08 Lakhs in the immediately preceding financial year.

xviii. There has been no resignation of the statutory auditors during the year. Accordingly, the reporting under Clause 3(xviii) of the Order is not applicable to the Company.

xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of Balance Sheet as and when they fall due within a period of one year from the Balance Sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the Balance Sheet date, will get discharged by the Company as and when they fall due.

xx. The provisions of Section 135 of the Act, are not applicable to the Company. Accordingly, the reporting under Clause 3(xx)(a) and (b) of the Order is not applicable to the Company.

For **B. K. Khare & Co.**
Chartered Accountants
Firm Registration No. : 105102W

Aniruddha Joshi
Partner
Membership No. : 040852
UDIN No: 22040852AIFHGW6524
Mumbai, April 28, 2022

ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT

[Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date]

Report on the Internal Financial Controls with reference to Standalone Financial Statements under Clause (i) of sub-section (3) of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial reporting of **Classic Legends Private Limited** ("the Company") as of March 31, 2022 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to Standalone Financial Statements of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to Standalone Financial Statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to Standalone Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to Standalone Financial Statements included obtaining an understanding of internal financial controls with reference to Standalone Financial Statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to Standalone Financial Statements.

Meaning of Internal Financial Controls with reference to Financial Statements

A company's internal financial control with reference to Standalone Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Standalone Financial Statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to Standalone Financial Statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Standalone Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the Standalone Financial Statements.

Inherent Limitations of Internal Financial Controls with reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to Standalone Financial Statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to Standalone Financial Statements to future periods are subject to the risk that the internal financial control with reference to Standalone Financial Statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system with reference to Standalone Financial Statements and such internal financial controls with reference to Standalone Financial Statements were operating effectively as at March 31, 2022, based on the criteria for internal financial control with reference to Standalone Financial Statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **B. K. Khare & Co.**
Chartered Accountants
Firm Registration No. 105102W

Aniruddha Joshi
Partner
Membership No. : 040852
UDIN No: 22040852AIFHGW6524
Mumbai, April 28, 2022

STANDALONE BALANCE SHEET AS AT MARCH 31, 2022

Rs. in Lakhs

Particulars	Note No.	As at March 31, 2022	As at March 31, 2021
ASSETS			
Non-current assets			
(a) Property, Plant and Equipment	5	**9,242.72**	4,751.97
(b) Capital work-in-progress	34	**2,348.56**	772.93
(c) Other Intangible assets	6	**8,847.47**	5,045.04
(d) Intangible assets under development	34	**6,089.74**	6,909.02
(e) Financial Assets			
(i) Investments	7	**5,531.98**	3,366.13
(f) Other non-current assets	8a	**1,518.74**	2,077.94
(g) Deferred Tax Assets (Net)	9	**–**	–
Total Non - Current Assets		**33,579.21**	22,923.03
Current assets			
(a) Inventories	10	**2,013.29**	2,339.22
(b) Financial Assets			
(i) Trade receivables	11	**1,070.47**	228.61
(ii) Cash and cash equivalents	12	**645.49**	370.19
(iii) Other financial assets	13	**448.77**	69.20
(c) Other current assets	8b	**5,764.66**	3,935.35
Total Current Assets		**9,942.68**	6,942.57
Total Assets		**43,521.89**	29,865.60
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share capital	14	**40,421.30**	22,421.33
(b) Other Equity	15	**(11,003.12)**	(11,859.80)
Total Equity attributable to owners of the Company		**29,418.18**	10,561.53
LIABILITIES			
Non-current liabilities			
(a) Financial Liabilities			
(i) Lease Liabilities		**97.47**	126.63
(ii) Other non-current financial liabilities	17a	**560.50**	448.00
(b) Provisions	18a	**508.09**	322.25
Total Non - Current Liabilities		**1,166.06**	896.88
Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	16	**1,700.00**	–
(ia) Lease Liabilities		**88.55**	70.60
(ii) Trade payables	19		
(a) Total Outstanding dues of micro and small enterprises		**0.01**	27.52
(b) Total Outstanding dues of creditors other than micros and small enterprises		**7,769.00**	15,358.57
(iii) Other current financial liabilities	17b	**720.64**	654.07
(b) Provisions	18b	**749.47**	780.68
(c) Other current liabilities	20	**1,909.98**	1,515.75
Total Current Liabilities		**12,937.65**	18,407.19
Total Equity and Liabilities		**43,521.89**	29,865.60
Significant accounting policy	1-4		
See accompanying notes to the financial statements			

For B. K. Khare & Co
Chartered Accountants
Firm Registration No. 105102W

Aniruddha Joshi
Partner
Membership Number: 040852

Date: 28th April'2022
Place: Mumbai

For and on behalf of the Board
CIN No.U34101MH2015PTC265665

Mr. Rajesh Jejurikar
DIN No.00046823
Mr. Manoj Bhat
DIN No.05205447
(Directors)

Mr. Ashish Joshi (Chief Executive Officer)
Mr. Ashish Saboo (Chief Financial Officer)
Ms. Jenny Shah (Company Secretary)

Date: 28th April'2022
Place: Mumbai

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2022

Rs. in Lakhs

	Particulars	Note No.	For the year ended March 31, 2022	For the year ended March 31, 2021
I	Revenue from operations	21	**59,499.57**	43,945.98
II	Other income	22	**191.26**	71.27
III	**Total Income (I + II)**		**59,690.83**	44,017.25
IV	**Expenses**			
	Cost of materials consumed		**–**	–
	Purchases of stock-in-trade		**54,854.06**	41,662.39
	Changes in stock of finished goods and stock-in-trade	23	**325.93**	(680.77)
	Employee benefits expense	24	**2,053.24**	1,566.48
	Finance costs	25	**1,903.90**	1,099.94
	Depreciation and amortisation expense	26	**3,032.97**	2,082.26
	Other expenses	27	**7,063.49**	6,225.29
	Total Expenses (IV)		**69,233.59**	51,955.59
V	**Loss before tax for the year (III - IV)**		**(9,542.76)**	(7,938.34)
VI	**Tax Expense**			
	(1) Current tax		**–**	–
	(2) Deferred tax		**(5.22)**	862.17
	Total tax expense		**(5.22)**	862.17
VII	**Loss after tax for the year (V - VI)**		**(9,537.54)**	(8,800.51)
VIII	**Other comprehensive income**			
	A (i) Items that will not be reclassified to profit or loss			
	(a) Remeasurements of the defined benefit liabilities		**20.74**	12.36
	(ii) Income tax relating to items that will not be reclassified to P&L		**(5.22)**	(3.11)
IX	**Total comprehensive income for the year**		**(9,522.02)**	(8,791.26)
X	**Earnings per equity share** (Nominal value per share Rs. 10 each),			
	Basic & Diluted (in Rupees)	28	**(2.76)**	(4.41)

Significant accounting policy 1-4

See accompanying notes to the financial statements

For B. K. Khare & Co
Chartered Accountants
Firm Registration No. 105102W

Aniruddha Joshi
Partner
Membership Number: 040852

Date: 28th April'2022
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(Directors)

Mr. Ashish Joshi (Chief Executive Officer)
Mr. Ashish Saboo (Chief Financial Officer)
Ms. Jenny Shah (Company Secretary)

Date: 28th April'2022
Place: Mumbai

STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2022

Rs. in Lakhs

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Loss before tax for the year	**(9,542.76)**	(7,938.34)
Adjustments for:		
Depreciation & Amortisation	**3,032.97**	2,082.26
Finance costs	**1,903.90**	1,099.94
Net gain/(loss) on Investment carried at fair value through profit or loss	**(151.96)**	(63.29)
Operating loss before Working Capital changes	**(4,757.85)**	(4,819.43)
Movements in working capital:		
Decrease/ (Increase) in Current Other Trade receivable	**(841.86)**	(228.61)
Decrease/ (Increase) in Current Other Financial Assets	**(379.57)**	(23.23)
Decrease/ (Increase) in Other Current Assets	**(1,829.31)**	(1,533.07)
Decrease/ (Increase) in Other Non Current Assets	**(39.26)**	60.58
Decrease/ (Increase) in Inventories	**325.93**	(680.77)
Increase / (Decrease) in trade payables	**(7,749.74)**	10,799.36
Increase/ (Decrease) in provisions	**175.37**	530.55
Increase/ (Decrease) in other Non current Financial liabilities	**112.50**	170.00
Increase/ (Decrease) in other current Financial liabilities	**–**	0.20
Increase/ (Decrease) in other current liabilities	**394.55**	(1,264.63)
Cash generated from operations	**(14,589.24)**	3,010.95
Income taxes paid	**–**	–
Cash flows from operating activities	**(14,589.24)**	3,010.95
Payments for Property, Plant and Equipment and Other Intangible Assets	**(11,436.95)**	(7,221.23)
Investment in Mutual fund	**(35,600.00)**	(41,805.00)
Proceeds on sale of current investment (Mutual Fund redemption proceeds)	**35,751.96**	42,349.47
Purchase of investment in share of subsidiary	**(2,165.85)**	(505.37)
Cash used in investing activities	**(13,450.84)**	(7,182.13)
Proceeds from issue of equity instruments of the Company (Net of share issue expenses)	**28,378.67**	3,054.74
Proceeds from borrowings short term	**11,700.00**	–
Repayment of borrowings Short term	**(10,000.00)**	–
Repayment of Lease liabilities	**(76.60)**	(19.92)
Interest paid	**(1,686.69)**	(731.75)
Cash flows from financing activities	**28,315.38**	2,303.07
Net cash inflow / (outflow)	**275.30**	(1,868.11)
Cash and cash equivalents at the begining of the year	**370.19**	2,238.30
Cash and cash equivalents at the end of the year	**645.49**	370.19

Notes:

1 Figures in brackets represent outflows of cash and cash equivalents.

2 Cash and cash equivalents comprise of :

	For the year ended March 31, 2022	For the year ended March 31, 2021
Cash on hand	**–**	–
Balances with Banks	**645.49**	370.19
	645.49	370.19

For B. K. Khare & Co
Chartered Accountants
Firm Registration No. 105102W

Aniruddha Joshi
Partner
Membership Number: 040852

Date: 28th April'2022
Place: Mumbai

For and on behalf of the Board
CIN No.U34101MH2015PTC265665

Mr. Rajesh Jejurikar
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(Directors)

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Mr. Ashish Saboo (Chief Financial Officer)
Ms. Jenny Shah (Company Secretary)

Date: 28th April'2022
Place: Mumbai

STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2022

Rs. in Lakhs

Particulars	**For the year ended March 31, 2022**	For the year ended March 31, 2021
a. Changes in Equity		
Balance at the beginning of the year	**22,421.33**	17,221.33
Shares issued during the year	**17,999.97**	5,200.00
Shares bought back during the year	**–**	–
Balance at the end of the year	**40,421.30**	22,421.33

b. Other Equity

Rs. in Lakhs

Particulars	**Share Application Money**	**Reserve & Surplus Retained Earning**	**Total**
Opening Balance as on April 1, 2021	**–**	**(11,859.80)**	**(11,859.80)**
Profit / loss for the year	**–**	**(9,537.54)**	**(9,537.54)**
Equity Share Issue expense	**–**	**–**	**–**
Share Application money received	**10,378.70**	**–**	**10,378.70**
Other comprehensive income for the year	**–**	**15.52**	**15.52**
	10,378.70	**(9,522.02)**	**856.68**
Closing Balance as on March 31, 2022	**10,378.70**	**(21,381.82)**	**(11,003.12)**

Particulars	Share Application Money	Reserve & Surplus Retained Earning	Total
Opening Balance as on April 1, 2020	2,080.00	(3,003.28)	(923.28)
Profit / loss for the year	–	(8,800.51)	(8,800.51)
Equity Share Issue expense	–	(65.26)	(65.26)
Shares issued	(2,080.00)	–	(2,080.00)
Other comprehensive income for the year	–	9.25	9.25
	(2,080.00)	(8,856.52)	(10,936.52)
Closing Balance as on March 31, 2021	–	(11,859.80)	(11,859.80)

For B. K. Khare & Co
Chartered Accountants
Firm Registration No. 105102W

Aniruddha Joshi
Partner
Membership Number: 040852

Date: 28th April'2022
Place: Mumbai

For and on behalf of the Board
CIN No.U34101MH2015PTC265665

Mr. Rajesh Jejurikar
DIN No.00046823
Mr. Manoj Bhat
DIN No.05205447
(Directors)

Mr. Ashish Joshi (Chief Executive Officer)
Mr. Ashish Saboo (Chief Financial Officer)
Ms. Jenny Shah (Company Secretary)

Date: 28th April'2022
Place: Mumbai

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

Company details

Classic Legends Private Limited (CLPL) was incorporated on 17th June'2015. On 18th October 2016, it became subsidiary of Mahindra and Mahindra Limited (M&M). However, w.e.f 1st July'2017 M&M became joint venturer of the Company. CLPL is engaged in Design, Development, Sales, Marketing and related activities for Motorcycles & Two Wheeled Products.

2. METHOD OF ACCOUNTING

These standalone or separate financial statements have been prepared in accordance with the Indian Accounting Standards (IND AS) as per the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified as amended and notified under Section 133 of the Companies Act, 2013 (the 'Act') and other relevant provisions of the Act.

The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the latest annual financial statements of the Company prepared under the Act.

The financial statements are presented in Indian Rupees (INR) which is also the Company's functional currency.

These financial statements were approved by the Board of Directors and authorised for issue on 28th April, 2022.

3. SIGNIFICANT ACCOUTING POLICIES

3.01 Basis of accounting preparation and presentation

These financial statements have been prepared on the historical cost basis, except for certain financial instruments which are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

3.02 Use of estimate

The preparation of these financial statements in conformity with the recognition and measurement principles of Ind AS requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities, disclosures relating to contingent liabilities as at the date of the financial statements and the reported amounts of income and expense for the periods presented.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected.

Key source of estimation of uncertainty at the date of the financial statements, which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, is in respect of impairment of assets, useful lives of property, plant and equipment, valuation of deferred tax assets, provisions and contingent liabilities. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

Useful lives of property, plant and equipment

The Company reviews the useful life of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

Leases

Ind AS 116 requires lessees to determine the lease term as the non cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by lease basis and there by assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

Provisions for product warranties

The Company recognises provision for warranties in respect of the products that it sells. Provisions are discounted, where necessary, to its present value based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Provisions and contingent liabilities

A provision is recognised when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which the reliable estimate can be made. Provisions are reviewed at each balance sheet date, adjusted to reflect the current best estimates. Contingent liabilities are not recognised in the financial statements. A contingent asset is neither recognised nor disclosed in the financial statements.

3.03 Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably.

3.04 Foreign Currency

Transactions in currencies other than the Company's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are translated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences on monetary items are recognised in profit or loss in the period in which they arise except for exchange differences on transactions entered into in order to hedge certain foreign currency risks.

3.05 Employee benefits

1. Defined Benefit Plan:

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected immediately in the statement of financial position with a charge or credit recognised in other comprehensive income in the period in which they occur. Re-measurement recognised in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorized as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- re-measurement.

(i) **Gratuity:** The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15/26 days salary payable for each completed year of service. Vesting occurs upon completion of five years of service. The Company accounts for the liability for gratuity benefits payable in future based on an independent actuarial valuation.

(ii) **Compensated Absences:** The Company provides for the encashment of compensated absences with pay subject to certain rules. The employees are entitled to accumulate compensated absences subject to certain limits, for future encashment. Accumulated leave, which is expected to be utilized within the next twelve months, is treated as short-term employee benefit and the accumulated leave expected to be carried forward beyond twelve months is treated as long-term employee benefit which are provided based on the number of days of unutilised compensated absence on the basis of an independent actuarial valuation.

3.06 Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As a lessee

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use assets are subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at amortised cost at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using the incremental borrowing rate.

It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases and leases of low-value assets

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

3.07 Property Plant and Equipment

Property Plant and Equipment (PPE) are stated at cost of acquisition or construction less accumulated depreciation / amortisation and impairment loss, if any. All costs relating to the acquisition and installation of property plant and equipment are capitalised and include borrowing costs relating to funds attributable to construction or acquisition of qualifying assets, up to the date the asset / plant is ready for intended use. The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item of property, plant and equipment, if it is probable that the future economic benefits embodies within the part will flow to the Company and its cost can be measured reliably with the carrying amount of the replaced part getting derecognised. The cost for day-to-day servicing of property, plant and equipment are recognised in Statement of Profit and Loss as and when incurred.

Depreciation is calculated on straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, in whose case the life of the assets has been assessed as under based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc:

i) Plant and machinery – 3 years, 5 years, 8 years

ii) Laptops – 3 years

iii) Vehicles – 3 years, 5 years

iv) Office equipment – 2 years, 5 years

v) Assets costing less than Rs 5000 each – 1 year

3.08 Intangible Assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Following summarises the nature of intangible and the estimated useful life:

(a) Software Costs – The expenditure incurred is amortised over three financial years equally commencing from the year in which the expenditure is incurred.

(b) Development expenditure – The expenditure incurred on technical services and other project/product related expenses is amortised over the period of benefit, not exceeding five years

Intangible asset with indefinite useful lives is reviewed annually to determine whether indefinite-life assessment continues to be supportable.

Intangible assets under development

The Company expenses cost incurred during research phase to profit or loss in the year in which they are incurred. Development phase expenses are initially recognised as intangible assets under development until the development phase is complete, upon which the amount is capitalised as intangible assets.

3.09 Impairment

(i) Financial assets (other than at fair value)

The Company assesses at end of each reporting period whether a financial asset or a group of financial assets is impaired.

Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognises lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12 month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

(ii) Non-financial assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the statement of profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the statement of profit or loss.

3.10 Inventories

Inventories comprise all cost of purchase, conversion and other costs incurred in bringing the inventories to their present location and condition

Finished goods purchased for sale, are carried at cost or net realisable value whichever is lower.

3.11 Financial instruments

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Classification and subsequent measurement

Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace. All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on their respective classification.

On initial recognition, a financial assets is classified as - measured at :

- Amortised Cost; or
- Fair Value Through Other Comprehensive Income (FVTOCI)
- Fair Value Through Profit or Loss (FVTPL)

Financial assets are not reclassified subsequently to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

All financial assets not classified as measured at amortised cost or FVTOCI are measured at FVTPL.

Financial assets at amortised cost are subsequently measured at amortised cost using effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gains and loss on derecognition are recognised in profit or loss.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Financial assets at FVTPL are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Cash and cash equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

Financial liabilities and equity instruments

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences residual interest in the assets of the company after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received net off direct issue cost.

Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in the statement of profit and loss if such gain or loss would have otherwise been recognised in the statement of profit and loss on disposal of that financial asset.

Offsetting

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the group or the counterparty.

3.12 Borrowing Costs:

Interest and other costs incurred in connection with the borrowing of the funds are charged to revenue on accrual basis except those borrowing costs which are directly attributable to the acquisition or construction of those Qualifying assets, which necessarily take a substantial period of time to get ready for their intended use. Such costs are capitalised with the Qualifying assets.

4. Recent Accounting Pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1st, 2022, as below:

Ind AS 16 – Proceeds before intended use

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Company does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract

The amendments specify that that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification, and the Company does not expect the amendment to have any significant impact in its financial statements.

Note - 5 Property, Plant and Equipment

Rs. in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
a. Property, plant and equipment owned	**9,066.44**	4,558.71
b. Right of use assets	**176.28**	193.26
	9,242.72	4,751.97

a. Property, plant and equipment owned

Rs. in Lakhs

Description of Assets	Plant and Equipment	Computers	Furniture	Vehicles	Office Equipment	Total
I. Gross Block						
Balance as at April 1, 2021	4,950.77	196.15	9.56	554.58	10.42	5,721.48
Additions during the year	5,334.42	138.42	5.41	63.88	17.31	5,559.44
Disposals during the year	(19.10)	(0.88)	–	(12.38)	(2.99)	(35.35)
Balance as at March 31, 2022	**10,266.09**	**333.69**	**14.97**	**606.08**	**24.74**	**11,245.57**
II. Accumulated depreciation						
Balance as at April 1, 2021	881.39	61.35	1.35	213.56	5.12	1,162.77
Depreciation for the year	865.08	62.28	1.12	104.70	4.84	1,038.02
Eliminated on disposal of assets during the year	(6.75)	(0.48)	–	(11.76)	(2.67)	(21.66)
Balance as at March 31, 2022	**1,739.72**	**123.15**	**2.47**	**306.50**	**7.29**	**2,179.13**
Net block (I-II)						
Balance as at March 31, 2022	8,526.37	210.54	12.50	299.58	17.45	9,066.44
Balance as at March 31, 2021	4,069.38	134.80	8.21	341.02	5.30	4,558.71

Rs. in Lakhs

Description of Assets	Plant and Equipment	Computers	Furniture	Vehicles	Office Equipment	Total
I. Gross Block						
Balance as at April 1, 2020	3,109.47	70.08	9.43	498.12	9.16	3,696.26
Additions during the year	1,841.30	126.47	0.13	62.80	1.26	2,031.96
Disposals during the year	–	(0.40)	–	(6.34)	–	(6.74)
Balance as at March 31, 2021	**4,950.77**	**196.15**	**9.56**	**554.58**	**10.42**	**5,721.48**
II. Accumulated depreciation						
Balance as at April 1, 2020	314.87	29.46	0.29	113.91	2.45	460.98
Depreciation for the year	566.52	32.21	1.06	102.63	2.67	705.09
Eliminated on disposal of assets during the year	–	(0.32)	–	(2.98)	–	(3.30)
Balance as at March 31, 2021	**881.39**	**61.35**	**1.35**	**213.56**	**5.12**	**1,162.77**
Net block (I-II)						
Balance as at March 31, 2021	4,069.38	134.80	8.21	341.02	5.30	4,558.71
Balance as at March 31, 2020	2,794.60	40.62	9.14	384.21	6.71	3,235.28

b. Right of use assets

Rs. in Lakhs

	Buildings	Total
I. Gross Carrying Amount		
Balance as at April 1, 2021	223.96	223.96
Additions	51.95	51.95
Deletions	–	–
Balance as at March 31, 2022	**275.91**	**275.91**
II. Accumulated depreciation and impairment		
Balance as at April 1, 2021	30.70	30.70
Additions	68.93	68.93
Deletions	–	–
Balance as at March 31, 2022	**99.63**	**99.63**
III. Net carrying amount (I-II)	176.28	176.28

Rs. in Lakhs

	Buildings	Total
I. Gross Carrying Amount		
Balance as at April 1, 2020	74.85	74.85
Additions	149.11	149.11
Deletions	–	–
Balance as at March 31, 2021	**223.96**	**223.96**
II. Accumulated depreciation and impairment		
Balance as at April 1, 2020	8.16	8.16
Additions	22.54	22.54
Deletions	–	–
Balance as at March 31, 2021	**30.70**	**30.70**
III. Net carrying amount (I-II)	193.26	193.26

Note - 6 Other Intangible assets

Rs. in Lakhs

Description of Assets	Development exp	Software	Total
I. Gross Block			
Balance as at April 1, 2021	**6,859.16**	**401.16**	**7,260.32**
Additions during the year	5,720.95	7.50	5,728.45
Disposals during the year	–	–	–
Balance as at March 31, 2022	**12,580.11**	**408.66**	**12,988.77**
II. Accumulated depreciation			
Balance as at April 1, 2021	**2,011.81**	**203.47**	**2,215.28**
Depreciation for the year	1,808.58	117.44	1,926.02
Eliminated on disposal of assets during the year	–	–	–
Balance as at March 31, 2022	**3,820.39**	**320.91**	**4,141.30**
Net block (I-II)			
Balance as at March 31, 2022	**8,759.72**	**87.75**	**8,847.47**
Balance as at March 31, 2021	**4,847.35**	**197.69**	**5,045.04**

Rs. in Lakhs

Description of Assets	Development exp	Software	Total
I. Gross Block			
Balance as at April 1, 2020	3,821.47	245.55	4,067.02
Additions during the year	3,037.69	155.61	3,193.30
Disposals during the year	–	–	–
Balance as at March 31, 2021	**6,859.16**	**401.16**	**7,260.32**
II. Accumulated depreciation			
Balance as at April 1, 2020	764.29	96.36	860.65
Depreciation for the year	1,247.52	107.11	1,354.63
Eliminated on disposal of assets during the year	–	–	–
Balance as at March 31, 2021	**2,011.81**	**203.47**	**2,215.28**
Net block (I-II)			
Balance as at March 31, 2021	4,847.35	197.69	5,045.04
Balance as at March 31, 2020	3,057.18	149.19	3,206.37

Note - 7 Non-Current Investment

Rs. in Lakhs

Particulars	As at March 31, 2022 No. of Shares	As at March 31, 2022 Amount	As at March 31, 2021 No. of Shares	As at March 31, 2021 Amount
Unquoted investments in equity instruments of subsidiary at cost				
BSA Company Limited	**209,300**	**5,531.98**	138,600	3,366.13
(Fully paid equity shares of GBP 1 each)				
Total	**209,300**	**5,531.98**	138,600	3,366.13

Note - 8a Other non-current assets

Rs. in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
(a) Capital Advances	**1,430.66**	2,029.12
(b) Prepaid Expense	**21.17**	11.69
(c) Balances with government authorities		
(i) Advance Income Tax (TDS receivable)	**66.91**	37.13
Total	**1,518.74**	2,077.94

Note - 8b Other current assets

Rs. in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
(a) Prepaid Expense	**49.26**	126.10
(b) Advance to Domestic Supplier / Service provider	**85.39**	79.95
(c) Balances with government authorities		
(i) GST Receivable	**5,630.01**	3,729.30
Total	**5,764.66**	3,935.35

Note - 9 Deferred Tax

Rs. in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Deferred Tax Liability		
On property, plant & equipment	**167.28**	132.57
Others	**–**	–
Total(A)	**167.28**	132.57
Deferred Tax Asset		
Provision for Employee Benefits	**59.67**	46.24
Others	**107.61**	86.33
Total(B)	**167.28**	132.57
Net Asset/(Liability)	**–**	–

Note - 10 Inventories

Rs. in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Stock in trade [includes in transit Rs. Nil Lakhs (March 31, 2021 : Rs. 13.57 Lakhs)]	**2,013.29**	2,339.22
Total	**2,013.29**	2,339.22

Note - 11 Trade receivables

Rs. in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Trade receivables :		
(a) Unsecured Considered good	**1,070.47**	228.61
(b) Doubtful	**15.65**	–
	1,086.12	228.61
Less: Allowance for Expected Credit Loss	**(15.65)**	–
Total	**1,070.47**	228.61

Trade Receivable Ageing Schedule

As at March 31, 2022

Particulars	Outstanding for the following period from the due date of Payment					
	Less than 6 months	**6 Months – 1 year**	**1-2 year**	**2-3 Year**	**More than 3 year**	**Total**
Undisputed Trade Receivables – considered good	1,061.36	9.11	–	–	–	1,070.47
Undisputed Trade Receivables – which have significant increase in credit risk	–	–	–	–	–	–
Undisputed Trade receivable – credit impaired	5.41	10.24	–	–	–	15.65
Disputed Trade receivables - considered good	–	–	–	–	–	–
Disputed Trade receivables – which have significant increase in credit risk	–	–	–	–	–	–
Disputed Trade receivables – credit impaired	–	–	–	–	–	–
Total	**1,066.77**	**19.35**	**–**	**–**	**–**	**1,086.12**

As at March 31, 2021

Particulars	Outstanding for the following period from the due date of Payment					
	Less than 6 months	**6 Months – 1 year**	**1-2 year**	**2-3 Year**	**More than 3 year**	**Total**
Undisputed Trade Receivables – considered good	227.52	1.09	–	–	–	228.61
Undisputed Trade Receivables – which have significant increase in credit risk	–	–	–	–	–	–
Undisputed Trade receivable – credit impaired	–	–	–	–	–	–
Disputed Trade receivables - considered good	–	–	–	–	–	–
Disputed Trade receivables – which have significant increase in credit risk	–	–	–	–	–	–
Disputed Trade receivables – credit impaired	–	–	–	–	–	–
Total	**227.52**	**1.09**	**–**	**–**	**–**	**228.61**

Note - 12 Cash & Cash Equivalents

Rs. in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Balances with banks		
(i) In current account	**645.49**	370.19
Total	**645.49**	370.19

Note - 13 Other current financial assets

Rs. in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Finanacial assets at amortised cost		
a) Security Deposits	**33.03**	27.72
b) Other Advances	**415.74**	41.48
Total	**448.77**	69.20

Other Advances includes advance to employees, other receivables

Note - 14 Share Capital

Rs. in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Authorised:		
55,00,00,000 (March 31, 2021 : 55,00,00,000) equity shares of Rs 10/- each.	**55,000.00**	55,000.00
	55,000.00	55,000.00
Issued, Subscribed and Paid up:		
40,42,13,022 (March 31, 2021 : 24,42,13,330) equity shares of Rs 10/- each.	**40,421.30**	22,421.33
Total	**40,421.30**	22,421.33

Rs. in Lakhs

Reconciliation of the no. of shares outstanding at the beginning and at the end of the period:	As at March 31, 2022		As at March 31, 2021	
	No. of shares	**Amount**	No. of shares	Amount
Balance as at beginning of the year	**22,42,13,330**	**22,421.33**	17,22,13,330	17,221.33
Add: Additional equity shares issued during the year	**17,99,99,692**	**17,999.97**	5,20,00,000	5,200.00
Balance as at end of the year	**40,42,13,022**	**40,421.30**	22,42,13,330	22,421.33

Notes:

i) Number of shares held by each shareholder holding more than 5% shares in the company are as follows:

Particulars	As at March 31, 2022		As at March 31, 2021	
	Number of shares	**% Shareholding**	Number of shares	% Shareholding
Equity Shares:				
Mahindra & Mahindra Limited	**24,25,28,000**	**60.00%**	13,45,28,000	60.00%
PHI Capital Trust - Phi capital growth fund I	**9,62,83,512**	**23.82%**	4,48,42,665	20.00%
Boman Irani	**4,50,01,510**	**11.13%**	2,44,42,665	10.90%
Attarchand Trading Company Pvt Ltd	**2,04,00,000**	**5.05%**	2,04,00,000	9.10%
Total	**40,42,13,022**		22,42,13,330	

ii) The Company has only one class of Share i.e. Equity Shares having par value of Rs.10 each. Each holder of Equity Share is entitled to one vote per Share. In the event of liquidation of company, The holder of the Equity Share will be entitled to receive remaining assets, after deducting all it's liabilities, in proportion to the number of Equity Share held

(iii) Share held by the promoters as at 31st March 2022

Promoter Name	Number of shares	% Shareholding	% Change During the Year
Mahindra & Mahindra Limited	**24,25,28,000**	60.00%	0.00%
PHI Capital Trust - Phi capital growth fund I	**9,62,83,512**	23.82%	3.82%
Boman Irani	**4,50,01,510**	11.13%	0.23%
Attarchand Trading Company Pvt Ltd	**2,04,00,000**	5.05%	(4.05%)
Total	**40,42,13,022**		

(iv) Share held by the promoters as at 31st March'2021

Promoter Name	Number of shares	% Shareholding	% Change During the Year
Mahindra & Mahindra Limited	**13,45,28,000**	60.00%	0.00%
PHI Capital Trust - Phi capital growth fund I	**4,48,42,665**	20.00%	0.00%
Boman Irani	**2,44,42,665**	10.90%	(3.29%)
Attarchand Trading Company Pvt Ltd	**2,04,00,000**	9.10%	3.29%
Total	**22,42,13,330**		

(v) During the year the Company has received infusion of Rs. 28,378.67 Lakhs (including share application money) from the shareholders and Company has invested Rs. 2,165.85 Lakhs in its Subsidiary BSA Company Limited.

Note - 15 Other equity

Rs. in Lakhs

Particulars	**As at March 31, 2022**	As at March 31, 2021
Retained earnings		
Balance at the beginning of the year	**(11,859.80)**	(3,003.28)
Add :		
Loss for the year	**(9,537.54)**	(8,800.51)
Equity share issue expenses	**–**	(65.26)
Other comprehensive income for the year	**15.52**	9.25
Balance at the end of the year	**(21,381.82)**	(11,859.80)
Share Application money		
Balance at the beginning of the year	**–**	2,080.00
Add :		
Addition during the period	**10,378.70**	–
Reduction during the period	**–**	(2,080.00)
Balance at the end of the year	**10,378.70**	–
Total	**(11,003.12)**	(11,859.80)

Note - 16 Current Borrowings

Rs. in Lakhs

Particulars	**As at March 31, 2022**	As at March 31, 2021
Unsecured (Carried at amortised cost)		
(a) Inter corporate Deposit	**1,700.00**	–
Total	**1,700.00**	–

Note: The Company has unsecured short term Intercorporate deposit of Rs. 1700.00 Lakhs as at March 31, 2022 (March 31, 2021 : Rs. Nil) from related party Mahindra & Mahindra Limited.

Note - 17a Other Non Current Financial Liabilities

Rs. in Lakhs

Particulars	**As at March 31, 2022**	As at March 31, 2021
Other Financial liabilities measured at amortised cost		
(a) Security Deposits	**560.50**	448.00
Total	**560.50**	448.00

Note - 17b Other Current Financial Liabilities

Rs. in Lakhs

Particulars	**As at March 31, 2022**	As at March 31, 2021
Other Financial liabilities measured at amortised cost		
a) Capital creditors	**648.81**	653.67
b) Security Deposits	**0.40**	0.40
c) Interest Accrued but not due	**71.43**	–
Total	**720.64**	654.07

Note - 18a Non Current Provisions

Rs. in Lakhs

Particulars	**As at March 31, 2022**	As at March 31, 2021
(a) Provision for employee benefits		
Provision for compensated absences	**103.54**	75.89
Provision for Gratuity	**115.70**	98.68
(b) Other Provisions		
Warranty	**246.59**	109.09
Free Service Coupons	**42.26**	38.59
Total	**508.09**	322.25

Note - 18b Current Provisions

Rs. in Lakhs

Particulars	**As at March 31, 2022**	As at March 31, 2021
(a) Provision for employee benefits		
Provision for compensated absences	**12.28**	6.24
Provision for Gratuity	**5.57**	2.91
(b) Other Provisions		
Warranty	**463.42**	531.13
Free Service Coupons	**268.20**	240.40
Total	**749.47**	780.68

The movement in provision for warranty and service coupon is as follows

Rs. in Lakhs

	As at March 31, 2022		As at March 31, 2021	
Particulars	**Provision for Warranty**	**Provision for Service Coupon**	Provision for Warranty	Provision for Service Coupon
Opening Balance	**640.22**	**278.99**	209.91	206.16
Additional Net Provision recognised	**996.91**	**163.06**	1,280.46	153.09
Amounts used during the period	**(966.71)**	**(148.82)**	(865.34)	(95.10)
Unwinding of discount	**39.59**	**17.23**	15.19	14.84
Closing Balance	**710.01**	**310.46**	640.22	278.99

Note - 19 Trade Payables

Rs. in Lakhs

Particulars	**As at March 31, 2022**	As at March 31, 2021
Trade payable for goods & services		
- Total outstanding dues of micro and small enterprises	**0.01**	27.52
- Total outstanding dues of other than micro and small enterprises	**7,769.00**	15,358.57
Total	**7,769.01**	15,386.09

Trade Payable Ageing Schedule

As at March 31, 2022

Particulars	Outstanding for the following period from the due date of Payment: Less than 1 year	1-2 year	2-3 Year	More than 3 year	Total
Total outstanding dues of micro enterprises and small enterprises	0.01	–	–	–	0.01
Total outstanding dues of creditors other than micro enterprises and small enterprises	7,762.26	5.92	0.73	0.09	7,769.00
Disputed dues of micro enterprises and small enterprises	–	–	–	–	–
Disputed dues of creditors other than micro enterprises and small enterprises	–	–	–	–	–
Total	**7,762.27**	**5.92**	**0.73**	**0.09**	**7,769.01**

As at March 31, 2021

Particulars	Outstanding for the following period from the due date of Payment: Less than 1 year	1-2 year	2-3 Year	More than 3 year	Total
Total outstanding dues of micro enterprises and small enterprises	27.52	–	–	–	27.52
Total outstanding dues of creditors other than micro enterprises and small enterprises	15,350.31	5.27	2.90	0.09	15,358.57
Disputed dues of micro enterprises and small enterprises	–	–	–	–	–
Disputed dues of creditors other than micro enterprises and small enterprises	–	–	–	–	–
Total	**15,377.83**	**5.27**	**2.90**	**0.09**	**15,386.09**

Note - 20 Other Current Liabilities

Rs. in Lakhs

	Particulars	As at March 31, 2022	As at March 31, 2021
a)	Statutory remittances (Contribution to PF, profession tax, withholding taxes, GST, etc.)	**302.42**	202.93
b)	Interest payble	**0.08**	0.40
c)	Advances received from customers	**1,607.48**	1,312.42
	Total	**1,909.98**	1,515.75

Note - 21 Revenue from Operations

Rs. in Lakhs

	Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
(a)	Revenue from sale of products	**59,289.36**	43,886.49
(b)	Sales of services	**51.06**	–
(c)	Other operating revenue	**159.15**	59.49
	Total	**59,499.57**	43,945.98

Note - 22 Other income

Rs. in Lakhs

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Net gain on foreign currency transaction and translation	**39.30**	7.98
Net gain/(loss) on Investment carried at fair value through profit or loss	**151.96**	63.29
Total	**191.26**	71.27

Note - 23 Changes in inventories of finished goods and stock-in-trade

Rs. in Lakhs

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Inventories at the beginning of the year		
Stock in Trade	**2,339.22**	1,658.45
	2,339.22	1,658.45
Inventories at the end of the year		
Stock in Trade	**2,013.29**	2,339.22
	2,013.29	2,339.22
Net (increase) / decrease	**325.93**	(680.77)

Note - 24 Employee benefits expense

Rs. in Lakhs

	Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
(a)	Salaries and wages, including bonus	**1,964.81**	1,514.51
(b)	Contribution to other funds	**73.32**	51.34
(c)	Staff welfare expense	**15.11**	0.63
	Total	**2,053.24**	1,566.48

Note - 25 Finance cost

Rs. in Lakhs

	Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
a)	Interest expense for financial liabilities at amortised cost	**41.50**	27.59
b)	Interest others	**1,862.40**	1,072.35
	Total	**1,903.90**	1,099.94

Interest others includes unwinding of discount

Note - 26 Depreciation and amortisation expense

Rs. in Lakhs

	Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
a)	Depreciation on property, Plant and Equipments	**1,106.95**	727.63
b)	Amortisation on other Intangible Assets	**1,926.02**	1,354.63
	Total	**3,032.97**	2,082.26

Note - 27 Other expenses

Rs. in Lakhs

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Advertisement & Promotional Expense	**1,379.28**	1,562.56
Service Charges	**1,067.81**	681.73
Software Expense	**188.48**	94.31
Royalty Expenses	**872.44**	935.29
Legal and professional Fees	**276.32**	108.03
Auditor Remuneration		
- Audit Fees	**10.00**	10.00
- Out of Pocket Expense	**0.07**	–
- Other services	**3.27**	2.54
Travelling Expenses	**357.91**	117.19
Freight and handling charges	**928.70**	612.39

Rs. in Lakhs

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Warranty Expenses and Free Service Charges (Net of Recoveries)	**973.84**	1,407.68
Stockyard Expense	**337.71**	230.37
R & D Expense	**224.17**	93.41
Rent including lease rentals	**100.45**	113.09
Provisions for doubtful Advances/ Debts	**15.65**	–
Misc. expenses	**327.39**	256.70
Total	**7,063.49**	6,225.29

Note - 28 Earning per share

Earnings per share

The earnings and weighted average number of ordinary shares used in the calculation of basic & diluted earnings per share are as follows:

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Loss for the year (Rs. in Lakhs)	**(9,537.54)**	(8,800.51)
Weighted average number of equity shares	**345,467,709**	199,623,741
Face Value of Share	**10**	10
Earning per share		
Basic & Diluted in Rupees	**(2.76)**	(4.41)

Note - 29 Financial Instruments

Capital management

The company's capital management objectives are:

The Board policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The board of directors monitors the return on capital employed.

The Company manages capital risk by maintaining sound/optimal capital structure through monitoring of financial ratios, such as debt-to-equity ratio and net borrowings-to-equity ratio on a monthly basis and implements capital structure improvement plan when necessary.

The Company uses debt ratio as a capital management index and calculates the ratio as total liabilities divided by total equity. Total liabilities and total equity are based on the amounts stated in the separate financial statements.

Debt-to-equity ratio is as follows:

	March 31, 2022	March 31, 2021
Debt (Including Current Maturities and lease payables) (A)	**1,886.02**	197.23
Equity (B)	**29,418.18**	10,561.53
Debt Ratio (A / B)	**0.06**	0.02

Fair Value

Set out below is the comparison by class of the carrying amounts and fair value of the Company's financials instruments

Rs. in Lakhs

Particulars	Carrying Amount		Fair Value	
	March 31, 2022	March 31, 2021	**March 31, 2022**	March 31, 2021
FINANCIAL ASSETS				
Financial assets measured at amortised cost				
Current Assets				
a) Investments (fair value through profit & loss)	–	–	–	–
b) Trade Receivable	**1,070.47**	228.61	**1,070.47**	228.61
c) Cash & cash equivalents	**645.49**	370.19	**645.49**	370.19
d) Other Current Financial assets	**448.77**	69.20	**448.77**	69.20
Total Financial Assets	**2,164.73**	668.00	**2,164.73**	668.00
FINANCIAL LIABILITIES				
Financial liabilities measured at amortised cost				
Non Current Liabilities				
a) Borrowings including lease liabilities	**97.47**	126.63	**97.11**	127.20
b) Other non-current liabilities	**560.50**	448.00	**560.50**	448.00
Current Liabilities				
a) Borrowings including lease liabilities	**1,788.55**	70.60	**1,741.63**	70.67
b) Trade Payables	**7,769.01**	15,386.09	**7,769.01**	15,386.09
c) Other Current liabilities	**720.64**	654.07	**720.64**	654.07
Total Financial Liabilities	**10,936.17**	16,685.39	**10,888.89**	16,686.03

At the end of the reporting period, there are no significant concentrations of credit risk for financial assests designed at fair value through profit & loss. The carrying amount reflected above represents the company's maximum exposure to credit risk to such financial assets.

Financial Risk Management Framework

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk. In order to manage the aforementioned risks, the Company operates a risk management policy and a program that performs close monitoring of and responding to each risk factors.

CREDIT RISK

(i) Credit risk management

Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Credit risk is controlled by analyzing credit limits and creditworthiness of customers on a continuous basis to whom the credit has been granted after obtaining necessary approvals for credit.

Financial instruments that are subject to concentrations of credit risk principally consist of trade receivables, investments, derivative financial instruments, cash and cash equivalents, bank deposits and other financial assets. None of the financial instruments of the Company result in material concentration of credit risk.

The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are mutual funds and banks with high credit-ratings.

Trade receivables - The company applies the simplified approach to provide for expected credit loss prescribed by IND AS 109, which permits the use of life time expected loss provision for old trade receivable. The company has taken security deposit which are considered as collaterale and these are considered in determination of expected credit losses, where applicable.

There is no change in estimation techniques or significant assumptions during the reporting period.

Movement in the expected credit loss allowance:

(Rs. In Lakhs)

Particulars	March 31, 2022	March 31, 2021
Balance as at beginning of the year	–	–
Additions during the year	15.65	–
Amounts recovered during the year	–	–
Balance at end of the year	15.65	–

LIQUIDITY RISK

(i) Liquidity risk management

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

(ii) Maturities of financial liabilities

The following tables detail the Company's remaining contractual maturity for its financial liabilities with agreed repayment periods. The amount disclosed in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows.

Rs. in Lakhs

	March 31, 2022			March 31, 2021		
Particulars	Less than 1 Year	1-3 Years	3-5 Years	Less than 1 Year	1-3 Years	3-5 Years
Financial liabilities						
Borrowings (including current maturities and lease payables)	1,881.45	109.86	–	73.51	145.67	1.65
Other Financial liabilities	720.64	560.50	–	654.07	448.00	–
Trade payables	7,769.01	–	–	15,386.09	–	–
Total	10,371.10	670.36	–	16,113.67	593.67	1.65

MARKET RISK

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in the foreign currency exchange rates, interest rates, credit, liquidity and other market changes.

a) Foreign Currency exchange rate risk

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. Exposure to currency risk relates primarily to the Company's operating activities and borrowings when transactions are denominated in a different currency from the Company's functional currency.

The fluctuation in foreign currency exchange rates may have potential impact on the statement of profit or loss and other comprehensive income and equity, where any transaction references more than one currency or where assets / liabilities are denominated in a currency other than the functional currency of the respective entities. The Company evaluates the impact of foreign exchange rate fluctuations by assessing its exposure to exchange rate risks. It hedges a part of these risks by using derivative financial instruments in line with its risk management policies. The information on derivative instruments is as follows.

Foreign currency exposures that are not hedged by derivative instruments

		As at March 31, 2022		As at March 31, 2021	
Particulars	Currency	Foreign Currency Amount	Rupees Lakhs	Foreign Currency Amount	Rupees Lakhs
Trade payables	USD	1,507	1.14	21,600	15.79
Trade receivable	USD	9,32,456	706.06	–	–
Trade payables	EURO	2,720	2.30	6,820	5.85
Trade payables	GBP	1,336	1.33	–	–
Trade receivable	GBP	18,309	18.18	–	–

Foreign Currency Sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities.

Rs. in Lakhs

Particulars	Currency	Change in rate	Effect on profit / (loss) before tax	Effect on pre-tax equity
31-Mar-22	USD	+10%	70.49	70.49
	USD	-10%	(70.49)	(70.49)
	EUR	+10%	(0.23)	(0.23)
	EUR	-10%	0.23	0.23
	GBP	+10%	1.69	1.69
	GBP	-10%	(1.69)	(1.69)
31-Mar-21	USD	+10%	(1.58)	(1.58)
	USD	-10%	1.58	1.58
	EUR	+10%	(0.59)	(0.59)
	EUR	-10%	0.59	0.59

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

Note - 30 Fair Value Measurement

Financial assets/ financial liabilities	Fair value as at (Rs. in Lakhs) March 31, 2022	March 31, 2021	Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable input(s)	Relationship of unobservable inputs to fair value and sensitivity
(i) Investment in Mutual Fund	–	–	Level 1	Quoted market price	–	–

Note: Carrying amount of Investment in unquoted equity shares closely approximates the fair value.

Financial instruments not measured using fair value i.e.measured using amortized cost

Rs. in Lakhs

Particulars	Carrying Amount	Level 1	Level 2	Level 3	Total
Financial assets					
As at 31st March 2022					
Current Financial assets carried at amortised cost					
- Trade Receivable	1,070.47	–	1,070.47	–	1,070.47
- Other current financial assets	448.77	–	448.77	–	448.77
Total	**1,519.24**	–	**1,519.24**	–	**1,519.24**
Financial liabilities					
Non-current financial liabilities carried at amortised cost					
- Borrowings including lease liabilities	97.47	–	97.11	–	97.11
- Other non-current financial liabilities	560.50	–	560.50	–	560.50
Current financial liabilities carried at amortised cost					
- Borrowings including lease liabilities	1,788.55	–	1,741.63	–	1,741.63
- Trade Payables	7,769.01	–	7,769.01	–	7,769.01
- Other current financial liabilities	720.64	–	720.64	–	720.64
Total	**10,936.17**	–	**10,888.89**	–	**10,888.89**
Financial assets					
As at 31st March 2021					
Current Financial assets carried at amortised cost					
- Trade Receivable	228.61	–	228.61	–	228.61
- Other current financial assets	69.20	–	69.20	–	69.20
Total	**297.81**	–	**297.81**	–	**297.81**
Financial liabilities					
Non-current financial liabilities carried at amortised cost					
- Borrowings including lease liabilities	126.63	–	127.20	–	127.20
- Other non-current financial liabilities	448.00	–	448.00	–	448.00
Current financial liabilities carried at amortised cost					
- Borrowings including lease liabilities	70.60	–	70.67	–	70.67
- Trade Payables	15,386.09	–	15,386.09	–	15,386.09
- Other current financial liabilities	654.07	–	654.07	–	654.07
Total	**16,685.39**	–	**16,686.03**	–	**16,686.03**

Note - 31 Employee benefits

(a) Defined Contribution Plan

Amount recognised as an expense in the Statement of Profit and Loss in respect of Defined Contribution Plans is Rs. 73.32 Lakhs (March 31, 2021 Rs. 51.34 Lakhs)

(b) Defined Benefit Plans:

Gratuity

The Company operates a gratuity plan covering qualifying employees. The benefit payable is the amount calculated as per the Payment of Gratuity Act, 1972, Gratuity is a benefit to an employee based on 15 days last drawn salary for each completed year of service. The benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. In case of death while in service, the gratuity is payable irrespective of vesting.

Actuarial gains and losses in respect of defined benefit plans are recognised in the Financial statements through other comprehensive income.

Through its defined benefit plans the Company is exposed to a number of risks, the most significant of which are detailed below:

Changes in bond yields

A decrease in government bond yields will increase plan liabilities.

Inflation risk

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

Life expectancy

The present value of defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Defined benefit plans – as per actuarial valuation on 31st March, 2022

Rs. in Lakhs

Particulars	Unfunded Plan Gratuity 2022	Unfunded Plan Gratuity 2021
Amounts recognised in profit and loss in respect of these defined benefit plans are as follows:		
Current Service Cost	**38.54**	27.95
Net interest expense	**6.84**	5.33
Transfer In/(Out)	**(2.72)**	5.54
Components of defined benefit costs recognised in profit or loss	**42.66**	38.82
Amounts recognised in other comprehensive income		
Remeasurement on the net defined benefit liability		
Actuarial (gains) and loss arising form changes in demographic assumptions	**–**	(2.68)
Actuarial (gains) and loss arising form changes in financial assumptions	**–**	–
Actuarial (gains) and loss arising form experience adjustments	**(11.69)**	(9.67)
Componenets of defined benefit costs recognised in other comprehensive income	**(11.69)**	(12.35)
I. Net Asset/(Liability) recognised in the Balance Sheet as at 31st March		
1. Present value of defined benefit obligation as at 31st March	**121.27**	101.59
2. Fair value of plan assets as at 31st March	**–**	–
3. Surplus/(Deficit)	**(121.27)**	(101.59)
4. Current portion of the above	**(5.57)**	(2.91)
5. Non current portion of the above	**(115.70)**	(98.68)
II. Change in the obligation during the year ended 31st March		
1. Present value of defined benefit obligation at the beginning of the year	**101.59**	76.66
2. Trasfer in /(out)	**–**	5.54
3. Expenses Recognised in Profit and Loss Account		
– Current Service Cost	**38.54**	27.95
– Transfer In/(Out)	**–**	–
– Interest Expense (Income)	**6.84**	5.33

Particulars			Unfunded Plan Gratuity	Unfunded Plan Gratuity
			Rs. in Lakhs	
			2022	**2021**
	4.	Recognised in Other Comprehensive Income		
		Remeasurement (gains) / losses arising from:		
		i. Demographic Assumptions	**–**	(2.68)
		ii. Financial Assumptions	**(9.06)**	–
		iii. Experience Adjustments	**(11.69)**	(9.67)
	5.	Benefit payments	**(4.95)**	(1.54)
	6.	**Present value of defined benefit obligation at the end of the year**	**121.27**	101.59
III.		**Actuarial assumptions**		
	1.	Discount rate (%)	**7.00**	6.90
	2.	Expected rate(s) of salary increase (%)	**10.00**	10.00
	3.	Attrition rate (%)	**9.00**	6.00

The estimate of future salary increases, considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

Rs. in Lakhs

Principal assumption		Changes in assumption	Impact on defined benefit obligation: Increase in assumption	Decrease in assumption
Discount rate				
	2022	1.00%	(10.07)	11.68
	2021	1.00%	(10.48)	12.43
Salary growth rate				
	2022	1.00%	10.03	(8.87)
	2021	1.00%	10.91	(9.46)
Attrition rate				
	2022	1.00%	(1.95)	2.22
	2021	1.00%	(2.34)	2.68

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the Balance sheet.

The methods and types of assumptions used in preparing the sensitivity analyses did not change compared to previous period.

Maturity profile of defined benefit obligation:

	2022	**2021**
Within 1 year	**5.57**	2.91
1 - 2 year	**6.88**	3.89
2 - 3 year	**9.95**	5.03
3 - 4 year	**23.79**	7.44
4 - 5 year	**17.03**	22.80
5 - 10 years	**167.08**	141.99

The weighted average duration of the defined benefit obligation as at March 31, 2022 is 14.14 years (March 31, 2021 is 16.95 years)

Rs. in Lakhs

VIII. Experience Adjustments :		**Period Ended 2022 Gratuity**	**Period Ended** 2021 Gratuity
1.	Defined Benefit Obligation	**121.27**	101.59
2.	Fair value of plan assets	**–**	–
3.	Surplus/(Deficit)	**(121.27)**	(101.59)
4.	Experience adjustment on plan liabilities [(Gain)/Loss]	**(20.75)**	(12.35)
5.	Experience adjustment on plan assets [Gain/(Loss)]	**–**	–

Note 32 : Related Party Disclosures:

1) List of Related parties and relationships

Name of company / Individual	**Relation**
Mahindra and Mahindra Limited	Joint Venturer
Phi Capital Trust - Phi Capital Growth Fund - I	Joint Venturer
Mr. Boman Irani	Joint Venturer
Attarchand Trading Company Private Limited	Joint Venturer
Phi capital Management LLP	Joint Venturer
BSA Company Limited	Subsidiary Company
Mahindra Two Wheelers Limited	Subsidiary of Joint Venturer
Mahindra Integrated Business Solutions Limited	Subsidiary of Joint Venturer
Mahindra Logistics Limited	Subsidiary of Joint Venturer
PMTC Engineering SPA	Subsidiary of Joint Venturer
Tech Mahindra Limited	Associate of Joint Venturer
Mahindra eMarket Limited	Subsidiary of Joint Venturer
Mahindra First Choice Wheels Limited	Subsidiary of Joint Venturer
Fifth Gear Ventures Limited	Subsidiary of Joint Venturer
Mahindra Holidays & Resorts Ltd	Subsidiary of Joint Venturer
Mahindra CIE Automotive Ltd	Subsidiary of Joint Venturer
NBS International Limited	Subsidiary of Joint Venturer
Meru Mobility Tech Private Limited	Subsidiary of Joint Venturer
Phi Corporate Solutions LLP	Entity controlled by KMP
Mr. Ashish Joshi	Chief Executive Officer
Mr. Rajan Wadhera	Joint Chief Executive Officer
Mr. Ashish Saboo	Chief Financial Officer
Ms. Jenny Shah	Company Secretary

2) Related Party Transactions:

Rs. in Lakhs

Name of related party	Nature of Transactions	Amount Current Year Transactions	Amount Outstanding as at 31st March 2022		Amount Previous Year Transactions	Amount Outstanding as at 31st March 2021	
			Credit	Debit		Credit	Debit
1) Mahindra & Mahindra Limited	Purchase of Services	5,263.33			3,496.65		
	Purchase of Fixed Assets	403.55			38.67		
	Purchase of Goods	65,642.26			51,354.00		
	Reimbursement of expenses paid	0.60	1,881.23	1.26	10.32	11,561.60	
	Reimbursement of Expenses Received	275.40			36.79		
	Sales of Goods	10.14			47.91		
	Sales of services	3.01			4.03		
	ICD taken	11,700.00	1,700.00		–	–	
	ICD Repaid	10,000.00			–		
	Interest paid on ICD	781.61	71.43		–	–	
	Issue of Share capital	10,800.00			3,120.00		
	Receipt of Share application money / (Alloted)	6,227.22			(1,560.00)		
2) Mahindra Two Wheelers Limited	Purchase of Services	183.35	20.60		149.98	21.71	
3) Mahindra Integrated Business Solutions Limited	Purchase of Services	17.54	0.56	–	37.41	1.03	–
4) PMTC Engineering SPA	Purchase of Services	–	–	–	80.95	–	–
5) Mahindra Logistics Limited	Purchase of Services	2,160.72	0.22	–	1,530.67	128.89	–
6) Tech Mahindra Limited	Purchase of Services	246.13	153.07	–	200.39	2.32	–
7) Mahindra eMarket Limited	Purchase of services	21.16	–	–	36.54	3.21	–
8) Mahindra First Choice Wheels Limited	Purchase of Services	–	–	–	1.39	1.30	–
9) Fifth Gear Ventures Limited	Purchase of Services	329.40	111.44	–	146.99	15.98	–
10) Mahindra Holidays & Resorts Ltd	Purchase of Services	4.44	–	–	1.12	–	–
11) Mahindra CIE Automotive Ltd	Purchase of Goods	4.38	–	–	1.18	0.21	–
	Advances for Fixed Assets	–	–	14.40	–	–	8.00
12) Meru Mobility Tech Private Limited	Purchase of Services	28.24	2.72				
13) Phi Capital Trust - Phi Capital Growth Fund - I	Issue of Share capital	5,144.08	–	–	1,040.00	–	–
	Receipt of Share application money	1,871.65	–	–	(520.00)	–	–
14) Phi Capital Management LLP	Receipt of Share application money	1,279.83	–	–	–	–	–
	Purchase of Services	19.82	9.55	–	19.82	2.47	–
	Reimbursement of expenses paid	9.75			4.35		
15) Phi Corporate Solutions LLP	Purchase of Services	0.12	0.12	–	–	–	–
16) NBS International Ltd	Purchase of Services	0.27	0.26	–	–	–	–
17) Attarchand Trading Company Private Limited	Issue of Share capital	–	–	–	1,040.00	–	–
18) Boman Irani	Issue of Share capital	2,055.88	–	–	–	–	–
	Receipt of Share application money	1,000.00	–	–	–	–	–
19) BSA Company Limited	Investment in Shares	2,165.85	–	–	505.37	–	–
	Sales of Goods	7.75			–		
	Sales of services	51.06	–	18.18	–	–	–
	Reimbursement of Expenses Received	19.57			–		
20) Ashish Joshi - CEO	KMP Remuneration*						
21) Rajan Wadhera - Joint CEO	KMP Remuneration	240.99	–	–	212.50	–	–
22) Ashish Saboo - CFO	KMP Remuneration						
23) Ms. Jenny Shah - Company secretary	KMP Remuneration						

* Employee benefits payable (gratuity and leave encashment) are calculated on the basis of actuarial valuation. Amount payable for individual employee as at 31st March, 2022, cannot be separately indentified and therefore has not been included above.

Note - 33 Current Tax and Deferred Tax

(i) Movement in deferred tax balances

Rs. in Lakhs

Particulars	As at March 31, 2021	Amount recognised in P&L	Amount recognised in OCI	As at March 31, 2022
Deferred Tax Liability				
On property, plant & equipment	132.57	34.71	–	167.28
Others	–	–	–	–
Total	**132.57**	**34.71**	**–**	**167.28**
Deferred Tax Asset				
Provision for Employee Benefits	46.24	18.65	(5.22)	59.67
Unabsorbed Depreciation and Business Loss carried forward	–	–	–	–
Others	86.33	21.28	–	107.61
Total	**132.57**	**39.93**	**(5.22)**	**167.28**
Deferred Tax assets / (liability) Net:	**–**	**5.22**	**(5.22)**	**–**

Rs. in Lakhs

Particulars	As at March 31, 2020	Amount recognised in P&L	Amount recognised in OCI	As at March 31, 2021
Deferred Tax Liability				
On property, plant & equipment	76.31	56.26	–	132.57
Others	0.30	(0.30)	–	–
Total	**76.61**	**55.96**	**–**	**132.57**
Deferred Tax Asset				
Provision for Employee Benefits	34.89	14.46	(3.11)	46.24
Unabsorbed Depreciation and Business Loss carried forward	801.94	(801.94)	–	–
Others	105.06	(18.73)	–	86.33
Total	**941.89**	**(806.21)**	**(3.11)**	**132.57**
Deferred Tax assets / (liability) Net:	**865.28**	**(862.17)**	**(3.11)**	**–**

Net deferred tax assets have been recognised only to the extent that the Company has sufficient taxable temporary differences or there is convincing evidence that sufficient taxable profit will be available against which such deferred tax assets can be realised.

Income Tax recognised in profit or loss

Rs. in Lakhs

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Current Tax		
In respect of current year	**–**	–
Deferred Tax		
In respect of current year origination and reversal of temporary diffrences	**(9.60)**	60.23
In respect of prior years	**–**	801.94
In respect of others	**4.38**	–
Income Tax as per P&L	**(5.22)**	862.17

The Reconciliation of estimated income tax expense at tax rate to income tax expense reported in Profit & Loss is as follows :

Rs. in Lakhs

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Profit before tax	**(9,542.77)**	(7,938.34)
Applicable Income tax rate	**25%**	25%
Expected income tax expense	**(2,401.72)**	(1,997.92)
Effect of expenses not deductible in determining taxable profit	**0.28**	0.63
Effect of derecognition of deferred tax asset on previous years tax losses	**–**	801.94
Effect of Non recognition of deferred tax asset	**2,391.84**	2,057.52
Others	**4.38**	–
Income Tax as per P&L	**(5.22)**	862.17

Note - 34 Capital Work in Progress and Intangible under development Ageing Schedule

A) Capital Work in Progress ageing Schedule:-

As at March 31, 2022

	Amount in CWIP for a period of				
Particulars	**Less than 1 year**	**1-2 year**	**2-3 Year**	**More than 3 year**	**Total**
Projects In Progress	1,727.62	620.94	–	–	2,348.56
Projects temporarily suspended	–	–	–	–	–
Total	1,727.62	620.94	–	–	2,348.56

As at March 31, 2021

	Amount in CWIP for a period of				
Particulars	**Less than 1 year**	**1-2 year**	**2-3 Year**	**More than 3 year**	**Total**
Projects In Progress	6.21	756.36	10.36	–	772.93
Projects temporarily suspended	–	–	–	–	–
Total	6.21	756.36	10.36	–	772.93

B) Intangible asset under development (IAUD) ageing schedule:-

As at March 31, 2022

	Amount in CWIP for a period of				
Particulars	**Less than 1 year**	**1-2 year**	**2-3 Year**	**More than 3 year**	**Total**
Projects In Progress	1,650.77	1,188.82	1,155.18	2,094.97	6,089.74
Projects temporarily suspended	–	–	–	–	–
Total	1,650.77	1,188.82	1,155.18	2,094.97	6,089.74

As at March 31, 2021

	Amount in CWIP for a period of				
Particulars	**Less than 1 year**	**1-2 year**	**2-3 Year**	**More than 3 year**	**Total**
Projects In Progress	1,331.62	1,549.64	1,779.60	2,248.16	6,909.02
Projects temporarily suspended	–	–	–	–	–
Total	1,331.62	1,549.64	1,779.60	2,248.16	6,909.02

Note - 35 Ratio Analysis and its element

Particulars	**Numerator**	**Denominator**	**March 31, 2022**	**March 31, 2021**	**% Variance**	**Reason for Variance**
Current ratio	Current Assets	Current Liabilities	0.77	0.38	104%	There is an increase in current asset and reduction in Current liabilities
Debt equity ratio	Debt	Total Equity	0.06	0.02	243%	There is an increase in the Debt
Debt service coverage ratio	Profit before depreciation & Amortisation, interest and taxes	Interest on borrowings+Current Borrowings	(1.86)	(62.52)	(97%)	There is increase in Debt and interest on Debt.
Return on equity ratio	Profit/loss after tax	Average Total Equity	(47.7%)	(65.5%)	17.8%	Mainly due to Equity infusion
Inventory turnover ratio	Cost of Goods Sold	Average Inventory	25.36	20.50	24%	
Trade receivable turnover ratio	Sales of Products & Services	Average trade receivable	91.36	383.94	(76%)	There is an increase in the trade receivable
Trade payable turnover ratio	Purchases	Average trade payable	4.74	4.30	10%	
Net capital turnover ratio	Total revenue	Current Assets-Current Liabilities	(19.93)	(3.84)	419%	There is an increase in current asset and reduction in Current liabilities
Net profit ratio	Profit/loss after tax	Total revenue	(16.0%)	(20.0%)	4.0%	
Return on capital employed	Profit before interest and taxes	Average Capital Employed	(36.3%)	(50.4%)	14.1%	
Return on investment	Investment Income	Average Investment	2.1%	1.5%	0.6%	

36 Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for as at March 31, 2022 is Rs. 2,132.74 Lakhs (as at March 31,2021 Rs. 5,119.15 lakhs).

37 Contingent Liabilities

Contigent Liabilities as at the close of the year - Nil (as at 31st March, 2021 - Nil).

38 Segment reporting

The Company is engaged in design, development, sales, marketing and related activities for two wheeler vehicle , predominantly in India, which represents single reportable business segment. These, in context of IND-AS 108 “Operating Segments” are considered to constitute one segment.

39 Dues to micro small and medium enterprises

Micro, Small and Medium enterprises have been identified by the Company on the basis of the information available. Total outstanding dues of Micro and Small enterprises, which are outstanding for more than the stipulated period and other disclosure as per the Micro, Small and Medium Enterprises Development Act, 2006 (hereinafter referred to as “the MSMED Act” are given below :

Rs. Lakhs

Particulars	As at March 31st, 2022	As at March 31st, 2021
Dues remaining unpaid as at 31st Mar		
- Principal	-	0.31
- Interest on the above	-	*
Interest paid in terms of Section 16 of the Act, along with the amount of payment made to the supplier beyond the appointed day during the year		
- Principal paid beyond the appointed date	**17.67**	29.20
- Interest paid in terms of Section 16 of the Act	**0.40**	1.01
Amount of interest due and payable for the period of delay on payments made beyond the appointed day during the year	**0.08**	0.40
Amount of interest accrued and remaining unpaid as at 31st Mar	**0.08**	0.40

* Amount less than Rs. 50000

40 Leases

The details of additions, carrying value and depreciation on right to use assets held by the Company is given in Note No. 5

Interest expenses on leases is Rs. 13.44 Lakhs for the year ended March 31, 2022 (Rs 5.31 Lakhs year ended March 31, 2021). Company incurred Rs. 100.45 Lakhs for the year ended March 31, 2022 (Rs. 113.09 Lakhs for year ended March 31, 2021) towards expenses relating to short-term lease and leases of low-value assets. Total cash outflow for leases is Rs. 177.05 Lakhs for the year ended March 31, 2022 (Rs. 139.62 Lakhs for the year ended Mar 31, 2021) including cash outflow for short term and low value leases.

41 Previous year’s figures have been regrouped/reclassified wherever necessary

For B. K. Khare & Co
Chartered Accountants
Firm Registration No. 105102W

Aniruddha Joshi
Partner
Membership Number: 040852

Date: 28th April’2022
Place: Mumbai

For and on behalf of the Board
CIN No.U34101MH2015PTC265665

Mr. Rajesh Jejurikar
DIN No.00046823
Mr. Manoj Bhat
DIN No.05205447
(Directors)

Mr. Ashish Joshi (Chief Executive Officer)
Mr. Ashish Saboo (Chief Financial Officer)
Ms. Jenny Shah (Company Secretary)

Date: 28th April’2022
Place: Mumbai

Form AOC 1

Pursuant to first proviso to Sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rule, 2014

Statement containing sailent features of the financial statements of subsidiaries/associate company/joint ventures as included in the Consolidated Financial Statements

Part A : Subsidiaries

Rs. in lakhs

S. No	Name of the Subsidiary	The date since when subsidiary was acquired	Reporting Currency	Exchange Rate	Share Capital	Reserves & Surplus	Total Assets	Total Libilities	Investment (excluding investment in subsidiaries)	Gross Turnover	Profit/(Loss) before Tax	Provision for Tax	Profit/(Loss) after Tax	Proposed Dividend and Tax thereon	Proportion of ownership interest	Proportion of voting power where Different
1	BSA Company Limited	21.10.2016	GBP	99.28	189.41	1,801.15	2,800.96	810.40	*	137.03	(553.37)	–	(553.37)	–	100.00%	
2	B.S.A. Motor Cycles Limited	11.09.2020	GBP	99.28	*	–	*	–	–	–	–	–	–	–	100.00%	
3	The Birmingham Small Arms Company Limited	11.09.2020	GBP	99.28	*	–	*	–	–	–	–	–	–	–	100.00%	
4	BSA Corporation Limited	11.09.2020	GBP	99.28	*	–	*	–	–	–	–	–	–	–	100.00%	

* Amount less than Rs. 50000

For and on behalf of the Board
CIN No.U34101MH2015PTC265665

Mr. Rajesh Jejurikar
DIN No.00046823
Director

Mr. Manoj Bhat
DIN No.05205447
Director

Mr. Ashish Joshi
Chief Executive Officer

Mr. Ashish Saboo
Chief Financial Officer

Ms. Jenny Shah
Company Secretary

Date : 28th April, 2022
Place: Mumbai

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF
BSA COMPANY LIMITED

Opinion

We have audited the financial statements of BSA Company Limited (the 'company') for the year ended 31 March 2022 which comprise the profit and loss account, the balance sheet, the statement of changes in equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2022 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the directors' report and take advantage of the small companies exemption from the requirement to prepare a strategic report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities is available on the Financial Reporting Council's website at: https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the company through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non- compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Michael Tizard (Senior Statutory Auditor)
For and on behalf of Azets Audit Services

Chartered Accountants

Statutory Auditor

Date:- 9th May 2022
Athenia House
10-14 Andover Road
Winchester
Hampshire
United Kingdom
S023 7BS

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2022

	2022	2021
	£	£
Turnover	**27,812**	30,640
Distribution costs	**–**	(1,355)
Administrative expenses	**(680,608)**	(126,224)
Other Operating Income	**107,277**	–
Loss before taxation	**(545,519)**	(96,939)
Tax on loss	**–**	–
Loss for the financial year	**(545,519)**	(96,939)

Mr. Ashish Joshi
Director
27th April 2022

Company Registration No. 01531594

BALANCE SHEET
AS AT 31 MARCH 2022

	Notes	2022	2022	2021	2021
		£	£	£	£
Fixed Assets					
Intangible Assets	4		1,817,721		8,360
Tangible assets	5		137,106		4,769
Investments	6		9		9
			1,954,836		13,138
Current Assets					
Debtors	7	470,278		69,538	
Cash at bank and in hand		396,156		382,634	
		866,434		452,172	
Creditors: amounts falling due within one year	8	(816,276)		(35,797)	
Net current assets			50,158		416,375
Net assets			2,004,994		429,513
Capital and reserves					
Called up share capital	9		209,300		138,600
Share premium account			2,589,700		539,400
Capital redemption reserve			60,000		60,000
Profit and loss reserves			(854,006)		(308,487)
Total equity			2,004,994		429,513

These Financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the board of directors and authorised for issue on 27th April 2022 and are signed on its behalf by:

Mr. Ashish Joshi
Director
27th April 2022

Company Registration No. 01531594

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2022

	Notes	Share Capital £	Share Premium Account £	Capital Redemption reserve £	Profit and Loss reserves £	Total £
Balance as at 1 April 2020		122,000	58,000	60,000	(211,548)	28,452
Year ended 31 March 2021:						
Loss and total comprehensive income for the year		–	–	–	(96,939)	(96,939)
Issue of share capital	9	16,600	481,400	–	–	498,000
Balance as at 31 March 2021		138,600	539,400	60,000	(308,487)	429,513
Year ended 31 March 2022:						
Loss and total comprehensive income for the year		–	–	–	(545,519)	(545,519)
Issue of share capital	9	70,700	2,050,300	–	–	**2,121,000**
Balance as at 31 March 2022		**209,300**	**2,589,700**	**60,000**	**(854,006)**	**2,004,994**

Mr. Ashish Joshi
Director
Date:- 27th April 2022

Company Registration No. 01531594

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

Company information:

BSA Company Limited is a private company limited by shares incorporated in England and Wales. The principal place of business is Unit 14, Windmill Industrial Estate, Birmingham Road, Allesley, Coventry, CV5 9QE.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared on the historical cost convention. The principal accounting policies adopted are set out below.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues': Interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of Classic Legends Private Limited. These consolidated financial statements are available from its registered office, Mahindra Towers, P.K. Kurne Chowk, Worli, Mumbai - 400018.

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The development of an electric motorcycle in the UK would be met through Capital infusion. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

1.4 Research and development expenditure

Research expenditure is written off against profits in the year in which it is incurred. Identifiable development expenditure is capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated.

1.5 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Patents and licences	: Straight line over 15 years
Development Costs - Continuing	: Amortisation deferred

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Plant and machinery	: Straight line between 3 and 9 years
Fixtures, fittings & equipment	: Straight line between 10 years
Computer equipment	: Straight line between 3 years
Motor vehicles	: Straight line between 3 years
Office equipment	: Straight line between 4 years

1.7 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.8 Impairment of fixed assets

Where a reasonable and consistent basis of allocation can be identified, assets are allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

1.9 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.10 Financial instruments

Financial instruments are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument. The company considers all of its financial assets basic.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

1.11 Equity Instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs.

1.12 Employee Benefits

The costs of short term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.13 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

1.14 Government Grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income on an accruals basis when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability as deferred income.

Government grant income relating to the funding of fixed asset additions is released over the life of the asset in line with the amortisation or depreciation policy of the asset. Unreleased income is recognised as a liability as deferred income.

Grants that are received in respect of expenses already incurred by the entity are recognised in the profit and loss in the period when the grant becomes receivable.

1.15 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

2 Judgements and key resource of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2022	2021
	Number	Number
Total	**8**	1

4 Intangible fixed assets

	Patents and licenses	**Development Costs - Continuing**	**Total**
	£	**£**	**£**
Cost:			
At 1 April 2021	125,400	–	125,400
Additions	–	1,817,721	1,817,721
At 31 March 2022	125,400	1,817,721	1,943,121
Amortisation and impairment			
At 1 April 2021	117,040	–	117,040
Amortisation charged for the year	8,360	–	8,360
At 31 March 2022	125,400	–	125,400
Carrying amount			
At 31 March 2022	–	1,817,721	1,817,721
At 31 March 2021	8,360	–	8,360

5 Tangible fixed assets

	Plant and machinery etc	**Office equipment**	**Total**
	£	**£**	**£**
Cost:			
At 1 April 2021	4,870	–	4,870
Additions	154,101	14,514	168,615
At 31 March 2022	158,971	14,514	173,485
Depreciation and impairment			
At 1 April 2021	101	–	101
Depreciation charged in the year	34,456	1,822	36,278
At 31 March 2022	34,557	1,822	36,379
Carrying amount			
At 31 March 2022	124,414	12,692	137,106
At 31 March 2021	4,769	–	4,769

6 Fixed asset investments

	2022	2021
	£	£
Shares in group undertakings and participating interests	9	9

7 Debtors

	2022	2021
Amount falling due within one year:		
	£	£
Other debtors	470,278	69,538

8 Creditors: Amount falling due within one year

	2022	2021
	£	£
Trade creditors	47,989	1,217
Amounts owed to group undertakings	18,309	–
Taxation and social security	16,077	7,591
Deferred grant income	694,177	–
Other creditors	1,320	–
Accruals and deferred income	38,404	26,989
	816,276	35,797

9 Called up share Capital

	2022	2021	**2022**	2021
Ordinary share capital	**Number**	Number	**£**	£
Issued and fully paid Ordinary shares of £ 1 each	209,300	138,600	209,300	138,600

10 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, as follows:

	2022	2021
	£	£
	106,150	221,950

11 Capital commitments:

Amount contracted for but not provided in the financial statements:

	2022	2021
	£	£
Acquisition of tangible fixed assets	18,784	–
Acquisition of intangible assets	305,600	–
	324,384	–

12 Parent company

The immediate parent company is Classic Legends Private Limited, which is a subsidiary of Mahindra & Mahindra Limited.

The accounts of Classic Legends Private Limited are those of the smallest group of which the company is a member and for which group accounts are prepared. Their registered office is at Mahindra Towers, P.K. Kurne Chowk, Worli, Mumbai - 400018.

Mr Ashish Joshi
Director
27th April 2022

Company Registration No. 01531594

Balance Sheet as at 31 March 2022

	2022 £	2021 £
Current Assets		
Cash at Bank and in hand	**1**	1
Net Assets	**1**	1
Issued share capital		
100 Ordinary shares of £ 0.01 each	**1**	1
Total Shareholder funds	**1**	1

STATEMENTS

a. For the year ending 31 March 2022 the company was entitled to exemption under section 480 of the Companies Act 2006 relating to dormant companies.

b. The members have not required the company to obtain an audit in accordance with section 476 of the Companies Act 2006.

c. The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

d. These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

Approved by the Board on 21th April'2022

And signed on their behalf by:
Prakash Wakankar, Director

BALANCE SHEET AS AT 31 MARCH 2022

	2022	**2021**
	£	**£**
Current Assets		
Cash at Bank and in hand	7	7
Net Assets	7	7
Issued share capital		
7 Ordinary shares of £ 1 each	7	7
Total Shareholder funds	7	7

STATEMENTS

a. For the year ending 31 March 2022 the company was entitled to exemption under section 480 of the Companies Act 2006 relating to dormant companies.

b. The members have not required the company to obtain an audit in accordance with section 476 of the Companies Act 2006.

c. The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

d. These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

Approved by the Board on 21st April’2022

And signed on their behalf by:
Prakash Wakankar, Director

BALANCE SHEET AS AT 31 MARCH 2022

	2022 £	2021 £
Current Assets		
Cash at Bank and in hand	1	1
Net Assets	1	1
Issued share capital		
100 Ordinary shares of £ 0.01 each	1	1
Total Shareholder funds	1	1

STATEMENT

a. For the year ending 31 March 2022 the company was entitled to exemption under section 480 of the Companies Act 2006 relating to dormant companies.

b. The members have not required the company to obtain an audit in accordance with section 476 of the Companies Act 2006.

c. The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

d. These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

Approved by the Board on 21st April'2022

And signed on their behalf by:
Prakash Wakankar, Director

BALANCE SHEET AS AT MARCH 31, 2022

	Notes	31/03/2022 EUR	31/03/2021 EUR
ASSETS			
FIXED ASSETS			
Financial fixed assets	**3**		
Shares in affiliated undertakings		**68,565,920.00**	89,000,000.00
CURRENT ASSETS			
Debtors	**4**		
Other debtors			
becoming due and payable within one year		**1,203.75**	4,280.00
Cash at bank and in hand		**96,490.50**	157,762.50
PREPAYMENTS		4,979.81	3,233.61
TOTAL ASSETS		**68,668,594.06**	89,165,276.11
LIABILITIES			
CAPITAL AND RESERVES	**5**		
Subscribed capital		**143,899,999.00**	131,899,999.00
Share premium account		**11,254,683.00**	11,254,683.00
Profit or loss brought forward		**(54,011,387.27)**	(53,948,075.91)
Profit or loss for the financial year		**(32,513,942.61)**	(63,311.36)
		68,629,352.12	89,143,294.73
CREDITORS	**6**		
Trade creditors			
becoming due and payable within one year		**34,426.94**	21,446.38
Other creditors			
Tax authorities		**4,815.00**	535.00
		39,241.94	21,981.38
TOTAL LIABILITIES		**68,668,594.06**	89,165,276.11

For and on behalf of the Board

Date: 29th April, 2022

Place: Mumbai

Rajesh Jejurikar
Director

Vinayak Narvekar
Director

STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED MAR 31, 2022

	Notes	**From 01/04/2021 to 31/03/2022**	From 01/04/2020 to 31/03/2021
		EUR	EUR
Other operating income		**26.40**	–
Other external expenses	**7**	**(70,561.81)**	(67,056.36)
Other operating charges		**(232.20)**	–
Value adjustments on financial fixed assets		**(32,434,080.00)**	–
Tax on profit or loss	**9**	**–**	–
Profit or loss after taxation		**(32,504,847.61)**	–
Other taxes not included in the previous caption	**9**	**(9,095.00)**	3,745.00
Profit or loss for the financial year		**(32,513,942.61)**	(63,311.36)

For and on behalf of the Board

Date: 29th April, 2022
Place: Mumbai

Rajesh Jejurikar
Director

Vinayak Narvekar
Director

Notes forming part of the Financial Statements

Note 1 - General information

Mahindra Two Wheelers Europe Holdings S.à r.l., hereinafter the "Company", was incorporated on December 2, 2014 as a "société à responsabilité limitée" for an unlimited period. The Company is organised under the laws of Luxembourg, in particular the law of August 10, 1915 on commercial companies, as amended.

The registered office of the Company is established in Luxembourg City and is registered at the Trade and Companies register in Luxembourg under the number B 192 444.

The financial year of the Company starts on April 1 and ends on March 31 of each year.

OBJECT

The purpose of the Company is the acquisition of ownership interests, in Luxembourg or abroad, in any companies or enterprises in any form whatsoever and the management of such ownership interests. The Company may in particular acquire by subscription, purchase, and exchange or in any other manner any stock, shares and any other securities, including without limitation any bonds, debentures, certificates of deposit, trust units, any other debt instruments and more generally any securities and financial instruments issued by any public or private entity whatsoever, including partnerships. It may participate in the creation, development, management and control of any company or enterprise. It may further invest in the creation, acquisition and management of a portfolio of patents or any intellectual property rights of whatsoever nature or origin.

The Company may borrow in any form, except for borrowing from the public. It may issue notes, bonds, debentures and any other kind of debt and/or equity securities, including but not limited to preferred equity certificates and warrants, whether convertible or not in all cases. The Company may lend funds, including the proceeds of any borrowings and/or issues of equity/debt securities, to its subsidiaries, affiliated companies or to any other company. It may also give guarantees and grant security interests in favor of third parties to secure its obligations or the obligations of its subsidiaries, affiliated companies or any other company. The Company may further mortgage, pledge, transfer, encumber or otherwise hypothecate all or some of its assets.

The Company may generally employ any techniques and utilize any instruments relating to its investments for the purpose of their efficient management, including techniques and instruments designed to protect the Company against creditors, currency fluctuations, interest rate fluctuations and other risks. The Company may carry out any commercial, financial or industrial operations and any transactions with respect to real estate or movable property, which directly or indirectly, further or relate to its purpose.

The accounts of the Company are included in the consolidated accounts of Mahindra & Mahindra Limited, forming the largest body of undertakings of which the Company forms a part as a subsidiary undertaking. The registered office of that company is located at Gateway Building, Apollo Bunder, in Mumbai (400 001), where the consolidated financial statements are available.

Note 2 - Summary of significant accounting policies

Basis of preparation

These annual accounts have been prepared in accordance with Luxembourg legal and regulatory requirements under the historical cost convention. Accounting policies and valuation rules are, besides the ones laid down by the law of December 19, 2002, as amended by the law of December 10, 2010 (the "Law"), determined and applied by the managers of the Company (the "Board of "Managers").

The preparation of annual accounts requires the use of certain critical accounting estimates. It also requires Management to exercise its judgement in the process of applying the accounting policies. Changes in assumptions may have a significant impact on the annual accounts in the period in which the assumptions changed. Management believes that the underlying assumptions are appropriate and that the annual accounts therefore present the financial position and results fairly.

The Company makes estimates and assumptions that affect the reported amounts of assets and liabilities in the next financial year. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant accounting policies

The main valuation rules applied by the Company are the following:

Financial assets

Shares in affiliated undertakings are valued at purchase price including the expenses incidental thereto.

In the case of durable depreciation in value according to the opinion of the Board of the Managers, value adjustments are made in respect of financial fixed assets, so that they are valued at the lower figure to be attributed to them at the balance sheet date. These value adjustments are not continued if the reasons for which they were made have ceased to apply.

Debtors

Debtors are valued at their nominal value. They are subject to value adjustments where their recovery is compromised. These value adjustments are not continued if the reasons for which they were made have ceased to apply.

Foreign currency translation

The Company maintains its accounting records in Euro (EUR) and the balance sheet and the profit and loss accounts are expressed in this currency.

Transactions expressed in currencies other than EUR are translated into EUR at the exchange rate effective at the time of the transaction.

Cash at bank is translated at the exchange rate effective at the balance sheet date. Exchange losses and gains are recorded in the profit and loss account of the year.

In accordance with prudence principles found within generally accepted accounting principles in Luxembourg ("LuxGaap"), other assets are translated separately, at the lower of the value converted using the historical exchange rate and the value converted using the exchange rate at the balance sheet date. Conversely, other liabilities are translated separately, at the higher of the value converted using the historical exchange rate and the exchange rate at the balance sheet date. Consequently, both realised and unrealised exchange losses are recorded in the profit and loss account while exchange gains are recorded in the profit and loss account when realised only.

Where there is an economic link between an asset and a liability, these are valued in total according to the method described above and the net unrealised losses are recorded in the profit and loss account while the net unrealised gains are not recognised.

Prepayments

This asset caption comprises expenditures incurred during the financial year but relating to a subsequent financial year.

Creditors

Creditors are stated as their nominal value. Where the amount repayable on account is greater than the amount received, the difference is shown in the profit and loss account when the debt is issued.

Current tax provisions

Provisions for taxation corresponding to the tax liability estimated by the Company for the financial years for which the tax assessments have not yet been received are recorded under the caption "tax authorities". The advance payments are shown in the assets of the balance sheet under the caption "Other debtors", if applicable.

Notes forming part of the Financial Statements

Note 3 - Financial fixed assets

a) The movements for the year are as follows:

	Affiliated undertakings		Total
	Number of Shares	Value of Shares EUR	EUR
	31/03/2022	31/03/2022	31/03/2021
Gross book value - opening balance	**2,624,585**	**142,691,619.00**	**105,691,619.00**
Additions for the year	750,000	12,000,000.00	37,000,000.00
Gross book value - closing balance	**3,374,585**	**154,691,619.00**	**142,691,619.00**
Value adjustments - opening balance		**(53,691,619.00)**	**(53,691,619.00)**
Allocations for the year		(32,434,080.00)	–
Value adjustments - closing balance		**(86,125,699.00)**	**(53,691,619.00)**
Net book value - closing balance	**3,374,585**	**68,565,920.00**	**89,000,000.00**
Net book value - opening balance	**2,624,585**	**89,000,000.00**	**52,000,000.00**

On July 7, 2020, the Company subscribed to 1,000,000 new shares issued by Peugeot Motocycles S.A.S. for an aggregate amount of EUR 16,000,000.00.

On February 5, 2021, the Company subscribed to 1,312,500 new shares issued by Peugeot Motocycles S.A.S. for an aggregate amount of EUR 21,000,000.00.

On February 11, 2021, a share capital decrease for Peugeot Motoclyes was decided for an amount of EUR 37,000,000.00. EUR 29,403,982.63 have been used to off set the loss and EUR 7,596,017.37 have been allocated to the unavailable reserve account of Peugeot Motoclyces S.A.S. In connection with the share capital decrease 2,312,500 existing shares with the nominal value of EUR 16.00 have been cancelled. Furthermore a further equity restructuration took place for an amount of 16,691,619.00.

On September 30, 2021, an internal valuation of Peugeot Motoclyes was performed and an impairment of EUR 32,434,080.00 was decided.

On December 23, 2021, the Company subscribed to 750,000 new shares issued by Peugeot Motocycles S.A.S. for an aggregate amount of EUR 12,000,000.00.

On March 31, 2022, the Company holds 3,374,585 shares for a total amount of EUR 154,691,619.00.

b) Undertakings in which the Company holds at least 20% interests in their share capital or in which it is a general partner are as follows:

Undertaking's name	Registered office	Percentage of holding	Last balance sheet date	Net equity at the last balance sheet date EUR	Result for the last financial year EUR	Net book value 31/03/2022 EUR
Peugeot Motocycles S.A.S.	France	100.00%	31/12/2021	(3,923,717.90)	15,818,947.64	68,565,920.00
Total						

Note 4 - Debtors

This caption is detailed as follows:

	31/03/2022	31/03/2021
	EUR	EUR
<u>Becoming due and payable within one year:</u>		
Net Wealth tax - advance 2022	**1,203.75**	–
ACD - Amounts to be received	**–**	4,280.00
Total	**1,203.75**	4,280.00

Note 5 - Capital and reserves

Subscribed capital and share premium account

As at March 31, 2022, the share capital of the Company amounts to EUR 143,899,999.00 and is divided into 14,900,000 class A shares with a nominal value of EUR 1.00 each, 1,600,000,000 class B shares with a par value of EUR 0.05 each, 533,333,300 class C shares with a nominal value of EUR 0.03 and 1,650,000,000 class D shares with a nominal value of EUR 0.02.

The movements on the "Subscribed capital" caption during the year are as follows:

	Share capital EUR	Total number of units
Opening balance	**131,899,999.00**	**3,198,233,300**
Subscriptions for the year	12,000,000.00	600,000,000
Closing balance	**143,899,999.00**	**3,798,233,300**

On July 7, 2020, an EGM took place to approve the issuance of 533,333,300 Class C shares of nominal value EUR 0.03 each aggregating to EUR 15,999,999.00 to its sole shareholder.

On February 5, 2021, an EGM took place to approve the issuance of 1,050,000,000 Class D shares of nominal value EUR 0.02 each aggregating to EUR 21,000,000.00 to its sole shareholder.

On December 23, 2021, an EGM took place to approve the issuance of 600,000,000 Class D shares of nominal value EUR 0.02 each aggregating to EUR 12,000,000.00 to its sole shareholder.

Notes forming part of the Financial Statements

Share premium account

The movements on the "Share premium account" caption during the year are as follows:

	Share premium EUR
Opening balance	**11,254,683.00**
Movements for the year	**–**
Closing balance	**11,254,683.00**

Note 6 - Creditors

	Within one year EUR	**After more than one year EUR**	**Total 31/03/2022 EUR**	**Total 31/03/2021 EUR**
Trade creditors	34,426.94	–	**34,426.94**	21,446.38
Tax debts:				
Net wealth tax - estimated tax payable 2021	–	–	**–**	535.00
Net wealth tax - estimated tax payable 2022	4,815.00	–	**4,815.00**	–
Total	**39,241.94**	**–**	**39,241.94**	**21,981.38**

Note 7 - Other external expenses

This caption is detailed as follows:	**31/03/2022 EUR**	31/03/2021 EUR
Accounting fees	**32,675.89**	20,980.57
Tax Consulting fees	**10,377.88**	2,258.08
Audit fees	**8,877.42**	9,182.76
Other comissions and professional fees	**5,616.00**	13,695.35
Notary fees	**5,225.01**	11,800.00
Domiciliation fees	**3,233.61**	4,228.07
Bank fees	**3,070.12**	3,392.43
Other fees	**1,135.88**	1,169.10
Luxembourg Chamber of Commerce contribution	**350.00**	350.00
Total	**70,561.81**	67,056.36

Note 8 - Staff

There were no staff employed during the year (31/03/2021: nil).

Note 9 - Taxation

The Company is subject to the general tax regulation applicable to all Luxembourg commercial companies.

Note 10 - Off balance sheet commitments and contingencies

The Company does not have any off balance sheet commitments or contingencies at the end of the financial year.

Note 11 - Subsequent events

In February 2022, a number of countries (including the US, UK and EU) imposed new sanctions against certain entities (of which financial institutions) and individuals in Russia as a result of the official recognition of the Donetsk People Republic and Lugansk People Republic by the Russian Federation.

Additional sanctions have been made following military operations initiated by Russia on 24 February 2022 against Ukraine including the restriction of the access of already sanctioned Russian banks to the international payments system SWIFT.

Such sanctions can impact not only the sanctioned entities and individuals including entities under their control but also Business Counterparties of these sanctioned entities.

The results of the sanctions and the geopolitical instability have created an important volatility in the financial markets with a potential to adversely impact global economies and increase instability across markets.

The Board of Directors has performed an analysis towards the Bank's/ Company´s potential exposure to the above.

The Board of Directors regards these events as non-adjusting events after the reporting period. At the date of this report, the Bank/Company including its going concern is not impacted (directly or indirectly) by the above and the situation including the possible impact of changing micro- and macroeconomic conditions will be continued to be monitored.

For and on behalf of the Board

Date: 29th April, 2022
Place: Mumbai

Rajesh Jejurikar
Director

Vinayak Narvekar
Director

INDEPENDENT AUDITORS' REPORT

Peugeot Motocyles S.A.S.

103 rue du 17 Novembre - 25350 MANDEURE

Statutory Auditors' report on the financial statements

For the year ended December 31st, 2021

To the sole Shareholder,

Opinion

In compliance with the engagement entrusted to us by you, we have audited the accompanying financial statements of Peugeot Motocyles S.A.S. for the year ended December 31st, 2021.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company as at December 31st, 2021 and of the results of its operations for the year then ended in accordance with French accounting principles.

Basis for Opinion

Audit Framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the Statutory Auditor's' Responsibilities for the Audit of the Financial Statements section of our report.

Independence

We conducted our audit engagement in compliance with independence requirements of the French Commercial Code (code de commerce) and the French Code of Ethics (code de déontologie) for statutory auditors rules applicable to us, for the period from January 1st, 2021 to the date of our report.

Justification of Assessments

Due to the global crisis related to the Covid-19 pandemic, the financial statements of this period have been prepared and audited under specific conditions. Indeed, this crisis and the exceptional measures taken in the context of the state of sanitary emergency have had numerous consequences for companies, particularly on their operations and their financing, and have led to greater uncertainties on their future prospects. Those measures, such as travel restrictions and remote working, have also had an impact on the companies' internal organization and the performance of the audits.

It is in this complex and evolving context that, in accordance with the requirements of Articles L.823-9 and R.823-7 of the French Commercial Code (code de commerce) relating to the justification of our assessments, we inform you of the following matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the financial statements.

<u>Intangible and tangible assets' impairment</u>

Intangible and tangible assets, whose net value at year-end 2021 amounted to € . 7.029.138, are stated at cost value and impaired if their net realizable value is lower, as described in the Notes

« 1. Règles et méthodes comptables », « 5. Immobilisations au 31 Décembre 2021 » and « 9. Provisions inscrites au bilan au 31 Décembre 2021 » to the financial statements.

On the basis of the information provided to us, our work consisted in assessing the data on which these values are based, in particular to review the discounted prospects of profitability of concerned activities and of achieving these goals, and to check the consistency of assumptions retained with forecasts based on the strategic business plans established for each activity and supervised by General Management.

<u>Inventories and receivables' impairment</u>

The Company recognizes depreciations of its inventories and receivables according to the methods described in the Note « 1. Règles et méthodes comptables » to the financial statements.

We carried out the approach assessment of the Company Peugeot Motocyles S.A.S. as described in the Notes « 1.4. Stocks », « 1.5. Créances » and « 9. Provisions inscrites au bilan au 31 Décembre 2021 » to the financial statements, based on information available up to date and performed tests to verify, using sampling techniques, the application of these approach.

<u>Provisions for risks and charges</u>

The Company recognizes provisions to cover risks resulting for guarantees given to customers, as well as the costs of the restructuring plans and other risks, as described in the Note « 9.

Provisions inscrites au bilan au 31 Décembre 2021 » to the financial statements.

We carried out the assessment of the approach of the Company Peugeot Motocyles S.A.S. as described in this Note to the financial statements, based on information available up to date and performed tests to verify, using sampling techniques, the application of these approach. We also have assessed the reasonableness of these estimates.

Specific Verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by French laws and regulations.

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the President's report and in other documents with respect to the financial position and the financial statements provided to the sole Shareholder called to approve the financial statements.

We attest the fair presentation and the consistency with the financial statements of the information relating to payment terms, required under Article D.441-6 of the French Commercial Code *(Code de commerce).*

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of thefinancial statements in accordance with French accounting principles and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The financial statements were approved by the President.

Statutory Auditor's' Responsibilities for the Audit of the Financial Statements

Our role is to issue a report on the financial statements. Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As specified in Article L.823-10-1 of the French Commercial Code (code de commerce), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- Identifies and assesses the risks of material misstatement of the financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the financial statements.
- Assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein.
- Evaluates the overall presentation of the financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

Schiltigheim, on the May 13th, 2022

French original signed by

Florent Dissert

BALANCE SHEET

ASSETS (IN EUR)			31/12/2021 GROSS	31/12/2021 Amort. Depr.	31/12/2021 NET	31/12/2020 NET
FIXED ASSETS						
Uncalled subscribed capital		I	–	–	–	–
R&D expenses		02	–	–	–	–
Concessions, patents & similar rights		03	–	–	–	–
Business goodwill		04	137,204	–	137,204	137,204
Other intangible assets		05	8,957,377	(4,586,206)	4,371,171	–
Advance payments on intangible assets		06	688,018	–	688,018	–
INTANGIBLE FIXED ASSETS	**(02 to 06)**	07	9,782,598	(4,586,206)	5,196,393	137,204
Land		09	1,822,000	(438,655)	1,383,345	1,383,345
Building		10	28,252,946	(28,252,946)	–	–
Technical installations, machinery and equipment		11	67,375,887	(66,926,487)	449,400	–
Other tangible assets		12	3,038,339	(3,038,339)	–	–
Tangible assets in progress		13	–	–	–	–
Advance payments on tangible assets		14	–	–	–	–
TANGIBLE FIXED ASSETS	**(09 to 14)**	15	100,489,173	(98,656,428)	1,832,745	1,383,345
Equity interests		17	7,333,988	(466,485)	6,867,504	6,867,504
Receivables from equity interests		18	–	–	–	–
Other long-term investment securities		19	–	–	–	–
Loans		20	2,215,943	(186,626)	2,029,317	2,040,157
Other long-term investments		21	640,503	–	640,503	246,736
FINANCIAL FIXED ASSETS	**(17 to 21)**	22	10,190,435	(653,110)	9,537,324	9,154,397
TOTAL	**(07+15+22)**	II	120,462,206	(103,895,744)	16,566,462	10,674,946
CURRENT ASSETS						
Merchandise		24	17,782,968	(4,047,663)	13,735,306	12,051,241
Raw materials and other supplies		25	8,246,207	(2,619,634)	5,626,573	4,195,254
Work in progress		26	–	–	–	–
Finished goods		27	3,185,554	(413,704)	2,771,850	4,292,369
INVENTORIES			29,214,729	(7,081,000)	22,133,729	20,538,864
Trade receivables and similar accounts		28	11,908,301	(4,178,312)	7,729,990	10,244,017
Other receivables		29	8,566,953	–	8,566,953	15,737,378
Cash and cash equivalents		30	2,135,528	–	2,135,528	5,289,055
Prepaid expenses		31	34,068	–	34,068	3,834
TOTAL	**(25 to 31)**	III	51,859,579	(11,259,312)	40,600,268	51,813,149
DEF. CHARGES						
Deffered charges		IV	–	–	–	–
Bond redemption premiums		V	–	–	–	–
Positive translation adjustments		VI	406,879	–	406,879	188,272
TOTAL ASSETS	**(I+II+III+IV+V+VI)**		172,728,664	(115,155,056)	57,573,609	62,676,367

BALANCE SHEET

LIABILITIES (IN EUR)			31/12/2021 EUR	31/12/2020 EUR
SHAREHOLDER'S EQUITY				
Share capital		01	**4,993,360**	20,993,360
Issue, merger and contribution premiums		02	**–**	–
Revaluation reserve		03	**452,385**	452,385
Legal reserve		04	**–**	–
Statutory or contractual reserves		05	**–**	–
Regulated reserves		06	**–**	–
Other reserves		07	**–**	–
Retained earnings		08	**14,296,920**	(29,403,983)
Profit or (loss) of the financial year		09	**(15,818,948)**	(5,299,097)
Investments subsidies		10	**–**	–
Regulated provisions		11	**–**	–
TOTAL (I)	**(01 to 11)**	I	**3,923,718**	(13,257,334)
OTHERS EQUITY				
Proceeds from issues of participating securities		13	**–**	–
Contingent advances		14	**–**	–
TOTAL (II)	**(13 + 14)**	II	**–**	–
PROVISIONS				
Provisions for risks		16	**3,185,049**	3,848,619
Provisions for charges		17	**871,492**	1,894,308
TOTAL (III)	**(16 + 17)**	III	**4,056,541**	5,742,928
DEBTS				
Loans And Similar Debt				
Convertible debenture loans		19	**–**	–
Others bonds		20	**–**	–
Loans and other borrowings from credits		21	**15,550,000**	26,750,000
Bank account overdrafts		22	**95,224**	1,577,138
Loans and miscellaneous financial debts		23	**51,500**	51,500
Advances and deposits from customers		24	**–**	–
Accounts Payable				
Trade payables		25	**24,032,795**	28,695,919
Tax and social debts		26	**6,939,434**	8,874,195
Amounts payable on fixed assets and related accounts		27	**–**	–
Other debts		28	**2,893,176**	4,118,063
DEFFERED INCOME				
Deffered Income		29	**–**	–
TOTAL (IV)	**(19 to 29)**	IV	**49,562,129**	70,066,815
Negative translation adjustments (V)		V	**31,220**	123,959
TOTAL LIABILITIES	**(I+II+III+IV+V)**		**57,573,609**	62,676,367

PROFIT & LOSS ACCOUNTS (IN EUR)

			2021 12m	2020 12m	Var. 21/20 EUR
OPERATING REVENUES					
Sales of goods bought for resale		01	**75,028,507**	65,864,738	9,163,768
Sales of manufactured goods		02	**25,228,024**	25,649,099	(421,075)
Sales of services		03	**2,749,393**	2,372,416	376,977
Revenues	**(01 à 03)**	04	**103,005,924**	93,886,253	9,119,670
Change in inventories of finished goods and work in progress		05	**(1,887,910)**	1,378,639	(3,266,548)
Capitalised production		06	**4,841,199**	–	4,841,199
Operating subsidies received		07	–	–	–
Reversals of provisions and depreciation, expense transfers		08	**2,630,353**	6,046,498	(3,416,145)
Other income		09	**2,572,477**	2,831,544	(259,067)
Other operating income	**(05 à 09)**		**8,156,120**	10,256,681	(2,100,561)
Operating income	**(04 à 09)**	10	**111,162,044**	104,142,934	7,019,110
OPERATING EXPENSES					
Purchases of merchandise		12	**(50,965,333)**	(42,545,009)	(8,420,324)
Change in inventories of merchandise		13	**11,035,945**	(2,221,041)	13,256,987
Purchases of raw materials and other supplies		14	**(23,687,952)**	(16,838,563)	(6,849,389)
Change in inventories of raw materials and other supplies		15	**(5,513,306)**	(1,758,280)	(3,755,026)
Other bought-in goods and services		16	**(26,583,148)**	(26,398,749)	(184,399)
Taxes other than corporate income tax		17	**(4,237,945)**	(2,593,684)	(1,644,261)
Wages and salaries		18	**(12,998,542)**	(12,234,785)	(763,756)
Social security charges		19	**(5,204,910)**	(4,679,989)	(524,921)
Depreciation, amortisation & provision – operating items:			–	–	–
– Depreciation and amortisation of fixed assets		20	**(112,434)**	(34,816)	(77,618)
– Amortisation of deferred charges		21	–	–	–
– Increase in provisions against fixed assets		22	–	–	–
– Increase in provisions against current assets		23	**(3,279,033)**	(1,452,461)	(1,826,572)
– Increase in provisions for liabililties and charges		24	**(1,007,400)**	(1,579,844)	572,445
Other charges		25	**(3,276,223)**	(2,680,959)	(595,264)
Operating expenses	**(12 à 25)**	26	**(125,830,280)**	(115,018,180)	(10,812,100)
OPERATING PROFIT/(LOSSES)	**(10 + 26)**	27	**(14,668,236)**	(10,875,245)	(3,792,990)

			2021 12m	2020 12m	Var. 21/20 EUR
Share in profits/losses of joint venure partnership		28	–	–	–
FINANCIAL INC.					
Income from equity interests		29	–	950,824	(950,824)
Other interest and similar income		30	–	51,323	(51,323)
Reversals of provisions and expense transfers		31	–	7,442,626	(7,442,626)
Foreign exchange gains		32	–	–	–
Net proceeds from disposals of marketable securities		33	–	–	–
Financial incomes	**(29 à 33)**	34	–	8,444,774	(8,444,774)
FINANCIAL EXP.					
Depreciation, amortisation and provisions – financial items		35	**(66,619)**	–	(66,619)
Interest and similar expenses		36	**(882,831)**	(1,603,143)	720,312
Foreign exchange losses		37	**(1,043)**	(206,919)	205,876
Net expenses on disposals of marketable securities		38	–	–	–
Financial expenses	**(35 à 38)**	39	**(950,493)**	(1,810,062)	859,569
NET FINANCIAL INCOME/(EXPENSES)	**(34 + 39)**	40	**(950,493)**	6,634,711	(7,585,205)
PROFIT/(LOSSES) FROM ORDINARY ACTIVITIES	**(27 + 28 + 40)**	41	**(15,618,729)**	(4,240,534)	(11,378,195)
EXTRA. INCOME.					
Extraordinary incomes - non-capital transactions		42	**288,320**	196,816	91,505
Extraordinary incomes - capital transactions		43	–	–	–
Reversals of provisions and expense transfers*		44	**1,162,465**	6,580,791	(5,418,325)
Extraordinary incomes	**(42 à 44)**	45	**1,450,786**	6,777,606	(5,326,821)
EXTRA. EXPENSES					
Extraordinary expenses - non-capital transactions		46	**(309,053)**	(1,542,086)	1,233,033
Extraordinary expenses - capital transactions		47	**(25,344)**	0	(25,344)
Extraordinary depreciation, amortisation and provisions		48	**(716,106)**	(3,236,391)	2,520,285
Extraordinary expenses DAEC + PSE			**(1,162,465)**	(3,748,009)	2,585,544
Extraordinary charges	**(46 à 48)**	49	**(2,212,968)**	(8,526,486)	6,313,518
NET EXTRAORDINARY INCOME/(EXPENSES)	**(45 + 49)**	50	**(762,182)**	(1,748,880)	986,697
Statutory employee profit-sharing		51	–	–	–
Corporate income tax		52	**561,964**	690,317	(128,353)
NET PROFIT/(LOSSES) FOR THE YEAR	**(41+ 50 + 51 + 52)**	53	**(15,818,948)**	(5,299,097)	(10,519,851)

Notes to Financial Statements

The information below forms the Notes to the Balance Sheet prior to the breakdown of the financial year ending 31st December 2021 which totals € 57,573,609, and to the Profit and Loss account that, under the form of a list, that shows a loss of € (15,818,948).

The financial statements cover the 12-month period from January 1st to December 31st, 2021.

The notes and tables N° 1 to 28 hereunder form an integral part of the annual financial statements.

1. Accounting rules and methods

The general accounting conventions below have been applied in accordance with the principle of prudence, and in compliance with legal and regulatory requirements in France and the basic assumptions that are intended to provide an accurate picture of the company :

- going concern,
- consistency of accounting methods from one period to the next,
- independence of financial years.

The annual accounts comply in particular with the provisions of the Accounting Standards Authority N°2016-07, dated 4th November 2016 and amending the regulation n°2014-03 relating to the General Chart of Accounts, approved by decree on 26 December 2016.

The basic method used when stating the value of items in the financial statements is the historical cost method.

The main accounting rules and methods used are the followings:

1.1. Tangible fixed assets

Tangible fixed assets are assessed at their acquisition cost (purchase price and incidental expenses), or at their production cost.

Interests on loans specifically for the production of fixed assets are not included in the assets production cost.

Expenses incurred in purchased of fixed assets are not included in the assets production cost.

Depreciation is recognized as an expense on a straight-line basis, based on the estimated useful life of each component, as described hereunder :

• Heavy component of industrial plants	40 years
• Buildings improvement	16 years
• Industrial equipment for production	16 years
• Machinery and tooling	16 years
• Specific machining equipment	16 years
• Specific tooling	6 years
• Die cast moulds	3 years

1.2. Intangible fixed assets

The intangible assets are assessed according to their acquisition cost (purchase price and related expenses).

The depreciation rules are applied according to the straight-line method following the useful lives below:

- Software: 1 year
- Leasehold right: non-depreciable
- Land: non-depreciable
- Business premises: non-depreciable

1.3. Participating, other long-term investments, short-term investments

The gross book value of long-term investments is their acquisition price, net of acquisition expenses. When their balance sheet value is less than their cost of acquisition, a provision for depreciation is set aside for the amount of the difference. The economic value of these stacks is estimated according to the relevant share acquired of the carrying value of net assets of the subsidiary.

1.4. Inventories

Inventories are measured using the Weighted Average Unit Cost method.

The gross value of goods and supplies includes the purchase price and the related expenses.

Manufactured goods are valued at production cost including supplies consumed, direct and indirect production expenses and allowances to depreciation of assets used in production. Idle capacity costs are excluded from inventories valuation.

Financial interests are always excluded from inventories valuation.

A provision for impairment is recorded based on the following modalities:

- Inventories amounting to over 1 year of consumption: 75%;
- Inventories amounting to over 3 years of consumption: 90%;
- Inventories related to the EURO 4 norm: 90%.
- End-of-life inventories : 100% for vehicles and components, 90% for spares and after-sale if there has been no consumption in 100 days.

1.5. Receivables

Receivables are recorded at their nominal value. A provision for impairment is recorded when the fair value is lower than the net book value.

A factoring process is in place. The accounting processing of trade receivables transferred to the factor presents a deconsolidating approach.

1.6. Transactions in foreign currencies

Expenses and incomes in foreign currencies are accounted for their amount in euros to the date of the transaction.

Payables, receivables and cash in foreign currencies, are accounted at their fair value at closing date or at the guaranteed exchange rate if hedged.

1.7. Research and Development expenses

Research and Development expenses relating to new products or enhancement of existing products amount to € 10,149K (Tooling/G&A/Payroll), including a capitalized amount of € 5,493K related to projects 564 (SUV), 253 (Django Compact) and 430 (E-Streetzone).

These projects related to new scoooters have been capitalized from 2021 because they carry prospects of profit and growth. They guarantee the future of the company.

Capitalization includes payroll, fixed assets, and general expenses.

An impairment test is carried every year and future profits and prospects are analyzed at year end to be sure that the net book value is higher than the present value.

2. Significant events during financial year

2.1. The company has initiated in July 2018 a rightsizing plan, validated in December 2018, providing for the departure of 102 employees and has also put in place an legal Employment Protection Plan. For this reason, the 2021 annual accounts present an extraordinary charges of € 1,162 K (payroll). The provision covering the remaining estimated costs of this plan, amounting to € 1,627 K at 31/12/2020, has been reversed for € 1,162 K and has been increased by € 157 K; it thus amounts to € 622 K at 31/12/2021; this amount will be used between 2022 and 2024 for the 16 remaining departures.

2.2. The goods coming from Asia and still in sea freight on 31/12/2020 (FOB) amount to € 5,302 K.

2.3. Movements related to shareholder’s equity are presented in point 8.

2.4. The global health crisis that impacted the company throughout 2020 is continuing in 2021 with the shortage of certain materials and components and the increase in significant transport costs in the first quarter continued over the year following the global recovery in economic activity. In addition, during March 2021, the company experienced delivery delays due to the grounding of a ship in the Suez Canal.

The company has undertaken an analysis of the additional costs and a recovery plan through price increases. The worldwide shortage of semiconductors has also reduced the company’s visibility regarding the supply of these parts by suppliers. In this context, the Mandeure site has had to resort to partial activity for 67 days in fiscal year 2021.

The impact on sales was generally contained, with demand exceeding supply and final volumes down 7% compared with the budget. The results for the year were affected by increases in freight costs, purchasing costs and the devaluation of the euro against the Chinese currency, with price increases taking effect mainly in the second half.

2.5. A dispute between the company and Piaggio Group began in France in 2015. It concerns the alleged infringement of European patents and a European model, owned by Piaggio Group, by Peugeot Motocycles.

On September 7, 2021, the Judicial Court of Paris rendered its judgment. Peugeot Motocycles appealed this decision on October 18, 2021, which had the effect of suspending the execution of the decision until the appeal decision is rendered. Piaggio made a request for provisional execution of the November 29, 2021 first instance decision which was rejected by the courts by a decision dated March 8, 2022.

The appeal procedure has therefore resumed its normal course, with the first instance decision being suspended until the appeal decision. As the outcome of this dispute cannot be quantified at the end of the fiscal year, it constitutes a contingent risk at that date, and the company has not set aside any provisions for this risk in its accounts at December 31, 2021.

3. Going concern

During the year 2021, the company's activity is loss-making, with a net loss of € 15.8M.

The change from € 4 to € 5 models has led to increases in our purchasing costs from our JV and other Chinese partners.

A number of exogenous events had a significant impact on the financial results. Our major purchases in China have increased significantly with the depreciation of the Euro and the latter has lost almost 10% against the Chinese currency throughout 2021. On the other hand, the strong global recovery in freight traffic has led to unprecedented increases in ocean container costs. The average cost of a container at the beginning of 2020 was around $1,000, but during 2021 it has increased by 10 to 15 times the cost of 2020.

In particular, the cost of raw materials has increased throughout the year.

Semiconductor shortages also severely disrupted our supply chain throughout 2021 and did not allow smooth deliveries to our dealers and importers.

The company reacted with the implementation of price increases, mainly effective in the second half of 2021, which nevertheless did not help to offset the increases experienced.

In this difficult context, our sole shareholder has contributed to the recapitalization of the company for € 33 million over the 2021 financial year, enabling the financing of the business and the reduction of its debt from € 26.8 million in 2020 to € 15.6 million at the end of 2021. Shareholders' equity has become positive again at the end of 2021, reaching € 3.9 million.

The agreement reached in 2020 with the government for a deferral of tax and social security debts continued in 2021 and monthly repayments were honored.

In addition, the sole shareholder continues to support the company, notably through:

- The guarantee of its bank debt,
- The commitment to continue its financial support to enable it to continue its activity. This support has been confirmed in a post-closing letter.

On this basis, and taking into account the measures taken in terms of equity consolidation, in particular the new capital contribution by the sole shareholder in 2021, which has enabled the company to return to a positive equity position, an improvement in the cash position and a reduction in debt, as well as a more favorable medium-term outlook, the 2021 annual financial statements have been drawn up in accordance with the going concern principle.

4. Significant events following 31/12/2021

The major events of 2021 continue into 2022 (freight costs, unfavorable exchange rates and raw material inflation) and the increase in our pricing as of January 1, 2022.

The resurgence of Covid cases in China and the containment measures taken by the Chinese government will probably disrupt the supply chain in the coming months. Supplies during the first quarter to prepare for the season have been normal, but disruptions are likely to occur in the second half of the year. At this stage it is difficult to assess the possible impacts.

A new loan of € 15 million has been contracted, which will enable us to finance our working capital requirements for the year 2022.

On April 8, 2022, our company received an email from the French Direction Générale de la Concurrence, de la Consommation et de la Répression des Fraudes (DGCCRF) to carry out a control of payment terms. The documents required for this procedure will be submitted in mid-May 2022.

As regards the conflict in Ukraine, to date there has been no significant impact on the company's business. The company has signed an agreement with an importer in Russia at the end of 2021, and the sanctions imposed on Russia have led to a pause in collaboration and potential deliveries to this country.

5. Fixed assets as of 31/12/2021

FIXED ASSETS GROSS VALUE *(in euros)*	**Opening balance**	**Transfers**	**Acquisitions**	**Disposals**	**Year-end balance**	**Original Value**
Intangible fixed assets						
Leaseholds						
Software	4,509,920		76,286		4,586,206	4,586,206
Concessions, patents & similar rights						
Business goodwill	137,204				137,204	137,204
Other intangible fixed assets			4,371,171		4,371,171	4,371,171
Intangible fixed assets in progress						
Advances and payments on account			688,018		688,018	688,018
Subtotal	**4,647,124**		**5,135,474**		**9,782,598**	**9,782,598**
Tangible fixed assets						
Lands	1,822,000				1,822,000	1,369,615
Buildings on freehold land	14,998,239				14,998,239	14,998,239
Buildings on non-freehold land						
Improvements to buildings	13,241,613		13,095		13,254,707	13,254,707
Technical installations, industrial plant and machinery	119,574,209		962,129	53,160,451	67,375,887	67,375,887
Other tangible assets :						
General fixtures and fittings	1,867,736				1,867,736	1,867,736

FIXED ASSETS GROSS VALUE *(in euros)*	**Opening balance**	**Transfers**	**Acquisitions**	**Disposals**	**Year-end balance**	**Original Value**
Vehicles	126,276				126,276	126,276
Office and computer equipment, furniture	1,019,798		24,529		1,044,327	1,044,327
Tangible fixed assets in progress						
Advances and payments on account						
Subtotal	**152,649,871**		**999,752**	**53,160,451**	**100,489,173**	**100,036,788**
Financial fixed assets						
Equity interests	7,333,988				7,333,988	7,333,988
Receivables from equity interests						
Other long-term investment securities						
Loans	2,160,164		55,779		2,215,943	2,215,943
Other long-term investments	246,736		504,000	110,233	640,503	640,503
Subtotal	**9,740,889**		**559,779**	110,233	**10,190,435**	**10,190,435**
TOTAL	**167,037,884**		**6,695,006**	**53,270,684**	**120,462,206**	**120,009,821**

Comments on tangible and intangible assets

A depreciation is recorded should the fair value of assets become lower than their book value.

Considering fair value at 31/12/2021, based on past performance and future cash-flow expectations, an extraordinary impairment has been recorded for several financial years to bring their net book value to zero.

At 31/12/2021, this total extraordinary impairment of tangible and intangible assets amounts to € 13,549,592.

Comments on financial assets

Contribution to French social construction tax was made under the form of a loan of € 55,779. The same contribution for 2022 will also be made under the form of a loan.

6. Amortization and provisions on fixed assets as of 31/12/2021

DEPRECIATION OF FIXED ASSETS *(in euros)*	**Opening balance**	**Transfers**	**Charges**	**Reversals**	**Year-end balance**
Intangible fixed assets					
Leaseholds					
Software	4,509,920		76,286		4,586,206
Concessions, patents & similar rights					
Business goodwill					
Other intangible fixed assets					
Advances and payments on account					
Subtotal	**4,509,920**		**76,286**		**4,586,206**
Tangible fixed assets					
Land	438,655				438,655
Buildings on freehold land	14,998,239		0		14,998,239
Buildings on non-freehold land					
Improvements to buildings	13,241,613		13,094		13,254,707
Technical installations, industrial plant and machinery	119,574,209		487,384	53,135,107	66,926,487
Other tangible assets :					
General fixtures and fittings	1,867,736				1,867,736
Vehicles	126,276				126,276
Office and computer equipment, furniture	1,019,798		24,530		1,044,328
Tangible fixed assets in progress					
Advances and payments on account					
Subtotal	**151,266,526**		**525,009**	**53,135,107**	**98,656,428**

DEPRECIATION OF FIXED ASSETS *(in euros)*	**Opening balance**	**Transfers**	**Charges**	**Reversals**	**Year-end balance**
Financial fixed assets					
Equity interests	466,485				466,485
Receivables from equity interests					
Other long-term investment securities					
Loans	120,007		66,619		186,626
Other long-term investments					
Subtotal	**586,492**		**66,619**		**653,110**
TOTAL	**156,362,938**		**667,913**	**53,135,107**	**103,895,744**

7. **Inventories as of 31/12/2021**

INVENTORIES ON 31/12/2021 *(in euros)*		**GROSS**	**DEPRECIATION**	**NET**
311000	Raw materials	6,396,187	1,810,022	4,586,165
311003	Raw materials in transit (FOB)	860,791		860,791
322300	Consumable materials	989,229	809,612	179,618
351000	Intermediate products	592,269	171,589	420,680
355000	Finished products	2,231,007	145,097	2,085,910
355200	China semi-finished products	362,277	97,018	265,259
371100	Goods - Vehicles	6,965,748	113,607	6,852,141
371101	Goods in transit (FOB)	163,850		163,850
371200	Goods - Parts	10,009,259	3,934,056	6,075,203
371201	Goods - Parts in transit (FOB)	644,111		644,111
TOTAL		**29,214,729**	**7,081,000**	**22,133,729**

8. **Changes in shareholder equity, transfers of operating charges and details on extraordinary result**

8.1. Changes in shareholder's equity

CHANGES IN SHAREHOLDER'S EQUITY *(in euros)*	**Opening balance**	**Increases**	**Decreases**	**Appropriation of the result**	**Year-end balance**
Share capital	20,993,360	33,000,000	49,000,000		4,993,360
Revaluation reserve	452,385				452,385
Retained earnings	(29,403,983)		(49,000,000)	(5,299,097)	14,296,920
Share premium					
Result of the year	(5,299,097)	(15,818,948)		5,299,097	(15,818,948)
Investment subsidy					
Tax-regulated provisions					
TOTAL	**(13,257,334)**	**17,181,052**			**3,923,718**

Mahindra Two Wheelers Europe S.à.r.l., sole shareholder of the Company, carried out a recapitalisation dated February 11th, 2021, increasing share capital by 21 million euros, then reduced it by 37 million euros, bringing the share capital to € 4,993,360 divided in 312,085 shares with an unchanged nominal value of 16 euros.

The sole shareholder then increased and reduced the share capital by 12 million euros, to compensate the losses of the 2021 fiscal year.

Shareholder's equity amounts to € 3,923,718 including the 2021 loss of € (15,818,948).

8.2. Inception of the extraordinary result

As per the impaiment method described in point 5, an extraordinary impairment is recorded to bring the net book value of tangible and intangible fixed assets to zero (except for business goodwill and land).

DETAIL OF THE EXTRAORDINARY RESULT	**EXPENSES**	**INCOME**
	Euros	**Euros**
On operating transactions - linked to the financial year	44,705	67,489
On operating transactions - linked to previous financial years	103,417	181,224
On investments transactions- assets disposals	25,344	
Provisions for restructuring plan	156,729	1,162,465
Charges for restructuring plan	1,162,465	
Extraordinary amortization of fixed assets	559,377	
Other extraodinary expenses and income (Fire)	160,932	39,607
TOTAL	**2,212,968**	**1,450,786**

8.3. Detail of the transferred expenses

DETAIL OF THE TRANSFERRED EXPENSES	Euros
Adefim reimbursement of training costs	3,799
On wages and social security charges	48,102
On insurance proceeds	(83,790)
Transferred charges to third parties (misc.)	1,147
Others	3,464
TOTAL	**(27,277)**

9. Provisions as of 31/12/2021

TYPE OF PROVISIONS *(in euros)*	Line		Opening balance	Charges	Reversals		Others	Year-end balance
					Used	Non Used		
Provisions for disputes	4		31,400		29,400			2,000
Provision for customer warranties	5		2,333,472	183,916	649,516			1,867,873
Provisions for foreign exchange losses	6		129,430	378,260	129,430			378,260
Provisions for risks on factored receivables	7		486,994	240,993	658,394			69,593
Provisions for other liabilities	8		867,323					867,323
Provisions for charges - Long-service award	9		229,441			17,080		212,361
Provisions for charges - Restructuring Plan 2018	10	Extra	1,627,297	156,729	1,162,465			621,561
Provisions for charges - Discounted construction loans	11		37,570					37,570
Total provisions liabilities and charges	12		5,742,928	959,899	2,629,205	17,080		4,056,541
On intangible fixed assets	13	Extra	320,128	57,894				378,022
On tangible fixed assets	14	Extra	12,670,087	501,483				13,171,570
On financial fixed assets	15	Financ	120,007	66,619				186,626
On equity investments	16	Financ	466,485					466,485
On inventories	17		5,005,135	3,029,464		953,599		7,081,000
On trade receivables	18		3,874,208	483,199		179,096		4,178,312
Total provisions for assets depreciation	**19**		**22,456,050**	**4,138,659**		**1,132,695**		**25,462,014**
TOTAL			**28,198,978**	**5,098,557**	**2,629,205**	**1,149,775**		**29,518,555**

of which Charges and Reversals	Operating	12,127,651	4,315,833	1,466,740	1,149,775		13,826,969
	Financial	586,492	66,619				653,110
	Extraordinary	15,484,835	716,106	1,162,465			15,038,476

Comments on provision for warranties

As of 31/12/2021 the provision for warranties amounts to € 1,868 K. It is composed of a statistic provision on parts and labor for € 1,584 K and recall campaigns for € 284 K, corresponding to the estimate made by the Executive Management during accounts closing, based on data available at that time (list of vehicles involved, rate of return and potential cost of repairs), regarding the campaign launched end of 2017 and regarding an new campaign launched end of 2018.

Comments on provision for restructuring plan

This provision amounts to € 622 K as of 31/12/2021 following a net reversal for € 1,005 K in 2021. It covers the commitment linked to the restructuring plan initiated in July 2018 related to 102 possible net departures and the set-up of a job preservation plan. Provision as of 31/12/2021 is based on information available to the management at the closing date.

The provision includes the estimated cost of the various measures : internal mobility, actions to restart a part of the operations, creation of new positions, efforts to make external mobility easier, support for business creation or takeover, training and retraining opportunities. It also includes the estimated cost of the dismissals, and the estimated cost related to economic revitalization commitments.

Comments on the provision for depreciation of tangible and intangible assets

See section 5 above.

Comments on the provision for miscellaneous risks

No significant evolution in 2021. The provision of € 867 K linked to the ongoing tax audit related to the 2015-2017 financial statements has not been adjusted.

The provision represents the maximal risk according to information available at the closing date, and is mainly related to potential fines for insufficient justification of transfer pricing (€ 781 K).

Comments on the provision on trade receivables :
Changes in the presentation of factored receivables, as mentioned in point 1.5 above result in a lower impairment of trade receivables for € 70 K, and a new provision for risk for the same amount.

10. Maturity dates for receivables and debts as of 31/12/2021

ASSETS	Line	Gross Value	Within 1 year	More than 1 year
		Euros	Euros	Euros
From Fixed Assets				
Receivables from equity interests	1			
Loans	2	2,215,943		2,215,943
Other long-term investments	3	640,503		640,503
SUBTOTAL Lines 01 to 03	**4**	**2,856,447**		**2,856,447**
From current assets				
Doubtful and disputed trade receivables	5	1,046,075	1,046,075	
Other trade receivables	6	10,862,226	10,862,226	
Debtors suppliers & advance payments	7	1,975,394	1,975,394	
SUBTOTAL - Lines 05 to 07	**8**	**13,883,695**	**13,883,695**	
Amounts due from employees	9	44,207	44,207	
Social security and other welfare agencies	10	20,128	20,128	
State and other local authorities				
Corporate income tax recoverable	11			
VAT recoverable	12	910,351	910,351	
Other taxes and duties recoverable	13	731,778	731,778	
Other amounts due from government and local authorities	14	213,112	213,112	
Amount due from Group companies and shareholders	15			
Other receivables	16	4,671,983	4,671,983	
SUBTOTAL - Lines 09 to 16	**17**	**6,591,559**	**6,591,559**	
TOTAL Lines 04 + 08 + 17		**23,331,701**	**20,475,254**	**2,856,447**

LIABILITIES	Line	Gross Value	Within 1 year	1 to 5 years	More than 5 year
		Euros	Euros	Euros	Euros
Loans and long-term liabilities					
Convertible bonds	18				
Other bonds	19				
Financial debt	20	15,645,224	15,645,224		
Miscellaneous debt	21	51,500	51,500		
SUBTOTAL Lines 18 to 21	**22**	**15,696,724**	**15,696,724**		
Short-term liabilities					
Trade payables	23	24,032,795	24,032,795		
Creditor clients	24	2,879,137	2,879,137		
Amounts due to employees	25	2,293,004	2,293,004		
Social security and other welfare agencies	26	3,662,777	3,306,329	356,448	
Amounts due to state or local authorities					
Corporate income tax payable	27				
VAT payable	28	609,825	609,825		
Tax payment bonds	29				
Other taxes payable	30	373,827	373,827		

LIABILITIES	Line	Gross Value	Within 1 year	1 to 5 years	More than 5 year
		Euros	Euros	Euros	Euros
Amounts due to Group Companies and Shareholders	31				
Other liabilities	32	14,040	14,040		
SUBTOTAL - Lines 24 to 32	**33**	**9,832,610**	**9,476,162**	**356,448**	
SUBTOTAL - Lines 23 & 33	**34**	**33,865,405**	**33,508,957**	**356,448**	
Other liabilities					
Amounts payable on fixed assets and related accounts	35				
Amounts due to Group Companies and Shareholders	36				
Other liabilities	37				
SUBTOTAL - Lines 36 to 37	**38**				
SUBTOTAL - Lines 35 & 38	**39**				
TOTAL Lines 22 + 34 + 39		**49,562,129**	**49,205,681**	**356,448**	

11. Impact of revaluations in balance sheet as of 31/12/2021

Change in provision for regulated revaluation *(in euros)*	Line	Opening balance	Disposals	Others	Year-end balance	For information - Difference transferred to capital
Concessions, patents & similar rights	11					
Business goodwill	12					
Lands	13	300,282			300,282	
Equity interests	14					
Fixed assets (1959 French law)	15	152,103			152,103	
TOTAL Lines 11 to 15	**16**	**452,385**			**452,385**	
Revaluation reserve (1976 French law))					300,282	
Special revaluation reserve (1959 French law)					152,103	
“Free revaluation” differences						
Other differences						

12. Business goodwill

BUSINESS GOODWILL	Euros
26 Avenue de la Grande Armée PARIS	137,204
TOTAL	**137,204**

13. Interests in fixed assets

Interest is not included in the production cost of fixed assets owned by the Company.

14. Interests in inventories

Interest is not included in inventories.

15. Accrued income and expenses

Accrued Income	31/12/2021	31/12/2020
	Euros	Euros
Government – amounts to receive	731,778	985,705
Clients – invoices to raise	11,863	2,112
Suppliers – amounts to receive		
Related company – accrued income		
Interests on equity loan VAT		
Royalties		
Other accrued income	17,200	167,037
Employees – amount due		
TOTAL	**760,841**	**1,154,854**

Accrued Expense	31/12/2021	31/12/2020
	Euros	Euros
Accrued interest on debt		
Bank – shortterm accrued expense		
Purchase invoices not received	8,665,828	11,686,890
Clients – credit notes to raise	1,926,200	(4,998)
Accrued holiday to pay	1,843,294	2,114,962
Social security – accrued expenses	919,294	898,122
Accrued taxes to pay	209,916	229,654
Related companies – accrued expenses		
Other accrued expense		
TOTAL	**13,564,531**	**14,924,630**

16. Deferred charges and income

	Deferred Charges	Deferred Income
	Euros	Euros
Operating charges/income	34,068	
Financial charges/income		
Extraordinary charges/income		
TOTAL	34,068	

As of 31/12/2020, deferred charges amount to € 3,834. There was no deferred income.

17. Turnover

17.1. Business lines

	2021	2020
	In thousands of euros	In thousands of euros
Second-hand vehicles		
Motor vehicles	22,605	23,114
U.M.E.	8,765	8,653
Spare parts and accessories	2,604	2,527
Automobiles parts		
Bike		
Engine	0	2
Trading	63,729	55,948
Others	19	6
Non-core activities revenues	5,283	3,636
TOTAL	**103,005**	**93,886**

17.2. Breakdown of revenue and raw materials purchases as per manufacturing origin

(in thousands of euros)	2021	2020	(in thousands of euros)	2021	2020
Sold production manufactured	**22,605**	**23,116**	**Production purchases Mandeure**	**23,688**	**16,839**
Motor vehicles	22,605	23,114			
Engines	0	2			

(in thousands of euros)	2021	2020	(in thousands of euros)	2021	2020
Sold production trading	**72,494**	**64,601**	**Trading purchases**	**50,965**	**42,545**
Motor vehicles	63,729	55,948			
UME	8,765	8,653			
Bycicle					
Other products	**7,906**	**6,169**			
Used vehicles					
Spare parts	2,604	2,527			
Miscellaneous	19	6			
Secondary activities	5,283	3,636			
TOTAL	**103,005**	**93,886**	**TOTAL**	**74,653**	**59,384**

17.3. Geographical markets (destination countries)

(in thousands of euros)	2021	2020
European countries	42,737	46,005
"French franc" zone	647	680
Other countries	12,119	8,989
TOTAL EXPORT	**55,503**	**55,674**
France	47,503	38,212
TOTAL	**103,006**	**93,886**

18. Corporate income tax

Corporate Income Tax on December 31, 2021 *(in millions of euros)*	Pre-tax Profit	Taxable Profit		Tax due	Net Profit
		33.33%	26.5%		
Profit from ordinary activities	(15.6)				(15.6)
Extraordinary results	(0.8)				(0.8)
Tax credits				0.5	0.5
Additional contribution 10 %					
Employee profit-sharing					
CARRY BACK					
TOTAL	**(16.4)**			**0.5**	**(15.8)**

For the 2021 financial year, PEUGEOT MOTOCYCLES generated a tax deficit of € (16,1) million.

19. Impact of special tax valuations

EXCEPTIONAL TAX ASSESSMENTS	**In thousands of euros**
Accounting result	(15,819)
Corporate income tax	562
PRETAX RESULT	(16,381)
Change in regulated provisions :	
Provisions for accelerated tax depreciation	
Provision for fluctuation in price	
FISCAL RESULT WITHOUT EXCEPTIONAL TAX ASSESMENTS	**(16,381)**

20. Increase and reduction in deferred tax liabilities

As of 31/12/2021, the company has no deferred tax liability. The contingent taxation represents deferred tax assets of € 65 million.

20.1. Deferred taxation

Considering a corporate income tax rate of 26.5% :

Origin of deferred taxation *(in billions of euros)*	Opening balance			Year-end balance		
	Amount	Deferred Taxation		Amount	Deferred Taxation	
		Assets	Debt		Assets	Debt
Depreciation considered as deferred for tax	13	4		14	4	
Losses carried forward	199	42		216	57	
Research tax credit						
Charges for which tax result deduction is deferred						
• Paid holiday	3	1		3	1	
• Solidarity contribution	0	0		0	0	
• DAEC	2	0		1	0	
• Provision for exchange rate losses						
• Provision CASA						
• Assets depreciation	9	2		11	3	
• Employees profitsharing						
• Provision for discounted construction loans	0	0		0	0	
• Provision for liabilities and charges						
• Negative translation adjustments	0	0		0	0	
• Positive translation adjustments						
• Guarantee program						
• Depreciation on loans	0	0		0	0	
TOTAL	**226**	**49**		**244**	**65**	

21. Translation variances

Adjustments *(in thousands of euros)*	Amount	Difference covered by hedging transactions	Provision for exchange rate
Positive translation adjustments (unrealised losses)			
• on non.financial fixed assets			
• on financial fixed assets			
• on trade receivables	124		378
• on financial debts			
• on short.term debts			
Negative translation adjustments (unrealised gains)			
• on non.financial fixed assets			
• on financial fixed assets			
• on trade receivables	25		
• on financial debts			
• on short.term debts	6		
TOTAL	**376**		**378**

Unrealized losses are covered by a provision for exchange rate included in the provisions for risks on the balance sheet.

22. Off balance sheet committments given

22.1. Retirement commitments

The Company provides the employees with retirement benefits and, under certain conditions, a minimum level of pensions. As of 31/12/2021, the estimated current value of future contributions amounts for € 1,761K (€ 2,452 K as of 31/12/2020) related to retirement indemnities, € 880 K (vs. € 1,079 K) for additional pensions, and € 212 K (vs. € 229 K) for long-service awards. The amount related to long-service awards is the only one covered by a provision in the balance sheet.

This amount is covered for € 1,728 K (vs. € 1,630 K) by instalments to external funds. The main actuarial assumptions in the calculation of this value are a discount rate of 1.10%, and an inflation rate of 1.80%.

22.2. Other commitments given

FINANCIAL COMMITMENTS	In thousands of euros
Bills for collection	33
Deposits and guarantees	1,041
Receivables transferred to factor	10,696
Leasing contracts	
Long term rentals	
TOTAL	**11,770**

This commitments relate to :

- Executives for 0
- Subsidiaires and other related companies for 0.

23. Liabilities guaranteed by real securities

Debt guaranteed by real securities	In thousands of euros
Bank Debts	15,550
Total	15,550

Loans and bank debts are guaranteed by a financial commitment from Mahindra and Mahindra Ltd.

24. Remuneration of executives

The members of the Supervisory Board are not compensated. Wages paid to the Management are not mentioned, as it would lead to disclose personal information.

25. Average headcount

AVERAGE HEADCOUNT	Employees	Lended or temp employees
Managerial grades	114	
Technical and supervisory grades	113	1
Workers	65	8
Apprentices + short-term labour contracts	37	
CASA employees		
TOTAL	**329**	**9**

26. Parent companies consolidating the Company's accounts

Our financial accounts are included in the consolidated accounts of the group Mahindra & Mahindra Ltd – Mahindra Towers P.K. – Kurne Chowk, Worli – MUMBAI 400018 INDIA, following the full consolidation method.

28. Subsidiaries and equity interests

SUBSIDIARIES AND EQUITY INTERESTS *(in thousands of euros)*			SHARE CAPITAL	EQUITY (before net income)	INTEREST HELD (%)	LATEST NET INCOME	TURNOVER	DIVIDENDS RECEIVED BY PMTC	LOANS AND ADVANCES GIVEN
A / Detailed information about subsidiaries and equity interests									
Subsidiaries (over 50 % of the share-capital)	French								
	Foreign	PMD	26	725	100	7	15,430		
	Foreign	PMI	264	(490)	100	(105)			
Equity interests (10 to 50 % of the share-capital)	French								
	Foreign	JQPM	19,070	28,914	50	7,573	85,323		
B / General information about other subsidiaries and equity interests									
Subsidiaries not included in A	French								
	Foreign								
Equity interests not included in A	French								
	Foreign								

Data related to JQPM has been converted in euros according to the 31/12/2021 closing exchange rate.

29. Marketable securities held in portfolio as of 31/12/2020 (euros)

Number of shares	Valeur Nominale	COMPANIES	Gross Value	Amortisation Depreciation or Capitalised gains	Net Value
1	26,000	**PEUGEOT MOTOCYCLES DEUTSCHLAND**	31,799		31,799
15,675	16	**PEUGEOT MOTOCYCLES ITALIA (in liquidation)**	466,485	466,485	
1	6,835,705	**JINAN QINGQI MOTORCYCLES**	6,835,705		6,835,705
		TOTAL	**7,333,988**	**466,485**	**6,867,504**

Balance Sheet as of December 31, 2021

	31st Dec 2021 €	31st Dec 2020 €
Assets		
A. Fixed assets		
I. Intagible assets		
1. Industrial property and similar rights and assets	**1**	1
	1	1
II. Tangible assets		
Other equipment, factory and office equipment	**65,044**	19,795
B. Current assets		
I. Inventories		
Merchandise	**66,862**	74,835
II. Receivables and other assets		
1. Trade receivables	**1,825,708**	1,519,507
2. Receivables from affiliated companies	**138,067**	138,067
3. Other assets	**856,425**	2,331,177
	2,820,200	3,988,751
III. Cash on hand and bank balances	**491,733**	1,005,898
C. Prepaid expences and deferred charges	**1,314**	1,460
	3,445,154	5,090,740

	31st Dec 2021 €	31st Dec 2020 €
Shareholders' equity and liabilities		
A. Shareholders' equity		
I. Subscribed capital	**26,000**	26,000
II. Capital reserves	**264,390**	264,390
III. Unappropriated profits brought forward	**448,288**	360,741
IV. Net income for the year	**4,826**	87,547
	743,504	738,678
B. Accruals		
1. Tax accruals	**2,760**	3,659
2. Other accruals	**660,555**	703,944
	663,315	707,603
C. Accounts payable		
1. Bank loans and overdrafts	**0**	0
2. Trade payables	**242**	0
3. Payables to affiliated companies	**1,958,375**	1,822,760
4. Other liabilities	**79,719**	1,821,698
	2,038,336	3,644,459
	3,445,154	5,090,740

Income Statement for the year ended December 31, 2021

		2021	2020
		€	€
1.	Sales	**15,430,133**	17,501,547
2.	Other operating income	**60,561**	53,363
3.	Cost of goods sold	**12,138,889**	14,937,120
4.	Personnel expenses		
	a) Wages and salaries	**1,156,955**	1,182,553
	b) Social security	**189,592**	186,997
		1,346,547	1,369,551
5.	Amortization and depreciation	**14,950**	2,787
6.	Other operating expenses	**1,982,176**	1,133,276
7.	Other interest and similar income	**0**	0
8.	Interest and similar expenses	**0**	**0**
	– of which to affiliated companies: € 0		
9.	Taxes on income	**2,330**	24,418
10.	**Income after taxes**	**5,802**	87,759
11.	Other Taxes	**976**	212
12.	**Net income for the year**	**4,826**	87,547

Cash Flow Statement for the year ended December 31, 2021

	2021 €	2020 €
A. cash flows from operating activities		
Profit	**4,826**	87,547
Income taxes	**2,330**	24,418
Interest expense (interest income)	**–**	–
(Gains)/losses arising from the disposal of assets	**(60,200)**	(21,787)
1. profit (loss) before income taxes, interest, dividends and gains/losses on disposal net working capital	**(53,043)**	90,177
Adjustments for non-cash items that had no counterpart in net working capital		
Depreciation of fixed assets	**14950**	2787
Other adjustments in increase/(decrease) in non-cash items		
Total adjustments for non-cash items that do not have had a counterpart in net working capital	**14950**	2787
2. Cash flow before changes in working capital	**(38,093)**	92,964
Changes in net working capital		
Decrease/(increase) in inventories	**7,973**	(5,860)
Decrease/(increase) in trade & Other receivables	**1,168,551**	(2,613,628)
Increase/(decrease) in short-term provision	**(44,289)**	(272,387)
Increase/(decrease) in trade & Other payables	**(1,606,123)**	3,218,490
Decrease/(increase) in prepaid expenses and accrued income	**146**	10,807
Total changes in net working capital	**(473,742)**	337,423
3. Cash flow after changes in net working capital	**(511,835)**	430,387
Other adjustments		
Interests cashed (paid)	**–**	–
(Income taxes paid)	**(2,330)**	(24,418)
Total other adjustments	**(2,330)**	(24,418)
CASH FLOW FROM OPERATING ACTIVITIES (A)	**(514,165)**	405,970
B. cash flows from investing activities		
CASH FLOW FROM INVESTING ACTIVITIES (B)	**–**	–
C. cash flows from financing activities		
C. CASH FLOW FROM FINANCING ACTIVITIES (C)	**0**	0
INCREASE (DECREASE) OF CASH AVAILABILITY (A+B+C)	**(514,165)**	405,970
Cash and cash equivalents at beginning of year		
Bank and postal deposits	**1,005,898**	599,928
Total cash and cash equivalents at beginning of year	**1,005,898**	599,928
Cash and cash equivalents at end of year		
Bank and postal deposits	**491,733**	1,005,898
Total cash and cash equivalents at end of year	**491,733**	1,005,898
Change in cash an cash equivalents	**(514,165)**	405,970

NOTES FOR THE FINANCIAL YEAR 2021

1. General declarations

PEUGEOT MOTOCYCLES DEUTSCHLAND GmbH has moved its German Office in June 2021 to Grundweg 4, 64528 Rüsselsheim am Main. It is registered in the Commercial Regis-ter of the district court of Darmstadt under HRB 53925.

The PEUGEOT Motocycles Deutschland GmbH (PMD) fulfils the size criteria for a small corporation. The available annual financial statements will be prepared in accordance with §§ 242 et seq. and §§ 264 et seq. of the German Commercial Code (HGB), as well as with the relevant regulations pursuant to the German Limited Liability Companies Act.

The financial year is identical to the calendar year.

PMD is serving Germany and Austria markets since August 2018. Costs and revenues are combined and reflect the total cost and revenue situation for PMD. There are no separate statements for Austria only.

The income statement is prepared on a consistent basis as followed in the previous year (pre-pared according to the nature of expense method.)

2. Accounting and valuation principles

As in the prior year, the following accounting and valuation principles were applied when pre-paring the annual financial statements.

2.1. Fixed assets

Tangible assets are valued at acquisition cost less depreciation in accordance with their expected useful life.

Since the financial year 2021, minor-value assets with acquisition cost below ₹850.00 are expensed in the year of purchase.

In the case of financial assets, the profit participation rights are valued at the lower of acquisition cost or fair value.

2.2. Inventories

Merchandise are valued at acquisition cost. Write-downs to the lower market value have been made where necessary.

2.3. Receivables, other assets and liquid funds

Receivables, other assets and liquid funds are stated at face value. Default risks associated with trade accounts receivable have been duly taken into account through provision at the balance sheet date.

2.4. Accruals

The accruals take into account all identifiable risks and uncertain liabilities; they are formed on the basis of estimates according to reasonable commercial judgement. There are no pension commitments and pre-retirement part-time working agreements.

2.5. Liabilities

Accounts payable are shown at their repayment value.

2.6. Currency translation

There are no assets / liabilities in foreign currency as at the balance sheet date. No transactions were undertaken in foreign currencies during the financial year.

3. Notes to the balance sheet

3.1. Receivables and other assets

As in the prior year, all receivables and other assets have a remaining term of less than one year.

Receivables from affiliated companies exist only towards the shareholder. These receivables don't include trade receivables.

3.2. Accruals

Other accruals in the amount of €661k (prior year: €704k) primarily comprise the following:

- Volume and loyalty bonuses for the dealership: €344k (prior year: €530k)
- Advertising, Other incentives & Insurance: €192k (prior year: €18k)
- Unpaid invoices: €113k (prior year: €97k)
- Other personnel costs: €11,7k (prior year: €59k)

3.3. Liabilities

As in the prior year, all accounts payable have a remaining term of less than one year. The liabilities are not secured.

4. Notes to the income statement

4.1. Sales revenue

The sales (€15.430k) are essentially attributable to the sale of scooters to dealers (€14.300k), as well as to the sale of spare parts (€1.130k).

4.2. Other operating income

Other operating income in the amount of €60,5k primarily comprises charges to consumers for issuing copies of vehicle paperwork.

4.3. Income/expenses relating to other periods

The result for the financial year 2021 doesn't included income from reversing accruals.

Due to the check of Corona short working time support, we needed to correct the received support for 2020 in the amount of 8,1k payable in 2021.

5. Other declarations

5.1. Other financial commitments and contingent liabilities

The company has concluded leases and leasing arrangements. These commitments total €135k as at the balance sheet date. A bank guarantee in the amount of €23k for the old office has been given back and does no longer exist. The advantage of leases and leasing ar-rangements lies in the optimization of liquidity. There are no identifiable significant risks.

5.2. Workforce

On average, the company employed 18 women and men in the financial year (prior year: 18).

5.3. Management

The company's managing directors in the financial year 2021 were:

- Mr. Jan Breckwoldt (Int. Diplom Betriebswirt (graduate in International Mangement)), Wiesbaden (Germany)
- Mr. Costantino Sambuy (CEO, Peugeot Motocycles S.A.S), Belfort (France)

Concerning the remuneration of the management the option permitted by § 286 (4) of the German Commercial Code (HGB) is exercised.

5.4. Parent company

PMD is a wholly owned (100%) subsidiary of **Peugeot Motocycles S.A.S, Valentigney Mandeure/France**, and included in their (sub-) consolidated financial statements. The com-pany belongs to the group **Mahindra & Mahindra Limited, Mumbai/India**, which prepares the consolidated financial statements.

These consolidated financial statements are available at the companies' head office & at the corporate website.

Rüsselsheim am Main, April 28th, 2022

Jan Breckwoldt Costantino Sambuy

REPORT BY THE INDEPENDENT AUDITING FIRM
Pursuant to art. 14 of legislative decree no. 39 of 27 january 2010

PEUGEOT MOTOCYCLES ITALIA S.R.L. IN LIQUIDATION

Interim liquidation financial statements as at 31 december 2021

REPORT BY THE INDEPENDENT AUDITING FIRM ON THE INTERIM LIQUIDATION FINANCIAL STATEMENTS AS AT 31 DECEMBER 2021

To the Shareholder of Peugeot Motocycles Italia S.r.l. in Liquidation

Report on the auditing of the interim liquidation financial statements

Opinion and findings

We have audited the Interim liquidation financial statements of Peugeot Motocycles Italia S.r.l. in liquidation (the Company), drawn up according to the dispositions of art. 2435-bis of the Italian Civil Code and constituted by the balance sheet and income statement for the financial year closed on said date and the explanatory notes.

In our opinion, taking into account that stated in the paragraph entitled "elements on which the opinion and findings are based", the annual financial statements provide a truthful and correct representation of the economic, equity and financial situation of the Company as at 31 December 2021, the economic result and the cash flows for the year closed on said date in compliance with the Italian laws on the criteria for preparation.

However, we are not yet able to express an opinion on the initial balances, referable to 2019, which were audited by another Independent auditing firm, which, on 13 October 2019, stated that It was impossible to express an opinion regarding the financial statements as at that date; see the considerations contained therein for details.

Elements at the basis of the opinion with findings

We would observe that, during the current year, the business of the company essentially Involved receipts and payments without any other significant business activities being carried out. In this context, the audit conducted on the substance of the balances, albeit with the limitations described, did not show the same circumstances that occurred in the previous year complained by the previous auditor.

The trade receivables, net of the provision for bad debts, amounted to approx.0.2 million Euros and represent 25% of the total assets, and are represented, for the most part, by installment plans in progress. Further agreements are currently being finalised with delayed payments that in fact neutralise the difficulties in identifying certain initial balances in the receivables.

During the current year, the Company has re-allocated 0.1 million Euros, to the profit and loss as the fund was found to be in excess of previous assessments.

The overall total of the payables amounts to 1.2 million Euros, and of this, approximately 91% is represented by the payables to the reference Shareholder, totalling 1.1 million Euros.

It was not possible to verify the initial balances of some of the payable Items, but the Liquidator has stated that, no other liabilities emerged to be recorded in the financial statements other than those referable to current payables.

The considerations made highlight that there are problems which must be properly dealt with so as to remove the uncertainties highlighted which, although significant, are defined as non-pervasive, given the reduced impact on the financial statements in overall terms.

Informative notes

The effects of the SARS-COv-2 pandemic could and the negative repercussions on our economy due to the war in Ukraine, as stated by the Liquidator, have effects that are currently difficult to quantify, also as regards the instalment plans agreed to with certain debtors.

In the explanatory notes, which see, the Liquidator states that as a result of the status of liquidation, there is no longer a presupposition of business continuity and there are objective uncertainties as regards the possibility of realising some of the items in the assets, the arising of other liquidation charges and any eventual capital gains.

In this regard, our opinion is expressed without additional findings.

Other aspects

The sole Shareholder has stated, as described In the explanatory notes, which see, that it would be willing for some of its receivables to be considered as financial receivables and would also be willing to make further allocations, should this be deemed necessary by the Liquidator, in order to support the activities that the latter has undertaken to complete their mandate.

This ascertainment constitutes an exclusive power of the Liquidator, and therefore, on the basis of our duties, this aspect does not require our assessment.

The auditing of the accounts was carried out in the context of the situation created by the spread of the health emergency known as the COVID 19 pandemic and the related measures, including those restricting circulation, emanated by the Italian government to protect the health of its citizens. Consequently, as a result of objective situations - classifiable as force majeure - the auditing procedures envisaged by the reference professional standards have been carried out in the framework (i) of a remodelled staff organization and (ii) of different approach methods with the corporate referents and consequently of collecting the probatory elements required. The collection of information was, unless otherwise possible, carried out through the use, in the main part, of documentation in electronic format sent to us using distance communication techniques.

Responsibility of the Liquidator for the intermediate liquidation financial statements

The Liquidator is responsible for the preparation of the interim liquidation financial statements and ensuring that they provide a truthful and correct representation in compliance with the Italian laws governing the criteria for preparation and within the terms envisaged by the law as regards the internal auditing aspects deemed necessary to enable the preparation of financial statements that do not contain significant errors due to fraud or unintentional conduct or events.

Responsibility of the independent auditing firm for auditing the interim liquidation financial statements

Our objectives are to acquire a reasonable level of certainty that the annual financial statements in overall terms do not contain significant errors due to fraud or unintentional conduct or events, and to issue an auditing report which includes our opinion. Reasonable certainty is intended as being a high level of certainty which, however, does not provide the guarantee that an audit carried out In compliance with the international auditing standards (ISA Italia) always identifies significant errors, should there be any. Errors may derive from fraud or unintentional conduct or events and are considered to be significant when it can reasonably be expected that, either individually or together, they may be capable of influencing the economic decisions taken by the users on the basis of the annual financial statements.

During the audit carried out in compliance with the international auditing standards (IAS Italia), we used our professional judgement and maintained a certain level of scepticism for the duration of the audit. Furthermore:

- we identified and assessed the risks of significant errors in the interim liquidation financial statements due to fraud or unintentional conduct or events; we defined and carried out auditing procedures in response to such risks; we acquired sufficient and appropriate probatory elements on which to base our opinion. The risk of not identifying a significant error due to fraud is higher than the risk of not identifying a significant error due to unintentional conduct or events, given that fraud may imply the existence of collusion, falsification, intentional omissions, misleading representations or forcing the internal audit procedure;
- we acquired an understanding of the internal audit relevant in terms of auditing the accounts in order to define auditing procedures appropriate to the circumstances and not express an opinion on the effectiveness of the Company's internal auditing procedure;
- we assessed the appropriateness of the accounting standards used and the reasonableness of the accounting estimates made by the Liquidator, including the relative disclosure;
- we assessed the presentation, structure and contents of the annual financial statements in overall terms, including disclosure, and whether the interim liquidation financial statements represent the underlying operations and events so as to provide an accurate representation and ensure that our opinion does not derive, as stated in the paragraph "elements on which the opinion and findings are based", from errors still present in the financial statements, even if not considered pervasive as a result of the actions of the Liquidator.

We have informed the Liquidator of the range and planned timeframe of the audit and the significant results that emerged, including any significant shortcomings in internal auditing identified during the course of the auditing of the accounts.

We are independent with respect to the Company in compliance with the laws and standards concerning ethics and independence applicable in Italian law to the auditing of financial statements.

Rome, 26 April 2022
RB Audit Italia
Mr. Roberto Mallardo - Partner

BALANCE SHEET

	31-12-2021	31-12-2020
Assets		
C) Current assets		
II - Account receivables		
due within the next fiscal year	**434.044**	613.229
Total receivables	**434.044**	613.229
III - Financial assets not constituting fixed assets	**1**	1
IV - Cash in hand, cash at bank and cash equivalents	**309.996**	340.468
Total current assets (C)	**744.041**	953.698
D) Accrued income/prepayments	**–**	1.500
Total assets	**744.041**	955.198
Liabilities		
A) Net worth		
I - Share capital	**264.000**	264.000
VI - Other reserves	**–**	1.400.001
VII - Reserve for hedging transactions of expected cash flows	**(100.000)**	–
VIII - Profit (loss) carried forward	**(654.449)**	(1.523.595)
IX - Profit (loss) for the year	**(10.455)**	(630.855)
Total shareholders' net worth	**(500.904)**	(490.449)
B) Provisions for risks and charges	**52.201**	93.357
D) Account payables		
due within the next financial year	**1.192.744**	1.352.290
Total accounts payable	**1.192.744**	1.352.290
Total liabilities	**744.041**	955.198

INCOME STATEMENT

	31-12-2021	31-12-2020
Income statement		
A) Production value		
1) revenues from sales and services	**–**	14,220
5) Other revenues and income		
Others	**1,48,244**	1,51,335
Total other revenue and income	**1,48,244**	1,51,335
Total value of production	**1,48,244**	1,65,555
B) Production costs		
6) for raw materials, consumables and goods	**–**	171
7) for services	**1,49,866**	1,63,328
8) for use of third party assets	**278**	25,512
10) depreciation and amortization		
d) write-downs of receivables included in current assets and cash and cash equivalents	**–**	5,36,637
Total depreciation and amortization	**–**	5,36,637
14) different management charges	**8,553**	70,719
Total production costs	**1,58,697**	7,96,367
Difference between revenues and expenses (A - B)	**(10,453)**	(6,30,812)
C) Financial income and expenses		
16) other financial income		
d) income other than the above		
others	**–**	33
Total income other than the above	**–**	33
Total other financial income	**–**	33
17) interest and other financial charges		
others	2	76
Total interest and other financial charges	2	76
Total financial income and charges (15 + 16 – 17 + - 17-bis)	**(2)**	(43)
Profit before tax (A - B + - C + - D)	**(10,455)**	(6,30,855)
21) Profit (loss) for the year	**(10,455)**	(6,30,855)

The company is under liquidation from 16th December, 2019 when the liquidator was appointed. As the company is in liquidation and has ceased to do any trade, there is no need to complete the statutory audit or file any other financial closures, under the applicable laws and regulations of the country of its incorporation.

Note to the Financial Statement at 31-12-2021

Introduction

Dear Members/Shareholders,

the year just ended represents the third period of the liquidation phase that began on December 17, 2019 following the shareholders' resolution of November 21, 2019.

These interim liquidation financial statements as at 31 December 2021 (we specify that the indication "Financial Statements" in the title is only due to a technical requirement of the XBRL model), submitted for your examination and approval, show a loss for the year equal to Euro (10,456).

As in the previous financial statements, it should be noted that the Sole Shareholder Peugeot Motocycles SAS is the Company's main creditor, with a trade receivable amounting to 1,091,452 euros as at December 31, 2021, and that the said Sole Shareholder, at the proposal of the Liquidator, has expressed its willingness to treat this receivable as a loan pursuant to the second paragraph of art. 2467 of the Italian Civil Code, since the receivable originates from the sale of products sold by the Sole Shareholder to the Company in a financial situation of the Company in which a contribution would have been reasonable.

The Sole Shareholder also declared its willingness to make further allocations, should this be deemed necessary by the Liquidator, in order to support the activities undertaken by the latter to complete its mandate.

The Liquidator confirms the fact that there are the necessary funds to be able to close the liquidation as the procedure for the recovery of receivables from clients has proven its effectiveness, and therefore there remains a significant flow of income also in 2022 that allow us to foresee, with the necessary prudence, also in light of the bank deposits, the possibility of honoring all the liabilities of your Company.

The Liquidator has carried out all the activities necessary for the fulfilment of the mandate conferred. However, there are objective uncertainties linked also to the evolution of the current health emergency, regarding the possibility of realizing some asset items, the occurrence of any other liquidation charges and the emergence of any contingencies.

The Liquidator declares that, as a result of the state of liquidation, the company is no longer a going concern and there are objective uncertainties regarding the possibility of realizing certain asset items, the occurrence of any other liquidation costs and the emergence of any contingencies.

Area of business

During 2021, the Company did not engage in any activities unrelated to the liquidation proceedings.

Major events occurred during the Company's fiscal year

Significant events occurring during the year are as follows:

Debt collection activities made it possible to reduce the amount of gross receivables from customers from €1,900,984 at December 31, 2020 to €662,430 at December 31, 2021, primarily through the collection of amounts and through the use of the Allowance for doubtful accounts, which decreased from EUro 1. 484,562 as of December 31, 2020 to Euro 474,583 as of December 31, 2021, also as a result of the release of Euro 100,000 of the Allowance for doubtful accounts made at the end of 2021 to take into account the good prospects of collections already materialized during 2022.

as a result of these movements, net receivables due from customers have gone from 453,059 Euros as of December 31, 2020 to 187,848 Euros as of December 31, 2021. to cover this amount of 187,848 Euros on a prudential basis, as of April 15, 2022 (i) 46,454 Euros have been collected during 2022; (ii) 45. 831 are covered by installment agreements which, as of today, are in order with the collections; (iii) 97,000 euros have already been offered in settlement to the Company; and (iv) approximately 40,000 euros are covered by credit notes with payables recognized by the Company.

Preparation criteria

These financial statements have been prepared in abbreviated form as the requirements of art. 2435 bis, 1st paragraph of the Italian Civil Code; therefore, the Management Report has not been prepared. To complete the necessary information it is specified here that pursuant to art. 2428 points 3) and 4) of the Italian Civil Code summons by parent companies owned by the company also through trust companies or third parties and nowhere, nor shares or shares of parent companies were purchased and / or disposed of by the company, during the year, also through of the trust company or third party.

Financial statement figures are expressed in whole Euros by rounding off the relevant amounts to the nearest whole number. Any rounding-off differences was recorded under the item "Euro Rounding-off reserve" included among the Shareholders' equity.

Pursuant to article 2423, paragraph 5 of the Italian Civil Code, the notes were drawn up in thousands of Euro/(inwhole Euros).

The criteria used in the training and evaluation of the budget closed at 3/31/2021 take into account the changes introduced in the national order by D.Lgs. 139/2015, through which the 2013/34/EU Directive was implemented. As a result of D.Lgs. 139/2015, the national accounting standards of IOC have been changed.

Drafting criteria

As this is a company in liquidation, the fundamental assumptions used in drawing up these financial statements are closely linked to the legal and economic function of the procedure. The company's assets become a heterogeneous complex of assets destined for realization and division.

Therefore, the principles of accrual and going concern, prudence and continuity of accounting policies are no longer applicable.

However, the accruals principle retains - albeit modified and attenuated - a limited validity for the recognition of costs for the use of services, for provisions relating to liabilities to be settled and for charges and income.

These postulates make it possible to achieve the primary objective sought, consisting of representing, in a clear and truthful manner, the equity and financial situation of the company.

Exception pursuant to Art. 2423, paragraph 5 of the Italian Civil Code

No exceptional cases have occurred which have made it necessary to adopt the derogations pursuant to article 2423 paragraph 5 of the Italian Civil Code.

Evaluation Criteria

The valuation of the items in the financial statements was carried out in compliance with the principle of prudence and taking into account the Company's dissolution, taking into account, however, the preservation of the value of the company as a function of the best possible realization.

Consequently, (i) the assets are shown at the lower of the book value and the presumed realizable value and (ii) the liabilities at the settlement value.

The liquidation adjustments, consisting of the differences between the operating values and the liquidation values of the assets and liabilities (as well as the values of any new assets and liabilities not previously recorded in the financial statements) give rise to a balance that increases or decreases the amount of book net equity resulting from the directors' report and contribute to forming the initial liquidation net equity.

The establishment of the Fund for liquidation costs and charges has the function of indicating the overall amount of the costs and charges that are expected to be sustained throughout the duration of the liquidation, net of the income that is expected to be earned, which provides coverage, albeit partial, of those costs and charges. the Fund for liquidation costs and charges is shown separately among the liabilities of the initial liquidation financial statements and among the liabilities of all the interim liquidation financial statements, until it is completely extinguished. Its contra-entry is not recorded in the Income Statement, but is instead included in the "Liquidation Adjustments" account (posted to Shareholders' Equity).

Account receivable

Receivables are initially recognised at their estimated realisable value. The nominal value of receivables is adjusted to their estimated realisable value by means of a specific allowance for doubtful accounts.

Account payable

Receivables are recorded at their nominal value, modified on the occasion of returns or invoicing adjustments.

Accrued Income/liabilities

These are determined according to the criterion of actual accrual for the period. For long-term accruals and deferrals, the conditions that determined their original entry were verified, adopting, where necessary, the appropriate changes.

Inventory

There are no inventories

Equity investments

Equity investments held as current assets, which do not constitute long-term investments, are valued at the lower of purchase cost and realizable value, based on market trends, using the specific cost method.

Provisions for risks and charges

These are allocated to cover losses or debts whose existence is certain or likely, but whose amount or date of occurrence could not be determined at the end of the financial year.

In valuing these provisions, the general criteria of prudence and competence were respected, and no generic risk provisions without economic justification were set up.

Contingent liabilities have been recorded in the financial statements and posted to provisions as they are deemed likely and the amount of the related charge can be reasonably estimated.

For the purposes of the liquidation procedure, a “provision for liquidation costs and charges” was set up in 2019, the purpose of which is to indicate the total amount of the costs and charges that are expected to be incurred for the entire duration of the liquidation, net of the income that is expected to be earned, which provides coverage, albeit partial, of those costs and charges. this provision is shown separately among the liabilities in the initial liquidation accounts and among the liabilities in all the interim liquidation accounts, until it is completely extinguished. the contra-entry is shown in a specific item of shareholders’ equity, “Liquidation adjustments”.

Income tax

Taxes are set aside on an accruals basis; they therefore represent provisions for taxes settled or to be settled during the period, determined in accordance with current rates and regulations.

Recognition of income

Revenues from the sale of products are recognized upon transfer of the risks and benefits, which normally takes place upon delivery or shipment of the goods.

Revenues of a financial nature and those deriving from the provision of services are recognized on an accruals basis.

Abbreviate note, assets

Fixed Assets

Variation of fixed assets

	Tangible assets	Total fixed assets
Opening Balance		
Cost	1,78,028	1,78,028
Depreciation (accumulated depreciation)	1,78,028	1,78,028

Tangible fixed assets

	Other tangible assets	Total other tangible assets
Opening Balance		
Cost	1,78,028	1,78,028
Depreciation (accumulated depreciation)	1,78,028	1,78,028

Current assets

Inventory

There are no inventories.

	Value at the beginning of the year	Change in the year
Work in progress and semi-finished products	70,997	(70,997)
Works in progress on ordination	(70,997)	70,997

Credits registered in the current asset

Balance at 31/12/2021	Balance at 31/12/2020	Difference
4,34,044	6,13,229	(1,79,185)

Changes and expiration on current asset

	Opening balance	Change during the year	Year-end value	Falling due within one year
Receivables from customers included in current assets	4,14,422	(1,53,574)	2,62,848	262,848
Tax receivables included in current assets	1,59,760	10,651	1,70,411	1,70,411
Receivables from others included in current assets	37,046	(36,261)	785	785
Total current receivables	**6,13,229**	**(1,79,185)**	**4,34,044**	**4,34,044**

Partition of long-term receivables by geographical area

The partition of receivables at 31/03/2022 by geographical area is shown in the table below.

Geographical area	Italy	Total
Receivables from customers included in current assets	2,62,848	2,62,848
Tax receivables included in current assets	1,70,411	1,70,411
Receivables from others included in current assets	785	785
Total current receivables	**4,34,044**	**4,34,044**

The nominal value of receivables was adjusted by means of a specific allowance for doubtful accounts, which underwent the following movements during the year:

Description	Provision for write-downs pursuant to art. 2426 of the Italian Civil Code	Provision for write-downs pursuant to art. 106 D.P.R. 917/1986	Total
Balance at 31/12/2020	–	14,84,562	14,84,562
Use in the year	–	10,09,979	10,09,979
Provision for exercise	–	–	–
Balance at 31/12/2021	–	**4,74,583**	**4,74.583**

Financial assets not constituting fixed assets

Changes in financial assets not constituting fixed assets

Balance at 31/12/2021	Balance at 31/12/2020	Difference
1	1	–

The only equity investment still in the portfolio is that relating to 100% of the share capital of PMTC Engineering recorded at 1 euro.

A sale or transfer price higher than the book value of 1 euro is expected.

Cash in hand, cash at bank and cash equivalents

Balance at 31/12/2021	Balance at 31/12/2020	Difference
3,09,996	3,40,468	(30,472)

	Opening balance	Change during the year	Year-end value
Bank and postal deposits	3,40,468	(30,472)	3,09,996
Total	**3,40,468**	**(30,472)**	**3,09,996**

The balance reflects the cash-in-hand, cash-at-bank and cash equivalents at the year-end.

Accrued income/prepayments

Balance at 31/12/2021	Balance at 31/12/2020	Difference
–	1,500	(1,500)

They measure income and expenses whose accrual is anticipated or postponed with respect to the numerary and / or documentary manifestation; they are independent of the date of payment or collection of the related income and charges, common to two or more financial years and distributable over time.

Also for these items, the criteria adopted in the valuation and conversion of the values in foreign currency are reduced in the first part of these explanatory notes.

As of 31/12/2021, there are no accruals and checks with a duration of more than five years.

	Opening balance	**Change during the year**	**Year-end value**
Accrued Income	1,500	(1,500)	–
Total	**1,500**	**(1,500)**	**–**

Abbreviate note, liabilities and equity

Net worth

Balance at 31/12/2021	Balance at 31/12/2020	Difference
(5,00,905)	(4,90,449)	(10,456)

The Liquidator, following a careful assessment of the performing management of the liquidation, in consideration of the willingness of the Sole Shareholder to renounce his credit to cover the losses that they may have recognized at the end of the procedure and the possible gain on the sales of the PMTC share Engineering Srl, did not deem it necessary to have any urgent procedure for the reconstitution of the same pursuant to articles 2482 bis and ter of the Civil Code.

		Destination of the previous year's result		
	Opening balance	**Other destinations**	**Operating Income**	**Year-end value**
Share capital	2,64,000	–		2,64,000
Other reserves				
Payments to cover losses	1,500,000	(15,00,000)		–
Various other reserves	(99,999)	99,999		–
Total other reserves	14,00,001	(14,00,001)		–
Reserve for hedging operations of expected cash flows	–	(1,00,000)		(1,00,000)
Profits (losses) carried forward	(15,23,595)	8,69,146		(6,54,449)
Profit (loss) for the year	(6,30,855)	6,30,855	(2,78,741)	(10,455)
Total net worth	**(4,90,449)**	**–**	**(2,78,741)**	**(5,00,904)**

The following table shows the extent of the losses in the years 2020 and 2021 that benefit from the suspension regime in question in relation to total shareholders' equity:

	Balance at 31/12/2021	**Balance at 31/12/2020**
Share capital	2,64,000	264.000
Legal reserve	–	–
Other reserves	(1,00,000)	14,00,001
Profits (losses) of previous years	(6,54,449)	(15,23,595)
Profit (loss) for the year	(10,456)	(6,30,855)
Total net worth	**(5,00,905)**	**(4,90,449)**
of which losses under suspension pursuant to art. 6 DL 23/2020 - financial years 2020 and 2021 (residual)	–	–
Equity excluding losses under suspension	–	–

Availability and use of net worth

The net worth items are thus distinguished according to the origin, possible use, possibility of distribution and use made in the three prior years.

	Amount	**Possibility of use**
Share capital	2,64,000	B
Payments to cover losses	(1,00,000)	B
Profits carried forward	(6,54,449)	A,B
Total	**(4,90,449)**	

KEY: A: for capital increase B: for loss coverage C: for distribution to shareholders D: for other obligations imposed by the By-laws E: more

Changes in the reserve for hedging operations of expected cash flows

The movements in the reserve for hedging operations of expected cash flows are as follows:

	Payments to cover losses
Changes during the year	
Release to the income statement	(1,00,000)
Year-end value	**(1,00,000)**

The negative reserve for Liquidation Adjustments recorded for Euro 100,000 is used as a counter-entry to the Liquidation Charges and will help to determine the value of the residual liquidation assets once the procedure is completed.

Building up and use of net worth items

As provided by article 2427 paragraph 1 no.4 of the Italian Civil Code, the information on the creation and use of shareholders' equity items is provided as follows:

	Share capital	**Legal reserve**	**Reserves**	**Operating result**	**Total**
At the beginning of the previous year	2,64,000	26,760	(2,37,365)	(14,12,989)	(13,59,594)
Allocation of the result for the year					
- dividend allocation					
- other destinations			1	5,91,983	5,91,984
Other changes					
- Increases			15,00,000	8,21,006	23,21,006
- Decreases		26,760	13,86,230		14,12,990
- Reclassifications					
Result of the prior end year				(6,30,855)	
At the prior year-end	2,64,000		(1,23,594)	(6,30,855)	(4,90,449)
Allocation of the result for the year					
- dividend allocation					
- other destinations			(6,30,855)	6,30,855	
Other changes					
- Increases					
- Decreases					
Current year's result				(10,456)	
At the current year end	**2,64,000**	**–**	**(7,54,449)**	**(10,456)**	**(5,00,905)**

Provisions for risks and charges

Balance at 31/12/2021	Balance at 31/12/2020	Difference
52,201	93,357	(41,156)

	Other founds	
Value at the beginning of the year	93,357	93,357
Changes in the year		
Use during the year	41,156	41,156
Total variations	(41,156)	(41,156)
Year-end value	**52,201**	**52,201**

The increases relate to provisions for the year. the decreases relate to uses during the year.

The funds include:

(i) the provision for risks for legal disputes for 5,000 Euro,

(ii) the provision for liquidation charges for 47,201 Euro.

The value of this last item decreased by 27,456 Euros in consideration of its use in the procedure.

In 2014 PMI was sued by Piaggio for violations of the Italian components of European patents and an Italian patent from Piaggio, with particular reference to the Metropolis moped. After a long phase, the CTU definitively decreed in 2017, May that only one of the European patents indicated by Piaggio would have been "violated by the Metropolis scooter". The Court of Milan subsequently pronounced the relative sentence in favor of PMI, challenged by Paggio with a lawsuit pending today before the Milan Court of Appeal.

In light of the indemnity letter received from the Sole Shareholder which confirms that he is holding the Company harmless for any loss potentially deriving from the pending judgment, including legal fees, and that the entire Mahindra Group is also expressly indemnified by PSA for any loss that may arise. from the dispute with Piaggio under the original contract of 2014 by which the scooters branch of the Peugeot group was sold by PSA to the Mahindra Group, the Liquidator decided not to allocate any funds.

The provision for legal disputes for 5,000 euros is exclusively due to the summons of a former employee against the Court of Crotone for dismissal for justified reason which occurred in 2019. While deeming the former employee's claims unfounded, the Company has prudently allocated a provision for Euro 5,000 also in relation to the costs of the judgment. This estimate was confirmed to be fair by the lawyer appointed by the Company.

Account payable

Balance at 31/12/2021	Balance at 31/12/2020	Difference
11,92,744	13,52,290	(1,59,546)

Variations and expiration date of payables

Payables' expiration date is divided as follows:

	Value at the beginning of the year	**Changes in the year**	**Value at the end of the year**	**Portion due within one year**
Down payments	–	1,490	1,490	1,490
Payable accounts to suppliers	1,21,268	(38,895)	82,373	82,373
Payables to parent companies	12,10,659	(1,19,207)	1.091.452	10,91,452
Taxes payable	4,186	(500)	3.686	3,686
Accounts payable to social security institutions	59	59	59	59
Other payable accounts	16,119	(2,435)	13,684	13,684
Total	**13,52,290**	**(1,59,547)**	**1,1,92,744**	**11,92,744**

Payables longer than five years and payables secured by collateral on corporate assets

	Debts not backed by collateral	**Total**
Amount	11,92,744	11,92,744

	Debts not backed by collateral	**Total**
Down payment	1,490	1,490
Payable accounts to suppliers	82,373	82,373
Payables to parent companies	10,91,452	10,91,452
Tax payables	3,686	3,686
Payables to social security and social security institutions	59	59
Other payable accounts	13,684	13,684
Total	**11,92,744**	**11,92,744**

Abbreviate note, income statement

Production value

Balance at 31/12/2021	Balance at 31/12/2020	Difference
1,48,243	1,65,555	(17,312)

Description	**31/12/2021**	31/12/2020	Difference
Revenues, sales and services		14,220	(14,220)
Other income	**1,48,243**	1,51,335	(3,092)
Total	**1,48,243**	1,65,555	(17,312)

Revenues from sales and services are mainly linked to the use of funds and are divided among others as follows:

(i) Euro 13,700 use of the Contest fund as the expenses amounted to Euro 8,000, duly recorded among the costs

(ii) € 100,000 for the partial release of the Provision for bad debts in light of the receipts recorded in 2021 and in the first quarter of 2022.

Production costs

Balance at 31/12/2021	Balance at 31/12/2020	Difference
158.697	796.367	(637.670)

Description	**31/12/2021**	31/12/2020	Difference
Raw materials, subsidiary materials and goods		171	(171)
Services	**1,49,866**	1,63,328	(13,462)
Rent/lease	**278**	25,512	(25,234)
Salaries and wages			
Social security contributions			
Employees' severance pays			
Amortization of intangible assets			
Depreciation of tangible assets			
Other write-downs of fixed assets			
Writedowns of current assets		5,36,637	(5,36,637)
Change in inventories of raw materials			
Provisions for risks			
Other provisions			
Miscellaneous running costs	**8,553**	70,719	(62,166)
Total	**1,58,97**	7,96,367	(6,37,670)

Financial income and expenses

Balance at 31/12/2021	Balance at 31/12/2020	Difference
(2)	(43)	41

Description	31/12/2021	31/12/2020	Difference
From participation			
From receivables recorded in fixed assets			
From securities held in fixed assets			
From securities recognized in current assets			
Income other than the above		33	(33)
(Interest and other financial charges)	**(2)**	(76)	74
Exchange gains (losses)			
Total	**(2)**	(43)	41

Income taxes, current, deferred and prepaid

No taxes are due for the year ended December 31, 2021.

	Current year		Previous exercise	
	Amount	Tax rate	Amount	Tax rate
Tax losses				
current year	1,39,185		60,763	
previous exercises	9,82,726		9,21,963	
Total tax losses	11,21,911		9,82,726	
Tax losses carried forward recoverable with reasonable certainty	–	24,00%	–	24,00%

Abbreviate note, other information

Employee information

The company has no employees in force.

Remuneration, advances and credits granted to directors and statutory auditors and commitments undertaken on their behalf

	Administrators	Mayors
Remuneration	27,456	1,170

These are fees for the liquidator and for the statutory auditors.

Remuneration to the statutory auditor or auditing company

Pursuant to the law, the fees pertaining to the service for the services rendered by the statutory auditor or by the statutory auditing company and by entities belonging to its network are highlighted.

Information on transactions with related parties

The company has not carried out any transactions with related parties, with the exception of the payment of previous invoices to the Sole Shareholder PMTC S.A.S.

In the course of 2021 the Credit of the Sole Shareholder Peugeot Motocycles S.A.S. it went from Euro 1,210,659 at 31 December 2020 to Euro 1,091,452 at 31 December 2021 due to the following reasons:

A. Payments from PMI to PMTCE for PMTCE credits towards PMTC for Euro 40,315;

B. Payments from PMI to PMTC for Euro 78,892.

Information on significant events occurring after the close of the financial year

There are no significant events, the positive credit recovery trend settled.

The effects of the war in Ukraine, as well as those of the pandemic, appear to be entirely marginal.

Companies drafting the consolidated financial statements of the smallest group of companies to which it belongs as a subsidiary

Pursuant to the relevant Italian law, the information pursuant to article 2427 paragraph 1, no. 22 sexies of the Italian Civil Code.

It should be noted that Peugeot Motocycles S.A. exercises management and coordination activities.

Summary of the financial statements of the company exercising management and coordination activities.

	Smaller set
Company name	Peugeot Motocycle SAS
City (if in Italy) or foreign state	103, Rue du 17 Novembre - Valentigney Cedex - Francia
Place of filing of a copy of the consolidat-ed financial statements	103, Rue du 17 Novembre - Valentigney Cedex - Francia

The parent company is called MAHINDRA & MAHINDRA LIMITED with registered office in Gateway Building – Apollo Bunder Mumbai (India).

Summary of the financial statements of the company exercising management and coordination activities.

Summary statement of financial position of the company exercising management and coordination activities

		Last FY	Previous FY
Date of last approved Balance Sheet		31/12/2020	31/12/2019
B)	Fixed assets	1,06,93,855	33,72,410
C)	Current assets	4,99,20,083	5,60,14,305
Total assets		6,08,02,211	5,93,86,715
A)	Net worth		
	Share capital	2,09,93,360	49,93,360
	Reserve	4,52,385	452,376
	Profit (loss) for the year	(52,99,097)	(2,94,03,973)
	Total net worth	(1,32,57,334)	(2,39,58,237)
B)	Provisions for risks and charges	57,42,928	99,54,918
D)	Payables	6,81,92,659	7,33,90,034
Total liability		6,08,02,211	5,93,86,715

Summary income statement of the company exercising management and coordination activities

		Last FY	Previous FY
Date of last approved Balance Sheet		31/12/2020	31/12/2019
A)	Value of production	10,41,42,934	10,71,09,309
B)	Costs of production	11,50,18,180	13,54,18,184
C)	Financial income and expenses	(18,10,062)	(15,93,745)
Income taxes for the year		(52,99,097)	(2,94,03,973)

Information ex. art. 1, paragraph 125, of law no. 124

In relation to the provisions of art. 1, paragraph 125, of Law 124/2017, regarding the obligation to highlight in the supplementary note any sums of money received during the year by way of grants, contributions, paid assignments and in any case economic advantages of any kind from public administrations and by the subjects referred to in paragraph 125 of the same article, the Company certifies that it has not received any sum for this purpose.

Proposal to allocate profits or to cover losses

It has been proposed to the Shareholders' Meeting to carry forward the loss for the year equal to Euro (10,456).

This explanatory note has been prepared in accordance with the provisions of the Italian Civil Code and accounting principles. In order to comply with the publication obligations within the Companies' Register, once approved, it will be converted into XBRL format; therefore, some formal changes may be required to make this note compatible with the format for filing.

These Financial Statements, consisting of the Balance Sheet, the Income Statement and the Notes to the financial statements, truthfully and correctly represent the equity and financial situation as well as the economic result for the year and correspond to the accounting records.

The Liquidator
Antonio Diso

Statement of compliance of the Financial Statements

The undersigned Antonio Diso enrolled in the Register of Chartered Accountants and Bookkeeping Experts of Rome at no. AA_008606 as the person charged by the Company, pursuant to art. 31, paragraph 2-quinquies of law 340/2000, declares that the electronic document (in xbrl format) including the balance sheet, the profit and loss account, the explanatory notes, all of which comply with the original documents filed with the Company.

Date, 28/04/2022

INDEPENDENT AUDITORS' REPORT

To the Shareholder of the Company PMTC ENGINEERING S.r.l.

Voluntary Audit Report Limited to the Financial Statements

Opinion

We have conducted a voluntary and limited audit to the attached financial statements for PMTC ENGINEERING S.r.l. (the Company), which comprise the Balance Sheet for the year ending 31 March 2022, the Profit and Loss Account for the year ending on the same date and the Explanatory Notes to the Financial Statements.

In our opinion, taking into account the fact that the Financial Statements for the year ending 31 March 2022 are a voluntary and audit limited, the matters discussed in the paragraph on disclosure give a true and fair view of the Company's financial position, the results of its operations and its cash flows for the year ending on the same date in compliance with the Italian provisions governing the criteria for their preparation.

Basis for our opinion

We have conducted our voluntary limited audit in accordance with International Standards on Auditing (ISA Italy). Our responsibilities under those standards are further described in the section Independent Auditors' Responsibilities for the Voluntary Auditing of the Financial Statements indicated in this report. This is restricted to the fact that this is a voluntary, limited audit and that the Board of Statutory Auditors is responsible for conducting the statutory audit. In accordance with the rules of ethics and the rules and principles on independence applied by Italian law to the auditing of financial statements, we are independent of the Company. We believe that we have obtained sufficient and appropriate evidence on which to base our opinion.

The Directors' and the Board of Statutory Auditors' responsibility for the financial statements

Within the limits of the law, the directors are responsible for drafting financial statements that give a true and fair view, in accordance with the provisions of Italian law governing the criteria for the drafting thereof, and for conducting those internal checks required for drafting financial statements free from material misstatements, whether due to fraudulent or unintentional conduct or events. The directors are responsible for assessing the Company's ability to continue as a going concern. In preparing the financial statements, they are also responsible for the appropriateness of the use of the going concern assumption, as well as for making adequate disclosures in relation thereto. Directors use the accounting going concern basis when preparing financial statements unless they are of the opinion that there are the conditions for winding up the Company or discontinuing operations or they have no realistic alternative to those choices. The Board of Statutory Auditors, which carries out the statutory audit, is also responsible for supervising, within the terms of the law, the process of preparing the Company's financial reports.

Auditor's responsibility for the voluntary audit limited to the financial statements

Our objectives are to obtain reasonable assurances, within the limits of our work, that the financial statements taken as a whole are free from material misstatements, whether due to fraudulent or unintentional conduct or events, and issue a limited, voluntary, non-statutory audit report that includes our opinion.

Disclosure

The sole shareholder, Peugeot Motocycles Italia S.r.l., has been placed in voluntary liquidation. The continuation of the assumption of business continuity for PMTCE is linked to the support that PMTCE or its shareholders will be able to provide, who shall conduct all of the necessary activities, including ones of a financial nature, so as to allow the cost rationalisation phase to be completed and all of the stakeholders to be satisfied.

Other information

This voluntary, limited audit report has been issued for the purpose of providing information to Peugeot Motocycles S.A. Therefore, this non-statutory report cannot be used for any other purpose and cannot be distributed to others without our consent. This report cannot be filed with public authorities as it has no legal value.

Rome, May 16th, 2022

RB AUDIT Italia

Roberto Mallardo
Partner

Companies Registry registration no. 11736751006
Chamber of Commerce (REA) reg. no. RM1324589

PMTC ENGINEERING S.P.A.

Company subject to the control and coordination of Peugeot Motocycles S.A.
Registered Office at VIA DEL BABUINO, 51 - 00187 ROMA (RM) Share Capital 1.00000 i.v.

BALANCE SHEET

Balance sheet	31/03/2022	31/03/2021
Asset		
B) Fixed Assets		
I - Intangible Assets	**463**	7,442
II - Tangible Assets	**286,026**	505,323
III - Financial Assets	**1,999**	1,999
Total Assets (B)	**288,488**	514,764
C) Current Assets		
I - Inventory	**73,692**	76,492
II - Account receivables		
due within the next fiscal year	**309,062**	347,571
Total receivables	**309,062**	347,571
IV - Cash in hand, cash at bank and cash equivalents	**1,605**	9,805
Total current assets (C)	**384,359**	433,868
D) Accrued income/prepayments	**1,162**	8,006
Total assets	**674,009**	956,638
Liabilities		
A) Net worth		
I - Share capital	**100,000**	100,000
IV - Legal reserve	**10,039**	10,039
VI - Other reserves	**704,947**	1,151,001
IX - Profit (loss) for the year	**(278,741)**	(446,053)
Total shareholders' net worth	**536,245**	814,987
C) Employee severance pay	**–**	303
D) Account payables		
due within the next financial year	**90,564**	133,600
due beyond the next financial year	**47,200**	–
Total accounts payable	**137,764**	133,600
E) Accrued liabilities and deferred income	**–**	7,748
Total liabilities	**674,009**	956,638

INCOME STATEMENT

Income statement	31/03/2022	31/03/2021
A) Production value		
1) revenues from sales and services	**21,272**	152,728
5) Other revenues and income		
operating grants	**–**	10,659
other	**135,257**	3,931
Total value of production	**156,529**	167,318
B) Production costs		
6) for raw materials, consumables and goods	**287**	10,462
7) for services	**115,638**	133,020
8) for use of third party assets	**33,286**	37,462
9) for personnel		
(a) wages and salaries	**33,913**	95,106
(b) social security charges	**11,308**	27,579
(c) employees' severance pay	**1,643**	7,245
(e) other costs	**–**	–
Total personnel costs	**46,864**	129,930
10) depreciation and amortisation		
(a) amortisation of intangible assets	**15,618**	26,479
(b) amortization of tangible assets	**204,048**	221,189
Total depreciation and amortisation	**219,666**	247,668
11) changes in inventories of raw, ancillary and consumable materials and goods	**2,800**	–
14) different management charges	**16,729**	54,829
Total production costs	**435,270**	613,371
Profit before tax (A - B)	**(278,741)**	(446,053)
21) Profit (loss) for the year	**(278,741)**	(446,053)

NOTES TO THE FINANCIAL STATEMENTS AT 31/03/2022

Introduction

Dear Members/Shareholders,

These financial statements, submitted to you for your examination and approval, show a profit (loss) for the year of Euro (278.741).

Area of Business

Your Company carries out its activity in the field of overhaul of motorcycle engines for inspection tests.

Major events occurred during the Company's fiscal year

No significant events occurred during the year

Preparation criteria

These financial statements have been prepared in abbreviated form as the requirements of art. 2435 bis, 1st paragraph of the Italian Civil Code; therefore, the Management Report has not been prepared. To complete the necessary information it is specified here that pursuant to art. 2428 points 3) and 4) of the Italian Civil Code summons by parent companies owned by the company also through trust companies or third parties and nowhere, nor shares or shares of parent companies were purchased and / or disposed of by the company, during the year, also through of the trust company or third party.

Financial statement figures are expressed in whole Euros by rounding off the relevant amounts to the nearest whole number. Any rounding-off differences was recorded under the item "Euro Rounding-off reserve" included among the Shareholders' equity. Pursuant to article 2423, paragraph 5 of the Italian Civil Code, the notes were drawn up in thousands of Euro/(inwhole Euros).

The criteria used in the training and evaluation of the budget closed at 3/31/2021 take into account the changes introduced in the national order by D.Lgs. 139/2015, through which the 2013/34/EU Directive was implemented. As a result of D.Lgs. 139/2015, the national accounting standards of IOC have been changed.

Drafting criteria

The evaluation of the budget items was made on the condition of general criteria of prudence and competence, with a view to continuing the activity. This last principle is verified by the Directors who, while aware of the liquidation status initiated by the parent company Peugeot Motocycles Italia Srl, in consideration of the non-existence of management and coordination activities and the circumstance that the Company has carried out in the year just ended ordinary business activities also confirm the ordinary course of business for the following year. The application of the principle of prudence involved the individual assessment of the elements making up the individual items or items of the assets or liabilities, to avoid offsetting losses that had to be recognized and profits not to be recognized as unrealized.

In compliance with the accrual principle, the effect of the transactions and other events has been recognized in the accounts and attributed to the financial year, which these transactions and events refer to, and not to the one in which the related numerical movements materialize (collections and payments).

Pursuant to the principle of materiality, the recording, valuation, presentation and reporting obligations have not been complied with, in case conformance thereto would have been immaterial for the purposes of a true and fair view of the position.

Financial statement items have been recorded and presented having regard to the substance of the underlying transaction or contract.

Exception pursuant to Art. 2423, paragraph 5 of the Italian Civil Code

No exceptional cases have occurred which have made it necessary to adopt the derogations pursuant to article 2423 paragraph 5 of the Italian Civil Code.

Evaluation Criteria

Fixed assets

Intangible assets

These have been recorded at their historical purchase cost net of the relevant yearly amortization charged to the individual items.

Start-up, expansion and development costs with long-term utility are posted among the assets; start-up and expansion costs are amortized over a period not exceeding five years.

development costs are systematically amortized in accordance with their useful life: in exceptional cases where their useful life cannot be reliably estimated, they are amortized over a period not exceeding five years.

Leasehold improvements are amortized at rates depending on the duration of the contract.

In the event that, regardless of the depreciation booked, a permanent loss of value occurs, the fixed assets are depreciated accordingly. If in the following years the reasons for the write-down cease to exist, the original value, adjusted by depreciation, is restored.

Tangible Assets

These have been recorded at their purchase cost and are adjusted by the relevant accumulated depreciation.

The book value includes any ancillary costs and the costs incurred for the use of the asset, less any trade discounts and any significant cash discounts.

Depreciation, charged to the Income Statement, has been calculated on the basis of the criterion of the residual useful life of the assets, taking into account their use, destination and economic-technical duration. We believe this criterion to be well represented by the following rates, which have remained unchanged with respect to the previous year and are reduced by half in the year the asset comes into service:

Type of immobilization	% Depreciation
plants and machinery	15%
equipments	15%
furnitures and fittings	12%
security system	30%
cars	25%
office and electronic machines	25%

In the event that, regardless of the depreciation booked, a permanent loss of value occurs, the fixed assets are depreciated accordingly. If in the following years the reasons for the write-down cease to exist, the original value, adjusted by depreciation, is restored.

Account receivable

The initial recognition of the receivable is made at estimated realizable value.

Receivables are derecognized when the contractual rights to the cash flows deriving from the receivable are extinguished or in the event that all risks inherent in the loan being disposed of have been transferred.

Account payable

Payables are reported at their nominal value, modified on the occasion of returns or invoicing adjustments.

Accrued Income/liabilities

These have been determined on an accrual basis.

Inventory

Raw materials, auxiliaries and finished goods are entered at the lower cost between the cost of purchase or production cost and realizable value inferable from market trends, applying the specific cost.

Provision for employees' severance pay

It represents the actual accrued amount in favor of employees pursuant to Italian law and current collective bargaining agreements, taking into account any element of remuneration paid on a continuous basis.

The provision includes the total payments accrued for employees at the year-end net of any advances paid, and assuming termination of their employment relationship at such date.

Income tax

The provision for taxes has been set aside on an accruals basis and includes accruals in respect of the taxes paid or to be paid for the year, determined at the current rates and in accordance with the rules in force.

Recognition of income

Proceeds from sales are recognized at the time of the transfer of ownership which usually coincides with the delivery or forwarding of the goods.

Financial income and income from the provision of services is recognized on an accruals basis.

Other information

The Company, as required by Legislative Decree no. 14/2019 (Code of the crisis and corporate insolvency), adopts an organizational, administrative and accounting structure appropriate to the nature of the company also in function of the timeliness of the business crisis and the taking of suitable initiatives.

Abbreviate note, assets

Fixed assets

Variation of fixed assets

	Intangible assets	Tangible assets	Financial assets	Total fixed assets
Opening Balance				
Purchase value	216,413	1,477,801	1,999	1,696,213
Accumulated amortization	208,971	972,478	–	1,181,449
Balance at	7,442	505,323	1,999	514,764
Changes during the year				
Increases for acquisitions	8,640	(15,250)	–	(6,610)
Amortization for the year	15,618	204,048	–	219,666
Total changes	(6,979)	(219,297)	–	(226,276)
Closing balance				
Purchase value	216,414	1,406,211	1,999	1,624,624
Depreciation (Depreciation Fund)	215,951	1,120,166	–	1,336,137
Balance at	463	286,026	1,999	288,488

Intangible fixed assets

Balance at 31/03/2022	Balance as at 31/03/2021	Difference
463	7,442	(6.979)

Variations of intangible assets

	Start-up and expansion costs	Development costs	Industrial patent rights and intellectual property rights	Other intangible assets	Total intangible assets
Opening Balance					
Purchase Value	2,313	147,500	27,500	39,100	216,413
Accumulated amortization	1,388	147,500	27,500	32,583	208,971
Balance at	925	–	–	6,517	7,442
Changes during the year					
Increases for acquisitions	1	8,639	–	–	8,640
Amortization for the year	463	8,639	–	6,517	15,618
Total changes	(462)	–	–	(6,517)	(6,979)
Closing balance					

	Start-up and expansion costs	Development costs	Industrial patent rights and intellectual property rights	Other intangible assets	Total intangible assets
Purchase Value	2,314	147,500	27,500	39,100	216,414
Depreciation (Depreciation Fund)	1,851	147,500	27,500	39,100	215,951
Balance at	463	–	–	–	463

Tangible fixed assets

Balance at 31/03/2022	Balance as at 31/03/2021	Difference
286,026	505,323	(219,297)

Variations of tangible fixed assets

	Plant and machinery	Industrial and commercial equipment	Other tangible fixed assets	Total tangible fixed assets
Opening balance				
Purchase Value	1,320,510	72,013	85,278	1,477,801
Accumulated amortization	841,474	54,081	76,923	972,478
Balance at	479,036	17,932	8,355	505,323
Changes during the year				
Increases for acquisitions	(4,700)	(10,550)	–	(15,250)
Amortization for the year	192,537	6,326	5,185	204,048
Total changes	(197,237)	(16,876)	(5,185)	(219,297)
Closing balance				
Purchase Value	1,320,509	10,564	75,138	1,406,211
Accumulated amortization	1,038,710	9,508	71,968	1,120,186
Closing balance	281,799	1,056	3,170	286,026

Financial fixed assets

Balance at 31/03/2022	Balance as at 31/03/2021	Difference
1,999	1,999	

Changes and expiration date of long-term receivables

	Opening balance	Year-end value	Falling due within one year
Long-term receivables from others	1,999	1,999	1,999
Total long-term receivables	**1,999**	**1,999**	**1,999**

Partition of long-term receivables by geographical area

The partition of receivables at 31/03/2022 by geographical area is shown in the table below.

Geographical area	Long-term receivables from others	Total long-term receivables
Italy	1,999	1,999
Total	**1,999**	**1,999**

Current assets

Inventory

Balance at 31/03/2022	Balance as at 31/03/2021	Difference
73,692	76,492	

The evaluation criteria adopted did not change with respect of the previous fiscal year and explained in the opening section of these Notes to the Financial Statement.

Credits registered in the current asset

Balance at 31/03/2022	Balance as at 31/03/2021	Difference
309,062	347,571	(38,509)

Changes and expiration on current asset

	Opening balance	Change during the year	Year-end value	Falling due within one year
Receivables from customers included in current assets	32,970	(17,728)	15,242	15,242
Tax receivables included in current assets	312,790	(20,781)	292,009	292,009
Receivables from others included in current assets	1,500	311	1,811	1,811
Total current receivables	**347,571**	**(38,509)**	**309,062**	**309,062**

Tax credits include IRES credits for 10,000 Euro, IRAP credits for 15,000 Euro, VAT credits for 250,447 Euro and withholding tax credits for 16,562 Euro.

Partition of long-term receivables by geographical area

The partition of receivables at 31/03/2022 by geographical area is shown in the table below.

Geographical area	Italy	Total
Receivables from customers included in current assets	15,242	15,242
Tax receivables included in current assets	292,009	292,009
Receivables from others included in current assets	1,811	1,811
Total current receivables	**309,062**	**309,062**

Cash in hand, cash at bank and cash equivalents

Balance at 31/03/2022	Balance as at 31/03/2021	Difference
1.605	9.805	(8.200)

	Opening balance	Change during the year	Year-end value
Bank and postal deposits	8,531	(8,199)	332
Cash and other valuables on hand	1,273	–	1,273
Total cash and cash equivalents	**9,805**	**(8,200)**	**1,605**

The balance reflects the cash-in-hand, cash-at-bank and cash equivalents at the year-end.

Accrued income/prepayments

Balance at 31/03/2022	Balance as at 31/03/2021	Difference
1,162	8,006	(6,844)

Accrued income and prepaid expenses measure income and expenses which accrual of is anticipated or deferred with respect to the numerical manifestation and/or they are irrespective of the date of payment or collection of the related income and charges, common to two or more of the following exercises and time allocable.

As at 31/03/2022, there are no accruals or deferrals with a duration of more than five years.

	Opening balance	Change during the year	Year-end value
Accrued Income	8,006	(6,844)	1,162
Total	**8,006**	**(6,844)**	**1,162**

Abbreviate note, liabilities and equity

Net worth

Balance at 31/03/2021	Balance as at 31/03/2020	Variations
536,245	814,987	(278,742)

Variations in net worth's items

	Opening balance	Destination of the previous year's result Other destinations	Operating Income	Year-end value
Share capital	100,000	–		100,000
Legal reserve	10,039	–		10,039
Other reserves				
Extraordinary reserve	915,868	(210,921)		704,947
Payments to cover losses	235,132	(235,132)		–
Total various other reserves	1	1		–
Total other reserves	1,151,001	(446,054)		704,947
Profit (loss) for the year	(446,053)	446,053	(278,741)	(278,741)
Total	**814,987**	**1**	**(278,741)**	**536,245**

Availability and use of net worth

The net worth items are thus distinguished according to the origin, possible use, possibility of distribution and use made in the three prior years.

	Amount	Possible uses
Share Capital	100,000	B
Legal reserve	10,039	A,B
Other reserves		
Extraordinary reserve	704,947	A,B,C,D
Total	**814,986**	

KEY: A: for capital increase B: for loss coverage C: for distribution to shareholders D: for other obligations imposed by the By-laws E: more

Building up and use of net worth items

As provided by article 2427 paragraph 1 no.4 of the Italian Civil Code, the information on the creation and use of shareholders' equity items is provided as follows:

	Share capital	Legal reserve	Reserves	Operating result	Total
At the beginning of the previous year	1,251,000	12,551	358,957	(361,469)	1,261,039
Allocation of the result for the year					
– dividend allocation					
– other destinations			1	446,053	446,054
Other changes					
– Increases			792,043		792,043
– Decreases	1,151,000	2,512		84,584	1,238,096
Reclassifications					
Result of the prior end year				(446,053)	
At the prior year-end	100,000	10,039	1,151,001	(446,053)	814,987
Allocation of the result for the year					
– dividend allocation					

	Share capital	Legal reserve	Reserves	Operating result	Total
– other destinations			(446,054)	446,053	(1)
Other changes					
– Increases					
– Decreases					
Current year's result				(278,741)	
At the current year end	100,000	10,039	704,947	(278,741)	536,245

Employees' severance pay

Balance at 31/03/2022	Balance as at 31/03/2021	Difference
–	303	(303)

	Severance pay
Value at the beginning of the year	303

	Severance pay
Changes in the year	
Provision in the year	303
Use during the year	(303)

Accounts payable

Balance at 31/03/2022	Balance at 31/03/2021	Difference
137,764	133,600	4,164

Variations and expiration date of payables

Payables' expiration date is divided as follows.

	Value at the beginning of the year	Changes in the year	Value at the end of the year	Portion due within one year	Portion due beyond the year
Payables to banks	–	(13)	(13)	(13)	–
Payable accounts to suppliers	41,999	45,492	87,491	87,491	–
Payables to parent companies	77,107	(29,907)	47,200	–	47,200
Taxes payable	3,033	(2,911)	122	122	–
Accounts payable to social security institutions	6,434	(3,470)	2,964	2,964	–
Other payable accounts	5,028	(5,028)	–	–	–
Total	**133,600**	**4,164**	**137,764**	**90,564**	**47,200**

Payables longer than five years and payables secured by collateral on corporate assets

Amount	Debts not backed by collateral	Total
	137,764	137,764

	Unsecured debts	Total
Payables to banks	(13)	(13)
Payable accounts to suppliers	87,491	87,491
Payables to parent companies	47,200	47,200
Tax payables	122	122
Payables to social security and social security institutions	2,964	2,964
Total	**137,764**	**137,764**

Accrued expenses and deferred income

Balance at 31/03/2022	Balance as at 31/03/2021	Variations
–	7,748	(7,748)

	Value at the beginning of the year	Value at the end of the year
Accrued expenses	7,748	(7,748)
Total	**7,748**	**(7,748)**

They represent the liaison items of the financial year calculated on an accrual basis.

Abbreviate note, income statement

Production value

Balance at 31/03/2022	Balance as at 31/03/2021	Difference
156.529	167.318	(10.789)

Description	31/03/2022	31/03/2021	Difference
Revenues, from sales and services	21,272	152,728	(131,456)
Other income	135,257	14,590	120,667
Total	**156,529**	**167,318**	**(10,789)**

Partition of sales and services revenues by business category

Activities	Current value
Sales	13,835
Provision of services	7,437
Total	**21,272**

Partition of revenues from sales and services by geographical area

Geographical area	Current year value
Italy	13,835
UE	7,437
Total	21,272

Production costs

Balance at 31/03/2022	Balance as at 31/03/2021	Difference
435,270	613,371	(178,101)

Description	31/03/2022	31/03/2021	Variations
Raw materials, subsidiary materials and goods	287	10,462	(10,175)
Services	115,638	133,020	(17,382)
Rent/lease	33,286	37,462	(4,176)
Salaries and wages	33,913	95,106	(61,193)
Social security contributions	11,308	27,579	(16,271)
Employees' severance pays	1,643	7,245	(5,602)
Amortization of intangible assets	15,618	26,479	(10,861)
Depreciation of tangible assets	204,048	221,189	(17,141)
Change in inventories of raw materials	2,800	–	2,800
Miscellaneous running costs	16,729	54,829	(38,100)
Total	**435,270**	**613,371**	**(345,269)**

Costs for raw materials, ancillary materials, consumables and goods and costs for services

They are closely related to the performance of point A (production value) of the income statement.

Personnel Costs

The item includes the entire expense for employees including improvements in merit, category changes, contingency shots, cost of unused holidays and provisions of law and collective agreements.

Depreciation of tangible fixed assets

With regard to depreciation, it is specified that they have been calculated on the basis of the useful life of the asset and its exploitation in the production phase.

Abbreviate note, other information

Employee information

The average company workforce, broken down by category, has undergone the following changes compared to the previous year.

Organico	31/03/2022	31/03/2021	Difference
Executives			
Directors			
Employees	**0**	2	(2)
Workers			
Others			
Total	**0**	**2**	**(2)**

Companies drafting the consolidated financial statements of the smallest group of companies to which it belongs as a subsidiary

Pursuant to the relevant Italian law, the information pursuant to article 2427 paragraph 1, no. 22 sexies of the Italian Civil Code are highlighted as follows:

	Smaller set
Company name	Peugeot Motocycle SAS
City (if in Italy) or foreign state	103, Rue du 17 Novembre - Valentigney Cedex - Francia
Place of filing of a copy of the consolidated financial statements	103, Rue du 17 Novembre - Valentigney Cedex - Francia

The parent company is called MAHINDRA & MAHINDRA LIMITED with registered office in Gateway Building – Apollo Bunder Mumbai (India).

Information on derivative financial instruments pursuant to Art. 2427-bis of the Italian Civil Code

The Company has no derivative financial instruments.

Summary of the financial statements of the company exercising management and coordination activities.

Summary of the balance sheet of the company exercising management and coordination activities

	Last FY	Previous FY
Date of last approved Balance Sheet	31/12/2020	31/12/2019
B) Fixed assets	10,693,855	3,372,410
C) Current assets	49,920,083	56,014,305
Total assets	60,802,211	59,386,715
A) Net worth		
Share Capital	20,993,360	4,993,360
Reserves	452,385	452,376
Profit (loss) for the year	(5,299,097)	(29,403,973)
Total net worth	(13,257,334)	(23,958,237)
B) Provisions for risks and charges	5,742,928	9,954,918
D) Payables	68,192,659	73,390,034
Total liability	60,802,211	59,386,715

Summary of the income statement of the company exercising management and coordination activities

	Last FY	Previous FY
Date of last approved Balance Sheet	31/12/2020	31/12/2019
A) Value of production	104,142,934	107,109,309
B) Costs of production	115,018,180	135,418,184
C) Financial income and expenses	(1,810,062)	(1,593,745)
Income taxes for the year	(5,299,097)	(29,403,973)

Proposal to allocate profits or to cover losses

It has been proposed to the Shareholders' Meeting to entirely cover the loss for the year of Euro (278,741) with the extraordinary reserve.

This explanatory note has been prepared in accordance with the provisions of the Italian Civil Code and accounting principles. In order to comply with the publication obligations within the Companies' Register, once approved, it will be converted into XBRL format; therefore, some formal changes may be required to make this note compatible with the format for filing.

These Financial Statements, consisting of the Balance Sheet, the Income Statement and the Notes to the financial statements, truthfully and correctly represent the equity and financial situation as well as the economic result for the year and correspond to the accounting records.

Chairman of the Board of Directors

Wakankar Prakash Gopal

Statement of compliance of the Financial Statements

The undersigned Antonio Diso enrolled in the Register of Chartered Accountants and Bookkeeping Experts of Rome at no. AA_008606 as the person charged by the Company, pursuant to art. 31, paragraph 2-quinquies of law 340/2000, declares that the electronic document (in xbrl format) including the balance sheet, the profit and loss account, the explanatory notes, all of which comply with the original documents filed with the Company.

Date, 28/04/2022

INDEPENDENT AUDITOR'S REPORT

Board of Directors

Mahindra Tractor Assembly, Inc.

Opinion

We have audited the accompanying financial statements of **Mahindra Tractor Assembly, Inc.** ('the Company') which comprise of balance sheets as of March 31, 2022 and March 31, 2020 and the related statements of loss, stockholder's deficit and cash flows for the years then ended and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of March 31, 2022, and March 31, 2021, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Other matter

The presentation of financial information in Indian rupees in the financial statements is not a required part of the basic financial statements. We have verified the arithmetic accuracy of the presentation based upon the exchange rate provided by the Company's management. We did not audit and do not express an opinion on such information. Our opinion is not modified with respect to this matter.

Responsibilities of management for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a period of twelve months from the date the financial statements are issued.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal controlrelated matters that we identified during the audit.

KNAV P.A.
Atlanta, Georgia
May 16, 2022

BALANCE SHEETS

	As at March 31, 2022		As at March 31, 2021	
	USD	**INR**	USD	INR
ASSETS				
Current assets				
Cash and cash equivalents	**154,172**	**11,673,904**	1,168,069	88,446,185
Accounts receivable, net of allowances	**8,637**	**653,994**	212,000	16,052,640
Due from related party	**25,000**	**1,893,000**	–	–
Total current assets	**187,809**	**14,220,898**	1,380,069	104,498,825
Total assets	**187,809**	**14,220,898**	1,380,069	104,498,825
LIABILITIES AND STOCKHOLDER'S DEFICIT				
Current liabilities				
Accounts payable	**108,797**	**8,238,109**	118,527	8,974,864
Due to related party	**143,312**	**10,851,585**	288,105	21,815,311
Other current liabilities	**1,443,865**	**109,329,458**	1,748,543	132,399,677
Total current liabilities	**1,695,974**	**128,419,152**	2,155,175	163,189,852
Total liabilities	**1,695,974**	**128,419,152**	2,155,175	163,189,852
Stockholder's deficit				
Common stock of $ 0.2 par value 600,000,000 shares authorized (March 31, 2021: 600,000,000 shares authorized) and 550,121,425 shares issued (March 31, 2021: 546,526,425 shares issued and outstanding	**110,024,285**	**8,331,038,860**	109,305,285	8,276,596,180
Additional paid in capital	**401,449**	**30,397,718**	401,449	30,397,718
Accumulated deficit	**(111,933,899)**	**(8,475,634,832)**	(110,481,840)	(8,365,684,925)
Total stockholder's deficit	**(1,508,165)**	**(114,198,254)**	(775,106)	(58,691,027)
Total liabilities and stockholder's deficit	**187,809**	**14,220,898**	1,380,069	104,498,825

(The accompanying notes are an integral part of these financial statements)

STATEMENTS OF LOSS

	For the year ended			
	March 31, 2022		March 31, 2021	
	USD	**INR**	USD	INR
Operating revenue, net of returns and discounts	**21,486**	**1,626,920**	1,790,112	135,547,281
Total operating revenue	**21,486**	**1,626,920**	1,790,112	135,547,281
Cost of goods sold	**18,764**	**1,420,810**	3,840,389	290,794,255
Gross profit(loss)	**2,722**	**206,110**	(2,050,277)	(155,246,974)
Expenses				
Salaries and employee benefits	**548,691**	**41,546,883**	1,068,177	80,882,362
Selling, distribution and administration	**929,020**	**70,345,394**	2,584,671	195,711,288
Impairment of plant and equipment	**–**	**–**	3,536,407	267,776,738
Impairment of internally developed software	**–**	**–**	277,857	21,039,332
Depreciation and amortization	**–**	**–**	444,190	33,634,067
Total operating expenses	**1,477,711**	**111,892,277**	7,911,302	599,043,787
Other income, net	**25,000**	**1,893,000**	2,291,011	173,475,353
Loss before income taxes	**(1,449,989)**	**(109,793,167)**	(7,670,568)	(580,815,408)
Income taxes	**2,070**	**156,740**	1,650	124,938
Net loss	**(1,452,059)**	**(109,949,907)**	(7,672,218)	(580,940,346)

(The accompanying notes are an integral part of these financial statements)

STATEMENTS OF STOCKHOLDER'S DEFICIT

	Common stock Authorized		Common stock Issued and outstanding		Additional paid in capital	Accumulated deficit	Total stockholder's deficit
	Shares	USD	Shares	USD	USD	USD	USD
Balance as at April 01, 2020	600,000,000	120,000,000	465,725,000	93,145,000	446,321	(102,809,622)	(9,218,301)
Common stock authorized and issued..	–	–	80,801,425	16,160,285	–	–	16,160,285
Employee stock compensation.......	–	–	–	–	(44,872)	–	(44,872)
Net loss for the year....................	–	–	–	–	–	(7,672,218)	(7,672,218)
Balance as at March 31, 2021	600,000,000	120,000,000	546,526,425	109,305,285	401,449	(110,481,840)	(775,106)
Balance as at April 01, 2021	600,000,000	120,000,000	546,526,425	109,305,285	401,449	(110,481,840)	(775,106)
Shares issued during the year........	–	–	3,595,000	719,000	–	–	719,000
Net loss for the year....................	–	–	–	–		(1,452,059)	(1,452,059)
Balance as at March 31, 2022	**600,000,000**	**120,000,000**	**550,121,425**	**110,024,285**	**401,449**	**(111,933,899)**	**(1,508,165)**

	Common stock Authorized		Common stock Issued and outstanding		Additional paid in capital	Accumulated deficit	Total stockholder's deficit
	Shares	INR	Shares	INR	INR	INR	INR
Balance as at April 01, 2020	600,000,000	8,830,800,000	465,725,000	7,052,939,400	33,795,426	(7,784,744,579)	(698,009,753)
Shares issued during the year........	–	–	80,801,425	1,223,656,780	–	–	1,223,656,780
Employee stock compensation.......	–	–	–	–	(3,397,708)	–	(3,397,708)
Net loss for the year....................	–	–	–	–	–	(580,940,346)	(580,940,347)
Balance as at March 31, 2021	600,000,000	8,830,800,000	546,526,425	8,276,596,180	30,397,718	(8,365,684,925)	(58,691,027)
Balance as at April 01, 2021	600,000,000	8,830,800,000	546,526,425	8,276,596,180	30,397,718	(8,365,684,925)	(58,691,027)
Shares issued during the year........	–	–	3,595,000	54,442,680	–	–	54,442,680
Net loss for the year....................	–	–	–	–	–	(109,949,907)	(109,949,907)
Balance as at March 31, 2022	**600,000,000**	**8,830,800,000**	**550,121,425**	**8,331,038,860**	**30,397,718**	**(8,475,634,832)**	**(114,198,254)**

(The accompanying notes are an integral part of these financial statements)

STATEMENTS OF CASH FLOWS

	For the year ended March 31, 2022		For the year ended March 31, 2021	
	USD	**INR**	USD	INR
Cash flows from operating activities				
Net loss for the year	**(1,452,059)**	**(109,949,907)**	(7,672,218)	(580,940,346)
Adjustments to reconcile net loss to net cash used in operating activities				
Depreciation and amortization	–	–	444,190	33,634,067
Impairment of plant & equipment	–	–	3,536,407	267,776,738
Impairment of internally developed software	–	–	277,857	21,039,332
Gain on disposal of assets	–	–	(182,900)	(13,849,188)
Employee stock compensation	–	–	(44,872)	(3,397,708)
Net change in assets and liabilities				
Accounts receivable	**203,363**	**15,398,646**	694,020	52,551,194
Prepaid and other current assets	–	–	477,793	36,178,486
Inventories	–	–	2,878,527	217,962,064
Accounts payable	**(9,730)**	**(736,756)**	(3,353,108)	(253,897,338)
Due to related party, net	**(169,793)**	**(12,856,726)**	(2,186,978)	(165,597,974)
Other assets	–	–	166,715	12,623,660
Current and other liabilities	**(304,678)**	**(23,070,218)**	(1,192,325)	(90,282,849)
Net cash flows used in operating activities	**(1,732,897)**	**(131,214,961)**	(6,156,892)	(466,199,862)
Cash flow from investing activities				
Proceeds from sale of vehicles & equipment	–	–	188,879	14,301,918
Proceeds from transfer of assets (Note A)	–	–	200,000	15,144,000
Net cash flows used in operating activities	–	–	388,879	29,445,918
Cash flow from investing activities				
Issuance of common stock	**719,000**	**54,442,680**	6,680,600	505,855,032
Net cash flows provided by financing activities	**719,000**	**54,442,680**	6,680,600	505,855,032
Net change in cash and cash equivalents	**(1,013,897)**	**(76,772,281)**	912,587	69,101,088
Cash and cash equivalents at the beginning	**1,168,069**	**88,446,185**	255,482	19,345,097
Cash and cash equivalents at the end	**154,172**	**11,673,904**	1,168,069	88,446,185
Supplemental cash flow information				
Conversion of loan to equity	–	–	9,479,685	717,801,748

(The accompanying notes are an integral part of these financial statements)

NOTES TO FINANCIAL STATEMENTS

NOTE A - NATURE OF OPERATIONS

Mahindra Tractor Assembly, Inc. (“MTAI” or the “Company”), a company incorporated in the State of Delaware on January 25, 2013, commenced business on April 1, 2013. The Company was owned by Mahindra USA, Inc. (“MUSA”), a Texas Corporation. MUSA is a subsidiary of Mahindra & Mahindra Limited (“M&M”); a public listed India company (“the ultimate parent company”).

Ownership of MTAI was transferred from Mahindra USA, Inc. to Mahindra Overseas Investment Company Mauritius Limited (“MOICM”)in November 2014, by issuance of 5,600,000 additional shares of $1 each. Further 10,000 shares held by Mahindra USA, Inc. were also transferred to the new parent company, MOICM.

The Company was formed to manufacture,assemble, and sell electric poweredbikes and scooters (hereinafter the “Mahindra GenZe product” or “the product”).

On September 30, 2020, the Company transferred the inventory and property and equipment to Mahindra North America Technical Centre Inc. (“MNATC”). The Company also transferred a royalty free license to use GenZe’s trademark, patent copyright, trade secrets or proprietary rights to the extent owned or licensed by the Company from the third parties. The Company has also authorized MNATC to access and operate websites owned and operated by GenZe. The aggregate purchase amount paid by MNATC was USD 200,000 (INR 15,144,000).

During the current year, the Company continues to provide services of warranty under the warranty agreement of GenZe products previously sold.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the significant accounting policies applied in the preparation of the accompanying financial statements is as follows:

1. *Basis of preparation*

   a. The accompanying financial statements are prepared under the historical cost convention on the accrual basis of accounting in accordance with the accounting and reporting requirements of generally accepted accounting principles in the United States of America (‘US GAAP’) to reflect the financial position, results of operation and cash flows of the Company.

   b. The financial statements are for the years April 1, 2021, to March 31, 2022, and April 1, 2020 to March 31, 2021.

   c. The financial information in this report is shown in both US Dollars (USD) and in Indian Rupees (INR). For March 31, 2022,and March 31, 2021, dollar amounts are translated for convenience into Indian Rupees at exchange rate of 75.72 INR per dollaras on March 31, 2022. Within the notes to the financial statements, Indian rupee amounts are shown parenthetically following the US dollar amounts.

   d. Certain reclassifications, regroupings and reworking have been made in the financial statements of prior periods to conform to the classifications used in the current year. These changes had no impact on previously reported net loss or stockholder’s deficit.

2. *Use of estimates*

   The preparation of financial statements in accordance with US GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements. Significant items subject to such estimates and assumptions include income taxes, revenue recognition, allowance for sales return, doubtful receivables, warranties, rebates, estimation relating to unsettled transactions and other contingencies. Management believes that the estimates used in the preparation of the financial statements are reasonable. Although these estimates are based upon management’s best knowledge of current events and actions, actual results could differ from these estimates. Any changes in estimates are adjusted prospectively in the financial statements.

3. *Going concern*

   During the year ended March 31, 2022, the management-initiated plans to shut down the operations as agreed by the board of the company. The Company has an accumulated deficit of USD 111,933,899 (INR: 8,475,634,832) as of March 31, 2022 and USD 110,481,840 (INR 8,365,684,925) as of March 31, 2021. Although, these events and condition cast significant doubt on the Company’s ability to continue as a going concern, in view of the continued support from the parent company, the management considers that it is appropriate to prepare these financial statements on a going concern basis, which assumes that the Company will continue in existence for the foreseeable future. The Company has received funding from its parent company amounting to USD 719,000 (INR: 54,442,680) and USD 6,680,600 (INR 505,855,032) during the years ended March 31, 2022 and March 31, 2021, respectively,by way of direct capital infusion for meeting the cash flow requirements. Also, the management has plans to mitigate the adverse effects, including:

   1. The Company continues to provide warranty services and fulfil other obligations towards its customers and other stakeholders.

   2. The closing date of the Company has not been finalized and the management believes that the liquidation is not imminent as at the balance sheet date.

   3. Obtain financial support from MOICM, the parent company, to meet near term working capital requirements.

   Based on the above mitigating factors, the financial statements have been prepared on the basis that the Company is a going concern and that no further adjustments are required to the carrying value of assets and liabilities.

4. *Cash and cash equivalents*

   Cash and cash equivalents include current balances on bank accounts and highly liquid, short-term deposits with an original maturity of three months or less.Cash balances in bank accounts are insured by the Federal Deposit Insurance Corporation up to an aggregate per bank of USD 250,000 (INR: 1,893,000). The Company believes it is not exposed to any significant risk on cash and cash equivalents.

5. *Revenuerecognition*

   During the year ended March 31, 2021, the Company sold assembled E-bikes and manufactured Mahindra GenZe electronic scooters and their related accessories (collectively known as “GenZe products” or “products”). However, during the current year, the Company continued to provide warranty services under the warranty agreement of GenZe products previously sold. (Refer Note A)

   Sale of manufactured goods

   During year ended March 31, 2021, the Companyrecognized revenue when control of the product, parts or accessories was transferred and the Company’s performance obligation to the customers were satisfied. Revenue was measured as the amount of consideration the Company expected to receive in exchange for transfer of goods. The timing of when the Company transferred the goods to the customer would differ from the timing of the customer’s payment.

   When the Company gavethe customers the right to return eligible goods, the Company would estimate the expected returns based on an analysis of historical experiences.

   The Company determined that the customers from the sale of the productswere generally distributors and individual customers.Transfer of control, and therefore revenue recognitionwould occur at a point in time, when the product or service parts were made available to customer,or when the product or service parts were released to the carrier responsible for transporting them to customer. This is also the point at which invoices were issued, with payment terms to the customers and the products were shipped.

   The Company also performed shipping and handling activities for its customers which was treated as a separate performance obligation as these activities were performed after the customer obtained control of the goods. The Company would act as an agent for shipping and handling services and recognized revenue on net basis.

6. *Provision for warranty costs*

The Company generally provides for the estimated cost of product warrantiesat the time the related revenue is recognized. The Company estimates the warranty cost as a percentage of cost of goods sold. The Company assesses the adequacy of its accrued warranty liabilities and adjusts the amounts as necessary based on actual experience and changes in future estimates. These amounts are recorded as a liability in the balance sheet until they are ultimately paid. Accrued warranty liability was USD NIL (INR: NIL) as at March 31, 2022 (March 31, 2021: USD Nil (INR: Nil)).

7. *Internally developed software costs*

The Company has incurred costs related to development of internally developed software to be used for future consumer management. Software development costs incurred during the preliminary project work stage or conceptual stage are expensed as incurred until technological feasibility has been established in accordance with Accounting Standard Codification ("ASC") 985, at which time such costs are capitalized to the extent that the capitalized costs do not exceed the realizable value of such costs, until the product is available for general release to customers. Upon completion of the development of software, the capitalization ceases and the resulting intangible asset is amortized based on straight-line basis.

The estimated useful life of the internally developed software is 3 years.

8. *Property, plant and equipment*

Property, plant and equipment are stated at cost less accumulated depreciation and impairment. Cost of items of property, plant and equipment comprise cost of purchase and other costs necessarily incurred to bring it to the condition and location necessary for its intended use. The Company depreciates property, plant and equipment over the estimated useful life using the straight-line method except for production tools. Upon retirement or disposal of assets, the cost and accumulated depreciation will be eliminated from the accounts and the resulting gain or loss will be credited or charged to statement of loss.

The estimated useful life used to determine depreciation is:

Class of asset	Useful life
Engineering equipment	3 years
Machinery & equipment	5 to 7 years
Production tools	60,000 units
Computer equipment	3 years
Furniture equipment	3 years
Vehicles	2 to 5 years
Leasehold improvements	Lease term

The cost of property, plant, and equipment not ready for use before the balance sheet date are disclosed under capital work-in-progress.

9. *Impairment of long-lived assets*

Long-lived assets, including certain identifiable intangible assets, to be held and used are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. Such assets are considered to be impaired if the carrying amount of the assets is higher than the future undiscounted net cash flows expected to be generated from the assets. The impairment amount to be recognized is measured by the amount by which the carrying value of the assets exceeds its fair value.

10. *Accounts receivable & allowance for doubtful debts*

Trade receivables represents receivable on sale of GenZe products andaccessories. For the trade receivables,the Company follows the specific identification method for recognizing allowance for doubtful debts. Management analyzes composition of the accounts receivable aging, historical bad debts, current economic trends and customer credit worthiness of each accounts receivable when evaluating the adequacy of the allowance for doubtful debts. Allowance for doubtful debts is included in selling, distribution, and administration expenses in the statement of loss.

11. *Income taxes*

In accordance with the provisions of FASB ASC Topic 740 "Income Taxes," income taxes are accounted for using the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. The deferred tax asset is reduced by a valuation allowance if it is more likely than not that some portion or all of the assets will not be realized.

The Company recognizes liabilities for uncertain tax positions based on a two-step process. The first step is to evaluate the tax position for recognition by determining if the weight of available evidence indicates it is more likely than not that the position will be sustained on audit, including resolution of related appeals or litigation processes, if any. The second step is to measure the tax benefit as the largest amount which is more than 50% likely of being realized upon ultimate settlement. The Company recognizes interest and penalties related to uncertain tax positions within the provision for income taxes.

12. *Equity based compensation payment to employees*

The Company accounts for stock-based compensation expense relating to stock options that have been issued by the Company to the employees. The Company computes the fair value of options granted using the Black Scholes option pricing model. An amount equal to such compensation expense for the year is credited to additional paid in capital of the Company.

The Company has used guidance in ASC 718; "Compensation-Stock Compensation" to account for employee share-based payments. ASC 718 requires share-based payments to employees, including grants of employee stock options and purchases under employee stock purchase plans, to be recognized in statements of lossbased on their fair values.

In accordance with ASC 718, the Company recognized stock-based compensation for awards granted, that the Company expects to vest on a straight-line basis over the requisite service period of the awards. In respect of awards that have a graded vesting schedule and with only service conditions, compensation cost is recognized on straight line basis over the requisite service period for each separately vesting portion of the award as if the award was-in-substance, multiple awards.

In March 2016, the FASB issued ASU 2016-09, "Compensation-Stock Compensation-Improvements to Employee Share-Based Payment Accounting". Under the new guidance, an entity can make an entity-wide accounting policy election to either estimate the number of awards that are expected to vest (current GAAP) or account for forfeitures when they occur. This ASU is effective for the Company beginning January 1, 2018. The Company elected to recognize forfeitures when they occur.

13. *Advertising*

Advertising costs are presented as part of selling, general, and administrative expenses in the statements of loss. Advertising costs are expensed as incurred. The amount of advertising and marketing cost incurred by the Company for the years ended March 31, 2022, and March 31, 2021, is USD NIL(INR NIL) and USD 18,021 (INR 1,364,550), respectively.

14. *Commitments and contingencies*

Liabilities for loss contingencies arising from claims, assessments, litigation, fines, and penalties and other sources are recorded when it is probable that a liability has been incurred and the amount can be reasonably estimated. Legal costs incurred in connection with loss contingencies are expensed as incurred.

NOTE C - CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise of the following:

	As at			
	As at March 31, 2021		As at March 31, 2020	
	USD	**INR**	USD	INR
Balances with banks	**154,172**	**11,673,904**	1,168,069	88,446,185
	154,172	**11,673,904**	1,168,069	88,446,185

NOTE D - ACCOUNTS RECEIVABLE, NET OF ALLOWANCES

Accounts receivables comprise of:

	As at			
	As at March 31, 2021		As at March 31, 2020	
	USD	**INR**	USD	INR
Trade receivables	**8,637**	**653,994**	212,000	16,052,640
Less: provision for doubtful debts	**–**	**–**	–	–
Accounts receivable, net of allowances	**8,637**	**653,994**	212,000	16,052,640

The activities in provision for doubtful debts account are as given below-

	As at			
	Year ended March 31, 2021		Year ended March 31, 2020	
	USD	**INR**	USD	INR
Balance at beginning of the year	**–**	**–**	801,493	60,689,050
Provisions made during the year	**–**	**–**	177,985	13,477,024
Bad debts written-off during the year	**–**	**–**	(979,478)	(74,166,074)
Balance at end of the year	**–**	**–**	–	–

NOTE E – PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment comprise of the following:

	As at			
	As at March 31, 2022		As at March 31, 2021	
	USD	**INR**	USD	INR
Leasehold improvements	–	–	722,768	54,727,993
Engineering equipment	–	–	353,263	26,749,074
Machinery & equipment	–	–	2,761,910	209,131,825
Production tools	–	–	3,221,116	243,902,904
Furniture equipment	–	–	127,346	9,642,639
Computer equipment	–	–	124,852	9,453,793
Vehicles	–	–	926,885	70,183,733
Total	–	–	8,238,140	623,791,961
Accumulated depreciation	–	–	(4,701,733)	(356,015,223)
Accumulated impairment	–	–	(3,536,407)	(267,776,738)
Property, plant and equipment, net	–	–	–	–

Depreciation expense for the years ended March 31, 2022, and March 31, 2021, is USD NIL (INR NIL)and USD 285,573 (INR 21,623,588), respectively. The management performed impairment testing during the year ended March 31, 2021, and accordingly, an impairment charge of USD 3,536,407 (INR 267,776,738) has been recognized in the statement of loss.

NOTE F – INTANGIBLE ASSETS, NET

Intangible assets consist of:

		As at			
	Useful life	**As at March 31, 2022**		As at March 31, 2021	
		USD	**INR**	USD	INR
Computer software	3 years	–	–	440,763	3,33,74,574
Less: Accumulated amortisation		–	–	(440,763)	(3,33,74,574)
Total		–	–	–	–

Amortization expense for the year ended March 31, 2022,and March 31, 2021, is USD NIL (INR NIL)and USD 9,336 (INR 706,922), respectively.

NOTE G – INTERNALLY DEVELOPED SOFTWARE

	As at			
	As at March 31, 2022		As at March 31, 2021	
	USD	**INR**	USD	INR
Internally developed software	**–**	**–**	848,495	6,42,48,041
Less: accumulated amortization	**–**	**–**	(570,638)	(4,32,08,785)
Less: accumulated impairment	**–**	**–**	(277,857)	(2,10,39,256)
Total	**–**	**–**	–	–

Amortization expense for the years ended March 31, 2022, and March 31, 2021, is USD NIL (INR NIL) and USD 149,281(INR 11,303,557), respectively. The management performed impairment testing during the year ended March 31, 2021, and accordingly, an impairment charge of USD 277,857 (INR 21,039,332) has been recognized in the statement of loss.

NOTE H – ACCOUNTS PAYABLE

Account payables comprise of the following:

	As at			
	As at March 31, 2022		As at March 31, 2021	
	USD	**INR**	USD	INR
Accounts payables	**108,797**	**8,238,109**	118,527	8,974,864
Total	**108,797**	**8,238,109**	118,527	8,974,864

NOTE I – OTHER CURRENT LIABILITIES

Other current liabilities comprise of the following:

	As at			
	As at March 31, 2021		As at March 31, 2020	
	USD	**INR**	USD	INR
Accrued expenses	**124,834**	**9,452,430**	194,383	14,718,681
Deferred revenue	**1,156,079**	**87,538,302**	1,156,079	87,538,302
Withholding payroll taxes	**150,780**	**11,417,062**	150,780	11,417,062
Sales return reserve	**10,522**	**796,726**	238,805	18,082,315
Others	**1,650**	**124,938**	8,496	643,317
Total	**1,443,865**	**109,329,458**	1,748,543	132,399,677

NOTE J – OTHER INCOME

Other income comprises of the following:

	For the year ended			
	As at March 31, 2022		As at March 31, 2021	
	USD	**INR**	USD	INR
Refund from Customs & Border Protection	**–**	**–**	1,043,775	79,034,644
Sale of software	**25,000**	**1,893,000**	1,247,236	94,440,709
Total	**25,000**	**1,893,000**	2,291,011	17,34,75,353

NOTE K – REVENUE FROM CONTRACTS WITH CUSTOMERS

Disaggregation of revenue from contracts with customers

Other income comprises of the following:

	For the year ended		**For the year ended**	
Particulars	**As at March 31, 2022**		As at March 31, 2021	
	USD	**INR**	USD	INR
Product sales	**–**	**–**	1,238,372	93,769,528
Parts and accessory sales	**21,486**	**1,626,920**	551,740	41,777,753
Total revenue by product line	**21,486**	**1,626,920**	1,790,112	135,547,281

The following table presents revenue disaggregated by timing of recognition:

	For the year ended		**For the year ended**	
Particulars	**As at March 31, 2022**		As at March 31, 2021	
	USD	**INR**	USD	INR
Products transferred at a point in time	**21,486**	**1,626,920**	1,790,112	135,547,281
Services transferred over time	**–**	**–**	–	–
Total revenue by timing of revenue recognition	**21,486**	**1,626,920**	1,790,112	135,547,281

Contract Balances

The Company's contracts with customers with dealer agreements and purchase orders. These contracts with customers typically consist of sale of products which represent performance obligations that are satisfied upon transfer of control of the product to the customer at a point in time.

The following table provides information about contract assets and liability balances as of March 31, 2022, and March 31,2021:

	As at		**As at**	
Particulars	**March 31, 2022**		April 1, 2021	
	USD	**INR**	USD	INR
Accounts receivable	**8,637**	**653,994**	212,000	16,052,640
Contract liabilities (deferred revenue)	**1,156,079**	**87,538,302**	1,156,079	87,538,302

NOTE L – COMMITMENTS AND CONTINGENCIES

Lease obligations

The Company has following lease obligations for business premises and locations:

1) Fremont, California – office premises
The Fremont office premise lease was renewed from September 01, 2019, to August 31, 2021. The rent expense for the year ended March 31, 2022, and March 31, 2021,is USD NIL (INR NIL) and USD 139,373 (INR 10,553,324), respectively. However, the Company terminated the lease during the year ended March 31, 2021, at cost of USD 43,463 (INR 3,291,018).

2) Mahindra North America Technical Centre Inc. – Office use
The rent expense for the years ended March 31, 2022, and March 31, 2021, for this lease are USD NIL (INR NIL) andUSD 220,834 (INR 16,721,550). The Company had obtained the lease from April 1, 2020, to March 31, 2021.

The rent expense for the year ended March 31, 2022, and March 31, 2021, is USD NIL(INR NIL) and USD 403,670 (INR 30,565,892) respectively.

Pending matters

During the current year, there was a pending matter against the Company on account of fire loss at customer's premise. The Company tendered the claim to the insurance company, and it was accepted by the insurance company. The matter continues to be pending; however, the Company's exposure is limited to the amount of USD 2,500 (INR: 189,300)

NOTE M – INCOME TAXES

For the year ended March 31, 2022, the Company will file federal and state tax returns as per regulations applicable to Chapter C corporations in the United States.

The components of the provision for income taxes are as follows:

	For the year ended			
	March 31, 2022		March 31, 2021	
	USD	**INR**	USD	INR
Current taxes				
State	**2,070**	**156,740**	1,650	124,938
Total	**2,070**	**156,740**	1,650	124,938

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Significant components of the Company's net deferred income taxes are as follows:

	As at		**As at**	
	March 31, 2022		March 31, 2021	
	USD	**INR**	USD	INR
Non-current deferred tax liability				
Property, plant and equipment	**–**	**–**	45,524	3,447,077
Non-current deferred tax assets				
Property, plant, and equipment	**47,594**	**3,603,818**	–	–
Accrued expenses	**470,976**	**35,662,303**	404,798	30,651,305
Charitable contribution	**–**	**–**	10,446	790,971
Tax credit	**2,594,365**	**196,445,318**	2,594,365	196,445,318
Deferred revenue	**250,796**	**18,990,273**	267,315	20,241,092
Net operating loss	**32,534,848**	**2,463,538,690**	31,396,573	2,377,348,508
Less: valuation allowance	**(35,898,579)**	**(2,718,240,202)**	(34,719,021)	(2,628,924,271)
Non-current deferred tax assets	**–**	**–**	–	–

Realization of net deferred tax assets is dependent upon generation of sufficient taxable income in future years, benefit from the reversal of taxable temporary differences and tax planning strategies. Management assesses the available positive and negative evidence to estimate whether sufficient future taxable income will be generated to permit use of the existing deferred tax assets. The amount of net deferred tax assets considered realizable is subject to adjustment in future periods if estimates of future taxable income change.

Based on the history of losses and current year significant losses,the management believes that it is more likely than not that the deferred tax assets may not be realized during foreseeable future and accordingly, a valuation allowance of USD 35,898,579 (INR 2,718,240,202) and USD 34,719,021 (INR 2,628,924,271) was recognized as at March 31, 2022 and March 31, 2021, respectively.

No deferred tax assets were recognized as at March 31, 2022 and March 31, 2021

The Company has federal NOLs of USD 106,494,135 and USD 104,648,033 as at March 31, 2022 and March 31, 2021, respectively. The NOLs generated till tax year 2017,if unutilized, will expire by the year 2037 and the NOLs generated from and after-tax year 2018 will be carried forward indefinitely.

The Company has state net operating loss carryforwards of approximately USD 139,329,692 and USD 138,013,817 as at March 31, 2022 and March 31, 2021 respectively, which, if unutilized, will expire based on the various state statutes.

The Company has R&D credit carryforwards and FTC carryforwards of USD 2,594,365 as on March 31, 2022.

Accounting for uncertain tax position

The Company recognizes the benefit of a tax position only after determining that the relevant tax authority would more likely than not sustain the position following an audit. For tax positions meeting the more-likely-than-not threshold, the amount recognized in the financial statements is the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement with the relevant tax authority. The Company has no unrecognized tax positions as at March 31, 2022 and March 31, 2021.

The tax years of 2018 through 2020 remain subject to examination by the taxing authorities.

NOTE N – STOCK BASED COMPENSATION

In 2016, the Company adopted the incentive stock option plan for the employees of the Company. Under the Plan, incentive stock options to purchase the Company's common stock may be granted to employees at prices not lower than fair value at the date of grant. Stock options have a maximum term of 10 years.

Activity under the plan to the extent related to employees of the Company:

	Number of options	Weighted-average exercise price	Weighted average remaining contractual life (Years)
Balance as at April 1, 2020	6,589,000	0.20	6.5
Granted	–	–	–
Exercised	–	–	–
Cancelled	(6,559,000)	0.20	–
Balance as at March 31, 2021	30,000	0.20	5.5
Balance as at April 1, 2021	30,000	0.20	5.5
Granted	–	–	–
Exercised	–	–	–
Cancelled	(30,000)	0.20	–
Balance as at March 31, 2022	**–**	**–**	**–**

The grant date fair value of options has been estimated using the Black-Scholes single option pricing model using assumptions about expected risk free interest rate in the range of 1% to 1.3% and expected volatility rate in the range of 38% to 42%. The Company has de-recognized USD NIL (INR NIL)and USD 44,872 (INR 3,302,130) as stock-based compensation expense for the year ended March 31, 2022, and March 31, 2021, respectively. The Company during the years ended March 31, 2022, and March 31, 2021, did not issue any new options.

NOTE O – RELATED PARTY TRANSACTIONS

Related parties with whom transactions have taken place during the year

1. Mahindra & Mahindra Limited – Ultimate parent company
2. Mahindra Overseas Investment Company (Mauritius) Limited – Parent company
3. Mahindra Automotive North America, Inc. – Fellow Subsidiary
4. Mahindra North America Technical Centre Inc.- Fellow subsidiary
5. Mahindra USA Inc. - Fellow subsidiary
6. Peugeot Motocycles S.A.S – Fellow subsidiary

Summary of transactions with related parties are as follows:

	March 31, 2022		March 31, 2021	
	USD	**INR**	USD	INR
Balances at the end of the year				
Due from related parties				
– Mahindra & Mahindra Limited	–	–	–	–
– Mahindra Automotive North America Inc.	**25,000**	**1,893,000**	–	–
Payable				
– Mahindra North America Technical Centre Inc.	**143,312**	**10,851,585**	288,105	21,815,311

	March 31, 2022		March 31, 2021	
	USD	**INR**	USD	INR
Transactions during the year				
Peugeot Motorcycles S.A.S.	**9,165**	**693,974**	–	–
– Mahindra North America Technical Centre Inc.				
Sale of product	–	–	68,870	5,214,836
Asset transfer	–	–	200,000	15,144,000
Expenses paid on behalf of Company	**1,021,542**	**77,351,160**	791,265	59,914,586
– Mahindra Automotive North America Inc.				
Sale of software	**25,000**	**1,893,000**	–	–
Expense paid on behalf of Company	**516,991**	**39,146,559**	451,084	34,156,080
– Mahindra and Mahindra				
Expense incurred on behalf of M&M	–	–	112,559	8,522,967
– Mahindra Overseas Investment Company Mauritius Limited				
Issuance of common stock	**719,000**	**54,442,680**	6,680,600	505,855,032
Conversion of loan and accrued interest to equity	–	–	9,479,685	717,801,748

These related party transactions are in the normal course of business operations and have been valued in these financial statements at the exchange amount which is the amount of consideration established and agreed to by the related parties.

NOTE P – SHIPPING AND HANDLING COST

The shipping and handling cost was USD NIL (INR NIL) and USD 79,212 (INR 5,997,933) for years ended March 31,2022, and March 31, 2021.

NOTE Q –EMPLOYEE BENEFIT PLANS

The Company has voluntary 401(k) retirement plans covering substantially all employees. The Company may make annual contributions to the plans equal to a uniform percentage of participant compensation. The cost of the Company's contributions charged to expense related to 401(k) contributions was USD NIL (INR:NIL) and USD 12,308 (INR: 931,962) for the years ended March 31, 2022, and March 31, 2021, respectively.

NOTE R– STOCKHOLDER'S EQUITY

Common stock

Ownership of the Company was transferred from Mahindra USA, Inc. to Mahindra Overseas Investment Company Mauritius Limited ("MOICM") on November 30, 2014, by issuance of 5,600,000 additional shares of USD 1 each. Further 10,000 shares held by Mahindra USA, Inc. were also transferred to the new parent company, MOICM.

Authorized share capital

The Company has authorized share capital of 600,000,000 of USD 0.2 per share totaling to USD 120,000,000 (INR 9,086,400,000) as at March 31, 2022 and March 31, 2021. The Company issued 3,595,000 shares and 80,801,425 shares during the year ended March 31, 2022, and March 31,2021. During year ended March 31, 2021, of the above shares issued 47,398,425 shares were issued against the conversion of loan to MOICML.

Voting

Each holder of common stock is entitled to one vote in respect of each share held by him in the records of the Company for all matters submitted to a vote.

Liquidation

In the event of liquidation of the Company, the holders of common stock shall be entitled to receive all of the remaining assets of the Company, after distribution of all preferential amounts, if any. Such amounts will be in proportion to the number of equity shares held by the shareholders.

NOTE S - EMPLOYEE RETENTION CREDIT

During the year ended March 31, 2021, the Company availed the benefit under the ERC (employee retention credit) scheme, a benefit given by the Federal government under the COVID stimulus package which allows businesses to take credit of the wages paid to employees on furlough and not working. The total ERC credit received by the Company for the years ended March 31, 2022, and March 31, 2021,amounts to USD NIL(INR NIL) and USD 150,780 (INR 11,417,062), respectively.The Company is currently evaluating whether it is eligible for such credits and believes that there is reasonable probability that it will have to repay this credit back to the IRS and accordingly the Company has recorded an accrual amounting to USD 150,780 (INR 11,417,062) as of March 31, 2022 and March 31, 2021, respectively.

NOTE T – RISK AND UNCERTANITIES

The Company's future results of operations involve several risks and uncertainties. Factors that could affect the Company's future operating results and cause actual results to vary materially from expectations include, competitive factors, including but not limited to pricing pressures; deterioration in general economic conditions; the Company's ability to effectively manage operating costs and increase operating efficiencies; declines in revenues; technological and market changes; the ability to attract and retain qualified employees and the Company's ability to execute on its business plan..

NOTE U – SUBSEQUENT EVENTS

The Company evaluated all events and transactions that occurred after March 31, 2022 through the date the financial statements were issued. Based on the evaluation, the Company is not aware of any events or transactions that would require recognition or disclosure in the financial statements.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF MAHINDRA AGRI SOLUTIONS LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Mahindra Agri Solutions Limited ("the Company"), which comprise the balance sheet as at 31 March 2022, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2022, and loss and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

Other Information

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's and Board of Directors' Responsibility for the Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, profit/ loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the financial statements made by the Management and Board of Directors.

- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2020 ("the Order") issued by the Central Government in terms of section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. (A) As required by Section 143(3) of the Act, we report that:

    a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

    b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

    c) The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account.

    d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under section 133 of the Act.

    e) On the basis of the written representations received from the directors as on 31 March 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022 from being appointed as a director in terms of Section 164(2) of the Act.

    f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

   (B) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

    a) The Company has disclosed the impact of pending litigations as on 31 March 2022 on its financial position in its financial statements – refer note 42 to the financial statements.

    b) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

    c) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2022.

    d) i. The Management has represented that, to the best of it's knowledge and belief, as disclosed in the note 48(v) to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities (intermediaries), with the understanding, whether recorded in writing or otherwise, as on the date of this audit report, that the intermediaries shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

ii. The Management has represented, that, to the best of it's knowledge and belief, other than as disclosed in the note 48(vi) to the accounts, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

iii. Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (d) (i) and (d) (ii) contain any material mis-statement.

e) The Company has neither declared nor paid any dividend during the year.

(C) With respect to the matter to be included in the Auditors' Report under section 197(16):

In our opinion and according to the information and explanations given to us, the remuneration paid by the company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Jaymin Sheth
Partner
Membership No. 114583
ICAI UDIN: 22114583AIBWZP9602

Place: Mumbai
Date: 29 April 2022

Annexure A to the Independent Auditors' Report – 31 March 2022

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified once in three years, pursuant to which all property, plant and equipment were physically verified in the financial year ended 31 March 2021. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties disclosed in the financial statements are held in the name of the Company.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment or intangible assets or both during the year.

(e) According to information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) The inventory, except goods-in-transit and stocks lying with third parties, has been physically verified by the management during the year. For stocks lying with third parties at the year-end, written confirmations have been obtained and for goods-in-transit subsequent evidence of receipts has been linked with inventory records. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks are in agreement with the books of account of the Company.

(iii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, limited liability partnership or any other parties during the year. The Company has made investments in Companies, in respect of which the requisite information is given in notes 40 to the financial statement. The Company has not made any investments in firms, limited liability partnership or any other parties.

(b) According to the information and explanations given to us and based on the audit procedures conducted by us, we are of the opinion that the investments made are, prima facie, not prejudicial to the interest of the company.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not given any loan or advance in the nature of loan to any party during the year. Accordingly, clause 3(iii) (c) to (f) of the Order is not applicable.

(iv) According to the information and explanations given to us and on the basis of our examination of the records, the Company has not given any loans, or provided any guarantee or security as specified under section 185 and 186 of the Companies Act, 2013. In respect of the investments made by the Company, the provisions of section 186 of the Companies Act, 2013 have been complied with.

(v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.

(vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Companies Act, 2013 for the products manufactured by it. Accordingly, clause 3(vi) of the Order is not applicable.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Services Tax ('GST'), Provident fund, Employees' State Insurance, Income-Tax, Duty of Customs, Cess and other statutory dues have been regularly deposited by the company with the appropriate authorities. As explained to us, the Company did not have any dues on account of Sales Tax, Duty of Excise and Value Added Tax.

According to the information and explanations given to us, no undisputed amounts payable in respect of Goods and Services Tax ('GST'), Provident fund, Employees' State Insurance, Income-Tax, Duty of Customs, Cess and other statutory dues were in arrears as at 31 March 2022 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no dues relating to Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues, which have not been deposited with the appropriate authorities on account of any dispute. According to the information and explanations given to us, statutory dues relating to Sales Tax and Value Added Tax have not been deposited on account of any dispute are as follows:

Rs in lakhs

Name of the statute	Nature of the dues	Amount demanded (in lakhs)	Amount deposited under protest (in lakhs)	Period to which the amount relates	Forum where dispute is pending
West Bengal Sales Tax and Value Added Tax	Central Sales Tax	7.33	Nil	2016-17	Joint Commissioner Commercial Taxes, Kolkata South Circle
West Bengal Sales Tax and Value Added Tax	Value Added Tax	27.68	Nil	2016-17	Joint Commissioner Commercial Taxes, Kolkata South Circle
Maharashtra Sales Tax and Value Added Tax	Value Added Tax	13.12	Nil	2012-13	Joint Commissioner of State Tax, Appeal-VII, Mumbai
Maharashtra Sales Tax and Value Added Tax	Central Sales Tax	3.93	Nil	2016-17	Joint Commissioner of State Tax, Appeal-VII, Mumbai

Rs in lakhs

Name of the statute	Nature of the dues	Amount demanded (in lakhs)	Amount deposited under protest (in lakhs)	Period to which the amount relates	Forum where dispute is pending
Gujarat Sales Tax and Value Added Tax	Value Added Tax	13.03	Nil	2016-17	Assistant Commissioner of State Tax, Unit-13, Ahmedabad
Gujarat Sales Tax and Value Added Tax	Central Sales Tax	9.51	Nil	2016-17	Assistant Commissioner of State Tax, Unit-13, Ahmedabad
Gujarat Sales Tax and Value Added Tax	Value Added Tax	6.73	Nil	2017-18	Assistant Commissioner of State Tax, Unit-13, Ahmedabad
Gujarat Sales Tax and Value Added Tax	Central Sales Tax	46.64	Nil	2017-18	Assistant Commissioner of State Tax, Unit-13, Ahmedabad

(viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.

(ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to any to banks or related parties during the year. Further, the Company did not have any outstanding loans or borrowings from any other lender during the year.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.

(c) In our opinion and according to the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.

(d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) According to the information and explanations given to us and on an overall examination of the financial statements of the company, we report that the company has taken funds from following entities and persons on account of or to meet the obligations of its subsidiaries, associates or joint ventures (as defined under Companies Act, 2013) as per details below:

Nature of fund taken	Name of lender	Amount involved (in lakhs)	Name of the relevant subsidiary, joint venture, associate	Relationship	Nature of transaction for which funds utilised	Remarks, if any
Long term funding	Mahindra & Mahindra Limited	140.00	Mahindra Fruits Private Limited	Subsidiary	To meet obligation of subsidiary	
Long term funding	Mahindra & Mahindra Limited	284.76	Mahindra HZPC Private Limited	Subsidiary	To meet obligation of subsidiary	

(f) According to the information and explanations given to us and procedures performed by us, we report that the company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies (as defined under Companies Act, 2013).

(x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) Accordingly, clause 3(x)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.

(xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the course of the audit.

(b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Companies Act, 2013 has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) We have taken into consideration the whistle blower complaints received by the Company during the year while determining the nature, timing and extent of our audit procedures. As represented to us by the management, there are no whistle blower complaints received by the Company during the year.

(xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, and the details of the related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the internal audit reports of the Company issued till date for the period under audit.

(xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company.

(xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.

(b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.

(d) According to the information and explanations provided to us, the Group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016) has Six CICs as part of the Group.

(xvii) The Company has incurred cash losses of Rs. 816.01 Lakhs in the current financial year and Rs. 2,199.27 Lakhs in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.

(xix) We draw attention to Note 2.2 to the financial statements which explains that the Company has incurred losses in current year and previous year and has accumulated losses as at 31 March 2022. Further, the Company's current liabilities exceed its current assets as at 31 March 2022 by Rs. 2,213.60 Lakhs. On the basis of the above and according to the information and explanations given to us, on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.

(xx) The requirements as stipulated by the provisions of Section 135 are not applicable to the Company. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

(xxi) Reporting under this clause is only required for those entities included in the consolidated financial statements to whom CARO 2020 is applicable. Accordingly, clauses 3(xxi) of the Order are not applicable.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Jaymin Sheth
Partner
Membership No. 114583
ICAI UDIN: 22114583AIBWZP9602

Place: Mumbai
Date: 29 April 2022

Annexure B to the Independent Auditors' report on the financial statements of Mahindra Agri Solutions Limited for the year ended 31 March 2022

Report on the internal financial controls with reference to the aforesaid financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

(Referred to in paragraph 1(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to financial statements of Mahindra Agri Solutions Limited ("the Company") as of 31 March 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2022, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and whether such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Jaymin Sheth
Partner
Membership No. 114583
ICAI UDIN: 22114583AIBWZP9602

Place: Mumbai
Dated: 29 April 2022

BALANCE SHEET AS AT 31 MARCH 2022

(Currency : Indian rupees in lakhs)

		Note No.	As at 31 March 2022	As at 31 March 2021
I	**ASSETS**			
	NON-CURRENT ASSETS			
	(a) Property, plant and equipment	4	**3,153.16**	3,393.93
	(b) Capital work-in-progress	4	**6.61**	32.12
	(c) Other intangible assets	5A	**239.46**	298.92
	(d) Intangible assets under development	5B	**192.65**	101.24
	(e) Financial assets			
	(i) Investments	6	**9,316.59**	9,031.83
	(ii) Other financial assets	7	**512.35**	513.07
	(f) Deferred tax assets (net)	8	**–**	–
	(h) Other non-current assets	10	**5.23**	66.69
	SUB-TOTAL		**13,426.05**	13,437.81
	CURRENT ASSETS			
	(a) Biological assets other than bearer plant	11	**–**	–
	(b) Inventories	12	**7,414.68**	6,155.85
	(c) Financial assets			
	(i) Trade receivables	13	**5,683.48**	6,291.71
	(ii) Cash and cash equivalents	14	**16.50**	648.81
	(iii) Bank balances other than (ii) above	14	**90.62**	88.19
	(iv) Loans	15	**–**	–
	(v) Other financial assets	7	**1,090.35**	952.24
	(d) Current tax assets (net)	9	**24.51**	71.87
	(e) Other current assets	10	**1,181.98**	1,225.73
	SUB-TOTAL		**15,502.12**	15,434.40
	TOTAL ASSETS		**28,928.17**	28,872.21
II	**EQUITY AND LIABILITIES**			
	1 EQUITY			
	(a) Equity share capital	16 A	**9,417.31**	9,417.31
	(b) Other equity	16 B	**(4,412.10)**	(2,881.25)
	SUB-TOTAL		**5,005.21**	6,536.06
	LIABILITIES			
	2 NON-CURRENT LIABILITIES			
	(a) Financial liabilities			
	(i) Borrowings	17 A	**5,785.47**	4,270.62
	(b) Provisions	18	**421.72**	417.53
	SUB-TOTAL		**6,207.19**	4,688.15
	3 CURRENT LIABILITIES			
	(a) Financial liabilities			
	(i) Borrowings	17B	**5,930.63**	5,076.49
	(ii) Trade payables	19		
	Total outstanding dues of micro enterprises and small enterprises		**85.69**	41.66
	Total outstanding dues of creditors other than micro enterprises and small enterprises		**8,181.42**	9,503.83
	(iii) Other financial liabilities	20	**246.52**	398.54
	(b) Provisions	18	**469.85**	101.62
	(c) Other current liabilities	21	**2,801.66**	2,525.86
	SUB-TOTAL		**17,715.77**	17,648.00
	TOTAL EQUITY AND LIABILITY		**28,928.17**	28,872.21

The accompanying notes 1 to 49 forms integral part of financial statements

In terms of our report attached.
For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No : 101248W/W-100022

Jaymin Sheth
Partner
Membership No: 114583

Mumbai
Date: 29 April 2022

For and on behalf of Board of Directors
Mahindra Agri Solutions Limited
CIN - U01400MH2000PLC125781

Ramesh Iyer
Director
DIN: 00220759

Feroze Baria
Company Secretary
Membership No.: 11357

Mumbai
Date: 29 April 2022

Ashok Sharma
Managing Director and Chief Executive Officer
DIN: 02766679

Meghnad Mitra
Chief Financial Officer
Membership No.: 54732

Delhi
Date: 29 April 2022

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2022

(Currency : Indian rupees in lakhs)

		Note No.	Year ended 31 March 2022	Year ended 31 March 2021
I	**Income**			
	Revenue from operations	22	**22,659.19**	25,201.98
	Other income	23	**191.50**	198.55
	Total Income (I)		**22,850.69**	25,400.53
II	**Expenses**			
	Purchases of stock-in-trade		**13,438.62**	17,905.52
	Changes in inventories of stock-in-trade and packing material	24	**(1,258.82)**	(581.58)
	Employee benefits expense	25	**2,591.90**	2,471.59
	Finance costs	26	**665.73**	592.25
	Depreciation and amortisation expense	27	**439.20**	453.78
	Other expenses	28	**8,302.03**	7,349.93
	Total Expenses (II)		**24,178.66**	28,191.49
III	**Loss before exceptional item and tax for the year (I-II)**		**(1,327.97)**	(2,790.96)
	Exceptional item	41		
	Impairment of certain investments		**(350.00)**	(2,881.75)
	Allowance for advances towards equity share capital		**(140.00)**	–
	Gain on slump sale of dairy business		**227.74**	–
IV	**Tax expense**			
	Current tax	29	–	–
	Deferred tax	8	**–**	–
	Total tax expense		**–**	–
V	**Loss after tax for the year**		**(1,590.23)**	(5,672.71)
VI	**Other comprehensive income**			
	Items that will not be reclassified to profit or loss			
	Remeasurement of the employee defined benefit plans	30	**4.42**	14.47
	Effective portion of gains and loss on designated portion of hedging instruments in a cash flow hedge	33	**(19.71)**	73.02
	Income tax relating to items that will not be reclassified to profit or loss	29	**–**	–
	Total other comprehensive income (net of taxes)		**(15.29)**	87.49
VII	**Total comprehensive loss for the year (V-VI)**		**(1,605.52)**	(5,585.22)
	Loss per equity share: Basic and Diluted (in Rs.)	31	**(1.69)**	(6.49)

The accompanying notes 1 to 49 forms integral part of financial statements

In terms of our report attached.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No : 101248W/W-100022

Jaymin Sheth
Partner
Membership No: 114583

Mumbai
Date: 29 April 2022

For and on behalf of Board of Directors
Mahindra Agri Solutions Limited
CIN - U01400MH2000PLC125781

Ramesh Iyer
Director
DIN: 00220759

Feroze Baria
Company Secretary
Membership No.: 11357

Mumbai
Date: 29 April 2022

Ashok Sharma
Managing Director and Chief Executive Officer
DIN: 02766679

Meghnad Mitra
Chief Financial Officer
Membership No.: 54732

Delhi
Date: 29 April 2022

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2022

(Currency : Indian rupees in lakhs)

	Year ended 31 March 2022	Year ended 31 March 2021
Cash flows from operating activities		
Loss before tax for the year	**(1,590.23)**	(5,672.71)
Adjustments for:		
Finance costs	**665.73**	592.25
Interest income	**(4.72)**	(5.76)
Provision for doubtful debts	**12.23**	65.21
Impairment of certain investments	**350.00**	2,881.75
Gain on slump sale of dairy business	**(227.74)**	–
Depreciation and amortisation expense	**439.20**	453.78
Net foreign exchange (gain)	**(84.52)**	(44.42)
Liabilities no longer required written back	**(9.28)**	(121.31)
Expenses recognised in respect of ESOP	**74.67**	99.11
Gain on disposal of Property, plant and equipment (net)	**(8.08)**	(6.12)
	(382.74)	(1,758.23)
Movements in working capital:		
Decrease/(increase)/in trade and other receivables	**596.00**	(529.01)
(Increase) in inventories	**(1,258.83)**	(581.57)
(Increase) in other assets	**(35.87)**	(60.32)
(Decrease)/ increase in trade and other payables	**(581.90)**	1,231.72
	(1,280.60)	60.82
Cash (used in) operations	**(1,663.34)**	(1,697.41)
Income taxes refund	**47.36**	(1.42)
Net cash (used in) operating activities	**(1,615.98)**	(1,698.82)
Cash flows from investing activities		
Interest received	**2.90**	4.19
Payment to acquire non-current investments - Subsidiaries	**(634.76)**	(302.35)
Changes in bank deposits with bank	**(2.42)**	(3.34)
Proceeds from sale of dairy business	**275.00**	2.07
Proceeds from sale of property, plant and equipment	**98.70**	35.58
Payments for purchase of property, plant and equipment	**(358.83)**	(310.16)
Net cash (used in) investing activities	**(619.41)**	(574.01)
Cash flows from financing activities		
Repayments of Long-term Borrowings	**(200.25)**	(31.27)
Proceeds from Short-term borrowings	**6,188.22**	1,300.00
Repayments of short-term borrowings	**(7,337.58)**	(2,975.00)
Repayment of intercorporate deposit	**(1,000.00)**	(1,450.00)
Proceeds from Long-term intercorporate deposit	**1,500.00**	–
Proceeds from Short-term intercorporate deposit	**3,000.00**	1,450.00
Interest paid	**(444.29)**	(391.78)

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2022 (CONT...)

(Currency : Indian rupees in lakhs)

	Year ended 31 March 2022	Year ended 31 March 2021
Net cash flow generated from/(used in) financing activities	**1,706.10**	1,901.59
Net (increase) in cash and cash equivalents	**(529.29)**	(371.24)
Cash and cash equivalents at the beginning of the year	**545.78**	917.02
Cash and cash equivalents at the end of the year (refer note 14)	**16.50**	545.78

Notes :

1 The above Cash Flow statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard (Ind AS) 7 - "Statement of Cash Flows" notified under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standard) Rules, 2015.

2 The Company has a lien on its fixed deposits aggregating Rs. 119.65 lakhs (31 March 2021: Rs. 114.37 lakhs) against the bank guarantees / performance guarantees issued by the Company in favour of various customers.

3 **Components of cash and cash equivalents**

	As at 31 March 2022	As at 31 March 2021
Balance with banks		
- In current accounts	**16.50**	648.81
Book overdrafts	**–**	(103.03)
	16.50	545.78

4 **The movement of borrowings as per Ind AS 7 is as follows:**

	31 March 2022	31 March 2021
Opening balances		
Long-term borrowings	**6,681.57**	6,510.19
Short-term borrowings	**4,800.00**	6,475.00
Movements		
Long-term borrowings	**1,518.36**	171.38
Short-term borrowings	**850.63**	(1,675.00)
Closing balances		
Long-term borrowings	**8,199.93**	6,681.57
Short-term borrowings	**5,650.63**	4,800.00

The accompanying notes 1 to 47 forms integral part of financial statements

In terms of our report attached.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No : 101248W/W-100022

Jaymin Sheth
Partner
Membership No: 114583

Mumbai
Date: 29 April 2022

For and on behalf of Board of Directors
Mahindra Agri Solutions Limited
CIN - U01400MH2000PLC125781

Ramesh Iyer
Director
DIN: 00220759

Feroze Baria
Company Secretary
Membership No.: 11357

Mumbai
Date: 29 April 2022

Ashok Sharma
Managing Director and Chief Executive Officer
DIN: 02766679

Meghnad Mitra
Chief Financial Officer
Membership No.: 54732

Delhi
Date: 29 April 2022

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2022

(Currency : Indian rupees in lakhs)

(a) Equity share capital

For the year ended 31 March 2022

Particulars	No. of shares	Amount
At 1 April 2021	94,173,080	9,417.31
Changes in Equity Share Capital due to prior period errors	–	–
Restated balance at 1 April 2021	94,173,080	9,417.31
Issue of share capital	–	–
At 31 March 2022	**94,173,080**	**9,417.31**

For the year ended 31 March 2021

Particulars	No. of shares	Amount
At 1 April 2020	81,271,025	8,127.10
Changes in Equity Share Capital due to prior period errors	–	–
Restated balance at 1 April 2020	81,271,025	8,127.10
Issue of share capital	12,902,055	1,290.21
At 31 March 2021	**94,173,080**	**9,417.31**

(b) Other equity

Particulars	Reserves and Surplus					OCI	
	Equity component of Optionally convertible redeemable preference shares	Securities premium	Capital reserve for bargain purchase business combination	Employee stock option outstanding	Retained earnings	Effective portion of cash flow hedges	Total
As at 31 March 2020	**2,134.45**	**24,678.06**	**(9,100.45)**	**649.43**	**(18,415.23)**	**(50.84)**	**(104.58)**
Loss for the year	–	–	–	–	(5,672.71)	–	(5,672.71)
Other comprehensive income/(loss)	–	–	–	–	14.47	73.02	87.49
Total comprehensive income for the year	**–**	**–**	**–**	**–**	**(5,658.24)**	**73.02**	**(5,585.22)**
Security premium on right issue and preferential allotments	–	2,709.43	–	–	–	–	2,709.43
6% Optionally Convertible Redeemable Preference issue	–	–	–	–	–	–	–
Share issue (ESOP to employees)	–	–	–	99.11	–	–	99.11
As at 31 March 2021	**2,134.45**	**27,387.49**	**(9,100.45)**	**748.54**	**(24,073.47)**	**22.18**	**(2,881.25)**
Loss for the year	–	–	–	–	(1,590.23)	–	(1,590.23)
Other comprehensive income/(loss)	–	–	–	–	4.42	(19.71)	(15.29)
Total comprehensive income for the year	**–**	**–**	**–**	**–**	**(1,585.80)**	**(19.71)**	**(1,605.52)**
Security premium on right issue and preferential allotments	–	–	–	–	–	–	–
6% Optionally Convertible Redeemable Preference issue	–	–	–	–	–	–	–
Share issue (ESOP to employees)	–	–	–	74.67	–	–	74.67
As at 31 March 2022	**2,134.45**	**27,387.49**	**(9,100.45)**	**823.21**	**(25,659.27)**	**2.47**	**(4,412.10)**

In terms of our report attached.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No : 101248W/W-100022

Jaymin Sheth
Partner
Membership No: 114583

Mumbai
Date: 29 April 2022

For and on behalf of Board of Directors
Mahindra Agri Solutions Limited
CIN - U01400MH2000PLC125781

Ramesh Iyer
Director
DIN: 00220759

Feroze Baria
Company Secretary
Membership No.: 11357

Mumbai
Date: 29 April 2022

Ashok Sharma
Managing Director and Chief Executive Officer
DIN: 02766679

Meghnad Mitra
Chief Financial Officer
Membership No.: 54732

Delhi
Date: 29 April 2022

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

(Currency : Indian rupees in lakhs)

1. Corporate information

Mahindra Agri Solutions Limited (Formerly Known as Mahindra Shubhlabh Services Limited) ("the Company") a Public Limited Company domiciled in India and incorporated on 11 April 2000 under the provisions of the Companies Act, 1956 (CIN : U01400MH2000PLC125781).

The Company is engaged in the business of Agri inputs products and Food businesses. Grapes, Banana Cultivation, Seeds, Dairy and Banana Export etc. businesses are in operations during the year.

The Company is the subsidiary of Mahindra and Mahindra Limited.

The financial statements for the year ended 31 March 2022 were approved by the Board of Directors and authorised for issue on 29 April 2022.

2. Statement of compliance and basis of preparation and presentation

2.1 Basis of preparation and presentation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards as per the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under Section 133 of the Companies Act, 2013 (the 'Act') and other relevant provisions of the Act.

All assets and liabilities are classified as current if it is expected to realise or settle within 12 months after the Balance Sheet date.

2.2 Going concern

During the year ended 31 March 2022, the Company has incurred loss after tax of Rs 1,590.23 lacs (31 March 2021: Rs 5,672.71 lacs) and as at that date, the Company's current liabilities exceed current assets by Rs 2,213.65 lacs (31 March 2021 : 2,213.60 lacs). The Company has positive net worth of Rs 5,005.21 as at 31 March 2022.

The financial statements for the year ended 31 March 2022 are prepared on a going concern basis, the validity of which is premised on the continuing availability of credit facilities from banks to the Company for the foreseeable future to meet its working capital requirements, in addition to the funds expected to be generated from the operating activities, to be achieved by bringing operational efficiencies and increase in sales volumes in the coming years. Further, the Company has sanctioned limit for additional investment / financial assistance up to Rs. 50 crores by way of debt / equity infusion which will be decided by the Holding Company, approved by the Board of the Holding Company at its meeting held on 28 October 2021. The Company has received long-term borrowing of Rs 1,500 lacs during the year from the Holding Company.

Based on aforesaid assessment. management believes that as per estimates made conservatively, the Company will continue as a going concern and will be able to discharge its liabilities and realise the carrying amount of its assets as on 31 March 2022.

2.3 Functional and presentation currency

The financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency. All amounts have been rounded-off to the nearest Rs. lakhs, unless otherwise indicated.

2.4 Basis of measurement

The financial statements have been prepared on the historical cost basis, except for certain financial instruments which are measured at fair values at the end of each reporting period. Historical cost is based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

2.5 Measurement of fair value

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant the fair value measurement is unobservable

2.6 Critical accounting judgements and key sources of estimation uncertainty

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets, liabilities, income, expenses etc. at the date of these financial statements and the reported amounts of revenues and expenses for the years presented. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates under different assumptions and conditions.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

i. Critical Judgements

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements.

Discount rate used to determine the carrying amount of the Company's employee defined benefit obligation

In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

ii. Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Useful lives of property, plant and equipment

As described in Note 3.5, the Company reviews the estimated useful lives and residual values of property, plant and equipment at the end of each reporting period. During the current financial year, the management has reassessed the useful lives of certain property, plant and equipment and the impact of the change is not material for the year. There were no changes in residual values of the property, plant and equipment.

(Currency : Indian rupees in lakhs)

Allowances for doubtful debts

The Company makes allowances for doubtful debts based on an assessment of the recoverability of trade and other receivables. The identification of doubtful debts requires use of judgments and estimates. Where the expectation is different from the original estimate, such difference will impact the carrying value of the trade and other receivables and doubtful debts expenses in the period in which such estimate has been changed.

Liability for sales return

In making judgment for liability for sales return, the management considered the detailed criteria for the recognition of revenue from the sale of goods set out in Ind AS 115 and in particular, whether the Company had transferred to the buyer the significant risk and rewards of ownership of the goods. Following the detailed quantification of the Company's liability towards sales return, the management is satisfied that significant risk and rewards have been transferred and that recognition of the revenue in the current year is appropriate, in conjunction with the recognition of an appropriate liability for sales return. Accruals for estimated product returns, which are based on historical experience of actual sales returns and adjustment on account of current market scenario is considered by Company to be reliable estimate of future sales returns.

Allowances for inventories

Management reviews the inventory age listing on a periodic basis. This review involves comparison of the carrying value of the aged inventory items with the respective net realizable value. The purpose is to ascertain whether an allowance is required to be made in the financial statements for any obsolete and slow-moving items. Management is satisfied that adequate allowance for obsolete and slow-moving inventories has been made in the financial statements.

Taxes

There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. Where the final tax outcome of these matters is different from the amounts initially recorded, such differences will impact the current and deferred tax provisions in the period in which the tax determination is made. The assessment of probability involves estimation of a number of factors including future taxable income.

Defined benefit plans (gratuity benefits)

A liability in respect of defined benefit plans is recognised in the balance sheet and is measured as the present value of the defined benefit obligation at the reporting date less the fair value of the plan's assets. The present value of the defined benefit obligation is based on expected future payments at the reporting date, calculated annually by independent actuaries. Consideration is given to expected future salary levels, experience of employee departures and periods of service.

3. Significant accounting policies

3.1 Revenue recognition

The Company has applied Ind AS 115 Revenue from Contracts with Customers which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised.

Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration expected to receive in exchange for those products or services.

The core principle of Ind AS 115 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the standard introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligation in contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Under Ind AS 115, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer.

The accounting policies for specific revenues streams of the Company is summarised below:

Sale of goods:

Revenue from the sale of goods is recognised upon transfer of control of promised products to customers in an amount that reflects the consideration expected to receive in exchange for those products, at which time all the following conditions are satisfied:

- the Company has transferred to the buyer the control of promised products to customers;
- the Company has identified the contract with customer and performance obligation in the contract.
- the transaction price can be measured reliably;
- it is expected that the consideration associated with the transaction will flow to the Company; and revenue is recognised when the company satisfy the performance obligation

Export benefits

Export benefits for sale of goods are accounted for in the year of export based on eligibility and accrual basis, when there is no uncertainty in receiving the same.

3.2 Interest income

Interest income from financial assets is recognised when it is probable that economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial assets to that asset's net carrying amount on initial recognition.

3.3 Employee benefits

The Company's contribution paid / payable during the year to Superannuation Fund, ESIC and Labour Welfare Fund are recognised in profit or loss.

Provident fund

Contributions to Provident Fund are made to a Trust administered by the Company/Regional Provident Fund Commissioners and are charged to profit or loss as incurred. The Company is liable for the contribution and any shortfall in interest between the amount of interest realised by the investments and the interest payable to members at the rate declared by the Government of India in respect of the Trust administered by the Company.

Post-employment benefit plans

Defined Contribution plans:

Payments to defined contribution retirement benefit scheme for eligible employees in the form of superannuation fund are charged as an expense as they fall due. Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further obligations, apart from the contributions made.

Defined benefit plans

The Company operates a defined benefit plan – gratuity fund.

The liability recognised in the balance sheet in respect of its defined benefit plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The

(Currency : Indian rupees in lakhs)

defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the said obligation is determined by discounting the estimated future cash outflows, using market yields of government bonds that have tenure approximating the tenures of the related liability.

The interest income / (expense) are calculated by applying the discount rate to the net defined benefit liability. The net interest income / (expense) on the net defined benefit liability or asset is recognised in the Statement of Profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the Statement of Changes in Equity and in the Balance Sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

Short-term employee benefit

Compensated absences which accrue to employees and which can be carried to future periods but are expected to be encashed or availed in twelve months immediately following the year end are reported as expenses during the year in which the employees perform the services that the benefit covers and the liabilities are reported at the undiscounted amount of the benefits after deducting amounts already paid. Where there are restrictions on availment of encashment of such accrued benefit or where the availment or encashment is otherwise not expected to wholly occur in the next twelve months, the liability on account of the benefit is actuarially determined using the projected unit credit method.

Employee stock option scheme

Equity-settled share-based payments to employees are measured at the fair value of the equity instruments at the grant date. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity.

3.4 Taxation

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred taxes are recognised in Statement of Profit and Loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

Current tax

Current tax is measured at the amount of tax expected to be payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle the asset and the liability on a net basis.

Deferred tax

Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount, except when the deferred income tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred tax assets are recognised only to the extent that it is probable that either future taxable profits or reversal of deferred tax liabilities will be available, against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of a deferred tax asset shall be reviewed at the end of each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

3.5 Property, plant and equipment

Property, plant and equipment (other than bearer plant) held for use in the production or supply of goods or services, or for administrative purposes, are stated in the Balance sheet at cost less accumulated depreciation and accumulated impairment losses. Freehold land is not depreciated.

Property, plant and equipment are stated at cost of acquisition or construction less accumulated depreciation and accumulated impairment if any.

Cost includes financing cost relating to borrowed funds attributable to the construction or acquisition of qualifying tangible assets upto the date the assets are ready for use. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Bearer Plant cost includes cost of plant and land preparation upto the planting. Bearer plant are stated in the Balance sheet at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Depreciation is calculated on Straight Line method over the estimated useful life of all assets. These lives are in accordance with Schedule II to the Companies Act, 2013, other than the following asset classes based on the Company's expected usage pattern supported by technical assessment:

(a) Certain items of Plant and Equipment – 1 to 15 years

(b) Buildings (Roads) – 15 years

(c) Vehicles – 5 years

(d) Bearer Plant – 3 Years

3.6 Intangible assets

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

Intangible assets under development

The Company expenses costs incurred during research phase to profit or loss in the year in which they are incurred. Development phase expenses are initially recognised as intangible assets under development until the development phase is complete, upon which the amount is capitalised as intangible asset.

Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible assets, measured as the difference between the net disposal proceeds and the carrying

(Currency : Indian rupees in lakhs)

amount of the asset, are recognised in profit or loss when the asset is derecognised.

Useful lives of intangible assets

Estimated useful lives of the intangible assets are as follows:

Computer software	3 years, 10 years
Non-compete fees	5 years
Trademarks	10 years
Technical knowhow	10 years

3.7 Impairment of assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount, which is the higher of the value in use or fair value less cost to sell, of the asset or cash-generating unit, as the case may be, is estimated and impairment loss (if any) is recognised and the carrying amount is reduced to its recoverable amount. In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

When an impairment loss subsequently reverses, the carrying amount of the asset or a cash-generating unit is increased to the revised estimate of its recoverable amount, so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) earlier.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

3.8 Biological assets

Biological assets growing on the bearer plant is estimated at fair value.

3.9 Inventories

Inventories are valued at lower of cost (on weighted average basis) and net realisable value after providing for obsolescence and other losses, where considered necessary. Cost includes all charges in bringing the goods to their present location and condition, including octroi and other levies, transit insurance and receiving charges.

Work-in-progress and finished goods include appropriate proportion of overheads.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

Stores, spares and tools other than obsolete and slow moving items are carried at cost. Obsolete and slow moving items are valued at cost or estimated net realisable value, whichever is lower.

3.10 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

3.11 Financial instruments

Financial assets and financial liabilities are recognised when a Company entity becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Classification and subsequent measurement

Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on their respective classification.

On initial recognition, a financial asset is classified as - measured at :

- Amortised cost; or
- Fair Value through Other Comprehensive Income (FVTOCI) - equity investment; or
- Fair Value Through Profit or Loss (FVTPL)

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

All financial assets not classified as measured at amortised cost or FVTOCI are measured at FVTPL. This includes all derivative financial assets unless designated as effective hedge instruments which are accounted as per hedge accounting requirements discussed below.

Financial assets at amortised cost are subsequently measured at amortised cost using effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment expenses are recognised in profit or loss. Any gain and loss on derecognition is also recognised in profit or loss.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

For equity investments, the Company makes an election on an instrument-by-instrument basis to designate equity investments as measured at FVTOCI. These elected investments are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the reserves.

The cumulative gain or loss is not reclassified to profit or loss on disposal of the investments. These investments in equity are not held for trading. Instead, they are held for medium or long-term strategic purpose. Upon the application of Ind AS 109, the Company has chosen to designate these investments as at FVTOCI as the Company believes that this provides a more meaningful presentation for medium or long-term strategic investments, than reflecting changes in fair value immediately in profit or loss. Dividend income received on such equity investments are recognised in profit or loss.

Equity investments that are not designated to be measured at FVTOCI are designated to be measured at FVTPL. Subsequent changes in fair value are recognised in profit or loss.

Financial liabilities and equity instruments

Debt and equity instruments issued by the company are classified as either financial liabilities or as equity in accordance with the

(Currency : Indian rupees in lakhs)

substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company is recognised at the proceeds received, net of directly attributable transaction costs.

Financial liabilities

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading or it is a derivative (that does not meet hedge accounting requirements) or it is designated as such on initial recognition. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all of the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for the amount it may have to pay.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised and the proceeds received are recognised as a collateralised borrowing.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Derivative financial instruments

The Company enters into derivative financial instruments, primarily foreign exchange forward contracts to manage its exposure to foreign exchange. Derivatives embedded in non-derivative host contracts that are not financial assets within the scope of Ind AS 109 are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at FVTPL.

Derivatives are initially recognised at fair value at the date the contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedging relationship and the nature of the hedged item.

Changes in fair value of the designated portion of derivatives that qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated under hedging reserve. The gain or loss relating to the ineffective portion is recognised immediately in the profit or loss.

Impairment of financial assets

The Company applies the expected credit loss (ECL) model for recognising impairment loss on financial assets. With respect to trade receivables, the Company measures the loss allowance at an amount equal to lifetime expected credit losses.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write- off. However, financial assets that are written off could still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

3.12 Foreign exchange transactions and translation

Transactions in foreign currencies i.e. other than the Company's functional currency of Indian Rupees are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the functional currency using exchange rates prevailing at the date when the fair value is determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences on monetary items are recognised in profit or loss in the period in which they arise except for exchange differences on transactions entered into in order to hedge certain foreign currency risks (refer policy on Derivative Financial Instruments).

3.13 Investments

Investments that are readily realisable and intended to be held for not more than a year from the date of acquisition are classified as current investments.

All other investments are classified as long-term investments.

Investment in subsidiaries are measured at cost as per Ind AS 27 - Separate Financial Statements.

Any reductions in the carrying amount and any reversals of such reductions are charged or credited to the Statement of profit and loss.

Cost of investments include acquisition charges such as brokerage, fees and duties.

3.14 Government grants

Government grants related to property, plant and equipment's are recognised and presented by deducting the grant from the carrying amount of the assets at fair value when there is reasonable assurance that they will be received and the Company will comply with the conditions associated with the grant.

3.15 Cost recognition

Costs and expenses are recognised when incurred and have been classified according to their primary nature.

The costs of the Company are broadly categorised in employee benefit expenses, depreciation and amortisation and other operating expenses. Employee benefit expenses include employee compensation, allowances paid, contribution to various funds and staff welfare expenses. Other operating expenses majorly include fees to external consultants, cost running its facilities, travel expenses, cost of hardware and software bought for reselling, communication costs and other expenses. Other expenses is an aggregation of costs which are individually not material such as commission and brokerage, bank charges, freight and octroi etc.

Finance costs

The Company's finance costs include:

(i) Interest expense on borrowings and overdrafts

(ii) Interest expense on inter corporate deposits

Interest expense is recognised using effective interest method based on interest rates specified/ implicit in the transactions.

3.16 Earnings per share

Basic EPS is computed by dividing the Profit or loss attributable to the equity shareholders of the Company by the weighted average number of Ordinary shares outstanding during the year.

Diluted EPS is computed by adjusting the profit or loss attributable to the ordinary equity shareholders and the weighted average number of ordinary equity shares, for the effects of all dilutive potential Ordinary shares except where the results would be anti-dilutive.

3.17 Research and development expenses

Research expenditure is charged to the Statement of Profit and Loss.

(Currency : Indian rupees in lakhs)

Development costs of products are also charged to the Statement of Profit and Loss unless a product's technical feasibility has been established, in which case such expenditure is capitalised. Tangible assets used in research and development are capitalised.

3.18 Non-current assets held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset (or disposal group) and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

When the Company is committed to a sale plan involving disposal of an investment, the investment that will be disposed of is classified as held for sale when the criteria described above are met.

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

3.19 Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit/(loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating investing and financing activities of the Company are segregated based on the available information.

3.20 Borrowing costs

Borrowing costs are interest and ancillary costs incurred in connection with the arrangement of borrowings. General and specific borrowing costs attributable to acquisition and construction of any qualifying asset (one that takes a substantial period of time to get ready for its designated use or sale) are capitalised until such time as the assets are substantially ready for their intended use or sale, and included as part of the cost of that asset. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All the other borrowing costs are recognised in the Statement of Profit and Loss within Finance costs of the period in which they are incurred.

3.21 Leases

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of- use asset reflects that the Company will exercise a purchase option. In that case the right-of- use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee:

At commencement or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Company has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The Company presents right-of-use assets that do not meet the definition of investment property in 'property and equipment' and lease liabilities in the statement of financial position.

The Company has elected not to apply the requirements of Ind AS 116 Leases to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

Operating lease payments are recognized as an expense in the Statement of Profit and Loss on a straight-line basis over the term of the relevant lease.

3.22 Segment reporting

Operating segments are defined as components of an enterprise for which discrete financial information is available that is evaluated regularly by the chief operating decision maker, in deciding how to allocate resources and assessing performance. The Company's chief operating decision maker is the Managing Director and CEO of the Company.

Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment. Inter segment revenue is accounted on the basis of transactions which are primarily determined based on market / fair value factors. Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on a reasonable basis have been included under "unallocated revenue / expenses / assets / liabilities".

3.23 Accounting of Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised, when there is a present legal or constructive obligation as a result of past events, where it is probable that there will be outflow of resources to settle the obligation and when a reliable estimate of the amount of the obligation can be made. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. Where the effect is material, the provision is discounted to net present value using an appropriate current market based pre-tax discount rate and the unwinding of the discount is included in finance costs.

Contingent liabilities are recognised only when there is a possible obligation arising from past events, due to occurrence or non-occurrence of one or more uncertain future events, not wholly within the control of the Company, or where any present obligation cannot be measured in terms of future outflow of resources, or where a reliable estimate of the obligation cannot be made. Obligations are assessed on an ongoing basis and only those having a largely probable outflow of resources are provided for.

Contingent assets are not disclosed in the financial statements unless an inflow of economic benefits is probable.

3.24 Cash and cash equivalents

The Group considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

(Currency : Indian rupees in lakhs)

4 Property, plant and equipment and Capital work in-progress

Carrying Amount of:	**As at 31 March 2022**	As at 31 March 2021
Freehold land	**501.46**	501.46
Building	**1,390.57**	1,445.84
Plant and equipment	**617.85**	728.05
Computer equipment	**51.97**	33.42
Office equipment	**9.58**	17.93
Furniture and fixtures	**130.13**	139.62
Vehicles	**379.43**	446.26
Bearer plant	**72.17**	81.35
Leasehold improvement	**–**	–
Capital work-in-progress	**6.61**	32.12
Total	**3,159.77**	3,426.05

Description of assets	**Freehold land**	**Buildings**	**Plant and equipment**	**Computer equipment**	**Office equipment**	**Furniture and fixtures**	**Vehicles**	**Bearer plant**	**Capital Work in progress**	**Total**
I. Cost										
(a) Balance as at 1 April 2020	**501.46**	**1,619.03**	**1,327.03**	**118.51**	**54.06**	**236.66**	**482.69**	**129.87**	**5.19**	**4,474.49**
Additions	–	–	6.96	9.22	3.09	0.44	295.98	–	374.03	689.72
Deduction/Adjustments during the year	–	(16.56)	(117.59)	–	–	(18.33)	–	–	(347.10)	(499.58)
Disposals (refer note I & ii below)	–	–	(28.77)	(1.43)	(0.90)	(0.41)	(51.28)	(33.23)	–	(116.02)
(b) Balance as at 31 March 2021	**501.46**	**1,602.47**	**1,187.63**	**126.30**	**56.25**	**218.35**	**727.40**	**96.63**	**32.12**	**4,548.61**
Additions	–	–	20.19	49.78	1.21	10.97	66.97	–	134.17	283.29
Deduction/Adjustments during the year (refer note below)	–	–	–	–	–	–	–	–	(159.68)	(159.68)
Disposals	–	–	(230.14)	(13.40)	(1.64)	–	(62.04)	–	–	(307.22)
(c) Balance as at 31 March 2022	**501.46**	**1,602.47**	**977.68**	**162.68**	**55.82**	**229.32**	**732.33**	**96.63**	**6.61**	**4,365.00**
II. Accumulated depreciation and impairment										
(d) Balance as at 1 April 2020	–	**100.99**	**364.47**	**69.36**	**27.92**	**54.72**	**238.64**	**30.93**		**887.03**
Depreciation expense for the year	–	55.64	114.06	24.75	11.23	24.29	77.30	14.84		322.10
Disposal (refer note I & ii below)	–	–	(18.95)	(1.23)	(0.83)	(0.28)	(34.79)	(30.50)		(86.57)
(e) Balance as at 31 March 2021	–	**156.63**	**459.58**	**92.87**	**38.32**	**78.74**	**281.14**	**15.28**		**1,122.56**
Depreciation expense for the year	–	55.27	82.45	30.00	9.36	20.45	102.95	9.18		309.67
Disposal (refer note I & ii below)	–	–	(182.20)	(12.16)	(1.44)	–	(31.19)	–		(227.00)
(f) Balance as at 31 March 2022	–	**211.90**	**359.83**	**110.71**	**46.24**	**99.19**	**352.90**	**24.46**		**1,205.23**
III. Net carrying amount 31 March 2022 (c)-(f)	**501.46**	**1,390.57**	**617.85**	**51.97**	**9.58**	**130.13**	**379.43**	**72.17**	**6.61**	**3,159.77**
IV. Net carrying amount 31 March 2021 (b)-(e)	**501.46**	**1,445.84**	**728.05**	**33.42**	**17.93**	**139.62**	**446.26**	**81.35**	**32.12**	**3,426.05**

Note:

(i) The Company has receievd NIL amount as Packhouse subsidy granted by the Ministry of Food Processing Industries in the current year (Rs. 152.48 lacs for year ended 31 March 2021) which has been shown as deduction/ adjustments during the previous year.

(Currency : Indian rupees in lakhs)

(ii) Dairy Business Slump Sale

Board has approved in its meeting held on 11 June 2021, to transfer its dairy business to White Spread Foods Private limited and Jalpak Foods private limited on the basis of valuation report by a registered valuer.

Further during the year, the Mahindra Agri Solutions Limited (the Company) had entered into a business transfer agreement (BTA) dated 15 June 2021 with White Spread Foods Private limited and Jalpak Foods private limited. Pursuant to this agreement, Dairy business of the Company is transferred to WSFPL on slump sale basis for total consideration of Rs. 343 Lakhs comprising of Rs. 275 lacs as cash consideration and balance in form of Equity consideration valued at Rs. 68 Lakhs and acquired 19.83% shareholding in WSFPL.

Details of Carrying value of Assets sold on Slump sale

Description of assets	As at 31 March 2022	As at 31 March 2021
Computer Equipment	**0.97**	0.99
Office Equipment	**0.05**	0.07
Plant and Equipment	**47.94**	56.88
Vehicles	**7.35**	8.23
Total	**56.31**	66.17

Capital work in progress (CWIP) Ageing Schedule

As at 31 March 2022	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	6.61	–	–	–	6.61
Projects temporarily suspended	–	–	–	–	–
Total	**6.61**	**–**	**–**	**–**	**6.61**

As at 31 March 2021	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	32.12	–	–	–	32.12
Projects temporarily suspended	–	–	–	–	–
Total	**32.12**	**–**	**–**	**–**	**32.12**

5A Other intangible assets

Carrying amount of:-	As at 31 March 2022	As at 31 March 2021
Computer software	**46.97**	52.01
Non compete fees	**–**	–
Intangible development	**72.42**	86.81
Trademarks	**15.74**	22.88
Technical knowhow	**104.33**	137.23
Intangible assets under development	**192.65**	101.24
Total	**432.11**	400.17

(Currency : Indian rupees in lakhs)

Description of assets		Computer software	Non compete fees	Intangible development	Trademarks	Technical knowhow (See note 1)	Intangible assets under development	Total
Intangible Assets								
I.	**Cost**							
(a)	**Balance as at 1 April 2020**	**51.80**	**32.00**	**256.17**	**70.87**	**326.88**	**–**	**737.71**
	Additions through internal development	31.41	–	–	–	–	101.24	132.65
	Disposals	(0.03)	–	–	–	–	–	(0.03)
(b)	**Balance as at 31 March 2021**	**83.18**	**32.00**	**256.17**	**70.87**	**326.88**	**101.24**	**870.33**
	Additions through internal development	10.56	–	63.10	–	–	154.51	228.18
	Disposals	(3.61)	–	–	–	–	(63.10)	(66.72)
(c)	**Balance as at 31 March 2022**	**90.13**	**32.00**	**319.27**	**70.87**	**326.88**	**192.65**	**1,031.80**
II.	**Accumulated amortisation and impairment**							
(d)	**Balance as at 1 April 2020**	**24.94**	**32.00**	**83.97**	**40.84**	**156.74**	**–**	**338.50**
	Amortisation expense for the year	6.24	–	85.39	7.14	32.90	–	131.68
	Disposal	(0.02)	–	–	–	–	–	(0.02)
(e)	**Balance as at 31 March 2021**	**31.17**	**32.00**	**169.36**	**47.99**	**189.65**	**–**	**470.16**
	Amortisation expense for the year	12.00	–	77.49	7.14	32.90	–	129.54
	Disposal	(0.01)	–	–	–	–	–	(0.01)
(f)	**Balance as at 31 March 2022**	**43.16**	**32.00**	**246.85**	**55.13**	**222.55**	**–**	**599.69**
III.	**Net carrying amount 31 March 2022 (c)-(f)**	**46.97**	**–**	**72.42**	**15.74**	**104.33**	**192.65**	**432.11**
IV.	**Net carrying amount 31 March 2021 (b)-(e)**	**52.01**	**–**	**86.81**	**22.88**	**137.23**	**101.24**	**400.17**

Note : Significant intangible asset

The Company holds a Technical knowhow for Seeds germination. The carrying amount of the Technical knowhow of Rs 104.33 lakhs (31 March 2021 Rs 137.23 lakhs), out of which Rs 47.27 lakhs will be amortised in balance 6 years and balance Rs 57.06 lakhs will be amortised in balance 2 years.

5B Intangible assets under development

Carrying amount of :-	As at 31 March 2022	As at 31 March 2021
Intangible assets under development	**192.65**	101.24
Total	**192.65**	101.24

Intangible assets under development (IAUD) Ageing Schedule

As at 31 March 2022	Amount in IADU for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	154.62	38.03	–	–	192.65
Projects temporarily suspended	–	–	–	–	–
Total	**154.62**	**38.03**	**–**	**–**	**192.65**

As at 31 March 2021	Amount in IADU for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	101.24	–	–	–	101.24
Projects temporarily suspended	–	–	–	–	–
Total	**101.24**	**–**	**–**	**–**	**101.24**

(Currency : Indian rupees in lakhs)

6 Investments

Particulars	Face value Per share (Rs)	As at 31 March 2022 Nos	As at 31 March 2022 Amount Non-current	As at 31 March 2021 Nos	As at 31 March 2021 Amount Non-current
At Cost					
A. In Subsidiary companies					
Equity shares-fully paid (Unquoted)					
Mahindra Fruits Private limited (formerly known as Mahindra Greenyard Private Limited)	10	**1,09,30,000**	**675.80**	1,04,30,000	625.80
Mahindra HZPC Private Limited	10	**2,97,59,125**	**2,975.91**	2,69,11,500	2,691.15
Mahindra Fresh Fruits Distribution Holding Company Europe BV Euro 10,000 - 10,000 shares @ 1 euro each		**10,000**	**7.67**	10,000	7.67
Mera Kisan Private Limited	10	**1,16,05,000**	**1,160.50**	5,00,000	50.00
Preference shares- fully paid (Unquoted)					
Mera Kisan Private Limited					
Optionally fully convertible cumulative preference share	10	–	–	76,05,000	760.50
Optionally convertible cummulative redeemable preference share	10	–	–	5,00,000	50.00
Warrant (Unquoted)					
Mera Kisan Private Limited	10	32,20,000	41.86	32,20,000	41.86
B. In Joint venture company					
Equity shares- fully paid (Unquoted)					
Mahindra Summit Agriscience Limited (w.e.f 12 April 2019)	10	7,68,66,000	7,686.60	7,68,66,000	7,686.60
C. Fair value through other comprehensive income - FVTOCI					
Investments in Equity shares					
Fully paid up equity shares of Rs. 10 each of Vayugrid Marketplace Services Private Limited	10	**21,21,000**	**58.75**	21,21,000	58.75
D. Fair value through profit and loss - FVTPL					
Unquoted Investments (all fully paid)					
Investments in Equity shares					
Fully paid up equity shares of Rs. 10 each of Vayugrid Marketplace Services Private Limited	10	**6,80,000**	**68.00**	**–**	**–**
E. Less: Aggregate amount of impairment in value of investments			**(3,358.50)**		(2,940.50)
TOTAL INVESTMENTS (A) + (B) + (C) + (D) - (E)			**9,316.59**		9,031.83
Total impairment loss on value of investments			**3,358.50**		2,940.50

Note :

Terms of Optionally fully convertible cumulative preference share of Mera Kisan Private Limited are as follows:

The preference shares can be fully converted into equity shares at conversion ratio of 1:1, at any time from the Conversion Period Commencement Date until the sixth anniversary of the Closing Date.

OCPS shall be redeemable at any time after 1 April 2020 at Rs. 10.5 Per share.

The shares will bear a Cumulative dividend rate of 0.01% per annum. The shares shall be redeemed at par/premium in accordance with Section 55 of the Companies Act, 2013 or as varied after due approval of preference shareholders under Section 48 of the Act at any time on or before the maturity period at the Company's option.

The Company has exercised the conversion option of OCPS during the year.

Terms Optionally Convertible Cumulative Redeemable Preference Shares (OCCRPS) of Mera Kisan Private Limited are as follows:

The conversion of the OCCRPS to equity shares of MKPL will take place at the option ofthe holder of the OCCRPS, at the fair market value at the time of such conversion.

The OCCRPS shall be redeemed at face value at maturity of 10 years from the date of allotment.

The shares will bear a Cumulative dividend rate of 6% per annum.

OCRPS will be transferable, subject to prior consent of the Company.

The Company has exercised the conversion option of OCCRPS during the year.

(Currency : Indian rupees in lakhs)

7 Other financial assets

Particulars	As at 31 March 2022 Current	As at 31 March 2022 Non-current	As at 31 March 2021 Current	As at 31 March 2021 Non-current
Financial assets at amortised cost :				
Security deposits	**13.55**	**28.73**	15.82	29.45
Export incentive receivable	**351.78**	**–**	379.70	–
Interest accrued on bank deposits	**3.74**	**–**	1.92	–
Earmarked bank deposit with maturity more than 12 months	**–**	**483.62**	–	483.62
Insurance claim receivable	**150.88**	**–**	69.61	–
Accrual of incentive from State Government	**570.40**	**–**	485.19	–
Total	**1,090.35**	**512.35**	952.24	513.07

8 Deferred tax assets

Particulars	As at 31 March 2022	As at 31 March 2021
Deferred tax assets	**6,999.73**	6,799.83
Deferred tax liability	**(75.96)**	(61.17)
Deferred tax assets (net)	**6,923.76**	6,738.66
Deferred tax assets (net) #	**6,923.76**	6,738.66

31 March 2022

Particulars	Net balance 1 April 2021	Recognised in profit or loss	Recognised in OCI	Net #	Deferred tax asset	Deferred tax liability
Tax effect of items constituting deferred tax assets						
Employee benefits	130.67	(1.11)	–	129.56	129.56	–
Income tax relating to defined benefit plans that will not be reclassified to profit or loss	(1.40)	–	1.12	(0.28)	–	(0.28)
Effective portion of gains and loss on designated portion of hedging instruments in a cash flow hedge	20.18	–	(4.96)	15.21	15.21	–
Carried forward business loss	4,434.64	98.38	–	4,533.02	4,533.02	–
Unabsorbed depreciation	1,965.22	105.99	–	2,071.21	2,071.21	–
Provision for doubtful debts	249.12	1.60	–	250.72	250.72	–
Tax effect of items constituting deferred tax liabilities						
Difference between WDV as per books and income tax	(59.77)	(15.91)	–	(75.68)	–	(75.68)
Deferred tax assets (net)	**6,738.66**	**188.95**	**(3.85)**	**6,923.76**	**6,999.73**	**(75.96)**

31 March 2021

Particulars	Net balance 1 April 2020	Recognised in profit or loss	Recognised in OCI	Net #	Deferred tax asset	Deferred tax liability
Tax effect of items constituting deferred tax assets						
Employee benefits	102.90	27.77	–	130.67	130.67	–
Income tax relating to defined benefit plans that will not be reclassified to profit or loss	(5.04)	3.64	3.64	(1.40)	–	(1.40)
Effective portion of gains and loss on designated portion of hedging instruments in a cash flow hedge	1.80	18.38	18.38	20.18	20.18	–
Carried forward business loss	4,381.39	53.26	–	4,434.64	4,434.64	–
Unabsorbed depreciation	1,436.42	528.80	–	1,965.22	1,965.22	–
Provision for doubtful debts	247.73	1.39	–	249.12	249.12	–
Tax effect of items constituting deferred tax liabilities						
Difference between WDV as per books and income tax	(98.64)	38.87	–	(59.77)	–	(59.77)
Deferred tax assets (net)	6,066.56	672.11	22.02	6,738.66	6,799.83	(61.17)

The unrecognised tax losses brought forward expire as follows

Financial years	Amount
2024-2025	3,449.78
2025-2026	5,145.00
2026-2027	4,608.72
2027-2028	2,486.45
2028-2029	1,957.28
2029-2030	362.39
Total	**18,009.62**

 # Unrecognised deferred tax assets

Deferred tax assets (DTA) have not been recognised, because it is not probable that future taxable profit will be available against which the Company can use the benefits therefrom

Deferred tax assets for the carry forward of unused tax losses are recognised to the extent that it is probable that future taxable profits will be available against which the unused tax losses can be utilised. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of losses, the Company recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets - unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

9 Current tax assets (net)

Particulars	As at 31 March 2022	As at 31 March 2021
Non-current tax assets		
Tax refund receivables	–	57.36
TDS receivable	**64.74**	54.74
Total	**64.74**	112.10
Current tax liability		
Provision for tax	**40.23**	40.23
Total	**40.23**	40.23
Current tax assets (net)	**24.51**	71.87

10 Other current and Non-current assets

(Currency : Indian rupees in lakhs)

Particulars	As at 31 March 2022 Current	As at 31 March 2022 Non-current	As at 31 March 2021 Current	As at 31 March 2021 Non-current
(a) Capital advances				
(i) For Capital work-in-progress	–	**0.15**	–	5.65
(b) Advances other than capital advances				
(i) Balances with government authorities (other than income taxes)	**459.75**	**2.50**	617.16	5.50
(ii) Advances to employees				
Considered good	**28.58**	–	48.08	–
Considered doubtful	**17.63**	–	17.63	–
Provision for doubtful advances	**(17.63)**	–	(17.63)	–
(iii) Advances to vendor				
Considered good	**348.08**	**2.58**	413.08	2.58
Considered doubtful	**87.04**	–	230.66	–
Provision for doubtful advances	**(87.04)**	–	(230.66)	–
(iv) Advances for Equity subscription				
Considered good	–	–	–	–
Considered doubtful	**140.00**	–	–	–
Provision for doubtful advances	**(140.00)**	–	–	–
(v) Prepaid expenses	**130.23**	–	**147.41**	52.96
(vi) Expected returns from Customers	**215.34**	–	–	–
Total	**1,181.98**	**5.23**	1,225.73	66.69

11 Biological assets other than bearer plant

Particulars	As at 31 March 2022	As at 31 March 2021
Opening stock	–	41.61
Add: Purchases or input costs	–	12.06
Less: Harvested	–	53.67
Add: Gain on changes in fair value	–	–
Closing stock	–	–

The cost of biological assets recognised as an expense includes Nil (31 March 2021: Rs 8.40 lakhs).

12 Inventories (at lower of cost and net realisable value)

Particulars	As at 31 March 2022	As at 31 March 2021
Stock-in-trade *(refer note 3)*	**4,065.95**	2,450.40
Packing Materials, stores and spares	**1,060.82**	400.09
Stock-in-transit	**2,287.91**	3,305.36
Total	**7,414.68**	6,155.85

Notes:

1 The cost of inventories recognised as an expense during the year was Rs 12,179.80 lakhs (31 March 2021: Rs 17,323.93 lakhs)

2 The carrying amount of inventories pledged as security for working capital loan from bank is secured by first paripassu charge on inventories (including Stock-in-trade, Packing Materials, stores and spares and Stock-in-transit), book debts and all other current assets (refer note 16B).

3 It includes inter-unit transfer of stock amounting to Rs 166.26 lakhs (31 March 2021: Rs 12.34 lakhs).

4 The mode of valuation of inventories has been stated in note 3.9

13 Trade receivables

Particulars	As at 31 March 2022	As at 31 March 2021
Considered good - Secured	–	–
Considered good - Unsecured	**5,683.48**	6,291.71
Significant increase in credit risk	–	–
Credit impaired	**808.90**	802.54
Less :- Loss allowance for expected credit losses	**(808.90)**	(802.54)
Total	**5,683.48**	6,291.71

(Currency : Indian rupees in lakhs)

Trade receivables Ageing Schedule

As at 31 March 2022	**Outstanding for following periods from due date of payment**						
	Curent but not due	**Less than 6 months**	**6 months - 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
Undisputed Trade Receivables – considered good	3,872.93	1,690.80	103.30	16.45	-	-	5,683.48
Undisputed Trade Receivables – which have significant increase in credit risk	–	46.36	50.59	88.79	57.55	565.61	808.90
Undisputed Trade receivable – credit impaired	–	(46.36)	(50.59)	(88.79)	(57.55)	(565.61)	(808.90)
Disputed Trade receivables - considered good	–	–	–	–	–	–	–
Disputed Trade receivables – which have significant increase in credit risk	–	–	–	–	–	–	–
Disputed Trade receivables – credit impaired	–	–	–	–	–	–	–
Total	**3,872.93**	**1,690.80**	**103.30**	**16.45**	**-**	**-**	**5,683.48**

As at 31 March 2021	**Outstanding for following periods from due date of payment**						
	Curent but not due	**Less than 6 months**	**6 months - 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
Undisputed Trade Receivables – considered good	4,976.92	929.87	241.81	3.05	59.40	80.66	6,291.71
Undisputed Trade Receivables – which have significant increase in credit risk	–	38.77	37.00	152.97	62.05	511.75	802.54
Undisputed Trade receivable – credit impaired	–	(38.77)	(37.00)	(152.97)	(62.05)	(511.75)	(802.54)
Disputed Trade receivables - considered good	–	–	–	–	–	–	–
Disputed Trade receivables – which have significant increase in credit risk	–	–	–	–	–	–	–
Disputed Trade receivables – credit impaired	–	–	–	–	–	–	–
Total	**4,976.92**	**929.87**	**241.81**	**3.05**	**59.40**	**80.66**	**6,291.71**

Notes:

1 Of the above, trade receivables from:

	As at 31 March 2022	As at 31 March 2021
– Related parties	**433.68**	1,004.43
– Others	**5,249.80**	5,287.28
	5,683.48	6,291.71

2 The Average credit period on sale of goods is as under :

- Agri Input businesses - Seeds 90 days each
- Food businesses - Grapes Export - As per agreement with Consignment agent/Customers, Grapes Domestic - 15 days;
- Dairy business - 7 days.

3 The Company does not normally enforce interest on overdue debts. However, interest on overdue debts is charged on discretionary basis in respect of certain business/parties.

4 The carrying amount of inventories pledged as security for working capital loan from bank is secured by first paripassu charge on inventories (including Stock-in-trade, Packing Materials, stores and spares and Stock-in-transit), book debts and all other current assets (refer note 16B).

5 Movement in the expected credit loss allowance

Particulars	**As at 31 March 2022**	As at 31 March 2021
Balance at the beginning of the year	**802.54**	737.33
Add: provision made during the year	**12.23**	65.21
Less: balances written off during the year	**(5.87)**	–
Balance at the end of the year	**808.90**	802.54

(Currency : Indian rupees in lakhs)

14 Cash and cash equivalents

Particulars	As at 31 March 2022	As at 31 March 2021
Cash and bank balance		
A. Cash and cash equivalents		
(a) Balances with banks		
In current accounts	**16.50**	648.81
(b) Cash on hand	–	–
	16.50	648.81
B. Other bank balances		
(a) Earmarked balances with banks:		
Fixed deposits with maturity less than 3 months	**88.31**	86.80
Fixed deposits with maturity greater than 3 months but less 12 months	**2.31**	1.39
	90.62	88.19
Total	**107.12**	737.00

Reconciliation of cash and cash equivalents

Particulars	As at 31 March 2022	As at 31 March 2021
Total cash and cash equivalents as per Balance Sheet	**16.50**	648.81
Less:- Book overdraft	**–**	(103.03)
Total cash and cash Equivalents as per Statement of Cash Flows	**16.50**	545.78

15 Loans

Particulars	As at 31 March 2022	As at 31 March 2021
Current maturities a long term loans		
Considered good - Secured	**–**	–
Considered good - Unsecured	**–**	–
Significant increase in credit risk	**–**	–
Credit impaired	**98.22**	98.22
Allowance for credit losses	**(98.22)**	(98.22)
Total	**–**	**–**

Note:
The Company has evaluated the credit risk associated with the loan provided. In terms of such assessment, the entire principal amount of loan along with accrued interest thereon has been fully provided for.

16A Equity share capital

Equity share capital	Amount
As at 31 March 2020	8,127.10
Changes in equity share capital during the year	1,290.21
As at 31 March 2021	9,417.31
Changes in equity share capital during the year	**–**
As at 31 March 2022	**9,417.31**

Particulars	As at 31 March 2022 No. of shares	As at 31 March 2022 Amount	As at 31 March 2021 No. of shares	As at 31 March 2021 Amount
Authorised share capital:				
Equity shares of Rs 10 each with voting rights	**95,600,000**	**9,560.00**	95,600,000	9,560.00
6% Optionally Convertible Redeemable Preference Shares of Rs 46 each	**10,870,000**	**5,000.20**	10,870,000	5,000.20
	106,470,000	**14,560**	106,470,000	14,560
Issued, subscribed and paid up capital comprises:				
Equity shares of Rs 10 each with voting rights	**94,173,080**	**9,417.31**	94,173,080	9,417.31
Total	**94,173,080**	**9,417.31**	94,173,080	9,417.31

a) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the year:

Particulars	Opening balance	Rights issue	Preferential allotment	Closing balance
Equity Shares with Voting rights				
As at 31 March 2022				
No. of Shares	**94,173,080**	–	–	**94,173,080**
Amount	**9,417.31**	–	–	**9,417.31**
As at 31 March 2021				
No. of Shares	81,271,025	12,902,055	–	94,173,080
Amount	8,127.10	1,290.21	–	9,417.31

Particulars	Opening balance	Rights issue	Preferential allotment	Closing balance
6% Optionally Convertible Redeemable Preference Shares with voting rights				
As at 31 March 2022				
No. of Shares	**10,754,230**	–	–	**10,754,230**
Amount	**4,947**	–	–	**4,946.95**
As at 31 March 2021				
No. of Shares	1,07,54,230	–	–	10,754,230
Amount	4,946.95	–	–	4,947

b) Rights, preferences and restrictions attached to equity shares

The Company has only one class of equity shares having par value of Rs. 10 per share. Each holder of equity share is entitled to one vote per share. In the event of liquidation, the shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholdings.

During the FY 2020-21, Company has raised fund through right issue of equity shares 1,29,02,055 of Rs.10 each to existing equity shareholders in their shareholding ratio.

(Currency : Indian rupees in lakhs)

Terms of Optionally Convertible Redeemable Preference Shares (OCRPS)

Conversion:- The conversion ration shall be 1 equity share for every 1 OCPRS held by the shareholders in the company. The minimum holding period will be 6 months. The conversion shall be at the discretion of the Option Holder at any time after the minimum holding period.

Redemption:- The maturity of the OCPRs shall be 20 years from the date of allotment. The OCPRS shall be redeemed at face value at maturity.

Transferability:- OCPRS shall be transferrable, subject to the prior consent of the company.

Dividend:- The holders of the OCPRS shall carry a cumulative dividend at the fixed rate of 6% per year, out of the profits of the company and the payment of such dividend shall have priority over any dividend rights of the equity shares.

Voting and other rights:- (i) The preference shares shall carry rights as per the provision of Section 47(2) of the Companies Act, 2013. (ii) The Preference shares shall have priority with respect to payment of dividend and repayment of capital vis-a-vis equity shares.(iii) The Preference shareholdershall not have the right of participation in surplus assets and profits, on winding up of the company, which may remain after the entire capital has been repaid.

c) Details of shares held by the Holding Company

Particulars	Equity shares	Preference shares
As at 31 March 2022		
Mahindra & Mahindra Limited	**93,032,592**	**10,696,170**
Total	**93,032,592**	**10,696,170**
As at 31 March 2021		
Mahindra & Mahindra Limited	93,032,592	10,696,170
Total	93,032,592	10,696,170

d) Details of shares held by each shareholder holding more than 5% shares:

Class of shares/Name of shareholder	As at 31 March 2022 Number of shares held	As at 31 March 2022 % holding in that class of shares	As at 31 March 2021 Number of shares held	As at 31 March 2021 % holding in that class of shares
Equity shares with voting rights				
Mahindra & Mahindra Limited	**93,032,592**	**98.79%**	93,032,592	98.79%
6% Optionally Convertible Redeemable Preference Shares				
Mahindra & Mahindra Limited	**10,696,170**	**99.46%**	10,696,170	99.46%

e) Details of shares held by Promoters

As At 31 March 2022

S. No.	Promoter Name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total Shares	% change during the year
1. Equity Shares	Mahindra & Mahindra Limited	93,032,592	-	93,032,592	98.79%	0.00%
2. Optionally Convertible Cumulative Redeemable preference Shares	Mahindra & Mahindra Limited	10,696,170	-	10,696,170	99.46%	0.00%
Total		**93,032,592**	**-**	**93,032,592**		

As At 31 March 2021

S. No.	Promoter Name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total Shares	% change during the year
1. Equity Shares	Mahindra & Mahindra Limited	80,135,365	12,897,227	93,032,592	98.79%	16.09%
2. Optionally Convertible Cumulative Redeemable preference Shares	Mahindra & Mahindra Limited	10,696,170	0	10,696,170	99.46%	0.00%
Total		**80,135,365**	**12,897,227**	**93,032,592**		

e) As per records of the Company as at 31 March 2022, no calls remain unpaid by the directors and officers of the Company.

(Currency : Indian rupees in lakhs)

16B Other equity

Particulars	As at 31 March 2022	As at 31 March 2021
– Capital reserve on business combination *(refer note (a) below)*	**(9,100.45)**	(9,100.45)
– Securities premium *(refer note (b) below)*	**27,387.49**	27,387.49
– Share option outstanding *(refer note (c) below)*	**823.21**	748.54
– *Retained earnings*	**(25,659.27)**	(24,073.47)
– Effective portion of cash flow hedges *(refer note (d) below)*	**2.47**	22.18
– Equity component of 6% Optionally Convertible Redeemable Preference Shares *(refer note 15A (b))*	**2,134.45**	2,134.46
Total	**(4,412.10)**	(2,881.25)

Notes:

		As at 31 March 2022	As at 31 March 2021
a)	**Capital redemption reserve**		
	Balance as at the beginning of the year	**(9,100.45)**	(9,100.45)
	Add: Additions during the year	–	–
	Balance as at the end of the year	**(9,100.45)**	(9,100.45)
b)	**Securities premium**		
	Balance as at the beginning of the year	**27,387.49**	24,678.06
	Add: Additions during the year	–	2,709.43
	Balance as at the end of the year	**27,387.49**	27,387.49
c)	**Share Option outstanding**		
	Balance as at the beginning of the year	**748.54**	649.43
	Add: Additions during the year	**74.67**	99.11
	Balance as at the end of the year	**823.21**	748.54
d)	**Effective portion of cash flow hedges**		
	Balance as at the beginning of the year	**22.18**	(50.84)
	Add: Additions during the year	**(19.71)**	73.02
	Balance as at the end of the year	**2.47**	22.18

The description of the nature and purpose of each reserve within equity is as follows:

a) Capital reserve is created on account of business combination.

b) Securities premium is received pursuant to the further issue of equity shares at a premium net of the share issue expenses. This is a non-distributable reserve except for the following instances where the the share premium account may be applied;

   i) towards the issue of unissued shares of the Company to the members of the Company as fully paid bonus shares;

   ii) for the purchase of its own shares or other securities;

   iii) in writing off the preliminary expenses of the Company;

   iv) in writing off the expenses of, or the commission paid or discount allowed on, any issue of shares or debentures of the Company; and

   v) in providing for the premium payable on the redemption of any redeemable preference shares or of any debentures of the Company.

c) Share options outstanding account represent the equity-settled shares and share options granted to employees (refer note 36). The reserve is made up of the cumulative value of services received from employees recorded over the vesting period commencing from the grant date of equity-settled shares and share options and is reduced by the expiry of the share options.

d) The Company has designated its hedging instruments obtained after 1 April 2017 as cash flow hedges and any effective portion of cash flow hedge is maintained in the said reserve. In case the hedging becomes ineffective, the amount is recognised in the Statement of profit and loss.

e) **Terms of Optionally Convertible Redeemable Preference Shares (OCRPS)**

Conversion:- The conversion ration shall be 1 equity share for every 1 OCPRS held by the shareholders in the company. The minimum holding period will be 6 months. The conversion shall be at the discretion of the Option Holder at any time after the minimum holding period.

Redemption:- The maturity of the OCPRs shall be 20 years from the date of allotment. The OCPRS shall be redeemed at face value at maturity.

Transferability:- OCPRS shall be transferrable, subject to the prior consent of the company.

Dividend:- The holders of the OCPRS shall carry a cumulative dividend at the fixed rate of 6% per year, out of the profits of the company and the payment of such dividend shall have priority over any dividend rights of the equity shares.

Voting and other rights:- (i) The preference shares shall carry rights as per the provision of section 47(2) of the Companies Act, 2013. (ii) The Preference shares shall have priority with respect to payment of dividend and repayment of capital vis-a-vis equity shares.(iii) The Preference shareholdershall not have the right of participation in surplus assets and profits, on winding up of the company, which may remain after the entire capital has been repaid.

17A Long-term borrowings

Particulars	As at 31 March 2022	As at 31 March 2021
Secured		
Term loan from bank (refer note (i) below)	**1,223.89**	1,424.14
Less : Current maturities of long-term debt (refer note 17b)	**280.00**	276.49
Inter corporate deposit from holding company (refer below note (ii) below)	**1,500.00**	-
Liability component of Optionally convertible redeemable preference shares (refer note 16A (b))	**3,341.58**	3,122.97
Total	**5,785.47**	4,270.62

Notes:

i) Term loan from HDFC bank is taken for setting up of a Packhouse, having interest rate of 7-7.95% p.a.

   Term loan is secured by way of mortgage on Packhouse at Nashik.

   Term loan is payable in 24 equated quarterly installments, commencing at the end of 4th quarter from the date of disbursement.

ii) Intercorporate loan from Mahindra & Mahindra Limited Rs 1,500 Lakhs (31 March 2021 Rs Nil) carries interest rate of @8.5% pa. This loan is repayable within a period of eighteen month along with interest and principal. Out of the long-term borrowings received during the year, the Company has invested Rs 140 lakhs in Mahindra Fruits Private Limited and Rs 284.76 lakhs in Mahindra HZPC Private Limited.

(Currency : Indian rupees in lakhs)

17B Short-term borrowings

Particulars	As at 31 March 2022	As at 31 March 2021
Secured		
Working capital facility from banks (refer below note (i) & (ii) below)	**1,500.00**	4,800.00
Current maturities of long-term debt	**280.00**	276.49
Inter corporate deposit (refer below note (iii) below)	**2,000.00**	–
Bank overdrafts (refer below note (iv) and (v) below)	**2,150.63**	–
Total	**5,930.63**	5,076.49

Details of the security and repayment terms:

i) Working capital demand loan from Citi bank Rs 1,500 lakhs (31 March 2021: Rs 3,500 lakhs) carry interest rate ranging from 4.75 % to 4.91% p.a., computed on a monthly basis on the actual amount utilised, and repayable within a period of 12 months. This is secured by first pari passu charges on the entire current assets of the Company present and future.

ii) Working capital demand loan from Kotak Mahindra Bank Ltd Rs Nil (31 March 2021: Rs 1,300 lakhs) carry interest rate ranging from 5.75 % to 9.00% p.a., computed on a monthly basis on the actual amount utilised, and repayable within a period of 12 months. This is secured by first pari passu charges on the entire current assets of the Company present and future.

iii) Intercorporate loan from Mahindra Defence Systems Limited Rs 2,000 lakhs (31 March 2021 Rs Nil) carries interest rate of @5.85% pa. This loan is repayable within a period of Six month along with interest and principal.

iv) Borrowings from Kotak banks Rs 1,376.59 lakhs (31 March 2021 Rs Nil) are secured on First paripasu charge on the Company's present and future current assets. Borrowing facility are of Cash Credit (CC)/ Overdraft facility carries interest rate of 6.95% repayble on demand

v) Borrowings from HDFC banks Rs 774.04 lakhs (31 March 2021 Rs Nil) are secured on First paripasu charge on the Company's present and future current assets. Borrowing facility are of Cash Credit (CC)/ Overdraft facility carries interest rate of 7.05% repayble on demand

18 Provisions

Particulars	As at 31 March 2022 Current	As at 31 March 2022 Non-current	As at 31 March 2021 Current	As at 31 March 2021 Non-current
Provision for employee benefits				
– Compensated absences	**56.70**	**154.54**	60.92	159.85
– Gratuity	**36.33**	**267.18**	40.70	257.68
Expected returns from Customers	**376.82**	–	–	–
Total	**469.85**	**421.72**	101.62	417.53

Note:

The provision for employee benefits includes annual leaves and vested long service leave entitlements accrued and compensation claims made by employees. For other disclosure refer note no 30 on employee benefit expenses.

19 Trade payables

Particulars	As at 31 March 2022	As at 31 March 2021
Trade payables		
Total outstanding dues of micro enterprises and small enterprises (refer note 38)	**85.69**	41.66
Total outstanding dues of creditors other than micro enterprises and small enterprises	**8,181.42**	9,503.83
Total	**8,267.11**	9,545.49

Trade payables Ageing Schedule

As at 31 March 2022

	Outstanding for following periods from due date of payment				
	Less than 1 year	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
Total outstanding dues of micro enterprises and small enterprises	85.69	–	–	–	85.69
Total outstanding dues of creditors other than micro enterprises and small enterprises	7,516.29	468.43	78.93	117.76	8,181.42
Disputed dues of micro enterprises and small enterprises	–	–	–	–	–
Disputed dues of creditors other than micro enterprises and small enterprises	–	–	–	–	–
Total	**7,601.98**	**468.43**	**78.93**	**117.76**	**8,267.11**

As at 31 March 2021

	Outstanding for following periods from due date of payment				
	Less than 1 year	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
Total outstanding dues of micro enterprises and small enterprises	41.66	–	–	–	41.66
Total outstanding dues of creditors other than micro enterprises and small enterprises	8,344.27	778.14	306.49	74.92	9,503.83
Disputed dues of micro enterprises and small enterprises	–	–	–	–	–
Disputed dues of creditors other than micro enterprises and small enterprises	–	–	–	–	–
Total	8,385.93	778.14	306.49	**74.92**	**9,545.49**

(Currency : Indian rupees in lakhs)

20 Other financial liabilities

Particulars	As at 31 March 2022 Current	Non-current	As at 31 March 2021 Current	Non-current
Other Financial Liabilities Measured at Amortised Cost - Current				
Interest accrued on borrowings	**10.88**	–	8.04	–
Interest accrued on micro enterprises and small enterprises	**0.88**	–	0.10	–
Trade deposit	**234.90**	–	294.73	–
Creditors for capital supplies/ services	**0.12**	–	12.69	–
Book overdarft	–	–	103.03	–
Others	**0.41**	–	0.34	–
Derivative financial instruments designated and effective as hedging instruments carried at fair value	**(0.67)**	–	(20.39)	–
Total	**246.52**	–	398.54	–

21 Other liabilities

Particulars	As at 31 March 2022 Current	Non-current	As at 31 March 2021 Current	Non-current
Advances received from customers	**2,097.24**	–	1,852.84	–
Statutory dues payable		–		–
– Tax deducted at source	**71.89**	–	73.44	–
– Employee recoveries and employer contributions	**20.83**	–	21.92	–
– Other taxes (other than income taxes)	–	–	0.17	–
Employee benefits payables	**611.70**	–	577.49	–
Total	**2,801.66**	–	2,525.86	–

Notes:

There are no amount due and outstanding to be credited to Investor Education and Protection Fund.

22 Revenue from operations

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
(a) Sale of products		
– Traded Products	**22,120.50**	24,931.08
(b) Other operating revenue		
– Export incentive	**321.91**	71.90
– Incentive from state government	**216.77**	198.93
– Interest from customers	**0.01**	0.07
Total	**22,659.19**	25,201.98

Details of gross revenue from sale of product :-

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Traded goods		
Grapes	**11,130.60**	12,946.68
Seeds	**10,052.70**	8,734.92
Others	**937.20**	3,249.47
Total	**22,120.50**	24,931.08

23 Other income

Rs in Lakhs

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Interest income on		
– Bank deposits	**4.72**	5.76
Other gains and losses		
– Gain on disposal of property, plant and equipment (net)	**8.08**	6.12
– Foreign currency gains (net)	**84.52**	44.42
Liabilities no longer required written back	**9.28**	121.31
Other non-operating income	**84.90**	20.94
Total	**191.50**	198.55

24 Changes in inventories of stock-in-trade and packing material

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Inventories at the end of the year:		
Stock-in-trade	**4,065.95**	2,450.40
Goods in transit	**2,287.91**	3,305.36
Biological assets other than bearer plant	**–**	**–**
Packing materials and stores and spares	**1,060.82**	400.09
	7,414.68	6,155.86
Inventories at the beginning of the year:		
Stock-in-trade	**2,450.40**	2,677.57
Goods in transit	**3,305.36**	1,929.42
Biological assets other than bearer plant	**–**	41.61
Packing materials and stores and spares	**400.09**	925.67
	6,155.86	5,574.27
Net (Increase)/decrease in inventory	**(1,258.82)**	(581.58)

(Currency : Indian rupees in lakhs)

25 Employee benefits expenses

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Salaries and wages, including bonus *(Refer note below)*	**2,304.91**	2,169.61
Employee stock option cost *(refer note 36)*	**80.54**	113.41
Contribution to provident and other funds (refer note 30 and 42)	**191.81**	165.44
Staff welfare expenses	**14.64**	23.13
Total	**2,591.90**	2,471.59

Note :

1 This is net of recoveries in respect of employees working in other group companies

26 Finance costs

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Interest on :		
Interest on term loan	**64.59**	89.95
Interest on bank overdrafts and loans (other than those from related parties)	**295.25**	288.06
Interest on loans from related parties	**294.18**	207.61
Other interest expenses	**11.71**	6.63
Total	**665.73**	592.25

27 Depreciation and amortisation expenses

Particular	Year ended 31 March 2022	Year ended 31 March 2021
Depreciation of property, plant and equipment (refer note 4)	**309.67**	322.10
Amortisation of intangible assets (refer note 5A)	**129.53**	131.68
Total	**439.20**	453.78

28 Other expenses

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Stores and tools consumed	**10.55**	70.84
Freight outward	**2,822.58**	2,317.37
Clearing and forwarding charges	**1,219.53**	1,034.99
Subcontracting, hire and service charges	**965.97**	901.83
Legal and professional expenses	**250.27**	307.39
Rent including lease rentals	**216.50**	284.19
Insurance	**154.21**	179.60
Rebate, claim and discount (net)	**460.20**	234.99
Sales promotion expenses	**265.67**	182.95
Commission on sales/contracts (net)	**412.07**	225.68
Advertisement	**3.81**	7.84
Travelling and conveyance expenses	**250.34**	134.81
Research and development expenses	**212.73**	110.45
Power and fuel	**75.27**	105.23
Postage, telephone and subscription expenses	**88.86**	76.85
Provision for doubtful trade receivables	**12.23**	65.21
Loss on account of asset written off	**–**	131.66
Rates and taxes	**30.87**	48.52
Business support charges	**539.65**	468.82
Assets written off	**–**	13.78
Directors sitting fees	**13.20**	11.00
Repairs and maintenance		
– Buildings	**4.24**	8.24
– Machinery	**9.78**	2.32
– Others	**18.24**	22.31
Auditors remuneration		
– Audit fees	**25.00**	30.00
– Other services	**9.17**	5.29
– Reimbursement of expenses	**0.07**	0.94
Export team expenses	**62.26**	98.27
Others	**168.76**	268.56
Total	**8,302.03**	7,349.93

29 Income tax expenses

Income tax recognised in profit or loss

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Current tax:		
In respect of current year	**–**	**–**
Deferred tax:		
In respect of current year origination and reversal of temporary differences	**–**	**–**
Total income tax expense on operations	**–**	**–**

(b) Income tax recognised in other comprehensive income

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Deferred tax related to items recognised in other comprehensive income during the year:		
Remeasurement of defined benefit obligations	**–**	–
Effective portion of gains and loss on designated portion of hedging instrument in a cash flow hedge	**–**	–
Total	**–**	–
Classification of income tax recognised in other comprehensive income		
Income taxes related to items that will not be reclassified to profit or loss	**–**	–
Total	**–**	–

(Currency : Indian rupees in lakhs)

Reconciliation of income tax expense and the accounting profit multiplied by Company's domestic tax rate:

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Loss before tax	**(1,590.23)**	(5,672.71)
Tax using the Company's domestic tax rate *(refer note 1)*	**25.17%**	25.17%
Expected income tax expenses	**(400.26)**	(1,404.07)
Tax effect of:		
Current year losses for which no deferred tax asset is created	**195.19**	574.15
Effect of expenses that is non-deductible in determining taxable profit	**229.71**	828.64
Any other reconciling items	**(24.64)**	1.29
	400.26	1,404.07
Tax expenses as per Statement of profit and loss	**–**	–

Notes:

1. With Effect from Financial Year 2019-20 (Assessment Year 2020-21), the Company has opted for the concessional tax rate of 22% vide circular number 29/2019 dated 02 October 2019 of the Income Tax Act, 1961. Surcharge of 10% and cess of 4% is to be charged in addition to the base rate of 22%.

30 Employee benefits expenses

(i) Defined contribution plans:

The Company's contribution to Provident Fund and Superannuation Fund aggregating Rs.116.73 lakhs 31 March 2022 (31 March 2021 : Rs.120.10 lakhs) has been recognised in the Statement of Profit or Loss under the head Employee benefits expenses.

(ii) Defined benefit plans:

The Company operates a gratuity plan covering qualifying employees. The benefit payable is the greater of the amount calculated as per the Payment of Gratuity Act, 1972 or the Company scheme applicable to the employee. The benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. In case of death while in service, the gratuity is payable irrespective of vesting. The Company makes annual contribution to the group gratuity scheme administered by the Life Insurance Corporation of India.

	Funded Plan Gratuity	
Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Expense recognised in the Statement of Profit and Loss:		
Current service cost	**44.83**	33.18
Net interest expense	**16.43**	9.75
Components of defined benefit costs reconised in profit or loss	**61.26**	42.92
1. Changes in financial assumptions	**(1.27)**	–
2. Changes in demographic assumptions	**–**	(2.27)
3. Experience adjustments	**(1.01)**	(10.28)
4. Actual return on plan assets less interest on plan assets	**(2.14)**	(1.93)
5. Others (transfer of Cropcare buisness)	**–**	–
Total	**56.84**	28.45

	Funded Plan Gratuity	
Particulars	Year ended 31 March 2022	Year ended 31 March 2021
I. Net liability recognised in the Balance sheet		
1. Present value of defined benefit obligation	**336.46**	329.20
2. Fair value of plan assets as at 31 March	**(32.95)**	(30.81)
3. Surplus	**303.51**	298.39
4. Current portion of the above	**36.33**	40.70
5. Non current portion of the above	**267.18**	257.68
II. Change in the obligation during the year		
1. Present value of defined benefit obligation at the beginning of the year	**329.20**	193.58
2. Expenses recognised in Statement of Profit and Loss		
– Current service cost	**44.83**	33.18
– Past Service Cost	**–**	–
– Interest expense (income)	**16.43**	9.75
3. Recognised in other comprehensive income	**–**	–
Remeasurement gains/(losses)	**–**	–
– Actuarial Gain (Loss) arising from:		
i. Demographic Assumptions	**–**	(2.3)
ii. Financial Assumptions	**(1.27)**	–
iii. Experience Adjustments	**(1.01)**	(10.28)
4. Benefit payments	**(51.72)**	(14.97)
5. Others (transfer of Cropcare buisness)	**–**	120.21
6. Present value of defined benefit obligation at the end of the year	**336.46**	329.20
III. Change in fair value of assets during the year		
1. Fair value of plan assets at the beginning of the year	**30.81**	28.88
2. Expenses recognised in Profit and Loss Account		
– Expected return on plan assets	**–**	–
3. Recognised in other comprehensive income	**–**	–
Remeasurement gains/(losses)	**–**	–
– Actual Return on plan assets in excess of the expected return	**2.14**	1.93

(Currency : Indian rupees in lakhs)

Particulars	Funded Plan Gratuity Year ended 31 March 2022	Funded Plan Gratuity Year ended 31 March 2021
– Interest on plan assets	**0.00**	–
4. Contributions by employer (including benefit payments recoverable)	**51.72**	14.97
5. Benefit payments	**(51.72)**	(14.97)
6. Fair value of plan assets at the end of the year	**32.95**	30.81
IV. The major categories of plan assets		
Life insurance corporation fund	**32.95**	30.81
V. Actuarial assumptions		
1. Discount rate	**5.70%**	5.60%
2. Salary escalation	**8.50%**	8.50%
3. Attrition rate	**23%**	23%
4. Mortality rate	**The Indian Assured Lives Mortality (2012-14) Ult table**	The Indian Assured Lives Mortality (2012-14) Ult table

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

Principal assumption		Changes in assumption	Impact on defined benefit obligation	
			Increase in assumption	Decrease in assumption
Discount rate	**31 March 2022**	**1.00%**	**-3.64%**	**3.92%**
	31 March 2021	1.00%	-3.79%	4.09%
Salary growth rate	**31 March 2022**	**1.00%**	**3.78%**	**-3.58%**
	31 March 2021	1.00%	3.93%	-3.72%

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the Balance sheet.

The methods and types of assumptions used in preparing the sensitivity analyses did not change compared to previous year.

The Company expects to contribute Rs.10 lakhs to the gratuity trusts during the next financial year.

Maturity profile of defined benefit obligation:

	As at 31 March 2022	As at 31 March 2021
Within 1 year	**69.28**	71.51
1 - 2 year	**109.75**	58.45
2 - 3 year	**42.08**	86.22
3 - 4 year	**37.00**	35.26
4 - 5 year	**30.95**	30.55
5 - 6 year	**34.70**	25.16
6 - 7 year	**19.28**	28.28
7 - 8 year	**18.77**	15.81
8 - 9 year	**16.01**	15.13
10 year and above	**50.24**	54.56

Plan assets

The fair value of Company's pension plan asset as of 31 March 2022 and 31 March 2021 by category are as follows:

	As at 31 March 2022	As at 31 March 2021
Asset category:		
Deposits with Insurance companies	**32.95**	30.81
	100%	100%

The Company's policy is driven by considerations of maximizing returns while ensuring credit quality of the debt instruments. The asset allocation for plan assets is determined based on investment criteria prescribed under the Indian Income Tax Act, 1961, and is also subject to other exposure limitations. The Company evaluates the risks, transaction costs and liquidity for potential investments. To measure plan asset performance, the Company compares actual returns for each asset category with published benchmarks.

The weighted average duration of the defined benefit obligation as at 31 March 2022 is 3.77 years (31 March 2021 - 3.93 years)

The expected rate of return on plan assets is based on the average long term rate of return expected on investments of the fund during the estimated term of obligation.

The estimate of future salary increases, considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The current service cost and the net interest expense for the year are included in the employee benefits expense in profit or loss of the expense for the year 2022 an amount of Rs 61.26 lakhs (31 March 2021 : Rs. 42,92 lakhs) has been included in statement of profit or loss under the head Employee benefit expenses.

Compensated absenses :

Compensated absences for the employee benefits of Rs. 211.24 lakhs (31 March, 2021 - Rs. 220.76 lakhs) expected to be paid in exchange for the services recognised as a expenses during the year. (refer note 25)

Note No. 31 - Earnings per Share

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
	Per Share	Per Share
Basic and Diluted loss per share (Rs.)	**(1.69)**	(6.49)

(Currency : Indian rupees in lakhs)

Earnings per share

The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Loss for the year attributable to owners of the Company	**(1,590.23)**	(5,672.71)
Weighted average number of equity shares for the purpose of basic earnings per share	**94,173,080**	87,421,594
Basic loss per share (Rs.)	**(1.69)**	(6.49)
Weighted average number of equity shares for the purpose of dilutive earnings per share	**–**	–
Diluted loss per share (Rs.)	**#**	#

The effect of conversion of 6% Optionally Convertible Redeemable Preference Shares into equity shares being anti-dilutive, has not been considered for the purpose of computing diluted loss per share

32 Fair value measurement

Fair valuation techniques and inputs used - recurring items

Financial assets/financial liabilities measured at fair value	Fair value as at		Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable input(s)	Relationship of unobservable inputs to fair value and sensitivity
	As at 31 March 2022	As at 31 March 2021				
Financial assets						
Investments						
Investments in equity instruments at FVTOCI-unquoted	**12.87% per cent equity investment in Vayugrid Marketplace services Private Limited engaged in Pongamia Oil & Sapling - Rs NIL**	12.87% per cent equity investment in Vayugrid Marketplace services Private Limited engaged in Pongamia Oil & Sapling - Rs NIL	Level 3	Income approach - in this approach, the discounted cash flow method was used to capture the present value of the expected future economic benefit to be derived from the ownership of these investees.	Short and long-term revenue generation outlook of the entity, based on management experience.	Revenue generation by the entity would result in increase in fair value.
Investments in equity instruments at FVTPL-unquoted	**19.83% per cent equity investment in White Spread Private Limited engaged in dairy business - Rs NIL**	–	Level 3	Income approach - in this approach, the discounted cash flow method was used to capture the present value of the expected future economic benefit to be derived from the ownership of these investees.	Short and long-term revenue generation outlook of the entity, based on management experience.	Revenue generation by the entity would result in increase in fair value.
Financial liabilities						
Other financial liabilities						
1) Foreign currency forward contracts	**–**	–	Level 2	Discounted cash Flow. Future cash flows are estimated based on forward exchange rates(from observable forward exchange rates at the end of the reporting period) and contract forward rates, discounted at a rate that reflects the credit risk of various counterparties.	–	–

(Currency : Indian rupees in lakhs)

Reconciliation of Level 3 fair value measurements of financial instruments measured at fair value

Particulars	**As at 31 March 2022**	As at 31 March 2021
Opening balance (investment in Vayugrid Marketplace Services Private Limited) *	**–**	–
Purchase (Investments in White Spread Private limited)**	**68.00**	
Total gains or losses:		
– In other comprehensive income	**–**	–
– In profit & Loss Account	**(68.00)**	–
Closing balance	**–**	–

* The Investment in Vayugrid Market Place Services Private Limited fully provided for prior to date of transition. Accordingly there is no movement in fair value of this investment.

** The Investment in White spread Private Limited fully provided for from date of investment. Accordingly there is no movement in fair value of this investment.

Fair value of financial assets and financial liabilities that are not measured at fair value (Non-recurring)

	As at 31 March 2022		As at 31 March 2021	
Particulars	**Carrying amount**	**Fair value (level 2)**	Carrying amount	Fair value (level 2)
Financial assets				
Financial assets carried at Amortised Cost				
– Trade and other receivables	**5,683.48**	**5,683.48**	6,291.71	6,291.71
– Investments	**9,316.59**	**9,316.59**	9,031.83	9,031.83
– Deposits and similar assets	**1,602.71**	**1,602.71**	1,465.31	1,465.31
Financial liabilities				
Financial liabilities at Amortised Cost				
– Long-term borrowings	**5,785.47**	**5,785.47**	4,270.62	4,270.62
– Short-term Bank loans	**3,930.63**	**3,930.63**	5,076.49	5,076.49
– Loans from related parties	**2,000.00**	**2,000.00**	–	–
– Deposits and similar liabilities	**246.52**	**246.52**	398.54	398.54
– Trade and other payables	**8,267.11**	**8,267.11**	9,545.49	9,545.49
Total	**20,229.71**	**20,229.71**	19,291.14	19,291.14

The carrying values of financial assets and liabilities represent their approximate fair value.

There were no transfer between level 1 and level 2 during the year.

33 Financial risk management

A) Capital management

The Company sets the amount of capital in proportion to its overall financing structure, i.e. equity and financial liabilities. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

The Company manages capital risk in order to maximize shareholders' value by maintaining sound/optimal capital structure through monitoring of financial ratios, such as net debt-to-equity ratio and net borrowings-to-equity ratio on a monthly basis and implements capital structure improvement plan when necessary. There is no change in the overall capital risk management strategy of the Company compared to last year.

The Company uses net debt equity ratio as a capital management index and calculates the ratio as total liabilities divided by total equity. Total liabilities and total equity are based on the amounts stated in the separate financial statements.

The Company is not subject to externally enforced capital regulation.

Net debt-to-equity ratio as of 31 March 2022 and 31 March 2021

	As at 31 March 2022	As at 31 March 2021
Borrowing from banks	**4,874.52**	6,224.14
Borrowing from related party	**3,500.00**	–
Gross debt	**8,374.52**	6,224.14
Less :		
Cash and cash equivalents	**107.12**	737.00
Net debt (A)	**8,267.40**	5,487.14
Equity share capital	**9,417.31**	9,417.31
Other equity	**(4,412.10)**	(2,881.25)
Equity (B)	**5,005.20**	6,536.06
Debt ratio (A/B)	**1.65**	0.84

(Currency : Indian rupees in lakhs)

B) Financial risk management framework

The Company's corporate treasury function provides services to the business, co-ordinates access to domestic financial markets, monitors and manages the financial risk relating to the operation of the Company through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

i) CREDIT RISK

Credit risk management

Credit risk arises when a customer defaults on its contractual obligations to pay resulting in financial loss to the Company. The Company has adopted a policy of categorising the customers based on the performance and accordingly credit limit ceiling of each category is defined. Company also takes credit insurance for business specific customers. The Company's exposure and categorisation of its customers are continuously monitored . Credit exposure is controlled by customer credit limits which are reviewed and approved. The Company also take security cheques from its domestic market customers.

The Company applies the simplified approach to providing for expected credit losses prescribed by Ind AS 109, which permits the use of the lifetime expected loss provision for all trade receivables. The company has computed expected credit losses based on a provision matrix which uses historical credit loss experience of the Company and individual receivable specific provision where applicable. Forward-looking information has been incorporated into the determination of expected credit losses.

There is no change in estimation techniques or significant assumptions during the reporting period.

The provision matrix at the end of the reporting period is as follow:-

	For the year ended 31 March 2022		For the year ended 31 March 2021	
Ageing	**Expected credit loss (%)**	**Expected credit loss (Rs. In lakhs)**	Expected credit loss (%)	Expected credit loss (Rs. In lakhs)
Within the credit period	**0.00%**	**–**	0.36%	17.80
0-3 month past due	**2.67%**	**37.93**	0.91%	7.36
3-6 month past due	**2.66%**	**8.43**	8.39%	13.62
6 -12 month past due	**28.74%**	**44.22**	13.27%	37.00
>1 year	**98.62%**	**718.32**	83.55%	726.76
Total		**808.90**		802.54

Age of receivables	**As at 31 March 2022**	As at 31 March 2021
Within the credit period	**3,872.93**	4,976.92
0-3 month past due	**1,419.70**	806.34
3-6 month past due	**317.46**	162.30
6 -12 month past due	**153.88**	278.81
>1 year	**728.40**	869.88
Total	**6,492.37**	7,094.24

Reconciliation of provision for doubtful Trade Receivables

Particulars	**As at 31 March 2022**	As at 31 March 2021
Balance as at beginning of the year	**802.54**	737.33
Impairment losses recognised in the year based on lifetime expected credit losses	**–**	–
Provision created during the year	**12.23**	65.21
Transferred on account of transfer of Business	**–**	–
Impairment losses reversed/ written back	**(5.87)**	–
Balance at end of the year	**808.90**	802.54

The concentration of credit risk is limited due to the fact that the customer base is large and unrelated.

The Company has pledged an aggregated carrying amount of Rs 6,492.38 lakhs (31 March 2021: Rs 7,094.24 lakhs) for bank loans.

ii) LIQUIDITY RISK

(a) Liquidity risk management

The board of directors has established an appropriate liquidity risk management framework for the management of the Company's short, medium- and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

(b) Maturities of financial liabilities

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The amount disclosed in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows.

To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Company may be required to pay.

Particulars	**Less than 1 Year**	**1-3 Years**	**3 Years to 5 Years**	**5 years and above**
Non-derivative financial liabilities				
As at 31 March 2022				
Borrowings	**5,930.63**	**2,443.89**	**–**	**3,341.58**
Trade payables	**8,267.11**	**–**	**–**	**–**
Other financial liabilities	**246.52**	**–**	**–**	**–**
Total	**14,444.26**	**2,443.89**	**–**	**3,341.58**
As at 31 March 2021				
Borrowings	5,076.49	560.00	587.65	3,341.58
Trade payables	9,545.49	–	–	–
Other financial liabilities	695.42	–	–	–
Total	15,317.40	560.00	587.65	3,341.58

The following table details the Company's/Company's liquidity analysis for its derivative financial instruments. The table has been drawn up based on the undiscounted contractual net cash inflows and outflows on derivative instruments that settle on a net basis, and the undiscounted gross inflows and outflows on those derivatives that require gross settlement.

Particulars	**Less than 1 Year**	**1-3 Years**	**3 Years to 5 Years**	**5 years and above**
Derivative financial instruments				
As at 31 March 2022				
Net settled:				
– Foreign exchange forward contracts	**–**	**–**	**–**	**–**
Gross settled:				
– Foreign exchange forward contracts	**0.67**	**–**	**–**	**–**
Total	**0.67**	**–**	**–**	**–**

(Currency : Indian rupees in lakhs)

Particulars	Less than 1 Year	1-3 Years	3 Years to 5 Years	5 years and above
As at 31 March 2021				
Net settled:				
– Foreign exchange forward contracts	–	–	–	–
Total	–	–	–	–
Gross settled:				
– Foreign exchange forward contracts	20.39	–	–	–
Total	20.39	–	–	–

(c) Maturities of financial assets

The following table details the Company's expected maturity for its non-derivative financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Company's liquidity risk management as the liquidity is managed on a net asset and liability basis.

Particulars	Less than 1 Year	1-3 Years	3 Years to 5 Years	5 years and above
Non-derivative financial assets				
As at 31 March 2022				
Non-interest bearing	**7,393.31**	**–**	**–**	**9,316.59**
Fixed interest rate instruments	**–**	**–**	**–**	**–**
Total	**7,393.31**	**–**	**–**	**9,316.59**
As at 31 March 2021				
Non-interest bearing	8,494.02	–	–	9,031.83
Fixed interest rate instruments	–	–	–	–
Total	8,494.02	–	–	9,031.83

In the case of assets falling short of liabilities, banking facilities are available to honor the obligation through as cash credit, short-term borrowing/long-term borrowing and other necessary banking facilities.

The carrying amount of inventories pledged as security for working capital loan is Rs.7,414.68 lakhs (31 March 2021: Rs 6,155.86 lakhs).

iii) MARKET RISK

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk such commodity price risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. The Company uses permitted derivatives to manage market risks . Derivatives are only used for economic hedging purposes and not as speculative investments. All such transactions are carried out within the guidelines set by the Board of Directors and Forex & investment Management Committee.

There has been no significant changes to the company's exposure to market risk or the methods in which they are managed or measured.

a) Currency risk

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. The Company's exposure to currency risk relates primarily to the Company's operating activities and borrowings when transactions are denominated in a different currency from the Company's functional currency.

The Company manages its foreign currency risk by taking forward cover that are expected to occur within a maximum 12 month period for forecasted cash flow.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows.

Particulars	Currency	As at 31 March 2022	As at 31 March 2021
Trade receivables	USD	**832.10**	2,434.49
	EUR	**1,383.51**	1,572.55
	CAD	**741.98**	995.42
	GBP	**–**	249.11
Trade payables	USD	**873.53**	838.20
	EUR	**3.22**	2.57
	CAD	**–**	–
	GBP	**–**	1.11
Advance given	EUR	**–**	–
Advances received	USD	**276.93**	112.41
	EUR	**94.01**	12.20

Of the above foreign currency exposures, the following exposures are not hedged by a derivative:

Particulars	Currency	As at 31 March 2022	As at 31 March 2021
Trade receivables	USD	**674.57**	1,736.22
	EUR	**1,383.51**	894.09
	CAD	**636.75**	439.36
	GBP	**–**	249.11
Trade payables	USD	**873.53**	838.20
	EUR	**3.22**	2.57
	CAD	**–**	–
	GBP	**–**	1.11

Note :- Forward Cover in USD 2.08 Lakhs (Rs. 158.02 Lakhs) and CAD 1.74 Lakhs (Rs. 105.86 Lakhs) as at 31 March 2022 EURO 7.99 Lakhs (Rs. 678.46 Lakhs), USD 9.49 Lakhs (Rs. 698.28 Lakhs) and CAD 9.54 (Rs. 556.06 Lakhs) as at 31 March 2021,

b) Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD and EUR exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities including non-designated foreign currency derivatives and embedded derivatives. The impact on the Company's pre-tax equity is due to changes in the fair value of forward exchange contracts.

Period	Currency	Change in rate	Effect on profit/ (loss) before tax	Effect on pre-tax equity
As at 31 March 2022	**USD**	**5%**	**(9.95)**	**(9.95)**
	USD	**3%**	**(5.97)**	**(5.97)**
	EUR	**5%**	**69.01**	**69.01**
	EUR	**3%**	**41.41**	**41.41**
	CAD	**5%**	**31.84**	**31.84**
	CAD	**3%**	**19.10**	**19.10**
	GBP	**5%**	**–**	**–**
	GBP	**3%**	**–**	**–**

(Currency : Indian rupees in lakhs)

Period	Currency	Change in rate	Effect on profit/ (loss) before tax	Effect on pre-tax equity
As at 31 March 2021	USD	5%	44.90	44.90
	USD	3%	26.94	26.94
	EUR	5%	44.58	44.58
	EUR	3%	26.75	26.75
	CAD	5%	21.97	21.97
	CAD	3%	13.18	13.18
	GBP	5%	12.40	12.40
	GBP	3%	7.44	7.44

c) **Interest rate sensitivity**

The sensitivity analyses below have been determined based on exposure to interest rate for both derivative and non-derivative instruments at the end of reporting period. For floating rate liabilities, analysis is prepared assuming the amount of liability outstanding at the end of the reporting period was outstanding for the whole year.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected, after the impact of hedge accounting. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

Period	Currency	Increase/ decrease in basis points	Effect on profit/(loss) before tax
As at 31 March 2022	**INR**	**100**	**(48.75)**
As at 31 March 2021	INR	100	(50.24)

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment, showing a significantly higher volatility than in prior years.

Hedge accounting - forwards

It is the policy of the Company to enter into forward foreign exchange contracts to cover maximum up to 80% of the expected foreign currency exposure based on estimated cash flow. Forex Committee decide the time & quantum of hedging based on outlook.

(i) Details of forward foreign currency contracts outstanding at the end of reporting period

Outstanding contracts	Average exchange rate	Notional value	Hedge ratio	Carrying amount included in Other Financial Assets/ (Liabilities)	Change in the fair value of hedging instrument for the period	Change in the value of hedged item used to determine hedge effectiveness
31 March 2022						
Cash flow hedges						
Sell currency						
Maturing less than 1 year						
– USD/INR	**75.95**	**158.02**	**1 : 1**	**1.66**	**1.66**	**1.66**
– EUR/INR						
– CAD/INR	**60.84**	**105.86**	**1 : 1**	**(0.99)**	**(0.99)**	**(0.99)**
				0.67	**0.67**	**0.67**
31 March 2021						
Cash flow hedges						
Sell currency						
Maturing less than 1 year						
– USD/INR	73.38	696.34	1 : 1	(2.03)	(2.03)	(2.03)
– EUR/INR	86.10	678.24	1 : 1	22.47	22.47	22.47
– CAD/INR	58.24	555.50	1 : 1	(0.05)	(0.05)	(0.05)
				20.39	20.39	20.39

(Currency : Indian rupees in lakhs)

(ii) Details of hedge ineffectiveness in respect of outstanding contracts

Outstanding contracts	Ineffectiveness recognisned in Profit or Loss		Effective portion recognisned in OCI	
	31 March 2022	31 March 2021	**31 March 2022**	31 March 2021
Cash flow hedges	**–**	–	1.09	30.52

(iii) The movement in Cash flow hedge reserve for instruments designated in a cash flow hedge is as follows:

Particulars	Exchange Rate Risk hedges	
	31 March 2022	31 March 2021
Balance as the beginning of the year		
– Gross	**22.18**	(50.84)
– Deferred tax	**–**	–
– Net	**22.18**	(50.84)
(Gains)/losses transferred to Profit or loss on occurrence of the forecast transaction	**(21.52)**	7.66
(Gains)/losses transferred to Profit or Loss due to cash flows no longer expected to occur	**0.72**	**34.85**
Change in fair value of effective portion of cash flow hedges	**1.09**	30.52
Total	**(19.71)**	73.02
Balance as the end of the year		
– Gross	**2.47**	22.18
– Deferred tax	**–**	–
– Net	**2.47**	22.18
Of the above:		
Balance relating to continuing hedges	**2.47**	22.18
Balance relating to hedge accounting is no longer applied	**–**	–
Total	**2.47**	22.18

34 Segment information

A. Product and services from which reportable segments derive their revenue

Information reported to the Chief Operating Decision Maker (CODM) for the purpose of resource allocation and assessment of segment performance focuses on the types of goods or services delivered or provided. No operating segments have been aggregated in arriving at the reportable segments of the Group.

Specifically, the Company reportable segments under IND AS 108 are as follows:

1) Input Business

2) Food Business

3) Other Business

The Company is in the business of agricultural related products, Input business segment comprises of trading of Crop inputs. Food business comprises of trading of agricultural related outputs.

B. Segment revenue and results

The following is an analysis of the Company's revenue and results

Particulars	Segment revenue		Segment profit (loss)	
	Year ended 31 March 2022	Year ended 31 March 2021	**Year ended 31 March 2022**	Year ended 31 March 2021
Input Business	**10,045.78**	8,735.28	**(386.72)**	(376.27)
Food Business	**12,613.41**	16,466.70	**277.63**	(706.37)
Other Business	**–**	–	**(2.10)**	(24.66)
Total	**22,659.19**	25,201.98	**(111.18)**	(1,107.31)
Other income	–	–	**191.50**	154.13
Administration cost and directors' salary	–	–	**(742.56)**	(1,245.54)
Finance cost	–	–	**(665.72)**	(592.25)
Exceptional items	–	–	**(262.26)**	(2,881.75)
Loss before tax			**(1,590.23)**	(5,672.72)

Segment revenue reported above represents revenue generated from external customers. There were no intersegment sales.

Segment profit represents the profit before tax earned by each segment without allocation of central administration costs, director salary, other income as well as finance costs. This is the measure reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance.

There is one customer contributed 10% or more to the Company's revenue in current year Rs 3738.02 Lakhs (31 March 2021- Rs NIL)

(Currency : Indian rupees in lakhs)

C. Segment assets and liabilities

Particulars	As at 31 March 2022	As at 31 March 2021
Segment assets		
Input Business	**8,307.68**	4,823.93
Food Business	**9,646.77**	12,413.35
Other Business	**0.00**	123.75
Total segment assets	**17,954.45**	17,361.02
Unallocated	**10,973.72**	11,511.18
Total assets	**28,928.17**	28,872.21
Segment liabilities		
Input Business	**3,994.27**	2,963.06
Food Business	**6,327.37**	7,107.20
Other Business	**0.07**	0.27
Total segment liabilities	**10,321.71**	10,070.54
Unallocated	**13,601.25**	12,265.65
Total liabilities	**23,922.96**	22,336.18

For the purpose of monitoring segment performance:

(i) Unallocated asset includes investment in subsidaries, current and deferred taxes, loan , cash and bank balances etc.

(ii) Unallocated liability includes borrowings, current and deferred taxes, other statutory dues etc.

D. Segment depreciation and amortisation

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Input Business	**247.15**	211.96
Food Business	**160.62**	203.03
Other Business	**–**	6.19
Unallocated	**31.43**	32.61
Total	**439.20**	453.78

E. Geographical Information:

Particulars	Year ended 31 March 2022		Year ended 31 March 2021	
	Domestic	**Overseas**	Domestic	Overseas
Revenue from external Customers comprising of:				
– Revenue from contract with customers	**11,007.35**	**11,113.17**	11,778.41	13,152.66
– Revenue from other sources	**538.67**	**–**	270.91	–
	11,546.02	**11,113.17**	12,049.31	13,152.66

*All assets are based in the domestic segment. Hence, separate disclosure not required.

35 Related party disclosures

A List of related parties and relationships:

Name of the related parties where control exists	**Relation**
Mahindra & Mahindra Limited	Holding Company
Mahindra Fruits Pvt. Ltd	Subsidiary Company
Mahindra HZPC Private Limited	Subsidiary Company
Mahindra Fresh Fruits Distribution Holding company (Europe) BV	Subsidiary Company
Mera Kisan Private Limited	Subsidiary Company
Mahindra Summit Agriscience Limited	Joint Venture
Mahindra Defence Systems	Fellow Subsidiary Company
Mahindra Integrated Business Solutions Private Limited	Fellow Subsidiary Company
NBS International Limited	Fellow Subsidiary Company
Mahindra & Mahindra Financial services Limited	Fellow Subsidiary Company
Bristlecone India Limited	Fellow Subsidiary Company
EPC Industries Limited	Fellow Subsidiary Company
Origin Food Distributors	Subsidiary of Fellow Subsidiary Company
Origin Direct Asia	Subsidiary of Fellow Subsidiary Company
Smartshift Logistics Solutions Private Limited	Joint Venture
Dr. Pawan Goenka	Chairman
Mr. Shriprakash Shukla	Director
Mr. Hardeep Singh	Director
Mr. Aruna Bhinge	Director
Mr. Ramesh Iyer	Non Executive Director
Mr. S. Durgashankar	Non Executive Director
Mr. Ashok Sharma	Key Managerial Personnel
Mr. Meghnad Mitra	Key Managerial Personnel
Mr. Feroz Baria (as per Companies Act, 2013)	Key Managerial Personnel

35 Related party disclosures (Continued)

B Related party transactions

(Currency : Indian rupees in lakhs)

Name of the Related Parties where control exists	Relation	Year	Transaction during the year: Sale of goods	Sale of property and other assets	Purchase of property and other assets	Rendering of services	Receiving of services	Other Expenses	Reimbursement of expenses charged to the Company	Reimbursement of expenses charged by the Company	Interest on unsecured Loan / OCRP	Rent	Issue of Share Capital	"Inter company loan taken"	"Inter company loan repaid"	Issue of OCRPS-Liablity Component	Investment during the period	Advances for Equity subscription	Director Sitting Fees	Remuneration
Mahindra & Mahindra Limited	Holding Company	**31-Mar-22**	–	–	**32.11**	–	**21.62**	–	**616.47**	**1.48**	**219.76**	**18.77**	–	**1,500.00**	–	–	–		–	–
		31-Mar-21	–	–	163.44	38.83	47.41	–	583.03	369.30	201.56	90.18	3,998.14	–	–	–	–		–	–
Mahindra Greenyard Private Limited	Subsidiary Company	**31-Mar-22**	**4.41**	–	–	–	–	–	–	**0.92**	–	–	–	–	–	–	**50.00**	**140.00**	–	–
		31-Mar-21	88.44	–	–	3.50	–	–	18.22	1.49	–	–	–	–	–	–	–	–	–	–
Mahindra HZPC Private Limited	Subsidiary Company	**31-Mar-22**	–	–	–	–	–	–	–	**43.85**	–	–	–	–	–	–	**284.76**		–	–
		31-Mar-21	–	–	–	5.51	–	–	–	9.92	–	–	–	–	–	–	179.85		–	–
Mahindra Defence Systems	Fellow Subsidiary Company	**31-Mar-22**	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–		–	–
		31-Mar-21	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–		–	–
Mahindra Integrated Business Solutions Private Limited	Fellow Subsidiary Company	**31-Mar-22**	–	–	–	–	–	–	–	**4.63**	–	–	–	–	–	–	**300.00**		–	–
		31-Mar-21	0.06	–	–	–	–	–	–	21.01	–	–	–	–	–	–	100.00		–	–
NBS International Limited	Fellow Subsidiary Company	**31-Mar-22**	–	–	–	–	–	–	–	–	**73.25**	–	–	**3,000.00**	**1,000.00**	–	–		–	–
		31-Mar-21	–	–	–	–	–	–	–	–	6.05	–	–	1,450.00	1,450.00	–	–		–	–
Mahindra Summit Agriscience Limited	Joint Venture (w.e.f. 12 April 2019)	**31-Mar-22**	–	–	–	–	**141.20**	–	–	–	–	–	–	–	–	–	–		–	–
		31-Mar-21	–	–	–	–	150.64	–	–	–	–	–	–	–	–	–	–		–	–
Mahindra & Mahindra Financial services Limited	Fellow Subsidiary Company	**31-Mar-22**	–	–	–	–	**0.59**	–	**3.94**	–	–	–	–	–	–	–	–		–	–
		31-Mar-21	–	–	–	–	0.79	–	6.12	–	–	–	–	–	–	–	–		–	–
EPC Industries Limited	Fellow Subsidiary Company	**31-Mar-22**	–	**0.11**	**0.01**	–	–	–	–	**402.74**	–	–	–	–	–	–	–		–	–
		31-Mar-21	–	–	–	–	–	–	–	391.76	–	–	–	–	–	–	–		–	–
Mahindra First Choice wheels Limited	Fellow Subsidiary Company	**31-Mar-22**	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–		–	–
		31-Mar-21	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–		–	–
Mera Kisan Private Limited	Associate	**31-Mar-22**	–	–	–	–	**2.18**	–	–	–	–	–	–	–	–	–	–		–	–
		31-Mar-21	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–		–	–
Origin Food Distributors	Subsidiary of Fellow Subsidiary Company	**31-Mar-22**	–	–	–	**36.00**	–	–	**3.46**	**22.26**	–	–	–	–	–	–	–		–	–
		31-Mar-21	–	12.74	–	24.00	–	–	22.08	27.49	–	–	–	–	–	–	–		–	–
Origin Direct Asia	Subsidiary of Fellow Subsidiary Company	**31-Mar-22**	**148.47**	–	–	–	–	**15.47**	–	–	–	–	–	–	–	–	–		–	–
		31-Mar-21	342.89	–	–	–	–	–	–	–	–	–	–	–	–	–	–		–	–
Orizonte Business Solutions Limited	Fellow Subsidiary Company	**31-Mar-22**	**2.59**	–	–	–	–	–	–	–	–	–	–	–	–	–	–		–	–

35 Related party disclosures (Continued)

B Related party transactions

(Currency : Indian rupees in lakhs)

			Transaction during the year																	
Name of the Related Parties where control exists	Relation	Year	Sale of goods	Sale of property and other assets	Purchase of property and other assets	Rendering of services	Receiving of services	Other Expenses	Reimburse ment of expenses charged to the Company	Reimburse ment of expenses charged by the Company	Interest on unsecured Loan / OCRP	Rent	Issue of Share Capital	"Inter company loan taken"	"Inter company loan repaid"	Issue of OCRPS- Liablity Component	Investment during the period	Advances for Equity subscrip tion	Director Sitting Fees	Remun eration
		31-Mar-21	169.83	–	–	–	–	–	–	–	–	–	–	–	–	–	–		–	–
Smartshift Logistics Solutions Private Limited	Joint Venture	**31-Mar-22**	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–		–	–
		31-Mar-21	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–		–	–
Dr. Pawan Goenka	Chairman	**31-Mar-22**	–	–	–	–	–	–	–	–	**0.70**	–	–	–	–	–	–		**1.80**	–
		31-Mar-21	–	–	–	–	–	–	–	–	0.65	–	–	–	–	–	–		–	–
Mr. Mahohar Bhide	Director	**31-Mar-22**	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–		–	–
		31-Mar-21	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–		–	–
Mr. Hardeep Singh	Director	**31-Mar-22**	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–		**6.00**	–
		31-Mar-21	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–		5.80	–
Mr. Aruna Bhinge	Director	**31-Mar-22**	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–		**5.40**	–
		31-Mar-21	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–		5.20	–
Mr. Ramesh Iyer	Non Executive Director	**31-Mar-22**	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–		–	–
		31-Mar-21	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–		–	–
Mr. Ashok Sharma	Key Managerial Personnel	**31-Mar-22**	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–		–	**250.00**
		31-Mar-21	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–		–	194.00
Mr. Meghnad Mitra	Key Managerial Personnel	**31-Mar-22**	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–		–	**169.99**
		31-Mar-21	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–		–	166.75
Mr. Feroz Baria (as per Companies Act, 2013)	Key Managerial Personnel	**31-Mar-22**	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–		–	**2.76**
		31-Mar-21	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–		–	2.76

35 Related party disclosures (Continued)

B Related party transactions

(Currency : Indian rupees in lakhs)

			Balances as at year end						
Name of the Related Parties where control exists	**Relation**	**Year**	**Trade payables**	**Trade receivables**	**Loans & advances taken**	**Payable for Business combination**	**Other Receivables**	**Other Payable**	**Advances to vendors**
Mahindra & Mahindra Limited	Holding Company	31-Mar-22	**608.54**	–	**1,500.00**	–	–	**526.28**	–
		31-Mar-21	1,390.13	415.52	–	–	–	308.85	–
Mahindra Greenyard Private Limited	Subsidiary Company	31-Mar-22	–	–	–	–	–	–	–
		31-Mar-21	16.46	135.72	–	–	–	–	–
Mahindra HZPC Private Limited	Subsidiary Company	31-Mar-22	–	**30.48**	–	–	–	–	–
		31-Mar-21	15.41	25.23	–	–	–	–	–
Mahindra Fresh Fruits Distribution Holding company (Europe) BV	Subsidiary Company	31-Mar-22	–	–	–	–	–	–	–
		31-Mar-21	–	–	–	–	–	–	–
Mera Kisan Private Limited	Associate	31-Mar-22	–	**20.36**	–	–	–	–	–
		31-Mar-21	–	15.36	–	–	–	–	–
Mahindra Defence Systems	Fellow Subsidiary Company	31-Mar-22	–	–	**2,000.00**	–	–	**50.77**	–
		31-Mar-21	–	–	–	–	–	–	–
Mahindra Integrated Business Solutions Private Limited	Fellow Subsidiary Company	31-Mar-22	**1.24**	–	–	–	–	–	–
		31-Mar-21	2.84	–	–	–	–	–	–
NBS International Limited	Fellow Subsidiary Company	31-Mar-22	**0.38**	–	–	–	–	–	–
		31-Mar-21	0.06	–	–	–	–	–	–
Mahindra Summit Agriscience Limited	Subsidiary Company	31-Mar-22	–	**301.85**	–	–	–	–	–
		31-Mar-21	7.85	305.48	–	–	–	–	–
Mahindra & Mahindra Financial services Limited	Fellow Subsidiary Company	31-Mar-22	–	–	–	–	–	–	–
		31-Mar-21	–	–	–	–	–	–	–
BRISTLECONE INDIA LIMITED	Fellow Subsidiary Company	31-Mar-22	**1.57**	–	–	–	–	–	–
		31-Mar-21	–	–	–	–	–	–	–
EPC Industries Limited	Fellow Subsidiary Company	31-Mar-22	–	**17.19**	–	–	–	–	–
		31-Mar-21	16.44	–	–	–	–	–	–
Origin Food Distributors	Subsidiary of Fellow Subsidiary Company	31-Mar-22	–	**63.81**	–	–	–	–	–
		31-Mar-21	–	17.18	–	–	–	–	–
Origin Direct Asia	Subsidiary of Fellow Subsidiary Company	31-Mar-22	–	–	–	–	–	–	–
		31-Mar-21	–	89.93	–	–	–	–	–
Smartshift Logistics Solutions Private Limited	Joint Venture	31-Mar-22	–	–	–	–	–	–	–
		31-Mar-21	0.13	–	–	–	–	–	–
Dr. Pawan Goenka	Chairman	31-Mar-22	–	–	–	–	–	**17.55**	–
		31-Mar-21	–	–	–	–	–	16.86	–
Mr. Mahohar Bhide	Director	31-Mar-22	–	–	–	–	–	–	–
		31-Mar-21	–	–	–	–	–	–	–
Mr. Hardeep Singh	Director	31-Mar-22	–	–	–	–	–	–	–
		31-Mar-21	–	–	–	–	–	–	–
Mr. Aruna Bhinge	Director	31-Mar-22	–	–	–	–	–	–	–
		31-Mar-21	–	–	–	–	–	–	–
Mr. Ramesh Iyer	Non Executive Director	31-Mar-22	–	–	–	–	–	–	–
		31-Mar-21	–	–	–	–	–	–	–
Mr. Ashok Sharma	Key Managerial Personnel	31-Mar-22	–	–	–	–	–	–	–
		31-Mar-21	–	–	–	–	–	–	–
Mr. Meghnad Mitra	Key Managerial Personnel	31-Mar-22	–	–	–	–	–	–	–
		31-Mar-21	–	–	–	–	–	–	–
"Mr. Feroz Baria (as per Companies Act, 2013)"	Key Managerial Personnel	31-Mar-22	–	–	–	–	–	–	–
		31-Mar-21	–	–	–	–	–	–	–

(Currency : Indian rupees in lakhs)

36 Employee benefits expenses - ESOP

Share based payment

A. Employees Stock Option Scheme - 2016:

This Plan shall be termed as the MASL Employees Stock Option Scheme - 2016 ("Plan"). The Plan has been approved by a Special Resolution at a General Meeting of the Shareholders held on 24 November 2016. The Plan has been approved for Eligible Employees of Mahindra Agri Solutions Limited. The Plan has also been approved to reward eligible employees whether they are working in India or abroad or Directors of the Company (including Managing Director/ Whole Time Director(s) but excluding Independent Directors) or Directors and Employees of the Holding Company or of the Subsidiary Company(ies) or of the Subsidiaries of its Holding Company.

In respect of Employee Stock Option Scheme :

The compensation cost of stock options granted to employees is measured by the Fair Value Method.

Fair value is the amount for which an asset could be exchanged, a liability settled, or an equity instrument granted could be exchanged, between knowledgeable, willing parties in an arm's length transaction, is recognised and amortised on straight line basis over the vesting period.

Eligibility:

Based on the criteria as may be decided by the Committee at its own discretion, including, but not limited to the date of joining of the Eligible Employee with the Company or the Group, performance evaluation, current compensation, criticality or any other criteria, KRA, future potential, such Eligible Employees, as determined by the Committee, may participate in the Plan. Employees joining the Company after the date of implementation of the Plan will be entitled to participate in the Plan, on a case to case basis and subject to such criteria as may be decided solely by the Committee.

The objective of the Plan is:

- To retain the best talent in the Industry
- To infuse a sense of entrepreneurship and ownership.

This purpose is sought to be achieved through the grant of Options to the Eligible Employees, to subscribe to the Equity Shares of the Company.

Details of the ESOP granted as per the above scheme

Particulars	Number of options	Grant date	Exercise price	Fair value of the option at Grant date
Cycle-I Equity Settled MASL Employees Stock Option Scheme - 2016	3,569,977	1 Feb 2017	47.5	24.15
Cycle-II Equity Settled MASL Employees Stock Option Scheme - 2016	285,401	1 May 2018	47.5	18.1
MASL RSU Scheme 2020	547,176	31-Jan-20	10	22.87

Cycle-I Options granted under MASL Employees Stock Option Scheme - 2016 vest in 4 instalments bifurcated as 25% on the expiry of 14 months, 25% on the expiry of 26 months, 25% on the expiry of 38 months and 25% on the expiry of 50 months from the date of grant date.

Cycle-II Options granted under MASL Employees Stock Option Scheme - 2016 vest in 4 instalments bifurcated as 25% on the expiry of 23 months, 25% on the expiry of 35 months, 25% on the expiry of 47 months and 25% on the expiry of 59 months from the date of grant date.

The options may be exercised on any day over a period of 3 years from the date of vesting. Number of vested options exercisable is subject to a minimum of 250 or number of options vested whichever is lower.

Movement in share options

	Particulars	Equity-settled share-based payments: Number of options	Equity-settled share-based payments: Weighted average exercise price
1	The number and weighted average exercise prices of share options outstanding at the beginning of the year;	3,937,550	47.50
2	Granted during the year	–	–
3	Forfeited during the year	–	–
4	Exercised during the year	–	–
5	Expired during the year	–	–
6	Outstanding at the end of the year	3,937,550	47.50
7	Exercisable at the end of the year	–	–

The share options outstanding at the end of the year had a weighted average exercise price of Rs. 47.50, and a weighted average remaining contractual life of 2.9 years.

The fair value of the equity instruments is calculated based on Black Scholes model. The Black Scholes model requires the consideration of certain variables such as volatility, risk free rate, expected dividend yield, expected option life, market price and exercise price for the calculation of the option. These variables significantly influence the fair value and any change in these variables could significantly affect the fair value of the option.

The inputs used in the measurement of the fair values at grant date of the equity-settled share-based payment plans were as follows.

Share option programmes

Particulars	MASL Employees Stock Option Scheme - 2016		MASL RSU Scheme 2020	
	31 March 2022	31 March 2021	**31 March 2022**	31 March 2021
Share price at grant date	**21.12**	21.12	**22.87**	22.87
Exercise price	**47.50**	47.50	**10.00**	10.00
Expected volatility (weighted-average)	**58.3**	58.3	**45.8**	45.8
Expected life / option life (weighted-average)	**2.66**	2.66	**3**	3
Expected dividends yield	**0.00%**	0.00%	**0.00%**	0.00%
Risk-free interest rate (based on government bonds)	**6.25%**	6.25%	**4.70%**	4.70%

(Currency : Indian rupees in lakhs)

Employee share based payment	**For the Year 31 March 2022**	For the Year 31 March 2021
MASL ESOP Plan	**74.67**	99.11
Debit to Mahindra HZPC Private Limited	**–**	(1.84)
Total	**74.67**	97.27

The amount of Rs. Nil 31 March 2021 : Rs. 1.84 lakhs) charged to its subsidiary Mahindra HZPC Private Limited, for options issued to its employees.

ESOP scheme of parent company:

Certain employees of the Company are also covered by share option schemes offered by Parent Company, Mahindra & Mahindra Limited. The Company treats such share based payment as an equity settled share based payments arrangement. Options granted under Parent's ESOP scheme vests in 4 or 5 equal instalments on expiry of 12 months, 24 months, 36 months, 48 months and where applicable 60 months from the date of grant. The options may be exercised subject to condition of minimum number of option vesting, on any day over a period of four or five years, as the case may be from the date of vesting. The parent Company charges the subsidiary for the equity it provides to the employees of the subsidiary over the vesting period. The charge is based on fair value of options calculated using Black and Scholes Option Pricing Model. The fair value charge in FY 2021-22 Rs. 5.87 lakhs (FY 20-21 of Rs. 16.14 lakhs) is recognised as share based payment expenses under Employee Benefit Expenses.

B. Long-term Incentive Plan (LTI):

This Plan shall be termed as the MASL Long Term Incentive Plan (LTI) Bonus Grants for Business Leaders. The Plan has been approved by Board of Director in its meeting held on 2 May 2017. The Plan has been approved for Eligible Employees whether they are working in India or abroad as mentioned in the Plan.

In respect of Bonus Grants for Business Leaders Scheme :

The compensation cost of stock options granted to employees is measured by the Fair Value Method.

Fair value is the amount for which an asset could be exchanged, a liability settled, or an equity instrument granted could be exchanged, between knowledgeable, willing parties in an arm's length transaction, is recognised and amortised on straight line basis over the vesting period.

Eligibility:

Defined Business leaders as stated in the plan will be eligible for bonus grant. Actual vesting can be between 0 to 2x of grant based on business leaders performance. Performance of each Business shall be assessed based on the target (Revenue, PBT and ROC factors) on a cumulative basis from F18 to F20. Bonus grant vesting will be happen on achieving the qualifying target. Qualifying target is based on 80% of revenue budget and stretch level is at 130% of revenue budget as set in the plan.

The objective of the Plan is:

– To retain the best talent in the Industry

– To infuse a sense of entrepreneurship and ownership.

This purpose is sought to be achieved through the grant of Additional Options to the eligible Business Leaders, to subscribe to the Equity Shares of the Company based on certain business performance parameters.

Details of the ESOP granted as per the above scheme

	Number of options	**Grant date**	**Exercise price**	**Fair value at grant date**
MASL Long Term Incentive Plan (LTI) Bonus Grants for Business Leaders	191,824	2 May 2017	47.5	105.4

Options granted under MASL Long-term Incentive Plan (LTI) Bonus Grants for Business Leaders will be vested post 12 months of F20 assessment i.e. 31 March 2021.

Movement in share options

	Particulars	**MASL Long-term Incentive Plan (LTI) Bonus Grants for Business Leaders – Number of options**	**Weighted average exercise price**
1	The number and weighted average exercise prices of share options outstanding at the beginning of the year;	191,824	47.50
2	Granted during the year	–	–
3	Forfeited during the year	–	–
4	Exercised during the year	–	–
5	Expired during the year	–	
6	Outstanding at the end of the year	191,824	47.50
7	Exercisable at the end of the year	–	–

The fair value of the equity instruments is calculated based on Black Scholes model. The Black Scholes model requires the consideration of certain variables such as volatility, risk free rate, expected dividend yield, expected option life, market price and exercise price for the calculation of the option. These variables significantly influence the fair value and any change in these variables could significantly affect the fair value of the option.

The inputs used in the measurement of the fair values at grant date of the equity-settled share-based payment plans were as follows.

Share option programmes

	MASL Long-term Incentive Plan (LTI) Bonus Grants for Business Leaders
Share price at grant date	**132.69**
Exercise price	**47.50**
Expected volatility (weighted-average)	**55.57%**
Expected life/Option Life (weighted-average)	**5.42**
Expected dividends yield	**0.00%**
Risk-free interest rate (based on government bonds)	**6.99%**

We have not considered any provision for above scheme because based on Actual performance of F-18, Board approved budget of F-19 and projection for F-20, it evident that basic eligibility criterion and performance condition of Scheme for grant of options are not going to trigger in any business.

37 Capital commitments

Commitment

Estimated amount of contracts remaining to be executed on capital account and not provided for as at 31 March 2022 is Rs. NIL (31 March 2021 is Rs. Nil).

38 Disclosures under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006:

Total outstanding dues of Micro, Small and medium enterprises, which are outstanding for more than the stipulated period are given below:

Sr. No.	**Particulars**	**As at 31 March 2022**	As at 31 March 2021
I	Principal amount remaining unpaid to any supplier at the end of the accounting year	**85.69**	41.66
II	Interest due thereon remaining unpaid to any supplier at the end of the accounting year	**0.88**	0.10

(Currency : Indian rupees in lakhs)

Sr. No.	Particulars	As at 31 March 2022	As at 31 March 2021
III	the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	**0.10**	0.39
IV	the amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	**0.88**	0.10
V	Amount of interest accrued and remaining unpaid as at the year end	**0.88**	0.10
VI	the amount of interest accrued and remaining unpaid at the end of each accounting year	**0.88**	0.10
VII	Amount of interest written back during the period as the same is not payable	**NIL**	NIL
VIII	the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	**NIL**	NIL

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management.

39 Research and development expenditure:

Sr. No.	Particulars	As at 31 March 2022	As at 31 March 2021
	In recognised Research and development units		
(i)	Debited to the Statement of profit and loss account other than depreciation and amortisation	**651.30**	655.53
(ii)	Depreciation and amortisation	**113.24**	71.54
(iii)	Capital expenditure	**192.65**	101.24
	Total	**957.19**	828.30

40 Disclosure pursuant to Section 186 of the Companies Act, 2013

The details of loans, guarantees and investments under Section 186 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 are as follows:

Investments in equity shares

Sr. No.	Name of the entity	Year	As at 1 April 2021	Investment made during the year	Investment sold during the year	Conversion of ORCPS / OCPS into Equity shares	As at 31 March 2022
1	Mahindra Greenyard Private Limited	**31-Mar-22**	**625.80**	**50.00**	**–**	**–**	**675.80**
		31-Mar-21	625.80	–	–	–	625.80
2	Mahindra HZPC Private Limited	**31-Mar-22**	**2,691.15**	**284.76**	**–**	**–**	**2,975.91**
		31-Mar-21	2,511.30	179.85	–	–	2,691.15
3	Mahindra Fresh Fruits Distribution Holding Company Europe BV	**31-Mar-22**	**7.67**	**–**	**–**	**–**	**7.67**
		31-Mar-21	7.67	–	–	–	7.67
4	Mera Kisan Private Limited	**31-Mar-22**	**50.00**	**250.00**	**–**	**860.50**	**1,160.50**
		31-Mar-21	50.00	–	–	–	50.00

Investments in optionaly convertible preference shares

Sr. No.	Name of the entity	Year	As at 1 April 2021	Investment made during the year	Investment sold during the year	Conversion of ORCPS / OCPS into Equity shares	As at 31 March 2022
1	Mera Kisan Private Limited	**31-Mar-22**	**760.50**	**–**	**–**	**(760.50)**	**–**
		31-Mar-21	688.00	72.50	–		760.50

Investments in Optionally redeemable cumulative preference share

Sr. No.	Name of the entity	Year	As at 1 April 2021	Investment made during the year	Investment sold during the year	Conversion of ORCPS / OCPS into Equity shares	As at 31 March 2022
1	Mera Kisan Private Limited	**31-Mar-22**	**50.00**	**50.00**	**–**	**(100.00)**	**–**
		31-Mar-21	–	50.00	–	–	50.00

(Currency : Indian rupees in lakhs)

Investments in warrants

Sr. No.	Name of the entity	Year	As at 1 April 2021	Investment made during the year	Investment sold during the year	As at 31 March 2022
1	Mera Kisan Private Limited	**31-Mar-22**	**41.86**	**–**	**–**	**41.86**
		31-Mar-21	41.86	–	–	41.86

Investments in Joint Ventures

Sr. No.	Name of the entity	Year	As at 1 April 2021	Investment made during the year	Investment sold during the year	As at 31 March 2022
1	Mahindra Summit Agriscience Limited	**31-Mar-22**	**7,686.60**	**–**	**–**	**7,686.60**
		31-Mar-21	–	7,686.60	–	7,686.60

41 Exceptional items

The Company classifies items of income and expense within profit or loss from ordinary activities as exceptional items when they are of such size, nature or incidence that their disclosure is relevant to explain the performance for the period.

Exceptional Items (net) recognised in profit or loss

Particulars	31 March 2022	31 March 2021
Impairment of certain investments (Refer note i)	**350.00**	2,881.75
Allowance for advances towards equity share capital (Refer note i)	**140.00**	–
Gain on slump sale of dairy business (Refer note ii)	**(227.74)**	–

(i) The Company has long-term investments in subsidiaries, associates and joint ventures which are measured at cost less impairment or at Fair value through other comprehensive income. The management assesses the performance of these entities including the future projections and relevant economic and market conditions in which they operate to identify if there is any indicator of impairment in the carrying value of the investments. In case indicators of impairment exist, the impairment loss is measured by estimating the recoverable amounts based on the higher of (i) 'fair value less cost of disposal' determined using market price information, where available, and (ii) 'value-in-use' estimates determined using discounted cash flow projections, where available.

The fair value less costs of disposal is determined using the market approach and is categorised as Level 1 in the fair value hierarchy. The future cash flow projections are specific to the entity based on its business plan and may not be the same as those of market participants. The future cash flows consider key assumptions such as volume projections, margins, terminal growth rates, etc. with due consideration for the potential risks given the current economic environment in which the entity operates. The discount rates used are pre-tax rates based on weighted average cost of capital and reflects market's assessment of the risks specific to the asset as well as time value of money. The recoverable amount estimates are based on judgments, estimates, assumptions and market data as on reporting date and ignore subsequent changes in the economic and market conditions.

During the year ended 31 March 2022, the performance of certain subsidiaries and associates along with the relevant economic and market indicators resulted in indicators of impairment in respect of certain entities. Accordingly, the Company determined the recoverable amounts for these investments and recorded a provision for impairment of Rs. 490 lakhs (31 March 2021 : Rs. 2881.75 lakhs) for the year ended 31 March 2022 including Rs. 140 Lakhs towards Allowance for advances towards equity share capital . The value-in-use calculation use discount rates ranging from 19% - 20% and the terminal growth rates ranging from 4% - 5%.

(ii) Gain on Slump sale of Dairy business

During the financial year, the Mahindra Agri Solutions Limited ("the Company") had entered into a business transfer agreement (BTA) dated 15 June 2021 with White Spread Foods Private limited and Jalpak Foods private limited . Pursuant to this agreement, Dairy business of the Company is transferred to WSFPL on slump sale basis for total consideration of Rs. 343 Lakhs comprising of Rs. 275 lakhs as cash consideration and balance in form of Equity consideration valued at Rs. 68 Lakhs and acquired 19.83% shareholding in WSFPL The Company had recorded a gain of Rs. 227.74 Lakhs on this transaction as an exceptional item for the year ended 31 March 2022.

42 Contingent liabilities

The Company is involved in a number of appellate, judicial and arbitration proceedings (including those described below) concerning matters arising in the course of conduct of the Company's businesses. Some of these proceedings in respect of matters under litigation are in early stages, and in some other cases, the claims are indeterminate. A summary of claims asserted on the Company in respect of these cases have been summarised below.

A. Tax contingencies

Amounts in respect of claims asserted by various revenue authorities on the Company, in respect of taxes, which are in dispute, have been tabulated below:

Nature of Tax	31 March 2022	31 March 2021
Value Added Tax	**60.56**	60.56
Sales Tax	**67.41**	67.41
Total	**127.97**	127.97

The management believes that the claims made are untenable and is contesting them. As of the reporting date, the management is unable to determine the ultimate outcome of above matters. However, in the event the revenue authorities succeed with enforcement of their assessments, the Company may be required to pay some or all of the asserted claims and the consequential interest and penalties, which would reduce net income and could have a material adverse effect on net income in the respective reported period.

B. In February 2019, the Supreme Court of India in its judgement clarified the applicability of allowances that should be considered to measure obligations under Employees Provident Fund Act, 1952. The Company has been legally advised that there are interpretative challenges on the application of judgement retrospectively and as such does not consider there is any probable obligations for past periods. Accordingly, based on legal advice the Company has made a provision for provident fund contribution from the date of the Supreme Court order.r provident fund contribution from the date of the Supreme Court order.

(Currency : Indian rupees in lakhs)

43 Recent Indian Accounting Standards (Ind AS)

There are no new standards that are notified, but not yet effective, upto the date of issuance of the Group's financial statements.

44 Impact of Covid-19

During previous year the country was in a crisis situation due to COVID-19, which had been declared as pandemic by World Health Organization. The countrywide lockdown was declared by Govt of India covered a part of financial year ended 31 March 2021. However, the Government of India has made certain allowances for movement of agricultural inputs during this period being essential item for agriculture. Based on the operations for the financial year ended 31 March 2021, the Company believes that, there was no significant impact of COVID-19 pandemic on the financial position and performance of the Company for the financial year ended 31 March 2022.

45 Disclosure on Specified Bank Notes (SBNs)

The disclosures in the financial statements regarding holdings as well as dealings in Specified Bank Notes during the period from 8 November 2016 to 30 December 2016 have not been made in these financial statements since they do not pertain to the financial year ended 31 March 2022.

46 Ratio Analysis and its elements

Ratio	Numerator	Denominator	3/31/2022	3/31/2021	% change	Reasons for variances
Current Ratio	Current Assets	Current Liability	0.88	0.87	0%	–
Debt Equity ratio	Total Debt	Shareholder Equity	1.67	0.95	76%	Unfavourable increase in ratio is on mainly on account of company has taken inter corporate borrowings from group company and utilised unused credit facility to meet its working capital requirement.
Debt Service coverage ratio	Earning for Debt service	Debt Service	0.01	0.41	(98%)	Favourable increase in ratio is on account of increase in net margin due to reduction of cost of material procured year on year by 15%. Increase in debt service is offsetted by increase in net margin .
Return on Equity	Net profit after taxes	Average Shareholder Equity	(0.28)	(0.78)	(65%)	Favourable increase in ratio is mainly on account of increase in net margin and reduction in Impairment of investment in current year vis-à-vis previous year
Inventory Turnover ratio	Cost of goods sold	Average inventory	1.80	2.96	(39%)	Unfavourable decrease in ratio is mainly on account of delay in operation of seeds business season , resulted into pilling up of seeds business inventory as on March 31, 2022 , to be liquidated subsequently.
Trade receivable Turnover ratios	Net credit sales = Gross credit sales - sales return	Average trade receivables	3.69	4.11	(10%)	–
Trade Payable ratios	Net credit purchases = Gross credit purchases - purchase return	Average trade payables	1.51	1.89	(20%)	–
Net capital turnover ratio	Net sales = Total sales - sales return	Working capital = Current assets – Current liabilities	(9.99)	(11.26)	(11%)	–
Net profit ratio	Net profit	Net sales = Total sales - sales return	(0.07)	(0.23)	(68%)	Favourable increase in ratio is on account of increase in net margin due to reduction of cost of material procured year on year by 15%. and better realisation from export market
Return on capital employed	Earnings before interest and taxes	Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax	(0.06)	(0.32)	(83%)	Favourable increase in ratio is on account of increase in net margin due to reduction of cost of material procured year on year by 15%. and better realisation from export market and reduction in Impairment of investment in current year vis-à-vis previous year
Return on Investment	Interest (Finance Income)	Investment (Fixed Deposit)	0.01	0.01	(18%)	–

(Currency : Indian rupees in lakhs)

47 The figures for the previous year have been recompanyed/reclassified to correspond with the current year's classification/disclosures that include changes consequent to the issuance of "Guidance Note on Division II - Ind AS Schedule III to the companies Act 2013".

48 Other Statutory Information

(i) The company do not have any Benami property, where any proceeding has been initiated or pending against the company for holding any Benami property.

(ii) The company do not have any transactions with companies struck off.

(iii) The company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period

(iv) The company have not traded or invested in Crypto currency or Virtual Currency during the financial year.

(v) The company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

(vi) The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall except as disclosed in Note 17(A)(ii) to the accounts:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,

(vii) The Company have not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961

49 Other matters

Information with regard to other matters specified in Schedule III to the Act is either nil or not applicable to the Company for the year.

In terms of our report attached.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No : 101248W/W-100022

Jaymin Sheth
Partner
Membership No: 114583

Mumbai
Date: 29 April 2022

For and on behalf of Board of Directors
Mahindra Agri Solutions Limited
CIN - U01400MH2000PLC125781

Ramesh Iyer
Director
DIN: 00220759
Mumbai
29 April 2022

Ashok Sharma
Managing Director and Chief Executive Officer
DIN: 02766679
Mumbai
29 April 2022

Feroze Baria
Company Secretary
Membership No.: 11357
Mumbai
29 April 2022

Meghnad Mitra
Chief Financial Officer
Membership No.: 54732
Delhi
29 April 2022

FORM AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5
of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries

Part “A”: Subsidiaries

Rs in lakhs

S N	Particulars	Details	Details	Details	Details	Details
1.	Name of subsidiary	Mahindra Fruits Private Limited	MHZPC Private Limited	Mahindra Fresh Fruits Distributions Holding Company (Europe) B.V	Mahindra Summit Agriscience Ltd.	MeraKisan Private Limited
2.	Reporting period for the subsidiary concerned, if different from the holding company’s reporting period	31st March, 2022 Same as Holding Company	31st March, 2022 Same as Holding Company	31st October, 2021 Different from Holding Company	31st March, 2022 Same as Holding Company	31st March, 2022 Same as Holding Company
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	INR in Lacs. Not Applicable	INR in Lacs. Not Applicable	EURO in Lacs. Not Applicable	INR in Lacs. Not Applicable	INR in Lacs. Not Applicable
4.	Share capital	Rs. 1093.00	Rs. 4964.00	Euro. 0.10	Rs. 12811.00	Rs. 1267.05
5.	Reserves & Surplus	(-) Rs. 1071.74	(-) Rs. 4730.15	(-) Euro. 1.93	(-) Rs. 2829.58	(-) Rs. 1300.80
6.	Total Assets	Rs. 30.63	Rs. 5411.89	Euro. 42.50	Rs. 19635.30	Rs. 47.35
7.	Total Liabilities	Rs. 9.37	Rs. 5178.05	Euro. 44.33	Rs. 9653.88	Rs. 81.11
8.	Investments	Nil	Nil	Euro. 41.61	Nil	Nil
9.	Turnover	Rs. 216.08	Rs. 4071.22	Nil	Rs. 17506.23	Rs. 418.31
10.	Profit before taxation	(-) Rs. 105.58	(-) Rs. 421.04	(-) Euro. 0.87	(-) Rs. 434.69	Rs. 2.71
11.	Provision for taxation	Nil	Nil	Nil	Nil	Rs. 1.26
12.	Profit after taxation	(-) Rs. 105.58	(-) Rs. 421.04	(-) Euro. 0.87	(-) Rs. 434.69	Rs. 1.45
13.	Proposed Dividend	Nil	Nil	Nil	Nil	Nil
14.	% of shareholding	100%	59.95%	100%	60%	91.59%

Additional Information:

1) Names of subsidiaries which are yet to commence operations: Nil

2) Names of subsidiaries which have been liquidated or sold during the year: Nil

In terms of our report attached.

For **B S R & Co. LLP**
Chartered Accountants
Firm’s Registration No : 101248W/W-100022

Jaymin Sheth
Partner
Membership No: 114583

Mumbai
Date: 29 April 2022

For and on behalf of Board of Directors
Mahindra Agri Solutions Limited
CIN - U01400MH2000PLC125781

Ramesh Iyer
Director
DIN: 00220759

Feroze Baria
Company Secretary
Membership No.: 11357

Mumbai
Date: 29 April 2022

Ashok Sharma
Managing Director and Chief Executive Officer
DIN: 02766679

Meghnad Mitra
Chief Financial Officer
Membership No.: 54732

Delhi
Date: 29 April 2022

FORM AOC-1

Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014
Statement Containing salient features of the financial statements of subsidiaries

Part A - Subsidiaries (as per section 2(87)) of companies Act, 2013

Rs in lakhs

S No	Name of Subsidiary	The date since when subsidiary was acquired (DD/MM/YYYY)	Reporting Currency	Exchange Rate	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Investments	Gross Turnover	Profit/ (Loss) before Tax	Provision for Tax	Profit/ (Loss) after Tax	Proposed Dividend and Tax thereon	Proportion of ownership interest @	Proportion of voting power where different
1	OFD Holding BV	22/02/2017	Euro	84.48	26.52	4,756.50	5,408.51	625.49	5,297.65	21.12	(5.94)	–	(5.94)	–	81.93%	83.09%
2	Origin Direct Asia Ltd.	22/02/2017	USD	75.72	0.98	452.98	2,023.41	1,569.45	0.55	10,160.85	452.85	0.44	452.41	–	49.16%	60.00%
3	Origin Fruit Direct B.V.	22/02/2017	Euro	84.48	11.51	5,103.89	12,953.78	7,838.38	–	46,304.72	822.38	184.91	637.47	–	81.93%	100.00%
4	Origin Fruit Services South America SpA	22/02/2017	CLP	0.10	0.97	(47.55)	687.37	733.95	–	947.14	44.30	–	44.30	–	81.93%	100.00%
5	Origin Direct Asia (Shanghai) Trading Co. Ltd.	22/02/2017	RMB	11.92	110.40	(1,597.70)	205.46	1,692.76	–	1,330.45	(256.57)	–	(256.57)	–	81.93%	100.00%

In terms of our report attached.
For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No : 101248W/W-100022

Jaymin Sheth
Partner
Membership No: 114583

Mumbai
Date: 29 April 2022

For and on behalf of Board of Directors
Mahindra Agri Solutions Limited
CIN - U01400MH2000PLC125781

Ramesh Iyer
Director
DIN: 00220759

Feroze Baria
Company Secretary
Membership No.: 11357

Mumbai
Date: 29 April 2022

Ashok Sharma
Managing Director and Chief Executive Officer
DIN: 02766679

Meghnad Mitra
Chief Financial Officer
Membership No.: 54732

Delhi
Date: 29 April 2022

FORM AOC-1

Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014
Statement Containing salient features of the financial statements of subsidiaries

Part B - A5:A90 Details of Associates/Joint ventures (as per section 2(6) of the companies Act, 2013)

Rupees Lakhs

Name of Associates	Reporting Currency	The date since when Associate was acquired (DD/MM/YYYY)	Audited Balance Sheet Date	No. of Equity shares held	Exchange Rate	% of Holding	Cost of Investments (Equity Shares)	Networth as per Latest Audited Balance sheet	Share of Networth attributable to Shareholding as per latest audited Balance Sheet	Profit as per latest audited P&L	Profit / (Loss) for the year	
											Considered in Consolidation	Not considered in consolidation
HDG-Asia Ltd	USD	22/02/2017	31/10/2021	5000	75.72	50%	0.00	(8.45)	(4.23)	0.00	0.00	0.00

In terms of our report attached.
For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No : 101248W/W-100022

Jaymin Sheth
Partner
Membership No: 114583

Mumbai
Date: 29 April 2022

For and on behalf of Board of Directors
Mahindra Agri Solutions Limited
CIN - U01400MH2000PLC125781

Ramesh Iyer
Director
DIN: 00220759

Feroze Baria
Company Secretary
Membership No.: 11357

Mumbai
Date: 29 April 2022

Ashok Sharma
Managing Director and Chief Executive Officer
DIN: 02766679

Meghnad Mitra
Chief Financial Officer
Membership No.: 54732

Delhi
Date: 29 April 2022

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF
MAHINDRA SUMMIT AGRISCIENCE LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Mahindra Summit Agriscience Limited ("the Company"), which comprise the balance sheet as at 31 March 2022, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2022, and loss and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

Other Information

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's and Board of Directors' Responsibility for the Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the financial statements made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2020 ("the Order") issued by the Central Government in terms of section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. (A) As required by Section 143(3) of the Act, we report that:
    a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
    b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
    c) The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account.
    d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under section 133 of the Act.
    e) On the basis of the written representations received from the directors as on 31 March 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022 from being appointed as a director in terms of Section 164(2) of the Act.
    f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

    (B) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    a) The Company does not have any pending litigations which would impact its financial position.
    b) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    c) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2022.
    d) i. The Management has represented that, to the best of it's knowledge and belief, as disclosed in the note 38 to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities (intermediaries), with the understanding, whether recorded in writing or otherwise, as on the date of this audit report, that the intermediaries shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

       ii. The Management has represented, that, to the best of it's knowledge and belief, as disclosed in the note 39 to the accounts, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

iii. Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub- clause (d) (i) and (d) (ii) contain any material mis-statement.

e) The Company has neither declared nor paid any dividend during the year.

(C) With respect to the matter to be included in the Auditors' Report under section 197(16):

As more fully explained to Note 35 to the financial statements for the year ended 31 March 2022 with respect to the managerial remuneration paid to a Whole Time Directors and one Non- Executive Director, in our opinion and according to the information and explanations given to us, the remuneration paid by the company to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Jaymin Sheth
Partner
Membership No: - 114583
ICAI UDIN: 22114583AINTUY9569

Place: Mumbai
Date: 6 May 2022

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT – 31 MARCH 2022

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

i. (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified once in three years, pursuant to which all property, plant and equipment were physically verified in the financial year ended 31 March 2022. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties disclosed in the financial statements are held in the name of the Company.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment or intangible assets or both during the year.

(e) According to information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

ii. (a) The inventory, except goods-in-transit and stocks lying with third parties, has been physically verified by the management during the year. For stocks lying with third parties at the year-end, written confirmations have been obtained and for goods-in-transit subsequent evidence of receipts has been linked with inventory records. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks on the basis of security of inventories. In our opinion, the quarterly returns or statements filed by the Company with such banks are in agreement with the books of account of the Company.

iii. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments, provided guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year. Accordingly, provisions of clauses 3(iii)(a) to 3(iii)(f) of the Order are not applicable to the Company.

iv. According to the information and explanations given to us and on the basis of our examination of records of the Company, the Company has neither made any investments nor has it given loans or provided guarantee or security and therefore the relevant provisions of Sections 185 and 186 of the Companies Act, 2013 ("the Act") are not applicable to the Company. Accordingly, clause 3(iv) of the Order is not applicable.

v. The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.

vi. We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Act in respect of its manufactured goods and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed examination of the records with a view to determine whether these are accurate or complete.

vii. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Services Tax ('GST'), Provident fund, Employees' State Insurance, Income-Tax, Duty of Customs, Cess and other statutory dues have been regularly deposited by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of Sales Tax, Duty of Excise and Value Added Tax.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Services Tax ('GST'), Provident fund, Employees' State Insurance, Income-Tax, Duty of Customs, Cess and other statutory dues were in arrears as at 31 March 2022 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no statutory dues relating to Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs, Cess or other statutory dues, which have not been deposited with the appropriate authorities on account of any dispute.

viii. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.

ix. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to any lender.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or government or government authority.

(c) According to the information and explanations given to us by the management, the Company has not obtained any term loans during the year. Accordingly, clause 3(ix)(c) of the Order is not applicable.

(d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures as defined under the Act.

(f) The Company does not hold any investment in any subsidiary, associate or joint venture (as defined under the Act) during the year ended 31 March 2022. Accordingly, clause 3(ix)(e) is not applicable.).

x. (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) Accordingly, clause 3(x)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.

xi. (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the course of the audit.

(b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) Based on the information and explanations provided to us, the Company does not have a vigil mechanism and is not required to have a vigil mechanism as per the Act.

xii. According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.

xiii. In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.

xiv. (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the internal audit reports of the Company issued till date for the period under audit.

xv. In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.

xvi. (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.

(b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.

(d) According to the information and explanations provided to us, the Group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016) has Six CICs as part of the Group.

xvii. The Company has incurred cash losses of Rs. 360.72 lakhs in the current financial year; however, no cash loss was incurred in the previous year.

xviii. There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.

xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

xx. The requirements as stipulated by the provisions of Section 135 are not applicable to the Company. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Jaymin Sheth
Partner
Membership No: - 114583
ICAI UDIN:22114583AINTUY9569

Place: Mumbai
Date: 6 May 2022

ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS OF MAHINDRA SUMMIT AGRISCIENCE LIMITED FOR THE YEAR ENDED 31 MARCH 2022

Report on the internal financial controls with reference to the aforesaid financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

(Referred to in paragraph 2(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to financial statements of Mahindra Summit Agriscience Limited ("the Company") as of 31 March 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2022, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and whether such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that

(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Jaymin Sheth
Partner
Membership No: - 114583
ICAI UDIN: 22114583AINTUY9569

Place: Mumbai
Date: 6 May 2022

BALANCE SHEET AS AT 31 MARCH 2022

(Currency: Indian Rupees in lakhs)

		Note No.	**As at 31 March 22**	As at 31 March 21
I	**ASSETS**			
	NON-CURRENT ASSETS			
	(a) Property, plant and equipment	*4*	**1,801.71**	1,740.20
	(b) Capital work-in-Progress	*4*	**75.98**	–
	(c) Goodwill	*30*	**4,185.22**	4,185.21
	(d) Other intangible assets	*5A*	**411.05**	456.30
	(e) Intangible assets under development	*5B*	**454.32**	163.71
	(f) Financial assets			
	(i) Other financial assets	*6*	**1.84**	1.84
	(g) Non-Current tax assets (net)	*13A*	**–**	5.22
	SUB-TOTAL		**6,930.12**	6,552.48
	CURRENT ASSETS			
	(a) Inventories	*8*	**6,090.92**	4,950.37
	(b) Financial assets			
	(i) Trade receivables	*9*	**5,652.29**	6,783.85
	(ii) Cash and cash equivalents	*10*	**0.00**	35.53
	(iii) Other financial assets	*6*	**8.30**	10.59
	(c) Current tax assets (net)	*13A*	**8.08**	–
	(d) Other current assets	*7*	**945.59**	1,759.08
	SUB-TOTAL		**12,705.18**	13,539.42
	TOTAL ASSETS		**19,635.30**	20,091.90
II	**EQUITY AND LIABILITIES**			
	1 EQUITY			
	(a) Equity share capital	*11A*	**12,811.00**	12,811.00
	(b) Other equity	*11B*	**(2,829.58)**	(2,391.78)
	SUB-TOTAL		**9,981.42**	10,419.22
	LIABILITIES			
	2 NON-CURRENT LIABILITIES			
	(a) Provisions	*12*	**110.77**	96.29
	(b) Deferred tax liabilities (net)	*13B*	**–**	–
	SUB-TOTAL		**110.77**	96.29
	3 CURRENT LIABILITIES			
	(a) Financial liabilities			
	(i) Borrowings	*14*	**2,469.27**	815.08
	(ii) Trade payables	*15*		
	Total outstanding dues of micro enterprises and small enterprises		**184.44**	716.10
	Total outstanding dues of creditors other than micro enterprises and small enterprises		**3,972.68**	5,978.52
	(iii) Other financial liabilities	*16*	**354.82**	298.13
	(b) Provisions	*12*	**1,238.45**	69.37
	(c) Other current liabilities	*17*	**1,323.45**	1,699.19
	SUB-TOTAL		**9,543.11**	9,576.39
	TOTAL EQUITY AND LIABILITY		**19,635.30**	20,091.90

The accompanying notes 1 to 40 forms integral part of financial statements

In terms of our report of even date attached.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No : 101248W/W-100022

For and on behalf of Board of Directors
Mahindra Summit Agriscience Limited
CIN - U01400MH2018PLC315558

Jaymin Sheth
Partner
Membership No: 114583
Place : Mumbai
Date : 06 May 2022

Sandeep Gadre
Whole Time Director & CEO

Ashok Sharma
Director

Kuldeep Singh
Chief Financial Officer

Anwaya Kadu
Company Secretary

Place : Mumbai
Date : 06 May 2022

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2022

(Currency: Indian Rupees in lakhs)

		Note No.	**Year ended 31 March 2022**	Year ended 31 March 2021
I	**Income**			
	Revenue from operations	*18*	**17,506.23**	17,527.66
	Other income	*19*	**398.63**	111.91
	Total Income (I)		**17,904.86**	17,639.57
II	**EXPENSES**			
	Cost of materials consumed	*20A*	**8,527.17**	8,444.40
	Purchases of stock-in-trade		**5,843.12**	4,192.82
	Changes in stock of finished goods	*20B*	**(1,299.75)**	(359.17)
	Employee benefit expense	*21*	**2,113.39**	2,016.63
	Finance costs	*22*	**178.42**	101.98
	Depreciation and amortisation expense	*23*	**206.14**	161.12
	Other expenses	*24*	**2,771.06**	3,050.72
	Total Expenses (II)		**18,339.55**	17,608.50
III	**Profit / (loss) before tax (I-II)**		**(434.69)**	31.08
IV	**Tax expenses**	*25*		
	Current tax		**–**	–
	Deferred tax		**–**	(48.62)
	Total tax expenses		**–**	(48.62)
V	**Profit / (loss) after tax for the year**		**(434.69)**	79.70
VI	**Other comprehensive income**			
	Items that will not be reclassified to profit or loss			
	(i) Remeasurements of the defined benefit plans		**(3.12)**	30.57
	(ii) Income tax relating to defined benefit plans that will not be reclassified to profit or loss		**–**	–
	Total other comprehensive income		**(3.12)**	30.57
VII	**Total comprehensive Profit / (loss) for the year (V-VI)**		**(437.81)**	110.27
	Earnings / (loss) per equity share: Basic (in Rs.)	26	**(0.34)**	0.06

The accompanying notes 1 to 40 forms integral part of financial statements

In terms of our report of even date attached.

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Jaymin Sheth
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Place : Mumbai
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Kuldeep Singh
Chief Financial Officer

Anwaya Kadu
Company Secretary

Place : Mumbai
Date : 06 May 2022

STATEMENT OF CHANGES IN EQUITY AS AT 31 MARCH 2022

(a) Equity share capital

(Currency: Indian Rupees in lakhs)

Equity share capital	Amount
As at 1 April 2020	12,811.00
Changes in equity share capital during the year	–
As at 31 March 2021	12,811.00
Issued equity share capital during the year	–
As at 31 March 2022	**12,811.00**

(b) Other equity

Particulars	Retained earnings	Total
As at 1 April 2020	(2,502.05)	(2,502.05)
Other comprehensive income / (loss)	30.57	30.57
Profit for the year	79.70	79.70
As at 31 March 2021	(2,391.78)	(2,391.78)
Profit for the year	(434.69)	(434.69)
Other comprehensive income / (loss)	(3.11)	(3.11)
Total	**(2,829.58)**	**(2,829.58)**

In terms of our report of even date attached.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No : 101248W/W-100022

For and on behalf of Board of Directors
Mahindra Summit Agriscience Limited
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Jaymin Sheth
Partner
Membership No: 114583
Place : Mumbai
Date : 06 May 2022

Sandeep Gadre
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Director

Kuldeep Singh
Chief Financial Officer

Anwaya Kadu
Company Secretary

Place : Mumbai
Date : 06 May 2022

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2022

(Currency: Indian Rupees in lakhs)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Cash flows from operating activities		
(loss) / Profit before tax	**(434.69)**	31.08
Adjustments for:		
Finance costs	**178.42**	101.98
Interest income recognised in profit or loss	**–**	(1.04)
Reversal of Provision for doubtful debts	**(132.94)**	230.56
Bad debts	**10.35**	**132.91**
Write back of advance from customers	**(35.27)**	**(13.07)**
Depreciation and amortisation expense	**206.14**	**161.12**
Net foreign exchange loss	**0.78**	**–**
Profit on sale of property, plant and equipment (net)	**9.54**	**(2.37)**
	(197.67)	641.17
Movements in working capital:		
Decrease in trade and other receivables	**1,254.16**	624.65
(Increase) / decrease in inventories	**(1,140.54)**	(1,706.71)
decrease / (Increase) in other assets	**815.77**	(774.16)
(decrease) / Increase in trade and other payables	**(1,694.81)**	2,265.27
	(765.42)	409.05
Cash generated (used in) / from operating activities	**(963.09)**	1,050.22
Income taxes received / (paid)	**(2.86)**	(3.94)
Net cash generated (used in) / from operating activities (A)	**(965.95)**	1,046.28
Cash flows from investing activities		
Payments for acquisition of property, plant and equipment	**(598.55)**	(336.47)
Fixed deposits matured	**–**	0.58
Interest income received from fixed deposits	**–**	1.04
Net cash (used in) investing activities (B)	**(598.55)**	(334.85)
Cash flows from financing activities		
Proceeds from Short-term borrowings	**5,800.00**	815.08
Repayment of Short-term borrowings	**(4,645.81)**	(2,000.00)
Proceeds from Intercompany borrowings	**2,600.00**	1,500.00
Repayment of Intercompany borrowings	**(2,100.00)**	(1,500.00)
Interest paid	**(125.22)**	(121.98)
Net cash flow generated / (used in) from financing activities (C)	**1,528.97**	(1,306.90)
Net (decrease) in cash and cash equivalents (A+B+C)	**(35.53)**	(595.47)
Cash and cash equivalents at the beginning of the year	**35.53**	631.00
Cash and cash equivalents at the end of the year (refer note 10)	**(0.00)**	35.53

Notes :

1 The above Cash Flow statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard (Ind AS) 7 - "Statement of Cash Flows" notified under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standard) Rules, 2015.

2 **Components of cash and cash equivalents**

(Currency: Indian Rupees in lakhs)

	Year ended 31 March 2022	Year ended 31 March 2021
Balance with banks		
– In current accounts	**0.00**	35.53
	0.00	35.53

3 **The movement of borrowings as per Ind AS 7 is as follows:**

Opening balances		
Short-term borrowing	**815.08**	2,000.00
Movements		
Short-term borrowing	**1,154.19**	(1,184.92)
Closing balances		
Short-term borrowing	**1,969.27**	815.08

The accompanying notes 1 to 40 forms integral part of financial statements

In terms of our report of even date attached.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No : 101248W/W-100022

For and on behalf of Board of Directors
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Kuldeep Singh
Chief Financial Officer

Anwaya Kadu
Company Secretary

Place : Mumbai
Date : 06 May 2022

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022 (CURRENCY: INDIAN RUPEES IN LAKHS)

1. Corporate information

Mahindra Summit Agriscience Limited ("the Company") a Public Limited Company domiciled in India and incorporated on 9 October 2018 under the provisions of the Companies Act, 1956 (CIN : U01400MH2018PLC315558).

The Company is primarily engaged in the business of manufacture and marketing of Agri Inputs. The Company has its manufacturing facilities in India and sells in India. Mahindra Agri Solutions Limited owns 60% of the Company's equity share capital as at 31 March 2022.

The financial statements for the year ended 31 March 2022 were approved by the Board of Directors and authorised for issue on 06 May 2022.

2. Statement of compliance and basis of preparation and presentation

2.1 Basis of preparation and presentation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards as per the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under Section 133 of the Companies Act, 2013 (the 'Act') and other relevant provisions of the Act.

The financial statements are presented in Indian Rupees (INR) which is also the Company's functional currency. All values are rounded to the nearest lakhs.

2.2 Basis of measurement

The financial statements have been prepared on the historical cost basis except for certain financial instruments and agricultural produce that are measured at fair value at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

2.3 Measurement of fair value

All assets and liabilities for which fair value is measured or disclosed in the Standalone financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

2.4 Functional and presentation currency

The financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency. All amounts have been rounded-off to the nearest Rupee in lakhs, unless otherwise indicated.

2.5 Critical accounting judgements and key sources of estimation uncertainty

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets, liabilities, income, expenses etc. at the date of these financial statements and the reported amounts of revenues and expenses for the years presented. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates under different assumptions and conditions.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

i. Critical Judgements

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements.

Discount rate used to determine the carrying amount of the Company's employee defined benefit obligation

In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

ii. Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Useful lives of property, plant and equipment

As described in Note 3.6, the Company reviews the estimated useful lives and residual values of property, plant and equipment at the end of each reporting period. During the current financial year, the management has reassessed the useful lives of certain property, plant and equipment and the impact of the change is not material for the year. There were no changes in residual values of the property, plant and equipment.

Allowances for doubtful debts

The Company makes allowances for doubtful debts based on an assessment of the recoverability of trade and other receivables. The identification of doubtful debts requires use of judgments and estimates. Where the expectation is different from the original estimate, such difference will impact the carrying value of the trade and other receivables and doubtful debts expenses in the period in which such estimate has been changed.

Allowances for inventories

Management reviews the inventory age listing on a periodic basis. This review involves comparison of the carrying value of the aged inventory items with the respective net realizable value. The purpose is to ascertain whether an allowance is required to be made in the financial statements for any obsolete and slow-moving items. Management is satisfied that adequate allowance for obsolete and slow-moving inventories has been made in the financial statements.

Liability for sales return

In making judgment for liability for sales return, the management considered the detailed criteria for the recognition of revenue from the sale of goods set out in Ind AS 115 and in particular, whether the Company had transferred to the buyer the significant risk and rewards of ownership of the goods. Following the detailed quantification of the Company's liability towards sales return, the management is satisfied that significant risk and rewards have been transferred and that recognition of the revenue in the current year is appropriate, in conjunction with the recognition of an appropriate liability for sales return. Accruals for estimated product returns, which are based on historical experience of actual sales returns and adjustment on account of current market scenario is considered by Company to be reliable estimate of future sales returns.

Goodwill impairment

Goodwill is tested for impairment on an annual basis and whenever there is an indication that the recoverable amount of a cash generating unit is less than its carrying amount based on a number of factors including operating results, business plans, future cash flows and economic conditions. The recoverable amount of cash generating units is determined based on higher of value-in-use and fair value less cost to sell. The goodwill impairment test is performed at the level of the cash-generating unit or groups of cash-generating units which are benefitting from the synergies of the acquisition and which represent the lowest level at which goodwill is monitored for internal management purposes.

Market related information and estimates are used to determine the recoverable amount. Key assumptions on which management has based its determination of recoverable amount include estimated long-term growth rates, weighted average cost of capital and estimated operating margins. Cash flow projections take into account past experience and represent management's best estimate about future developments.

Taxes

There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. Where the final tax outcome of these matters is different from the amounts initially recorded, such differences will impact the current and deferred tax provisions in the period in which the tax determination is made. The assessment of probability involves estimation of a number of factors including future taxable income.

Defined benefit plans (gratuity benefits)

A liability in respect of defined benefit plans is recognised in the balance sheet and is measured as the present value of the defined benefit obligation at the reporting date less the fair value of the plan's assets. The present value of the defined benefit obligation is based on expected future payments at the reporting date, calculated annually by independent actuaries. Consideration is given to expected future salary levels, experience of employee departures and periods of service.

3. Significant accounting policies

3.1 Revenue recognition

The Company has applied Ind AS 115 Revenue from Contracts with Customers which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised.

Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration expected to receive in exchange for those products or services.

The core principle of Ind AS 115 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the standard introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligation in contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Under Ind AS 115, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer.

The accounting policies for specific revenues streams of the Company is summarised below:

Sale of goods:

Revenue from the sale of goods is recognised upon transfer of control of promised products to customers in an amount that reflects the consideration expected to receive in exchange for those products, at which time all the following conditions are satisfied:

- the Company has transferred to the buyer the control of promised products to customers;
- the Company has identified the contract with customer and performance obligation in the contract.
- the transaction price can be measured reliably;
- it is expected that the consideration associated with the transaction will flow to the Company; and revenue is recognised when the company satisfy the performance obligation

3.2 Interest income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and the effective rate applicable. The effective interest rate is the rate that exactly discounts estimated future cash receipts.

3.3 Employee benefits expenses

Employee benefits consist of contribution to provident fund, superannuation fund, gratuity fund, compensated absences, supplemental pay and director pension liability

Post-employment benefit plans

Defined Contribution plans:

Payments to defined contribution retirement benefit scheme for eligible employees in the form of superannuation fund are charged as an expense as they fall due. Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further obligations, apart from the contributions made.

Defined benefit plans:

The Company operates a defined benefit plan – gratuity fund.

The liability recognised in the balance sheet in respect of its defined benefit plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the said obligation is determined by discounting the estimated future cash outflows, using market yields of government bonds that have tenure approximating the tenures of the related liability.

The interest income / (expense) are calculated by applying the discount rate to the net defined benefit liability. The net interest income / (expense) on the net defined benefit liability or asset is recognised in the Statement of Profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the Statement of Changes in Equity and in the Balance Sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

Short-term employee benefit

Compensated absences which accrue to employees and which can be carried to future periods but are expected to be encashed or availed in twelve months immediately following the year end are reported as expenses during the year in which the employees perform the services that the benefit covers and the liabilities are reported at the undiscounted amount of the benefits after deducting amounts already paid. Where there are restrictions on availment of encashment of such accrued benefit or where the availment or encashment is otherwise not expected to wholly occur in the next twelve months, the liability on account of the benefit is actuarially determined using the projected unit credit method.

3.4 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

3.5 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from ‘profit before tax’ as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company’s current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

3.6 Property, plant and equipment

Property, plant and equipment held for use in the production or supply of goods or services, or for administrative purposes, are stated in the Balance sheet at cost less accumulated depreciation and accumulated impairment losses. Freehold land is not depreciated.

Property, plant and equipment are stated at cost of acquisition or construction less accumulated depreciation and accumulated impairment if any.

Cost includes financing cost relating to borrowed funds attributable to the construction or acquisition of qualifying tangible assets upto the date the assets are ready for use. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method. These lives are in accordance with Schedule II to the Companies Act, 2013, other than the following asset classes based on the Company’s expected usage pattern supported by technical assessment. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

(a) Certain items of Plant and Equipment – 1 to 15 years

(b) Buildings (Roads) – 15 years

(c) Vehicles – 5 years

3.7 Intangible assets

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

Goodwill arising on acquisition of business represents excess of purchase consideration over the book value of net assets acquired based on a valuation conducted by an independent firm of Chartered Accountants and will be tested for Impairment annually as per Ind AS 36.

Intangible assets under development

The Company expenses costs incurred during research phase to profit or loss in the year in which they are incurred. Development phase expenses are initially recognised as intangible assets under development until the development phase is complete, upon which the amount is capitalised as intangible asset. Intangible assets under development are carried at cost, comprising direct cost and related incidental expenses less impairment losses if any.

Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible assets, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

Useful lives of intangible assets

Estimated useful lives of the intangible assets are as follows:

Computer software	3 years and 5 years
Non-compete fees	5 years

3.8 Impairment of assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount, which is the higher of the value in use or fair value less cost to sell, of the asset or cash-generating unit, as the case may be, is estimated and impairment loss (if any) is recognised and the carrying amount is reduced to its recoverable amount. In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

When an impairment loss subsequently reverses, the carrying amount of the asset or a cash-generating unit is increased to the revised estimate of its recoverable amount, so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) earlier.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

3.9 Inventories

Inventories are valued at lower of cost (on weighted average basis) and net realisable value after providing for obsolescence and other losses, where considered necessary. Cost includes all charges in bringing the goods to their present location and condition, including octroi and other levies, transit insurance and receiving charges. Work-in-progress and finished goods include appropriate proportion of overheads. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

3.10 Accounting of Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised, when there is a present legal or constructive obligation as a result of past events, where it is probable that there will be outflow of resources to settle the obligation and when a reliable estimate of the amount of the obligation can be made.

Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. Where the effect is material, the provision is discounted to net present value using an appropriate current market based pre-tax discount rate and the unwinding of the discount is included in finance costs.

Contingent liabilities are recognised only when there is a possible obligation arising from past events, due to occurrence or non-occurrence of one or more uncertain future events, not wholly within the control of the Company, or where any present obligation cannot be measured in terms of future outflow of resources, or where a reliable estimate of the obligation cannot be made. Obligations are assessed on an ongoing basis and only those having a largely probable outflow of resources are provided for.

Contingent assets are not disclosed in the financial statements unless an inflow of economic benefits is probable.

3.11 Financial instruments

Financial assets and financial liabilities are recognised when a Company entity becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Classification and subsequent measurement

Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on their respective classification.

On initial recognition, a financial asset is classified as - measured at :

- Amortised cost; or
- Fair Value through Other Comprehensive Income (FVTOCI) - equity investment; or
- Fair Value Through Profit or Loss (FVTPL)

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

All financial assets not classified as measured at amortised cost or FVTOCI are measured at FVTPL. This includes all derivative financial assets unless designated as effective hedge instruments which are accounted as per hedge accounting requirements discussed below.

Financial assets at amortised cost are subsequently measured at amortised cost using effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment expenses are recognised in profit or loss. Any gain and loss on derecognition is also recognised in profit or loss.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

For equity investments, the Company makes an election on an instrument-by-instrument basis to designate equity investments as measured at FVTOCI. These elected investments are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the reserves.

The cumulative gain or loss is not reclassified to profit or loss on disposal of the investments. These investments in equity are not held for trading. Instead, they are held for medium or long-term strategic purpose. Upon the application of Ind AS 109, the Company has chosen to designate these investments as at FVTOCI as the Company believes that this provides a more meaningful presentation for medium or long-term strategic investments, than reflecting changes in fair value immediately in profit or loss. Dividend income received on such equity investments are recognised in profit or loss.

Equity investments that are not designated to be measured at FVTOCI are designated to be measured at FVTPL. Subsequent changes in fair value are recognised in profit or loss.

Financial liabilities and equity instruments

Debt and equity instruments issued by the company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company is recognised at the proceeds received, net of directly attributable transaction costs.

Financial liabilities

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading or it is a derivative (that does not meet hedge accounting requirements) or it is designated as such on initial recognition. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all of the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for the amount it may have to pay.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised and the proceeds received are recognised as a collateralised borrowing.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Impairment of financial assets

The Company applies the expected credit loss (ECL) model for recognising impairment loss on financial assets. With respect to trade receivables, the Company measures the loss allowance at an amount equal to lifetime expected credit losses.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

3.12 Foreign exchange transactions and translation

Transactions in foreign currencies i.e. other than the Company's functional currency of Indian Rupees are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the functional currency using exchange rates prevailing at the date when the fair value is determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences on monetary items are recognised in profit or loss in the period in which they arise except for exchange differences on transactions entered into in order to hedge certain foreign currency risks (refer policy on Derivative Financial Instruments).

3.13 Cost recognition

Costs and expenses are recognised when incurred and have been classified according to their primary nature.

The costs of the Company are broadly categorised in employee benefit expenses, depreciation and amortisation and other operating expenses. Employee benefit expenses include employee compensation, allowances paid, contribution to various funds and staff welfare expenses. Other operating expenses majorly include fees to external consultants, cost running its facilities, travel expenses, communication costs and other expenses. Other expenses is an aggregation of costs which are individually not material such as commission and brokerage, bank charges, freight etc.

3.14 Earnings per share

The basic earnings per share ('EPS ') is computed by dividing the net profit attributable to equity shareholders for the period, by the weighted average number of equity shares outstanding during the year.

Diluted EPS is computed using the weighted average number of equity and dilutive (potential) equity equivalent shares outstanding during the period except where the results would be anti-dilutive.

3.15 Lease

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee:

At commencement or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Company has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The Company presents right-of-use assets that do not meet the definition of investment property in 'property and equipment' and lease liabilities in the statement of financial position.

The Company has elected not to apply the requirements of Ind AS 116 Leases to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

Operating lease payments are recognized as an expense in the Statement of Profit and Loss on a straight-line basis over the term of the relevant lease.

3.16 Cash and cash equivalents

The Group considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

4 Property, plant and equipment and Capital work in-progress

(Currency: Indian Rupees in lakhs)

Carrying Amount of:	**As at 31 March 2022**	**As at 31 March 2021**
Freehold land	352.00	352.00
Building	662.34	687.39
Plant and equipment	607.20	494.05
Computer equipment	23.23	6.66
Office equipment	8.99	11.73
Furniture and Fixtures	14.70	17.68
Vehicles	133.28	170.69
	1,801.75	1,740.20
Capital work-in-progress	**75.98**	–

Description of assets	Freehold land	Buildings	Plant and equipment	Computer equipment	Office equipment	Furniture and fixtures	Vehicles	Capital work in Progress	Total
I. Gross block									
As at 1 April 2020	352.00	737.88	547.78	7.41	5.29	24.37	110.56	–	1,785.29
Additions for the year	–	–	51.04	3.09	10.19	–	111.38	–	175.69
Disposal for the year	–	–	–	–	–	–	(0.56)	–	(0.56)
Balance as at 31 March 2021	352.00	737.88	598.84	10.50	15.48	24.37	221.38	–	1,960.42
Additions for the year	–	–	195.57	22.06	0.28	0.08	7.28	75.98	301.25
Disposal for the year	–	–	–	–			(10.09)	–	(10.09)
Balance as at 31 March 2022	**352.00**	**737.88**	**794.41**	**32.56**	**15.76**	**24.45**	**218.57**	**75.98**	**2,251.58**
II. Accumulated depreciation and impairment									
As at 1 April 2020	–	25.42	48.75	1.73	1.23	3.60	23.73	–	104.46
Depreciation expense for the year	–	25.06	56.04	2.11	2.52	3.09	26.95	–	115.76
Disposal for the year									**–**
Balance as at 31 March 2021	**–**	**50.48**	**104.79**	**3.84**	**3.75**	**6.69**	**50.68**	**–**	**220.22**
Depreciation expense for the year	–	25.06	82.42	5.49	3.02	3.06	41.84	–	160.89
Disposal for the year	–	–					(7.23)	–	(7.23)
Balance as at 31 March 2022	**–**	**75.54**	**187.21**	**9.33**	**6.77**	**9.75**	**85.29**	**–**	**373.88**
III. Net block 31 March 2022	**352.00**	**662.34**	**607.20**	**23.23**	**8.99**	**14.70**	**133.28**	**75.98**	**1,877.70**
IV. Net block 31 March 2021	**352.00**	**687.39**	**494.05**	**6.66**	**11.73**	**17.68**	**170.69**	**–**	**1,740.20**

Capital work in progress (CWIP) Ageing Schedule

As at 31 March 2022

	Amount in CWIP for a period of				
	Less than 1 year	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
Projects in progress	75.98	–	–	–	75.98
Projects temporarily suspended	–	–	–	–	–
Total	**75.98**	**–**	**–**	**–**	**75.98**

As at 31 March 2021

	Amount in CWIP for a period of				
	Less than 1 year	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
Projects in progress	–	–	–	–	–
Projects temporarily suspended	–	–	–	–	–
Total	**–**	**–**	**–**	**–**	**–**

5A Other intangible assets

Carrying amount of:-	**As at 31 March 2022**	As at 31 March 2021
Computer software	**0.00**	1.88
Brand value	**409.44**	451.96
Intangible development	**1.62**	2.46
	411.06	456.30

Description of assets	Computer software	Brand value	Intangible development	Total
Intangible assets				
I. Gross block				
As at 1 April 2020	**5.96**	**536.99**	**4.16**	**547.11**
Additions for the year	–	–	–	–
Disposal for the year	–	–	–	–
Balance as at 31 March 2021	**5.96**	**536.99**	**4.16**	**547.11**
Additions for the year	–	–	–	–
Disposal for the year	–	–	–	–
Balance as at 31 March 2022	**5.96**	**536.99**	**4.16**	**547.11**
II. Accumulated amortisation and impairment				
As at 1 April 2020	2.04	42.57	0.85	45.46
Amortisation expense for the year	2.04	42.46	0.85	45.35
Disposal for the year	–	–	–	–
Balance as at 31 March 2021	4.08	85.03	1.69	90.81
Amortisation expense for the year	1.87	42.52	0.85	45.24
Disposal for the year	–	–	–	–
Balance as at 31 March 2022	**5.95**	**127.55**	**2.54**	**136.05**
III. Net block 31 March 2022	**0.00**	**409.44**	**1.62**	**411.06**
IV. Net block 31 March 2021	1.88	451.96	2.47	456.31

5B Intangible assets under development

Carrying amount of:-	As at 31 March 2022	As at 31 March 2021
Intangible assets under development	**454.32**	163.71
Total	**454.32**	163.71

Intangible assets under development	As at 31 March 2022	As at 31 March 2021
Opening Intangible assets under development	**163.71**	–
Add: Additions for the year	**290.61**	163.71
Less: Capitalised during the year	**–**	–
Closing Intangible assets under development	**454.32**	163.71

Intangible assets under development (IAUD) Ageing Schedule

As at 31 March 2022 — **Amount in IADU for a period of**

	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	324.41	129.92	–	–	454.32
Projects temporarily suspended	–	–	–	–	–
Total	**324.41**	**129.92**	**–**	**–**	**454.33**

As at 31 March 2021 — **Amount in IADU for a period of**

	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	163.71	-	-	-	163.71
Projects temporarily suspended	–	–	–	–	–
Total	**163.71**	**-**	**-**	**-**	**163.71**

6 Other financial assets

(Currency: Indian Rupees in lakhs)

Particulars	As at 31 March 2022		As at 31 March 2021	
	Current	**Non-current**	Current	Non-current
Financial assets at amortised cost :				
Security deposit	**8.30**	1.84	10.59	1.84
	8.30	**1.84**	10.59	1.84

7 Other current assets

(Currency: Indian Rupees in lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
	Current	Current
Balances with Government authorities (other than income taxes)	**836.17**	932.52
Advances to employees		-
Considered good	**13.03**	15.01
Considered doubtful	**29.56**	-
Reversal of Provision for doubtful advance	**(29.56)**	
Advances for capital expenditure	**–**	120.00
Advance to vendors		
Considered good	**57.40**	677.50
Considered doubtful	**–**	166.63
Provision for doubtful advance	**–**	(166.63)
Prepaid expesnes	**38.99**	14.05
	945.59	1,759.08

Notes:

The Company has provided for reversal of doubtful advances as at 31 March 2022 Rs 29.56 lakhs (31 March 2021 Rs. 166.63 lakhs)

8 Inventories (at lower of cost and net realisable value)

(Currency: Indian Rupees in lakhs)

Particulars	As at 31 March 2022	At 31 March 2021
Raw materials	**623.07**	1,665.01
Finished goods	**2,965.39**	1,452.72
Stock-in-trade	**2,301.84**	1,587.33
Packing materials	**182.96**	188.08
Stock-in-transit *	**17.66**	57.23
	6,090.92	4,950.37

Notes:

(i) * It represents inter unit transfer of stock inventories

(ii) The cost of inventories recognised as an expense includes Rs. 28.24 lakhs (31 March 2021 Rs. 42.08 lakhs) in respect of adjustment of inventories to net realisable value/slow moving, and has been reduced by Rs. NIL lakhs (31 March 2021 Rs. NIL lakhs) in respect of reversal of such write-downs.

(iii) The carrying amount of inventories pledged as security for Working capital demand loan / Cash credit facility from bank is secured by first paripassu charge on inventories (including Raw Material, Finished goods, Stock-in-trade, Packing Materials and Stock-in-transit), and book debts (refer note 14).

(iv) The mode of valuation of inventories has been stated in note 3.09

9 Trade receivables

(Currency: Indian Rupees in lakhs)

Particulars	As at 31 March 2022	At 31 March 2021
Unsecured - considered good	**5,652.29**	6,783.85
Credit impaired	**1,970.65**	2,070.96
Less :- Loss allowance for expected credit losses	**(1,970.65)**	(2,070.96)
	5,652.29	6,783.85

Trade receivables Ageing Schedule

As at 31 March 2022	Outstanding for following periods from due date of payment						
	Curent but not due	**Less than 6 months**	**6 months - 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
Undisputed Trade Receivables – considered good	3,662.04	1,679.23	110.99	200.04	–	–	1,990.26
Undisputed Trade Receivables – which have significant increase in credit risk	–	–	–	–	–	–	–
Undisputed Trade receivable – credit impaired	41.71	131.62	62.03	13.66	308.75	1,412.86	1,928.93
Disputed Trade receivables – considered good	–	–	–	–	–	–	–
Disputed Trade receivables – which have significant increase in credit risk	–	–	–	–	–	–	–
Disputed Trade receivables – credit impaired	–	–	–	–	–	–	–
Total	**3,703.75**	**1,810.86**	**173.02**	**213.70**	**308.75**	**1,412.86**	**3,919.19**

As at 31 March 2021	Outstanding for following periods from due date of payment						
	Curent but not due	**Less than 6 months**	**6 months - 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
Undisputed Trade Receivables – considered good	4,225.99	2,386.53	102.70	68.63	–	–	2,557.86
Undisputed Trade Receivables – which have significant increase in credit risk	–	–	–	–	–	–	–
Undisputed Trade receivable – credit impaired	38.32	112.11	43.04	351.50	342.79	1,183.20	2,032.64
Disputed Trade receivables – considered good	–	–	–	–	–	–	–
Disputed Trade receivables – which have significant increase in credit risk	–	–	–	–	–	–	–
Disputed Trade receivables – credit impaired	–	–	–	–	–	–	–
Total	**4,264.31**	**2,498.64**	**145.74**	**420.13**	**342.79**	**1,183.20**	**4,590.50**

(i) Notes:

Particulars	As at 31 March 2022	At 31 March 2021
Of the above, trade receivables from:		
- Related parties	**12.60**	0.66
- Others	**5,639.69**	6,783.19
	5,652.29	6,783.85

(ii) Movement in the expected credit loss allowance

Particulars	As at 31 March 2022	At 31 March 2021
Balance at the beginning of the year	**2,070.96**	1,840.39
Less: Reversal of provision	**(100.30)**	–
Add: provision made during the year	**–**	230.57
Balance at the end of the year	**1,970.66**	2,070.96

(iii) The carrying amount of inventories pledged as security for Working capital demand loan / Cash credit facility from bank is secured by first paripassu charge on inventories (including Raw Material, Finished goods, Stock-in-trade, Packing Materials and Stock-in-transit), and book debts (refer note 14).

(iv) The Company does not normally enforce interest on overdue debts. However, interest on overdue debts is charged on discretionary basis in respect of certain parties.

(v) The credit period ranges from 90 days to 120 days.

10 Cash and cash equivalents

(Currency: Indian Rupees in lakhs)

Particulars	As at 31 March 2022	At 31 March 2021
Cash and bank balance		
10A. Cash and cash equivalents		
Balances with banks in current accounts	**0.00**	35.53
Total cash and cash equivalents	**0.00**	35.53
	0.00	35.53

<u>**Reconciliation of cash and cash equivalents**</u>

(Currency: Indian Rupees in lakhs)

Particulars	As at 31 March 2022	At 31 March 2021
Total cash and cash equivalents as per Balance Sheet	**0.00**	35.53
Total cash and cash equivalents as per Statement of cash flow	**0.00**	35.53

11A Equity share capital

(Currency: Indian Rupees in lakhs)

Particulars	As at 31 March 2022		At 31 March 2021	
	No. of shares	Amount	No. of shares	Amount
Authorised share capital:				
Equity shares of Rs 10 each with voting rights	**130,000,000**	**13,000.00**	130,000,000	13,000.00
Issued, subscribed and fully paid:				
Equity shares of Rs 10 each with voting rights	**128,110,000**	**12,811.00**	128,110,000	12,811.00
	128,110,000	**12,811.00**	128,110,000	12,811.00

A) Reconciliation of the number of shares outstanding at the beginning and at the end of the year

Particulars	Opening balance	Rights issue	Fresh issues	Closing balance
Equity Shares				
As at 31 March 2022				
No. of Shares	**128,110,000**	–	–	**128,110,000**
Amount	**12,811**	–	–	**12,811**
As at 31 March 2021				
No. of Shares	128,110,000	–	–	128,110,000
Amount	12,811	–	–	12,811

B) Rights, preferences and restrictions attached to equity shares

The Company has issued one class of equity shares having a par value of Rs.10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

C) Details of shares held by the Holding Company

(Currency: Indian Rupees in lakhs)

Particulars	No. of shares
As at 31 March 2021	
the Holding Company	76,866,000
Others	51,244,000
Total	128,110,000
As at 31 March 2022	
the Holding Company	**76,866,000**
Others	**51,244,000**
Total	**128,110,000**

D) Details of shares held by each shareholder holding more than 5% shares:

(Currency: Indian Rupees in lakhs)

Class of shares / Name of shareholder	As at 31 March 2022		At 31 March 2021	
	Number of fully paid equity shares	% holding in that class of shares	Number of fully paid equity shares	% holding in that class of shares
Equity shares with voting rights	–	–	–	–
Mahindra Agri Solutions Limited	**76,866,000**	**60.00%**	76,866,000	60.00%
Sumitomo Corporation	**–**	**–**	38,433,000	30.00%
Summit Agro International Limited	**51,244,000**	**40.00%**	12,811,000	10.00%

E) Details of shares held by promoters at the end of the year:

As at 31 March 2022

Promoter Name	No. of Shares (Equity Shares)	% of total shares	% change during the year
Mahindra Agri Solutions Limited	76,866,000	60%	–

As at 31 March 2021

Promoter Name	No. of Shares (Equity Shares)	% of total shares	% change during the year
Mahindra Agri Solutions Limited	76,866,000	60%	–

11B Other equity

(Currency: Indian Rupees in lakhs)

Particulars	As at 31 March 2022	At 31 March 2021
Retained earnings	**(2,829.58)**	(2,391.78)
	(2,829.58)	(2,391.78)

The description of the nature and purpose of each reserve within equity is as follows:

a) Retained earnings are the accumulated profits earned by the Company till date, less transfer to general reserves, dividend (including dividend distribution tax) and other distributions made to the shareholders.

12 Provisions

(Currency: Indian Rupees in lakhs)

Particulars	As at 31 March 2022		At 31 March 2021	
	Current	Non-current	Current	Non-current
Provision for employee benefits (refer note 32)				
- Compensated absences	36.41	47.45	33.57	42.72
- Gratuity	**37.19**	**63.32**	35.80	53.57
Expected returns from Customers	**1,164.85**	**–**	–	–
Total	**1,238.45**	**110.77**	69.37	96.29

Note:

The provision for employee benefits includes annual leaves and vested long service leave entitlements accrued and compensation claims made by employees. For other disclosure refer note 32 on Defined benefit and contribution.

13A Non-current tax assets & Current tax assets (net)

(Currency: Indian Rupees in lakhs)

Particulars	As at 31 March 2022		At 31 March 2021	
	Current	Non-current	Current	Non-current
Non-current tax assets				
Tax refund receivables	**–**	**–**	–	1.20
TCS receivable	**8.08**	**–**	–	4.02
Total	**8.08**	**–**	–	5.22

13B Deferred tax liabilities (net)

(Currency: Indian Rupees in lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
Deferred tax assets	**1,229.97**	1,422.95
Deferred tax liability	**(111.08)**	(97.58)
Deferred tax (net) #	**–**	–

31 March 2022

Particulars	Net balance 1 April 2021	Recognised in profit or loss	Recognised in OCI	Recognised in equity	Net	Deferred tax asset	Deferred tax liability
Deferred tax assets/ (liabilities) Business losses							
Property, plant and equipment	(97.58)	**(13.50)**	–	–	**(111.08)**	–	**(111.08)**
Carried forward business loss	859.99	**(164.23)**	–	–	**695.76**	**695.76**	–
Employee benefits	41.70	**4.71**	–	–	**46.41**	**46.41**	–
Provision for doubtful debts	521.26	**(33.46)**	–	–	**487.80**	**487.80**	–
Deferred tax assets (net) #	1,325.37	**(206.48)**	–	–	**1,118.89**	**1,229.97**	**(111.08)**

31 March 2021

Particulars	Net balance 1 April 2020	Recognised in profit or loss	Recognised in OCI	Recognised in equity	Net	Deferred tax asset	Deferred tax liability
Deferred tax assets/ (liabilities) Business losses							
Property, plant and equipment	(73.11)	(24.47)	–	–	(97.58)	–	(97.58)
Carried forward business loss	993.86	(133.87)	–	–	859.99	859.99	–
Employee benefits	54.75	(13.05)	–	–	41.70	41.70	–
Provision for doubtful debts	463.23	58.03	–	–	521.26	521.26	–
Deferred tax assets (net) #	1,438.73	(113.36)	–	–	1,325.37	1,422.95	(97.58)

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

Significant management judgement is required in determining provision for income tax, deferred income tax assets and liabilities and recoverability of deferred income tax assets. The recoverability of deferred income tax assets is based on estimates of taxable income and the period over which deferred income tax assets will be recovered. Any changes in future taxable income would impact the recoverability of deferred tax assets.

 # Unrecognised deferred tax assets

Deferred tax assets (DTA) have not been recognised, because it is not probable that future taxable profit will be available against which the Company can use the benefits therefrom:

Deferred tax assets for the carry forward of unused tax losses are recognised to the extent that it is probable that future taxable profits will be available against which the unused tax losses can be utilised. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Company recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets - unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised .

14 Borrowings

(Currency: Indian Rupees in lakhs)

Particulars	As at 31 March 2022	As 31 March 2021
Unsecured		
Cash credit facility from Banks (refer note below)	**269.27**	315.08
Working capital Facility from banks (refer note below)	**1,700.00**	500.00
Inter Corparate Deposits (refer note below)	**500.00**	–
	2,469.27	815.08

Notes:

i) Working capital demand loan / Cash credit facility from Kotak Mahindra Bank and HDFC Bank is secured by first paripassu charge on inventories (including raw material, finished goods and stock in trade) and book debts.

ii) Loan carried interest rate of 6.95% p.a. for Working capital demand loan and 7.10% for Cash credit. The loan shall be due for repayment on or before the last day of the month for which the underlying receivables it is due and recoverable.

iii) Repayment terms for working capital demand loan is 180 days and for cash credit on demand.

15 Trade payables

(Currency: Indian Rupees in lakhs)

Particulars	As at 31 March 2022	As 31 March 2021
Trade payables		
Total outstanding dues of micro enterprises and small enterprises (refer note 31)	**184.44**	716.10
Total outstanding dues of creditors other than micro enterprises and small enterprises	**3,972.68**	5,978.52
	4,157.12	6,694.62

Trade payables Ageing Schedule

	Outstanding for following periods from due date of payment				
As at 31 March 2022	**Less than 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
Total outstanding dues of micro enterprises and small enterprises	184.44	–	–	–	184.44
Total outstanding dues of creditors other than micro enterprises and small enterprises	2,693.48	849.55	256.51	173.14	3,972.68
Disputed dues of micro enterprises and small enterprises					–
Disputed dues of creditors other than micro enterprises and small enterprises	–	–	–	–	–
Total	**2,877.92**	**849.55**	**256.51**	**173.14**	**4,157.12**

	Outstanding for following periods from due date of payment				
As at 31 March 2022	**Less than 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
Total outstanding dues of micro enterprises and small enterprises	716.10	–	–	–	716.10
Total outstanding dues of creditors other than micro enterprises and small enterprises	5,551.25	185.76	115.21	126.31	5,978.52
Disputed dues of micro enterprises and small enterprises	–	–	–	–	–
Disputed dues of creditors other than micro enterprises and small enterprises	–	–	–	–	–
Total	**6,267.35**	**185.76**	**115.21**	**126.31**	**6,694.62**

16 Other financial liabilities

(Currency: Indian Rupees in lakhs)

Particulars	As at 31 March 2022	As 31 March 2021
Other financial liabilities measured at amortised cost - Current		
Interest accrued on dues to micro enterprises and small enterprises	**40.16**	27.58
Interest accured on working capital loan	**8.59**	–
Interest accured on Inter corporate loans	**4.45**	–
Trade deposit	**301.62**	270.54
	354.82	298.13

17 Other current liabilities

(Currency: Indian Rupees in lakhs)

Particulars	As at 31 March 2022	As 31 March 2021
Advances received from customers	**1,037.46**	1,388.09
Payable to employees	**219.24**	247.69
Statutory remittances		
- Tax deducted at source	**40.02**	29.71
- Goods and service tax	**13.85**	19.84
- Provident fund	**12.65**	13.06
- Professional Tax	**0.23**	0.79
	1,323.45	1,699.19

18 Revenue from operations

(Currency: Indian Rupees in lakhs)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Sale of products :-		
Finished goods	**9,649.68**	10,149.54
Traded goods	**7,856.55**	7,378.12
	17,506.23	17,527.66

19 Other income

(Currency: Indian Rupees in lakhs)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Interest income on :-		
Fixed deposits	–	1.04
Delayed payment from customers	**167.08**	83.30
Gain on disposal of property, plant and equipment (Net)	**9.54**	2.37
Write back of advance from customers	**35.27**	13.07
Provision for doubtful debts written back	**132.94**	–
Other income	**53.80**	12.12
	398.63	111.91

20A Cost of materials consumed

(Currency: Indian Rupees in lakhs)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Inventories at the beginning of the year	**1,853.09**	505.55
Add:- Purchases	**7,480.11**	9,791.94
	9,333.20	10,297.49
Less: Inventories at end of year	**806.03**	1,853.09
Cost of materials consumed	**8,527.17**	8,444.40

20B Changes in inventories of finished goods and stock-in-trade

(Currency: Indian Rupees in lakhs)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Inventories at the end of the year:		
Finished goods	**2,077.53**	1,452.72
Stock-in-trade	**2,301.84**	1,587.33
Goods in transit	**17.66**	57.23
	4,397.03	3,097.28
Inventories at the beginning of the year:		
Finished goods	**1,452.72**	133.62
Stock-in-trade	**1,587.33**	2,392.74
Goods in transit	**57.23**	211.75
	3,097.28	2,738.11
Net (increase)	**(1,299.75)**	(359.17)

21 Employee benefits expense*

(Currency: Indian Rupees in lakhs)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Salaries and wages, including bonus	**1,991.76**	1,905.49
Contribution to provident and other funds (refer note 32)	**112.98**	99.55
Staff welfare expenses	**8.65**	11.59
	2,113.39	2,016.63

* This includes recoveries of Rs 331.42 lakhs as at 31 March 2022 (31 March 2021 Rs 267.77 lakhs) in respect of employees charged by other group companies.

22 Finance cost

(Currency: Indian Rupees in lakhs)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Interest expense on:-		
- Cash credit	**59.74**	25.91
- Working capital demand loan	**74.92**	37.57
- Inter company loan	**30.47**	23.10
- Delayed payment to micro enterprises and small enterprises (refer note 31)	**13.29**	15.41
	178.42	101.98

23 Depreciation and amortisation expense

(Currency: Indian Rupees in lakhs)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Depreciation of property, plant and equipment (refer note 4)	**160.90**	115.77
Amortisation of intangible assets (refer note 5)	**45.24**	45.35
	206.14	161.12

24 Other expenses

(Currency: Indian Rupees in lakhs)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Rent including lease rentals	**90.11**	84.02
Freight outward	**710.65**	662.41
Sales promotion expenses	**506.04**	536.66
Commission on sales	**28.87**	33.03
Travelling and conveyance expenses	**449.84**	403.25
Business support charges from group companies	**232.60**	172.41
Legal and other professional costs	**91.48**	169.57
Subcontracting, hire and service charges	**223.64**	196.37
Clearing and forwarding charges	**159.58**	197.10
Insurance	**94.96**	37.81
Printing and stationary	**4.47**	22.90
Rates and taxes	**16.91**	3.74
Repairs and maintenance		
Plant and machinery	**5.97**	1.35
Others	**31.39**	40.50
Net loss on foreign currency transactions and translation	**6.55**	3.55
Bad debts	**10.35**	132.91
Provision for doubtful debts	**–**	230.56
Telephone charges	**11.13**	14.89
Power and fuel	**22.55**	21.17
Auditors remuneration		
As Auditors		
Audit fees	**15.00**	15.00
For other services	**0.05**	1.60
Miscellaneous expenses	**58.92**	69.93
	2,771.06	3,050.72

25 Tax expenses

(a) Income tax recognised in profit or loss

(Currency: Indian Rupees in lakhs)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Current tax:		
In respect of current year	**–**	–
Deferred tax:		
Attributable to the origination and reversal of temporary differences	**–**	(48.62)
Total income tax recognised in profit or loss	**–**	(48.62)

(b) Income tax recognised in other comprehensive income

(Currency: Indian Rupees in lakhs)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Deferred tax related to items recognised in other comprehensive income during the year:		
Remeasurement of defined benefit obligations	**–**	–
	–	–

Reconciliation of effective tax rate

(Currency: Indian Rupees in lakhs)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Profit /(loss) before tax	**(434.69)**	31.08
Tax using the Company's domestic tax rate	**25.17%**	25.17%
Expected income tax expenses	**(109.41)**	7.83
Tax effect of:		
Current year losses for which no deferred tax asset is created	**(76.11)**	–
Unrecognised temporary differences	**(38.89)**	46.40
Recogntion of previously unrecognised tax losses	**–**	(34.61)
Non deductibe expenses	**(3.20)**	4.00
Others	**8.79**	(23.62)
Tax expenses as per Statement of profit and loss	**(109.41)**	(7.83)

Notes:

With Effect from Financial Year 2019-20 (Assessment Year 2020-21), the Company has opted for the concessional tax rate of 22% vide circular number 29/2019 dated 02 October 2019 of the Income Tax Act, 1961. Surcharge of 10% and cess of 4% is to be charged in addition to the base rate of 22%.

26 Earnings per share

(Currency: Indian Rupees in lakhs)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Basic (loss) / earnings per share (Rs.)	**(0.34)**	0.06

Earnings per share

The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:

(Currency: Indian Rupees in lakhs)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Profit / (loss) for the year attributable to owners of the Company	**(434.69)**	79.70
Weighted average number of equity shares for the purpose of basic earnings per share	**128,110,000**	128,110,000
Basic earning/(loss) per share (Rs)	**(0.34)**	0.06

Note:

1. Weighted average number of shares is the number of equity shares outstanding at the beginning of the period adjusted by the number of equity shares issued during period, multiplied by the time weighting factor. The time weighting factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the year.

27 Related party disclosures

A. List of related parties and relationships:

Name of the Related Parties	Relationship
Name of the Related Parties where control exists	
Mahindra & Mahindra Limited	Ultimate Holding Company
Mahindra Agri Solutions Limited	Co-venturer
Sumitomo Corporation	Co-venturer
Summit Agro International Limited	Co-venturer

Name of the Related Parties	Relationship
Mahindra Integrated Business Solutions Private Limited	Fellow Subsidiary Company
Mahindra & Mahindra Financial Services Limited	Fellow Subsidiary Company
Sumisho Agro India Private Limited	Fellow Subsidiary Company
NBS Interanational Limited	Fellow Subsidiary Company
Swaraj Engines Limited	Fellow Subsidiary Company
Bristlecone India Limited	Fellow Subsidiary Company
Mahindra Defense Limited	Fellow Subsidiary Company
Mahindra Engineering & Chemical Limited	Fellow Subsidiary Company
Mahindra First Choice Wheels Limited	Fellow Subsidiary Company
Mahindra EPC Irrigaton Limited	Fellow Subsidiary Company
Mahindra EMarket Limited	Fellow Subsidiary Company
Mahindra Waste to Energy Solution	Fellow Subsidiary Company
Key Managerial Personnel	
Mr. Ashok Hiralal Sharma	Non Executive Director
Mr. Sandeep Bhargav Gadre	Chief Executive Officer and Whole Time Director
MS. Manaswini Goel	Non Executive Director
Mr. Kazuma Suzuki	Non Executive Director
Mr. Kiyotaka Masuda	Non Executive Director
Ms.Anwaya Sachin Kadu	Company Secretary
Mr. Gajanan Madhukar Chinchwadkar	Chief Financial Officer (upto 30 June 2020)
Mr. Kuldeep Singh	Chief Financial Officer (w.e.f. 24 July 2020)

B. Related party transactions and balances

			Transaction during the year								Closing balances	
Name of the related parties where control exists	Relation	Year	Sale of goods	Purchase of goods	Purchase of property and other assets	Reimbursement of expenses charged to the Company	Inter-company loan taken/ Repaid	Interest on un-secured Loan	Rent	Managerial Remune-ration	Trade payables	Trade receivables
Mahindra Agri Solutions Limited	Co-venturer	**31-Mar-22**	–	**0.11**	–	**409.81**	–	–	–	–	**313.96**	**12.11**
		31-Mar-21	–	–	–	189.37	–	–	–	–	297.63	–
Mahindra & Mahindra Financial Services Limited	Fellow subsidiary company	**31-Mar-22**										
		31-Mar-21	–	–	–	–	–	–	–	–	–	
Mahindra & Mahindra Limited	Ultimate Holding Company	**31-Mar-22**	–	**6.10**	**196.40**	**98.90**	–	–	**1.93**	–	**33.00**	**0.21**
		31-Mar-21	–	–	137.09	75.51	–	–	75.01	–	97.53	–
Mahindra Integrated Business Solutions Private Limited	Fellow subsidiary company	**31-Mar-22**	–	–	–	**157.95**	–	–	–	–	**2.60**	
		31-Mar-21	–	–	–	133.48	–	–	–	–	1.01	–
Sumisho Agro India Private Limited	Fellow subsidiary company	**31-Mar-22**	**100.22**	**262.85**	–	**0.16**	–	–	–	–	–	
		31-Mar-21	–	1,169.52	–	–	–	–	–	–	13.58	–
NBS International Limited	Fellow subsidiary company	**31-Mar-22**	–	–	–	**0.81**	–	–	–	–	**0.29**	
		31-Mar-21	–	–	–	0.08	–	–	–	–	0.08	–
Swaraj Enginees Limited	Fellow subsidiary company	**31-Mar-22**	–	–	–	**0.22**	–	–	**0.99**	–	**0.20**	
		31-Mar-21	–	–	–	1.34	–	–	–	–	0.21	–
Bristlecone India Limited	Fellow subsidiary company	**31-Mar-22**	–	–	–	–	–	–	–	–	–	
		31-Mar-21	–	–	–	10.26	–	–	–	–	–	
Mahindra Defense Systems Limited	Fellow subsidiary company	**31-Mar-22**	–	–	–	–	**2,600.00**	**26.01**	–	–	**500.00**	
		31-Mar-21	–	–	–	–	1,500.00	23.10	–	–	–	–
Mahindra Engineering & Chemical Limited	Fellow subsidiary company	**31-Mar-22**	**40.40**	–	–	–	–	–	–	–		**0.27**
		31-Mar-21	–	–	–	0.39	–	–	–	–	–	–
Mahindra First Choice Wheels Limited	Fellow subsidiary company	**31-Mar-22**	–	–	–	–	–	–	–	–		
		31-Mar-21	2.69	–	–	–	–	–	–	–	–	–
Mahindra EPC Irrigaton Limited	Fellow subsidiary company	**31-Mar-22**	–	–	–	–	–	–	–	–	–	
		31-Mar-21	0.66	–	–	–	–	–	–	–	–	0.66
Mahindra Emarket Limited	Fellow subsidiary company	**31-Mar-22**	**0.01**	–	–	–	–	–	–	–		**0.01**
		31-Mar-21	–	–	–	–	–	–	–	–	–	–
Mahindra Waste to Energy Solutions	Fellow subsidiary company	**31-Mar-22**	–	**0.64**	–	–	–	–	–	–	–	–
		31-Mar-21	–	–	–	–	–	–	–	–	–	–
Mr. Kiyotaka Masuda	Director	**31-Mar-22**	–	–	–	–	–	–	–	**99.02**	–	–
		31-Mar-21	–	–	–	–	–	–	–	102.39	–	–
Mr. Sandeep Gadre	Director	**31-Mar-22**	–	–	–	–	–	–	–	**220.44**	–	–
		31-Mar-21	–	–	–	–	–	–	–	199.79	–	–

28 Fair value

The management assessed that loans, cash and cash equivalents, trade receivables, borrowings, trade payables and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

Fair Valuation measurement hierarchy

The following table shows the carrying amounts and fair values of financial assets and liabilities including their levels of fair value hierarchy:

(Currency: Indian Rupees in lakhs)

		As at 31 March 2022			
Particulars	**Level of hierarchy**	**fair value through profit and loss (FVTPL)**	**Fair value through other comprehensive income (FVOCI)**	**Assets/ liabilities at amortised cost method**	**Carrying amount**
Financial assets					
Non-current					
Other financial assets	**2**	–	–	**1.84**	1.84
Current					
Trade receivables	**2**	–	–	**5,652.29**	5,652.29
Cash and cash equivalents	**2**	–	–	**0.00**	0.00
Bank balances other than above	**2**	–	–	–	–
Other financial assets	**2**	–	–	**8.30**	8.30
Total		–	–	**5,662.43**	**5,662.43**
Financial liabilities					
Current					
Borrowings	**2**	–	–	–	–
Trade payables	**2**	–	–	**4,157.12**	4,157.12
Other financial liabilities	**2**	–	–	**354.82**	354.82
Total		–	–	**4,511.94**	**4,511.94**

(Currency: Indian Rupees in lakhs)

		As at 31 March 2021			
Particulars	Level of hierarchy	fair value through profit and loss (FVTPL)	Fair value through other comprehensive income (FVOCI)	Assets/ liabilities at amortised cost method	Carrying amount
Financial assets					
Non-current					
Other financial assets	2	–	–	1.84	1.84
Current					
Trade receivables	2	–	–	6,783.85	6,783.85
Cash and cash equivalents	2	–	–	35.53	35.53
Bank balances other than above	2	–	–	–	–
Other financial assets	2	–	–	10.59	10.59
Total		–	–	6,831.81	6,831.81
Financial liabilities					
Current					
Borrowings	2	–	–	815.08	815.08
Trade payables	2	–	–	6,694.62	6,694.62
Other financial liabilities	2	–	–	298.13	298.13
Total		–	–	7,807.83	7,807.83

Note:

There are no transfer between level 1 and level 2 during the year.

29 Financial risk management

A. Capital management

The Company sets the amount of capital in proportion to its overall financing structure, i.e. equity and financial liabilities. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

The Company manages capital risk in order to maximize shareholders' value by maintaining sound/optimal capital structure through monitoring of financial ratios, such as net debt-to-equity ratio and net borrowings-to-equity ratio on a monthly basis and implements capital structure improvement plan when necessary. There is no change in the overall capital risk management strategy of the Company compared to last year.

The Company uses net debt equity ratio as a capital management index and calculates the ratio as total liabilities divided by total equity. Total liabilities and total equity are based on the amounts stated in the separate financial statements.

The Company is not subject to externally enforced capital regulation.

The Company's Net debt-to-equity ratio as at 31 March 2021 and 31 March 2020 is as follows:

(Currency: Indian Rupees in lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
Borrowing from bank	**2,469.27**	815.08
Gross debt (A)	**2,469.27**	815.08
Less :		
Cash and cash equivalents	**0.00**	35.53
Net debt (A)	**2,469.27**	779.55
Equity share capital	**12,811.00**	12,811.00
Other equity	**(2,829.58)**	(2,391.78)
Equity (B)	**9,981.42**	10,419.22
Debt ratio (A / B)	**25%**	8%

B. Financial risk management framework

The Company's corporate treasury function provides services to the business, co-ordinates access to domestic financial markets, monitors and manages the financial risk relating to the operation of the Company through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk

The use of financial derivatives is governed by the Company's policies approved by the board of directors, which provide written principles on foreign exchange risk, interest rate risk, credit risk, the use of financial derivatives and non-derivatives financial instruments, and the investment of excess liquidity. Compliance with policies and exposure limits is reviewed by the internal auditors on a continuous basis. The Company does not enter into or trade financial instrument, including derivative financial instruments, for speculative purposes.

i) CREDIT RISK

Credit risk management

Credit risk arises when a customer defaults on its contractual obligations to pay resulting in financial loss to the Company. The Company has adopted a policy of categorising the customers based on the performance and accordingly credit limit ceiling of each category is defined. Company also takes credit insurance for business specific customers. The Company's exposure and categorisation of its customers are continuously monitored . Credit exposure is controlled by customer credit limits which are reviewed and approved. The company also take security cheques from its domestic market customers.

The Company applies the simplified approach to providing for expected credit losses prescribed by Ind AS 109, which permits the use of the lifetime expected loss provision for all trade receivables. The company has computed expected credit losses based on a provision matrix which uses historical credit loss experience of the Company and individual receivable specific provision where applicable. Forward-looking information has been incorporated into the determination of expected credit losses.

There is no change in estimation techniques or significant assumptions during the reporting period.

The provision matrix at the end of the reporting period is as follow:-

(Currency: Indian Rupees in lakhs)

	As at 31 March 2022		As at 31 March 2021	
Ageing	Expected credit loss (%)	Expected credit loss	Expected credit loss (%)	Expected credit loss
Within the credit period	**1.13%**	**41.72**	0.90%	38.32
0-3 month past due	**4.10%**	**45.06**	3.66%	65.05
3-6 month past due	**12.15%**	**86.57**	6.52%	47.06
6 -12 month past due	**35.85%**	**62.03**	29.53%	43.04
>1 year	**89.66%**	**1,735.27**	96.47%	1,877.49
Total		**1,970.65**		2,070.96

Age of receivables	As at 31 March 2022	As at 31 March 2021
Within the credit period	**3,703.75**	4,264.31
0-3 month past due	**1,098.23**	1,776.65
3-6 month past due	**712.63**	721.99
6 -12 month past due	**173.02**	145.74
>1 year	**1,935.31**	1,946.12
Total	**7,622.94**	8,854.81

The concentration of credit risk is limited due to the fact that the customer base is large and unrelated.

ii) LIQUIDITY RISK

(a) Liquidity risk management

The board of directors has established an appropriate liquidity risk management framework for the management of the Company's short-, medium- and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

(b) Maturities of financial liabilities

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The amount disclosed in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows.

To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Company may be required to pay.

(Currency: Indian Rupees in lakhs)

Particulars	Less than 1 Year	1–3 Years	3 Years to 5 Years	5 years and above
Non-derivative financial liabilities				
As at 31 March 2022				
Short-term borrowings	**2,469.27**	–	–	–
Trade payables	**4,157.12**	–	–	–
Other financial liabilities	**354.82**	–	–	–
Total	**6,981.21**	–	–	–
As at 31 March 2021				
Short-term borrowings	815.08	–	–	–
Trade Payables	6,694.62	–	–	–
Other Financial Liabilities	298.13	–	–	–
Total	**7,807.83**	–	–	–

(c) Maturities of financial assets

The following table details the Company's expected maturity for its non-derivative financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Company's liquidity risk management as the liquidity is managed on a net asset and liability basis.

(Currency: Indian Rupees in lakhs)

Particulars	Less than 1 Year	1–3 Years	3 Years to 5 Years	5 years and above
Non-derivative financial assets				
As at 31 March 2022				
Non-interest bearing	**5,660.59**	–	–	–
Fixed interest rate instruments	–	–	–	–
Total	**5,660.59**	–	–	–
As at 31 March 2021				
Non-interest bearing	6,829.98	–	–	–
Fixed interest rate instruments	–	–	–	–
Total	6,829.98	–	–	–

In the case of assets falling short of liabilities, banking facilities are available to honor the obligation through as cash credit, short term borrowing / long term borrowing and other necessary banking facilities.

iii) MARKET RISK

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk such commodity price risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. The Company uses permitted derivatives to manage market risks . Derivatives are only used for economic hedging purposes and not as speculative investments. All such transactions are carried out within the guidelines set by the Board of Directors and Forex and investment Management Committee.

There has been no significant changes to the company's exposure to market risk or the methods in which they are managed or measured.

a) Currency risk

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. The Company's exposure to currency risk relates primarily to the Company's operating activities and borrowings when transactions are denominated in a different currency from the Company's functional currency.

The Company manages its foreign currency risk by taking forward cover that are expected to occur within a maximum 12 month period for forecasted cash flow.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

(Currency: Indian Rupees in lakhs)

Particulars	Currency	As at 31 March 2022	As at 31 March 2021
Trade payables	USD	**1.52**	4.22

Of the above foreign currency exposures, the following exposures are not hedged by a derivative:

(Currency: Indian Rupees in lakhs)

Particulars	Currency	As at 31 March 2022	As at 31 March 2021
Trade payables	USD	**1.52**	4.22

b) Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities including non-designated foreign currency derivatives and embedded derivatives. The impact on the Company's pre-tax equity is due to changes in the fair value of forward exchange contracts.

(Currency: Indian Rupees in lakhs)

Period	Currency	Change in rate	Effect on loss before tax	Effect on pre-tax equity
As at 31 March 2022	**USD**	**5%**	**(0.08)**	**(0.08)**
	USD	**3%**	**(0.05)**	**(0.05)**
As at 31 March 2021	USD	5%	(0.21)	(0.21)
	USD	3%	(0.13)	(0.13)

c) Interest rate sensitivity

The sensitivity analyses below have been determined based on exposure to interest rate for both derivative and non-derivative instruments at the end of reporting period. For floating rate liabilities, analysis is prepared assuming the amount of liability outstanding at the end of the reporting period was outstanding for the whole year.

The Company does not have any derivative or non-derivative instrument which may have an impact due to changes in interest rates.

30 Business combination

The Company had entered into a Business Transfer Agreement on 12 October 2018 with its holding company, Mahindra Agri Solutions Limited (MASL), whereby the entire asset and liability of Cropcare business has been transferred to the Company on slump sale basis with appointed date of 29 March 2019. The Company has paid Rs 12,810 lakhs as sale consideration based on the fair valuation report of an independent valuation firm.

The above transaction has been accounted as a Business Combination under a transitory common control accordingly transaction has been accounted using acquisition accounting.

(a) Payment of consideration

(Currency: Indian Rupees in lakhs)

Particulars	Amount
Share application money	12,810

(b) Assets acquired and liabilities recognised at the date of acquisition i.e. 29 March 2019

(Currency: Indian Rupees in lakhs)

Particulars	Amount
ASSETS	
NON-CURRENT ASSETS	
Property, plant and equipment	1,763.50
Other intangible assets	547.12
Other financial assets	15.79
	2,326.41
CURRENT ASSETS	
Inventories	3,683.00
Trade receivables	7,628.37
Other current assets	885.73
	12,197.10
TOTAL ASSETS	14,523.51
LIABILITIES	
Financial Liabilities	
Trade payables	4,971.94
Other financial liabilities	172.59
Provisions	240.20
Other current liabilities	514.00
TOTAL LIABILITY	5,898.73
Net Asset Aquired	8,624.78

(c) Goodwill arising on acquisition of Cropcare business

Goodwill arose in acquisition of Cropcare business is paid for benefit expected synergies, revenue growth and future market development. The goodwill on acquisition has been shown separately under Non-current assets.

(Currency: Indian Rupees in lakhs)

Particulars	Amount
Share application money	12,810.00
Less:- Fair value of net asset acquired	8,624.78
Goodwill arising on acquisition of Cropcare business	4,185.22

31 Disclosures under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006:

Trade payable includes amount payable to Micro, Small and Medium Enterprises as follows:

(Currency: Indian Rupees in lakhs)

Sr. No.	Particulars	As at 31 March 2022	As at 31 March 2021
I	Principal amount remaining unpaid to any supplier at the end of the accounting year	184.44	716.10
II	Interest due thereon remaining unpaid to any supplier at the end of the accounting year	40.87	27.58
III	The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	–	–
IV	The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	27.58	12.18
V	Amount of interest accrued and remaining unpaid as at the year end	13.29	15.41
VI	The amount of interest accrued and remaining unpaid at the end of each accounting year	27.58	12.18
VII	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	NIL	NIL

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management.

32 Employee benefits expenses

(i) Defined contribution plans:

The Company's contribution to Provident Fund and Pension scheme aggregating to Rs. 83.09 lakhs 31 March 2022 (31 March 2021 : Rs. 71.23 lakhs) has been recognised in the Statement of Profit and Loss under the head Employee benefits expense.

(ii) Defined benefit plans:

The Company operates a gratuity plan covering qualifying employees. The benefit payable is the greater of the amount calculated as per the Payment of Gratuity Act, 1972 or the Company scheme applicable to the employee. The benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. In case of death while in service, the gratuity is payable irrespective of vesting. The Company makes annual contribution to the group gratuity scheme administered by the Life Insurance Corporation of India.

(Currency: Indian Rupees in lakhs)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
1. Discount rate	5.70%	5.60%
2. Salary escalation	8.50%	8.50%
3. Attrition rate	35%	22%
4. Mortality rate*	The Indian Assured Lives Mortality (2012-14) Ult table	The Indian Assured Lives Mortality (2006-08) Ult table

* Based on Indian standard mortality table with modification to reflect expected changes in mortality.

Amount recognised in the Standalone Statement of Profit and Loss in respect of these defined benefit plans are as follows

(Currency: Indian Rupees in lakhs)

Particulars	Gratuity Year ended 31 March 2022	Year ended 31 March 2021
Service Cost:		
Current service cost	**15.89**	24.22
Net interest expense	**4.00**	5.04
Components of defined benefit costs reconised in profit or loss	**19.89**	29.26
Remeasurement on the net defined benefit liability:		
1. Changes in financial assumptions	**(0.28)**	–
2. Changes in demographic assumptions	–	**(13.06)**
3. Experience adjustments	**3.39**	**(17.52)**
4. Actual return on plan assets less interest on plan assets	–	–
Components of defined benefit costs recognised in Other Comprehensive Income	**3.11**	(30.57)
Total	**23.00**	(1.32)

The current service cost and the net interest expenses for the year are included in the Employee benefits expense line item in the Statement of Profit and Loss. The remeasurement of the net defined benefit liability/asset is included in Other Comprehensive Income

The amount included in the Balance Sheet arising from the entity's obligation in respect of its defined benefit plans is as follows:

(Currency: Indian Rupees in lakhs)

	Particulars	Year ended 31 March 2022	Year ended 31 March 2021
I.	**Net liability recognised in the Balance sheet**		
1.	Present value of defined benefit obligation	**100.51**	89.37
2.	Current portion of the above	**37.19**	35.80
3.	Non current portion of the above	**63.32**	53.57
II.	**Change in the obligation during the year**		
1.	Present value of defined benefit obligation at the beginning of the year	**89.37**	104.91
2.	Expenses recognised in Profit and Loss Account		
	- Current service cost	**15.89**	24.22
	- Interest expense (income)	**4.00**	5.04
3.	Recognised in other comprehensive income		
	Remeasurement gains/(losses):		
-	Actuarial Gain (Loss) arising from:		
i.	Demographic Assumptions	–	(13)
ii.	Financial Assumptions	**(0.28)**	–
iii.	Experience Adjustments	**3.39**	(17.52)
4.	Benefit payments	**(11.86)**	(14.23)
5.	Others : Impact of liability assumed (transfer from Mahindra Agri Solutions Limited)		–
6.	**Present value of defined benefit obligation at the end of the year**	**100.51**	89.37

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

(Currency: Indian Rupees in lakhs)

Principal assumption		Changes in assumption	Impact on defined benefit obligation Increase in assumption	Decrease in assumption
Discount rate	**31 March 2022**	**1.00%**	**-2.67%**	**2.84%**
	31 March 2021	1.00%	-2.64%	2.80%
Salary growth rate	**31 March 2022**	**1.00%**	**2.74%**	**-2.63%**
	31 March 2021	1.00%	2.70%	-2.59%

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the Balance sheet.

The methods and types of assumptions used in preparing the sensitivity analyses did not change compared to previous year.

The Company expects to contribute Rs Nil to the gratuity trusts during the next financial year.

Maturity profile of defined benefit obligation:

(Currency: Indian Rupees in lakhs)

	As at 31 March 2022	As at 31 March 2021
Within 1 year	**37.19**	35.80
1 - 2 year	**18.38**	15.43
2 - 3 year	**17.29**	13.42
3 - 4 year	**13.31**	11.69
4 - 5 year	**11.08**	8.68
5 - 6 year	**6.74**	6.73
6 - 7 year	**4.95**	4.26
7 - 8 year	**3.23**	3.18
8 - 9 year	**2.23**	2.00
10 year and above	**5.05**	4.47

The weighted average duration of the defined benefit obligation as at 31 March 2022 is 2.75 years (31 March 2021 - 2.71 years)

The estimate of future salary increases, considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The current service cost and the net interest expense for the year are included in the employee benefits expense in profit or loss of the expense for the year, an amount of Rs 19.89 lakhs (31 March 2021 : Rs. 29.96 lakhs) has been included in statement of profit and loss under the head Employee benefit expenses.

Compensated absenses :

Compensated absences for the employee benefits of Rs. 83.85 lacs (31 March 2021 - Rs 76.30 lacs) expected to be paid in exchange for the services recognised as a expenses during the year.

33 Recent Indian Accounting Standards (Ind AS)

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2021.

Recent pronouncements

On March 24, 2021, the Ministry of Corporate Affairs (""MCA"") through a notification, amended Schedule III of the Companies Act, 2013 revising Division I, II and III of Schedule III and are applicable from April 1, 2021. The amendments primarily relate to

a) Change in existing presentation requirements for certain items in Balance sheet, for eg. lease liabilities, security deposits, current maturities of long term borrowings, effect of prior period errors on Equity Share capital

b) Additional disclosure requirements in specified formats, for eg. ageing of trade receivables, trade payables, capital work in progress, intangible assets, shareholding of promoters, etc.

c) Disclosure if funds have been used other than for the specific purpose for which it was borrowed from banks and financial institutions.

d) Additional Regulatory Information, for eg.,compliance with layers of companies, title deeds of immovable properties, financial ratios, loans and advances to key managerial personnel, etc.

e) Disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency.

The amendments are extensive and the Company is evaluating the same.

34 Segment reporting

The Company is engaged in the business of production and trading of Crop inputs, which is the primary business segment and has only domestic sales. The Company has only one reportable business segment, which is production and trading of Crop inputs and only one reportable geographical segment. Accordingly, these financial statements are not reflective of the information required under Ind AS 108.

35 The Total managerial remuneration paid to the Directors for the financial year amounting to Rs 319.46 Lakhs exceeds limits under the resolution passed by the shareholders in their meeting held on 17th August, 2021 by INR 143.66 Lakhs. As per the provisions of the Act, the excess remuneration has been approved by the shareholders at their extra-ordinary general meeting held on 6th May, 2022 subsequent to the year-end, before the adoption of the accounts.

36 Ratio Analysis and its elements

Ratio	Numerator	Denominator	31-Mar-22	31-Mar-21	% change	Reasons for variances
Current Ratio	Current Assets	Current Liability	1.33	1.41	(6%)	–
Debt Equity ratio	Total Debt	Shareholder Equity	0.25	0.08	216%	Increase in working capital investment
Debt Service coverage ratio	Earning for Debt service	Debt Service	(1.63)	1.92	(185%)	Difference is due to operational loss in current year
Return on Equity	Net profit after taxes	Average Shareholder Equity	(0.04)	0.01	(654%)	Difference is due to operational loss in current year
Inventory Turnover ratio	Cost of goods sold	Average inventory	0.82	0.94	(12%)	-
Trade receivable Turnover ratios	Net credit sales = Gross credit sales - sales return	Average trade receivables	2.82	2.41	17%	-
Trade Payable ratios	Net credit purchases = Gross credit purchases - purchase return	Average trade payables	1.08	0.72	50%	Increase in average credit period in current year due to extended credit availed from suppliers
Net capital turnover ratio	Net sales = Total sales - sales return	Working capital = Current assets – Current liabilities	5.54	4.42	25%	Increase is due to higher inventory in current year
Net profit ratio	Net profit	Net sales = Total sales - sales return	(0.02)	0.00	(646%)	-
Return on capital employed	Earnings before interest and taxes	Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax	(0.03)	0.02	(247%)	-
Return on Investment	Interest (Finance Income)	Investment	–	–	0%	No Investments during current and previous year

37 Comparitives

The figures for previous year have been regrouped wherever necessary to conform to current year's classification.

38 To the best of our knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

39 To the best of our knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

40 Other matters

Information with regard to other matters specified in Schedule III to the Act is either nil or not applicable to the Company for the year.

In terms of our report of even date attached.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No : 101248W/W-100022

For and on behalf of Board of Directors
Mahindra Summit Agriscience Limited
CIN - U01400MH2018PLC315558

Jaymin Sheth
Partner
Membership No: 114583
Place : Mumbai
Date : 06 May 2022

Sandeep Gadre
Whole Time Director & CEO

Ashok Sharma
Director

Kuldeep Singh
Chief Financial Officer

Anwaya Kadu
Company Secretary

Place : Mumbai
Date : 06 May 2022

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF
MERA KISAN PRIVATE LIMITED

Report on the Ind AS Financial Statements

Opinion

1. We have audited the accompanying Ind AS financial statements of Mera Kisan Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Cash Flow Statement for the year then ended, and notes to the financial statements, and a summary of significant accounting policies and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements, give the information required by the Act, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at March 31, 2022, and its profit and cash flows for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the code of ethics issued by the Institute of Chartered Accountants of India ("the ICAI") together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

4. We draw attention to Note 2.7 in the financial statements, which refers to the material uncertainty relating to Going Concern and the mitigating measures by the management of the Company. The financial statements of the Company have been prepared on a going concern basis for the reasons stated in Note No 2.7. Our opinion is not modified in respect of this matter.

Other Information

5. The Company's Board of Directors is responsible for the other information. The other information obtained at the date of this auditor's report is included in the Director's report, but does not include the financial statements and our auditor's report thereon.

6. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

7. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated

8. If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibility of Management for Ind AS Financial Statements

9. The Company's Board of Directors is responsible for the matters in section 134(5) of the Act with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act.

10. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

11. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

12. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility

13. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

14. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

    a. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

    b. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.

    c. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

    d. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

    e. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

    Materiality is the magnitude of misstatements in the Standalone Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Standalone Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Standalone Financial Statements.

15. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

16. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on other Legal and Regulatory Requirements

17. As required by the Companies (Auditor's Report) Order,2016, issued by the Central Government of India in term of sub-section (11) of section 143 of the Act (the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure A, a statement on the matters specified in the paragraphs 3 and 4 of the Order, to the extent applicable.

18. As required by section 143(3) of the Act, we report that:

    a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

    b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;

    c) the Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;

    d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014

    e) On the basis of written representations received from the directors as on March 31, 2022, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022, from being appointed as a director in terms of Section 164(2) of the Act.

    f) In our opinion, considering the nature of business, size of operations and organizational structure of the entity, the Company has, in all material respects, adequate Internal Financial Control System over Financial Reporting effectively as at 31st March 2022, based on internal control over Financial Reporting criteria established by the Company considering the essential components of internal control stated in Guidance Note of Audit of Internal Financial Controls over Financial Reporting issued by the ICAI.

    g) With respect to the other matters included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended) in our opinion and to the best of our information and according to the explanations given to us:

        i. The Company does not have any pending litigations which would impact its financial position.

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

iv. a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

v. The Company has not declared and paid any dividend during the year.

For **B. K. Khare and Co.**
Chartered Accountants
Firm Registration No.: 105102W

Shirish Rahalkar

Partner
Membership No.: 111212
UDIN: 22111212AKICJW5733
Mumbai,
June 2, 2022

ANNEXURE "A" TO THE AUDITOR'S REPORT

Referred to in paragraph 12 of our report of even date on the accounts of Members of Mera Kisan Private Limited for the year ended March 31, 2022

1) i) According to the information and explanations given to us, the Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment and investment properties.

ii) The property, plant and equipment and investment properties are physically verified by the Company once in two years. In accordance with the programme, the Company has physically verified property, plant and equipment and investment properties during the year and material discrepancies were noticed on such verification and that the same has been properly dealt in the books of account.

iii) According to the information and explanations given to us, the Company has no immoveable properties registered in its name. Accordingly, the reporting under Clause 3(i)(c) of the Order is not applicable to the Company.

iv) According to the information and explanations given to us, the Company has not revalued any of its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.

v) Based on the audit procedures performed by us and according to the information, explanations and representations given to us, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

2) i) According to the information and explanations given to us, the inventory comprising of traded goods, packing materials has been physically verified at reasonable intervals by the management during the year. In our opinion, the coverage and procedure of such verification by the management is appropriate and no discrepancies of 10% or more in the aggregate for each class of inventory were noticed on such verification between the physical inventory and the book records

ii) According to the information and explanations given to us, the Company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets at any point of time during the year.

3) a) According to the information and explanations given to us, the Company has not made investments in or provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year. Accordingly, the reporting under Clauses 3(iii)(a) to 3(iii)(f) of the Order is not applicable to the Company.

4) According to the information and explanations given to us, the Company has not granted any loans or made any investments or provided any guarantees or security to the parties covered under Section 185 and 186 of the Act. Accordingly, the reporting under Clause 3(iv) of the Order is not applicable to the Company.

5) According to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under, where applicable. Accordingly, the reporting under Clause 3(v) of the Order is not applicable to the Company.

6) The Central Government has not prescribed the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company. Accordingly, the reporting under Clause 3(vi) of the Order is not applicable to the Company.

7) (a) According to the information and explanations given to us and on the basis of our examination of records of the Company, the amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Services tax, Provident Fund, Employees' State Insurance, Income-tax, Cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. The amounts deducted / accrued in the books of account in respect of undisputed statutory dues of Income-tax have generally been regularly deposited during the year by the Company with the appropriate authorities, though there have been slight delays in a few cases. According to the information and explanations given to us and on the basis of our examination of records of the Company, there were no undisputed statutory dues payable in respect of Sales tax, Service tax, Duty of Customs, Duty of Excise and Value Added Tax.

(b) According to the information and explanations given to us and on the basis of our examination of records of the Company, there were no arrears of outstanding statutory dues in respect of Goods and Services tax, Provident fund, Employees' State Insurance, Income-tax, Sales tax, Service tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other material statutory dues as on the last day of the financial year for a period of more than six months from the date they became payable.

(c) According to the information and explanations given to us and on the basis of our examination of records of the Company, there are no statutory dues in respect of Goods and Services Tax, Sales tax, Service tax, Duty of Customs, Duty of Excise and Value Added Tax as at March 31, 2021, which have not been deposited with the appropriate authorities on account of any dispute.

8) According to the information and explanations given to us, there are no transactions not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income-tax Act, 1961. Accordingly, the reporting under Clause 3(viii) of the Order is not applicable to the Company

9) (a) According to the information and explanations given to us and on the basis of our examination of records of the Company, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year

(b) According to the information and explanations given to us, the Company has not been declared a willful defaulter by any bank or financial institution or any other lender till the date of our audit report.

(c) According to the information and explanation given to us, Company has not obtained any term loan during the year. Hence reporting under clause (ix) (c) is not applicable.

(d) In our opinion and according to information and explanations given to us and on overall examination of the Balance sheet of the Company, we report that company has not raised any short term or long-term loan during the year. Hence reporting under clause (ix) (d) is not applicable to company.

(e) According to the information and explanations given to us and on an overall examination of the Financial Statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures

(f) According to the information and explanations given to us and based on the audit procedures performed by us, we report that the Company has not raised any loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies. Accordingly, the reporting under Clause 3(ix)(f) of the Order is not applicable to the Company.

10) (a) According to the information and explanations given to us, the Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans during the year. Accordingly, the reporting under Clause 3(ix) of the Order is not applicable to the Company.

(b) According to the information and explanation given to us, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Accordingly, the reporting under clause 3(x)(b) of the Order is not applicable to the Company.

11) a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the management.

b) There has been no report filed by us under sub-section (12) of Section 143 of the Act in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government. Accordingly, the reporting under Clause 3(xi)(b) of the Order is not applicable to the Company.

c) As represented to us by the management, no whistle blower complaints were received by the Company during the year.

12) According to the information and explanations given to us, the Company is not a Nidhi company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, the reporting under Clause 3(xii) of the Order is not applicable to the Company.

13) In our opinion and according to the information and explanations given to us, the Company has entered into transactions with related parties in compliance with the provisions of Section 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required by Indian Accounting Standard (Ind AS) 24, Related Party Disclosures or Accounting Standard (AS) 18, Related Party Disclosures specified under Section 133 of the Act. Further, the Company is not required to constitute an Audit Committee under Section 177 of the Act, and accordingly, to this extent, the reporting under Clause 3(xiii) of the Order is not applicable to the company.

14) a) In our opinion and based on our examination, the Company does not have an internal audit system and is not required to have an internal audit system as per the provisions of the Act.

b) Internal audit system is not mandated to the company. Accordingly, reporting under clause 3(xiv)(b) is not applicable to the Company.

15) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or directors of its holding company, or persons connected with them during the year

and hence, the provisions of Section 192 of the Act are not applicable to the Company. Accordingly, the reporting under Clause 3(xv) of the Order is not applicable to the Company.

16) a) According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under Clause 3(xvi) of the Order is not applicable to the Company.

b) In our opinion and according to the information and explanations given to us, the Company has not conducted any Non-Banking Financial or Housing Finance activities. Accordingly, the reporting under Clause 3(xvi)(b) of the Order is not applicable to the Company.

c) In our opinion and according to the information and explanations given to us, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under Clauses 3(xvi)(c) and 3(xvi)(d) of the Order is not applicable to the Company.

d) Based on the information and explanations given to us and the audit procedures performed by us, we report that the Group has 6 Core Investment Companies.

17) In our opinion and according to the information and explanations given to us, the Company has not incurred cash loss during the current financial year and incurred cash loss of Rs. 2,63,04,571/- in the immediately preceding financial year.

18) There has been no resignation of the statutory auditors during the year. Accordingly, the reporting under Clause 3(xviii) of the Order is not applicable to the Company.

19) As more fully explained in Note 2.7 to the financial statements and according to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans, we are of the opinion that a material uncertainty exists as on the date of the audit report that the Company would be capable of meeting its liabilities existing at the date of Balance Sheet as and when they fall due within a period of one year from the Balance Sheet date.

20) The Company is not required to comply with the provisions of section 135 of the Companies Act 2013. Accordingly, reporting under clause 3(xx)(a) & (b) is not applicable to the Company.

For **B. K. Khare and Co.**
Chartered Accountants
Firm's Registration No.: 105102W

Shirish Rahalkar
Partner
Membership No.: 111212
UDIN: 22111212AKICJW5733

Mumbai,
June 2, 2022

BALANCE SHEET AS AT 31 MARCH 2022

Figures in Rupees

	Particulars	Note No.	As at 31 March 2022	As at 31 March 2021
I	**ASSETS**			
	NON-CURRENT ASSETS			
	(a) Property, Plant and Equipment	3a	**1,059,761**	2,625,005
	(b) Intangible Assets	3b	**274,192**	1,553,907
	(c) Deferred Tax Assets (Net)	4	**–**	125,724
	(d) Other Non-current Assets	5	**732,000**	790,069
	SUB-TOTAL		**2,065,953**	5,094,704
	CURRENT ASSETS			
	(a) Inventories	6	**169,248**	2,640,521
	(b) Financial Assets			
	(i) Trade Receivables	7	**202,358**	6,319,393
	(ii) Cash and Cash Equivalents	8	**81,442**	18,683
	(c) Other Current Assets	5	**2,216,062**	3,249,417
	SUB-TOTAL		**2,669,110**	12,228,014
	TOTAL ASSETS		**4,735,063**	17,322,718
II	**EQUITY AND LIABILITIES**			
	1 EQUITY			
	(a) Equity Share Capital	9	**126,704,520**	15,654,520
	(b) Other equity	10	**(130,080,449)**	(94,191,291)
	SUB-TOTAL		**(3,375,929)**	(78,536,771)
	LIABILITIES			
	2 NON-CURRENT LIABILITIES			
	(a) Financial Liabilities			
	(i) Borrowings	11	**–**	54,552,180
	SUB-TOTAL		**–**	54,552,180
	3 CURRENT LIABILITIES			
	(a) Financial Liabilities			
	(i) Borrowing	11a	**–**	11,281,226
	(ii) Trade Payables	12	**4,875,222**	14,998,119
	(b) Provisions	13	**1,115,909**	986,004
	(c) Other Current Liabilities	14	**2,119,860**	14,041,960
	SUB-TOTAL		**8,110,992**	41,307,309
	TOTAL		**4,735,063**	17,322,718

The accompanying notes 1 to 27 are an integral part of the Financial Statements

As per Report of even date

For B.K.Khare & Co.
Chartered Accountants
Firm Registration No.105102W

Shirish Rahalkar
Partner
Membership No. 111212

Place : Mumbai
Date : 2 June 2022

For and on behalf of the Board of Directors of MeraKisan Private Limited

Ashok Sharma	**Prashant Patil**	**Nilesh Totla**	**Santosh Ghatpande**
Chairman	Whole Time Director & CEO	Chief Financial Officer	Company Secretary
DIN - 02766679	DIN - 07560367		

Place : Mumbai
Date : 2 June 2022

STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 31 MARCH 2022

Figures in Rupees

	Particulars	Note No.	**Year ended 31 March 2022**	Year ended 31 March 2021
Continuing Operations				
I	Revenue from operations	15	**41,831,097**	93,852,075
II	Other Income	16	**13,404,974**	1,681,307
III	**Total Revenue (I + II)**		**55,236,071**	95,533,382
IV	**Expenses**			
	(a) Purchases of Stock-in-trade		**36,736,851**	82,036,765
	(b) Changes in stock of finished goods, work-in-progress and stock-in-trade	17	**2,471,273**	462,610
	(c) Employee benefit expense	18	**3,673,531**	10,275,737
	(d) Finance costs	19	**1,136,750**	5,467,850
	(e) Depreciation and amortisation expense	20	**926,599**	1,173,411
	(f) Other expenses	21	**10,020,052**	23,594,991
	Total Expenses (IV)		**54,965,057**	123,011,364
V	**Profit/(loss) before exceptional items and tax (III - IV)**		**271,015**	(27,477,982)
VI	**Profit/(loss) before tax**		**271,015**	(27,477,982)
VII	**Tax Expense**			
	(1) Current tax		**–**	–
	(2) Deferred tax	4	**125,724**	–
	Total tax expense		**125,724**	–
VIII	**Profit/(loss) after tax from continuing operations (VI - VII)**		**145,291**	(27,477,982)
IX	**Profit/(loss) for the period**		**145,291**	(27,477,982)
X	**Earnings per equity share (for continuing operation):**			
	(1) Basic	22	**0.03**	(17.26)
	(2) Diluted	22	**0.02**	(3.09)

The accompanying notes 1 to 27 are an integral part of the Financial Statements

As per Report of even date

For B.K.Khare & Co.
Chartered Accountants
Firm Registration No.105102W

Shirish Rahalkar
Partner
Membership No. 111212

Place : Mumbai
Date : 2 June 2022

For and on behalf of the Board of Directors of MeraKisan Private Limited

Ashok Sharma
Chairman
DIN - 02766679

Prashant Patil
Whole Time Director & CEO
DIN - 07560367

Nilesh Totla
Chief Financial Officer

Santosh Ghatpande
Company Secretary

Place : Mumbai
Date : 2 June 2022

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2022

Figures in Rupees

		Note No.	**Year ended 31 March 2022**	Year ended 31 March 2021
I	**Cash flows from operating activities**			
	Profit before tax for the year	PL	**271,015**	(27,477,982)
	Adjustments for:			
	Finance costs of OCPS recognised/reversed in profit or loss	11	**(8,831,279)**	3,924,099
	Depreciation and amortisation of non-current assets	3a	**926,599**	1,173,411
	Loss on write off of assets	3a	**1,059,675**	
	Change in other equity retained earnings	10	**(705,350)**	
			(7,279,339)	(22,380,472)
	Movements in working capital:			
	(Increase)/decrease in trade and other receivables	7	**6,117,035**	8,160,191
	(Increase)/decrease in inventories	6	**2,471,273**	462,610
	(Increase)/decrease in other non current assets	5	**58,069**	149,532
	(Increase)/decrease in other Current assets	5	**1,033,354**	313,446
	Increase/(decrease) in trade and other payables	12	**(10,122,896)**	(4,361,498)
	Increase/(decrease) in Provisions	13	**129,905**	(1,868,556)
	(Decrease)/increase in other liabilities	14	**(11,922,100)**	9,690,558
Cash generated from operations			**(12,235,361)**	12,546,282
Net cash generated by operating activities			**(19,514,700)**	(9,834,191)
II	**Cash flows from investing activities**			
	Payments for intangible assets	3a	**858,685**	79,239
	Net cash (used in)/generated by investing activities		**858,685**	79,239
III	**Cash flows from financing activities**			
	Proceeds from issue of equity instruments of the Company	10	**25,000,000**	–
	Proceeds from issue of OCPS & OCCRPS	10	**5,000,000**	12,250,000
	Borrowings from Bank	11a	**(11,281,226)**	(9,421,421)
Net cash used in financing activities			**18,718,774**	2,828,579
Net increase in cash and cash equivalents			**62,759**	(7,423,250)
	Cash and cash equivalents at the beginning of the year		**18,683**	7,441,932
Cash and cash equivalents at the end of the year			**81,442**	18,683

The accompanying notes 1 to 27 are an integral part of the Financial Statements

As per Report of even date

For B.K.Khare & Co.
Chartered Accountants
Firm Registration No.105102W

Shirish Rahalkar
Partner
Membership No. 111212

Place : Mumbai
Date : 2 June 2022

For and on behalf of the Board of Directors of MeraKisan Private Limited

Ashok Sharma
Chairman
DIN - 02766679

Prashant Patil
Whole Time Director & CEO
DIN - 07560367

Nilesh Totla
Chief Financial Officer

Santosh Ghatpande
Company Secretary

Place : Mumbai
Date : 2 June 2022

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2022

A. Equity share capital

Particulars	**No of Shares**	**Rupees in Lacs**
Balance as at 1st April 2021	**1,565,452**	15,654,520
Changes in Equity Share Capital due to prior period errors	**–**	–
Restated balance at 1 April 2021	**1,565,452**	**15,654,520**
Changes in equity share capital during the year	**11,105,000**	**111,050,000**
Balance as at 31st Mar 2022	**12,670,452**	126,704,520

Particulars	**No of Shares**	**Rupees in Lacs**
Balance as at 1st April 2020	**1,565,452**	15,654,520
Changes in Equity Share Capital due to prior period errors	**–**	–
Restated balance at 1 April 2020	**1,565,452**	**15,654,520**
Changes in equity share capital during the year	**–**	**–**
Balance as at 31st Mar 2021	**1,565,452**	15,654,520

B. Other Equity

Figures in Rupees

			Reserves and Surplus				
Particulars	**Equity component of compound financial instruments 0.01% OCPS**	**Equity component of compound financial instruments 6% OCCRPS**	**Security Premium**	*** Capital Reserve**	**Other Reserve (specify nature)**	**Retained Earnings**	**Total**
As at 31 March 2020	32,213,954	–	3,418,520	(10,073,040)	(1,669,926)	(93,717,962)	(69,828,454)
Profit / (Loss) for the period						(27,477,982)	(27,477,982)
Total Comprehensive Income for the year	–			–	–	–	–
Transfers to Reserves	–			–	–	–	–
Transfers from retained earnings	–			–	–	–	–
Any other changes (to be specified)	2,337,142	778,003	–				3,115,145
As at 31 March 2021	**34,551,096**	**778,003**	**3,418,520**	**(10,073,040)**	**(1,669,926)**	**(121,195,944)**	**(94,191,291)**
Profit / (Loss) for the period						145,291	145,291
Total Comprehensive Income for the year	–			–	–	–	–
Transfers to Reserves	–			–	–	–	–
Share issue expenses						(705,350)	(705,350)
Transfers from retained earnings	–			–	–	–	–
Any other changes (to be specified)	(34,551,096)	(778,003)	–	–	–	–	(35,329,099)
As at 31 March 2022	**–**	**–**	**3,418,520**	**(10,073,040)**	**(1,669,926)**	**(121,756,003)**	**(130,080,449)**

Note

* Capital Reserve includes the difference between the amount recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor.

Optionally convertible preference shares (0.01% OCPS): The Board Of Directors of the Company at their meeting held on 8th September, 2016 had resolved to create, offer, issue on right basis up to 76,50,000 unpaid warrants, convertible into OCPS and then in turn convertible into Equity share, pursuant to the provisions of the Companies Act 2013, Each warrant is convertible into one Optionally Convertible Preference Share ("OCPS") issued at par at Rs 10/- (Rupees Ten Only) each. Each OCPS is further convertible into one Equity Share of Rs 10/- (Rupees Ten Only) each. The said unpaid warrants were allotted on 28th September, 2016.

In the year 2020-21, 7,25,000 (2,25,000 and 5,00,000 OCPS on 28th April, 2020 and 19th October, 2020 respectively) warrants were converted into OCPS. As on 31.03.2021, 76,05,000 OCPS were allotted to MASL upon conversion of equal number of warrants. The balance warrants 45000 has been lapsed.

OCPS shall be redeemable at any time after 1 April 2020 (the "Conversion Period Commencement Date") at the option of the holders of the OCPS (MASL) at Rs. 10.5 (Rupees Ten and a Half) each.

The OCPS can be converted into equivalent number of Equity shares at any time from the Conversion Period Commencement Date until 28th September, 2022 on the basis of a ratio of 1 Equity Share: 1 OCPS. Without prejudice to MASL's right to conversion into equity shares or their right to redeem part or all OCPS, the OCPS shall be compulsorily redeemed at Rs.10.5 (Rupees Ten and a Half) each at the expiry of 10 (Ten) years from the Closing date or at the expiry of the maximum period permitted under the Applicable Law, whichever is sooner.

Optionally cumulative convertible redeemable preference shares (6% OCCRPS): In the FY 2020-21, The Board Of Directors of the Company issued 5,00,000 6% Optionally Convertible Cumulative Redeemable Preference Shares (OCCRPS) of Rs. 10/- each aggregating Rs.50,00,000/- on Rights Basis to the existing Equity Shareholder that is the Mahindra Agri Solutions Ltd. through circular resolution on 18th March, 2021.Such OCCRPS are convertible into Equity share at the option of share holder at fair market value on date of conversion. During the year, board of directors of the company through meeting held on 21 October 2021 done variation in terms of 6% OCCRS to convert 1 OCCRPS to 1 Equity Share. During the FY 2021-22, Board of Directors of the company alloted 5,00,000, 6% OCCRPS of Rs. 10 each aggregating to Rs. 50,00,000/- on right basis to existing equity share holder that is Mahindra Agri Solutions Limited through circular resolution dated 9th July 2021

During the year, board of directors of the company through its meeting held on 21 October 2021 done variation in terms of 6% OCCRPS to be redeemable at the option the holders of OCCRPS.

During the year, company alloted 25,00,000 equity share on right basis to existing shareholder Mahindra Agri Solutions Limited at face value of Rs. 10 each aggregating to Rs. 2,50,00,000/- through board resolution dated 5th January 2022.

During the year, the company had converted 76,05,000 OCPS & 10,00,000 6% OCCRPS held by existing shareholder Mahindra Agri Solutions Limited into equity shares through board meeting dated 21 October 2021. As a result of conversion, Mahindra Agri Solutions Limited equity holding increased 91.59%.

As per Report of even date

For B.K.Khare & Co.
Chartered Accountants
Firm Registration No.105102W

Shirish Rahalkar
Partner
Membership No. 111212

Place : Mumbai
Date : 2 June 2022

For and on behalf of the Board of Directors of
MeraKisan Private Limited

Ashok Sharma	**Prashant Patil**	**Nilesh Totla**	**Santosh Ghatpande**
Chairman	Whole Time Director & CEO	Chief Financial Officer	Company Secretary
DIN - 02766679	DIN - 07560367		

Place : Mumbai
Date : 2 June 2022

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

1. Corporate Information

Merakisan Private Limited ("the company") a private limited company domiciled in India and incorporated as on 13 July 2016 under provision of Companies Act, 2013, (CIN: U51909MH2016PTC283578)

The Company was incorporated to carry on the business of procuring agricultural produce like grocery items cereals, fruits and vegetables from the farmers and selling to customers, facilitated by a digital technology platform. Company have now focusing on organic products.

2. Significant accounting policies

2.1 Use of estimate –

The preparation of these financial statements in conformity with the recognition and measurement principles of Ind AS requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities, disclosures relating to contingent liabilities as at the date of the financial statements and the reported amounts of income and expense for the periods presented.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected.

Key source of estimation of uncertainty at the date of the financial statements, which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, is in respect of impairment of goodwill, impairment of investments and assets, useful lives of property, plant and equipment, valuation of deferred tax assets and provisions and contingent liabilities. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialize.

2.2 Useful lives of property, plant and equipment

The Company reviews the useful life of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

2.3 Provisions and contingent liabilities

A provision is recognised when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which the reliable estimate can be made. Provisions (excluding retirement benefits and compensated absences) are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date adjusted to reflect the current best estimates. Contingent liabilities are not recognised in the financial statements. A contingent asset is neither recognised nor disclosed in the financial statements.

2.4 Valuation of deferred tax assets

The Company reviews the carrying amount of deferred tax assets at the end of each reporting period.

2.5 Statement of compliance

The financial statements have been prepared in accordance with Ind AS's notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended).

2.6 Basis of preparation and presentation

The financial statements have been prepared on the historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for share–based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

2.7 Going Concern

During the current year the Company made marginal profit however at the year–end it's net–worth is substantially eroded with the accumulated losses aggregating to 1217.56 Lakhs. The Company was able to operate uninterruptedly with the continued support from the Parent company with infusion of funds by way of Optionally Convertible Preference Shares.

Based on the future business plans and the turnaround strategy adopted company is exploring option to get external investors funding. In the opinion of the management, the Company will be able to generate profits in the future.

The principal accounting policies are set out below.

2.8 Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition–date fair values of the assets transferred by the company, liabilities incurred by the company to the former owners of the acquiree and the equity interests issued by the company in exchange of control of the acquiree. Acquisition–related costs are generally recognised in profit or loss as incurred.

Business combination/s involving entities or businesses under common control has been accounted for using the pooling of interests method.

The pooling of interest method is considered to involve the following:

(i) The assets and liabilities of the combining entities are reflected at their carrying values.

(ii) No adjustments are made to reflect fair values, or recognise any new assets or liabilities. The only adjustments that are made are to harmonise accounting policies.

The consideration for the business combination may consist of securities, cash or other assets. Securities shall be recorded at nominal value. In determining the value of the consideration, assets other than cash shall be considered at their fair values.

The balance of the retained earnings appearing in the financial statements of the transferor is aggregated with the corresponding balance appearing in the financial statements of the transferee. Alternatively, it is transferred to General Reserve, if any.

The difference, if any, between the amount recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor is transferred to capital reserve and is presented separately from other capital reserves with disclosure of its nature and purpose in the notes.

2.9 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

2.9.1. Sale of goods

Revenue from the sale of goods is recognised when the goods are delivered and titles have passed, at which time all the following conditions are satisfied:

- the company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Company; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

2.10 Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

2.10.1 The Company as lessee

Rental expense from operating leases is generally recognised on a straight–line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

2.11 Employee benefits

2.11.1 Short–term and other long–term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short–term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

2.12 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

2.12.1 Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

2.12.2 Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

2.13 Property, plant and equipment

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Company's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

All Property, plant and equipments are stated at cost less depreciation. Costs comprise purchase price and any attributable costs of bringing the asset to its working condition for its intended use.

Fixtures and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight–line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Depreciation on tangible fixed assets has been provided on the straight–line method as per the useful life prescribed in Schedule II to the Companies Act, 2013.

2.14 Intangible assets

2.14.1 Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight–line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

2.14.2 Intangible assets acquired in a business combination

Intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

2.14.3 Derecognising of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognising of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

2.15 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, the management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only the period of the revision and future periods if the revision affects both current and future periods.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

2.16 Impairment of tangible and intangible assets other than goodwill

At the end of each reporting period, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash–generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash–generating units, or otherwise they are allocated to the smallest company of cash–generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre–tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash–generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash–generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash–generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash–generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

2.17 Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on a first–in–first–out basis. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

2.18 Provisions

Provisions are recognised when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that the company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

2.19 Financial instruments

Financial assets and financial liabilities are recognised when a company entity becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

2.20 Earnings Per Share

The Company reports basic and diluted earnings per share in accordance with Ind AS 33 on Earnings Per Share. Basic earnings per share is computed by dividing the net profit or loss for the period by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed by dividing the net profit or loss for the period by the weighted average number of equity shares outstanding during the period as adjusted for the effects of all diluted potential equity shares except where the results are anti–dilutive.

2.21 Cash flow statement

The Cash Flow Statement is prepared by the indirect method set out in Ind AS 7 on Cash Flow Statements and presents cash flows by operating, investing and financing activities of the Company.

2.22 Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets

2.22.1 Classification of financial assets

The company has not debt instruments. All other financial assets are subsequently measured at fair value.

For the impairment policy on financial assets measured at amortised cost.

2.22.2 *Impairment of financial assets*

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, debt instruments at FVTOCI, lease receivables, trade receivables, other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit–adjusted effective interest rate for purchased or originated credit–impaired financial assets). The Company estimates cash flows by considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument.

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12–month expected credit losses. 12–month expected credit losses are portion of the life–time expected credit losses and represent the lifetime cash shortfalls that will result if default occurs within the 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.

If the Company measured loss allowance for a financial instrument at lifetime expected credit loss model in the previous period, but determines at the end of a reporting period that the credit risk has not increased significantly since initial recognition due to improvement in credit quality as compared to the previous period, the Company again measures the loss allowance based on 12–month expected credit losses.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Company uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward–looking information.

2.22.3 *Derecognition of financial assets*

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

On derecognition of a financial asset other than in its entirety (e.g. when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

2.23 Current vs non current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents.

The Company has identified twelve months as its operating cycle.

2.24 Financial liabilities and equity instruments

2.24.1 *Classification as debt or equity*

Debt and equity instruments issued by a company entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

2.24.2 Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, financial guarantee contracts issued by the Company, and commitments issued by the Company to provide a loan at below–market interest rate are measured in accordance with the specific accounting policies set out below.

2.24.3 Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

2.25 Significant accounting estimates

The Company used certain significant accounting estimates which have been disclosed in the financial statements.

These includes valuation of inventory, fair valuation of financial and non-financial assets and liabilities, testing of impairment of assets, going concern assessment etc. requiring significant management judgement in estimating the same. Considering the continuing COVID–19 pandemic, the results in upcoming period may significantly vary and may affect the recoverability of assets and settlement of liabilities.

The Company, based on internal & external sources of information including market research, economic forecast and other information, has assessed that as a result of Covid–19 outbreak, there is no significant financial impact on the financial statements for the year ended March 31, 2022 as at the date of approval of these financial statements.

Note No. 3a – Property, Plant and Equipment

Figures in Rupees

Description of Assets	**Office Equipment**	**Furniture and Fixtures**	**Lease Improvement**	**Computers and EDP Equipment**	**Cold Storage**	**Mobile**	**Vehicle**	**Total**
Balance as at 31 March 2020	**1,919,446**	**904,878**	**537,319**	**1,068,328**	**331,392**	**18,390**	**534,354**	**5,314,107**
Additions	79,239							79,239
Disposals								–
Balance as at 31 March 2021	**1,998,685**	**904,878**	**537,319**	**1,068,328**	**331,392**	**18,390**	**534,354**	**5,393,346**
Additions	–	–	–	–	–	–	–	–
Disposals	798,630	437,000	537,319	974,867	331,392	18,390	–	3,097,598
Balance as at 31 March 2022	**1,200,055**	**467,878**	**–**	**93,461**	**–**	**–**	**534,354**	**2,295,748**
II. Accumulated depreciation and impairment								
Balance as at 31 March 2020	548,693	173,902	200,612	621,529	78,246	5,136	166,697	1,794,815
Depreciation expense for the year	372,661	85,728	169,685	239,246	31,396	2,490	72,321	973,526
Eliminated on disposal of assets								–
Balance as at 31 March 2021	**921,354**	**259,630**	**370,297**	**860,775**	**109,641**	**7,626**	**239,018**	**2,768,341**
Depreciation expense for the year	378,071	85,963	93,856	134,525	31,482	2,496	72,519	798,914
Eliminated on disposal of assets	643,582	160,134	464,153	912,153	141,124	10,122	–	2,331,268
Balance as at 31 March 2022	**655,844**	**185,460**	**–**	**83,147**	**–**	**(0)**	**311,537**	**1,235,987**
III. Net carrying amount (I–II)								
As on 31st March 2020	1,370,752	730,976	336,707	446,799	253,146	13,254	367,657	3,519,292
As on 31st March 2021	1,077,331	645,248	167,022	207,553	221,751	10,764	295,336	2,625,005
Balance as at 31 March 2022	544,211	282,418	–	10,314	–	0	222,817	1,059,761

Note No. 3b – Intangible Assets

Figures in Rupees

Description of Assets	Trademark	Business Rights	Total
I. Gross Carrying Amount			
Balance as at 31 March 2020	**527,250**	**1,079,177**	**1,606,427**
Additions		338,400	338,400
Disposals			–
Balance as at 31 March 2021	**527,250**	**1,417,577**	**1,944,827**
Additions	–	–	–
Disposals	527,250	1,079,177	1,606,427
Balance as at 31 March 2022	**–**	**338,400**	**338,400**
II. Accumulated depreciation and impairment			
Balance as at 31 March 2020	**102,558**	**88,478**	**191,035**
Depreciation expense for the year	65,584	134,301	199,885
Eliminated on disposal of assets			–
Balance as at 31 March 2021	**168,141**	**222,779**	**390,920**
Depreciation expense for the year	65,764	61,921	127,685
Eliminated on disposal of assets	233,905	220,492	454,397
Balance as at 31 March 2022	**0**	**64,208**	**64,208**
III. Net carrying amount (I–II)			
As on 31st March 2020	424,692	990,699	1,415,392
As on 31st March 2021	359,109	1,194,798	1,553,907
Balance as at 31 March 2022	(0)	274,192	274,192

Note No. 4: Current Tax and Deferred Tax

Figures in Rupees

Particulars	**For the Year ended 31 March 2022**			For the Year ended 31 March 2021		
	Opening Balance	**Recognised in profit and Loss**	**Closing Balance**	Opening Balance	Recognised in profit and Loss	Closing Balance
Tax effect of items constituting deferred tax liabilities						
Property, Plant and Equipment	**7,313**	**(7,313)**	**–**	7,313	–	7,313
	7,313	**(7,313)**	**–**	7,313	–	7,313
Tax effect of items constituting deferred tax assets						
Other Temporary Differences (Preliminary Expenses)	**119,445**	**(119,445)**	**–**	119,445	–	119,445
Interest on Debt Component of OCPS	**8,839**	**(8,839)**	**–**	8,839	–	8,839
Other Temporary Differences (Operating Lease Expenses)	**4,753**	**(4,753)**	**–**	4,753	–	4,753
	133,037	**(133,037)**	**–**	133,037	–	133,037
Net Tax Asset (Liabilities)	**(125,724)**	**125,724**	**–**	(125,724)	–	(125,724)

Note No. 5 – Other current and non current assets

Figures in Rupees

Particulars	**As at 31 March 2022**		As at 31 March 2021	
	Current	**Non-Current**	Current	Non-Current
(a) Advances other than capital advances				
(i) Security Deposits	**–**	**732,000**	–	790,068
(ii) Balances with government authorities (other than income taxes)	**2,174,634**	**–**	2,397,108	–
(iii) Other advances	**10,192**	**–**	337,299	–
(iv) Advance to Creditors	**–**	**–**	369,765	–
(b) Pre-paid Expenses	**31,236**	**–**	145,244	–
Total	**2,216,062**	**732,000**	3,249,416	790,068

Note No. 6 – Inventories

Figures in Rupees

Particulars	As at 31 March 2022	As at 31 March 2021
Stock–in–trade of goods acquired for trading	**169,248**	2,267,923
Packing Material	**–**	372,598
Total Inventories (at lower of cost and net realisable value)	**169,248**	2,640,521

Note No. 7 – Trade receivables

Figures in Rupees

Particulars	As at 31 March 2022 Current	As at 31 March 2022 Non Current	As at 31 March 2021 Current	As at 31 March 2021 Non Current
Trade receivables				
(a) Secured, considered good				
(b) Unsecured, considered good	**9,630,109**		13,666,722	–
(c) Doubtful				
Less: Allowance for Credit Losses	**(9,427,751)**		(7,347,329)	–
TOTAL	**202,358**	**–**	6,319,393	–
Of the above, trade receivables from:				
- Related Parties	**–**		–	
- Others	**202,358**		6,319,393	
Total	**202,358**	**–**	6,319,393	–

Outstanding for following periods from due date of payment

As at 31 March 2022	Current but not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed Trade Receivables - considered good	–	202,158	–	–	–	–	202,158
Undisputed Trade Receivables - which have significant increase in credit risk	–	–	–	412,565	–	9,015,386	9,427,951
Undisputed Trade receivable - credit impaired	–	–	–	(412,565)	–	(9,015,386)	(9,427,951)
Disputed Trade receivables - considered good	–	–	–	–	–	–	–
Disputed Trade receivables - which have significant increase in credit risk	–	–	–	–	–	–	–
Disputed Trade receivables - credit impaired	–	–	–	–	–	–	–
	–	**202,158**	**–**	**–**	**–**	**–**	**202,158**

Outstanding for following periods from due date of payment

As at 31 March 2021	Current but not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed Trade Receivables - considered good	–	6,006,099	223,911	89,383	–	–	6,319,393
Undisputed Trade Receivables - which have significant increase in credit risk	–	–	2,481,148	2,616,661	2,249,520	–	7,347,329
Undisputed Trade receivable - credit impaired	–	–	(2,481,148)	(2,616,661)	(2,249,520)	–	(7,347,329)
Disputed Trade receivables - considered good	–	–	–	–	–	–	–
Disputed Trade receivables - which have significant increase in credit risk	–	–	–	–	–	–	–
Disputed Trade receivables - credit impaired	–	–	–	–	–	–	–
	–	**6,006,099**	**223,911**	**89,383**	**–**	**–**	**6,319,393**

Note No. 8 – Cash and Bank Balances

Figures in Rupees

Particulars	As at 31 March 2022	As at 31 March 2021
Cash and cash equivalents		
Balances with banks	**81,442**	18,683
Cash on hand	**–**	–
Total Cash and cash equivalent	**81,442**	18,683

Note No. 9 – Equity Share Capital

Figures in Rupees

Particulars	As at 31 March 2022 No. of shares	As at 31 March 2022 Amount	As at 31 March 2021 No. of shares	As at 31 March 2021 Amount
Authorised:				
Equity shares of Rs. 10 each with voting rights	**12,970,452**	**129,704,520**	1,807,400	18,074,000
Equity shares of 10 each with differential voting rights	**–**	**–**	–	–
Preference shares of Rs. 10 each	**8,605,000**	**86,050,000**	12,350,000	123,500,000
Issued, Subscribed and Fully Paid:				
Equity shares of Rs. 10 each with voting rights	**12,670,452**	**126,704,520**	1,565,452	15,654,520
Equity shares of Rs. 10 each with differential voting rights	**–**	**–**	–	–
Preference shares of Rs. 10 each (0.01%)	**–**	**–**	7,605,000	76,050,000
Preference shares of Rs. 10 each (6%)	**–**	**–**	500,000	5,000,000
Total	**12,670,452**	**126,704,520**	9,670,452	96,704,520

(i) Reconciliation of the number of shares outstanding at the beginning and at the end of the period.

Figures in Rupees

Particulars	Opening Balance	Fresh Issue	Bonus	ESOP	Other Changes (give details)	Closing Balance
(a) Equity Shares with Voting rights						
Year Ended 31 March 2022						
No. of Shares	1,565,452	2,500,000			8,605,000	12,670,452
Amount	15,654,520	25,000,000			86,050,000	126,704,520
Year Ended 31 March 2021						
No. of Shares	1,565,452	–	–	–	–	1,565,452
Amount	15,654,520	–	–	–	–	15,654,520
(b) Preference Shares OCPS 0.01%						
Year Ended 31 March 2022						
No. of Shares	7,605,000				(7,605,000)	–
Amount	76,050,000				(76,050,000)	–
Year Ended 31 March 2021						
No. of Shares	6,880,000	725,000.0	–	–	–	7,605,000
Amount	68,800,000	7,250,000	–	–	–	76,050,000
(c) Preference Shares OCCPRS 6%						
Year Ended 31 March 2022						
No. of Shares 6%	500,000	500,000			(1,000,000)	–
Amount	5,000,000	5,000,000			(10,000,000)	–
Year Ended 31 March 2021						
No. of Shares	–	500,000	–	–	–	500,000
Amount	–	5,000,000	–	–	–	5,000,000

(ii) Details of shares held by each shareholder holding more than 5% shares:

Class of shares/Name of shareholder	As at 31 March 2022 Number of shares held	% holding in that class of shares	As at 31 March 2021 Number of shares held	% holding in that class of shares
Equity shares with voting rights				
Prashant V. Patil	**1,007,304**	**7.95%**	1,007,304	64.35%
Mahindra Agri Solutions Limited	**11,605,000**	**91.59%**	500,000	31.94%
Other	**58,148**	**0.46%**	58,148	3.71%
Equity shares with differential voting rights				
Shareholder 1				
Optionally Convertible Preference Shares				
Mahindra Agri Solutions Limited				
0.01% Optionally convertible preference shares	**–**	**0.00%**	7,605,000	100.00%
6% Optionally convertible cumulative redeemable preference shares	**–**	**0.00%**	500,000	100.00%

(iii) As at 31 March 2022 shares were reserved for issuance as follows:

	Particulars	No. of shares As at 31 March 2022
a.	Outstanding employee stock options granted/ available for grant.	–
b.	Outstanding share warrants	–
c.	Convertible securities [convertible bonds/ debentures]	–

(iv) As at 31 March 2022 preference shares were reserved for issuance as follows:

	Particulars	No. of shares As at 31 March 2022
a.	Outstanding employee stock options granted/ available for grant.	–
b.	Outstanding share warrants	–
c.	Convertible securities [convertible bonds/ debentures]	–

v) Details of shares held by Promoters

As at 31 March 2022

S. No.	Promoter Name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total Shares	% change during the year
1. Equity Shares	Prashant V. Patil	1,007,304	–	1,007,304	7.95%	0.00%
	Mahindra Agri Solutions Limited	500,000	11,105,000	11,605,000	91.59%	2221.00%
2. Optionally Convertible Cumulative Redeemable preference Shares	Mahindra Agri Solutions Limited	500,000	(500,000)	–	100.00%	(100.00%)
3. Optionally convertive preference shares	Mahindra Agri Solutions Limited	7,605,000	(7,605,000)	–	100.00%	(100.00%)
Total		9,612,304	–	12,612,304	–	–

As at 31 March 2021

S. No.	Promoter Name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total Shares	% change during the year
1. Equity Shares	Prashant V. Patil	1,007,304	–	1,007,304	64.35%	0.00%
	Mahindra Agri Solutions Limited	500,000	–	500,000	33.17%	0.00%
2. Optionally Convertible Cumulative Redeemable preference Shares	Mahindra Agri Solutions Limited	–	500,000	500,000	100.00%	100.00%
3. Optionally convertive preference shares	Mahindra Agri Solutions Limited	6,880,000	725,000	7,605,000	100.00%	10.54%
Total		8,387,304	–	9,612,304	–	–

Company entered into Share Subscription and Investment Agreement dated 11 March 2020 with one of its shareholder Ajinkya Rahane ('AR'), who is currently holding 58148 equity shares. In terms of the agreement, company will be issuing 2,18,055 equity shares of Rs. 10 each at fair market value of Rs. 68.79. The said equity shares will be issued in 3 trances (72,685 equity shares per tranche). First tranche due on 1 May 2021, second tranche due on 1 May 2022 and third on 1 May 2023. The shares will be issued at fair market value which is Rs. 68.79 per equity shares. The equity shares will be issued for a consideration other than cash.

During the year FY 2021-22 and reference to Share Subscription and investment Agreement, company has not availed any service of existing shareholder Ajinkya Rahane hence company is not under an obligation to issue 1st tranche of equity shares to Ajinkya Rahane. Therefore, no fresh equity is issued to Ajinkya Rahane.

Note No. 10 – Other Equity

Statement Of Changes In Equity for the year ended 31 March 2022
A. Equity share capital
For the year ended March 31, 2022

Particulars	**No of Shares**	**Rupees in Lacs**
Balance as at 1st April 2021	**1,565,452**	15,654,520
Changes in Equity Share Capital due to prior period errors	**–**	–
Restated balance at 1 April 2021	**1,565,452**	**15,654,520**
Changes in equity share capital during the year	**11,105,000**	**111,050,000**
Balance as at 31st Mar 2022	**12,670,452**	126,704,520

Particulars	**No of Shares**	**Rupees in Lacs**
Balance as at 1st April 2020	1,565,452	15,654,520
Changes in Equity Share Capital due to prior period errors	–	–
Restated balance at 1 April 2021	1,565,452	15,654,520
Changes in equity share capital during the year	–	–
Balance as at 31st Mar 2021	1,565,452	15,654,520

For the year 2021

B. Other Equity

Figures in Rupees

			Reserves and Surplus				
Particulars	**Equity component of compound financial instruments 0.01% OCPS**	**Equity component of compound financial instruments 6% OCCRPS**	**Security Premium**	*** Capital Reserve**	**Other Reserve (specify nature)**	**Retained Earnings**	**Total**
As at 31 March 2020	32,213,954	–	3,418,520	(10,073,040)	(1,669,926)	(93,717,962)	(69,828,454)
Profit / (Loss) for the period						(27,477,982)	(27,477,982)
Total Comprehensive Income for the year	–			–	–	–	–
Transfers to Reserves	–			–	–	–	–
Transfers from retained earnings	–			–	–	–	–
Any other changes (to be specified)	2,337,142	778,003	–				3,115,145
As at 31 March 2021	**34,551,096**	**778,003**	**3,418,520**	**(10,073,040)**	**(1,669,926)**	**(121,195,944)**	**(94,191,291)**
Profit / (Loss) for the period						145,291	145,291
Total Comprehensive Income for the year	–			–	–	–	–
Transfers to Reserves	–			–	–	–	–
Share issue expenses						(705,350)	(705,350)
Transfers from retained earnings	–			–	–	–	–
Any other changes (to be specified)	(34,551,096)	(778,003)	–	–	–	–	(35,329,099)
As at 31 March 2022	**–**	**–**	**3,418,520**	**(10,073,040)**	**(1,669,926)**	**(121,756,003)**	**(130,080,449)**

Note

* Capital Reserve includes the difference between the amount recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor.

Optionally convertible preference shares (0.01% OCPS): The Board Of Directors of the Company at their meeting held on 8th September, 2016 had resolved to create, offer, issue on right basis up to 76,50,000 unpaid warrants, convertible into OCPS and then in turn convertible into Equity share, pursuant to the provisions of the Companies Act 2013, Each warrant is convertible into one Optionally Convertible Preference Share ("OCPS") issued at par at Rs 10/- (Rupees Ten Only) each. Each OCPS is further convertible into one Equity Share of Rs 10/- (Rupees Ten Only) each. The said unpaid warrants were allotted on 28th September, 2016.

In the year 2020-21, 7,25,000 (2,25,000 and 5,00,000 OCPS on 28th April, 2020 and 19th October, 2020 respectively) warrants were converted into OCPS. As on 31.03.2021, 76,05,000 OCPS were allotted to MASL upon conversion of equal number of warrants. The balance warrants 45000 has been lapsed.

OCPS shall be redeemable at any time after 1 April 2020 (the "Conversion Period Commencement Date") at the option of the holders of the OCPS (MASL) at Rs. 10.5 (Rupees Ten and a Half) each.

The OCPS can be converted into equivalent number of Equity shares at any time from the Conversion Period Commencement Date until 28th September, 2022 on the basis of a ratio of 1 Equity Share: 1 OCPS. Without prejudice to MASL's right to conversion into equity shares or their right to redeem part or all OCPS, the OCPS shall be compulsorily redeemed at Rs.10.5 (Rupees Ten and a Half) each at the expiry of 10 (Ten) years from the Closing date or at the expiry of the maximum period permitted under the Applicable Law, whichever is sooner.

Optionally cumulative convertible redeemable preference shares (6% OCCRPS): In the FY 2020-21, The Board Of Directors of the Company issued 5,00,000 6% Optionally Convertible Cumulative Redeemable Preference Shares (OCCRPS) of Rs. 10/- each aggregating Rs. 50,00,000/- on Rights Basis to the existing Equity Shareholder that is the Mahindra Agri Solutions Ltd. through circular resolution on 18th March, 2021. Such OCCRPS are convertible into Equity share at the option of share holder at fair market value on date of conversion. During the year, board of directors of the company through meeting held on 21 October 2021 done variation in terms of 6% OCCRS to convert 1 OCCRPS to 1 Equity Share.

During the FY 2021-22, Board of Directors of the company alloted 5,00,000, 6% OCCRPS of Rs. 10 each aggregating to Rs. 50,00,000/- on right basis to existing equity share holder that is Mahindra Agri Solutions Limited through circular resolution dated 9th July 2021

During the year, board of directors of the company through its meeting held on 21 October 2021 done variation in terms of 6% OCCRPS to be redeemable at the option the holders of OCCRPS.

During the year, company alloted 25,00,000 equity share on right basis to existing shareholder Mahindra Agri Solutions Limited at face value of Rs. 10 each aggregating to Rs. 2,50,00,000/- through board resolution dated 5th January 2022.

During the year, the company had converted 76,05,000 OCPS & 10,00,000 6% OCCRPS held by existing shareholder Mahindra Agri Solutions Limited into equity shares through board meeting dated 21 October 2021. As a result of conversion, Mahindra Agri Solutions Limited equity holding increased 91.59%.

Note No. 11 – Non Current Borrowings

Figures in Rupees

Particulars	As at 31 March 2022	As at 31 March 2021
Borrowings*		
– 0.01% Optionally convertible preference shares(OCPS)	–	41,498,904
– 6% Optionally convertible cumulative redeemable preference shares (OCCRPS)	–	4,221,997
Interest component		
0.01% Optionally convertible preference shares(OCPS)	–	8,821,657
6% Optionally convertible cumulative redeemable preference shares (OCCRPS)	–	9,622.00
(*Refers debt component of preference shares)		
Total Borrowings	–	54,552,180

Note No. 11a – Current Borrowings

Figures in Rupees

Particulars	As at 31 March 2022	As at 31 March 2021
Borrowings		
Borrowings From Bank	–	11,281,226
Total Borrowings	–	11,281,226

Note No. 12 – Trade Payables

Figures in Rupees

Particulars	As at 31 March 2022 Current	As at 31 March 2022 Non-Current	As at 31 March 2021 Current	As at 31 March 2021 Non-Current
Trade payable - Micro and small enterprises	–	–	–	–
Trade payable - Other than micro and small enterprises	4,875,222	–	14,998,119	–
Total trade payables	**4,875,222**	–	14,998,119	–

Trade Payables are payables in respect of the amount due on account of goods purchased or services received in the normal course of business

Trade payables Ageing Schedule

As at 31 March 2022	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Total outstanding dues of micro enterprises and small enterprises	–	–	–	–	–
Total outstanding dues of creditors other than micro enterprises and small enterprises	2,554,723	2,122,204	198,296	–	4,875,222
Disputed dues of micro enterprises and small enterprises	–	–	–	–	–
Disputed dues of creditors other than micro enterprises and small enterprises	–	–	–	–	–
	2,554,723	**2,122,204**	**198,296**	**–**	**4,875,222**

As at 31 March 2021	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Total outstanding dues of micro enterprises and small enterprises	–	–	–	–	–
Total outstanding dues of creditors other than micro enterprises and small enterprises	13,483,537	955,972	443,450	115,160	14,998,119
Disputed dues of micro enterprises and small enterprises	–	–	–	–	–
Disputed dues of creditors other than micro enterprises and small enterprises	–	–	–	–	–
	13,483,537	**955,972**	**443,450**	**115,160**	**14,998,119**

Note No. 13 – Provisions

Figures in Rupees

Particulars		As at 31 March 2022 Current	As at 31 March 2022 Non-Current	As at 31 March 2021 Current	As at 31 March 2021 Non-Current
(a)	Provision for employee benefits				
(1)	Provision for Gratuity	**710,501**	–	610,458	–
(2)	Provision for compensated absences	**405,408**	–	375,546	
(3)	Provision For Performance Pay	–	–	–	–
(b)	Provision For Expenses	–	–	–	–
Total		**1,115,909**	–	986,004	–

Note No. 14– Other Liabilities

Figures in Rupees

Particulars		As at 31 March 2022 Current	As at 31 March 2022 Non-Current	As at 31 March 2021 Current	As at 31 March 2021 Non-Current
a.	Advances received from customers	**2,092,673**	–	13,308,023	–
b.	Payments to Employees	–	–	534,550	–
c.	Statutory dues	–		–	–
	– taxes payable (other than income taxes)	**17,459**	–	44,013	–
	– Employee Recoveries and Employer Contributions	**9,728**	–	55,063	–
d.	Other Liabilities			100,311	
TOTAL OTHER LIABILITIES		**2,119,860**	–	14,041,960	–

Note No. 15 – Revenue from Operations

The following is an analysis of the company's revenue for the year from continuing operations.

Figures in Rupees

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Revenue from sale of products	**41,831,097**	93,852,075
Total Revenue from Operations	**41,831,097**	93,852,075

Note No. 16 – Other Misc Income

The following is an analysis of the company's revenue for the year from other misc income

Figures in Rupees

Particulars		Year ended 31 March 2022	Year ended 31 March 2021
(a)	Foreign Exchange gain	**26,995**	11,358
(b)	Liabilities no longer required written back	**13,354,209**	1,669,949
(c)	Income tax refund	**23,770**	
Total Revenue from Operations		**13,404,974**	1,681,307

Note No. 17 – Changes in inventories of finished goods, work–in–progress and stock–in–trade

Figures in Rupees

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Inventories at the end of the year:		
Traded Goods–Grocery Material	**169,248**	2,267,923
Packing Material	–	372,598
	169,248	2,640,521
Inventories at the beginning of the year:		
Traded Goods	**2,640,521**	3,103,131
	2,640,521	3,103,131
Net (increase)/decrease	**2,471,273**	462,610

Note No. 18 – Employee Benefits Expense

Figures in Rupees

Particulars		Year ended 31 March 2022	Year ended 31 March 2021
(a)	Salaries and wages, including bonus	**3,522,787**	10,288,576
(b)	Contribution for Gratuity, Leave encashment	**129,905**	(142,486)
(c)	Staff welfare expenses	**20,839**	129,647
Total Employee Benefit Expense		**3,673,531**	10,275,737

Note No. 19 – Finance Cost

Figures in Rupees

Particulars		Year ended 31 March 2022	Year ended 31 March 2021
(a)	0.01% Optionally convertible preference shares Interest	–	3,914,477
(b)	6% Optionally convertible cumulative redeemable preference	–	9,622
(c)	Interest on bank borrowings	**1,135,039**	1,481,458
(c)	Bank Charges	**1,711**	62,293
Total finance costs		**1,136,750**	5,467,850

Note No. 20 – Depreciation and Amortisation expenses

Figures in Rupees

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Depreciation on property,plant and equipment	**798,914**	973,526
Amortisation on Intangible assets	**127,685**	199,885
Total	**926,599**	1,173,411

Note No. 21 – Other Expenses

Figures in Rupees

Particulars		Year ended 31 March 2022	Year ended 31 March 2021
(a)	Administrative Expenses	**191,686**	774,009
(b)	Advertisement & Sales Promotion	**135,824**	3,622,405
(c)	Legal and other professional costs	**358,879**	1,921,088
(d)	Insurance	**83,107**	121,927
(e)	Power & Fuel	**52,750**	132,371

Figures in Rupees

Particulars		Year ended 31 March 2022	Year ended 31 March 2021
(f)	Printing and Stationery Expenses	**25,289**	173,833
(g)	Rent including lease rentals	**896,879**	2,069,868
(h)	Rates and taxes	**18,632**	188,628
(i)	Repairs and maintenance – Others	**59,479**	239,133
(j)	Repairs & Maintenance – Vehicle	**30,510**	27,951
(k)	Travelling and Conveyance Expenses	**260,309**	332,032
(l)	Foreign Travelling	**–**	–
(m)	Provision for Doubtful Debts	**2,080,287**	2,518,194
(n)	Provision for Creditors Advances	**334,974**	747,941
(o)	Provision for Loans & Advances	**(5,240)**	39,716
(p)	Assets written off	**1,059,676**	
(q)	Freight outward & Inward	**1,290,971**	3,057,061
(r)	Loading & Unloading	**34,055**	270,019
(s)	Subcontracting, Hire and Service Charges	**2,851,243**	7,166,170
(t)	Interest on TDS	**–**	4,145
(u)	Brokrage	**4,428**	38,500
(v)	Payment to Auditors	**150,532**	150,000
(w)	Write off advances	**105,746**	
(x)	Loss of Sale of Fixed Assets	**38**	
Total Other Expenses		**10,020,052**	23,594,991

Note No. 21.1 – Payment to Auditors

Figures in Rupees

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Statutory audit fees	**150,532.00**	150,000.00
Total	**150,532.00**	150,000.00

Note No. 22 – Earnings per Share

Figures in Rupees

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
	Per Share	Per Share
Basic Earnings per share		
From continuing operations	**0.03**	(17.55)
From discontinuing operations		
Total basic earnings per share	**0.03**	(17.55)
Diluted Earnings per share		
From continuing operations	**0.02**	(3.09)
From discontinuing operations		
Total diluted earnings per share	**0.02**	(3.09)

Basic earnings per share

The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:

Figures in Rupees

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Profit/(loss) for the year attributable to owners of the Company	**145,291**	(27,477,982)
Less: Preference dividend and tax thereon		
Profit/(loss) for the year used in the calculation of basic earnings per share	**145,291**	(27,477,982)
Profit for the year on discontinued operations used in the calculation of basic earnings per share from discontinued operations		
Profits used in the calculation of basic earnings per share from continuing operations	**145,291**	(27,477,982)
Weighted average number of equity shares	**4,277,863**	1,565,452
Earnings per share from continuing operations - Basic	**0.03**	(17.55)

Diluted earnings per share

The diluted earnings per share has been computed by dividing the Net profit after tax available for Equity shareholders by the weighted average number of equity shares, after giving dilutive effect of the outstanding Warrants, Stock options and Convertible bonds for the respective periods. Since, the effect of the conversion of Preference shares was anti-dilutive, it has been ignored.

Figures in Rupees

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Profit/(loss) for the year used in the calculation of basic earnings per share	**145,291**	(27,477,982)
Add: Interest expense and exchange fluctuation on convertible bonds (net) – adjusted for attributable taxes		
Profit/(loss) for the year used in the calculation of diluted earnings per share	**145,291**	(27,477,982)
Profit for the year on discontinued operations used in the calculation of diluted earnings per share from discontinued operations	**–**	–
Profits used in the calculation of diluted earnings per share from continuing operations	**145,291**	(27,477,982)

The weighted average number of ordinary shares for the purpose of diluted earnings per share reconciles to the weighted average number of ordinary shares used in the calculation of basic earnings per share as follows:

Figures in Rupees

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Weighted average number of equity shares used in the calculation of Basic EPS	**4,277,863**	1,565,452
Add: Effect of Warrants,		
ESOPs		
Convertible bonds		
OCPS Issued	**4,438,000**	8,105,000
Weighted average number of equity shares (Including OCPS) used in the calculation of Diluted EPS	**8,715,863**	8,897,644

Note: The weighted average number of shares takes into account the weighted average effect of changes in treasury share transactions during the year.

Note: An entity shall disclose the list of Instruments (including contingently issuable shares) that could potentially dilute basic earnings per share in the future, but were not included in the calculation of diluted earnings per share because they are antidilutive for the period(s) presented.

Note: An entity shall disclose a description of ordinary share transactions or potential ordinary share transactions, other than those accounted for in accordance with paragraph 64, that occur after the reporting period and that would have changed significantly the number of ordinary shares or potential ordinary shares outstanding at the end of the period if those transactions had occurred before the end of the reporting period.

Financial instruments and other contracts generating potential ordinary shares may incorporate terms and conditions that affect the measurement of basic and diluted earnings per share. These terms and conditions may determine whether any potential ordinary shares are dilutive and, if so, the effect on the weighted average number of shares outstanding and any consequent adjustments to profit or loss attributable to ordinary equity holders. The disclosure of the terms and conditions of such financial instruments and other contracts is encouraged, if not otherwise required.

Note No. 23 – Leases

Figures in Rupees

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Details of leasing arrangements		
Operating Lease		
The Company has entered into operating lease arrangements for certain facilities and office premises. The leases are non-cancellable and are for a period of 3 years from Sept 16 to Aug 19 and may be renewed based on mutual agreement of the parties. The lease agreements provide for an increase in the lease payments by 10 % every 12 months.		
<Where relevant, state restrictions imposed by lease arrangements, such as those concerning dividends, additional debt, and further leasing etc.>		
Future Non-Cancellable minimum lease commitments		
not later than one year	–	–
later than one year and not later than five years	–	–
later than five years		
Expenses recognised in the Statement of Profit and Loss		
Minimum Lease Payments	**896,879**	2,069,868
Sub-lease payments		
Contingent rents (state basis)		
Future minimum sublease payments expected to be received under non-cancellable subleases		
Sublease payments received/receivable recognised in the Statement of Profit and Loss		

Figures in Rupees

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Liabilities in respect of Operating Leases		
Onerous Lease contracts		
Current	–	–
Non-Current	–	–
Lease Incentives		
Current	–	–
Non-Current	–	–

Note No. 24 – Previous year's figures have been re-grouped/re-arranged wherever necessary

Note No. 25 – Related Party Transactions

Entities having joint control/ significant influence over Company	Mahindra & Mahindra Limited
Name of Fellow Subsidiary	Mahindra Greenyard Private Limited (formarly known as Mahindra Univeg Private Limited)
Entities having joint control/ significant influence over Company	Mahindra Agri Solutions Limited
Name of Fellow Subsidiary	Mahindra Integrated Business Solutions Limited
Name of Fellow Subsidiary	Mahindra Emarket Limited
KMP	Prashant V Patil

Note: Relationships between a parent and its subsidiaries shall be disclosed irrespective of whether there have been transactions between them. An entity shall disclose the name of its parent and, if different, the ultimate controlling party. If neither the entity's parent nor the ultimate controlling party produces consolidated financial statements available for public use, the name of the next most senior parent that does so shall also be disclosed.

Details of transaction between the Company and its related parties are disclosed below:

Figures in Rupees

Nature of transactions with Related Parties	For the year ended	Parent Company	Entities having joint control/ significant influence over Company	Subsidiaries	Fellow subsidiaries	Joint ventures	KMP of the Company and KMP of parent Company	Other related parties
Sale of goods	31-Mar-22		–		–		–	–
	31-Mar-21		–		–		–	–
Purchase of goods	31-Mar-22		–		–			
	31-Mar-21	6,400			308,592		–	–
Purchase of property and other assets	31-Mar-22		–		–		–	–
	31-Mar-21		–		–		–	–
Receiving of services	31-Mar-22	500,180	165,961		19,695		–	–
	31-Mar-21	2,100,758	307,334		37,000		–	–
Reimbursement of expenses	31-Mar-22		–					
	31-Mar-21		–		–			
Advances for material	31-Mar-22						56,000	–
	31-Mar-21							
Remuneration	31-Mar-22		–		–		2,271,763	–
	31-Mar-21		–		–		6,160,000	–
Collection of Trade Receivables on behalf of the Company	31-Mar-22		–		–		–	–
	31-Mar-21		–		–		–	–
Bad & doubtful debts recognised in respect of dues from related parties	31-Mar-22		–		–		–	–
	31-Mar-21		–		–		–	–

Figures in Rupees

Nature of Balances with Related Parties	Balance as on	Parent Company	Entities having joint control/ significant influence over Company	Subsidiaries	Fellow subsidiaries	Joint ventures	KMP of the Company and KMP of parent Company	Other related parties
Trade payables	31-Mar-22	2,036,345	–	–	–		59,506	–
	31-Mar-21	1,536,165	–		–		7,160	–
Other balances	31-Mar-22		–		–		–	–
	31-Mar-21		793,204		3,495		–	–

Compensation of key managerial personnel

The remuneration of directors and other members of key managerial personnel during the year was as follows:

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Short–term employee benefits	**2,271,763**	6,160,000
Post–employment benefits	–	–
Other long–term benefits	–	–
Termination benefits	–	–
Share–based payment	–	–

The remuneration of directors and key executives is determined by the remuneration committee having regard to the performance of individuals and market trends.

Note: Above disclosure is not required for the transactions/ balances with governments and an entity that is a related party because the same government has control or joint control of, or significant influence over, both the reporting company and the that entity.

However following disclosures shall be provided:

(a) name of the government and the nature of its relationship with the reporting company;

(b) (i) the nature and amount of each individually significant transaction; and

(b) (ii) for other transactions that are collectively, but not individually, significant, a qualitative or quantitative indication of their extent.

Note No. 26 – Provident Fund–In February 2019, the Supreme Court of India in its judgement clarified the applicability of allowances that should be considered to measure obligations under Employees Provident Fund Act, 1952. The Company has been legally advised that there are interpretative challenges on the application of judgement retrospectively and as such does not consider there is any probable obligations for past periods. Accordingly, based on legal advice the Company has made a provision for provident fund contribution from the date of the Supreme Court order.

Note No 27 – Other Statutory Information

(i) The company do not have any Benami property, where any proceeding has been initiated or pending against the company for holding any Benami property.

(ii) The company do not have any transactions with companies struck off.

(iii) The company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period

(iv) The company have not traded or invested in Crypto currency or Virtual Currency during the financial year.

(v) The Company have not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961

As per Report of even date

For B.K.Khare & Co.
Chartered Accountants
Firm Registration No.105102W

Shirish Rahalkar
Partner
Membership No. 111212

Place : Mumbai
Date : 2 June 2022

For and on behalf of the Board of Directors of MeraKisan Private Limited

Ashok Sharma	**Prashant Patil**	**Nilesh Totla**	**Santosh Ghatpande**
Chairman	Whole Time Director & CEO	Chief Financial Officer	Company Secretary
DIN - 02766679	DIN - 07560367		

Place : Mumbai
Date : 2 June 2022

INDEPENDENT AUDITOR'S REPORT

To The Members of Mahindra EPC Irrigation Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of **Mahindra EPC Irrigation Limited** (the "Company"), which comprise the standalone balance sheet as at 31 March, 2022, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March, 2022, and its loss and other comprehensive loss, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Standalone Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

Key Audit Matters

Key audit matters ('KAM') are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Description of Key Audit Matter

Revenue Recognition and Impairment of Trade receivable
[Refer to Note 1 (K) & (V) of Significant Accounting Policies and Note 5 & 17 to the Standalone Financial Statements]

The key audit matter	How the matter was addressed in our audit
Revenue is recognised when the control of the underlying products has been transferred to the customer. We have identified recognition of revenue as a key audit matter as revenue is a key performance indicator. There is presumed fraud risk of revenue being overstated during the year on account of variation in the timing of transfer of control due pressure to achieve performance targets and meeting the external expectations. Trade receivables are mainly comprised of receivables from state government owned enterprises and private dealers. We have identified impairment of trade receivables as a significant audit matter on account of the significant judgment and estimate involved. These factors include customer's ability and willingness to pay the outstanding amounts, past due receivables, financial and economic difficulties of customers.	In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence: • Obtained an understanding of the systems, processes and controls implemented by the Company for measurement of impairment of Trade Receivable and recognition of Revenue. • Evaluated the Company's revenue recognition and measurement of impairment of trade receivable accounting policies by comparing with applicable accounting standards. • We evaluated the design of key internal financial controls and operating effectiveness of the relevant key controls with respect to revenue recognition and trade receivables. • Tested design, implementation and operating effectiveness of the Company's general IT controls and key IT/manual application controls by involving IT Specialists over the Company's systems. • Performed substantive testing (including year-end cut off testing) by selecting statistical samples of revenue transactions recorded during the year, and verifying the underlying documents i.e. Contracts, Sales Order, Sales invoices and shipping documents, farmers/dealer acceptance etc. • Tested manual journals posted to revenue and trade receivable during the year to identify unusual items. • Scrutinized sales returns/reversals/credit notes recorded in the general ledger subsequent to year-end to identify any significant unusual items.

The key audit matter	How the matter was addressed in our audit
This assessment is done for each customer resulting from possible defaults over the expected life of the receivables. Based on this assessment, credit loss rate is determined in provision matrix. The credit loss rate is based on the experience of actual credit losses over past years adjusted to reflect the current economic conditions and forecasts of future economic conditions. Based on such credit loss rate, the company recorded expected credit loss (ECL) allowance for trade receivable. In view of this, we have considered measurement of ECL on trade receivables as a key audit matter.	• Performed analytical procedures on sales such as trend analysis to identify any unusual fluctuations. • Obtaining understanding on how the Company establishes an allowance for doubtful debts and impairment represents its estimate of incurred losses in respect of trade receivable. • We have evaluated the historical accuracy of impairment for trade receivables on a sample basis by examining the actual write-offs, the reversal of previous recorded allowance and new allowances recorded in the current year. • We have verified the Expected credit loss (ECL) provision working for trade receivable. We have tested the assumption (i.e., discount rate) for Net Present Value (NPV) method used to determine the ECL on non-current debtors. Verified the Trend Analysis for trade receivable and checked the percentage applied for ECL provision. • We have checked the ageing analysis (including testing of information produced by entity-IPEs), on a sample basis and subsequent receipt of the trade receivables, to the source documents, including bank statements. • Assessed the adequacy of the related disclosures in the Standalone financial statements with reference to revenue recognition and trade receivable as per relevant accounting standards.

Other Information

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's and Board of Directors' Responsibilities for the Standalone Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of standalone financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

The standalone financial statements of the Company for the year ended 31 March, 2021 were audited by the predecessor auditor who had expressed an unmodified opinion thereon as per their report dated 11 May, 2021.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. (A) As required by Section 143(3) of the Act, we report that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   c) The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account.

   d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.

   e) On the basis of the written representations received from the directors as on 31 March, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022 from being appointed as a director in terms of Section 164(2) of the Act.

(f) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

(B) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

a) The Company has disclosed the impact of pending litigations as at 31 March, 2022 on its financial position in its standalone financial statements - Refer Note 30 to the standalone financial statements.

b) The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.

c) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

d) (i) The Management has represented that, to the best of it's knowledge and belief, as disclosed in note 35 to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:

- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or
- provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(ii) The Management has represented, that, to the best of it's knowledge and belief, note 35 to the accounts, no funds have been received by the Company from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall:

- directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or
- provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(iii) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (d) (i) and (d) (ii) contain any material mis-statement.

(C) The Company has neither declared nor paid any dividend during the year.

(D) With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No. 101248W/W-100022

Jayesh T Thakkar
Partner
Membership No. 113959
UDIN: 22113959AIJAPP9281

Date: 4th May, 2022
Place: Nashik

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON THE STANDALONE FINANCIAL STATEMENTS OF MAHINDRA EPC IRRIGATION LIMITED FOR THE YEAR ENDED 31 MARCH, 2022

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, plant and equipment.

(B) The Company has maintained proper records showing full particulars of Intangible assets.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its property, plant and equipment by which all Property, plant and equipment are verified in a phased manner over a period of three years. In accordance with this programme, certain Property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than immovable properties where the Company is the lessee and the leases agreements are duly executed in favour of the lessee) disclosed in the standalone financial statements are held in the name of the Company.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its property, plant and equipment (including Right-of-use assets) or Intangible assets or both during the year.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) The inventory, except stock lying with third parties, has been physically verified by the management during the year. For stocks lying with third parties at the year-end, written confirmations have been obtained. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks are in agreement with the books of account of the Company.

(iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments, provided guarantee or security or granted any advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year. Accordingly, reporting under clause 3(iii) (a) to 3(iii) (f) of the Order are not applicable to the Company.

(iv) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not given any loans, or provided any guarantee or security as specified under Section 185 and 186 of the Companies Act, 2013 ("the Act"). In respect of the investments made by the Company, in our opinion the provisions of Section 186 of the Act have been complied with.

(v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.

(vi) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Act in respect of its manufactured goods and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed examination of the records with a view to determine whether these are accurate or complete.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Services Tax ('GST'), Provident fund, Employees' State Insurance, Income-Tax, Duty of Customs, Cess and other statutory dues have been regularly deposited by the Company with the appropriate authorities.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Services Tax ('GST'), Provident fund, Employees' State Insurance, Income-Tax, Duty of Customs, Cess and other statutory dues were in arrears as at 31 March, 2022 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, statutory dues relating to Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues which have not been deposited on account of any dispute are as follows:

Name of statute	Nature of dues	Forum where dispute is pending	Period to which the amount relates	Amount unpaid (Rs. in lakhs)
Central Excise Act, 1944	Excise Duty	Commissioner of Central Excise	FY 1996-97	180.14
		Commissioner of Central Excise	FY 1997-98	38.44
Central Sales Tax (CST) Act, 1956	Sales Tax	Commissioner of Commercial Tax (Appeal), Patna	FY 2013-14	9.47
Chhattisgarh VAT Act, 2005	Sales Tax	Sales Tax Officer	FY 2015-16	37.10
TN VAT Act 2006 and Central Sales Tax (CST) Act, 1956	Sales Tax	Deputy Commissioner (Appeal)	FY 2016-17	16.07
Income Tax Act, 1961	Income Tax	Commissioner of Income Tax (Appeals)	FY 2017-18	154.10
Income Tax Act, 1961	Income Tax	Commissioner of Income Tax (Appeals)	FY 2011-12	257.79
Income Tax Act, 1961	Income Tax	Commissioner of Income Tax (Appeals)	FY 2017-18	54.28

(viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income-tax Act, 1961 as income during the year.

(ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to any lender.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.

(c) According to the information and explanations given to us by the management, the Company has not obtained any term loans. Accordingly, clause 3(ix)(c) of the Order is not applicable.

(d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its Joint Venture as defined in under the Companies Act, 2013. Company did not have any subsidiary or associate.

(f) According to the information and explanations given to us and procedure performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its Joint venture as defined in under the Companies Act 2013. Company did not have any subsidiary or associate.

(x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.

(xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the course of the audit.

(b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Companies Act, 2013 has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.

(xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Sections 177 and 188 of the Companies Act, 2013, where applicable, and the details of the related party transactions have been disclosed in the standalone financial statements as required by the applicable Indian Accounting Standards.

(xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the internal audit reports of the Company issued till date for the period under audit.

(xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company.

(xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.

(b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.

(d) According to the information and explanations provided to us, the Group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016) has more than one CIC as part of the Group. The Group has six CICs as part of the Group.

(xvii) The Company has incurred cash losses in the current year of Rs. 427.44 lakhs, however no cash losses incurred in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Companies Act, 2013 pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No. 101248W/W-100022

Jayesh T Thakkar
Partner
Membership No. 113959
UDIN: 22113959AIJAPP9281

Date: 4th May, 2022
Place: Nashik

ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT ON THE STANDALONE FINANCIAL STATEMENTS OF MAHINDRA EPC IRRIGATION LIMITED FOR THE PERIOD ENDED 31 MARCH, 2022

Report on the internal financial controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

(Referred to in paragraph 2(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to standalone financial statements of Mahindra EPC Irrigation Limited ("the Company") as of 31 March, 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such internal financial controls were operating effectively as at 31 March, 2022, based on the internal financial controls with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to standalone financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to standalone financial statements were established and maintained and whether such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to standalone financial statements.

Meaning of Internal Financial controls with Reference to Standalone Financial Statements

A company's internal financial controls with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to standalone financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the Standalone financial statements.

Inherent Limitations of Internal Financial controls with Reference to Standalone Financial Statements

Because of the inherent limitations of internal financial controls with reference to standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to Standalone financial statements to future periods are subject to the risk that the internal financial controls with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No. 101248W/W-100022

Jayesh T Thakkar
Partner
Membership No. 113959
UDIN: 22113959AIJAPP9281

Date: 4th May, 2022
Place: Nashik

CEO AND CFO CERTIFICATION

We, the undersigned in our respective capacities as Chief Executive Officer and Chief Financial Officer, to the best of our knowledge and belief certify that:

A) We have reviewed the financial statements and the cash flow statement for the year ended 31st March, 2022 and that to the best of our knowledge and belief, We confirm that:

   1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

   2) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

B) To the best of our knowledge and belief, no transactions entered into by the Company during the year ended 31st March, 2022 are fraudulent, illegal or violative of the Company's code of conduct/ethics.

C) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, over financial reporting, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

D) We have indicated to the Auditors and the Audit Committee that:

   1) there has not been any significant change in internal control over financial reporting during the year under reference;

   2) there has not been any significant change in the accounting policies during the year requiring the disclosure in the notes to the financial statements; and

   3) We are not aware of any instance during the year of significant fraud with involvement therein of the Management or any employee having a significant role in the Company's internal control system over financial reporting.

Sunetra Ganesan
Chief Financial Officer

Abhijit Page
Chief Executive Officer

Nashik, 4th May, 2022

STANDALONE BALANCE SHEET AS AT MARCH 31, 2022

(Rs. in Lakhs)

	Particulars	Note No.	As at March 31, 2022	As at March 31, 2021
	ASSETS			
I	**NON-CURRENT ASSETS**			
	(a) Property, Plant and Equipment	2A	1,989.80	2,252.16
	(b) Capital Work-in-Progress	2C	4.56	13.51
	(c) Right of Use Assets	2B	292.57	299.18
	(d) Other Intangible Assets	3	13.14	9.65
	(e) Intangible Assets Under Development	3A	16.31	16.31
	(f) Financial Assets			
	(i) Investments	4	68.57	180.00
	(ii) Trade Receivables	5	3,738.39	3,279.20
	(iii) Other Financial Assets	6	78.44	59.29
	(g) Income Tax Assets (Net)		399.09	152.21
	(h) Deferred Tax Assets (Net)	7	828.06	578.76
	(i) Other Non-Current Assets	8	194.84	228.50
	Total Non-Current Assets		7,623.77	7,068.77
II	**CURRENT ASSETS**			
	(a) Inventories	9	3,605.42	3,429.08
	(b) Financial Assets			
	(i) Trade Receivables	5	13,808.68	13,960.94
	(ii) Cash and Cash Equivalents	10	4.04	442.09
	(iii) Bank Balances other than (ii) above	10	209.58	172.62
	(iv) Other Financial Assets	6	58.45	53.59
	(c) Other Current Assets	8	2,662.21	1,695.29
	Total Current Assets		20,348.38	19,753.61
III	**Total Assets (I + II)**		27,972.15	26,822.38
	EQUITY AND LIABILITIES			
IV	**EQUITY**			
	(a) Equity Share Capital	11A	2,784.15	2,784.15
	(b) Other Equity	11B	14,746.17	15,887.23
	Total Equity		17,530.32	18,671.38
	LIABILITIES			
V	**NON-CURRENT LIABILITIES**			
	(a) Provisions	14	71.79	39.68
	Total Non-Current Liabilities		71.79	39.68
VI	**CURRENT LIABILITIES**			
	(a) Financial Liabilities			
	(i) Borrowings	13	2,519.12	–
	(ia) Lease Liabilities	26	–	2.64
	(ii) Trade Payables	15		
	a) Total outstanding dues of micro and small enterprises		375.27	383.34
	b) Total outstanding dues of creditors other than micro and small enterprises		5,827.75	6,037.73
	(iii) Other Financial Liabilities	12	1,048.21	914.78
	(b) Provisions	14	284.45	325.23
	(c) Other Current Liabilities	16	315.24	447.60
	Total Current Liabilities		10,370.04	8,111.32
VII	**Total Liabilities (V+VI)**		10,441.83	8,151.00
VIII	**Total Equity and Liabilities (IV+VII)**		27,972.15	26,822.38
	The accompanying notes 1 to 37 are an integral part of the Financial Statements	1-37		

In terms of our report attached

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No : 101248W/W-100022

Jayesh T Thakkar
Partner
Membership No. 113959

Place : Nashik
Date : May 04, 2022

For and on behalf of the Board of Directors

Ashok Sharma
Managing Director
DIN-02766679
Place : Mumbai

Anand Daga
Director
DIN-00696171
Place : Nashik

Abhijit Page
Chief Executive Officer
Place : Nashik

Sunetra Ganesan
Chief Financial Officer
Place : Nashik

R. V. Nawghare
Company Secretary
Place : Nashik

Date: May 04, 2022

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2022

(Rs. in Lakhs)

	Particulars	Note No.	For the year ended March 31, 2022	For the year ended March 31, 2021
I	Revenue from operations	**17**	**21,193.51**	25,422.22
II	Other Income	**18**	**46.17**	308.69
III	**Total Income (I + II)**		**21,239.68**	25,730.91
IV	**EXPENSES**			
	(a) Cost of materials consumed	**19(a)**	**13,561.97**	13,057.92
	(b) Purchases of Stock-in-trade	**19(b)**	**25.59**	0.09
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	**19(c)**	**(241.70)**	246.34
	(d) Employee benefit expense	**20**	**3,012.85**	2,749.92
	(e) Finance costs	**21**	**198.03**	65.37
	(f) Depreciation, amortisation and impairment expense	**2A,2B,3**	**316.19**	309.12
	(g) Other expenses	**22**	**5,377.83**	6,771.54
	Total Expenses (IV)		**22,250.76**	23,200.30
V	**Profit/(loss) before exceptional items and tax (III - IV)**		**(1,011.08)**	2,530.61
VI	**Exceptional items**	**4**	**(111.43)**	–
VII	**Profit/(loss) before tax (V - VI)**		**(1,122.51)**	2,530.61
VIII	**Tax Expense**			
	(1) Current tax	**7**	**–**	673.89
	(2) Deferred tax	**7**	**(246.99)**	(41.62)
	(3) Short/(Excess) provision for tax relating to prior years		**(14.28)**	(21.12)
	Total tax expense (VIII)		**(261.27)**	611.15
IX	**Profit/(loss) after tax for the year (VII - VIII)**		**(861.24)**	1,919.46
X	**Other comprehensive income/(loss)**			
	(i) Items that will not be reclassified to profit or loss			
	Remeasurements of the defined benefit plans		**(9.21)**	(23.98)
	(ii) Income tax relating to items that will not be reclassified to profit or loss		**2.31**	6.04
	Total Other comprehensive Income/(loss) for the Year		**(6.90)**	(17.94)
XI	**Profit for the year attributable to owners of the Company (IX+X)**		**(868.14)**	1,901.52
XII	**Earnings per equity share**			
	(1) Basic (Face value Rs. 10 per share)	**23**	**(3.09)**	6.89
	(2) Diluted (Face value Rs. 10 per share)	**23**	**(3.08)**	6.86
	The accompanying notes 1 to 37 are an integral part of the Financial Statements	**1-37**		

In terms of our report attached

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No : 101248W/W-100022

Jayesh T Thakkar
Partner
Membership No. 113959

Place : Nashik
Date : May 04, 2022

For and on behalf of the Board of Directors

Ashok Sharma
Managing Director
DIN-02766679
Place : Mumbai

Anand Daga
Director
DIN-00696171
Place : Nashik

Abhijit Page
Chief Executive Officer
Place : Nashik

Sunetra Ganesan
Chief Financial Officer
Place : Nashik

R. V. Nawghare
Company Secretary
Place : Nashik

Date: May 04, 2022

STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2022

(Rs. in Lakhs)

Particulars	**For the year ended March 31, 2022**	For the year ended March 31, 2021
(Loss)/Profit before tax for the period	**(1,122.51)**	2,530.61
Adjustments for:		
Finance costs recognised in profit or loss	**198.03**	65.36
Interest Income recognised in profit or loss	**(8.88)**	(20.98)
Liabilities no longer required written back	**(2.45)**	(116.67)
Profit on disposal of property, plant and equipment	**(4.59)**	(1.56)
Impairment Loss recognised on financial assets	**193.38**	61.90
Bad trade and other receivables, loans and advances written off	**–**	197.69
Provision for Impairment of Investment in Joint Venture	**111.43**	–
Depreciation and amortisation expense	**316.19**	309.12
Expense recognised in respect of equity-settled share-based payments	**61.14**	32.29
	(258.26)	3,057.76
Movements in working capital:		
(Increase) in trade receivables	**(500.29)**	(1,120.95)
(Increase)/Decrease in inventories	**(176.34)**	158.55
Decrease in other Financial and Non current assets	**14.51**	2.12
(Increase) in other Financial and current assets	**(971.78)**	(451.01)
(Decrease)/Increase in trade payables	**(215.61)**	128.66
(Decrease) in provisions	**(17.88)**	(10.69)
Increase in other Financial and Non financial current liabilities	**45.09**	157.40
	(1,822.30)	(1,135.92)
Cash (used in)/generated from operations	**(2,080.56)**	1,921.84
Income taxes paid (net)	**(232.59)**	(821.16)
Net cash (used in)/generated from operating activities	**(2,313.15)**	1,100.68
Cash flows from investing activities		
Payments to acquire property, plant and equipment and other Intangible assets	**(81.76)**	(138.36)
Proceeds from sale of plant and equipment and other Intangible assets	**13.57**	2.25
Interest received	**8.61**	21.10
Bank balance not considered as cash and cash equivalents matured (net)	**(36.69)**	9.41
Net cash (used in) investing activities	**(96.27)**	(105.60)
Cash flows from financing activities		
Proceeds from issue of equity instruments	**–**	5.78
Share application money (refunded)	**–**	(1.60)
Proceeds from borrowings	**2,519.12**	300.00
Repayment of borrowings	**–**	(1,600.00)
Interest paid	**(210.38)**	(29.79)
Dividend paid for Equity shares (Including tax thereon)	**(334.67)**	(333.38)
Repayment of lease liability	**(2.70)**	(4.80)
Net cash generated from/(used in) financing activities	**1,971.37**	(1,663.79)
Net (Decrease) in cash and cash equivalents	**(438.05)**	(668.71)
Cash and cash equivalents at the beginning of the year	**442.09**	1,110.80
Cash and cash equivalents at the end of the period	**4.04**	442.09
Components of cash and cash equivalents		
Cash*	**–**	0.18
With Banks - on Current account/Balance in Cash Credit Accounts	**4.04**	441.91
	4.04	442.09

* Less than One Thousand

** Refer note no. 13 for Cash & Non Cash movement as per Ind AS 7

See accompanying notes to the financial statements 1-37

In terms of our report attached

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No : 101248W/W-100022

Jayesh T Thakkar
Partner
Membership No. 113959

Place : Nashik
Date : May 04, 2022

For and on behalf of the Board of Directors

Ashok Sharma
Managing Director
DIN-02766679
Place : Mumbai

Anand Daga
Director
DIN-00696171
Place : Nashik

Abhijit Page
Chief Executive Officer
Place : Nashik

Sunetra Ganesan
Chief Financial Officer
Place : Nashik

R. V. Nawghare
Company Secretary
Place : Nashik

Date: May 04, 2022

STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2022

Rs. in Lakhs

Equity share capital	
As at March 31, 2020	2,778.18
Changes in Equity Share Capital due to prior period errors	–
Restated balance as at March 31, 2020	2,778.18
Changes in equity share capital during the year	
Issue of equity shares under employee share option plan (Refer note 20)	5.78
As at March 31, 2021	**2,783.96**
Changes in Equity Share Capital due to prior period errors	–
Restated balance as at March 31, 2021	2,783.96
Changes in equity share capital during the year	
Issue of equity shares under employee share option plan (Refer note 20)	–
As at March 31, 2022	**2,783.96**

Other Equity

Particulars	Reserves and Surplus						
	Capital Reserve	**Securities Premium**	**General Reserve**	**Share based payments (ESOP)**	**Retained earnings**	**Share Application Money Pending Allotment**	**Total**
Balances as at March 31, 2020	40.00	9,367.06	425.44	92.55	4,361.75	1.60	14,288.40
Changes in Equity Share Capital due to prior period errors	–	–	–	–	–	–	–
Restated balance as at March 31, 2020	40.00	9,367.06	425.44	92.55	4,361.75	1.60	14,288.40
Profit for the year	–	–	–	–	1,919.46	–	1,919.46
Other Comprehensive Income/(loss)(net of tax)	–	–	–	–	(17.94)	–	(17.94)
Total Comprehensive Income for the year	40.00	9,367.06	425.44	92.55	6,263.27	1.60	16,189.92
Dividend paid on Equity Shares	–	–	–	–	(333.38)	–	(333.38)
Exercise of employee stock options	–	61.24	–	(61.24)	–	–	–
Share based payment to employees	–	–	–	32.29	–	–	32.29
Share Application money refunded	–	–	–	–	–	(1.60)	(1.60)
Balances as at March 31, 2021	40.00	9,428.30	425.44	63.60	5,929.89	–	15,887.23
Changes in Equity Share Capital due to prior period errors	–	–	–	–	–	–	–
Restated balance as at March 31, 2021	40.00	9,428.30	425.44	63.60	5,929.89	–	15,887.23
Profit for the year	–	–	–	–	(861.24)	–	(861.24)
Other Comprehensive Income/(loss)(net of tax)	–	–	–	–	(6.90)	–	(6.90)
Total Comprehensive Income for the year	40.00	9,428.30	425.44	63.60	5,061.75	–	15,019.09
Dividend paid on Equity Shares	–	–	–	–	(334.07)	–	(334.07)
Exercise of employee stock options	–	–	–	–	–	–	–
Share based payment to employees	–	–	–	61.14	–	–	61.14
Share Application money received	–	–	–	–	–	–	–
Balances as at March 31, 2022	**40.00**	**9,428.30**	**425.44**	**124.74**	**4,727.69**	**–**	**14,746.17**

Remeasurement loss (net) on defined benefit plans Rs. 6.90 lakhs (March 31, 2021 loss (net) Rs. 17.94 lakhs) is recognised as part of retained earnings. For nature of reserves refer note no. 11 B.

In terms of our report attached

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No : 101248W/W-100022

Jayesh T Thakkar
Partner
Membership No. 113959

Place : Nashik
Date : May 04, 2022

For and on behalf of the Board of Directors

Ashok Sharma
Managing Director
DIN-2766679
Place : Mumbai

Anand Daga
Director
DIN-696171
Place : Nashik

Abhijit Page
Chief Executive Officer
Place : Nashik

Sunetra Ganesan
Chief Financial Officer
Place : Nashik

R. V. Nawghare
Company Secretary
Place : Nashik

Date: May 04, 2022

Notes to the standalone financial statements for the year ended March 31, 2022

Note No. 1 - Corporate information and Significant accounting policies

A. Corporate Information:

Mahindra EPC Irrigation Limited (Formerly known as EPC Industrie Limited) is a Public Limited Company listed on the BSE Limited and National Stock Exchange. It was incorporated on November 28, 1981 in India. It is engaged in the business of Micro Irrigation Systems such as Drip and Sprinklers, Agricultural Pumps, Greenhouses and Land Scape Products. The Company is a public limited Company and domiciled in India. The address of its corporate office is H-109, MIDC, Ambad, Nashik, Maharashtra 422010. As at 31st March, 2022 Mahindra & Mahindra Limited, the holding company owns 54.39% of the Company's equity share capital.

B. Statement of compliance:

These standalone financial statements of Mahindra EPC Irrigation Limited ('the Company') have been prepared in accordance with Indian Accounting Standards as per the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under Section 133 of the Companies Act, 2013 (the 'Act') and other relevant provisions of the Act.

These standalone financial statements were approved by the Company's Board of Directors and authorised for issue on 4th May, 2022.

The figures for the previous periods have been regrouped / rearranged wherever necessary to conform to the current periods classification in the amended schedule III to Companies Act, 2013 effective from 1st April, 2021.

C. Basis of measurement and fair value:

The standalone financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such basis, except for share-based payment transactions that are within the scope of Ind AS 102, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

D. Functional and presentation currency:

These financial statements are presented in Indian Rupees ('Rupees') which is also the Company's functional currency. All amounts are rounded-off to the nearest rupee in lakhs (two decimals), unless otherwise indicated.

E. Recent Accounting Pronouncements:

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1st, 2022, as below:

Ind AS 16 – Proceeds before intended use

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Company does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract

The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 109 – Annual Improvements to Ind AS (2021)

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 106 – Annual Improvements to Ind AS (2021)

The amendments remove the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives were described in that illustration. The Company does not expect the amendment to have any significant impact in its financial statements.

F. Property, Plant and equipment:

Property, Plant and equipment are carried at cost less accumulated depreciation and impairment losses, if any. Cost includes cost of acquisition or construction and is stated at historical cost.

Depreciation on all property, plant and equipment, is provided on Straight Line Method as per the estimated useful life. Leasehold Assets are depreciated over the shorter of the lease term and their useful lives. Depreciation on additions to assets or on sale/disposal of assets is calculated from the date of such addition or up to the date of such sale/disposal as the case may be.

Property, Plant and equipment retired from active use and held for sale are stated at the lower of their net book value and net realisable value and are disclosed separately in the Balance Sheet.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in statement of profit and loss.

The management's estimate of useful lives are in accordance with Schedule II to the Companies Act, 2013, other than the following asset classes, based on the Company's expected usage pattern supported by technical assessment:

Assets	Useful life
Extrusion Machines	19 Years
Moulds and Dies	6 Years
Vehicles - Cars (For employee use)	3 Years

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on prospective basis.

G. Intangible Assets:

Intangible assets with definite useful lives are amortised on a straight line basis so as to reflect the pattern in which the asset's economic benefits are consumed.

Intangible assets are recognised only when economic benefit attributable to the assets will flow to the enterprise and cost can be measured reliably. They are being amortised over the estimated useful life of 36 months.

The estimated useful life of the intangible assets and the amortisation period are reviewed at the end of each financial year and the amortisation period is revised to reflect the changed pattern, if any.

Subsequent to initial recognition, intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in the statement of profit or loss when the asset is derecognised.

H. Impairment of Assets:

The carrying value of assets/cash generating units at each balance sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the fair value less costs of disposal and their value in use. Value in use is arrived at by discounting the future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss of the amount. They are arrived at cost less accumulated amortisation and accumulated impairment losses.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years.

I. Inventories:

Inventories comprise of raw materials, work in progress, finished goods and stock in trade, are valued at costs of purchase, conversion and other costs incurred if any in bringing the inventories to their present location and condition. Inventories are stated at lower of cost and net realisable value.

Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

Cost is determined on the basis of the weighted average method.

J. Foreign Exchange Transactions:

In preparing the financial statements transactions in other than the Company's functional currency are recorded at the exchange rates prevailing on the date of transaction. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. The exchange difference between the rate prevailing on the date of transaction and on the date of settlement as also on translation of monetary items at the end of the year is recognised as income or expense, as the case may be. Non-Monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

K. Revenue recognition:

Revenue from contracts with customer

Revenue from contract with customers is recognised when the Company satisfies performance obligation by transferring promised goods to the customer. Performance obligations are satisfied at the point of time when the customer obtains controls of the asset.

Revenue is measured based on transaction price, which is the fair value of the consideration received or receivable, stated net of discounts, returns and Goods and Service tax.

The Company recognises revenue from the following major sources:

a) Sale of Products; and

b) Sale of services.

a) Sale of Products

The Company sells Micro irrigation systems (MIS) both to the Open market and Project market. Sales-related warranties associated with MIS cannot be purchased separately and they serve as an assurance that the products sold comply with agreed-upon specifications. Accordingly, the Company accounts for warranties in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets (refer note no. 14).

For sales of MIS to open market, revenue is recognised when control of the goods has transferred, being when the goods have been delivered to the dealer based on the terms and conditions in his agreement. Following delivery, the dealer has full discretion over the manner of distribution and price to sell the goods, has the primary responsibility when on selling the goods and bears the risks of obsolescence and loss in relation to the goods.

For sales of MIS to project market, revenue is recognised when control of the goods has transferred, being when the goods have been installed at the farmers' place as per the approved design and acknowledged by the farmer. Following which farmer has full control of the MIS.

A receivable is recognised by the Company when the goods are delivered to the distributor / MIS installation acknowledged by the farmer as this represents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment is due.

Revenue for fixed-price contracts is recognised using percentage-of-completion method. The Company uses judgement to estimate the future cost-to-completion of the contracts which is used to determine degree of completion of the performance obligation.

Project revenue is recognised on the basis of cost completion after the threshold limit of 30% of the cost is completed.

b) Sale of Services

Sale of services are recognised on satisfaction of performance obligation towards rendering of such services.

L. Other income:

Dividend income from investments is recognised in statement of profit and loss when the shareholders right to receive payment has been established.

Interest income from financial assets is recognised when it is probable that the economic benefits will flow to the company and the amount of income can be measured reliably.

Interest income is accrued on time basis, by reference to the principal outstanding and at the effective interest rate applicable. The effective interest method is a method of calculating the amortised cost of the financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial assets, to that asset's net carrying amount on initial recognition.

M. Government Grants:

Government grants are not recognised until there is reasonable assurance that the Company will comply with the conditions attached to them and that the grants will be received.

Government grants are recognised in the Statement of Profit and Loss on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Company should purchase, construct or otherwise acquire non-current assets are recognised as deferred revenue in the balance sheet and transferred to statement of profit or loss on a systematic and rational basis over the useful lives of the related assets.

N. Employee benefits:

a) Short term and other long term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that services. Liabilities recognised in respect of other long -term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees upto the reporting date.

b) Post-employment benefits

(i) Defined contribution plans

The Company's contribution to provident fund, employee state insurance scheme and superannuation fund are considered as defined contribution plans and are charged as an expense as they fall due based on the amount of contribution required to be made and when services are rendered by the employee.

(ii) Defined benefit plans

The employees' gratuity fund scheme, managed by Life Insurance Corporation (LIC) is a defined benefit plan. The present value of obligation is determined based on actuarial valuation carried out as at the end of each financial year using the Projected Unit Credit Method.

The obligation is measured at the present value of the estimated future cash flows. The discount rate used for determining the present value of the obligation under defined benefit plans, is based on the market yield on government securities, of a maturity period equivalent to the weighted average maturity profile of the related obligations at the Balance Sheet date.

Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognised in the statement of profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset.

(iii) Share based payment

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in Note No. 20.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate with a corresponding adjustment to the equity-settled employee benefits reserve.

O. Leases:

The Company assesses whether a contract is, or contains a lease, at inception of the contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (1) the contract involves the use of an identified asset (2) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (3) the Company has the right to direct the use of the asset.

At the commencement date of the lease, the Company recognise a right-of-use asset and a corresponding lease liability for all lease arrangements in which it is lessee, except for short-term leases (leases with a term of twelve months or less), leases of low value assets and, for contract where the lessee and lessor has right to terminate a lease without permission from the other party with no more than an insignificant penalty. The lease expense of such short-term leases, low value assets leases and cancellable leases, are recognised as an operating expense on a straight-line basis over the term of the lease.

At commencement date, lease liability is measured at the present value of the lease payments to be paid during non-cancellable period of the contract, discounted using the incremental borrowing rate. The right-of-use assets is initially recognised at the amount of the initial measurement of the corresponding lease liability, lease payments made at or before commencement date less any lease incentives received and any initial direct costs.

Subsequently the right-of-use asset is measured at cost less accumulated depreciation and any impairment losses. Lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using effective interest rate method) and reducing the carrying amount to reflect the lease payments made. The right-of-use asset and lease liability are also adjusted to reflect any lease modifications or revised in-substance fixed lease payments.

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116.

As a lessor:

Income from operating leases where the Company is a lessor is recognised as income on a straight-line basis over the lease term.

P. Borrowing Costs:

All borrowing costs are charged to the Statement of Profit and Loss except, borrowing costs that are attributable to the acquisition or construction of qualifying assets which are those that necessarily take a substantial period of time to get ready for their intended use or sale, which are capitalised as part of the cost of such assets.

Q. Product Warranty:

In respect of warranties given by the Company on sale of certain products, the estimated costs of these warranties are accrued at the time of sale. The estimates for accounting of warranties are discounted when required and are reviewed and revisions are made as required by the management of the company.

R. Taxes on income:

- **Current Tax**

Income Taxes are accounted for in accordance with IND AS-12. Tax expenses comprise both current tax and deferred tax. Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act 1961, and other applicable tax laws.

- **Deferred Tax**

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

S. Provisions, Contingent Liabilities and Contingent Assets:

A provision is recognised when the Company has a present obligation (legal or constructive) as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits - Refer Note No. 28) are discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

Contingent liabilities and assets are not recognised but are disclosed in the notes.

T. Operating Segments:

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker (CODM). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified by the company. The CODM operation of the company reviews the operation of the company as Precision Farming Products & Services.

U. Investment in Joint Venture:

The Company accounts for its investments in Joint Venture at cost less accumulated impairment, if any.

V. Financial instruments:

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the Statement of Profit & Loss.

Classification and subsequent measurement

Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

<u>Classification of financial assets:</u>

Debt instruments that meet the following conditions are subsequently measured at amortised cost (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at fair value.

Financial assets at fair value through profit or loss (FVTPL)

Investments in equity instruments are classified as at FVTPL, unless the Company irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading.

Debt instruments that do not meet the amortised cost criteria or FVTOCI criteria are measured at FVTPL. In addition, debt instruments that meet the amortised cost criteria or the FVTOCI criteria but are designated as at FVTPL are measured at FVTPL.

A financial asset that meets the amortised cost criteria or debt instruments that meet the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Company has not designated any debt instrument as at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other income' line item.

Impairment of financial assets

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, trade receivables, other contractual rights to receive cash or other financial asset.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

Financial liabilities subsequently measured at amortised cost:

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company is recognised at the proceeds received, net of directly attributable transaction costs.

Derecognition of financial liabilities:

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

W. Use of judgements and estimates:

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income, expenses and the disclosures of contingent assets and liabilities. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an on going basis. Revisions to estimates are recognised prospectively.

Following are areas that involved a higher degree of estimate and judgement or complexity in determining the carrying amount of some assets and liabilities.

- useful life of property, plant and equipment and intangible assets (Refer Note 1, Point F)
- estimation of defined benefit obligation (Refer Note 28)
- provision for warranty claims (Refer Note 14)
- income taxes - current and deferred taxes (Refer Note 7)
- impairment of trade receivables (Refer Note 5)
- impairment of investments

Detailed information about each of these estimates and judgements that have a significant risk of resulting in material adjustment within the next financial year is included in relevant notes for the above items.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

Notes to the standalone financial statements for the year ended March 31, 2022 (Contd.)

NOTE NO. 2A - PROPERTY, PLANT AND EQUIPMENT

Rs. in Lakhs

	Description of Assets	Buildings	Plant and Equipment	Electrical Installations	Factory Equipments	Moulds and Dies	Office Equipment	Furniture and Fixtures	Computers	Vehicles	Total
I.	**Gross Carrying Amount**										
	Balance as at March 31, 2021	**978.53**	**4,165.91**	**161.34**	**186.56**	**1,131.11**	**60.66**	**113.75**	**146.51**	**210.40**	**7,154.77**
	Additions	–	11.33	–	13.52	0.89	4.34	0.23	9.51	9.85	49.67
	Disposals								18.97	41.04	60.01
	Balance as at March 31, 2022	**978.53**	**4,177.24**	**161.34**	**200.08**	**1,132.00**	**65.00**	**113.98**	**137.05**	**179.21**	**7,144.43**
II.	**Accumulated depreciation**										
	Balance as at March 31, 2021	**673.01**	**2,571.90**	**141.85**	**117.30**	**1,031.92**	**36.23**	**86.21**	**127.49**	**116.70**	**4,902.61**
	Depreciation expense for the year	31.89	181.22	2.37	11.22	21.71	6.60	6.51	9.80	31.73	303.05
	Eliminated on disposal of assets								18.82	32.21	51.03
	Balance as at March 31, 2022	**704.90**	**2,753.12**	**144.22**	**128.52**	**1,053.63**	**42.83**	**92.72**	**118.47**	**116.22**	**5,154.63**
III.	**Net carrying amount (I-II)**	**273.63**	**1,424.12**	**17.12**	**71.56**	**78.37**	**22.17**	**21.26**	**18.58**	**62.99**	**1,989.80**
I.	**Gross Carrying Amount**										
	Balance as at March 31, 2020	**973.39**	**4,132.69**	**150.04**	**185.74**	**1,131.11**	**49.52**	**111.37**	**140.91**	**175.66**	**7,050.43**
	Additions	5.14	33.22	11.30	0.82	–	12.31	2.38	6.67	42.12	113.96
	Disposals						1.17		1.07	7.38	9.62
	Balance as at March 31, 2021	978.53	4,165.91	161.34	186.56	1,131.11	60.66	113.75	146.51	210.40	7,154.77
II.	**Accumulated depreciation**										
	Balance as at March 31, 2020	**637.95**	**2,396.23**	**134.82**	**106.50**	**1,007.45**	**31.80**	**80.51**	**120.32**	**99.93**	**4,615.51**
	Depreciation expense for the year	35.06	175.67	7.03	10.80	24.47	5.33	5.70	8.18	23.79	296.03
	Eliminated on disposal of assets						0.90		1.01	7.02	8.93
	Balance as at March 31, 2021	673.01	2,571.90	141.85	117.30	1,031.92	36.23	86.21	127.49	116.70	4,902.61
III.	**Net carrying amount (I-II)**	**305.52**	**1,594.01**	**19.49**	**69.26**	**99.19**	**24.43**	**27.54**	**19.02**	**93.70**	**2,252.16**

NOTE NO. 2B - RIGHT OF USE ASSETS (REFER NOTE 26)

	Description of Assets	Lease Hold Land	Buildings	Total
I.	**Gross Carrying Amount**			
	Balance as at March 31, 2021	**305.33**	**47.77**	**353.11**
	Additions	–	–	–
	Disposals	–	–	–
	Balance as at March 31, 2022	**305.33**	**47.77**	**353.11**
II.	**Accumulated depreciation**			
	Balance as at March 31, 2021	**8.51**	**45.42**	**53.93**
	Depreciation expense for the year	4.26	2.35	6.61
	Disposals	–	–	–
	Balance as at March 31, 2022	**12.77**	**47.77**	**60.54**
III.	**Net carrying amount (I-II)**	**292.57**	**–**	**292.57**
I.	**Gross Carrying Amount**			
	Balance as at March 31, 2020	**305.33**	**55.21**	**360.55**
	Additions	–	–	–
	Disposals	–	7.44	7.44
	Balance as at March 31, 2021	**305.33**	**47.77**	**353.11**
II.	**Accumulated depreciation**			
	Balance as at March 31, 2020	**4.26**	**44.97**	**49.22**
	Depreciation expense for the year	4.26	4.03	8.28
	Disposals	–	3.57	3.57
	Balance as at March 31, 2021	**8.52**	**45.43**	**53.93**
III.	**Net carrying amount (I-II)**	**296.81**	**2.34**	**299.18**

NOTE NO. 2C - CAPITAL WORK-IN-PROGRESS

Rs. in Lakhs

CWIP Movement	31st March 2022	31st March 2021
Opening Balance	**13.51**	10.04
- Additions	**40.71**	117.45
- Capitalised & Transferred to Property, Plant & Equipments during the year	**49.67**	113.97
Closing balance	**4.56**	13.51

Capital Work In Progress (Cwip) Ageing Schedule For The Year Ended 31st March 2022

	Amount in CWIP for a period of				
Particulars	**Less than 1 year**	**1-2 Years**	**2-3 Years**	**More than 3 Years**	**Total**
Projects in progress	**4.56**	**–**	**–**	**–**	**4.56**
Project Name					
1. JIB Crane & Trolly	**3.66**	**–**	**–**	**–**	**3.66**
2. Attendance data processing device for canteen	**0.90**	**–**	**–**	**–**	**0.90**

Capital work in progress (CWIP) Ageing Schedule for the year ended 31st March 2021

	Amount in CWIP for a period of				
Particulars	**Less than 1 year**	**1-2 Years**	**2-3 Years**	**More than 3 Years**	**Total**
Projects in progress	13.51	–	–	–	13.51
Project Name					
1. Vision system for round inline driper inspection	13.51	–	–	–	13.51

NOTE NO. 3 - OTHER INTANGIBLE ASSETS

Rs. in Lakhs

	Description of Assets	Computer Software	Total
I.	**Gross Carrying Amount**		
	Balance as at March 31, 2021	217.85	217.85
	Additions	10.01	10.01
	Disposals	–	–
	Balance as at March 31, 2022	**227.86**	**227.86**
II.	**Accumulated amortisation**		
	Balance as at March 31, 2021	208.20	208.20
	Amortisation expense for the year	6.52	6.52
	Eliminated on disposal of assets	–	–
	Balance as at March 31, 2022	**214.72**	**214.72**
III.	**Net carrying amount (I-II)**	**13.14**	**13.14**

Rs. in Lakhs

	Description of Assets	Computer Software	Total
I.	**Gross Carrying Amount**		
	Balance as at March 31, 2020	214.66	214.66
	Additions	3.19	3.19
	Disposals	–	–
	Balance as at March 31, 2021	**217.85**	**217.85**
II.	**Accumulated amortisation**		
	Balance as at March 31, 2020	203.39	203.39
	Amortisation expense for the year	4.81	4.81
	Eliminated on disposal of assets	–	–
	Balance as at March 31, 2021	**208.20**	**208.20**
III.	**Net carrying amount (I-II)**	**9.65**	**9.65**

NOTE NO. 3A - INTANGIBLE ASSET UNDER DEVELOPMENT

Rs. in Lakhs

Intangible asset under development Movement	31st March 2022	31st March 2021
Opening Balance	**16.31**	–
- Additions	**10.01**	19.50
- Capitalised & Transferred to Property, Plant & Equipments during the year	**10.01**	3.19
Closing balance	**16.31**	16.31

Intangible assets under development for the year ended 31st March 2022

Intangible assets under development	Amount Intangible assets under development				
Particulars	**Less than 1 year**	**1-2 Years**	**2-3 Years**	**More than 3 Years**	**Total**
Projects in progress					
Project Name - Sales Project Digitization	**–**	**16.31**	**–**	**–**	**16.31**

Intangible assets under development for the year ended 31st March 2021

Intangible assets under development	Amount Intangible assets under development				
Particulars	**Less than 1 year**	**1-2 Years**	**2-3 Years**	**More than 3 Years**	**Total**
Projects in progress					
Project Name - Sales Project Digitization	–	–	16.31	–	16.31

NOTE NO. 4 - INVESTMENTS

Rs. in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Investment in Equity Instruments (fully paid-up)		
Unquoted		
In Joint Venture company - Mahindra Top Greenhouses Private Limited (18,00,000 shares of Rs. 10 each)	**68.57**	180.00
Total	**68.57**	180.00

Other Disclosures:	As at March 31, 2022	As at March 31, 2021
Aggregate amount of unquoted investments (Gross)	**180.00**	180.00
Aggregate amount of impairment in value of investments	**111.43**	–
Aggregate amount of unquoted investments (Net)	**68.57**	180.00

Note for Impairment:
During the year ended 31st March 2022 the Company has recognised an aggregate impairment loss of Rs. 111.43 lakhs on investment in joint venture considering the performance of the Company.

NOTE NO. 5 - TRADE RECEIVABLES

Rs. in Lakhs

Particulars	As at March 31, 2022		As at March 31, 2021	
	Current	**Non Current**	Current	Non Current
Unsecured, considered good	**14,887.75**	**3,644.39**	14,761.79	3,579.56
Trade Receivables which have significant increase in credit risk	**59.17**	**932.53**	249.79	438.32
Trade Receivables - credit impaired	**–**	**5.94**	–	–
	14,946.92	**4,582.86**	15,011.58	4,017.88
Less: Expected credit loss	**(1,138.23)**	**(844.47)**	(1,050.64)	(738.68)
Total	**13,808.68**	**3,738.39**	13,960.94	3,279.20

Refer Note No. 24 for disclosures related to credit risk, impairment of trade receivables under expected credit loss model and related disclosures.

The Company applies the simplified approach to provide for expected credit losses prescribed by IND AS 109, which permits the use of the lifetime expected credit loss provision for all trade receivables. The Company has expected credit losses based on a provision matrix which uses historical credit loss experience of the Company.

No trade or other receivables are due from directors or other officers of the company either severally or jointly with any other person, nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

Refer Note No. 29 for disclosures relating to receivables from related parties.

Trade receivables are hypothicated against the working capital facilities provided by the banks.

NOTE NO. 5A - TRADE RECEIVABLES AGEING SCHEDULE UNDER NON-CURRENT ASSETS AND CURRENT ASSETS AS ON 31ST MARCH 2022

Trade Receivables ageing schedule under Non-current assets as on 31st March 2022

Outstanding for following periods from due date of payment								
Sr. No.	**Particulars**	**Not Due**	**Less than 6 months**	**6 months - 1 Year**	**1 - 2 Years**	**2 - 3 Years**	**More than 3 Years**	**Total**
i	Undisputed Trade receivables – considered good	4.06	1,521.15	470.72	574.03	475.52	598.92	3,644.39
ii	Undisputed Trade Receivables – which have significant increase in credit risk	–	1.19	4.10	32.69	93.98	209.76	341.72
iii	Undisputed Trade Receivables – credit impaired	–	–	–	–	–	–	–
iv	Disputed Trade receivables – considered good	–	–	–	–	–	–	–
v	Disputed Trade Receivables – which have significant increase in credit risk	–	0.52	2.72	2.94	0.42	584.22	590.81
vi	Disputed Trade Receivables – credit impaired	–	–	5.94	–	–	–	5.94
	Total	**4.06**	**1,522.86**	**483.48**	**609.65**	**569.92**	**1,392.90**	**4,582.86**
Less: Expected credit loss								**(844.47)**
Net outstanding for following periods from due date of payment								**3,738.39**

Trade Receivables ageing schedule under Current assets as on 31st March 2022

Outstanding for following periods from due date of payment								
Sr. No.	**Particulars**	**Not Due**	**Less than 6 months**	**6 months - 1 Year**	**1 - 2 Years**	**2 - 3 Years**	**More than 3 Years**	**Total**
i	Undisputed Trade receivables – considered good	166.97	5,444.25	1,932.12	4,147.90	2,479.94	678.73	14,849.91
ii	Undisputed Trade Receivables – which have significant increase in credit risk	–	0.76	0.18	3.78	20.37	34.08	59.17
iii	Undisputed Trade Receivables – credit impaired	–	–	–	–	–	–	–
iv	Disputed Trade receivables – considered good	–	–	–	–	–	–	–
v	Disputed Trade Receivables – which have significant increase in credit risk	–	–	–	–	–	–	–
vi	Disputed Trade Receivables – credit impaired	–	–	–	–	–	–	–
	Total	**166.97**	**5,445.01**	**1,932.30**	**4,151.68**	**2,500.32**	**712.80**	**14,909.07**
Less: Expected credit loss								**(1,138.23)**
Add: Unbilled								**37.84**
Net outstanding for following periods from due date of payment								**13,808.68**

Trade Receivables ageing schedule under Non-current assets as on 31st March 2021

Outstanding for following periods from due date of payment								
Sr. No.	**Particulars**	**Not Due**	**Less than 6 months**	**6 months - 1 Year**	**1 - 2 Years**	**2 - 3 Years**	**More than 3 Years**	**Total**
i	Undisputed Trade receivables – considered good	20.84	2,522.20	340.17	260.83	230.65	204.87	3,579.56
ii	Undisputed Trade Receivables – which have significant increase in credit risk	–	–	9.53	11.05	21.94	93.31	135.83
iii	Undisputed Trade Receivables – credit impaired	–	–	–	–	–	–	–
iv	Disputed Trade receivables – considered good	–	–	–	–	–	–	–
v	Disputed Trade Receivables – which have significant increase in credit risk	–	0.91	0.25	2.90	23.16	275.26	302.49
vi	Disputed Trade Receivables – credit impaired	–	–	–	–	–	–	–
	Total	**20.84**	**2,523.12**	**349.95**	**274.78**	**275.75**	**573.44**	**4,017.88**
Less: Expected credit loss								**(738.68)**
Net outstanding for following periods from due date of payment								**3,279.20**

Trade Receivables ageing schedule under Current assets as on 31st March 2021

Outstanding for following periods from due date of payment								
Sr. No.	**Particulars**	**Not Due**	**Less than 6 months**	**6 months - 1 Year**	**1 - 2 Years**	**2 - 3 Years**	**More than 3 Years**	**Total**
i	Undisputed Trade Receivables – considered good	180.41	5,268.30	2,469.12	5,964.43	778.78	100.76	14,761.79
ii	Undisputed Trade Receivables – which have significant increase in credit risk	–	8.82	14.29	109.26	22.83	24.09	179.28
iii	Undisputed Trade Receivables – credit impaired	–	–	–	–	–	–	–
iv	Disputed Trade receivables – considered good	–	–	–	–	–	–	–
v	Disputed Trade Receivables – which have significant increase in credit risk	–	0.11	10.44	3.90	10.94	45.11	70.50
vi	Disputed Trade Receivables – credit impaired	–	–	–	–	–	–	–
	Total	**180.41**	**5,277.23**	**2,493.85**	**6,077.59**	**812.54**	**169.96**	**15,011.58**
Less: Expected credit loss								**(1,050.64)**
Net outstanding for following periods from due date of payment								**13,960.94**

NOTE NO. 6 - OTHER FINANCIAL ASSETS

Rs. in Lakhs

Particulars	As at March 31, 2022		As at March 31, 2021	
	Current	Non-Current	Current	Non-Current
Carried at amortised cost:				
Security deposits	**35.96**	**78.44**	51.88	59.29
Balance with Gratuity Fund (LIC)	**22.49**	**–**	1.71	–
Total	**58.45**	**78.44**	53.59	59.29

NOTE NO. 7 - CURRENT TAX AND DEFERRED TAX

(a) Income Tax recognised in profit or loss

Rs. in Lakhs

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Current Tax:		
In respect of current year	**–**	673.89
In respect of prior years	**(14.28)**	(21.12)
Deferred Tax:		
In respect of current year	**(246.99)**	(41.62)
In respect of prior years	**–**	–
Total income tax expense recognised in the current year relating to continuing operations	**(261.27)**	611.15

(b) Income tax recognised in other Comprehensive income

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Deferred Tax		
Remeasurement of defined benefit obligations	**(9.21)**	(23.98)
	(9.21)	**(23.98)**
Income taxes related to items that will not be reclassified to profit or loss	**2.31**	6.04
Total	**(6.90)**	(17.94)

(c) Reconciliation of income tax expense and the accounting profit multiplied by Company's domestic tax rate:

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Profit before tax from continuing operations	**(1,122.51)**	2,530.61
Income tax expense calculated at 25.17% (2021: 25.17%)	**(282.54)**	636.95
Effect of expense that is non-deductible in determining taxable profit	**40.44**	24.89
Income tax relating to items that will not be reclassified to Profit or Loss Account	**–**	6.00
Others	**(4.89)**	(36.00)
	(246.98)	632.27
Adjustments recognised in the current year in relation to the current tax of prior years	**(14.28)**	(21.12)
Income tax expense recognised In profit or loss from continuing operations	**(261.27)**	611.15

The tax rate used for the March 31, 2022 and March 31, 2021 reconciliations above is the corporate tax rate of 25.17% on taxable profits under Indian Income Tax Act, 1961.

(d) Movement in deferred tax assets/(Liabilities) for the year ended March 31, 2022

Rs. in Lakhs

Particulars	Opening Balance	Recognised in Profit and Loss (including for earlier year)	Recognised in OCI	Closing Balance
Tax effect of items constituting deferred tax liabilities				
Property, Plant and Equipment	238.18	(30.70)	–	207.48
	238.18	**(30.70)**	**–**	**207.48**
Tax effect of items constituting deferred tax assets				
Employee Benefits	77.73	(11.44)	2.31	68.60
Provision for receivables and advances	462.22	48.68	–	510.90
Other Temporary Differences		211.73	–	211.73
Other items	276.99	(32.68)	–	244.31
	816.94	216.29	2.31	1,035.54
Net Deferred Tax Asset (Liabilities)	**578.76**	**246.99**	**2.31**	**828.06**
Total	**578.76**	**246.99**	**2.31**	**828.06**

(e) Movement in deferred tax assets/(Liabilities) for the year ended March 31, 2021

Rs. in Lakhs

Particulars	**Opening Balance**	**Recognised in profit and Loss (including for earlier year)**	**Recognised in OCI**	**Closing Balance**
Tax effect of items constituting deferred tax liabilities				
Property, Plant and Equipment	252.71	(14.53)	–	238.18
	252.71	**(14.53)**	**–**	**238.18**
Tax effect of items constituting deferred tax assets				
Employee Benefits	76.11	(4.42)	6.04	77.73
Provision for receivables and advances	447.87	14.35	–	462.22
Other items	259.83	17.16	–	276.99
	783.81	27.09	6.04	816.94
Net Deferred Tax Asset (Liabilities)	**531.10**	**41.62**	**6.04**	**578.76**
Total	**531.10**	**41.62**	**6.04**	**578.76**

NOTE NO. 8 - OTHER NON FINANCIAL ASSETS

Rs. in Lakhs

Particulars	**As at March 31, 2022**		As at March 31, 2021	
	Current	**Non-Current**	Current	Non-Current
(a) Prepayments	**31.40**	**3.84**	34.73	8.54
(b) Balances with government authorities	**2,016.49**	**191.00**	1,290.13	219.96
(i) VAT credit receivable	**–**	**24.20**	–	53.15
(ii) GST credit receivable	**2,016.49**	**–**	1,290.13	–
(iii) Excise Refund Claim	**–**	**166.79**	–	166.79
(c) Contract Assets	**399.62**	**–**	213.46	–
(d) Others				
(i) Advance to Creditors				
Considered Good	**208.89**	**–**	149.94	–
Doubtful	**–**	**21.92**	–	21.92
Less: Provision for Doubtful advances	**–**	**(21.92)**	–	(21.92)
	208.89	**–**	149.94	–
(ii) Advances to employees				
Considered Good	**5.81**	**–**	7.03	–
Doubtful	**25.31**	**–**	25.31	–
Less: Provision for Doubtful advances	**(25.31)**	**–**	(25.31)	–
	5.81	**–**	7.03	–
Total	**2,662.21**	**194.84**	1,695.29	228.50

NOTE NO. 9 - INVENTORIES

[Lower of cost and net realisable value]

Rs. in Lakhs

Particulars	**As at March 31, 2022**	As at March 31, 2021
(a) Raw materials and components	**2,072.02**	2,137.38
(b) Work-in-progress	**448.91**	235.59
(c) Finished goods	**994.10**	913.89
(d) Stock-in-trade of goods acquired for trading	**90.39**	142.22
Total	**3,605.42**	3,429.08
Included above, goods-in-transit:		
Raw materials and Components	**–**	69.19
Total	**–**	69.19

All inventories are pledged as security for credit facilities from banks.

Mode of valuation of inventories is stated in Note 1(l).

Out of the above, Rs. 140.71 lakhs are lying with third parties (year ended March 31, 2021 Rs. 143.49 lakhs).

The amount of inventories recognised as an expense is Rs. 13,345.86 lakhs (for the year ended 31 March 2021 – Rs. 13,304.35 lakhs) including Rs. 25.13 lakhs (for the year ended 31 March 2021 – Rs. 34.66 lakhs) in respect of write down of inventories to net realisable value, and has been reduced by Rs. 1 lakhs (for the year ended 31 March 2021 – Rs. 7.80 lakhs) in respect of reversal of such write downs. Reversal in provision is due to sale and/or consumption of inventories provided for in earlier years.

Inventories are valued considering provision for allowance for obsolescence, inventory carrying risk and possible delayed usage in view of lower production due to slowly pacing off-take in present situation. In addition to the historical pattern of inventory provision, we have considered the likelihood of variations in sales price, possibilities of cancellation of order, nature and aging of inventories due to Covid-19. This assessment is not based on any mathematical model but it is based on an assessment considering the product demand, expected price trend and sales plan. Based on the above assessment, the Company is of the view that the carrying amounts of inventories are expected to be realisable.

NOTE NO. 10 - CASH AND BANK BALANCES

Rs. in Lakhs

Particulars	**As at March 31, 2022**	As at March 31, 2021
Cash and cash equivalents		
Balances with banks - Current and Cash Credit Accounts	**4.04**	441.91
Cash on hand	**–**	0.18
Total Cash and cash equivalents	**4.04**	442.09
Other Bank Balances		
Earmarked balances with banks	**85.73**	20.20
Balances with Banks - on margin accounts	**114.42**	143.26
Interest accrued on deposits	**9.43**	9.16
Total Other Bank Balances	**209.58**	172.62

NOTE NO. 11 A - EQUITY SHARE CAPITAL

Particulars	**As at March 31, 2022**		As at March 31, 2021	
	No. of shares	**Rs. in Lakhs**	No. of shares	Rs. in Lakhs
Authorised				
Equity shares of Rs. 10 each	**32,000,000**	**3,200.00**	32,000,000	3,200.00
Preference share of Rs. 100 each	**1,800,000**	**1,800.00**	1,800,000	1,800.00
Issued				
Equity shares of Rs. 10 each	**27,843,375**	**2,784.34**	27,843,375	2,784.34
Subscribed and fully paid up				
Equity shares of Rs. 10 each	**27,839,475**	**2,783.96**	27,839,475	2,783.96
Forfeited shares (Amount originally paid up)	**3,900**	**0.19**	3,900	0.19
Total		**2,784.15**		2,784.15

Fully paid equity shares, which have a per share value of Rs. 10, carry one vote per share and carry a right to dividends.

(i) Reconciliation of the number of shares outstanding at the beginning and at the end of the year.

Rs. in Lakhs

Particulars		Opening Balance	Issued during the year under ESOP Scheme	Closing Balance
Equity share- Issued, Subscribed and Paid-up:				
March 31, 2022	**No. of Shares**	**27,839,475**	**–**	**27,839,475**
	Amount	**2,783.96**	**–**	**2,783.96**
March 31, 2021	No. of Shares	27,781,698	57,777	27,839,475
	Amount	2,778.18	5.78	2,783.96

Rights, preferences and restrictions attached to equity shares

The Company is having only one class of equity shares having par value of Rs. 10 each. Each holder of equity share is entitled to one vote per share. In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive remaining assets of the Company. The distribution will be in proportion to the number of equity shares held by the shareholders.

(ii) Details of shares held by the holding company

Particulars	As at March 31, 2022	As at March 31, 2021
Mahindra and Mahindra Ltd., the Holding Company	**15,144,433**	15,144,433

(iii) Details of shares held by each shareholder holding more than 5% shares:

Class of shares/Name of shareholder	As at March 31, 2022		As at March 31, 2021	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares				
Mahindra and Mahindra Limited	**15,144,433**	**54.40%**	15,144,433	54.40%

(iv) Shares reserved for issuance as follows: (Refer Note No. – 20)

No. of shares

Particulars	As at March 31, 2022	As at March 31, 2021
Outstanding employee stock options granted/available for grant.	**343,972**	343,972

(v) Details of shares held by promoter at the end of the year:

Name of promoter	As at March 31, 2022		As at March 31, 2021		% Change during the year
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares	
Mahindra and Mahindra Limited	**15,144,433**	**54.40%**	15,144,433	54.40%	0.00%

NOTE NO. 11 B - OTHER EQUITY

Rs. in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Capital Reserve	**40.00**	40.00
Securities Premium	**9,428.30**	9,428.30
General Reserve	**425.44**	425.44
Share based payments (ESOP)	**124.74**	63.60
Retained Earnings	**4,727.69**	5,929.89
Total	**14,746.17**	15,887.23

Nature of Reserves

Capital Reserve - Capital reserve mainly represents the amount of net assets acquired over and above consideration paid consequent to the Scheme of Arrangement.

Securities Premium - Securities premium reserve is used to record the premium on issue of shares. The fair value of employee stock options is recognised in Securities Premium once the shares have been allotted on exercise of the options. The reserve can be utilised only for limited purpose such as issuance of bonus shares in accordance with the provision of the Companies Act, 2013.

General Reserve - The general reserve comprises of transfer of profits from retained earrings for appropriation purposes. The reserve can be distributed/utilised by the Company in accordance with the Companies Act, 2013.

Share based payments (ESOP) - The Employee Stock Options Outstanding represents reserve in respect of equity settled share options granted to the company's employees in pursuance of the Employee Stock Option Plan.

Retained earnings: - Retained earnings comprises of accumulated balance of profits/(losses) of current and prior years including transfers made to/from other reserves from time to time. The reserve can be utilized or distributed by the Company in accordance with the provisions of the Companies Act, 2013.

Details of Dividend Proposed

Rs. in Lakhs

Particulars	**2022**	2021
Dividend per share (Rupees)	**–**	1.20
Dividend on Equity Shares	**–**	334.07
Total Dividend	**–**	334.07

NOTE NO. 12 - OTHER CURRENT FINANCIAL LIABILITIES

Rs. in Lakhs

Particulars	**As at March 31, 2022**	As at March 31, 2021
Carried at Amortised Cost:		
Interest payables to vendors/others	**165.96**	178.37
Unpaid matured deposits and interest accrued thereon*	**0.16**	0.16
Unclaimed Dividend *	**7.87**	8.48
Security Deposits	**476.84**	442.16
Employee benefits payable	**318.94**	242.54
Others **	**78.43**	43.07
Total	**1,048.21**	914.78

Notes:

* There are no amounts due for transfer to Investor Education and Protection Fund

** Others include payable for capital assets, retention money and accruals towards claims

NOTE NO. 13 - SHORT TERM BORROWINGS

Rs. in Lakhs

Particulars	**As at March 31, 2022**	As at March 31, 2021
Secured (Carried at Amortised Cost):		
Secured Borrowings - at amortised cost		
Loans repayable on demand from Bank	**2,519.12**	–
Total	**2,519.12**	–

Reconciliation of movement in borrowings to cash flows from financing activities

Rs. in Lakhs

Particulars	**As at March 31, 2022**	As at March 31, 2021
Opening Balance		
– Short term borrowings	**–**	1,300.00
Cash flow movements		
– Net increase/(decrease) in Loans repayable on demand and cash credit	**2,519.12**	(1,300.00)
Non-cash movements		
Closing Balance		
– Short term borrowings	**2,519.12**	–

BORROWING NOTE:

i Company has filed quarterly returns/statement with Banks and same are in agreement with the books of accounts. There are no material discrepancies found.

ii Working capital facilities are secured by hypothecation of Inventory & Trade receivable.

iii The Company has availed working capital facilities from Banks aggregating to Rs. 2,519.12 lacs with the interest rates which are linked to Repo rate with spread ranging from 0% p.a. to 2% p.a.

NOTE NO. 14 - PROVISIONS

Rs. in Lakhs

Particulars		**As at March 31, 2022**		As at March 31, 2021	
		Current	**Non-Current**	Current	Non-Current
a.	Provision for employee benefits				
	Compensated absences	**214.46**	**–**	238.21	–
b.	Other Provisions				
	Warranty	**69.99**	**71.79**	87.02	39.68
Total		**284.45**	**71.79**	325.23	39.68

Details of movement in Warranty Provisions is as follows:

Particulars	Rs. in Lakhs
Balance at March 31, 2020	**141.23**
Additional provisions recognised	44.71
Amounts used during the year	(23.87)
Unused amounts reversed during the year	(38.40)
Unwinding of discount	3.03
Balance at March 31, 2021	**126.70**
Additional provisions recognised	38.20
Amounts used during the year	(25.57)
Unused amounts reversed during the year	–
Unwinding of discount	2.46
Balance at March 31, 2022	**141.79**

Warranty Claims:

Provision for warranty represents present value of management's best estimate of the future outflow of economic benefits that will be required in respect of sale of certain products, the estimated cost of which is accrued at the time of sale. Management estimates the related provision for future warranty claims based on historical warranty claim information and is adjusted regularly to reflect new information. The products are generally covered under a free warranty period ranging from 6 months to 5 years. It is expected that most of these costs will be incurred in the next two financial years and all will have been incurred within five years after the reporting date.

NOTE NO. 15 - TRADE PAYABLES

Rs. in Lakhs

Particulars	**As at March 31, 2022**	As at March 31, 2021
Current		
a) Total outstanding dues of micro and small enterprises	**375.27**	383.34
b) Total outstanding dues of creditors other than micro and small enterprises	**5,827.75**	6,037.73
Total	**6,203.02**	6,421.07

Rs. in Lakhs

Particulars		**As at March 31, 2022**	As at March 31, 2021
Disclosures required under section 22 of the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 are as below:			
(a)	Dues remaining unpaid as at 31st March		
	Principal	**375.27**	383.34
	Interest on the above	**–**	–
(b)	Interest paid in terms of Section 16 of the Act, along with the amount of payment made to the supplier beyond the appointed day during the year		
	Principal paid beyond the appointed date	**–**	–
	Interest paid in terms of Section 16 of the Act	**–**	–
(c)	Amount of interest due and payable for the period of delay on payments made beyond the appointed day during the year	**–**	–
(d)	Further interest due and payable even in the succeeding years, until such date when the interest due as above are actually paid to the small enterprises	**–**	–
(e)	Amount of interest accrued and remaining unpaid as at March 31	**–**	–
	Due to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.		

The Company has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms. Interest is charged on the over due balances as per terms agreed with vendors.

Refer Note No. 29 for disclosures relating to receivables from related parties.

NOTE NO. 15A - TRADE PAYABLES AGEING SCHEDULE

Ageing for trade payable outstanding as at March 31, 2022 is as follows:

		Outstanding for following periods from due date of payment				
Sr. No.	**Particulars**	**Less than 1 year**	**1 - 2 Years**	**2 - 3 Years**	**More than 3 Years**	**Total**
(i)	**MSME**	**375.27**	**–**	**–**	**–**	**375.27**
(ii)	**Others**	**2,864.83**	**1,024.24**	**892.32**	**730.59**	**5,511.98**
(iii)	**Disputed dues - MSME**	**–**	**–**	**–**	**–**	**–**
(iv)	**Disputed dues - Others**	**–**	**–**	**–**	**–**	**–**
	Total	**3,240.10**	**1,024.24**	**892.32**	**730.59**	**5,887.25**
	Unbilled dues (Accrued expenses)					**315.77**
	Total Trade Payable					**6,203.02**

Ageing for trade payable outstanding as at March 31, 2021 is as follows:

Sr. No.	Particulars	Outstanding for following periods from due date of payment: Less than 1 year	1 - 2 Years	2 - 3 Years	More than 3 Years	Total
(i)	MSME	383.34	–	–	–	383.34
(ii)	Others	1,488.94	2,930.53	526.46	482.36	5,428.29
(iii)	Disputed dues - MSME	–	–	–	–	–
(iv)	Disputed dues - Others	–	–	–		–
	Total	1,872.28	2,930.53	526.46	482.36	5,811.63
	Unbilled dues (Accrued expenses)					609.43
	Total Trade Payable					6,421.07

NOTE NO. 16 - OTHER CURRENT LIABILITIES

Rs. in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
(a) Revenue received in advance	**108.38**	267.42
(b) Others		
(i) Statutory dues		
– taxes payable (other than income taxes)	**120.27**	63.10
– Employee Recoveries and Employer Contributions	**6.17**	5.17
– Customs Duty Payable	**80.43**	111.46
(ii) Deferred interest income	**–**	0.45
Total	**315.24**	447.60

NOTE NO. 17 - REVENUE FROM OPERATIONS

Rs. in Lakhs

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
From contract with customers for goods & services		
(a) Revenue from sale of products	**21,043.46**	25,370.49
(b) Revenue from Sale of Services	**135.49**	15.97
(c) Other operating revenue	**14.56**	35.75
Total	**21,193.51**	25,422.22

Rs. in Lakhs

Particulars	**For the year ended March 31, 2022**	For the year ended March 31, 2021
(i) Sale of products comprises		
Manufactured goods	**21,043.46**	25,333.55
Total - Sale of manufactured goods	**21,043.46**	25,333.55
Traded goods	**–**	36.94
Total - Sale of traded goods	**–**	36.94
Total - Sale of products	**21,043.46**	25,370.49
(ii) Sale of services comprises		
Installation Services	**135.49**	15.97
Total - Sale of services	**135.49**	15.97
(iii) Other operating revenues comprise:		
Sale of scrap	**14.56**	35.75
Total - Other operating revenues	**14.56**	35.75

Rs. in Lakhs

Particulars	**For the year ended March 31, 2022**	For the year ended March 31, 2021
Revenue from contract with customer as per the contract price	**21,359.02**	25,615.73
Adjustments made to contract price		
– Trade discounts, volume rebates, return etc	**326.66**	285.36
– Deferment of revenue	**52.31**	–
– Recognition of revenue out of opening balance of contract	**213.46**	91.85
Revenue from contract with customer as per the Standalone statement of profit and loss	**21,193.51**	25,422.22

Changes in contract assets are as follows

Rs. in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Balance at the beginning of the year	**213.46**	–
– Invoices raised that were included in the contract assets balance at the beginning of the year	**(213.46)**	–
– Increase due to revenue recognised during the year, excluding amounts billed during the year.	**399.62**	213.46
Balance at the end of the year	**399.62**	213.46

Segment information

Geographical Information:

Rs. in Lakhs

Particulars	For the year ended March 31, 2022		For the year ended March 31, 2021	
	Domestic	**Overseas***	Domestic	Overseas*
Revenue from contract with customer	**20,608.34**	**585.17**	25,172.06	250.16
Total Revenue	**20,608.34**	**585.17**	25,172.06	250.16

* Uganda, Nigeria & Bangkok

The Company recognises revenue as per IND AS 115 'Revenue from contracts with customers'.

Accordingly, the Company recognises revenue when it transfers control of a product or service to a customer as and when it satisfies the performance obligation by transferring promised goods or services to a customer and customer obtains the control or benefit of the same.

The revenue is recognised on satisfaction of performance obligation / transferring control to the customer and hence the same is recognised at a point in time. The company believes that above disaggregation best depicts how the nature, amount, timing and uncertainty of revenues and cash flows are affected by industry, market and other economic factors.

Unsatisfied (or partially satisfied) performance obligations are subject to variability due to several factors such as terminations, changes in scope of contracts, periodic revalidations of the estimates, economic factors. The aggregate value of transaction price allocated to unsatisfied (or partially satisfied) performance obligations is Rs. 533.60 lakhs out of which 100% is expected to be recognised as revenue in the next year. No consideration from contracts with customers is excluded from the amount mentioned above.

NOTE NO. 18 - OTHER INCOME

Rs. in Lakhs

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
(a) Interest Income - On financial assets carried at amortised cost		
1) Bank deposits (at amortised cost)	**7.12**	12.39
2) Interest on Security Deposit (at amortised cost)	**1.76**	8.59
(b) Operating lease rental income	**–**	1.28
(c) Profit on sale of Property, Plant & Equipment	**4.59**	1.56
(d) Liabilities no longer required written back	**2.45**	116.67
(e) Miscellaneous income	**30.25**	168.20
Total	**46.17**	308.69

NOTE NO. 19 (A) - COST OF MATERIALS CONSUMED

Rs. in Lakhs

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Opening stock	**2,137.38**	2,049.59
Add: Purchases	**13,496.61**	13,145.71
	15,633.99	15,195.30
Less: Closing stock	**2,072.02**	2,137.38
Cost of materials consumed	**13,561.97**	13,057.92

NOTE 19 (B) - PURCHASES OF STOCK-IN-TRADE

Rs. in Lakhs

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Stock-in-trade - Pumps, Greenhouses & Landscape	**25.59**	0.09
Total	**25.59**	0.09

NOTE 19 (C) - CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

Rs. in Lakhs

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Inventories at the end of the year:		
Finished goods	**994.10**	913.89
Work-in-progress	**448.91**	235.59
Stock-in-trade	**90.39**	142.22
	1,533.40	1,291.70
Inventories at the beginning of the year:		
Finished goods	**913.89**	1,131.15
Work-in-progress	**235.59**	195.97
Stock-in-trade	**142.22**	210.92
	1,291.70	1,538.04
Net (increase)/decrease	**(241.70)**	246.34

NOTE NO. 20 - EMPLOYEE BENEFITS EXPENSE

Rs. in Lakhs

	Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
(a)	Salaries and wages, including bonus	**2,640.90**	2,487.95
(b)	Contribution to provident and other funds (Refer Note No. 28)	**186.91**	125.77
(c)	Share based payment transactions expenses	**61.14**	32.29
(d)	Staff welfare expenses	**123.90**	103.91
	Total Employee Benefit Expense	**3,012.85**	2,749.92

Pursuant to the “Employees Stock Option Scheme – 2014” (ESOS) approved by the Shareholders in the Annual General Meeting held on July 31, 2014, the Company had granted 80,424, 3,228, 1,33,432, 11,129, 80,110 and 71,459 Stock Options to the eligible employees on October 28, 2014, October 31, 2015, November 22, 2016, November 22, 2017, February 28, 2019 and March 12, 2021 respectively as per the recommendations of the Nomination and Remuneration Committee, at an exercise price of Rs. 10/- each. In respect of the options granted in 2014, 2016, 2017, 2019 and 2021 the equity settled options vest in 5 tranches of 20% each upon the expiry of 12 months, 24 months, 36 months, 48 months and 60 months, respectively from the date of grant. Each tranche is exercisable within one year from the respective date of vesting. The number of options exercisable in each tranche is minimum 20% of the options vested, except in case of the last date of the exercise, where the employee can exercise all options vested but not exercised till that date. In respect of options granted in 2015, the equity settled options vest in 4 tranches of 25% each upon the expiry of 12 months, 24 months, 36 months and 48 months, respectively from the date of grant. Each tranche is exercisable within one year from the respective date of vesting. The number of options exercisable in each tranche is minimum 25% of the options vested, except in case of the last date of the exercise, where the employee can exercise all options vested but not exercised till that date.

The difference between the fair price of the share underlying the options granted on the date of grant of option and the exercise price of the option representing share based payment expenses is expected over the vesting period.

		Number of Shares	Grant Date	Expiry Date	Exercise Price	Fair value at Grant Date
Equity Settled						
1	Series 1 Granted on October 28, 2014	80,424	October 28, 2014	October 28, 2019	10	170.97
2	Series 2 Granted on October 31, 2015	3,228	October 31, 2015	October 31, 2019	10	170.97
3	Series 3 Granted on November 22, 2016	1,33,432	November 22, 2016	November 22, 2021	10	131.75
4	Series 4 Granted on November 22, 2017	11,129	November 22, 2017	November 22, 2022	10	169.43
5	Series 5 Granted on February 28, 2019	80,110	February 28, 2019	February 28, 2024	10	83.51
6	Series 6 Granted on March 12, 2021	71,459	March 12, 2021	March 12, 2026	10	144.09

Movement in Share Options

	Particulars	**Year ended 31 March, 2022**		Year ended 31 March, 2021	
		Number of Shares	**Weighted average exercise price**	Number of Shares	Weighted average exercise price
1	Outstanding at the beginning of the year	**147,280**	**10**	133,598	10
2	Granted during the year	**–**	**10**	71,459	10
3	Exercised during the year	**–**	**10**	(57,777)	10
4	Expired during the year	**–**	**10**	–	10
5	Outstanding at the end of the year	**147,280**	**10**	147,280	10

Options vested but not exercised on 31st March, 2022 - 56,538 options

Share Options Exercised in the Year

Particulars	**Year end March 31, 2022**			Year end March 31, 2021		
	Number Exercised	**Exercise Date**	**Share Price at Exercise Date**	Number Exercised	Exercise Date	Share Price at Exercise Date
Equity Settled						
1 Series 1 Granted on October 28, 2014	–	–	–	24,373	Jan 01, 2021	158.00
2 Series 2 Granted on October 31, 2015	–	–	–	1,433	Jan 01, 2021	158.00
3 Series 3 Granted on November 22, 2016	–	–	–	15,985	Jan 01, 2021	158.00
4. Series 4 Granted on November 22, 2017	–	–	–	15,986	Mar 12, 2021	160.35

The inputs used in the measurement of the fair values at grant date of the equity-settled share-based payment plans were as follows.

Share Option Programmes

Particulars	Series 1		Series 2		Series 3		Series 4		Series 5		Series 6	
	2022	2021	**2022**	2021	**2022**	2021	**2022**	2021	**2022**	2021	**2022**	2021
Share price at grant date	**177.35**	177.35	**158.30**	158.30	**138.75**	138.75	**176.25**	176.25	**92.90**	92.90	**157.50**	157.50
Exercise price	**10**	10	**10**	10	**10**	10	**10**	10	**10**	10	**10**	10
Expected volatility (weighted average)	**55%**	55%	**55%**	55%	**49%**	49%	**46%**	45%	**42%**	41%	**50%**	–
Expected life/Option Life	**5.5 Years**	5.5 Years	**5.5 Years**	5.5 Years	**5.5 Years**	5.5 Years	**5.5 Years**	5.0 Years	**4.5 Years**	4.0 Years	**3.5 Years**	–
Expected dividends yield	**Nil**	Nil	**Nil**	Nil	**Nil**	Nil	**Nil**	Nil	**0.54%**	0.54%	**0.76%**	–
Risk-free interest rate (based on government bonds)	**8.06%**	8.06%	**8.06%**	8.06%	**6.33%**	6.33%	**6.94%**	6.89%	**7.19%**	7.13%	**5.00%**	–

Expected early exercise option is not considered in the assumption at the time of valuation. Hence relevant disclosure is not applicable.

The fair value of the employee share options has been measured using the Black-Scholes option Pricing formula.

Expected volatility has been based on an evaluation of the historical volatility of the Company's share price, particularly over the historical period commensurate with the expected term. The expected term of the instruments has been based on historical experience and general option holder behaviour.

NOTE NO. 21 - FINANCE COST

Rs. in Lakhs

Particulars	**For the year ended March 31, 2022**	For the year ended March 31, 2021
(a) Interest expense on financial liabilities measured at amortised cost		
– On credit facilities from Banks	**167.24**	15.01
– On trade creditors	**17.86**	–
(b) Interest expense on Lease Rental (Refer Note 26)	**0.06**	0.38
(c) Interest expense on delayed payment of taxes	**1.19**	7.09
(d) Interest expense on other borrowing cost		
Processing fees / Guarantee Commission	**8.98**	8.96
Unwinding of discount on provisions	**2.46**	3.03
On government Grant	**0.24**	30.89
Total finance costs	**198.03**	65.37

Rs. in Lakhs

Particulars	**For the year ended March 31, 2022**	For the year ended March 31, 2021
Interest Expenses		
On Financial Liability at Amortised Cost	**185.10**	15.01

NOTE NO. 22 - OTHER EXPENSES

Rs. in Lakhs

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Stores consumed	**36.73**	35.72
Power & Fuel	**381.91**	436.24
Rent including lease rentals	**211.77**	219.84
Rates and taxes	**20.21**	8.04
Insurance	**34.47**	52.10
Repairs and maintenance - Buildings	**0.27**	0.32
Repairs and maintenance - Machinery	**97.95**	73.48
Repairs and maintenance - Others	**32.28**	48.33
Commission on sales	**1,325.17**	2,266.83
Freight outward	**835.99**	1,056.20
Travelling and Conveyance Expenses	**369.37**	307.41
Subcontracting, Hire and Service Charges	**842.20**	839.98
Expenditure on Corporate Social Responsibility (CSR) (Refer Note 22A)	**48.52**	41.51
Donations	**20.04**	2.11
Expected Credit Loss	**193.38**	61.90
Bad trade and other receivables, loans and advances written off	**–**	197.69
Net loss on foreign currency transactions	**0.80**	3.83
Auditors remuneration and out-of-pocket expenses		
(i) As Auditors	**19.01**	32.75
(ii) For Other services	**14.75**	8.25
(iii) For Cost auditors for Cost audit	**1.60**	1.60
(iv) For reimbursement of expenses	**1.65**	–
Legal and other professional costs	**163.40**	221.07
Site Expenses	**277.16**	413.72
Warranty Claim	**34.49**	6.31
Directors' Fees and Commission	**8.20**	23.30
Other General Expenses	**406.51**	413.01
Total Other Expenses	**5,377.83**	6,771.54

NOTE NO. 22 A - SCHEDULE OF EXPENDITURE ON CORPORATE SOCIAL RESPONSIBILITY (CSR)

Rs. in Lakhs

Particulars	March 31, 2022	March 31, 2021
(a) Gross amount required to be spent by the Company during the year	**49.74**	39.84
(b) Amount approved by the Board to be spent during the year	**49.74**	39.84
(c) Amount spent during the year		
i) Construction/acquisition of any asset	**–**	–
ii) On purposes other than (i) above*	**48.52**	41.51
(d) Details related to spent / unspent obligations:		
i) Contribution to Public Trust	**–**	–
ii) Contribution to Charitable Trust	**–**	–
iii) Unspent amount in relation to:	**–**	–
– Ongoing Project	**–**	–
– Other than ongoing project	**–**	–
	–	–

* Tree Plantation, Agriculture Equipment's, Solar Water Pump unit, Assistance to school, Health Check up, Vicinity, Drinking water facilities, Ensuring Environmental Sustainability, Promoting Preventive Healthcare & Sanitation.

In case of S. 135(5) Excess amount spent for the FY 2021-22			
Opening Balance	**Amount required to be spent during the year**	**Amount spent during the year**	**Closing Balance**
1.67	**49.74**	**48.52**	**0.45**

In case of S. 135(5) Excess amount spent for the FY 2020-21			
Opening Balance	**Amount required to be spent during the year**	**Amount spent during the year**	**Closing Balance**
–	39.84	41.51	1.67

NOTE NO. 23 - EARNINGS PER SHARE

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Profit/(loss) for the year for basic and diluted EPS (Rs. in Lakhs)	**(861.24)**	1919.46
Weighted average number of Equity shares used in computing basic EPS	**2,78,39,475**	2,78,39,475
Effect of potential Equity share on employee stock options	**1,36,134**	1,37,264
Weighted average number of equity shares used in computing of diluted EPS	**2,79,75,609**	2,79,76,739
Basic Earnings per share (Rs.) (Face value of Rs. 10 per share)	**(3.09)**	6.89
Diluted Earnings per share (Rs.) (Face value of Rs. 10 per share)	**(3.08)**	6.86

NOTE NO. 24 - FINANCIAL INSTRUMENTS

I Capital management

The Company's capital management objectives are:

- to ensure the company's ability to continue as a going concern.

- to provide an adequate return to shareholders by pricing products and services commensurate with the level of risk.

The Company monitors capital on the basis of the carrying amount of equity less cash and cash equivalents as presented on the face of the statement of financial position.

The Company sets the amount of capital in proportion to its overall financing structure, i.e. equity and financial liabilities. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

Net Debt and Equity is given in the table below:

Rs. in Lakhs

Particulars	March 31, 2022	March 31, 2021
Total Shareholders' Equity as reported in Balance Sheet	**17,530.32**	18,671.38
Net Debts		
- Short term debt	**2,519.12**	–
Gross Debt	**2,519.12**	–
Less:		
- Cash and cash equivalents	**4.04**	442.09
Net Debts	**2,515.08**	(442.09)
Total Capital deployed	**20,045.40**	18,229.29

II Categories of financial assets and financial liabilities

Rs. in Lakhs

				As at March 31, 2022
Particulars	**Amortised Costs**	**FVTPL**	**FVOCI**	**Total**
Non-current Assets				
Investment	68.57	–	–	**68.57**
Trade Receivables	3,738.39	–	–	**3,738.39**
Other Financial Assets	78.44	–	–	**78.44**
Current Assets				
Trade Receivables	13,808.68	–	–	**13,808.68**
Cash and Cash Equivalents	4.04	–	–	**4.04**
Other Bank Balances	209.58	–	–	**209.58**
Other Financial Assets	58.45	–	–	**58.45**
Current Liabilities				
Borrowings	2,519.12	–	–	**2,519.12**
Trade Payables	6,203.01	–	–	6,203.01
Other Financial Liabilities	1,048.21	–	–	**1,048.21**

Rs. in Lakhs

	As at March 31, 2021			
Particulars	**Amortised Costs**	**FVTPL**	**FVOCI**	**Total**
Non-current Assets				
Investment	180.00	–	–	180.00
Trade Receivables	3,279.20	–	–	3,279.20
Other Financial Assets	59.29	–	–	59.29
Current Assets				
Trade Receivables	13,960.94	–	–	13,960.94
Cash and Cash Equivalents	442.09	–	–	442.09
Other Bank Balances	172.62	–	–	172.62
Other Financial Assets	53.59	–	–	53.59
Current Liabilities				
Lease Liability	2.64	–	–	2.64
Borrowings	–	–	–	–
Trade Payables	6,421.07	–	–	6,421.07
Other Financial Liabilities	914.78	–	–	914.78

Financial Risk Management Framework

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk. In order to manage the aforementioned risks, the Company operates a risk management policy and a program that performs close monitoring of and responding to each risk factors.

CREDIT RISK

Credit risk management

Definition of default

The financial services business considers a financial asset to be in "default" and therefore Stage 3 (credit impaired) for ECL calculations when the borrower becomes 90 days past due on its contractual payments.

Credit risk arises when a counterparty defaults on its contractual obligations to pay, resulting in financial loss to the Company. The company has dealings with government organisation for subsidy related transaction and with private parties. For private non-government parties credit limits are set quarterly. The Company has adopted a policy of only dealing with creditworthy non-government parties and obtaining security cheques, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Company's exposure and credit worthiness of such parties are continuously monitored and controlled by counterparty limits that are reviewed by Credit Control function based on the approved process.

No interest is charged on overdue balance.

Trade receivables consist of a large number of customers, spread across geographical areas. On going credit evaluation is performed on the financial condition of accounts receivable. There are no non government customers who represent more than 5% of the total balance of trade receivable.

The Company applies the simplified approach to provide expected credit losses prescribed by Ind AS 109, which permits the use of the lifetime expected loss provision for all trade receivables. The Company has computed expected credit losses based on a provision matrix which uses historical credit loss experience of the Company and individual receivable specific provision where applicable. Forward-looking information (including macroeconomic information) has been incorporated into the determination of expected credit losses.

The loss allowance provision is determined as follows:

Rs. in Lakhs

As at March 31, 2022

Particulars	**Not due**	**Less than 1 Year**	**Non-Current**	**Total**
Project				
Expected loss rate	0.00%	5.03%	16.14%	
Gross carrying amount	179.56	13,270.48	4,135.74	**17,585.78**
Loss allowance provision	–	667.47	667.41	**1,334.88**
Non Project				
Expected loss rate	0.00%	31.45%	39.60%	
Gross carrying amount	–	1,496.87	447.12	**1,943.99**
Loss allowance provision	–	470.76	177.06	**647.82**
Contract Assets	399.62	–	–	**399.62**

Rs. in Lakhs

As at March 31, 2021

Particulars	**Not due**	**Less than 1 Year**	**Non-Current**	**Total**
Project				
Expected loss rate	0.00%	5.15%	16.71%	
Gross carrying amount	179.60	13,420.44	3,641.67	17,241.71
Loss allowance provision	–	690.81	608.38	1,299.19
Non-Project				
Expected loss rate	–	25.49%	34.63%	
Gross carrying amount	–	1,411.54	376.21	1,787.75
Loss allowance provision	–	359.83	130.30	490.13
Contract Assets	213.46	–	–	213.46

Reconciliation of loss allowance provision for Trade Receivables

Rs. in Lakhs

Particulars	**March 31, 2022**	**March 31, 2021**
Balance as at beginning of the year	**1,789.32**	1,727.42
Impairment losses recognised in the year based on lifetime expected credit loss		
– On receivables originated in the year	**193.38**	259.59
– Amounts written off during the year as uncollectible	**–**	(197.69)
Balance at end of the year	**1,982.70**	1,789.32

The loss allowance provision has changed during the year due to recovery from debtors and business circumstances.

During the year, the company has written off Rs. NIL lakhs, (March 31, 2021 Rs. 197.69 lakhs) of trade receivables.

Cash & Cash equivalents

The Company held cash and cash equivalents with credit worthy banks of Rs. 4.04 lakhs as at 31 March 2022 and fixed deposits of Rs. 200.15 lakhs as at 31 March 2022.

LIQUIDITY RISK

(i) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Company's short - medium - and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

(ii) Maturities of financial liabilities

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The amount disclosed in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows.

To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Company may be required to pay.

Rs. in Lakhs

Particulars	**Less than 1 Year**	**1-3 Years**	**3 Years to 5 Years**	**5 years and above**
Non-derivative financial liabilities				
March 31, 2022				
Non-interest bearing	7,251.23	–	–	–
Interest bearing	2,519.12	–	–	–
Total	**9,770.35**	**–**	**–**	**–**
March 31, 2021				
Non-interest bearing	7,338.49	–	–	–
Interest bearing	–	–	–	–
Total	**7,338.49**	**–**	**–**	**–**

(iii) Maturities of financial assets

The following table details the Company's expected maturity for its non-derivative financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Company's liquidity risk management as the liquidity is managed on a net asset and liability basis.

Rs. in Lakhs

Particulars	**Less than 1 Year**	**1-3 Years**	**3 Years to 5 Years**	**5 years and above**
Non-derivative financial assets				
March 31, 2022				
Non-interest bearing	13,871.17	3,775.96	–	68.57
Fixed interest rate instruments	209.58	–	–	40.87
Total	**14,080.75**	**3,775.96**	**–**	**109.44**
March 31, 2021				
Non-interest bearing	14,456.62	3,279.20	18.42	180.00
Fixed interest rate instruments	172.62	–	40.87	–
Total	**14,629.24**	**3,279.20**	**59.29**	**180.00**

MARKET RISK

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk such as equity price risk and commodity price risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

There has been no significant changes to the company's exposure to market risk or the methods in which they are managed or measured.

Currency Risk

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. As at the year end, there were no material foreign currency exposure.

The currency profile of financial assets and financial liabilities as at 31 March 2022 and 31 March 2021 are as below:

Rs. in Lakhs

		Trade receivables		**Trade payables**
Exposure to foreign currency liabilities	**March 31, 2022**	March 31, 2021	**March 31, 2022**	March 31, 2021
USD	**0.21**	0.37	**–**	–
INR	**15.62**	27.00	**–**	–
EUR	**–**	–	**–**	0.06
INR	**–**	–	**–**	4.79
CHF	**–**	–	**0.01**	–
INR	**–**	–	**0.65**	–

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to market risk for changes in interest rates relates to fixed deposits and borrowings from banks.

Exposure to interest rate

The Company's main interest rate risk arises from short term borrowings with variable interest rate and fixed interest rate carrying investments like fixed deposits with banks, which exposes the Company to cash flow interest rate risk.

Rs. in Lakhs

Particulars	March 31, 2022	March 31, 2021
Fixed rate instruments		
Financial assets (bank deposits)	**250.45**	213.49
Variable rate instruments		
Financial liabilities (Short term borrowings)	**2,519.12**	–

Fair value sensitivity analysis for fixed-rate instruments

The Company's fixed rate bank deposits and loans to its subsidiaries are carried at amortised cost. They are therefore not subject to interest rate risk as defined in IND AS 107, since neither the carrying amount nor the future cash flow will fluctuate because of a change in market interest rates.

Cash flow sensitivity analysis for variable-rate instruments

The sensitivity analysis for floating rate liabilities is prepared assuming the amount of liability outstanding at the end of the reporting period was outstanding for the whole period. A reasonable possible change of 100 basis points (100 bps) in interest rate at the reporting date would have increased / (decreased) profit after tax and equity by the amount shown below:

Rs. in Lakhs

	Profit or (loss)		Equity, net of tax	
Particulars	**100 bp increase**	**100 bp decrease**	**100 bp increase**	**100 bp decrease**
31-Mar-22				
Variable-rate instruments	**(25.16)**	**25.16**	**(18.83)**	**18.83**
31-Mar-21				
Variable-rate instruments	–	–	–	–

Policy for write off of Loan Assets

The gross carrying amount of a financial asset is written off when there is no realistic prospect of further recovery. This is generally the case when the MEIL business determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write- off. However, financial assets that are written off could still be subject to enforcement activities under the recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

NOTE NO. 25 - FAIR VALUE MEASUREMENT

The Company consider that the carrying amounts of financial assets and financial liabilities that are not measured at fair value, recognised in the financial statement approximate their fair values.

NOTE NO. 26 - LEASES (REFER NOTE 2B)

In adopting Ind AS 116, the Company has applied the below practical expedients:

The Company has applied a single discount rate to a portfolio of leases with reasonably similar characteristics.

The Company has treated the leases with remaining lease term of less than 12 months as if they were "short term leases".

The Company has not applied the requirements of Ind AS 116 for leases of low value assets (assets of less than Rs. 3.5 lakhs in value).

The Company has excluded the initial direct costs from measurement of the right-of-use asset at the date of transition.

The Company has used hindsight, in determining the lease term if the contract contains options to extend or terminate the lease.

On transition to Ind AS 116, the Company has followed the Modified Retrospective Approach, accordingly recognised right-of-use assets amounting to Rs. 360.55 lakhs, lease liabilities amounting to Rs. 55.21 lakhs as at April 1, 2019. The Company has discounted lease payments using the applicable incremental borrowing rate as at April 1, 2019, which is 8.50% for measuring the lease liability. In view of this, the operating lease rent which was hitherto accounted under 'Other expenses' in previous periods has now been accounted as depreciation and finance costs.

The following is the movement in lease liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
Opening Lease liabilities recognised	**2.64**	10.93
Impact of Adoption of IND AS 116	**–**	–
Additions	**–**	–
Finance cost accrued during the period	**0.06**	0.38
Deletions	**–**	(4.13)
Payment of lease liabilities	**(2.70)**	(4.54)
Closing Balance	**–**	2.64

The following is the break-up of current and non-current lease liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
Current lease liabilities	**–**	2.64
Non-current lease liabilities	**–**	–
Closing Balance	**–**	2.64
Carrying Value of Right of use assets (Refer Note 2B)	**292.57**	299.18

The table below provides details regarding the contractual maturities of lease liabilities

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Less than one year	**–**	2.64
One to Three years	**–**	–

Rental expense recorded for short-term leases was Rs. 211.77 Lakhs (Previous Year: Rs. 219.84 Lakhs) for the year ended 31st March, 2022.

NOTE NO. 27 - SEGMENT INFORMATION

The Company is engaged in the business of Precision Farming Products and Services and in a single geography viz, India. The Information reported to the chief operating decision maker (CODM) [Viz, The Managing Director] for assessment of performance of business and allocation of resources is under this segment.

Accordingly, the Company has identified a single segment under Ind AS 108 - "Operating Segments". There is no single customer who accounts for 10% more of the company revenues.

Refer Note 17 for the analysis of revenue from it major products and services.

NOTE NO. 28 - EMPLOYEE BENEFITS

(a) Defined Contribution Plan

The Company's contribution to Provident Fund Rs. 109.82 lakhs (year ended March 31, 2021 : Rs. 101.36 lakhs) and Superannuation Fund Rs. 35.75 lakhs (year ended March 31, 2021 : Rs. 33.58 lakhs) has been recognised in the Statement of Profit or Loss under the head Employee Benefits Expense.

(b) Defined Benefit Plans:

The Company operates a gratuity plan covering qualifying employees. The benefit payable is the greater of the amount calculated as per the Payment of Gratuity Act, 1972 or the Company scheme applicable to the employee. The benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. In case of death while in service, the gratuity is payable irrespective of vesting. The Company makes annual contribution to the group gratuity scheme administered by the Life Insurance Corporation of India.

Through its defined plans the Company is exposed to a number of risks, the most significant of which are detailed below:

Asset Volatility

The plan liabilities are calculated using a discount rate set with reference to government bond yields; if plan assets under perform compared to the government bond discount rate, this will create or increase a deficit. The defined benefit plans hold on investment with LIC, which are expected to perform in line with government bonds in the long-term.

The Company believes that due to the long-term nature of the plan liabilities, investments of funds with LIC is an appropriate element of the Company's long term strategy to manage the plans efficiently.

Changes in bond yields

A decrease in government bond yields will increase plan liabilities, although this is expected to be partially offset by an increase in the value of the plan assets.

Life expectancy

The plan's obligations are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the plan's liabilities.

Defined benefit plans - as per actuarial valuation

Rs. in Lakhs

Particulars	Funded Plan	
	Gratuity	
	2022	2021
Ia. Expense recognised in the Statement of Profit and Loss		
1. Current service cost	**32.92**	34.15
2. Interest cost	**19.53**	15.44
3. Expected return on plan assets	**(20.63)**	(14.97)
	31.82	34.62
Ib. Included in other Comprehensive Income		
1. Return on plan assets	**(5.05)**	(4.47)
2. Actuarial (Gain)/Loss on account of :		
– Demographic Assumptions	**1.57**	0.58
– Financial Assumptions	**(4.82)**	2.61
– Experience Adjustments	**17.51**	25.26
	9.21	23.98
Remeasurement on the net defined benefit liability:		
Return on plan assets (excluding amount included in net interest expense)	**(5.05)**	(4.47)
Actuarial gains and loss arising from changes in financial assumptions	**(4.82)**	2.61
Actuarial gains and loss arising from experience adjustments	**17.51**	25.26
Others (describe)	**–**	–
– Demographic Assumptions	**1.57**	0.58
Acturial gains and loss arising from components of defined benefit costs recognised in other comprehensive income	**9.21**	23.98
Total	**41.02**	58.59

Rs. in Lakhs

Particulars	Funded Plan	
	Gratuity	
	2022	2021
I. Net Asset/(Liability) recognised in the Balance Sheet as at 31st March		
1. Present value of defined benefit obligation as at 31st March	**374.14**	366.73
2. Fair value of plan assets as at 31st March	**396.63**	368.45
3. Surplus/(Deficit)	**22.49**	1.71
4. Current portion of the above	**–**	–
5. Non current portion of the above	**22.49**	1.71
II. Change in the obligation during the year		
1. Present value of defined benefit obligation at the beginning of the year	**366.73**	302.38
2. Add/(Less) on account of Scheme of Arrangement/ Business Transfer	**–**	–
3. Expenses Recognised in Profit and Loss Account		
– Current Service Cost	**32.92**	34.15
– Interest Cost	**19.53**	15.44
4. Recognised in Other Comprehensive Income		
Remeasurement gains/ (losses)		
– Actuarial Gain (Loss) arising from:		
– Demographic Assumptions	**1.57**	0.58
– Financial Assumptions	**(4.82)**	2.61
– Experience Adjustments	**17.51**	25.26
5. Benefit payments	**(59.29)**	(13.68)
6. Present value of defined benefit obligation at the end of the year	**374.14**	366.73
III. Change in fair value of assets during the year		
1. Fair value of plan assets at the beginning of the year	**368.45**	277.30
2. Adjustment to Opening Fair Value of the Asset	**0.43**	(0.09)
3. Expenses Recognised in Profit and Loss Account		
– Expected return on plan assets	**20.63**	14.97
4. Recognised in Other Comprehensive Income		
Remeasurement gains/ (losses)	**–**	–
– Actual Return on plan assets in excess of the expected return	**5.05**	4.47
– Others (specify)	**0.99**	(0.49)

Rs. in Lakhs

Particulars		Funded Plan	
		Gratuity	
		2022	2021
5.	Contributions by employer (including benefit payments recoverable)	**1.08**	72.30
6.	Benefit payments	**–**	–
7.	Fair value of plan assets at the end of the year	**396.63**	368.44
IV.	**The Major categories of plan assets**		
-	Funds Managed By Insurer (LIC of India)	**396.63**	368.44
V.	**Actuarial assumptions**		
1.	Discount rate	**5.64%**	6.44%
2.	Expected rate of return on plan assets	**6.00%**	7.50%
3.	Salary escalation	**5.00%**	5.70%
4.	Mortality Rate disclosure	**IALM (2012-14) Ult.**	IALM (2012-14) Ult.
5.	Attrition rate	**19.09%**	19.00%

The sensitivity analysis of the defined benefit obligation to changes in the weighted principal assumptions is:

Rs. in Lakhs

Principal assumption		Changes in assumption	Impact on defined benefit obligation: Increase in assumption	Impact on defined benefit obligation: Decrease in assumption
Discount rate	2022	1.00%	12.48	13.40
	2021	1.00%	15.80	17.30
Salary growth rate	2022	1.00%	11.26	10.76
	2021	1.00%	15.03	14.11

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the Balance sheet.

The methods and types of assumptions used in preparing the sensitivity analyses did not change compared to previous period.

Rs. in Lakhs

Maturity profile of defined benefit obligation:	**2022**	2021
Within 1 year	**76.23**	67.61
1 - 2 year	**71.20**	44.22
2 - 3 year	**62.64**	45.46
3 - 4 year	**58.79**	56.85
4 - 5 year	**36.70**	46.22
5 - 10 year	**118.62**	105.80

The expected rate of return on plan assets is based on the average long term rate of return expected on investments of the fund during the estimated term of obligation.

The estimate of future salary increases, considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

	2022	2021
Weighted average remaining duration of Defined Benefit Obligation (Year)	**3.63**	5.00

Rs. in Lakhs

	2022	2021
Expected contribution to the plan for next financial year:	**76.23**	67.61

NOTE NO. 29 - RELATED PARTY DISCLOSURES

Name of the parent Company	**Relationship**
Mahindra and Mahindra Ltd.	Parent Company
Other related parties with whom transaction have been undertaken	
Mahindra Logistics Ltd.	Fellow subsidiary
Mahindra HZPC Pvt Ltd.	Fellow subsidiary
Mahindra Agri Solutions Ltd.	Fellow subsidiary
Mahindra Lifespace Developers Ltd.	Fellow subsidiary
Mahindra Integrated Business Solutions Pvt Ltd.	Fellow subsidiary
Mahindra and Mahindra Ltd. - Swaraj	Fellow subsidiary
Mahindra Summit Agriscience Limited	Fellow subsidiary
Marvel Solren Pvt Ltd.	Fellow subsidiary
Mahindra World City (Jaipur) Limited	Joint Venture of Parent
Mahindra Top Greenhouses Private Limited	Joint Venture
Mr. Ashok Sharma	Key Management Personnel (Managing Director)
Mr. Abhijit Page	Key Management Personnel (Chief Executive Officer)
Ms. Sunetra Ganesan	Key Management Personnel (Chief Financial Officer)
Mr. Ratnakar Nawghare	Key Management Personnel (Company Secretary)

Details of transaction between the Company and its related parties are disclosed below:

Rs. in Lakhs

Nature of transactions with Related Parties	For the year ended March 31, 2022	For the year ended March 31, 2021
Sale of goods		
Mahindra World City Jaipur Limited	**0.41**	0.50
Mahindra and Mahindra Ltd. - Swaraj	**–**	–
Mahindra Top Greenhouses Private Limited	**27.03**	15.12
Mahindra HZPC Pvt Ltd.	**–**	37.28
Purchase of Goods & Services		
Mahindra & Mahindra Ltd.	**–**	25.18
Mahindra Top Greenhouses Private Limited	**–**	–
Mahindra Summit Agriscience Limited	**–**	5.46
Marvel Solren Pvt Ltd.	**17.05**	6.24
Mahindra Agri Solutions Ltd.	**–**	12.74
Remuneration		
Mr. Ashok Sharma	**36.00**	24.00
Mr. Abhijit Page	**82.67**	87.13
Ms. Sunetra Ganesan	**70.48**	65.87
Mr. Ratnakar Nawghare	**36.85**	–
Management contract fees expenses (Including for deputation of personnel)		
Mahindra and Mahindra Limited	**–**	119.16
Mahindra Logistics Limited	**4.70**	4.35
Management contract fees income (Including for deputation of personnel)		
Mahindra Top Greenhouses Private Limited	**89.94**	82.78
Business Support Services		
Mahindra Agri Solutions Ltd.	**22.02**	8.07
Mahindra and Mahindra Limited	**61.30**	–
Mahindra Farm Equipment Sector	**18.55**	–
Reimbursement of Expenses to		
Mahindra and Mahindra Limited	**16.44**	26.74

Rs. in Lakhs

Nature of transactions with Related Parties	For the year ended March 31, 2022	For the year ended March 31, 2021
Mahindra Agri Solutions Ltd.	**0.24**	–
Reimbursement of Expenses from		
Mahindra Top Greenhouses Private Limited	**10.00**	10.00
Mahindra and Mahindra Limited - Transfer of employees	**–**	61.71
Mahindra Agri Solutions Ltd. - Transfer of employee	**–**	22.08
Professional Fees		
Mahindra and Mahindra Limited	**25.00**	117.58
Mahindra Integrated Business Solutions Pvt Ltd.	**2.39**	2.56

Nature of Balances with Related Parties	As at March 31, 2022	As at March 31, 2021
Trade payables		
Mahindra and Mahindra Limited	**72.68**	52.41
Mahindra Integrated Business Solutions Pvt Ltd.	**0.27**	0.28
Mahindra Agri Solutions Ltd.	**17.19**	–
Mahindra Summit Agriscience Limited	**–**	0.66
Marvel Solren Pvt Ltd.	**4.53**	2.07
Mahindra Farm Equipment Sector	**14.06**	–
Mahindra Logistics Limited	**–**	1.30
Trade Receivables		
Mahindra Agri Solutions Ltd.	**–**	16.44
Mahindra Lifespace Developers Ltd.	**2.68**	2.68
Mahindra World City (Jaipur) Limited	**1.58**	15.15
Mahindra Top Greenhouses Private Limited	**49.00**	54.78
Investments		
Investment in Joint Venture - Mahindra Top Greenhouses Private Limited	**68.57**	180.00

** Company has incurred Rs. 36 lakhs (March 31, 2021 Rs. 62.44 lakhs) for key managerial personnel services provided by Mahindra and Mahindra Limited and Mahindra Agri Solutions Limited.

Compensation of key managerial personnel

The remuneration of directors and other members of key managerial personnel during the year was as follows:

Particulars	**Year ended March 31, 2022**						Year ended March 31, 2021					
	Directors	**Managing Director**	**Chief Executive Officer**	**Chief Financial Officer**	**Company Secretary**	**Total**	Directors	Managing Director	Chief Executive Officer	Chief Financial Officer	Company Secretary	Total
Remuneration	–	**36.00**	**82.67**	**70.48**	**36.85**	**226.00**	–	24.00	87.13	65.87	–	177.00
Fees for attending board committee meetings	**8.20**	–	–	–	–	**8.20**	8.30	–	–	–	–	8.30
Commission to independent directors	–	–	–	–	–	–	15.00	–	–	–	–	15.00
Post-employment benefits*	–	–	–	–	–	–	–	–	–	–	–	–
Share-based payment	–	–	–	–	–	–	–	–	–	–	–	–

The remuneration of directors and key executives is determined by the Nomination and Remuneration Committee having regard to the performance of individuals and market trends. Post employment benefits accounted as per actuarial valuation.

NOTE NO. 30 - CONTINGENT LIABILITIES AND COMMITMENTS

Rs. in Lakhs

Contingent liabilities (to the extent not provided for)	**As at March 31, 2022**	As at March 31, 2021
Contingent liabilities		
(a) Claims against the Company not acknowledged as debt	**34.64**	33.32
(b) Demands against the Company, relating to issues of deductibility and taxability in respect of which the company is in appeal / Department is in appeal	**–**	–
Excise Duty:	**218.58**	211.55
(c) Non-current non-financial asset includes refund claim made for excise duty paid under protest consequent upon the judicial pronouncement made by CESTAT in favour of the Company, which was disputed by the department before higher authorities.	**166.79**	166.79
The Commissioner (Appeals), Central Excise and Customs, Nashik has sanctioned the claim on merit but taking recourse to the principle of "Unjust Enrichment" has ordered the claim to be transferred to the credit of the "Consumer Welfare Fund".		
The Company had filed an appeal against the order. On hearing the appeal the Hon' CESTAT, Mumbai remanded back the case to the adjudicating authorities to examine the issue afresh. The Adjudicating Authority issued a Show Cause Notice and after personal hearing passed an order rejecting the claim without following the guidelines given by the Hon' CESTAT.		

Rs. in Lakhs

Contingent liabilities (to the extent not provided for)	**As at March 31, 2022**	As at March 31, 2021
The Company had filed an appeal against the order with the Commissioner (Appeals), Central Excise & Customs, Nashik. The order Passed by the Commissioner (Appeals), Central Excise & Customs, Nashik is similar to order as given in order in appeal. The Company has filed an appeal to CESTAT Mumbai and no hearing has happened thereafter. The Claim is still tenable, no provision has been considered.		
(d) Determination of Turnover ignoring return filed 15-16- VAT/ CST / Entry Tax M P state Ex-party Assessment by Dy. Comm. VAT Audit Wing at Bhopal since they found the Bhopal premises vacated Appeal filed and rehearing is ordered by Appellate Authority vide order dated 07/09/2018.	**–**	439.19
(e) Local Sales Tax Bihar – CST Recovery Under appeal FY 13-14	**9.47**	9.47
(f) Local sales Tax – CG Vat/ CST demand under appeal FY 14-15	**–**	12.88
(g) Local sales Tax – CG Vat/ CST demand under appeal FY 15-16	**37.10**	–
(h) Local Sales Tax TN – CST. FY 16-17 Demand for F form	**16.07**	13.62
(i) Local Sales Tax TN – CST. FY 17-18 Demand for F form	**–**	5.13
(j) Income Tax demand for A.Y. 17-18 against the Company, relating to issues of deductibility and taxability in respect of which the company is in appeal.	**154.10**	140.50

Rs. in Lakhs

Contingent liabilities (to the extent not provided for)	As at March 31, 2022	As at March 31, 2021
(k) Income Tax demand for A.Y. 12-13 u/s section 143(3) r.w.s. 147 against the Company, relating to issues of deductibility and taxability in respect of which the company is in appeal.	**257.79**	237.08
(l) Income Tax demand for A.Y. 18-19 against the Company, relating to issues of deductibility and taxability in respect of which the company is in appeal.	**54.28**	48.46

Note: In respect of items mentioned above, till the matters are finally decided, the timing of outflows of economic benefits cannot be ascertained.

NOTE NO. 31 - COMMITMENTS

Rs. in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Estimated amount of contracts remaining to be executed on capital account and not provided for in respect of Tangible assets.	**0.46**	–

NOTE NO. 32 - DIVIDEND

The Board has recommended a dividend of Rs. Nil per equity share (FY 20-21 Rs. 1.20 Per equity share), subject to the approval of shareholders of the Company at the forthcoming Annual General Meeting.

NOTE NO. 33 - EVENT OCCURING AFTER THE REPORTING PERIOD

No material events have occured between the Balance sheet date and before the approvals of financials statements by Board of Directors

NOTE NO. 34

Additional regulatory information

Ratio Analysis and its elements

Ratio	Numerator	Denominator	Standalone			
			FY 2022	FY 2021	% Change	Reasons for changes in ratios
Debtors Turnover (Days)	Average Debtors	Net Sales	**332.04**	266.59	24.55%	
Inventory Turnover (Times)	COGS	Average Inventory	**3.79**	3.79	0.06%	
Debt Service Coverage Ratio	Earnings available for debt service	Debt Service	**0.09**	92.78	-99.91%	F22 Short term borrowing for working capital (Last Year Nil)
Current Ratio (Times)	Total Current Assets	Total Current Liabilities	**1.96**	2.44	-19.43%	
Debt Equity Ratio (Times)	Debt	Shareholders Equity	**0.14**	–	NA	
Net Profit Margin (%)	PAT	Net Sales	**-4.06%**	7.55%	-153.82%	Lower revenue due to overall de-growth in the industry & increase in input costs impacting the margins.
Return on Equity (%)	PAT	Net Worth	**-4.76%**	10.28%	-146.28%	Lower revenue due to overall de-growth in the industry & increase in input costs impacting the returns.
Trade Payable Turnover (Days)	Average Trade Payables	Net Purchases	**170.70**	180.14	-5.24%	
Return on Capital employed	EBIT	Capital Employed	**-4.06%**	13.90%	-129.17%	Lower revenue due to overall de-growth in the industry & increase in input costs impacting the returns.
Working Capital Turnover Ratio	Net Sales	Average Working Capital	**2.12**	2.18	-2.73%	
Return on Investments	Income generated from invested fund	Average invested funds in treasury investment	**5.53%**	8.70%	-36.48%	Decrease in investment in F22 as compared to F21 due to lower funds availability.

NOTE NO. 35 - DISCLOSURE UNDER RULE 11(E) OF THE COMPANIES RULES 2014

No Funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity including foreign entities ("intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any party (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

NOTE NO. 36 - CODE OF SOCIAL SECURITY

The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the company towards Provident Fund and Gratuity. The Ministry of Labour and Employment had released draft rules for the Code on Social Security, 2020 on November 13, 2020, and invited suggestions from stakeholders which are under consideration by the Ministry. The Company will assess the impact and its evaluation once the subject rules are notified. The Company will give appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

NOTE NO. 37 - APPROVAL OF FINANCIAL STATEMENTS

The financial statements of the Company were approved by the Board of Directors and authorised for issue on May 04, 2022

In terms of our report attached

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No : 101248W/W-100022

Jayesh T Thakkar
Partner
Membership No. 113959

Place : Nashik
Date : May 04, 2022

For and on behalf of the Board of Directors

Ashok Sharma
Managing Director
DIN-2766679
Place : Mumbai

Anand Daga
Director
DIN-696171
Place : Nashik

Abhijit Page
Chief Executive Officer
Place : Nashik

Sunetra Ganesan
Chief Financial Officer
Place : Nashik

R. V. Nawghare
Company Secretary
Place : Nashik

Date: May 04, 2022

INDEPENDENT AUDITOR'S REPORT

To the Members of Mahindra Top Greenhouses Private Limited
Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **Mahindra Top Greenhouses Private Limited** (the "Company"), which comprise the balance sheet as at 31 March 2022, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2022, and its loss and other comprehensive loss, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us, is sufficient and appropriate to provide a basis for our opinion on the financial statements.

Other Information

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's and Board of Directors' Responsibilities for the Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal

financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matter

The financial statements of the Company for the year ended 31 March 2021 were audited by the predecessor auditor who had expressed an unmodified opinion on 29 April 2021.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. (A) As required by Section 143(3) of the Act, we report that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   c) The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account.

   d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.

   e) On the basis of the written representations received from the directors as on 31 March 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022 from being appointed as a director in terms of Section 164(2) of the Act.

   f) The Company is exempted from the requirements of its auditor reporting on whether the Company has adequate internal financial control system in place and operating effectiveness of such controls (clause (i) of Section 143(3) of the Act).

   (B) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

   a) The Company does not have any pending litigations which would impact its financial position as at 31 March 2022.

   b) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

   c) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2022

   d) (i) The Management has represented that, to the best of it's knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:

      - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or
      - provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

      (ii) The Management has represented, that, to the best of it's knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities

("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall:

- directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or
- On behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

e) (iii) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our

notice that has caused us to believe that the representations under sub-clause (d) (i) and (d) (ii) contain any material misstatement.

f) The Company has neither declared nor paid any dividend during the year.

(C) In our opinion and according to the information and explanations given to us, the Company is not a public company. Accordingly, the provisions of Section 197 of the Act are not applicable to the Company

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No. 101248W/W-100022

Jayesh T Thakkar
Partner
Membership No: 113959
UDIN: 22113959AIGXQL5825

Place: Nashik
Date: May 2, 2022

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS OF MAHINDRA TOP GREENHOUSES PRIVATE LIMITED FOR THE YEAR ENDED 31 MARCH 2022

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(i) (a), (b) & (d) The Company does not have any Property, plant and equipment and intangible assets as at 31 March 2022. Accordingly, clause 3(i) (a), (b) and (d) of the Order is not applicable to the Company.

(c) The Company does not have any immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee). Accordingly, clause 3(i)(c) of the Order is not applicable.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) The inventory, except stocks lying with third parties, has been physically verified by the management during the year. For stocks lying with third parties at the year-end, written confirmations have been obtained and for goods-in-transit subsequent evidence of receipts has been linked with inventory records. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been sanctioned any working capital limits in excess of five crore rupees in aggregate from banks and financial institutions on the basis of security of current assets at any point of time of the year. Accordingly, clause 3(ii)(b) of the Order is not applicable to the Company.

(iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments, provided guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year. Accordingly, provisions of clauses 3(iii)(a) to 3(iii)(f) of the Order are not applicable to the Company.

(iv) According to the information and explanations given to us and on the basis of our examination of records of the Company, the Company has neither made any investments nor has it given loans or provided guarantee or security and therefore the relevant provisions of Sections 185 and 186 of the Companies Act, 2013 ("the Act") are not applicable to the Company. Accordingly, clause 3(iv) of the Order is not applicable.

(v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable

(vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act for the products manufactured by it and services provided by it. Accordingly, clause 3(vi) of the Order is not applicable.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Services Tax ('GST'), Provident fund, Employees' State Insurance, Income-Tax, Duty of Customs, Cess and other statutory dues have been regularly deposited by the Company with the appropriate authorities.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Services Tax ('GST'), Provident fund, Employees' State Insurance, Income-Tax, Duty of Customs, Cess and other statutory dues were in arrears as at 31 March 2022 for a period of more than six months from the date they became payable

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, statutory dues relating to Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues which have not been deposited on account of any dispute.

(viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.

(ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company did not have any loans or borrowings from any lender during the year. Accordingly, clause 3(ix)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.

(c) According to the information and explanations given to us by the management, the Company has not obtained any term loans during the year. Accordingly, clause 3(ix)(c) of the Order is not applicable.

(d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds have been raised on short term basis by the Company. Accordingly, clause 3(ix)(d) of the Order is not applicable.

(e) The Company does not hold any investment in any subsidiary, associate or joint venture as defined under the Act, during the year ended 31 March 2022. Accordingly, clause 3(ix)(e) is not applicable.

(f) The Company does not hold any investment in any subsidiary, associate or joint venture as defined under the Act, during the year ended 31 March 2022. Accordingly, clause 3(ix)(f) is not applicable.

(x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.

(xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the course of the audit.

(b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Companies Act, 2013 has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) Based on the information and explanations provided to us, the Company does not have a vigil mechanism and is not required to have a vigil mechanism as per the Act or SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

(xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.

(xiii) The Company is a private limited company and accordingly the requirements as stipulated by the provisions of Section 177 of the Act are not applicable to the Company. In our opinion and according to the information and explanations given to us and on the basis of our examination of records of the Company, transactions with the related parties are in compliance with Section 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv) In our opinion and based on the information and explanations provided to us, the Company does not have an Internal Audit system and is not required to have an internal audit system as per Section 138 of the Act. Accordingly, clause 3(xiv)(a) and 3(xiv)(a) (b) of the Order is not applicable

(xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company.

(xvi) (a) & (b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) and 3(xvi)(b) of the Order is not applicable.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.

(d) According to the information and explanations provided to us during the course of audit, the Group does not have any CIC. Accordingly, the requirements of clause 3(xvi)(d) are not applicable.

(xvii) The Company has incurred cash losses of Rs. 52.08 lakhs in the current financial year and Rs. 34.00 Lakhs in the immediately preceding financial year.

(xviii) There has been resignation of the statutory auditors during the year and we have duly taken into consideration the issues, objections or concerns raised by the outgoing auditors.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) The requirements as stipulated by the provisions of Section 135 are not applicable to the Company. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No. 101248W/W-100022

Jayesh T Thakkar
Partner
Membership No: 113959
UDIN: 22113959AIGXQL5825

Place: Nashik
Date: May 2, 2022

BALANCE SHEET AS AT MARCH 31, 2022

Rs. in Lakhs

	Particulars	Note No.	As at March 31, 2022	As at March 31, 2021
	ASSETS			
I	**Non-current assets**			
	(a) Income Tax Assets (net)		**1.19**	0.43
	Total Non-Current Assets		**1.19**	0.43
II	**CURRENT ASSETS**			
	(a) Inventories	2	**26.25**	89.69
	(b) Financial Assets			
	(i) Trade Receivables	6	**146.64**	161.25
	(ii) Cash and Cash Equivalents	3	**71.98**	93.13
	(iii) Other Financial Assets	4	**0.50**	3.80
	(c) Other Current Assets	5	**5.18**	27.88
	Total Current Assets		**250.55**	375.75
III	**Total Assets (I+II)**		**251.74**	376.18
	EQUITY AND LIABILITIES			
IV	**EQUITY**			
	(a) Equity Share Capital	7	**300.00**	300.00
	(b) Other Equity		**(173.11)**	(104.89)
	Total Equity		**126.89**	195.11
	LIABILITIES			
V	**NON-CURRENT LIABILITIES**			
	(a) Provisions	9	**2.61**	1.38
	Total Non-Current Liabilities		**2.61**	1.38
VI	**CURRENT LIABILITIES**			
	(a) Financial Liabilities			
	(i) Trade Payables			
	a) total outstanding dues of micro and small enterprises		**4.39**	14.12
	b) total outstanding dues of creditors other than micro and small enterprises	8	**85.35**	99.01
	c) Unbilled dues		**4.04**	11.69
	(b) Provisions	9	**9.29**	6.16
	(c) Other Current Liabilities	10	**19.17**	48.71
	Total Current Liabilities		**122.24**	179.69
VII	**Total Liabilities (V+VI)**		**124.85**	181.07
VIII	**Total Equity and Liabilities (IV+VII)**		**251.74**	376.18
	The accompanying notes 1 to 24 are an integral part of the Financial Statements	1-24	**–**	–

In terms of our report attached

For B S R & Co. LLP
Chartered Accountants

Firm's Registration No : 101248W/W-100022

Jayesh T Thakkar
Partner

Membership No. 113959

Place : Mumbai
Date : May 02, 2022

For and on behalf of the Board of Directors

Sunetra Ganesan
Chief Finance Officer

Place : Nashik
Date : May 02, 2022

Abhijit Page
Director
DIN-08797913

Place : Nashik
Date : May 02, 2022

Meghnad Mitra
Chairman
DIN-01802612

Place : Mumbai
Date : May 02, 2022

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2022

	Particulars	Note No.	For the year ended March 31, 2022	Rs. in Lakhs For the year ended March 31, 2021
I	Revenue from operations	11	**469.23**	511.74
II	Other Income	12	**3.14**	4.47
III	**Total Income (I+II)**		**472.37**	516.21
IV	**EXPENSES**			
	(a) Purchases of Stock-in-trade	13 (a)	**246.39**	403.49
	(b) Changes in inventories of stock-in-trade	13 (b)	**63.44**	(49.42)
	(c) Finance costs	16	**1.54**	0.58
	(d) Other expenses	14	**229.22**	200.40
	Total Expenses (IV)		**540.59**	555.05
V	**Loss before tax (III-IV)**		**(68.22)**	(38.84)
VI	**Tax Expense**		**–**	–
VII	**Loss after tax for the period (V-VI)**		**(68.22)**	(38.84)
VIII	**Other comprehensive income**		**–**	–
IX	**Loss for the period attributable to owners of the Company (VII+VIII)**		**(68.22)**	(38.84)
X	**Earnings per equity share**			
	Basic and Diluted (Face value Rs. 10 per share)	15	**(2.27)**	(1.29)

In terms of our report attached

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No : 101248W/W-100022

Jayesh T Thakkar
Partner
Membership No. 113959

Place : Mumbai
Date : May 02, 2022

For and on behalf of the Board of Directors

Sunetra Ganesan
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Place : Nashik
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Meghnad Mitra
Chairman
DIN-01802612
Place : Mumbai
Date : May 02, 2022

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2022

Particulars	Note No.	For the year ended March 31, 2022	Rs. in Lakhs For the year ended March 31, 2021
Cash flow from operating activities			
Loss before tax for the year		**(68.22)**	(38.84)
Adjustments for:			
Finance costs		**1.54**	0.58
Interest Income		**(2.53)**	(4.39)
		(69.21)	(42.65)
Movements in working capital:			
(Increase) / decrease in trade receivables		**14.62**	(97.44)
(Increase) / decrease in inventories		**63.44**	(49.42)
(Increase) / decrease in Income Tax Assets		**(0.76)**	0.67
(Increase) / decrease in other current financial assets		**4.06**	12.80
(Increase) / decrease in other current assets		**22.70**	(6.61)
Increase / (decrease) in trade payables		**(23.39)**	35.85
Increase / (decrease) in provisions		**(4.84)**	4.23
Increase / (decrease) in other current liabilities		**(29.54)**	41.98
		46.29	(57.94)
Cash (used) in operations		**(22.92)**	(100.59)
Income taxes paid (net)		**(0.76)**	0.67
Net cash (used) in operating activities		**(23.68)**	(99.92)
Cash flows from investing activities			
Interest received		**2.53**	2.11
Net cash generated from investing activities		**2.53**	2.11
Net Increase in cash and cash equivalents		**(21.15)**	(97.81)
Cash and cash equivalents at the beginning of the year	(Note No. 3)	**93.13**	190.94
Cash and cash equivalents at the end of the year		**71.98**	93.13

In terms of our report attached

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No : 101248W/W-100022

Jayesh T Thakkar
Partner
Membership No. 113959

Place : Mumbai
Date : May 02, 2022

For and on behalf of the Board of Directors

Sunetra Ganesan
Chief Finance Officer
Place : Nashik
Date : May 02, 2022

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Director
DIN-08797913
Place : Nashik
Date : May 02, 2022

Meghnad Mitra
Chairman
DIN-01802612
Place : Mumbai
Date : May 02, 2022

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2022

Rs. in Lakhs

A. Equity share capital	**No. of Equity Shares**	**Total**
As at March 31, 2020	30,00,000.00	300.00
Changes in equity share capital due to prior period errors	–	–
Restated Balance as at March 31, 2020	**30,00,000.00**	**300.00**
Issue of equity shares	–	–
As at March 31, 2021	**30,00,000.00**	**300.00**
Changes in equity share capital due to prior period errors	–	–
Restated Balance as at March 31, 2021	**30,00,000.00**	**300.00**
Issue of equity shares	–	–
As at March 31, 2022	**30,00,000.00**	**300.00**

B. Other Equity

Rs. in Lakhs

Particulars	**Retained Earnings**	**Total**
Balance as at March 31, 2020	**(66.05)**	**(66.05)**
Loss for the year	(38.84)	(38.84)
Balance as at March 31, 2021	**(104.89)**	**(104.89)**
Loss for the year	(68.22)	(68.22)
Balance as at March 31, 2022	**(173.11)**	**(173.11)**

See accompanying notes to the Financial Statement 1-24

Retained earnings: Retained earnings comprises of accumulated balance of profits/(losses) of current and prior years including transfers made to / from other reserves from time to time. The reserve can be utilized or distributed by the Company in accordance with the provisions of the Companies Act, 2013.

In terms of our report attached

For B S R & Co. LLP
Chartered Accountants

Firm's Registration No : 101248W/W-100022

Jayesh T Thakkar
Partner

Membership No. 113959

Place : Mumbai
Date : May 02, 2022

For and on behalf of the Board of Directors

Sunetra Ganesan
Chief Finance Officer

Place : Nashik
Date : May 02, 2022

Abhijit Page
Director
DIN-08797913

Place : Nashik
Date : May 02, 2022

Meghnad Mitra
Chairman
DIN-01802612

Place : Mumbai
Date : May 02, 2022

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

Note No. 1 - Corporate information and Significant accounting policies

A. Corporate Information

Mahindra Top Greenhouses Private Limited was incorporated on November 16, 2018 under the Companies Act, 2013. It is engaged in the business of Protected cultivation Technology products. The Company is a joint venture of Mahindra EPC Irrigation Limited and Top Greenhouses Ltd., Israel.

The Management has evaluated the recoverability of receivables and realisability of inventories based on subsequent recoveries and customer orders on hand respectively. The Company will continue to closely monitor the developments.

B. Statement of compliance

i) The financial statements have been prepared in accordance with IND ASs notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended.

ii) These financial statements were approved by the Company's Board of Directors and authorised for issue on 02 May 2022.

C. Basis of preparation and presentation

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such basis, except for measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

D. Functional and presentation currency

These financial statements are presented in Indian Rupees ('Rupees') which is also the Company's functional currency. All amounts are rounded-off to the nearest rupee in lakhs (two decimals), unless otherwise indicated.

E. Inventories:

Inventories comprise all costs of purchase, conversion and other costs incurred in bringing the inventories to their present location and condition and are stated at lower of cost and net realisable value.

Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

Cost is determined on the basis of the weighted average method.

F. Revenue recognition:

The Company recognises revenue from the following major sources:

a) Sale of Products; and

b) Sale of services.

Revenue is measured based on the consideration to which the Company expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties. The Company recognises revenue when it transfers control of a product or service to a customer.

a) Sale of Products

The Company is engaged in the business of Protected Cultivation Technology Products. In terms of Ind AS 115, the Company is recognising the revenue as and when it satisfies the performance obligation by transferring promised services to customer and customer obtains the benefit of the same. Hence the Company recognises revenue at a point in time. Sales - related warranties associated the products cannot be purchased separately and they serve as an assurance that the products sold comply with agreed - upon specifications. Accordingly, the Company accounts for warranties in accordance with IND AS 37 Provisions, Contingent Liabilities and Contingent Assets (refer note 9).

A receivable is recognised by the Company when the goods are delivered to the customer installation acknowledged by the farmers or delivery of the Kits to the customer as this represents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment is due.

b) Sale of Services

Sale of services are recognised on satisfaction of performance obligation towards rendering of such services.

G. Other income:

Interest income from a financial asset is accrued on a time basis, by reference to the principal outstanding and the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

These income are recognised when it is probable that the economic benefit will flow to the Company and the amount of income can be measured reliably.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (contd.)

H. Product Warranty:

In respect of warranties given by the Company on sale of certain products, the estimated costs of these warranties are accrued at the time of sale. The estimates for accounting of warranties are reviewed and revisions are made as required.

I. Taxes on income:

- Current Tax

  Income Taxes are accounted for in accordance with IND AS-12. Tax expenses comprise both current tax and deferred tax. Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act 1961, and other applicable tax laws.

- Deferred Tax

  Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

  The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be recovered.

  Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

J. Provisions, Contingent Liabilities and Contingent Assets:

A provision is recognised when the Company has a present obligation (legal or constructive) as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

Contingent liabilities and assets are not recognised but are disclosed in the notes.

K. Operating Segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker (CODM). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified by the company. The CODM operation of the company reviews the operation of the company as Protected Cultivation Technology Products.

L. Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Classification and subsequent measurement

Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification of financial assets:

Debt instruments that meet the following conditions are subsequently measured at amortised cost (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at fair value.

Financial assets at fair value through profit or loss (FVTPL)

Debt instruments that do not meet the amortised cost criteria or FVTOCI criteria are measured at FVTPL. In addition, debt instruments that meet the amortised cost criteria or the FVTOCI criteria but are designated as at FVTPL are measured at FVTPL.

A financial asset that meets the amortised cost criteria or debt instruments that meet the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Company has not designated any debt instrument as at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other income' line item.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (contd.)

Impairment of financial assets

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, trade receivables, other contractual rights to receive cash or other financial asset.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 115, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

Financial liabilities subsequently measured at amortised cost:

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Derecognition of financial liabilities:

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

M. Use of judgements and estimates

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income, expenses and the disclosures of contingent assets and liabilities. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an on going basis. Revisions to estimates are recognised prospectively.

Following are areas that involved a higher degree of estimate and judgement or complexity in the carrying amount of some assets and liabilities.

- Provision for warranty claims
- Going Concern (Refer Note 22)

Detailed information about each of these estimates and judgements that have a significant risk of resulting in material adjustment within the next financial year is included in relevant notes for the above items.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

N. Foreign Exchange Transactions:

In preparing the financial statements transactions in other than the company's functional currency are recorded at the exchange rates prevailing on the date of transaction. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that rate. The exchange difference between the rate prevailing on the date of transaction and on the date of settlement as also on translation of monetary items at the end of the year is recognised as income or expense, as the case may be. Non - Monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Note No. 2 - Inventories (Refer Note 1E)
[Lower of cost and net realisable value]

Rs. in Lakhs

Particulars	**As at March 31, 2022**	As at March 31, 2021
Stock-in-trade of goods acquired for trading	**26.25**	89.69
(Lying with a third party Rs. 0.40 Lakhs, Previous Year Rs. 24.31 Lakhs)		
Total	**26.25**	89.69

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (contd.)

Inventories are valued considering provision for allowance for obsolescence, inventory carrying risk and delayed in usage in view of lower off-take in present situation. In addition, we have reviewed the likelihood of reduction in sales price and cancellation of orders, due to Covid-19. This is based on an assessment considering the orders in hand, product demand, expected price trend and sales plan. Based on the above assessment, the Company is of the view that the carrying amounts of inventories are expected to be realisable.

Note No. 3 - Cash and Cash Equivalents

Rs. in Lakhs

Particulars	**As at March 31, 2022**	As at March 31, 2021
Cash and cash equivalents		
Balance with bank		
- Current Accounts	**15.63**	28.71
- Fixed Deposits with original maturity less than 3 months	**51.25**	61.25
- Interest accrued on deposits	**5.10**	3.17
Total Cash and cash equivalents	**71.98**	93.13

Note No. 4 - Other Financial Assets

Rs. in Lakhs

	As at March 31, 2022		As at March 31, 2021	
Particulars	**Current**	**Non-Current**	Current	Non-Current
Carried at amortised cost:				
Security deposits	**0.50**	**–**	3.80	–
Total	**0.50**	**–**	3.80	–

Note No. 5 - Other Assets

Rs. in Lakhs

	As at March 31, 2022		As at March 31, 2021	
Particulars	**Current**	**Non-Current**	Current	Non-Current
(a) Prepayments	**0.22**	**–**	0.23	–
(b) Balances with government authorities				
(i) GST credit receivable	**4.15**	**–**	19.25	–
(c) Others				
Considered Good				
(i) Advance to suppliers	**0.76**	**–**	7.90	–
(ii) Advance to Employees	**0.05**	**–**	0.50	–
Total	**5.18**	**–**	27.88	–

Note No. 6 - Trade Receivables

Rs. in Lakhs

	As at March 31, 2022		As at March 31, 2021	
Particulars	**Current**	**Non-Current**	Current	Non-Current
Unsecured, considered good	**146.64**	**–**	161.25	–
Doubtful	**9.00**	**–**	–	–
	155.64	**–**	161.25	–
Less: Allowance for doubtful debts (expected credit loss)	**(9.00)**	**–**	–	–
Total	**146.64**	**–**	161.25	–

Refer - Note-18 for related party receivables.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (contd.)

Note No. 6 - Trade Receivables ageing schedule as on 31st March 2022

Rs. in Lakhs

Sr. No.	Particulars	Outstanding for following periods from due date of receipt: Less than 6 months	6 months - 1 Year	1 - 2 Years	2 - 3 Years	More than 3 Years	Total
i	Undisputed Trade receivables – considered good	95.87	41.75	17.65	0.36	–	155.64
ii	Undisputed Trade Receivables – which have significant increase in credit risk	–	–	–	–	–	–
iii	Undisputed Trade Receivables – credit impaired	–	–	–	–	–	–
iv	Disputed Trade receivables – considered good	–	–	–	–	–	–
v	Disputed Trade Receivables – which have significant increase in credit risk	–	–	–	–	–	–
vi	Disputed Trade Receivables – credit impaired	–	–	–	–	–	–
	Total	**95.87**	**41.75**	**17.65**	**0.36**	**–**	**155.64**
vii	Less : Allowance for trade receivables	–	–	–	–	–	(9.00)
	Total	**95.87**	**41.75**	**17.65**	**0.36**	**–**	**146.64**

Note No. 6 - Trade Receivables ageing schedule as on 31st March 2021.

Rs. in Lakhs

Sr. No.	Particulars	Outstanding for following periods from due date of receipt: Less than 6 months	6 months - 1 Year	1 - 2 Years	2 - 3 Years	More than 3 Years	Total
i	Undisputed Trade receivables – considered good	129.63	30.94	0.68	–	–	161.25
ii	Undisputed Trade Receivables – which have significant increase in credit risk	–	–	–	–	–	–
iii	Undisputed Trade Receivables – credit impaired	–	–	–	–	–	–
iv	Disputed Trade receivables – considered good	–	–	–	–	–	–
v	Disputed Trade Receivables – which have significant increase in credit risk	–	–	–	–	–	–
vi	Disputed Trade Receivables – credit impaired	–	–	–	–	–	–
	Total	**129.63**	**30.94**	**0.68**	**–**	**–**	**161.25**

Note No. 7 - Equity Share Capital

Particulars	As at March 31, 2022: No. of shares	As at March 31, 2022: Rs. in Lakhs	As at March 31, 2021: No. of shares	As at March 31, 2021: Rs. in Lakhs
Authorised				
Equity shares of Rs. 10 each	**30,00,000**	**300.00**	30,00,000	300.00
Issued				
Equity shares of Rs. 10 each	**30,00,000**	**300.00**	30,00,000	300.00
Subscribed and fully paid up				
Equity shares of Rs. 10 each	**30,00,000**	**300.00**	30,00,000	300.00
Total	**30,00,000**	**300.00**	30,00,000	300.00

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (contd.)

(i) Reconciliation of the number of shares outstanding at the beginning and at the end of the year.

Rs. in Lakhs

Particulars		**Opening Balance**	**Issued during the year**	**Closing Balance**
Equity shares	**No. of Shares**	30,00,000	–	30,00,000
	Amount	300.00	–	300.00

Rights, preferences and restrictions attached to equity shares

The Company is having only one class of equity shares having par value of Rs. 10 each. Each holder of equity share is entitled to one vote per share. In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive remaining assets of the Company. The distribution will be in proportion to the number of equity shares held by the shareholders.

(ii) Details of shares held by each promoter at the end of the year:

31 March 2022

	As at March 31, 2022		As at March 31, 2021		
Name of promoter	**Number of shares**	**% of shares**	Number of shares	% of shares	% Change
Equity shares					
Mahindra EPC Irrigation Limited (Formerly known as EPC Industrie Limited)	**1,800,000**	**60.00%**	1,800,000	60.00%	0.0%
Top Greenhouses Limited, Israel	**1,200,000**	**40.00%**	1,200,000	40.00%	0.0%

31 March 2021

	As at March 31, 2021		As at March 31, 2020		
Name of promoter	**Number of shares**	**% of shares**	Number of shares	% of shares	% Change
Equity shares					
Mahindra EPC Irrigation Limited (Formerly known as EPC Industrie Limited)	**1,800,000**	**60.00%**	1,800,000	60.00%	0.0%
Top Greenhouses Limited, Israel	**1,200,000**	**40.00%**	1,200,000	40.00%	0.0%

Note No. 8 - Trade Payables

Rs. in Lakhs

Particulars	**As at March 31, 2022**	As at March 31, 2021
Current		
Trade payable - Micro and small enterprises	**4.39**	14.12
Trade payable - Other than micro and small enterprises	**85.35**	99.01
Unbilled dues	**4.04**	11.69
Total	**93.78**	124.82

Disclosures required under section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 are as below:

(a)	Dues remaining unpaid as at March 31		
	Principal	**4.39**	14.12
	Interest on the above	**–**	–
(b)	Interest paid in terms of Section 16 of the Act, along with the amount of payment made to the supplier beyond the appointed day during the period	**–**	–
	Principal paid beyond the appointed date	**–**	–
	Interest paid in terms of Section 16 of the Act	**–**	–

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (contd.)

Rs. in Lakhs

	Particulars	As at March 31, 2022	As at March 31, 2021
(c)	Amount of interest due and payable for the period of delay on payments made beyond the appointed day during the period	–	–
(d)	Further interest due and payable even in the succeeding years, until such date when the interest due as above are actually paid to the small enterprises	–	–
(e)	Amount of interest accrued and remaining unpaid as at March 31	–	–
	Due to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.		

Note No. 8 - Trade payables Ageing Schedule

Rs. in Lakhs

Outstanding as on 31st March 2022

Sr. No.	Particulars	Less than 1 year	1 - 2 Years	2 - 3 Years	More than 3 Years	Total
i	MSME	**4.39**	–	–	–	**4.39**
ii	Others	**84.48**	**0.37**	**0.50**	–	**85.35**
iii	Disputed dues - MSME	–	–	–	–	–
iv	Disputed dues - Others	–	–	–	–	–
	Total	**88.87**	**0.37**	**0.50**	–	**89.74**
v	Unbilled	**4.04**	–	–	–	**4.04**
	Total	**92.91**	**0.37**	**0.50**	–	**93.78**

Rs. in Lakhs

Outstanding as on 31st March 2021

Sr. No.	Particulars	Less than 1 year	1 - 2 Years	2 - 3 Years	More than 3 Years	Total
i	MSME	14.12	–	–	–	**14.12**
ii	Others	98.50	0.51	–	–	**99.01**
iii	Disputed dues - MSME	–	–	–	–	–
iv	Disputed dues - Others	–	–	–	–	–
	Total	**112.62**	**0.51**	–	–	**113.13**
v	Unbilled	11.69	–	–	–	**11.69**
	Total	**124.31**	**0.51**	–	–	**124.82**

Note No. 9 - Provisions

Rs. in Lakhs

Particulars	As at March 31, 2022		As at March 31, 2021	
	Current	Non-Current	Current	Non-Current
Other Provisions				
Warranty	**9.29**	**2.61**	6.16	1.38
Total	**9.29**	**2.61**	6.16	1.38

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (contd.)

Details of movement in Warranty Provisions is as follows:

Particulars	**Amount (Rs. in Lakhs)**
Balance at March 31, 2021	**7.54**
Additional provisions recognised	4.69
Amounts used during the year	0.88
Unwinding of discount	0.55
Balance at March 31, 2022	**11.90**

Warranty Claims:

Provision for warranty represents present value of management's best estimate of the future outflow of economic benefits that will be required in respect of sale of certain products, the estimated cost of which is accrued at the time of sale. Management estimates the related provision for future warranty claims based on historical warranty claim information of shareholders entities past experience and is adjusted regularly to reflect new information. The products are generally covered under a free warranty period ranging from 1 year to 3 years. It is expected that most of these costs will be incurred in the next two financial years and all will have been incurred within 3 years after the reporting date.

Note No. 10 - Other Current Liabilities

Rs. in Lakhs

Particulars	**As at March 31, 2022**		As at March 31, 2021	
	Current	**Non-Current**	Current	Non-Current
(a) Advances received from customers	**15.84**	**–**	46.23	–
(b) Statutory dues				
- taxes payable (other than income taxes)	**2.23**	**–**	1.64	–
(c) Security Deposits	**1.09**	**–**	0.84	–
(d) Interest Payable	**–**	**–**	–	–
Total	**19.17**	**–**	48.71	–

Note No. 11 - Revenue from Operations (Refer Note 18)

Rs. in Lakhs

Particulars	**For the year ended March 31, 2022**	For the year ended March 31, 2021
(a) Revenue from sale of products	**454.26**	443.04
(b) Revenue from rendering of services	**14.97**	68.70
Total	**469.23**	511.74

The Company is engaged in the business of Protected Cultivation Technology Products. In terms of Ind AS 115, the Company is recognizing the revenue as and when it satisfies the performance obligation by transferring promised services to customer and customer obtains the benefit of the same. Hence the Company recognises revenue at a point in time.

During the year there are 3 Company's most significant customer from which the Company has earned revenues in excess of 10% of the Company's revenues. The total amount of revenue earned from such customer is Rs. 356.5 lakhs (31 March 2021: Rs. 386.72 lakhs). The revenue earned is pertaining to sale and installation of Green Houses.

(a) Disaggregation of revenue from contracts with customers

The Company derives revenue from sale of Green House products and installation services

Particulars	**March 31, 2022**	March 31, 2021
Revenue from contracts with customers at a point in time		
Sale of Green House Products	**454.26**	443.04
Installation Services	**14.97**	68.70
Total Revenue from contract with customers	**469.23**	511.74

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (contd.)

(b) Movement of Deferred Contract Liability (Advance from customer)

Particulars	**March 31, 2022**	March 31, 2021
Opening Balance	**46.23**	5.07
i) Addition during the year (Net)	**15.84**	46.23
ii) Income recognised during the year	**46.23**	5.07
Closing Balance	**15.84**	46.23

(c) Reconciliation of revenue as per contract price and as recognised in the Statement of profit and loss

Particulars	**March 31, 2022**	March 31, 2021
Revenue from contract with customer as per the contract price	**469.23**	511.74
Adjustments made to contract price on account of :		
Discounts / Rebates / Incentives	**–**	–
Revenue from contract with customer as per the statement of Profit and Loss	**469.23**	511.74

Note No. 12 - Other Income

Rs. in Lakhs

Particulars	**For the year ended March 31, 2022**	For the year ended March 31, 2021
(a) <u>Interest Income - On financial assets carrie at amortised cost</u>		
1) Bank deposits	**2.53**	4.39
(b) Interest on Income Tax refunds	**0.03**	–
(c) Other Income (* Note for other income)	**0.58**	0.08
Total	**3.14**	4.47

* Other Income – Excess provision write back

Note No. 13 (a) - Purchases of Stock-in-trade

Rs. in Lakhs

Particulars	**For the year ended March 31, 2022**	For the year ended March 31, 2021
Purchases traded goods (refer note 18)	**246.39**	403.49
Total	**246.39**	403.49

Note 13 (b) - Changes in inventories of stock-in-trade

Rs. in Lakhs

Particulars	**For the year ended March 31, 2022**	For the year ended March 31, 2021
<u>Inventories at the end of the period:</u>		
Stock-in-trade	**26.25**	89.69
	26.25	89.69

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (contd.)

Rs. in Lakhs

Particulars	**For the year ended March 31, 2022**	For the year ended March 31, 2021
Inventories at the beginning of the period:		
Stock-in-trade	**89.69**	40.27
	89.69	40.27
Net (increase)	**63.44**	(49.42)

Note No. 14 - Other Expenses (Also refer with Note 18)

Rs. in Lakhs

Particulars	**For the year ended March 31, 2022**	For the year ended March 31, 2021
Rent including lease rentals	**0.90**	2.73
Rates and taxes	**1.74**	0.11
Insurance	**2.29**	1.17
Repairs and maintenance - Others	**0.19**	1.10
Commission on sales	**0.38**	1.00
Freight outward	**5.86**	5.65
Travelling and Conveyance Expenses	**13.70**	9.62
Expected Credit Loss	**9.00**	–
Net loss on foreign currency transactions	**0.28**	–
Auditors remuneration and out-of-pocket expenses		
(i) As Auditors	**2.00**	2.00
Legal and other professional costs	**97.31**	92.81
Site Expenses	**88.85**	78.02
Provision for Warranty	**4.60**	4.26
Other General Expenses	**1.67**	0.84
Total Other Expenses	**229.22**	200.40

Note No. 15 - Earnings per Share

Rs. in Lakhs

Particulars	**For the year ended March 31, 2022**	For the year ended March 31, 2021
Loss for the year for basic and diluted EPS (Rs. in Lakhs)	**(68.22)**	(38.84)
Weighted average number of Equity shares used in computing basic EPS	**30,00,000**	30,00,000
Weighted average number of equity shares used in computing of diluted EPS	**30,00,000**	30,00,000
Basic and Diluted Earnings per share (Rs.) (Face value of Rs. 10 per share)	**(2.27)**	(1.29)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (contd.)

Note No. 16 - Finance Cost

Rs. in Lakhs

Particulars		For the year ended March 31, 2022	For the year ended March 31, 2021
(a)	Interest expenses on delayed payment of taxes	0.99	–
(b)	Other borrowing cost		
	Processing fees / Guarantee Commission	–	0.03
	Unwinding of discount on provisions	**0.55**	0.55
Total finance costs		**1.54**	0.58

Note No. 17 - Financial Instruments

I Capital management

The company's capital management objectives are:

- to ensure the company's ability to continue as a going concern.
- to provide an adequate return to shareholders by pricing products and services commensurate with the level of risk.

The Company monitors capital on the basis of the carrying amount of equity less cash and cash equivalents as presented on the face of the statement of financial position.

The Company sets the amount of capital in proportion to its overall financing structure, i.e. equity and financial liabilities. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

Rs. in Lakhs

Particulars	March 31, 2022	March 31, 2021
Equity	**126.89**	195.11
Less: Cash and cash equivalents	**(71.98)**	(93.13)
	54.91	101.98

II Categories of financial assets and financial liabilities

Rs. in Lakhs

	As at March 31, 2022			
Particulars	**Amortised Costs**	**FVTPL**	**FVOCI**	**Total**
Current Assets				
Trade Receivables	**146.64**	**–**	**–**	**146.64**
Cash and Cash Equivalents	**71.98**	**–**	**–**	**71.98**
Other Financial Assets	**0.50**	**–**	**–**	**0.50**
Current Liabilities				
Trade Payables	**93.78**	**–**	**–**	**93.78**

Rs. in Lakhs

	As at March 31, 2021			
Particulars	Amortised Costs	FVTPL	FVOCI	Total
Current Assets				
Trade Receivables	161.25	–	–	161.25
Cash and Cash Equivalents	93.13	–	–	93.13
Other Financial Assets	3.80	–	–	3.80
Current Liabilities				
Trade Payables	124.82	–	–	124.82

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk. In order to manage the aforementioned risks, the Company operates a risk management policy and a program that performs close monitoring of and responding to each risk factors.

CREDIT RISK

Credit risk management

Credit risk arises when a counterparty defaults on its contractual obligations to pay, resulting in financial loss to the Company. For parties credit limits are set quarterly. The Company has adopted a policy of only dealing with creditworthy parties and obtaining security cheques, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Company's exposure and credit worthiness of such parties are continuously monitored.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (contd.)

Cash and cash equivalents and fixed deposits

The Company held cash and cash equivalents with credit worthy banks and financial institutions of Rs. 15.63 lakhs as at 31 March 2022 (31 March 2021: Rs. 28.71 lakhs) and fixed deposits of Rs. 51.25 lakhs as at 31 March 2022 (31 March 2021: Rs. 61.25 Lakhs) and interest accrued on fixed deposits as at 31 March 2022 Rs. 5.10 Lakhs (31 March 2021 : Rs. 3.17 Lakhs)

The cash and cash equivalents and fixed deposit are held with bank and financial institution counterparties, which are rated AA- to AA+, based on CRISIL ratings.

Trade receivables

A summary of exposure to credit risk for trade receivables is as follows:

	Carrying Amount	
	31 March 2022	31 March 2021
Trade receivables (refer note 6)	**146.64**	161.25
	146.64	161.25

The Company's exposure to credit risk for trade receivables (net) at the reporting date by operating segment are as follows:

	Carrying Amount	
	31 March 2022	31 March 2021
Green House Products and Installation Services	**146.64**	161.25
	146.64	161.25

Impairment

The ageing of trade and other receivables that were not impaired is as follows:

	Carrying Amount	
	31 March 2022	31 March 2021
Gross carrying amount		
Neither due nor impaired		
Not Due	–	–
Ageing 0-30	61.90	–
Ageing 31-60	33.97	129.63
Ageing 61-120	41.75	30.94
Ageing more than 120	18.01	0.68
Expected credit loss		
Neither due nor impaired	–	–
Not Due	–	–
Ageing 0-30	–	–
Ageing 31-60	–	–
Ageing 61-120	–	–
Ageing more than 120	9.00	–
Net amount after impairment	**146.64**	**161.25**

Management believes that the unimpaired amounts that are overdue are still collectible in full, based on extensive analysis of customer credit risk.

The movement in the allowance for impairment in respect of trade and other receivables during the year was as follows:

Particulars	**Amount**
Balance as at 1 April 2021	–
Less : Bad debt written off during the year	–
Add : Impairment loss recognised during the year	9.00
Balance as at 31 March 2022	**9.00**

LIQUIDITY RISK

(i) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Company's short - medium- and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (contd.)

(ii) Maturities of financial liabilities

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The amount disclosed in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows.

To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Company may be required to pay.

EXPOSURE TO LIQUIDITY RISK

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted.

			Contractual cash flows			
31 March 2022	**Notes**	**Carrying amount**	**Total**	**Payable within 1 year**	**1-5 years**	**More than 5 years**
Non-derivative financial liabilities						
Trade payables	**8**	**93.78**	**93.78**	**93.78**	**–**	**–**
		93.78	**93.78**	**93.78**	**–**	**–**

			Contractual cash flows			
31 March 2021	**Notes**	**Carrying amount**	**Total**	**Payable within 1 year**	**1-5 years**	**More than 5 years**
Non-derivative financial liabilities						
Trade payables	8	124.82	124.82	124.82	–	–
		124.82	124.82	124.82	–	–

MARKET RISK

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk such as equity price risk and commodity price risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Note No. 18 - Related Party Disclosures

Name of the Company	**Relationship**
Mahindra EPC Irrigation Limited (Formerly known as EPC Industrie Limited)	JV Partner
Top Greenhouses Limited	JV Partner
Top Greenhouse Technologies Private Limited	A Subsidiary of Top Greenhouses Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (contd.)

Key Managerial Personnel

Meghnad Mitra	Chairman
Abhijit Page	Director
Asaf Elyahu	Director
Amiram Regev	Director

Details of transaction between the Company and its related parties are disclosed below:

Rs. in Lakhs

	Nature of transactions with Related Parties	For the year ended March 31, 2022	For the year ended March 31, 2021
1.	**Mahindra EPC Irrigation Limited (Formerly known as EPC Industrie Limited.)**		
	Purchases of Goods	**27.03**	15.12
	Professional Fees	**10.00**	91.56
	Reimbursement of expenses	**89.94**	1.22
2.	**Top Greenhouses Limited**		
	Purchases of Goods	**5.20**	10.70

Rs. in Lakhs

Nature of Balances with Related Parties	As at March 31, 2022	As at March 31, 2021
Trade payables		
Mahindra EPC Irrigation Limited (Formerly known as EPC Industrie Limited.)	**49.01**	54.78

Note No. 19 - Current Tax and Deferred Tax

The company has incurred loss for the period in books as well as per income tax provisions. Considering the loss, company has carried out the assessment of tax and deferred tax as required and concluded that the impact is negligible. Hence, the impact of the assessment has not been considered for adjustment and disclosures purpose in the financial statements.

Note No. 20 - Segment

The company operates in only one business segment viz Business of Protected cultivation Technology products and services in India. The information reported to chief operating and decision maker (CODM) (viz Board of Director) for the assessment of performance of business and allocation of resources is under this segment. Accordingly, the company has identified the single segment under 108 – Operating segments.

The company's revenues consists of more than 10% from the three customers.

Note No. 21 - Contingent Liabilities and Commitments

There are no Contingent liabilities and Commitments.

Note No. 22 - Going Concern - Assumption

Mahindra Top Greenhouses Private Limited has recorded a loss of Rs. 68.22 Lakhs. (Cumulative Loss Rs. 173.11 Lakhs) Based on the business plan for the next 5 years which considers increase in revenue from operations by tapping new customers and increase in operating margins, thereby, earning cash profits and wiping off brought forward losses, the Company has been assessed as a "Going Concern".

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (contd.)

Note No. 23 - Additional Regulator Information - Ratio Analysis and its elements

			Standalone			
Ratio	**Numerator**	**Denominator**	**FY 2022**	**FY 2021**	**% Change**	**Reasoning**
Debtors Turnover (Times)*	Net Credit Sales	Average Debtors	3.0	4.5	-34.9%	Delay in money receipt from top debtors due to COVID 19 Pandemic.
Inventory Turnover (Times)	COGS	Average Inventory	5.3	5.4	-1.9%	–
Current Ratio (Times)	Current Assets	Current Liabilities	2.0	2.1	-3.3%	–
Gross Profit Margin (%)	Gross Profit	Net Sales	34.0%	30.8%	10.3%	–
Net Profit Margin (%)	PAT	Net Sales	-14.5%	-7.6%	91.6%	The decrease in revenue as compare to previous year is due to COVID 19 pendmic when company was unable to execute orders in hand, further impact of fixed costs and increase in Raw Material costs during year has led to decline in profit margins.
Return on Equity (%)	Net Profit after Taxes - Preference Dividend (if any)	Average share holders equity	-42.4%	-18.1%	134.0%	
Net Capital Turnover Ratio (Times)	Net Sales	Working Capital	3.7	2.6	40.1%	Timely receipt of advances from customers enable to improve cash flow and also deploying just in time inventory method impacted to improve the ratio.
Return on Fixed Income Investments (%)	Income on investment	Investment	4.5%	4.2%	8.2%	

Note No. 24 - Event occurring after the Reporting period

No material events have occurred between the Balance sheet date and before the approvals of financials statements by Board of Directors.

The financial statement of the company were approved by the Board of Directors and authorised for issue on May 02, 2022.

For and on behalf of the Board of Directors

Sunetra Ganesan
CFO

Place : Nashik
Date : May 02, 2022

Abhijit Page
Director
DIN-08797913

Place : Nashik
Date : May 02, 2022

Meghnad Mitra
Chairman
DIN-01802612

Place : Nashik
Date : May 02, 2022

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF MAHINDRA HZPC PRIVATE LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying Financial Statements of **Mahindra HZPC Private Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (herein after referred to as "the Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, its loss and total comprehensive loss, its changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Financial Statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the 'Auditors' Responsibilities for the Audit of the Financial Statements' section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("the ICAI") together with the ethical requirements that are relevant to our audit of the Financial Statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Financial Statements.

Information other than the Financial Statements and Auditors' Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's Report and the related annexures, but does not include the financial statements and our Auditors' Report thereon.

Our opinion on the Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management for the financial statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Financial Statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in Annexure B, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
   (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive loss, the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this report are in agreement with the books of account.
   (d) In our opinion, the aforesaid Financial Statements comply with the Accounting Standards specified under Section 133 of the Act.
   (e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164(2) of the Act.
   (f) With respect to the adequacy of the internal financial controls with reference to Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure A. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to Financial Statements.
   (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

   In our opinion and to the best of our information and according to the explanations given to us, the Company has not paid/provided managerial remuneration.

   (h) With respect to the other matters to be included in the Auditors' Report in accordance with the requirements of Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
      (i) The Company does not have any pending litigations which would impact its financial position;
      (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
      (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;

(iv) (a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement; and

(v) The dividend has not declared and paid by the Company during the year.

For **B.K. Khare & Co.**
Chartered Accountants
Firm Registration No. 105102W

Aniruddha Joshi
Partner
Membership No.040852
UDIN: 22040852AICJKW3109

Mumbai, April 25, 2022

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of sub-section (3) of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of **Mahindra HZPC Private Limited** ("the Company") as of March 31, 2022 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2022, based on the criteria for internal financial control with reference to financial statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **B.K. Khare & Co.**
Chartered Accountants
Firm Registration No. 105102W

Aniruddha Joshi
Partner
Membership No.040852
UDIN: 22040852AICJKW3109

Mumbai, April 25, 2022

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(i) (a) (A) According to the information and explanations given to us, the Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.

(B) According to the information and explanations given to us, the Company has maintained proper records showing full particulars of intangible assets.

(b) The Company has a regular programme of physical verification of its property, plant and equipment by which the property, plant and equipment are verified by the management according to a phased programme designed to cover all the items over a period of two years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its property, plant and equipment. In accordance with the programme, the Company has not physically verified property, plant and equipment during the year.

(c) According to the information and explanations given to us, the title deeds of immovable properties are held in the name of the Company.

(d) According to the information and explanations given to us, the Company has not revalued any of its Property, Plant and Equipment or intangible assets or both during the year.

(e) Based on the audit procedures performed by us and according to the information, explanations and representations given to us, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

(ii) (a) According to the information and explanations given to us, the inventory comprising of According to the information and explanations given to us, the inventory comprising of finished goods, work-in-progress, agricultural produce and packing materials, has been physically verified at reasonable intervals by the management during the year. Stock-in-transit as on March 31, 2022 has been verified by the management on subsequent receipt of the goods. In our opinion, the coverage and procedure of such verification by the management is appropriate and no discrepancies of 10% or more in the aggregate for each class of inventory were noticed on such verification between the physical inventory and the book records. We have relied on confirmations and representations from third parties in case of inventory lying in their locations, wherever applicable.

(b) According to the information and explanations given to us, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from HDFC Bank Limited and Axis Bank Limited ("the Banks") on the basis of security of current assets at any point of time during the year. The current assets statements filed by the Company with the Banks on a quarterly basis are materially in agreement with the unaudited books of account as certified by the management.

(iii) According to the information and explanations given to us, the Company has not made investments in or provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year. Accordingly, the reporting under Clauses 3(iii)(a) to 3(iii)(f) of the Order is not applicable to the Company.

(iv) According to the information and explanations given to us, the Company has not granted any loans or made any investments or provided any guarantees or security to the parties covered under Sections 185 and 186 of the Act. Accordingly, the reporting under Clause 3(iv) of the Order is not applicable to the Company.

(v) According to the information and explanations given to us, the Company has not accepted deposits under the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. Accordingly, the reporting under Clause 3(v) of the Order is not applicable to the Company.

(vi) On the basis of information given to us, the Central Government of India, has not prescribed the maintenance of cost records under sub section (1) of section 148 of the Companies Act 2013, for any of the products of the Company. Hence, reporting under clause (vi) of the Order is not applicable to the Company.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of records of the Company, the amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Services tax, Provident Fund, Employees' State Insurance, Income-tax, Cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. According to the information and explanations given to us and on the basis of our examination of records of the Company, there were no undisputed statutory dues payable in respect of Sales tax, Service tax, Duty of Customs, Duty of Excise and Value Added Tax.

According to the information and explanations given to us and on the basis of our examination of records of the Company, there were no arrears of outstanding statutory dues in respect of Goods and Services tax, Provident fund, Employees' State Insurance, Income-tax, Sales tax, Service tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other material statutory dues as on the last day of the financial year for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and on the basis of our examination of records of the Company, there are no statutory dues in respect of Goods and Services Tax, Provident Fund, Employees' State Insurance, Sales tax, Service tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and any other material statutory dues as at 31 March 2022, which have not been deposited with the appropriate authorities on account of any dispute.

(viii) According to the information and explanations given to us, there are no transactions not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income-tax Act, 1961. Accordingly, the reporting under Clause 3(viii) of the Order is not applicable to the Company.

(ix) (a) According to the information and explanations given to us and based on the audit procedures performed by us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.

(b) According to the information and explanations given to us, the Company has not been declared a willful defaulter by any bank or financial institution or any other lender till the date of our audit report.

(c) According to the information and explanations given to us and based on the audit procedures performed by us, the Company has not obtained term loan during the year. Accordingly, the reporting under Clause 3(ix)(c) of the Order is not applicable to the Company.

(d) In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that funds raised on short-term basis have not been utilized for long- term purposes as at the Balance Sheet date.

(e) According to the information and explanations given to us and on an overall examination of the Financial Statements of the Company, we report that the Company has no subsidiaries, associates or joint ventures. Accordingly, the reporting under Clause 3(ix)(e) of the Order is not applicable to the Company.

(f) According to the information and explanations given to us and based on the audit procedures performed by us, we report that the Company has no subsidiaries, associates or joint ventures. Accordingly, the reporting under Clause 3(ix)(f) of the Order is not applicable to the Company.

(x) (a) According to the information and explanations given to us, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under Clause 3(x)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Accordingly, the reporting under Clause 3(x)(b) of the Order is not applicable to the Company.

(xi) (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company noticed or reported during the year, nor have we been informed of any such case by the management.

(b) There has been no report filed by us under sub-section (12) of Section 143 of the Act in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government. Accordingly, the reporting under Clause 3(xi)(b) of the Order is not applicable to the Company.

(c) As represented to us by the management, no whistle blower complaints were received by the Company during the year.

(xii) According to the information and explanations given to us, the Company is not a Nidhi company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, the reporting under Clause 3(xii) of the Order is not applicable to the Company.

(xiii) In our opinion and according to the information and explanations given to us, the Company has entered into transactions with related parties in compliance with the provisions of Section 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required by Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act.

(xiv) (a) In our opinion and based on our examination, the Company does not have an internal audit system and is not required to have an internal audit system as per the provisions of the Act.

(b) The Company did not have an internal audit system for the period under audit.

(xv) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with them during the year and hence, the provisions of Section 192 of the Act are not applicable to the Company.

Accordingly, the reporting under Clause 3(xv) of the Order is not applicable to the Company.

(xvi) (a) According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under Clause 3(xvi)(a) of the Order is not applicable to the Company.

(b) In our opinion and according to the information and explanations given to us, the Company has not conducted any Non-Banking Financial or Housing Finance activities. Accordingly, the reporting under Clause 3(xvi)(b) of the Order is not applicable to the Company.

(c) In our opinion and according to the information and explanations given to us, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under Clauses 3(xvi)(c) and 3(xvi)(d) of the Order is not applicable to the Company.

(xvii) In our opinion and according to the information and explanations given to us, the Company has incurred cash losses of Rs. 294 Lakhs during the current financial year and Rs. 11 Lakhs in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, the reporting under Clause 3(xviii) of the Order is not applicable to the Company.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of Balance Sheet as and when they fall due within a period of one year from the Balance Sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the Balance Sheet date, will get discharged by the Company as and when they fall due.

(xx) The Company is not required to comply with the provisions of section 135 of the Act related to the Corporate Social Responsibility (CSR) as the Company has incurred losses during the last three financial years, Accordingly, the reporting under Clause (xx) of the Order is not applicable to the Company.

For **B.K. Khare & Co.**
Chartered Accountants
Firm Registration No. 105102W

Aniruddha Joshi
Partner
Membership No. 040852
UDIN: 22040852AICJKW3109

Mumbai, April 25 2022

BALANCE SHEET AS AT MARCH 31, 2022

(Rs in Lacs)

	Particulars	Note No.	As at March 31, 2022	As at March 31, 2021
	ASSETS			
1	**Non-current assets**			
	(a) Property, Plant and Equipment	3	**1,619.68**	1,697.65
	(b) Capital work-in-progress	4	**9.65**	15.88
	(c) Other Intangible assets	5	**0.41**	2.46
	(d) Financial Assets			
	(i) Security Deposit	6	**7.10**	6.16
	Total Non - current assets		**1,636.85**	1,722.15
2	**Current assets**			
	(a) Inventories	7	**3,515.32**	3,238.25
	(b) Financial Assets			
	(i) Trade receivables	8	**64.89**	8.89
	(ii) Cash and cash equivalents	9	**0.03**	0.22
	(c) Current Tax Assets	10	**0.28**	1.94
	(d) Other current assets	11	**194.51**	80.84
	Total current assets		**3,775.04**	**3,330.13**
	Total Assets (1+2)		**5,411.89**	5,052.29
	EQUITY AND LIABILITIES			
1	**Equity**			
	(a) Equity Share capital	12	**4,964.00**	4,489.00
	(b) Other Equity	12.2	**(4,730.15)**	(4,309.11)
	Total equity (I+II)		**233.85**	**179.89**
	LIABILITIES			
2	**Non-current liabilities**			
	(a) Provisions	13	**62.74**	53.44
	Total Non - Current Liabilities		**62.74**	53.44
3	**Current liabilities**			
	(a) Financial Liabilities			
	(i) Short Term Borrowings	14	**1,370.27**	2,597.08
	(ii) Trade payables	15	**1,279.13**	766.90
	(b) Provisions	16	**9.67**	8.32
	(c) Other current liabilities	17	**2,456.23**	1,446.64
	Total Current Liabilities		**5,115.31**	**4,818.95**
	Total Equity and Liabilities (1+2+3)		**5,411.89**	5,052.29

See accompanying notes 1 to 31 are an integral part of the financial statements

As per our Report of even date attached

For B K Khare & Co.

Chartered Accountants
Firm Regn. No. 105102W

Aniruddha Joshi
Partner
Membership No. 040852

Place: Mumbai
Date: 25 April 2022

For and on behalf of the Board of Directors of

Mahindra HZPC Private Limited

Ashok Sharma
(DIN: 02766679)
Meghnad Mitra
(DIN: 01802612)

Anurag Garg (CFO)

Vibha Swaminathan (CS)
Davinder Singh Dosanjh (CEO)

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2022

(Rs in Lacs)

	Particulars	Note No.	Year ended March 31, 2022	Year ended March 31, 2021
	INCOME			
I	Revenue from operations	18	**4,071.22**	4,433.23
II	Other Income	19	**0.16**	2.60
III	**Total Income (I + II)**		**4,071.38**	4,435.82
IV	**EXPENSES**			
	(a) Purchases of Stock-in-trade	20 a	**3,033.64**	4,383.47
	(b) Changes in inventories of stock-in-trade and work-in-progress	20 b	**(207.38)**	(989.20)
	(c) Cost of Packing materials consumed	20 c	**67.33**	135.64
	(d) Employee benefit expense	21	**411.32**	337.04
	(e) Finance costs	22	**209.15**	170.54
	(f) Depreciation and amortisation expense	3	**127.04**	128.11
	(h) Other expenses	23	**851.33**	409.04
	Total expenses (IV)		**4,492.42**	4,574.64
V	**(Loss)/Profit before exceptional items and tax (I - IV)**		**(421.04)**	(138.81)
VI	**Exceptional Items**		**–**	–
VII	**(Loss)/Profit before tax (V - VI)**		**(421.04)**	(138.81)
VIII	**Tax expense**			
	(1) Current tax		**–**	–
	(2) Deferred tax	24	**–**	–
	Total tax expense		**–**	–
IX	**(Loss)/Profit for the year (VII - VIII)**		**(421.04)**	(138.81)
X	**(Loss)/profit for the year**		**(421.04)**	(138.81)
XI	**Other Comprehensive Income**			
	A (i) Items that will not be recycled to profit or loss			
	(a) Remeasurements of the defined benefit liabilities / (asset)	25	**(3.22)**	(6.65)
XII	**Total Comprehensive Income for the year (X + XI)**		**(424.26)**	(145.46)
XIII	**Earnings per equity share (for continuing operation):**			
	(1) Basic	26	**(0.94)**	(0.33)
	(2) Diluted		**(0.94)**	(0.33)

As per our Report of even date attached

For B K Khare & Co.

Chartered Accountants
Firm Regn. No. 105102W

Aniruddha Joshi
Partner
Membership No. 040852

Place: Mumbai
Date: 25 April 2022

For and on behalf of the Board of Directors of

Mahindra HZPC Private Limited

Ashok Sharma
(DIN: 02766679)
Meghnad Mitra
(DIN: 01802612)

Anurag Garg (CFO)

Vibha Swaminathan (CS)
Davinder Singh Dosanjh (CEO)

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2022

(Rs in Lacs)

Particulars	**Year ended March 31, 2022**	Year ended March 31, 2021
A. Cash Inflow/(Outflow) from operating activities		
Loss for the year	**(421.04)**	(138.81)
Adjustments for:		
Interest expenses on borrowings	**209.15**	170.54
Depreciation and amortisation of non-current assets	**127.04**	128.11
Operating Loss before working capital changes	**(84.86)**	159.84
Adjustments for:		
Increase in trade and other receivables	**(56.00)**	53.20
(Increase)/decrease in inventories	**(277.07)**	(981.59)
(Increase)/decrease in other assets	**(112.96)**	27.16
Increase/(decrease) in trade and other payables	**1,521.52**	1,076.73
Increase/(decrease) in provisions	**10.64**	2.90
	1,086.12	178.41
Cash generated from operations	**1,001.26**	338.25
Income tax paid	**–**	–
Net cash (outflow) by operating activities	**1,001.26**	338.25
B. Cash Inflow/(Outflow) from investing activities		
Purchase of property, plant and equipment	**(40.49)**	(86.74)
Net cash (outflow) by investing activities	**(40.49)**	(86.74)
C. Cash Inflow/(Outflow) from financing activities		
Proceeds from issue of equity share capital	**475.00**	300.00
Proceeds from borrowings	**(1,226.81)**	(380.91)
Finance cost	**(209.15)**	(170.54)
Net cash inflow from financing activities	**(960.96)**	(251.45)
Net changes in cash and cash equivalents	**(0.19)**	0.06
Cash and cash equivalents at the beginning of the year	**0.22**	0.17
Cash and cash equivalents at the end of the year	**0.03**	0.22

Note: The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard (Ind AS-7) - Statement of Cash Flow.

As per our Report of even date attached

For B K Khare & Co.

Chartered Accountants
Firm Regn. No. 105102W

Aniruddha Joshi
Partner
Membership No. 040852

Place: Mumbai
Date: 25 April 2022

For and on behalf of the Board of Directors of

Mahindra HZPC Private Limited

Ashok Sharma
(DIN: 02766679)
Meghnad Mitra
(DIN: 01802612)

Anurag Garg (CFO)

Vibha Swaminathan (CS)
Davinder Singh Dosanjh (CEO)

NOTES FORMING PART OF FINANCIAL STATEMENTS

1 Corporate Information

Mahindra HZPC Private Limited (Joint Venture with HZPC) is engaged in the business of contract growing, corporate farming, wholesale, retail trading of potato seeds, minitubers, table potato and processing potato, tissue culture plants and services.

2 Significant Accounting Policies

Statement of compliance

The Company's financial statements have been prepared in accordance with the provisions of the Companies Act, 2013 and the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended, issued by Ministry of Corporate Affairs under section 133 of Companies Act, 2013.

2.1 Basis of preparation and presentation

The financial statements have been prepared on the historical cost basis except defined benefit plans - plan assets which has been fair valued. The financial statements of the Company have been prepared to comply with the Indian Accounting standards ('Ind AS'), including the rules notified under the relevant provisions of the Companies Act, 2013. Company's financial statements are presented in Indian Rupees (₹) which is also its functional currency.

2.2 Operating Cycle

All assets and liabilities are classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the companies act, 2013 and Ind AS 1 - Presentation of Financial Statements based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents.

2.3 Revenue recognition

The Ministry of Corporate Affairs notified Ind AS 115 "Revenue from Contracts with Customers" in respect of accounting periods commencing on or after April 1, 2018, superseding Ind AS 11 "Construction Contracts" and Ind AS 18 "Revenue".

The Company's current revenue recognition policy is aligned to the principles enunciated in Ind AS 115 which is effective from April 1, 2018.

Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration expected to receive in exchange for those products or services.

The core principle of Ind AS 115 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the standard introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligation in contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Under Ind AS 115, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer.

2.3.1 Sale of goods

Revenue from the sale of goods is recognised upon transfer of control of promised products to customers in an amount that reflects the consideration expected to receive in exchange for those products, at which time all the following conditions are satisfied:

- the company has transferred to the buyer the control of promised products to customers;
- the company has identified the contract with customer and performance obligation in the contract;
- the amount of revenue can be measured reliably;
- revenue is recognised when the division satisfy the performance obligation
- it is probable that the economic benefits associated with the transaction will flow to the company; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

2.3.2 Interest Income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

2.3.3 Other Income

Other items of income are accounted as and when the right to receive such income arises and it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably.

2.4 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

2.5 Employee benefits

Short Term Employee Benefits

The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees are recognised as an expense during the period when the employees render the services.

Post-Employment Benefits

Defined Contribution Plans

A defined contribution plan is a post-employment benefit plan under which the Company pays specified contributions to a separate entity. The Company makes specified monthly contributions towards Provident Fund, Superannuation Fund and Pension Scheme. The Company's contribution is recognised as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service.

Defined Benefit Plans

The Company pays gratuity to the employees whoever has completed five years of service with the Company at the time of resignation/ superannuation. The gratuity is paid @15 days salary for every completed year of service as per the Payment of Gratuity Act 1972.

The liability in respect of gratuity and other post-employment benefits is calculated using the Projected Unit Credit Method and spread over the period during which the benefit is expected to be derived from employees' services. Re-measurement of defined benefit plans in respect of post-employment are charged to the Other Comprehensive Income.

2.5.1 Employee Share based compensation

Certain employees of the company / holding company on deputation are covered under the stock option plans of the holding company. These plans are assessed, managed and administered by the holding company.

NOTES FORMING PART OF FINANCIAL STATEMENTS

The fair value of options granted under the Employee stock Option scheme applicable to eligible employees of the Company is charged in the statement of Profit and loss on a straight line basis over the service period / option vesting period with a corresponding increase in equity net of reimbursements, if any.

2.6 Taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in Statement of Profit and Loss, except to the extent that it relates to items recognised in the comprehensive income or in equity. In which case, the tax is also recognised in other comprehensive income or equity.

Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted at the Balance sheet date.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of Deferred tax liabilities and assets are reviewed at the end of each reporting period.

2.7 Property, plant and equipment

Property, plant and equipment are stated at cost, net of recoverable taxes, trade discount and rebates less accumulated depreciation and impairment losses, if any. Such cost includes purchase price, borrowing cost and any cost directly attributable to bringing the assets to its working condition for its intended use, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the assets.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost can be measured reliably.

Freehold land is not depreciated.

Fixtures and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss. The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

2.7.1 Intangible Assets:

Intangible Assets are stated at cost of acquisition net of recoverable taxes, trade discount and rebates less accumulated amortisation/depletion and impairment loss, if any. Such cost includes purchase price, borrowing costs, and any cost directly attributable to bringing the asset to its working condition for the intended use.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost can be measured reliably.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised. Intangible assets are amortized over the period of five years.

2.7.2 Impairment of non-financial assets - property, plant and equipment and intangible assets:

The Company assesses at each reporting date as to whether there is any indication that any property, plant and equipment and intangible assets may be impaired. If any such indication exists the recoverable amount of an asset is estimated to determine the extent of impairment, if any.

An impairment loss is recognised in the Statement of Profit and Loss to the extent, asset's carrying amount exceeds its recoverable amount. The recoverable amount is higher of an asset's fair value less cost of disposal and value in use. Value in use is based on the estimated future cash flows, discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and risk specific to the assets.

The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

2.8 Inventories

Inventories are valued as follows:

(a) Raw materials & components and stores & spares
At cost, arrived at on FIFO basis or net realizable value, whichever is lower. Cost comprises expenditure incurred in the normal course of business in bringing such inventories to its present location and condition.

(b) Traded goods
At cost arrived at on FIFO basis or net realizable value, whichever is lower. Costs are determined after deducting rebates and discounts.

Net relisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and sale.

(c) Agricultural Produce
Agricultural produce is recognized at fair value less costs to sell at the date of harvest. Once harvested, these goods are subsequently accounts for under Ind AS 2 in the same manner as other inventories purchased from third parties.

Obsolete, slow moving and defective inventories are identified from time to time and, where necessary, a provision is made for such inventories.

2.9 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.10 Basis for classification of current and Non current assets

The basis for classification of current and non current assets is as per Ind AS 1- Presentation of financial statement

Current and Non current assets

An entity shall classify an asset as current when:

(a) it expects to realise the asset, or intends to sell or consume it, in its normal operating cycle;

(b) it holds the asset primarily for the purpose of trading;

(c) it expects to realise the asset within twelve months after the reporting period; or

NOTES FORMING PART OF FINANCIAL STATEMENTS

(d) the asset is cash or a cash equivalent (as defined in Ind AS 7) unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

An entity shall classify all other assets as non-current.

Current and Non current liabilities

An entity shall classify a liability as current when:

(a) it expects to settle the liability in its normal operating cycle;

(b) it holds the liability primarily for the purpose of trading;

(c) the liability is due to be settled within twelve months after the reporting period; or

(d) it does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

An entity shall classify all other liabilities as non-current.

2.11 Foreign Currency Transactions

In preparing the financial statements of entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. Gains and losses arising out of subsequent fluctuations are accounted for on actual payment or realisation. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise.

2.12 Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

2.13 Depreciation / amortisation and useful lives of property plant and equipment / intangible assets

Property, plant and equipment / intangible assets are depreciated / amortised over their estimated useful lives, after taking into account estimated residual value. Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation / amortisation to be recorded during any reporting period. The useful lives and residual values are based on the Company's historical experience with similar assets and take into account anticipated technological changes. The depreciation / amortisation for future periods is revised if there are significant changes from previous estimates.

2.14 Provisions for doutful debtors

As per applicable credit policy company make a provision for doubtful debtors where outstanding remain unpaid for more than 180 days.

2.15 Biological assets and agricultural produce

The Company's operations include activities which are agricultural in nature and are subject to the recognition, measurements and disclosure requirements of Ind AS 41 - Agriculture. Biological Assets are recognised when the Company controls the assets as a result of past events and it is probable that the future economic benefits associated with the asset will flow to the Company and fair value can be measured reliably. On initial recognition and at the end of each reporting period, the biological assets are measured at fair value less cost to sell. Cost to sell includes the incremental cost to sell including commission to traders, brokers and dealers and estimated cost to transport to the market but excludes finance costs and income taxes. harvested biological assets (i.e. agriculture produce) are transferred to inventory at fair value less costs to sell when harvested.

Cost approximates fair value when little biological transformation has taken place since the costs were originally incurred or the impact of biological transformation on price is not expected to be material. Gains and losses arising on initial recognition of both biological assets and agricultural produce and any subsequent changes in fair value are recognised in the statement of Profit and Loss in the period in which they arise.

Cost for this purpose includes all direct costs incurred up to the stage of production of the respective inventories.

2.16 Earning per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they were entitled to participate in dividends relative to a fully paid equity share during the reporting period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

2.17 Critical Accounting Judgements and Key Sources of Estimation Uncertainty

The preparation of financial statements in conformity with IND AS requires management to make judgments, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets, liabilities, income, expenses etc. at the date of financial statements and the reported amounts of revenues and expenses for the year presented. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed at each balance sheet date. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are included in the following notes:

Note No. 1 - Property, Plant & Equipment – estimated useful life

Note No. 2 - Intangible assets – impairment and estimated useful life

Note No. 17 - Revenue Recognition – satisfaction of performance obligation and price of the performance obligation.

Note No. 28 - Recoverability of trade receivables and determining provision as per ECL model of the Company.

Note No. 5 Fair value measurements and inventory valuation processes

2.18 Leasing

Company has no significant transactions, all transactions are short term in nature.

2.19 Financial instruments, Financial assets, Financial liabilities and Equity Instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the relevant instrument and are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities measured at fair value through profit or loss) are added to or deducted from the fair value on initial recognition of financial assets or financial liabilities. Purchase or sale of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date when the Company commits to purchase or sell the asset.

Financial assets

Recognition: Financial assets include Investments, Trade Receivables, Advances, Security Deposits, Cash and cash equivalents. Such assets are initially recognised at transaction price when the Company becomes party to contractual obligations. The transaction price includes transaction costs unless the asset is being fair valued through the Statement of Profit and Loss.

Classification: Management determines the classification of an asset at initial recognition depending on the purpose for which the assets were acquired. The subsequent measurement of financial assets depends on such classification.

NOTES FORMING PART OF FINANCIAL STATEMENTS

Financial assets are classified as those measured at:

(a) amortised cost, where the financial assets are held solely for collection of cash flows arising from payments of principal and / or interest.

(b) fair value through other comprehensive income (FVTOCI), where the financial assets are held not only for collection of cash flows arising from payments of principal and interest but also from the sale of such assets. Such assets are subsequently measured at fair value, with unrealised gains and losses arising from changes in the fair value being recognised in other comprehensive income.

(c) fair value through profit or loss (FVTPL), where the assets are managed in accordance with an approved investment strategy that triggers purchase and sale decisions based on the fair value of such assets. Such assets are subsequently measured at fair value, with unrealised gains and losses arising from changes in the fair value being recognised in the Statement of Profit and Loss in the period in which they arise.

Trade receivables, Advances, Security Deposits, Cash and cash equivalents etc. are classified for measurement at amortised cost while investments may fall under any of the aforesaid classes. However, in respect of particular investments in equity instruments that would otherwise be measured at fair value through profit or loss, an irrevocable election at initial recognition may be made to present subsequent changes in fair value through other comprehensive income.

Impairment: The Company assesses at each reporting date whether a financial asset (or a group of financial assets) such as investments, trade receivables, advances and security deposits held at amortised cost and financial assets that are measured at fair value through other comprehensive income are tested for impairment based on evidence or information that is available without undue cost or effort. Expected credit losses are assessed and loss allowances recognised if the credit quality of the financial asset has deteriorated significantly since initial recognition.

Reclassification: When and only when the business model is changed, the Company shall reclassify all affected financial assets prospectively from the reclassification date as subsequently measured at amortised cost, fair value through other comprehensive income, fair value through profit or loss without restating the previously recognised gains, losses or interest and in terms of the reclassification principles laid down in the Ind AS relating to Financial Instruments.

De-recognition: Financial assets are derecognised when the right to receive cash flows from the assets has expired, or has been transferred, and the Company has transferred substantially all of the risks and rewards of ownership. Concomitantly, if the asset is one that is measured at:

(a) amortised cost, the gain or loss is recognised in the Statement of Profit and Loss;

(b) fair value through other comprehensive income, the cumulative fair value adjustments previously taken to reserves are reclassified to the Statement of Profit and Loss unless the asset represents an equity investment in which case the cumulative fair value adjustments previously taken to reserves is reclassified within equity.

Income Recognition: Interest income is recognised in the Statement of Profit and Loss using the effective interest method. Dividend income is recognised in the Statement of Profit and Loss when the right to receive dividend is established.

Financial Liabilities

Borrowings, trade payables and other financial liabilities are initially recognised at the value of the respective contractual obligations. They are subsequently measured at amortised cost. Any discount or premium on redemption / settlement is recognised in the Statement of Profit and Loss as finance cost over the life of the liability using the effective interest method and adjusted to the liability figure disclosed in the Balance Sheet.

Financial liabilities are derecognised when the liability is extinguished, that is, when the contractual obligation is discharged, cancelled and on expiry.

Offsetting Financial Instruments

Financial assets and liabilities are offset and the net amount is included in Balance Sheet where there is legally enforceable right to offset the recognised amounts and there is an intension to settle on a net basis or realise the asset and settle the liability simultaneously.

Equity Instruments

Equity instruments are recognised at the value of the proceeds, net of direct costs of the capital issue.

2.20 Going Concern

During the current financial year, the shareholders has infused required equity. The performance of the Company in term of revenue is exceeding the budgeted expectations . Considering the order intake and advance received from the customers for the next financial years, the Company is confident of its ability to meet the future funds requirements and to continue its business as a going concern.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

Note No. 3 - Property Plant & equipment

(Rs in Lacs)

Description of Assets	Land – Freehold	Building	Plant and Equipment	Electrical Installation and Equipment	Office Equipment	Furniture and Fixtures	Computers	Vehicles	Total
I. Gross Block									
Balance as at April 1, 2021	321.77	600.00	939.75	124.70	23.71	94.48	21.74	135.45	2,261.60
Additions during the year	–	–	38.12	–	–	–	11.59	–	49.71
Sale During the year	–	–	–	–	–	–	–	(28.96)	(28.96)
Balance as at March 31, 2022	**321.77**	**600.00**	**977.86**	**124.70**	**23.71**	**94.48**	**33.33**	**106.48**	**2,232.64**
	–	–	–	–	–	–	–		
II. Accumulated depreciation and amortization									
Balance as at April 1, 2021	–	81.53	268.78	53.29	18.91	35.61	17.43	88.40	563.95
Depreciation and amortisation expense for the year	–	**18.17**	**65.49**	**11.85**	**3.38**	**8.96**	**4.02**	**13.12**	**124.98**
Disposal of Asset/Transfer								(25.97)	(25.97)
Balance as at March 31, 2022	–	**99.70**	**334.27**	**65.14**	**22.28**	**44.57**	**21.45**	**75.55**	**662.96**
		–		–	–	–	–		
Net block (I-II)									
Balance as on March 31, 2021	321.77	518.47	670.96	71.41	4.80	58.87	4.32	47.05	1,697.65
Balance as on March 31, 2022	**321.77**	**500.60**	**643.59**	**59.56**	**1.43**	**48.91**	**11.89**	**30.94**	**1,619.68**

Note: Term loan of Rs. 10,00,00,000/- from HDFC bank has been availed on first charge on Aeroponic facility, including fixed and moveable assets, present and future excluding land.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

Note No. 4 - Capital Work in progress

(Rs in Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
CWIP	**9.65**	15.88
Total	**9.65**	15.88

(Rs in Lacs)

	Amount in CWIP for a period of March 31,2022				
CWIP	**Less than 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
Projects in progress	**9.65**	–	–	–	**9.65**
Projects temporarily suspended	–	–	–	–	–

(Rs in Lacs)

	Amount in CWIP for a period of March 31,2021				
CWIP	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	15.88	–	–	–	15.88
Projects temporarily suspended	–	–	–	–	–

Note No. 5 - Intangible Assets

(Rs in Lacs)

Description of Assets	As at March 31, 2022
I. Gross Block	
Balance as at April 1, 2021	10.28
Additions	–
Balance as at March 31, 2022	**10.28**
	–
II. Accumulated Amortisation for the year	–
Balance as at April 1, 2021	7.81
Amortisation expense for the year	2.05
Balance as at March 31, 2022	**9.87**
Net block (I-II)	–
Balance as on March 31, 2021	2.46
Balance as on March 31, 2022	**0.41**

Note No. 6 - Financial Asset

(Rs in Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
Security Deposits		
– Unsecured, considered good	**7.10**	6.16
Total Loans	**7.10**	6.16

Note No. 7 - Inventories

(Rs in Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
(a) Work-in-progress	**1,029.52**	1,097.32
(b) Stock-in-trade of goods acquired for trading	**2,177.88**	1,996.07
(c) Goods in Transit	**11.64**	–
(d) Agricultural produce (including biological assets)	**209.66**	127.93
(e) Packing Material	**86.62**	16.92
Total Inventories at the lower of cost and net realisable value	**3,515.32**	3,238.25

Notes

1) The cost of inventories recognised as an expense during the year in respect of operations was Rs. 2826.26 Lacs (March 31 2021: Rs. 3394.27 Lacs)
2) Mode of valuation of inventories is stated in Note 2.8 Accounting Policies.
3) WIP comprises of tubers(seed potatoes) and are valued at cost .

   Inventory comprising of traded as well as company product (grown through contract manufacturing) is valued at Cost or Net Realisable Value (NRV) whichever is lower. Having regard to the nature of business, uncertainties involved, long period time for final sale etc. while arriving at NRV, based on present market conditions and future pricing arrangements management is confident of realising value higher than cost. The auditors have relied upon the representation made by management in this behalf.

Note No. 8 - Trade receivables

(Rs in Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
Trade receivables		
(a) Unsecured, considered good	**64.89**	8.89
(b) Doubtful	**78.24**	76.54
Less Provision for doubtful debts	**(78.24)**	(76.54)
Total Trade Receivables	**64.89**	8.89

(Rs in Lacs)

	Outstanding as on March 31, 2022 following periods from due date of payment				
Particulars	**0 months - 1year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
(i) Undisputed Trade receivables – considered good	**64.89**	–	–	–	**64.89**
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	**2.31**	–	**0.42**	**31.06**	**33.79**
(iii) Undisputed Trade Receivables – credit impaired	–	–	–	–	–
(iv) Disputed Trade Receivables – considered good	–	–	–	–	–
(v) Disputed Trade Receivables – which have significant increase in credit risk	–	–	**2.18**	**42.27**	**44.44**
(vi) Disputed Trade Receivables – credit impaired	–	–	–	–	–
Total	**67.21**	–	**2.59**	**73.33**	**143.13**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(Rs in Lacs)

Particulars	Outstanding as on March 31, 2021 following periods from due date of payment 0 months - 1year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	8.89	–	–	–	8.89
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	–	1.19	5.41	23.67	30.27
(iii) Undisputed Trade Receivables – credit impaired	–	–	–	–	–
(iv) Disputed Trade Receivables – considered good	–	–	–	–	–
(v) Disputed Trade Receivables – which have significant increase in credit risk	–	2.58	7.67	36.02	46.27
(vi) Disputed Trade Receivables – credit impaired	–	–	–	–	–
Total	8.89	3.77	13.08	59.69	85.43

Note No. 9 - Cash and cash equivalents

(Rs in Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
(a) Balances with banks	**0.03**	0.05
(b) Cash in hand	–	0.17
Total Cash and cash equivalents	**0.03**	**0.22**

Note No. 10 - Current Tax Assets (Net)

(Rs in Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
(a) TDS Receivable	**0.28**	1.94
Total Current Tax Assets (Net)	**0.28**	1.94

Note No.11 - Other current assets

(Rs in Lacs)

Particulars	As at March 31, 2022 Current	As at March 31, 2021 Current
(i) Prepaid Expenses	**12.80**	2.31
(ii) Advances to Suppliers	**269.69**	160.13
(iii) Advance to Employee	**8.56**	8.97
(iv) Less: Provision for Doubtful Advances	**(96.44)**	(90.59)
Total Other current assets	**194.61**	80.83

Note No. 12 - Equity Share Capital

Particulars	As at March 31, 2022 No. of shares	As at March 31, 2022 Amount (Rs.)	As at March 31, 2021 No. of shares	As at March 31, 2021 Amount (Rs.)
Authorised: Equity shares of Rs: 10/- each with voting rights	**500.00**	**5000.00**	500.00	5000.00
Issued, Subscribed and Fully Paid: Equity shares of Rs: 10/- each with voting rights	**496.40**	**4964.00**	448.90	4489.00
Total Equity Share Capital	**496.40**	**4964.00**	448.90	4489.00

Rights, preferences and restrictions attached to equity shares

The Company has only one class of equity shares having par value of Rs. 10 per share. Each holder of equity share is entitled to one vote per share. The company declares and pays dividend in Indian Rupees. The dividend proposed by Board of Direcors is subject to approval of the shareholders in the ensuing annual general meeting. Further, the Board of Directors may also announce an interim dividend which would need to be confirmed by the shareholders at the forthcoming Annual General Meeting. In the event of liquidation, the shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholdings.

Shares held by promoters at the end of the Year March 31, 2022

S. No.	Promoter's Name	No. of Shares in lacs**	% of total shares	% Change during the Year
1	Mahindra Agri Solutions Limited	**297.59**	**59.95%**	**10.58%**
2	HZPC SBDA B.V.	**198.81**	**40.05%**	**10.58%**
	Total	**496.40**	**100.00%**	

Shares held by promoters at the end of the Year March 31, 2021

S. No.	Promoter's Name	No. of Shares in lacs**	% of total shares	% Change during the Year
1	Mahindra Agri Solutions Limited	269.12	59.95%	7.16%
2	HZPC SBDA B.V.	179.79	40.05%	7.16%
	Total	448.90	100.00%	

Note No. 12.2 - Equity Share Capital and other equity

A. Equity share capital

Balance as at March 31, 2021	Changes in equity share capital during 2021-22	Balance as at March 31, 2022
4,489	**475**	**4,964**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

B. Other Equity

(Rs in Lacs)

Particulars	Reserves and Surplus: Share premium reserve	Retained earnings	Other Comprehensive Income	Total
Balance as at March 31, 2021	668	(4,977)	1	(4,309)
Changes in accounting policy/ prior period errors	–	–	–	–
Share issue expenses	–	–	–	–
Restated balance at the beginning of the reporting period			–	–
Total Comprehensive income for the year	–	(421)	(3)	(424)
Dividends	–	–	–	–
Transfer to retained earnings	–	–	–	–
Balance as at March 31, 2022	**668**	**(5,398)**	**(3)**	**(4,733)**

A. Equity Share Capital

Balance as at March 31, 2022

Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period
4,489.00	–	–	**475.00**	**4,964.00**

Balance as at March 31, 2021

Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period
4,189.00	–	–	300.00	4,489.00

B. Other Equity

Balance as at March 31, 2022

Particulars	Share application money pending allotment	Equity component of compound financial instruments	Reserves and Surplus: Capital Reserve	Securities Premium	Other Reserves (specify nature)	Retained Earnings	Exchange differences on translating the financial statements of a foreign operation	Other items of Other Comprehensive Income (specify nature)	Money received against share warrants	Total
Balance at the beginning of the current reporting period	–	–	–	**667.60**	–	**(4,977.30)**	–	**0.59**	–	**(4,309.11)**
Changes in accounting policy/ prior period errors	–	–	–	–	–	–	–	–	–	–
Restated balance at the beginning of the current reporting period	–	–	–	–	–	–	–	–	–	–
Total Comprehensive Income for the current year	–	–	–	–	–	**(424.26)**	–	**3.22**	–	**(421.04)**
Dividends	–	–	–	–	–	–	–	–	–	–
Transfer to retained earnings	–	–	–	–	–	–	–	–	–	–
Any other change (to be specified)	–	–	–	–	–	–	–	–	–	–
Balance at the end of the current reporting period	–	–	–	**667.60**	–	**(5,401.56)**	–	**3.81**	–	**(4,730.15)**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

Balance as at March 31, 2021

Particulars	Share application money pending allotment	Equity component of compound financial instruments	Reserves and Surplus: Capital Reserve	Securities Premium	Other Reserves (specify nature)	Retained Earnings	Exchange differences on translating the financial statements of a foreign operation	Other items of Other Comprehensive Income (specify nature)	Money received against share warrants	Total
Balance at the beginning of the current reporting period	–	–	–	667.60	-	(4,845.13)	–	7.24	–	(4,170.29)
Changes in accounting policy/prior period errors	–	–	–	–	–	–	–	–	–	–
Restated balance at the beginning of the current reporting period	–	–	–	–	–	–	–	–	–	–
Total Comprehensive Income for the current year	–	–	–	–	–	(132.17)	–	(6.65)	–	(138.82)
Dividends	–	–	–	–	–	–	–	–	–	–
Transfer to retained earnings	–	–	–	–	–	–	–	–	–	–
Any other change (to be specified)	–	–	–	–	–	–	–	–	–	–
Balance at the end of the current reporting period	–	–	–	667.60	–	(4,977.30)	–	0.59	–	(4,309.11)

Note No. 13 & 16 - Provisions

(Rs in Lacs)

Particulars	As at March 31, 2022 Current	Non-Current	Total	As at March 31, 2021 Current	Non-Current	Total
Provision for employee benefits						
(1) Compensated absences	**3.58**	**16.59**	**20.17**	2.71	12.21	14.92
(2) Gratuity	**5.12**	**38.38**	**43.50**	4.64	33.46	38.10
(3) Others	**0.97**	**7.77**	**8.74**	0.97	7.77	8.74
Total Provisions	**9.67**	**62.74**	**72.40**	8.32	53.44	61.76

Note No. 14 - Short Term Borrowings

(Rs in Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
A. Secured Borrowings:		
(a) Cash Credit facility from Bank	**1,288.14**	1,883.03
(b) Current Maturity of Long Term Loan	**–**	125.00
(c) Interest accured but not due	**–**	1.54
(d) Contract Farming Loan for farmer facility	**82.14**	587.52
Total Short Term Borrowings	**1,370.27**	2,597.08

Note:

i) Working capital demand loan / Cash credit facility from AXIS Bank is secured by first paripassu charge on inventories (including raw material, finished goods and stock in trade) and book debts.

ii) Cash credit facility from HDFC Bank is secured by paripassu charge on inventories (including raw material, finished goods and stock in trade) and book debts.

ii) Loan carried interest rate of 6.25% p.a. for Working capital demand loan and 7.15% for Cash credit. The loan shall be due for repayment on or before the last day of the month for which the underlying receivables it is due and recoverable.

iii) Repayment terms for working capital demand loan is 180 days and for cash credit on demand.

Note No. 15 - Trade Payables

(Rs in Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
Trade payable for goods & services-others	**1,234**	700
Trade payable-MSME	**7**	–
Payable to Related parties	**38**	67
Total Trade payables	**1,279**	767

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(Rs in Lacs)

Particulars	Outstanding for March 31, 2022 from due date of payment Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	**7.09**	–	–	–	**7.09**
(ii) Others	**1,192.04**	**9.89**	–	**47.28**	**1,249.21**
(iii) Disputed dues - MSME	–	–	–	–	–
(iv) Disputed dues - Others	–	**7.03**	**0.12**	**15.49**	**22.63**
Total	**1,199.13**	**16.92**	**0.12**	**62.76**	**1,278.93**

(Rs in Lacs)

Particulars	Outstanding for March 31, 2022 from due date of payment Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	–	–	–	–	–
(ii) Others	698.59	(27.79)	29.89	50.72	751.41
(iii) Disputed dues - MSME	–	–	–	–	–
(iv) Disputed dues - Others	–	–	–	15.49	15.49
Total	698.59	(27.79)	29.89	66.20	766.90

Note No. 17 - Other Current Liabilities

(Rs in Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
a. Other Advances		
(i) Advance received from customers	**1,510.68**	1,040.74
b. Others		
(ii) Statutory Dues payable	**42.32**	28.67
(ii) Provision for expenses	**888.19**	363.19
(iii) Miscellaneous liabilities	**15.04**	14.05
Total Other Current Liabilities	**2,456.23**	1,446.64

Note No. 18 - Revenue from Operations

(Rs in Lacs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
(a) Revenue from sale of products (including traded goods)	**4,019.14**	4,370.26
(b) Other operating revenue	**52.08**	62.97
Total Revenue from Operations	**4,071.22**	4,433.23

Note No. 19 - Other Income

(Rs in Lacs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
(a) Misc. Income	**0.16**	2.60
Total Other Income	**0.16**	2.60

Note No. 20 a - Purchases of stock in trade

(Rs in Lacs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Purchases	**3,034**	4,383
Total Purchases	**3,034**	4,383

Note No. 20 b - Changes in inventories of finished goods, work-in-progress and stock-in-trade

(Rs in Lacs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Work-in-progress		
Inventories at the end of the year:	**3,428.70**	3,221.32
	3,428.70	3,221.32
Inventories at the beginning of the year:	**3,221.32**	2,232.12
	3,221.32	2,232.12
Net (increase)/decrease in Inventories	**(207.38)**	(989.20)

Note No. 20 c - Cost of Packing materials consumed

(Rs in Lacs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Opening stock	**16.92**	24.54
Add: Purchases	**137.02**	128.03
Less: Closing stock	**86.62**	16.92
Total Cost of packing material consumed	**67.33**	135.64

Note No. 21 - Employee Benefit Expenses

(Rs in Lacs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
(a) Salaries and wages	**382.39**	314.38
(b) Contribution to provident and other funds	**21.90**	18.21
(c) Staff welfare expenses	**7.04**	4.45
Total Employee Benefit Expenses	**411.32**	337.04

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

Note No. 22 - Finance Costs

(Rs in Lacs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
– Interest expense	**209.15**	170.54
Total finance costs	**209.15**	170.54

Note No. 23 - Other Expenses

(Rs in Lacs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
(a) Cold store charges	**290.18**	149.44
(b) Rent-others	**2.16**	0.77
(c) Printing & Stationery	**7.15**	3.58
(d) Power & Fuel	**3.49**	1.74
(e) Security charges	**6.20**	8.63
(f) Director Sitting Fees	**7.20**	5.20
(g) Recruitment Expenses	**2.42**	1.35
(h) Quality Claims	**136.73**	12.12
(i) Repairs and maintenance - Others	**4.16**	4.99
(j) Insurance charges	**28.70**	23.83
(k) Mobile & Communication Expenses	**0.96**	0.78
(l) Freight outward	**3.15**	71.22
(m) Business promotion expenses	**4.82**	3.54
(n) Travelling and Conveyance Expenses	**53.80**	36.81
(o) Legal & Professional Charges	**109.09**	49.04
(p) Manpower Charges	**85.15**	64.48
(q) Bank Charges	**0.55**	0.45
(r) Provision for doubtful trade and other receivables, loans	**6.10**	(49.74)
(s) Royalty Charges	**69.16**	4.57
(t) Misc. Expenses	**22.98**	8.86
(i) Statutory Audit Fees	**4.72**	4.72
(ii) Taxation matters	**1.71**	1.71
(iii) Others	**0.76**	0.97
Total Other Expenses	**851.33**	409.04

Note No. 24 - Deferred Tax

(Rs in Lacs)

Particulars	As at March 31, 2022	During the year	As at March 31, 2021
Deferred Tax Liabilities			–
Property, Plant and equipment	**(34.87)**	(127.61)	92.74
	(34.87)	**(127.61)**	**92.74**
Deferred Tax Assets			
Provision for employee benefits	**18.83**	2.77	16.06
Provision for doubtful debts/advances	**45.61**	4.12	41.49
Carry forward losses and unabsorbed depreciation	**1,465.61**	108.27	1,357.34
	1,530.05	**115.16**	**1,414.89**
Net Deferred Tax Asset	**1,495.18**	(12.45)	1,507.63

Note: Deferred tax assets (DTA) have not been recognised, because it is not probable that future taxable profit will be available against which the Company can use the benefits therefrom.

Note No. 25 - Employee benefits

(a) Defined Contribution Plan

The Company's contribution to Provident Fund aggregating Rs. 18.20 Lacs (2021 : Rs. 12.28 Lacs) has been recognised in the Statement of Profit and Loss under the head Employee Benefits Expense.

Note: Where required by Ind AS 24 an entity discloses information about contributions to defined contribution plans for key management personnel.

(b) Defined Benefit Plans:

Gratuity

The Company operates a gratuity plan covering qualifying employees. The benefit payable is the greater of the amount calculated as per the Payment of Gratuity Act, 1972 or the Company scheme applicable to the employee. The benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. In case of death while in service, the gratuity is payable irrespective of vesting.

Defined benefit plans – as per actuarial valuation on March 31, 2022

(Rs in Lacs)

Particulars	Unfunded Plan Gratuity 2022	2021
Ia. Expense recognised in the Statement of Profit and Loss for the year ended March 31:		
1. Current service cost	**7.88**	8.56
2. Interest cost	**2.49**	2.37
Ib. Included in other Comprehensive Income		
1. Actuarial (Gain)/Loss on account of:		
- Financial Assumptions	**1.22**	2.17
- Experience Adjustments	**(4.44)**	(4.94)
- Demographic Assumptions	**–**	(3.88)
Amounts recognised in comprehensive income in respect of these defined benefit plans are as follows:		
Current Service Cost	**7.88**	8.56
Net interest expense	**2.49**	2.37
Components of defined benefit costs reconised in profit or loss	**10.37**	10.93
Actuarial gains and loss arising form changes in financial assumptions	**1.22**	2.17
Actuarial gains and loss arising form experience adjustments	**(4.44)**	(4.94)
Actuarial gains and loss arising form demographic assumptions	**–**	(3.88)
Componenets of defined benefit costs recognised in other comprehensive income	**(3.22)**	(6.65)
Total	**7.15**	4.28
I. Net Asset/(Liability) recognised in the Balance Sheet as at March 31		
1. Present value of defined benefit obligation as at March 31	**43.50**	38.10
2. Fair value of plan assets as at March 31	**–**	–

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

Particulars	(Rs in Lacs) Unfunded Plan Gratuity 2022	2021
3. Surplus/(Deficit)	**(43.50)**	(38.10)
4. Current portion of the above	**5.12**	4.64
5. Non current portion of the above	**38.38**	33.46
II. Change in the obligation during the year ended March 31		
1. Present value of defined benefit obligation at the beginning of the year	**38.10**	34.86
2. Expenses Recognised in Profit and Loss Account		
- Current Service Cost	**7.88**	8.56
- Interest Expense (Income)	**2.49**	2.37
3. Recognised in Other Comprehensive Income		
Remeasurement gains / (losses)		
- Actuarial Gain (Loss) arising from:		
i. Demographic Assumptions		
ii. Financial Assumptions	**(3.22)**	(6.65)
4. Others (Liabilities assumed on acquisition)	**(1.76)**	**(1.04)**
5. Present value of defined benefit obligation at the end of the year	**43.50**	38.10
III. Actuarial assumptions		
1. Discount rate	**6.50%**	6.95%

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

Principal assumption		Impact on defined benefit obligation: Increase in assumption	Decrease in assumption
Discount rate	**2022**	**50.19**	**36.81**
	2021	43.58	32.62
Salary growth rate	**2022**	**48.61**	**37.70**
	2021	33.62	33.02

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the Balance sheet.

The methods and types of assumptions used in preparing the sensitivity analyses did not change compared to previous period.

Note No. 26 - Earning Per Share

(Rs in Lacs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Basic Earnings per share		
From operations	**(0.94)**	(0.33)
Total basic earnings per share	**(0.94)**	(0.33)
Diluted Earnings per share		
From operations	**(0.94)**	(0.33)
Total diluted earnings per share	**(0.94)**	(0.33)

Basic earnings per share

The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:

(Rs in Lacs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Profit / (loss) for the year attributable to owners of the Company	**(424.26)**	(145.46)
Weighted average number of equity shares	**449.03**	419.06
Earnings per share from operations - Basic	**(0.94)**	(0.33)

(Rs in Lacs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Profit / (loss) for the year used in the calculation of basic earnings per share	**(424.26)**	(145.46)
Profit / (loss) for the year used in the calculation of diluted earnings per share	**(424.26)**	(145.46)
Profits used in the calculation of diluted earnings per share from operations	**(424.26)**	(145.46)

The weighted average number of ordinary shares for the purpose of diluted earnings per share reconciles to the weighted average number of ordinary shares used in the calculation of basic earnings per share as follows:

(Rs in Lacs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Weighted average number of equity shares used in the calculation of Basic EPS	**449.03**	419.06
Weighted average number of equity shares used in the calculation of Diluted EPS	**449.03**	419.06

Note No. 27 - Segment information

A. Primary Segment - Business Segment

The Company's business activity falls within a single business segment viz. 'trading in seed potatoes'. All other activities of the Company revolve around its main business. Hence, there are no separate reportable primary segments as defined by Ind AS on "Segment Reporting".

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

B. Secondary Segment - Geographical Segment

The Company, at present, does not have any Secondary Segment.

Note No. 28 - Related Party Transactions

Related Party Disclosures:

List of Related Parties and Relationships:

Name of the Related Parties where control exists	Description of Relationship
Mahindra Agri Solutions Limited (MASL)	Holding Company

Name of the Related Parties where transactions have taken place during the period	Description of Relationship
Mahindra and Mahindra Ltd.(MMHO)	Ultimate Holding Company
Mahindra and Mahindra Ltd. (MMAD)	Ultimate Holding Company
Mahindra and Mahindra Ltd.- Tractor FES (MMTD)	Ultimate Holding Company
Mahindra Integrated Business Solutions Pvt. Ltd. (formerly known as Mahindra BPO Services Limited)	Fellow Subsidiary Company
HZPC SBDA B.V.	Joint Venture Partner
HZPC Holding B.V.	Holding of Joint Venture Partner
AO HZPC SADOKAS	Subsidiary of Joint Venture Partner
HZPC Research B.V.	Subsidiary of Joint Venture Partner
IPR B.V.	Subsidiary of Joint Venture Partner
Solentum B.V	Subsidiary of Joint Venture Partner

Additional Disclosure of Key Management Personnel:-

Key Management Personnel	Description of Relationship
Mr. Davinder Singh Dosanjh (CEO)	KMP of the company
Mr. Anurag Garg (CFO)	KMP of the company
Ms. Vibha Swaminathan (CS)	KMP of the company

Details of transaction between the Company and its related parties are disclosed below:

(Rs in Lacs)

Particulars	For the year ended	Parent Company	Ultimate Holding Company	Subsidiaries	Joint ventures	Subsidiary of Joint Venture Partner	KMP of the Company
Nature of transactions with Related Parties							
Mahindra Integrated Business Solutions Pvt. Ltd.(Formerly known as Mahindra BPO Services Limited):	31-03-2022			9.79			
-Professional Fees	31-03-2021			4.49			
Mahindra and Mahindra Limited (MMHO):	31-03-2022		21.67				
Professional Fees	31-03-2021		15.66				
Mahindra and Mahindra Limited (MMAD):	31-03-2022						
Professional Fees	31-03-2021		.57				
Purchase of Vehicle	31-03-2022		9.65				
	31-03-2021		28.72				
Mahindra and Mahindra Limited (MMTD):	31-03-2022		–				
Cost allocation for employees	31-03-2021		1.37				
Mahindra Agri Solutions Limited (MASL):	31-03-2022	43.07					
Cost allocation	31-03-2021	1.84					
Share Capital	31-03-2022	2,84.76					
	31-03-2021	179.85					
HZPC SBDA B.V.							
Royalty received	31-03-2022				1.94		
	31-03-2021				–		
Royalty expenses	31-03-2022				15.67		
	31-03-2021				–		
Share Capital	31-03-2022				190.24		
	31-03-2021				120.15		

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(Rs in Lacs)

Particulars	**For the year ended**	**Parent Company**	**Ultimate Holding Company**	**Subsidiaries**	**Joint ventures**	**Subsidiary of Joint Venture Partner**	**KMP of the Company**
Nature of transactions with Related Parties							
HZPC Research B.V. :	31-03-2022					2.38	
Cost Allocation	31-03-2021					–	
IPR B.V. :							
Cost Allocation	31-03-2022					1.68	
	31-03-2021					–	
AO HZPC SADOKAS:	31-03-2022						
Sales	31-03-2021					60.77	
Davinder Singh Dosanjh (CEO)	31-03-2022						61.10
Gross Salary	31-03-2021						61.04
Anurag Garg (CFO) (w.e.f. Nov,21)							
(Pradeep Jape till July,21)	31-03-2022						24.68
Gross Salary							
Pradeep Jape (CFO) (w.e.f. Oct,20) (Kuldeep							
Singh till Sept,20)	31-03-2021						15.28
Gross Salary							
Ms. Vibha Swaminathan (CS)	31-03-2022						2.40
Gross Salary	31-03-2021						2.40

(Rs in Lacs)

Nature of Balances with Related Parties-Receivable / (Payable)	**Balance as on**	**Parent Company**	**Ultimate Holding Company**	**Subsidiaries**	**Associates**	**Joint ventures**	**Subsidiary of Joint Venture Partner**	**KMP of the Company**
Mahindra Integrated Business Solutions Pvt. Ltd.(Formerly known as Mahindra BPO	31-03-2022			(.09)				
Services Limited.	31-03-2021			(.19)				
Mahindra and Mahindra Ltd.(MMHO)	31-03-2022		(4.55)					
	31-03-2021		(47.99)					
Mahindra and Mahindra Ltd.(MMAD)	31-03-2022		0					
	31-03-2021		(1.55)					
HZPC SBDA B.V.	31-03-2022					14.80		
	31-03-2021					20.10		
HZPC Research B.V.	31-03-2022						2.38	
	31-03-2021						–	
Solentum B.V.	31-03-2022						(2.66)	
	31-03-2021						(2.66)	
IPR B.V.	31-03-2022						7.34	
	31-03-2021						5.66	
Mahindra Agri Solutions Limited (MASL)	31-03-2022	(30.47)						
	31-03-2021	(9.82)						
Mahindra and Mahindra Ltd.- Tractor FES	31-03-2022		–					
(MMTD)	31-03-2021		(5.06)					
Davinder Singh Dosanjh (CEO)	31-03-2022						–	
	31-03-2021						–	
Anurag Garg (CFO)	31-03-2022						–	
	31-03-2021						–	
Ms. Vibha Swaminathan (CS)	31-03-2022						–	
	31-03-2021						–	

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

Note No. 29 - Financial Risk Management

Financial Risk Management Framework

The company activities expose it to avariety of financial risks: market risk, credit risk and liquidity risk. The company primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The primary market risk to the company is price risk. The company's exposure to credit risk is influenced mainly by the individual characteristic of each customer.

CREDIT RISK

Credit risk is the risk that a counter party will not meet its obligations under a financial instrument or customer contract, leading to a financial loss.

Trade receivables consist of a large number of customers, spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivable.

The company does not have significant credit risk exposure to any single counterparty.

The Company applies the simplified approach to providing for expected credit losses prescribed by Ind AS 109, which permits the use of the lifetime expected loss provision for all trade receivables. The company has computed expected credit losses based on a provision matrix which uses historical credit loss experience of the Company and individual receivable specific provision where applicable. Forward-looking information has been incorporated into the determination of expected credit losses.

There is no change in estimation techniques or significant assumptions during the reporting period.

The provision matrix at the end of the reporting period is as follow:-

Ageing	**For the year ended 31st March, 2022**	
	Expected credit loss (%)	**Expected credit loss (Rs. In Lacs)**
0-3 month past due	0.00%	–
3-6 month past due	0.00%	–
>180 Days	100.00%	78.24
Total		**78.24**

Market risk is the risk that changes in market prices – such as foreign exchange rates and interest rates will affect the company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

All such transactions are carried out within the guidelines set by the Risk Management Committee.

LIQUIDITY RISK

(i) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the company's short-, medium- and long-term funding and liquidity management requirements. The company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

(ii) Financing arrangements

The Company had access to following undrawn borrowing facilities at the end of the reporting period:

Particulars	**31-Mar-22 (Rs in Lacs)**	31-Mar-21 (Rs in Lacs)
Secured Bank Overdraft facility		
- Expiring within one year	**1,288.14**	1,883.03
- Expiring beyond one year	**–**	–
Term Loan		
- Expiring within one year	**–**	125.00
- Expiring beyond one year	**–**	–
	1,288.14	2,008.03

Categories of financial assets and financial liabilities

	For the year ended 31 March, 2022 Amortised Costs	**(Rs in Lacs)** For the year ended 31 March, 2021 Amortised Costs
Non-current Assets		
Loans	**7.10**	6.16
Current Assets		
Trade Receivables	**64.89**	8.89
Cash and cash equivalents	**0.03**	0.22
Loans	**–**	–
Non-current Liabilities		
Borrowings	**–**	–
Current Liabilities		
Borrowings	**1,370.27**	2,597.08
Trade Payables	**1,279.13**	766.90
Other Financial Liabilities	**–**	–

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

Note No. 30 - Ratios

Particulars	As at 31-03-2022	As at 31-03-2021	% Change YoY	Remarks
a) Current Ratio [Current Assets/Current Liabilities (excl. current maturities of long-term debt)]	0.7	0.7	7%	
b) Debt Equity Ratio (Total debt/Total Equity)	5.9	14.4	-59%	Variance driven by i) lower level of debts ii) and higher equity levels due to fresh equity infusion during the year
c) Debt Service Coverage Ratio [PBIT/(Finance Cost + Long term debt repayments)]	(1.0)	0.2	-645%	Variance largely driven by higher level of net loss, which has been funded through equity infusion by the promoters
d) Return on Equity Ratio (PBIT/Average Equity)	-204%	-140%	46%	Variance largely driven by higher level of net loss
e) Inventory Turnover [Cost of goods sold (TTM)/Average Inventory]	0.9	1.3	-33%	Variance due to increasing inventory levels as business is moving towards a higher level of contract farming
f) Debtors Turnover [Sales (TTM)/Average Gross Trade Receivables]	110.4	124.9	-12%	
g) Trade payables turnover ratio (COGS/Avergae Trade Payable)	2.8	4.3	-35%	Variance largely driven by lower COGS
h) Net capital turnover ratio (Sales/Current Asset-current Liab.)	(3.0)	(3.0)	2%	
(i) Net Profit Margin (%) (PAT after exceptional items/ Revenue from operations)	-10%	-3%	230%	Variance largely driven by higher level of net loss contributed by lower sales realisation vs previous year
j) Return on Capital employed (PBIT/Equity)	-91%	18%	-614%	Variance largely driven by higher level of net loss
k) Return on investment (PBT/Equity)	-180%	-77%	133%	Variance largely driven by higher level of net loss

Particulars	As at 31-03-2022	As at 31-03-2021
Current Asset	**3,775.04**	3,330.13
Current liabilities	**5,115.31**	4,818.95
Equity	**233.85**	179.89
Revenue from operations	**4,071.22**	4,433.23
Cost of Good Sold	**2,893.59**	3,529.91
Finance costs	**209.15**	170.54
PBT	**(421.04)**	(138.81)

Note No. 31 - Covid-19 Impact

The Management has made the assessment of possible impact of Covid 19 on its liquidity, recoverable values of its financial & non-financial assets and has concluded that there are no significant adjustments required in the financial statement. Further, the Management will continue to closely monitor the developments and possible impact, If any, on its financial condition, liquidity and operations due to Covid 19

As per our Report of even date attached

For B K Khare & Co.

Chartered Accountants
Firm Regn. No. 105102W

Aniruddha Joshi
Partner
Membership No. 040852

Place: Mumbai
Date: 25 April 2022

For and on behalf of the Board of Directors of

Mahindra HZPC Private Limited

Ashok Sharma
(DIN: 02766679)
Meghnad Mitra
(DIN: 01802612)

Anurag Garg (CFO)

Vibha Swaminathan (CS)
Davinder Singh Dosanjh (CEO)

INDEPENDENT AUDITOR'S REPORT

To the members of MAHINDRA FRUITS PRIVATE LIMITED (Formerly known as Mahindra Greenyard Private Limited)

Report on the audit of the Financial Statements

Opinion

We have audited the accompanying Financial Statements of **Mahindra Fruits Private Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, its loss and total comprehensive loss, its changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Financial Statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the 'Auditors' Responsibilities for the Audit of the Financial Statements' section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("the ICAI") together with the ethical requirements that are relevant to our audit of the Financial Statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us, is sufficient and appropriate to provide a basis for our audit opinion on the Financial Statements.

Information Other than the Financial Statements and Auditors' Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the Directors Report and the related annexures, but does not include the Financial Statements and our Auditors' Report thereon.

Our opinion on the Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Financial Statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on other Legal and Regulatory requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-Section (11) of Section 143 of the Act and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in Annexure B, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this report are in agreement with the books of account.

   (d) In our opinion, the aforesaid Financial Statements comply with the Accounting Standards specified under Section 133 of the Act.

   (e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164(2) of the Act.

   (f) With respect to the adequacy of the internal financial controls with reference to Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure A. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to Financial Statements.

   (g) In our opinion and to the best of our information and according to the explanations given to us, the Company being a private company, the provisions of Section 197 of the Act related to the managerial remuneration are not applicable.

   (h) With respect to the other matters to be included in the Auditors' Report in accordance with the requirements

of Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

(i) The Company does not have any pending litigations which would impact its financial position;

(ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and

(iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

(iv) The management of the Company have represented to us respectively that, to the best of their knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(v) The management of the Company has represented to us that, to the best of their knowledge and belief, no funds have been received by the Company or any of such subsidiaries from any person(s) or entity(ies) including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company or any of such subsidiaries shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(vi) Based on the audit procedures, that has been considered reasonable and appropriate in the circumstances, performed by us nothing has come to our notice that has caused us or the other auditors to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

For **B. K. Khare & Co.**
Chartered Accountants
Firm Registration No. 105102W

Aniruddha Joshi
Partner
Membership No. 040852
UDIN: 22040852AGVICI4482
Place: Mumbai
Date: April 11, 2022

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date]

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of sub-section (3) of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of **Mahindra Fruits Private Limited** ("the Company") as of March 31, 2022 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2022, based on the criteria for internal financial control with reference to financial statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **B. K. Khare & Co.**
Chartered Accountants
Firm Registration No. 105102W

Aniruddha Joshi
Partner
Membership No. 040852
UDIN: 22040852AGVICI4482

Place: Mumbai
Date: April 11, 2022

ANNEXURE B TO THE AUDITOR'S REPORT

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date.]

(i) (a) (A) According to the information and explanations given to us, the Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.

(a) (B) According to the information and explanations given to us, the Company does not have any intangible assets. Hence, reporting under Clause 3(i)(a)(B) of the Order is not applicable.

(b) The property, plant and equipment are physically verified by the Company once in two years. The physical verification of property, plant and equipment was conducted in the previous financial year and accordingly no physical verification is required to be carried out in the current year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its property, plant and equipment.

(c) According to the information and explanations given to us, the company does not have any immovable property. Hence, reporting under Clause 3(i)(c) of the Order is not applicable.

(d) According to the information and explanations given to us, the Company has not revalued any of its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.

(e) Based on the audit procedures performed by us and according to the information, explanations and representations given to us, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

(ii) (a) According to the information and explanations given to us, the inventory comprising of traded goods and packing materials has been physically verified at reasonable intervals by the management during the year. In our opinion, the coverage and procedure of such verification by the management is appropriate and no discrepancies of 10% or more in the aggregate for each class of inventory were noticed on such verification between the physical inventory and the book records.

(b) According to the information and explanations given to us, the Company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets at any point of time during the year.

(iii) According to the information and explanations given to us, the Company has not made investments in or provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year. Accordingly, the reporting under Clauses 3(iii)(a) to 3(iii)(f) of the Order is not applicable to the Company.

(iv) According to the information and explanations given to us, the Company has not granted any loans or made any investments or provided any guarantees or security to the parties covered under Sections 185 and 186 of the Act. Accordingly, the reporting under Clause 3(iv) of the Order is not applicable to the Company.

(v) According to the information and explanations given to us, the Company has not accepted deposits under the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. Accordingly, the reporting under Clause 3(v) of the Order is not applicable to the Company.

(vi) The Central Government has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company. Accordingly, the reporting under Clause 3(vi) of the Order is not applicable to the Company.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of records of the Company, the amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Services tax, Provident Fund, Employees' State Insurance, Income-tax, Cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. According to the information and explanations given to us and on the basis of our examination of records of the Company, there were no undisputed statutory dues payable in respect of Sales tax, Service tax, Duty of Customs, Duty of Excise and Value Added Tax.

According to the information and explanations given to us and on the basis of our examination of records of the Company, there were no arrears of outstanding statutory dues in respect of Goods and Services tax, Provident fund, Employees' State Insurance, Income-tax, Sales tax, Service tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other material statutory dues as on the last day of the financial year for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and on the basis of our examination of records of the Company, there are no statutory dues in respect of Goods and Services Tax, Provident Fund, Employees' State Insurance, Sales tax, Service tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and any other material statutory dues as at 31 March 2022, which have not been deposited with the appropriate authorities on account of any dispute.

(viii) According to the information and explanations given to us, there are no transactions not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income-tax Act, 1961. Accordingly, the reporting under Clause 3(viii) of the Order is not applicable to the Company.

(ix) (a) According to the information and explanations given to us and based on the audit procedures performed by us, the Company has not availed any loans or other borrowings during the year. Accordingly, the reporting under Clause 3(ix)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us, the Company has not been declared a willful defaulter by any bank or financial institution or any other lender till the date of our audit report.

(c) According to the information and explanations given to us, the company has not raised any money by way of term loans during the year. Hence, reporting under Clause 3(ix)(c) of the Order is not applicable to the Company.

(d) In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that funds raised on short-term basis have not been utilised for long- term purposes as at the Balance Sheet date.

(e) According to the information and explanations given to us and on an overall examination of the Financial Statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.

(f) According to the information and explanations given to us and based on the audit procedures performed by us, we report that the Company has not raised any loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies. Accordingly, the reporting under Clause 3(ix)(f) of the Order is not applicable to the Company.

(x) (a) According to the information and explanations given to us, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under Clause 3(x)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Accordingly, the reporting under Clause 3(x)(b) of the Order is not applicable to the Company.

(xi) (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company noticed or reported during the year, nor have we been informed of any such case by the management.

(b) There has been no report filed by us under sub-section (12) of Section 143 of the Act in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government. Accordingly, the reporting under Clause 3(xi)(b) of the Order is not applicable to the Company

(c) As represented to us by the management, no whistle blower complaints were received by the Company during the year.

(xii) According to the information and explanations given to us, the Company is not a Nidhi company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, the reporting under Clause 3(xii) of the Order is not applicable to the Company.

(xiii) In our opinion and according to the information and explanations given to us, the Company has entered into transactions with related parties in compliance with the provisions of Section 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required by Indian Accounting Standard (Ind AS) 24, Related Party Disclosures, specified under Section 133 of the Act. Further, the Company is not required to constitute an Audit Committee under Section 177 of the Act, and accordingly, to this extent, the reporting under Clause 3(xiii) of the Order is not applicable to the Company.

(xiv) (a) In our opinion and based on our examination, the Company does not have an internal audit system and is not required to have an internal audit system as per the provisions of the Act.

(b) The Company did not have an internal audit system for the period under audit.

(xv) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors persons connected with them during the year and hence, the provisions of Section 192 of the Act are not applicable to the Company. Accordingly, the reporting under Clause 3(xv) of the Order is not applicable to the Company.

(xvi) (a) According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under Clause 3(xvi)(a) of the Order is not applicable to the Company.

(b) In our opinion and according to the information and explanations given to us, the Company has not conducted any Non-Banking Financial or Housing Finance activities. Accordingly, the reporting under Clause 3(xvi)(b) of the Order is not applicable to the Company.

(c) In our opinion and according to the information and explanations given to us, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under Clauses 3(xvi)(c) of the Order is not applicable to the Company.

(d) Based on the information and explanations given to us and the audit procedures performed by us, we report that the Group has 3 Core Investment Company.

(xvii) In our opinion and according to the information and explanations given to us, the Company has incurred cash losses of Rs. 92.82 lakhs in the current financial year. The Company has not incurred cash losses in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, the reporting under Clause 3(xviii) of the Order is not applicable to the Company.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of Balance Sheet as and when they fall due within a period of one year from the Balance Sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the Balance Sheet date, will get discharged by the Company as and when they fall due.

(xx) According to the information and explanations given to us, CSR is not applicable to the Company. Hence, reporting under Clause 3(xx) is not applicable to the Company.

For **B. K. Khare & Co.**
Chartered Accountants
Firm Registration No. 105102W

Aniruddha Joshi
Partner
Membership No. 040852
UDIN: 22040852AGVICI4482
Place: Mumbai
Date: April 11, 2022

BALANCE SHEET AS AT 31ST MARCH 2022

Rupees in Lacs

		Particulars	Note No.	**As at 31st March 2022**	As at 31st March 2021
I		**ASSETS**			
1		**NON-CURRENT ASSETS**			
	(a)	Property, Plant and Equipment	3	**4.15**	30.84
	(b)	Other Intangible Assets	4	**–**	2.46
	(c)	Financial Assets			
		(i) Other Financial Assets	6	**–**	6.91
		SUB-TOTAL		**4.15**	40.21
2		**CURRENT ASSETS**			
	(a)	Inventories	9	**–**	10.01
	(b)	Financial Assets			
		(i) Trade Receivables	5	**–**	66.94
		(ii) Cash and Cash Equivalents	10	**21.27**	43.52
		(iii) Other Bank Balances	10	**3.49**	2.82
		(iv) Other Financial Assets	6	**0.10**	0.55
	(c)	Current Tax Assets (Net)	7	**1.62**	1.62
	(d)	Other Current Assets	8	**–**	9.96
		SUB-TOTAL		**26.48**	135.41
		TOTAL		**30.63**	175.62
II		**EQUITY AND LIABILITIES**			
1		**EQUITY**			
	(a)	Equity Share Capital	11	**1,093.00**	1,043.00
	(b)	Other Equity	SOCE - B	**(1,071.74)**	(1,106.16)
		SUB-TOTAL		**21.26**	(63.16)
		LIABILITIES			
2		**NON-CURRENT LIABILITIES**			
	(a)	Provisions	13	**–**	5.81
		SUB-TOTAL		**–**	5.81
3		**CURRENT LIABILITIES**			
	(a)	Financial Liabilities			
		(i) Trade Payables	12		
		Total outstanding dues of micro enterprises and small enterprises		**–**	–
		Total outstanding dues of creditors other than micro enterprises and small enterprises		**8.52**	214.80
	(b)	Provisions	13	**–**	2.26
	(c)	Other Current Liabilities	14	**0.85**	15.90
		SUB-TOTAL		**9.37**	232.97
		TOTAL		**30.63**	175.62

The accompanying notes 1 to 30 are an integral part of the Financial Statements

In terms of our report attached.
For B.K. Khare & Co
Chartered Accountants
FRN : 105102W

Aniruddha Joshi
Partner
Membership No: 040852

Place: Mumbai
Date: April 11, 2022

For **Mahindra Fruits Private Limited**

Director
Nikhil Sohoni
DIN: 06852639

Director
Ashok Sharma
DIN: 02766679

Chief Executive Officer
Chaitanya Rajwade

Company Secretary
Feroze Baria

Place: Mumbai
Date: April 11, 2022

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2022

Rupees in Lacs

Particulars	Note No.	As at 31st March 2022	As at 31st March 2021
Continuining Operations			
I Revenue from operations	15	**216.08**	6,774.92
II Other Income	16	**20.14**	22.68
III **Total Revenue (I + II)**		**236.22**	6,797.60
IV **EXPENSES**			
(a) Purchases of Stock-in-trade	17	**214.81**	5,790.87
(b) Changes in inventories of stock-in-trade	18	**10.01**	287.37
(c) Employee benefit expense	19	**38.46**	236.00
(d) Depreciation and amortisation expense	3, 4	**12.69**	28.37
(e) Finance Cost	20	**–**	21.42
(f) Other expenses	21	**65.83**	237.12
Total Expenses (IV)		**341.80**	6,601.14
V **(Loss)/Profit before tax (III - IV)**		**(105.58)**	196.46
VI **Tax Expense**			
(1) Current tax		**–**	–
Total tax expense		**–**	–
VII **(Loss)/Profit after tax for the period (V - VI)**		**(105.58)**	196.46
VIII **Other comprehensive income**			
(i) Items that will not be recycled to profit or loss			
(a) Remeasurements of the defined benefit liabilities/(asset)		**–**	17.62
Total other comprehensive income for the period		**–**	17.62
Total comprehensive income for the period		**(105.58)**	214.08
IX **Earnings per equity share:**	22		
(1) Basic		**(0.99)**	1.88
(2) Diluted		**(0.99)**	1.88

The accompanying notes 1 to 30 are an integral part of the Financial Statements

In terms of our report attached.
For B.K. Khare & Co
Chartered Accountants
FRN : 105102W

Aniruddha Joshi
Partner
Membership No: 040852

Place: Mumbai
Date: April 11, 2022

For **Mahindra Fruits Private Limited**

Director
Nikhil Sohoni
DIN: 06852639

Director
Ashok Sharma
DIN: 02766679

Chief Executive Officer
Chaitanya Rajwade

Company Secretary
Feroze Baria

Place: Mumbai
Date: April 11, 2022

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH 2022

Rupees in Lacs

	Particulars	Note No.	Year ended 31st March 2022	Year ended 31st March 2021
A	**Cash flows from operating activities**			
	(Loss)/Profit before tax for the year	PL	**(105.58)**	214.08
	Adjustments for:			
	Interest Paid		**–**	21.42
	Depreciation and amortisation of non-current assets	3 & 4	**12.69**	28.37
	Gain/Loss on sales of Assets		**(7.58)**	–
	Write off - Assets		**7.64**	28.39
			(92.83)	292.25
	Movements in working capital:			
	(Increase)/Decrease in trade and other receivables		**66.94**	363.51
	(Increase)/Decrease in inventories		**10.01**	287.37
	(Increase)/Decrease in other assets		**17.33**	127.27
	Income tax Refund/(Paid)		**(0.01)**	(0.16)
	Increase/(Decrease) in trade and other payables		**(229.42)**	(612.87)
	Net cash (used in)/generated by operating activities		**(227.98)**	457.37
B	**Cash flows from investing activities**			
	Payments for property, plant and equipment		**–**	(11.39)
	Proceeds from sales of property, plant and equipment		**16.40**	–
	Proceeds from issuance of Share capital		**50.00**	–
	Proceeds from Share application money pending allotment		**140.00**	–
	Changes in earmarked balances with Banks		**(0.66)**	(0.00)
	Net cash generated/(used in) by investing activities		**205.74**	(11.39)
C	**Cash flows from financing activities**			
	Interest Paid		**–**	(21.42)
	Repayment of Borrowings		**–**	(404.05)
	Net cash used in financing activities		**–**	(425.47)
	Net increase in cash and cash equivalents		**(22.24)**	20.51
	Cash and cash equivalents at the beginning of the year		**43.51**	23.00
	Cash and cash equivalents at the end of the year		**21.27**	43.51

The accompanying notes 1 to 30 are an integral part of the Financial Statements

In terms of our report attached.
For B.K. Khare & Co
Chartered Accountants
FRN : 105102W

Aniruddha Joshi
Partner
Membership No: 040852

Place: Mumbai
Date: April 11, 2022

For **Mahindra Fruits Private Limited**

Director
Nikhil Sohoni
DIN: 06852639

Director
Ashok Sharma
DIN: 02766679

Chief Executive Officer
Chaitanya Rajwade

Company Secretary
Feroze Baria

Place: Mumbai
Date: April 11, 2022

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2022

A. Equity share capital

Particulars	No of Shares	Rupees in Lacs
Balance as at 1st April 2021	10,430,000	1,043
Changes in Equity Share Capital due to prior period errors	–	–
Restated balance at 1 April 2021	10,430,000	1,043
Changes in equity share capital during the year	500,000	50
Balance as at 31st March 2022	**10,930,000**	**1,093**

Particulars	No of Shares	Rupees in Lacs
Balance as at 1st April 2020	10,430,000	1,043.00
Changes in Equity Share Capital due to prior period errors	–	–
Restated balance at 1 April 2021	10,430,000	1,043
Changes in equity share capital during the year	–	–
Balance as at 31st March 2021	**10,430,000**	**1,043**

B. Other Equity

Rs. in Lacs

		Reserves & Surplus		
Particulars	**Share application money pending allotment**	**Securities Premium Reserve**	**Retained Earnings**	**Total**
As at 1st April 2021	–	526.00	(1,632.16)	(1,106.16)
Loss for the period	–		(105.58)	(105.58)
Other Comprehensive Income / (Loss)	–		–	–
Share application money pending allotment	140.00			140.00
Balance as at 31st March 2022	140.00	526.00	(1,737.74)	(1,071.74)
As at 1st April 2020	–	526.00	(1,846.24)	(1,320.24)
Profit for the period	–	–	196.46	196.46
Other Comprehensive Income / (Loss)	–	–	17.62	17.62
Share application money pending allotment	–	–	–	–
Balance as at 31st March 2021	**–**	**526.00**	**(1,632.16)**	**(1,106.16)**

In terms of our report attached.
For B.K. Khare & Co
Chartered Accountants
FRN : 105102W

Aniruddha Joshi
Partner
Membership No: 040852

Place: Mumbai
Date: April 11, 2022

For **Mahindra Fruits Private Limited**

Director
Nikhil Sohoni
DIN: 06852639

Director
Ashok Sharma
DIN: 02766679

Chief Executive Officer
Chaitanya Rajwade

Company Secretary
Feroze Baria

Place: Mumbai
Date: April 11, 2022

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

Corporate Information

Mahindra Fruits Private Limited (Formerly known as Mahindra Greenyard Private Limited) ("the company") a private limited company domiciled in India and incorporated on 9th July, 2014 under the provisions of the Companies Act, 1956 (CIN:U01403MH2014PTC55946). The Company is the wholly owned subsidiary of Mahindra Agri Solutions Limited. The Company deals in sourcing, storing and distribution of fresh fruits in domestic market.

The financial statements for the year ended 31 March 2022 were approved by the Board of Directors and authorised for issue on 11 April 2022.

1. Significant accounting policies

1.1 Statement of compliance

The financial statements of the Company have been prepared in accordance with Ind ASs notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended.

1.2 Basis of preparation and presentation

The financial statements have been prepared on the historical cost basis.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value but are not fair value, such as net realizable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorized into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

1.3 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable.

Sale of goods

Revenue from the sale of goods is recognized when the goods are delivered and titles have passed at which time all the following conditions are satisfied

- the Company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Company; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

1.4 Interest income

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding.

1.5 Employee benefits

1.5.1 Retirement benefit costs and termination benefits

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Defined benefit costs are categorized as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- remeasurement

The Company presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

1.5.2 Short-term and other long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

1.6 Taxation

Deferred tax assets and liabilities are recognised for future tax consequences attributable to the timing differences between taxable income and accounting income that are capable of reversal in one or more subsequent periods and are measured using tax rates enacted or substantively enacted as at the Balance Sheet date. Deferred Tax assets are not recognised unless, in the management judgment, there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. The carrying amount of Deferred Tax is reviewed at each Balance Sheet date.

1.7 Property, plant and equipment

Furniture & Fixtures, equipment and Vehicles are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives, using the straight-line

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

1.8 Intangible assets

1.8.1 Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

1.8.2 Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

1.8.3 Useful lives of intangible assets

Estimated useful lives of the intangible assets are as follows:

IT Software - 10 Years

1.8.4 Impairment of Assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

1.9 Inventories

Inventories are stated at the lower of cost and net realisable value. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

1.10 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

1.11 Financial instruments

Financial assets and financial liabilities are recognised when a Company entity becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

1.12 Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets

1.12.1 Impairment of financial assets

This being the third full year of operations, there is no trend to depict expected credit losses. The company deals in fresh fruits which is a seasonal business & the commodity is perishable in nature. The Company has used the practical expedient as permitted by IND AS 109 and has maintained a policy of providing for debtors outstanding for a period exceeding 180 days. This policy will be regularly reviewed in line with the type of business that the company is in.

1.12.2 Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

1.12.3 Foreign exchange gains and losses

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

For foreign currency denominated financial assets measured at amortised cost and FVTPL, the exchange differences are recognised in profit or loss except for those which are designated as hedging instruments in a hedging relationship.

1.13 Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

1.13.1 Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

1.13.2 Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments and are recognised in 'Other income'.

1.13.3 Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired.

1.14 Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period to get ready for their intended use or sale, are added to the cost of those assets, until the assets are substantially ready for their intended use or sale. Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

1.15 Taxation:

Income tax expense represents the sum of the tax currently payable and deferred tax.

1.15.1 Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

1.15.2 Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

1.15.3 Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

1.16 Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks & rewards of ownership to the leases. All other leases are classified as operating leases.

The Company as lessee:

The assets held under finance leases are initially recongnised as assets of the company at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Lease payments are apportioned between finance expense and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognized immediately in profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policies on borrowing cost. Contingent rentals are recognized as expense in the period in which they are incurred.

Rental expense from the operating lease is generally recognized on a straight line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessors expected inflationary cost increases, such increases are recognized in the year in which such benefits accrue.

2. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, the management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only the period of the revision and future periods if the revision affects both current and future periods.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

Note No. 3 - Property, Plant and Equipment

Rupees in Lacs

Description of Assets	Plant and Equipment	Vehicle	Furniture and Fixtures	IT Equipment	Office Equipment	Total
I. Gross Carrying Amount						
Balance as at 1st April 2021	56.22	12.04	5.83	16.05	1.39	91.52
Additions during the year	–	–	–	–	–	–
Disposals during the year	31.50	12.04	5.83	8.65	1.39	59.40
Balance as at 31st March 2022	**24.72**	**–**	**–**	**7.40**	**–**	**32.12**
II. Accumulated depreciation and impairment						
Balance as at 1st April 2021	42.66	3.73	1.71	11.83	0.75	60.68
Depreciation expense for the year	7.05	2.18	0.53	2.08	0.24	12.08
Eliminated on disposal of assets	27.42	5.91	2.24	8.22	1.00	44.79
Balance as at 31st March 2022	**22.29**	**–**	**–**	**5.68**	**–**	**27.97**
III. Net carrying amount (I-II)	**2.44**	**–**	**–**	**1.71**	**–**	**4.15**

Rupees in Lacs

Description of Assets	Plant and Equipment	Vehicle	Furniture and Fixtures	IT Equipment	Office Equipment	Total
I. Gross Carrying Amount						
Balance as at 1st April 2020	76.92	31.46	21.09	16.07	1.39	146.93
Additions during the year	11.12	–	–	–	–	11.12
Disposals during the year	31.81	19.42	15.27	0.02		66.52
Balance as at 31st March 2021	56.22	12.04	5.83	16.05	1.39	91.52
II. Accumulated depreciation and impairment						
Balance as at 1st April 2020	50.23	7.46	3.80	9.14	0.49	71.12
Depreciation expense for the year	19.06	4.42	1.25	2.71	0.26	27.70
Eliminated on disposal of assets	26.63	8.15	3.34	0.02		38.14
Balance as at 31st March 2021	42.66	3.73	1.71	11.83	0.75	60.68
III. Net carrying amount (I-II)	13.56	8.30	4.12	4.22	0.64	30.84

Note No. 4 - Other Intangible Assets

Rupees in Lacs

Description of Assets	Computer Software	Total
Intangible Assets		
Cost		
Balance as at 1st April 2021	4.71	4.71
Additions during the year	–	–
Disposals during the year	4.71	4.71
Balance as at 31st March 2022	**0.00**	**0.00**
II. Accumulated depreciation and impairment		
Balance as at 1st April 2021	2.26	2.26
Depreciation expenses for the year	0.61	0.61
Disposals during the year	2.87	2.87
Balance as at 31st March 2022	**–**	**–**
III. Net carrying amount (I-II)	**0.00**	**0.00**

Rupees in Lacs

Description of Assets	Computer Software	Total
Intangible Assets		
Cost		
Balance as at 1st April 2020	4.44	4.44
Additions during the year	0.27	0.27
Disposals during the year	–	–
Balance as at 31st March 2021	4.71	4.71
II. Accumulated depreciation and impairment		
Balance as at 1st April 2020	1.59	1.59
Depreciation expenses for the year	0.67	0.67
Balance as at 31st March 2021	2.26	2.26
III. Net carrying amount (I-II)	2.46	2.46

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

Note No. 5 - Trade receivables

Rs. in Lacs

Particulars		As at 31st March 2022 Current	As at 31st March 2022 Non-Current	As at 31st March 2021 Current	As at 31st March 2021 Non-Current
a)	Undisputed Trade Receivables – considered good	–	–	66.94	–
b)	Undisputed Trade Receivables – which have significant increase in credit risk	214.66	–	208.13	–
c)	Undisputed Trade receivable – credit impaired	214.66	–	208.13	–
d)	Disputed Trade receivables - considered good	–	–	–	–
e)	Disputed Trade receivables – which have significant increase in credit risk	–	–	–	–
f)	Disputed Trade receivables – credit impaired	–	–	–	–
TOTAL TRADE RECEIVABLES		–	–	66.94	–
Of the above, trade receivables from:					
- Related Parties		–	–	6.04	–
- Others		–	–	60.90	–
Total		–	–	66.94	–

As at 31 March 2022	Current but not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
	Outstanding for following periods from due date of payment						
Undisputed Trade Receivables – considered good	–	–	–	–	–	–	–
Undisputed Trade Receivables – which have significant increase in credit risk	–	–	4.08	28.95	94.62	87.02	214.66
Undisputed Trade receivable – credit impaired	–	–	(4.08)	(28.95)	(94.62)	(87.02)	(214.66)
Disputed Trade receivables - considered good	–	–	–	–	–	–	–
Disputed Trade receivables – which have significant increase in credit risk	–	–	–	–	–	–	–
Disputed Trade receivables – credit impaired	–	–	–	–	–	–	–
	–	–	–	–	–	–	–

As at 31 March 2021	Current but not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
	Outstanding for following periods from due date of payment						
Undisputed Trade Receivables – considered good	34.05	29.15	3.67	–	0.07	–	66.94
Undisputed Trade Receivables – which have significant increase in credit risk	5.85	9.91	9.93	95.41	13.68	73.36	208.13
Undisputed Trade receivable – credit impaired	(5.85)	(9.91)	(9.93)	(95.41)	(13.68)	(73.36)	(208.13)
Disputed Trade receivables - considered good	–	–	–	–	–	–	–
Disputed Trade receivables – which have significant increase in credit risk	–	–	–	–	–	–	–
Disputed Trade receivables – credit impaired	–	–	–	–	–	–	–
	34.05	**29.15**	**3.67**	–	**0.07**	–	**66.94**

Note No. 6 - Other financial assets

Rs. in Lacs

Particulars		As at 31st March 2022 Current	As at 31st March 2022 Non-Current	As at 31st March 2021 Current	As at 31st March 2021 Non-Current
Financial assets at amortised cost					
a)	Security Deposit	–	–	–	6.91
b)	Other Financial assets				
	Accrued Interest	0.10	–	0.55	–
TOTAL OTHER FINANCIAL ASSETS		0.10	–	0.55	6.91

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

Note No. 7 - Current Tax Assets (Net)

Rs. in Lacs

Particulars	As at 31st March 2022	As at 31st March 2021
Tax Deducted at Source	**1.62**	1.62
TOTAL	**1.62**	1.62

Note No. 8 - Other assets (Non Financials)

Rs. in Lacs

Particulars	As at 31st March 2022 Current	As at 31st March 2022 Non-Current	As at 31st March 2021 Current	As at 31st March 2021 Non-Current
(a) Advances other than capital advances				
(i) Other advances				
Staff Advance	–	–	0.94	–
Prepaid Expenses	–	–	3.68	–
Customs Duty payment	–	–	5.34	–
TOTAL OTHER ASSETS	–	–	9.96	–

Note No. 9 - Inventories

Rs. in Lacs

Particulars	As at 31st March 2022	As at 31st March 2021
Stock-in-trade of goods acquired for trading	–	7.05
Packing Material Stock	–	2.96
TOTAL INVENTORIES (at lower of cost and net realisable value)	–	10.01

Note No. 10 - Cash and Bank Balances

Rs. in Lacs

Particulars	As at 31st March 2022	As at 31st March 2021
Cash and cash equivalent		
(a) Balances with banks in current account	**18.72**	41.05
(b) Fixed Deposits with maturity less than 3 months	**2.55**	2.47
(c) Cash on hand	–	–
Total Cash and cash equivalent	**21.27**	43.52
Other Bank Balances		
(a) Balances with Banks:		
(i) Fixed Deposits with maturity greater than 3 months	**3.49**	2.82
Total Other Bank balances	**3.49**	2.82
TOTAL CASH & BANK BALANCES	**24.76**	46.34

Note No. 11 - Equity Share Capital

Rs. in Lacs

Particulars	As at 31st March 2022 No. of shares	As at 31st March 2022 Value	As at 31st March 2021 No. of shares	As at 31st March 2021 Value
Authorised:				
Equity shares of Rs 10 each with voting rights	**17,000,000**	**1,700.00**	17,000,000	1,700.00
Issued, Subscribed and Fully Paid:				
Equity shares of Rs 10 each with voting rights	**10,930,000**	**1,093.00**	10,430,000	1,043.00
Total	**10,930,000**	**1,093.00**	10,430,000	1,043.00

Terms / Rights attached to Equity Shares

The company has only one class of Equity shares having a par value of Rs 10/- per share. Each holder of equity shares is entitled to one vote. Repayment of capital on liquidation will be in proportion to the number of equity shares held.

(i) Reconciliation of the number of shares outstanding at the beginning and at the end of the period.

Particulars	Opening Balance	Fresh Issue	Closing Balance
Equity Shares with Voting rights			
Year Ended 31st March 2022			
No. of Shares	**10,430,000**	**500,000**	**10,930,000**
Amount in Lacs	**1,043.00**	**50.00**	**1,093.00**

(ii) Details of shares held by each shareholder holding more than 5% shares:

Class of shares / Name of shareholder	As at 31st March 2022 Number of shares held	As at 31st March 2022 % holding in that class of shares	As at 31st March 2021 Number of shares held	As at 31st March 2021 % holding in that class of shares
Equity shares with voting rights				
Mahindra Agri Solution Limited	**10,930,000**	**100%**	10,430,000	100%
Greenyard Fresh Holding NL BV	–	**0%**	–	0%

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

(III) Details of shares held by promoters

As at 31 March 2022

S. No.	Promoter Name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total Shares	% change during the year
Equity shares of INR 10 each fully paid	Mahindra Agri Solutions Limited	10,430,000	500,000	10,930,000	100%	5%

As at 31 March 2021

S. No.	Promoter Name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total Shares	% change during the year
Equity shares of INR 10 each fully paid	Mahindra Agri Solutions Limited	10,430,000	–	10,430,000	100%	–

Note No. 12 - Trade Payables

Rs. in Lacs

	As at 31st March 2022		As at 31st March 2021	
Particulars	**Current**	**Non-Current**	Current	Non-Current
Total outstanding dues of micro enterprises and small enterprises	–	–	–	–
Total outstanding dues of creditors other than micro enterprises and small enterprises	**8.52**	–	214.80	–
Disputed dues of micro enterprises and small enterprises	–	–	–	–
Disputed dues of creditors other than micro enterprises and small enterprises	–	–	–	–
TOTAL TRADE PAYABLES	**8.52**	–	214.80	–

13 (a) Trade Payables are payables in respect of the amount due on account of goods purchased or services received in the normal course of business.

Trade payables Ageing Schedule

As at 31 March 2022	Outstanding for following periods from due date of payment				
	Less than 1 year	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
Total outstanding dues of micro enterprises and small enterprises	–	–	–	–	–
Total outstanding dues of creditors other than micro enterprises and small enterprises	8.52	–	–	–	8.52
Disputed dues of micro enterprises and small enterprises	–	–	–	–	–
Disputed dues of creditors other than micro enterprises and small enterprises	–	–	–	–	–
	8.52	**–**	**–**	**–**	**8.52**

As at 31 March 2021	Outstanding for following periods from due date of payment				
	Less than 1 year	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
Total outstanding dues of micro enterprises and small enterprises	–	–	–	–	–
Total outstanding dues of creditors other than micro enterprises and small enterprises	97.22	80.15	37.43	–	214.80
Disputed dues of micro enterprises and small enterprises	–	–	–	–	–
Disputed dues of creditors other than micro enterprises and small enterprises	–	–	–	–	–
	97.22	**80.15**	**37.43**	**–**	**214.80**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

Note No. 13 - Provisions

Rs. in Lacs

Particulars	As at 31st March 2022 Current	As at 31st March 2022 Non-Current	As at 31st March 2021 Current	As at 31st March 2021 Non-Current
Provision for employee benefits				
Leave Encashment	–	–	1.22	2.17
Gratuity	–	–	1.04	3.64
TOTAL PROVISIONS	–	–	2.26	5.81

Note No. 14 - Other Liabilities

Rs. in Lacs

Particulars	As at 31st March 2022 Current	As at 31st March 2022 Non-Current	As at 31st March 2021 Current	As at 31st March 2021 Non-Current
b. Statutory dues	**0.85**	–	3.02	–
c. Employees related	–		12.89	
TOTAL OTHER LIABILITIES	**0.85**	–	15.90	–

Note No. 15 - Revenue from Operations

Rs. in Lacs

Particulars	For the year ended 31st March 2022	For the year ended 31st March, 2021
Revenue from sale of products	**216.08**	6,774.92
TOTAL REVENUE FROM OPERATIONS	**216.08**	6,774.92

Note No. 16 - Other Income

Rs. in Lacs

Particulars	For the year ended 31st March 2022	For the year ended 31st March, 2021
Foreign Exchange Gain	–	13.25
Interest Income from Fixed Deposits	**0.29**	0.78
Other Income	–	6.52
Liabilities no longer required written back	**12.27**	–
Profit On Sale Of Fixed Assets	**7.58**	2.13
TOTAL OTHER INCOME	**20.14**	22.68

Note No. 17 - Purchase of Stock-in-trade

Rs. in Lacs

Particulars	For the year ended 31st March 2022	For the year ended 31st March, 2021
Purchase of Stock - in - trade	**214.81**	5,790.87
TOTAL PURCHASE STOCK-IN-TRADE	**214.81**	5,790.87

Note No. 18 - Changes in inventories of stock-in-trade

Rs. in Lacs

Particulars	For the year ended 31st March 2022	For the year ended 31st March, 2021
Inventories at the end of the year:		
Stock-in-trade	–	10.01
	–	10.01
Inventories at the beginning of the year:		
Stock-in-trade	**10.01**	297.38
	10.01	297.38
NET (INCREASE) / DECREASE	**10.01**	287.37

Note No. 19 - Employee Benefits Expense

Rs. in Lacs

Particulars	For the year ended 31st March 2022	For the year ended 31st March, 2021
(a) Salaries and wages, including bonus	**30.11**	210.30
(b) Contribution to provident and other funds	**4.67**	17.64
(c) Staff welfare expenses	**3.69**	8.07
TOTAL EMPLOYEE BENEFIT EXPENSE	**38.46**	236.00

Note No. 20 - Finance Cost

Rs. in Lacs

Particulars	For the year ended 31st March 2022	For the year ended 31st March, 2021
(a) Interest Cost on short Term borrowing	–	21.42
TOTAL FINANCE COST	–	21.42

Note No. 21 - Other Expenses

Rs. in Lacs

Particulars	For the year ended 31st March 2022	For the year ended 31st March, 2021
(a) Stores consumed	**9.00**	13.31
(b) Rent Expenses	**3.67**	28.03
(c) Rates and taxes	**1.89**	0.17
(d) Insurance	**3.71**	28.47
(e) Sales promotion expenses	**0.25**	0.38
(f) Travelling and Conveyance Expenses	**4.97**	19.48

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

Rs. in Lacs

Particulars		For the year ended 31st March 2022	For the year ended 31st March, 2021
(g)	Hire and Service Charges	**4.19**	34.75
(h)	Legal and other professional costs	**10.36**	38.30
(i)	Commission, discounts and rebates	**–**	0.04
(j)	Bad Debts Written Off	**–**	5.63
(k)	Provision for doubtful trade and other receivables, loans	**6.53**	22.02
(l)	Assets Write off	**7.64**	16.69
(m)	Auditors remuneration and out-of-pocket expenses	**2.06**	5.31
	(i) As Auditors	**2.06**	4.13
	(ii) For Taxation matters	**–**	1.18
(n)	Other expenses	**11.56**	24.53
TOTAL OTHER EXPENSES		**65.83**	237.12

Note No. 22 - Earnings per Share

Particulars	For the year ended 31st March 2022 Rs per Share	For the year ended 31st March, 2021 Rs per Share
Basic Earnings per share		
From continuing operations	**(0.99)**	1.88
Diluted Earnings per share		
From continuing operations	**(0.99)**	1.88

Basic & Diluted earnings per share
The earnings and weighted average number of ordinary shares used in the calculation of basic & diluted earnings per share are as follows:

Rs.

	For the year ended 31st March 2022	For the year ended 31st March, 2021
Profit / (loss) for the year attributable to owners of the Company	**(10,558,121)**	19,645,726
Less: Preference dividend and tax thereon	**–**	–
Profit / (loss) for the year used in the calculation of basic earnings per share	**(10,558,121)**	19,645,726
Profits used in the calculation of basic earnings per share	**(10,558,121)**	19,645,726
Weighted average number of equity shares	**10,652,740**	10,430,000
Earnings per share - Basic & Diluted	**(0.99)**	1.88

Note No. 23 - Financial Instruments

Capital management

The company's capital management objectives are:

- to ensure the company's ability to continue as a going concern
- to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

The company monitors capital on the basis of the carrying amount of equity less cash and cash equivalents as presented on the face of the statement of financial position.

The capital structure is monitored on the basis of net debt to equity of the company.

	31-Mar-22	31-Mar-21
Equity	**21.26**	(63.16)
Net Debt		
Short Term Borrowings	**–**	–
Less: Cash and cash equivalents	**24.75**	46.34
Net Debt	**(24.75)**	(46.34)
Total Capital	**(3.49)**	(109.50)

Categories of financial assets and financial liabilities

Rs. in Lacs — **As at 31st March 2022**

	Amortised Costs	FVTPL	FVOCI	Total
Non-current Assets				
Other Financial Assets	**–**			**–**
Current Assets				
Trade Receivables	**–**			**–**
Other Bank Balances	**3.49**			**3.49**
Other Financial Assets	**0.10**			**0.10**
Current Liabilities				
Trade Payables	**8.52**			**8.52**
Short Term Borrowing	**–**			**–**
Other Financial Liabilities	**–**			**–**

Rs. in Lacs — As at 31st March 2021

	Amortised Costs	FVTPL	FVOCI	Total
Non-current Assets				
Other Financial Assets	6.91			6.91
Current Assets				
Trade Receivables	66.94			66.94
Other Bank Balances	2.82			2.82
Other Financial Assets	0.55			0.55
Current Liabilities				
Trade Payables	214.80			214.80
Short Term Borrowing	–			–
Other Financial Liabilities	–			–

CREDIT RISK

(i) Credit risk management

Credit risk arises when a counterparty defaults on its contractual obligations to pay resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collatarel , where appropriate, as a means of mitigating the risk of financial loss from defaults. The Company only transacts with entities that are rated the equivalent of investment grade and above. This information is supplied by independent rating agencies where available and, if not available, the Company uses other publicly available financial information and its own trading records to rate its major customers. The Company's exposure and credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

Trade receivables consist of a large number of customers, spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivable, and where appropraite, credit guarantee insurance cover is purchased.

The Company applies the simplified approach to provide for expected credit losses prescribed by Ind AS 109, which permits the use of the lifetime expected loss provision for all trade receivables. The company has computed expected credit losses based on a provision matrix which uses historical credit loss experience of the Company and individual receivable specific provision where applicable. Forward-looking information (including macroeconomic information) has been incorporated into the determination of expected credit losses.

There is no change in estimation techniques or significant assumptions during the reporting period.

The loss allowance provision is determined as follows:

	As at 31st March 2022			
	Not due	**Less than 6 months past due**	**More than 6 months past due**	**Total**
Expected loss rate	**0.0%**	**100.0%**	**100.0%**	**100.0%**
Gross carrying amount	**–**	**6.53**	**208.13**	**214.66**
Loss allowance provision	**–**	**6.53**	**208.13**	**214.66**

	As at 31st March 2021			
	Not due	Less than 6 months past due	More than 6 months past due	Total
Expected loss rate	0.0%	1.2%	82.7%	75.7%
Gross carrying amount	–	86.13	188.94	275.07
Loss allowance provision	–	19.19	188.94	208.13

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows -

(Amt in lacs)

Particulars	Currency	**31-Mar-22**	31-Mar-21
Trade Payables	USD	–	–
	EUR	–	–

Of the above foreing currency exposures, the following exposures are not hedged by a derivative:

(Amt in lacs)

Particulars	Currency	**31-Mar-22**	31-Mar-21
Trade Payables	USD	–	–
	EUR	–	–

Foreign Currency Sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD and EUR exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities including non-designated foreign currency derivatives and embedded derivatives. The impact on the Company's pre-tax equity is due to changes in the fair value of forward exchange contracts designated as cash flow hedges. The Company's exposure to foreign currency changes for all other currencies is not material.

Amt. In Lacs

	Currency	**Change in rate**	**Effect on profit before tax**	**Effect on pre-tax equity**
31-Mar-22	**USD**	**+10%**	**0.00**	**0.00**
	USD	**-10%**	**0.00**	**0.00**
	EUR	**+10%**	**0.00**	**0.00**
	EUR	**-10%**	**0.00**	**0.00**
31-Mar-21	USD	+10%	0.00	0.00
	USD	-10%	0.00	0.00
	EUR	+10%	0.00	0.00
	EUR	-10%	0.00	0.00

Note No. 24 - Fair Value Measurement

Rs. in Lacs

	Fair value hierarchy as at 31st March 2022			
Financial assets	**Level 1**	**Level 2**	**Level 3**	**Total**
<u>*Financial assets carried at Amortised Cost*</u>				
– trade and other receivables		**–**		**–**
– deposits and similar assets		**3.49**		**3.49**
– others		**0.10**		**0.10**
Total	**–**	**3.59**	**–**	**3.59**
Financial liabilities				
Financial Instruments not carried at Fair Value				
– trade and other payables		**8.52**		**8.52**
Total	**–**	**8.52**	**–**	**8.52**

	Fair value hierarchy as at 31st March 2021			
Financial assets	Level 1	Level 2	Level 3	Total
<u>*Financial assets carried at Amortised Cost*</u>				
– trade and other receivables		66.94		66.94
– deposits and similar assets		2.82		2.82
– others		7.46		7.46
Total	–	77.22	–	77.22
Financial liabilities				
Financial Instruments not carried at Fair Value				
– trade and other payables		214.80		214.80
– Short Term Borrowing		–		–
Total	–	214.80	–	214.80

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

Note No. 25 - Employee benefits

(a) Defined Contribution Plan

The Company's contribution to Provident Fund and other Funds aggregating Rs. 2,00,608/- (P.Y. - Rs. 10,65,055/-) has been recognised in the Statement of Profit or Loss under the head Employee Benefits Expense.

(b) Defined Benefit Plans:

Gratuity

The Company had an obligation towards gratuity, a defined retirement plan covering eligible employees. The plan provides a lump sum payment to vested employees at retirement, death while in employment or on termination of employment. Vesting occurs upon completion of five years of service. The company had accounted for liability of future gratuity benefits based on an external actuarial valuation on Projected Unit Credit method carried out for assessing the liability as at each balance sheet date.

The significant actuarial assumptions used for the purposes of the actuarial valuations were as follows:

	Valuation as at	
	31-Mar-22	**31-Mar-21**
Discount rate(s)	**0.00%**	7.05%
Expected rate(s) of salary increase	**0.00%**	8.50%

Defined benefit plans – as per actuarial valuation on 31st March, 2022

	Rs. in Lacs	
	Unfunded Plans Gratuity	
Particulars	**2022**	2021
Ia. Expense recognised in the Statement of Profit and Loss for the year ended 31st March:		
Service Cost		
Current Service Cost	–	5.91
Net interest expense	–	1.08
Components of defined benefit costs reconised in profit or loss	–	6.98
Ib. Included in other Comprehensive Income		
Actuarial gains and loss arising form changes in financial assumptions	–	0.04
Actuarial gains and loss arising form changes in demographic assumptions	–	(1.71)
Actuarial gains and loss arising form experience adjustments	–	(15.96)
Componenets of defined benefit costs recognised in other comprehensive income	–	(17.62)
Total	–	(10.64)
I. Net Asset/(Liability) recognised in the Balance Sheet as at 31st March		
1. Present value of unfunded defined benefit obligation as at 31st March	–	4.68
2. Fair value of plan assets as at 31st March	–	–
3. Surplus/(Deficit)	–	4.68
4. Current portion of the above	–	1.04
5. Non current portion of the above	–	3.64
II. Change in the obligation during the year ended 31st March		
1. Present value of defined benefit obligation at the beginning of the year	–	15.95
2. Expenses Recognised in Profit and Loss Account		
- Current Service Cost	–	5.91
- Past Service Cost	–	–
- Interest Expense (Income)	–	1.08
3. Recognised in Other Comprehensive Income		
Remeasurement gains / (losses)		
- Actuarial Gain (Loss) arising from:		
i. Demographic Assumptions	–	(1.71)
ii. Financial Assumptions	–	0.04
iii. Experience Adjustments	–	(15.96)
4. Benefit payments	–	(0.63)
5. Present value of defined benefit obligation at the end of the year	–	4.68
III. Actuarial assumptions		
1. Discount rate	–	7.05%
2. Salary Growth rate	–	8.50%

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

Rs. in Lacs

Principal assumption	**Changes in assumption**	**Impact on defined benefit obligation: Increase in assumption**	**Impact on defined benefit obligation: Decrease in assumption**
Discount rate			
2022	**1.00%**	–	–
2021	1.00%	4.51	4.86
Salary growth rate			
2022	**1.00%**	–	–
2021	1.00%	4.85	4.51

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) had been applied as when calculating the defined benefit liability recognised in the Balance sheet.

The methods and types of assumptions used in preparing the sensitivity analyses does not change compared to previous period.

Maturity profile of defined benefit obligation:

Rs. in Lacs

Particulars	**2022**	2021
Within 1 year	**0.00**	1.04
1 - 2 year	**0.00**	0.84
2 - 3 year	**0.00**	1.01
3 - 4 year	**0.00**	0.83
4 - 5 year	**0.00**	0.63
5 - 10 years	**0.00**	1.93

The current service cost and the net interest expense for the year are included in the employee benefits expense in profit or loss of the expense for the previous year.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

Note No. 26 - Related Party Transactions

Name of the Parent Company	Mahindra Agri Solutions Limited
Name of the Ultimate Holding Company	Mahindra & Mahindra Limited
Name of the Fellow Subsidiary Company	Mahindra Integrated Business Solutions
	Mahindra Logistics Limited
	Origin Fruit Direct B.V.
	Origin Fruit Services South America
	Mahindra E Market Ltd
	Bristlecone India Ltd
	Greenyard Logistic Poland SP Zoo
	Greenyard Fresh Italy SRL
	Mera Kisan Pvt. Ltd.
	NBS International Ltd.
Name of KMP of the Company	Mr Nilesh Totla (Chief Financial Officer (w.e.f.19-10-21 to 28-03-22) Mr Chaitanya Rajwade Chief Executive officer (w.e.f 16-04-21) Mr Ravindranath Kamma (Chief Executive Officer) (upto 03-11-20) Mr Pradeep Jape (Chief Financial Officer) (upto 19-10-20)

Details of transaction between the Company and its related parties are disclosed below:

Rs. in Lacs

Particulars	**For the year ended**	**Parent Company**	**Ultimate Holding Company**	**Fellow Subsidiaries**	**Joint ventures**	**KMP of the Company and KMP of parent Company**
<u>Nature of transactions with Related Parties</u>						
Purchase of goods	**31-Mar-22**	**4.41**	**–**	**–**	**–**	**–**
	31-Mar-21	88.44	–	69.60	–	–
Sale of goods	**31-Mar-22**	**–**	**–**	**–**	**–**	**–**
	31-Mar-21	21.50		3.12	–	–
Receiving of services	**31-Mar-22**	**1.58**	**11.28**	**4.12**		
	31-Mar-21		24.48	106.64		54.78
Investment	**31-Mar-22**	–	–	–	**–**	**–**
	31-Mar-21	–	`	–	–	–
Issue of share capital	**31-Mar-22**	190.00	**–**	–	**–**	**–**
	31-Mar-21	–	–	–	–	–
Settlement of liabilities by the Company on behalf of related parties	**31-Mar-22**	**–**	**–**	**–**	**–**	**–**
	31-Mar-21	–	–	–	–	–
Other transactions	**31-Mar-22**	**–**	**–**	**–**	**–**	**–**
	31-Mar-21	5.85				

Nature of Balances with Related Parties	**Balance as on**	**Parent Company**	**Ultimate Holding Company**	**Fellow Subsidiaries**	**Joint ventures**	**KMP of the Company and KMP of parent Company**
Trade payables	**31-Mar-22**	**0.50**	**3.20**	**0.12**		
	31-Mar-21	135.72	19.97	2.43		
Trade Receivable	**31-Mar-22**		**–**	**–**	**–**	**–**
	31-Mar-21	17.98	–	–	–	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

Note No. 27 - Additional Information to the consolidated Financial Statements

Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

Particulars	**31-Mar-22** Rs. in Lacs	31-Mar-21 Rs. in Lacs
(i) Principal amount remaining unpaid to MSME suppliers as on	–	–
(ii) Interest due on unpaid principal amount to MSME suppliers as on	–	–
(iii) The amount of interest paid along with the amounts of the payment made to the MSME suppliers beyond the appointed day	–	–
(iv) The amount of interest due and payable for the year (without adding the interest under MSME Development Act)	–	–
(v) The amount of interest accrued and remaining unpaid as on	–	–

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

Note No. 28

The Company has reported a net loss of Rs 105.58 Lakhs during the current year and also reported accumulated loss of Rs 1,632.16 Lakhs as at 31st March 2022. Further, Instead of the accumulated losses as at 31st March 2022, the Company's net worth is positive as on 31st March 2022. The accompanying financial statement have been prepared on going concern basis, as the management is confident on company's ability to continue as a going concern for a foreseeable future in view of evaluation of revised business plan to operate Grapes and other fruits export business in future years and performance improvement measures to be undertaken by the management.

These event cast significant doubt on the entity's ability to continue as a going concern, however in view of mitigating plan mentioned above, the management believes that the Company will be able to meet its operation and other commitments as they arise along with shareholder financial support to the Company in foreseeable future and the financial statement have been prepared on a going concern basis.

Note No. 29 - Ratio Analysis and its elements

Ratio	Numerator	Denominator	March 31, 2022	March 31, 2021	% change	Reason for Variance
Current Ratio	Current Assets	Current Liability	2.83	0.58	386%	Refer note a
Debt Equity ratio	Total Debt	Shareholder Equity	–	–	0%	–
Debt Service coverage ratio	Earning for Debt service	Debt Service	–	0.61	(100%)	All debts were repaid during previous year.
Return on Equity	Net profit after taxes	Average Shareholder Equity	5.04	(1.15)	(537%)	There is an slowdown of operation as and reduction in margin as compared to previous year.
Inventory Turnover ratio	Cost of goods sold	Average inventory	44.93	39.55	14%	–
Trade receivable Turnover ratios	Net credit sales = Gross credit sales - sales return	Average trade receivables	6.46	27.24	(76%)	Refer note a
Trade Payable ratios	Net credit purchases = Gross credit purchases - purchase return	Average trade payables	1.92	12.37	(84%)	Refer note a
Net capital turnover ratio	Net sales = Total sales - sales return	Working capital = Current assets – Current liabilities	12.63	(69.45)	(118%)	Refer note a
Net profit ratio	Net profit	Net sales = Total sales - sales return	(0.49)	0.03	(1785%)	Reduction in sales on account of management estimates of new business plan and slowdown of current operation
Return on capital employed	Earnings before interest and taxes	Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax	(4.97)	(3.45)	44%	There is an slowdown of operation as and reduction in margin as compared to previous year.
Return on Investment	Interest (Finance Income)	Investment	0.05	0.15	(67%)	Major Fixed deposit were matured during previous year.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

Note a

During the year ended 31st March, 2022 management evaluates to operate Grapes and other fruits export business in future years. Basis management evaluation of new business plan, management paid off its existing liability, liquidated all their stock, collected all receivables from customers, resulting into change in above ratio as compared to previous year.

Note No. 30 - Comparatives

The figures for previous year have been regrouped wherever necessary to conform to current year's classification.

In terms of our report attached.
For B.K. Khare & Co
Chartered Accountants
FRN : 105102W

Aniruddha Joshi
Partner
Membership No: 040852

Place: Mumbai
Date: April 11, 2022

For **Mahindra Fruits Private Limited**

Director
Nikhil Sohoni
DIN: 06852639

Director
Ashok Sharma
DIN: 02766679

Chief Executive Officer
Chaitanya Rajwade

Company Secretary
Feroze Baria

Place: Mumbai
Date: April 11, 2022

INDEPENDENT AUDITORS' REPORT

A. Report on the audit of the financial statements 1 November 2020 until 31 October 2021

Our opinion

We have audited the financial statements for the year ended 31 October 2021 of Mahindra Fresh Fruits Distribution Holding Company (Europe) B.V., based in Rotterdam.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of Mahindra Fresh Fruits Distribution Holding Company (Europe) B.V. as at 31 October 2021, and of its result for the period 1 November 2020 until 31 October 2021 in accordance with Part 9 of Book 2 of the Dutch Civil Code.

The financial statements comprise:

1. the balance sheet as at 31 October 2021;
2. the income statement for 1 November 2020 until 31 October 2021; and
3. the notes comprising a summary of the accounting policies and other explanatory information.

Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the 'Our responsibilities for the audit of the financial statements' section of our report.

We are independent of Mahindra Fresh Fruits Distribution Holding Company (Europe) B.V. in accordance with the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics).

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

B. Report on the other information included in the annual report

In addition to the financial statements and our auditor's report thereon, the annual report contains no other information.

C. Description of responsibilities regarding the financial statements

Responsibilities of the board for the financial statements

The board is responsible for the preparation and fair presentation of the financial statements in accordance with Part 9 of Book 2 of the Dutch Civil Code. Furthermore, the board is responsible for such internal control as the board determines is necessary to enable the preparation of the financial statements that are free from material misstatements, whether due to fraud or error. As part of the preparation of the financial statements, the board is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting framework mentioned, the board should prepare the financial statements using the going concern basis of accounting unless the board either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so. The board should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the financial statements.

Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit assignment in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material errors and fraud during our audit.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgement and have maintained professional skepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included among others:

- Identifying and assessing the risks of material misstatements of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatements resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control;
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the board;
- Concluding on the appropriateness of the board's use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company to cease to continue as a going concern;

- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures; and
- Evaluating whether the financial statements represents the underlying transactions and events free from material misstatements.

Because we are ultimately responsible for the opinion, we are also responsible for directing, supervising and performing the group audit. In this respect we have determined the nature and extent of the audit procedures to be carried out for group entities. Decisive were the size and/or the risk profile of the group entities or operations. On this basis, we selected group entities for which an audit or review had to be carried out on the complete set of financial information or specific items.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identify during our audit.

Breda, 26 April 2022

Van Oers Audit B.V.

A.A. Hoeven RA

FISCAL POSITION

Calculation taxable amount

	2020/2021
	€
Taxable amount	(87.355)

Because of fiscal losses no corporate income tax is to be paid from the result.

Loss compensation

Year	Compensatable loss
	€
2017/2018	14.517
2018/2019	88.754
2019/2020	73.467
2020/2021	87.354
	264.092

No deferred tax asset is recognized for the compensatable losses.

We trust to have been of service.

Yours faithfully,
Van Oers Audit B.V.

A.A. Hoeven RA

BALANCE SHEET AS AT 31 OCTOBER 2021

(After appropriation of result)

	31 October 2021		31 October 2020	
	€	€	€	€
ASSETS				
Fixed assets				
Financial assets				
Participations in group companies		**4.161.491**		4.161.491
Current assets				
Cash and cash equivalents		**88.194**		165.398
		4.249.685		4.326.889
EQUITY AND LIABILITIES				
Equity				
Share capital paid called up	**10.000**		10.000	
Other reserves	**(193.469)**		(106.114)	
		(183.469)		(96.114)
Long-term liabilities				
Payables to banks		**4.400.000**		4.400.000
Current liabilities				
Liabilities to group companies	**1.465**		1.465	
Other payables	**1.689**		2.178	
Accruals and deferred income	**30.000**		19.360	
		33.154		23.003
		4.249.685		4.326.889

INCOME STATEMENT FOR THE PERIOD 1-11-2020 UNTIL 31-10-2021

	2020/2021		2019/2020	
	€	€	€	€
General expenses		**21.245**		18.122
Total of operating result		**(21.245)**		(18.122)
Interest and similar expenses	**(66.110)**		(55.345)	
Total of result before tax		**(87.355)**		(73.467)
Income tax expense		**–**		–
Total of result after tax		**(87.355)**		(73.467)

NOTES TO THE FINANCIAL STATEMENTS

Entity information

Registered address and registration number trade register

The registered and actual address of Mahindra Fresh Fruits Distribution Holding Company (Europe) B.V. is Albert Plesmanweg 250, 3088 GD in Rotterdam. Mahindra Fresh Fruits Distribution Holding Company (Europe) B.V. is registered at the Chamber of Commerce under number 70100438.

General notes

The most important activities of the entity

The principal activity of Mahindra Fresh Fruits Distribution Holding Company (Europe) B.V. is to participate in group companies.

Disclosure of group structure

Mahindra Fresh Fruits Distribution Holding Company (Europe) B.V. is part of a group. The head of this group is Mahindra Agri Solutions Limited which is located in India. The financial statements of Mahindra Fresh Fruits Distribution Holding Company (Europe) B.V. are included in the consolidated financial statements of Mahindra Agri Solutions Limited.

Disclosure of estimates

In applying the principles and policies for drawing up the financial statements, the directors of Mahindra Fresh Fruits Distribution Holding Company (Europe) B.V. make different estimates and judgments that may be essential to the amounts disclosed in the financial statements. If it is necessary in order to provide the transparency required under Book 2, article 362, paragraph 1, the nature of these estimates and judgments, including related assumptions, is disclosed in the notes to the relevant financial statement item.

The exemption of consolidation in connection with the application of Section 2:408

In accordance with article 408, Title 9, Book 2 of the Netherlands Civil Code, consolidated financial statements of the Company are not disclosed because its financial figures together with its subsidiaries are included in the consolidated financial statements of Mahindra Agri Solutions Limited, which are filed with the Dutch Chamber of Commerce together with these financial statements.

General accounting principles

The accounting standards used to prepare the financial statements

The financial statements are drawn up in accordance with the provisions of Title 9, Book 2 of the Dutch Civil Code and the Dutch Accounting Standards, as published by the Dutch Accounting Standards Board ('Raad voor de Jaarverslaggeving').

Assets and liabilities are generally valued at historical cost, production cost or at fair value at the time of acquisition. If no specific valuation principle has been stated, valuation is at historical cost.

The outbreak of the COVID-19 pandemic has sparked one of the greatest crises worldwide in recent decades. The (partial) lockdowns have, among others, resulted in business activities in many sectors being affected. In preparing the financial statements (including the substantiation of the going concern assumption), the impact of COVID-19 pandemic on our organization was explicitly analyzed and weighted. This analysis takes into account the impact of COVID-19 pandemic on the company in 2021 and the expected impact on the company in 2022 and beyond. It is important that in determining the expected impact on the company in 2022 and beyond, and therefore also the expected development in result and liquidity, an inherent uncertainty remains with regard to the duration of the COVID-19 pandemic and the resulting impact on the economy as a whole and on our organization.

Explanation of comparability with the previous year

The principles of valuation and determination of the result used have remained unchanged compared to the previous year.

Conversion of amounts denominated in foreign currency

Transactions in foreign currencies are stated in the financial statements at the exchange rate of the functional currency on the transaction date.

Items included in the financial statements are measured using the currency of the primary economic environment in which the company operates (the functional currency). The financial statements are presented in euro; which is the functional and presentation currency of Mahindra Fresh Fruits Distribution Holding Company (Europe) B.V.

Accounting principles

Financial assets

The financial assets comprise the investments in subsidiary companies. In conjunction with exemption article 408, Title 9, Book 2 of the Dutch Civil Code, the investments are carried at cost. Provisions against the cost of investments are made for any permanent decline in the carrying value of the investments. Income from investments are recognised only to the extent of dividends declared.

Impairment of non-current assets

On each balance sheet date, Mahindra Fresh Fruits Distribution Holding Company (Europe) B.V. assesses whether there are any indications that a fixed asset may be subject to impairment. If there are such indications, the recoverable amount of the asset is determined. If it is not possible to determine the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined. An impairment occurs when the carrying amount of an asset is higher than the recoverable amount; the recoverable amount is the higher of the realisable value and the value in use. An impairment loss is directly recognised in the profit and loss account while the carrying amount of the asset concerned is concurrently reduced.

The realisable value is initially based on a binding sale agreement; if there is no such agreement, the realisable value is determined based on the active market, whereby usually the prevailing bid price is taken as market price. For the determination of the value in use, an estimate is made of the future net cash flows in the event of continued use of the asset / cash-generating unit; these cash flows are discounted.

If it is established that an impairment that was recognised in the past no longer exists or has reduced, the increased carrying amount of the asset concerned is set no higher than the carrying amount that would have been determined if no impairment value adjustment for the asset concerned had been reported. An impairment of goodwill is not reversed.

Cash and cash equivalents

Cash at banks and in hand represent bank balances with terms of less than twelve months. Overdrafts at banks are recognised as part of debts to lending institutions under current liabilities. Cash at banks and in hand is valued at nominal value.

Other reserves

Other reserves are all reserves, except the legal and statutory reserves. Other reserves can freely be distributed to the shareholders.

Non-current liabilities

On initial recognition long-term debts are recognised at fair value. Transaction costs which can be directly attributed to the acquisition of the long-term debts are included in the initial recognition. After initial recognition long-term debts are recognised at the amortised cost price, being the amount received taking into account premiums or discounts and minus transaction costs. If there is no premium / discount or if there are no transaction costs, the amortised cost price is the same as the nominal value of the debt.

The difference between stated book value and the mature redemption value is accounted for as interest cost in the income statement on the basis of the effective interest rate during the estimated term of the long-term debts.

Current liabilities

On initial recognition current liabilities are recognised at fair value. After initial recognition current liabilities are recognised at the amortised cost price, being the amount received taking into account premiums or discounts and minus transaction costs. This is usually the nominal value.

Accounting principles for determining the result

The result is the difference between the realisable value of the goods/services provided and the costs and other charges during the year. The results on transactions are recognised in the year in which they are realised.

Other operating expenses

Costs are determined on a historical basis and are attributed to the reporting year to which they relate.

Interest expenses and related expenses

Interest expenses are recognised on a pro rata basis, taking account of the effective interest rate of the liabilities to which they relate. In accounting for interest expenses, the recognised transaction expenses for loans received are taken into consideration.

Income tax expense

Tax on the result is calculated based on the result before tax in the income statement, taking account of the losses available for set-off from previous financial years and exempt profit components and after the addition of non-deductible costs. Due account is also taken of changes which occur in the deferred tax assets and deferred tax liabilities in respect of changes in the applicable tax rate. Total tax losses available for compensation are € 264.092 per 31 October 2021. No value is assigned to the total amount available for compensation.

NOTES TO THE BALANCE SHEET

Assets

Fixed assets

Financial assets

	31-10-2021	31-10-2020
	€	€
Participations in group companies		
Participation in OFD Holding B.V.	**4.161.491**	4.161.491

This concerns a 83,09% participation in OFD Holding B.V., Rotterdam.

Disclosure of financial assets

The result of OFD Holding B.V. 2020/2021 amounts € 963.257 positive. The equity of OFD Holding B.V. on 31 October 2021 amounts € 5.661.520.

Current assets

Cash and cash equivalents

All cash and cash equivalents are at the Company's free disposal.

Equity and Liabilities

Equity

Movements are as follows:

	Share capital paid called up	Other reserves	Total
	€	€	€
Balance as at 1 November 2020	10.000	(106.114)	(96.114)
Appropriation of result	–	(87.355)	(87.355)
Balance as at 31 October 2021	10.000	(193.469)	(183.469)

Disclosure of equity

The share capital of Mahindra Fresh Fruits Distribution Holding Company (Europe) B.V. amounts to € 10.000, divided into 10.000 ordinary shares. All shares each have a nominal value of € 1.

Of the shares, 10.000 ordinary shares have been issued and fully paid up.

Statement of the proposed appropriation of the result

During the general meeting at which the financial statements will be adopted, will be proposed to subtract the 2020/2021 result after tax from the other reserves.

This proposal is already incorporated in the 2020/2021 financial statements of the company.

Long-term liabilities

Disclosure of non-current liabilities

On 26 September 2018 the company entered into a loan facility with Bank of America Merrill Lynch International Limited with a maximum of EUR 5 million which in November 2018 has been utilized for € 4,4 million. The facility bears interest at 1,5% per annum plus Euribor. The facility may be terminated at any time by Bank of America Merrill Lynch International Limited. There is no redemption scheme agreed upon. This loan is considered as non-current by management.

The following securities have been agreed upon:

- Pari passu with the claims of all its other unsecured and unsubordinated creditors except those creditors whose claims are mandatorily preferred by laws of general application to companies;
- The borrower shall not create, grant or permit to subsist any security interest over any of its present or future business assets or undertakings;
- The Borrower shall not enter into any amalgamation, demerger, merger, consolidation or corporate reconstruction without giving the Lender 15 days prior notice;
- The Borrower shall procure that no substantial change is made to the general nature of the business of the Borrower.

Current liabilities

Liabilities to group companies

The annual interest rate on liabilities to group companies amounts to 0% (2020: 0%) calculated over the average outstanding amount. No special conditions on these liabilities or on repayments were agreed upon.

Accruals and deferred income

All currrent liabilities have a remaining term of maturity of less than one year. The fair value of current liabilities approximates the carrying amount, because of their short-term character.

NOTES TO THE INCOME STATEMENT

	2020/2021	2019/2020
	€	€
General expenses		
Audit costs	**8.894**	9.378
Management fee	**2.203**	4.734
Accounting costs	**1.148**	4.010
Other general expenses	**9.000**	–
	21.245	18.122

	2020/2021	2019/2020
Interest and similar expenses		
Interest loan facility Bank of America Merrill Lynch International Limited	**65.913**	55.153
Interest and cost bank	**197**	192
	66.110	55.345

OTHER NOTES

Average number of employees

During the years 2020/2021 and 2019/2020 no employees were employed on a full time basis.

Subsequent events

As of 20 April 2022 the 83,09% share in participation OFD Holding B.V. is sold for an amount of 5.1 million.

Rotterdam, 26 April 2022

Mahindra Fresh Fruits Distribution Holding Company (Europe) B.V.

S.V. Parmar
Director

N.V. Madgavkar
Director

1 BALANCE SHEET AS AT OCTOBER 31, 2021
(after appropriation of results)

		October 31, 2021		October 31, 2020	
		€	€	€	€
Assets					
Fixed assets					
Financial fixed assets	(1)				
Participations in group companies			6,270,673		5,300,387
Current assets					
Receivables, prepayments and accrued income	(2)				
Taxes and social securities			2,003		–
Cash and cash equivalents	(3)		129,218		162,873
			6,401,894		5,463,260

		October 31, 2021		October 31, 2020	
		€	€	€	€
Equity and liabilities					
Equity	(4)				
Issued share capital		31,390		31,390	
Share premium reserve		2,402,318		2,402,318	
Other reserves		3,227,812		2,264,555	
			5,661,520		4,698,263
Long-term debts	(5)				
Loans from group companies			738,104		731,791
Current liabilities	(6)				
Taxes and social securities		-		16,566	
Other liabilities and Accruals and deferred income		2,270		16,640	
			2,270		33,206
			6,401,894		5,463,260

2 PROFIT AND LOSS ACCOUNT OVER 2019/2020

		2020/2021		2019/2020	
		€	€	€	€
Net turnover			25,000		25,000
Expenses					
Amortisation and depreciation	(7)	–		6,942	
Other operating expenses	(8)	1,838		3,013	
			1,838		9,955
Operating result			23,162		15,045
Financial income and expenses	(9)		(30,191)		(29,637)
Result before tax			(7,029)		(14,592)
Taxes	(10)		–		1,465
			(7,029)		(13,127)
Result participating interests	(11)		970,286		(276,344)
Result after tax			963,257		(289,471)

3 NOTES TO THE FINANCIAL STATEMENTS

General

Activities

The main activities of the company are to participate in and to hold the shares of group companies.

Registered office, legal form and registration number at the chamber of commerce

The registered and actual address of OFD Holding B.V. is Albert Plesmanweg 250 in Rotterdam of business and is registered at the chamber of commerce under number 24264988.

Estimates

The preparation of financial statements in conformity with the relevant rules requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. If necessary for the purposes of providing the view required under Section 362(1), Book 2, of the Dutch Civil Code, the nature of these estimates and judgments, including the related assumptions, is disclosed in the notes to the financial statement items in question.

GENERAL ACCOUNTING PRINCIPLES FOR THE PREPARATION OF THE ANNUAL ACCOUNTS

The financial statements are drawn up in accordance with the provisions of Title 9, Book 2, of the Dutch Civil Code and the Dutch Accounting Standards applicable to small legal entities, as published by the Dutch Accounting Standards Board ('Raad voor de Jaarverslaggeving').

Assets and liabilities are generally valued at historical cost, production cost or at fair value at the time of acquisition. If no specific valuation principle has been stated, valuation is at historical cost. In the balance sheet and profit and loss account, references are made to the Notes.

Comparison with previous year

De gehanteerde grondslagen van waardering en van resultaatbepaling zijn ongewijzigd gebleven ten opzichte van het voorgaande jaar.

Foreign currency

Functional currency

Items included in the financial statements of OFD Holding B.V. are valued with due regard for the currency in the economic environment in which the company carries out most of its activities (the functional currency). The financial statements are denominated in euros; this is both the functional currency and presentation currency of OFD Holding B.V.

Transactions, receivables and liabilities

Transactions in foreign currencies are stated in the financial statements at the exchange rate of the functional currency on the transaction date.

Monetary assets and liabilities in foreign currencies are converted to the closing rate of the functional currency on the balance sheet date. The translation differences resulting from settlement and conversion are credited or charged to the profit and loss account.

Non-monetary assets valued at historical cost in a foreign currency are converted at the exchange rate on the transaction date.

Non-monetary assets valued at fair value in a foreign currency are converted at the exchange rate on the date on which the fair value was determined.

The exemption of consolidation

In accordance with article 408, Title 9, Book 2 of the Netherlands Civil Code, consolidated financial statements of the Company are not disclosed because its financial figures together with its subsidiaries are included in the consolidated financial statements of Mahindra Agri Solutions Limited, which are filed with the Dutch Chamber of Commerce together with these financial statements.

ACCOUNTING PRINCIPLES APPLIED TO THE VALUATION OF ASSETS AND LIABILITIES

Intangible fixed assets

Intangible fixed assets are stated at historical cost less amortisation. Impairments are taken into consideration; this is relevant in the event that the carrying amount of the asset (or of the cash-generating unit to which the asset belongs) is higher than its recoverable amount.

Positive goodwill resulting from acquisitions and calculated in accordance with note "Participations" is capitalised and amortised on a straight-line basis over the estimated economic life.

Financial fixed assets

Participations

Participations, over which significant influence can be exercised, are valued according to the net asset value method. In the event that 20% or more of the voting rights can be exercised, it may be assumed that there is significant influence.

The net asset value is calculated in accordance with the accounting principles that apply for these financial statements; with regard to participations in which insufficient data is available for adopting these principles, the valuation principles of the respective participation are applied.

If the valuation of an associate based on the net asset value is negative, it will be stated at nil. If and insofar as OFD Holding B.V. can be held fully or partially liable for the debts of the associate, or has the firm intention of enabling the participation to settle its debts, a provision is recognised for this.

Participations over which no significant influence can be exercised are valued at historical cost. The result represents the dividend declared in the reporting year, whereby dividend not distributed in cash is valued at fair value.

Securities

Receivables are initially valued at the fair value of the consideration to be received, including transaction costs if material. Receivables are subsequently valued at the amortised cost price. Provisions for bad debts are deducted from the carrying amount of the receivable.

Cash and cash equivalents

Cash at banks and in hand represent cash in hand, bank balances and deposits with terms of less than twelve months. Overdrafts at banks are recognised as part of debts to lending institutions under current liabilities. Cash at banks and in hand is valued at nominal value.

Long-term debts

On initial recognition long-term debts are recognised at fair value. Transaction costs which can be directly attributed to the acquisition of the long-term debts are included in the initial recognition. After initial recognition long-term debts are recognised at the amortised cost price, being the amount received taking into account premiums or discounts and minus transaction costs.

The difference between stated book value and the mature redemption value is accounted for as interest cost in the profit and loss account on the basis of the effective interest rate during the estimated term of the long-term debts.

The difference between stated book value and the mature redemption value is accounted for as interest cost in the profit and loss account on the basis of the effective interest rate during the estimated term of the long-term debts.

Current liabilities

On initial recognition current liabilities are recognised at fair value. After initial recognition current liabilities are recognised at the amortised cost price, being the amount received taking into account premiums or discounts and minus transaction costs. This is usually the nominal value.

ACCOUNTING PRINCIPLES FOR THE DETERMINATION OF THE RESULT

General

The result is the difference between the realisable value of the goods/services provided and the costs and other charges during the year. The results on transactions are recognised in the year in which they are realised

Expenses general

Costs are determined on a historical basis and are attributed to the reporting year to which they relate

Amortisation and depreciation

Intangible fixed assets including goodwill are amortised and depreciated from the date of when they are available for use, based on the estimated economic life / expected future useful life of the asset.

Financial income and expenses

Interest income and interest expenses

Interest income and expenses are recognised on a pro rata basis, taking account of the effective interest rate of the assets and liabilities to which they relate. In accounting for interest expenses, the recognised transaction expenses for loans received are taken into consideration.

4 NOTES TO THE BALANCE SHEET AS OF OCTOBER 31, 2021

Taxes

Tax on the result is calculated based on the result before tax in the profit and loss account, taking account of the losses available for set-off from previous financial years (to the extent that they have not already been included in the deferred tax assets) and exempt profit components and after the addition of non-deductible costs.

Result participating interests

The result is the amount by which the carrying amount of the participation has changed since the previous financial statements as a result of the earnings achieved by the participation to the extent that this can be attributed to OFD Holding B.V.

Assets

Fixed assets

1. Financial fixed assets

	10/31/2021	10/31/2020
	€	€
Participations in group companies		
Origin Fruit Direct B.V. at Rotterdam (100%)	6,054,946	5,300,387
Origin Direct Asia Ltd at Hong Kong (60%)	215,726	–
Origin Fruit Services Ltd at Chile (100%)	1	–
	6,270,673	**5,300,387**

	2020/2021	2019/2020
	€	€
Origin Fruit Direct B.V.		
Carrying amount as of November 1	5,300,387	5,576,731
Share in result	754,559	(276,344)
Carrying amount as of October 31	6,054,946	5,300,387

Concerns a 100% participation in Origin Fruit Direct B.V. at Rotterdam

Origin Direct Asia Ltd		
Carrying amount as of November 1	–	–
Share in result	215,726	–
Carrying amount as of October 31	215,726	–

Concerns a 60% participation in Origin Direct Asia Ltd at Hong Kong

Origin Fruit Services Ltd		
Carrying amount as of November 1	–	–
Share in result	1	–
Carrying amount as of October 31	1	–

Concerns a 100% participation in Origin Fruit Services Ltd at Chile

The participation has a negative equity amounting to 50,219 as of December 31, 2021.

Current assets

2. Receivables, prepayments and accrued income

	10/31/2021	10/31/2020
	€	€
Taxes and social securities		
Corporate income tax	1,465	–
Other taxes	538	–
	2,003	–

3. Cash and cash equivalents

Abn Amro Bank N.v.	129,218	162,873

Equity and liabilities

4. Equity

	10/31/2021	10/31/2020
	€	€
Issued share capital		
Subscribed and paid up 31,390 ordinary shares at par value € 1.00	31,390	31,390

The statutory share capital amounts to € 92,000.

Share premium reserve

	2019/2021	2018/2020
	€	€
Carrying amount as of November 1	2,402,318	2,402,318
Carrying amount as of October 31	2,402,318	2,402,318

Other reserves

Carrying amount as of November 1	2,264,555	2,554,026
Allocation of financial year nett result	963,257	(289,471)
Carrying amount as of October 31	3,227,812	2,264,555

5. Long-term debts

	10/31/2021	10/31/2020
	€	€
Loans from group companies		
Origin Fruit Direct B.V.	738,104	731,791

In 2019/2020 € 29,675 interest is calculated (2020/2021: 4% (2018/2019: 4%).

6. Current liabilities

Taxes and social securities	**10/31/2021**	10/31/2020
	€	€
Corporate income tax	–	16,566

Other liabilities and Accruals and deferred income

	10/31/2021	10/31/2020
	€	€
Accruals and deferred income		
Audit costs	2,270	2,270
Dividend to pay out	–	14,370
	2,270	16,640

5. Notes to the profit and loss account 2019/2020
Staff

During 2020/2021, no employees were employed on a full-time basis.

	2020/2021	2019/2020
	€	€
7. Amortisation and depreciation		
Intangible fixed assets	–	6,942

5 NOTES TO THE PROFIT AND LOSS ACCOUNT 2019/2021

	2020/2021	2019/2020
	€	€
8. Other operating expenses		
General expenses		
Accounting costs	1,638	2,216
Other general expenses	–	797
	200	3,013
	1,838	3,013
9. Financial income and expenses		
Interest and similar expenses		
Interest and costs bank	(166)	(132)
Interest taxes	(350)	–
Interest payable Origin Fruit Direct B.V.	(29,675)	(29,505)
	(30,191)	(29,637)

	2020/2021	2019/2020
	€	€
10. Taxes		
Corporate income tax	–	1,465
11. Result participating interests		
Share in result of Origin Fruit Direct B.V.	754,559	(276,344)
Share in result of Origin Fruit Services Ltd	215,726	–
Result on selling shares Origin Direct Asia Ltd	1	–
	970,286	(276,344)

Signing of the financial statements

Rotterdam, May 17, 2022

Board of Directors

C.A.M. van de Klundert

R. Aaldijk

S.V. Parmar

OTHER INFORMATION

1 Provisions of the Articles of Association relating to profit appropriation

In article 20 of association of the company is stated that the amount of distributable profits shall be at the unrestricted disposal of the general meeting of shareholders.

The company can only do payments of the distributable profits to shareholders or other entitled persons as far as capital and reserves exceed the paid up and called up part of the capital plus the legal reserves.

2 Appropriation of the result for the 2019/2020 financial year

The annual account for 2019/2020 was adopted by the General Meeting held on January 28, 2022. The General Meeting has determined the appropriation of the result as it was proposed.

3 Appropriation of the profit for 2020/2021

The board of directors proposes to add the profit for 2020/2021 of € 963,257 to the other reserves.

This proposal has been processed in the annual account in advance of the adoption by the General Meeting.

4 Audit

There is no need to provide an audit because OFD Holding B.V. has used the possibility of exemption of an expert report under art. 2: 393 paragraph 1 BW2 under Art. 2: 396 paragraph 7 of the Civil Code.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ORIGIN DIRECT ASIA LIMITED (INCORPORATED IN HONG KONG WITH LIMITED LIABILITY)

Opinion

We have audited the consolidated financial statements of Origin Direct Asia Limited (the "Company") and its subsidiary (together, the "Group") set out on pages herein, which comprise the consolidated statement of financial position as at 31 October 2021, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 October 2021, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

Basis for Opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

The directors are responsible for the other information. The other information comprises all the information included in the directors' report, but does not include the consolidated financial statements and our auditor's report thereon.

Responsibilities of Directors and Those Charged with Governance for the Consolidated Financial Statements

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

The directors are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA and the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. This report is made solely to you, as a body, in accordance with section 405 of the Hong Kong Companies Ordinance, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Fung, Yu & Co. CPA Limited
Certified Public Accountants (Practising)

LAU Vui Cheong
Practising Certificate Number: P03455

Date: 24th May 2022

ORIGIN DIRECT ASIA LIMITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 OCTOBER 2021

	Notes	2021 USD	2020 USD
Turnover	5	**15,755,735**	13,442,143
Cost of sales		**(14,501,956)**	(12,150,416)
Gross profit		**1,253,779**	1,291,727
Other income	6	**78,795**	115,861
		1,332,574	1,407,588
Selling expenses		**(357,815)**	(191,682)
Administrative and other operating expenses		**(829,601)**	(631,654)
Profit from operations		**145,158**	584,252
Share of profit of an associate		**(4,622)**	4,621
Finance costs	7	**(22,238)**	(48,456)
Profit before taxation	8	**118,298**	540,417
Taxation	9	**(578)**	(5,027)
Profit for the year		**117,720**	535,390
Other comprehensive income/ (loss) for the year			
Items that may be reclassified subsequently to profits or loss:-			
Exchange difference arising from translation of financial statements of the PRC subsidiary		**408,222**	(313,845)
Total comprehensive profit for the year		**525,942**	221,545

ORIGIN DIRECT ASIA LIMITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 OCTOBER 2021

	Notes	2021 USD	2020 USD
Non-current assets			
Property, plant and equipment	11	**58,515**	34,850
Interest in an associate	12	**–**	4,622
		58,515	39,472
Current assets			
Inventories	13	**72,540**	327,179
Trade and other receivables		**1,628,313**	996,228
Rental and other deposits		**1,076,418**	534,056
Prepayment		**30,974**	23,011
Amount due from a former director	14	**10,066**	10,066
Tax prepaid	16	**5,885**	–
Cash at bank and in hand	15	**152,166**	633,310
		2,976,362	2,523,850
Deduct:			
Current liabilities			
Trade and other payables		**2,539,926**	2,652,874
Accrued expenses		**63,372**	48,223
Amount due to an associate	16	**38,665**	13,503
Amount due to a fellow subsidiary	17	**3,225**	7,857
Tax payable		**–**	1,924
Leases liabilities	18	**38,796**	17,704
		2,683,984	2,742,085
Net current assets / (liabilities)		**292,378**	(218,235)
Total asset less current liabilities		**350,893**	(178,763)
Non-current liabilities			
Deferred tax liabilities	19	**675**	818
Leases liabilities	18	**6,230**	2,373
		6,905	3,191
Net assets / (liabilities)		**343,988**	**(181,954)**

ORIGIN DIRECT ASIA LIMITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 OCTOBER 2021

	Note	2021 USD	2020 USD
Share capital			
Issued and fully paid:			
10,000 ordinary shares		**1,290**	1,290
Exchange reserve		**281,875**	(126,347)
Retained profits / (accumulated losses)		**60,823**	(56,897)
Shareholders' fund / (deficiency)		**343,988**	(181,954)

Approved and authorised for issue by the Board of Directors on
On behalf of the Board:

Mr. Cornelis Adrianus Maria van de Klundert
Director
24th May 2022

Mr. Maarten Jacobus Venter
Director
24th May 2022

ORIGIN DIRECT ASIA LIMITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 OCTOBER 2021

	Share capital USD	Exchange reserve USD	(Accumlated losses)/retained profits USD	Total equity USD
Balance at 31 October 2019	1,290	187,498	(592,287)	(403,499)
Profit for the year	–	–	535,390	535,390
Other comprehensive loss for the year	–	(313,845)	–	(313,845)
Total comprehensive loss for the year	–	(313,845)	535,390	221,545
Balance at 31 October 2020	1,290	(126,347)	(56,897)	(181,954)
Profit for the year	–	–	117,720	117,720
Other comprehensive income for the year	–	408,222	–	408,222
Total comprehensive income for the year	–	408,222	117,720	525,942
Balance at 31 October 2021	**1,290**	**281,875**	**60,823**	**343,988**

ORIGIN DIRECT ASIA LIMITED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 OCTOBER 2021

	2021	2020
	USD	USD
Cash flows from operating activities		
Profit from operations	**145,158**	584,252
Adjustments for:-		
Depreciation	**48,847**	46,395
Effect of foreign exchange differences	**383,691**	(311,055)
Operating profit before working capital changes	**577,696**	319,592
Decrease / (increase) in investment in an associate	**4,622**	(4,622)
Decrease / (increase) in inventories	**254,639**	(140,573)
Increase in trade and other receivables	**(632,085)**	(242,274)
Increase in rental and other deposit	**(542,362)**	(404,060)
(Increase) / decrease in prepayment	**(7,963)**	3,754
(Decrease) / increase in trade and other payables	**(112,948)**	1,919,734
Increase in accrued expenses	**15,149**	17,984
Increase in amount due to an associate	**25,162**	4,544
Decrease in amount due to a fellow subsidiary	**(4,632)**	(864,349)
Cash generated from operations	**(422,722)**	609,730
Income tax paid	**(8,529)**	–
Interest paid	**–**	(46,625)
Net cash generated from operating activities	**(431,251)**	563,105
Cash flows from investing activities		
Acquisition of plant and equipment	**(2,879)**	(6,924)
Net cash used in investing activities	**(2,879)**	(6,924)
Balance carried forward	**(434,130)**	556,181
Balance brought forward	**(434,130)**	556,181
Cash flows from financing activities		
Capital elements of leases rental paid	**(44,509)**	**(38,035)**
Interest elements of leases rental paid	**(2,505)**	**(1,832)**
Net cash used in financing activities	**(47,014)**	(39,867)
Net (decrease) / increase in cash and cash equivalents	**(481,144)**	516,314
Cash and cash equivalents at beginning of year	**633,310**	116,782
Effect of exchange rate changes	**–**	214
Cash and cash equivalents at end of year	**152,166**	633,310
Analysis of the balances of cash and cash equivalents		
Cash at bank and in hand	**152,166**	633,310

ORIGIN DIRECT ASIA LIMITED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2021

1. General information

Origin Direct Asia Limited is a company incorporated in Hong Kong with limited liability. The Company's registered office is located at 10/F., Guangdong Investment Tower, 148 Connaught Road Central, Hong Kong. The principal activity of the Company is trading of fresh fruit. The principal activities of its subsidiary and associate are set out in notes 13 and 28 to the consolidated financial statements.

The immediate parent of the Company is OFD Holding B.V., a company incorporated in Netherlands, who holds 60% shares in capital of the Company. The ultimate parent of the Company is Mahindra & Mahindra Ltd., a company incorporated in India and is listed on Bombay Stock Exchange and National Stock Exchange of India .

2. Adoption of new and revised Hong Kong Financial Reporting Standards ("HKFRSs")

In the current year, the Company has adopted, for the first time, all of the new and revised Standards, Amendments and Interpretations ("new and revised HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") which are relevant to its operation and effective for the accounting year ended 31 October 2021. The adoption of the new and revised HKFRSs does not have any material effect on these financial statements.

3. New and revised HKFRSs issued but not yet effective

Up to the date of these consolidated financial statements, certain new and revised HKFRSs which may be relevant to the Group's operations and consolidated financial statements have been issued by the HKICPA but are not yet effective for the accounting year ended 31 October 2021. The Group is not yet in a position to state whether the adoption of them would have a significant impact on the Group's results of operations and financial position.

4. Significant accounting policies

(a) Basis of preparation

These consolidated financial statements have been prepared in accordance with the HKFRSs issued by the HKICPA and the disclosure requirements of the Hong Kong Companies Ordinance.

The measurement basis used in the preparation of the consolidated financial statements is the historical cost basis.

The consolidated financial statements are presented in United States dollars, which is the same as the functional currency of the Group. All amounts are rounded to the nearest one.

(b) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities (including structured entities) controlled by the Company and its subsidiary. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

The consolidated financial statements included the financial statements of the Company and its subsidiary made up to 31 October 2021. Significant intercompany transactions are eliminated on consolidation and all figures in the consolidated financial statements relate to external transactions only.

(c) Revenue recognition

Income is classified by the Company as revenue when it arises from the sale of goods or the provision of services in the ordinary course of the Company's business.

Revenue is recognized when control over a product or service is transferred to the customer, at the amount of promised consideration to which the Company is expected to be entitled, excluding those amounts collected on behalf of third parties. Revenue excludes value added tax or other sales taxes and is after deduction of any trade discounts.

Revenue from sales of products was recognised on a similar basis in the comparative period under HKAS 18.

Sales of products

Revenue from sales of products is recognised when the customer takes possession and accepts the products.

Interest income

Bank interest income is recognised on a time proportion basis, by reference to the principal outstanding and at the interest rate applicable.

(d) Taxation

Income tax for the year comprises current tax and deferred tax.

Current tax is based on taxable profit for the year. Taxable profit differs from net profit as reported in the consolidated statement of profit and loss and other comprehensive income because it excludes items of income and expenses that are taxable or deductible in other years, and it further excludes items that are never taxable and deductible.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for by using the liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences, and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

The carrying amount of a deferred tax asset is reviewed at the end of each reporting period and is reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is recognised in profit or loss, except when it relates to items that are recognised in other comprehensive income or directly in equity, in which cases, the deferred tax is recognised in other comprehensive income or directly in equity respectively.

(e) Translation of foreign currencies

(i) Functional and presentation currency

The individual financial statements of each group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of preparation for the consolidated financial statements, the results and financial position of each entity are expressed in United States dollars, which is the Group's functional currency and the presentation currency for the consolidated financial statements.

(ii) Transactions and balances

In preparing the consolidated financial statements of the individual entity, transactions in currencies other than the Group's functional currency (foreign currencies) are initially recorded at the rates of exchange ruling at the dates of the transactions. At the end of each reporting period, monetary assets and liabilities denominated in foreign currencies are retranslated at the exchange rates ruling at the end of the reporting period. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the exchange rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss. Exchange differences arising on the retranslation of non-monetary items carried at fair value are recognised in profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised in other comprehensive income or directly in equity. For such non-monetary items, any exchange component of that gain or loss is also recognised in other comprehensive income or directly in equity.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foregin operations are expressed in United States dollars using exchange rate ruling at the end of the reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during the period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising are classified as equity and transferred to the Group's exchange reserve. Such translation differences are recognized in the profit or loss in the period in which the foreign operation is disposed of.

(f) Borrowing costs

Borrowing costs are expensed when incurred, unless relating to the acquisition, construction and production of a qualifying asset where they are capitalised as part of cost of the asset. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale.

(g) Property, plant and equipment

Property, plant and equipment, including right-of-use assets arising from leases over properties where the Group is not the registered owner of the property, are stated at cost less accumulated depreciation and any accumulated impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to working condition for its intended use. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, only when it is probable that future economic benefits associated with the asset will flow to the Group and the cost can be measured reliably. All other expenditure incurred after the assets have been put into operation, such as repairs and maintenance, is recognised as expenses during the period in which it is incurred.

The gain or loss on disposal of an item of property, plant and equipment is the difference between the net sale proceeds and the net carrying value of the relevant asset, and is recognised in profit or loss.

Depreciation is provided to write off the cost of property, plant and equipment, after deducting estimated scrap value, over their estimated useful lives by using the straight-line method at the following annual rates:

Computer equipment	20% - 30%
Furniture and fixtures	25%
Office equipment	18% - 33.33%
Property leased for own use	Over the lease period

(h) Associate

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale. Under the equity method, an investment in an associate is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate. When the Group's share of losses of an associate exceeds the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

An investment in an associate is accounted for using the equity method from the date on which the investee becomes an associate. On acquisition of the investment in an associate, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

The entire carrying amount of an investment in an assoicate (including goodwill) will be subject to test and review annually for any indication that the investment is impaired by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised to the extent that the recoverable amount of the investment subsequently increases.

(i) Leased assets

At inception of a contract, the Group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to direct the use of the identified asset and to obtain substantially all of the economic benefits from that use.

(i) As a lessee

Where the contract contains lease component(s) and non-lease component(s), the Group has elected not to separate non-lease components and accounts for each lease component and any associated non-lease components as a single lease component for all leases.

At the lease commencement date, the Group recognises a right-of-use asset and a lease liability, except for short-term leases that have a lease term of 12 months or less and leases of low-value assets. When the Group enters into a lease in respect of a low-value asset, the Group decides whether to capitalise the lease on a lease-by-lease basis. The lease payments associated with those leases which are not capitalised are recognised as an expense on a systematic basis over the lease term.

Where the lease is capitalised, the lease liability is initially recognised at the present value of the lease payments payable over the lease term, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using a relevant incremental borrowing rate. After initial recognition, the lease liability is measured at amortised cost and interest expense is calculated using the effective interest method. Variable lease payments that do not depend on an index or rate are not included in the measurement of the lease liability and hence are charged to profit or loss in the accounting period in which they are incurred.

The right-of-use asset recognised when a lease is capitalised is initially measured at cost, which comprises the initial amount of the lease liability plus any lease payments made at or before the commencement date, and any initial direct costs incurred. Where applicable, the cost of the right-of-use assets also includes an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, discounted to their present value, less any lease incentives received. The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses, except for the following types of right-of-use asset:

- right-of-use assets that meet the definition of investment property are carried at fair value;
- right-of-use assets related to leasehold land and buildings where the Group is the registered owner of the leasehold interest are carried at fair value; and
- right-of-use assets related to interests in leasehold land where the interest in the land is held as inventory are carried at the lower of cost and net realisable value.

The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, or there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or there is a change arising from the reassessment of whether the Group will be reasonably certain to exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and presents lease liabilities separately in the statement of financial position.

(ii) As a lessor

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to the ownership of an underlying assets to the lessee. If this is not the case, the lease is classified as an operating lease.

When a contract contains lease and non-lease components, the Group allocates the consideration in the contract to each component on a relative stand-alone selling price basis. The rental income from operating leases is recognised in profit or loss in equal instalments over the periods covered by the lease term.

When the Group is an intermediate lessor, the sub-leases are classified as a finance lease or as an operating lease with reference to the right-of-use asset arising from the head lease. If the head lease is a short-term lease to which the Group applies the exemption, then the Group classifies the sub-lease as an operating lease.

(j) Trade and other receivables

A receivable is recognised when the Group has an unconditional right to receive consideration. A right to receive consideration is unconditional if only the passage of time is required before payment of that consideration is due.

Receivables are stated at amortised cost using the effective interest method less allowance for credit losses.

(k) Credit losses and impairment of financial assets other than investments

The Group recognises a loss allowance for expected credit losses ("ECLs") on financial assets measured at amortised cost (including cash and cash equivalents, trade and other receivables, rental and sundry deposits and amount due from related parties).

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all expected cash shortfalls (i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive). The expected cash shortfalls are discounted using the effective interest rate determined at initial recognition or an approximation thereof where the effect of discounting is material.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk. In measuring ECLs, the Group takes into account reasonable and supportable information that is available without undue cost or effort. This includes information about past events, current conditions and forecasts of future economic conditions.

Loss allowances for trade and other receivables are always measured at an amount equal to lifetime ECLs. Lifetime ECLs are losses that are expected to result from all possible default events over the expected lives of the items to which the ECL model applies. ECLs on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors and an assessment of both the current and forecast general economic conditions at the reporting date.

At each reporting date, the Group assesses whether a financial asset is credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit-impaired includes the following observable events:

- significant financial difficulties of the debtor;
- a breach of contract, such as a default or delinquency in interest or principal payments;
- it becoming probable that the borrower will enter into bankruptcy or other financial reorganisation; or
- significant changes in the technological, market, economic or legal environment that have an adverse effect on the debtor.

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. Subsequent recoveries of an asset that was previously written off are recognised as a reversal of impairment in profit or loss in the period in which the recovery occurs.

(l) Impairment of non-financial assets

At the end of each reporting period, the carrying amounts of the Group's tangible and intangible assets are reviewed to determine whether there is any indication that those assets are impaired. If any such indication exists, the recoverable amount of the asset is estimated and where relevant, an impairment loss is recognised to reduce the asset to its recoverable amount. Such impairment losses are recognised in profit or loss except where the asset is carried at valuation and the impairment loss does not exceed the revaluation surplus for that same asset, in which case, it is treated as a revaluation decrease.

(m) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost, which comprises all costs of purchase and where applicable, costs of conversion and other costs that have been incurred in bringing the inventories to their present location and condition, is calculated using the first-in, first-out method. Net realisable value represents the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

(n) Trade and other payables

Trade and other payables are initially recognized at fair value and are subsequently stated at amortized cost unless the effect of discounting would be immaterial, in which case they are stated at cost.

(o) Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of obligation can be made. Expenditures for which a provision has been recognised are charged against the related provision in the year in which the expenditures are incurred. Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the amount provided is the present value of the expenditures expected to be required to settle the obligation. Where the Group expects a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

(p) Related parties

A related party is a person or entity that is related to the Group.

(i) A person or a close member of that person's family is related to the Group if that person:

(a) has control or joint control over the Group;

(b) has significant influence over the Group; or

(c) is a member of the key management personnel of the Group or of a parent of the Group.

(ii) An entity is related to the Group if any of the following conditions applies:

(a) The entity and the Group are members of the same Group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

(b) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a Group of which the other entity is a member).

(c) Both entities are joint ventures of the same third party.

(d) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

(e) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group.

(f) The entity is controlled or jointly controlled by a person identified in (i).

(g) A person identified in (i)(a) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

(h) The entity, or any member of a group of which it is a part, provides key management services to the Group or to the Group's parent.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

(q) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are also included as a component of cash and cash equivalents for the purpose of the consolidated statement of cash flows.

5. Turnover

Turnover represents revenue from contracts with customers in respect of sales of goods during the year.

Disaggregated of revenue
Revenue from contracts with customers within the scope of HKFRS 15 is further analysis as follows:

	2021	2020
	USD	USD
Disaggregated by major revenue		
Sales of goods	**15,755,735**	13,442,143
Disaggregated by location of the revenue		
Hong Kong	**1,303,961**	1,085,182
China	**12,516,133**	10,767,702
South Korea	**757,174**	354,304
Malaysia	**617,714**	695,884
Taiwan	**146,374**	–
Thailand	**52,440**	239,768
New Zealand	**900**	169,484
Mexico	**300**	–
Myanmar	**1,800**	129,818
Netherlands	**23,940**	–
South Africa	**7,860**	–
Uganda	**327,139**	–
	15,755,735	**13,442,143**

6. Other income

	2021	2020
	USD	USD
Bank interest income	**7**	–
Net exchange gain	**77,629**	72,918
Sundry income	**1,063**	42,943
	78,699	115,861

7. Finance costs

	2021	2020
	USD	USD
Bank interest expenses	**922**	370
Interest on lease liabilities	**2,505**	1,832
Interest on loan from a fellow subsidiary	**18,811**	46,254
	22,238	48,456

8. Profit before taxation

Profit before taxation is arrived at after charging/(crediting), inter alia, the following items:

	2021	2020
	USD	USD
Auditor's remuneration	**20,115**	18,265
Depreciation on plant and equipment	**5,177**	6,092
Depreciation on right-of-use assets	**43,670**	40,303
Net exchange loss / (gain)	**96**	(72,918)
Operating lease rental	**4,553**	14,484
Staff costs		
– Gross salaries	**440,213**	347,132

9. Taxation

	2021	2020
	USD	USD
Current tax:		
Hong Kong profits tax for the year	**2,008**	3,211
Tax reduction, capped at HK$10,000 (2020:HK$20,000)	**(1,287)**	(1,287)
	721	1,924
Deferred tax:		
Origination and reversal of temporary differences	**(143)**	3,103
Total income tax charge	**578**	5,027

Hong Kong profits tax is provided at 8.25% of the estimated assessable profits for the year, in prior year, Hong Kong profits tax is provided at 8.25% of the estimated assessable profits for the year after setting off the unused tax loss brought forward from the previous year and taking into account a 100% reduction capped at HK$10,000 (2020: HK$10,000).

No PRC enterprise income tax has been provided in the consolidated financial statements as the Company's subsidiary incurred a tax loss for the year (2020: Nil).

The tax charge for the year can be reconciled to the profit before taxation per the consolidated statement of profit or loss and other comprehensive income as follows:

	2021	2020
	USD	USD
Profit before taxation	**118,298**	540,417
Notional tax charge on profit before taxation, calculated at application tax rate	**9,716**	47,716

	2021 USD	2020 USD
Tax effect of non-taxable income	**(4)**	–
Tax effect of non-deductible expenses	**372,197**	226,602
Tax effect of non-taxable offshore income	**(382,050)**	(264,270)
Tax reduction	**(1,287)**	–
Tax effect of unrecognition of temporary differences	**2,006**	–
Tax loss utilised not previously recognised	–	(5,021)
Total income tax charge	**578**	5,027

10. Directors' remuneration

Particulars of the directors' remuneration for the year disclosed pursuant to section 383(1) of the Hong Kong Companies Ordinance are as follows:-

	2021 USD	2020 USD
Fee	–	–
Other emoluments		
– Salary and allowance	–	–
– Contributions to Mandatory Provident Fund	–	–
– Quarter expenses	–	–
Retirement benefit	–	–
Compensation for loss of office	–	–
Key Management personnel's remuneration	–	–

11. Property, plant and equipment

	Property leased for own use carried at cost USD	Computer equipment USD	Furniture and fixtures USD	Office equipment USD	Total USD
Cost					
At 1 November 2019	–	46,259	2,920	3,588	93,987
Impact on initial application of HKFRS 16	41,220	–	–	–	41,220
Additions	18,724	6,924	–	–	25,648
Exchange realignment	(144)	785	–	107	748
At 31 October 2020	59,800	53,968	2,920	3,695	120,383
Impact on initial application of HKFRS 16					
Additions	68,464	2,879	–	–	71,343
Write-off	(45,426)	–	–	–	(45,426)
Exchange realignment	4,283	888	–	107	5,278
At 31 October 2021	**87,121**	**57,735**	**2,920**	**3,802**	**151,578**
Accumulated depreciation					
At 1 November 2019	–	32,803	2,670	2,704	38,177
Charge for the period	40,303	5,607	250	235	46,395
Exchange realignment	120	744	–	97	961
At 31 October 2020	40,423	39,154	2,920	3,036	85,533
Charge for the year	43,670	4,942	–	235	48,847
Write-off	(45,426)	–	–	–	(45,426)
Exchange realignment	3,332	695	–	82	4,109
At 31 October 2021	**41,999**	**44,791**	**2,920**	**3,353**	**93,063**
Net book value					
At 31 October 2021	**45,122**	**12,944**	–	449	58,515
At 31 October 2020	19,377	14,814	–	659	34,850

12. Interest in an associate

	2021 USD	2020 USD
Investment in an associate:-		
Unlisted shares, at cost	**645**	645
Share of post acquisition profit or loss and other comprehensive income, net of dividends received	**(645)**	3,977
End of the year	–	4,622

At 31 October 2021, the Company has interests in the following:-

Name of associate	HDG-Asia Limited
Form of business structure	Incorporated
Place of incorporation	Hong Kong
Class of shares held	Ordinary
Percentage of issued / registered capital held	50% (2020: 50%)
Nature of business	Quality inspectors and surveyors of fresh fruit and vegetables

The associate ceased business on 28 February 2021.

Based on the audited financial statements of HDG-Asia Limited made up to 31 October 2021, the financial information in respect of the Group's associate is summarised as follows:-

	2021	2020
	USD	USD
HDG-Asia Limited		
Current assets	–	62,861
Non-current assets	–	–
Current liabilities	–	53,617
The above amounts of assets and liabilities include the following:		
Cash and cash equivalents	–	8,811
Current financial liabilities (excluding trade and other payables and provision)	–	–
Non-current financial liabilities (excluding trade and other payables and provision)	–	–
Revenue	–	153,013
(Loss) / profit for the period / year	–	17,630
Other comprehensive income for the year	–	–
Total comprehensive income for the year	–	17,630
Dividends received from the associate during the year	–	–

The summarised financial information in respect of the Group's interest in the above associate is set out below:-

	2021	2020
	USD	USD
Net assets/(liabilities) of the associate	–	9,244
Proportion of the Company's ownership interest in the associate	**50%**	50%
Group's share of net assets/(liabilities) of the associate	–	4,622

13. Inventories

	2021	2020
	USD	USD
Merchandise - Fruits	**72,540**	327,179

14. Amount due from a former director

	Maximum balance outstanding during the year	**2021**	2020
	USD	**USD**	USD
Mr. Jason Dean BOSCH	**10,066**	**10,066**	10,066

The above amount is unsecured, interest free and has no fixed repayment terms.

15. Cash at bank and on hand

	2021	2020
	USD	USD
Cash at bank and on hand	**152,166**	633,310
Cash and cash equivalents in cash flows statement	**152,166**	633,310

Reconciliation of liabilities arising from financing activities:

The table below details changes in the Group's liabilities from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are liabilities for which cash flows were, or future cash flows will be, classified in the cash flow statement as cash flows from financing activities.

	Lease liabilities
	USD
At 1 November 2019	41,220
Changes from financing cash flows	
Capital element of finance	(38,035)
lease payments	(1,832)
Interest element of lease liabilities	
Other changes	
New lease liabilities arising from additional leases during the year	16,892
Finance charges on lease liabilities	1,832
At 1 November 2020	20,077
Changes from financing cash flows	
Capital element of finance	(44,509)
lease payments	(2,505)
Interest element of lease liabilities	
Other changes	
New lease liabilities arising from additional leases during the year	69,458
Finance charges on lease liabilities	2,505
At 31 October 2021	45,026

16. Amount due to an associate

The above amount is unsecured, interest free and has no fixed repayment terms.

17. Amount due to a fellow subsidiary

The amount is unsecured, at 4% interest per annum on the average outstanding balance and has no fixed repayment terms.

18. Lease liabilities

The following table shows the remaining contractual maturities of the Company's lease liabilities at the end of the current and previous reporting periods and at the date of transition to HKFRS 16:

	31 October 2020		**31 October 2021**	
	Present value of the minimun lease payments	**Total minimum lease payments**	**Present value of the minimun lease payments**	**Total minimum lease payments**
	USD	**USD**	**USD**	**USD**
Within 1 year	17,704	18,088	38,796	40,009
After 1 year but within 2 years	2,373	2,383	6,230	6,244
	20,077	20,471	45,026	46,253
Less: total future interest expenses		(394)		(1,227)
Present value of lease liabilities		20,077		45,026

19. Deferred taxation

The component of deferred tax liability recognised in the consolidated statement of financial position and the movements during the year are as follows:-

	Accelerated tax depreciation USD	Unused tax losses USD	Total USD
At 1 November 2019	1,063	(3,348)	(2,285)
(Credited)/ debited to profit or loss	(245)	3,348	3,103
At 31 October 2020	818	–	818
Credited to profit or loss	(143)	–	(143)
At 31 October 2021	**675**	**–**	**675**

Deferred tax asset amounts to approximately USD 1,863,960 (2020: USD1,587,250) arising from unused tax losses of the Company's subsidiary has not been recognised in the consolidated financial statements due to the uncertainty of future profit stream against which the asset can be utilised.

20. Financial instruments

The carrying amounts of each of the categories of financial instruments of the Group as at end of the reporting period are as follows:

	2021 **USD**	2020 USD
Financial assets at amortised costs		
Trade and other receivables	**1,628,313**	996,228
Rental and other deposits	**1,076,418**	534,056
Amount due from a former director	**10,066**	10,066
Cast at bank and in hand	**152,166**	633,310
	2,866,963	2,173,660
Financial liabilities at amortised costs		
Trade and other payables	**2,539,926**	2,652,874
Accrued expenses	**63,372**	48,223
Amount due to an associate	**38,665**	13,503
Amount due to a fellow subsidiary	**3,225**	7,857
Lease liabilities	**45,026**	20,077
	2,690,214	2,742,534

The fair values of the Group's financial assets and liabilities are not materially different from their carrying amounts.

21. Risks related to financial instruments

The Group's overall policy on risk management remained the same as in the previous year. The risks associated with the Group's financial instruments at the end of the reporting period are as follows:-

Currency risk

The Group's foreign currency risk primarily relates to trade and other receivables, bank deposits and trade and other payables that are denominated in a currency other than its functional currency. The currency giving rise to this risk is primarily Renminbi (RMB). The Group has not used any forward exchange contracts, currency borrowings or other means to hedge its foreign currency exposure. United States dollars against RMB was relatively stable during the year and as result, the Group considers it has no material foreign currency risk.

The directors consider that any reasonable changes in foreign exchange would not result in significant change in the Group's results and therefore no sensitivity analyse is presented for foreign exchange risk.

Credit risk

The carrying amounts of trade and other receivables and bank deposits as stated in the consolidated statement of financial position represent the Group's maximum exposure to credit risk at the end of the reporting period. The Group has a credit policy in place and exposures to the credit risk are monitored on an ongoing basis. At the end of the reporting period, the Group has a concentration of credit risk as the trade receivables accounted for 54.8% (2020: 39.5%) of the Group's current assets.

An analysis of the age of trade receivables that were past due as at the end of the reporting period but not impaired is as follows:-

	2021 **USD**	2020 USD
0 to 180 days	**1,248,639**	669,213
Over 180 days	**–**	20,816
	1,248,639	690,029

Receivables that were past due but not impaired relate to a number of customers that have a good track record with the Group. Based on past experience, the directors believe that no provision for doubtful debt is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable. The Group does not hold any collateral over these balances.

Receivables that were neither past due nor impaired relate to a range of customers for whom there was no recent history of default.

Liquidity risk

The Group's policy is to regularly monitor current and expected liquidity requirements to ensure that it maintains sufficient reserves of cash to meet its liquidity requirements in the short and longer term.

The maturity analysis for the Group's financial liabilities at the end of the reporting period, based on the contractual undiscounted cash flows, is as follows:-

At 31 October 2021	**Lease liabilities USD**	**Amounts due to related parties USD**	**Payables and accruals USD**	**Total financial liabilities USD**
Carrying amount	**45,026**	**41,890**	**2,603,298**	**2,690,214**
Without fixed repayment terms	**–**	**41,890**	**–**	**41,890**
Within 3 months	**11,913**	**–**	**2,603,298**	**2,615,211**
More than 3 months but within 1 year	**28,096**	**–**	**–**	**28,096**
More than 1 year	**6,244**	**–**	**–**	**6,244**
Total contractual undiscounted cash flows	**46,253**	**41,890**	**2,603,298**	**2,691,441**

At 30 October 2020	**Lease liabilities USD**	**Amounts due to related parties USD**	**Payables and accruals USD**	**Total financial liabilities USD**
Carrying amount	20,077	21,360	2,701,097	2,742,534
Without fixed repayment terms	–	21,360	–	21,360
Within 3 months	10,938	–	2,701,097	2,712,035
More than 3 months but within 1 year	7,150	–	–	7,150
More than 1 year	2,383	–	–	2,383
Total contractual undiscounted cash flows	20,471	21,360	2,701,097	2,742,928

22. Capital management

The Group's primary objectives when managing capital, which comprises all capital and reserves attributable to the equity holders are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital structure in order to support its business and maximize shareholder value.

The Group actively and regularly reviews and manages its capital structure to ensure optimal capital structure and shareholders returns, taking into consideration the future capital requirements of the Group and capital efficiency. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to the equity holders, issue new shares or sell assets to reduce debt. The Group's overall policy on managing capital remained the same as in the previous year.

23. Critical accounting estimates and judgements

In preparing these consolidated financial statements, the management is required to exercise significant judgements in the selection and application of accounting principles, including making estimates and assumptions concerning the future. The resulting accounting estimate will, by definition, seldom equal to the related actual results. The following is a review of the more significant accounting policies that are impacted by judgements and uncertainties and for which different amounts may be reported under a different set of conditions or using different assumptions.

Impairment

The Group assesses annually whether property, plant and equipment and investment in an associate have any indication of impairment. The recoverable amounts of the assets have been determined based on value-in-use calculations. These calculations require the use of judgements and estimates.

Depreciation

The Group's net book value of property, plant and equipment as at 31 October 2021 was USD58,515 (2020: USD34,850). The Group depreciates the assets on a straight-line basis, after deducting estimated scrap value, over their estimated useful life. The estimated useful life reflects the directors' estimate of the periods that the Group intends to derive future economic benefits from the use of the assets.

Income taxes

No deferred tax asset was recognised in the Group's consolidated statement of financial position at 31 October 2021 in relating to the estimated unused tax losses arising from the Company's subsidiary of USD 1,863,960 (2020: USD 1,587,250) due to the unpredictability of future profit streams. The realisability of the deferred tax assets mainly depends on whether sufficient future profits or taxable temporary differences will be available in the future. In cases where the actual future profits generated are more than expected, a material recognition of deferred tax asset may arise, which would be recognised in profit or loss for the period in which such a recognition takes place.

Recognition of deferred tax assets, which principally relate to tax losses, depends on the management's expectation of future taxable profit that will be available against which tax losses can be utilised. The outcome of their actual utilisation may be different.

Provision

The Group recognises provisions when it has present legal or constructive obligation arising as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. The recording of provisions requires the application of judgements about the ultimate resolution of these obligations. As a result, provision are reviewed at the end of each reporting period and adjusted to reflect the Group's current best estimate.

24. Operating lease commitments

At the end of the reporting period, the Group had future aggregate minimum lease payments under non-cancellable operating leases as follows:

	2021	2020
	USD	USD
Within one year	**40,009**	1,152
In the second to fifth year inclusive	**6,244**	–
	46,253	1,152

25. Related party transactions

In addition to the transactions / information disclosed elsewhere in these consolidated financial statements, during the year, the Group had the following transactions with related party.

	2021	2020
	USD	USD
Company controlled by the immediate parent		
Interest paid	**18,811**	46,254

26. Statement of financial position and reserve movement of the Company

Information about the statement of financial position of the Company at the end of the reporting period is as follow:-

	2021	2020
	USD	USD
Non-current assets		
Property, plant and equipment	**10,580**	20,897
Interest in an associate	**645**	645
Interest in a subsidiary	**1**	1
Deferred tax asset	–	–
	11,226	21,543
Current assets		
Trade and other receivables	**1,159,868**	631,758
Rental and other deposits	**1,076,418**	534,056
Amount due from a subsidiary	**310,223**	88,606
Amount due from a former director	**10,066**	10,066
Prepaid income tax	**5,885**	–
Cast at bank and in hand	**98,721**	453,666
	2,661,181	1,718,152
Deduct:		
Current liabilities		
Trade and other payables	**1,974,482**	1,658,706
Accrued expenses	**53,258**	43,458
Amount due to an associate	**38,665**	13,503
Amount due to a fellow subsidiary	**3,225**	7,857
Provision for taxation	–	1,924
Lease liabilities	**2,537**	9,011
	2,072,167	1,734,459
Net current assets / (liabilities)	**589,014**	(16,307)
Total asset less current liabilities	**600,240**	5,236
Non-current liabilities		
Deferred tax liabilities	**675**	818
Leases liabilities	–	2,373
	675	3,191
Net assets	**599,565**	2,045

Information about the statement of financial position of the Company at the end of the reporting period is as follow:-

Share capital	**2021** **USD**	2020 USD
Issued and fully paid:		
10,000 ordinary shares	**1,290**	1,290
Retained profits	**598,275**	755
Shareholder's fund	**599,565**	2,045

A summary of reserve movement of the Company is as follow:-

	Share capital USD	(Accumlated losses)/retained profits USD	Total equity USD
Balance at 1 November 2019	1,290	(492,702)	(491,412)
Profit for the year	–	493,457	493,457
Other comprehensive income for the year	–	–	–
Total comprehensive loss for the year	–	493,457	493,457
Balance at 31 October 2020	1,290	755	2,045
Profit for the year	–	597,520	597,520
Other comprehensive income for the year	–	–	–
Total comprehensive income for the year	–	597,520	597,520
Balance at 31 October 2021	**1,290**	**598,275**	**599,565**

27. Subsidiary

The following is the details of the Company's subsidiary at the end of the reporting period:

Name of subsidiary	Place of incorporation	Class of shares	Percentage of registered capital held	Principal activity
Origin Direct Asia (Shanghai) Trading Company Limited (弗締(上海)貿易 有限公司)	P.R.C.	Ordinary shares	100%	Wholesale, import and export, and agent service of prepackaged foods and edible agricultural products

Approved and authorised for issue by the Board of Directors on

On behalf of the Board:

Mr. Cornelis Adrianus Maria van de Klundert
Director
24th May 2022

Mr. Maarten Jacobus Venter
Director
24th May 2022

INDEPENDENT AUDITOR'S REPORT

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To the shareholders of
Origin Fruit Direct B.V.
Albert Plesmanweg 250
3029 BP Rotterdam

A. Report on the audit of the financial statements in the period 1 November 2020 until 31 October 2021

Our opinion

We have audited the financial statements for the year ended 31 October 2021 of Origin Fruit Direct B.V.,

In our opinion the accompanying financial statements give a true and fair view of the financial position of Origin Fruit Direct B.V. as at 31 October 2021, and of its result for the period 1 November 2020 until 31 October 2021 in accordance with Part 9 of Book 2 of the Dutch Civil Code.

The financial statements comprise:

1. the balance sheet as at 31 October 2021;
2. the income statement for 1 November 2020 until 31 October 2021; and
3. the notes comprising a summary of the accounting policies and other explanatory information.

Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the 'Our responsibilities for the audit of the financial statements' section of our report.

We are independent of Origin Fruit Direct B.V. in accordance with the EU Regulation on specific requirements regarding statutory audit of public-interest entities, the Wet toezicht accountants organisaties (Wta, Audit firms supervision act), the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics).

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

B. Report on the other information included in the annual report

In addition to the financial statements and our auditor's report thereon, the annual report contains other information that consists of:

- The directors report;
- Other information as required by Part 9 of Book 2 of the Dutch Civil Code.

Based on the following procedures performed, we conclude that the other information:

- is consistent with the financial statements and does not contain material misstatements;
- contains the information as required by Part 9 of Book 2 of the Dutch Civil Code.

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing these procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is substantially less than the scope of those performed in our audit of the financial statements.

Management is responsible for the preparation of the management board's report in accordance with Part 9 of Book 2 of the Dutch Civil Code and other information as required by Part 9 of Book 2 of the Dutch Civil Code.

C. Description of responsibilities regarding the financial statements

Responsibilities of the board for the financial statements

The board is responsible for the preparation and fair presentation of the financial statements in accord- ance with Part 9 of Book 2 of the Dutch Civil Code. Furthermore, the board is responsible for such internal control as the board determines is necessary to enable the preparation of the financial statements that are free from material misstatements, whether due to fraud or error.

As part of the preparation of the financial statements, the board is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting framework mentioned, the board should prepare the financial statements using the going concern basis of accounting unless the board either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

The board should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the financial statements.

The supervisory board is responsible for overseeing the company's financial reporting process.

Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit assignment in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material errors and fraud during our audit.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgement and have maintained professional skepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included among others:

- Identifying and assessing the risks of material misstatements of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatements resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control;
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the board;
- Concluding on the appropriateness of the board's use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company to cease to continue as a going concern;
- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures; and
- Evaluating whether the financial statements represents the underlying transactions and events free from material misstatements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identify during our audit.

Breda, 3 February 2022

Van Oers Audit B.V.

Digitally signed by:

A.A. Hoeven RA

INDEPENDENT AUDITOR'S REPORT

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To the shareholders of
Origin Fruit Direct B.V.
Albert Plesmanweg 250
3029 BP Rotterdam

Breda, 3 February 2022
Ref. RH/3007760/12905

Dear Shareholders,

INTRODUCTION
In accordance with your instructions we have audited the 1 November 2020 until 31 October 2021 financial statements of Origin Fruit Direct B.V. at Rotterdam. These financial statements are the responsibility of the management of the company. Our responsibility is to express an opinion on these financial statements based on our audit.

These financial statements are included, together with the director's report and the other information, in this report.

FISCAL POSITION

		2020 / 2021 €
Calculation taxable amount		
Total of result of activities before tax		973,432
Partially deductible amounts		5,429
		978,861
Investment agreements		(5,366)
Taxable sum		973,495
Calculation corporate income tax		
2020		
61/365 x 15,00% of €	245,000	6,142
61/365 x 25,00% of €	728,495	30,437
2021		
304/365 x 15,00% of €	245,000	30,608
304/365 x 25,00% of €	728,495	151,686
		218,873

Position at balance sheet date

Year	Liability / receivable at 01-11-2020	Corporate income tax (income / expenses) in 2020 / 2021	Paid / received in 2020 / 2021	Adjustments in 2020 / 2021	Liability / receivable at 31-10-2021
	€	€	€	€	€
2019 / 2020	(274,766)	–	182,700	–	(92,066)
2020 / 2021	–	218,873	(168,110)	–	50,763
	(274,766)	218,873	14,590	–	(41,303)

Income statement

	2020 / 2021
	€
Corporate income tax expense from current financial years	218,873

We trust to have been of service.

Breda, 3 February 2022
Van Oers Audit B.V.

Digitally signed by:
A.A. Hoeven RA

BALANCE SHEET AS AT 31 OCTOBER 2021

(After appropriation result)

	31 October 2021		31 October 2020	
	€	**€**	€	€
ASSETS				
Fixed assets				
Intangible fixed assets				
Other intangible assets		**76,686**		108,162
Property, plant and equipment				
Other tangible assets		**80,134**		124,503
Current assets				
Inventories and work in progress		**3,087,806**		1,074,479
Receivables				
Trade debtors	**9,103,827**		8,034,327	
Receivables from fellow subsidiaries	**301,783**		60,150	
Other accounts receivable	**1,089,470**		1,142,032	
Accrued income and prepaid expenses	**610,516**		2,241,726	
		11,105,596		11,478,235
Cash and cash equivalents		**982,778**		1,114,990
		15,333,000		13,900,369

	31 October 2021		31 October 2020	
EQUITY AND LIABILITIES	**€**	**€**	€	€
Equity				
Share capital paid called up	**13,620**		13,620	
Other reserves	**6,041,325**		5,286,766	
		6,054,945		5,300,386
Current liabilities				
Payables to banks	**1,775,560**		1,890,518	
Trade payables	**3,810,348**		3,360,604	
Payables relating to taxes and social security contributions	**61,770**		64,853	
Other payables	**60,688**		47,129	
Accruals and deferred income	**3,569,689**		3,236,879	
		9,278,055		8,599,983
		15,333,000		13,900,369

INCOME STATEMENT FOR THE PERIOD 1-11-2020 UNTIL 31-10-2021

	2020/2021		2019/2020	
	€	€	€	€
Net turnover	**54,809,510**		56,691,003	
Cost of sales	**(50,789,339)**		(52,662,301)	
Gross margin		**4,020,171**		4,028,702
Expenses of employee benefits	**2,109,336**		2,236,369	
Depreciation of intangible fixed assets	**56,476**		51,809	
Depreciation of property, plant and equipment	**48,534**		47,321	
Extraordinary write-off of current assets	**–**		1,330,000	
Other operating expenses	**827,620**		898,663	
Total of expenses		**3,041,966**		4,564,162
Total of operating result		**978,205**		(535,460)
Other interest and similar income	**38,127**		240,971	
Other interest expenses	**(42,900)**		(73,919)	
Financial income and expense		**(4,773)**		167,052
Total of result before tax		**973,432**		(368,408)
Income tax expense		**(218,873)**		92,064
Total of result after tax		**754,559**		(276,344)

CASH FLOW STATEMENT FOR THE PERIOD 1-11-2020 UNTIL 31-10-2021

	2020/2021		2019/2020	
	€	€	€	€
Cash flows from operating activities				
Total of operating result		**978,205**		(535,460)
Adjustments for:				
Depreciation		**105,010**		99,130
Movements in working capital:				
Decrease (increase) in inventories	**(2,013,327)**		619,299	
Receivables	**139,176**		3,744,300	
Increase (decrease) in other payables	**793,030**		121,509	
		(1,081,121)		4,485,108
Cash flows from operations		**2,094**		4,048,778
Interest received	**38,127**		240,971	
Interest paid	**(42,900)**		(73,919)	
Income tax received	**14,590**		(128,420)	
		9,817		38,632
Cash flows from operating activities		**11,911**		4,087,410
Cash flows from investment activities				
Purchase of intangible assets	**(25,000)**		(8,750)	
Purchase of property, plant and equipment	**(4,165)**		(8,712)	
Cash flows from investment activities		**(29,165)**		(17,462)
Cash flows from financing activities				
Increase (decrease) in payables to credit institutions		**(114,958)**		(3,766,243)
Total of increase (decrease) in cash and cash equivalents		**(132,212)**		303,705
Movement in cash and cash equivalents				
Cash and cash equivalents at the beginning of the period		**1,114,990**		811,285
Increase (decrease) cash and cash equivalents		**(132,212)**		303,705
Cash and cash equivalents at the end of the period		**982,778**		1,114,990

NOTES TO THE FINANCIAL STATEMENTS

Entity information

Registered address and registration number trade register

The registered and actual address of Origin Fruit Direct B.V. is Albert Plesmanweg 250, 3029 BP in Rotterdam. Origin Fruit Direct B.V. is registered at the Chamber of Commerce under number 24067257.

General notes

The most important activities of the entity

Origin Fruit Direct B.V.'s main activities are trading (in- and export) in fruit.

Disclosure of group structure

Origin Fruit Direct B.V. is part of a group. The head of this group is Mahindra & Mahindra Ltd. The financial statements of Origin Fruit Direct B.V. are included in the consolidated financial statements of Mahindra & Mahindra Ltd.

Disclosure of estimates

In applying the principles and policies for drawing up the financial statements, the directors of Origin Fruit Direct B.V. make different estimates and judgments that may be essential to the amounts disclosed in the financial statements. If it is necessary in order to provide the transparency required under Book 2, article 362, paragraph 1, the nature of these estimates and judgments, including related assumptions, is disclosed in the notes to the relevant financial statement item.

General accounting principles

The accounting standards used to prepare the financial statements

The financial statements are prepared according to the stipulations in chapter 9 Book 2 of the Dutch Civil Code.

Valuation of assets and liabilities and determination of the result takes place under the historical cost convention, unless presented otherwise.

Income and expenses are accounted for on accrual basis. Profit is only included when realized on balance sheet date. Liabilities and any losses originating before the end of the financial year are taken into account if they have become known before preparation of the financial statements.

The outbreak of the Covid-19 pandemic has sparked one of the greatest crises worldwide in recent decades. The (partial) lockdowns have, among others, resulted in business activities in many sectors being affected. In preparing the financial statements (including the substantiation of the going concern assumption), the impact of Covid-19 on our organization was explicitly analyzed and weighted. This analysis takes into account the limited impact of Covid-19 on the company in 2021 and the expected limited impact on the company in 2022 and beyond. It is important that in determining the expected impact on the company in 2022 and beyond, and therefore also the expected development in result and liquidity, an inherent uncertainty remains with regard to the duration of the Covid-19 pandemic and the resulting impact on the economy as a whole and on our organization.

Explanation of comparability with the previous year

The principles of valuation and determination of the result used have remained unchanged compared to the previous year.

Conversion of amounts denominated in foreign currency

Transactions in foreign currencies are stated in the financial statements at the exchange rate of the functional currency on the transaction date.

Items included in the financial statements are measured using the currency of the primary economic environment in which the company operates (the functional currency). The financial statements are presented in euro; which is the functional and presentation currency of Origin Fruit Direct B.V.

Basis of Conversion and Processing of Exchange Rate Differences Relating to Foreign Currency Transactions for the Balance Sheet

Monetary assets and liabilities in foreign currencies are converted to the closing rate of the functional currency on the balance sheet date. The translation differences resulting from settlement and conversion are credited or charged to the income statement, unless hedge accounting is applied.

Non-monetary assets valued at historical cost in a foreign currency are converted at the exchange rate on the transaction date.

Non-monetary assets valued at fair value in a foreign currency are converted at the exchange rate on the date on which the fair value was determined.

Translation differences on intragroup long-term loans that effectively constitute an increase or decrease in net investments in a foreign operation are directly recognised in equity as a component of the legal reserve for translation differences.

Translation differences on foreign currency loans contracted to finance a net investment in a foreign operation are recognised in the legal reserve for currency translation differences if and when such loans effectively hedge the exchange rate exposure on that net investment in a foreign operation.

Assets and liabilities of consolidated subsidiaries with a functional currency different from the presentation currency are translated at the rate of exchange prevailing at the balance sheet date; income and expenses are translated at average exchange rates during the financial year. Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of these subsidiaries and translated at the closing rate. Any resulting exchange differences are taken directly to the legal reserve for translation differences within equity.

Operating leases

The company has lease contracts whereby a large part of the risks and rewards associated with ownership are not for the benefit of or incurred by the company. The lease contracts are recognised as operational leasing. Lease payments are recorded on a straight-line basis, taking into account reimbursements received from the lessor, in the income statement for the duration of the contract.

Financial instruments

Securities included in financial and current assets are stated at fair value, if these are related to securities held for trading or if they relate to equity instruments not held for trading, as well as derivatives of which the underlying object is listed on a stock exchange. All other on-balance financial instruments are carried at (amortised) cost.

Accounting principles

Intangible assets other

Other intangible fixed assets at the costs incurred less the accumulated amortisation costs. Impairments expected on the balance sheet date are taken into account. An impairment occurs when the carrying amount of an asset is higher than the recoverable amount; the recoverable amount is the higher of the realisable value and the value in use.

Property, plant and equipment

Tangible fixed assets are presented at cost less accumulated depreciation and, if applicable, less impairments in value. Depreciation is based on the estimated useful life and calculated as a fixed percentage of cost, taking into account any residual value. Depreciation is provided from the date an asset comes into use.

Tangible fixed assets are capitalised if the economic ownership held by the company, and its group companies, is governed by a financial lease agreement. The commitment arising from the financial lease agreements is accounted for as a liability. The interest included in the future lease instalments is charged to the result over the term of the financial lease agreement.

Other tangible assets

Other tangible assets are valued at historical cost plus additional costs or production cost less straight- line depreciation based on the expected useful life and impairments expected.

Impairment of non-current assets

On each balance sheet date, Origin Fruit Direct B.V. assesses whether there are any indications that a fixed asset may be subject to impairment. If there are such indications, the recoverable amount of the asset is determined. If it is not possible to determine the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined. An impairment occurs when the carrying amount of an asset is higher than the recoverable amount; the recoverable amount is the higher of the realisable value and the value in use.

An impairment loss is directly recognised in the profit and loss account while the carrying amount of the asset concerned is concurrently reduced.

The realisable value is initially based on a binding sale agreement; if there is no such agreement, the realisable value is determined based on the active market, whereby usually the prevailing bid price is taken as market price. For the determination of the value in use, an estimate is made of the future net cash flows in the event of continued use of the asset / cash-generating unit; these cash flows are discounted.

NOTES TO THE FINANCIAL STATEMENTS

If it is established that an impairment that was recognised in the past no longer exists or has reduced, the increased carrying amount of the asset concerned is set no higher than the carrying amount that would have been determined if no impairment value adjustment for the asset concerned had been reported. An impairment of goodwill is not reversed.

Inventories

Inventories for resale are valued at acquisition price or lower net realizable value. This lower net realizable value is determined by individual assessment of the inventories. The valuation of inventories for resale is based on fifo prices.

Receivables

Upon initial recognition the receivables are valued at fair value and then valued at amortised cost. The fair value and amortised cost equal the face value. Provisions deemed necessary for possible bad debt losses are deducted. These provisions are determined by individual assessment of the receivables.

Cash and cash equivalents

Cash at banks and in hand represent cash in hand, bank balances and deposits with terms of less than twelve months. Overdrafts at banks are recognised as part of debts to lending institutions under current liabilities. Cash at banks and in hand is valued at nominal value.

Share capital paid called up

When Origin Fruit Direct B.V. purchases treasury shares, the consideration paid is deducted from equity (other reserves or any other reserve if the articles of association allow so) until the shares are cancelled or reissued. Where such shares are subsequently reissued, any consideration received is included in equity (other reserves or any other reserve). The consideration received will be added to the reserve from which earlier the purchase price has been deducted.

Incremental costs directly attributable to the purchase, sale and/or issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

Other reserves

Other reserves are all reserves, except the legal and statutory reserves. Other reserves can freely be distributed to the shareholders.

Current liabilities

Upon initial recognition, loans and liabilities recorded are stated at fair value and then valued at amortised cost.

Accounting principles for determining the result

The result is the difference between the realisable value of the goods/services provided and the costs and other charges during the year. The results on transactions are recognised in the year in which they are realised.

Revenue recognition

Net turnover represents amounts invoiced for goods and services supplied during the financial year reported on, net of discounts and value added taxes.

Revenues ensuing from the sale of goods are accounted for when all major entitlements to economic benefits as well as all major risks have transferred to the buyer. The cost price of these goods is allocated to the same period.

Wages

The benefits payable to personnel are recorded in the income statement on the basis of the employment conditions.

Applied policy of pension costs

The pension plans of Origin Fruit Direct B.V. are financed through contributions to industry pension funds. The pension obligations are valued according to the 'valuation to pension fund approach'. This approach accounts for the contribution payable to the pension provider as an expense in the profit and loss account.

Based on the administration agreement it is assessed whether and, if so, which obligations exist in addition to the payment of the annual contribution due to the pension provider as at balance sheet date. These additional obligations, including any obligations from recovery plans of the pension provider, lead to expenses for the company and are included in a provision on the balance sheet. With final salary pension plans an obligation (provision) for (upcoming) past service is included if future salary increases have already been defined as at balance sheet date.

The valuation of the obligation is the best estimate of the amounts required to settle this as at balance sheet date. If the effect of the time value of money is material the obligation is valued at the present value. Discounting is based on interest rates of high quality corporate bonds.

Additions to and release of the obligations are recognized in the profit and loss account.

A pension receivable is included in the balance sheet when the group has the right of disposal over the pension receivable and it is probable that te future economic benefits which the pension receivable holds will accrue to the group, and the pension receivable can be reliably established.

As at year-end 31 October 2021 and 31 October 2020 no pension receivables and no obligations existed for the group in addition to the payment of the annual contribution due to the pension provider.

The industry pension fund PGB has stated that the funding ratio is 109,3% as per October 2021. Based on the administrative regulations the group has no obligation to make additional contributions in the event of a deficit other than through higher future contributions.

Amortisation of intangible assets and depreciation of property, plant and equipment

Intangible fixed assets, including goodwill, and tangible fixed assets are depreciated or amortised from the date of initial use over the expected future economic life of the asset, while taking into account any applicable restrictions with respect to buildings, investment property, other tangible fixed assets and capitalised goodwill. Land is not depreciated.

Future depreciation and amortisation is adjusted if there is a change in estimated future useful life.

Gains and losses from the occasional sale of property, plant or equipment are included in depreciation.

Other operating expenses

Costs are determined on a historical basis and are attributed to the reporting year to which they relate.

Other interest income and related income

Other interest income and related income are recognised on a pro rata basis, taking account of the effective interest rate of the assets to which they relate.

Interest expenses and related expenses

Interest expenses and other income expenses are recognised on a pro rata basis, taking account of the effective interest rate of the liabilities to which they relate. In accounting for interest expenses, the recognised transaction expenses for loans received are taken into consideration.

Income tax expense

Corporate income tax is calculated at the applicable rate on the result for the financial year, taking into account permanent differences between profit calculated according to the financial statements and profit calculated for taxation purposes, and with which deferred tax assets (if applicable) are only valued insofar as their realisation is likely.

Cash flow statement

The cash flow statement has been prepared using the indirect method. The cash items disclosed in the cash flow statement comprise cash at banks and in hand except for deposits with a maturity longer than three months. Cash flows denominated in foreign currencies have been translated at average estimated exchange rates. Exchange differences affecting cash items are shown separately in the cash flow statement. Interest paid and received, dividends received and income taxes are included in cash from operating activities. Dividends paid are recognised as cash used in financing activities. The purchase consideration paid for the acquired group corporation has been recognised as cash used in investing activities where it was settled in cash. Any cash at banks and in hand in the acquired group corporation have been deducted from the purchase consideration. Transactions not resulting in inflow or outflow of cash, including finance leases, are not recognised in the cash flow statement. Payments of finance lease instalments qualify as repayments of borrowings under cash used in financing activities and as interest paid under cash generated from operating activities.

NOTES TO THE FINANCIAL STATEMENTS

NOTES TO THE BALANCE SHEET

ASSETS

Fixed assets

Intangible fixed assets

Movements are as follows:

	Other intangible assets
	€
Balance as at 1 November 2020	
Cost or manufacturing price	264,260
Accumulated amortization	(156,098)
Book value as at 1 November 2020	108,162
Movements	
Additions	25,000
Depreciation	(56,476)
Balance movements	(31,476)
Balance as at 31 October 2021	
Cost or manufacturing price	289,260
Accumulated amortization	(212,574)
Book value as at 31 October 2021	(76,686)

Intangible assets: Economic life

Amortisation rate

	Other intan- gible assets
	%
Amortisation rate	20,00

Property, plant and equipment

Movements are as follows:

	Machinery	Other tangible assets	Total
	€	€	€
Balance as at 1 November 2020			
Cost or manufacturing price	49,016	291,945	340,961
Accumulated depreciation	(49,016)	(167,442)	(216,458)
Book value as at 1 November 2020	–	124,503	124,503
Movements			
Additions	–	4,165	4,165
Depreciation	–	(48,534)	(48,534)
Balance movements	–	(44,369)	(44,369)
Balance as at 31 October 2021			
Cost or manufacturing price	49,016	296,110	345,126
Accumulated depreciation	(49,016)	(215,976)	(264,992)
Book value as at 31 October 2021	–	80,134	80,134

Property, plant and equipment: Economic life

	Machinery	Other tangible assets
	%	%
Depreciation rate	20,00	20,00

Current assets

	31-10-2021	31-10-2020
	€	€
Inventories and work in progress		
Finished goods for resale	**3,087,806**	1,074,479

A provision for obsolescence finished goods is not deemed necessary.

Receivables

	31-10-2021	31-10-2020
	€	€
Trade debtors		
Trade debtors	**9,103,827**	8,048,552
Provision for doubtful debts	**–**	(14,225)
	9,103,827	8,034,327

The trade debtors are advanced up to 90% by factoring company BNP Paribas Factor N.V. Credit control is taken care of by Origin Fruit Direct B.V. BNP Paribas Factor N.V. reserves the right to take over credit control. The securities are described under amounts owed to credit institutions. The amount of provision for doubtful debts amounts to nil (1 November 2019 until 31 October 2020: € (14,225).

	31-10-2021	31-10-2020
	€	€
Receivables from fellow subsidiaries		
Origin Direct Asia Limited	**2,789**	6,729
Origin Fruit Services South America SpA	**298,994**	53,421
	301,783	60,150

The annual interest on receivable from Origin Direct Asia Limited is 4% (1 November 2019 until 31 October 2020: 4%) a year calculated over the average outstanding amount. The annual interest on Origin Fruit Services South America SpA is 0% (1 November 2019 until 31 October 2020: 0%) a year calculated over the average outstanding amount.

	31-10-2021	31-10-2020
	€	€
Other accounts receivable		
Taxes and social security charges	**353,004**	410,241
Current account shareholders	**736,466**	731,791
	1,089,470	1,142,032

	31-10-2021	31-10-2020
	€	€
Taxes and social security charges		
Value added tax	**311,701**	135,475
Corporate income tax	**41,303**	274,766
	353,004	410,241
Current account shareholders		
OFD Holding B.V.	**736,466**	731,791

NOTES TO THE FINANCIAL STATEMENTS

Disclosure of receivables from loans and advances to participants or registered shareholders

The annual interest on receivable from shareholders is 4% (1 November 2019 until 31 October 2020: 4%) a year calculated over the average outstanding amount. No special conditions on the facility or repayments were agreed upon for the receivables from shareholders.

Disclosure of other receivables

All other receivables and accrued assets have a remaining term of maturity of less than one year.

	31-10-2021	31-10-2020
	€	€
Cash and cash equivalents		
Deutsche Bank	**981,989**	1,113,942
Cash	**789**	898
ABN AMRO Commercial Finance	**–**	150
	982,778	1,114,990

EQUITY AND LIABILITIES
Equity
Movements are as follows:

	Share capital paid called up	Other reserves	Total
	€	€	€
Balance as at 1 November 2020	13,620	5,286,766	5,300,386
Appropriation of result	–	754,559	754,559
Balance as at 31 October 2021	13,620	6,041,325	6,054,945

Statement of the proposed appropriation of the result

During the general meeting at which the financial statements will be adopted, will be proposed to add the 1 November 2020 until 31 October 2021 result after tax to the other reserves.

This proposal has yet to be approved by the general meeting but is already incorporated in the 1 November 2020 until 31 October 2021 financial statements of the company.

Share capital paid called up

The authorized share capital is divided into 68,100 ordinary shares with a nominal value of € 1.

The issued and the paid-up capital is divided in 13,620 shares.

	2020 / 2021	2019 / 2020
	€	€
Share capital paid called up		
Balance as at 1 November	**13,620**	13,620
Movements	**–**	–
Balance as at 31 October	**13,620**	13,620

	2020 / 2021	2019 / 2020
	€	€
Other reserves		
Balance as at 1 November	**5,286,766**	5,563,110
Appropriation of result	**754,559**	(276,344)
Balance as at 31 October	**6,041,325**	5,286,766

Current liabilities

	31-10-2021	31-10-2020
	€	€
Payables to banks		
Payables to banks	**1,775,560**	1,890,518

	31-10-2021	31-10-2020
	€	€
Payables to banks		
BNP Paribas Factor N.V.	**1,775,560**	890,518
Kotak Mahindra Bank	**–**	1,000,000
	1,775,560	1,890,518

BNP Paribas Factor N.V.

For the total credit facility, including the credit in current account to a maximum of € 8,000,000, the following securities have been agreed upon:

- Pledge on all receivables;
- Minimum adjusted solvency ratio of 20% at all times.

Kotak Mahindra Bank

For the total credit facility, including the credit in current account to a maximum of € 4,000,000, no securities have been agreed upon.

	31-10-2021	31-10-2020
	€	€
Payables relating to taxes and social security contributions		
Wage tax	**55,027**	57,737
Other taxes	**6,743**	1,861
Social security contributions	**–**	5,255
	61,770	64,853

Disclosure of current liabilities

All current liabilities have a remaining term of maturity of less than one year. The fair value of current liabilities approximates the carrying amount, because of their short-term character.

Off-balance-sheet rights, obligations and arrangements

Disclosure of off-balance sheet commitments

The company has entered into rent obligations for buildings with third parties, the total obligation amounts to € 110,400. The total committed rent obligation for buildings with a maturity within one year amounts to € 73,600, the obligation with a maturity exceeding one year and within five year amounts to € 36,800 and the obligation with a maturity exceeding five year amounts to nil.

Disclosure of operating leases

The company has entered into operational lease contracts with third parties, the total obligation amounts to € 198,854. The total committed operational lease obligation with a maturity within one year amounts to € 96,709, the obligation with a maturity exceeding one year and within five year amounts to € 102,145 and the obligation with a maturity exceeding five year amounts to nil.

NOTES TO THE FINANCIAL STATEMENTS

NOTES TO THE INCOME STATEMENT

Net turnover

The net turnover of Origin Fruit Direct B.V. decreased with 3,3% in 1 November 2020 until 31 October 2021 compared to 1 November 2019 until 31 October 2020.

	2020/2021	2019/2020
	€	€
Expenses of employee benefits		
Wages and salaries	**1,771,221**	1,865,448
Social security contributions	**196,958**	253,010
Pension contributions	**141,157**	117,911
	2,109,336	2,236,369

Remuneration of (former) directors

The remuneration of directors of the company amounts to approximately € 286,000 (1 November 2019 until 31 October 2020: € 240,000).

There are no former directors which received remuneration in the financial years 2019/2020 and 2020/2021.

Average number of employees

2020 / 2021

	Active within the Netherlands	Active outside the Netherlands	Total
General manager	1,00	–	1,00
Commerce	7,00	–	7,00
Finance	5,00	–	5,00
Back office	1,00	–	1,00
Logistics & Quality	6,00	–	6,00
Average number of employees	**20,00**	**–**	**20,00**

2019 / 2020

	Active within the Netherlands	Active outside the Netherlands	Total
General manager	1,00	-	1,00
Commerce	7,00	-	7,00
Finance	5,00	-	5,00
Back office	1,00	-	1,00
Logistics & Quality	6,00	–	6,00
Average number of employees	**20,00**	**–**	**20,00**

	2020/2021	2019/2020
	€	€
Other operating expenses		
Other expenses of employee benefits	**112,928**	99,792
Housing expenses	**67,706**	76,384
Selling expenses	**65,232**	99,258
Car expenses	**148,021**	201,483
Office expenses	**222,300**	159,965
General expenses	**211,433**	261,781
	827,620	898,663

Disclosure of financial income and expenses

In the other interest and similar income € 45,627 (2019/2020: € 71,279) is included from fellow subsidiaries and shareholders.

	2020/2021	2019/2020
	€	€
Income tax expense		
Corporate income tax expense from current financial years	**(218,873)**	92,064
	%	%
Effective tax rate	**22,50**	25,00
Applicable tax rate	**22,50**	25,00

The difference between the effective and nominal tax rate is as follows:

	31-10-2021
	€
Total of result of activities before tax	**973,432**
Corporate income tax based on applicable tax rate	**218,858**
	218,858
Partially deductible amounts	**1,221**
Investment agreements	**(1,207)**
Corporate income tax based on effective tax rate	**218,872**

Specification of related party transactions of importance and not taken under market conditions

All legal entities that can be controlled, jointly controlled or significantly influenced are considered to be a related party. Also entities which can control the company are considered to be a related party. In addition, statutory directors, other key management of Origin Fruit Direct B.V. or the ultimate parent company and close relatives are regarded as related parties.

Transactions with related parties are disclosed in the notes insofar as they are not transacted under normal market conditions. The nature, extent and other information is disclosed if this is necessary in order to provide the required insight.

Rotterdam, 3 February 2022
Origin Fruit Direct B.V.

OFD Holding B.V.
Represented by:
C.A.M. van de Klundert

OFD Holding B.V.
Represented by:
S.V. Parmar

OTHER INFORMATION

Provisions of the Articles of Association relating to profit appropriation

Article 20 of the Articles of Association stipulates that the appropriation of the net result for the year is decided upon at the General Meeting.

Profit distributions to the shareholders may only be done as far as the shareholders' equity exceeds the paid up and called up part of the share capital, increased with the legal reserves.

BALANCE CLASSIFIED TO DECEMBER 31,

	2021	2020
	Chilean Peso	Chilean Peso
ASSETS		
Current assets		
Cash and cash equivalents	81,821,712	58,685,160
Accounts receivable	549,523,383	101,393,322
Notes receivable	–	–
Other accounts receivable	–	–
Accounts receivable related companies	–	–
Inventory	–	–
Taxes to recover	76,138,217	83,095,245
Prepaid expenses	–	–
Total current assets	**707,483,312**	**243,173,727**
Fixed assets		
Land	–	–
Property, Plant & Equipment	22,997,013	39,887,257
Less: Accumulated Depreciation	(18,179,028)	(26,341,838)
Net fix assets	**4,817,985**	**13,545,419**
Other assets		
Intangible assets	–	–
Financial assets	–	–
Long Term receivables	–	–
Long term accounts receivable related companies	–	–
Total other assets	**–**	**–**
Total Assets	**712,301,297**	**256,719,146**

Director
Sanjay Parmar

Date: 31-12-2021

BALANCE CLASSIFIED TO DECEMBER 31,

	2021	2020
	Chilean Peso	Chilean Peso
LIABILITIES		
Current liabilities		
Bank loans	–	–
Accounts payable	739,457,380	336,203,228
Notes payable	–	–
Other accounts payable	–	–
Accounts payable related companies	–	–
Provisions	–	–
Retentions	21,117,063	9,239,434
Earned income in advance	–	5,457,322
Other Current liabilities	–	–
Total current liabilities	**760,574,443**	**350,899,984**
Long term liabilities		
Long term bank loans	–	–
Long term debts	–	–
Other long term liabilities	–	–
Total long term liabilities	**–**	**–**
Heritage		
Common stock	1,000,000	1,000,000
Restatement of stockholders equity	148,153	148,153
Retained earnings	(95,328,991)	(102,457,060)
Net income for the year	45,907,692	7,128,069
Total Equity	**(48,273,146)**	**(94,180,838)**
Total Liabilities	**712,301,297**	**256,719,146**

Director
Sanjay Parmar

Date: 31-12-2021

INCOME STATEMENT FOR THE PERIOD UNDERSTOOD JANUARY 1 AND THE DECEMBER 31,

	2021	2020
	Chilean Peso	Chilean Peso
OPERATIONAL RESULT		
Net sales or net revenue	981,496,204	373,465,479
Cost of sales	(669,803,174)	(91,372,000)
Gross profit or gross margin	**311,693,030**	**282,093,479**
less		
Administrative expenses	(246,652,848)	(260,865,648)
Operating income	**65,040,182**	**21,227,831**
NON-OPERATIONAL RESULT		
Other income	9,784,973	3,850,130
Comprehensive financial cost	(2,968,924)	(1,158,140)
Monetary correction	–	1,479,006
Foreign exchange loss	(25,948,539)	(18,270,758)
Non-operational result	**(19,132,490)**	**(14,099,762)**
Income before taxes	**45,907,692**	**7,128,069**
Income taxes	–	–
NET PROFIT	**45,907,692**	**7,128,069**

Director
Sanjay Parmar

Date: 31-12-2021

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. Incorporation of a Company by Shares.

Origin Fruit Services South America SpA Juan Carlos Álvarez Domínguez, Alternate Notary of the first notary of Santiago, with office at Calle Huérfanos 1160 office 101 and 102, Santiago, certifies by public deed dated May 27, 2013, before The holder, OFD Holding BV, a company incorporated under the laws of the Netherlands; Edmundo Eluchans number 2255 department 161 commune of Viña del Mar, fifth region Incorporates a Stock Company named "ORIGIN FRUIT SERVICES SOUTH AMERICA SpA". Purpose, the importation and exportation, distribution, consignment, brokerage and sale, wholesale and retail of all kinds of fruits or fruits of the country or abroad, raw materials and products elaborated or elaborated both in Chile and in the Foreign; The acquisition and alienation of all kinds of movable and immovable property, rights, privileges, patents of invention or trademarks; The use of licenses that are allowed, directly or indirectly related to the indicated item; Provision of Services and all other activities that are related, currently or in the future, with the aforementioned; And any other business that will agree the partner Capital $ 1,000,000. Divided into one thousand shares with no par value, all of them in a single series, fully subscribed and paid upon incorporation by partner OFD HOLDING B.V. Domicile: the company's address is the city of Santiago, metropolitan region, without prejudice to installing agencies, branches or establishments in the rest of the country or abroad. Duration: The duration of the company will be indefinite. Partner limits his liability to the amount of the contribution. Other pacts in extracted writing.

NOTE 2. Basis of presentation and Regulatory Framework.

The financial statements for the years ended December 31, 2020 and 2021 have been prepared in accordance with accounting principles generally accepted in Chile.

NOTE 3. Bases of Conversion.

Assets and Liabilities in development units and foreign currency have been converted into pesos at the exchange rate in effect at the closing date of each year.

NOTE 4. Income Tax.

The company determines and records the income tax taking into consideration the current tax rules.

NOTE 5. Accounting Changes.

During fiscal years 2021 and 2020 the company has not made any accounting changes.

Director

Sanjay Parmar

Date: 31-12-2021

AUDIT REPORT

To Origin Direct Asia (Shanghai) Trading Company Limited,

I. Audit opinion

We have audited the financial statements of Origin Direct Asia (Shanghai) Trading Company Limited (hereinafter referred to as ODA Trading), including balance sheet on December 31, 2021, profit statement, cash flow statement, statement of changes in owners' equity and notes to financial statements of year 2021.

In our opinion, the accompany financial statements have been prepared in accordance with provisions of accounting standards for business enterprisesin all material respects, and they reflect fairly the financial status of ODA Trading on December 31, 2021 as well as the operating results and cash flow of year 2021.

II. Material uncertainty related to goingconcern

We remind users of financial statements that ODA Trading incurred a net loss of RMB 12,473,593.56 in 2021 as stated in Note VIII to the financial statements. On December 31, 2021, ODA Trading's current liabilities exceeded total current assets by RMB 12,473,593.56. As stated in Note VIII to the financial statements, these matters or circumstancesas well as other matters stated in Note VIII to the financial statements indicate a material uncertainty which may give rise to significant doubts about ODA Trading's ability to continue as a going concern. Such matters do not affect the published audit opinion.

III. Responsibility of management and governance toward financial statements

The management of ODA Trading (hereinafter referred to as management) is responsible for preparing financial statements according to provisions of accounting standards for business enterprisesto realize fair presentation, and is also responsible for planning, implementing and maintaining necessary internal control so as to ensure that there is no material misstatement caused by fraud or error in the financial statements.

When preparing financial statements, management is responsible for assessing the ability to continue as a going concern of ODA Trading, disclosing matters related to going concern (if applicable) and applying the going concern assumption unless management plans to liquidate ODA Trading, ceases operations or has no other realistic option.

Governance is responsible for supervising the financial reporting process of ODA Trading.

IV. Responsibility of certified public accountants toward audit of financial statements

Our objective is to obtain reasonable assurance as to whether the financial statements as a whole are free of material misstatement due to fraud or error or not, and to issue audit reports that contain audit opinion. Reasonable assurance is a high level of assurance, but there is no guarantee that a material misstatement will always be found when existing in an audit performed in accordance with auditing standards. The misstatement can be caused by fraud or error, and is generally considered to be material if it is reasonably expected that the misstatement, alone or aggregated, may affect economic decision made by users of the financial statements based on the financial statements.

In the process of performing audit in accordance with auditing standards, we have applied professional judgment and maintained professional doubt. At the same time, we have also performed the following tasks:

(I) Identify and assess the risk of material misstatement of financial statements due to fraud or error, design and implement audit procedures to address these risks, and obtain sufficient and appropriate audit evidence as a basis for the publication of audit opinion. Because a fraud may involve collusion, forgery, deliberate omission, misrepresentation or override of internal control, the risk of failing to discover a material misstatement due to fraud is higher than the risk of failing to discover a material misstatement due to a mistake.

(II) Understand the internal control related to audit so as to design appropriate audit procedures, but not for the purpose of expressing an opinion on effectiveness of internal control.

(III) Appraise appropriateness of the accounting policies selected by management and reasonableness of making accounting estimates and related disclosures.

(IV) Draw a conclusion on appropriateness of management using the going concern assumption. At the same time, based on audit evidence obtained, draw a conclusion as to whether there is any material uncertainty about the issues or circumstances that may give rise to major doubts about the ability to continue as a going concern of ODA Trading or not. If we conclude that there is a material uncertainty, the auditing standards require us to remind users of the statements to pay attention to relevant disclosures in financial statements in the audit report; if the disclosures are not sufficient, we should issue an unqualified opinion. Our conclusion is based on the information available up to the date of audit report. However, future events or circumstances may make ODA Trading unable to continue as a going concern.

(V) Assess overall presentation, structure and content of the financial statements, and assess whether the financial statements have fairly reflected relevant transactions and events or not.

Shanghai Trust & Best Certified Public Accountants

Shanghai • China

Certified Public
Accountant of the P.R.C:
(Signature & Seal)

Certified Public
Accountant of the P.R.C:
(Signature & Seal)

June 6, 2022

BALANCE SHEET

Item	As at: 31-Dec-2021 Closing Balance	Opening Balance
Current assets		
Cash and cash equivalents	534,285.65	1,387,129.39
Deposits reservation for balance	–	–
Lending funds	–	–
Transactional financial assets	–	–
Financial assets measured at fair value and changes recorded into current period profit or loss	–	–
Derivative financial assets	–	–
Note receivable	–	–
Accounts receivable	–	1,351,929.31
Accounts receivable financing	–	–
Prepayments	771,536.02	457,288.80
Premiums receivable	–	–
Reinsurance accounts receivable	–	–
Payable to the guarantee contracts	–	–
Other notes receivable	386,453.28	408,721.46
Including:Dividend receivable	–	–
Redemptory monetary capital for sale	–	–
Inventories	–	–
Including:Raw materials	–	–
Merchandise inventories (finished products)	–	–
Contract assets	–	–
Holding assets for sale	–	–
Non-current assets matured within one year	–	–
Other current assets	–	–
TOTAL CURRENT ASSETS	**1,692,274.95**	**3,605,068.96**
Non-current assets:		
Make loans and advances	–	–
Investments in debt	–	–
Available-for-sale financial assets	–	–
Other investments in debt	–	–
Held-to-maturity investments	–	–
Long-term receivables	–	–
Long-term equity investments	–	–
Other equities investments	–	–
Other non-current financial assets	–	–
Investment properties	–	–
Fixed assets	30,830.27	34,949.46
Including:Original value of fixed assets	156,449.93	148,419.93
Accumulated depreciation	125,619.66	113,470.47
Fixed assets depreciation reserves	–	–
Construction-in-progress	–	–
Productive biological assets	–	–
Oil and gas assets	–	–
Right-of-use assets	–	–
Intangible assets	–	–
Development expenditures	–	–
Goodwill	–	–
Long-term deferred expenses	–	–
Deferred income tax assets	–	–
Other non-current assets	–	–
Including: Physical assets reserve specifically authorized	–	–
TOTAL NON-CURRENT ASSETS	**30,830.27**	**34,949.46**
	1,723,105.22	**3,640,018.42**

BALANCE SHEET

Item	As at: 31-Dec-2021 Closing Balance	Opening Balance
Current liabilities		
Short-term borrowings	–	–
Borrowings from central bank	–	–
Borrowing funds	–	–
	–	–
Financial liabilities measured as fair value and the variation included in current profit and loss	–	–
Financial derivative liabilities	–	–
Notes payable	–	–
Accounts payable	9,774,484.55	12,861,344.91
Advances from customers	6,329,341.46	2,790,169.87
Contract Liabilities	–	–
Financial assets sold for repurchase	–	–
Accept deposits & due to banks	–	–
Receiving from vicariously traded securities	–	–
Funds received as stock underwrite	–	–
Employee benefit liabilities	64,776.60	34,130.00
Including: Accrued payroll	64,776.60	34,130.00
Welfare benefits payable	–	–
Bonus and allowance bond	–	–
Taxes and surcharges payable	-2,026,999.63	-1,763,612.92
Including: Taxes payable	-2,026,999.63	-1,763,612.92
Other payables	55,095.80	39,778.15
Including:Dividends payable	–	–
Handling charges and commissions payable	–	–
Dividend payables for reinsurance	–	–
Liabilities held for sale	–	–
Non-current liabilities maturing within one year	–	–
Other current liabilities	–	–
TOTAL CURRENT LIABILITIES	**14,196,698.78**	**13,961,810.01**
NON-CURRENT LIABILITIES:		
Long-term loans	–	–
	–	–
Including:Preferred stocks	–	–
Perpetual capital securities	–	–
Lease liabilities	–	–
Long-term payables	–	–
Long-term Payroll Payables	–	–
Anticipation liabilities	–	–
Deferred Profits	–	–
Deferred tax liabilities	–	–
Other non-current liabilities	–	–
Including:Authorized reserve funds	–	–
TOTAL NON-CURRENT LIABILITIES	–	–
TOTAL LIABILITIES	**14,196,698.78**	**13,961,810.01**
OWNERS'(OWNER'S)/SHAREHOLDERS' EQUITY		
Registered capital	925,876.00	925,876.00
National capital	–	–
State-owned legal person's capital	–	–
Collective capital	–	–
Private capital	–	–

BALANCE SHEET

Item	As at: 31-Dec-2021 Closing Balance	Opening Balance
Foreign businessmen's capital	925,876.00	925,876.00
Less: Returned investments	–	–
Registered capital-net book value	925,876.00	925,876.00
Other equity instruments	–	–
Preferred stocks	–	–
Perpetual capital securities	–	–
Capital surplus	–	–
Less: Treasury stock	–	–
Other consolidated incomes	–	–
Including: transition reserve	–	–
Special reserve	–	–
Surplus reserves	–	–
Including: legal accumulation funds	–	–
Optional accumulation funds	–	–
Reserved funds	–	–
Enterprise expension funds	–	–
Capital redemption	–	–
General risk preparation	–	–
Undistributed profits	-13,399,469.56	-11,247,667.59
	-12,473,593.56	-10,321,791.59
Minority stockholder's interest	–	–
TOTAL OWNERS' EQUITY	**-12,473,593.56**	**-10,321,791.59**
TOTAL LIABILITIES & OWNERS' EQUITY	**1,723,105.22**	**3,640,018.42**

INCOME STATEMENT FOR THE YEAR ENDED: 31-DEC-2021

Item	Current Period	Prior Period
1. OVERALL SALES	11,158,109.09	19,665,944.91
Including: Sales from operations	11,158,109.09	19,665,944.91
Interest income	–	–
Insurance premiums earned	–	–
Handling charges and commissions income	–	–
2. OVERALL COSTS	**13,311,203.95**	**20,259,755.08**
Including: Cost of operations	9,033,230.69	17,734,812.11
Interest expenses	–	–
Handling charges and commissions expenses	–	–
Surrender value	–	–
Net payments for insurance claims	–	–
Reserve fund for insurance contracts	–	–
Bond insurance expense	–	–
Reinsurance expense	–	–
Tax and surcharges	7,828.00	12,514.30
Selling expenses	2,424,049.51	1,440,057.60
Administration expenses	2,080,369.24	1,748,464.54
Research and development expenses	–	–
Financial expenses	-234,273.49	-676,093.47
Including: Interest expense	–	–
Interest income	5,531.24	3,377.09
Loss on foreign exchange transactions(Gain expressed with “–”)	-238,241.31	-680,033.40
Others	–	–
Plus: Other Incomes	–	–
Investment income (loss expressed with “–”)	–	–
Including: Investment income from joint ventures and affiliates	–	–
Including: Investment income from joint ventures and affiliates (loss expressed with “–”)	–	–
Gain on foreign exchange transactions (loss expressed with “–”)	–	–
Net Open Hedging Return	–	–
Plus: Gain or loss from changes in fair values (loss expressed with “–”)	–	–
Impairment losses on credit(loss expressed with “-”)	–	–
Impairment losses on assets(loss expressed with “-”)	–	–
Gains from disposal of assets (loss expressed with “–”)	–	–
3. PROFIT FROM OPERATIONS (loss expressed with “–”)	**-2,153,094.86**	**-593,810.17**
Plus: Non-operating profit	1,292.90	5,575.12
Including: Government grant incomes	–	–
Less: Non-operating expenses	0.01	–
4. PROFIT BEFORE TAX (LOSS EXPRESSED WITH “–”)	-2,151,801.97	-588,235.05
Less: Income tax expenses	–	–
5. NET PROFIT (LOSS EXPRESSED WITH “–”)	-2,151,801.97	-588,235.05
(1) Classification by ownership		
Net profit belonging to parent company	-2,151,801.97	-588,235.05
Minority interest	–	–
(2) Classification by business continuity	–	–
Income from continuing operations (Net loss expressed with “–”)	-2,151,801.97	-588,235.05
Income from discontinued operations (Net loss expressed with “–”)	–	–

INCOME STATEMENT FOR THE YEAR ENDED: 31-DEC-2021

Item	Current Period	Prior Period
6. Net of tax from other comprehensive income		
Net of tax from other comprehensive income attributed to the parent company owners	–	–
(1) Other comprehensive income cannot reclassified into the profit and loss	–	–
Including: 1. Remeasure the variation of defined benefit plans	–	–
2. Other comprehensive incomes that cannot be converted into Profits and Losses under equity method	–	–
3. Fair value changes of investment in other equity instruments	–	–
4. Fair value changes of enterprise's credit Risk	–	–
5. Others	–	–
(2) Other comprehensive income that will be reclassified into the profit and loss	–	–
1. Other comprehensive incomes that can be converted into Profits and Losses under equity method	–	–
2. Fair value changes of investments in other equity instruments	–	–
3. Changes in fair value through profit and loss of available-for-sale financial assets	–	–
4. Amounts of financial assets reclassified into other comprehensive returns	–	–
5. Held-to-maturity investment reclassified into available-for sale financial assets	–	–
6. Credit losses of investments in other equity instruments	–	–
7. Cash-flow hedging reserves (Effective part of cash-flow hedge profit and loss)	–	–
8. Balance arising from the translation of foreign currency financial statements	–	–
9. Others	–	–
Net of tax from other comprehensive income belonging to the minority shareholders	–	–
TOTAL CONSOLIDATED INCOME	-2,151,801.97	-588,235.05
Total comprehensive income attributed to the parent company owners	-2,151,801.97	-588,235.05
Total comprehensive income belonging to the minority shareholders	–	–
EARNINGS PER SHARE (EPS):	–	–
Basic EPS	–	–
Diluted EPS	–	–

CASH FLOW STATEMENT FOR THE YEAR ENDED: 31-DEC-2021

Item		Current Period	Prior Period
1.	**Cash flow from operating activities**	–	–
	Cash from sale and render service	16,574,439.78	23,042,103.94
	Net increase of customer's deposit and deposit taking of interbank	–	–
	Net increase borrowings from central bank	–	–
	Net increase borrowing funds to other financing institution	–	–
	Cash from original insurance contract premium	–	–
	Net cash from reinsurance business	–	–
	Net increase of insured deposit and investment	–	–
	Net increase of financial assets disposal measured as fair value and the variation included in current profit and loss	–	–
	Cash for interest & commission	–	–
	Net increase of loans	–	–
	Net increase of repurchasing business funds	–	–
	Net cash of agents selling securities	–	–
	Refund of taxes and levies	1,370.47	2,693.16
	Other cash received relating to operating activities	750,722.95	455,468.68
	Cash inflows from operating activities	**17,326,533.20**	**23,500,265.78**
	Cash inflows from operating activities	12,046,790.37	16,144,886.62
	Net increase of customer loans and advances	–	–
	Net increase depositing in central bank and other banks	–	–
	Cash paid for original insurance contract compensation payment	–	–
	Net increase lending funds	–	–
	Cash for payment of interest, commission	–	–
	Cash paid for policy dividend	–	–
	Cash paid to employee and for employee	2,354,970.53	1,651,956.80
	Payments of all types of taxes	1,453,492.75	76,308.04
	Other cash paid relating to operating activities	2,324,123.29	4,380,340.24
	Cash inflows from operating activities	**18,179,376.94**	**22,253,491.70**
	Net cash flows from operating activities	**-852,843.74**	**1,246,774.08**
2.	**Cash Flows from Investing Activities**	–	–
	Cash from recouping the capital outlay	–	–
	Cash from investment income	–	–
	Net cash from disposal of fixed assets, Intangible assets & other long-term assets	–	–
	Net cash received disposal subsidiary and other business units	–	–
	Proceeds from other investment activities	–	–
	Cash inflow from investment activities	–	–
	Cash paid to acquire fixed assets, intangible assets and other long-term assets	–	2,499.00
	Cash paid to acquire investments	–	–
	Net increase in pledged loans	–	–

CASH FLOW STATEMENT FOR THE YEAR ENDED: 31-DEC-2021

Item		Current Period	Prior Period
	Cash inflow from investment activities	–	–
	Other cash payments relating to investing activities	–	–
	Cash inflow from investment activities	–	**2,499.00**
	Cash inflow from investment activities	–	**-2,499.00**
3.	**Cash flows from financing activities**	–	–
	Cash received from capital contribution	–	–
	Including: cash inflows from minority investment in subsidiaries	–	–
	Cash received from borrowings	–	–
	Other cash received relating to financing activities	–	–
	Cash inflow from investment activities	–	–
	Cash repayments of amounts borrowed	–	–
	Cash payments for interest expenses and distribution of dividends or profit	–	–
	Including: dividends and earnings paid to minorities by subsidiaries	–	–
	Other cash payments relating to financing activities	–	–
	Cash inflow from investment activities	–	–
	Net cash flows from financing activities	–	–
4.	**Effect of Foreign Exchange Rate Changes on Cash**	**–**	**–**
5.	**Net Increase in Cash and Cash Equivalents**	**-852,843.74**	**1,244,275.08**
	Plus: Initial cash and cash equivalents balance	1,387,129.39	142,854.31
6.	**The final cash and cash equivalents balance**	**534,285.65**	**1,387,129.39**

STATEMENT OF CHANGES IN OWNER'S EQUITY FOR THE YEAR ENDED: 31-DEC-2021

M Unit: RMB ¥

Item	Current year balance – Total equity of parent company													
		Other equity instruments												
	Paid-in capital (or stock)	Preferred stocks	Perpetual capital securities	Others	Capital surplus	Minus: Treasury Stock	Other consolidated income	Special reserve	Surplus reserves	Generic Risk Reserve	Undistributed profit	Sub-total	*Minority interests	Total equity
Line no.	1	2	3	4	5	6	7	8	9	10	11	12	13	14
Balance at the end of last year	**925,876.00**	–	–	–	–	–	–	–	–	–	**-11,247,667.59**	**-10,321,791.59**	–	**-10,321,791.59**
Accountancy's policy changes	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Mistake correction of the last period	–	–	–	–	–	–	–	–	–	–	–	–	–	–
others	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Balance at the beginning of this year	**925,876.00**	–	–	–	–	–	–	–	–	–	**-11,247,667.59**	**-10,321,791.59**	–	**-10,321,791.59**
Increase or decrease changes in current year	–	–	–	–	–	–	–	–	–	–	**-2,151,801.97**	**-2,151,801.97**	–	**-2,151,801.97**
Total consolidated income	–	–	–	–	–	–	–	–	–	–	**-2,151,801.97**	**-2,151,801.97**	–	**-2,151,801.97**
Capital contributed/reduced by owners	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Capital contributed/reduced by owners	–	–	–	–	–	–	–	–	–	–	–	–	–	–
1.Common stocks invested by owners	–	–	–	–	–	–	–	–	–	–	–	–	–	–
2.Holders of other equity instruments invested capital	–	–	–	–	–	–	–	–	–	–	–	–	–	–
3.The amount of share-based payments recorded in owners'equity	–	–	–	–	–	–	–	–	–	–	–	–	–	–
4.others	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Extraction and use of special reserves	–	–	–	–	–	–	–	–	–	–	–	–	–	–
1.Extraction of special reserves	–	–	–	–	–	–	–	–	–	–	–	–	–	–
2.Use of special reserves	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Profit distribution	–	–	–	–	–	–	–	–	–	–	–	–	–	–
1.Surplus reserves	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Including: Statutory accumulation reserve	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Discretionary accumulation	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Reserve fund	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Enterprise expansion funds	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Profits capitalized on return of investment	–	–	–	–	–	–	–	–	–	–	–	–	–	–
2.Provision for normal risks	–	–	–	–	–	–	–	–	–	–	–	–	–	–
3.Profit distributed to owners (or stockholders)	–	–	–	–	–	–	–	–	–	–	–	–	–	–
4.others	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Transfers within the owners' equity	–	–	–	–	–	–	–	–	–	–	–	–	–	–
1.Capital surplus conversed to capital (or stock)	–	–	–	–	–	–	–	–	–	–	–	–	–	–
2.Surplus reserve conversed to capital (or stock)	–	–	–	–	–	–	–	–	–	–	–	–	–	–
3.Surplus reserve conversed to capital (or stock)	–	–	–	–	–	–	–	–	–	–	–	–	–	–
4.Variation amounts of defined benefit plans transfer to retained earnings	–	–	–	–	–	–	–	–	–	–	–	–	–	–
5.Other consolidated incomes transfer to retained earnings	–	–	–	–	–	–	–	–	–	–	–	–	–	–
6.Others	–	–	–	–	–	–	–	–	–	–				
Balance at the end of this report period	**925,876.00**	–	–	–	–	–	–	–	–	–	**-13,399,469.56**	**-12,473,593.56**	–	**-12,473,593.56**

STATEMENT OF CHANGES IN OWNER'S EQUITY FOR THE YEAR ENDED: 31-DEC-2021 (CONTD...)

M Unit: RMB ¥

Item	Prior year balance													
	Total equity of parent company													
		Other equity instruments												
	Paid-in capital (or stock)	Preferred stocks	Perpetual capital securities	Others	Capital surplus	Minus: Treasury Stock	Other consolidated income	Special reserve	Surplus reserves	Generic Risk Reserve	Undistributed profit	Sub-total	*Minority interests	Total equity
Line no.	1	2	3	4	5	6	7	8	9	10	11	12	13	14
Balance at the end of last year	**925,876.00**	—	—	—	—	—	—	—	—	—	**-10,659,432.54**	**-9,733,556.54**	—	**-9,733,556.54**
Accountancy's policy changes	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Mistake correction of the last period	—	—	—	—	—	—	—	—	—	—	—	—	—	—
others	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Balance at the beginning of this year	**925,876.00**	—	—	—	—	—	—	—	—	—	**-10,659,432.54**	**-9,733,556.54**	—	**-9,733,556.54**
Increase or decrease changes in current year	—	—	—	—	—	—	—	—	—	—	**-588,235.05**	**-588,235.05**	—	**-588,235.05**
Total consolidated income	—	—	—	—	—	—	—	—	—	—	**-588,235.05**	**-588,235.05**	—	**-588,235.05**
Capital contributed/reduced by owners	—	—	—	—	—	—	—	—	—	—	—	—	—	—
1.Common stocks invested by owners	—	—	—	—	—	—	—	—	—	—	—	—	—	—
2.Holders of other equity instruments invested capital	—	—	—	—	—	—	—	—	—	—	—	—	—	—
3.The amount of share-based payments recorded in owners'equity	—	—	—	—	—	—	—	—	—	—	—	—	—	—
4.others	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Extraction and use of special reserves	—	—	—	—	—	—	—	—	—	—	—	—	—	—
1.Extraction of special reserves	—	—	—	—	—	—	—	—	—	—	—	—	—	—
2.Use of special reserves	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Profit distribution	—	—	—	—	—	—	—	—	—	—	—	—	—	—
1.Surplus reserves	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Including: Statutory accumulation reserve	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Discretionary accumulation	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Reserve fund	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Enterprise expansion funds	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Profits capitalized on return of investment	—	—	—	—	—	—	—	—	—	—	—	—	—	—
2. Provision for normal risks	—	—	—	—	—	—	—	—	—	—	—	—	—	—
3. Profit distributed to owners (or stockholders)	—	—	—	—	—	—	—	—	—	—	—	—	—	—
4.others	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Transfers within the owners' equity	—	—	—	—	—	—	—	—	—	—	—	—	—	—
1.Capital surplus conversed to capital (or stock)	—	—	—	—	—	—	—	—	—	—	—	—	—	—
2.Surplus reserve conversed to capital (or stock)	—	—	—	—	—	—	—	—	—	—	—	—	—	—
3.Surplus reserve conversed to capital (or stock)	—	—	—	—	—	—	—	—	—	—	—	—	—	—
4.Variation amounts of defined benefit plans transfer to retained earnings	—	—	—	—	—	—	—	—	—	—	—	—	—	—
5.Other consolidated incomes transfer to retained earnings	—	—	—	—	—	—	—	—	—	—	—	—	—	—
6.Others	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Balance at the end of this report period	**925,876.00**	—	—	—	—	—	—	—	—	—	**-11,247,667.59**	**-10,321,791.59**	—	**-10,321,791.59**

Notes to Financial Statements of 2021

Origin Direct Asia (Shanghai) Trading Company Limited All amounts in RMB unless otherwise stated.

I. Basic Information of the Company

Origin Direct Asia (Shanghai) Trading Company Limited is an enterprise invested and founded by Origin Direct Asia Limited. On February 11, 2010, Shanghai Municipal People's Government approved its establishment and issued the Approval Certificate for the Establishment of Enterprises with Investments of Taiwan,Hong Kong, Macao and Overseas Chinese in PRC (No. 0438 [2010] Certificate for Wholly-owned Foreign Investment Enterprise in Jing'an District in Shanghai). The Company was founded on May 28, 2010. It now possesses a Business License for Enterprise's Legal Person issued by Shanghai Administration for Industry & Commerce (Unified social code91310000551501987A). Its registered capital totals 140,000 U.S. dollars, and its operation period is 20years.

The Company mainly engages in the wholesale, import & export, and agent service with commission (excluding auction) of prepackaged foods (including frozen foods and refrigerated foods; excluding delicatessen and braised foods) and edible agricultural products (excluding unprocessed pork products). It also offers after-sale services regarding those products aforementioned. (Excluding goods subject to the state-run trade administration; for goods subject to administration of quotas and license, related applications shall be transacted in line with corresponding state provisions.) (Operating with administrative permits where they areapplicable.)

II. Primary Accounting Policies and Estimates of the Company

1. **Accounting Standard & Accounting System:** The Company adopts the Accounting Standards for Enterprises and Accounting System for Business Enterprises and corresponding supplementary provisions launched by the state.

2. **Fiscal Year:** From January 1 to December 31 of a calendar year.

3. **Recording Currency:** RMB.

4. **Base of Accounting:** Accrual Basis; **Valuation Principle:** Based on Historical Cost

5. **Translation Method of Transactions in Foreign Currency**

Within a fiscal year, the amount of an economical business involving foreign currency shall be translated into RMB and recorded based on the market exchange rate (medium rate) on the first date of the month when related business occurs launched by People's Bank of China and cross exchange rate provided by State Administration of Foreign Exchange. At the end of each month, balance in foreign currency in foreign currency account shall be adjusted based on market exchange rate (medium rate) and cross exchange rate at the end of that month. For the difference incurred (profit and loss), if the special borrowing in foreign currency is related to the acquisition and construction of fixed assets, principle and interest incurred before they are ready for the intended use shall be capitalized. For those incurred during preparation period shall be recorded as long-term deferred expense. The rest shall be recorded as current expense.

6. **Recognition Standard of Cash Equivalents**

The Company recognizes short-term (expires within 3 months after they are purchased) and highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of change in value it holds as cash equivalents.

7. **Accounting Method for Bad Debt Losses of Accounts Receivable**

(1) Recognition Standard of Bad Debt Losses

(i) Accounts receivable whose collection is still not possible after the use of the bankruptcy assets for settlement or the estate for repayment due to the bankruptcy or death of the debtor;

(ii) Accounts receivable with obvious features that its collection is impossible due to the failure of the debtor to fulfill repayment obligations.

All accounts receivable mentioned above that are for sure irrecoverable shall be recognized as bad debt write-off after being approved by authorized department.

(2) Measurement Method of Bad Debts Losses

Losses on bad debts shall be measured by adopting allowance method. The Company shall withdraw bad debts provisions on all accounts receivable and all other accounts receivable by adopting the specific identification method.

8. **Accounting Method of Inventories**

(1) Classification of the Company's Inventories

Inventories are those finished products or merchandises or those in the process of production for the purpose of selling, and materials and goods used in the production or services providing process as well as others under the Company's possession during the normal production and operation process.Inventories of the Company can be classified as: commodities in storage and low-value consumables.

(2) Determination Method of Entry Value of Inventories Acquired

All inventories shall be initially accounted with their actual costs when they are acquired.

(3) Measurement Method of Inventories on Delivery

Normally, inventories shall be accounted based on their actual costs, while inventories on delivery shall be accounted with First-in First-out method.

(4) Amortization Method of Low-value Consumables

Low-value consumables are amortized on on-off amortization.

(5) Inventory System

The Company uses perpetual inventory system.

(6) Recognition Standard of Depreciation Provision and Related Withdrawing Method

At the end of year, the Company accounts inventories depending on which is lower between the cost and the net realizable value. When the cost of inventories can't be recovered because the inventories suffer from disuse or all or part is stale or out of date, or the sales price is lower than the cost, impairment provision on the exceeding part shall be withdrawn. Related depreciation provisions shall be accounted according to the difference between the cost of individual inventory item and corresponding net realized value. For inventories with huge quantity but lower unit price, cost and net realized value shall be determined based on categories.

Net realized value of inventories shall be determined based on the amount after deducting estimated cost for completion and estimated expense for sales from the estimated sales price during the Company's normal production and operation process.

9. **Measure and Depreciation Policies of Fixed Assets and Method to Withdraw**

Corresponding Impairment Provisions

(1) Standards to Recognize Fixed Assets: Fixed assets refer to as tangible assets having all features as follows synchronously: (i) held for the purpose of producing goods, providing services, lease or for operation and management; (ii) having more than one year of service life; and (iii) respective value is high. Detailed standards are: (i) buildings, structures, machines, machinery and transportation facilities with a service life over a year as well as other equipments, appliances and tools related to production and operation; and (ii) articles that are not major devices of production and operation and bear the unit value of over RMB 2,000 and a service life over 2 years.

(2) Classification of Fixed Assets: Electrical Equipments

(3) Measurement of Fixed Assets and Methods for Impairment Examination and Withdrawing Impairment Provisions: Fixed assets shall be recorded at actual costs or determined values. At the end of each year, the Company will take the impairment examination each by each. When recoverable amount is lower than carrying value, related differenceshall be recognized as impairment provision and be recorded into current profits and losses. Impairment provisions of fixed assets shall be withdrawn on a single item assets base.

(4) Depreciation Method of Fixed Assets

Straight-line method is adopted in depreciation of fixed assets. Depreciation rate of each category of fixed assets was determined according to their original costs and their estimated economical usable lives after deducting their retained values (0% of original costs). Depreciation rate of each category of fixed assets is:

Category	Depreciation Age (Years)	Annual Depreciation Rate (%)
Electrical Equipments	3	33.33
Office furniture	5	20.00

For a fixed asset whose provision for depreciation had been made, when making depreciation, its depreciation rate and amount shall be re-determined based on its carrying amount and retained usable life. For a fixed asset whose provision for depreciation had been made, when its value resumes, its depreciation rate and amount shall be re-determined based on its resumed carrying amount and retained usable life.

10. Recognition Method of Revenues

(1) From Selling Goods

The Company recognizes related amount as operating revenue when it already transferred the significant risks and rewards of ownership of the goods to the buyer, when it retains neither continuous management right nor actual control over the sold goods, when relevant economic benefits may flow into the company, and when relevant amount of revenue and relevant costs incurred can be measured in a reliable way.

11. Accounting Treatment on Lease Business

(1) The Company's Accounting Treatment on Operating Lease Business as the Lessee

The rents from operating leases shall be recognized as the expense by using straight-line method over each period of the lease term.

12. Accounting Treatment Method on Income Tax

The Company adopts the tax payable method.

13. Taxes

Tax types and rates available for the Company are:

Tax Type	Income Tax	Value-added Tax
Tax Rate	25%	9%
Tax Base	Income Tax Payable	Output Tax for the Period Deducting Input Tax for the Period

III. Changes on Significant Accounting Policies & Estimates and Explanations on Corrections of Material Accounting Errors

Till the date of these financial statements, the Company conducted no change on significant accounting policies and estimates and had no correction on material accounting errors.

IV. Notes to Items in Financial Statements

1. Cash and Cash Equivalents

Item	Ending Amount	Beginning Amount
Cash	22,951.84	20,298.46
Deposit in Bank	511,333.81	1,366,830.93
Total	**534,285.65**	**1,387,129.39**

2. Prepayment

Analysis on Prepayment based on aging:

	Ending Balance			Beginning Balance		
Aging	Amount	Percentage in Total (%)	Bad Debt Provision	Amount	Percentage in Total (%)	Bad Debt Provision
Within a Year	771,003.52	99.93	–	457,288.80	100.00	–
1 to 2 Years	532.50	0.07	–	–	–	–
Total	**771,536.02**	**100.00**	–	**457,288.80**	**100.00**	–

Information of debtors regarding huge amount in Prepayment at the end of year:

Name of Debtor	Balance at End of Year	Type or Content	Aging
Shanghai Ouheng Import and Export Co., Ltd	725,195.59	Expenses of taxation	In 1 Year

3. Other Account Receivable

Analysis on other account receivable based on aging:

	Ending Balance			Beginning Balance		
Aging	Amount	Percentage in Total (%)	Bad Debt Provision	Amount	Percentage in Total (%)	Bad Debt Provision
Within a Year	26,681.82	6.90	–	273,536.03	66.92	–
1 to 2 Years	261,651.46	67.71	–	73,679.80	18.03	–
2 to 3 Years	40,000.00	10.35	–	3,385.63	0.83	–
Over 3 years	58,120.00	15.04	–	58,120.00	14.22	–
Total	**386,453.28**	**100.00**	–	**408,721.46**	**100.00**	–

Information of debtors regarding huge amount in other account receivable at the end of year:

Name of Debtor	Balance at End of Year	Type or Content	Aging
Jason	269,611.68	Loan	Within 2 Year

4. **Fixed Assets**

(1) **Original Cost:**

Item	Beginning Balance	Current Increase	Current Decrease	Ending Balance
Electrical Equipments	133,744.93	8,030.00	–	141,774.93
Office Furniture	14,675.00	–	–	14,675.00
Total	**148,419.93**	**8,030.00**	–	**156,449.93**

(2) **Accumulated Depreciation:**

Item	Beginning Balance	Current Increase	Current Decrease	Ending Balance
Electrical Equipments	100,262.94	12,149.19	–	112,412.13
Office Furniture	13,207.53	–	–	13,207.53
Total	**113,470.47**	**12,149.19**	–	**125,619.66**

(3) **Net Value:**

Item	Beginning Balance	Ending Balance
Electrical Equipments	33,481.99	29,362.80
Office Furniture	1,467.47	1,467.47
Total	**34,949.46**	**30,830.27**

5. **Account Payable**

Analysis on account payable based on aging:

	Ending Balance		Beginning Balance	
Aging	**Amount**	**Percentage**	**Amount**	**Percentage**
Within a Year	8,195,631.31	83.85	11,585,671.04	90.08
1 to 2 Years	346,607.37	3.55	0.52	–
2 to 3 Years	0.52	–	1,275,673.35	9.92
Over 3 years	1,232,245.35	12.61	–	–
Total	**9,774,484.55**	**100.00**	**12,861,344.91**	**100.00**

Information on creditors lending huge amount in account payable at the end of year:

Name of Debtor	Balance at End of Year	Type or Content	Aging
ODA HK	8,449,947.50	Payment for Goods	Within 2 Years

6. **Advances from customers**

Analysis on advances from customers based on aging:

	Ending Balance		Beginning Balance	
Aging	**Amount**	**Percentage**	**Amount**	**Percentage**
Within a Year	6,329,341.46	100.00	2,790,169.87	100.00
Total	**6,329,341.46**	**100.00**	**2,790,169.87**	**100.00**

Information on creditors lending huge amount in advances from customers at the end of year:

Name of Debtor	Balance at End of Year	Type or Content	Aging
Shanghai Ruifu Trading Co., Ltd	2,267,361.69	Payment for Goods	Within 1 Year
Miss Yu	1,400,000.00	Payment for Goods	Within 1 Year
Miss Pang	1,005,772.00	Payment for Goods	Within 1 Year
Shanghai Yuji Trading Co., Ltd	860,580.00	Payment for Goods	Within 1 Year

7. Tax Payable

Type	Ending Balance	Beginning Balance
Value-added Tax	-2,043,713.12	-1,790,944.50
Individual Income Tax	16,681.39	14,817.28
Stamp duty	32.10	12,514.30
Total	**-2,026,999.63**	**-1,763,612.92**

8. Paid-in Capital

Name of Investor	Beginning Balance				Ending Balance	
	Invested Amount	Percentage	Current Increase	Current Decrease	Invested Amount	Percentage
Origin Direct Asia Limited	925,876.00	100.00%	–	–	925,876.00	100.00%
Total	**925,876.00**	**100.00%**	–	–	**925,876.00**	**100.00%**

Details in above paid-in capital item had already been reviewed by Shanghai Yonghua Certified Public Accountants and related Capital Verification Report (No. 141 [2011] Capital Verification Report of Shanghai Yonghua) was also issued by this office on August 24, 2011.

9. Undistributed Profit

Item	Amount
Beginning Balance of Current Year	-11,247,667.59
Current Increase	-2,151,801.97
Including: Transfer-in of Net Profits of Current Year	-2,151,801.97
Ending Balance of Current Year	**-13,399,469.56**

10. Revenue of Main Business

Item	Amount of Current Year	Amount of Last Year
Revenue of Fruit Trading	11,158,109.09	19,665,944.91
Total	**11,158,109.09**	**19,665,944.91**

11. Cost of Main Business

Item	Amount of Current Year	Amount of Last Year
Cost of Fruit Trading	9,033,230.69	17,734,812.11
Total	**9,033,230.69**	**17,734,812.11**

12. Sales Expense

Item	Amount of Current Year	Amount of Last Year
Accumulative Amount of Current Year	**2,424,049.51**	**1,440,057.60**
Main Items Include:	–	–
Bonus	117,613.79	76,698.11
Freight	406,987.67	**233,776.32**
The sales salary	852,577.03	635,740.60
Service charge	506,868.36	88,842.52
Warehousing charges	347,272.30	–

13. Administrative Expense

Item	Amount of Current Year	Amount of Last Year
Accumulative Amount of Current Year	**2,080,369.24**	**1,748,464.54**
Main Items Include:	–	–
Rents for Houses	276,000.00	276,000.00
Wages of Employees	831,232.20	940,288.12
Financial service fee	72,600.00	67,359.00
Social insurance premium	384,209.98	107,248.30

14. Financial Expense

Item	Amount of Current Year	Amount of Last Year
Interest Expense	–	–
Less: Interest Income	5,531.24	3,377.09
Exchange Loss	–	–
Less: Exchange Income	238,241.31	680,033.40
Bank Commission	9,499.06	7,317.02
Total	**-234,273.49**	**-676,093.47**

V. Relationship and Corresponding Transactions with Related Parties

1. Related Parties Having a Relationship of Controlling

(1) Information of Related Parties Having a Relationship of Controlling

Name of Enterprise	Origin	Relationship with the Company	Economical Characteristic or Type
Origin Direct Asia Limited	Hong Kong	Investor	Legal Representative in Hong Kong

(2) Quantities and Changes of Shares Held by Related Parties Having a Relationship of Controlling

Name of Enterprise	Beginning Amount		Current Increase	Current Decrease	Ending Amount	
	Amount	Percentage			Amount	Percentage
Origin Direct Asia Limited	925,876.00	100.00%	–	–	925,876.00	100.00%
Total	**925,876.00**	**100.00%**	–	–	**925,876.00**	**100.00%**

(3) Purchase transaction amount of related parties with control relationship

Type	Ending Balance
Purchase inventory goods	11,052,708.21
Total	**11,052,708.21**

(4) The Final Transaction Balance of the Related Party in the Relationship of Controlling

Type	Ending Balance	Beginning Balance
Account Payable	8,406,519.50	11,532,588.15
Total	**8,406,519.50**	**11,532,588.15**

VI. Contingencies

Till December 31, 2021, the Company had no contingency such as mortgage or promise needed to be disclosed.

VII. Subsequent Events

Till these financial statements were signed and issued, the Company had no subsequent event that would affect the reading and understanding of them.

VIII. Explanation on going concern

Origin Direct Asia (Shanghai) Trading Company Limited On December 31, 2021, current liabilities are greater than total assets by RMB12,473,593.56. The Company's stockholders undertake continuing support to the Company in the operations of year 2022 and the following years to assure the capital needed for development of business, to assure the ability of the Company as a going concern, and to gradually turn losses into gains.

IX. Approval of Accounting Statement

The Accounting Statement of 2021 was already approved by authorized department of the Company.

Origin Direct Asia (Shanghai) Trading Company Limited

Legal Representative (Signature & Seal)

June 6, 2022

INDEPENDENT AUDITOR'S REPORT

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To the Board of Directors
Bristlecone Limited

We have audited the accompanying special purpose parent-only financial statements ("special purpose financial statements") of Bristlecone Limited (the 'Company', a Cayman Islands corporation and subsidiary of Mahindra Holdings Limited), which comprise the statement of assets and liabilities as of March 31, 2022, and the related statements of revenues and expenses, changes in stockholders' equity, and cash flows for the years then ended, and the related notes to the financial statements.

Management's responsibility for the special purpose financial statements

Management is responsible for the preparation and fair presentation of these special purpose financial statements in accordance with the basis of accounting as described in Note A (3.1) to the special purpose financial statements. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of special purpose financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these special purpose financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the special purpose financial statements referred to above present fairly, in all material respects, the financial position of the Company as of March 31, 2022, and the results of its operations and its cash flows for the years then ended in accordance with the basis of accounting as described in Note A (3.1).

Basis of accounting

We draw attention to Note A(3.1) of the accompanying special purpose financial statements, which describes the basis of accounting for the aforesaid special purpose financial statements. These special purpose financial statements have been prepared for the information and use of the management of Bristlecone Limited and to enable Mahindra Holdings Limited to prepare its consolidated financial statements for the year ended 31 March 2022 and therefore, these special purpose financial statements may not be suitable for any other purpose. Our opinion is not modified with respect to this matter.

Restriction on use

This report is intended solely for the use of the management of Bristlecone Limited and Mahindra Holdings Limited for the aforementioned purpose, and accordingly, may not be suitable for any other purpose, and should not be used, referred to or distributed for any other purpose or to any other party without our prior written consent. Further, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

Grant Thornton Bharat LLP

Mumbai, India

Date: May 10, 2022

STATEMENT OF ASSETS AND LIABILITIES
AS AT MARCH 31, 2022

	Note ref.	As at March 31, 2022 USD	As at March 31, 2021 USD
ASSETS			
Current assets			
Cash and cash equivalents	B	**1,931,600**	1,209,821
Other receivable		**–**	7,700
Total current assets		**1,931,600**	1,217,521
Non-Current assets			
Investments in subsidiaries	C	**29,796,908**	29,631,131
Total non-current assets		**29,796,908**	29,631,131
Total assets		**31,728,508**	30,848,652
LIABILITIES AND STOCKHOLDERS' EQUITY			
Current liabilities			
Accounts payable			
To Subsidiary	I	**12,665**	317,440
To Others		**62,759**	77,145
Short term borrowring	E		
From related party		**12,000,000**	500,000
From others		**12,250,000**	12,250,000
Accrued Interest expense	E		
To related party		**130,178**	18,069
To others		**580**	630
Total Current liabilities		**24,456,182**	13,163,284
Stockholders' Equity, Including Convertible preference shares	F		
37,000,000 authorized Common stock at par value of US$ 0.001 each shares and 4,778,750 shares issued as at March 31, 2022 (10,283,860 shares issued as at March 31, 2021)		**4,779**	10,284
9,000,000 authorized Series A Preferred stock at par value of US$ 0.001 each shares and 7,791,037 shares issued as at March 31, 2022 (8,075,526 shares issued as at March 31, 2021)		**7,792**	8,076
12,000,000 authorized Series B Preferred stock at par value of US$ 0.001 each shares and 6,920,000 shares issued as of March 31, 2022 and March 31, 2021		**6,920**	6,920
Additional paid-in-capital		**10,883,871**	17,844,218
Retained earnings		**(3,631,036)**	(184,130)
Total stockholders' equity		**7,272,326**	17,685,368
Total liabilities and stockholders' equity		**31,728,508**	30,848,652

(The accompanying notes are an integral part of these financial statements)

STATEMENT OF INCOME FOR THE YEAR ENDED MARCH 31, 2022

	Note Ref.	**Year ended March 31, 2022 USD**	Year ended March 31, 2021 USD
Revenue	D	**16,350,781**	1,367,992
Expenses			
Stock compensation expenses	G	**4,526**	18,411
General and administrative expenses		**98,792**	116,209
Interest expense	E	**332,387**	346,688
Total expenses		**435,705**	481,308
Net Profit before tax		**15,915,076**	886,684
Income tax	D	**3,519,766**	290,287
Net Profit		**12,395,310**	596,397

(The accompanying notes are an integral part of these financial statements)

STATEMENT OF CASH FLOWS

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2022

	Year ended March 31, 2022 USD	Year ended March 31, 2021 USD
Cash flow from operating activities		
Net profit	**12,395,310**	596,397
Adjustments to reconcile net profit to net cash provided by/(used in) operating activities		
Stock compensation expenses	**4,526**	18,411
Changes in assets and liabilities		
(Decrease)/Increase in Accounts Payable	**(319,161)**	72,305
Increase in Accrued Interest	**112,059**	17,262
Decrease/(Increase) in other receivables	**7,700**	(7,700)
Net cash generated from operating activities	**12,200,434**	696,675
Cash flow from financing activities		
Proceeds from exercise of stock options	**69,371**	16,888
Buyback of shares	**(23,048,026)**	–
Proceeds from short term borrowing, related parties	**11,500,000**	–
Net cash (used in)/provided by financing activities	**(11,478,655)**	16,888
Net increase in cash and cash equivalents	**721,779**	713,563
Cash and cash equivalents at the beginning of the year	**1,209,821**	496,258
Cash and cash equivalents at the end of the year	**1,931,600**	1,209,821
Supplemental disclosures		
Interest paid	**220,328**	329,426
Income taxes paid	**3,519,766**	290,287
Dividend received	**16,350,778**	1,367,989

(The accompanying notes are an integral part of these financial statements)

STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

Amounts in USD

Particulars	Preferred stock		Common stock		Additional paid in capital	Retained earnings	Total stockholders' equity
	Shares	Amount	Shares	Amount	Amount	Amount	Amount
Balance as at April 1, 2020	**14,995,526**	**14,996**	**10,181,985**	**10,182**	**17,680,831**	**(780,527)**	**16,925,482**
Stock issued against stock-based compensation plans	–	–	101,875	102	16,786	–	16,888
Stock compensation expense	–	–	–	–	18,411	–	18,411
Investment in subsidiary (Refer note 3.4)	–	–	–	–	128,190	–	128,190
Net Profit for the year	–	–	–	–	–	596,397	596,397
Balance as at March 31, 2021	**14,995,526**	**14,996**	**10,283,860**	**10,284**	**17,844,218**	**(184,130)**	**17,685,368**
Stock issued against stock-based compensation plans	–	–	111,600	112	69,259	–	69,371
Buy back of shares	(284,489)	(284)	(5,616,710)	(5,617)	(7,017,836)	(12,247,522)	(19,271,259)
Cost of shares buy back	–	–	–	–	(182,073)	(3,594,694)	(3,776,767)
Stock compensation expense	–	–	–	–	4,526	–	4,526
Investment in subsidiary (Refer note 3.4)	–	–	–	–	165,777	–	165,777
Net profit for the year	–	–	–	–	–	12,395,310	12,395,310
Balance as at March 31, 2022	**14,711,037**	**14,712**	**4,778,750**	**4,779**	**10,883,871**	**(3,631,036)**	**7,272,326**

NOTES TO SPECIAL PURPOSE PARENT-ONLY FINANCIAL STATEMENTS

NOTE A – BACKGROUND INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. NATURE OF OPERATIONS

Bristlecone Limited (the "Company") is the Holding Company for the Bristlecone Group, which comprises of the Company and its wholly owned subsidiaries, Bristlecone India Limited, Bristlecone Inc., Bristlecone UK Ltd, Bristlecone GmbH, Bristlecone (Singapore) Pte. Limited, Bristlecone (Malaysia) SDN BHD, Bristlecone Consulting Limited (Canada), Bristlecone International AG (Switzerland), Bristlecone Middle East DMCC (UAE) and Bristlecone International Costa Rica Limited (the Group). The Group is engaged in providing technology solutions and consulting services with principal operations in the United States of America, India, Singapore, Malaysia, Germany, Switzerland, Canada, United Kingdom and UAE. The Group's primary focus is on providing supply chain services ranging from supply chain strategy and network design to supply chain system implementations. The Group also provides application outsourcing services, data management services and development and integration services to independent software vendors.

2. GENERAL INFORMATION

The Company was incorporated under the laws of 'The Cayman Islands' on February 3, 2004. The Company commenced commercial operations on May 17, 2004 and is a subsidiary of Mahindra Holdings Limited ("Holding Company"), an Indian Company, which is ultimately held by Mahindra & Mahindra Limited ("the Group's ultimate Holding Company").

The Company does not have active commercial operations. It engages in financing and treasury functions for the Group as a whole.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the significant accounting policies applied in the preparation of the accompanying special purpose parent-only financial statements is as follows:

3.1. OVERALL CONSIDERATIONS

The accompanying financial statements have been prepared on going concern basis under the historical cost convention on the accrual basis of accounting in accordance with the group accounting policies as contained in consolidated financial statements of the holding Company, Bristlecone Limited and its subsidiaries and described herein these notes to reflect the financial position, revenues and expenses and cash flows of the Company.

These special purpose parent – only financial statements have been prepared for the purpose of consolidation with the financial statements of Mahindra Holdings Limited, the Holding Company and are not intended to be a presentation in conformity with accounting principles generally accepted in the United States of America. The investments in the subsidiary companies have been accounted at cost. The profits/losses of the subsidiary company have not been accounted or consolidated in these special purpose parent-only financial statements.

These special purpose financial statements have been prepared on a going concern basis, which assumes the realization of assets and satisfaction of liabilities in the normal course of business. These financial statements have been presented in the United States Dollars ('$'), which is the functional and reporting currency of the Company.

3.2. USE OF ESTIMATES

In preparing the Company's financial statements in conformity with the accounting policies stated herein, the Company's management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements as well as the reported amounts of other income and expenses during the reporting period. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from those estimates. The management's estimates for expected forfeitures of employee stock options and realization of carrying value of investments represent certain of these particularly sensitive estimates.

3.3. CASH AND CASH EQUIVALENTS

The Company considers all highly liquid investments and deposits with an original maturity of three months or less to be cash equivalents. Cash comprises cash on hand and balance in checking and money market accounts with bank.

3.4. INVESTMENTS

Investments in subsidiaries are carried at cost. Cost is determined based on the cash paid and other liabilities assumed by the Company. Consideration that has been settled by issue of the Company's shares is also considered in arriving at the cost of investments. Provision for impairment is made, whenever the estimated fair value of investments is expected to be lower than the carrying value of investments.

The investments in subsidiary companies are increased for the stock compensation expenses against the stock options issued to the employees of subsidiaries by the Company.

At each reporting date, the Company determines whether there is objective evidence that the investment in the subsidiary is impaired. If there is such evidence, the Company calculates the amount of impairment as the difference between the fair value of the subsidiary and its carrying value, and then recognises the loss as 'Provision towards impairment' in the statement of profit and loss.

3.5. REVENUE

Dividend Income

Dividend received from subsidiaries is recorded as income for the year and is recognised when the Company's right to receive the payment is established, it is probable that the economic benefits associated with the dividends will flow to the Company and the amount of the dividend can be measured reliably. The taxes payable as per the applicable tax laws in respective jurisdictions are recorded as tax expense for the year.

3.6. INTEREST EXPENSE

Interest expense on loans/borrowings is recorded on accrual basis. Interest expense primarily consist of interest on our borrowings under credit facility and interest on loan from related Parties.

3.7. STOCK COMPENSATION

The Company accounts for equity-settled options granted to employees in accordance with ASC 718, "Stock Compensation". ASC 718 addresses the accounting for stock payment transactions in which an enterprise receives employee services in exchange for equity instruments of the enterprise or liabilities that are based on the fair value of the enterprise's equity instruments or that may be settled by the issuance of such equity instruments.

The Company recognizes stock-based compensation expense in the statements of income for awards of equity instruments to employees based on the grant-date fair value of those awards. The Company recognizes these compensation costs on straight-line basis over the requisite service period of the award. Forfeitures are accounted when the actual forfeitures occur.

ASC 718 requires the use of a valuation model to calculate the fair value of stock awards. The Company elected to use the Black-Scholes-Merton pricing model to determine the fair value of stock awards on the date of grant. Refer Note G - Stock Compensation.

NOTE B – CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise of:

Particulars	**As at March 31, 2022 US$**	As at March 31, 2021 US$
Balance in checking and money market accounts	**1,931,600**	1,209,821

The balances of the Company are held in checking accounts and money market accounts, with the banks participating in the Transaction Account Guarantee Program of Federal Deposit Insurance Corporation (FDIC). Under that program, through March 2022, all transaction accounts are fully guaranteed by the FDIC for US$ 250,000 per tax ID for balances held in checking and money market accounts.

As at March 31, 2022, the Company has US$ 1,681,600 [2021: US$ 959,821] as balances in excess of the federally insured amounts.

NOTE C – INVESTMENTS

Investments as at year end comprise of investment in subsidiary companies:

Particulars	**As at March 31, 2022 US$**	As at March 31, 2021 US$
Bristlecone India Limited	**5,141,789**	5,141,789
Bristlecone Inc.	**24,453,393**	24,287,616
Bristlecone UK Limited (net)	**–**	–
Bristlecone (Malaysia) SDN. BHD.	**129,261**	129,261
Bristlecone Consulting Ltd.	**1**	1
Bristlecone International AG.	**58,761**	58,761
Bristlecone Middle East DMCC	**13,703**	13,703
Bristlecone International Costa Rica Limited	**–**	–
Total	**29,796,908**	29,631,131

The Company has investment of US$ 4,134,053 [2021: US$ 4,134,053] in Bristlecone UK Limited, a wholly owned subsidiary company. The accumulated losses, as at March 31, 2022, of the subsidiary on the basis of audited financial statements for the year ended March 31, 2022 are GBP 1,752,580 [2021: GBP 1,806,287].

The cumulative provision towards impairment of the value of investments is US$ 4,134,053 [2021: US$ 4,134,053], which represents difference between total investment value and the estimated fair value of investments in the subsidiary.

Bristlecone International Costa Rica Limited, a wholly-owned subsidiary is incorporated effective January 04, 2022, and is yet to commence operations.

NOTE D – REVENUE

Bristlecone India Limited paid a dividend of US$ 16,116,143 [2021: 13,67,989]. Tax on the dividend amounting to US$ 3,519,766 [2021: 290,287] is classified as foreign taxes under income tax expenses.

Bristlecone (Malaysia) Sdn. Bhd. has paid a dividend of US$ 234,635 [2021: Nil] during the year.

The Company has earned interest income of US$ 3 [2021:US$ 3] on Money market account with Silicon Valley Bank.

NOTE E – SHORT TERM BORROWING

The Company has obtained an uncommitted line of credit amounting to US$ 12,250,000 from Bank of America, N.A. The terms of line of credit provided a ceiling for the total limit at US$ 12,250,000 and the amount drawn was repayable on demand. The interest rate was 1.8765% p.a, which was 150 basis points over LIBOR which is revised to 1.7252% w.e.f. from September 24, 2021. As at March 31, 2022, the entire amount is drawn against the said line of credit. The line of credit is unsecured and the agreement did not contain any financial covenants.

The Company has obtained loan from its subsidiaries during the current year and previous year. The details of loan obtained during the year, interest rate and closing balance as on March 31, 2022 is given in below table:

Name of the Subsidiary	As at April 1, 2021	Obtained during the Year	Closing balance	Interest Rate
Bristlecone Inc.	500,000	–	500,000	3.565%
Bristlecone Inc.	–	5,000,000	5,000,000	2.250%
Bristlecone GmbH	–	4,500,000	4,500,000	2.250%
Bristlecone International AG.	–	2,000,000	2,000,000	2.250%
Total	**500,000**	**11,500,000**	**12,000,000**	

Interest expenses for the year ended March 31, 2022 towards the line of credit was US$ 220,278 [2021: 328,863] and towards the loan from subsidiaries Companies was US$ 112,109 [2021: US$ 17,825]. The interest is recordered based on effective interest rates.

NOTE F – STOCKHOLDERS' EQUITY

The Company's authorized share capital comprise of 9,000,000 Series A Preferred Stock at par of US$ 0.001 each, 12,000,000 Series B Preferred Stock at par of US$ 0.001 each and 37,000,000 Common Stock at par of US$ 0.001 each as at March 31, 2022 of which 7,791,037 Series A Preferred Stock, 6,920,000 Series B Preferred Stock and 4,778,750 Common Stock are issued at par and outstanding as at March 31, 2022.

Conversion of Preferred Stock

Each Series A Preferred Stock and Series B Preferred Stock are entitled to be converted, without payment of any additional consideration, into one fully paid Common Stock.

Voting

Every member, present in person or by proxy, is entitled to one vote for each Common Stock held. Each Series A Preferred Stockholder and Series B Preferred Stockholder is entitled to votes derived based on ratio of conversion between Preferred Stock and Common Stock on the record date of the Meeting or if no record date is established, the date the poll is taken.

Liquidation

In the event of any liquidation, dissolution or winding up of the Company, holders of Series A & B Preferred Stock are entitled to an amount of one hundred and fifty percent (150%) of the original purchase price of such Stock (as adjusted for any recapitalization, stock combinations, dividends, stock splits and the like) in preference to any distribution to holders of Common Stock.

Additional Paid in Capital

Additional Paid in Capital comprises the capital contributions relating to the issue of the Company's Common Stock and Preferred Stock and amounts adjusted on accounting for the Group reorganization involving acquisition of stake in various subsidiary companies, buy back of shares and on accounting for stock compensation.

NOTE G – STOCK COMPENSATION

Bristlecone Limited has four Stock Option Plans:

1. Bristlecone Limited 2004 Stock Option Plan (arising out of conversion of the earlier Bristlecone Inc. Existing Stock Option Plan) and Bristlecone Limited 2008 Stock Option Plan:

   Pursuant to the terms of the acquisition of Bristlecone Inc. on May 17, 2004 by Bristlecone Limited (the "transaction"), the then existing outstanding options of Bristlecone Inc., aggregating to a total of 2,058,493 options were cancelled and fresh options were issued by Bristlecone Limited under 2004 stock option plan based on the exchange criteria set out in the transaction documents.

   Options granted under these plans include incentive stock options and non-statutory stock options. As per these plans, 25 per cent of the Shares subject to the Option, vest on the one (1) year anniversary of the vesting commencement date, and 1/48 of the options vest each month thereafter on the same day of the month as the vesting commencement date, subject to the grantee continuing to be an employee through each such date. The term of each Option is stated in the Option Agreement; provided, however, that the term shall be no more than 10 years from the date of grant thereof. The exercise price of each option, (a) granted to an employee who at the time of grant of such option, owns stock representing more than 10 per cent of the voting power of all classes of stock of the Company or any Parent or Subsidiary, shall be no less than 110 per cent of the Fair Market Value per Share as determined by the

Board on the date of grant (b) granted to any other employee, shall be no less than 100 per cent of the Fair Market Value per Share determined by the Board on the date of grant, unless otherwise ratified by the Board.

2. Bristlecone Limited Amended and Restated 2004 Stock Option Plan and Bristlecone Limited 2005 Stock Option Plan for Bristlecone India employees:

Options granted under these plans include incentive stock options and non-statutory stock options. As per these plans, 25 cent of the Shares subject to the Option, vest on the completion of 12 calendar months from the vesting commencement date, and no vesting shall occur prior to the completion of such period of 12 months. Subsequently, 6.25 per cent of the options vest on the completion of each 3 month period thereafter until full vesting is completed, subject to the grantee continuing to be an employee through each such date. The term of each Option is stated in the Option Agreement; provided, however, that the term shall be no more than 10 years from the date of grant thereof. The exercise price of each option, (a) granted to an employee who at the time of grant of such option, owns stock representing more than 10 per cent of the voting power of all classes of stock of the Company or any Parent or Subsidiary, shall be no less than 110 per cent of the Fair Market Value per Share as determined by the Board on the date of grant (b) granted to any other employee, shall be no less than 100 per cent of the Fair Market Value per Share determined by the Board on the date of grant.

Particulars	Options outstanding Year ended March 31, 2022	Weighted average exercise price March 31, 2022	Options outstanding Year ended March 31, 2021	Weighted average exercise price March 31, 2021
Stock Option 2008 Plan				
Outstanding at April 1	**1,012,565**	**US$ 1.76**	903,250	US$ 2.37
Granted	–	–	503,774	US$ 2.03
Exercised	**111,600**	**US$ 0.62**	101,875	US$ 0.17
Expired / forfeited	**76,341**	**US$ 1.83**	292,584	US$ 2.32
Outstanding at March 31	**824,624**		1,012,565	

The Company has a total option pool of 18,95,586 options as at March 31, 2022 towards all the above options and the unallocated options against this pool as at March 31, 2022 is 10,70,962 options.

Additional information on outstanding options:

Grant Price	No of options outstanding	
	March 31, 2022	March 31, 2021
US$ 0.10 (2014)	**64,500**	126,500
US$ 0.77 (2015)	**27,500**	59,000
US$ 1.26 (2016)	**15,000**	15,000
US$ 1.41 (2017)	–	40,000
US$ 2.14 (2018)	**113,850**	143,291
US$ 2.38 (2021)	**50,000**	75,000
US$ 2.87 (2021)	**50,000**	50,000
US$ 2.03 (2021)	**503,774**	503,774

Options outstanding that have vested and exercisable and Unvested are as follows:

	March 31, 2022			March 31, 2021		
Particulars	**Outstanding options**	**Weighted average exercise price (in US$)**	**Weighted average remaining contract term (in years)**	Outstanding options	Weighted average exercise price (in US$)	Weighted average remaining contract term (in years)
Stock Option 2008 Plan						
Vested and exercisable	**481,795**	**1.78**	**5.45**	419,985	1.29	4.92
Unvested	**342,829**	**2.09**	**8.55**	592,580	2.10	9.29

Stock unit activity under stock-based compensation plans is shown below:

	March 31, 2022		March 31, 2021	
Particulars	**Number**	**Weighted Average exercise price**	Number	Weighted Average exercise price
Those vested at the beginning of the year	**419,985**	**1.29**	595,787	1.15
Vested	**193,094**	**2.11**	61,553	2.16
Forfeited	**(19,684)**	**1.43**	(135,480)	2.32
Exercised during the year	**(111,600)**	**0.62**	(101,875)	0.17
Those unvested at the end of the year	**481,795**	**1.78**	419,985	1.29

	March 31, 2022		March 31, 2021	
Particulars	**Number**	**Weighted Average exercise price**	Number	Weighted Average exercise price
Those unvested at the beginning of the year	**592,580**	**2.10**	307,463	2.50
Those unvested at the end of the year	**342,829**	**2.09**	592,580	2.10
Those that during the year were:				
Vested	**193,094**	**2.11**	61,553	2.16
Granted	–	–	503,774	2.03
Forfeited	**56,657**	**1.97**	157,104	2.32

Stock compensation expense has been determined based on the fair values of the options estimated on the date of grant using the Black-Scholes model with the following assumptions:

Particulars	Year ended March 31, 2021
Dividend yield	**0 percent**
Expected life	**6.25 years**
Risk free interest rate	**1.56 percent**
Volatility	**53.57 percent**

There are no new grants of stock options that have been made by the Company during the year ended 31 March 2022.

The Black-Scholes-Merton model is considered to be the most appropriate model for determination of fair value of the share-based awards. In determining the fair value of share-based awards using the Black-Scholes-Merton option pricing model, management is required to make certain estimates of the key assumptions that include expected term, expected volatility of shares, dividend yield and risk free interest rate. Estimating these key assumptions involves judgment regarding subjective future expectations of market prices and trends. The assumptions for expected term and expected volatility have the most significant effect on calculating the fair value of our share options. We use the historical volatility of our publicly traded peers' in order to estimate future share price trends. In order to determine the estimated period of time that we expect employees to hold their share-based options, we have used historical exercise pattern of employees. The aforementioned inputs entered into the option valuation model that we use to determine the fair value of our share awards are subjective estimates and changes to these estimates will cause the fair value of our share-based awards and related share-based compensation expense we record to vary.

Unrecognized compensation expense associated under the fair value method for shares expected to vest (unvested options net of expected forfeitures) as of March 31, 2022 was approximately US$ 360,691 [2021: US$ 591,267] and is expected to be recognized over a weighted average period of 1.41 years (2021: 2.22 years).

The aggregate fair value of all options granted during the year is Nil (2021: US$ 533,129) and weighted average grant date unit fair value of options vested during the year is US$ 1.058.

There have been no modifications or cancellations of the above plans during the current or preceding year.

Additional disclosures pertaining to compensation expense, net of costs allocated to Group entities:

The Company has recognized stock compensation expense of US$ 4,526 [2021: US$ 18,411] for the year ended March 31, 2022. The Company received an amount of US$ 69,371 [2021: US$ 16,888] for exercise of stock options in the current year.

NOTE H – CONTINGENCIES

The Company may be subject to legal claims in the normal course of business. Management believes that there are no such claims that would be material to the financial condition or results of operations.

NOTE I – RELATED PARTY TRANSACTIONS

The Company had the following transactions with its parent and subsidiaries:

1. List of related parties and relationships (where there are transactions):

Name of related party and relationship
Ultimate Holding Company
Mahindra and Mahindra Limited
Holding Company
Mahindra Holdings Limited
Subsidiary Companies
Bristlecone Inc.
Bristlecone India Limited
Bristlecone GmbH
Bristlecone International AG.
Bristlecone Malaysia Sdn. Bhd.
Key Management Personnel
Nirav Patel (CEO)

2. Related party balances:

		March 31, 2022	March 31, 2021
Nature of transaction	**Name of related party**	**Amount (in US$)**	Amount (in US$)
Interest payable as at year end	Bristlecone Inc.	**76,887**	18,069
	Bristlecone GmbH	**36,894**	–
	Bristlecone International AG	**16,397**	–
Principal amount of loan repayable as at year end	Bristlecone Inc.	**5,500,000**	500,000
	Bristlecone GmbH	**4,500,000**	–
	Bristlecone International AG	**2,000,000**	–
Amount payable as at year end	Bristlecone Inc.	**12,665**	317,440

3. Related party transactions:

		March 31, 2022	March 31, 2021
Nature of transaction	**Name of related party**	**Amount (in US$)**	Amount (in US$)
Dividend received during the year	Bristlecone Malaysia Sdn. Bhd.	**234,635**	–
Dividend received during the year	Bristlecone India Limited	**16,116,143**	1,367,989
Expenses paid on behalf of the Company	Bristlecone Inc.	**12,665**	56,680
Interest expense	Bristlecone Inc.	**58,867**	17,825
	Bristlecone GmbH	**36,894**	–
	Bristlecone International AG	**16,397**	–

NOTE J - FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying amount of the Company's cash equivalents, Other receivable and current liabilities approximated their fair values due to their short maturities.

NOTE K – RECENT ACCOUNTING PRONOUNCEMENT

New Accounting Standards yet to be adopted by the Company:

In February 2016, the FASB issued ASU 2016-02, Leases. The standard requires all leases with lease terms over twelve months to be capitalized as a right-of-use asset and lease liability on the balance sheet at the date of lease commencement. Leases will be classified as either finance or operating. This distinction will be relevant for the pattern of expense recognition in the income statement. This standard will be effective for the financial year ending March 31, 2023.

NOTE L – BUYBACK OF COMMON STOCK AND PREFERRED STOCK

The Board of Directors of the Company at its meeting held on October 13 2021, approved a proposal to buyback Common and Preferred Stock of the Company at a price of $3.90 per stock. A Letter of Offer was made to all eligible shareholders. The Company bought back 5,616,710 Common Stock and 284,489 Preferred Stock out of the shares that were tendered by eligible shareholders and retired the Common and Preferred Stock. The excess of buy-back consideration over fair value of shares was offset from retained earnings and additional paid in Capital.

NOTE M – SUBSEQUENT EVENTS

The Company has evaluated subsequent events through May 10, 2022, the date these financial statements were available to be issued. The Company is not aware of any additional subsequent events that would require recognition or disclosure in the financial statements.

INDEPENDENT AUDITORS' REPORT

To the Members of Bristlecone India Limited

Report on the audit of the Financial statements

Opinion

We have audited the accompanying Financial Statements of **Bristlecone India Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (herein after referred to as "the Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, its profit and total comprehensive income, its changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Financial Statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the 'Auditors' Responsibilities for the Audit of the Financial Statements' section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("the ICAI") together with the ethical requirements that are relevant to our audit of the Financial Statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Financial Statements.

Information other than the Financial Statements and Auditors' Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the Directors' Report and the related annexures, but does not include the Financial Statements and our Auditors' Report thereon.

Our opinion on the Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Financial Statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in Annexure B, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
   (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this report are in agreement with the books of account.
   (d) In our opinion, the aforesaid Financial Statements comply with the Accounting Standards specified under Section 133 of the Act.
   (e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164(2) of the Act.
   (f) With respect to the adequacy of the internal financial controls with reference to Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure A. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to Financial Statements.
   (g) In our opinion, the managerial remuneration for the year ended March 31, 2022 has been paid / provided by the Company to its directors in accordance with the provisions of Section 197 read with Schedule V to the Act which also requires the approval of shareholders in the ensuing general meeting (Refer Note 24 to the Financial Statements).

(h) With respect to the other matters to be included in the Auditors' Report in accordance with the requirements of Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

(i) The Company has disclosed the impact of pending litigations on its financial position in its Financial Statements – Refer Note 30 to the Financial Statements;

(ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

(iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;

(iv) (a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement; and

(v) The dividend declared and paid during the year by the Company is in compliance with Section 123 of the Act.

For B. K. Khare & Co.
Chartered Accountants
Firm Registration No. 105102W

Himanshu Goradia
Partner
Membership No. : 045668
UDIN: 22045668AIKIWV2297

Mumbai, May 4, 2022

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

[Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date]

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of sub-section (3) of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of Bristlecone India Limited ("the Company") as of March 31, 2022 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2022, based on the criteria for internal financial control with reference to financial statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For B. K. Khare & Co.
Chartered Accountants
Firm Registration No. : 105102W

Himanshu Goradia
Partner
Membership No. : 045668
UDIN: 22045668AIKIWV2297

Mumbai, May 4, 2022

ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT

[Referred to in paragraph 1 under 'Report on other Legal and Regulatory Requirements' section of our report of even date]

(i) (a) (A) According to the information and explanations given to us, the Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.

(B) According to the information and explanations given to us, the Company has maintained proper records showing full particulars of intangible assets.

(b) The property, plant and equipment are physically verified by the Company once in two years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its property, plant and equipment. The physical verification of property, plant and equipment was conducted during the year and no material discrepancies were noticed on such verification.

(c) According to the information and explanation given to us and on the basis of our examination of records of the Company, in respect of immovable properties (buildings) that have been taken on lease, the lease agreements are held in the name of the Company where the Company is the lessee in the agreements. The Company does not have any other immovable property.

(d) According to the information and explanations given to us, the Company has not revalued any of its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.

(e) Based on the audit procedures performed by us and according to the information, explanations and representations given to us, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

(ii) (a) The Company is in the business of rendering services and consequently, does not hold any inventory. Accordingly, the reporting under Clause 3(ii)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from Axis Bank Limited on the basis of security of the current assets during the year. The statements of current assets filed by the Company with Axis Bank Limited on a quarterly basis are in agreement with the unaudited books of account as certified by the management.

(iii) According to the information and explanations given to us, the Company has not made investments in or provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year. Accordingly, the reporting under Clauses 3(iii)(a) to 3(iii)(f) of the Order is not applicable to the Company.

(iv) According to the information and explanations given to us, the Company has not granted any loans or made any investments or provided any guarantees or security to the parties covered under Sections 185 and 186 of the Act. Accordingly, the reporting under Clause 3(iv) of the Order is not applicable to the Company.

(v) According to the information and explanations given to us, the Company has not accepted deposits under the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. Accordingly, the reporting under Clause 3(v) of the Order is not applicable to the Company.

(vi) The Company's operations do not involve processing or manufacturing activities. Accordingly, the reporting under Clause 3(vi) of the Order is not applicable to the Company.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of records of the Company, the amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Services Tax, Provident Fund, Employees' State Insurance, Income-tax, Cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. According to the information and explanations given to us and on the basis of our examination of records of the Company, there were no undisputed statutory dues payable in respect of Sales tax, Service tax, Duty of Customs, Duty of Excise and Value Added Tax.

According to the information and explanations given to us and on the basis of our examination of records of the Company, there were no arrears of outstanding statutory dues in respect of Goods and Services Tax, Provident fund, Employees' State Insurance, Income-tax, Sales tax, Service tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other material statutory dues as on the last day of the financial year for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and on the basis of our examination of records of the Company, there are no statutory dues in respect of Goods and Services Tax, Provident Fund, Employees' State Insurance, Sales tax, Service tax, Duty of Customs, Duty of Excise, Cess and any other material statutory dues as at March 31, 2022, which have not been deposited with the appropriate authorities on account of any dispute. According to the information and explanations given to us and records of the Company examined by us, the particulars of dues of Income Tax and Value Added Tax which have not been deposited as on March 31, 2022 on account of disputes are as under:

Nature of the Statute	Nature of the dues	Amount (Rs. in lakhs)*	Period to which the amount relates	Forum where dispute is pending
The Income-tax Act, 1961	Income Tax	44.55	Assessment Year 2009-2010	Commissioner of Income Tax (Appeals)
The Income-tax Act, 1961	Income Tax	85.81	Assessment Year 2010-2011	Commissioner of Income Tax (Appeals)
The Income-tax Act, 1961	Income Tax	53.90	Assessment Year 2011-2012	Commissioner of Income Tax (Appeals)
The Income-tax Act, 1961	Income Tax	0.39	Assessment Year 2015-2016	Commissioner of Income Tax (Appeals)
The Maharashtra Value Added Tax Act, 2002	Maharashtra Value Added Tax	109.90	Financial Year 2016-2017	Joint Commissioner of State Tax (Appeals), Mumbai
The Maharashtra Value Added Tax Act, 2002	Maharashtra Value Added Tax	12.23	Financial Year 2017-2018	Joint Commissioner of State Tax (Appeals), Mumbai

* Net of amounts paid including under protest.

(viii) According to the information and explanations given to us, there are no transactions not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income-tax Act, 1961. Accordingly, the reporting under Clause 3(viii) of the Order is not applicable to the Company.

(ix) (a) According to the information and explanations given to us and based on the audit procedures performed by us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.

(b) According to the information and explanations given to us, the Company has not been declared a willful defaulter by any bank or financial institution or any other lender till the date of our audit report.

(c) According to the information and explanations given to us and based on the audit procedures performed by us, the Company has not availed any term loans during the year. Accordingly, the reporting under Clause 3(ix)(c) of the Order is not applicable to the Company.

(d) In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that funds raised on short-term basis have not been utilised for long- term purposes as at the Balance Sheet date.

(e) According to the information and explanations given to us and on an overall examination of the Financial Statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.

(f) According to the information and explanations given to us and based on the audit procedures performed by us, we report that the Company has not raised any loans during the year on the pledge of securities held in its subsidiaries. Accordingly, the reporting under Clause 3(ix)(f) of the Order is not applicable to the Company.

(x) (a) According to the information and explanations given to us, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under Clause 3(x)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Accordingly, the reporting under Clause 3(x)(b) of the Order is not applicable to the Company.

(xi) (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company noticed or reported during the year, nor have we been informed of any such case by the management.

(b) There has been no report filed by us under sub-section (12) of Section 143 of the Act in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government. Accordingly, the reporting under Clause 3(xi)(b) of the Order is not applicable to the Company.

(c) We have taken into consideration the whistle blower complaints received by the Company during the year and shared with us for reporting under this clause.

(xii) According to the information and explanations given to us, the Company is not a Nidhi company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, the reporting under Clause 3(xii) of the Order is not applicable to the Company.

(xiii) In our opinion and according to the information and explanations given to us, the Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required by Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act.

(xiv) (a) In our opinion and according to the information and explanations given to us and based on our examination, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the Internal Audit reports of the Company issued till date for the period under audit.

(xv) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or directors of its holding company and subsidiary companies or persons connected with them during the year and hence, the provisions of Section 192 of the Act are not applicable to the Company. Accordingly, the reporting under Clause 3(xv) of the Order is not applicable to the Company.

(xvi) (a) According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under Clause 3(xvi)(a) of the Order is not applicable to the Company.

(b) In our opinion and according to the information and explanations given to us, the Company has not conducted any Non-Banking Financial or Housing Finance activities. Accordingly, the reporting under Clause 3(xvi)(b) of the Order is not applicable to the Company.

(c) In our opinion and according to the information and explanations given to us, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under Clauses 3(xvi)(c) and 3(xvi)(d) of the Order is not applicable to the Company.

(xvii) In our opinion and according to the information and explanations given to us, the Company has not incurred cash losses in the current financial year as well as in the immediately preceding financial year. Accordingly, the reporting under Clause 3(xvii) of the Order is not applicable to the Company.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, the reporting under Clause 3(xviii) of the Order is not applicable to the Company.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of Balance Sheet as and when they fall due within a period of one year from the Balance Sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the Balance Sheet date, will get discharged by the Company as and when they fall due.

(xx) (a) According to the information and explanations given to us, in respect of other than ongoing projects, the Company has no unspent amount that needs to be transferred to a Fund specified in Schedule VII to the Act in compliance with second proviso to sub-section (5) of Section 135 of the Act.

(b) According to the information and explanations given to us, in respect of ongoing projects, the Company has no unspent amount which needs to be transferred to a special account in compliance with sub-section (6) of Section 135 of the Act.

For B. K. Khare & Co.
Chartered Accountants
Firm Registration No. : 105102W

Himanshu Goradia
Partner
Membership No. : 045668
UDIN: 22045668AIKIWV2297

Mumbai, May 4, 2022

BALANCE SHEET AS AT 31 MARCH, 2022

Rs. in Lakhs

Particulars	Note No.	As at 31 March, 2022	As at 31 March, 2021
I ASSETS			
1 NON-CURRENT ASSETS			
(a) Property, Plant and Equipment	4	**1,817.23**	1,521.65
(b) Capital Work in Progress		**–**	–
(c) Right-of-Use Asset	5	**995.20**	1,309.29
(d) Intangible Assets	6	**25.03**	42.22
(e) Financial Assets			
(i) Investments	7a	**778.51**	678.22
(ii) Other Financial Assets	9	**69.78**	183.52
(f) Income Tax Assets (Net)		**1,613.89**	1,516.50
(g) Deferred Tax Assets (Net)	10	**562.21**	613.44
(h) Other Non-current Assets	11	**2.41**	14.67
SUB-TOTAL		**5,864.26**	5,879.51
2 CURRENT ASSETS			
(a) Financial Assets			
(i) Investments	7b	**–**	2,874.06
(ii) Trade Receivables	12	**12,320.44**	7,338.51
(iii) Cash and Cash Equivalents	13	**21.63**	2,574.72
(iv) Other Bank Balances	13	**0.05**	5,574.88
(v) Loans	8	**3.10**	16.08
(vi) Other Financial Assets	9	**1,418.75**	725.62
(b) Other Current Assets	11	**789.92**	572.82
SUB-TOTAL		**14,553.89**	19,676.69
TOTAL ASSETS		**20,418.15**	25,556.20
II EQUITY AND LIABILITIES			
1 EQUITY			
(a) Equity Share Capital	14	**1,904.94**	1,904.94
(b) Other Equity	15	**7,272.04**	16,138.26
SUB-TOTAL		**9,176.98**	18,043.20
LIABILITIES			
2 NON-CURRENT LIABILITIES			
(a) Financial Liabilities			
(i) Borrowings	**16**	**–**	–
(ii) Lease Liabilities		**691.69**	916.24
(iii) Other Financial Liabilities		**–**	–
(b) Provisions	17	**1,564.16**	1,458.90
SUB-TOTAL		**2,255.85**	2,375.14
3 CURRENT LIABILITIES			
(a) Financial Liabilities			
(i) Borrowings	**16**	**3,786.04**	–
(ii) Trade Payables			
– Total outstanding dues of Micro Enterprises and Small Enterprises	18	**190.50**	9.68
– Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises	18	**3,454.34**	3,125.87
(iii) Lease Liabilities		**400.14**	484.98
(iv) Other Financial Liabilities		**–**	–
(b) Provisions	17	**368.54**	302.83
(c) Other Current Liabilities	19	**785.76**	1,214.50
SUB-TOTAL		**8,985.32**	5,137.86
TOTAL		**20,418.15**	25,556.20

See accompanying notes to the financial statements

In terms of our report attached

For B.K. Khare & Co.
Chartered Accountants
Firm Registration Number: 105102W

Himanshu Goradia
Partner
Membership No: 045668

Place : Mumbai
Date : 4 May, 2022

For and on behalf of the Board of Directors

Ulhas N. Yargop
Director

P. R. Barpande
Director

Manaswini Goel
Director

Nikhilesh Panchal
Director

Amit Deshmukh
Chief Financial Officer

Grisma Biswal
Company Secretary

Place : Mumbai
Date : 4 May, 2022

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH, 2022

Rs. in Lakhs

	Particulars	Note No.	Year ended 31 March, 2022	Year ended 31 March, 2021
I	Revenue from operations	20	**38,507.59**	34,052.90
II	Other Income	21	**968.46**	546.78
III	**Total Revenue (I + II)**		**39,476.05**	34,599.68
IV	**EXPENSES**			
	(a) Purchases of Stock-in-trade		**–**	73.47
	(b) Employee benefit expense	22	**28,382.02**	22,658.90
	(c) Finance costs	23	**222.65**	168.36
	(d) Depreciation and amortisation expenses	4,5&6	**1,143.07**	1,063.22
	(e) Other expenses	24	**5,284.78**	5,374.36
	Total Expenses (IV)		**35,032.52**	29,338.31
V	**Profit before tax (III-IV)**		**4,443.53**	5,261.37
VI	**Tax Expense**			
	(a) Current tax	10	**995.43**	1,222.73
	(b) Deferred tax	10	**92.27**	113.76
	Total tax expense		**1,087.70**	1,336.49
VII	**Profit for the year (V-VI)**		**3,355.83**	3,924.88
VIII	**Other comprehensive income**			
	i. Items that will not be reclassified to the statement of profit or loss Remeasurements of the Defined Benefit Liabilities - gain/(loss)		**(163.10)**	(112.02)
	ii. Income Tax relating to items that will not be reclassified to Profit or Loss		**41.05**	28.19
	Total Other comprehensive income		**(122.05)**	(83.83)
IX	**Total comprehensive income for the year (VII+VIII)**		**3,233.78**	3,841.05
X	**Earnings per equity share:**			
	Basic and Diluted	25	**176.16**	206.04

See accompanying notes to the financial statements

In terms of our report attached

For B.K. Khare & Co.
Chartered Accountants
Firm Registration Number: 105102W

Himanshu Goradia
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Chief Financial Officer

Grisma Biswal
Company Secretary

Place : Mumbai
Date : 4 May, 2022

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH, 2022

a. Equity share capital

Rs. in Lakhs

Particulars	Equity Share Capital
Balance as at 1 April, 2020	**1,904.94**
Changes in equity share capital due to prior period errors	–
Restated balance at the beginning of the current reporting period	**1,904.94**
Changes in equity share capital during the year	–
Balance as at 31 March, 2021	**1,904.94**
Changes in equity share capital due to prior period errors	–
Restated balance at the beginning of the current reporting period	**1,904.94**
Changes in equity share capital during the year	–
Balance as at 31 March, 2022	**1,904.94**

b. Other Equity

Rs. in Lakhs

	Reserves and Surplus		
Particulars	**Capital Reserve**	**Retained Earnings**	**Total**
Balance as at 1 April, 2020	88.34	13,208.87	13,297.21
Profit for the year	–	3,924.88	3,924.88
Other Comprehensive Loss	–	(83.83)	(83.83)
Interim Dividend	–	(1,000.00)	(1,000.00)
Total Comprehensive Income for the year	–	2,841.05	2,841.05
Balance as at 31 March, 2021	88.34	16,049.92	16,138.26
Profit for the year	**–**	**3,355.83**	**3,355.83**
Other Comprehensive Loss	**–**	**(122.05)**	**(122.05)**
Interim Dividend	**–**	**(12,100.00)**	**(12,100.00)**
Total Comprehensive Income for the year	**–**	**(8,866.22)**	**(8,866.22)**
Balance as at 31 March, 2022	**88.34**	**7,183.70**	**7,272.04**

See accompanying notes to the financial statements

In terms of our report attached

For B.K. Khare & Co.
Chartered Accountants
Firm Registration Number: 105102W

Himanshu Goradia
Partner
Membership No: 045668

Place : Mumbai
Date : 4 May, 2022

For and on behalf of the Board of Directors

Ulhas N. Yargop
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Amit Deshmukh
Chief Financial Officer

Grisma Biswal
Company Secretary

Place : Mumbai
Date : 4 May, 2022

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH, 2022

Rs. in Lakhs

Particulars	**Year ended 31 March, 2022**	Year ended 31 March, 2021
Cash flows from operating activities		
Profit before tax for the year	**4,443.53**	5,261.37
Adjustments for:		
Finance costs	**222.65**	168.36
Interest income	**(197.94)**	(179.39)
Income from Short Term Investments	**(68.19)**	(167.11)
Impairment of investment carried at cost written back	**(100.29)**	–
Liabilities/provisions no longer required written back	**(68.51)**	(44.75)
(Gain)/Loss on disposal of property, plant and equipment	**(39.32)**	(13.34)
Depreciation and amortisation	**1,143.07**	1,063.22
Net foreign exchange (gain)/loss	**(239.84)**	20.95
	5,095.16	6,109.31
Movements in working capital:		
Decrease / (Increase) in trade and other receivables	**(4,742.09)**	(910.05)
Decrease / (Increase) in other assets	**(867.11)**	772.61
Increase / (Decrease) in trade and other payables	**577.80**	22.43
Increase / (Decrease) in Other liabilities	**(428.74)**	494.44
Increase / (Decrease) in provisions	**7.87**	199.95
	(5,452.27)	579.38
Cash generated from operations	**(357.11)**	6,688.69
Income taxes paid	**(1,092.82)**	(1,409.58)
Net cash (used in)/from operating activities	**(1,449.93)**	5,279.11
Cash flows from investing activities		
Payments for property, plant and equipment	**(938.57)**	(449.06)
Proceeds from disposal of property, plant and equipment	**61.76**	20.48
Interest received	**293.82**	118.41
Income from Short Term Investments	**68.19**	167.11
Investment in Short Term Investments	**2,874.06**	3,435.87
Bank Deposits placed	**(18,512.96)**	(10,170.75)
Bank Deposits matured	**24,087.78**	5,396.00
Net cash from/(used in) investing activities	**7,934.08**	(1,481.94)

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH, 2022 (contd.)

Rs. in Lakhs

Particulars	Year ended 31 March, 2022	Year ended 31 March, 2021
Cash flows from financing activities		
Interest paid	**(104.25)**	(23.75)
Principle portion of lease liability	**(500.63)**	(461.08)
Interest portion of lease liability	**(118.40)**	(144.61)
Cash Credit Account	**3,786.04**	–
Interim Dividend paid	**(12,100.00)**	(1,000.00)
Net cash used in financing activities	**(9,037.24)**	(1,629.44)
Net (decrease)/increase in cash and cash equivalents	**(2,553.09)**	2,167.73
Cash and cash equivalents at the beginning of the year	**2,574.72**	406.99
Cash and cash equivalents at the end of the year	**21.63**	2,574.72
Net (decrease)/increase in cash and cash equivalents	**(2,553.09)**	2,167.73

See accompanying notes to the financial statements

In terms of our report attached

For B.K. Khare & Co.
Chartered Accountants
Firm Registration Number: 105102W

Himanshu Goradia
Partner
Membership No: 045668

Place : Mumbai
Date : 4 May, 2022

For and on behalf of the Board of Directors

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Amit Deshmukh
Chief Financial Officer

Grisma Biswal
Company Secretary

Place : Mumbai
Date : 4 May, 2022

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022

1 Corporate information

Bristlecone India Limited is a public company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. The Company is principally engaged in Business Consulting, Software Implementation and related support activities.

The financial statements prepared herewith are the separate financial statements of the Company and the Company has elected not to present its consolidated financial statements since its ultimate parent produces consolidated financial statements that are available for public use and comply with IND AS.

2 Statement of Compliance

The financial statements have been prepared in accordance with Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended).

3 Significant accounting policies

3.01 Basis of preparation and presentation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended). The financial statements have been prepared on a historical cost basis. The financial statements are presented in Indian Rupees (INR or Rs.) and all values are rounded to the nearest lakhs (INR 00,000), except when otherwise indicated.

3.02 Use of estimate

The preparation of these financial statements in conformity with the recognition and measurement principles of Ind AS requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities, disclosures relating to contingent liabilities as at the date of the financial statements and the reported amounts of income and expense for the periods presented.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected.

Key source of estimation of uncertainty at the date of the financial statements, which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, is in respect of impairment of goodwill, impairment of investments and assets, useful lives of property, plant and equipment, valuation of deferred tax assets and provisions and contingent liabilities. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialize.

Useful lives of property, plant and equipment

The Company reviews the useful life of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

Provisions and contingent liabilities

A provision is recognised when the Company has a present obligation as a result of past event and it is probable than an outflow of resources will be required to settle the obligation, in respect of which the reliable estimate can be made. Provisions (excluding retirement benefits and compensated absences) are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date adjusted to reflect the current best estimates. Contingent liabilities are not recognised in the financial statements. A contingent asset is neither recognised nor disclosed in the financial statements.

Valuation of deferred tax assets

The Company reviews the carrying amount of deferred tax assets at the end of each reporting period. (Refer Note No. 10)

Leases

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option 'on lease by lease basis'. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease. The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

3.03 Revenue recognition

The Company is principally engaged in Business Consulting, Software Implementation, and related support services.

Revenue is recognised upon transfer of control of contracted products or services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those products or services.

a. Revenue from time and material contracts is recognised on output basis measured by units delivered, efforts expended, time booked etc.

b. Revenue related to fixed price maintenance and support services contracts where the Company provides services is recognised based on time elapsed mode and revenue is straight lined over the period of performance.

c. In respect of other fixed-price contracts, revenue is recognised using percentage-of-completion method ('POC method') of accounting with contract costs incurred determining the degree of completion of the performance obligation.

d. Revenue from the sale of third party software is recognised upfront at the point in time when the software is delivered to the customer.

e. Revenue from the sale of distinct third party hardware is recognised at the point in time when control is transferred to the customer.

f. Revenue from subsidiaries is recognised based on transaction price which is at arm's length.

g. Contract assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled receivables when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

h. Unearned and deferred revenue is recognised when there is billing in excess of revenues. The billing schedules agreed with customers include periodic performance based payments and / or milestone based progress payments. Invoices are payable within contractually agreed credit period.

i. In accordance with Ind AS 37, the Company recognizes an onerous contract provision when the unavoidable costs of meeting the obligations under a contract exceed the economic benefits to be received.

j. Contracts are subject to modification to account for changes in contract specification and requirements. The Company reviews modification to contract in conjunction with the original contract, basis which the transaction price could be allocated to a new performance obligation, or transaction price of an existing obligation could undergo a change. In the event transaction price is revised for existing obligation, a cumulative adjustment is accounted for.

k. For all instruments measured either at amortized cost or at fair value through other comprehensive income, interest income

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022 (contd.)

is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortized cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in finance income in the statement of profit and loss.

l. Dividend is recognised when the Company's right to receive the payment is established, it is probable that the economic benefits associated with the dividends will flow to the company and the amount of the dividend can be measured reliably.

Use of significant estimates and judgments

a. The Company uses judgment to determine an appropriate standalone selling price for a performance obligation. The Company allocates the transaction price to each performance obligation on the basis of the relative standalone selling price of each distinct product or service promised in the contract. Where standalone selling price is not observable, the Company uses the expected cost plus margin approach to allocate the transaction price to each distinct performance obligation.

b. Use of the percentage-of-completion method requires the Company to estimate the efforts or costs expended to date as a proportion of the total efforts or costs to be expended. Efforts or costs expended are used to measure progress towards completion as there is a direct relationship between input and productivity.

c. The Company uses significant judgments while determining the transaction price allocated to performance obligations using the expected cost plus margin approach

d. Provisions for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the expected contract estimates at the reporting date.

3.04 Leases

Ind AS 116 is replaced the existing leases standard, Ind AS 17 Leases. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on balance sheet lessee accounting model for lessees. A lessee recognises right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. The standard also contains enhanced disclosure requirements for lessees.

Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17. The amendment is effective for annual periods beginning on or after 01st April 19

3.05 Foreign currencies

The functional currency of Bristlecone India Limited is Indian Rupee.

Income and expenses in foreign currencies are recorded at exchange rates prevailing on the date of the transaction. Foreign currency monetary assets and liabilities are translated at the exchange rate prevailing on the balance sheet date and exchange gains and losses arising on settlement and restatement are recognised in the statement of profit and loss.

3.06 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

3.07 Employee benefits

1. Defined Contribution Plan:
2. Defined Benefit Plan:
   (i) Gratuity: The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15/26 days salary payable for each completed year of service. Vesting occurs upon completion of five years of service. The Company accounts for the liability for gratuity benefits payable in future based on an independent actuarial valuation.
3. Other Long Term employee benefits:
   (i) Compensated Absences: The Company provides for the encashment of compensated absences with pay subject to certain rules. The employees are entitled to accumulate compensated absences subject to certain limits, for future encashment. Accumulated leave, which is expected to be utilised within the next twelve months, is treated as short-term employee benefit and the accumulated leave expected to be carried forward beyond twelve month is treated as long-term employee benefit which are provided based on the number of days of un utilised compensated absence on the basis of an independent actuarial valuation.

3.08 Taxes

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022 (contd.)

in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

– In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items is recognised outside profit or loss (either in other comprehensive income or in equity).

Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. Acquired deferred tax benefits recognised within the measurement period reduce goodwill related to that acquisition if they result from new information obtained about facts and circumstances existing at the acquisition date. If the carrying amount of goodwill is zero, any remaining deferred tax benefits are recognised in OCI/ capital reserve depending on the principle explained for bargain purchase gains. All other acquired tax benefits realised are recognised in profit or loss.

3.09 Property, plant and equipment

All Property, plant and equipments are stated at cost less depreciation. Costs comprise purchase price and any attributable costs of bringing the asset to its working condition for its intended use.

Depreciation on tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013.

Owned Assets	**Useful life**
Leasehold improvement*	5 years
Right of Use Asset- Building	Lease Term
Furniture and fittings	10 years
Office equipment	5 years
Office equipment -mobile handset*	3 years
Computer and equipment	
IT equipment – server	6 years
IT equipment – non server	3 years
Vehicles	8 years

B Assets under finance lease	
Computer and equipment	
IT equipment – non server	3 years
Furniture and fittings*	5 years
Office equipment*	5 years

* For these class of assets, based on internal assessment the management believes that the useful lives as given above best represent the period over which management expects to use these assets. Hence the useful life for these assets is different from the useful lives as prescribed under Part C of Scheduled II of the companies Act 2013.

3.10 Intangible assets

Intangible assets are amortised on a straight line basis over their useful life of 5 years, which reflects the pattern in which the asset's economic benefits are consumed. The estimated useful life of the intangible assets and the amortisation period are reviewed at the end of each financial year and the amortisation period is revised to reflect the change in pattern if any.

3.11 Impairment

(i) Financial assets (other than at fair value)

The Company assesses at each date of balance sheet whether a financial asset or a Group of financial assets is impaired.

Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognises lifetime expected losses for all contract assets and all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12 month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

(ii) Non-financial assets

Tangible and intangible assets Property, plant and equipment and intangible assets with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised in the statement of profit or loss.

3.12 Financial instruments

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022 (contd.)

Cash and cash equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through other comprehensive income

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through profit or loss

Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in profit or loss.

Financial liabilities

Financial liabilities are measured at amortised cost using the effective interest method.

Equity instruments

An equity instrument is a contract that evidences residual interest in the assets of the company after deducting all of its liabilities. Equity instruments recognised by the Company are recognised at the proceeds received net off direct issue cost.

Reclassification of financial assets

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the company's operations. Such changes are evident to external parties. A change in the business model occurs when a company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognized gains, losses (including impairment gains and losses) or interest.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet if there is currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

3.13 EPS

The Company reports basic and diluted earnings per share in accordance with Ind AS 33 on Earnings Per Share. Basic earnings per share is computed by dividing the net profit or loss for the period by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed by dividing the net profit or loss for the period by the weighted average number of equity shares outstanding during the period as adjusted for the effects of all diluted potential equity shares except where the results are anti-dilutive.

3.14 Business Segments

Information reported to the chief operating decision maker (CODM) for the purposes of resource allocation and assessment of segment performance focuses on the types of goods or services delivered or provided. The Company is in the business of Business Consulting, Software Implementation and related support activities, which in the context of Indian Accounting Standard 108 'Segment Information' represents single reportable business segment. The accounting policies of the reportable segments are the same as the accounting policies disclosed in Note 3. The revenues, total expenses and net profit as per the Statement of profit and loss represents the revenue, total expenses and the net profit of the sole reportable segment. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

3.15 Cash Flow Statement

The Cash Flow Statement is prepared by the indirect method set out in Ind AS 7 on Cash Flow Statements and presents cashflows by operating, investing and financing activities of the Company.

3.16 Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents.

The Company has identified twelve months as its operating cycle.

3.17 Share Capital

Ordinary shares are classified as equity. Incremental costs, if any, directly attributable to the issue of ordinary shares are recognized as a deduction from equity, net of any tax effects.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022 (contd.)

3.18 Fair value measurement

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

– In the principal market for the asset or liability, or

– In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

<u>Service Tax, GST, Sales/ value added taxes paid on acquisition of assets or on incurring expenses</u>

Expenses and assets are recognised net of the amount of Service Tax, GST, sales/ value added taxes paid, except:

– When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable

– When receivables and payables are stated with the amount of tax included the net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

3.19 Derivatives & Hedging

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged and the type of hedge relationship designated.

<u>Cash flow hedges that qualify for hedge accounting:</u>

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in the other comprehensive income in cash flow hedging reserve within equity, limited to the cumulative change in fair value of the hedged item on a present value basis from the inception of the hedge. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss, within other gains/(losses).

Amounts accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss.

<u>Derivatives that are not designated as hedges:</u>

The Company enters into certain derivative contracts to hedge foreign exchange risks which are not designated as hedges as in case of such transactions, the underlying is re-stated at closing exchange rates. Such contracts are accounted for at fair value through profit or loss and are included in other gains/(losses).

3.20 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

3.21 Recent Accounting Pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. On March 23, 2022, MCA issued Companies (Ind AS) Amendment Rules, 2022 which would be applicable from April 1, 2022. The Company is currently assessing the impact of application of this amendment on its financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022 (contd.)

Note No. 4 - Property, Plant and Equipment

Rs. in Lakhs

Description of Assets		Owned Assets					Total
		Leasehold Improvement	Computer and Equipment	Office Equipment	Furniture and Fixtures	Vehicles	
A.	**Gross Carrying Amount**						
	Balance as at 1 April, 2021	1,132.04	2,505.05	354.58	359.05	117.61	**4,468.33**
	Additions	–	928.27	8.10	–	–	**936.37**
	Disposals	–	377.59	28.40	55.20	–	**461.19**
	Balance as at 31 March, 2022	**1,132.04**	**3,055.73**	**334.28**	**303.85**	**117.61**	**4,943.51**
B.	**Accumulated depreciation and impairment**						
	Balance as at 1 April, 2021	663.47	1,640.01	311.68	242.70	88.82	**2,946.68**
	Depreciation expense for the year	124.72	448.77	10.28	28.75	5.83	**618.35**
	Eliminated on disposal of assets	–	357.08	27.21	54.46	–	**438.75**
	Balance as at 31 March, 2022	**788.19**	**1,731.70**	**294.75**	**216.99**	**94.65**	**3,126.28**
C.	**Net carrying amount (A-B)**	**343.85**	**1,324.03**	**39.53**	**86.86**	**22.96**	**1,817.23**

Rs. in Lakhs

Description of Assets		Owned Assets					Total
		Leasehold Improvement	Computer and Equipment	Office Equipment	Furniture and Fixtures	Vehicles	
A.	**Gross Carrying Amount**						
	Balance as at 1 April, 2020	1,120.00	2,266.99	353.96	358.33	117.61	**4,216.89**
	Additions	12.04	376.13	1.16	0.72	–	**390.05**
	Disposals	–	138.07	0.54	–	–	**138.61**
	Balance as at 31 Mar, 2021	**1,132.04**	**2,505.05**	**354.58**	**359.05**	**117.61**	**4,468.33**
B.	**Accumulated depreciation and impairment**						
	Balance as at 1 April, 2020	540.93	1,421.46	300.29	213.91	81.87	**2,558.46**
	Depreciation expense for the year	122.54	349.69	11.72	28.79	6.95	**519.69**
	Eliminated on disposal of assets	–	131.14	0.33	–	–	**131.47**
	Balance as at 31 Mar, 2021	**663.47**	**1,640.01**	**311.68**	**242.70**	**88.82**	**2,946.68**
C.	**Net carrying amount (A-B)**	**468.57**	**865.04**	**42.90**	**116.35**	**28.79**	**1,521.65**

Note No. 5 - Right-of-Use Asset

Rs. in Lakhs

Description of Assets		Right-of-Use Asset
A.	**Gross Carrying Amount**	
	Balance as at 1 April, 2021	**2,343.81**
	Additions	**191.24**
	Disposals	**133.16**
	Balance as at 31 March, 2022	**2,401.89**
B.	**Accumulated Amortisation**	
	Balance as at 1 April, 2021	**1,034.52**
	Amortisation expense for the year	**505.33**
	Eliminated on disposal of assets	**133.16**
	Balance as at 31 March, 2022	**1,406.69**
III.	**Net carrying amount (I-II)**	**995.20**

Rs. in Lakhs

Description of Assets		Right-of-Use Asset
I.	**Gross Carrying Amount**	
	Balance as at 1 April, 2020	1,973.15
	Additions	370.66
	Disposals	–
	Balance as at 31 Mar, 2021	2,343.81
II.	**Accumulated Amortisation**	
	Balance as at 1 April, 2020	517.93
	Amortisation expense for the year	516.59
	Eliminated on disposal of assets	–
	Balance as at 31 Mar, 2021	1,034.52
III.	**Net carrying amount (I-II)**	1,309.29

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022 (contd.)

Note No. 6 - Intangible Assets

Rs. in Lakhs

Description of Assets		Computer Software
A.	**Gross Carrying Amount**	
	Balance as at 1 April, 2021	**165.65**
	Additions	**2.20**
	Disposals	**–**
	Balance as at 31 March, 2022	**167.85**
B.	**Accumulated Amortisation**	
	Balance as at 1 April, 2021	**123.43**
	Amortisation expense for the year	**19.39**
	Eliminated on disposal of assets	**–**
	Balance as at 31 March, 2022	**142.82**
III.	**Net carrying amount (I-II)**	**25.03**

Rs. in Lakhs

Description of Assets		Computer Software
I.	**Gross Carrying Amount**	
	Balance as at 1 April, 2020	143.35
	Additions	22.30
	Disposals	–
	Balance as at 31 Mar, 2021	165.65
II.	**Accumulated Amortisation**	
	Balance as at 1 April, 2020	96.49
	Amortisation expense for the year	26.94
	Eliminated on disposal of assets	–
	Balance as at 31 Mar, 2021	123.43
III.	**Net carrying amount (I-II)**	42.22

Note No. 7 - Investments

a) Non-Current, Unquoted, Carried at Cost

Particulars	**As at 31 March, 2022**		As at 31 March, 2021	
	Qty	**Amounts (Rs. in Lakhs)**	Qty	Amounts (Rs. in Lakhs)
Cost				
Investments in Equity Instruments				
– Subsidiaries				
Bristlecone (Singapore) Pte. Ltd. [see note (i) below]	**16,70,000**	**501.47**	16,70,000	501.47
Bristlecone GmbH [see note (ii) below]	**1**	**277.04**	1	277.04
Total Investments Carried at Cost (A)		**778.51**		778.51
Impairment				
Impairment value for investment carried at cost		**–**		100.29
Total Impairment value for investment carried at cost (B)	**–**	**–**	–	100.29
Total Investment at Carried Value (A) - (B)	**–**	**778.51**	–	678.22
Other disclosures				
Aggregate amount of unquoted investments				
Aggregate amount of Market value of investments				
Aggregate amount of unquoted investments		**778.51**		778.51
Aggregate amount of impairment in value of investments		**–**		100.29

(i) The Company has investment of SGD 1,670,000 (Rs. 501.47 lakhs) in Bristlecone (Singapore) Pte. Ltd., a wholly owned subsidiary company. During past few years, the subsidiary company achieved significant improvement in its business operations and earned profits which resulted in improved financial position. Considering the improved financial position and positive networth of the subsidiary, the Company has reversed the provision of Rs. 100.29 lakhs (previous year Rs.100.29 lakhs) i.e. 20% of the value of investment (previous year 20% of the value of investment) as at the year ended 31 March, 2022.

(ii) Includes Rs. 248.54 Lakhs (previous year Rs. 248.54 Lakhs) invested towards capital reserve of the company in accordance with German Commercial Code.

b) Current Investment

Rs. in Lakhs

Particulars	**As at 31 March, 2022**	As at 31 March, 2021
Investment in Mutual Funds	**–**	2,874.06
Total Current Investments	**–**	2,874.06

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022 (contd.)

Note No. 8 - Loans

Rs. in Lakhs

Particulars	As at 31 March, 2022 Current	As at 31 March, 2022 Non-Current	As at 31 March, 2021 Current	As at 31 March, 2021 Non-Current
Other Loans				
– Unsecured, considered good	**3.10**	**–**	16.08	–
Total Other Loans	**3.10**	**–**	16.08	–

Note No. 9 - Other financial assets

Rs. in Lakhs

Particulars	As at 31 March, 2022 Current	As at 31 March, 2022 Non-Current	As at 31 March, 2021 Current	As at 31 March, 2021 Non-Current
Financial assets at amortised cost				
Other Current Financial Assets				
– Interest Accrued	**–**	**–**	95.88	–
– Unbilled Revenue	**1,186.84**	**–**	578.79	–
– Claims Receivable	**5.30**	**–**	0.57	–
– Security Deposits	**148.16**	**69.78**	24.90	183.52
Measured at Fair Value through Profit and Loss				
– Foreign currency forward contracts	**78.45**	**–**	25.48	–
Total Other Financial Assets	**1,418.75**	**69.78**	725.62	183.52

Note No. 10 - Current Tax and Deferred Tax

(a) Income Tax recognised in profit or loss

Rs. in Lakhs

Particulars	Year ended 31 March, 2022	Year ended 31 March, 2021
Current Tax:		
In respect of current year	**995.43**	1,222.73
Deferred Tax:		
In respect of current year origination and reversal of temporary differences	**92.27**	113.76
Total	**1,087.70**	1,336.49

(b) Income tax recognised in other Comprehensive income

Rs. in Lakhs

Particulars	Year ended 31 March, 2022	Year ended 31 March, 2021
Deferred tax		
Income taxes related to items that will not be reclassified to profit or loss		
Remeasurement of defined benefit obligations	**41.05**	28.19
Total	**41.05**	28.19

(c) Reconciliation of income tax expense and the accounting profit multiplied by Company's domestic tax rate:

Rs. in Lakhs

Particulars	Year ended 31 March, 2022	Year ended 31 March, 2021
Profit before tax from continuing operations	**4,443.53**	5,261.37
Income tax expense calculated at 25.17% (2021: 25.17%)	**1,118.35**	1,324.18
Effect of change in tax rate	**–**	–
Effect of Income not offered to tax	**–**	–
Effect of expenses that is non-deductible in determining taxable profit	**–**	–
Effect of current year expenses (net) for which no deferred tax asset is recognised	**–**	–
Effect of current year expenses (net) for which no deferred tax asset is recognised	**(6.14)**	12.31
Tax pertaining to prior years	**(46.24)**	–
Changes in recognised deductible temporary differences	**21.73**	–
Income tax expense recognised in profit or loss	**1,087.70**	1,336.49

The tax rate used for the 31 March, 2022 reconciliations above is the corporate tax rate of 25.17% (Previous year : 25.17%) payable by corporate entities in India on taxable profits under Indian Income Tax Laws.

(d) An Explanation of applicable tax rates

The Corporate income tax rate of 25.17% is effective from April 1, 2019 and has accordingly been applied.

(e) Amounts on which deferred tax asset has not been created:

Deferred tax assets have not been recognised in respect of following items, because it is not probable to reasonably estimate the future taxable profit against which the Company can use the benefit therefrom.

Rs. in Lakhs

Particulars	As at 31 March, 2022	As at 31 March, 2021
Deductible Temporary differences (will never expire)		
Impairment value for investment carried at cost	**–**	100.29
Total	**–**	100.29

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022 (contd.)

(f) Movement in deferred tax balances

Rs. in Lakhs

Particulars	**Year ended 31 March, 2022**				
		Recognised in profit and Loss			
	Opening Balance	**Charge**	**Change in Tax Rate**	**Recognised in OCI**	**Closing Balance**
Tax effect of items constituting deferred tax assets					
Depreciation	**46.10**	**(21.72)**	**–**	**–**	**24.38**
Provision for doubtful Trade receivables	**81.73**	**(72.59)**	**–**	**–**	**9.14**
Expenses covered under section 43B	**443.40**	**1.97**	**–**	**41.05**	**486.42**
Expenses disallowed under section 40 (a) (ia)	**14.85**	**15.10**	**–**	**–**	**29.95**
Deferred Income	**(0.02)**	**–**	**–**	**–**	**(0.02)**
Mark to market loss on Forward covers	**(6.42)**	**(13.33)**	**–**	**–**	**(19.75)**
Ind AS 116 effect (excluding finance costs)	**33.80**	**(1.71)**	**–**	**–**	**32.09**
Net Tax Asset	**613.44**	**(92.28)**	**–**	**41.05**	**562.21**

Rs. in Lakhs

Particulars	Year ended 31 March, 2021				
		Recognised in profit and Loss			
	Opening Balance	Charge	Change in Tax Rate	Recognised in OCI	Closing Balance
Tax effect of items constituting deferred tax assets					
Depreciation	49.32	(3.22)	–	–	46.10
Provision for doubtful Trade receivables	203.63	(121.90)	–	–	81.73
Expenses covered under section 43B	364.89	50.32	–	28.19	443.40
Expenses disallowed under section 40 (a) (ia)	42.07	(27.22)	–	–	14.85
Deferred Income	(0.02)	–	–	–	(0.02)
Mark to market gain on Forward covers	13.81	(20.23)	–	–	(6.42)
Ind AS 116 effect (excluding finance costs)	25.30	8.50	–	–	33.80
Net Tax Asset	699.00	(113.75)	–	28.19	613.44

Note No. 11 - Other Assets

Rs. in Lakhs

Particulars	**As at 31 March, 2022**		As at 31 March, 2021	
	Current	**Non-Current**	Current	Non-Current
Advances other than capital advances				
(a) Balances with government authorities (other than income taxes)	**405.44**	**–**	234.04	–
(b) Prepaid expenses	**334.54**	**2.41**	300.92	14.67
(c) Travel advances to employees	**16.59**	**–**	1.03	–
(d) Other advances	**33.35**	**–**	36.83	–
Total Other Assets	**789.92**	**2.41**	572.82	14.67

Note No. 12 - Trade Receivables

Rs. in Lakhs

Particulars	**As at 31 March, 2022**		As at 31 March, 2021	
	Current	**Non-Current**	Current	Non-Current
Trade receivables				
(a) Undisputed Trade Receivables – considered good	**12,299.35**	**–**	7,338.51	–
(b) Undisputed Trade Receivables – which have significant increase in credit risk	**–**	**–**	–	–
(c) Undisputed Trade Receivables – credit impaired	**–**	**–**	–	–
(d) Disputed Trade Receivables – considered good	**–**	**–**	–	–
(e) Disputed Trade Receivables – which have significant increase in credit risk	**57.42**	**–**	–	–
Less: Allowance for Credit Losses	**(36.33)**	**–**	–	–
(f) Disputed Trade Receivables – credit impaired	**–**	**–**	324.74	–
Less: Allowance for Credit Losses	**–**	**–**	(324.74)	–
Total	**12,320.44**	**–**	7,338.51	–
Of the above, trade receivables from:				
– Related Parties	**10,997.79**	**–**	6,510.36	–
– Others	**1,322.65**	**–**	828.15	–
Total	**12,320.44**	**–**	7,338.51	–

Refer Note 28 for disclosures related to credit risk, impairment of trade receivables under expected credit loss model and related disclosures.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022 (contd.)

12 (a) - Movement in the allowance for doubtful debts

Rs. in Lakhs

Particulars	As at 31 March, 2022	As at 31 March, 2021
Balance at beginning of the year	**324.74**	809.10
Impairment losses recognised in the year based on lifetime ECL		
– On receivables originated in the year	**–**	–
– Other receivables	**(288.41)**	(484.36)
Balance at end of the year	**36.33**	324.74

The average credit period on provision of services is 60 days. No interest is charged on trade receivables.

Refer Note 28 for disclosures related to the trade balances from the Company's largest customers and related disclosures.

The company provides a loss allowance on a case to case basis at the end of each reporting period. An impairment analysis is performed at each reporting date on an individual basis for all customers. In addition, a larger number of customers that are due for collection are assessed for impairment collectively.

12 (b) - Trade receivables ageing schedule

Rs. in Lakhs

Particulars	Outstanding for following periods from due date of payment* Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years
31 March, 2022					
(a) Undisputed Trade Receivables – considered good	**12,302.76**	–	–	–	–
(b) Undisputed Trade Receivables – which have significant increase in credit risk	**36.35**	**15.28**	**2.38**	–	–
(c) Undisputed Trade Receivables – credit impaired	–	–	–	–	–
(d) Disputed Trade Receivables – considered good	–	–	–	–	–
(e) Disputed Trade Receivables – which have significant increase in credit risk	–	–	–	–	–
(f) Disputed Trade Receivables – credit impaired	–	–	–	–	–
31 March, 2021					
(a) Undisputed Trade Receivables – considered good	7,322.86	15.65	–	–	–
(b) Undisputed Trade Receivables – which have significant increase in credit risk	–	–	–	–	–
(c) Undisputed Trade Receivables – credit impaired	–	–	–	–	–
(d) Disputed Trade Receivables – considered good	–	–	–	–	–
(e) Disputed Trade Receivables – which have significant increase in credit risk	–	–	–	–	–
(f) Disputed Trade Receivables – credit impaired	–	–	112.80	109.09	102.85

* In the absence of due date of payment, above disclosure is provided from the date of the transaction.

Note No. 13 - Cash and Cash Equivalents and Other Bank Balances

Rs. in Lakhs

Particulars	As at 31 March, 2022	As at 31 March, 2021
Cash and cash equivalents		
(a) Balances with banks	**21.55**	974.75
(b) Others (Deposit account Less than 3 months)	**0.08**	1,599.97
(c) Remittance in transit	–	–
(d) Cheques on Hand	–	–
Total Cash and cash equivalents	**21.63**	2,574.72
Other Bank Balances		
(a) Balances with Banks: Fixed Deposits with maturity greater than 3 months	**0.05**	5,574.88
Total Other Bank balances	**0.05**	5,574.88

Note No. 14 - Equity Share Capital

Rs. In Lakhs

Particulars	As at 31 March, 2022 No. of shares	As at 31 March, 2022 Amount (Rs. in Lakhs)	As at 31 March, 2021 No. of shares	As at 31 March, 2021 Amount (Rs. in Lakhs)
Authorised:				
2,500,000 Equity shares of 100 each with voting rights	**25,00,000**	**2,500.00**	25,00,000	2,500.00
Issued:				
1,924,130 Equity shares of 100 each with voting rights	**19,24,130**	**1,924.13**	19,24,130	1,924.13
Subscribed and Fully Paid:				
1,904,944 Equity shares of 100 each with voting rights	**19,04,944**	**1,904.94**	19,04,944	1,904.94
Total		**1,904.94**		1,904.94

(i) The Company has only one class of shares i.e. equity shares having a par value of Rs.100. Each holder of equity share is entitled to one vote per share held. In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive remaining assets after deducting all its liabilities, in proportion to the number of equity shares held.

(ii) Details of shares held by the holding company:

All the above shares are held by Bristlecone Limited, Cayman Island, the holding company, including 36 equity shares held jointly with its nominees. The ultimate holding company is Mahindra & Mahindra Limited.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022 (contd.)

(iii) Details of shares held by each shareholder holding more than 5% shares:

Class of shares/Name of shareholder	As at 31 March, 2022 Number of shares held*	As at 31 March, 2022 % holding in that class of shares	As at 31 March, 2021 Number of shares held*	As at 31 March, 2021 % holding in that class of shares
Equity shares with voting rights				
Bristlecone Limited, Cayman Island	**19,04,944**	**100%**	19,04,944	100%

* Includes 36 equity shares held jointly with its nominees. The ultimate holding company is Mahindra & Mahindra Limited.

(iv) Details of shares held by the promoters:

Shares held by promoters at the end of the year

Promoter Name	No of Shares	Percentage of total shares	Percentage of change during the year
Bristlecone Limited, Cayman Island	**19,04,944**	**100%**	–

Note No. 15 - Other Equity

Rs. in Lakhs

Particulars	Reserves and Surplus: Capital Reserve	Reserves and Surplus: Retained Earnings	Total
Balance as at 1 April, 2020	88.34	13,208.87	13,297.21
Profit for the year	–	3,924.88	3,924.88
Other Comprehensive Income	–	(83.83)	(83.83)
Interim Dividend	–	(1,000.00)	(1,000.00)
Total Comprehensive Income for the year	–	2,841.05	2,841.05
Balance as at 31 Mar, 2021	**88.34**	**16,049.92**	**16,138.26**
Profit for the year	–	**3,355.83**	**3,355.83**
Other Comprehensive Loss	–	**(122.05)**	**(122.05)**
Interim Dividend	–	**(12,100.00)**	**(12,100.00)**
Total Comprehensive Income for the year	–	**(8,866.22)**	**(8,866.22)**
Balance as at 31 March, 2022	**88.34**	**7,183.70**	**7,272.04**

Note No. 16 - Borrowings

Rs. in Lakhs

Particulars	As at 31 March, 2022 Current	As at 31 March, 2022 Non-Current	As at 31 March, 2021 Current	As at 31 March, 2021 Non-Current
Secured Borrowings				
Cash Credit from Banks *	**3,786.04**	–	–	–
Total	**3,786.04**	–	–	–

Cash Credit from Kotak Mahindra Bank Limited and Axis Bank Limited bears interest rate ranging from 7.20% - 7.50% and is secured by way of hypothecation of entire current assets of the Company.

The quarterly statements filed by the company with banks are in agreement with the books of account of the company.

Note No. 17 - Provisions

Rs. in Lakhs

Particulars	As at 31 March, 2022 Current	As at 31 March, 2022 Non-Current	As at 31 March, 2021 Current	As at 31 March, 2021 Non-Current
Provision for employee benefits				
(i) Gratuity	**207.99**	**1,136.26**	155.84	931.24
(ii) Compensated absences	**160.55**	**427.90**	146.99	527.66
Total Provisions	**368.54**	**1,564.16**	302.83	1,458.90

Note No. 18 - Trade Payables

Rs. in Lakhs

Particulars	As at 31 March, 2022 Current	As at 31 March, 2022 Non-Current	As at 31 March, 2021 Current	As at 31 March, 2021 Non-Current
(a) Total outstanding dues of Micro Enterprises and Small Enterprises*	**190.50**	–	9.68	–
(b) Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises	**3,454.34**	–	3,125.87	–
Total trade payables	**3,644.84**	–	3,135.55	–

* This information takes into account only those suppliers who have responded to the enquiries made by the Company for this purpose.

Trade Payables are payables in respect of the amount due on account of goods purchased or services received in the normal course of business. Company's credit risk management processes are explained in Note 28.

Trade payables ageing schedule

Rs. in Lakhs

Particulars	Outstanding for following periods from due date of payment*: Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years
31 March, 2022				
(a) MSME	**190.50**	–	–	–
(b) Others	**3,397.22**	**13.35**	**42.17**	**1.60**
(c) Disputed dues - MSME	–	–	–	–
(d) Disputed dues - Others	–	–	–	–
31 March, 2021				
(a) MSME	9.68	–	–	–
(b) Others	3,017.06	14.94	59.71	34.16
(c) Disputed dues - MSME	–	–	–	–
(d) Disputed dues - Others	–	–	–	–

* In the absence of due date of payment, above disclosure is provided from the date of the transaction.

Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

Micro, Small and Medium enterprises have been identified by the Company on the basis of the information available. Total outstanding dues of Micro and Small enterprises, which are outstanding for more than the stipulated period and other disclosures as per the Micro, Small and Medium Enterprises Development Act, 2006 (hereinafter referred to as "the MSMED Act") are given below :

Rs. in Lakhs

Particulars	As at 31 March, 2022	As at 31 March, 2021
(a) Principal amount remaining unpaid to MSME suppliers as on	**190.50**	9.68
(b) Interest due on unpaid principal amount to MSME suppliers as on	**–**	–
(c) The amount of interest paid along with the amounts of the payment made to the MSME suppliers beyond the appointed day	**–**	–
(d) The amount of interest due and payable for the year (without adding the interest under MSME Development Act)	**–**	0.02
(e) The amount of interest accrued and remaining unpaid as on	**–**	–
(f) The amount of interest due and payable to be disallowed under Income Tax Act, 1961	**–**	–

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022 (contd.)

Note No. 19 - Other Liabilities

Rs. in Lakhs

Particulars	As at 31 March, 2022 Current	As at 31 March, 2022 Non-Current	As at 31 March, 2021 Current	As at 31 March, 2021 Non-Current
(a) Advance from Customers	**5.09**	–	502.02	–
(b) Income received in advance	**171.04**	–	122.79	–
(c) Statutory dues				
(i) Taxes payable (other than income taxes)	**88.74**	–	161.74	–
(ii) Employee Recoveries and Employer Contributions	**158.76**	–	121.46	–
(iii) TDS Payable	**362.13**	–	306.49	–
Total Other Liabilities	**785.76**	–	1,214.50	–

Note No. 20 - Revenue from Operations

The following is an analysis of the company's revenue for the year from operations.

Rs. in Lakhs

Particulars	Year ended 31 March, 2022	Year ended 31 March, 2021
(a) Revenue from rendering of services	**38,504.93**	33,976.78
(b) Revenue from sale of products	**–**	73.47
(c) Other operating revenue	**2.66**	2.65
Total Revenue from Operations	**38,507.59**	34,052.90

Note No. 21 - Other Income

Rs. in Lakhs

Particulars	Year ended 31 March, 2022	Year ended 31 March, 2021
(a) Interest Income (On Fixed Deposits)	**180.84**	163.39
(b) Interest Income (On Financial Assets at Amortised Cost)	**17.10**	16.00
(c) Profit on sale of capital assets (net of loss on assets sold / scrapped / written off)	**39.32**	13.34
(d) Net gain on foreign currency transactions and translation	**384.54**	142.19
(e) Liabilities/provisions no longer required written back	**68.51**	44.75
(f) Income from Short Term Investments	**68.19**	167.11
(g) Impairment value for investment carried at cost written back	**100.29**	–
(h) Other non operating Income	**109.67**	–
Total Other Income	**968.46**	546.78

Note No. 22 - Employee Benefits Expense

Rs. in Lakhs

Particulars	Year ended 31 March, 2022	Year ended 31 March, 2021
(a) Salaries and wages, including bonus	**27,139.97**	21,652.50
(b) Contribution to provident and other funds	**845.58**	678.07
(c) Gratuity	**271.22**	226.82
(d) Staff welfare expenses	**125.25**	101.51
Total Employee Benefit Expense	**28,382.02**	22,658.90

Note No. 23 - Finance Cost

Rs. in Lakhs

Particulars	Year ended 31 March, 2022	Year ended 31 March, 2021
Interest Expenses		
(a) On Financial Liability at Amortised Cost		
(i) Cash Credit Account	**66.30**	9.19
(ii) Interest on Lease Liability	**118.40**	144.61
(b) Other Borrowing Costs	**33.00**	–
(c) Other Finance Cost (interest on delayed payment of taxes)	**4.95**	14.56
Total Finance Cost	**222.65**	168.36

Note No. 24 - Other Expenses

Rs. in Lakhs

Particulars	Year ended 31 March, 2022	Year ended 31 March, 2021
(a) Power	**48.88**	47.72
(b) Rent*	**6.71**	28.41
(c) Rates and taxes	**2.17**	2.17
(d) Communication expenses	**160.59**	130.71
(e) Travelling and conveyance	**167.23**	98.25
(f) Recruitment expenses	**664.11**	183.63
(g) Repairs and maintenance - computer and office equipment	**334.70**	339.16
(h) Repairs and maintenance - Others	**14.30**	13.16
(i) Insurance	**4.51**	3.55
(j) Legal and other professional costs	**124.72**	2,171.55
(k) Directors' Remuneration**	**63.00**	63.00
(l) Subcontracting expenses	**2,726.06**	1,807.31
(m) Software expenses	**412.73**	315.21
(n) Training expenses	**154.48**	116.28
(o) Provision for doubtful debts and Bad debts written off (See note below)	**(14.01)**	(374.60)
(p) Expenditure on Corporate Social Responsibility (CSR) under section 135 of the Companies Act, 2013.	**84.47**	76.40
(q) Miscellaneous expenses	**330.13**	352.45
Total Other Expenses	**5,284.78**	5,374.36

* It represents lease rentals of short term leases and leases which having underlying assets of low value.

** Expenses for the year ended 31 March, 2022 require approval in the ensuing general meeting.

Provision for doubtful debts and Bad debts written off

Rs. in Lakhs

Particulars	Year ended 31 March, 2022	Year ended 31 March, 2021
Bad debts written off	**274.40**	109.76
Add/(Less):- Provision for the doubtful debts	**(288.41)**	(484.36)
	(14.01)	(374.60)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022 (contd.)

Disclosure with regard to CSR activities:

Rs. in Lakhs

Particulars		Year ended 31 March, 2022	Year ended 31 March, 2021
(a)	Amount required to be spent by the company during the year	**84.47**	76.40
(b)	Amount of expenditure incurred	**84.47**	76.40
(c)	Shortfall at the end of the year	**–**	–
(d)	Total of previous years shortfall	**–**	–

Nature of CSR Activities:

Rs. in Lakhs

Particulars		Year ended 31 March, 2022	Year ended 31 March, 2021
(a)	Project Nanhi Kali [Towards Education of Girl Child]	**20.20**	58.40
(b)	Prayas Health Group [Towards Healthcare including Prevention]	**18.00**	18.00
(c)	COVID Relief [Donation of Ambulances and Genset]	**33.75**	–
(d)	Tree Plantation Drive [Northen India Hariyali project]	**8.48**	–
(e)	The Art of Living [Funding for software training academy]	**4.04**	–
Total		**84.47**	76.40

Note No. 25 - Earnings per Share

Basic and Diluted earnings per share

The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:

Rs. in Lakhs

Particulars	Year ended 31 March, 2022	Year ended 31 March, 2021
Profit for the year attributable to the owners of the company	**3,355.83**	3,924.88
Profit for the year used in the calculation of basic and diluted earnings per share	**3,355.83**	3,924.88
Weighted average number of equity shares	**1,904,944**	1,904,944
Earnings per share from continuing operations - Basic and Diluted (Rs.)	**176.16**	206.04

Note No. 26 - Disclosure of interest in Subsidiaries

(a) Details of the Company's material subsidiaries at the end of the reporting year are as follows:

Name of the Subsidiary	Principal Activity	Place of Incorporation and Place of Operation	Proportion of Ownership Interest and Voting power held by the Company		Quoted (Y/N)
			As at 31 March, 2022	As at 31 March, 2021	
Bristlecone (Singapore) Pte. Ltd.	Sale of services	Singapore	100%	100%	N
Bristlecone GmbH	Sale of services	Germany	100%	100%	N

Investments in subsidiary companies are accounted at Cost in accordance with para 10 of Ind AS 27 Separate Financial Statements.

Note No. 27-Leases

Company as a lessee

The details of the right-of-use asset held by the Company is as follows:

Rs. in Lakhs

Particulars	As at 31 March, 2022	As at 31 March, 2021
Leasehold Premises		
Opening Balance	**1,309.29**	1,455.22
Additions during the year	**191.24**	370.66
Deletions during the year	**133.16**	–
Amortisation expense for the year	**505.33**	516.59
Eliminated on disposal of assets	**133.16**	–
Balance as at 31 March, 2022	**995.20**	1,309.29

The following is the break-up of current and non-current lease liabilities:

Rs. in Lakhs

Particulars	As at 31 March, 2022	As at 31 March, 2021
Current Liabilities	**400.14**	484.98
Non-current Liabilities	**691.69**	916.24
Total	**1,091.83**	1,401.22

The following is the movement in lease liabilities during the year ended:

Rs. in Lakhs

Particulars	As at 31 March, 2022	As at 31 March, 2021
Lease Liabilities		
Opening Balance	**1,401.22**	1,491.64
Additions during the year	**191.24**	370.66
Payment of lease liabilities	**500.63**	461.08
Balance as at 31 March, 2022	**1,091.83**	1,401.22

The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis:

Rs. in Lakhs

Particulars	As at 31 March, 2022	As at 31 March, 2021
Not later than one year	**400.14**	484.98
Later than one year but not later than five years	**456.04**	685.66
Later than five years	**235.65**	230.58
Total	**1,091.83**	1,401.22

Rental expense recorded for short-term leases was Rs. 6.25 lakhs (previous year Rs.28.41 lakhs) for the year ended March 31, 2022.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022 (contd.)

Note No. 28 - Financial Instruments

Capital Management

The company's capital management objectives are:

- to ensure the company's ability to continue as a going concern;
- maintain an optimal capital structure to reduce the cost of capital.

The Company determines the amount of capital required on the basis of its operations, capital expenditure and strategic investment plans. The same is funded through a combination of capital sources be it either equity and/ or combination of short term/long term debt as may be appropriate.

The company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. The Company's policy is to maintain adequate capital base so as to maintain shareholders, creditors confidence and to sustain future development of the business. Management monitors the return on capital, as well as the level of dividends to equity shareholders.

Rs. in Lakhs

Particulars	As at 31 March, 2022	As at 31 March, 2021
Shareholders' Equity as reported in Balance Sheet	**9,176.98**	18,043.20
Total Shareholders' Equity (A)	**9,176.98**	18,043.20
Short term Debt	**3,786.04**	–
Total Debt (B)	**3,786.04**	–
Current Investments	**–**	2,874.06
Cash and Bank Balances	**21.68**	8,149.60
Total Investments (C)	**21.68**	11,023.66
Total Capital Employed (A-B-C)	**5,369.26**	7,019.54

Categories of financial assets and financial liabilities

Amortised Costs

Rs. in Lakhs

Particulars	As at 31 March, 2022	As at 31 March, 2021
Non-current Assets		
Investments	**778.51**	678.22
Other Financial Assets		
- Non Derivative Financial Assets	**69.78**	183.52
Current Assets		
Investments	**–**	2,833.04
Trade Receivables	**12,320.44**	7,338.51
Cash and Cash Equivalents	**21.63**	2,574.72
Other Bank Balances	**0.05**	5,574.88
Loans	**3.10**	16.08
Other Financial Assets		
- Non Derivative Financial Assets	**1,340.30**	700.14
Non Current Liabilities		
Borrowings	**–**	–
Lease Liabilities	**691.69**	916.24
- Non Derivative Financial Liabilities	**–**	–
Current Liabilities		
Borrowings	**3,786.04**	–
Trade Payables	**3,644.84**	3,135.55
Lease Liabilities	**400.14**	484.98
- Non Derivative Financial Liabilities	**–**	–

Fair Value through Profit and Loss

Rs. in Lakhs

Particulars	As at 31 March, 2022	As at 31 March, 2021
Current Assets		
Investment		
- MTM on Mutual Funds	**–**	41.02
Other Financial Assets		
- Derivative Financial Instruments	**78.45**	25.48
Current Liabilities		
Other Financial Liabilities		
- Derivative Financial Instruments	**–**	–

Rs. in Lakhs

Particulars	Less than 1 Year	1-3 Years	3 Years to 5 Years	5 years and above
Non–derivative financial liabilities				
31 March, 2022				
Borrowings	**3,786.04**	**–**	**–**	**–**
Trade Payables	**3,644.84**	**–**	**–**	**–**
Lease Liabilities	**400.14**	**241.15**	**214.89**	**235.65**
Other Financial Liabilities	**–**	**–**	**–**	**–**
Total	**7,831.02**	**241.15**	**214.89**	**235.65**
31 March, 2021				
Borrowings	–			
Trade Payables	3,135.55	–	–	–
Lease Liabilities	484.98	526.08	159.58	230.58
Other Financial Liabilities	–	–	–	–
Total	3,620.53	526.08	159.58	230.58

Financing arrangements

The Company had access to following borrowing facilities at the end of the reporting period:

Rs. in Lakhs

Particulars	As at 31 March, 2022 INR	As at 31 March, 2021 INR
Secured Bank Overdraft facility		
- Expiring within one year	**8,500.00**	2,000.00
- Expiring beyond one year	**–**	–
	8,500.00	2,000.00

Maturities of financial assets

The following table details the Company's expected maturity for its non-derivative financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Company's liquidity risk management as the liquidity is managed on a net asset and liability basis.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022 (contd.)

Rs. in Lakhs

Particulars	Less than 1 Year	1-3 Years	3 Years to 5 Years	5 years and above
Non-derivative financial assets				
As at 31 March, 2022				
Investments	**–**	**–**	**–**	**778.51**
Trade Receivables	**12,320.44**	**–**	**–**	**–**
Cash and Cash Equivalents	**21.63**	**–**	**–**	**–**
Other Bank Balances	**0.05**	**–**	**–**	**–**
Loans	**3.10**	**–**	**–**	**–**
Other Financial Assets	**1,340.30**	**34.83**	**16.98**	**17.97**
Total	**13,685.52**	**34.83**	**16.98**	**796.48**
As at 31 March, 2021				
Investments	2,874.06	–	–	678.22
Trade Receivables	7,338.51	–	–	–
Cash and Cash Equivalents	2,574.72	–	–	–
Other Bank Balances	5,574.88	–	–	–
Loans	16.08	–	–	–
Other Financial Assets	700.14	152.54	–	30.98
Total	19,078.39	152.54	–	709.20

The following table details the Company's liquidity analysis for its derivative financial instruments. The table has been drawn up based on the undiscounted contractual net cash inflows and outflows on derivative instruments that settle on a net basis.

Rs. in Lakhs

Particulars	Less than 1 Year	1-3 Years	3 Years to 5 Years	5 years and above
Derivative financial Instruments				
As at 31 March, 2022				
Forward Exchange Contracts	**78.45**	**–**	**–**	**–**
As at 31 March, 2021				
Forward Exchange Contracts	25.48	–	–	–

Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk such as equity price risk and commodity price risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

There has been no significant changes to the company's exposure to market risk or the methods in which they are managed or measured.

Currency Risk

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. The Company's exposure to currency risk relates primarily to the Company's operating activities.

The Company manages its foreign currency risk by hedging transactions that are expected to occur within a maximum 12 month period for hedges of forecasted sales and purchases.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows.

Balances in Functional Currency (INR)

Rs. in Lakhs

Particulars	Currency	As at 31 March, 2022	As at 31 March, 2021
Trade Receivables	USD	**10,571.90**	4,828.48
	MYR	**114.54**	–
	SGD	**139.24**	234.17
	EUR	**189.58**	65.05
Advance from Customers	USD	**–**	–
	EUR	**–**	–
Trade Payables	USD	**11.81**	–
	EUR	**–**	–

Balances in Respective Foreign Currency

Rs. in Lakhs

Particulars	Currency	As at 31 March, 2022	As at 31 March, 2021
Trade Receivables	USD	**13,963,679**	6,567,570
	MYR	**635,850**	–
	SGD	**248,904**	429,199
	EUR	**224,398**	75,579
Advance from Customers	USD	**–**	–
	EUR	**–**	–
Trade Payables	USD	**15,602**	–
	EUR	**–**	–

Of the above foreign currency exposures, the following exposures are not hedged by derivatives:

Balances in Functional Currency (INR)

Rs. in Lakhs

Particulars	Currency	As at 31 March, 2022	As at 31 March, 2021
Trade Receivables	USD	**–**	–
	MYR	**114.54**	–
	SGD	**139.24**	234.17
	EUR	**189.58**	65.05
Advance from Customers	USD	**–**	–
	EUR	**–**	–
Trade Payables	USD	**11.81**	–
	EUR	**–**	–

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022 (contd.)

Balances in Respective Foreign Currency

Rs. In Lakhs

Particulars	Currency	As at 31 March, 2022	As at 31 March, 2021
Trade Receivables	USD	–	–
	MYR	635,850	–
	SGD	248,904	429,199
	EUR	224,398	75,579
Advance from Customers	USD	–	–
	EUR	–	–
Trade Payables	USD	15,602	–
	EUR	–	–

Foreign Currency Sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD, MYR, SGD and EUR exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities. The Company's exposure to foreign currency changes for all other currencies is not material.

Rs. in Lakhs

Particulars	Currency	Change in rate	Effect on profit before tax
For the year ended on 31 March, 2022	USD	+10%	(1.18)
	USD	-10%	1.18
	MYR	+10%	11.45
	MYR	-10%	(11.45)
	SGD	+10%	13.92
	SGD	-10%	(13.92)
	EUR	+10%	18.96
	EUR	-10%	(18.96)
For the year ended on 31 March, 2021	USD	+10%	–
	USD	-10%	–
	MYR	+10%	–
	MYR	-10%	–
	SGD	+10%	23.42
	SGD	-10%	(23.42)
	EUR	+10%	6.51
	EUR	-10%	(6.51)

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not significantly exposed to the risk of changes in market interest rates.

Note No. 29 - Segment information

The Company is in the business of Business Consulting, Software Implementation and related support activities, which in the context of Indian Accounting Standard 108 'Segment Information' represents single reportable business segment. The accounting policies of the reportable segments are the same as the accounting policies disclosed in Note 3.

Geographic information

The company operates in 2 principal geographical areas - India (country of domicile) and outside India. The Company's revenue from external customers by location of operations and information about its non current assets by location of assets are detailed below:

Rs. in Lakhs

Particulars	Year ended 31 March, 2022	Year ended 31 March, 2021
Revenue from external customers		
India	11,802.25	12,626.96
Outside India	26,705.34	21,425.94
Total revenue per statement of profit or loss	38,507.59	34,052.90

Non-current operating assets:

Rs. in Lakhs

Particulars	As at 31 March, 2022	As at 31 March, 2021
India	1,842.26	1,563.87
Outside India	–	–
Total	1,842.26	1,563.87

Non-current assets for this purpose consist of property, plant and equipment and intangible assets and Capital work in progress.

Revenue from major services

The Company's business activity falls within a single line of services viz. Business Consulting, Software Implementation and related support activities.

Information about major customers

Included in revenues arising from sale of services & products are revenue of approx. Rs. 35,531.51 lakhs (31 March, 2021: Rs 28,095.82 lakhs) which arose from sales to the Company's top 3 customers (31 March,2021 top 2 customers). No other customer contributed to 10% or more to the Company's revenue for both the years 2021 - 22 and 2020 - 21.

Note No. 30 - Contingent liabilities and commitments

Rs. in Lakhs

Particulars	As at 31 March, 2022	As at 31 March, 2021
Contingent liabilities		
(a) Income tax matters under litigations (including interest)	698.50	638.45
(b) Service tax matters under litigations (including interest)	–	–
(c) Standby Letter of Credit Issued in favour of subsidiary company	–	–
(d) Claim against Company not acknowledged as debt	35.00	35.00

Note: As on 31 March, 2021 the company's management does not expect any outflow in respect of these pending litigations related to tax matters stated above based on the legal advice obtained.

Capital Commitments as at 31 March, 2022 Rs. 22.51 Lakhs (Previous Year Rs. 87.13 Lakhs).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022 (contd.)

Note No. 31 - Employee benefits

(a) Defined Contribution Plan

Contribution for the year to Defined Contribution Plan is recognised in the Statement of Profit and Loss included under employee benefits expense note 22. Contribution to provident and other funds as disclosed in note 22 are as under:

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Employer's Contribution to Provident Fund	**503.39**	379.91
Employer's Contribution to Family Pension Fund	**287.12**	255.79
Employer's Contribution to Superannuation Fund	**4.07**	–

(b) Defined Benefit Plans:

Gratuity

The Company operates a gratuity plan covering qualifying employees. The benefit payable is as per the amount calculated as per the Payment of Gratuity Act, 1972. The benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. In case of death while in service, the gratuity is payable irrespective of vesting.

Through its defined benefit plans the Company is exposed to a number of risks, the most significant of which are detailed below:

Changes in bond yields

A decrease in government bond yields will increase plan liabilities.

Life expectancy

The majority of the plan's obligations are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the plan's liabilities. This is particularly significant in the Company's defined benefit plans, where inflationary increases result in higher sensitivity to changes in life expectancy.

The significant actuarial assumptions used for the purposes of the actuarial valuations were as follows:

Particulars	Valuation as at	
	31 March, 2022	31 March, 2021
Discount rate(s)	**6.40%**	6.30%
Expected rate(s) of salary increase	**7.00%**	7.00%
Rate of Leaving Service	**Age 21-44 Years- 21.0% Age 45-59 Years- 11.0%**	Age 21-44 Years- 18.2% Age 45-59 Years- 11.2%
Mortality Rate	**As per Indian Assured Lives Mortality (2012-14) Ult table**	As per Indian Assured Lives Mortality (2012-14) Ult table

Defined benefit plans – as per actuarial valuation

Gratuity (Unfunded)

Amounts recognised in comprehensive income in respect of these defined benefit plans are as follows:

Rs. in Lakhs

Particulars	Year ended 31 March, 2022	Year ended 31 March, 2021
Service Cost		
Current Service Cost	**208.31**	184.31
Past service cost	**–**	–
Net interest expense	**62.91**	42.51
Components of defined benefit costs recognised in profit or loss	**271.22**	226.82
Remeasurement on the net defined benefit liability		
Actuarial gains and loss arising from changes in financial assumptions	**(6.85)**	18.52
Actuarial gains and loss arising from changes in demographic assumptions	**(4.15)**	32.68
Actuarial gains and loss arising form experience adjustments	**174.10**	60.82
Components of defined benefit costs recognised in other comprehensive income	**163.10**	112.02
Total	**434.32**	338.84

	Particulars	Year ended 31 March, 2022	Year ended 31 March, 2021
I.	**Net Liability recognised in the Balance Sheet as at 31 March**		
1.	Present value of defined benefit obligation	**1,344.25**	1,087.08
2.	Fair value of plan assets	**–**	–
3.	**Surplus/(Deficit)**	**1,344.25**	1,087.08
4.	Current portion of the above	**207.99**	155.84
5.	Non current portion of the above	**1,136.26**	931.24
II.	**Change in the obligation during the year ended 31 March**		
1.	Present value of defined benefit obligation at the beginning of the year	**1,087.08**	840.91
2.	Expenses Recognised in Profit and Loss Account		
	– Current Service Cost	**208.31**	184.31
	– Past Service Cost	**–**	–
	– Interest Expense (Income)	**62.91**	42.51
3.	Recognised in Other Comprehensive Income		
	Remeasurement gains / (losses)		
	– Actuarial Gain (Loss)	**163.10**	112.02
4.	Benefit payments	**(177.15)**	(92.67)
5.	**Present value of defined benefit obligation at the end of the year**	**1,344.25**	1,087.08

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022 (contd.)

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

Principal Assumption	For the year ended	Changes in assumption	Impact on defined benefit obligation	
			Increase in assumption	Decrease in assumption
Discount rate	**31 March, 2022**	**100 basis points**	**1,279.39**	**1,415.99**
	31 March, 2021	100 basis points	1,024.30	1,157.32
Salary growth rate	**31 March, 2022**	**100 basis points**	**1,399.96**	**1,292.29**
	31 March, 2021	100 basis points	1,154.62	1,024.85

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the Balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to previous period.

Maturity profile of defined benefit obligation:

Rs. in Lakhs

Maturity Profile	**As at 31 March, 2022**	As at 31 March, 2021
Expected benefits for Year 1	**207.99**	152.56
Expected benefits for Year 2	**202.97**	157.97
Expected benefits for Year 3	**191.10**	145.05
Expected benefits for Year 4	**225.39**	131.18
Expected benefits for Year 5	**210.25**	133.01
Expected benefits for Year 6 and above	**1,286.93**	1,000.66

The weighted average duration of the defined benefit obligation as at 31 March, 2022 is 7.64 years (31 March, 2021: 6.10 years).

The estimate of future salary increases, considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The current service cost and the net interest expense for the year are included in the employee benefits expense in Profit or Loss.

(c) Compensated Absences:

Compensated absences charged to Statement of Profit and Loss Rs. 46.43 lakhs (previous year Rs.115.30 lakhs) and liability as at 31 March, 2022 Rs. 588.45 lakhs (As at 31 March, 2021 Rs. 674.65 lakhs).

Note No. 32 - Related Party Transactions

Name of the Related Party and Nature of Relationship

Holding company and ultimate holding company

Bristlecone Limited (Holding company)

Mahindra Holdings Limited (Holding company)

Mahindra and Mahindra Limited (Ultimate Holding company)

Subsidiary companies

Bristlecone (Singapore) Pte. Ltd.

Subsidiary companies

Bristlecone GmbH

Fellow subsidiaries (where there are transactions)

Bristlecone Inc.

Bristlecone Consulting Ltd

Bristlecone UK Limited

Bristlecone (Malaysia) Sdn. Bhd.

Bristlecone International AG

Bristlecone Middle East DMCC

Mahindra First Choice Services Limited (till 25.02.2021)

Mahindra Lifespace Developers Limited

Mahindra USA Inc.

Mahindra Integrated Business Solutions Private Limited

Mahindra Holidays & Resorts India Limited

Mahindra Susten Private Limited

Mahindra and Mahindra Financial Services Limited

Mahindra Summit Agri Sciences Limited

Mahindra EMarket Limited

Mahindra Agri Solutions Limited

Gables Promoters Private Limited

Mahindra Solarize Private Limited

Others (where there are transactions)

Associate of Ultimate Holding Company

Tech Mahindra Limited

Subsidiary of Joint Venture of Ultimate Holding Company

Mahindra Aerostructures Private Limited

Post Employment benefit plan

Mahindra Consulting Ltd Employee's Superannuation Scheme

Key Managerial Personnel

Mr. Ulhas Yargop, Director

Ms. Manaswini Goel, Director

Mr. P R Barpande, Independent Director

Mr. Nikhilesh Panchal, Independent Director

Mr. Mohit Kapoor, Director (w.e.f 07 February 2022)

Mr. Prashant Kamat - Manager (till 03 September 2021)

Mr. Narayan Iyer - Manager (w.e.f 07 February 2022)

Mr. Harsh Vaish - Chief Financial Officer (till 26 June 2020)

Mr. Amit Deshmukh - Chief Financial Officer (w.e.f. 27 October 2020)

Ms. Grisma Biswal - Company Secretary

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022 (contd.)

Details of transaction between the Company and its related parties are disclosed below:

Rs. in Lakhs

Nature of transactions with Related Parties	For the year ended	Ultimate Holding Company	Holding Company	Subsidiaries	Fellow Subsidiaries	Others
Reimbursement of expenses paid*	31 March, 2022	**53.32**	**–**	**0.55**	**0.26**	**–**
	31 March, 2021	83.94	–	–	–	0.48
Reimbursement of expenses received	31 March, 2022	**0.98**	**–**	**29.60**	**203.42**	**–**
	31 March, 2021	2.02	–	5.65	14.15	–
Income from services rendered	31 March, 2022	**4,135.91**	**–**	**2,608.88**	**24,404.88**	**–**
	31 March, 2021	6,378.66	–	2,541.39	19,130.15	21.84
Other Income	31 March, 2022	**–**	**–**	**–**	**–**	**–**
	31 March, 2021	–	–	–	–	–
Income from sale of product/hardware	31 March, 2022	**–**	**–**	**–**	**–**	**–**
	31 March, 2021	73.12	–	–	–	–
Dividend Paid	31 March, 2022	**–**	**12,100.00**	**–**	**–**	**–**
	31 March, 2021	–	1,000.00	–	–	–
Professional fees	31 March, 2022	**0.02**	**–**	**–**	**21.34**	**–**
	31 March, 2021	–	–	–	19.86	–
Rent Expenses	31 March, 2022	**–**	**–**	**–**	**–**	**–**
	31 March, 2021	1.15	–	–	–	–
Subcontracting Charges	31 March, 2022	**–**	**–**	**–**	**–**	**–**
	31 March, 2021	–	–	–	0.40	–

* Company has incurred Rs. 2.21 lakhs (31 March, 2021: Rs. 2.94 lakhs) for key managerial personnel services provided by Mahindra and Mahindra Ltd.

Rs. in Lakhs

Nature of Balances with Related Parties	Balance as on	Ultimate Holding Company	Holding Company	Subsidiaries	Fellow Subsidiaries	Others
Receivable balance at the year end.	31 March, 2022	**257.67**	**–**	**354.10**	**10,691.78**	**–**
	31 March, 2021	1,346.37	–	299.22	4,864.64	–
Payable balance at the year end.	31 March, 2022	**47.07**	**–**	**–**	**2.79**	**–**
	31 March, 2021	31.95	–	–	2.08	–
Unbilled Revenues as at the year end	31 March, 2022	**259.98**	**–**	**–**	**60.17**	**–**
	31 March, 2021	23.74	–	–	11.42	–
Income received in advance	31 March, 2022	**160.36**	**–**	**–**	**10.68**	**–**
	31 March, 2021	119.96	–	–	1.18	–

Compensation of key managerial personnel

The remuneration of key managerial personnel (KMP) during the year was as follows:

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022 (contd.)

Rs. in Lakhs

Particulars	Year ended 31 March, 2022	Year ended 31 March, 2021
Directors:		
Director Remuneration	**63.00**	63.00
Director Sitting Fees	**4.80**	4.00
KMP Other than Directors:		
Salaries, bonus, etc.	**119.37**	136.67
Post-employment benefits	**3.76**	7.21
Other long-term benefits	**1.87**	2.68

Note: The remunaration to the key managerial personnel does not include the provisions made for gratuity and leave encashments, as they are determined on an acturial basis for the Company as a whole.

Note No. 33 - Additional Disclosures as per Ind-AS 115 Revenue from Contracts with Customers

The Company applied Ind-AS 115 Revenue from Contracts with Customers by using the modified retrospective method of adoption with date of initial application of 1st April 2018. This has not resulted any significant changes to retained earning or any other line item in financial statements.

i) Desegregation of revenue

Rs. in Lakhs

Particulars	As at 31 March, 2022	As at 31 March, 2021
By Geography / Regions		
Domestic	**11,802.25**	12,626.96
Export	**26,705.34**	21,425.94
	38,507.59	34,052.90
By Timing of Transfer		
at the point in time	–	73.47
Over the time	**38,507.59**	33,979.43
	38,507.59	34,052.90

ii) Contract balances

Rs. in Lakhs

Particulars	As at 31 March, 2022	As at 31 March, 2021
Opening Receivables	**7,663.25**	7,258.51
Closing Receivables	**12,320.44**	7,663.25
Opening Contract Assets	**578.79**	1,285.55
Closing Contract Assets	**1,186.84**	578.79
Opening Contract Liabilities	**122.79**	401.68
Closing Contract Liabilities*	**171.04**	122.79
Revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the period	**122.79**	401.68

* Expected to fulfil the performance obligation in 0-6 Months.

iii) Company provides 60 to 120 days credit period to customers.

iv) As a practical expedient, the Company has not disclosed the information in paragraph 120 of Ind-AS 115 for a performance obligation since the performance obligation is part of a contract that has an original expected duration of one year or less.

Note No. 34 - Additional Information to the Financial Statements

(a) Disclosure of ratios:

Particulars	Numerator	Denominator	Year ended 31 March, 2022	Year ended 31 March, 2021	% Variance	Reason for variance
(a) Current Ratio	Current Assets	Current Liabilities	**1.62**	3.83	-57.71%	Dividend payment to Shareholders and increase in borrowings during current year.
(b) Debt-Equity Ratio	Total Debt	Shareholder's Equity	**0.41**	–	100.00%	On account of working capital limit enhancement with banks, there is increase in borrowings during current year.
(c) Debt service coverage ratio	Earnings available for debt service	Debt Service	**7.69**	8.70	-11.63%	On account of higher employee related costs, there is decrease in Earnings available for debt service.
(d) Return on equity ratio	Net Profits after taxes – Preference Dividend (if any)	Average Shareholder's Equity	**0.25**	0.24	4.43%	
(e) Inventory turnover ratio	Cost of goods sold OR sales	Average Inventory	–	–	–	
(f) Trade receivables turnover ratio	Net Credit Sales	Avg. Accounts Receivable	**3.92**	4.94	-20.69%	Increase in credit period with customers.
(g) Trade payables turnover ratio	Net Credit Purchases	Average Trade Payables	**6.43**	5.91	8.69%	
(h) Net capital turnover ratio	Net Sales	Working Capital	**6.92**	2.34	195.24%	Dividend payment to Shareholders and increase in borrowings during current year.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022 (contd.)

	Particulars	Numerator	Denominator	Year ended 31 March, 2022	Year ended 31 March, 2021	% Variance	Reason for variance
(i)	Net profit ratio	Net Profit	Net Sales	**0.09**	0.12	-24.39%	On account of higher employee related costs there is decrease in Net profit.
(j)	Return on capital employed	Earning before interest and taxes	Capital Employed	**0.34**	0.29	18.46%	On account of higher employee related costs there is decrease in Return on Capital employed.
(k)	Return on investment						
	Fixed Deposits	Interest Income on Fixed Deposits	Average Fixed Deposit Investment for the year	**0.04**	0.05	-34.56%	Due to liquidation of investment in Fixed Deposits.
	Mutual Fund	Return on Mutual Fund	Average Mutual Fund Investment for the year	**0.03**	0.04	-8.37%	Due to liquidation of investment in Mutual Funds.

Earning available for Debt Service = Net Profit after taxes + Non-cash operating expenses like depreciation and other amortizations + Interest + other adjustments like loss on sale of PPE etc.

Debt service = Interest & Lease Payments + Principal Repayments

Working capital = current assets minus current liabilities.

Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability

(b) Expenditure in foreign currency on account of:-

Rs. in Lakhs

Particulars	Year ended 31 March, 2022	Year ended 31 March, 2021
Travelling	**48.79**	11.73
Subscription expenses	**77.64**	37.51
Licensee Fee	**2.04**	–
Asset - IT Equipment (Thingsee Devices)	–	0.91
	128.47	50.15

(c) Earnings in foreign exchange

Rs. in Lakhs

Particulars	Year ended 31 March, 2022	Year ended 31 March, 2021
Professional and consultancy fees in respect of services rendered (including unbilled revenue)	**26,705.34**	21,425.94

(d) Remuneration to auditors (excluding Service Tax/GST)

Rs. in Lakhs

Particulars	Year ended 31 March, 2022	Year ended 31 March, 2021
As auditor		
Audit Fee	**13.90**	13.00
Tax and Transfer Pricing audit fee	**3.35**	3.25
In other capacities		
Taxation matters & Others	**10.50**	2.13
Reimbursement of expenses		
Out of Pocket expenses	**0.03**	–
	27.78	18.38

(e) Transactions with struck off Companies:

There are no transactions with struck off companies during the current and previous financial years.

(f) Previous Year Groupings

Previous Year's figures have been regrouped / rearranged wherever necessary in order to confirm to current year's groupings and classifications.

In terms of our report attached

For B.K. Khare & Co.
Chartered Accountants
Firm Registration Number: 105102W

Himanshu Goradia
Partner
Membership No: 045668

Place : Mumbai
Date : 4 May, 2022

For and on behalf of the Board of Directors

Ulhas N. Yargop
Director

P. R. Barpande
Director

Manaswini Goel
Director

Nikhilesh Panchal
Director

Amit Deshmukh
Chief Financial Officer

Grisma Biswal
Company Secretary

Place : Mumbai
Date : 4 May, 2022

AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part "A": Subsidiaries

Sr. No.	Particulars	Details	
	Name of the subsidiary	**Bristlecone (Singapore) Pte. Ltd.**	**Bristlecone GmbH**
1.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Year ended 31 March, 2022	Year ended 31 March, 2022
2.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Reporting Curr: SGD Exchange Rate 1 SGD= INR 55.94	Reporting Curr: EUR Exchange Rate 1 EUR= INR 84.50
3.	Share capital	93,419,800	4,225,000
4.	Reserves & surplus	(1,317,779)	455,621,465
5.	Total assets	120,789,899	536,472,941
6.	Total Liabilities	120,789,899	536,472,941
7.	Investments	–	–
8.	Turnover	167,935,572	337,584,005
9.	Profit before taxation	38,480,343	58,703,966
10.	Provision for taxation	2,355,522	12,062,269
11.	Profit after taxation	36,124,821	46,641,697
12.	Proposed Dividend	–	–
13.	% of shareholding	100%	100%

1 Names of subsidiaries which are yet to commence operations: **None**

2 Names of subsidiaries which have been liquidated or sold during the year: **None**

Part "B": Associates and Joint Ventures: Not Applicable

NIL

For and on behalf of the Board of Directors

Ulhas N. Yargop
Director

P. R. Barpande
Director

Manaswini Goel
Director

Nikhilesh Panchal
Director

Amit Deshmukh
Chief Financial Officer

Grisma Biswal
Company Secretary

Place : Mumbai
Date : 4 May, 2022

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors and Shareholders of

Bristlecone Consulting Limited

Opinion

1. We have audited the accompanying financial statements of Bristlecone Consulting Limited ('the Company') (a wholly owned subsidiary of Bristlecone Limited), which comprise the Balance Sheet as at 31 March 2022, the Statement of Comprehensive income, Statement of Changes in stockholders' Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements present fairly, in all material respects, the financial position of the Company as at 31 March 2022, and of its financial performance and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

3. We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ('IESBA Code') together with the ethical requirements that are relevant to our audit of the financial statements in India and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information other than the Financial Statements and Auditor's Report thereon

4. Management is responsible for the other information. Other information does not include the financial statements and our auditor's report thereon.

   Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

   In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

   If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. Reporting under this section is not applicable as no other information is obtained at the date of this auditor's report.

Responsibilities of Management for the Financial Statements

5. Management is responsible for the preparation of these financial statements that give a true and fair view in accordance with accounting principles generally accepted in the United States of America, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

6. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

7. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

8. As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

   - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
   - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
   - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
   - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether

a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

9. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Place: Gurgaon, India

Date: May 09, 2022

Grant Thornton Bharat LLP

BALANCE SHEET AS AT MARCH 31, 2022

Particulars	**Notes**	**As at March 31, 2022 (CAD$)**	As at March 31, 2021 (CAD$)
Assets			
Current assets			
Cash and cash equivalents	**B**	**503,675**	407,550
Accounts Receivable - Due from related parties	**C**	**–**	123,979
Other current assets		150	150
Total current assets		**503,825**	531,679
Non-current assets			
Income tax receivable		**29,683**	74,677
Total assets		**533,508**	606,356
Liabilities and stockholders' equity			
Current liabilities			
Accounts payable			
– Due to related party	**C**	**4,438**	664
– Others		**–**	186
Accrued expenses and other current liabilities	**D**	**54,449**	48,557
Total current liabilities		**58,887**	49,407
Stockholders' equity			
Common stock, no par value 1 shares authorized and 1 shares issued of March 31, 2022 and March 31, 2021	**E**	**1**	1
Retained earnings		**474,620**	556,948
Total stockholders' equity		**474,621**	556,949
Total liabilities and stockholders' equity		**533,508**	606,356

The accompanying notes are an integral part of these financial statements.

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED MARCH 31, 2022

Particulars	**Notes**	**Year ended March 31, 2022 (CAD$)**	Year ended March 31, 2021 (CAD$)
Revenue		**161,958**	185,267
Operating expenses			
Cost of revenue		**242,488**	298,084
Selling, general and administrative expenses		**25,361**	27,715
Total operating expenses		**267,849**	325,799
Operating (loss)		**(105,891)**	(140,532)
Other income/(expense)			
– Foreign exchange loss		**(6,141)**	(58,128)
– Other		**21**	3,552
Loss before income tax expense		**(112,011)**	(195,108)
Income tax (refund)	**3.8**	**(29,683)**	(51,709)
Net Loss		**(82,328)**	(143,399)
Other comprehensive income		**–**	–
Total Comprehensive income		**(82,328)**	(143,399)

The accompanying notes are an integral part of these financial statements.

STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY FOR THE YEAR ENDED MARCH 31, 2022

Particulars	Common stock				Additional paid-in capital	Retained earnings	Total stockholders' equity
	Authorized		Issued and outstanding				
	Shares	Amount (CAD$)	Shares	Amount (CAD$)	Amount (CAD$)	Amount (CAD$)	Amount (CAD$)
Balance as at April 1, 2020	1	1	1	1	–	700,347	700,348
Net income for the year	–	–	–	–	–	(143,399)	(143,399)
Balance as at March 31, 2021	**1**	**1**	**1**	**1**	**–**	**556,948**	**556,949**
Net income for the year	–	–	–	–	–	(82,328)	(82,328)
Balance as at March 31, 2022	**1**	**1**	**1**	**1**	**–**	**474,620**	**474,621**

The accompanying notes are an integral part of these financial statements.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2022

Particulars	**Year ended March 31, 2022 (CAD$)**	Year ended March 31, 2021 (CAD$)
Cash flow from operating activities		
Net Loss	**(82,328)**	(143,399)
Adjustments to reconcile net income to net cash provided by/(used in) operating activities		
Changes in operating assets and liabilities		
Accounts receivable, related party	**123,979**	(43,016)
Accounts receivable, others	**–**	15,067
Other current assets	**–**	–
Advance income tax	**44,994**	(51,749)
Accrued expenses and other current liabilities	**5,892**	(7,574)
Accounts payable, related party	**3,774**	(29,201)
Accounts payable, others	**(186)**	(991)
Net cash provided by/ (used in) operating activities	**96,125**	(260,863)
Cash flow from investing activities	**–**	–
Net cash used in financing activities	**–**	–
Net increase/(decrease) in cash and cash equivalents	**96,125**	(260,863)
Cash and cash equivalents at the beginning of the year	**407,550**	668,413
Cash and cash equivalents at the end of the year	**503,675**	407,550
Supplemental cash flow information		
Interest paid	**–**	–
Income taxes (Refund)/ paid	**(74,677)**	–
Asset acquired under capital lease	**–**	–

The accompanying notes are an integral part of these financial statements.

NOTES FORMING PART OF FINANCIAL STATEMENTS

NOTE A – BACKGROUND INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. NATURE OF OPERATIONS

Bristlecone Consulting Limited (the "Company") is engaged in providing technology solutions and consulting services, with operations and customers primarily in North America and Canada. The Company's primary focus is on providing supply chain services ranging from supply chain strategy and network design to supply chain system implementations. The Company also provides application outsourcing services, data management services and development and integration services to independent software vendors.

2. GENERAL INFORMATION

The Company was incorporated under the laws of Canada on June 1, 2010. The Company is a wholly-owned subsidiary of Bristlecone Limited, a Cayman Islands Company. Mahindra & Mahindra Limited, an Indian Company is the Company's ultimate parent.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the significant accounting policies applied in the preparation of the accompanying financial statements is as follows:

3.1. BASIS OF PREPARATION OF FINCIAL STATEMENTS

The accompanying financial statements have been prepared on a going concern basis under the historical cost convention and on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

These financial statements have been presented in Canadian Dollars ('CAD$'), which is the functional and reporting currency of the Company.

3.2. USE OF ESTIMATES

In preparing the Company's financial statements in conformity with accounting principles generally accepted in the United States of America, the Company's management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from those estimates. The management's estimates for allowances for uncollectable amounts, efforts to completion for fixed price projects and provision for variable pay represent certain of these particularly sensitive estimates.

3.3. FOREIGN CURRENCY TRANSACTIONS AND TRANSLATIONS

Transactions in foreign currencies are translated at the rate of exchange prevailing on the date of the transaction. Monetary assets and liabilities in foreign currencies are translated at the rate of exchange prevailing at the balance sheet date. All foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities at year-end are recorded in the statement of comprehensive income.

The entity undertakes certain transactions denominated in foreign currency and is exposed to foreign currency risk through foreign exchange rate fluctuations. Foreign exchange risk arises from future commercial transactions and recognised financial assets and financial liabilities denominated in a currency that is not the entity's functional currency.

There are no foreign currency receivables outstanding at year end.

3.4. CASH AND CASH EQUIVALENTS

The Company considers all highly liquid investments with an original maturity of three months or less to be cash equivalents. Cash equivalents are readily convertible into known amounts of cash and are subject to an insignificant risk of changes in value. Cash comprises balance held with banks.

3.5. ACCOUNTS RECEIVABLE

Accounts receivable that management has the intent and ability to hold for the foreseeable future, or until maturity or payoff, are reported in the balance sheets at outstanding amount less any charge-offs and the allowance for doubtful accounts. The Company performs ongoing credit evaluations of its customers, and generally extends credit without requiring collateral. An allowance for uncollectible trade receivables, if needed, is estimated based on specific customer situations, current and future expected economic conditions, past experiences of losses, as well as an assessment of potential recoverability of the balance due. Accounts are charged to bad debt expense when they are deemed uncollectible based upon management's periodic review of the accounts. Based on management estimation no credit loss is required for the year.

3.6. REVENUE RECOGNITION

The Company is principally engaged in Business Consulting, Software Implementation and related support services.

Revenue is recognised upon transfer of control of contracted products or services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those products or services.

- Revenues with respect to time and material contracts are recognized on input method basis i.e. based on time /efforts spent.
- Revenue related to fixed price maintenance and support services contracts where the Company provides services is recognised based on time elapsed mode and revenue is straight lined over the period of performance.
- In respect of other fixed-price contracts, revenue is recognised using percentage-of-completion method ('POC method') of accounting with contract costs incurred determining the degree of completion of the performance obligation.
- Revenue from the sale of third- party software is recognised upfront at the point in time when the software is delivered to the customer.
- Unbilled receivables represents revenues recognized for services rendered between the last billing date and the balance sheet date.
- Contracts are subject to modification to account for changes in contract specification and requirements. The Company reviews modification to contract in conjunction with the original contract, basis which the transaction price could be allocated to a new performance obligation, or transaction price of an existing obligation could undergo a change. In the event transaction price is revised for existing obligation, a cumulative adjustment is accounted for.

Use of significant estimates and judgments

The Company uses the expected cost-plus margin approach to allocate the transaction price to each distinct performance obligation.

Use of the percentage -of -completion method requires the Company to estimate the efforts or costs expended to date as a proportion of the total efforts or costs to be expended. Efforts or costs expended are used to measure progress towards completion as there is a direct relationship between input and productivity.

The Company uses significant judgments while determining the transactions price allocated to performance obligation using the expected cost-plus margin approach.

Provisions for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the expected contract estimates at the reporting date.

Disaggregation of Revenue

The Company disaggregates revenue from contracts with customers by contract-type, as it believes it best depicts how the nature, amount, timing and uncertainty of revenue and cash flows are affected by industry, market and other economic factors.

Notes to Financial Statements

The Company's revenue by type of contract is as follows:

Type of contract	Year ended March 31, 2022 CAD$	Year ended March 31, 2021 CAD$
Time and materials	**161,958**	181,280
Fixed-price	–	3,987
Total	**161,958**	**185,267**

3.7. COST OF REVENUES

Cost of revenues comprises salaries and employee benefits, sub-contractor fees, offshore consultancy charges, project related travel and other costs.

3.8. INCOME TAXES

The Company applies the asset and liability method of accounting for income taxes as described in ASC 740, "Income Taxes". Under this method, deferred tax assets and liabilities are recognized for future tax consequences attributable to differences between the financial statements' carrying amounts of existing assets and liabilities and their respective tax bases and operating loss and tax credit carry forwards.

Deferred tax assets and liabilities are measured using tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in statement of comprehensive income in the period that includes the enactment date. Valuation allowances are recognized to reduce the deferred tax assets to an amount that is more likely than not to be realized. In assessing the likelihood of realization, management considers estimates of future taxable income and the effect of temporary differences.

The Company had incurred losses in the year 2021-22 and 2020-21. These losses were carried back to the earlier tax year to offset the taxable income in earlier year. Hence, Company has recorded an amount of CAD$ 29,683 (2020-21: CAD$ 51,709) as expected refund on account of carry back of losses.

NOTE B – CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise of:

Particulars	As at March 31, 2022 CAD$	As at March 31, 2021 CAD$
Bank balances	**503,675**	407,550

Cash balances of the Company are held in checking accounts, which are non-interest bearing, and as per the Canada Deposit Insurance Corporation Act, all non-interest bearing transaction accounts are guaranteed by the CDIC for CAD$ 100,000 per depositor for Bank of Nova Scotia.

As at March 31, 2022, the Company has CAD$ 403,675 (2021 CAD$ 307,550) as balances in excess of the insured amount.

NOTE C – RELATED PARTY TRANSACTIONS

1. List of related parties and their relationships (where there are transactions):

Name of related party	Relationship
Bristlecone Limited	Holding Company
Bristlecone India Limited	Fellow Subsidiary
Bristlecone Inc.	Fellow Subsidiary

2. Related party transactions and balances:

Name of related party	Nature of transaction/ balance	Amount in CAD($) March 31, 2022	Amount in CAD($) March 31, 2021
Bristlecone India Limited	Subcontracting services received	–	1,663
Bristlecone Inc	Subcontracting services provided	**161,958**	181,280
Bristlecone Inc	Management fees	–	664
Bristlecone Inc	Amount payable as at year end	**4,438**	664
Bristlecone Inc	Amount receivable as at year end	–	123,979

Note D – ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES

Accrued expenses and other current liabilities comprise of the following:

Particulars	As at March 31, 2022 CAD$	As at March 31, 2021 CAD$
Accrued expenses	**10,965**	8,604
Employee related Provision	**43,484**	39,953
	54,449	48,557

NOTE E – STOCKHOLDERS' EQUITY

The Company's authorized stock comprised of unlimited number of common shares without nominal or par value, out of which 1 common share was issued and outstanding as at March 31, 2022 and March 31, 2021 which is held entirely by the Holding Company, Bristlecone Limited. They entitle the holder to participate in dividend, and share in the proceeds of winding up the Company in proportion to the number of and amounts paid on the shares held.

NOTE F – FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying amount of the Company's cash equivalents, other current assets, accounts payable and accrued expenses approximated their fair values due to their short maturities.

NOTE G – CONTINGENCIES

The Company evaluates contingencies as per its assessments of probable, reasonably possible and remote, as per ASC 450 "Contingencies". It is subject to legal claims in the normal course of business. However, based on its evaluation, management believes that there are no claims or contingencies, potential outcomes of which could be material to the financial condition or results of operations of the Company.

NOTE H – SUBSEQUENT EVENTS

In accordance with ASC 855-10 "Subsequent events", the Company has evaluated subsequent events through May 09, 2022 the date these financial statements were available to be issued. The Company is not aware of any additional subsequent events that would require recognition or disclosure in the financial statements.

Independent Auditors' Report to the Members of Bristlecone (Malaysia) Sdn. Bhd.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Bristlecone (Malaysia) Sdn. Bhd., which comprise the statement of financial position as at 31 March 2022, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages herein.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 March 2022, and of its financial performance and its cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Information Other than the Financial Statements and Auditors' Report Thereon

The Directors of the Company are responsible for the other information. The other information comprises the Directors' Report but does not include the financial statements of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Company, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The

risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Company, including the disclosures, and whether the financial statements of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Other Matters

1. The financial statements of Bristlecone (Malaysia) Sdn. Bhd. for the financial year ended 31 March 2021 were audited by another auditor, who has expressed an unmodified opinion on those statements on 16 April 2021.
2. This report is made solely to the Members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

NEXIA SSY PLT	**Bavany a/p Chellappan**
201906000679 (LLP0019490-LCA) & AF 002009	No. 03138/09/2023 J
Chartered Accountants	Chartered Accountant

Shah Alam
9 May 2022

Statement of Financial Position as at 31 March 2022

	Note	**2022 RM**	2021 RM
ASSETS			
Non-current assets			
Plant and Equipment	6	**3,400**	–
Current assets			
Trade receivables	7	**1,120,808**	–
Other receivables and deposits	8	**4,298**	4,034
Tax recoverable		**103,051**	28,895
Cash and bank balances		**617,304**	1,707,571
		1,845,461	1,740,500
TOTAL ASSETS		**1,848,861**	1,740,500
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the Company			
Share capital	9	**500,000**	500,000
Retained earnings		**487,414**	1,223,075
TOTAL EQUITY		**987,414**	1,723,075
Current liabilities			
Trade payables	10	**730,332**	–
Other payables and accruals	11	**131,115**	17,425
TOTAL LIABILITIES		**861,447**	17,425
TOTAL EQUITY AND LIABILITIES		**1,848,861**	1,740,500

The accompanying notes form an integral part of these financial statements.

Statement of Comprehensive Income for the year ended 31 March 2022

	Note	**2022 RM**	2021 RM
Revenue	12	**1,494,330**	–
Cost of services		**(1,155,940)**	–
Gross profit		**338,390**	–
Other operating income		**–**	13,872
Administrative expenses		**(74,051)**	(49,803)
Profit/(loss) before taxation	13	**264,339**	(35,931)
Taxation	14	**–**	–
Profit/(Loss) for the year		**264,339**	(35,931)

The accompanying notes form an integral part of these financial statements.

Statement of Changes in Equity for the year ended 31 March 2022

	Note	**Share capital RM**	**Retained earnings RM**	**Total RM**
At 1 April 2021		**500,000**	**1,223,075**	**1,723,075**
Profit for the year		**–**	**264,339**	**264,339**
Dividends	15	**–**	**(1,000,000)**	**(1,000,000)**
At 31 March 2022		**500,000**	**487,414**	**987,414**
At 1 April 2020		500,000	1,259,006	1,759,006
Loss for the year		–	(35,931)	(35,931)
At 31 March 2021		500,000	1,223,075	1,723,075

The accompanying notes form an integral part of these financial statements.

BRISTLECONE (MALAYSIA) SDN. BHD.
(INCORPORATED IN MALAYSIA)
200701014027 (772033-T)

Statement of Cash Flows for the year ended 31 March 2022

	2022 RM	2021 RM
Cash flows from operating activities		
Profit before taxation	**264,339**	(35,931)
Adjustments for:		
Depreciation of plant and equipment	**1,700**	–
Fixed deposits interest income	**–**	(13,872)
Net loss/(gain) on foreign exchange – unrealised	**785**	
Operating profit/(loss) before working capital changes	**266,824**	(49,803)
(Increase)/decrease in trade and other receivables	**(1,121,072)**	317,271
Increase/(decrease) in trade and other payables	**843,237**	(575,993)
Cash used in operations	**(11,011)**	(308,525)
Income tax paid	**(74,156)**	–
Net cash used in operating activities	**(85,167)**	(308,525)
Cash flows from investing activities		
Purchase of plant & equipment	**(5,100)**	–
Fixed deposits interest received	**–**	13,872
Net cash (used/in)/generated from investing activities	**(5,100)**	13,872
Cash flows from financing activities		
Dividend paid	**(1,000,000)**	–
Net cash used in financing activities	**(1,000,000)**	–
Net decrease in cash and cash equivalents	**(1,090,267)**	(294,654)
Cash and cash equivalents at beginning of the year	**1,707,571**	2,002,224
Cash and cash equivalents at end of the year	**617,304**	1,707,571
Cash and cash equivalents comprise:		
Cash at bank	**617,304**	1,707,571
	617,304	1,707,571

The accompanying notes form an integral part of these financial statements.

Notes to the Financial Statements for the year ended 31 March 2022

1. Corporate information

The Company is a private limited company, incorporated and domiciled in Malaysia.

The registered office of the Company is located at Unit 30-01, Level 30, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur.

The principal place of business of the Company is located at Suite 8.01, Level 8, Menara Binjai, No. 2 Jalan Binjai, 50450 Kuala Lumpur, Malaysia.

The principal activities of the Company are to act as information technology service advisors, business consultants and implementers of computerised systems and to render a full range of information technology services including application and programming services, computer networks and other forms of computer and electronic technology services, administration and management control, technical, scientific and operational assistance, systems design, project management and technical training of personnel, management of a computer and electronic service facility and generally, any type of business or activity relating to the information technology and electronic industry and to provide support and training in connection therein.

The Directors regard Bristlecone Limited, a corporation incorporated in Cayman Island, as the immediate holding corporation, Mahindra Holding Limited, a corporation incorporated in India, as the penultimate holding corporation and Mahindra & Mahindra Ltd., a corporation incorporated in India, as the ultimate holding corporation.

There were no employees in the Company at the end of the current and previous financial years.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors dated 9 May 2022.

2. Basis of preparation of the financial statements

The financial statements have been prepared in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

The financial statements of the Company have been prepared under the historical cost convention, unless otherwise indicated in the summary of significant accounting policies (Note 3).

The preparation of financial statements in conformity with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia requires the Directors to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reported period. Actual results could differ from those estimates.

The financial statements are presented in Ringgit Malaysia (RM).

3. Significant accounting policies

All significant accounting policies set out below are consistent with those applied in the previous financial year, except as disclosed in Note 4.

(a) Equipment and depreciation

All items of equipment is initially recorded at cost. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. Repairs and maintenance are charged to profit and loss as incurred.

Subsequent to recognition, equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is provided for on a straight line basis to write off the cost of each asset to its residual value over the estimated useful life, at the following annual rates:

Computer	33.33%

The carrying values of equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual values, useful lives and depreciation methods are reviewed at each financial year end, and adjusted prospectively, if appropriate to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of equipment.

An item of equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. The difference between the net disposal proceeds, if any, and the net carrying amount is recognised in profit or loss in the year the property, equipment is derecognised, and any unutilised portion of the revaluation surplus on that item is taken directly to retained earnings.

(b) Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, bank balances, fixed deposits and other short term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in fair value.

(c) Equity instruments

Ordinary shares are classified as equity instruments. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

(d) Provision for liabilities

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at each financial year end and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as finance cost.

(e) Revenue recognition

The Company recognise revenue from contracts with customers for the sale of goods and provision of services based on the five-step model as set out below:

i Identify contract(s) with a customer. A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria that must be met.

ii Identify performance obligations in the contract. A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

iii Determine the transaction price. The transaction price is the amount of consideration to which the Company expect to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

iv Allocate the transaction price to the performance obligations in the contract. For a contract that has more than one performance obligation, the Company allocate the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expect to be entitled in exchange for satisfying each performance obligation.

v Recognise revenue when (or as) the Company satisfy a performance obligation.

The Company satisfy a performance obligation and recognise revenue over time if the Company's performance:

i Do not create an asset with an alternative use to the Company and have an enforceable right to payment for performance completed to-date; or

ii Create or enhance an asset that the customer controls as the asset is created or enhanced; or

iii Provide benefits that the customer simultaneously receives and consumes as the Company perform.

For performance obligations where any one of the above conditions is not met, revenue is recognised at the point in time at which the performance obligation is satisfied.

When the Company satisfy a performance obligation by delivering the promised goods or services, it creates a contract based asset on the amount of consideration earned by the performance. Where the amount of consideration received from a customer exceeds the amount of revenue recognised, this gives rise to a contract liability.

Revenue is measured at the fair value of consideration received or receivable. The following describes the performance obligations in contracts with customers:

i Revenue from contracts with customers

a. Sale of goods/services

Revenue from contracts with customers is recognised by reference to each distinct performance obligation promised in the contract with customer when or as the Company transfers controls of the goods or services promised in a contract and the customer obtains control of the goods and services. Revenue from contracts with customers is measured at its transaction price, being the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, net of indirect taxes, returns, rebates and discounts. The transaction price is allocated to each distinct good or service promised in the contract. Depending on the terms of the contract, revenue is recognised when the performance obligation is satisfied, which may be at a point in time or over time.

ii Other income

a. Interest income

Interest income is recognised on an accrual basis (taking into account the effective yield on the asset) unless its collectability is in doubt.

(f) Income tax

Income tax on the profit or loss for the year comprises current and deferred tax. Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the tax authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the financial year end.

Current taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity.

Deferred tax is provided for, using the liability method on temporary differences at the financial year end between the tax bases of assets and liabilities and their carrying amounts in the financial statements. In principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. Deferred tax is not recognised if the temporary difference arises from goodwill or negative goodwill or from the initial recognition of an asset or liability in a transaction which is not a business combination, and at the time of the transaction, affects neither accounting profit or loss nor taxable profit or loss.

The carrying amount of deferred tax assets are reviewed at each financial year end and reduced to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilised.

Unrecognised deferred tax assets are reassessed at each financial year end and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be utilised.

Deferred tax is measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the financial year end.

Deferred tax is recognised in profit or loss, except when it arises from a transaction which is recognised directly in equity, in which case the deferred tax is also charged or credited directly in equity.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

(g) Impairment of non-financial assets

The Company assess at each financial year end whether there is an indication that an asset may be impaired. If any such indication exists, or when an annual impairment assessment for an asset is required, the Company make an estimate of the asset's recoverable amount.

For goodwill, the recoverable amount is estimated at each financial year end or more frequently when indicators of impairment are identified.

An asset's recoverable amount is the higher of an asset's fair value less costs to sell and its value-in-use. For the purpose of assessing impairment, assets are Companyed at the lowest levels for which there are separately identifiable cash flows (i.e. CGUs). In assessing value-in-use, the estimated future cash flows expected to be generated by the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount. Impairment losses recognised in respect of a CGU or Companys of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or Companys of units and then, to reduce the carrying amount of the other assets in the unit or Companys of units on a pro-rata basis.

Impairment losses are recognised in profit or loss except for assets that were previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment loss is also recognised in other comprehensive income up to the amount of any previous revaluation.

An assessment is made at each financial year end as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. A previously recognised impairment loss for an asset, other than goodwill, is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised, in which case, the carrying amount of the asset is increased to its revised recoverable amount. The increase cannot exceed the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised previously. Such reversal is recognised in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase. Impairment loss on goodwill is not reversed in a subsequent period.

(h) Foreign currency

i Functional and presentation currency

The financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates ("the functional currency").

ii Foreign currency transactions

In preparing the financial statements of the Company, transactions in currencies other than the Company's reporting currency (foreign currencies) are recorded in the functional currencies using the exchange rates prevailing at the date of the transactions. At each financial period end, monetary items denominated in foreign currencies are translated at the rates prevailing at financial period end. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not translated.

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are included in the profit or loss for the period.

Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss for the period except for the differences arising on the translation of non-monetary items in respect of which gains and losses are recognised directly in equity. Exchange differences arising from such non-monetary items are also recognised directly in equity.

The principal closing rates used in translation of foreign currency amounts are as follows:

	2022	2021
	RM	RM
1 Singapore Dollar (SGD)	**3.11**	N/A

(i) Financial instruments

Financial instruments carried on the statement of financial position include cash and bank balances, deposits with financial institutions, receivables, payables and borrowings. The recognition methods adopted are disclosed in the respective accounting policy statements.

Financial instruments are classified as assets, liabilities or equity in accordance with the substance of the contractual arrangement. Interests, dividends and gains and losses relating to a financial instrument classified as assets or liabilities, are reported as expense or income. Distributions to holders of financial instruments classified as equity are recognised directly in equity. Financial instruments are offset when the Company has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle the liability simultaneously.

Financial assets

Financial assets are recognised in the statements of financial position when, and only when, the Company become a party to the contractual provisions of the financial instrument.

When financial assets are initially recognised, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss ("FVTPL"), directly attributable transaction costs.

The Company determine the classification of financial assets upon initial recognition. The measurement for each classification of financial assets are as below:

i Financial assets measured at amortised cost

Financial assets that are debt instruments are measured at amortised cost if they are held within a business model whose objective is to collect contractual cash flows and have contractual terms which give rise on specific dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, financial assets are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss through the amortisation process and when the financial assets are impaired or derecognised.

ii Financial assets measured subsequently at fair value

Financial assets that are debt instruments are measured at fair value through other comprehensive income ("FVTOCI") if they are held within a business model whose objectives are to collect contractual cash flows and selling the financial assets, and have contractual terms which give rise on specific dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, financial assets that are debt instruments are measured at fair value. Any gains or losses arising from the changes in fair value are recognised in other comprehensive income, except for impairment losses, exchange differences and interest income which are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is derecognised.

Financial assets that are debt instruments which do not satisfy the requirements to be measured at amortised cost or FVTOCI are measured at FVTPL.

Equity instruments are classified as financial assets measured at FVTPL if they are held for trading or are designated as such upon initial recognition. Equity instruments are classified as held for trading if they are acquired principally for sale in the near term or are derivatives that do not meet the hedge accounting criteria (including separated embedded derivatives).

Subsequent to initial recognition, financial assets that are equity instruments are measured at fair value. Any gains or losses arising from the changes in fair value are recognised in other comprehensive income and are not subsequently transferred to profit or loss. Dividends on equity instruments are recognised in profit or loss when the Company's or the Company's right to receive payment is established.

A financial asset is derecognised when the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned. All regular way purchases and sales of financial assets are recognised or derecognised on the settlement date, i.e. the date that the asset is delivered to or by the Company.

Financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definition of a financial liability.

Financial liabilities are recognised in the statements of financial position when, and only when, the Company become a party to the contractual provisions of the financial instruments. Financial liabilities are classified as either financial liabilities at FVTPL or other financial liabilities.

i Financial liabilities at FVTPL

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at FVTPL.

Financial liabilities are classified as held for trading if they are acquired for the purpose of selling in the near term. This includes derivatives entered into by the Company that do not meet the hedge accounting criteria. Derivative liabilities are initially measured at fair value and subsequently stated at fair value, with any resultant gains or losses recognised in profit or loss. Net gains or losses on derivatives include exchange differences.

ii Other financial liabilities

Other financial liabilities are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

For other financial liabilities, gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

A financial liability is derecognised when the obligation under the liability is extinguished.

When an existing financial liability is replaced by another instrument from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amount is recognised in profit or loss.

(j) Impairment of financial assets

At each financial year end, the Company assess whether there has been a significant increase in credit risk for financial assets by comparing the risk of default occurring as at the financial year end with the risk of default since initial recognition.

In determining whether credit risk on a financial asset has increased significantly since initial recognition, the Company use external credit rating and other supportive information to assess deterioration in credit quality of a financial asset. The Company assess whether the credit risk on a financial asset has increased significantly on an individual or collective basis. For collective basis evaluation, financial assets are Companyed on the basis of similar risk characteristics.

The Company considers past loss experience and observable data such as current changes and future forecasts in economic conditions to estimate the amount of expected impairment loss. The methodology and assumptions including any forecasts of future economic conditions are reviewed regularly.

The amount of impairment loss is measured as the probability-weighted present value of all cash shortfalls over the expected life of the financial asset discounted at its original effective interest rate. The cash shortfall is the difference between all contractual cashflows that are due to the Company and all the cash flows that the Company expect to receive.

The Company measure the allowance for impairment loss on trade and other receivables based on the two-step approach as follows:

Financial liabilities at FVTPL

i 12-months expected credit loss

For a financial asset for which there is no significant increase in credit risk since initial recognition, the Company measure the allowance for impairment loss for that financial asset at an amount based on the probability of default occuring within the next 12 months considering the loss given default of that financial asset.

ii Lifetime expected credit loss

For a financial asset for which there is a significant increase in credit risk since initial recognition, a lifetime expected credit loss for that financial asset is recognised as the allowance for impairment loss by the Company. If, in a subsequent period the significant increase in credit risk since initial recognition is no longer evident, the Company revert the allowance for impairment loss measurement from lifetime expected credit loss to 12-months expected credit loss.

For trade and other receivables which are financial assets, the Company apply the simplified approach in accordance with MFRS 9 *Financial Instruments* and measure the allowance for impairment loss based on a 12-months expected credit loss from initial recognition.

The carrying amount of the financial asset is reduced through the use of an allowance for impairment loss account and the amount of impairment loss is recognised in profit or loss. When a financial asset becomes uncollectible, it is written off against the allowance for impairment loss account.

(k) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants act in their economic best interest when pricing the asset or liability.

The Company use valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy based on the lowest level input that is significant to the fair value measurement as a whole.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determine whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the financial year end.

(l) Leases

The Company assesses whether a contract is or contains a lease, at inception of the contract. The Company recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (such as tablets and personal computers, small items of office furniture and telephones). For these leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise fixed lease payments (including in-substance fixed payments), less any lease incentives receivable.

The lease liability is presented as a separate line in the statements of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest methods and by reducing the carrying amount to reflect the lease payments made.

The Company remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- The lease payments change due to changes in an index or rate

or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).

- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Company did not make any such adjustments during the financial year.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Company incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under MFRS 137. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Company expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the statement of financial position.

The Company applies MFRS 136 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the 'Property, plant and Equipment' policy.

(m) Related parties

Parties are considered to be related to the Company if the Company has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Company and the party are subject to common control or common significant influence. Related parties may be individual or other entities.

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Company either directly or indirectly.

4. Adoption of new and revised Malaysian Financial Reporting Standards and interpretations

(a) MFRSs that have been issued and effective

The following new and revised MFRSs issued by MASB, have been adopted, and the adoptions do not have any or significant impact to the financial statements:

Title		Effective Date
Amendments to MFRS 16:	Leases	1 June 2020
Amendments to MFRS 4:	Insurance Contracts	1 January 2021
Amendments to MFRS 7:	Financial Instruments: Disclosures	1 January 2021
Amendments to MFRS 9:	Financial Instruments	1 January 2021
Amendments to MFRS 16:	Leases	1 January 2021
Amendments to MFRS 139:	Financial Instruments: Recognition and Measurement	1 January 2021
Amendments to MFRS 16:	Leases	1 April 2021

(b) MFRSs that have been issued but only effective for financial period beginning on 1 April 2021 and onwards

The following new and revised MFRSs issued by MASB, have not been adopted, and the adoptions are not expected to have any or significant impact to the financial statements:

Title		Effective Date
Amendments to MFRS 1:	First-time Adoption of Malaysian Financial Reporting Standards	1 January 2022
Amendments to MFRS 3:	Business Combinations	1 January 2022
Amendments to MFRS 9:	Financial Instruments	1 January 2022
Amendments to MFRS 116:	Property, Plant and Equipment	1 January 2022
Amendments to MFRS 137:	Provisions, Contingent Liabilities and Contingent Assets	1 January 2022
Amendments to MFRS 141:	Agriculture	1 January 2022
MFRS 17:	Insurance Contracts	1 January 2023
Amendments to MFRS 17:	Insurance Contracts	1 January 2023
Amendments to MFRS 101:	Presentation of Financial Statements	1 January 2023
Amendments to MFRS 108:	Accounting Policies, Changes in Accounting Estimates and Errors	1 January 2023
Amendments to MFRS 112:	Income taxes	1 January 2023
Amendments to MFRS 10:	Consolidated Financial Statement	Deferred
Amendments to MFRS 128:	Investments in Associates and Joint Ventures	Deferred

5. Significant accounting estimates

Key Sources of Estimation Uncertainty

The preparation of financial statements in accordance with MFRSs requires the use of certain accounting estimates and exercise of judgement. Estimates and judgements are continually evaluated and are based on past experience, reasonable expectations of future events and other factors.

The key assumptions concerning the future and other key sources of estimation uncertainty at the financial year end that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

(a) Loss allowances for financial assets

The Company recognises impairment losses for receivables under the expected credit loss model. Individually significant trade receivables are tested for impairment separately by estimating the cash flows expected to be recoverable. All others are grouped into credit risk classes and tested for impairment collectively, using the Company's ageing of past due amounts and current economic trends. The actual eventual losses may be different from the allowance made and this may affect the Company's financial position and result.

(b) Income taxes

Significant judgement is involved in determining the provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

6. Equipment

	Computer RM
Cost	
At 1 April 2021	**–**
Additions	**5,100**
Disposals	**–**
At 31 March 2022	**5,100**
Accumulated depreciation	
At 1 April 2021	**–**
Charge for the financial year	**(1,700)**
At 31 March 2022	**(1,700)**
Carrying amount	
At 31 March 2022	**3,400**

7. Trade receivables

	2022 RM	2021 RM
Third parties	**1,079,874**	–
Related company	**40,934**	–
	1,120,808	–

Trade receivables are non-interest bearing and the average credit period of 30 to 60 days (2021: Nil) according to the terms agreed with the customers.

The currency exposure profile of trade receivables of the Company is as follows:

	2022 RM	2021 RM
Ringgit Malaysia	**1,079,874**	–
Singapore Dollars	**40,934**	–
	1,120,808	–

8. Other receivables and deposits

	2022 RM	2021 RM
Deposit	**2,518**	2,518
Prepayment	**1,780**	1,516
	4,298	4,034

9. Share capital

	2022 Unit	2021 Unit	2022 RM	2021 RM
Issued and fully paid ordinary shares				
At beginning/end of the year	**500,000**	500,000	**500,000**	500,000

10. Trade payables

	2022 RM	2021 RM
Related companies	**730,332**	–

Trade payables are non-interest bearing and the average credit period on purchases of goods is 60 to 120 days (2021: Nil) days according to the terms agreed with the suppliers

The currency exposure profile of trade payables of the Company is as follows:

	2022 RM	2021 RM
Ringgit Malaysia	**635,850**	–
United States Dollar	**94,482**	–
	730,332	–

11. Other payables and accruals

	2022 RM	2021 RM
Other payables	**62,024**	758
Provision for expenses	**69,091**	16,667
	131,115	17,425

12. Revenue

	2022 RM	2021 RM
Rendering of services	**1,494,330**	–

13. Profit/(loss) before taxation

	2022 RM	2021 RM
Profit/(loss) before taxation is arrived at after charging:		
Auditors' remuneration	**10,000**	6,000
Loss on foreign exchange – realised	**6,255**	3,194
Loss on foreign exchange – unrealised	**785**	–
Rental of premises	**8,172**	7,908
and crediting:		
Fixed deposits interest income	**–**	13,872

14. Taxation

No taxation has been provided for the financial year as the Company has no chargeable income.

The reconciliation of income tax expense applicable to the results of the Company at the statutory income tax rate to income tax expense at the effective income tax rate of the Company is as follows:

	2022 RM	2021 RM
Profit/(loss) before taxation	**264,339**	(35,931)
Tax at Malaysian statutory tax rate of 24%	**63,441**	(8,623)
Tax effects of:		
– expenses not deductible for tax purposes	**6,116**	**6,917**
– deferred tax assets not recognised in respect of current year losses	**–**	1,706
– utilization of deferred tax assets not recognized previously	**(69,557)**	–
Tax expense for the year	**–**	–

Deferred tax asset have not been recognised in respect of the following items:

	2022 RM	2021 RM
Deductible temporary differences	**(82)**	–
Unabsorbed tax losses	**133,827**	203,302
	133,745	203,302

The above deferred tax assets have not been recognised as it is not probable that future taxable profit will be available against which the Company can recover all or part of these assets.

15. Dividends

	2022 RM	2021 RM
Interim single tier dividend of 200% per share on 500,000 ordinary shares, declared and paid on 26 August 2021 in respect of financial year ended 31 March 2022.	**1,000,000**	–

16. Significant related party transactions

Significant transactions with related corporations during the year comprise the following:

	2022 RM	2021 RM
Services rendered to related corporations		
Bristlecone Singapore Pte Ltd	**475,581**	–
Services rendered by related corporations:		
Bristlecone India Limited	**635,850**	–
Bristlecone Singapore Pte Ltd	**93,697**	–

17. Non-cancellable operating lease commitment

The future aggregate minimum lease payments under non-cancellable operating leases contracted for as at financial year end but not recognised as liabilities are as follows:

	2022 RM	2021 RM
Rental of virtual office		
Future minimum rentals payments:		
Not later than 1 year	**3,955**	1,997

18. Financial risk management policies

The Company's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Company's businesses whilst managing its risks. The Board reviews and agrees policies for managing each of these risks and they are summarised below. It is, and has been throughout the year under review, the Company's policy that no trading in derivative financial instruments shall be undertaken.

The main areas of financial risks faced by the Company and the policy in respect of the major areas of treasury activity are set out as follows:

(a) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Company is exposed to credit risk primarily from their trade receivables, other receivables which are financial assets, fixed deposits and cash and bank balances.

As at the current and previous financial year end, the Company's maximum exposure to credit risk is represented by the carrying amount of each class of financial asset recognised in the statements of financial position.

For fixed deposits, cash and bank balances, the Company minimises credit risk by adopting an investment policy which allows dealing with counterparties with good credit ratings only. The Company closely monitors the credit worthiness of their counterparties by reviewing their credit ratings and credit profiles on a regular basis. Receivables are monitored to ensure that exposure to bad debts is minimised.

For transactions that are not denominated in the functional currency of the relevant operating unit, the Company does not offer credit terms without the specific approval from the Head of Credit Control. Since the Company trades only with recognised and creditworthy third parties, there is no requirement for collateral.

Fixed deposits and cash and bank balances

The Company's fixed deposits and cash and bank balances at the financial year end are as follows:

	RM
At 31 March 2022	
Cash and bank balances	**617,304**
At 31 March 2021	
Cash and bank balances	1,707,571

No expected credit loss on the Company's balances were recognised arising from the deposits with financial institutions because the probability of default by these financial institutions were negligible.

Receivables

The ageing analysis of the Company's gross receivables (before deducting allowance for impairment loss) are as follows:

				Not credit impaired				
					Past due			
	Note	Total RM	Credit impaired RM	Not past due RM	1-60 days RM	61-120 days RM	>120 days RM	Total RM
At 31 March 2022								
Trade receivables	7	**1,120,808**	**–**	**53,891**	**1,066,917**	**–**	**–**	**–**
Other receivables which are financial assets	8	**2,518**	**–**	**2,518**	**–**	**–**	**–**	**–**
		1,123,326	**–**	**56,409**	**1,066,917**	**–**	**–**	**–**

	Note	Total RM	Credit impaired RM	Not credit impaired: Not past due RM	Past due: 1-60 days RM	61-120 days RM	>120 days RM	Total RM
At 31 March 2021								
Other receivables which are financial assets	8	2,518	–	2,518	–	–	–	–

Receivables that are neither past due nor credit impaired are creditworthy debtors with good payment records with the Company. The Company's trade receivables credit term ranges from 30 days to 60 days in prior year.

Other receivables which are financial assets consist of deposits.

None of the Company's receivables that are neither past due nor credit impaired have been renegotiated during the current and previous financial years. Receivables are not secured by any collaterals or credit enhancements.

Credit risks concentration profile

The Company's concentration of credit risks relates to an amount owing by 1 (2021: Nil) major customer which constituted 95% (2021: Nil) of its trade receivables at the end of the previous reporting period.

As at the end of the previous reporting period, the maximum exposure of credit risk arising from trade receivables is represented by the carrying amount in the statement of financial position.

(b) Foreign currency risk

The Company is exposed to transactional currency risk primarily through sales and purchases that are denominated in a currency other than the functional currency of the operations to which they relate. The currency giving rise to this risk is mainly Singapore Dollar (SGD). Foreign exchange exposures in transactional currencies other than functional currencies of the operating entities are kept to an acceptable level.

The following table shows the accumulated amount of financial assets in foreign currency:

	Note	SGD RM
2022		
Financial assets		
Trade receivables	7	40,934
Financial liabilities		
Trade payables	10	(94,482)
Net financial assets		(53,548)

Foreign currency risk sensitivity analysis

The sensitivity analysis to a reasonably possible change in the foreign currencies as at the end of the reporting period with all other variables held constant is as follows:

	Increase/ (decrease) in the Company's results 2022 RM	Increase/ (decrease) in the Company's results 2021 RM
Effects on profit before taxation:		
USD		
– strengthened by 5% (2021: 5%)	**(2,677)**	Not applicable
– weakened by 5% (2021: 5%)	**2,677**	Not applicable

(c) Liquidity risks

The Company manages its debt maturity profile, operating cash flows and the availability of funding so as to ensure that refinancing, repayment and funding needs are met. As part of its overall liquidity management, the Company maintains sufficient levels of cash to meet its working capital requirements. In addition, the Company strives to maintain available banking facilities at a reasonable level to its overall debt position. As far as possible, the Company raises committed funding from both capital markets and financial institutions and balances its portfolio with some short term funding so as to achieve overall cost effectiveness.

The table below summarises the maturity profile of the Company's liabilities at the financial period end based on contractual undiscounted repayment obligations.

	Note	Carrying amount	Contractual undiscounted cash flow	Maturity: Less than 1 period	Between 2 and 5 periods
2022		**RM**	**RM**	**RM**	**RM**
Trade payables	10	**730,332**	**730,332**	**730,332**	**–**
Other payables and accruals	11	**131,115**	**131,115**	**131,115**	**–**
		861,447	**861,447**	**861,447**	**-**
2021					
Other payables and accruals	11	17,425	17,425	17,425	–

(d) Capital management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

19. Categories of financial instruments

The table below provides an analysis of financial instruments categorised as follows:

(a) Amortised cost ("AC")

(b) Fair value through profit or loss ("FVTPL")

	Carrying amount RM	AC RM	FVTPL RM
2022			
Non-derivative financial assets			
Trade receivables	**1,120,808**	**1,120,808**	
Other receivables and deposits	**2,518**	**2,518**	**–**
Cash and bank balances	**617,304**	**617,304**	**–**
	1,740,630	**1,740,630**	**–**
Non-derivative financial liabilities			
Trade payables	**730,332**	**730,332**	**–**
Other payables and accruals	**131,115**	**131,115**	**–**
	861,447	**861,447**	**–**
2021			
Non-derivative financial assets			
Other receivables and deposits	2,518	2,518	–
Cash and bank balances	1,707,571	1,707,571	–
	1,710,089	1,710,089	–
Non-derivative financial liabilities			
Other payables and accruals	17,425	17,425	–
	17,425	17,425	–

19. Significant event

The coronavirus (COVID-19) outbreak in early 2020 has reached a pandemic level affecting all businesses and economic activities globally. The Malaysian Government has enforced various measures to curb with the spreading of the virus including travel restrictions, reduced business operating capacity and total prohibition for certain businesses to operate.

The Company is unable to reasonably estimate the financial impact of COVID-19 for the financial year ending 31 March 2023 to be disclosed in the financial statements as the situation is still evolving and the uncertainty of the outcome of the current events. The Company will continuously monitor the impact of COVID-19 on its operations and its financial performance and will also be taking appropriate and timely measures to minimise the impact of the outbreak on the Company's operations.

21. Comparative figures

The comparative figures are derived from financial statements audited by a firm of chartered accountants other than Nexia SSY PLT.

To the general shareholders' meeting of
BRISTLECONE INTERNATIONAL AG
Rheinweg 7
8200 Schaffhausen

REPORT OF THE STATUTORY AUDITOR ON THE LIMITED STATUTORY EXAMINATION OF THE FINANCIAL STATEMENTS FOR THE YEAR 2021/2022

(for the period of 1 April 2021 until 31 March 2022)

20th April 2022

Report of the statutory auditor on the limited statutory examination to the general shareholders' meeting of **BRISTLECONE INTERNATIONAL AG, Schaffhausen**

As statutory auditor, we have examined the financial statements (balance sheet, income statement and notes) of BRISTLECONE INTERNATIONAL AG for the financial year ended 31 March 2022.

These financial statements are the responsibility of the Board of Directors. Our responsibility is to perform a limited statutory examination on these financial statements. We confirm that we meet the licensing and independence requirements as stipulated by Swiss law.

We conducted our examination in accordance with the Swiss Standard on the Limited Statutory Examination. This standard requires that we plan and perform a limited statutory examination to identify material misstatements in the financial statements. A limited statutory examination consists primarily of inquiries of company personnel and analytical procedures as well as detailed tests of company documents as considered necessary in the circumstances. However, the testing of operational processes and the internal control system, as well as inquiries and further testing procedures to detect fraud or other legal violations, are not within the scope of this examination.

Based on our limited statutory examination, nothing has come to our attention that causes us to believe that the financial statements and the proposed appropriation of available earnings do not comply with Swiss law and the company's articles of incorporation.

Berne, 20th April 2022

BDO Ltd

Thomas Bigler Auditor in Charge Licensed Audit Expert	**i. V. Ruby Albala**

Enclosure

Financial statements and proposed appropriation of available earnings

BALANCE SHEET AS PER 31 MARCH

ASSETS	2022 CHF	2021 CHF
Current assets		
Cash and cash equivalents	**493,512.97**	2,510,059.66
Accounts receivables due from		
group companies	**15,031.74**	–
third parties	**878,610.84**	365,251.02
Other receivables	**23,506.61**	35,032.76
Services in progress	**109,655.56**	158,710.41
Accrued income and prepaid expenses	**17,663.46**	1,840.83
	1,537,981.18	3,070,894.68
Non current assets		
Financial assets group companies	**1,849,400.00**	–
Financial assets third parties	**6,034.02**	6,034.02
Office equipment	**723.90**	1,205.10
Non paid up share capital	**50,000.00**	50,000.00
	1,906,157.92	57,239.12
TOTAL ASSETS	**3,444,139.10**	3,128,133.80
LIABILITIES AND SHAREHOLDER'S EQUITY		
Liabilities		
Accounts payable due to group companies	**801,374.54**	356,489.02
Other payables	**12,026.18**	22,844.23
Deferred income and accrued expenses	**425,456.27**	183,104.36
Short term liabilities	**1,238,856.99**	562,437.61
Shareholder's equity		
Share capital	**100,000.00**	100,000.00
Statutory reserves	**50,000.00**	50,000.00
Voluntary retained earnings		
– Balance brought forward from prior year	**2,415,696.19**	1,854,228.81
– Result for the period	**(360,414.08)**	561,467.38
Total voluntary retained earnings	**2,055,282.11**	2,415,696.19
Total shareholder's equity	**2,205,282.11**	2,565,696.19
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY	**3,444,139.10**	3,128,133.80

Bristlecone International AG

Schaffhausen

(Signature/s)

INCOME STATEMENT FOR THE YEAR ENDED

	2021/22 **CHF**	2020/21 CHF
Income from services	**2,163,714.04**	2,002,454.84
Changes services in progress	**(122,795.37)**	37,142.34
Provision for doubtful debts	**(66,197.44)**	–
Net income	**1,974,721.23**	2,039,597.18
Services expenses	**(1,669,676.69)**	(889,697.95)
Gross result I	**305,044.54**	1,149,899.23
Personnel expenses	**(465,564.35)**	(397,787.28)
Gross result II	**(160,519.81)**	752,111.95
Rental expenses	**(23,938.21)**	(23,408.96)
Administrative expenses	**(11,883.53)**	(11,537.86)
Consulting, accounting and audit fees	**(42,733.25)**	(52,189.34)
Operating result before depreciation	**(239,074.80)**	664,975.79
Depreciation	**(481.20)**	(601.64)
Operating result (level EBIT)	**(239,556.00)**	664,374.15
Financial income	**15,285.28**	–
Financial expenses	**(137,993.46)**	(53,464.07)
Other income	**1,101.10**	1,651.65
Result before taxes	**(361,163.08)**	612,561.73
Taxes	**749.00**	(51,094.35)
Result for the year	**(360,414.08)**	561,467.38

Bristlecone International AG

Schaffhausen

(Signature/s)

NOTES TO THE FINANCIAL STATEMENTS AS PER 31 MARCH

Accounting principles applied in the preparation for the financial statements

These financial statements have been prepared in accordance with the provisions on accounting and financial reporting of the Swiss Code of Obligations (Art. 957 to 963b CO, effective since 1 January 2013).

Disclosure on balance sheet items	2022 CHF	2021 CHF
Services in progress	**109,655.56**	158,710.41

The services in progress are valued as below:-
a) Fixed Price Projects - Based on the percentage-of-completion method
b) Time & Material Projects - Based on the efforts and customer approved billing rate card

Full-time equivalents

The annual average number of full-time equivalents for the reporting period, as well as the previous year, were below 10.

PROPOSED APPROPRIATION OF AVAILABLE EARNINGS AS PER 31 MARCH

	2022 CHF	2021 CHF
Balance brought forward from prior year	**2,415,696.19**	1,854,228.81
Result for the period	**(360,414.08)**	561,467.38
Total voluntary retained earnings	**2,055,282.11**	2,415,696.19
Motion of the board of directors:		
Balance to be carried forward to new period	**2,055,282.11**	2,415,696.19

Bristlecone International AG

Schaffhausen

(Signature/s)

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF BRISTLECONE UK LIMITED

Opinion

We have audited the financial statements of Bristlecone UK Limited (the 'company') for the year ended 31 March 2022 which comprise the Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

— give a true and fair view of the state of the company's affairs as at 31 March 2022 and of its profit for the year then ended;

— have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and

— have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The directors are responsible for the other information. The other information comprises the information in the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

— the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and

— the Report of the Directors has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Directors.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

— adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or

— the financial statements are not in agreement with the accounting records and returns; or

— certain disclosures of directors' remuneration specified by law are not made; or

— we have not received all the information and explanations we require for our audit; or

— the directors were not entitled to take advantage of the small companies' exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Directors.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on page herein, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- Enquiries of management, concerning the company's policies and procedures relating to:
  * Identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance
  * Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud.
- Discussions among the engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. The procedures were following:

- Performed analytical procedures to identify unusual relationships.
- Evaluated accounting policies used and reasonableness of accounting estimates made.

We also obtained an understanding of the legal and regulatory frameworks that the company operates in.

As a result of performing the above, we did not identify any key audit matters related to the potential risk of fraud or non-compliance.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Mukesh Desai (Senior Statutory Auditor)
for and on behalf of Butler & Co LLP
Chartered Accountants
& Statutory Auditor

Third Floor
126-134 Baker Street
London W1U 6UE

Date: 22 April 2022.

BRISTLECONE UK LIMITED (REGISTERED NUMBER: 03169221)

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2022

	Notes	2022 £	2021 £
TURNOVER		**81,826**	53,942
Cost of sales		**15,877**	15,857
GROSS PROFIT		**65,949**	38,085
Administrative expenses		**12,242**	12,999
OPERATING PROFIT	**3**	**53,707**	25,086
Interest receivable and similar income		**–**	413
PROFIT BEFORE TAXATION		**53,707**	25,499
Tax on profit	**4**	**–**	78
PROFIT FOR THE FINANCIAL YEAR		**53,707**	25,421
OTHER COMPREHENSIVE INCOME		**–**	–
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**53,707**	25,421

The notes form part of these financial statements

BRISTLECONE UK LIMITED (REGISTERED NUMBER: 03169221)

BALANCE SHEET 31 MARCH 2022

	Notes	2022 £	2021 £
CURRENT ASSETS			
Debtors	6	22,076	120,318
Cash at bank		610,038	468,238
		632,114	588,556
CREDITORS			
Amounts falling due within one year	7	34,694	44,843
NET CURRENT ASSETS		597,420	543,713
TOTAL ASSETS LESS CURRENT LIABILITIES		597,420	543,713
CAPITAL AND RESERVES			
Called up share capital	8	2,350,000	2,350,000
Retained earnings	9	(1,752,580)	(1,806,287)
SHAREHOLDERS' FUNDS		597,420	543,713

The financial statements were authorised for issue by the Board of Directors and authorised for issue on April 18, 2022 and were signed on its behalf by:

Kulashekar Raghavan
Director

The notes form part of these financial statements

BRISTLECONE UK LIMITED (REGISTERED NUMBER: 03169221)

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2022

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 April 2020	**2,350,000**	**(1,831,708)**	**518,292**
Changes in equity			
Total comprehensive income	–	25,421	25,421
Balance at 31 March 2021	**2,350,000**	**(1,806,287)**	**543,713**
Changes in equity			
Total comprehensive income	–	53,707	53,707
Balance at 31 March 2022	**2,350,000**	**(1,752,580)**	**597,420**

The notes form part of these financial statements

BRISTLECONE UK LIMITED (REGISTERED NUMBER: 03169221)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

1. STATUTORY INFORMATION

Bristlecone UK Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Financial Reporting Standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemption in preparing these financial statements, as permitted by FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows.

Turnover

Turnover represents the invoiced amounts of services provided and it is stated net of Value Added Tax.

Revenue for software services is recognised on the basis of services rendered. For time and material contracts, invoices are raised on the basis of customer approved timesheets. For fixed price projects, invoices are raised for prescribed milestones achieved on the basis of acceptance/sign-off received from the customer. Revenue on fixed price contracts is recognised based on the percentage completion method.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Plant and machinery	–	50% on cost
Computer equipment	–	50% on cost

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Going concern

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future with the continuing support from the parent company.

There are uncertainties relating to the COVID19 pandemic which might impact the company. No provisions have been made in the financial statements in respect of these uncertainties.

3. OPERATING PROFIT

The operating profit is stated after charging:

	2022 £	2021 £
Auditors' remuneration	**2,700**	2,850
Foreign exchange differences	**3,011**	4,900

4. TAXATION

Analysis of the tax charge

The tax charge on the profit for the year was as follows:

	2022 £	2021 £
Current tax:		
UK corporation tax	–	**78**
Tax on profit	–	**78**

UK corporation tax was charged at 19% in 2021.

Reconciliation of total tax charge included in profit and loss

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	2022 £	2021 £
Profit before tax	**53,707**	25,499
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2021 - 19%)	**10,204**	4,845
Effects of:		
Capital allowances in excess of depreciation	**(44)**	–
Tax losses brought forward	**(10,160)**	(4,767)
Total tax charge	**–**	78

5. TANGIBLE FIXED ASSETS

	Plant and machinery £	Computer equipment £	Totals £
COST			
At 1 April 2021 and 31 March 2022	104	26,195	26,299
DEPRECIATION			
At 1 April 2021 and 31 March 2022	104	26,195	26,299
NET BOOK VALUE			
At 31 March 2022	–	–	–
At 31 March 2021	–	–	–

6. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022 £	2021 £
Trade debtors	**21,123**	17,255
Amounts owed by group undertakings	–	102,623
VAT	390	440
Prepayments and accrued income	563	–
	22,076	120,318

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022 **£**	2021 £
Trade creditors	**17,985**	17,985
Amounts owed to group undertakings	**10,127**	2,883
Tax	**78**	78
Other creditors	**702**	2,270
Accrued expenses	**5,802**	21,627
	34,694	44,843

8. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value	**2022** **£**	2021 £
2,350,000	Ordinary	£1	**2,350,000**	2,350,000

9. RESERVES

	Retained earnings **£**
At 1 April 2021	(1,806,287)
Profit for the year	53,707
At 31 March 2022	**(1,752,580)**

10. RELATED PARTY DISCLOSURES

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

11. ULTIMATE CONTROLLING PARTY

In the opinion of the directors, the immediate parent company is Bristlecone Limited, a company incorporated in the Cayman Islands.

The Directors consider the company's ultimate holding company and controlling party to be Mahindra & Mahindra Limited which is incorporated in India.

The company's results are included in the consolidated financial statements of Mahindra & Mahindra Limited which are publicly available from Gateway Building, Apollo Bunder, Mumbai 400 001, India.

Trading and Profit and Loss Account

	2022		2021	
	£	£	£	£
Consulting Income		**81,826**		53,942
Cost of sales				
Sub contractors		**15,877**		15,857
GROSS PROFIT		**65,949**		38,085
Other income				
Deposit account interest		**–**		413
		65,949		38,498
Expenditure				
Management fees	**–**		(154)	
Professional Expenses	**6,244**		5,259	
Auditors' remuneration	**2,700**	**–**	2,850	–
Foreign exchange losses	**3,011**		4,900	
At 31 March 2021		**11,955**		12,855
		53,994		25,643
Finance costs				
Bank charges		**287**		144
NET PROFIT		**53,707**		25,499

Independent Auditor's Report

To the Board of Directors and Shareholders of Bristlecone, Inc.

Opinion

1. We have audited the accompanying financial statements of **Bristlecone, Inc.** ('the Company') (a California Corporation and a wholly owned subsidiary of Bristlecone Limited), which comprise the Balance Sheets as at 31 March 2022, the Statement of Income, Statements of Changes in Stockholders' Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

2. In our opinion and to the best of our information and according to the explanations given to us the aforesaid financial statements give a true and fair view of the financial position of the Company as at 31 March 2022, and of its financial performance and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

3. We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ('IESBA Code') together with the ethical requirements that are relevant to our audit of the financial statements in India and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information other than the Financial Statements and Auditor's Report thereon

4. Management is responsible for the other information. Other information does not include the financial statements and our auditor's report thereon.

   Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

   In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

   If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. Reporting under this section is not applicable as no other information is obtained at the date of this auditor's report.

Responsibilities of Management for the Financial Statements

5. Management is responsible for the preparation of these financial statements that give a true and fair view in accordance with accounting principles generally accepted in the United States of America and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

6. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

7. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

8. As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

   - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

   - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

   - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

   - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

9. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Place: Gurgoan
Date: May 10, 2022

Grant Thornton Bharat LLP

BALANCE SHEET

Particulars	Notes	As at March 31, 2022 (US$)	As at March 31, 2021 (US$)
ASSETS			
Current assets			
Cash and cash equivalents	B	**8,620,734**	6,840,921
Accounts receivable, net	C		
– Due from related party		**55,964**	161,402
– Others		**15,289,518**	11,188,623
Loan to related parties	G	**5,500,000**	1,000,000
Prepaid Expenses		**793,403**	702,588
Others Current assets			
– Due from related party	M	**661,642**	555,573
– Others		**507,043**	1,213,857
Total current assets		**31,428,304**	21,662,964
Non-current assets			
Property and equipment, net	D (A)	**1,212,935**	878,839
Intangible assets, net	D (B)	**1,176**	1,176
Advance Income Tax		**124,620**	126,171
Deferred tax assets, net	F	**1,239,006**	1,045,015
Other assets		**171,573**	132,198
Total non-current assets		**2,749,310**	2,183,399
Total assets		**34,177,614**	23,846,363
LIABILITIES AND STOCKHOLDERS' EQUITY			
Current liabilities			
Accounts payable:			
– Due to related parties	M	**13,066,578**	6,462,006
– Others		**260,243**	220,231
Employee related liabilities		**4,477,538**	3,884,472
Accrued expenses and other current liabilities	E	**2,000,417**	1,386,880
Provision for income tax expense		**954,348**	658,580
Unearned revenue		**1,862,530**	1,600,731
Total current liabilities		**22,621,654**	14,212,900
Non Current liabilities			
Deferred rent and lease incentive		**325,150**	372,851
Total non current liabilities		**325,150**	372,851
Total liabilities		**22,946,804**	14,585,751
Stockholders' equity, including convertible preference shares	H		
Series A Preferred stock, convertible, no par value 865,540 shares authorized and 865,540 shares issued as of March 31, 2022 and March 31, 2021		**774,518**	774,518
Series B Preferred stock, convertible, no par value 3,628,960 shares authorized and 2,749,995 shares issued as of March 31, 2022 and March 31, 2021		**5,939,606**	5,939,606
Common stock, no par value 30,000,000 shares authorized and 8,492,157 shares issued of March 31, 2022 and March 31, 2021		**136,664**	136,664
Additional paid-in capital		**18,799,290**	18,633,513
Retained Earnings		**(14,419,268)**	(16,223,689)
Total stockholders' equity		**11,230,810**	9,260,612
Total liabilities and stockholders' equity		**34,177,614**	23,846,363

(The accompanying notes are an integral part of these financial statements)

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED MARCH 31, 2022

Particulars	**Notes**	**Year ended March 31, 2022 (US$)**	Year ended March 31, 2021 (US$)
Revenues	**A(3.4)**	**66,912,943**	57,725,099
Operating expenses			
Cost of revenues		**52,064,598**	43,150,830
Selling, general and administrative expenses		**12,744,418**	13,644,503
Depreciation and amortization	**D**	**241,354**	347,783
Total operating expenses		**65,050,370**	57,143,116
Operating Income		**1,862,573**	581,983
Other income, net		**64,548**	45,657
Income before income tax expense		**1,927,121**	627,640
Income tax expense	**F**	**122,700**	336,157
Net Income		**1,804,421**	291,483
Other comprehensive income		**–**	–
Total Comprehensive income		**1,804,421**	291,483

(The accompanying notes are an integral part of these financial statements)

STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

Particulars	Preferred stock		Common stock		Additional paid-in capital	Retained earnings	Total stockholders' equity
	Shares	Amount (US$)	Shares	Amount (US$)	Amount (US$)	Amount (US$)	Amount (US$)
Balance as at April 1, 2020	3,615,535	6,714,124	8,492,157	136,664	18,505,323	(16,515,172)	8,840,939
Stock based compensation expense	–	–	–	–	128,190	–	128,190
Net income for the year	–	–	–	–	–	291,483	291,483
Balance as at March 31, 2021	**3,615,535**	**6,714,124**	**8,492,157**	**136,664**	**18,633,513**	**(16,223,689)**	**9,260,612**
Stock based compensation expense	–	–	–	–	165,777	–	165,777
Net income for the year	–	–	–	–	–	1,804,421	1,804,421
Balance as at March 31, 2022	**3,615,535**	6,714,124	**8,492,157**	136,664	**18,799,290**	**(14,419,268)**	**11,230,810**

STATEMENT OF CASH FLOWS

Particulars	**Year ended March 31, 2022 (US$)**	Year ended March 31, 2021 (US$)
Cash flow from operating activities		
Net Income	**1,804,421**	291,483
Adjustments to reconcile net profit to net cash provided by operating activities		
Depreciation and amortization	**241,354**	347,783
Deferred tax (credit) / charge	**(193,991)**	287,789
(Gain) / Loss on disposal of equipment and software	**(526)**	65,775
Unrealised exchange loss, net	**100**	4,920
Interest Income	**(64,548)**	(45,657)
Bad debts	**17,070**	774,167
Reversal of Provision for doubtful debts	**(49,104)**	(712,757)
Stock compensation expense	**165,777**	128,190
Changes in assets and liabilities		
Accounts receivable and unbilled revenue	**(3,963,523)**	1,886,984
Due from related parties	**211,371**	(151,728)
Other current assets	**408,809**	(437,176)
Prepaid Expenses	**(90,815)**	(119,720)
Income tax Receivable	**1,551**	143,488
Accounts payable, related parties	**6,604,572**	1,387,302
Accounts payable	**40,012**	(244,162)
Other liabilities	**1,716,469**	278,662
Net cash provided by operating activities	**6,848,999**	3,885,344
Cash flow from investing activities		
Purchase of Property & Equipment	**(575,474)**	(955,451)
Proceeds from sale of Property, Equipment	**550**	–
Loan to related parties	**(4,500,000)**	
Repayment of loan by related parties	**–**	250,000
Interest received	**5,738**	20,791
Net cash used in investing activities	**(5,069,186)**	(684,660)
Net increase in cash and cash equivalents	**1,779,813**	3,200,684
Cash and cash equivalents at the beginning of the year	**6,840,921**	3,640,237
Cash and cash equivalents at the end of the year	**8,620,734**	6,840,921
Supplemental cash flow information		
Interest received	**5,738**	20,791
Income taxes paid	**13,925**	126,171

(The accompanying notes are an integral part of these financial statements)

Notes to Financial Statements

NOTE A - BACKGROUND INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. NATURE OF OPERATIONS

Bristlecone, Inc. (the "Company") is engaged in providing technology solutions and consulting services, with operations and customers primarily in the United States of America (the 'US' or 'USA'). The Company's primary focus is on providing supply chain services ranging from supply chain strategy and network design to supply chain system implementations. The Company also provides application outsourcing services, data management services and development and integration services to independent software vendors.

1.1 BASIS OF PREPARATION OF FINCIAL STATEMENTS

The accompanying financial statements are prepared in accordance with US Generally Accepted Accounting Principles ("GAAP").

2. GENERAL INFORMATION

The Company was incorporated under the laws of the State of California in 1998. In May 2004, the Company became a wholly-owned subsidiary of Bristlecone Limited, a Cayman Island Company. The Company's then stockholders and stock option holders, in exchange for their stock interest in Bristlecone, Inc., received cash, common stock, preferred stock, warrants and common stock options of Bristlecone Limited. Mahindra & Mahindra Limited, an Indian Company is the Company's ultimate parent.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the significant accounting policies applied in the preparation of the accompanying financial statements is as follows:

3.1. OVERALL CONSIDERATIONS

The accompanying financial statements have been prepared on a going concern basis under the historical cost convention and on the accrual basis of accounting.

These financial statements have been presented in United States Dollars ('US$'), which is the functional and reporting currency of the Company.

3.2. USE OF ESTIMATES

In preparing the Company's financial statements in conformity with accounting principles generally accepted in the United States of America, the Company's management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from those estimates. The significant estimates and assumptions that affect the financial statements include, but are not limited to, useful lives of assets, realization of deferred tax assets, provision for variable pay and provision for sales commission the nature and timing of the satisfaction of performance obligations, estimated costs to complete fixed price contracts, Provision against receivables, obligations related to employee benefit plans, deferred tax valuation allowances, income-tax uncertainties and other contingencies, assumptions used to calculate stock-based compensation expense, recoverability of long-lived assets, and intangibles.

3.3. FOREIGN CURRENCY TRANSACTIONS AND TRANSLATION

Transactions in foreign currencies are translated at the rate of exchange prevailing on the date of the transaction. Monetary assets and liabilities in foreign currencies are translated at the rate of exchange prevailing at the balance sheet date. All foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities at year-end are recorded in the statement of earnings.

3.4. REVENUE RECOGNITION

The Company is principally engaged in Business Consulting, Software Implementation, Software Implementation and related support services.

Revenue is recognised upon transfer of control of contracted products or services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those products or services.

- Revenues with respect to time and material contracts are recognized on input method basis i.e. based on time /efforts spent.
- Revenue related to fixed price maintenance and support services contracts where the Company provides services is recognised based on time elapsed mode and revenue is straight lined over the period of performance.
- In respect of other fixed-price contracts, revenue is recognized using costs incurred to date relative to total estimated costs at completion to measure progress toward satisfying our performance obligations. The use of this method requires significant judgment to estimate the cost required to complete the contracted scope of work, including assumptions and estimates relative to the length of time to complete the project and the nature and complexity of the work to be performed and resources engaged. We regularly monitor these estimates throughout the execution of the project and record changes in the period in which a change in an estimate is determined.
- Revenue from the sale of third- party software is recognised upfront at the point in time when the software is delivered to the customer.
- Unbilled receivables represents revenues recognized for services rendered between the last billing date and the balance sheet date.
- Unearned and deferred revenue is recognised when there is billing in excess of revenues. The billing schedules agreed with customers include periodic performance -based payments and / or milestone- based progress payments. Invoices are payable within contractually agreed credit period. Deferred revenue also includes the amount for which services have been rendered but other conditions of revenue recognition are not met.
- Contract acquisition costs are amortized over the period of contract however the contract acquisition costs are charged to statement of comprehensive income when the life of contract is less than one year.
- Contracts are subject to modification to account for changes in contract specification and requirements. The Company reviews modification to contract in conjunction with the original contract, basis which the transaction price could be allocated to a new performance obligation, or transaction price of an existing obligation could undergo a change. In the event transaction price is revised for existing obligation, a cumulative adjustment is accounted for.

Use of significant estimates and judgements

The Company uses the expected cost-plus margin approach to allocate the transaction price to each distinct performance obligation.

Use of the percentage -of -completion method requires the Company to estimate the efforts or costs expended to date as a proportion of the total efforts or costs to be expended. Efforts or costs expended are used to measure progress towards completion as there is a direct relationship between input and productivity.

The Company uses significant judgments while determining the transactions price allocated to performance obligation using the expected cost-plus margin approach.

Provisions for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the expected contract estimates at the reporting date.

Disaggregation of Revenue

The Company disaggregates revenue from contracts with customers by geography and contract-type, as it believes it best depicts how the nature, amount, timing and uncertainty of our revenue and cash flows are affected by industry, market and other economic factors.

The Company's revenue by geography is as follows:

Geographic location	Year ended March 31, 2022 US$	Year ended March 31, 2021 US$
North America	**65,791,488**	56,251,297
Europe	**130,480**	490,473
Rest of the World	**990,975**	983,329
Total	**66,912,943**	57,725,099

The Company's revenue by type of contract is as follows:

Type of Contract	**Year ended March 31, 2022 US$**	Year ended March 31, 2021 US$
Time and materials	**36,271,480**	28,075,399
Fixed Price	**30,641,463**	29,649,700
Total	**66,912,943**	57,725,099

3.5. ACCOUNTS RECEIVABLE

Account receivable are recorded net of allowance for doubtful accounts. Allowance for doubtful accounts are established through evaluation of the accounts receivable ageing and prior collection experience, current market conditions, customer's financial conditions and the amount of receivable in dispute to ascertain ultimate collectability of these receivables. Account balances are charged off against the allowance after all means of collection have been exhausted and potential for recovery is remote.

3.6. CASH AND CASH EQUIVALENTS

The Company considers all highly liquid investments with an original maturity of ninety days or less to be cash equivalents. Cash equivalents are readily convertible into known amounts of cash and are subject to an insignificant risk of changes in value. Cash comprises balance in checking and money market accounts.

3.7. DIVIDENDS

Final dividend on common stock and preferred stock are recorded as a liability on the date of declaration by the Board of Directors.

3.8. PROPERTY, EQUIPMENT AND SOFTWARE

Equipment and software are stated at historical cost less accumulated depreciation and amortization.

Depreciation/ amortization is calculated on the straight-line method over the estimated useful life of the respective assets. Assets under capital leases and leasehold improvements are amortized over lower of their estimated useful lives and the term of the lease.

The Company has determined the estimated useful lives of assets for depreciation/ amortization purposes as follows:

Computers	3 – 5 years
Furniture and fixtures	5 – 7 years
Office equipment	3 – 5 years
Software	3 years
Leasehold improvements	Over the shorter of primary lease period and the useful life of the asset

Expenditure for maintenance and repairs are expensed as incurred. When assets are retired or otherwise disposed of, the cost of the asset and related accumulated depreciation and amortisation are eliminated from the financial records. Any gain or loss on disposal is credited or charged to the Statement of comprehensive income.

Advances paid towards property and equipment and the cost of property and equipment not yet placed in service before the end of the reporting period are classified as capital work in progress.

3.9. IMPAIRMENT OF LONG LIVED ASSETS

Long-lived assets to be held and used are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. Recoverability of long-lived assets or groups of assets is assessed based on a comparison of the carrying amount to the estimated future net cash flows. If estimated future undiscounted net cash flows are less than the carrying amount, the asset is considered impaired and a loss is recorded equal to the amount required to reduce the carrying amount to fair value. Management has performed its impairment review and concludes that the Company's long lived assets are not impaired as of March 31, 2022.

3.10. COST OF REVENUES

Cost of revenues comprises salaries and employee benefits, stock compensation expense, sub-contractor fees, off-shore consultancy charges, project related travel and other costs, including those reimbursed by customers.

3.11. EMPLOYEE BENEFITS

The Company has a policy of unlimited vacation time for eligible employees. These employees can take unlimited vacation time off at their discretion. Accordingly, Company is not creating any liability towards such eligible employees.

The Company's liability towards compensated absences is determined on an arithmetical basis for the entire unavailed vacation balance standing to the credit of non-eligible employee as at year-end.

Contributions to defined contribution plans are charged to statements of operations in the year in which they accrue.

The Company has a 401(k) plan that provides defined contribution retirement benefits for all the employees. Participants may contribute a portion of their compensation to the plan, subject to the limitations under the Internal Revenue Code. The Company's contributions to the plan are at the discretion of the Board and expense is recorded in the year to which such contributions pertain.

Long term cash incentive award include Cash Bonus (a long-term cash incentive award) consisting of Performance-Based Awards and Retention-Based Awards. Retention-Based (LTI) Awards is the award for which the payment is contingent on Participant's continuing employment. whereas the Performance-Based Awards" is an award for which the payment is contingent on the achievement of Performance Goals with respect to a Performance Period. The Company estimates the expected liability towards LTI as at each reporting date based on progress made by employees against the defined objectives. The expenses are recognized on straight-line basis over the estimated period of service over which such awards are provided.

3.12. STOCK COMPENSATION

The Company accounts for the equity-settled options and cash-settled options granted to its employees in accordance with ASC 718, "Stock Compensation". ASC 718 addresses the accounting for stock based compensation transactions in which an enterprise receives employee services in exchange for equity instruments of the enterprise or liabilities that are based on the fair value of the enterprise's equity instruments or that may be settled by the issuance of such equity instruments.

In accordance with the provisions of ASC 718, stock compensation for all awards granted, modified or settled, that the Company expects to vest is recognized on a straight line basis over the requisite service period, which is generally the vesting period of the award.

(a) Equity Settled Options

The employees of the Company participate in stock compensation plans which are operated by the Bristlecone Limited (Holding Company), based on which the employees of the Company have been granted stock options of the Holding Company. The Company accounts for stock compensation in accordance with ASC 718, "Stock Compensation".

The Company applies the same accounting principles as the Holding Company for recording stock compensation in respect of stock of the Holding Company granted to employees of the Company for the purposes of reporting in the separate financial statements of the Company. An amount equal to such compensation expense for the year is recorded as a capital contribution in stockholders' equity in the financial statements of the Company.

The Company recognizes stock-based compensation expense in the statements of income for awards of equity instruments to employees based on the grant-date fair value of those awards. The Company recognizes these compensation costs on straight-line basis over the requisite service period of the award which is generally the vesting period of the award. Forfeitures are accounted when the actual forfeitures occur.

ASC 718 requires the use of a valuation model to calculate the fair value of stock-based awards. The Company elected to use the Black-Scholes-Merton pricing model to determine the fair value of stock-based awards on the date of grant. Refer Note J – Stock compensation.

(b) Stock Appreciation right (SAR) (Cash Settled Options)

A stock appreciation right (SAR) gives an employee the contractual right to receive an amount of cash that equals the appreciation in the Company's stock from the award's grant date to the exercise date.

The Company has elected to account for these cash-settled stock appreciation rights, at intrinsic value used intrinsic value of the SAR to record expense and compensated liability. Intrinsic Value of SAR is remeasured Stock at each reporting period and cumulative compensation expense (and the corresponding compensation liability) based on the portion of the vested award is adjusted.

Deferred tax is created on the liability recognized and is subsequently adjusted with change in intrinsic value. Refer Note J – Stock compensation.

3.13. INCOME TAXES

The Company applies the asset and liability method of accounting for income taxes as described in ASC 740, "Income Taxes". Under this method, deferred tax assets and liabilities are recognized for future tax consequences attributable to differences between the financial statements' carrying amounts of existing assets and liabilities and their respective tax bases and operating loss and tax credit carry forwards.

Deferred tax assets and liabilities are measured using tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in Statement of comprehensive income in the period that includes the enactment date. Valuation allowances are recognized to reduce the deferred tax assets to an amount that is more likely than not to be realized. In assessing the likelihood of realization, management considers estimates of future taxable income and the effect of temporary differences.

The FASB issued ASU 2015-17, Income Taxes (Topic 740): Balance Sheet Classification of Deferred Taxes. The amendments in this update simplify the presentation of deferred income taxes and require that deferred tax liabilities and assets be classified as non-current in a classified statement of financial position.

Further, ASC 740-10 requires the Company to recognize a provision for uncertainty in income taxes based on minimum recognition threshold. The Company applies a two-step approach for recognizing and measuring uncertain tax positions. The first step is to evaluate the tax position for recognition by determining, based on the technical merits, that the position will be more likely than not sustained upon examination. The second step is to measure the tax benefit as the largest amount of the tax benefit that is greater than 50% likely of being realized upon settlement. The Company evaluates tax positions each year and adjust the related tax liabilities or assets in light of changing facts and circumstances, such as the progress of a tax audit or the expiration of a statute of limitations. We believe the estimates and assumptions used to support our evaluation of tax positions are reasonable. However, final determinations of prior-year tax liabilities, either by settlement with tax authorities or expiration of statutes of limitations, could be materially different from estimates reflected in assets and liabilities and historical income tax provisions. The outcome of these final determinations could have a material effect on our income tax provision, net income, or cash flows in the period in which that determination is made. We believe our tax positions comply with applicable tax law and that we have adequately accounted for these positions.

3.14. LEASES

The Company classifies all leases at the inception date as either a capital lease or an operating lease. Lease of assets where the title/ownership transfer to the lessee at the end of the lease term, Option to purchase the underlying assets that are likely to be exercised, lease term 75% or more of the remaining economic life of the asset and the present value of the sum of the lease payments exceed 90% or more of the fair value of the underlying asset as per ASC 840 "Leases" are classified as capital leases, otherwise all leases are classified as operating lease.

Operating lease expenses are recognized on a straight-line basis over the lease term unless another systematic and rational basis is more representative of the time pattern in which use benefit is derived from the leased property, in which case that basis will be used.

Incentive received by the Company at the commencement of lease is deferred over the respective lease term on straight-line basis.

3.15. FAIR VALUE MEASUREMENTS

Fair value is the price that would be received upon sale of an asset or paid upon transfer of a liability in an orderly transaction between market participants at the measurement date and in the principal or most advantageous market for that asset or liability. The fair value should be calculated based on assumptions that market participants would use in pricing the asset or liability, not on assumptions specific to the entity.

The three-level hierarchy of fair value measurements is based on whether the inputs to those measurements are observable or unobservable. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect our market assumptions. The fair-value hierarchy requires the use of observable market data when available and consists of the following levels:

Level 1—Quoted prices for identical instruments in active markets;

Level 2—Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations in which all significant inputs are observable in active markets; and

Level 3—Valuations derived from valuation techniques in which one or more significant inputs are unobservable.

NOTE B - CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise of:

Particulars	**As at March 31, 2022 US$**	As at March 31, 2021 US$
Balance in checking and money market accounts	**8,620,734**	6,840,921

Cash balances of the Company are held in checking accounts, which are non-interest bearing, with the banks participating in the Transaction Account Guarantee Program of Federal Deposit Insurance Corporation (FDIC). Under that program, through March 2022, all non-interest bearing transaction accounts are guaranteed by the FDIC for US$ 250,000 per tax ID for State Bank of India, California and Silicon Valley Bank

As at March 31, 2022, the Company has US$ 8,120,734 [2021 US$ 6,340,921] as balances in excess of the federally insured amounts

NOTE C - ACCOUNTS RECEIVABLE, NET

Accounts receivables comprise of the following:

Particulars	**As at March 31, 2022 US$**	As at March 31, 2021 US$
Due from related parties	**55,964**	161,402
Due from others	**15,356,176**	11,304,385
	15,412,140	11,465,787
Less: Allowance for uncollectible accounts receivables	**(66,658)**	(115,762)
Total	**15,345,482**	11,350,025

Accounts receivable include unbilled accounts receivable which represent revenues on contracts to be billed, in subsequent periods, as per the terms of the related contracts. As of March 31, 2022 the Company had US$ 5,976,631 [2021: US$ 2,475,193] of unbilled accounts receivable.

The allowance for uncollectible amounts reflected the following activity during the year:

Particulars	As at March 31, 2022 US$	As at March 31, 2021 US$
Balance at the beginning of the year	115,762	828,519
Add: Allowance created during the year	(32,034)	61,410
Less: Written off during the year	(17,070)	(774,167)
Balance at the end of the year	66,658	115,762

NOTE D - PROPERTY, EQUIPMENT AND INTANGIBLE ASSETS, NET

A) Property and equipment consist of the following:

Particulars	As at March 31, 2022 US$	As at March 31, 2021 US$
Computers	1,154,755	1,034,687
Furniture and fixtures	137,661	143,347
Office equipment	381,383	381,383
Lease hold improvements	786,038	775,008
	2,459,837	2,334,425
Less: Accumulated Depreciation	(1,655,304)	(1,455,586)
Property and equipment, net	804,533	878,839
Capital work-in-progress	408,402	–
Total	1,212,935	878,839

Depreciation expense for the year ended March 31, 2022 was US$ 241,354 (2021: US$ 276,392)

B) Intangible assets consist of the following:

Particulars	As at March 31, 2022 US$	As at March 31, 2021 US$
Software	284,670	284,670
Capitalised Software development costs	839,388	839,388
	1,124,058	1,124,058
Less: Accumulated amortization	(1,122,882)	(1,122,882)
Intangible assets, net	1,176	1,176

Amortization expense for the year ended March 31, 2022 was NIL (2021: US$ 71,391)

NOTE E - ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES

Accrued expenses and other current liabilities comprise of the following:

Particulars	As at March 31, 2022 US$	As at March 31, 2021 US$
Accrued expenses	1,921,941	1,320,527
Deferred rent and lease incentive	78,476	66,353
	2,000,417	1,386,880

NOTE F - INCOME TAXES

Income tax expense for the year comprises of the following:

Particulars	Year ended March 31, 2022 US$	Year ended March 31, 2021 US$
Current tax expense	598,897	48,368
Deferred tax charge/(credit)	(193,991)	287,789
(Excess)/short provision of earlier years written back	(282,206)	–
Total	122,700	336,157

The difference between the amount of income tax expense that would result from applying domestic federal statutory income tax rates to the net profit and the net deferred tax assets is related to certain non-deductible expenses, state income taxes and the change in valuation allowance. Permanent differences are primarily on account of non-deductible meals and entertainment expenses. During the year, the company utilized carry forward Net Operating Losses (NOL) of US$ 122,294 [2021: US$ 51,686]

The Company recorded valuation allowances of USD$ 566,149 as of March 31, 2022 and 2021, respectively, against deferred tax assets principally associated with certain tax credit and tax net operating loss carry forwards, as it believes that it is more likely than not that these assets will not be realized. For all other deferred tax assets, we believe it is more likely than not that the results of future operations will generate sufficient taxable income to realize these deferred tax assets.

Particulars	As at March 31, 2022 US$	As at March 31, 2021 US$
Deferred tax assets		
Net operating loss carry forwards	670,548	748,599
Accrued payroll	1,117,389	1,048,147
Provision for uncollectible receivables	17,998	31,256
Sub-total	1,805,935	1,828,002
Valuation allowance	(566,149)	(566,149)
Total deferred tax asset	1,239,786	1,261,853
Deferred tax liability		
Equipment and software	(780)	(216,838)
Net deferred tax asset	1,239,006	1,045,015

As at March 31, 2022, the Company has US$ 2,341,436 [2021: US$ 2,463,730] in US Federal Net Operating Loss ("NOL") carryovers, which can be carried forward for future utilization within 20 years from the year in which such losses are generated subject to certain limitations under US tax laws.

As at March 31, 2022, the Company also has US$ 1,515,452 [2021: US $ 1,843,295] in State Operating Losses carried forward, which can be carried forward for future utilization within 5-17 years.

The carry forward of the NOLs prior to the date of change of ownership will be impacted by Sec 382 limitation under the International Revenue Code. In terms of this limitation, while the carry forward of any of the NOL's will not be restricted, there will be a limitation on the annual amounts available for set-off under the Code, (currently computed as the value of Bristlecone Inc. prior to the Transaction * 4.45%).

During the year ended March 31, 2022, the Company has not reversed any valuation allowance. In evaluating the Company's ability to recover deferred tax assets, the Company considers all available positive and negative evidence, including scheduled reversals of deferred tax liabilities, Company's future plans and results of recent operations. In evaluating the objective evidence that historical results provide, the Company considers three years of cumulative operating income. Using all available evidence, the Company determined that it was uncertain that it will realize the deferred tax asset for certain of these carry forwards within the carry forward period.

No statutes have been extended on any of the Company's federal income tax filings. The statute of limitation on the Company's March 2019, March 2020 and March 2021 Federal income tax returns will expire on December 15, 2022, December 15, 2023 and December 15, 2024, respectively.

The Company is currently not under examination by any state authority for income tax purposes and no statutes of limitation for state income tax filings have been extended. As of March 31, 2022, the Company does not have any uncertain tax position in respect of unrecognized tax positions as per ASC 740-10.

NOTE G - LOAN TO RELATED PARTIES

The Company had granted unsecured loan, being inter-corporate deposits to a Fellow Subsidiary Company (Bristlecone Middle East DMCC) outstanding as on March 31, 2022 is US$ NIL [2021: US$ 500,000]. The loan had an interest rate of 2.35% p.a. as at March 31, 2021.

The Company has granted an unsecured loan of US$ 5,500,000 [2021: US$ 500,000] being inter-corporate deposits to Holding Company (Bristlecone Limited). The loan bears an interest rate of 3.56% p.a. on US$ 500,000 and 2.25% p.a. on US$ 5,000,000 as at March 31, 2022 and is repayable on demand.

NOTE H - STOCKHOLDERS' EQUITY

The Company's authorized stock comprised of 4,494,500 preferred stock at no par value and 30,000,000 common stock at no par value as at March 31, 2022 and March 31, 2021; of which 865,540 preferred stock Series A, 2,749,995 preferred stock series B and 8,492,157 common stock are issued and outstanding as at March 31, 2022 and March 31, 2021.

Conversion of preferred stock

Each preferred stock series A and preferred stock series B is entitled to be converted, without payment of any additional consideration, into one fully paid common stock.

Voting

Every holder of preferred stock series A and preferred stock series B is entitled to one vote for each common stock held into which such Series A or Series B preferred stock could be converted.

Liquidation

In the event of a liquidation, dissolution or winding up of the Company:

(a) holders of Preferred Stock series A and Preferred Stock series B, shall on a pari passu basis, in preference to any distribution to holders of Common Stock receive an amount per stock equal to (i) US$ 0.94 for each outstanding stock of preferred stock Series A and (ii) US$ 2.21 for each outstanding stock of preferred stock Series B subject to appropriate adjustments for stock splits, stock dividends, combinations or recapitalization etc. If upon the occurrence of such event, the assets available for distribution shall be insufficient to permit the payment of the full aforesaid preferential amounts, then the available funds shall be distributed rateably in proportion to the preferential amount each such holder is otherwise entitled to receive pursuant to this clause.

(b) Upon the completion of distribution required by clause (a) above, the remaining assets available for distribution shall be distributed among the holders of Series A Preferred Stock, Series B Preferred Stock and Common Stock pro rata based on the number of stocks of Common Stock held by each, provided that the Common Stock holders shall not receive any distribution unless the Series A Preferred Stock holders have received an aggregate of US$ 0.47 per stock and the Series B Preferred Stock holders have received an aggregate of US$ 1.11 per stock (not including amounts paid pursuant to clause (a) above).

NOTE I - EMPLOYEE BENEFIT PLANS

Effective April 1, 2021, the Company has discontinued Accrual for compensated absences for exempt employees. Accrual for compensated absences is applicable for non-exempt employees. The accrual for compensated absences for non-exempt employees as at March 31, 2022 is US$ 8,159 [2021: US$ 551,113].

The Company in the current year made a contribution of US$ 199,799 [2021: US$ 216,325] to 401(k) plan.

NOTE J - STOCK COMPENSATION

(a) EMPLOYEE STOCK OPTION PLAN (ESOP)

Bristlecone Limited, the Holding Company has following Stock Option Plans under which the options are granted to the employees of the Company:

1. Bristlecone Limited 2004 Stock Option Plan (arising out of conversion of the earlier Bristlecone Inc. Existing Stock Option Plan) and Bristlecone Limited 2008 Stock Option Plan:

Pursuant to the terms of the acquisition of Bristlecone Inc. on May 17, 2004 by Bristlecone Limited (the "transaction"), the then existing outstanding options of Bristlecone Inc., aggregating to a total of 2,058,493 options were cancelled and fresh options were issued by Bristlecone Limited under 2004 stock option plan based on the exchange criteria set out in the transaction documents.

Features of these plans are as under:

Options granted under these plans include incentive stock options and non-statutory stock options. As per these plans, 25 per cent of the Shares subject to the Option, vest on the one (1) year anniversary of the vesting commencement date, and 1/48 of the options vest each month thereafter on the same day of the month as the vesting commencement date, subject to the grantee continuing to be an employee through each such date. The term of each Option is stated in the Option Agreement; provided, however, that the term shall be no more than 10 years from the date of grant thereof. The exercise price of each option, (a) granted to an employee who at the time of grant of such option, owns stock representing more than 10 per cent of the voting power of all classes of stock of the Company or any Parent or Subsidiary, shall be no less than 110 per cent of the Fair Market Value per Share as determined by the Board on the date of grant (b) granted to any other employee, shall be no less than 100 per cent of the Fair Market Value per Share determined by the Board on the date of grant, unless otherwise ratified by the Board.

The following table summarizes information about the options issued under different Plans:

Particulars	**Options outstanding Year ended March 31, 2022**	**Weighted average exercise price March 31, 2022**	Options outstanding Year ended March 31, 2021	Weighted average exercise price March 31, 2021
Stock Option 2008 Plan				
Outstanding as on April 1	**858,215**	**US$ 1.91**	659,025	US$ 1.86
Granted	–		503,774	US$ 2.03
Exercised	**61,600**	**US$ 0.99**	80,000	US$ 0.18
Expired/forfeited	**66,341**	**US$ 1.79**	224,584	US$ 2.64
Outstanding at March 31	**730,274**		858,215	

Additional information on outstanding options

Exercise price range for the options outstanding is given below:

Exercise Price (US$)	**No of options outstanding**	
	March 31, 2022	March 31, 2021
US$ 0.10	**13,500**	50,500
US$ 0.77	**27,500**	59,000
US$ 1.41	–	15,000
US$ 2.03	**503,774**	503,774
US$ 2.14	**85,500**	104,941
US$ 2.38	**50,000**	75,000
US$ 2.87	**50,000**	50,000

Options outstanding that have Vested and exercisable and Unvested are as follows:

	March 31, 2022			March 31, 2021		
Particulars	**Outstanding options**	**Weighted average exercise price in US$**	**Weighted average remaining contract term (in years)**	Outstanding options	Weighted average exercise price in US$	Weighted average remaining contract term (in years)
Stock Option 2008 Plan						
Vested and exercisable	**387,445**	**2.00**	**6.10**	273,452	1.51	5.32
Unvested	**342,829**	**2.09**	**8.55**	584,763	2.10	9.33

Stock unit activity under stock-based compensation plans is shown below:

Particulars	**March 31, 2022**		March 31, 2021	
	Number	**Outstanding options**	Number	Outstanding options
Those vested at the beginning of the year	**273,452**	**1.51**	386,215	1.37
Vested	**195,277**	**2.11**	46,340	2.21
Forfeited	**(19,684)**	**1.43**	(79,103)	2.64
Exercised during the year	**(61,600)**	**0.99**	(80,000)	0.18
Those vested at the end of the year	**387,445**	**2.00**	273,452	1.51

Unrecognized compensation expense associated under the fair value method for shares expected to vest (unvested options net of expected forfeitures) as of March 31, 2022 was approximately US$ 347,050 [2021: US$ 585,027] and is expected to be recognized over a weighted average period of 1.41 years.

Particulars	**March 31, 2022**		March 31, 2021	
	Number	**Outstanding options**	Number	Outstanding options
Those nonvested at the beginning of the year	**584,763**	**2.10**	272,810	2.56
Those nonvested at the end of the year	**342,829**	**2.09**	584,763	2.10
Those that during the year were:				
Vested	**195,277**	**2.11**	46,340	2.21
Granted	**–**	**–**	503,774	2.03
Forfeited	**46,657**	**1.94**	145,481	2.64

Stock based compensation expense has been determined based on the fair values of the options estimated on the date of grant using the Black-Scholes model with the following assumptions:

Particulars	Year ended March 31, 2021
Dividend yield	0 percent
Expected life	6.25 years
Risk free interest rate	1.56 percent
Volatility	53.57 percent

There are no new grants of stock options that have been made by the Company during the year ended 31 March 2022

The Black-Scholes-Merton model is considered to be the most appropriate model for determination of fair value of the share-based awards. In determining the fair value of share-based awards using the Black-Scholes-Merton option pricing model, management is required to make certain estimates of the key assumptions that include expected term, expected volatility of shares, dividend yield and risk free interest rate. Estimating these key assumptions involves judgment regarding subjective future expectations of market prices and trends. The assumptions for expected term and expected volatility have the most significant effect on calculating the fair value of our share options. We use the historical volatility of our publicly traded peers' in order to estimate future share price trends. In order to determine the estimated period of time that we expect employees to hold their share-based options, we have used historical exercise pattern of employees. The aforementioned inputs entered into the option valuation model that we use to determine the fair value of our share awards are subjective estimates and changes to these estimates will cause the fair value of our share-based awards and related share-based compensation expense we record to vary.

The aggregate fair value of all options granted during the year is Nil (2021: US$ 533,129) and weighted average grant date unit fair value of options vested during the year is US$ 1.058.

The Company has recognized stock compensation expense of US$ 165,777 [2021: US$ 128,190] for the year ended March 31, 2022.

There have been no modifications or cancellations of these plans during the current or preceding year.

(b) Stock Appreciation rights (SAR)

On September 15, 2021 Bristlecone Limited, the Holding Company granted 225,000 stock appreciation rights (SARs) to employees of the Company, that entitle them to a cash payment. Each SAR entitles the Participant to receive, upon exercise, an amount equal to the excess of (a) the Fair Market Value of one Share on the date of exercise, over (b) the Exercise Price (the "Appreciation Value").

The SAR's will vest and become exercisable with respect to twenty-five percent (25%) of the SAR's on the first anniversary of the Vesting commencement date and will vest with respect to an additional one forty-eighth (1/48th) of the SAR's on the expiration of each month thereafter.

The Holding Company issued SAR's to certain employees that require the Company to pay the intrinsic value of the SAR to the employee at the date of exercise. As at March 31, 2022, the Company has recorded liabilities of US$ 40,331. The Company has recorded total expenses of US$ 40,331 during the year in respect of SARs. As at March 31, 2022, the total intrinsic value of the SARs is US$ 276,750.

There were no SARs granted in prior years and none of the SARs had vested as at March 31, 2022

NOTE K - CONTINGENCIES

The Company evaluates contingencies as per its assessments of probable, reasonably possible and remote, as per ASC 450 "Contingencies". It is subject to legal claims in the normal course of business. However, based on its evaluation, management believes that there are no claims or contingencies, potential outcomes of which could be material to the financial condition or results of operations of the Company.

NOTE L - OPERATING LEASES

During the year, Company has entered into a new lease agreement which is in addition to the lease agreement entered in the previous year. The Company uses office spaces under operating lease expiring during FY 2026-2027 which contains an annual rent escalation clause. The rental expense on this lease is recognized on a straight-line basis. Total rent expense was US$ 440,320 [2021: US$ 243,054] for the year ended March 31, 2022.

The following maturity analysis presents future undiscounted cash outflows for operating leases as of March 31, 2022:

Year ended March 31	**Amt in $** **Operating Lease**
2023	483,249
2024	498,211
2025	519,445
2026	533,453
2027	253,132

NOTE M - RELATED PARTY TRANSACTIONS

1. List of related parties and their relationships (where there are transactions):

Name of related party	**Relationship**
Mahindra & Mahindra Limited	Ultimate Holding Company
Tech Mahindra (Americas) Inc.	Affiliate of the Ultimate Holding Company
Tech Mahindra Limited	Affiliate of the Ultimate Holding Company
Bristlecone Limited	Holding Company
Bristlecone India Limited	Fellow subsidiary
Bristlecone Consulting Limited	Fellow subsidiary
Bristlecone International AG	Fellow subsidiary
Bristlecone Middle East DMCC	Fellow subsidiary
Bristlecone (Singapore) Pte Ltd	Fellow subsidiary
Bristlecone UK Limited	Fellow subsidiary
Bristlecone GmbH	Fellow subsidiary
Ulhas Yargop	Key Management Personnel
Nirav Patel	Key Management Personnel
Kulashekar Raghavan	Key Management Personnel

2. **Related parties transactions and balances:**

Nature of transaction/balance	Name of related party	March 31, 2022 Amount (in US$)	March 31, 2021 Amount (in US$)
Amount received towards repayment of loan	Bristlecone Middle East DMCC	**500,000**	250,000
Loan receivable outstanding as at year end	Bristlecone Middle East DMCC	–	500,000
Loan given during the year	Bristlecone Limited	**5,000,000**	500,000
Loan outstanding as at year end	Bristlecone Limited	**5,500,000**	500,000
Interest receivable as at year end	Bristlecone Limited	**76,887**	18,069
Interest income	Bristlecone Limited	**58,867**	17,825
Reimbursement of expenses	Bristlecone Limited	**12,665**	56,680
Amount receivable as at year end	Bristlecone Limited	**12,665**	317,440
Amount payable as at year end	Bristlecone India Ltd	**12,976,085**	6,342,905
Subcontracting expenses incurred	Bristlecone India Ltd	**29,293,460**	23,660,257
Reimbursement of expenses	Bristlecone GmbH	**211,415**	162,171
Income from services rendered	Bristlecone GmbH	**67,431**	476,627
Amount receivable as at year end	Bristlecone GmbH	**211,415**	237,724
Amount payable as at year end	Bristlecone GmbH	**31,016**	20,860
Subcontracting services received	Bristlecone GmbH	**179,527**	248,391
Reimbursement of expenses	Bristlecone International AG	**106,621**	135,915
Amount receivable as at year end	Bristlecone International AG	**106,621**	135,915
Amount receivable as at year end	Bristlecone (Singapore) Pte. Ltd	**103,478**	101,844
Reimbursement of expenses	Bristlecone (Singapore) Pte. Ltd	**103,478**	101,844
Subcontracting services received	Bristlecone (Singapore) Pte. Ltd	–	58,508
Income from services rendered	Bristlecone (Singapore) Pte. Ltd	**6,535**	–
Amount receivable as at year end	Bristlecone UK Ltd	–	3,957
Reimbursement of expenses	Bristlecone Middle East DMCC	**163,241**	134,111
Interest income	Bristlecone Middle East DMCC	**5,778**	17,315
Amount receivable as at year end	Bristlecone Middle East DMCC	**163,241**	134,111
Interest accrued during the year and receivable as at year end	Bristlecone Middle East DMCC	–	2,938
Amount receivable as at year end	Tech Mahindra (Americas) Inc.	**23,281**	53,439
Amount receivable as at year end	Tech Mahindra Limited	**16,432**	–
Income from services rendered	Tech Mahindra Limited	**111,792**	–
Amount payable as at year end	Tech Mahindra Limited	**56,852**	–
Amount receivable as at year end	Bristlecone Consulting Limited	**3,586**	527
Amount payable as at year end	Bristlecone Consulting Limited	–	98,241
Subcontracting services received	Bristlecone Consulting Limited	**128,662**	143,321
Reimbursement of expenses	Bristlecone Consulting Limited	–	527
Amount receivable as at year end	Mahindra & Mahindra Limited	–	32,408
Reimbursement of expenses	Mahindra & Mahindra Limited	**2,625**	95,384
Amount payable as at year end	Mahindra & Mahindra Limited	**2,625**	–
Consultancy Fees	Ulhas Yargop	**60,000**	60,000
Amount payable as at year end	Ulhas Yargop	**6,400**	5,000
Salaries and other Benefits	Nirav Patel	**726,250**	–
Amount payable as at year end	Nirav Patel	**207,500**	
Salaries and other Benefits	Kulashekar Raghavan	**403,116**	–
Amount payable as at year end	Kulashekar Raghavan	**143,041**	

NOTE N - CONCENTRATION OF CREDIT RISK

Financial instruments that potentially subject the Company to concentrations of credit risk consist principally of cash equivalents, trade receivables, loan to related Party and bank deposits. By their nature, all such financial instruments involve risk including the credit risk of non-performance by counter parties.

The Company's cash equivalents and bank deposits are invested with banks with high investment grade credit ratings.

Trade receivables (primarily denominated in US$) are typically unsecured and are derived from revenues earned from large multinational customers. The Company monitors the credit worthiness of its customers to which it grants credit terms in the normal course of the business. In the current year, the Company had one major customer which individually accounted for more than 10% of Company's revenues. Revenue from this customer amounted to US$ 10,477,769 or 15.66% of the total revenue. Revenue from two major customer in 2021 which individually accounted for more than 10% of Company's revenues amounted to US$ 13,392,510 or 23.20% of total revenue. Total accounts receivable from such customers is US$ 1,312,616 [2021: US$ 2,466,946] at March 31, 2022 or 13.09% [2021: 21.74%] of total receivables.

During the year ended March 31, 2022, the sales in United States of America and Canada accounted for 98.32% of the total sales (2021: 97.45%).

NOTE O - FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying amount of the Company's cash equivalents, accounts receivables, loans, accounts payable and accrued expenses approximated their fair values due to their short maturities.

NOTE P - RECENT ACCOUNTING PRONOUNCEMENT

New Accounting Standards yet to be adopted by the Company

In February 2016, the FASB issued ASU 2016-02, Leases. The standard requires all leases with lease terms over twelve months to be capitalized as a right-of-use asset and lease liability on the balance sheet at the date of lease commencement. Leases will be classified as either finance or operating. This distinction will be relevant for the pattern of expense recognition in the income statement. This standard will be effective for the financial year ending March 31, 2023

Preparation of Financial statements in accordance with U.S. GAAP. The ASU is effective for fiscal years beginning after December 15, 2022. An entity may early adopt the ASU including adoption in an interim period, with retrospective application to all business combinations within the fiscal year that includes such interim period. The Company is currently evaluating the impact of this ASU on its financial statements.

In December 2019, FASB issued ASU No. 2019-12, Income Taxes Simplifying the Accounting for Income Taxes. This ASU eliminates certain exceptions related to the approach for intraperiod tax allocation, the methodology for calculating income taxes in an interim period and the recognition of deferred tax liabilities for outside basis differences. This ASU is effective for fiscal years beginning after 15 December 2021. The Company is currently evaluating the impact of this ASU on its financial statements.

In October 2020, FASB issued ASU No. 2020-10, Codification Improvements, to provide guidance for technical corrections such as conforming amendments, clarifications to guidance, simplifications to wording or structure of guidance, and other minor improvements. The amendments in this ASU improve the consistency of the ASC by ensuring that all guidance that requires or provides an option for an entity to provide information in the notes to financial statements is codified in the disclosure section of the ASC. The adoption of this ASU did not have a material impact on the Company's financial statements.

"In January 2021, FASB issued ASU No. 2021-01, Reference Rate Reform (Topic 848): Scope, to expand the scope of Topic 848 to include derivative instruments affected by changes to the interest rates used for discounting, margining or contract price alignment (commonly referred to as the discounting transition). This ASU extends some of Topic 848's optional expedients and exceptions for contract modifications and hedge accounting to derivative instruments impacted by discounting transition as a result of the discontinuation of the use of LIBOR as a benchmark interest rate due to reference rate reform.

The ASU is effective for all entities as of 7 January 2021, allows for retrospective or prospective application with certain conditions, and generally can be applied through 31 December 2022. The adoption of this ASU did not have a material impact on the Company's financial statements."

In June 2016, the FASB issued ASU 2016-13 (Topic 326), Financial Instruments — Credit Losses — Measurement of Credit Losses on Financial Instruments, which is codified in Topic 326. The ASU changes how entities will measure credit losses on HTM and AFS debt securities. After the adoption of ASU 2016-13 (Topic 326), additional disclosures are required for HTM debt securities. Refer to "Credit Losses Under ASC 326" section for required disclosures. The standard is effective for annual periods beginning after 15 December 2022, and interim periods therein. Early adoption is permitted for all entities for annual periods beginning after 15 December 2018, and interim periods therein. The Company has not early adopted this ASU.

NOTE Q - SUBSEQUENT EVENTS

In accordance with ASC 855-10 "Subsequent events", the Company has evaluated subsequent events through May 9, 2022, the date these financial statements were available to be issued. The Company is not aware of any additional subsequent events that would require recognition or disclosure in the financial statements.

Independent Auditor's Report

To the Shareholder of Bristlecone Middle East DMCC

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Bristlecone Middle East DMCC (the "Company"), which comprise the statement of financial position as at March 31, 2022, and the statement of comprehensive income, statement of changes in equity and statement of cash flows, for the year ended, and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at March 31, 2022, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting standards (IFRSs).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with *International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants'* (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with IFRS and their preparation in compliance with the applicable provisions of DMCC Companies Regulations 2020, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

We also confirm that, in our opinion, the financial statements of the Company have been properly prepared, in all material respects, in accordance with the applicable provisions of the DMCC Companies Regulations 2020. Based on the information that has been made available to us during our audit of the financial statements of the Company for the year ended March 31, 2022, nothing has come to our attention that causes us to believe that the activities undertaken by the Company and as disclosed in note 1 to these financial statements, are not significantly different from the activities mentioned in the license issued to the Company by DMCCA.

GRANT THORNTON

Farouk Mohamed
Registration No. 86

Dubai, April 28, 2022

Statement of financial position
As at March 31, 2022

	Note	2022 AED	2021 AED
ASSETS			
Non-current			
Property and equipment	5	**8,354**	–
		8,354	–
Current			
Trade and other receivables	6	**4,277,017**	3,101,181
Cash and cash equivalents	7	**6,272,967**	3,902,546
		10,549,984	7,003,727
TOTAL ASSETS		**10,558,338**	7,003,727
EQUITY AND LIABILITIES			
Equity			
Share capital	8	**50,000**	50,000
Retained earnings		**7,676,507**	3,644,097
Total equity		**7,726,507**	3,694,097
LIABILITIES			
Non-current			
Employees' end of service benefits	9	**32,433**	41,639
Current			
Loan from related parties	10	**–**	1,847,085
Trade and other payables	11	**2,799,398**	1,420,906
		2,799,398	3,267,991
Total liabilities		**2,831,831**	3,309,630
TOTAL EQUITY AND LIABILITIES		**10,558,338**	7,003,727

These financial statements for the year ended March 31, 2022 (including comparatives) were approved on April 28, 2022 by:

Mr. Kulashekar Raghavan
Director

The accompanying notes from 1 to 18 form an integral part of these financial statements.

Statement of comprehensive income
For the year ended March 31, 2022

	Note	**For the year ended March 31, 2022 AED**	For the year ended March 31, 2021 AED
Revenue		**12,854,524**	8,268,622
Cost of sales	12	**(8,057,248)**	(4,501,614)
GROSS PROFIT		**4,797,276**	3,767,008
Selling, administrative and general expenses	13	**(793,932)**	(1,011,413)
Finance costs	10	**(21,046)**	(76,564)
Depreciation	5	**(2,160)**	–
Other income		**52,272**	–
NET PROFIT FOR THE YEAR		**4,032,410**	2,679,032
Other comprehensive income for the year		**–**	–
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**4,032,410**	2,679,032

The accompanying notes from 1 to 18 form an integral part of these financial statements.

Statement of changes in equity
For the year ended March 31, 2022

	Share capital	Retained earnings	Total equity
	AED	**AED**	**AED**
Balance at March 31, 2020	50,000	965,065	1,015,065
Net profit for the year	–	2,679,032	2,679,032
Balance at March 31, 2021	50,000	3,644,097	3,694,097
Net profit for the year	**–**	4,032,410	4,032,410
Balance at March 31, 2022	**50,000**	**7,676,507**	**7,726,507**

The accompanying notes from 1 to 18 form an integral part of these financial statements.

Statement of cash flows
For the year ended March 31, 2022

	Note	**For the year ended March 31, 2022 AED**	For the year ended March 31, 2021 AED
OPERATING ACTIVITIES			
Net profit for the year		**4,032,410**	2,679,032
Adjustment for:			
Depreciation	5	**2,160**	–
Provision for employees' end of service benefits	9	**3,086**	36,101
(Reversal)/provision for expected credit losses on unbilled revenue and trade receivables	6	**(106,684)**	181,750
Finance costs	10	**21,046**	76,564
Net changes in working capital:			
Trade and other receivables		**(1,069,152)**	(2,049,238)
Other assets		**–**	5,529,961
Trade and other payables		**1,378,492**	492,003
Net cash flow from operating activities		**4,261,358**	6,946,173
Employees' end of service benefits paid	9	**(12,292)**	–
Net cash from operating activities		**4,249,066**	6,946,173
INVESTING ACTIVITY			
Purchase of fixed assets	5	**(10,514)**	–
Net cash used in investing activity		**(10,514)**	–
FINANCING ACTIVITIES			
Repayment of loan	10	**(1,836,250)**	(5,402,396)
Finance costs	10	**(31,881)**	(76,564)
Net cash used in financing activities		**(1,868,131)**	(5,478,960)
Net change in cash and cash equivalents		**2,370,421**	1,467,213
Cash and cash equivalents, beginning of year		**3,902,546**	2,435,333
Cash and cash equivalents, end of year	7	**6,272,967**	3,902,546

The accompanying notes from 1 to 18 form an integral part of these financial statements.

Notes to the financial statements
For the year ended March 31, 2022

1 Legal status and nature of operations

Bristlecone Middle East DMCC (the "Company") was incorporated in Dubai, United Arab Emirates ("UAE") on July 18, 2016 under the commercial license number DMCC-208734 issued by Dubai Multi Commodities Centre. The registered address of the Company is Unit No. 3O-01-3572, DMCC Business Center, Level No. 1, Jewellery & Gemplex 3, Dubai, UAE.

The principal activities of the Company is to provide supply chain services ranging from supply chain strategy and network design to supply chain system implementation.

The Company is a wholly-owned subsidiary of Bristlecone Limited (the "Parent Company"), a company incorporated in Cayman Islands.

2 Statement of compliance

These financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

3 Standards, interpretations and amendments to existing standards

3.1 Standards, interpretations and amendments to existing standards that are effective in 2021

Following relevant new amendments to existing standards were issued by the IASB, which are effective for the annual period beginning on or after January 1, 2021 and have been adopted by the Company:

- Interest Rate Benchmark Reform Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)

On May 28, 2020, the IASB issued Covid-19-Related Rent Concessions - amendment to IFRS 16-Leases. The amendment provides relief to lessees from applying IFRS 16 guidance on lease modification accounting for rent concessions arising as a direct consequence of the Covid-19 pandemic. The amendment was intended to apply until June 30, 2021, but as the impact of the Covid-19 pandemic is ongoing, the IASB, on March 31, 2021, extended the period of application of the practical expedient to June 30, 2022. The amendment applies to annual reporting periods beginning on or after April 1, 2021.

These amendments did not have a significant impact on the financial statements and therefore, the disclosures have not been made.

3.2 Standards, interpretations and amendments to existing standards not yet adopted early by the Company

Other standards, amendments and interpretations that are not yet effective and have not been adopted early by the Company include:

- References to the Conceptual Framework
- Proceeds before Intended Use (Amendments to IAS 16)
- Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37)
- Annual Improvements to IFRS Standards 2018-2020 Cycle (Amendments to IFRS 1, IFRS 9, IFRS 16, IAS 41)
- Classification of Liabilities as Current or Non-current (Amendments to IAS 1)
- Deferred Tax related to Assets and Liabilities from a Single Transaction
- These Standards, amendments and interpretations are not expected to have a significant impact on the financial statements in the period of initial application and therefore no disclosures have been made.

3.3 Standards, interpretations and amendments to existing standards that are not yet effective and have not been adopted early by the Company

At the date of authorisation of these financial statements, several new, but not yet effective, Standards and amendments to existing Standards, and Interpretations have been published by the IASB. None of these Standards or amendments to existing Standards have been adopted early by the Company.

Management anticipates that all relevant pronouncements will be adopted for the first period beginning on or after the effective date of the pronouncement. New Standards, amendments and Interpretations not adopted in the current period have not been disclosed as they are not expected to have a material impact.

4 Summary of significant accounting policies

The significant accounting policies that have been used in the preparation of these financial statements are consistent with those used in prior year and are summarised below:

4.1 Overall considerations

These financial statements have been prepared using the measurement bases specified by IFRS for each type of asset, liability, income and expense. The measurement bases are more fully described in the accounting policies below.

Functional and presentation currency

These financial statements are presented in UAE Dirham (AED), which is the Company's functional currency.

4.2 Financial instruments Foreign Currency transactions and balances

Foreign currency transactions are translated into the functional currency, using the exchange rates prevailing at the dates of the transactions (spot exchange rate). Foreign exchange gains and losses resulting from the settlement of such transactions and from the re-measurement of monetary items at year-end exchange rates are recognised in the statement of comprehensive income.

Non-monetary items measured at historical cost are translated using the exchange rates at the date of the transaction (not retranslated). Non-monetary items measured at fair value are translated using the exchange rates at the date when fair value was determined.

4.3 Financial instruments

Recognition, initial measurement and de-recognition

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset has expired, or when the financial asset and all substantial risks and rewards are transferred.

A financial liability is derecognised when it is extinguished, discharged, cancelled or has expired.

Financial assets and financial liabilities are measured initially at fair value adjusted by transactions costs.

Financial assets and financial liabilities are measured subsequently as described below.

Classification and subsequent measurement of financial assets

For the purpose of subsequent measurement, financial assets are classified and measured at amortised cost if both of the following conditions are met:

- The asset is held in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest, if any, on the principal amount outstanding.

If the financial asset does not pass either of the above conditions, or only one of the above conditions, it is measured at fair value through profit or loss ('FVTPL'). Even if both conditions are met, management may designate a financial asset at FVTPL if doing so reduces or eliminates a measurement or recognition inconsistency.

Notes to the financial statements
For the year ended March 31, 2022 (continued)

As at the reporting date, the Company's financial assets comprise trade and most other receivables, amounts due from related parties, other financial assets and cash and cash equivalents. These are measured at amortised cost using the effective interest method, less provision for impairment. Discounting is omitted where the effect of discounting is immaterial.

All income and expenses relating to financial assets measured at amortised cost are recognised in profit or loss and presented within 'finance costs - net' or 'other income – net', except for impairment of trade receivables which is presented within 'administrative and general expenses'.

Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default. Receivables that are not considered to be individually impaired are reviewed for impairment in groups, which are determined by reference to the industry and region of a counterparty and other shared credit risk characteristics. The impairment loss estimate is then based on recent historical counterparty default rates for each identified group.

Impairment of financial assets

IFRS 9's impairment requirements use forward-looking information to recognise expected credit losses – the 'expected credit loss (ECL) model'. Instruments within the scope of the requirements included loans and other debt-type financial assets measured at amortised cost and FVOCI, trade receivables, contract assets recognised and measured under IFRS 15 and loan commitments and some financial guarantee contracts (for the issuer) that are not measured at fair value through profit or loss.

Recognition of credit losses is no longer dependent on the Company first identifying a credit loss event. Instead the Company considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ('Stage 1') and
- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Stage 2').
- 'Stage 3' would cover financial assets that have objective evidence of impairment at the reporting date.

'12-month expected credit losses' are recognised for the first category while 'lifetime expected credit losses' are recognised for the second category. Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

Trade and other receivables and contract assets

The Company makes use of a simplified approach in accounting for trade and other receivables as well as contract assets and records the loss allowance as lifetime expected credit losses. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial instrument. In calculating, the Company uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix.

The Company assess impairment of trade receivables on a collective basis as they possess shared credit risk characteristics, they have been grouped based on the days past due.

Classification and subsequent measurement of financial liabilities

Financial liabilities comprise trade and most other payables, amount due to related parties and loan from related parties.

Financial liabilities are measured subsequently at amortised cost using the effective interest method.

Discounting is omitted if the impact is immaterial.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position only when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously.

4.4 Cash and cash equivalents

Cash and cash equivalents are items, which are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Cash and cash equivalents in the statement of financial position comprise cash on hand and balance in bank accounts and are initially and subsequently recorded at fair value.

For purpose of the statement of cash flows, all cash and bank balances are considered to be cash and cash equivalents.

4.5 Employee benefits

Short-term employee benefits

The cost of short-term employee benefits (those payable within 12 months after the service is rendered) are recognised in the period in which the service is rendered and are not discounted.

The expected cost of compensated absences is recognised as an expense when the employee renders services that increase their entitlement or, in the case of non-accumulating absences, when the absences occur.

Employees' end of service benefits

A provision for employees' end of service benefits is made for the full amount due to employees for their periods of service up to the reporting date in accordance with the U.A.E. Labour Law and is reported as separate line item under non-current liabilities.

The entitlement to end of service benefits is based upon the employees' salary and length of service, subject to the completion of a minimum service period as specified in U.A.E. Labour Law. The expected costs of these benefits are accrued over the period of employment.

4.6 Equity and reserves

Share capital represents the nominal value of shares that have been issued.

Accumulated profits include all current and prior period profits/losses (net of earnings).

4.7 Provisions and contingent liabilities

Provisions are recognised when present obligations as a result of a past event will probably lead to an outflow of economic resources from the Company and amounts can be estimated reliably. Timing or amount of the outflow may still be uncertain. A present obligation arises from the presence of a legal or constructive commitment that has resulted from past events. Provisions are not recognised for future operating losses.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties

Notes to the financial statements
For the year ended March 31, 2022 (continued)

associated with the present obligation. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. Provisions are discounted to their present values, where the time value of money is material. All provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

In those cases where the possible outflow of economic resources as a result of present obligations is considered improbable or remote, no liability is recognised, unless it was assumed in the course of a business combination.

4.8 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured regardless of when payment is being made. Revenue is measured at the fair value of the consideration received or receivable by the Company, excluding discounts, rebates, and duty.

IFRS 15 'Revenue from Contracts with Customers' outlines a single comprehensive model of accounting for revenue arising from contracts with customers. It establishes a five-step model, explained below, which will apply to revenue arising from contracts with customers.

Step 1 Identify the contract with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for each of those rights and obligations.

Step 2 Identify the performance obligations in the contract: A performance obligation in a contract is a promise to transfer a good or service to the customer.

Step 3 Determine the transaction price: Transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring the promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4 Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company will allocate the transaction price to each performance obligation in an amount that depicts the consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

Step 5 Recognise revenue when (or as) the Company satisfies a performance obligation.

The Company recognises revenue over time if any one of the following criteria is met:

- The customer simultaneously receives and consumes the benefits provided by the Company's performance as the Company performs; or
- The Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- The Company's performance does not create an asset with an alternative use to the Company, and the Company has an enforceable right to payment for performance completed to date.

For performance obligations where one of the above conditions are not met, revenue is recognised at the point in time at which the performance obligation is satisfied.

The Company allocates the transaction price to the performance obligations in a contract based on the input method which requires revenue recognition on the basis of the Company's efforts or inputs to the satisfaction of the performance obligations.

When the Company satisfies a performance obligation by delivering the promised goods or services, it creates a contract asset based on the amount of consideration earned by the performance. Where the amount of consideration received from a customer exceeds the amount of revenue recognised, this gives rise to a contract liability.

The Company assesses its revenue arrangements against specific criteria to determine if it is acting as principal or an agent and has concluded that it is acting as a principal in all of its revenue arrangements.

Amounts included in the financial statements, which relate to recoverable costs and accrued margins, if any, not yet billed on contracts are classified as "Unbilled revenue".

4.9 Operating expenses

Operating expenses are recognised in profit or loss upon utilisation of the service or at the date of their origin.

Cost of sales comprises salaries and employee benefits, sub-contractor fees, project related travel and other costs.

4.10 Leases

The Company has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term. Associated costs, such as maintenance and insurance, are expensed as incurred.

4.11 Significant management judgments and estimates in applying accounting policies

The preparation of these financial statements in conformity with the recognition and measurement principles of IFRS requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities, disclosures relating to contingent liabilities as at the date of the financial statements and the reported amounts of income and expense for the periods presented. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

Key source of estimation uncertainty at the date of the financial statements, which may cause material adjustments to the carrying amount of assets and liabilities within the next financial year, is in respect of allowance for uncollectible amounts and efforts to completion for fixed price projects represents certain of these particularly sensitive estimates.

Amounts which are not individually significant, but which are past due, are assessed collectively and a provision applied according to the length of time past due and based on historical recovery rates. Any difference between the amounts actually collected in future periods and the amounts expected will be recognised in the statement of comprehensive income.

Efforts to completion for fixed price contracts

The management considers man-days to be the best possible measure of progress in these contracts. Revenues from fixed-price contracts are recognized in accordance with percentage of completion method measured by the percentage of man-days incurred to date in relation to the estimated total man-days for such contracts.

Notes to the financial statements
For the year ended March 31, 2022 (continued)

Useful lives of depreciable assets

Management reviews the useful lives of depreciable assets at each reporting date by assessing the expected utility of the assets to the Company.

5 Property and equipment

	2022
	AED
Cost	
Balance as at April 1, 2021	**–**
Additions	**10,514**
Balance as at March 31, 2022	**10,514**
Accumulated depreciation	
Balance as at April 1, 2021	**–**
Depreciation charge	**(2,160)**
Balance as at March 31, 2022	**(2,160)**
Net	
As at 31 March 2022	**8,354**

6 Trade and other receivables

	2022	2021
	AED	AED
Financial assets		
Trade receivables	**1,874,888**	2,536,635
Unbilled revenue	**1,644,039**	642,538
Amounts due from a related party (note 10)	**787,063**	–
Deposits	**1,000**	4,000
	4,306,990	3,183,173
Less: Provision for expected credit losses on unbilled revenue and trade receivables	**(93,889)**	(200,573)
	4,213,101	2,982,600
Non-financial asset		
Prepayments	**63,916**	118,581
	4,277,017	3,101,181

6.1 Provision for expected credit loss

	2022	2021
	AED	AED
As at April 1,	**200,573**	18,823
(Reversal)/provision for expected credit loss (note 13)	**(106,684)**	181,750
As at March 31,	**93,889**	200,573

7 Cash and cash equivalents

	2022	2021
	AED	AED
Cash at banks	**6,238,262**	3,902,546
Cheque in hand	**34,705**	–
	6,272,967	3,902,546

8 Share capital

The share capital of the Company consists of 50 fully paid ordinary shares with a par value of AED 1,000 each.

Shares issued and fully paid:

Beginning and end of the year	**50**
Total shares authorised at March 31, 2022	**50**
Total share capital (issued and fully paid at March 31, 2022, in AED)	**50,000**

The Company's issued share capital is held by the following shareholder:

	2022	2021
	AED	AED
Bristlecone Limited	**50,000**	50,000

9 Employees' end of service benefits

	2022	2021
	AED	AED
Opening balance	**41,639**	5,538
Charge for the year	**3,086**	36,101
Paid during the year	**(12,292)**	**–**
Closing balance	**32,433**	41,639

10 Related parties

The Company in the normal course of business carries on transactions with other business enterprises that fall within the definition of a related party. These transactions are carried out in the normal course of business and are measured at exchange amounts, being the amounts agreed by both the parties.

The Company's related parties mainly include its shareholder, key management personnel and entities under common control.

Amounts due to related parties

	2022	2021
	AED	AED
Entities under common control		
Bristlecone India Limited	**1,406,945**	402,375
Bristlecone Inc.	**599,503**	492,523
Bristlecone (Singapore) Pte. Ltd	**57,633**	–
	2,064,081	894,898

Notes to the financial statements
For the year ended March 31, 2022 (continued)

Amounts due from a related party

	2022	2021
	AED	AED
Bristlecone International AG	**787,063**	–
	787,063	–

Loan from related party

Bristlecone Inc.	**–**	1,847,085
	–	1,847,085

Transactions with related parties

Significant transactions carried out with related parties:

	For the year ended March 31, 2022	For the year ended March 31, 2021
	AED	AED
Reimbursement of expenses	**105,446**	28,811
Sub-contracting charges	**5,124,283**	3,387,514
Loan from related parties	**–**	1,836,300
Repayment of loan to related parties	**1,868,084**	5,468,242
Finance costs	**21,046**	76,564
Management fees (note 13)	**686,254**	492,523

Key management personnel compensation

Key management personnel of the Company is the Director of the Company. During the year, the key management personnel compensation was paid by a group company and a portion of it was recharged to the Company as part of management fees.

11 Trade and other payables

	2022	2021
	AED	AED
Financial liabilities		
Trade payables	**473,823**	21,491
Amounts due to related parties (note 10)	**2,064,081**	894,898
Accruals and provisions	**97,795**	337,858
Other	**1,000**	–
	2,636,699	1,254,247
Non-financial liabilities		
VAT payable, net	**11,394**	28,402
Advance from customers	**151,305**	138,257
	2,799,398	1,420,906

12 Cost of sales

	For the year ended March 31, 2022	For the year ended March 31, 2021
	AED	AED
Sub-contracting charges	**5,601,767**	3,387,514
Software license fees	**1,283,208**	–
Salaries and other benefits	**939,220**	1,041,082
Travelling expenses	**219,539**	63,091
Insurance expense	**13,514**	9,927
	8,057,248	4,501,614

13 Selling, administrative and general expenses

	For the year ended March 31, 2022	For the year ended March 31, 2021
	AED	AED
Management fees (note 10)	**686,254**	492,523
Legal and professional fees	**91,954**	42,362
License fees	**38,752**	17,291
Withholding tax	**20,650**	–
Rent	**15,000**	12,921
Bank charges	**11,032**	10,430
Membership and subscription	**2,318**	1,838
Sales commission	**–**	241,899
(Reversal)/Provision for expected credit losses (note 6)	**(106,684)**	181,750
Others	**34,656**	**10,399**
	793,932	1,011,413

14 Contingencies and commitments

As at the year end, commitments under non-cancellable operating leases as lessee were:

	2022	2021
	AED	AED
Within one year	**4,000**	2,926

15 Financial instrument risk

Risk management objectives and policies

The Company is exposed to various risks in relation to financial instruments. The main types of risks are market risk, credit risk and liquidity risk.

The Company's risk management is coordinated at Parent Company level, in close cooperation with the management, and focuses on actively securing the Company's short to medium-term cash flows by minimising the exposure to financial markets.

The Company does not actively engage in the trading of financial assets for speculative purposes nor does it write options. The most significant financial instrument risks to which the Company is exposed are described below.

15.1 Market risk

Market risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices whether those changes are caused by factors specific to the individual security or its issuer or factors affecting all securities traded in the market.

The Company is exposed to market risk through its use of financial instruments and specifically to currency risk and interest rate risk, which result from both its operating and investing activities.

Foreign currency risk

Foreign currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Most of the Company's transactions are carried out in AED and US dollars (USD). The AED is effectively pegged to the USD thus balances in USD do not represent significant currency risks.

Interest rate risk

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate because of changes in market interest rates.

At the reporting date, the Company does not have any variable interest-bearing financial instruments.

Notes to the financial statements
For the year ended March 31, 2022 (continued)

15.2 Credit risk analysis

Credit risk is the risk that the counterparty fails to discharge an obligation to the Company. The Company's maximum exposure to credit risk is limited to the carrying amount of financial assets recognised at the reporting date, as summarised below:

	2022	2021
	AED	AED
Trade and other receivables (note 6)	4,213,101	2,982,600
Cash at banks (note 7)	6,238,262	3,902,546
Cheque in hand (note 7)	34,705	–
	10,486,068	6,885,146

The Company's management considers that all the above financial assets are not impaired and the same are of good credit quality. None of the Company's financial assets are secured by collateral or other credit enhancements. The credit risk for cash and cash equivalents is limited, since the counterparties are reputable banks with quality credit ratings

15.3 Liquidity risk analysis

Liquidity risk also referred to as funding risk is the risk that an enterprise will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value.

At March 31, 2022	Less than 12 months AED
Trade and other payables (note 11)	2,636,699
	2,636,699

At March 31, 2021	Less than 12 months AED
Loan from a related party (note 10)	1,836,300
Trade and other payables (note 11)	1,254,247
	3,090,547

16 Fair value measurement

Assets and liabilities measured at fair value in the statement of financial position are grouped into three levels of fair value hierarchy. This grouping is determined based on the lowest level of significant inputs used in fair value measurement, as follows:

- level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

None of the Company's financial instruments, non-financial assets and non-financial liabilities as at the reporting date are measured at fair value.

17 Capital management policies and procedures

The Company's capital management objectives are to ensure the Company's ability to continue as a going concern and to provide an adequate return to shareholder. Capital for the reporting period under review is summarised as follows:

	2022	2021
	AED	AED
Equity	7,726,507	3,694,097
Cash and cash equivalents (note 7)	6,272,967	3,902,546

18 Subsequent event

On January 31, 2022, the UAE Ministry of Finance announced the introduction of a 9% Federal Corporate Tax rate effective for fiscal years commencing on or after June 1, 2023. There is no impact of this announcement on the financial statements of the Company for the year ended March 31, 2022. Management will assess the implications of this Federal Corporate Tax in due course.

A. Audit engagement

Our report below on the non-statutory audit of the annual financial statements of Bristlecone GmbH, Frankfurt am Main as at March 31, 2022 is addressed to the audited company.

At the shareholders' meeting held on March 29, 2022 of

Bristlecone GmbH, Frankfurt am Main
(referred to below as the "Company")

we were appointed as auditors of the annual financial statements for the financial year from April 1, 2021 until March 31, 2022. Accordingly, the Company's management engaged us to audit the annual financial statements, together with the accounting records, for the financial year from April 1, 2021 until March 31, 2022 in analogous voluntary application of §§ 316 and 317 of the German Commercial Code (*Handelsgesetzbuch*, "HGB").

The Company is classified as a small corporation as defined in § 267 (1) HGB and, pursuant to §§ 316 et seq. HGB, is therefore exempt from the requirement to have its financial statements and management report audited.

We confirm that we have conducted our audit in compliance with the applicable independence regulations pursuant to § 321 (4a) HGB.

Our engagement is not subject to any reasons for exclusion pursuant to §§ 319, 319 a, 319 b HGB, §§ 49 and 53 of the German Public Accountants Act (*Wirtschaftsprüferordnung*, "WPO") and §§ 28 et seq. of the Professional Charter for Professional Accountants in Public Practice (*Berufssatzung für Wirtschaftsprüfer/ vereidigte Buchprüfer*, "BS WP/vBP").

We carried out our engagement at our offices in April 2022. The long form audit report was then completed.

We have documented the nature and scope of our audit procedures in our working papers.

We present the following report on the findings of our audit procedures.

We have appended the audited 2021/2022 annual financial statements, comprising the balance sheet **(Annex 1)**, the income statement **(Annex 2)** and the notes to the annual financial statements **(Annex 3)** to this report.

We have prepared this audit report in accordance with Auditing Standard IDW PS 450 (revised) "German Generally Accepted Standards on the Preparation of Long form Audit Reports" (*Grundsätze ordnungsmäßiger Erstellung von Prüfungsberichten*) as promulgated by the Institut der Wirtschaftsprüfer in Deutschland e.V. (IDW), Düsseldorf.

The terms governing this engagement and our liability, including towards third parties, are set out in the General Engagement Terms for Wirtschaftsprüfer and Wirtschaftsprüfungsgesellschaften [German Public Auditors and Public Audit Firms] (*Allgemeine Auftragsbedingungen für Wirtschaftsprüfer und Wirtschaftsprüfungsgesellschaften*) in the version dated 1 January 2017, which are attached to this report as **Annex 5**. The following modification applies with respect to the limitation of liability set out in no. 9 (2) of the "General Engagement Terms for Wirtschaftsprüfer and Wirtschaftsprüfungsgesellschaften" in the version dated 1 January 2017: The limitation applies only in instances of simple negligence, applies solely to claims for damages arising in connection with the contractual relationship between us and you and applies only if the maximum amount of the liability is insured. No. 1 (2) and No. 9 of the General Engagement Terms are controlling with respect to third parties.

This report on the audit of the annual financial statements is not intended for disclosure to third parties. If it is disclosed or made available to third parties with our consent, the Company shall undertake to agree with such third parties in writing that the agreed upon liability provisions shall also apply to potential third party claims against us.

B. Basic findings

I. Opinion on the executive director's assessment of the company's position

In accordance with § 321 (1) sentence 2 HGB, we provide below in our report our opinion on the executive directors' assessment of the position of the Company in the annual financial statements.

We issue our opinion on the basis of our own assessment of the economic position of the Company, which we gained in the course of our audit of the annual financial statements.

Specifically, we examined the going concern assumption and the assessment of the future development of the Company, as expressed in the annual financial statements.

The documents audited by us in accordance with § 321 (1) sentence 2 HGB comprised those documents which constituted the direct subject matter of our audit of the annual financial statements, i. e., the accounting records, the annual financial statements as well as any documents such as cost accounting records, planning projections, significant agreements, sets of minutes and reports to the persons responsible for supervision and monitoring, which we examined in the course of our audit.

We considered the management's presentation and assessment of the Company's position and its expected development in the annual financial statements to be accurate.

The management has duly exercised the option exempting it from preparing a management report. It was therefore not possible for us to evaluate the management's assessment of the Company's position in accordance with § 321 (1) sentence 2 HGB in reference to the management report. Nor was it our responsibility as auditors to include such an assessment in the audit report on behalf of the executive directors.

Our audit has found that the going concern assumption is correct.

C. Replication of the Audit Opinion

We have granted the following audit opinion as stated below to the financial statements as of March 31, 2022 of Bristlecone GmbH, Frankfurt am Main:

Audit Opinion

To Bristlecone GmbH:

We have audited the annual financial statements of Bristlecone GmbH, Frankfurt am Main, which comprise the balance sheet as at March 31, 2022, and the income statement for the financial year from April 1, 2021 until March 31, 2022, and notes to the financial statements, including the recognition and measurement policies presented therein.

In our opinion, based on the findings of our audit, the accompanying annual financial statements comply in all material respects with the requirements of German commercial law applicable to corporations and give a true and fair view of the net assets and financial position of the Company as at March 31, 2022 as well as the results of operations for the financial year from April 1, 2021 until March 31, 2022 in accordance with German principles of proper accounting. Pursuant to § [Article] 322 Abs. [paragraph] 3 Satz [sentence] 1 HGB [Handelsgesetzbuch: German Commercial Code], we declare that our audit has not led to any reservations relating to the legal compliance of the annual financial statements.

Basis for the Audit Opinion

We conducted our audit of the annual financial statements in accordance with § 317 HGB and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's Responsibilities for the Audit of the Annual Financial Statements" section of our auditor's report. We are independent of the Company in accordance with the requirements of German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the annual financial statements.

Executive Directors' Responsibilities for the Annual Financial Statements

The executive directors are responsible for the preparation of the annual financial statements that comply, in all material respects, with the requirements of German commercial law, and that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German Legally Required Accounting Principles. Furthermore, management is responsible for such internal control as management determines in accordance with German principles of proper accounting is necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the annual financial statements, the executive directors are responsible for assessing the Company's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting, provided no actual or legal circumstances conflict therewith.

Auditor's Responsibilities for the Audit of the Annual Financial Statements

Our objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion on the annual financial statements. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with § 317 HGB and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence economic decisions of users taken on the basis of these annual financial statements.

We exercise professional judgment and maintain professional scepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the annual financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal control relevant to the audit of the annual financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of this system of the Company.
- Evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures.
- Conclude on the appropriateness of the executive directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the

auditor's report to the related disclosures in the annual financial statements, if such disclosures are inadequate, to modify our audit opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to be able to continue as a going concern.

- Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements present the underlying transactions and events in a manner that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German Legally Required Accounting Principles.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Nettetal, April 20, 2022 WWS Wirtz, Walter, Schmitz GmbH
Wirtschaftsprüfungsgesellschaft
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D. <u>Subject, nature and scope of the audit</u>

I. Subject of the audit

In accordance with § 317 HGB, as part of our engagement we have audited the accounting records and the annual financial statements, which were prepared in accordance with German accounting requirements, in order to verify compliance with the relevant statutory requirements.

The executive directors are responsible for the accounting, the accounting-related internal controls and the information provided to us in our function as the auditors. Our responsibility as the auditors is to express an opinion on these documents based on the accounting records and the information provided to us in our audit.

The audit of compliance with other statutory requirements only falls within the scope of our audit to the extent that these other requirements commonly affect the annual financial statements prepared in accordance with German accounting requirements.

Our audit of the annual financial statements did not include any special review for the purposes of identifying irregularities in relation to monetary or service transactions (misappropriation audit). Our audit activities did not reveal any indications that would have necessitated any further examinations in that regard.

II. Nature and scope of the audit procedures

We conducted our audit in accordance with § 317 HGB and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW).

Pursuant to § 317 (4a) HGB, our audit does not extend to whether assurances can be made as to the continued existence of the audited entity as a going concern or the effectiveness and efficiency of its management.

The basis for our risk and process-oriented audit approach was the development of an audit strategy. This is based on an assessment of the economic and legal bases for the Company, its objectives, strategies and business risks, which we assessed on the basis of critical success factors. The audit of the accounting related internal control system and its effectiveness was supplemented by process analyses, which we conducted with the objective of determining their influence on relevant items of the annual financial statements, thereby enabling us to estimate the risk of errors and our own audit risk.

We selected the analytical audit procedures (plausibility assessments) and tests of details in relation to the substantiation of balances, recognition, presentation and measurement in the annual financial statements based on the findings from our audit of processes and the accounting related internal control system. In the individual audit plan for the company, we defined the focal points of our audit, the nature and scope of our audit activities as well as the sequencing of audit procedures and the use of human resources. In so doing, we observed the principles of materiality and risk orientation and therefore arrived at our audit opinion primarily on a test basis.

The critical audit objectives identified in our audit strategy resulted in the identification of the following focal points for our audit:

Trade receivables as well as receivables from and payables to related parties.

Third-party confirmations were obtained as follows and subject to the following criteria:

Bank confirmations were obtained from credit institutions.

Balance confirmations were obtained from some debtors.

The opening balance sheet amounts were properly taken from the prior-year annual financial statements audited by us.

All necessary explanations and evidence requested by us at our due discretion to enable us to duly perform our audit were provided by the executive directors. The management has provided us with written confirmation of the completeness of the accounting records and the annual financial statements in the letter of representation obtained by us.

E. Findings and explanatory notes regarding the accounting

I. Propriety of the accounting

1. Accounting records and related documents

In our audit, we found that, in all material respects, the accounting records and further audited documents comply with the statutory requirements, including the German Legally Required Accounting Principles.

We found the Company's records of transactions to be complete, continuous and timely. The chart of accounts renders it possible to clearly and transparently organise the accounting data with a sufficient level of detail in keeping with the interests of the Company. In instances where accounting vouchers were inspected in the course of our audit, all such vouchers contained the necessary information to enable proper documentation. The vouchers were filed in a transparent manner. The accounting records therefore satisfied, in all material respects, the statutory requirements for the entire financial year.

The organisation of the accounting records, the internal control system, the flow of data and the records management system facilitate the complete, accurate, timely and orderly recognition and posting of transactions.

Our audit found that, in all material respects, the information obtained from further audited documents was properly reflected in the accounting records and in the annual financial statements prepared in accordance with German accounting requirements.

The Company's financial reporting (financial bookkeeping, fixed asset accounting, payroll accounting) is managed externally by the accounting and tax advising firm Schiff-Martini & Cie. GmbH, Frankfurt am Main.

No significant organisational changes were made to the accounting processes during the year under review.

In our opinion, there are no indications that the organisational and technical measures taken by the Company are not appropriate to ensure the security of accounting-relevant data and IT systems.

2. Annual financial statements

In all material respects, the annual financial statements as at March 31, 2022, prepared in accordance with German accounting requirements and submitted to us for audit, complied with all applicable statutory requirements, including the German Legally Required Accounting Principles and all size-related, legal form-related and sector-specific requirements.

We found the balance sheet and the income statement of Bristlecone GmbH, Frankfurt am Main for the financial year from April 1, 2021 to March 31, 2022 to be properly derived from the accounting records and the other audited documents. The relevant recognition, presentation and measurement requirements were, in all material respects, complied with, as was the principle of continuity set out in § 252 (1) no. 6 HGB.

With respect to the propriety of the disclosures contained in the notes, which we do not report on elsewhere, we note that the reporting in the notes has been carried out by the executive directors in full and to the extent required by law.

II. Overall presentation of the annual financial statements

1. Conclusions on the overall presentation of the annual financial statements

In our opinion, the annual financial statements – i. e., the overall assertion of the annual financial statements provided by the interaction of balance sheet, income statement and notes – give a true and fair view of the net assets, financial position and results of operations of the Company in accordance with German Legally Required Accounting Principles (§ 264 (2) HGB).

2. Measurement bases

The measurement bases in accordance with § 321 (2) sentence 4 clause 1 HGB comprise the accounting and valuation methods and the relevant factors affecting the valuation of assets and liabilities (parameters, assumptions and the exercise of discretion).

No changes were made to the measurement bases during the reporting period.

For information on the presentation of the material measurement bases, please refer to the corresponding disclosures in the notes, because their inclusion in this audit report would only be repetitive.

F. Concluding Remark

The audit report was prepared in accordance with legal requirements and the principles of drawing up audit reports established by the German Institute of Chartered Accountants ("Grundsätze ordnungsmäßiger Berichterstattung bei Abschlussprüfungen" (IDW PS 450)).

Any use of the above reproduced auditor's opinion outside of this audit report is subject to our prior consent.

Nettetal, April 20, 2022

WWS Wirtz, Walter, Schmitz GmbH
Wirtschaftsprüfungsgesellschaft
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Balance sheet as of March 31, 2022

	2022/3/31 €	2021/3/31 €
Assets		
A. Fixed assets		
I. Property, plant and equipment		
1. Other equipment, operational and office equipment	**5,557.00**	10,758.00
II. Financial assets		
1. Loans due from affiliated companies	**3,987,594.15**	0,00
B. Current assets		
I. Accounts receivable and other assets		
1. Accounts receivable, trade	**760,993.99**	532,519.19
2. Receivables due from affiliated companies	**42,758.20**	19,196.66
3. Other assets – thereof with a remaining term of more than one year: € 11,737.90 (prior year: € 11,737.90)	**17,314.95**	11,737.90
	821,067.14	563,453.75
II. Cash in banks	**1,527,664.98**	5,069,994.31
C. Prepaid expenses	**6,908.93**	8,250.48
	6,348,792.20	5,652,456.54
Shareholder's equity and liabilities		
A. Equity		
I. Subscribed capital	**50,000.00**	50,000.00
II. Capital reserve	**425,000.00**	425,000.00
III. Profit carried forward	**4,414,672.26**	4,389,824.52
IV. Net profit	**552,297.74**	24,847.74
	5,441,970.00	4,889,672.26
B. Provisions		
1. Tax accruals	**153,005.00**	18,022.43
2. Other provisions and accrued liabilities	**301,490.87**	412,117.82
	454,495.87	430,140.25
C. Liabilities		
1. Accounts payable, trade – thereof with a remaining term of less than one year: € 6,631.34 (prior year: € 33,815.74)	**6,631.34**	33,815.74
2. Liabilities due to shareholder – thereof with a remaining term of less than one year: € 254,471.65 (prior year: € 75,579.32)	**254,471.65**	75,579.32
3. Liabilities due to affiliated companies – thereof with a remaining term of less than one year: € 162,652.02 (prior year: € 190,034.15)	**162,652.02**	190,034.15
4. Other liabilities – thereof with a remaining term of less than one year: € 28,571.32 (prior year: € 33,214.82) – thereof for taxes: € 23,928.17 (prior year: € 30,345.49) – thereof for social security: € 4,610.17 (prior year: € 2,754.96)	**28,571.32**	33,214.82
	452,326.33	332,644.03
	6,348,792.20	5,652,456.54

Annexure 2

Income Statement for the Period April 1, 2021 through March 31, 2022

		2021/4/1 - 2022/3/31		2020/4/1 - 2021/3/31	
		€	€	€	€
1.	Sales		**3,995,076.98**		3,311,802.42
2.	Other operating income		**58,506.14**		186,594.18
	– thereof from foreign currency translation: € 3,556.69 (prior year: € 8,673.26)				
3.	Costs of purchased services		**2,160,221.85**		1,543,909.73
4.	Personnel expenses				
	a) Wages and salaries	**712,536.38**		1,118,958.09	
	b) Social security, pension and other benefit costs	**128,972.45**		150,076.17	
			841,508.83		1,269,034.26
5.	Depreciation on intangible assets, plant and Equipment		**3,008.43**		3,638.29
6.	Other operating expenses		**387,068.64**		602,109.96
	– thereof from foreign currency translation: € 2,023.55 (prior year: € 185,096.65)				
7.	Other interest and similar income		**32,946.12**		3,237.62
8.	Other interest and similar expenses		**0.00**		0.00
9.	Taxes on income		**142,748.75**		58,094.24
	– thereof deferred taxes: € 0.00 (prior year: € -18,239.19)				
10.	**Profit after taxes on income**		**551,972.74**		24,847.74
11.	Other taxes		**(325.00)**		0.00
12.	**Net profit**		**552,297.74**		24,847.74

Annexure 3

Notes to the financial statements for the fiscal year from April 1, 2021 to March 31, 2022

I. GENERAL EXPLANATIONS TO THE BALANCE SHEET AND INCOME STATEMENT

Bristlecone GmbH, Frankfurt am Main (referred to below as the “Company”), has its seat in Frankfurt am Main and has been registered in the trade register at the local court in Frankfurt am Main in department B, with number 58387.

The financial statements of the Company for the fiscal year ended March 31, 2022 have been prepared according to the Sect. 242 ff. and 264 ff. of the German Commercial Code (HGB) and the relevant Sections of the Law on Limited Liability Companies (GmbHG).

The income statement is structured towards the cost-summary method in accordance with Sect. 275 Para. 2 German Commercial Code (HGB).

The Company is a small corporation according to Sect. 267 Para. 1 German Commercial Code (HGB).

II. ACCOUNTING POLICIES

1. Fixed assets

Tangible assets are stated at acquisition- or production cost and, if utilizable, depreciated through the useful life.

Depreciation on additions to tangible assets is calculated pro rata temporis.

Low value items are fully depreciated in the year of acquisition.

Depreciation takes place as follows:

Item	Depreciation method	Useful lifetime
Other equipment, operational and office equipment	straight line	3 - 13 years

Among financial assets, shares and securities are measured at the lower of cost or market and loans are recognized at their nominal value.

2. Accounts receivable and other assets

Accounts receivable and other assets are stated at nominal value or their net realizable value. All items subject to risk are written down on an item-by-item basis.

3. Provisions and accrued liabilities

Tax accruals, other provisions and accrued liabilities are stated with the settlement amount based on reasonable business judgement and cover all identifiable risks from uncertain liabilities and anticipated losses from pending transactions.

4. Liabilities

Liabilities are stated at the settlement amount.

5. Deferred assets and liabilities

Deferred taxes resulting from temporary or quasi-permanent differences between the commercial values and the respective tax base of assets, liabilities and deferred items as well as from tax loss carry forwards are measured at the tax rates specific to the Company that are expected to apply to the period when the asset is realised or the liability is settled and are not discounted. Deferred tax assets and deferred tax liabilities are offset. Deferred taxes were set up according to § 249 HGB.

6. Receivables and payables in foreign currencies

Receivables and payables in foreign currencies are evaluated with the exchange rate at the business transaction date.

Receivables and payables in foreign currencies with a remaining term of less than one year are stated with the average spot exchange rate of the balance sheet date.

Receivables and payables in foreign currencies with a remaining term of more than one year are stated with the average spot exchange rate of the balance sheet date or the lower or higher of cost or market value.

III. INDIVIDUAL COMMENTS TO THE BALANCE SHEET

1. Fixed assets

Reference is made to the separate analysis of fixed assets (see page herein of this exhibit).

2. Other provisions and accrued liabilities

Other provisions and accrued liabilities in the amount of K€ 301 mainly represent provisions for outstanding invoices (K€ 187), accruals for personnel expenses K€ (97) as well as accruals for the audit of the financial statements (K€ 8) and for legal and advisory fees (K€ 9).

3. Receivables and liabilities from shareholder and affiliated companies

Receivables and liabilities from the shareholder and affiliated companies result from current business operations as well as a loan granted by the company including interest.

IV. OTHER INDIVIDUAL COMMENTS

1. Affiliated companies

Companies which are directly or indirectly controlled by Mahindra & Mahindra Ltd., Mumbai, India, are considered as affiliated companies.

2. Financial commitments

Substantial financial commitments which are not stated in provisions, liabilities or contingent liabilities, exist of the following commitments from a rental and lease agreement:

	Total amount K€
Office premises	40

The payments refer to the following years:

	Total amount K€
2022 / 2022	37
2022 / 2023	3
	40

3. Contingent liabilities

As of balance sheet date, there are no contingent liabilities according to Sect. 251 German Commercial Code (HGB) which have to be reported on.

4. Headcount

During the fiscal year the Company employed an average of 7 employees (prior year: 8 employees).

5. Consolidation scope

Mahindra & Mahindra Ltd., Mumbai, India is the ultimate parent company responsible for preparing the consolidated financial statements for the largest and smallest group of companies.

Frankfurt am Main, April 11, 2022

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Kulashekar Raghavan

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Narayan Vaidyanathan Iyer

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Lisa Anne Lesko

Development of fixed assets for the year ended March 31, 2022

	At costs				Accumulated Depreciation				Net Book Value	
	April 1, 2021	Additions	Retirements	March 31, 2022	April 1, 2021	Additions	Reversals	March 31, 2022	March 31, 2022	March 31, 2021
	€	€	€	€	€	€	€	€	€	€
I. **Property, Plant and Equipment**										
1. Other equipment, operational and office equipment	83,680.06	5,329.43	82,756.58	6,252.91	72,922.06	3,008.43	75,234.58	695.91	5,557.00	10,758.00
II. **Financial Assets**										
1. Loans due from affiliated companies	0.00	3,987,594.15	0.00	3,987,594.15	0.00	0.00	0.00	0.00	3,987,594.15	0.00
	83,680.06	3,992,923.58	82,756.58	3,993,847.06	72,922.06	3,008.43	75,234.58	695.91	3,993,151.15	10,758.00

Annexure 4

Audit Opinion

To Bristlecone GmbH:

We have audited the annual financial statements of Bristlecone GmbH, Frankfurt am Main, which comprise the balance sheet as at March 31, 2022, and the income statement for the financial year from April 1, 2021 until March 31, 2022, and notes to the financial statements, including the recognition and measurement policies presented therein.

In our opinion, based on the findings of our audit, the accompanying annual financial statements comply in all material respects with the requirements of German commercial law applicable to corporations and give a true and fair view of the net assets and financial position of the Company as at March 31, 2022 as well as the results of operations for the financial year from April 1, 2021 until March 31, 2022 in accordance with German principles of proper accounting.

Pursuant to § [Article] 322 Abs. [paragraph 3 Satz [sentence] 1 HGB [Handelsgesetzbuch: German Commercial Code], we declare that our audit has not led to any reservations relating to the legal compliance of the annual financial statements.

Basis for the Audit Opinion

We conducted our audit of the annual financial statements in accordance with § 317 HGB and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's Responsibilities for the Audit of the Annual Financial Statements" section of our auditor's report. We are independent of the Company in accordance with the requirements of German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the annual financial statements.

Executive Directors' Responsibilities for the Annual Financial Statements

The executive directors are responsible for the preparation of the annual financial statements that comply, in all material respects, with the requirements of German commercial law, and that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German Legally Required Accounting Principles. Furthermore, management is responsible for such internal control as management determines in accordance with German principles of proper accounting is necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the annual financial statements, the executive directors are responsible for assessing the Company's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting, provided no actual or legal circumstances conflict therewith.

Auditor's Responsibilities for the Audit of the Annual Financial Statements

Our objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion on the annual financial statements.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with § 317 HGB and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence economic decisions of users taken on the basis of these annual financial statements.

We exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal control relevant to the audit of the annual financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of this system of the Company.
- Evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures.
- Conclude on the appropriateness of the executive directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the annual financial statements, if such disclosures are inadequate, to modify our audit opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to be able to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements present the underlying transactions and events in a manner that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German Legally Required Accounting Principles.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Nettetal, April 20, 2022

WWS Wirtz, Walter, Schmitz GmbH
Wirtschaftsprüfungsgesellschaft
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INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF BRISTLECONE (SINGAPORE) PTE. LTD.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Bristlecone (Singapore) Pte Ltd (the "Company"), which comprise the statement of financial position of the Company as at 31 March 2022, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the "Act") and Financial Reporting Standards in Singapore ("FRSs") so as to give a true and fair view of the financial position of the Company as at 31 March 2022 and of the financial performance, changes in equity and cash flows of the Company for the financial year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other matter

The audited financial statements of the Company for the year ended 31 March 2021, were audited by another auditor who expressed an unmodified opinion on those statements on 23 April 2021.

Other Information

Management is responsible for the other information. The other information comprises the Director's Statement set out on pages herein.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and directors for financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and FRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Company's financial reporting process.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level assurance but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

KNAV SERVICES LLP
Public Accountants and Chartered Accountants

Singapore
3 May 2022

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2022

	Note	2022	2021
		S$	S$
ASSETS			
Non-current assets			
Equipment	**9**	**1,395**	–
Current assets			
Contract assets	**4**	**1,947**	12,320
Trade and other receivables	**10**	**690,713**	383,802
Cash and bank balances	**11**	**1,465,221**	2,023,954
Total current assets		**2,157,881**	2,420,076
Total assets		**2,159,276**	2,420,076
EQUITY AND LIABILITIES			
Equity			
Share capital	**12**	**1,670,000**	1,670,000
Accumulated losses		**(23,556)**	(669,334)
Total equity		**1,646,444**	1,000,666
Current liabilities			
Trade and other payables	**13**	**470,724**	636,149
Provision	**14**	**–**	71,200
Contract liabilities	**4**	**–**	712,061
Current tax payable		**42,108**	–
Total liabilities		**512,832**	1,419,410
Total liabilities and equity		**2,159,276**	2,420,076

The accompanying notes form an integral part of and should be read in conjunction with these financial statements.

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

	Note	2022	2021
		S$	S$
Revenue	**4**	**3,002,066**	4,096,897
Cost of sales		**(2,117,270)**	(3,242,131)
Gross profit		**884,796**	854,766
Other income		**71,200**	–
Other losses, net	**5**	**(5,415)**	(236,192)
Selling and marketing expense		**(55,024)**	(13,661)
Administrative expense		**(207,671)**	(243, 268)
Finance costs		**–**	–
Profit before taxation	**6**	**687,886**	361,645
Income tax expense	**8**	**(42,108)**	–
Profit for the financial year, representing total comprehensive income for the financial year		**645,778**	361,645

The accompanying notes form an integral part of and should be read in conjunction with these financial statements.

STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

	Share capital	Accumulated losses	Total
	S$	S$	S$
Balance at 1 April 2020	1,670,000	(1,030,979)	639,021
Profit for the financial year, representing total comprehensive income for the financial year	–	361,645	361,645
Balance at 31 March 2021	1,670,000	(669,334)	1,000,666
Profit for the financial year, representing total comprehensive income for the financial year	–	645,778	645,778
Balance at 31 March 2022	**1,670,000**	**(23,556)**	**1,646,444**

The accompanying notes form an integral part of and should be read in conjunction with these financial statements.

STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

	Note	2022	2021
		S$	S$
Cash flows from operating activities			
Profit before income tax		**687,886**	361,645
Adjustments for:			
Deposit written off		**7,799**	–
Allowance for estimated credit loss		**1,692**	–
Depreciation on equipment		**698**	–
Unrealized foreign exchange loss		**783**	163,839
Reversal of provision		**(71,200)**	–
Operating cash flows before movements in working capital		**627,658**	525,484
Change in working capital			
Trade and other receivables		**(313,655)**	2,390,459
Contract assets and liabilities		**(701,689)**	(77,859)
Trade and other payables		**(169,918)**	(961,312)
Net cash (used in)/ generated from operating activities		**(557,604)**	1,876,772
Net cash used in investing activities			
Purchase of equipment		**(2,093)**	–
Net (decrease)/increase in cash and cash equivalents		**(559,697)**	1,876,772
Cash and cash equivalents at beginning of financial year		**2,023,954**	299,145
Effect on foreign exchange difference		**964**	(151,963)
Cash and cash equivalents at end of financial year	**11**	**1,465,221**	2,023,954

The accompanying notes form an integral part of and should be read in conjunction with these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. CORPORATE INFORMATION

Bristlecone (Singapore) Pte Ltd. (the "Company") is domiciled and incorporated in Singapore with its registered office at 77 Robinson Road #13-00, Robinson 77, Singapore 068896 and principal place of business is at 12, Marina Boulevard, 17-01 Tower 3, Marina Bay Financial Centre Singapore 018982.

The principal activities of the Company are providing software related consulting services. There have been no significant changes in the nature of these activities during the financial year.

The immediate holding corporation of the Company is Bristlecone India Limited, a company incorporated in India. The intermediate holding corporation is Bristlecone Limited, a company incorporated in Cayman Island. The penultimate holding corporation is Mahindra Holdings Limited, a company incorporated in India. The ultimate holding corporation of the Company is Mahindra & Mahindra Ltd, a company incorporated in India.

The financial statements of the Company for the financial year ended 31 March 2022 were authorised for issue in accordance with a resolution of the directors as at date of the Director's Statement.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The financial statements of the Company have been drawn up in accordance with Financial Reporting Standards in Singapore ("FRSs"). The financial statements have been prepared on a historical cost basis except as disclosed in the accounting policies below.

The financial statements are presented in Singapore Dollar ("S$") which is the Company's functional currency.

2.2 Adoption of new or revised standards

In the current financial year, the Company has adopted all the new and revised FRS and INT FRS that are relevant to its operations and effective for the annual periods beginning on or after 1 April 2021. The adoption of these new or revised FRS and INT FRS did not result in changes to the Company's accounting policies and has no material effect on the amounts reported for the current or prior financial years.

2.3 Standards issued but not yet effective

At the date of authorisation of these financial statements, the following FRS, INT FRS, and amendments to FRS were issued but not yet effective:

		Effective date (annual periods beginning on or after)
FRS 1	Amendments to FRS 1: Classification of Liabilities as Current or Non-current	1 January 2023
FRS 8	Amendments to FRS 8: Definition of Accounting Estimates	1 January 2023
FRS 12, FRS 101	Amendments to FRS 12: Deferred Tax related to Assets and Liabilities arising from a Single Transactions	1 January 2023
FRS 16	Amendments to FRS 16: Property, Plant and Equipment – Proceeds before Intended Use	1 January 2022
FRS 37	Amendments to FRS 37: Onerous contracts – Cost of Fulfilling a Contract	1 January 2022
FRS 103	Amendments to FRS 103: Reference to the Conceptual Framework	1 January 2022
FRS 110, FRS 28	Amendments to FRS 110 and FRS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined
FRS 116	Amendments to FRS 16: Covid-19 Related Rent Concessions beyond 30 June 2022	1 April 2022
FRS 117	Insurance Contracts	1 January 2023
Various	Amendments to FRS 117	1 January 2023
Various	Amendments to FRS 1 and FRS Practice Statement 2: Disclosure of Accounting Policies	1 January 2023
Various	Annual Improvements to FRSs 2018 – 2021	1 January 2022

Consequential amendments were also made to various standards as a result of these new/revised standards.

The Company do not intend to early adopt any of the above new/revised standards, interpretations and amendments to the existing standards. Management anticipates that the adoption of the aforementioned revised/new standards will not have a material impact on the financial statements of the Company in the period of their initial adoption.

2.4 Foreign currency transactions and balances

Transactions in a foreign currency are measured in the functional currency of the Company and are recorded on initial recognition in the functional currency at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured.

Exchange differences arising on the settlement of monetary items or a translating monetary items at the end of the reporting period are recognised in profit or loss.

2.5 Cash and cash equivalents

Cash and cash equivalents comprise of cash on hand and cash at bank and are subject to an insignificant risk of changes in value.

2.6 Financial instruments

The Company recognises a financial asset or a financial liability in its statement of financial position when, and only when, the Company becomes party to the contractual provisions of the instrument.

<u>Effective interest method</u>

The effective interest method is a method of calculating the amortised cost of a financial instrument and allocating the interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial instrument, or where appropriate, a shorter period, to the net carrying amount of the financial instrument. Income and expense are recognised on an effective interest basis for debt instruments other than those financial instruments at fair value through profit or loss.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

<u>Financial assets</u>

<u>Initial recognition and measurement</u>

Financial assets are recognised when, and only when the entity becomes party to the contractual provisions of the instruments.

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at FVPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Trade receivables are measured at the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party if the trade receivables do not contain a significant financing component at initial recognition.

Financial assets at amortized cost

A financial asset is subsequently measured at amortized cost if the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, the financial asset at amortized cost is measured using the effective interest method and is subject to impairment. Gains or losses are recognized in profit or loss when the asset is derecognized, modified, or impaired.

Impairment of financial assets

The Company recognizes a loss allowance for expected credit losses ("ECL") on financial assets measured at amortized cost. At each reporting date, the Company assesses whether the credit risk on a financial asset has increased significantly since initial recognition by assessing the change in the risk of a default occurring over the expected life of the financial instrument. Where the financial asset is determined to have low credit risk at the reporting date, the Company assumes that the credit risk on financial assets has not increased significantly since initial recognition.

The Company uses reasonable and supportable forward-looking information that is available without undue cost or effort as well as past due information when determining whether credit risk has increased significantly since initial recognition.

Where the credit risk on that financial instrument has increased significantly since initial recognition, the Company measures the loss allowance for a financial instrument at an amount equal to the lifetime ECL. Where the credit risk on that financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

The Company uses a practical expedient to recognize the ECL for trade receivables and contract assets, which is to measure the loss allowance at an amount equal to lifetime ECL using an allowance matrix derived based on historical credit loss experience adjusted for current conditions and forecasts of future economic conditions.

The amount of ECL or reversal thereof that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized is recognized in profit or loss.

While they are not financial assets, contract assets arising from the Company's contracts with customers under FRS 115 are assessed for impairment in accordance with FRS 109, similar to that of trade receivables.

The Company directly reduces the gross carrying amount of a financial asset when the entity has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof.

For details on the Company's accounting policy for its impairment of financial assets, refer to Note 17.

Derecognition of financial assets

The Company derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset and continues to control the transferred asset, the Company recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds receivables.

Financial liabilities and equity instruments

Classification as debt or equity

Financial liabilities and equity instruments issued by Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

Ordinary share capital

Ordinary share capital is classified as equity. Incremental costs directly attributable to the issue of ordinary share and share options are recognized as a deduction from equity.

Financial liabilities

Initial recognition and measurement

All financial liabilities are recognized on trade date – the date on which the Company commits to purchase or sell the asset. All financial liabilities are initially measured at fair value, minus transaction costs, except for those financial liabilities classified as at fair value through profit or loss, which are initially measured at fair value.

Financial liabilities are classified as other financial liabilities.

Other financial liabilities

Trade and other payables

Trade and other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortized cost, where applicable, using the effective interest method, with interest expense recognized on an effective yield basis. A gain or loss is recognized in profit or loss when the liability is derecognized and through the amortization process.

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire.

Offsetting of financial instruments

A financial asset and a financial liability shall be offset, and the net amount presented in the statement of financial position when and only when, an entity:

(a) currently has a legally enforceable right to set-off the recognized amounts; and

(b) intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

2.7 Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the financial year, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows, which is discounted using a pre-tax discount rate.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received, and the amount of the receivable can be measured reliably.

Changes in the estimated timing or amount of the expenditure or discount rate are recognized in profit or loss as they arise.

2.8 Leases

Operating leases

Lessee

Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Lessor

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which user benefit derived from the leased asset is diminished. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

2.9 Revenue recognition

Revenue is measured based on the consideration to which the Company expects to be entitled in exchange for transferring the promised services to a customer. Revenue is recognised when the Company satisfies a performance obligation by transferring a promised service to the customer, which is when the customer obtains control of the service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation. Revenue is presented, net of goods and services tax, rebates and discounts.

The Company provide software related consulting services. Revenue is recognised when the control over the agreed services has been transferred to the customer. At contract inception, the Company assesses whether the Company transfers control of the services over time or at a point in time by determining if (a) its performance does not create an asset with an alternative use to the Company; and (b) the Company has an enforceable right to payment for performance completed to date.

For contract where the asset created has no alternative use for the Company due to contractual restriction, and the Company has enforceable rights to payment arising from the contractual terms, revenue is recognised over time by reference to the Company's progress towards completing the asset. The measure of progress is determined based on the proportion of actual service provided to date relative to the estimated total services to be provided. This is determined based on the direct expenses incurred or actual labour hours spent relative to the total expected labour hours.

For contracts where the Company does not have an enforceable right to payment, revenue is recognised only when the asset is delivered to the customers and the customers have accepted it in accordance with the contract.

Estimates of revenues, costs, or the extent of progress towards completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in the profit or loss in the period in which the circumstances that give rise to the revision become known by management.

The customer is invoiced on a milestone payment schedule. A contract asset is recognised when the Company has performed under the contract but has not yet billed the customer. Conversely, a contract liability is recognised when the Company has not yet performed under the contract but has billed the customer. Contract assets are transferred to the receivables when the rights to consideration become unconditional. Contract liabilities are recognised as revenue when the Company performs under the contract.

2.10 Employee benefits

(a) Defined contribution plans

The Company makes contributions to the Central Provident Fund scheme in Singapore, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognized as an expense in the period in which the related service is performed.

(b) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

2.11 Income taxes

Income tax expense represents the sum of the tax currently payable and deferred tax.

(a) Current income tax

The tax currently payable is based on taxable profit for the financial year. Taxable profit differs from profit as reported profit or loss because it excludes items of income or expense that are taxable or deductible in other financial years and it further excludes items that are not taxable or tax deductible. The Company's liability for current tax is calculated using tax rates (and tax laws) that have been enacted by the end of the financial year.

(b) Deferred tax

Deferred tax is recognized on the differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and are accounted for using the liability method. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilized. Such assets and liabilities are not recognized if the temporary difference arises from the initial recognition of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognized on taxable temporary differences arising on investments in subsidiaries, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

A deferred income tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at the end of each financial year and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realized based on the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the financial year and based on the tax consequence that will follow from the manner in which the Company expects, at the end of the financial year, to recover or settle the carrying amounts of its assets and liabilities. Deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax are recognized as an expense or income in profit or loss, except when they relate to items credited or debited directly to equity, in which case the tax is also recognized directly in equity.

2.12 Sales tax

Revenue, expenses, and assets are recognized net of the amount of sales tax except:

- Where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognized as part of the cost of acquisition of the asset of as part of the expense item as applicable; and
- Receivables and payables that are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

2.13 Borrowing costs

All borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss in the period in which they are incurred.

2.14 Related party

A related party is defined as follows:

(a) A person or a close member of that person's family is related to the Company if that person:

(i) has control or joint control over the Company;

(ii) has significant influence over the Company; or

(iii) is a member of the key management personnel of the Company or of a parent of the Company

(b) An entity is related to the Company if any of the following conditions applies:

(i) the entity and the Company are members of the same group (which means that each parent, subsidiary, and fellow subsidiary is related to the others).

(ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

(iii) both entities are joint ventures of the same third party.

(iv) one entity is a joint venture of a third entity and other entity is an associate of the third entity.

(v) the entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company;

(vi) the entity is controlled or jointly controlled by a person identified in (a);

(vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); or

(viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the company.

The effect of the Company's transactions and arrangements with related parties is reflected in these financial statements.

<u>Key management personnel</u>

Key management personnel are those persons having the authority and responsibility for planning, directing, and controlling the activities of the Company, directly or indirectly, including any director (whether executive or otherwise) of that company.

2.15 Equipment

Equipment is stated at cost less accumulated depreciation and any accumulated impairment losses. The cost of equipment includes its purchase price and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Dismantlement, removal, or restoration costs are included as part of the cost of equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the equipment.

Subsequent expenditures relating to equipment are added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of item can be measured reliably. All other repairs and maintenance expenses are recognised in profit or loss when incurred.

Depreciation is charged so as to write off the cost of assets, over their estimated useful lives, using the straight-line method, on the following bases:

Computer	3 years

The carrying values of equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

Fully depreciated equipment are retained in the financial statements until they are no longer in use. The estimated useful lives, residual values and depreciation methods are reviewed, and adjusted as appropriate, at the end of each financial year. The effects of any revision are recognised in profit or loss when the changes arise.

The gain or loss, being the difference between the sales proceeds and the carrying amount of the asset, arising on disposal or retirement of an item of equipment is recognised in profit or loss

2.16 Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when an annual impairment testing for an asset is required, the Company makes an estimate of the asset's recoverable amount:

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses of continuing operations are recognised in the statement of comprehensive income

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss

3. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

3.1 Judgments made in applying accounting policies

Management is of the opinion that there are no critical judgements (other than those involving estimates) that have a significant effect on the amounts recognised in the financial statements.

3.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period are discussed below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

(a) Measurement of expected credit losses ("ECLs") of other receivables

The Company uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

The provision matrix is initially based on the Company's historical observed default rates. The Company will calibrate the matric to adjust historical credit loss experience with forward-looking information. At every reporting date, historical default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Company's trade and other receivables is disclosed in Note 17.

4. REVENUE

	2022	2021
	S$	S$
Type of good or service		
Rendering of service	**2,912,257**	4,096,897
Sale of hardware	**89,809**	–
	3,002,066	4,096,897
Time of revenue recognition		
Over time	**2,912,257**	4,096,897
At point of time	**89,809**	–
	3,002,066	4,096,897
Contract assets	**1,947**	12,320
Contract liabilities	**–**	**712,061**

The contract assets balance decreased due to lesser contracts in which the Company provided more services ahead of the agreed payment schedules.

The contract liabilities balance decreased due lesser contract in which the Company billed ahead of the provision of services to customer.

The contract assets are denominated in United States Dollar.

5. OTHER LOSSES, NET

	2022	2021
	S$	S$
Foreign exchange loss, net	**(5,415)**	(236,192)

6. PROFIT BEFORE INCOME TAX

In addition to the charges disclosed elsewhere in the financial statements, the following charge was included in the determination of profit before income tax:

	2022	2021
	S$	S$
Employee benefits expense (Note 7)	**98,500**	64,344
Professional and consulting fee	**13,665**	19,827
Legal fee	**7,799**	65,069
Short term lease expense	**4,296**	4,026
Management fees	**140,048**	137,235
Subcontractor cost	**1,979,517**	3,178,999

7. EMPLOYEE BENEFITS EXPENSE

	2022	2021
	S$	S$
Staff salaries and bonuses	**96,000**	61,844
Directors' fees	**2,500**	2,500
	98,500	64,344

8. INCOME TAX EXPENSE

	2022	2021
	S$	S$
Income tax		
- Current year	**42,108**	–

The current year income tax expense varied from the amount of income tax expense determined by applying the Singapore statutory income tax rate of 17% (2021: 17%) to profit before income tax as a result of the followings differences:

	2022	2021
	S$	S$
Profit before income tax	**687,886**	361,645
Tax calculated at a tax rate of 17%	**116,941**	61,480
Tax effect of:		
- Expenses not deductible for tax purposes	**132**	27,853
- Non-taxable income	**(12,341)**	–
- Tax exemptions	**(17,425)**	–
Unutilised tax loss not recognised	**(45,199)**	(89,333)
	42,108	–

Deferred tax assets are recognised for tax losses carried forward to the extent that realisation of the related tax benefits through future taxable profits is probable. The Company has unrecognised tax losses of approximately Nil (2021: $265,877) at the balance sheet date which can be carried forward and used to offset against future taxable income subject to the agreement of the tax authorities and compliance with certain statutory requirements. The tax losses have no expiry date.

9. EQUIPMENT

	2022
	S$
Cost	
At 1 April 2021	**–**
Additions	**2,093**
Disposals	**–**
At 31 March 2022	**2,093**
Accumulated depreciation	
At 1 April 2021	**–**
Charge for the financial year	**(698)**
At 31 March 2022	**(698)**
Carrying amount	
At 31 March 2022	**1,395**
At 31 March 2021	**–**

10. TRADE AND OTHER RECEIVABLES

	2022	2021
	S$	S$
Trade receivables		
- related corporation	**51,609**	–
- third parties	**633,198**	368,808
Less: Allowance for estimated credit loss	**(1,692)**	–
	683,115	368,808
Prepayments	**4,402**	3,999
Deposits	**3,196**	10,995
	690,713	383,802

Trade receivables are non-interest bearing and the average credit period of 30 to 60 days (2021: 30 to 60 days) according to the terms agreed with the customers. They are recognized at their original invoice amounts which represent their fair values on initial recognition.

The currency profiles of the Company's trade and other receivables as at 31 March are as follows:

	2022	2021
	S$	S$
United States Dollar	**652,745**	364,820
Singapore Dollar	**37,968**	18,982
	690,713	383,802

11. CASH AND BANK BALANCES

	2022	2021
	S$	S$
Cash and cash equivalents	**1,465,221**	2,023,954

The currency profiles of the Company's cash and bank balances as at 31 March are as follows:

	2022	2021
	S$	S$
United States Dollar	**1,321,795**	1,228,264
Singapore Dollar	**143,426**	795,690
	1,465,221	2,023,954

12. SHARE CAPITAL

	2022		2021	
	No. of shares	**S$**	No. of shares	S$
At beginning and end of financial year	**1,670,000**	**1,670,000**	1,670,000	1,670,000

Fully paid ordinary shares carry one vote per share and carry a right to dividends as and when declared by the Company. All issued ordinary shares are fully paid. There are no par values for these ordinary shares.

13. TRADE AND OTHER PAYABLES

	2022	2021
	S$	S$
Trade payables		
- immediate holding corporation	**248,904**	429,199
- related corporation	**13,181**	–
Other payables		
- related corporation	**140,048**	137,235
- third parties	**2,507**	656
GST payables	**38,857**	52,559
Accruals	**27,227**	16,500
	470,724	636,149

Trade payables are non-interest bearing and the average credit period on purchases of goods is 30 to 120 days (2021: 30) according to the terms agreed with the suppliers.

Amount due to immediate holding corporation and related corporation are unsecured, interest free and repayable on demand.

The currency profiles of the Company's trade and other payables as at 31 March are as follows:

	2022	2021
	S$	S$
United States Dollar	**140,048**	137,235
Singapore Dollar	**330,676**	498,914
	470,724	636,149

14. PROVISION

	2022	2021
	S$	S$
Provision of legal claim	**–**	71,200

The provision is in respect of a legal claim brought against the company by a customer. During the year, the District Court issued its ruling, declaring the lawsuit inadmissible. The customer did not submit an appeal until the deadline lapsed. Therefore, there is no liability borne by the company in this case.

15. RELATED PARTY TRANSACTIONS

Apart from the disclosures made elsewhere in the financial statements, the following significant transactions between the Company and related parties took place during the financial year at terms agreed between the parties.

	2022	2021
	S$	S$
Rendering of services		
Related corporation		
- Professional service charges	**51,609**	80,672
Purchase of services		
Immediate holding corporation		
- Subcontractor fees	**1,783,477**	3,154,348
Related corporation		
- Professional service charges	**162,432**	-
- Management fees	**140,048**	137,235

Key management personnel remuneration

Except for the directors of the Company, there are no other key management personnel. For the director other than Mr Tiong Hin Won, Eric (Note 7), remuneration is paid by its related corporation (Bristlecone Inc.).

16. OPERATING LEASE COMMITMENTS

The Company lease virtual office under non-cancellable operating lease agreement. The future minimum rental payable under non-cancellable operating lease contracted for at the reporting date but not recognised as liabilities, are as follows:

	2022	2021
	S$	S$
Not later than one year	**3,222**	3,222

17. FINANCIAL RISK MANAGEMENT

The Company's activities expose it to a variety of financial risks from its operation. The key financial risks include credit risk, market risk (including foreign currency risk and interest rate risk) and liquidity risk.

The Board of Directors reviews and agrees policies and procedures for the management of these risks, which are executed by the management team. It is and has been throughout the current and previous financial year, the Company's policy that no trading in derivatives for speculative purposes shall be undertaken.

The following sections provide details regarding the Company's exposure to the above-mentioned financial risks and the objectives, policies, and processes for the management of these risks.

There has been no change to the Company's exposure to these financial risks or the manner in which it manages and measures the risks.

Credit risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in a loss to the Company. The Company's exposure to credit risk arises primarily from trade and other receivables. Bank balances are mainly deposits with banks with high credit-ratings assigned by international credit rating agencies and the Company does not expect the impairment loss from bank balances to be material, if any.

The Company has adopted a policy of only dealing with creditworthy counterparties. The Company performs ongoing credit evaluation of its counterparties' financial condition and generally do not require a collateral.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period.

The Company has determined the default event on a financial asset to be when internal and/or external information indicates that the financial asset is unlikely to be received, which could include default of contractual payments due for more than 90 days, default of interest due for more than 30 days or there is significant difficulty of the counterparty.

Trade receivables (Note 10)

The Company uses the practical expedient under FRS 109 in the form of allowance matrix to measure the ECL for trade receivables, where the loss allowance is equal to lifetime ECL.

The ECL for trade receivables are estimated using an allowance matrix by reference to the historical credit loss experience of the customers for various customer groups that are assessed by geographical locations, product types and internal ratings, adjusted for forward looking factors specific to the debtors and the economic environment which could affect the ability of the debtors to settle the financial assets. In considering the impact of the economic environment on the ECL rates, the Company assesses the gross domestic production growth rates of the major industries which its customers operate in.

Trade receivables are written off when there is evidence to indicate that the customer is in severe financial difficulty such as being under liquidation or bankruptcy and there is no reasonable expectations for recovering the outstanding balances.

		Past due			
	Current	**Within 30 days**	**60 to 90 days**	More than 90 days	Equity
	$	**$**	**$**	$	$
31 March 2022					
Expected loss rate	**–**	**–**	**–**	**4.5%**	**–**
Trade receivables (gross)	**431,535**	**209,214**	**6,844**	37,214	684,807
Loss allowance	**–**	**–**	**–**	(1,692)	(1,692)
					683,115

		Past due			
	Current	**Within 30 days**	**60 to 90 days**	More than 90 days	Equity
	$	**$**	**$**	$	$
31 March 2021					
Expected loss rate	**–**	**–**	**–**	–	–
Trade receivables (gross)	**368,808**	**–**	**–**	–	368,808
Loss allowance	**–**	**–**	**–**	–	–
					368,808

There are no credit loss allowance for other financial asset at amortised cost as at 31 March 2022 and 2021.

As the Company does not hold any collateral, the maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented on the balance sheet.

The trade receivables of the Company comprise two debtors (2021: three debtors) that represented 95% (2021: 97%) of trade receivables.

The normal trade credit terms granted to customers ranged from 30 to 60 days (2021: 30 to 60 days) or contractual periods based on project contract sales.

The balance of receivables that are past due but not impaired are unsecured in nature. The management is confident that the remaining receivables are recoverable as these accounts are still active.

Market risks

The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates.

Foreign currency risk

The Company's main foreign currency exposures arise from the exchange rate movements of Singapore dollar to United States Dollar, which is the Company's functional currency. As at the end of the reporting date, foreign currency balances for contract assets, trade and other receivables, cash and bank balances, and trade and other payables are disclosed in Notes 4, 10, 11 and 13, to the financial statements.

Sensitivity analysis for foreign currency risk

A 5% strengthening of Singapore dollar against the foreign currencies denominated balances as at the reporting date would increase profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant.

	Increase/(Decrease) in Profit or Loss	
	2022	2021
	S$	S$
United States Dollar	**91,725**	73,408

Liquidity risk

Liquidity risks refer to the risks in which the Company encounters difficulties in meeting its short-term obligations. Liquidity risks are managed by matching the payment and receipt cycle.

The Company is not exposed to any significant liquidity risk however the Company adopts prudent liquidity risk management by maintaining sufficient cash and available funding through an adequate amount of committed credit facilities.

All the Company's financial assets and liabilities are due within 12 months after the reporting date.

Financial instruments by category

The carrying amount of the different categories of financial instruments is as disclosed on the face of the statements of financial position and as follows:

	2022	2021
	S$	S$
Financial assets at amortised cost		
Cash and cash equivalents	**1,465,221**	2,023,954
Trade and other receivables (excluding prepayments)	**686,311**	379,803
Contract assets	**1,947**	12,320
	2,153,479	2,416,077
Financial liabilities at amortised cost		
Trade and other payables	**431,867**	583,590

18. FAIR VALUES OF FINANCIAL INSTRUMENTS

Except as disclosed in the respective notes, the carrying amounts of cash and cash equivalents, trade and other receivables and payables, approximate their respective fair values due to the relative short-term maturity of these financial instruments. The fair values of other classes of financial assets and liabilities are disclosed in the respective notes to the financial statements.

19. CAPITAL MANAGEMENT

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholder and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The capital management of the Company is monitored by the management on an ongoing basis. The Company is not subject to any externally imposed capital requirements during the financial years ended 31 March 2022 and 2021.

The capital structure of the Company consists of share capital and retained earnings.

20. DEVELOPMENT OF COVID-19 OUTBREAK AND ITS CORRESPONDING IMPACT ON THE COMPANY

COVID-19 outbreak has brought about an unprecedented challenge for many entities, with increased uncertainty in the global economy. As the situation is still evolving, the Company is therefore unable to provide a quantitative estimate of the potential impact of this outbreak on the Company. The Company continues to monitor and evaluate any possible impact on the Company's business and will consider implementation of various measures to mitigate the effects arising from the COVID-19 situation. Based on management's latest assessment, there is no indicator that the going concern assumption used by the Company in preparing the financial statement is inappropriate.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF MAHINDRA – BT INVESTMENT COMPANY (MAURITIUS) LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **Mahindra – BT Investment Company (Mauritius) Limited**, the "Company", which comprise the statement of financial position as at 31 March 2022, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 March 2022 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Mauritius Companies Act 2001.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matter

The supplementary information presented in Indian Rupee in the financial statements is solely for the convenience of the users of the financial statements. The supplementary information presented in Indian Rupee does not form part of the audited financial statements. We have therefore not audited the supplementary information and, accordingly, we do not express an opinion on this supplementary information. This paragraph has no impact on the audit opinion expressed in this auditors' report.

Information Other than the Financial Statements and Auditors' Report Thereon ("Other Information")

Management is responsible for the Other Information. The Other Information comprises the information included under the Corporate Data and Commentary of the Directors sections but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the Other Information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the Other Information and, in doing so, consider whether the Other Information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this Other Information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation of the financial statements in accordance with International Financial Reporting Standards and the requirements of the Mauritius Companies Act 2001, and for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with International Standards of Auditing, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Mauritius Companies Act 2001, we report as follows:

- we have no relationship with, or any interests in, the Company other than in our capacity as auditors;
- we have obtained all the information and explanations we have required; and
- in our opinion, proper accounting records have been kept by the Company as far as it appears from our examination of those records.

Use of this report

Our report is made solely to the members of the Company as a body in accordance with Section 205 of the Mauritius Companies Act 2001. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinion we have formed.

Grant Thornton
Chartered Accountants

K RAMCHURUN, FCCA
Licensed by FRC

Date: 28 April 2022

Ebene 72201, Republic of Mauritius

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2022

	Notes	2022	2022	2021	2021
		USD	**INR**	USD	INR
			(Note 1)		(Note 1)
INCOME					
Interest income on bank deposits	10	**17,217**	**1,303,671**	65,990	4,996,763
Dividend	9(iv)	**144,301**	**10,926,472**	64,242	4,864,404
		161,518	**12,230,143**	130,232	9,861,167
EXPENDITURES					
Professional fees	12	**27,104**	**2,052,315**	28,143	2,130,988
Audit fees		**6,578**	**498,086**	5,655	428,197
Licence fees		**2,700**	**204,444**	2,700	204,444
Bank charges		**4,200**	**318,024**	2,652	200,809
		40,582	**3,072,869**	39,150	2,964,438
PROFIT BEFORE TAX		**120,936**	**9,157,274**	91,082	6,896,729
Tax expense	8(iv)	**(30,612)**	**(2,317,941)**	(13,363)	(1,011,846)
PROFIT FOR THE YEAR		**90,324**	**6,839,333**	77,719	5,884,883
OTHER COMPREHENSIVE INCOME:					
Items that will not be reclassified subsequently to profit or loss		**–**	**–**	–	–
Items that will be reclassified subsequently to profit or loss					
Fair value gain on financial asset at fair value through other comprehensive income	9(i)	**1,511,722**	**114,467,590**	1,471,918	111,453,631
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX		**1,511,722**	**114,467,590**	1,471,918	111,453,631
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**1,602,046**	**121,306,923**	1,549,637	117,338,514

The notes on pages herein form an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2022

	Notes	2022	2022	2021	2021
		USD	**INR**	USD	INR
			(Note 1)		(Note 1)
ASSETS					
Non-current assets					
Financial asset at fair value through other comprehensive income (''FVOCI'')	9	**4,805,761**	**363,892,223**	3,294,039	249,424,633
Current					
Prepayments		**2,983**	**225,873**	2,883	218,301
Cash and cash equivalents	10	**18,285,286**	**1,384,561,856**	18,194,837	1,377,713,058
Current assets		**18,288,269**	**1,384,787,729**	18,197,720	1,377,931,359
Total assets		**23,094,030**	**1,748,679,952**	21,491,759	1,627,355,992
EQUITY AND LIABILITIES					
Equity					
Stated capital	11	**11,880,000**	**899,553,600**	11,880,000	899,553,600
Retained earnings		**6,488,696**	**491,324,061**	6,398,372	484,484,728
Fair value reserves for financial asset at fair value through other comprehensive income	9(iii)	**4,715,716**	**357,074,016**	3,203,994	242,606,426
Total equity		**23,084,412**	**1,747,951,677**	21,482,366	1,626,644,754
Liabilities					
Current liabilities					
Accruals		**9,618**	**728,275**	9,393	711,238
Total equity and liabilities		**23,094,030**	**1,748,679,952**	21,491,759	1,627,355,992

Approved by the Board of Directors on 28 April 2022 and signed on its behalf by:

Zakir Hussein Niamut	Abdool Fareed Soreefan
Director	Director

The notes on pages herein form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2022

	Stated capital	Retained earnings	Fair value reserves for financial asset at FVOCI	Total
	USD	USD	USD	USD
Balance at 01 April 2020	11,880,000	6,320,653	1,732,076	19,932,729
Profit for the year	–	77,719	–	77,719
Other comprehensive income	–	–	1,471,918	1,471,918
Total comprehensive income for the year	–	77,719	1,471,918	1,549,637
Balance at 31 March 2021	11,880,000	6,398,372	3,203,994	21,482,366
Balance at 01 April 2021	**11,880,000**	**6,398,372**	**3,203,994**	**21,482,366**
Profit for the year	**–**	**90,324**	**–**	**90,324**
Other comprehensive income	**–**	**–**	**1,511,722**	**1,511,722**
Total comprehensive income for the year	**–**	**90,324**	**1,511,722**	**1,602,046**
Balance at 31 March 2022	**11,880,000**	**6,488,696**	**4,715,716**	**23,084,412**

	Stated capital	Retained earnings	Fair value reserves for financial asset at FVOCI	Total
	INR (Note 1)	INR (Note 1)	INR (Note 1)	INR (Note 1)
Balance at 01 April 2020	899,553,600	478,599,845	131,152,795	1,509,306,240
Profit for the year	–	5,884,883	–	5,884,883
Other comprehensive income	–	–	111,453,631	111,453,631
Total comprehensive income for the year	–	5,884,883	111,453,631	117,338,514
Balance at 31 March 2021	899,553,600	484,484,728	242,606,426	1,626,644,754
Balance at 01 April 2021	**899,553,600**	**484,484,728**	**242,606,426**	**1,626,644,754**
Profit for the year	**–**	**6,839,333**	**–**	**6,839,333**
Other comprehensive income	**–**	**–**	**114,467,590**	**114,467,590**
Total comprehensive income for the year	**–**	**6,839,333**	**114,467,590**	**121,306,923**
Balance at 31 March 2022	**899,553,600**	**491,324,061**	**357,074,016**	**1,747,951,677**

The notes on pages herein form an integral part of these financial statements.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2022

	2022	2022	2021	2021
	USD	INR (Note 1)	USD	INR (Note 1)
Operating activities				
Profit before tax	**120,936**	**9,157,274**	91,082	6,896,729
Adjustments for:				
Dividend income	**(144,301)**	**(10,926,472)**	(64,242)	(4,864,404)
Interest income	**(17,217)**	**(1,303,671)**	(65,990)	(4,996,763)
	(40,582)	**(3,072,869)**	(39,150)	(2,964,438)
Changes in working capital:				
Increase in prepayments	**(100)**	**(7,572)**	–	–
Increase/(decrease) in accruals	**225**	**17,038**	(5,748)	(435,239)
Net cash from/(used in)operations	**125**	**9,466**	(5,748)	(435,239)
Tax paid	**–**	**–**	(2,089)	(158,179)
Net cash used in operating activities	**(40,457)**	**(3,063,403)**	(46,987)	(3,557,856)
Investing activities				
Interest received	**17,217**	**1,303,671**	65,990	4,996,763
Dividend received (Net)	**113,689**	**8,608,530**	50,879	3,852,558
Net cash from investing activities	**130,906**	**9,912,201**	116,869	8,849,321
Net change in cash and cash equivalents	**90,449**	**6,848,798**	69,882	5,291,465
Cash and cash equivalents, beginning of year	**18,194,837**	**1,377,713,058**	18,124,955	1,372,421,593
Cash and cash equivalents, end of year	**18,285,286**	**1,384,561,856**	18,194,837	1,377,713,058
Cash and cash equivalents made up of:				
Cash at bank (Note 10)	**18,285,286**	**1,384,561,856**	18,194,837	1,377,713,058

The notes on pages herein form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

1. GENERAL INFORMATION AND STATEMENT OF COMPLIANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRS")

The Company was incorporated in the Republic of Mauritius under the Mauritius Companies Act 2001 on 9 May 2005 as a private company with liability limited by shares and holds a Global Business Licence issued by the Financial Services Commission. The Company's registered office is SANNE House, Bank Street, Twenty Eight, Cybercity, Ebene 72201, Republic of Mauritius.

The principal activity of the Company is to hold investments.

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

Indian Rupee ("INR") amounts are included solely for convenience. These transactions should not be construed as representations that the USD amounts actually represent or have been or could be converted into INR. The amounts shown in INR are for convenience only, the rate of 1 USD = INR75.72 has been used for the purpose of presentation of the INR amounts in the accompanying financial statements for the year ended 31 March 2022 and 31 March 2021.

2. ADOPTION OF NEW AND AMENDED IFRS

2.1 New and amended standards that are effective for the current year

The Company has applied the following Standards, amendments and Interpretations to existing Standards for the first time for the annual reporting period commencing on 01 April 2021:

Various	Interest Rate Benchmark Reform Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)
IFRS 16	COVID - 19 Related Rent Concessions (Amendment to IFRS 16)

Management has assessed the impact of these new and revised standards and interpretations and concluded that none of these Standards have a material impact on the disclosure of these financial statements.

2.2 Standards, amendments and Interpretations to existing Standards that are not yet effective and have not been adopted early by the Company

At the date of authorisation of these financial statements, several new, but not yet effective, Standards, amendments to existing Standards and Interpretations have been published by the IASB. None of these Standards, amendments or Interpretations have been adopted early by the Company.

Management anticipates that all relevant pronouncements, will be adopted in the Company's accounting policies for the first period beginning on or after the effective date of the pronouncement. Information on new Standards, amendments to existing Standards and Interpretations is provided below.

IFRS 3	References to the Conceptual Framework (Amendments to IFRS 3)
IFRS 16	Covid - 19 - Related Rent Concessions beyond 30 June 2021 (Amendments to IFRS 16)
IAS 16	Proceeds before Intended Use (Amendments to IAS 16)
IAS 37	Onerous Contract - Cost of Fulfilling a Contract (Amendments to IAS 37)
IFRS 17	Insurance Contracts
IFRS 1, IFRS 9, IFRS 16 and IAS 41	Annual improvements to IFRS Standards 2019-2020 Cycle (Amendments to IFRS 1, IFRS 9, IFRS 16, IAS 41)
IFRS 4	Extension of the Temporary Exemption from Applying IFRS 9 (Amendments to IFRS 4)
IFRS 17	Insurance Contracts
IAS 1	Classification of Liabilities as Current or Non-current (Amendments to IAS 1)
IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)

Management has yet to assess the impact of the above Standards, amendments to existing Standards and Interpretations on the Company's financial statements.

3. SUMMARY OF ACCOUNTING POLICIES

3.1 Overall considerations

The financial statements have been prepared using the significant accounting policies and measurement bases summarised below.

3.2 Revenue

Dividend income is recognised when the Company's right to receive such dividend is established.

Interest income is recognised on the accrual basis using the effective interest method, unless collectability is in doubt.

3.3 Expenses

All expenses are accounted for in the statement of comprehensive income on the accrual basis.

3.4 Taxation

Tax expense recognised in the statement of comprehensive income comprises of deferred tax and current tax not recognised in other comprehensive income or directly in equity.

Current income tax assets and/or liabilities comprise of those obligations to, or claims from, fiscal authorities relating to the current period, that are unpaid at the reporting date. Current tax is payable on taxable profit, which differs from profit or loss in the financial statements.

Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting date.

Deferred income taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases.

3.5 Financial instruments

Recognition and derecognition

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial assets expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and initial measurement of financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with IFRS 15: Revenue from contracts with customers, all financial assets are initially measured at fair value adjusted for transaction costs, where appropriate.

Financial assets, other than those designated and effective as hedging instruments, are classified into the following categories:

- amortised cost;
- fair value through profit or loss (FVTPL); or
- fair value through other comprehensive income (FVOCI).

In the current year, the Company does not have any financial assets categorised as FVTPL.

The classification is determined by both:

- the Company's business model for managing the financial asset; and
- the contractual cash flow characteristics of the financial asset.

All income and expenses relating to financial assets are recognised in the statement of comprehensive income.

Subsequent measurement of financial assets

Financial assets at amortised cost

Financial assets are measured at amortised cost using the effective interest method if the assets meet the following conditions (and are not designated as FVTPL):

- they are held within a business model whose objective is to hold the financial assets and collect their contractual cash flows; and
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Discounting is omitted where the effect of discounting is immaterial. The Company's cash and cash equivalents fall into this category of financial instruments.

Financial assets at fair value through other comprehensive income ('FVOCI')

The Company accounts for financial assets at FVOCI if the assets meet the following conditions:

- they are held under a business model whose objective it is "hold to collect" the associated cash flows and sell; and
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Any gains or losses recognised in other comprehensive income will be recycled upon derecognition of the asset.

Subsequent measurement of financial liabilities

The Company's financial liabilities consist of accruals.

Financial liabilities are measured subsequently at amortised costs, using the effective interest method.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

3.6 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank. Cash equivalents are short term, highly liquid investments maturing within 90 days from the date of acquisition that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

3.7 Equity and reserves

Stated capital is determined using the value of shares that have been issued.

Retained earnings include all current and prior years' results as disclosed in the statement of comprehensive income.

Fair value reserves comprises of accumulated gains and losses relating to financial asset at FVOCI.

3.8 Related parties

A related party is a person or company where that person or company has control or joint control of the reporting company; has significant influence over the reporting company; or is a member of the key management personnel of the reporting company or of a parent of the reporting company.

3.9 Foreign currency translation

Functional and presentation currency

The financial statements are presented in United States Dollar ("USD"), which is the functional and presentation currency of the Company. The Company has also presented the financial statements in Indian Rupee ("INR") for the convenience of users of financial statements.

Foreign currency transactions and balances

Foreign currency transactions are translated into the functional currency of the Company using the exchange rates prevailing at the dates of the transactions (spot exchange rate). Foreign exchange gains and losses resulting from the settlement of such transactions and from the remeasurement of monetary items denominated in foreign currency at year-end exchange rates are recognised in the statement of comprehensive income.

Non-monetary items are not retranslated at year-end and are measured at historical cost (translated using the exchange rates at the transaction date), except for non-monetary items measured at fair value which are translated using the exchange rates at the date when fair value was determined.

3.10 Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation and the amount can be estimated reliably.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. The increase in the provision due to passage of time is recognised as interest expense in the statement of comprehensive income.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole.

3.11 Comparatives

Where necessary, comparative figures have been adjusted to conform to changes in presentation in the current year.

4. SIGNIFICANT MANAGEMENT JUDGEMENT IN APPLYING ACCOUNTING POLICIES AND ESTIMATION CERTAINTY

When preparing the financial statements, management undertakes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

Significant management judgements

Significant management judgement in applying the accounting policies of the Company that has the most significant effect on the financial statements is set below.

Determination of functional currency

The determination of the functional currency of the Company is critical since recording of transactions and exchange differences arising therefrom are dependent on the functional currency selected. The directors have considered those factors and have determined that the functional currency of the Company is the USD.

Estimation uncertainty

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

Impact of COVID-19

In January 2020, the World Health Organization has declared the outbreak of a novel coronavirus (COVID-19) as a "Public Health Emergency of International Concern," which continues to spread throughout the world and has adversely impacted global commercial activity and contributed to significant declines and volatility in financial markets.

The directors have considered the potential adverse impact of the COVID-19 pandemic on the Company's business activities. Given the nature of the outbreak and ongoing development, there is a high degree of uncertainty and it is not possible at this time to predict the nature of the overall impact on the Company.

5. FINANCIAL INSTRUMENT RISK

Risk management objectives and policies

The Company is exposed to various risks in relation to financial instruments. The main types of risks are market risk, credit risk and liquidity risk.

The Company's financial assets and financial liabilities by category are summarised below.

	2022	2022	2021	2021
	USD	INR (Note 1)	USD	INR (Note 1)
Financial assets				
Non-current				
Financial asset at fair value through other comprehensive income:				
Investment in listed equity securities	**4,805,761**	**363,892,223**	3,294,039	294,424,633
Current				
Financial assets measured at amortised cost:				
Cash and cash equivalents	**18,285,286**	**1,384,561,856**	18,194,837	1,377,713,058
Total financial assets	**23,091,047**	**1,748,454,079**	21,488,876	1,627,137,691
Financial liabilities				
Current				
Financial liabilities measured at amortised cost:				
Accruals	**9,618**	**728,275**	9,393	711,238

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate measures and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and in the Company's activities.

The most significant financial risks to which the Company is exposed are described below.

5.1 Market risk analysis

The Company is exposed to market risk through its use of financial instruments and specifically to currency risk, interest rate risk and other price risk, which result from both its operating and investing activities.

Foreign currency sensitivity

Foreign currency risk, as defined in IFRS 7: Financial Instruments: Disclosures, arises as the value of future transactions, recognised monetary assets and monetary liabilities denominated in other currencies fluctuate due to changes in foreign exchange rates.

The Company is exposed to foreign exchange risk on account of its financial assets at fair value through other comprehensive income denominated in the Indian Rupee ("INR").

The currency profile of its financial assets and financial liabilities is as follows:

	Financial assets 2022	Financial liabilities 2022	Financial assets 2021	Financial liabilities 2021
	USD	USD	USD	USD
Long term exposure				
Indian Rupee (INR)	**4,805,761**	**–**	3,294,039	–
Short term exposure				
United States Dollar (USD)	**18,285,286**	**9,618**	18,194,837	9,393
Total exposure	**23,091,047**	**9,618**	21,488,876	9,393

	Financial assets 2022	Financial liabilities 2022	Financial assets 2021	Financial liabilities 2021
	INR (Note 1)	INR (Note 1)	INR (Note 1)	INR (Note 1)
Long term exposure				
Indian Rupee (INR)	**363,892,223**	**–**	294,424,633	–
Short term exposure				
United States Dollar (USD)	**1,384,561,856**	**728,275**	1,377,713,058	711,238
Total exposure	**1,748,454,079**	**728,275**	1,627,137,691	711,238

The following analysis illustrates the sensitivity of other comprehensive income and equity with regard to the Company's financial assets and the USD/INR exchange rate, "all other things being equal".

It assumes a 3% change of the USD/INR exchange rate for the year ended 31 March 2022 (31 March 2021: 2%). The sensitivity analysis is based on the Company's foreign currency financial instruments held at each reporting date.

If the USD had strengthened against the INR by 3%, other comprehensive income and equity would have decreased by **USD 144,173** (2021: USD 65,881). If the USD had weakened against the INR by 3%, then other comprehensive income and equity would have increased by **USD 144,173** (2021: USD 65,881).

There would be no impact on profit or loss for the year as the investment denominated in INR comprises listed securities classified as financial asset at fair value through other comprehensive income.

Interest rate sensitivity

The Company's exposure to interest rate risk is limited to its bank balance and the interest thereon is based on market interest rates. At 31 March 2022, the bank balance stood at **USD 18,282,507** (2021: USD 18,192,255), excluding interest receivable and bank interest income earned during the year was **USD 17,217** (2021: USD 65,990). A change in the market interest rate would only impact marginally on the Company's operating cash flows.

Other price sensitivity

The Company is exposed to other price risk in respect of the listed securities held by it, which are listed on the Bombay Stock Exchange and the National Stock Exchange of India. The average volatility observed in the share price during the year ended 31 March 2022 is shown in the table below:

Name of investee company	% change in share price 2022	% change in share price 2021
Tech Mahindra Limited	**51%**	75%

	Other comprehensive income and equity			
	2022 USD	2022 INR (Note 1)	2021 USD	2021 INR (Note 1)
Increase	**2,450,938**	**185,585,025**	2,470,529	187,068,456
Decrease	**(2,450,938)**	**(185,585,025)**	(2,470,529)	(187,068,456)

The listed securities are classified as a financial asset at fair value through other comprehensive income and therefore no effect on profit has occurred.

5.2 Credit risk analysis

Credit risk is the risk that a counterparty fails to discharge an obligation to the Company.

The Company's exposure to credit risk is limited to the carrying amount of financial assets recognised at the reporting date, as summarised below:

	2022	2022	2021	2021
	USD	INR (Note 1)	USD	INR (Note 1)
ASSETS				
Non-current				
Financial asset at fair value through other comprehensive income:				
Investment in listed equity securities	**4,805,761**	**363,892,223**	3,294,039	249,424,633
Current				
Financial assets measured at amortised cost:				
Cash and cash equivalents	**18,285,286**	**1,384,561,856**	18,194,837	1,377,713,058
Total assets	**23,091,047**	**1,748,454,079**	21,488,876	1,627,137,691

The Company holds investment in Tech Mahindra Limited, a listed company incorporated in the Republic of India. As at 31 March 2022, the Company held 242,904 ordinary shares in the investee company, representing a 0.0251% of its shareholding. The fair value of the investment has increased as at year end, resulting in a fair value gain of USD 1,511,722 (Note 9).

The credit risk for the bank balance is considered negligible, since the counterparty is a reputable bank with high quality external credit ratings.

None of the Company's financial assets are secured by collateral or other credit enhancements.

5.3 Liquidity risk analysis

Liquidity risk is the risk that the Company might be unable to meet its obligations.

The Company manages its liquidity risk by carefully monitoring all its cash inflows and outflows. Cash inflows during the year mainly relate to dividend income and interest income and cash outflows mainly relate to operating expenses.

At 31 March 2022, the Company's financial liabilities have contractual maturities which are summarised below:

	Within 1 year	Within 1 year
	USD	INR (Note 1)
Accruals	**9,618**	**728,275**

This compares with the maturity of the Company's financial liabilities in the previous reporting year as follows:

	Within 1 year	Within 1 year
	USD	INR (Note 1)
Accruals	9,393	711,238

6. FAIR VALUE MEASUREMENT

6.1 Fair value measurement of financial instruments

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three Levels of a fair value hierarchy. The three Levels are defined based on the observability of significant inputs to the measurement, as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3: unobservable inputs for the asset or liability.

The following table shows the Levels within the hierarchy of financial assets measured at fair value on a recurring basis at 31 March 2022 and 31 March 2021:

31 March 2022	Level 1	Level 2	Level 3	Total
	USD	USD	USD	USD
Assets				
Investments at FVOCI	**4,805,761**	–	–	**4,805,761**

31 March 2022	Level 1	Level 2	Level 3	Total
	INR (Note 1)	INR (Note 1)	INR (Note 1)	INR (Note 1)
Assets				
Investments at FVOCI	**363,892,223**	–	–	**363,892,223**

31 March 2021	Level 1	Level 2	Level 3	Total
	USD	USD	USD	USD
Assets				
Investments at FVOCI	3,294,039	–	–	3,294,039

31 March 2021	Level 1	Level 2	Level 3	Total
	INR (Note 1)	INR (Note 1)	INR (Note 1)	INR (Note 1)
Assets				
Investments at FVOCI	249,424,633	–	–	249,424,633

There were no transfers between Level 1 and Level 2 during the years ended 31 March 2022 and 31 March 2021.

Measurement of fair value of financial instruments

The method used for the purpose of measuring fair value are unchanged compared with the previous reporting year.

(i) Listed investment (Level 1)

The listed equity investment is denominated in INR and is publicly traded on the Bombay Stock Exchange and the National Stock Exchange of India. Fair values have been determined by reference to its quoted closing share price at the reporting date.

The Company's other financial assets and financial liabilities are measured at their carrying amounts, which approximate to their fair values.

6.2 Fair value measurement of non-financial assets and non-financial liabilities

The Company's non-financial asset consists of prepayments. For these items, fair value measurement is not applicable since these are not measured at fair value on a recurring or non-recurring basis in the statement of financial position. As at 31 March 2022, the Company does not have any non-financial liability.

7. CAPITAL MANAGEMENT POLICIES AND PROCEDURES

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns to its shareholders.

In order to maintain or adjust the capital structure, the Company may adjust the amounts of dividends paid to its members, buy back shares or issue new shares.

The Company monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. For the years ended 31 March 2022 and 31 March 2021, the Company was not geared.

8. TAXATION

(i) Income tax

The Company, under current laws and regulations, is liable to pay income tax on its net income at the rate of 15%. The Company is, however, entitled to a tax credit equivalent to the higher of actual foreign tax suffered or 80% of Mauritian tax payable in respect of its foreign source income. Gains or profits arising from sale of units or securities are exempt from tax in the Republic of Mauritius and any dividends or redemption proceeds paid by the Company to shareholders would not attract withholding tax in the Republic of Mauritius.

The Company holds a Global Business Licence for the purpose of the Financial Services Act 2007 of Mauritius. Pursuant to the Finance Act 2018, with effect as from 1 January 2020, the deemed tax credit has been phased out, through the implementation of a new tax regime. Companies which had obtained their Global Business Licence on or before 16 October 2017, including the Company, have been grandfathered and will benefit from the deemed tax credit regime up to 30 June 2021.

Accordingly, the Company is entitled to a foreign tax credit equivalent to the higher of the actual foreign tax suffered or 80% of the Mauritian tax ("Deemed tax credit") on its foreign source income resulting in an effective tax rate on net income of up to 3%, up to 30 June 2021. Further, the Company is exempted from income tax in Mauritius on profits or gains arising from any sale of securities. In addition, there is no withholding tax payable in Mauritius in respect of payments of dividends to shareholders or in respect of redemptions or exchanges of shares.

After 30 June 2021, under the new tax regime and subject to meeting the necessary substance requirements as required under the Financial Services Act 2007 (as amended by the Finance Act 2018) and such guidelines issued by the Financial Services Commission, the Company will be entitled to either (a) a foreign tax credit equivalent to the actual foreign tax suffered on its foreign income against the Company's tax liability computed at 15% on such income, or (b) a partial exemption of 80% of some of the income derived, including but not limited to foreign source dividends or interest income.

Tax expense recognised in profit or loss comprises the sum of deferred tax and current tax not recognised in other comprehensive income or directly in equity.

Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. Deferred income taxes are calculated using the balance sheet liability method.

At 31 March 2022 the Company has a current tax liability of USD Nil (2021: USD Nil).

	2022	**2022**	2021	2021
	USD	**INR (Note 1)**	USD	INR (Note 1)
31 March	**–**	**–**	–	–

Movement in current tax liability

	2022	**2022**	2021	2021
	USD	**INR (Note 1)**	USD	INR (Note 1)
At 01 April	–	–	2,089	158,179
Charge for the year	–	–	–	–
Paid during the year	–	–	(2,089)	158,179
Current tax liability	**–**	**–**	–	–

(ii) Deferred taxation

Deferred income taxes are calculated on all temporary differences under the liability method at the rate of 3%. At 31 March 2022, the Company had no temporary differences and hence no deferred taxation is to be recognised in the financial statements

(iii) Income tax reconciliation

The income tax on the Company's profit before tax differs from the theoretical amount that would arise using the effective tax rate of the Company as follows:

	2022	**2022**	2021	2021
	USD	**INR (Note 1)**	USD	INR (Note 1)
Profit before tax	**120,936**	**9,157,274**	91,082	6,896,729
Tax calculated at the rate of 3%	**3,628**	**274,712**	2,732	206,867
Exempt income not subject to tax	**(144)**	**(10,904)**	(1,980)	(149,926)
Expenses not allowable for tax purposes	**571**	**43,237**	603	45,659
Foreign tax credit	**(4,055)**	**(307,045)**	(1,355)	(102,600)
Tax expense	–	–	–	–

(iv) Withholding tax

	2022	**2022**	2021	2021
	USD	**INR**	USD	INR
Withholding tax paid	**30,612**	**2,317,941**	13,363	1,011,846

At 31 March 2022, a withholding tax of 20%, amounting to USD 30,612 (2021: USD 13,363) was charged on dividend income earned from investments in Tech Mahindra Limited, a listed company in the Republic of India.

9. FINANCIAL ASSET AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	2022	**2022**	2021	2021
	USD	**INR (Note 1)**	USD	INR (Note 1)
(i) Fair value				
At beginning of year	**3,294,039**	**249,424,633**	1,822,121	137,971,002
Fair value adjustment for the year	**1,511,722**	**114,467,590**	1,471,918	111,453,631
At end of year	**4,805,761**	**363,892,223**	3,294,039	249,424,633

(ii) Details pertaining to the listed company incorporated in the Republic of India and representing a stake of 0.0251% are as follows:

Name of investee company	**Cost 2021 & 2022**	**Fair value 2022**	Fair value 2021	**Cost 2021 & 2022**	**Fair value 2022**	Fair value 2021
	USD	**USD**	USD	**INR (Note 1)**	**INR (Note 1)**	INR (Note 1)
Tech Mahindra Limited	**90,045**	**4,805,761**	3,294,039	**6,818,207**	**363,892,223**	249,424,633

(iii) Fair value reserves for financial asset at fair value through other comprehensive income

	2022	**2022**	2021	2021
	USD	**INR (Note 1)**	USD	INR (Note 1)
At beginning of year	**3,203,994**	**242,606,426**	1,732,076	131,152,795
Fair value adjustment for the year	**1,511,722**	**114,467,590**	1,471,918	111,453,631
At end of year	**4,715,716**	**357,074,016**	3,203,994	242,606,426

The World Health Organisation ("WHO") declared the new coronavirus ("COVID-19") outbreak to be a pandemic on 11 March 2020. The Management acknowledges the outbreak of COVID-19 and its adverse impact on industries and markets. The Management is monitoring the situation closely and have adopted various measures to mitigate the risk involved such as business continuity planning. The fair value of the financial asset at fair value through other comprehensive income as at 31 March 2022 reflects the conditions known as at that date. On 20 April 2022, the fair value of the investment was USD 4,159,977.

(iv) During the year ended 31 March 2022, the Company earned a dividend income of USD 144,301 inclusive of withholding tax of USD 30,612 (2021: USD 64,242 inclusive of withholding tax of USD 13,363).

10. CASH AND CASH EQUIVALENTS

	2022	**2022**	2021	2021
	USD	**INR (Note 1)**	USD	INR (Note 1)
Cash at bank – USD	**252,139**	**19,091,965**	177,823	13,464,758
Short term deposits	**18,030,368**	**1,365,259,465**	18,014,432	1,364,052,791
Interest receivable	**2,779**	**210,426**	2,582	195,509
Total	**18,285,286**	**1,384,561,856**	18,194,837	1,377,713,058

The Company has fixed deposit placements with HSBC Bank (Mauritius) Limited as at 31 March 2022 which will be matured within three months. During the year ended 31 March 2022, the Company has earned interest income of USD 17,217 (2021: USD 65,990) on its short-term deposits.

11. STATED CAPITAL

	2022 & 2021	**2022 & 2021**
	USD	**INR (Note 1)**
Issued and fully paid:		
11,880,000 Ordinary shares of USD1 each	**11,880,000**	**899,553,600**

In accordance with the Company's Constitution, the main rights and obligations attached to the ordinary shares are as follows:

- confer to its holder the rights to attend and exercise one vote at meetings of members generally and class meetings of the ordinary shares;
- have a right to receive any dividend or distribution; and
- be entitled, on a winding up, to share in the assets of the Company available for distribution.

12. PROFESSIONAL FEES

	2022	**2022**	2021	2021
	USD	**INR (Note 1)**	USD	INR (Note 1)
Administration fees and disbursements	**17,807**	**1,348,346**	19,170	1,451,552
Directors' fees	**3,750**	**283,950**	3,750	283,950
Secretarial fees	**1,500**	**113,580**	1,500	113,580
Professional fees	**450**	**34,074**	450	34,074
Tax filing fees	**1,700**	**128,724**	1,700	128,724
Trademark fees	**1,347**	**101,995**	1,323	100,178
FATCA filing fees	**250**	**18,930**	250	18,930
Data Protection fee	**300**	**22,716**	–	–
Total	**27,104**	**2,052,315**	28,143	2,130,988

13. CONTINGENT ASSETS AND LIABILITIES

Contingent assets

On 22 March 2010, the Company disposed part of its shareholding in Tech Mahindra Limited, a listed company incorporated in the Republic of India, to AT&T International, Inc. ("AT&T"). Following the withholding tax order received from the Indian Tax Authorities, AT&T withheld an amount of INR190,061,898 as 'withholding tax' under Section 195 of the Indian Income Tax Act and remitted the amount to the treasury of the Government of India. In the opinion of the Company, there is no tax liability on this transaction as the Company is a resident of the Republic of Mauritius and capital gains realised in the Republic of India on this disposal are therefore exempted from tax under the Mauritius- India Tax Treaty. Accordingly, in line with the decision of its Board of Directors, the Company filed an application to the Authority for Advance Rulings ("AAR") in the Republic of India on the taxability of capital gains under the Mauritius-India Tax Treaty. The AAR pronounced its ruling in favour of the Company on 8 August 2016. However, the Indian Tax Authorities have filed a Writ Petition against the AAR ruling in the High Court of Bombay in India. On 24 January 2019, the Counsel granted the Company's Notice of Motion requesting an early hearing of the Writ Petition. The Writ Petition was listed for final hearing as from the week commencing on 11 February 2019 but has not yet been heard, owing to the volume of cases ahead of it in the list.

During the year ended 31 March 2020, the Counsels representing the Company had planned to mention the matter to Court for early hearing. However, the Counsels of the Indian Tax Authorities were not present at Court and hence the matter was postponed.

In January 2020, the tax bench of the Bombay High Court has changed. The Counsels are deliberating regarding mentioning of this matter before the new bench for an early hearing. Since January 2020 due to the COVID-19 pandemic and lockdown in the Republic of India, the Bombay High Court has prioritised to take urgent matters only. Matters which were filed and admitted in 2017 have still not been taken up by the High Court. Once Court starts functioning normally, the Counsels will strategize on approaching the court for an early hearing. For the year ended 31 March 2022, the Writ Petition is yet to be listed for hearing by the High Court.

Contingent liabilities

At 31 March 2022, the Company had no material litigation claims outstanding, pending or threatened against it, which could have a material adverse effect on its financial position or results.

14. RELATED PARTY TRANSACTIONS

During the year ended 31 March 2022, the Company had no transaction with its related parties.

15. EVENTS AFTER REPORTING DATE

There have been no events after the reporting date, which require disclosure or adjustment to the 31 March 2022 financial statements.

16. HOLDING COMPANIES

The directors regard Mahindra Overseas Investment Company (Mauritius) Ltd, a company incorporated in the Republic of Mauritius, as the Company's immediate holding company and Mahindra and Mahindra Limited, a listed company incorporated in India, as the Company's ultimate holding company.

INDEPENDENT AUDITORS' REPORT

To the Members of Mahindra Intertrade Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the standalone financial statements of **Mahindra Intertrade Limited** ("the Company"), which comprise the standalone balance sheet as at 31 March 2022, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2022, and its profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Standalone Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

Other Information

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's and Board of Directors' Responsibilities for the Standalone Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, its profit and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The

risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of standalone financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. (A) As required by Section 143(3) of the Act, we report that:

    a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

    b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

    c) The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account.

    d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.

    e) On the basis of the written representations received from the directors as on 31 March 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022 from being appointed as a director in terms of Section 164(2) of the Act.

    f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

    (B) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

    a) The Company has disclosed the impact of pending litigations as at 31 March 2022 on its financial position in its standalone financial statements - Refer Note 30 to the standalone financial statements.

    b) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

    c) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

    d) (i) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:

    - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate

Beneficiaries") by or on behalf of the Company or

- provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

ii) The management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall:

- directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Party or
- provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries.

iii) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (d) (i) and (d) (ii) contain any material mis-statement.

e) The dividend declared and paid during the year by the Company is in compliance with Section 123 of the Act.

(C) With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For **B S R & Co. LLP**
Chartered Accountants
(Firm's Registration No: 101248W/W–100022)

Jayesh T Thakkar
Partner
(Membership No. 113959)
UDIN: 22113959AHUOZH5815

Place: Mumbai
Date: 26 April 2022

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT ON THE STANDALONE FINANCIAL STATEMENTS OF MAHINDRA INTERTRADE LIMITED FOR THE YEAR ENDED 31 MARCH 2022

With reference to the Annexure A referred to in the Independent Auditors' report to the members of Mahindra Intertrade Limited ('the Company') on the standalone financial statements for the year ended 31 March 2022, we report the following

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified in a phased manner over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than immovable properties where the Company is the lessee and the leases agreements are duly executed in favour of the lessee) disclosed in the standalone financial statements are held in the name of the Company.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.

(e) According to information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) The inventory, except goods-in-transit and stocks lying with third parties, has been physically verified by the management during the year. For stocks lying with third parties at the year-end, written confirmations have been obtained and for goods-in-transit subsequent evidence of receipts has been linked with inventory records. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks or financial institutions are in agreement with the books of account of the Company.

(iii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not provided any guarantee or security or granted any advances in the nature of loans, secured or unsecured to companies, firms, limited liability partnership or any other parties during the year. The Company has made investments and granted loans, secured or unsecured to other companies during the year, in respect of which the requisite information is as below. The Company has not made investments and granted loans to firms, limited liability partnership and other parties during the year.

Based on the audit procedures carried on by us and as per the information and explanations given to us, the Company has provided loans to other companies as below:

	Rupees in crore
Particulars	**Loans**
Aggregate amount during the year	
- Subsidiaries	157.75
Balance outstanding as at balance sheet date	
- Subsidiaries	23.50

(b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the investments made and and the terms and conditions of the grant of loans during the year are, prima facie, not prejudicial to the interest of the Company.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of loans given, in our opinion the repayment of principal and payment of interest has been stipulated and the repayments or receipts have been regular. Further, the Company has not given any advance in the nature of loan to any party during the year.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount for more than ninety days in respect of loans given. Further, the Company has not given any advances in the nature of loans to any party during the year.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion following instances of loans falling due during the year were renewed or extended or settled by fresh loans:

Name of the parties	Aggregate amount dues settled by fresh loans (Rupees in crore)	% of the aggregate to the total loans or advances in the nature of loans granted during the year
Mahindra Auto Steel Private Limited	33.25	21.08%
Mahindra Electrical Steel Private Limited	25.30	16.04%

(f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.

(iv) In our opinion and according to the information and explanations given to us, the Company has not advanced loans to directors / to a company in which the Director is interested to which provisions of Section 185 of the Act apply and hence not commented upon. The Company has complied with the provisions of Section 186 of the Act, with respect to the loans given and investments made. The Company has not provided guarantee or security during the year.

(v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.

(vi) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Act in respect of its manufactured goods and services provided by it and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed examination of the records with a view to determine whether these are accurate or complete

(vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Service Tax ('GST'), Provident Fund, Employees' State Insurance, Income-Tax and other material statutory dues have been regularly deposited by the Company with the appropriate authorities. Further, the Company did not have any dues on account of Sales-tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax and Cess.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employees' State Insurance, Income-Tax and other material statutory dues were in arrears as at 31 March 2022 for a period of more than six months from the date they become payable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no statutory dues relating to Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues, which have not been deposited with the appropriate authorities on account of any dispute other than those mentioned below:

Name of the Statute	Nature of the Dues	Rupees in Crores		Period to which the amount relates	Forum where dispute is pending
		Amount demanded	Amount not deposited under dispute		
Central Sales Tax Act, 1956	Central Sales Tax	1.12	0.94	2010-11	Appellate Tribunal
Maharashtra Value Added Tax, 2002	Value Added Tax	0.16	0.15	April 2017 to June 2017	Joint Commissioner
Income Tax Act, 1961	Income Tax	5.30	5.30	A.Y. 2020-21	Commissioner of Income-tax (Appeals)

(viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.

(ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company did not have any loans or borrowings from any lender during the year. Accordingly, clause 3(ix)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.

(c) According to the information and explanations given to us by the management, the Company has not obtained any term loans during the year. Accordingly, clause 3(ix)(c) of the Order is not applicable.

(d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures as defined under the Act.

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies (as defined under the Act).

(x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) Accordingly, clause 3(x)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.

(xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the course of the audit.

(b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.

(xii) (a) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.

(b) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.

(c) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

(xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business

(b) We have considered the internal audit reports of the Company issued till date for the period under audit.

(xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.

(xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.

(b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.

(d) According to the information and explanations provided to us, the Group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016) has more than one CIC as part of the Group. The Group has six CICs as part of the Group.

(xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

For **B S R & Co. LLP**
Chartered Accountants
(Firm's Registration No: 101248W/W–100022)

Jayesh T Thakkar
Partner
(Membership No. 113959)
UDIN: 22113959AHUOZH5815

Place: Mumbai
Date: 26 April 2022

ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT ON THE STANDALONE FINANCIAL STATEMENTS OF MAHINDRA INTERTRADE LIMITED FOR THE YEAR ENDED 31 MARCH 2022

Report on the internal financial controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

(Referred to in paragraph 2(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to financial statements of Mahindra Intertrade Limited ("the Company") as of 31 March 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2022, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and whether such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

Inherent Limitations of Internal Financial controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to standalone financial statements to future periods are subject to the risk that the internal financial controls with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **B S R & Co. LLP**
Chartered Accountants
(Firm's Registration No: 101248W/W-100022)

Jayesh T Thakkar
Partner
(Membership No. 113959)
UDIN: 22113959AHUOZH5815

Place : Mumbai
Date : 26 April 2022

BALANCE SHEET AS AT MARCH 31, 2022

Rs. in Crores

	Particulars	Note No.	As at March 31, 2022	As at March 31, 2021
A	**ASSETS**			
	1 Non-current assets			
	a) Property, plant and equipment	5	**57.26**	58.90
	b) Other intangible assets	6	**0.01**	0.02
	c) Financial assets			
	(i) Investments	7	**136.46**	126.85
	(ii) Others	8	**14.11**	0.18
	d) Deferred tax assets (net)	19	**0.33**	–
	e) Other non-current assets	9	**11.58**	9.19
	Total non-current assets		**219.75**	195.14
	2 Current assets			
	a) Inventories	10	**535.27**	232.06
	b) Financial assets			
	(i) Investments	7	**65.51**	19.50
	(ii) Trade receivables	11	**454.94**	317.75
	(iii) Cash and cash equivalents	12	**68.08**	9.61
	(iv) Bank balances other than (iii) above	12	–	152.77
	(v) Loans	13	**23.50**	29.95
	(vi) Others	8	**0.94**	4.03
	c) Other current assets	9	**17.59**	13.69
	Total current assets		**1,165.83**	779.36
	Total assets (1+2)		**1,385.58**	974.50
B	**EQUITY AND LIABILITIES**			
	1 EQUITY			
	a) Equity share capital	14	**16.60**	16.60
	b) Other equity	15	**735.40**	624.74
	Total equity		**752.00**	641.34
	LIABILITIES			
	2 Non-current liabilities			
	a) Financial liabilities			
	(i) Lease liabilities		**1.72**	–
	(ii) Other financial liabilities	16	**1.23**	1.14
	b) Provisions	17	**4.03**	3.56
	c) Deferred tax liabilities (Net)	19	–	1.82
	Total non-current liabilities		**6.98**	6.52
	3 Current liabilities			
	a) Financial liabilities			
	(i) Lease liabilities		**1.59**	–
	(ii) Trade payables			
	(a) total outstanding dues of micro enterprises and small enterprises; and	20	**3.73**	1.57
	(b) total outstanding dues of creditors other than micro enterprises and small enterprises	20	**600.74**	309.70
	(iii) Other financial liabilities	16	**8.15**	5.23
	b) Other current liabilities	21	**8.50**	9.57
	c) Provisions	17	**0.61**	0.48
	d) Current tax liabilities (Net)		**3.28**	0.09
	Total current liabilities		**626.60**	326.64
	Total equity and liabilities (1+2+3)		**1,385.58**	974.50

See accompanying notes to the financial statements

In terms of our report attached

For B S R & Co. LLP
Chartered Accountants
Firm's registration number : 101248 W/W-100022

Jayesh T Thakkar
Partner
Membership number: 113959

Place: Mumbai
Date: 26 April, 2022

For and on behalf of board of directors
U51900MH1978PLC020222

Bharat Doshi
Chairman
DIN : 00012541

Parag Shah
Director
DIN: 00374944

Sumit Issar
Managing Director
DIN: 06951249

Romali Malvankar
Company Secretary
Membership No : A-29447

Saroj Khuntia
Chief Financial Officer

Place: Mumbai
Date: 26 April, 2022

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2022

Rs. in Crores

	Particulars	Note No.	For the year ended March 31, 2022	For the year ended March 31, 2021
I	Revenue from operations	22	**2,451.25**	1,051.28
II	Other income	23	**8.33**	15.48
III	**Total revenue (I + II)**		**2,459.58**	1,066.76
IV	**Expenses**			
	a) Cost of materials consumed	24	**1,373.93**	683.81
	b) Purchases of stock-in-trade		**917.77**	283.14
	c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	25	**(105.29)**	(34.48)
	d) Employee benefits expense	26	**25.42**	17.90
	e) Finance costs	27	**2.55**	1.69
	f) Depreciation and amortisation expense	5 & 6	**8.67**	8.79
	g) Other expenses	28	**42.76**	25.37
	Total expenses		**2,265.81**	986.22
V	**Profit before tax (III – IV)**		**193.77**	80.54
VI	**Tax expense**			
	a) Current tax	18	**52.00**	19.85
	b) Deferred tax	19	**(2.15)**	0.80
	Total tax expense		**49.85**	20.65
VII	**Profit after tax for the year (V – VI)**		**143.92**	59.89
VIII	**Other comprehensive income**		**0.06**	0.08
	(i) Items that will not be reclassified to profit or loss – Remeasurements of the defined benefit liabilities/(asset)		**0.08**	0.11
	(ii) Income tax relating to items that will not be reclassified to profit or loss	19	**(0.02)**	(0.03)
IX	**Total comprehensive income for the year (VII – VIII)**		**143.86**	59.81
X	**Earnings per equity share (of Rs. 10 each): Basic/Diluted (Rs.)**	31	**86.70**	36.08

See accompanying notes to the financial statements

In terms of our report attached

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Saroj Khuntia
Chief Financial Officer

Place: Mumbai
Date: 26 April, 2022

STATEMENT OF CHANGES IN EQUITY

Rs. in Crores

A. Equity share capital

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Balance at the beginning of the year	**16.60**	16.60
Changes in equity share capital during the year	**–**	–
Balance at the close of the year	**16.60**	16.60

B. Other equity

Particulars	General reserve	Capital redemption reserve	Retained earnings	Total
Balance as at March 31, 2020	**52.87**	**18.75**	**507.59**	**579.21**
Profit for the year	–	–	59.89	59.89
Other comprehensive income (net of tax)	–	–	(0.08)	(0.08)
Total comprehensive income for the year	–	–	59.81	59.81
Dividend paid on equity shares (Rs. 8.6 per share on fully paid & Rs. 2.58 per share on partly paid equity share)	–	–	(14.28)	(14.28)
Balance as at March 31, 2021	**52.87**	**18.75**	**553.12**	**624.74**
Profit for the year	–	–	143.92	143.92
Other comprehensive loss (net of tax)	–	–	(0.06)	(0.06)
Total comprehensive income for the year	–	–	143.86	143.86
Dividend paid on equity shares (Rs. 20.00 per share on fully paid & Rs. 6.00 per share on partly paid equity share)	–	–	(33.20)	(33.20)
Balance as at March 31, 2022	**52.87**	**18.75**	**663.78**	**735.40**

Description of the nature and purpose of Other Equity

i) General reserve : General reserve comprises of transfer of profits from retained earnings for appropriation purposes. The reserve can be distributed/utilised by the Company in accordance with the Companies Act, 2013

ii) Capital Redemption Reserve: Capital redemption reserve generated on preference share redemption.

iii) Retained earnings comprises of accumulated balance of profits/(losses) of current and prior years including transfers made to / from other reserves from time to time. The reserve can be utilized or distributed by the company in accordance with the provisions of Companies Act, 2013

See accompanying notes to the financial statements

In terms of our report attached

For B S R & Co. LLP
Chartered Accountants
Firm's registration number : 101248 W/W-100022

Jayesh T Thakkar
Partner
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Place: Mumbai
Date: 26 April, 2022

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Company Secretary
Membership No : A-29447

Saroj Khuntia
Chief Financial Officer

Place: Mumbai
Date: 26 April, 2022

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2022

Particulars		As at March 31, 2022	As at March 31, 2021
			Rs. in Crores
A.	**Cash flows from operating activities**		
	Profit before tax	**193.77**	80.54
	Adjustments for:		
	Finance costs	**2.55**	1.69
	Depreciation and amortisation expense	**8.67**	8.79
	Dividend income	**(0.10)**	(0.49)
	Interest income	**(7.61)**	(10.28)
	Gain on sale of current investments	**(0.45)**	(0.41)
	Bad debts written off	**0.32**	–
	Fair value (gain) / loss on financial instruments at fair value through profit or loss	**(0.10)**	2.62
	Net (gain) / loss on sale / scrapped / write off of property, plant and equipments	**(0.07)**	0.01
		3.21	1.93
	Operating profit before working capital changes	**196.98**	82.47
	Changes in working capital:		
	(Increase) / Decrease in inventories	**(303.21)**	1.44
	Increase in trade receivable	**(137.19)**	(129.80)
	Increase in other assets	**(3.49)**	(6.65)
	Increase in trade payables	**292.88**	100.59
	Increase / (Decrease) in provision	**0.52**	(0.38)
	Increase in other liabilities	**1.78**	2.51
		(148.71)	(32.29)
	Cash generated from operations	**48.27**	50.18
	Net income tax paid	**(48.79)**	(21.09)
	Net cash (used in)/generated form operating activities (A)	**(0.52)**	29.09
B.	**Cash flows from investing activities**		
	Payment for property, plant and equipment's	**(5.13)**	(0.32)
	Proceeds from sale of property, plant and equipment's	**0.16**	0.03
	Inter corporate deposits placed	**(157.75)**	(104.95)
	Inter corporate deposits matured	**164.20**	131.60
	Bank balances not considered as cash and cash equivalents		
	– Placed	**(13.93)**	(535.60)
	– Matured	**152.77**	496.73
	Investment in equity shares of subsidiaries	**(9.61)**	(14.39)
	Current investments not considered as cash and cash equivalents		
	– Purchased	**(1,498.65)**	(636.56)
	– Proceeds from sale	**1,453.10**	645.08
	Interest received	**10.93**	8.62
	Dividend received		
	– Subsidiaries	**0.10**	0.49
	Net cash generated/(used in) form investing activities (B)	**96.19**	(9.27)

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2022 (CONTINUED)

		Rs. in Crores
Particulars	**As at March 31, 2022**	As at March 31, 2021
C. Cash flows from financing activities		
Payments for the principal portion of the lease liability	**(1.46)**	(2.06)
Dividend paid	**(33.20)**	(14.28)
Payments for the interest portion of the lease liability	**(0.32)**	(0.09)
Finance costs	**(2.23)**	(1.60)
Net cash used in form financing activities (C)	**(37.21)**	(18.03)
Net increase in cash and cash equivalents (A + B + C)	**58.46**	1.79
Cash and cash equivalents at beginning of the year	**9.61**	7.89
Bank over draft	**0.01**	(0.07)
Cash and cash equivalents at end of the year	**68.08**	9.61
	58.46	1.79
Reconciliation of Cash and cash equivalents with the Balance Sheet:		
Cash and cash equivalents as per Balance Sheet (Refer Note 12)	**68.08**	9.61
Total	**68.08**	9.61

Notes:

The above cash flow statements has been prepared under the “Indirect method” as set out in Indian Accunting Standard (IND AS-7) “Statement of Cash Flow”

In terms of our report attached

For B S R & Co. LLP
Chartered Accountants
Firm’s registration number : 101248 W/W-100022

Jayesh T Thakkar
Partner
Membership number: 113959

Place: Mumbai
Date: 26 April, 2022

For and on behalf of board of directors
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Bharat Doshi
Chairman
DIN : 00012541

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Managing Director
DIN: 06951249

Romali Malvankar
Company Secretary
Membership No : A-29447

Saroj Khuntia
Chief Financial Officer

Place: Mumbai
Date: 26 April, 2022

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

1. Corporate information

Mahindra Intertrade Limited is a public limited company domiciled in India and is incorporated on 20 March, 1978 under the erstwhile Companies Act, 1956. The registered office of the Company is located at Mahindra Towers, P.K. Kurne Chowk, Worli, Mumbai - 400018. The Company's main activity is steel processing from the plants located at Nashik and Vadodara. The Company is principally engaged in processing of automotive and electrical steel.

2 Statement of Compliance and Basis of preparation and presentation:

2.1 The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under section 133 of the Companies Act 2013 and other relevant provision of the Act.

All assets and liabilities are classified as current if it is expected to realise or settle within 12 months after the Balance Sheet date.

The financial statements are presented in Indian Rupees (INR) which is also the Company's functional currency. All values are rounded to the nearest crores.

The financial statements were approved by the Board of Directors and authorised for issue on 26th April, 2022.

2.2 Use of estimates and judgments:

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets, liabilities, income, expenses etc. at the date of these financial statements and the reported amounts of revenues and expenses for the years presented. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed at each balance sheet date. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are included in the following notes:

Note No.3.1	Property, plant & equipment
Note No.3.2	Intangible asset acquired separately
Note No.3.8	Employee benefits
Note No.3.16	Leases

3 Significant accounting policies:

3.1 Property, plant & equipment:

Property, plant and equipment are stated at cost of acquisition or construction less accumulated depreciation less accumulated impairment, if any. Cost includes financing cost relating to borrowed funds attributable to the construction or acquisition of qualifying tangible assets up to the date the assets are ready for use. The estimated useful lives, residual values, are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

When an asset is scrapped or otherwise disposed off, the cost and related depreciation are removed from the books of account and resultant profit or loss, if any, is reflected in the Statement of Profit and Loss.

Depreciation is calculated on Straight Line method over the estimated useful life of all assets. These lives are in accordance with Schedule II to the Companies Act, 2013, other than the following asset class, based on technical advise which has considered estimated uses and operating condition of the assets:

(a) Vehicles : 5 years

(b) Blanking Line (Nashik) and Roll forming line (Nashik) : 20 years

3.2 Intangible asset acquired separately:

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses, if any. Amortisation is recognised on straight line basis over their estimated useful lives. The estimated useful lives and amortisation method are reviewed at the end of each reporting period, with the effects of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment loss.

3.3 Impairment of assets:

At the end of each reporting period, the Company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing the value in use, the estimated future cash flows are discounted at their present value using the pre-tax discount rate that reflects current market assessment of time value of money and the risks specific to the assets for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the Statement of Profit or Loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the Statement of Profit or Loss.

3.4 Inventories:

Inventories, except for Stores and spares which are valued at cost, are valued at the lower of cost (on weighted average basis) and the net realisable value after providing for obsolescence and other losses, where considered necessary.

Cost comprises of all costs of purchase, conversion and other costs incurred in bringing the inventories to their present location and condition.

Net Realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

Work-in-progress and finished goods include appropriate proportion of overheads.

3.5 Foreign Currencies:

Transactions in currencies other than the Company's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in the Statement of Profit or Loss in the period in which they arise.

3.6 Financial assets and Financial liabilities:

Financial instruments:

Financial assets and financial liabilities are recognised when a Company becomes a party to the contractual provisions of the instruments. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the Statement of Profit or Loss.

Financial assets:

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace. All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Impairment of financial assets:

The Company applies the expected credit loss model for recognising impairment loss on financial assets. With respect to trade receivables the Company measures the loss allowance at an amount equal to lifetime expected credit losses.

Derecognition of financial assets:

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in the Statement of Profit and Loss if such gain or loss would have otherwise been recognised in the Statement of Profit and Loss on disposal of that financial asset.

Financial liabilities and equity instruments:

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instrument:

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all its liabilities. Equity instrument issued by the Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instrument is recognised and deducted directly in equity. No gain or loss is recognised in the Statement of Profit or Loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Financial liabilities:

All the financial liabilities are subsequently measured at amortised cost using the effective interest method or at fair value through profit and loss.

Derecognition of financial liabilities:

The Company derecognises financial liabilities when, and only when, the Company's obligation are discharged, cancelled or have expired. An exchange between the lender of debt instrument with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the term of an existing liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the Statement of Profit or Loss.

Derivative financial instruments:

The Company enters into a variety of derivative financial instruments to manage its exposure to foreign exchange rate risks, including foreign exchange forward contracts. Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in the Statement of Profit and Loss immediately.

3.7 Revenue recognition:

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company assesses promises in the contract that are separate performance obligations to which a portion of transaction price is allocated.

Revenue is measured based on the transaction price as specified in the contract with the customer. It excludes taxes or other amounts collected from customers in its capacity as an agent. In determining the transaction price, the Company considers:

Significant financing component - Generally, the Company receives short-term advances from its customers. Using the practical expedient in Ind AS 115, the Company does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be one year or less.

The accounting policies for specific revenue streams of the company is summarised below:

Sale of goods:

Customers obtain control of the goods when the goods are delivered to and have been accepted.

Sale of Services:

Service income is recognized over time based on as and when service is performed.

3.8 Employee benefits:

Retirement benefit costs and termination benefits:

Payment to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the return of plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in the other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the defined benefit liability or asset. Defined benefit costs are categorised as follows

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);

- net interest expense or income; and
- remeasurement

The Company presents the first two components of defined benefit costs in the Statement of Profit or Loss in the line item "Employee benefits expense". Curtailment gains and losses are accounted for as past service cost.

The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

A liability for the termination benefit is recognized at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognizes any related restructuring costs.

Short-term and other long-term employee benefits:

A liability is recognized for benefits accruing to the employees in respect of wages and salaries and annual leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange of that service.

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange of related service.

Liabilities recognized in respect of other long-term employee benefits are measured at present value of the estimated future cash outflows expected to be made by the company in respect of services provided by employee upto the reporting date.

3.9 Stock appreciation rights (SARs):

For cash-settled share-based payments, a liability is recognized for the services availed, measured initially at the fair value of the liability. At the end of each reporting period until the liability is settled, and at the date of settlement, the fair value of the liability is remeasured, with any changes in fair value recognized in the Statement of Profit or Loss for the year.

3.10 Borrowing costs:

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognised in the Statement of Profit or Loss in the period in which they are incurred.

3.11 Provisions:

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

3.12 Taxes on income:

Income Tax expense represents the sum of the tax currently payable and deferred tax.

Current Tax:

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred Tax:

Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences could be utilized.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax for the year:

Current and deferred tax are recognized in the Statement of Profit or Loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively.

3.13 Cash and cash equivalents:

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

3.14 Cash Flow Statement:

Cash flows are reported using the indirect method, whereby profit/(loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating investing and financing activities of the Company are segregated based on the available information.

3.15 Earning per share:

Basic earnings per share is computed by dividing the profit after tax by the weighted average number of equity shares outstanding during the year.

3.16 Leases:

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee:

At commencement or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Company has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The Company presents right-of-use assets that do not meet the definition of investment property in 'property and equipment' and lease liabilities in the statement of financial position.

The Company has elected not to apply the requirements of Ind AS 116 Leases to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

4 Recent Indian Accounting Standards (Ind AS)

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On 23rd March, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from 1st April, 2022, as below:

Ind AS 16 – Proceeds before intended use

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Company does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract

The amendments specify that that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 109 – Annual Improvements to Ind AS (2021)

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact in its financial statements.

Note 5 - Property, Plant and Equipment

Rs. in Crores

Description of Assets	Land - freehold	Right of use asset	Buildings - freehold	Plant and equipment	Electrical installations	Office equipment	Furniture and fixtures	Computers	Vehicles	Total
I. Cost										
Balance as at April 1, 2021	**1.11**	**5.09**	**27.49**	**99.91**	**0.49**	**0.56**	**0.68**	**1.68**	**2.28**	**139.29**
Additions	–	4.77	0.15	1.29	–	0.06	–	0.31	0.53	7.11
Disposals	–	(3.92)	–	(0.12)	–	(0.01)	–	–	(0.36)	(4.41)
Balance as at March 31, 2022	**1.11**	**5.94**	**27.64**	**101.08**	**0.49**	**0.61**	**0.68**	**1.99**	**2.45**	**141.99**
II. Accumulated depreciation										
Balance as at April 1, 2021	**–**	**4.10**	**10.61**	**61.33**	**0.21**	**0.46**	**0.51**	**1.56**	**1.61**	**80.39**
Depreciation expense for the year	–	1.60	0.89	5.65	0.05	0.04	0.04	0.06	0.33	8.66
Eliminated on disposal of assets	–	(3.92)	–	(0.05)	–	(0.01)	–	–	(0.34)	(4.32)
Balance as at March 31, 2022	**–**	**1.78**	**11.50**	**66.93**	**0.26**	**0.49**	**0.55**	**1.62**	**1.60**	**84.73**
Net carrying amount (I-II)										
Balance as at March 31, 2022	**1.11**	**4.16**	**16.14**	**34.15**	**0.23**	**0.12**	**0.13**	**0.37**	**0.85**	**57.26**
Balance as at March 31, 2021	1.11	0.99	16.88	38.58	0.28	0.10	0.17	0.12	0.67	58.90

Rs. in Crores

Description of Assets	Land - freehold	Right of use asset	Buildings - freehold	Plant and equipment	Electrical installations	Office equipment	Furniture and fixtures	Computers	Vehicles	Total
I. Cost										
Balance as at April 1, 2020	1.11	5.09	27.49	99.79	0.49	0.53	0.68	1.62	2.40	139.20
Additions	–	–	–	0.12	–	0.04	–	0.06	–	0.22
Disposals	–	–	–	–	–	(0.01)	–	–	(0.12)	(0.13)
Balance as at March 31, 2021	1.11	5.09	27.49	99.91	0.49	0.56	0.68	1.68	2.28	139.29
II. Accumulated depreciation										
Balance as at April 1, 2020	–	2.13	9.54	56.14	0.16	0.43	0.47	1.52	1.30	71.69
Depreciation expense for the year	–	1.97	1.07	5.19	0.05	0.04	0.04	0.04	0.39	8.79
Eliminated on disposal of assets	–	–	–	–	–	(0.01)	–	–	(0.08)	(0.09)
Balance as at March 31, 2021	–	4.10	10.61	61.33	0.21	0.46	0.51	1.56	1.61	80.39
Net carrying amount (I–II)										
Balance as at March 31, 2021	1.11	0.99	16.88	38.58	0.28	0.10	0.17	0.12	0.67	58.90
Balance as at March 31, 2020	1.11	2.96	17.95	43.65	0.33	0.10	0.21	0.10	1.10	67.51

Note : Estimated amount of contracts remaining to be executed on capital account and not provided for as on 31st March, 2022 Rs. 6.20 Crore (31st March, 2021 Nil)

Note 6 - Other intangible assets

Rs. in Crores

Description of Assets	Computer software	Website	Total
I. Cost			
Balance as at April 1, 2021	**0.60**	**0.47**	**1.07**
Additions	–	–	–
Disposals	–	–	–
Balance as at March 31, 2022	**0.60**	**0.47**	**1.07**
II. Accumulated amortisation			
Balance as at April 1, 2021	**0.58**	**0.47**	**1.05**
Amortisation expense for the year	0.01	–	0.01
Eliminated on disposal of assets	–	–	–
Balance as at March 31, 2022	**0.59**	**0.47**	**1.06**
Net carrying amount (I-II)			
Balance as at March 31, 2022	**0.01**	**–**	**0.01**
Balance as at March 31, 2021	0.02	–	0.02

Rs. in Crores

Description of Assets	Computer software	Website	Total
I. Cost			
Balance as at April 1, 2020	0.59	0.47	1.06
Additions	0.01	–	0.01
Disposals	–	–	–
Balance as at March 31, 2021	0.60	0.47	1.07
II. Accumulated amortisation			
Balance as at April 1, 2020	0.58	0.47	1.05
Amortisation expense for the year	*	–	*
Eliminated on disposal of assets	–	–	–
Balance as at March 31, 2021	0.58	0.47	1.05
Net carrying amount (I-II)			
Balance as at March 31, 2021	0.02	–	0.02
Balance as at March 31, 2020	0.01	–	0.01

*** Represent : Rs. 16,933**

Note 7 - Investments

Rs. in Crores

Particular	As at March 31, 2022 QTY	As at March 31, 2022 Amounts Current	As at March 31, 2022 Amounts Non-current	As at March 31, 2021 QTY	As at March 31, 2021 Amounts Current	As at March 31, 2021 Amounts Non-current
A. Investment carried at cost						
Unquoted investments (all fully paid)						
Investments in equity instruments of subsidiaries						
a) Equity shares of USD 550 each in Mahindra Middle East Electrical Steel Service Centre (FZC), Sharjah	**900**	–	**2.25**	900	–	2.25
b) Equity shares of Rs. 10 each in Mahindra Electrical Steel Private Limited	**500,000**	–	**0.50**	500,000	–	0.50
c) Equity shares of Rs. 10 each in Mahindra Steel Service Centre Limited	**10,089,257**	–	**42.45**	10,089,257	–	42.45
d) Equity shares of Rs. 10 each in Mahindra Auto Steel Private Limited	**34,935,000**	–	**34.93**	34,935,000	–	34.93
e) Equity shares of Rs. 10 each in Mahindra MSTC Recycling Private Limited	**23,200,000**	–	**28.60**	22,600,000	–	22.60
f) Equity shares of Indonesian Rp. 10,000,000 each in PT Mahindra Accelo Steel Service Indonesia	**5,549**	–	**27.73**	4,849	–	24.12
Investment carried at cost [A]	–	–	**136.46**	–	–	126.85
B. Investments carried at fair value through profit and loss						
Unquoted investments						
Investments in equity instruments (all fully paid)						
Investments in mutual funds						
a) HDFC Overnight Fund - Growth	**41,462**	**13.00**	–	16,446	5.00	–
b) SBI Overnight Fund-Reg - Growth	**36,502**	**12.51**	–	15,064	5.00	–
c) ICICI Prudential Overnight Fund - Growth	**700,543**	**8.00**	–	270,972	3.00	–
d) Aditya Birla SL Overnight Fund-Reg - Growth	**69,891**	**8.00**	–	40,557	4.50	–
e) Kotak Overnight Fund – Reg – Growth	**70,750**	**8.00**	–	18,246	2.00	–
f) Nippon Overnight Fund	**703,482**	**8.00**	–	–	–	–
g) Axis Overnight Fund	**71,329**	**8.00**	–	–	–	–
Investment carried at FVTPL [B]		**65.51**	–		19.50	–
Total investments [A] + [B]		**65.51**	**136.46**		19.50	126.85

Note 8 - Other financials assets

Rs. in Crores

Particulars	As at March 31, 2022 Amounts Current	As at March 31, 2022 Amounts Non-current	As at March 31, 2021 Amounts Current	As at March 31, 2021 Amounts Non-current
Financial assets at amortised cost				
Bank deposits	**–**	**13.93**	–	–
Security deposits	**–**	**0.18**	–	0.18
Interest receivable				
a) Interest accrued on deposits	**0.20**	**–**	2.92	–
b) Interest accrued on inter-corporate deposit	**0.28**	**–**	0.88	–
Others				
a) Export rebate receivable	**–**	**–**	0.03	–
b) Export incentive receivable	**0.12**	**–**	0.16	–
Total (A)	**0.60**	**14.11**	3.99	0.18
Financial assets at fair value				
Derivatives financial instruments				
Foreign currency forward contracts	**0.34**	**–**	0.04	–
Total (B)	**0.34**	**–**	0.04	–
Total (A+B)	**0.94**	**14.11**	4.03	0.18

Note 9 - Other assets

Rs. in Crores

Particulars	As at March 31, 2022 Current	As at March 31, 2022 Non-current	As at March 31, 2022 Total	As at March 31, 2021 Current	As at March 31, 2021 Non-current	As at March 31, 2021 Total
Capital advances	**–**	**2.85**	**2.85**	–	0.12	0.12
Prepayments	**0.26**	**–**	**0.26**	0.28	–	0.28
Advance income tax (net of provision for tax)	**–**	**8.08**	**8.08**	–	8.08	8.08
Balances with government authorities						
a) GST credit	**14.81**	**–**	**14.81**	12.47	–	12.47
b) Custom duty	**0.43**	**–**	**0.43**	0.58	–	0.58
	15.24	**–**	**15.24**	13.05	–	13.05
Others						
a) Advance to vendors	**1.98**	**–**	**1.98**	0.23	–	0.23
b) Surplus of plan assets over obligation – gratuity	**–**	**0.46**	**0.46**	–	0.81	0.81
c) Others	**0.11**	**0.19**	**0.30**	0.13	0.18	0.31
	2.09	**0.65**	**2.74**	0.36	0.99	1.35
Total	**17.59**	**11.58**	**29.17**	13.69	9.19	22.88

Note 10 - Inventories

Rs. in Crores

Particulars		As at March 31, 2022	As at March 31, 2021
a)	Raw materials [refer note 24]	**319.74**	122.30
b)	Work-in-Progress [refer note 25]	**23.68**	8.10
c)	Finished goods [refer note 25]	**19.82**	11.92
d)	Stock-in-trade [refer note 25]	**169.67**	87.86
e)	Stores and spares	**2.36**	1.88
Total		**535.27**	232.06
Included above, goods-in-transit:			
	Raw materials	**67.46**	20.10

Notes:

i) The cost of inventories recognised as an expenses during the year was Rs. 2,186.41 crores (31st March, 2021 - 932.47 crores).

ii) The cost of inventories recognised as an expenses includes Rs. 0.08 crores (31st March, 2021 - Rs. 0.52 crores) in respect of write-downs of inventory to net realisable value.

iii) The mode of valuation of inventories has been stated in note 3.4

Note 11 - Trade receivables

Rs. in Crores

Particulars		As at March 31, 2022	As at March 31, 2021
Trade receivables			
a)	Considered good-Unsecured	**454.94**	317.75
b)	Credit impaired	**1.57**	1.57
	Less: Allowances for bad and doubtful debts	**(1.57)**	(1.57)
		–	–
Total (a+b)		**454.94**	317.75

Notes:

(i) The average credit period on Job work processing is 30 days and on sales of products ranges between 10 to 120 days.

(ii) There are no trade receivable which have significant increase in credit risk or are credit impaired other than those disclosed above

Particulars	Not Due	Outstanding for following periods from due date of payment: Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
As at March 31, 2022							
Undisputed Trade receivables — considered good	**438.71**	**15.39**	**0.80**	**–**	**0.03**	**0.01**	**454.94**
(Less) Loss Allowance Provision	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Total Trade Receivables	**438.71**	**15.39**	**0.80**	**–**	**0.03**	**0.01**	**454.94**
As at March 31, 2021							
Undisputed Trade receivables — considered good	281.94	34.3	0.17	1.05	0.09	0.2	317.75
(Less) Loss Allowance Provision	–	–	–	–	–	–	–
Total Trade Receivables	281.94	34.3	0.17	1.05	0.09	0.2	317.75

Note 12 - Cash and cash equivalents and Other bank balances

Rs. in Crores

Particulars		As at March 31, 2022	As at March 31, 2021
a)	Cash and cash equivalents		
	Unrestricted balances with banks		
	In current account	**9.69**	9.61
	Fixed deposits with origional maturities less than 3 months	**58.00**	–
	Cheques on hand	**0.39**	–
	Cash on hand	*	*
		68.08	9.61
b)	Other bank balances		
	In deposit account	**–**	152.77
		–	152.77

* Represents Rs. 26,139 (31st March, 2021 : Rs. 37,160)

Note 13 - Loans

Rs. in Crores

Particulars	As at March 31, 2022 Current	Non-current	Total	As at March 31, 2021 Current	Non-current	Total
Loans						
Inter-corporate deposits given :						
Unsecured considered good						
to related parties						
a) Mahindra Auto Steel Private Limited (refer Note 38) *	–	–	–	3.00	–	3.00
b) Mahindra Steel Service Center Limited (refer Note 38) *	**20.50**	–	**20.50**	9.25	–	9.25
c) Mahindra Electrical Steel Private Limited (refer Note 38) *		–	–	12.20	–	12.20
d) PT Mahindra Accelo Steel Indonesia (refer Note 38) *	**3.00**	–	**3.00**	–	–	–
to others						
HDFC Ltd	–	–	–	5.50	–	5.50
To employees	–	–	–	**	–	–
Total	**23.50**	–	**23.50**	29.95	–	29.95
Total	**23.50**	–	**23.50**	29.95	–	29.95

* Private Limited companies in which directors of the Company are directors.
** Represents Rs. 50,000/-

Note 14 - Share capital

Particulars	As at March 31, 2022 Number of Shares	Rs. in Crores	As at March 31, 2021 Number of Shares	Rs. in Crores
(a) Authorised				
Equity shares of Rs. 10 each	**28,000,000**	**28.00**	28,000,000	28.00
Cumulative redeemable preference shares of Rs. 100 each	**1,875,000**	**18.75**	1,875,000	18.75
	29,875,000	**46.75**	29,875,000	46.75
(b) Issued				
Equity shares of Rs. 10 each	**27,100,007**	**27.10**	27,100,007	27.10
(c) Subscribed and fully paid up				
Equity shares of Rs. 10 each	**12,100,007**	**12.10**	12,100,007	12.10
(d) Subscribed but not fully paid up				
Equity shares of Rs. 10 each, Rs. 7 not paid up	**15,000,000**	**4.50**	15,000,000	4.50
	27,100,007	**16.60**	27,100,007	16.60

(i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period

Particulars	As at March 31, 2022 Number of Shares	Rs. in Crores	As at March 31, 2021 Number of Shares	Rs. in Crores
Equity shares of Rs. 10 each				
Subscribed and fully paid up				
Opening Balance	**12,100,007**	**12.10**	12,100,007	12.10
Fresh issue	–	–	–	–
Buy back	–	–	–	–
Closing Balance	**12,100,007**	**12.10**	12,100,007	12.10
Subscribed but not fully paid up				
Opening Balance	**15,000,000**	**4.50**	15,000,000	4.50
Fresh issue	–	–	–	–
Buy back	–	–	–	–
Closing Balance	**15,000,000**	**4.50**	15,000,000	4.50

(ii) The Company has not allotted any equity shares for consideration other than cash, bonus shares, nor have any shares been bought back during the period of five years immediately preceding the Balance Sheet date.

Terms/rights attached to equity shares

The Company has only one class of equity share having a par value of Rs. 10/- per share. Each shareholder has the following voting rights (i) On a show of hands: one vote for a member present in person or being a company present by a representative duly authorised shall have one vote. and (ii) On a poll: the voting rights of every member entitled to vote and present in person (including a company present by representative duly authorised) or by proxy shall be in proportion to his share of the paid up equity capital of the Company. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing annual general meeting, except in case of interim dividend. In the event of winding up, the liquidator may, with the sanction of a special resolution of the Company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the company, whether they shall consist of property of the same kind or not.

(iii) Details of shares held by the holding company

Particulars	As at March 31, 2022	As at March 31, 2021
Mahindra and Mahindra Limited (including 6 equity shares held jointly with its nominees) (Refer note 39) ..	**27,100,007**	27,100,007

(iv) Details of shares held by each shareholder holding more than 5% shares

	As at March 31, 2022		As at March 31, 2021	
Particulars	Number of shares	% of holding	Number of shares	% of holding
Mahindra and Mahindra Limited (including 6 equity shares held jointly with its nominees) (Refer note 39) ..	**27,100,007**	**100%**	27,100,007	100%

Note 15 - Other equity

Rs. in Crores

Particulars	General reserve	Capital redemption reserve	Retained earnings	Total
Balance as at March 31, 2020	**52.87**	**18.75**	**507.59**	**579.21**
Profit for the year	–	–	59.89	59.89
Other comprehensive income (net of tax)	–	–	(0.08)	(0.08)
Total comprehensive income for the year	–	–	59.81	59.81
Dividend paid on equity shares (Rs. 8.60 per share on fully paid & Rs. 2.58 per share on partly paid equity share)	–	–	(14.28)	(14.28)
Balance as at March 31, 2021	**52.87**	**18.75**	**553.13**	**624.75**
Profit for the year	–	–	143.92	143.92
Other comprehensive loss (net of tax)	–	–	(0.06)	(0.06)
Total comprehensive income for the year	–	–	143.86	143.86
Dividend paid on equity shares (Rs. 20.00 per share on fully paid & Rs. 6.00 per share on partly paid equity share)	–	–	(33.20)	(33.20)
Balance as at March 31, 2022	**52.87**	**18.75**	**663.78**	**735.40**

Note 16 - Other financial liabilities

Rs. in Crores

Particulars	As at March 31, 2022	As at March 31, 2021
Non Current		
Financial liabilities measured at fair value		
Cash-settled share-based payments	**1.23**	1.14
Total	**1.23**	1.14
Current		
a) Financial liabilities measured at fair value		
i) Derivatives financial instruments		
Foreign currency forward contracts	**0.72**	0.51
ii) Others		
Cash-settled share-based payments	**1.75**	0.98
Total (a)	**2.47**	1.49
b) Financial liabilities measured at amortised cost		
i) Overdrawn bank balances (as per books)	**0.05**	0.04
ii) Short term deposits	**1.54**	1.06
ii) Creditors for capital supplies/services	**–**	0.06
iv) Salary & wages payable	**4.09**	2.58
Total (b)	**5.68**	3.74
Total (a+b)	**8.15**	5.23

Note 17 - Provisions

Rs. in Crores

Particulars	As at March 31, 2022	As at March 31, 2021
Non Current		
Provision for employee benefits		
a) Provision for compensated absences	**3.46**	2.92
b) Provision for post retirement medical benefit	**0.57**	0.64
Total	**4.03**	3.56
Current		
Provision for employee benefits		
a) Provision for compensated absences	**0.59**	0.45
b) Provision for post retirement medical benefit	**0.02**	0.03
Total	**0.61**	0.48

Note 18 - Current tax

(a) Income Tax recognised in profit and loss

Rs. in Crores

Particulars	For the year ended on March 31, 2022	For the year ended on March 31, 2021
Current tax:		
In respect of current year	**52.00**	19.85
In respect of prior year	**–**	–
Deferred tax (Asset)/Liability:		
In respect of current year origination and reversal of temporary differences	**(2.15)**	0.80
Total	**49.85**	20.65

(b) Income tax recognised in other comprehensive income

Rs. in Crores

Particulars	For the year ended on March 31, 2022	For the year ended on March 31, 2021
Deferred tax related to items recognised in other comprehensive income during the year:		
Remeasurement of defined benefit obligation	**(0.02)**	(0.03)
Total	**(0.02)**	(0.03)
Bifurcation of income tax recognised in other comprehensive income into:		
– Items that will not be reclassified to profit and loss	**(0.02)**	(0.03)
– Items that may be reclassified to profit and loss	**–**	–

(c) Reconciliation of income tax expense and the accounting profit multiplied by Company's domestic tax rate:

Rs. in Crores

Particulars	For the year ended on March 31, 2022	For the year ended on March 31, 2021
Profit before tax	**193.77**	80.54
Income tax expense calculated at 25.168%	**48.77**	20.27
Effect of expenses that is non-deductible in determining taxable profit	**0.42**	0.44
Others	**0.66**	(0.09)
	49.85	20.62
Adjustments recognised in the current year in relation to the current tax of prior years	**–**	**–**
Income tax expense recognised in the Statement of profit and loss	**49.85**	20.62

The tax rate used for the year ended 31st March, 2022 and 31st March, 2021 reconciliations above is the corporate tax rate of 25.168% (including surcharge of 10% and education cess of 4%) payable by corporate entities in India on taxable profits under Indian Income Tax Law.

Note 19 - Deferred tax

Rs. in Crores

Particulars	As at March 31, 2022			
	Opening Balance	Recognised in profit and loss	Recognised in OCI	Closing Balance
Tax effect of items constituting deferred tax liabilities				
Property, plant and equipment	**4.25**	**(0.12)**	–	**4.13**
Tax effect of items constituting deferred tax assets	–			
Employee benefits	**(1.38)**	**(0.39)**	–	**(1.77)**
Allowance for bad and doubtful debts	**(0.39)**	–	–	**(0.39)**
FVTPL financial instruments including derivatives	**(0.13)**	**(0.09)**	–	**(0.22)**
Others	**(0.53)**	**(1.55)**	–	**(2.08)**
Total	**1.82**	**(2.15)**	–	**(0.33)**

Particulars	As at March 31, 2021			
	Opening Balance	Recognised in profit and loss	Recognised in OCI	Closing Balance
Tax effect of items constituting deferred tax liabilities				
Property, plant and equipment	4.48	(0.23)	–	4.25
Tax effect of items constituting deferred tax assets				
Employee benefits	(2.25)	0.90	(0.03)	(1.38)
Allowance for bad and doubtful debts	(0.41)	0.02	–	(0.39)
FVTPL financial instruments including derivatives	(0.08)	(0.05)	–	(0.13)
Others	(0.69)	0.16	–	(0.53)
Total	1.05	0.80	(0.03)	1.82

Note 20 - Trade payable

Rs. in Crores

Particulars	As at March 31, 2022	As at March 31, 2021
Trade payable for goods and services		
a) total outstanding dues of micro enterprises and small enterprises; and	**3.73**	1.57
b) total outstanding dues of creditors other than micro enterprise and small enterprises	**600.74**	309.70
Total	**604.47**	311.27

Note: Dues to Micro, Small and Medium Enterprises

Rs. in Crores

Particulars	As at March 31, 2022	As at March 31, 2021
1) The amounts remaining unpaid to micro and small suppliers as at the end of the year Principal	**3.73**	1.57
2) Interest due thereon	–	–
3) The amounts of the payments made to micro and small suppliers beyond the appointed day during each accounting year	–	–
4) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act,2006	–	–
5) The amount of interest accrued and remaining unpaid at the end of each accounting year.	–	–
6) The amount of further interest remaining due and payable even in the succeeding years until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under the MSMED Act, 2006	–	–

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management. This has been relied upon by the auditors.

Rs. in Crores

Particulars	Not due	Less than 1 Year	1-2 years	2-3 years	More than 3 years	Total
	Outstanding for following periods from due					
As at March 31, 2022						
Trade payables — MSME	**3.73**	**–**	**–**	**–**	**–**	**3.73**
Trade payables — Others	**491.35**	**109.39**	**–**	**–**	**–**	**600.74**
Disputed dues — MSME	**–**	**–**	**–**	**–**	**–**	**–**
Disputed dues — Others	**–**	**–**	**–**	**–**	**–**	**–**
Total Trade Payable	**495.08**	**109.39**	**–**	**–**	**–**	**604.47**
As at March 31, 2021						
Trade payables — MSME	1.57	–	–	–	–	1.57
Trade payables — Others	255.32	53.86	0.23	0.19	0.10	309.70
Disputed dues — MSME	–	–	–	–	–	–
Disputed dues — Others	–	–	–	–	–	–
Total Trade Payable	256.89	53.86	0.23	0.19	0.10	311.27

Note 21 - Other liabilities

Rs. in Crores

Particulars	As at March 31, 2022	As at March 31, 2021
a) **Advances received from customers**	**6.44**	1.92
b) **Others**		
– Employee recoveries and employer contributions	**0.18**	0.16
– Statutory dues (TDS, GST payable etc)	**1.88**	7.49
Total	**8.50**	9.57

Note 22 - Revenue from operations

Rs. in Crores

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Revenue from contracts with customers :		
a) Revenue from sale of goods (Refer Note (a) below)	**2,402.50**	1,024.25
b) Revenue from rendering of services (Refer Note (b) below)	**5.76**	5.05
Total (A)	**2,408.26**	1,029.30
Other operating income (Refer Note (c) below) (B)	**42.99**	21.98
Total (A+B)	**2,451.25**	1,051.28

Note :

The management determines that the segment information reported under Note 35 "Segment information" is sufficient to meet the disclosure objective with respect to disaggregation of revenue under Ind AS 115 Revenue from contract with Customers. Hence, no separate disclosures of disaggregated revenues are reported.

Rs. in Crores

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Note:		
(a) Sale of products comprises:		
Manufactured goods		
– Steel products	**1,521.34**	755.44
Traded goods		
– Steel products	**881.16**	268.81
Total	**2,402.50**	1,024.25
(b) Rendering of services comprises:		
– Job work processing	**1.28**	0.86
– Installation/repairs	**–**	0.25
– Management fees	**4.48**	3.94
Total	**5.76**	5.05
(c) Other operating income comprise:		
– Scrap sales	**39.30**	19.58
– Commission income	**3.26**	1.87
– Insurance claim	**0.16**	0.10
– Other operating income	**0.27**	0.43
Total	**42.99**	21.98
Total	**2,451.25**	1,051.28

Note 23 - Other income

Rs. in Crores

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
a) Interest income:		
– Bank deposits (at amortised cost)	**4.80**	6.97
– Interest on inter-corporate deposits	**2.81**	3.22
– Other	**–**	0.09
b) Dividend income:		
– From long-term investments in subsidiaries	**0.10**	0.49
c) Other:		
– Liabilities no longer required written back	**–**	0.11
– Net gain on foreign exchange transactions and translations	**–**	4.19
– Fair value gain on derivatives financial instruments at fair value through profit or loss	**0.10**	–
– Gain on sale of current investments	**0.45**	0.41
– Gain on sale of property, plant and equipment (net of loss on property, plant and equipment sold/scrapped/written off)	**0.07**	–
Total	**8.33**	15.48

Note 24 - Cost of materials consumed

Rs. in Crores

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Opening Stock	**122.30**	158.75
Add: Purchases [includes processing charges Rs. 14.26 Crores (FY 2021 Rs. 9.24 Crores)]	**1,571.37**	647.36
	1,693.67	806.11
Less: Closing Stock	**319.74**	122.30
Total	**1,373.93**	683.81

Note 25 - Changes in inventories of finished goods, work-in-progress and stock-in-trade

Rs. in Crores

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Inventories at the end of the year: Steel products		
Finished goods	**19.82**	11.92
Work-in-progress	**23.68**	8.10
Stock-in-trade	**169.67**	87.86
	213.17	107.88
Inventories at the beginning of the year: Steel products		
Finished goods	**11.92**	14.64
Work-in-progress	**8.10**	11.29
Stock-in-trade	**87.86**	47.47
	107.88	73.40
(Increase)/Decrease in Stock	**(105.29)**	(34.48)

Note 26 - Employee benefits expense

Rs. in Crores

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
a) Salaries and wages	**19.15**	15.10
b) Contribution to provident and other funds (refer Note 34)	**1.05**	1.02
c) Share based payments to employees (refer Note 33)	**3.03**	1.61
d) Staff welfare expenses	**2.19**	0.17
Total	**25.42**	17.90

Note 27 - Finance costs

Rs. in Crores

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
a) Usance interest	**0.90**	0.85
b) Unwinding interest on lease liability	**0.32**	0.09
c) Other interest cost	**0.49**	–
d) Other finance cost	**0.84**	0.75
Total	**2.55**	1.69

Analysis of interest expenses by category

Rs. in Crores

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
a) On financial liability at amortised cost	**1.71**	0.94
b) On non-financial liabilities	**0.84**	0.75
Total	**2.55**	1.69

Note 28 - Other expenses

Rs. in Crores

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
a) Stores and spares consumed	**1.10**	0.55
b) Power & fuel oil consumed	**1.15**	0.94
c) Freight and handling charges	**16.20**	10.62
d) Repairs and maintenance - Buildings	**0.22**	–
e) Repairs and maintenance - Machinery	**0.74**	0.40
f) Repairs and maintenance - Others	**1.19**	0.48
g) Rent	**0.16**	0.21
h) Rates and taxes	**0.24**	0.17
i) Insurance charges	**0.76**	0.69
j) Bad debts written off	**0.32**	0.01
k) Net loss on foreign currency transactions and translation	**5.03**	–

Rs. in Crores

Particulars		For the year ended March 31, 2022	For the year ended March 31, 2021
l)	Fair value loss on derivatives financial instruments at fair value through profit or loss	–	2.62
m)	Auditors' remuneration (refer Note below)	**0.38**	0.25
n)	Legal and professional fees	**2.98**	1.43
o)	Expenditure on corporate social responsibility (CSR) under section 135 of the Companies Act, 2013 (refer Note 32)	**1.66**	1.74
p)	Loss on sale of property, plant and equipment (net of gain on property, plant and equipment sold / scrapped / written off)	–	0.01
q)	Miscellaneous expenses	**10.63**	5.25
Total		**42.76**	25.37

Note

Rs. in Crores

Particulars		For the year ended March 31, 2022	For the year ended March 31, 2021
Payment to auditors			
To Statutory auditors-			
a)	For audit	**0.37**	0.24
b)	For other services	**0.01**	0.01
c)	Reimbursement of expenses	–	*
* represents Rs. 8500/-		**0.38**	0.25

Note 29 - Ratios

Sr. No.	Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021	Variance	Refer foot note
1	**Current ratio (times)** Current assets / Current liabilities	**1.86**	2.39	**-22%**	
2	**Debt-Equity ratio (times)** (Long term borrowings + short term borrowings (including current maturities of long term borrowings) / (Total equity)	–	–	0%	1
3	**Debt service coverage ratio (times)** (Profit before interest, tax and depreciation) / (gross interest for the period + principal repayments within a year)	–	–	0%	1
4	**Return on Equity** (Net profit for the period / Total equity)	**19.14%**	9.34%	105%	2
5	**Inventory turnover (times)** (Cost of materials consumed / Average inventories for the period)	**5.70**	4.01	42%	3
6	**Trade receivables turnover (times)** Revenue from sale of goods and services) / (Average trade receivable for the year)	**6.23**	4.07	53%	3
7	**Trade payables turnover (times)** (Purchase of goods and services) / (Average trade payable for the year)	**5.44**	3.57	52%	3
8	**Net working capital turnover (times)** Revenue from sale of goods and services) / (working Capital i.e. current assets - current liabilities)	**4.47**	2.27	96%	3
9	**Net Profit margin (%)** (Net Profit for the period / Revenue from operations)	**5.87%**	5.70%	3%	
10	**Return on capital employed (%)** (Profit before interest and tax / total equity and total debt)	**26.11%**	12.82%	104%	2
11	**Return on Investment (%)** (Total income from investment / Average investment for the period)	**1.09%**	1.74%	-37%	4

1) The company dose not have any debt during the fianancial year.
2) There is overall improvement in operation and overall economic activity. resulting into improvement in ratio.
3) Better working capital management resulted into improvement in turnover ratio.
4) ROI % lower compared to previous year mainly due to lower avarage investment days.

Note 30 - Contingent liabilities and commitments (to the extent not provided for)

Rs. in Crores

Particulars		As at March 31, 2022	As at March 31, 2021
Contingent liabilities and commitments (to the extent not provided for):			
(i)	Claims against the Company not acknowledged as debts:		
	Central Sales Tax (CST) (Gujarat) FY 2010-11	**1.12**	1.12
(ii)	Commitments:		
	Estimated amount of contracts remaining to be executed on capital account and not provided for	**6.20**	0.10

Note : The Company has given comfort letter to its wholly owned subsidiary Mahindra Electrical Steel Private Limited (MESPL) to provide such financial support as may be required by MESPL from time to time to meet its financial obligations atleast till 31st March, 2023.

Note 31 - Earnings per share:

Rs. in Crores

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Basic/Diluted		
Profit after tax for the year (Rs. in Crores) (A)	**143.92**	59.89
Weighted average number of shares Basic/Diluted (B)	**16,600,007**	16,600,007
Earnings per share Basic/Diluted (Rupees) (A/B)	**86.70**	36.08
Nominal value of equity share (Rupees)	**10.00**	10.00

Note 32 - Corporate social responsibility

The CSR obligation for the year as computed by the Company and relied upon by the auditors is Rs. 1.66 Crores (FY 2021 Rs. 1.74 Crores). CSR amount spent during the year is Rs. 1.66 Crores (FY 2021 Rs. 1.74 Crores).

Note 33 - Stock Appreciation Rights

In accordance with the directions and recommendations of the Remuneration Committee of the Company, the Company grants SARs to eligible employees/directors. SARs granted would vest over a period of five years, or such period as stipulated by the Remuneration Committee, from the date of grant. Upon vesting of SARs eligible employees are entitled to earn cash benefits as prescribed.

One SAR shall be entitled to a cash benefit which would be the difference between the Fair Value of one fully-paid Equity Share of the Company on the exercise date less the Face Value of the Equity Share of the Company on the grant date. Provided, however, that once SARs have vested, an eligible employee will have the option to exercise the same within a maximum period of three years from the vesting date during such periods of time as determined by the Company.

An Eligible Employee must exercise all the accumulated vested SARs by the Maximum Exercise Period which would be the earlier of the following two events:

(i) 30th June 2024; OR

(ii) Any monetisation event involving the Company, including but not limited to Private Equity Funding / Preferential Allotment of Shares / Public Offering of Shares / Merger / Demerger, etc.

SARs remaining unexercised at the end of the Maximum Exercise Period (as specified above) or such extended period as may be determined by the Remuneration Committee, shall lapse

The Company has granted Stock Appreciation Rights ("SARs") to eligible employees in accordance with the Stock Appreciation Rights Schemes

The Company has granted Stock Appreciation Rights ("SARs") to eligible employees in accordance with the Stock Appreciation Rights Scheme 2013 (SARS-2013) during the years ended 31st March, 2015, 31st March 2016, 31st March 2017, 31st March 2018, 31st March 2020 and as per Stock Appreciation Rights Scheme 2020 (SARS-2020) during the year ended 31st March 2021.

Details of stock appreciation rights outstanding as on March 31, 2022

					Rs. in Crores
Particulars	**Number of shares**	**Grant date**	**Expiry date**	**Exercise price (In Rs.)**	**Fair value at grant date (In Rs.)**
Cash settled					
F'18 grants	4,134	06/02/2018	30/06/2024	10	108.75
F'20 grants	63,455	25/04/2019	30/06/2024	10	179.42
F'20 grants	63,511	25/04/2019	30/06/2024	10	179.42
F'21 grants	1,152	30/01/2021	31/03/2025	10	191.77
F'21 grants	1,152	30/01/2021	31/03/2025	10	191.77
F'21 grants	1,156	30/01/2021	31/03/2025	10	191.77

Movement in Stock appreciation rights

	Particulars	**Number of shares**
1	The number of share options outstanding at the beginning of the year	220,938
2	Granted during the period	–
3	Forfeited during the year	14,640
4	Exercised during the period	71,738
5	Outstanding at the end of the period	134,560

Stock Appreciation Right's exercised during the year

Particulars	Number of SAR's	Exercised date	Share price at exercise date (In Rs.)
Cash settled			
F'18 grant	2,786	15/03/2022	388.30
F'18 grant	215	15/03/2022	388.30
F'18 grant	4,130	15/03/2022	388.30
F'20 grant	63,455	15/03/2022	388.30
F'21 grant	1,152	15/03/2022	388.30

The inputs used in the measurement of the fair values at grant date of the cash-settled share-based payment plans were as follows.

	Particulars	**Cash settled Share Appreciation Rights**
1	Share price (In Rs.)	388.30
2	Exercise price (In Rs.)	10
3	Expected volatility (weighted-average)	50.30%
4	Expected life/Option Life (weighted-average)	1.75
5	Expected dividends yield	5.15%
6	Risk–free interest rate (based on government bonds)	4.90%

Note 34 - Employee benefits

(a) Defined Contribution Plan

The Company has recognized, in the Statement of profit and loss for the year, an amount of Rs. 0.88 Crore (31st March, 2021 Rs. 0.83 Crore) as expenses under defined contribution plans.

		Rs. in Crores
Benefit (Contribution to)	**For the year ended March 31, 2022**	For the year ended March 31, 2021
Provident fund	**0.46**	0.42
Pension fund	**0.31**	0.30
Superannuation fund	**0.11**	0.11
Total	**0.88**	0.83

(b) Defined Benefit Plans:

(i) Gratuity

The Company operates a gratuity plan covering qualifying employees. The benefit payable is the greater of the amount calculated as per the Payment of Gratuity Act, 1972 or the Company scheme applicable to the employees. The benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. In case of death while in service, the gratuity is payable irrespective of vesting.

Nature of benefits:

The gratuity benefits payable to the employees are based on the employee's service and last drawn salary at the time of leaving. The employees do not contribute towards this plan and the full cost of providing these benefits are met by the Company.

Regulatory framework:

There are no minimum funding requirements for a gratuity plan in India. The trustees of the gratuity fund have a fiduciary responsibility to act according to the provisions of the trust deed and rules. Since the fund is income tax approved, the Company and the trustees have to ensure that they are at all times fully compliant with the relevant provisions of the income tax and rules. Besides this if the Company is covered by the Payment of Gratuity Act, 1972 then the Company is bound to pay the statutory minimum gratuity as prescribed under this Act.

Governance of plan:

The Company has setup an income tax approved irrevocable trust fund to finance the plan liability. The trustees of the trust fund are responsible for the overall governance of the plan. The plan is funded under Group Gratuity Scheme which is administered by LIC. The Company makes annual contribution to the plan.

Inherent risk

The plan is of a final salary defined benefit in nature which is sponsored by the Company and hence it underwrites all the risks pertaining to the plan. In particular, there is a risk for the Company that any adverse salary growth or demographic experience or inadequate returns on underlying plan assets can result in an increase in cost of providing these benefits to employees in future. Since the benefits are lump sum in nature the plan is not subject to any longevity risks.

(ii) Post retirement medical benefits:

The Company provides post retirement medical cover to select grade of employees to cover the retiring employee and their spouse upto a specified age through Mediclaim policy on which the premiums are paid by the Company. The eligibility of the employee for the benefit as well as the amount of medical cover purchased is determined by the grade of the employee at the time of retirement.

Nature of benefits:

The Company operates a defined benefit post-retirement medical plan. The benefits payable to the employees are post their retirement from the Company. The employees do not contribute towards this plan and the full cost of providing these benefits are met by the Company.

Regulatory framework:

There are no minimum funding requirements for such a post-retirement medical plan in India. The Company has chosen not to fund the post-retirement benefit liabilities of the plan but instead carry a provision based on actuarial valuation in its books of accounts.

Governance of plan:

The Company is responsible for the overall governance of the plan. Since the plan is unfunded, the governance of the plan is limited to employees being paid the benefits as per the terms of the plan.

Inherent risk

The plan is of a defined benefit in nature which is sponsored by the Company and hence it underwrites all the risks pertaining to the plan. In particular, there is a risk for the Company that any adverse increase in healthcare costs or demographic experience can result in an increase in cost of providing these benefits to employees in future. The benefits are also paid post retirement upto a specified age of the beneficiaries and the plan carries the longevity risks.

Life expectancy

The majority of the plan's obligations are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the plan's liabilities. This is particularly significant in the Company's defined benefit plans, where inflationary increases result in higher sensitivity to changes in life expectancy.

Defined benefit plans – as per actuarial valuation on March 31, 2022

				Rs. in Crores
	Funded Plan		Unfunded Plans	
	Gratuity		Post retirement medical	
Particulars	**For the year ended March 31, 2022**	For the year ended March 31, 2021	**For the year ended March 31, 2022**	For the year ended March 31, 2021
I. Expense recognised in the Statement of Profit and Loss				
1. Current/past service cost	**0.24**	0.23	**0.03**	0.03
2. Interest on net defined benefit liability/ (asset)...	**(0.06)**	(0.06)	**0.04**	0.03
	0.18	0.17	**0.07**	0.06
II. Included in other Comprehensive Income				
1. Actual return on plan assets less interest on plan assets	**(0.07)**	0.11	**–**	–
2. Actuarial (Gain)/Loss on account of:				
– Financial Assumptions	**0.19**	(0.01)	**(0.03)**	–
– Experience Adjustments	**0.19**	(0.14)	**(0.10)**	0.21
3. Adjustment to recognise the effect of asset ceiling	**0.10**	(0.06)	**–**	–
	0.41	(0.10)	**(0.13)**	0.21
III. Net Asset/(Liability) recognised in the Balance Sheet				
1. Present value of defined benefit obligation as at 31st March...................	**4.35**	3.69	**0.59**	0.67
2. Fair value of plan assets as at 31st March	**4.82**	4.61	**–**	–
3. Amount not recognised due to asset limit........	**0.02**	0.11	**–**	–
4. Surplus/(Deficit)	**0.45**	0.81	**(0.59)**	(0.67)
5. Current portion of the above	**–**	–	**(0.02)**	(0.03)
6. Non current portion of the above	**0.45**	0.81	**(0.57)**	(0.64)
IV. Change in the obligation during the year				
1. Present value of defined benefit obligation at the beginning of the year..	**3.69**	3.85	**0.67**	0.45
2. Expenses Recognised in Profit and Loss Account				
– Current Service Cost	**0.24**	0.23	**0.03**	0.03
– Past Service Cost.....	**–**	–	**–**	–
– Interest Expense (Income)..................	**0.23**	0.23	**0.04**	0.03
3. Recognised in Other Comprehensive Income Remeasurement gains/ (losses)				
– Actuarial Gain (Loss) arising from:				
i. Financial Assumptions............	**0.19**	(0.01)	**(0.03)**	–
ii. Experience Adjustments............	**0.19**	(0.14)	**(0.10)**	0.21
4. Benefit payments	**(0.16)**	(0.47)	**(0.02)**	(0.05)
5. Liabilities assumed/ (settled) on intra group transfer	**(0.03)**	–	**–**	–

Particulars	Funded Plan		Unfunded Plans	
	Gratuity		Post retirement medical	
	For the year ended March 31, 2022	For the year ended March 31, 2021	**For the year ended March 31, 2022**	For the year ended March 31, 2021
				Rs. in Crores
6. Present value of defined benefit obligation at the end of the year	**4.35**	3.69	**0.59**	0.67
V. Change in fair value of assets during the year				
1. Fair value of plan assets at the beginning of the year	**4.61**	4.90	**–**	–
2. Interest on plan assets....	**0.29**	0.29	**–**	–
3. Recognised in Other Comprehensive Income Remeasurement gains/ (losses)				
– Actual Return on plan assets in excess of the expected return	**0.07**	(0.11)		
4. Contributions by employer (including benefit payments recoverable)	**0.01**	–	**0.02**	0.05
5. Benefit paid	**(0.16)**	(0.47)	**(0.02)**	(0.05)
6. Assets acquired/(settled) on intra group transfer	**–**	–	**–**	–
7. Fair value of plan assets at the end of the year ..	**4.82**	4.61	**–**	–
VI. The Major categories of plan assets				
– List the plan assets by category here				
– Insurer managed funds.......................	**4.82**	4.61	**–**	–
VII. Actuarial assumptions				
1. Discount rate	**6.90%**	6.55%	**6.90%**	6.55%
2. Medical premium inflation	**–**	–	**6%**	6%
3. Rate of increase in compensation levels....	**8%**	7%	**–**	–
4. Mortality table	IALM (2012-14) ult	IALM (2012-14) ult	IALM (2012-14) ult	IALM (2012-14) ult

The expected rate of return on plan assets is based on the average long term rate of return expected on investments of the fund during the estimated term of obligation.

The estimate of future salary increases, considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

(c) Sensitivity analysis:

Gratuity

Gratuity is a lump sum plan and the cost of providing these benefits is typically less sensitive to small changes in demographic assumptions. The key actuarial assumptions to which the benefit obligation results are particularly sensitive to are discount rate and future salary escalation rate. The following table summarizes the impact on the reported defined benefit obligation at the end of the reporting period arising on account of an increase or decrease in the reported assumption by 100 basis points.

These sensitivities have been calculated to show the movement in defined benefit obligation in isolation and assuming there are no other changes in market conditions at the accounting date. There have been no changes from the previous periods in the methods and assumptions used in preparing the sensitivity analyses.

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

Rs. in Crores

Principal assumptions	Year	Changes in assumption	Impact on defined benefit obligation: Increase in assumption	Decrease in assumption
Discount rate	**2022**	**1%**	**4.06**	**4.67**
	2021	1%	3.45	3.97
Salary growth rate	**2022**	**1%**	**4.66**	**4.06**
	2021	1%	3.97	3.45

Post retirement medical benefits

The benefit obligation results for the cost of paying hospitalization premiums to insurance company in future for the employee / beneficiaries during their lifetime is sensitive to discount rate and future increase in healthcare costs.

The following table summarizes the impact on the reported defined benefit obligation at the end of the reporting period arising on account changes in these three key parameters:

These sensitivities have been calculated to show the movement in defined benefit obligation in isolation and assuming there are no other changes in market conditions at the accounting date. There have been no changes from the previous periods in the methods and assumptions used in preparing the sensitivity analyses.

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

Rs. in Crores

Principal assumption	Year	Changes in assumption	Impact on defined benefit obligation: Increase in assumption	Decrease in assumption
Discount rate	**2022**	**1%**	**0.51**	**0.66**
	2021	1%	0.60	0.75
Medical inflation rate	**2022**	**1%**	**0.66**	**0.51**
	2021	1%	0.75	0.60

(d) Expected contributions for the next year:

The Company expects to contribute Nil to the gratuity trusts during the next financial year of 2023.

(e) Expected future benefits payable:

Gratuity

Rs. in Crores

Maturity profile of defined benefit obligation:	As at March 31, 2022	As at March 31, 2021
Within 1 year..	**0.35**	0.31
1 - 2 year..	**0.55**	0.31
2 - 3 year..	**0.55**	0.47
3 - 4 year..	**0.59**	0.49
4 - 5 year..	**0.44**	0.55
5 - 9 years..	**1.72**	1.08
10 years and above...	**3.61**	3.21

Post retirement medical benefits

Maturity profile of defined benefit obligation:	As at March 31, 2022	As at March 31, 2021
		Rs. in Crores
Within 1 year	**0.02**	0.03
1 - 2 year	**0.02**	0.04
2 - 3 year	**0.02**	0.03
3 - 4 year	**0.03**	0.03
4 - 5 year	**0.03**	0.04
5 - 9 years	**0.13**	0.15
10 years and above	**1.47**	1.40

Note 35 - Segment Reporting

Segment information:

The Company has identified 'Steel Processing' (for steel entities) as its only primary reportable segment. The Managing Director of the Company has been identified as the Chief Operating Decision Maker (CODM) as defined under Ind AS 108. CODM reviews overall financial information of the Company together for performance evaluation and allocation of resources and does not review any discrete information to evaluate performance of any individual product or geography.

Geographical Information

The amount of the Company's revenue from external customers broken down by location of the customers is shown in the table below:

Rs. in Crores

Location	For the year ended March 31, 2022	For the year ended March 31, 2021
India	**2,395.34**	1,017.14
Overseas	**12.92**	12.16

The Company operates and has its manufacturing / processing facilities based out of Nashik and Vadodara in India.

There is one customer (FY 2021 : 2 Customers) contributing to more than 10% of the Company's revenue, total amount of revenue from such customers for the year ended on 31st March 2022 is Rs. 456.57 Cr (FY 2021 : was Rs. 204 Cr and Rs. 110.75 Cr respectively).

Note 36 - Financial Instruments

Financial Risk Management Framework

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk. In order to manage the aforementioned risks, the Company operates a risk management policy and a program that performs close monitoring of and responding to each risk factors.

[A] CREDIT RISK

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

(i) Trade receivables

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on payment performance over the period of time and financial analysis including credit rating issued by credit rating agencies. Outstanding customer receivables are regularly monitored and any shipments to other small customers are generally covered by letters of credit.

An impairment analysis is performed at each reporting date on an individual basis for major customers. The Company does not hold collateral as security.

(ii) Financial instruments and cash deposits:

Credit risk from balances with banks and financial institutions is managed by the Company in accordance with the Company's policy. Investments of surplus funds are made only with approved mutual funds or banks and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Company on an annual basis, and may be updated throughout the year subject to approval of the Group's Finance Committee. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

[B] LIQUIDITY RISK

(i) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Company's short, medium and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

(ii) Maturities of financial liabilities

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The amount disclosed in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay.

Particulars	Less than 1 Year	1-3 Years	3-4 Years	5 Years and above	Total	Carrying value
Non-derivative financial liabilities						
March 31, 2022						
Non-interest bearing	**436.80**	**1.23**			**438.03**	**438.03**
Variable interest rate instruments*	**177.21**	**1.80**			**179.01**	**178.41**
Total	**614.01**	**3.03**	**–**	**–**	**617.04**	**616.44**
March 31, 2021						
Non-interest bearing	242.35	1.14	–	–	243.49	243.49
Variable interest rate instruments*	73.78	–	–	–	73.78	73.64
Total	316.13	1.14	–	–	317.27	317.13

* Effective interest rate is 0.71 % (FY 2021 0.75 %)

Sensitivity interest rate increase by 1%: Profit will decrease by Rs. 1.77 Crore for the year ended 31st March, 2022 (Rs. 0.74 Crore for the year ended 31sr March, 2021)

Sensitivity interest rate decrease by 1%: Profit will increase by Rs. 1.77 Crore for the year ended 31st March, 2022 (Rs. 0.74 Crore for the year ended 31st March, 2021)

(iii) Maturities of financial assets

The following table details the Company's expected maturity for its non-derivative financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Company's liquidity risk management as the liquidity is managed on a net asset and liability basis.

Particulars	Less than 1 Year	1-3 Years	3-4 Years	5 Years and above	Total	Carrying amount
Non-derivative financial assets						
March 31, 2022						
Non-interest bearing	**531.13**	**–**	**–**	**–**	**531.13**	**531.13**
Variable interest rate instruments	**–**	**–**	**–**	**0.18**	**0.18**	**0.18**
Fixed interest rate instruments	**96.44**	**–**	**–**	**–**	**96.44**	**95.43**
Total	**627.57**	**–**	**–**	**0.18**	**627.75**	**626.74**
March 31, 2021						
Non-interest bearing	350.85	–	–	–	350.85	350.85
Variable interest rate instruments	–	–	–	0.18	0.18	0.18
Fixed interest rate instruments	185.29	–	–	–	185.29	182.72
Total	536.14	–	–	0.18	536.32	533.75

* Effective interest rate is 4.60% (FY 2021: 5.14%)

The amounts included above for variable interest rate instruments for both non-derivative financial assets and liabilities is subject to change if changes in variable interest rates differ to those estimates of interest rates determined at the end of the reporting period.

(iv) Liquidity analysis for its derivative financial instruments

The following table details the Company's liquidity analysis for its derivative financial instruments. The table has been drawn up based on the undiscounted contractual net cash inflows and outflows on derivative instruments that settle on a net basis, and the undiscounted gross inflows and outflows on those derivatives that require gross settlement.

Particulars	Less than 1 Year	1-3 Years	3-4 Years	5 Years and above
Derivative financial instruments				
March 31, 2022				
Gross settled:				
– foreign exchange forward contracts - liabilities	**0.72**	–	–	–
– foreign exchange forward contracts - assets	**0.34**	–	–	–
March 31, 2021				
Gross settled:				
– foreign exchange forward contracts - liabilities	0.51	–	–	–
– foreign exchange forward contracts - assets	0.04	–	–	–

(v) Financing arrangements

The Company had access to following undrawn borrowing facilities at the end of the reporting period:

Rs. in Crores

Particulars	As at March 31, 2022	As at March 31, 2021
Bank overdraft/ WCDL facility	**16.50**	15.50
Non-Fund Based facility: (LC, BG, LUT, LER)	**54.39**	171.86

[C] MARKET RISK

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. The Company uses derivatives to manage market risks. Derivatives are only used for economic hedging purposes and not as speculative investments. All such transactions are carried out within the guidelines set by the Board of Directors.

There has been no significant changes to the company's exposure to market risk or the methods in which they are managed or measured.

(i) Currency Risk

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. The Company's exposure to currency risk relates primarily to the Company's operating activities when transactions are denominated in a different currency from the Company's functional currency.

The Company manages its foreign currency risk by hedging transactions that are expected to occur within a maximum 12 month period for contracted purchases.

When a derivative is entered into for the purpose of being a hedge, the Company negotiates the terms of those derivatives to match the terms of the hedged exposure. For hedges, the derivatives covers the period of exposure from the point the cash flows of the transactions are forecasted up to the point of settlement of the resulting payable that is denominated in the foreign currency.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows.

Particulars	Currency	As at March 31, 2022	As at March 31, 2021
		Amounts in Crores	
Trade Payables	**USD**	**3.05**	1.03
Payable on purchase of fixed assets	**EURO**	*****	–
Trade Receivable	**USD**	**0.02**	**
Receivable towards commission	**USD**	–	0.01

Of the above foreign currency exposures, the following exposures are not hedged by a derivative:

Particulars	Currency	As at March 31, 2022	As at March 31, 2021
		Amounts in Crores	
Trade Payables	**USD**	**1.27**	0.31
Trade Payables	**EURO**	*****	–
Trade Receivable	**USD**	**0.01**	**
Receivable towards commission	**USD**	**0.01**	0.01

* Represent amount EUR 20,852

** Represent amount FY 2021 :USD 24,975

(ii) Interest rate risk

Refer comment given above in maturities of financial liabilities under liquidity risk.

(iii) Raw material price risk

The Company dose not have significant risk in raw material price variations. In case of any variation in price same is passed on to customers through appropriate adjustment to selling prices.

Note 37 - Fair value measurement

Fair valuation techniques and inputs used

This section explains the judgment and estimates made in determining the fair value of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair value are disclosed in financials statements. To provide an indication about the reliability of the inputs used in determining the fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standards.

Level 1 inputs

Level 1 inputs are quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date. A quoted market price in an active market provides the most reliable evidence of fair value and is used without adjustment to measure fair value whenever available, with limited exceptions. If an entity holds a position in a single asset or liability and the asset or liability is traded in an active market, the fair value of the asset or liability is measured within Level 1 as the product of the quoted price for the individual asset or liability and the quantity held by the entity, even if the market's normal daily trading volume is not sufficient to absorb the quantity held and placing orders to sell the position in a single transaction might affect the quoted price.

Level 2 inputs

Level 2 inputs are inputs other than quoted market prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 2 inputs include:

- quoted prices for similar assets or liabilities in active markets
- quoted prices for identical or similar assets or liabilities in markets that are not active
- inputs other than quoted prices that are observable for the asset or liability, for example
- interest rates and yield curves observable at commonly quoted intervals
- implied volatilities
- credit spreads
- inputs that are derived principally from or corroborated by observable market data by correlation or other means ('market-corroborated inputs')

Level 3 inputs

Level 3 inputs are unobservable inputs for the asset or liability. Unobservable inputs are used to measure fair value to the extent that relevant observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date. An entity develops unobservable inputs using the best information available in the circumstances, which might include the entity's own data, taking into account all information about market participant assumptions that is reasonably available.

Fair value of financial assets and financial liabilities that are not measured at fair value

Particulars	Level 1	Level 2	Level 3	Total
	Fair value hierarchy as at March 31, 2022			
Financial assets				
Financial assets carried at Amortised Cost				
– Trade and other receivables	–	**454.94**	–	**454.94**
– Cash and cash equivalents	–	**68.08**	–	**68.08**
– Inter Corporate Deposits	–	**23.50**	–	**23.50**
– Interest receivable	–	**0.48**	–	**0.48**
– Others	–	**14.23**	–	**14.23**
Total	–	**561.23**	–	**561.23**
Financial liabilities				
Financial liabilities held at amortised cost				
– Lease liabilities		**3.31**		**3.31**
– Short term deposits	–	**1.54**	–	**1.54**
– Trade and other payables	–	**608.61**	–	**608.61**
Total	–	**613.46**	–	**613.46**

Particulars	Level 1	Level 2	Level 3	Total
	Fair value hierarchy as at March 31, 2021			
Financial assets				
Financial assets carried at Amortised Cost				
– Trade and other receivables	–	317.75	–	317.75
– Cash and cash equivalents	–	162.38	–	162.38
– Inter Corporate Deposits	–	29.95	–	29.95
– Interest receivable	–	3.98	–	3.98
– Others	–	0.18	–	0.18
Total	–	514.24	–	514.24
Financial liabilities				
Financial liabilities held at amortised cost				
– Lease liabilities	–	–	–	–
– Short term deposits	–	1.06	–	1.06
– Trade and other payables	–	313.95	–	313.95
Total	–	315.01	–	315.01

Financial assets/financial liabilities measured at fair value

Financial assets/ financial liabilities measured at Fair value	Fair value as at As at March 31, 2022	As at March 31, 2021	Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable input(s)	Relationship of unobservable inputs to fair value and sensitivity
Financial assets						
Investments						
Mutual fund investments	**65.51**	19.50	**Level 1**	Net assets value declared by the respective asset management companies	NA	NA
Other financial assets						
Foreign currency forward contracts	**0.34**	0.04	**Level 2**	Discounted cash flow. Future cash flows are estimated based on forward exchange rates (from observable forward exchange rate at the end of the reporting period) and contract forward rate that reflects the credit risk of various counter parties.	NA	NA
Total financial assets	**65.85**	19.54				
Financial liabilities						
Other financial liabilities						
Foreign currency forward contracts	**0.72**	0.51	**Level 2**	Discounted cash flow. Future cash flows are estimated based on forward exchange rates (from observable forward exchange rate at the end of the reporting period) and contract forward rate that reflects the credit risk of various counter parties.	NA	NA
Cash-settled share-based payments	**2.98**	2.12	**Level 2**	The Black-Scholes model. Inputs used: Current Stock Price of the base instrument, Annual Volatility based on Sensex, Risk Free Return based on Zero Coupon Yield, Exercise Price, time to option maturity, dividend yield.	NA	NA
Total financial liabilities	3.70	2.63				

The fair values of the financial assets and financial liabilities included in the level 2 category above have been determined in accordance with generally accepted pricing models based on a discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the credit risk of counterparties.

Fair value of financial assets and financial liabilities that are not measured at fair value

The Company consider that the carrying amount of financial asset and financial liabilities recognised in the financial statements approximate their fair value.

Note 38 Related party transactions:

Related party disclosures as required by Ind AS-24 "Related Party Disclosures" are given below :

(A) List of Related Parties:

Ultimate Holding Company

M & M	Mahindra & Mahindra Limited (Refer note 39)
Subsidiary Companies	
MESPL	Mahindra Electrical Steel Private Limited
MMESS	Mahindra MiddleEast Electrical Steel Service Centre (FZC)
MSSCL	Mahindra Steel Service Centre Limited
MASPL	Mahindra Auto Steel Private Limited
MMSTC	Mahindra MSTC Recycling Private Limited
PT MASI	PT Mahindra Accelo Steel Indonesia
Key Managerial Personnel	
	Mr. Bharat Doshi, Chairman
	Mr. Sumit Issar, Managing Director
	Mr. Zhooben Bhiwandiwala, Executive Director
	Mr. Sudhir Mankad, Independent Director
	Dr. Punita Kumar Sinha, Independent Director
	Mr. Ashok Kumar Barat, Independent Director
	Mr. Parag Shah, Director
Fellow Subsidiaries with whom transcations are done during the year:	
MHRIL	Mahindra Holidays & Resorts India Limited
MBPO	Mahindra Integrated Business Solutions Private Limited
NBS	NBS International Limited
MECP	Mahindra Engineering & Chemical Products Limited - (merged with M&M w.e.f. 1st April, 2021)
MLL	Mahindra Logistics Limited
MEPC	Mahindra Susten Private Limited
MFCSL	Mahindra First Choice Services Limited
MRHFL	Mahindra Rural Housing Finance Ltd.
MREVA	Mahindra Electric Mobility Limited
Company which is associate of holding Company	
MCIE	Mahindra CIE Automotive Limited

(B) Disclosure of transactions between the Company and related parties during the year ended March 31, 2022

(a)	(Receipt/income)/Expenditure/payment						Rs. in Crores	
	Holding Company		Subsidiary Companies		Fellow Subsidiaries		Company which is associate of holding Company	
Particulars	**2022**	2021	**2022**	2021	**2022**	2021	**2022**	2021
Purchase of Raw material/finished goods **	**0.93**	3.44	**4.96**	1.69	**–**	–	**–**	–
Purchase of Property, plant & equipment	**0.43**	–	**–**	–	**0.12**	–	**–**	–
Sale of Property, plant & equipment	**–**	–	**0.04**	–	**–**	–	**–**	–
Processing charges paid	**–**	–	**12.61**	8.22	**–**	–	**–**	–
Sale of finished goods **	**456.57**	234.49	**18.49**	16.08	**14.57**	17.08	**92.85**	40.87
Management Fees **	**–**	–	**4.48**	3.94	**–**	–	**–**	–
Deputation of personnel to related parties	**0.24**	0.18	**1.66**	1.16	**–**	–	**–**	–
Deputation of personnel from related parties	**0.28**	0.17	**0.22**	0.21	**–**	–	**–**	–
Other income	**0.01**	0.03	**0.17**	0.08	**–**	–	**–**	–
Other expenses	**1.96**	2.30	**0.27**	0.25	**0.04**	0.45	**0.06**	0.08
Reimbursement received from parties	**0.01**	0.03	**0.03**	0.15	**0.02**	0.20	**–**	–
Reimbursement made to parties	**2.13**	1.77	**0.01**	0.11	**0.03**	–	**–**	–
Interest received	**–**	–	**2.71**	1.40	**–**	0.76	**–**	–
Dividend received	**–**	–	**0.10**	0.49	**–**	–	**–**	–
Inter corporate deposits placed	**–**	–	**157.75**	84.95	**–**	–	**–**	–
Inter corporate deposits refunded by parties	**–**	–	**158.70**	72.10	**–**	15.00	**–**	–
Other Deposits placed	**–**	–	**–**	–	**–**	–	**0.02**	0.02
Investment in Equity Shares	**–**	–	**9.61**	14.39	**–**	–	**–**	–
Proceeds from redemption of Optionally convertible debentures	**–**	–	**–**	–	**–**	–	**–**	–
Dividend on equity shares paid during the current year	**33.20**	14.28	**–**	–	**–**	–	**–**	–

* Represents amount less than Rs. 1 lakh

** excluding taxes

(b) Transactions with Key Management Personnel:

Rs. in Crores

	As at March 31, 2022	As at March 31, 2021
Managerial Remuneration		
Mr. Sumit Issar, Managing Director@	**2.64**	2.45
Mr. Zhooben Bhiwandiwala, Executive Director	**–**	0.47

	Commission		Sitting fees	
Sitting fees & commission to :	**As at March 31, 2022**	As at March 31, 2021	**As at March 31, 2022**	As at March 31, 2021
Mr. Bharat Doshi, Chairman	**0.18**	0.12	**0.03**	0.03
Mr. Sudhir Mankad, Independent Director	**0.09**	0.06	**0.04**	0.04
Dr. Punita Kumar Sinha, Independent Director	**0.09**	0.06	**0.04**	0.04
Mr. Ashok Kumar Barat, Independent Director	**0.09**	0.06	**0.04**	0.03
Mr. Parag Shah, Director	**–**	0.09	**–**	–

(c) Outstanding receivables:

Rs. in Crores

	As at March 31, 2022	As at March 31, 2021
Holding Company	**9.47**	9.15
Subsidiary Companies	**30.24**	28.53
(including Inter-corporate Deposits & Interest thereon)		
Fellow subsidiaries	**0.89**	3.10
(including Inter-corporate Deposits & Interest thereon)		
Company which is associate of holding Company	**22.77**	26.98

(d) Outstanding payables:

Rs. in Crores

	As at March 31, 2022	As at March 31, 2021
Fellow Subsidiaries	**–**	0.02
Key Managerial Personnel		
Mr. Zhooben Bhiwandiwala, Executive Director	**–**	0.43
Mr. Bharat Doshi, Chairman	**0.16**	0.11
Mr. Sudhir Mankad, Independent Director	**0.08**	0.06
Dr. Punita Kumar Sinha, Independent Director	**0.08**	0.06
Mr. Ashok Kumar Barat, Independent Director	**0.08**	0.06
Mr. Parag Shah, Director	**–**	0.09

@ Excludes provision for gratuity, compensated absences and post retirement medical benefits, which is determined on the basis of actuarial valuation done on overall basis for the Company.

(e) Disclosure of transactions & outstanding balances between the Company and related parties during the year ended March 31, 2022 (year ended March 31, 2021)

Rs. in Crores

	Subsidiary Companies							Fellow Subsidiaries									
Particulars	MMESS	MSSCL	MESPL	MASPL	MMSTC	PT MASI	TOTAL	MHRIL	MBPO	NBS	MECP	MLL	MEPC	MFCSL	MRHFL	MREVA	TOTAL
Purchase of finished goods **	–	0.09	–	4.87	–	–	4.96	–	–	–	–	–	–	–	–	–	–
	(–)	(0.52)	(–)	(1.17)	(–)	(–)	(1.69)	(–)	(–)	(–)	(–)	(–)	(–)	(–)	(–)	(–)	–
Purchase of Property, plant & equipment	–	–	–	–	–	–	–	–	–	0.12	–	–	–	–	–	–	0.12
	(–)	(–)	(–)	(–)	(–)	(–)	–	(–)	(–)	(–)	(–)	(–)	(–)	(–)	(–)	(–)	–
Sale of Property, plant & equipment	–	–	–	0.04	–	–	0.04	–	–	–	–	–	–	–	–	–	–
	(–)	(–)	(–)	(–)	(–)	(–)	–	(–)	(–)	(–)	(–)	(–)	(–)	(–)	(–)	(–)	–
Processing charges paid	–	12.61	–	–	–	–	12.61	–	–	–	–	–	–	–	–	–	–
	(–)	(8.22)	(–)	(*)	(–)	(–)	(8.22)	(–)	(–)	(–)	(–)	(–)	(–)	(–)	(–)	(–)	–
Sale of finished goods **	–	8.54	–	8.57	–	1.38	18.49	–	–	–	–	–	14.57	–	–	0.00	14.57
	(–)	(13.05)	(–)	(3.03)	(–)	(–)	(16.08)	(–)	(–)	(–)	(–)	(–)	(17.01)	(–)	(–)	(0.07)	(17.08)
Management Fees **	0.54	1.94	–	2.00	–	–	4.48	–	–	–	–	–	–	–	–	–	–
	(0.54)	(1.40)	(–)	(2.00)	(–)	(–)	(3.94)	(–)	(–)	(–)	(–)	(–)	(–)	(–)	(–)	(–)	–
Deputation of personnel to related parties	–	0.93	–	0.31	0.41	–	1.66	–	–	–	–	–	–	–	–	–	–
	(–)	(0.87)	(–)	(0.29)	(–)	(–)	(1.16)	(–)	(–)	(–)	(–)	(–)	(–)	(–)	(–)	(–)	–
Deputation of personnel from related parties	–	0.22	–	–	–	–	0.22	–	–	–	–	–	–	–	–	–	–
	(–)	(0.21)	(–)	(–)	(–)	(–)	(0.21)	(–)	(–)	(–)	(–)	(–)	(–)	(–)	(–)	(–)	–
Other income	–	0.08	–	–	–	0.09	0.17	–	–	–	–	–	–	–	–	–	–
	(–)	(0.08)	(–)	(–)	(–)	(–)	(0.08)	(–)	(–)	(–)	(–)	(–)	(–)	(–)	(–)	(–)	–
Other expenses	–	0.27	–	–	–	–	0.27	0.01	0.01	0.02	–	–	–	–	–	–	0.04
	(–)	(0.25)	(–)	(–)	(–)	(–)	(0.25)	(0.01)	(0.01)	(*)	(0.02)	(0.40)	(–)	(–)	(–)	(–)	(0.45)
Reimbursement received from parties	0.00	0.00	–	0.01	0.01	–	0.03	–	–	–	–	–	–	–	–	0.02	0.02
	(0.05)	(0.02)	(–)	(0.01)	(0.07)	(–)	(0.15)	(–)	(–)	(–)	(–)	(–)	(–)	(0.01)	(–)	(0.19)	(0.20)
Reimbursement made to parties	–	–	–	–	0.01	–	0.01	–	–	0.03	–	–	–	–	–	–	0.03
	(–)	(0.03)	(–)	(–)	(0.08)	(–)	(0.11)	(–)	(–)	(–)	(–)	(–)	(–)	(–)	(–)	(–)	–
Interest received	–	0.35	1.18	1.19	–	–	2.71	–	–	–	–	–	–	–	–	–	–
	(–)	(0.19)	(1.15)	(0.06)	(–)	(–)	(1.40)	(–)	(–)	(–)	(–)	(–)	(–)	(–)	(0.76)	(–)	(0.76)
Dividend Received	–	–	–	0.10	–	–	0.10	–	–	–	–	–	–	–	–	–	–
	(–)	(–)	(–)	(0.49)	(–)	(–)	(0.49)	(–)	(–)	(–)	(–)	(–)	(–)	(–)	(–)	(–)	–
Inter corporate deposits placed	–	46.00	27.25	81.50	–	3.00	157.75	–	–	–	–	–	–	–	–	–	–
	(–)	(57.00)	(12.20)	(15.75)	(–)	(–)	(84.95)	(–)	(–)	(–)	(–)	(–)	(–)	(–)	(–)	(–)	–
Inter corporate deposits refunded by parties	–	34.75	39.45	84.50	–	–	158.70	–	–	–	–	–	–	–	–	–	–
	(–)	(47.75)	(11.60)	(12.75)	(–)	(–)	(72.10)	(–)	(–)	(–)	(–)	(–)	(–)	(–)	(15.00)	(–)	(15.00)
Other Deposits placed	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
	(–)	(–)	(–)	(–)	(–)	(–)	(–)	(–)	(–)	(–)	(–)	(–)	(–)	(–)	(–)	(–)	(–)
Investment in Equity Shares	–	–	–	–	6.00	3.61	9.61	–	–	–	–	–	–	–	–	–	–
	(–)	(–)	(–)	(–)	(4.00)	(10.39)	(14.39)	(–)	(–)	(–)	(–)	(–)	(–)	(–)	(–)	(–)	–
Proceeds from redemption of Optionally convertible debentures	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
	(–)	(–)	(–)	(–)	(–)	(–)	–	(–)	(–)	(–)	(–)	(–)	(–)	(–)	(–)	(–)	–
Outstanding balances as at March 31, 2022 (as at March 31, 2021)																	
Outstanding receivables (including Inter corporate deposit & interest thereon)	0.14	23.54	–	2.40	0.11	4.05	30.24	–	–	–	–	–	0.89	–	–	–	0.89
	(0.18)	(11.65)	(13.00)	(3.70)	(–)	(–)	(28.53)	(–)	(–)	(–)	(–)	(–)	(3.10)	(–)	(–)	(–)	(3.10)
Outstanding payables	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	0.00
	(–)	(–)	(–)	(–)	(–)	(–)	(–)	(–)	(*)	(*)	(0.02)	(–)	(–)	(–)	(–)	(–)	(0.02)

1. * Represents amount less than Rs. 1 lakh
2. ** excluding taxes
3. Previous year's figures are in brackets

4. No amount has been written off/provided for or written back in respect of amounts receivable from or payable to the related parties.
5. The sales/provision of services to and purchases/provision of services from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 March 2022, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (31^{st} March, 2021: INR Nil) . This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

Note 39

Mahindra Vehicle Manufactures Limited (erstwhile holding company) is merged with Mahindra and Mahindra Limited (ultimate holding company) with effect from 1^{st} July 2021. Appointed date of the merger schemen as approved by National Company Law Tribunal, mumbai bench (NCLT) is 1^{st} April, 2019.

Note 40 - Amendment to Schedule III

Ministry of Corporate Affairs (MCA) has issued notification dated 24^{th} March, 2021 related to amendment to Schedule III. The said amendments inter-alia prescribed several additional disclosures under 'Additional Regulatory Information'. Some of these disclosures are not applicable to the Company and hence no disclosure is made for such items.

Note 41

Previous year's figure have been regrouped/reclassified wherever necessary.

In terms of our report attached

For B S R & Co. LLP
Chartered Accountants
Firm's registration
number : 101248 W/W-100022

Jayesh T Thakkar
Partner
Membership number: 113959

Place: Mumbai
Date: 26 April, 2022

For and on behalf of board of directors
U51900MH1978PLC020222

Bharat Doshi
Chairman
DIN : 00012541

Parag Shah
Director
DIN: 00374944

Sumit Issar
Managing Director
DIN: 06951249

Romali Malvankar
Company Secretary
Membership No : A-29447

Saroj Khuntia
Chief Financial Officer

Place: Mumbai
Date: 26 April, 2022

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF
MAHINDRA STEEL SERVICE CENTRE LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Mahindra Steel Service Centre Limited ("the Company"), which comprise the balance sheet as at 31 March 2022, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2022, and its profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

Other Information

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's and Board of Directors' Responsibilities for the Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, its profit and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we

conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. (A) As required by Section 143(3) of the Act, we report that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   c) The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account.

   d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.

   e) On the basis of the written representations received from the directors as on 31 March 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022 from being appointed as a director in terms of Section 164(2) of the Act.

   f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

   (B) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

   a) The Company has disclosed the impact of pending litigations as at 31 March 2022 on its financial position in its financial statements - Refer Note 31 to the financial statements.

   b) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

   c) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

   d) (i) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:

      - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or
      - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

   ii) The management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall:

      - directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Party or
      - provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries.

   iii) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (d) (i) and (d) (ii) contain any material mis-statement.

   e) The Company has neither declared nor paid any dividend during the year.

   (C) With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For B S R & Co. LLP
Chartered Accountants
(Firm's Registration No: 101248W/W-100022)

Jayesh T Thakkar
Partner
(Membership No. 113959)
UDIN: 22113959AHPYCF1113

Place: Mumbai
Date: 22 April 2022

Annexure A to the Independent Auditors' Report on the financial statements of Mahindra Steel Service Centre Limited for the year ended 31 March 2022

With reference to the Annexure A referred to in the Independent Auditors' report to the members of Mahindra Steel Service Centre Limited ('the Company') on the financial statements for the year ended 31 March 2022, we report the following

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) The Company does not have any intangible assets. Accordingly, clause 3(i)(a)(B) of the order is not applicable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified in a phased manner over a period of 3 years. In accordance with this programme, certain property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No discrepancies were noticed on such verification.

(c) The Company does not have any immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee). Accordingly, clause 3(i)(c) of the Order is not applicable.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) during the year. The Company does not have any intangible assets.

(e) According to information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) The inventory, except goods-in-transit and stocks lying with third parties, has been physically verified by the management during the year. For stocks lying with third parties at the year-end, written confirmations have been obtained and for goods-in-transit subsequent evidence of receipts has been linked with inventory records. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks are in agreement with the books of account of the Company.

(iii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments in or provided any security or granted any advances in the nature of loans, secured or unsecured to companies, firms, limited liability partnership or any other parties during the year. The Company has provided guarantee and granted loans, secured or unsecured to other companies during the year, in respect of which the requisite information is as below. The Company has not provided any guarantee or granted loans to firms, limited liability partnership and other parties during the year.

Based on the audit procedures carried on by us and as per the information and explanations given to us, the Company has provided loans and guarantees to other companies as below:

	Rupees in lakhs	
	Loans	Guarantees
Aggregate amount during the year		
- Other Companies	1,425	12
Balance outstanding as at balance sheet date		
- Other Companies	1,425	12

(b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion, guarantees provided and the terms and conditions of the grant of loans are, prima facie, not prejudicial to the interest of the Company.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of loans given, in our opinion the repayment of principal and payment of interest has been stipulated, however no repayment was due during the year. Further, the Company has not given any advance in the nature of loan to any party during the year.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount for more than ninety days in respect of loans given. Further, the Company has not given any advances in the nature of loans to any party during the year.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan or advance in the nature of loan granted falling due during the year, which has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to same parties.

(f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.

(iv) In our opinion and according to the information and explanations given to us, the Company has not advanced loans to directors / to a company in which the Director is interested to which provisions of Section 185 of the Companies Act 2013 apply and hence not commented upon. The Company has complied with the provisions of Section 186 of the Act, with respect to the loans and guarantees given. The Company has not made investments and provided security during the year.

(v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.

(vi) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Companies Act, 2013 in respect of its manufactured goods and services provided by it and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed examination of the records with a view to determine whether these are accurate or complete.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Service Tax ('GST'), Provident Fund, Employees' State Insurance, Income-Tax and other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities. Further, the Company did not have any dues on account of Sales-tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax and Cess.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income-tax and other material statutory dues were in arrears as at 31 March 2022 for a period of more than six months from the date they become payable.

(b) According to the information and explanations given to us, statutory dues relating to Duty of Excise and Value Added Tax which have not been deposited on account of any dispute are as follows:

		Rupees in Lakhs			
Name of the Statute	**Nature of the Dues**	**Amount demanded**	**Amount not deposited under dispute**	**Period to which the amount relates**	**Forum where dispute is pending**
Central Excise Act, 1944	Duty of Excise	406.88	391.62	2013-14 to 2017-18	Custom, Excise and Service Tax Appellate Tribunal
Madhya Pradesh Value Added Tax Act, 2002	Value Added Tax	8.95	6.85	2011-12	Additional Commissioner Commercial Taxes (Appellate Authority)
Madhya Pradesh Value Added Tax Act, 2002 and Central Sales Tax Act, 1956	Value Added Tax	6.51	5.77	2012-13	Additional Commissioner Commercial Taxes (Appellate Authority)

(viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.

(ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to any lender.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.

(c) According to the information and explanations given to us by the management, the Company has not obtained term loans during the year.

(d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) The Company does not hold any investment in any subsidiary, associate or joint venture (as defined under Companies Act, 2013) during the year ended 31 March 2022. Accordingly, clause 3(ix)(e) is not applicable.

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies (as defined under Companies Act, 2013).

(x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) Accordingly, clause 3(x)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.

(xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the course of the audit.

(b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Companies Act, 2013 has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.

(xii) (a) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii)(a) of the Order is not applicable.

(b) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii)(b) of the Order is not applicable.

(c) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii)(c) of the Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the internal audit reports of the Company issued till date for the year under audit.

(xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.

(xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.

(b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.

(d) According to the information and explanations provided to us, the Group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016) has more than one CIC as part of the Group. The Group has six CICs as part of the Group.

(xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of section 135 of the Companies Act, 2013 pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

For B S R & Co. LLP
Chartered Accountants
(Firm's Registration No: 101248W/W-100022)

Jayesh T Thakkar
Partner
(Membership No. 113959)
UDIN: 22113959AHPYCF1113

Place: Mumbai
Date: 22 April 2022

Annexure B to the Independent Auditors' report on the financial statements of Mahindra Steel Service Centre Limited for the year ended 31 March 2022

Report on the internal financial controls with reference to the aforesaid financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

(Referred to in paragraph 2(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to financial statements of Mahindra Steel Service Centre Limited ("the Company") as of 31 March 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2022, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and whether such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For B S R & Co. LLP
Chartered Accountants
(Firm's Registration No: 101248W/W-100022)

Jayesh T Thakkar
Partner
(Membership No. 113959)
UDIN: 22113959AHPYCF1113

Place: Mumbai
Date: 22 April 2022

BALANCE SHEET AS AT MARCH 31, 2022

Rs. in Lakhs

	Particulars	Note No.	As at March 31, 2022	As at March 31, 2021
A	**ASSETS**			
1	**Non-current assets**			
	(a) Property, plant and equipment	4	**11,878.97**	12,781.25
	(b) Financial assets			
	(ii) Other financial assets	5	**357.40**	445.84
	(c) Other non-current assets	6	**431.76**	374.51
	Total non - current assets		**12,668.13**	13,601.60
2	**Current assets**			
	(a) Inventories	7	**10,932.02**	3,570.42
	(b) Financial assets			
	(i) Investments	8	**575.00**	–
	(ii) Trade receivables	9	**5,353.78**	6,059.22
	(iii) Cash and cash equivalents	10	**10.86**	11.35
	(iv) Other financial assets	5	**1,425.26**	–
	(c) Other current assets	6	**1,826.56**	1,145.05
	Total current assets		**20,123.48**	10,786.04
	Total assets (1+2)		**32,791.61**	24,387.64
B	**EQUITY AND LIABILITIES**			
1	**Equity**			
	(a) Equity share capital	11	**1,653.98**	1,653.98
	(b) Other equity	12	**9,833.24**	7,991.13
	Total equity		**11,487.22**	9,645.11
	LIABILITIES			
2	**Non-current liabilities**			
	(a) Financial liabilities			
	(i) Borrowings	13	**1,216.77**	2,455.67
	(ii) Lease Liability	17	**2,512.38**	2,625.94
	(iii) Other financial liabilities (other than those specified in (b) below)	18	**25.91**	24.65
	(b) Provisions	15	**135.21**	126.13
	(c) Deferred tax liabilities (Net)	21	**346.44**	29.80
	Total non - current liabilities		**4,236.71**	5,262.19
3	**Current liabilities**			
	(a) Financial liabilities			
	(i) Borrowings	16	**6,499.94**	1,770.00
	(ii) Lease liability	17	**109.79**	105.50
	(iii) Trade payables	14		
	A. Total outstanding dues from micro enterprises and small enterprises, and		**167.49**	113.91
	B. Total outstanding dues of creditors other than micro enterprises and small enterprises		**9,728.87**	6,894.57
	(iv) Other financial liabilities (other than those specified in (b) below)	18	**417.31**	452.43
	(b) Provisions	15	**20.72**	19.27
	(c) Other current liabilities	19	**123.56**	124.66
	Total current liabilities		**17,067.68**	9,480.34
	Total equity and liabilities (1+2+3)		**32,791.61**	24,387.64

See accompanying notes to the financial statements

In terms of our report attached

For and on behalf of the Board of Directors of
Mahindra Steel Service Centre Limited
CIN:U27100MH1993PLC070416

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration Number
101248W/W-100022

Jayesh T Thakkar
Partner
Membership No: 113959

Place: Mumbai
Date: April 22 2022

Romali Malvankar
Company Secretary
Membership No-A29447

Jitendra T. Rahate
Chief Financial Officer

Place: Mumbai
Date: April 22 2022

Sumit Issar
Managing Director
DIN: 06951249

Vijay Arora
Director
DIN: 07347126

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2022

Rs. in Lakhs

	Particulars	Note No.	For the year ended March 31, 2022	For the year ended March 31, 2021
I	Revenue from operations	22	**31,512.33**	17,127.27
II	Other Income	23	**16.70**	46.74
III	**Total Income (I + II)**		**31,529.03**	17,174.01
IV	**EXPENSES**			
	(a) Cost of materials consumed	24	**25,019.84**	13,538.30
	(b) Changes in inventories of finished goods and work-in-progress	25	**(1,623.63)**	219.56
	(c) Employee benefits expense	26	**1,392.45**	1,102.34
	(d) Finance costs	27	**499.49**	483.32
	(e) Depreciation expense	28	**1,116.92**	1,145.09
	(f) Other expenses	29	**2,480.17**	1,670.26
	Total Expenses (IV)		**28,885.24**	18,158.87
V	**Profit / (Loss) before tax (III-IV)**		**2,643.79**	(984.86)
VI	**Tax expense**			
	(1) Current tax	20	**482.86**	(56.74)
	(2) Deferred tax	21	**317.28**	(267.71)
	Total tax expense		**800.14**	(324.45)
VII	**Profit/(Loss) for the year (V-VI)**		**1,843.65**	(660.41)
VIII	**Other comprehensive income**		**(1.54)**	6.97
	(i) Items that will not be reclassified to profit or loss			
	(a) Remeasurements of the defined benefit plan		**2.18**	(9.66)
	(ii) Income tax relating to items that will not be reclassified to profit or loss		**(0.64)**	2.69
IX	**Total comprehensive income/(loss) for the year (VII + VIII)**		**1,842.11**	(653.44)
	Earning per equity share (of Rs. 10 each):			
	(a) Basic/Diluted	37	**11.15**	(3.99)

In terms of our report attached

For and on behalf of the Board of Directors of
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Jayesh T Thakkar
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Membership No: 113959

Place: Mumbai
Date: April 22 2022

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Chief Financial Officer

Place: Mumbai
Date: April 22 2022

Sumit Issar
Managing Director
DIN: 06951249

Vijay Arora
Director
DIN: 07347126

STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2022

Particulars	For the year ended March 31, 2022	Rs. in Lakhs For the year ended March 31, 2021
Cash flow from operating activities		
Profit/(Loss) for the year before tax	**2,643.79**	(984.86)
Adjustment for:		
(1) Depreciation expense	**1,116.92**	1,145.09
(2) Bad debts/advances written off	**31.92**	21.40
(3) Finance costs	**499.49**	483.32
(4) unrealised loss/(gain) on foreign exchange transactions and translations	**25.61**	(15.40)
(5) Fair value loss on financial instruments at fair value	**3.66**	121.37
(6) Interest income recognised in Statement of Profit and Loss	**(1.49)**	(25.47)
(7) Profit on sale of current investments	**(3.84)**	(2.39)
(8) Profit on sale of property, plant and equipment	**(5.44)**	(4.82)
(9) Liabilities no longer required written back	**(5.93)**	(6.40)
	4,304.69	731.84
Movement in working capital:		
(1) Decrease / (Increase) in trade receivable	**705.44**	(3,419.48)
(2) (Increase)/Decrease in inventories	**(7,361.60)**	2,070.22
(3) (Increase) / Decrease in other assets	**(595.65)**	177.19
(4) Increase in trade payable	**2,864.40**	705.40
(5) Increase / (Decrease) in provision	**8.35**	(0.82)
(6) Increase / (Decrease) in other liabilities	**99.43**	(89.20)
	(4,279.63)	(556.69)
Cash generated from operations	**25.06**	175.15
Less: income taxes (paid) / refund - [net]	**(569.71)**	131.20
Net cash (used in) / generated from operating activities	**(544.65)**	306.35
Cash flows from investment activities		
(1) Payment for property, plant and equipment	**(408.74)**	(535.58)
(2) Proceed from disposal of property, plant and equipment	**66.90**	41.90
(3) Interest received	**1.49**	25.47
(4) Inter corporate deposits placed	**(1,425.00)**	–
(5) Purchase of current investments	**(9,055.00)**	(2,295.00)
(6) Sale of current investments	**8,483.84**	2,297.39
Net cash used in investment activities	**(2,336.51)**	(465.82)
Cash flow from financing activities		
(1) Proceeds of long term borrowings	**–**	1,600.00
(2) Repayment of long term borrowings	**(1,267.46)**	(412.31)
(3) Proceeds from short term borrowings	**8,233.50**	15,547.93
(4) Repayment from short term borrowings	**(3,475.00)**	(16,647.59)
(5) Payments for the principal portion of the lease liability	**(109.27)**	(203.76)
(6) Payments for the interest portion of the lease liability	**(199.39)**	(139.22)
(7) Interest paid	**(301.71)**	(355.00)
Net cash generated / (used in) financing activities	**2,880.67**	(609.95)
Net decrease in cash and cash equivalents	**(0.49)**	(769.42)
Cash and cash equivalents at the beginning of the year	**11.35**	780.77
Cash and cash equivalents at the end of the year	**10.86**	11.35
Reconciliation of cash and cash equivalents with statement of financial position		
Bank balance in current accounts (refer note 10)	**10.73**	11.28
Cash in hand (refer note 10)	**0.13**	0.07
Total	**10.86**	11.35

Notes:

1) The above cash flow statements has been prepared under the “Indirect method” as set out in Indian Accounting Standard (IND AS-7) “Statement of Cash Flow”

2) IND AS 7 Cash flow statements requires the entitles to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement. The required disclosure is made below:

STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2022 (CONTD....)

Rs. in Lakhs

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Opening balance		
– Long Term Borrowings	**2,455.67**	1,675.32
– Short Term Borrowings	**950.34**	2,050.00
– Current maturities of Long term borrowings	**819.66**	412.32
Total Opening Balance	**4,225.67**	4,137.64
(a) Cash flow movements		
Proceeds of long term borrowings	**–**	1,600.00
Repayment of long term borrowings	**(1,267.46)**	(412.31)
Proceeds from short term borrowings	**8,233.50**	15,547.93
Repayment from short term borrowings	**(3,475.00)**	(16,647.59)
	3,491.04	88.03
Closing Balance		
– Long Term Borrowings	**1,216.77**	2,455.67
– Short Term Borrowings	**5,708.84**	950.34
– Current maturities of Long term borrowings	**791.10**	819.66
Total Closing Balance	**7,716.71**	4,225.67

In terms of our report attached

For and on behalf of the Board of Directors of
Mahindra Steel Service Centre Limited
CIN:U27100MH1993PLC070416

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration Number
101248W/W-100022

Jayesh T Thakkar
Partner
Membership No: 113959

Place: Mumbai
Date: April 22 2022

Romali Malvankar
Company Secretary
Membership No-A29447

Jitendra T. Rahate
Chief Financial Officer

Place: Mumbai
Date: April 22 2022

Sumit Issar
Managing Director
DIN: 06951249

Vijay Arora
Director
DIN: 07347126

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2022

A. Equity share capital

Particulars	Rs. In Lakhs
Balance at April 1, 2020	1,653.98
Changes in equity during the year	–
Balance at March 31, 2021	1,653.98
Changes in equity during the year	–
Balance at March 31, 2022	**1,653.98**

B. Other Equity

Rs. in Lakhs

Particulars		Capital reserve	Securities premium	General reserve	Retained earnings	Total
Balance at April 1, 2020	A	20.00	4,011.15	164.44	4,448.98	8,644.57
Loss for the year	B	–	–	–	(660.41)	(660.41)
Other comprehensive income (net of taxes)	C	–	–	–	6.97	6.97
Total comprehensive loss for the year	**D = (B+C)**	–	–	–	(653.44)	(653.44)
Dividends	E	–	–	–	–	–
Dividend distribution tax	F	–	–	–	–	–
Balance at March 31, 2021	**G = (A+D+E+F)**	**20.00**	**4,011.15**	**164.44**	**3,795.54**	**7,991.13**
Profit for the year	H	–	–	–	1,843.65	1,843.65
Other comprehensive income (net of taxes)	I	–	–	–	(1.54)	(1.54)
Total comprehensive Profit for the year	**J=(H+I)**	–	–	–	1,842.11	1,842.11
Dividends	K	–	–	–	–	–
Dividend distribution tax	L	–	–	–	–	–
Balance at March 31, 2022	**M=(G+J+K+L)**	**20.00**	**4,011.15**	**164.44**	**5,637.65**	**9,833.24**

Description of the nature and purpose of Other Equity :

Capital Reserve: Capital Reserve represents the amount received from SICOM Limited towards Special Capital incentive under 1988 Scheme of Incentives.

Securities Premium: The Securities premium is created on issue of shares.

General Reserve: The General reserve comprises of transfer of profits from retained earnings for appropriation purposes. The reserve can be distributed/utilised by the Company in accordance with the Companies Act, 2013.

In terms of our report attached

For and on behalf of the Board of Directors of
Mahindra Steel Service Centre Limited
CIN:U27100MH1993PLC070416

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration Number
101248W/W-100022

Jayesh T Thakkar
Partner
Membership No: 113959

Place: Mumbai
Date: April 22 2022

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Chief Financial Officer

Place: Mumbai
Date: April 22 2022

Sumit Issar
Managing Director
DIN: 06951249

Vijay Arora
Director
DIN: 07347126

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

1 Corporate information:

Mahindra Steel Service Centre Limited is a public limited company domiciled in India and is incorporated on 15 January 1993 under the erstwhile Companies Act, 1956. The registered office of the Company is located at Mahindra Towers, P.K. Kurne Chowk, Worli, Mumbai - 400018.

The Company's main activity is steel processing from the plants located at Kanhe (Pune), Bhopal, Noida & Chennai. The Company is principally engaged in processing of automotive and electrical steel and manufacturing of electrical component.

The Company is the subsidiary of Mahindra Intertrade Limited, Mumbai, a Company incorporated in India. The ultimate parent Company is Mahindra and Mahindra Limited.

2 Significant accounting policies:

2.1 Statement of Compliance and Basis of preparation and presentation:

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under Section 133 of the Companies Act, 2013 (the 'Act') and other relevant provisions of the Act.

All assets and liabilities are classified as current if it is expected to realise or settle within 12 months after the Balance Sheet date.

The financial statements are presented in Indian Rupees (INR) which is also the Company's functional currency. All values are rounded to the nearest Lakhs.

The financial statements were approved by the Board of Directors and authorised for issue on April 22, 2022.

2.2 Use of estimates and judgments:

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets, liabilities, income, expenses etc. at the date of these financial statements and the reported amounts of revenues and expenses for the years presented. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed at each balance sheet date. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are included in the following notes:

Note No. 2.3 Property, plant & equipment

Note No. 2.10 Employee benefits

2.3 Property, plant & equipment:

Property, plant and equipment are stated at cost of acquisition or construction less accumulated depreciation less accumulated impairment, if any. Cost includes financing cost relating to borrowed funds attributable to the construction or acquisition of qualifying tangible assets up to the date the assets are ready for use. The estimated useful lives, residual values, are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

When an asset is scrapped or otherwise disposed off, the cost and related depreciation are removed from the books of account and resultant profit or loss, if any, is reflected in the Statement of Profit and Loss.

Depreciation is calculated on Straight Line method over the estimated useful life of all assets. These lives are in accordance with Schedule II to the Companies Act, 2013, other than the following asset class based on the Company's expected usage pattern:

(a) Vehicles - 5 years

(b) Slitting Line (Plant and Equipment) – 20 Years

(c) Blanking Line (Plant and Equipment)-20 Years

(d) Washing Machine (Plant and Equipment)– 20 Years

2.4 Impairment of assets:

At the end of each reporting period, the Company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing the value in use, the estimated future cash flows are discounted at their present value using the pre-tax discount rate that reflects current market assessment of time value of money and the risks specific to the assets for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the Statement of Profit or Loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the Statement of Profit or Loss.

2.5 Inventories:

Inventories, except for Stores and spares which are valued at cost, are valued at the lower of cost (on weighted average basis) and the net realisable value after providing for obsolescence and other losses, where considered necessary.

Cost comprises of all costs of purchase, conversion and other costs incurred in bringing the inventories to their present location and condition.

Net Realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

Work-in-progress and finished goods include appropriate proportion of overheads and, where applicable, excise duty.

2.6 Foreign exchange transactions and translations:

Transactions in currencies other than the Company's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in the Statement of Profit and Loss in the period in which they arise.

2.7 Financial assets and Financial liabilities:

Financial instruments:

Financial assets and financial liabilities are recognised when a Company becomes a party to the contractual provisions of the instruments. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the Statement of Profit and Loss.

Financial assets:

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace. All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Impairment of financial assets:

The Company applies the expected credit loss model for recognising impairment loss on financial assets. With respect to trade receivables the Company measures the loss allowance at an amount equal to lifetime expected credit losses.

Derecognition of financial assets:

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in the Statement of Profit and Loss if such gain or loss would have otherwise been recognised in the Statement of Profit and Loss on disposal of that financial asset.

Financial liabilities and equity instruments:

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instrument:

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all its liabilities. Equity instrument issued by the Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instrument is recognised and deducted directly in equity. No gain or loss is recognised in the Statement of Profit and Loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Financial liabilities:

All the financial liabilities are subsequently measured at amortised cost using the effective interest method or at fair value through profit and loss.

Derecognition of financial liabilities:

The Company derecognises financial liabilities when, and only when, the Company's obligation is discharged, cancelled or have expired. An exchange between the lender of debt instrument with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the term of an existing liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the Statement of Profit and Loss.

Derivative financial instruments:

The Company enters into a variety of derivative financial instruments to manage its exposure to foreign exchange rate risks, including foreign exchange forward contracts. Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in the Statement of Profit and Loss immediately.

2.8 Revenue recognition:

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company assesses promises in the contract that are separate performance obligations to which a portion of transaction price is allocated.

Revenue is measured based on the transaction price as specified in the contract with the customer. It excludes taxes or other amounts collected from customers in its capacity as an agent. In determining the transaction price, the Company considers:

Significant financing component - Generally, the Company receives short-term advances from its customers. Using the practical expedient in Ind AS 115, the Company does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be one year or less.

The accounting policies for specific revenue streams of the company is summarised below:

Sale of goods:

Customers obtain control of the goods when the goods are delivered to and have been accepted.

Sale of Services:

Service income is recognized over time based on as and when service is performed.

2.9 Government grants:

Government grants are not recognized until there is reasonable assurance that the Company will comply with the conditions attaching to them and that the grants will be received.

Government grants that are receivable for the purpose of giving immediate financial support to the Company with no future related costs are recognized in the Statement of Profit and Loss in the year in which they become receivable.

2.10 Employee benefits:

Retirement benefit costs and termination benefits:

Payment to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the return of plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in the other comprehensive income is reflected immediately in retained earnings and is not reclassified to Statement of profit and loss. Past service cost is recognised in Statement of profit and loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the defined benefit liability or asset. Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- remeasurement

The Company presents the first two components of defined benefit costs in the Statement of Profit or Loss in the line item “Employee benefits expense”. Curtailment gains and losses are accounted for as past service cost.

The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

A liability for the termination benefit is recognized at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognizes any related restructuring costs.

Short-term and other long-term employee benefits:

A liability is recognized for benefits accruing to the employees in respect of wages and salaries and annual leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange of that service.

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange of related service.

Liabilities recognized in respect of other long-term employee benefits are measured at present value of the estimated future cash outflows expected to be made by the company in respect of services provided by employee up to the reporting date.

2.11 Stock appreciation rights (SARs):

For cash-settled share-based payments, a liability is recognized for the services acquired, measured initially at the fair value of the liability. At the end of each reporting period until the liability is settled, and at the date of settlement, the fair value of the liability is remeasured, with any changes in fair value recognized in the Statement of Profit and Loss for the year.

2.12 Borrowing costs:

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognised in the Statement of Profit and Loss in the period in which they are incurred.

2.13 Provisions:

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

2.14 Taxes on income:

Income Tax expense represents the sum of the tax currently payable and deferred tax.

Current Tax:

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred Tax:

Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences could be utilized.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax for the year:

Current and deferred tax are recognized in the Statement of Profit or Loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively.

Minimum Alternate Tax (MAT):

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax against which the MAT paid will be adjusted.

2.15 Cash and cash equivalents:

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

2.16 Cash Flow Statement:

Cash flows are reported using the indirect method, whereby profit/ (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

2.17 Earning per share:

Basic earnings per share is computed by dividing the profit after tax by the weighted average number of equity shares outstanding during the year.

2.18 Leases:

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee:

At commencement or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Company has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The Company presents right-of-use assets that do not meet the definition of investment property in 'property and equipment' and lease liabilities in the statement of financial position.

The Company has elected not to apply the requirements of Ind AS 116 Leases to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

Operating lease payments are recognized as an expense in the Statement of Profit and Loss on a straight-line basis over the term of the relevant lease.

3 Recent pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1st, 2022, as below:

(a) Ind AS 16 – Proceeds before intended use

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Company does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

(b) Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract

The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its financial statements.

(c) Ind AS 109 – Annual Improvements to Ind AS (2021)

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact in its financial statements.

Note No. 4 - Property, Plant & Equipment:

Rs. in Lakhs

Description of Assets	Buildings	Right-of-Use Asset-Land and Building	Plant and Equipments	Electric Installations	Office Equipments	Furniture and Fixtures	Vehicles	Computers	Total
I. Cost									
Balance as at 1 April, 2021	**3,188.62**	**2,996.18**	**17,042.19**	**561.00**	**89.75**	**91.75**	**81.27**	**126.47**	**24,177.23**
Additions	3.99	–	190.06	–	51.66	2.20	15.84	12.21	275.96
Disposals	–	–	64.64	–	–	0.82	–	–	65.46
Adjustments	(0.01)		(8.45)	–	(0.01)	–	0.02	(0.13)	(8.58)
Balance as at March 31, 2022	**3,192.60**	**2,996.18**	**17,159.16**	**561.00**	**141.40**	**93.13**	**97.13**	**138.55**	**24,379.15**
II. Accumulated depreciation									
Balance as at April 1, 2021	**1,212.38**	**183.08**	**9,403.82**	**331.75**	**67.46**	**62.47**	**36.34**	**98.68**	**11,395.98**
Depreciation expense for the year	102.12	220.33	723.33	35.26	5.68	5.68	15.53	8.99	1,116.92
Eliminated on disposal of assets	–	–	3.22	–	–	0.78	–	–	4.00
Adjustments	(0.01)		(18.13)	0.01	4.51	0.02	–	4.88	(8.72)
Balance as at March 31, 2022	**1,314.49**	**403.41**	**10,105.80**	**367.02**	**77.65**	**67.39**	**51.87**	**112.55**	**12,500.18**
Net carrying amount (I-II)									
Balance as on March 31, 2022	**1,878.11**	**2,592.77**	**7,053.36**	**193.98**	**63.75**	**25.74**	**45.26**	**26.00**	**11,878.97**
Balance as on March 31, 2021	1,976.24	2,813.10	7,638.37	229.25	22.29	29.28	44.93	27.79	12,781.25
I. Cost									
Balance as at April 1, 2020	**3,086.68**	**150.88**	**13,326.19**	**358.34**	**77.51**	**77.07**	**81.27**	**107.33**	**17,265.27**
Additions	101.94	2,845.30	3,758.29	202.66	12.24	14.68	–	19.57	6,954.68
Disposals	–	–	42.29	–	–	–	–	0.43	42.72
Balance as at March 31, 2021	**3,188.62**	**2,996.18**	**17,042.19**	**561.00**	**89.75**	**91.75**	**81.27**	**126.47**	**24,177.23**
II. Accumulated depreciation									
Balance as at April 1, 2020	**1,113.02**	**24.36**	**8,585.58**	**300.91**	**62.59**	**56.49**	**21.04**	**92.54**	**10,256.53**
Depreciation expense for the year	99.36	158.72	823.47	30.84	4.87	5.98	15.30	6.55	1,145.09
Eliminated on disposal of assets	–	–	5.23	–	–	–	–	0.41	5.64
Balance as at March 31, 2021	**1,212.38**	**183.08**	**9,403.82**	**331.75**	**67.46**	**62.47**	**36.34**	**98.68**	**11,395.98**
Net carrying amount (I-II)									
Balance as on March 31, 2021	**1,976.24**	**2,813.10**	**7,638.37**	**229.25**	**22.29**	**29.28**	**44.93**	**27.79**	**12,781.25**
Balance as on March 31, 2020	1,973.66	126.52	4,740.61	57.43	14.92	20.58	60.23	14.79	7,008.74

Notes:

i) Refer note 13 for details of securities.

Note No. 5 - Other financial assets

Rs. in Lakhs

Particulars	As at March 31, 2022			As at March 31, 2021		
	Current	Non- Current	Total	Current	Non- Current	Total
Industrial Investment Promotion Assistance receivable	**–**	**274.05**	**274.05**	–	368.39	368.39
– Unsecured, considered good						
Security deposits	**–**	**83.35**	**83.35**	–	77.45	77.45
– Unsecured, considered good						
Inter-corporate deposits given :						
Unsecured considered good, to related parties						
Mahindra Electrical Steel Private Limited	**1,425.00**	**–**	**1,425.00**	–		–
Refer Note No 34-Related party transactions						
Others						
Export incentive receivable	**0.26**			–		
	1,425.26	**357.40**	**1,782.40**	–	445.84	445.84

Note No. 6 - Other assets

Rs. in Lakhs

Particulars	As at March 31, 2022			As at March 31, 2021		
	Current	Non-Current	Total	Current	Non-Current	Total
(i) Advances to suppliers	**75.81**	**–**	**75.81**	30.91	–	30.91
(ii) Balances with government authorities (other than income taxes)						
(i) Custom/Excise deposits	**–**	**21.47**	**21.47**	–	29.21	29.21
(ii) CENVAT/GST input credit	**1,705.99**	**–**	**1,705.99**	1,067.54	–	1,067.54
(iii) Value added tax credit	**–**	**39.26**	**39.26**	–	39.26	39.26
(iii) Prepayments	**44.36**	**4.42**	**48.78**	46.15	11.82	57.97
(iv) Income tax assets (net)	**–**	**366.61**	**366.61**	–	279.76	279.76
(v) Surplus of plan assets over obligation - gratuity	**–**	**–**	**–**	–	14.46	14.46
(vi) Other advances						
(i) Advance to employees	**0.40**	**–**	**0.40**	0.45	–	0.45
Total	**1,826.56**	**431.76**	**2,258.32**	1,145.05	374.51	1,519.56

Note No. 7 - Inventories

Rs. in Lakhs

	Particulars	As at March 31, 2022	As at March 31, 2021
(a)	Raw materials	**8,380.89**	2,673.34
(b)	Work-in-progress	**636.84**	333.55
(c)	Finished goods	**1,732.75**	412.41
(d)	Stores and spares	**81.01**	59.15
(e)	Others: Scrap	**100.53**	91.97
	Total Inventories at the lower of cost and net realisable value	**10,932.02**	3,570.42
	Included above, goods-in-transit:		
(i)	Raw materials	**928.86**	294.28

Notes:

(i) The cost of inventories recognised as an expense during the year was Rs. 23,396.21 Lakhs (FY 2021: Rs. 13,757.86 Lakhs)

(ii) The cost of inventories recognised as an expenses includes Rs. 52.44 Lakhs (FY 2021: Rs. 119.22 as reversal of written down) in respect of write-downs of inventory to net realisable value and provision on slow moving inventory.

(iii) The mode of valuation of inventories has been stated in note 2.5

(iv) Refer note no 13 and 16 for details of securities.

Note No. 8 - Investments

Investments carried at fair value through profit and loss

Rs. in Lakhs

Particulars	As at March 31, 2022		As at March 31, 2021	
	Quantity	Amount	Quantity	Amount
Investments in mutual fund.				
HDFC Overnight Fund - Regular Plan - Growth	**18,336**	**575.00**	–	–

Note No. 9 - Trade receivables

Rs. in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Trade receivables		
Considered good, Unsecured	**5,353.78**	6,059.22
Total	**5,353.78**	6,059.22

Notes:

(i) The average credit period for sales of products ranges between 30 to 120 days and for Job work processing is 30 days.

(ii) There are no trade receivable which have significant increase in credit risk or are credit impaired.

Rs. in Lakhs

Particulars	Not Due	Outstanding for following periods from due date of payment: Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
As at March 31, 2022							
Undisputed Trade receivables — considered good	**4,955.70**	**398.08**	**–**	**–**	**–**	**–**	**5,353.78**
Disputed Trade Receivables — considered good							**–**
Total Trade Receivables	**4,955.70**	**398.08**	**–**	**–**	**–**	**–**	**5,353.78**

Rs. in Lakhs

Particulars	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
		Outstanding for following periods from due date of payment					
As at March 31, 2021							
Undisputed Trade receivables — considered good	4,660.35	1,386.88	–	–	–	11.99	6,059.22
Disputed Trade Receivables — considered good							
Total Trade Receivables	4,660.35	1,386.88	–	–	–	11.99	6,059.22

Note No. 10 - Cash and cash equivalents

Rs. in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Cash and cash equivalents		
(a) Balances with banks	**10.73**	11.28
(b) Cash on hand	**0.13**	0.07
Total	**10.86**	11.35

Note No. 11 - Equity Share Capital

Rs. in Lakhs

Particulars	As at March 31, 2022 No. of shares	As at March 31, 2022 Amount	As at March 31, 2021 No. of shares	As at March 31, 2021 Amount
Authorised:				
Equity shares of Rs. 10 each with voting rights	**17,000,000**	**1,700.00**	17,000,000	1,700.00
Issued, Subscribed and Fully Paid:				
Equity shares of Rs. 10 each with voting rights	**16,539,759**	**1,653.98**	16,539,759	1,653.98
Total	**16,539,759**	**1,653.98**	16,539,759	1,653.98

Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period

Particulars	Opening Balance	Fresh issue	Buy back	Closing Balance
Equity Shares of Rs. 10 each				
Year ended March 31, 2022				
Number of shares	**16,539,759**	**–**	**–**	**16,539,759**
Amount (in Lakhs)	**1,653.98**	**–**	**–**	**1,653.98**
Year ended March 31, 2021				
Number of shares	16,539,759	–	–	16,539,759
Amount (in Lakhs)	1,653.98	–	–	1,653.98

The Company has not allotted any equity shares for consideration other than cash, bonus shares, nor have any shares been bought back during the period of five years immediately preceding the Balance Sheet date.

Terms/rights attached to equity shares

The Company has only one class of equity share having a par value of Rs. 10/- per share. Each shareholder has the following voting rights (i) On a show of hands: one vote for a member present in person and (ii) On a poll: one vote for each equity share registered in the name of the member. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing annual general meeting, except in case of interim dividend. In the event of winding up, the liquidator may, with the sanction of a special resolution of the Company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the company, whether they shall consist of property of the same kind or not.

Details of shares held by the holding company

Particulars	As at March 31, 2022	As at March 31, 2021
Mahindra Intertrade Limited, the holding Company (including 7 equity shares held jointly with its nominees)	**10,089,257**	10,089,257

Details of shares held by each shareholder holding more than 5% shares

Particulars	As at March 31, 2022 Number of shares	As at March 31, 2022 % of holding	As at March 31, 2021 Number of shares	As at March 31, 2021 % of holding
Mahindra Intertrade Limited, the holding Company (including 7 equity shares held jointly with its nominees)	**10,089,257**	**61%**	10,089,257	61%
Metal One Corporation	**6,450,502**	**39%**	6,450,502	39%

Note No. 12 - Other equity

Rs. in Lakhs

Particulars		Capital reserve	Securities premium	General reserve	Retained earnings	Total
Balance at April 1, 2020	A	20.00	4,011.15	164.44	4,448.98	8,644.57
Loss for the year	B	–	–	–	(660.41)	(660.41)
Other comprehensive income (net of taxes)	C	–	–	–	6.97	6.97
Total comprehensive loss for the year	**D(B+C)**	–	–	–	**(653.44)**	**(653.44)**
Balance at March 31, 2021	G(A+D)	20.00	4,011.15	164.44	3,795.54	7,991.13
Profit for the year	H	–	–	–	1,843.65	1,843.65
Other comprehensive loss (net of taxes)	I	–	–	–	(1.54)	(1.54)
Total comprehensive income for the year	J(H+I)	–	–	–	**1,842.11**	**1,842.11**
Balance at March 31, 2022	**M(G+J)**	**20.00**	**4,011.15**	**164.44**	**5,637.65**	**9,833.24**

Rs. in Lakhs

Proposed dividends on equity shares:	As at March 31, 2022
Final cash dividend proposed for the year ended on March 31, 2022: Rs. 3.30 per share	**545.81**
Total	**545.81**

Proposed dividend on equity shares is subject to approval of the shareholders at the annual general meeting and is not recognised as a liability as at March 31, 2022.

Note No. 13 - Non current borrowings

Rs. in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Measured at amortised cost		
A. Secured:		
Term loans:		

Rs. in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
From banks [Refer note (i)]	**2,007.87**	3,275.33
Less: Current maturities of long term debts	**(791.10)**	(819.66)
Total secured:	**1,216.77**	2,455.67

Notes:

(i) (a) As on 31 March 2022, the Company has taken term loan of Rs. 687.87 Lakhs (FY 2021: Rs. 1,675.33Lakhs) under sanction extended by HDFC Bank [interest payable at the rate of 7.30% p.a. to 7.37% p.a.(FY 2021: 7.3% p.a. to 7.45% p.a.) (payable monthly) linked to the base rate, secured by exclusive charge on movable property, plant and equipment situated at Noida and Bhopal plant; and pari-passu charge on property, plant and equipment situated at Chennai plant. The repayment Schedule is as under:

Rs. in Lakhs

Name of the Bank	Rate of Interest	repayable in FY 2022-23	FY 2023-24	Total
HDFC Bank	7.30%	37.50	–	37.50
HDFC Bank	7.30%	4.48	–	4.48
HDFC Bank	7.37%	201.78	282.49	484.27
HDFC Bank	7.37%	63.78	89.29	153.07
HDFC Bank	7.37%	3.56	4.99	8.55
Total		**311.10**	**376.77**	**687.87**

(i) (b) As on 31 March 2022, the Company has taken term loan of Rs. 1,320 Lakhs (FY 2021: Rs. 1,600 Lakhs) under sanction extended by Axis Bank [interest payable at the rate of 7.50% p.a.(FY 2021: 7.55%) (payable monthly) linked to the base rate], secured by pari-passu charge on movable property fixed assets situated at Chennai plant. The repayment Schedule is as under:

Rs. in Lakhs

Name of the Bank	Rate of Interest	repayable in FY 2022-23	FY 2023-24	FY 2024-25	Total
Axis Bank	7.50%	480.00	560.00	280.00	1,320.00

Note No. 14 Trade payables

Rs. in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Trade payable for goods & services		
A. Total outstanding dues from micro enterprises and small enterprises, and	**167.49**	113.91
B. Total outstanding dues of creditors other than micro enterprises and small enterprises	**4,451.91**	3,550.38
Subtotal	**4,619.40**	3,664.29
Acceptances	**5,276.96**	3,344.19
Total	**9,896.36**	7,008.48

Note: Dues to Micro, Small and Medium Enterprises

Particulars	As at March 31, 2022	As at March 31, 2021
The amounts remaining unpaid to micro and small suppliers as at the end of the year Principal	**167.49**	113.91
Interest due thereon	**–**	–
The amounts of the payments made to micro and small suppliers beyond the appointed day during each accounting year	**–**	–
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act,2006	**–**	–
The amount of interest accrued and remaining unpaid at the end of each accounting year.	**–**	–
The amount of further interest remaining due and payable even in the succeeding years until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under the MSMED Act, 2006	**–**	–

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management. This has been relied upon by the auditors.

Rs. in Lakhs

Particulars	Not Due	Outstanding for following periods from due date of payment: Less than 6 months	6 months - 1 year	1 to 2 years	2 to 3 years	More than 3 years	Total
As at March 31, 2022							
Trade payables — MSME	**167.49**	**–**	**–**	**–**	**–**	**–**	**167.49**
Trade payables — Others	**9,209.18**	**384.85**	**2.24**	**8.79**	**91.51**	**4.11**	**9,700.68**
Disputed dues — MSME	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Disputed dues — Others	**–**					**28.19**	**28.19**
Total Trade Payables	**9,376.67**	**384.85**	**2.24**	**8.79**	**91.51**	**32.30**	**9,896.36**
As at March 31, 2021							
Trade payables — MSME	113.91						113.91
Trade payables — Others	5,646.78	1,088.36	5.92	100.71		24.61	6,866.38
Disputed dues — MSME							–
Disputed dues — Others						28.19	28.19
Total Trade Payables	5,760.69	1,088.36	5.92	100.71	–	52.80	7,008.48

Note No. 15 Provisions

Rs. in Lakhs

Particulars	As at March 31, 2022: Current	Non-Current	Total	As at March 31, 2021: Current	Non-Current	Total
(a) Provision for employee benefits						
(1) Long-term employee benefits						
(i) Provision for compensated absences	**20.47**	**113.49**	**133.96**	18.94	110.54	129.48
(ii) Provision for post retirement medical benefit	**0.25**	**15.55**	**15.80**	0.33	15.59	15.92
(iii) Provision for gratuity (net)	**–**	**6.17**	**6.17**	–	–	–
Total	**20.72**	**135.21**	**155.93**	19.27	126.13	145.40

Note:

The provision for employee benefits includes privileged leave entitlements accrued. The increase in the carrying amount of the provision for the current year results from accrual of the privileged leave entitlements for the current year. For other disclosures, refer note 32

Note No. 16 - Current borrowings

Rs. in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
A. Secured		
(i) Loans payable on demand From bank (Refer note (i))	**2,658.84**	25.34
(ii) Short term loan from bank (Refer note (ii))	**1,000.00**	–
(iii) Current maturities of long-term debt Refer note 13 for details of securities	**791.10**	819.66
Total	**4,449.94**	845.00
B. Unsecured		
Short term loan:	**–**	–
Intercorporate Deposit (Refer note (iii))	**2,050.00**	925.00
Total	**2,050.00**	925.00
Total	**6,499.94**	1,770.00

Notes:

(i) (a) The Cash credit of Rs.1,258.42 Lakhs (FY:2021 Rs. 16.34 Lakhs) from HDFC Bank Limited is secured on pari-passu basis by charge on stock and book debts of the Company. Interest is payable at the rate of 7.60%. (FY:2021 7.60%)

(b) The Cash credit of Rs. 1,400.42 Lakhs (FY:2021 Rs. 9.00 Lakhs) from Axis Bank Limited is secured on first pari-passu basis by charge on current assets of the Company. Interest is payable at the rate of 7.25%. (FY:2021 7.30%)

(ii) As at March 31, 2022, the Company had a working capital short term loan of Rs. 1,000.00 Lakhs under sanction extended by ICICI bank secured by first pari passu charge on the stock and book debts of the Company. Interest was payable at the rate of 5.90% p.a linked to REPO.

(iii) The Company has taken unsecured short term intercorporate deposit of Rs. 2,050 Lakhs as at March 31, 2022 (FY:2021 Rs. 925 Lakhs) from the Parent Company Mahindra Intertrade Limited. Interest is payable at the rate 7.00 to 7.10% p.a. (FY:2021 6.95%)

Note No. 17 - Lease Liability

Rs. in Lakhs

Particulars	As at March 31, 2022 Current	As at March 31, 2022 Non-current	As at March 31, 2022 Total	As at March 31, 2021 Current	As at March 31, 2021 Non-current	As at March 31, 2021 Total
Lease Liability	**109.79**	**2,512.38**	**2,622.17**	105.50	2,625.94	2,731.44
Total	**109.79**	**2,512.38**	**2,622.17**	105.50	2,625.94	2,731.44

Note No. 18 - Other financial liabilities

Rs. in Lakhs

Particulars	As at March 31, 2022 Current	As at March 31, 2022 Non–current	As at March 31, 2022 Total	As at March 31, 2021 Current	As at March 31, 2021 Non–current	As at March 31, 2021 Total
Other financial liabilities measured at amortised cost						
(a) Interest accrued but not due on borrowings	**15.04**	–	**15.04**	16.65	–	16.65
(c) Other liabilities						
(1) Creditors for capital supplies/services	**46.81**	–	**46.81**	179.59	–	179.59
(2) Dealer deposit	**62.17**	–	**62.17**	42.24	–	42.24
(3) Employee wages and salary payable	**253.67**	–	**253.67**	135.22	–	135.22
Total	**377.69**	–	**377.69**	373.70	–	373.70
Other financial liabilities measured at fair value						
(1) Derivatives						
Foreign currency forward contracts	**3.66**	–	**3.66**	53.22	–	53.22
(2) Other						
Liability for Cash-settled share-based payments	**35.96**	**25.91**	**61.87**	25.51	24.65	50.16
Total	**39.62**	**25.91**	**65.53**	78.73	24.65	103.38
Total	**417.31**	**25.91**	**443.22**	452.43	24.65	477.08

Note No. 19 - Other current liabilities

Rs. in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
a. Advances received from customers	**62.60**	75.56
b. Others		
(i) Employee recoveries and employer contributions	**16.86**	14.38
(ii) Statutory remittances (withholding taxes, GST etc.)	**44.10**	34.72
Total	**123.56**	124.66

Note No. 20 - Current Tax and deferred tax

(a) Income tax recognised in Statement of Profit and Loss

Rs. in Lakhs

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Current tax:		
In respect of current year	**463.83**	–
In respect of prior year	**19.03**	(56.74)
Deferred tax:		
In respect of current year origination and reversal of temporary differences	**315.58**	(267.71)
Adjustment due to change in tax rate	**1.70**	
Total	**800.14**	(324.45)

(b) Income tax recognised in other comprehensive income

Rs. in Lakhs

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Current Tax		
Remeasurement of defined benefit obligations	–	–
Deferred tax related to items recognised in other comprehensive income during the year:		
Remeasurement of defined benefit obligations	**(0.64)**	2.69
Total	**(0.64)**	2.69
Bifurcation of income tax recognised in other comprehensive income into:		
– Items that will not be reclassified to profit and loss	**(0.64)**	2.69
Total	**(0.64)**	2.69

(c) Reconciliation of income tax expense and the accounting profit multiplied by Company's domestic tax rate:

Rs. in Lakhs

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Profit before tax	**2,643.79**	(984.86)
Income tax expense calculated at 29.12% (2021: 27.82%)	**769.87**	(273.99)
Effect of expenses that are non-deductible in determining taxable profit	**3.21**	2.71

Rs. in Lakhs

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Others	**6.33**	3.57
Effect of expenses due to change in income tax rate	**1.70**	–
Current tax in respect of prior period	**19.03**	(56.74)
Income tax (income) / expense recognised in Statement of Profit and Loss	**800.14**	(324.45)

Note:

The tax rate used for the 31 March 2022 and 31 March 2021 reconciliations above is the corporate tax rate of 29.12% and 27.82% [including surcharge of 12% and 7% respectively and Health and Education Cess of 4% payable by corporate entities in India on taxable profits under Indian income tax laws.

Note No. 21 - Deferred tax

Rs. in Lakhs

For the year ended March 31, 2022

Particulars	Opening Balance	Recognised in the Statement of Profit and Loss	Recognised in Other Comprehensive Income (OCI)	Closing Balance
Tax effect of items constituting deferred tax liabilities				
Property, plant and equipment	(893.05)	(49.38)	–	(942.43)
Tax effect of items constituting deferred tax assets				
Employee benefits	49.96	9.31	0.64	59.91
FVTPL financial liabilities including derivatives	11.05	(3.56)	–	7.49
Carried forward loss of current year	802.34	(760.86)	–	41.48
Minimum Alternate Tax Carried forward	–	463.83	–	463.83
Other	(0.10)	23.38	–	23.28
Net tax asset/(liabilities)	**(29.80)**	**(317.28)**	**0.64**	**(346.44)**

Rs. in Lakhs

For the year ended March 31, 2021

Particulars	Opening Balance	Recognised in the Statement of Profit and Loss	Recognised in Other Comprehensive Income (OCI)	Closing Balance
Tax effect of items constituting deferred tax liabilities				
Property, plant and equipment	(604.16)	(288.89)	–	(893.05)
Tax effect of items constituting deferred tax assets				
Employee benefits	72.91	(20.26)	(2.69)	49.96
FVTPL financial liabilities including derivatives	3.81	7.24	–	11.05
Carried forward loss of current year	218.16	584.18	–	802.34
Other	14.46	(14.56)	–	(0.10)
Net tax asset/(liabilities)	**(294.82)**	**267.71**	**(2.69)**	**(29.80)**

* FVTPL (Fair Value through Profit and Loss)

Note No. 22 - Revenue from operations

The following is an analysis of the company's revenue for the year from continuing operations.

Rs. in Lakhs

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
A. Revenue from contract with customers: (Refer Note (i)		
(a) Revenue from sale of products (Refer note (ii) below)	**27,582.01**	14,787.63
(b) Revenue from rendering of services (Refer note (iii) below)	**2,071.68**	1,351.24
Subtotal	**29,653.69**	16,138.87
B. Other operating revenue (Refer note (iv) below)	**1,858.64**	988.40
Total	**31,512.33**	17,127.27

Notes:

(i) The management determines that the segment Information reported under Note 22 A above is sufficient to meet the disclosure objective with respect to disaggregation of revenue under Ind AS 115 Revenue from contract with Customers. Hence, no separate disclosures of disaggregated revenues are reported.

Rs. in Lakhs

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
(ii) Sale of products comprises:		
Manufactured goods		
Steel products	**27,582.01**	14,787.63
Total	**27,582.01**	14,787.63
(iii) Sale of services comprises:		
Steel processing	**2,071.68**	1,351.24
(iv) Other operating revenues comprise**:**		
Scrap sales	**1,813.26**	948.35
Insurance claim	**17.86**	9.46
Industrial Investment Promotion Assistance (Refer note 40)	**0.35**	–
Other operating income	**27.17**	30.59
Total	**1,858.64**	988.40

Note No. 23 - Other Income

Rs. in Lakhs

Particulars		For the year ended March 31, 2022	For the year ended March 31, 2021
(a)	Interest income		
	Other	**1.49**	25.47
(b)	Profit on sale of current investments	**3.84**	2.39
(c)	Profit on sale of property, plant and equipment	**5.44**	4.82
(d)	Liabilities no longer required written back	**5.93**	6.40
(e)	Net gain on foreign currency transactions and translations	**–**	7.66
	Total	**16.70**	46.74

Note No. 24 - Cost of materials consumed

Rs. in Lakhs

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Opening stock	**2,673.34**	4,588.21
Add: Purchases	**30,727.39**	11,623.43
Less: Closing stock	**(8,380.89)**	(2,673.34)
Cost of materials consumed - Steel Products	**25,019.84**	13,538.30

Note No. 25 - Changes in inventories of finished goods and work-in-progress

Rs. in Lakhs

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Inventories at the end of the year:		
Finished goods - Steel Products	**1,732.75**	412.41
Work-in-progress - Steel Products	**636.84**	333.55
	2,369.59	745.96
Inventories at the beginning of the year:		
Finished goods - Steel Products	**412.41**	561.16
Work-in-progress - Steel Products	**333.55**	404.36
	745.96	965.52
Net (increase) / decrease	**(1,623.63)**	219.56

Note No. 26 - Employee benefits expense

Rs. in Lakhs

Particulars		For the year ended March 31, 2022	For the year ended March 31, 2021
(a)	Salaries and wages	**1,133.28**	931.04
(b)	Contribution to provident and other funds	**79.41**	79.11
(c)	Share based payment to employees	**79.36**	43.40
(d)	Post-retirement medical benefit expense	**2.33**	1.94
(e)	Staff welfare expenses	**98.07**	46.85
	Total	**1,392.45**	1,102.34

Note No. 27 - Finance costs

Rs. in Lakhs

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest expense on financial liability measured at amortised cost		
(a) Borrowings	**266.75**	295.38
(b) Lease Liability	**199.39**	139.22
(c) Other		
- Usance Interest	**31.95**	47.36
- delayed/deferred payment of tax	**1.40**	1.36
Total	**499.49**	483.32

Note No. 28 - Depreciation expense

Rs. in Lakhs

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Depreciation on		
Property, plant and equipment (Refer Note 4)	**1,116.92**	1,145.09
Total	**1,116.92**	1,145.09

Note No. 29 - Other expenses

Rs. in Lakhs

Particulars		For the year ended March 31, 2022	For the year ended March 31, 2021
(a)	Stores and tools consumed	**90.84**	47.24
(b)	Power & fuel	**506.62**	378.26
(c)	Rent including lease rentals	**4.99**	0.33
(d)	Rates and taxes	**37.03**	34.06
(e)	Insurance	**49.63**	45.14
(f)	Repairs and maintenance - Buildings	**53.74**	10.86
(g)	Repairs and maintenance - Machinery	**98.86**	40.54
(h)	Repairs and maintenance - Others	**138.87**	89.29
(i)	Freight outward	**393.92**	282.68
(j)	Subcontracting, hire and service charges	**482.16**	342.18
(k)	Expenditure on corporate social responsibility (CSR) under section 135 of the Companies Act, 2013. (Refer note No. 38)	**9.59**	10.60
(l)	Net loss on foreign currency transactions and translations	**152.36**	–
(m)	Fair value loss on financial instruments at fair value through profit and loss	**3.66**	53.22
(n)	Auditors remuneration and out-of-pocket expenses(note below)	**14.40**	9.67
(o)	Legal and other professional costs	**120.05**	154.55
(p)	Bad debts / advances written off	**31.92**	21.40
(q)	Software charges	**52.38**	43.32
(r)	Miscellaneous expenses	**239.15**	106.92
	Total	**2,480.17**	1,670.26

Note

Rs. in Lakhs

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Payment to statutory auditors (excluding GST):		
(i) For Audit	**10.50**	9.45
(ii) For other services	**3.90**	0.22
(iii) For reimbursement of expenses	**–**	–
Total	**14.40**	9.67

Note No. 30 - Ratios

Sr. No.	Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021	Variance	Refer foot note
1	Current ratio (times) Current assets/Current liabilities	1.18	1.14	4%	
2	Debt-Equity ratio (times) (Long term borrowings + short term borrowings (including current maturities of long term borrowings)/(Total equity)	0.67	0.44	52%	1
3	Debt service coverage ratio (times) (Profit before interest, tax and depreciation)/(gross interest for the period + principal repayments within a year)	3.04	0.46	561%	2
4	Return on Equity (Net profit for the period/Total equity)	16%	(7%)	(329%)	3
5	Inventory turnover (times) (Cost of materials consumed/Average inventories for the period)	3.23	2.99	8%	
6	Trade receivables turnover (times) (Revenue from sale of goods and services)/(Average trade receivable for the year)	5.20	3.71	40%	4
7	Trade payables turnover (times) (Purchase of goods and services)/(Average trade payable for the year)	3.64	1.74	109%	4
8	Net working capital turnover (times) (Revenue from sale of goods and services) / (Working capital i.e. current assets - current liabilities)"	9.70	12.36	(22%)	
9	Net Profit margin (%) (Net Profit for the period / Revenue from operations)	6%	(4%)	(250%)	5
10	Return on capital employed (%) (Profit before interest and tax / Total equity and total debt)	16%	(3%)	(633%)	5
11	Return on Investment (%) (Total income from investment / Average investment for the period)	0%	–	0%	

Notes:

1) The increase in ratio is on account of additional borrowings taken for mainly working capital purpose.
2) The improvement in ratio is mainly on account of improvement in operating profits during the year.
3) The improvement in ratio is mainly on account of improvement in operating profits during the year.
4) Trade receivable and Trade payable turnover ratios have improved on account of better working capital management.
5) Profit margin and return on Capital Employed has improved during the year mainly on account of improved recoveries and upliftment in overall operations of the Company.

Note No. 31 - Contingent liabilities and commitments (to the extent not provided for)

Rs. in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
(i) Claims against the Company not acknowledged as debts:		
(a) Excise duty demand for FY 13-14 to June 17	**406.88**	406.88
(b) Custom duty demand for the financial year 2009-10	**–**	2.53
(c) Madhya Pradesh VAT/CST demand Financial Year 2011-12	**8.95**	8.95
(d) Madhya Pradesh VAT/CST demand Financial Year 2012-13	**6.51**	6.51
(ii) Commitments:		
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for		
Tangible assets	**73.80**	9.99
(iii) Other money for which the Company is contingently liable		
(a) Corporate guarantee given by the Company to M/s SHV Energy Private Limited	**–**	12.00
(b) Bank guarantee given by the Company to M/s SHV Energy Private Limited	**12.00**	–

Note No. 32 - Employee benefits

(a) Defined Contribution Plan

The Company has recognized, in the Statement of Profit and Loss for the year, an amount of Rs. 56.00 Lakhs (FY 2021: Rs. 57.13 Lakhs as expenses under defined contribution plans).

Rs. in Lakhs

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Provident Fund	**39.33**	37.15
Pension Fund	**16.67**	19.98
Total	**56.00**	57.13

(b) Defined benefit plans:

(i) GRATUITY

The Company operates a gratuity plan covering qualifying employees. The benefit payable is the greater of the amount calculated as per the Payment of Gratuity Act, 1972 or the Company scheme applicable to the employee. The benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. In case of death while in service, the gratuity is payable irrespective of vesting.

Nature of Benefits:

The gratuity benefits payable to the employees are based on the employee's service and last drawn salary at the time of leaving. The employees do not contribute towards this plan and the full cost of providing these benefits are met by the Company.

Regulatory framework:

There are no minimum funding requirements for a gratuity plan in India. The trustees of the gratuity fund have a fiduciary responsibility to act according to the provisions of the trust deed and rules. Since the fund is income tax approved, the Company and the trustees have to ensure that they are at all times fully compliant with the relevant provisions of the income tax and rules. Besides this if the Company is covered by the Payment of Gratuity Act, 1972 then the Company is bound to pay the statutory minimum gratuity as prescribed under this Act.

Governance of Plan:

The Company has setup an income tax approved irrevocable trust fund to finance the plan liability. The trustees of the trust fund are responsible for the overall governance of the plan. The plan is funded under Group Gratuity Scheme which is administered by LIC. The Company makes annual contribution to the plan.

Inherent Risk:

The plan is of a final salary defined benefit in nature which is sponsored by the Company and hence it underwrites all the risks pertaining to the plan. In particular, there is a risk for the Company that any adverse salary growth or demographic experience or inadequate returns on underlying plan assets can result in an increase in cost of providing these benefits to employees in future. Since the benefits are lump sum in nature the plan is not subject to any longevity risks.

(ii) POST-RETIREMENT MEDICAL BENEFITS

The Company provides post retirement medical cover to select grade of employees to cover the retiring employee and their spouse up to a specified age through mediclaim policy on which the premiums are paid by the Company. The eligibility of the employee for the benefit as well as the amount of medical cover purchased is determined by the grade of the employee at the time of retirement.

Nature of Benefits:

The Company operates a defined benefit post-retirement medical plan. The benefits payable to the employees are post their retirement from the Company. The employees do not contribute towards this plan and the full cost of providing these benefits are met by the Company.

Regulatory framework:

There are no minimum funding requirements for such a post-retirement medical plan in India. The Company has chosen not to fund the post-retirement benefit liabilities of the plan but instead carry a provision based on actuarial valuation in its books of accounts.

Governance of Plan:

The Company is responsible for the overall governance of the plan. Since the plan is unfunded, the governance of the plan is limited to employees being paid the benefits as per the terms of the plan.

Inherent Risk:

The plan is of a defined benefit in nature which is sponsored by the Company and hence it underwrites all the risks pertaining to the plan. In particular, there is a risk for the Company that any adverse increase in healthcare costs or demographic experience can result in an increase in cost of providing these benefits to employees in future. The benefits are also paid post retirement up to a specified age of the beneficiaries and the plan carries the longevity risks.

Life expectancy:

The majority of the plan's obligations are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the plan's liabilities. This is particularly significant in the Company's defined benefit plans, where inflationary increases result in higher sensitivity to changes in life expectancy.

Defined benefit plans – as per actuarial valuation on 31st March, 2022

Rs. in Lakhs

Particulars	Funded Plan		Unfunded Plans	
	Gratuity		Post-retirement medical benefit	
	2022	2021	**2022**	2021
(iii) Expense recognised in the Statement of Profit and Loss for the year ended March 31:				
1) Current service cost	**22.22**	21.60	**1.30**	1.14
2) Past service credit	**–**	–		–
3) Interest on net defined benefit liability/ (asset)	**(1.28)**	(1.83)	**1.03**	0.80
	20.94	19.77	**2.33**	1.94

Rs. in Lakhs

Particulars	Funded Plan		Unfunded Plans	
	Gratuity		Post-retirement medical benefit	
	2022	2021	**2022**	2021
(iv) Included in Other Comprehensive Income				
1) Actual return on plan assets less interest on plan assets	**0.18**	(6.29)	**–**	–
2) Actuarial (gain)/loss on account of :				
– Changes in demographic assumptions	**–**	–	**–**	–
– Financial assumptions	**10.77**	(0.79)	**(0.87)**	(0.12)
– Experience adjustments	**(6.72)**	(4.36)	**(1.18)**	1.90
	4.23	(11.44)	**(2.05)**	1.78
(v) Net asset/(liability) recognised in the Balance Sheet as at March 31				
1) Present value of defined benefit obligation as at March 31	**234.23**	208.43	**15.80**	15.92
2) Fair value of plan assets as at March 31	**228.06**	222.89		–
3) Surplus/(Deficit)	**(6.17)**	14.46	**(15.80)**	(15.92)
4) Current portion of the above			**(0.25)**	(0.33)
5) Non current portion of the above	**(6.17)**	14.46	**(15.55)**	(15.59)
(vi) Change in the obligation during the year ended March 31				
1) Present value of defined benefit obligation at the beginning of the year	**208.43**	192.38	**15.92**	12.51
2) Expenses recognised in Statement of Profit and Loss account				
– Current service cost	**22.22**	21.60	**1.30**	1.14
– Past Service Cost	**–**	–		–
– Interest expense (income)	**12.78**	11.67	**1.03**	0.80
3) Recognised in Other Comprehensive Income				
Remeasurement gains/(losses)				
– Actuarial gain (loss) arising from:				
(i) Changes in demographic assumptions	**–**	–	**–**	–
(ii) Financial assumptions	**10.77**	(0.79)	**(0.87)**	(0.12)
(iii) Experience adjustments	**(6.72)**	(4.36)	**(1.18)**	1.90
4) Benefit payments	**(10.31)**	(12.42)	**(0.24)**	(0.33)
5) Liabilities (settled)/assumed	**(2.94)**	0.35	**(0.16)**	0.02
6) Present value of defined benefit obligation at the end of the year	**234.23**	208.43	**15.80**	15.92
(vii) Change in fair value of assets during the year ended March 31				
1) Fair value of plan assets at the beginning of the year	**222.89**	215.52	**–**	–
2) Expenses recognised in Statement of Profit and Loss account				
– interest on plan assets	**14.06**	13.50	**–**	–
3) Recognised in Other Comprehensive Income				
Remeasurement gains/(losses)				

Rs. in Lakhs

Particulars	Funded Plan		Unfunded Plans	
	Gratuity		Post-retirement medical benefit	
	2022	2021	**2022**	2021
– Actual return on plan assets in excess of the expected return	**(0.18)**	6.29	**–**	–
– Others (specify)				
4) Contributions by employer (including benefit payments recoverable)	**1.60**	–	**–**	–
5) Benefit payments	**(10.31)**	(12.42)	**–**	–
6) Assets settled	**–**	–		
7) Fair value of plan assets at the end of the year	**228.06**	222.89	**–**	–
(viii) The major categories of plan assets				
List the plan assets by category here				
– Insurer managed funds	**228.06**	222.89	**–**	–
(ix) Actuarial assumptions				
1) Discount rate	**6.90%**	6.55%	**6.90%**	6.55%
2) Medical premium inflation	**–**	–	**6.00%**	6.00%
3) Rate of increase in compensation levels	**8.00%**	7.00%	**–**	–
4) Mortality table	**IALM(2012-14) ult**			

The expected rate of return on plan assets is based on the average long term rate of return expected on investments of the fund during the estimated term of obligation.

The estimate of future salary increases, considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

(x) Sensitivity analysis:

Gratuity

Gratuity is a lump sum plan and the cost of providing these benefits is typically less sensitive to small changes in demographic assumptions. The key actuarial assumptions to which the benefit obligation results are particularly sensitive to are discount rate and future salary escalation rate. The following table summarizes the impact on the reported defined benefit obligation at the end of the reporting period arising on account of an increase or decrease in the reported assumption by 100 basis points.

These sensitivities have been calculated to show the movement in defined benefit obligation in isolation and assuming there are no other changes in market conditions at the accounting date. There have been no changes from the previous periods in the methods and assumptions used in preparing the sensitivity analyses.

The sensitivity of the gratuity benefits to changes in the weighted principal assumptions is:

Rs. in Lakhs

Principal assumption	Year	Changes in assumption	Impact on defined benefit obligation	
			Increase in assumption	Decrease in assumption
Discount rate	**2022**	**1%**	**217.92**	**252.79**
	2021	1%	193.70	225.19
Salary growth rate	**2022**	**1%**	**252.35**	**217.93**
	2021	1%	224.95	193.63

Post retirement medical benefits

The benefit obligation results for the cost of paying future hospitalization premiums to insurance company in future for the employee / beneficiaries during their lifetime is sensitive to discount rate and future increase in healthcare costs.

The following table summarizes the impact on the reported defined benefit obligation at the end of the reporting period arising on account of changes in these three key parameters:

These sensitivities have been calculated to show the movement in defined benefit obligation in isolation and assuming there are no other changes in market conditions at the accounting date. There have been no changes from the previous periods in the methods and assumptions used in preparing the sensitivity analyses.

The sensitivity of the post retirement medical benefit obligation to changes in the weighted principal assumptions is:

Rs. in Lakhs

Principal assumption	Year	Changes in assumption	Impact on defined benefit obligation	
			Increase in assumption	Decrease in assumption
Discount rate	**2022**	**1%**	**13.65**	**18.46**
	2021	1%	13.79	18.54
Medical inflation rate	**2022**	**1%**	**18.46**	**13.61**
	2021	1%	18.53	13.76

(xi) Expected contributions for the next year:

The Company expects to contribute Rs. 10 lakhs to the gratuity trusts during the next financial year of 2022.

(xii) Maturity profile:

Gratuity — Rs. in Lakhs

Maturity profile of defined benefit obligation:	2022	2021
Within 1 year	**28.24**	26.59
1 - 2 year	**20.14**	17.72
2 - 3 year	**22.21**	18.12
3 - 4 year	**33.30**	19.69
4 - 5 year	**21.59**	28.87
5 - 10 years	**91.54**	80.56
More than 10 years	**222.22**	187.06

Post-retirement medical benefits — Rs. in Lakhs

Maturity profile of defined benefit obligation:	2022	2021
Within 1 year	**0.25**	0.33
1 - 2 year	**0.26**	0.35
2 - 3 year	**0.28**	0.37
3 - 4 year	**0.29**	0.39
4 - 5 year	**0.27**	0.42
5 - 10 years	**3.12**	2.88
More than 10 years	**50.96**	46.39

Note No. 33 - Segment reporting

Segment information:

The company has identified ‘Steel Processing’ as its only primary reportable segment. The Managing Director of the Company has been identified as the Chief Operating Decision Maker (CODM) as defined under Ind AS 108. CODM reviews overall financial information of the Company for performance evaluation and allocation of resources and does not review any discrete information to evaluate performance of any individual product or geography.

Geographical Information:

Almost all of the company's customer are located within India.

The Company operates and has its manufacturing / processing facilities based out of Pune, Bhopal, Chennai and Noida in India.

There are 2 customers (having revenue more than Rs. 4,537.69 Lakhs from each customer) who are individually contributing to more than 10% of the Company's revenue. [FY 2021: There were 3 customers (having revenue more than Rs. 2057.99 Lakhs from each customer) who were individually contributing to more than 10% of the Company's revenue.]

Note No. 34 Related party transactions

Related party disclosures as required by IND AS 24 "Related Party Disclosures" are given below.

Relation	**Name**
Ultimate holding company	Mahindra & Mahindra Ltd.
Holding company	Mahindra Intertrade Limited
Key management personnel (KMP)	Mr. Rajeev Dubey (Non-Executive Chairman)
	Mr. Sumit Issar (Managing Director)
	Mr. P. R. Barpande (Independent Director) (till 30 March 2022)
	Mr. Ajay Mehta (Independent Director)
Other parties with whom transactions have taken place during the year.	
(i) Fellow Subsidiaries	Mahindra Integrated Business Solutions Pvt. Limited (MIBS)
	Mahindra Electrical Steel Private Limited (MESPL)
	Mahindra Auto Steel Private Limited (MASPL)
	Mahindra MiddleEast Electrical Steel Service Centre (FZC) (MME)
	Mahindra First Choice Services Limited (MFCSL)
	Mahindra Retail Limited (formally known as Mahindra Retail Private Limited) (MRL) till 31 March 2021
	Mahindra Susten Private Limited (MSL)
	Mahindra MSTC Recycling Private Limited (MMRPL)
	Mahindra Logistics Limited (MLL)
	Mahindra Electric Mobility Ltd. (MEML)
	Mahindra Engineering & Chemical Products Ltd (MECPL) till 31 March 2021
(ii) Company which is associate of ultimate holding company	Mahindra CIE Limited (MCIE)
(iii) A Company having significant influence	Metal One Corporation, Japan (MOJ)
	Metal One Corporation India Private Limited (MOI)

Managerial Remuneration

The Company is not required to pay any managerial remuneration to the Managing Director as per the terms of appointment.

(a) Disclosure of transactions (net of duties and taxes) between the company and related parties during the year ended March 31, 2021:

Rs. in Lakhs

Nature of transactions	Ultimate holding company		Holding company		MESPL		MASPL		MIBS		MSL		MMRPL		MLL		MEML		MECPL		A Company having Significant influence MOI		MOJ	
											Fellow subsidiary													
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Processing Income	–	–	**1,288.34**	846.64	–	–	**21.72**	1.20	–	–	–	–	–	–	–	–	–	–	–	–	**189.23**	27.04	–	–
Processing Expense	–	–	–	–	–	–	**11.91**	0.09	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Sales	–	–	**9.16**	52.31	–	–	–	–	–	–	–	–	–	–	–	–	**191.65**	76.03	–	–	**4,348.46**	13.27	–	–
Purchases	–	–	**853.54**	1,302.94	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	**2,986.72**	–	**10,136.80**	4,461.92
Purchase of Scrap	–	–	–	2.33	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	20.82	–	–
Purchase of miscellaneous material	**5.07**	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	3.84	–	–	–	–
Purchase of solar power	–	–	–	–	–	–	–	–	–	–	**39.79**	43.30	–	–	–	–	–	–	–	–	–	–	–	–
Marketing and support service charges	–	–	**194.28**	140.38	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Sublease expenses	–	–	**7.53**	7.53	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Professional expenses	**9.79**	28.44	–	–	–	–	–	–	**6.71**	1.24	–	–	–	–	–	–	–	–	–	–	–	–	–	7.12
Freight Charges paid	–	–	–	–	–	–	–	–	–	–	–	–	–	–	**15.78**	66.58	–	–	–	–	–	–	–	–
Interest on loan paid	–	–	**34.88**	18.80	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	1.58
Reimbursement received from parties	–	–	–	3.08	–	–	**8.07**	6.89	–	–	–	–	**1.15**	0.09	–	–	–	–	–	–	–	–	–	–
Reimbursement made to parties	**50.06**	44.75	**0.28**	2.46	–	–	–	2.91	–	–	–	–	**7.73**	8.64	–	–	–	–	–	–	–	–	–	–
Deputation of personnel to related parties	–	–	**16.15**	21.47	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Deputation of personnel from related parties	–	–	**99.58**	87.18	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Interest on ICD	–	–	–	–	**0.68**	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Purchase of property, plant and equipment	**9.72**	0.60	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Sale of property, plant and equipment	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	**20.67**	–	–	–	–	–	–	–
Intercorporate Deposit Received	–	–	**4,600.00**	5,700.00	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Intercorporate Deposit Repaid	–	–	**3,475.00**	4,775.00	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Intercorporate Deposit given	–	–	–	–	**1,425.00**	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–

(b) Details of related party transactions with Key Management Personnel (KMP) for the year ended 31 March 2022:

Nature of Transactions	Designation	Director/KMP	March 31, 2022	March 31, 2021	Outstanding payable to KPMs March 31, 2022	Outstanding payable to KPMs March 31, 2021
Commission and Sitting Fees	Chairman	Mr. Rajeev Dubey	6.00	3.80	**2.70**	**1.80**
Commission and Sitting Fees	Independent Director	Mr. P. R. Barpande	6.00	4.30	2.70	1.80
Commission and Sitting Fees	Independent Director	Mr. Ajay Mehta	5.90	4.10	2.70	1.80

(c) Outstanding receivable from and payable to related parties

Rs. in Lakhs

Nature of transactions	Ultimate holding company		Holding company		MME		MASPL		MIBS		MSL		MMRPL		MLL		MEML		MECPL		Company which is associate of ultimate holding company		A Company having Significant influence MOI		MOJ	
											Fellow subsidiary															
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Outstanding receivable		–	–	–	**1,425.68**	–	**3.09**	3.64	–	–	–	–		–	–	–	**50.64**	16.81	–	–	–	–	**1,264.44**	6.93	–	–
Outstanding payable	**19.21**	22.29	**2,354.29**	239.82	–	–	–	–	**1.58**	0.16	–	–	**0.68**	0.74	–	18.80	–	–	–	2.67	–	134.58			**5,013.82**	2,721.63

Notes:

1) In respect of the outstanding balances recoverable, no provision for doubtful debts was made in respect of these parties.

2) The sales/provision of services to and purchases/provision of services from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. During the year, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (March 31, 2021: Rs. Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

Note No. 35 - Financial instruments

[I] Capital management

The company's capital management objectives are:

- to ensure the company's ability to continue as a going concern
- to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

The capital structure of the Company consists of net debt (borrowings as detailed in note 13 and 16 and offset by cash and cash equivalents) and total equity of the Company.

The Company monitors capital using a gearing ratio, which is net debt divided by total capital. The Company's policy is to keep the gearing ratio within 150%.

The company sets the amount of capital in proportion to its overall financing structure, i.e. equity and financial liabilities. The company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

Rs. in Lakhs

Particulars	**As at March 31, 2022**	As at March 31, 2021
Debt	**7,716.71**	4,225.67
Less: Cash and cash equivalents (Refer note 10)	**10.86**	11.35
Net debt	**7,705.85**	4,214.32
Equity	**11,487.22**	9,645.11
Gearing ratio	**67%**	44%

[II] Financial risk management framework

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk . In order to manage the aforementioned risks, the Company operates a risk management policy and a program that performs close monitoring of and responding to each risk factors.

A. CREDIT RISK

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primary trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

(i) Trade receivables

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on payment performance over the period of time and financial analysis including credit rating issued by credit rating agencies. Outstanding customer receivables are regularly monitored and any shipments to other small customers are generally covered by letters of credit.

The Company follows expected credit loss method for determination of impairment of trade receivable. Additionally, an impairment analysis is performed at each reporting date on specific case basis for major customers.

(ii) Financial instruments and cash deposits:

Credit risk from balances with banks and financial institutions is managed by the Company in accordance with the Company's policy. Investments of surplus funds are made only with approved mutual fund or banks and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Company on an annual basis, and may be updated throughout the year subject to approval of the Group's Finance Committee. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

B. LIQUIDITY RISK

(i) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Company's short-, medium- and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

(ii) Maturities of financial liabilities

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The amount disclosed in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows.

To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Company may be required to pay.

Rs. in Lakhs

Particulars	Less than 1 Year	1-3 Years	3-5 Years	5 Years and above	Total	Carrying amount
Non-derivative financial liabilities						
As at March 31, 2022						
Non-interest bearing	**4,393.37**	**25.91**	**–**	**–**	**4,419.28**	**4,419.28**
Variable interest rate instruments	**12,909.74**	**1,873.05**	**550.57**	**2,845.29**	**18,178.65**	**16,255.52**
Total	**17,303.11**	**1,898.96**	**550.57**	**2,845.29**	**22,597.93**	**20,674.80**
As at March 31, 2021						
Non-interest bearing	4,046.85	24.65	–	–	4,071.50	4,071.50
Variable interest rate instruments	5,662.03	3,016.86	831.50	3,127.22	12,637.61	10,317.95
Total	9,708.88	3,041.51	831.50	3,127.22	16,709.11	14,389.45

Sensitivity interest rate increase by 1%:

Profit will decrease on variable interest rate instrument by Rs. 162.56 lakhs for the year ended 31 March, 2022 (Rs. 103.18 lakhs for the year ended March 31, 2021)

Sensitivity interest rate decrease by 1%:

Profit will increase on variable interest rate instrument by Rs. 162.56 lakhs for the year ended 31 March, 2022 (Rs. 103.18 lakhs for the year ended March 31, 2021)

The following table details the Company's liquidity analysis for its derivative financial instruments. The table has been drawn up based on the undiscounted contractual net cash inflows and outflows on derivative instruments that settle on a net basis, and the undiscounted gross inflows and outflows on those derivatives that require gross settlement.

Rs. in Lakhs

Particulars	Less than 1 Year	1-3 Years	3-5 Years	5 Years and above
Derivative financial instruments				
31 March, 2022				
Gross settled:				
– foreign exchange forward contract payable	**3.66**	**–**	**–**	**–**
31 March, 2021				
Gross settled:				
– Foreign Exchange forward contracts receivable	–	–	–	–

(iii) Maturities of financial assets

The following table details the Company's expected maturity for its non-derivative financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Company's liquidity risk management as the liquidity is managed on a net asset and liability basis.

Rs. in Lakhs

Particulars	Less than 1 Year	1-3 Years	3-4 Years	5 Years and above	Total	Carrying amount
Non-derivative financial assets						
As at 31 March, 2022						
Non-interest bearing	**5,364.90**	**274.05**	**–**	**9.98**	**5,648.93**	**5,648.93**
Variable interest rate instruments	**1,425.00**	**–**	**–**	**73.37**	**1,498.37**	**1,498.37**
Total	**6,789.90**	**274.05**	**–**	**83.35**	**7,147.30**	**7,147.30**
As at 31 March 2021						
Non-interest bearing	6,070.57	368.39	–	55.84	6,494.80	6,494.80
Variable interest rate instruments	–	–	–	21.61	21.61	21.61
Total	6,070.57	368.39	–	77.45	6,516.41	6,516.41

The amounts included above for variable interest rate instruments for both non-derivative financial assets and liabilities is subject to change if changes in variable interest rates differ to those estimates of interest rates determined at the end of the reporting period.

(iv) Financing arrangements

The Company had access to following undrawn borrowing facilities at the end of the reporting period:

Rs. in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Secured bank overdraft/ WCDL facility	**1,341.16**	3,974.49
– Expiring within one year	**1,341.16**	3,974.49
Unsecured working capital short term loan facility	–	1,000.00
– Expiring within one year	–	1,000.00
Secured working capital non-fund based facility: (LC, BG, LUT, LER)	**1,614.27**	975.08
– Expiring within one year	**1,614.27**	975.08
Unsecured working capital non-fund based facility: (LC, BG, LUT, LER)	**1,425.14**	4,975.28
– Expiring within one year	**1,425.14**	4,975.28
Secured Capex Rupee Term Loan	–	–
– Expiring beyond one year	–	–
Total	**4,380.56**	10,924.85

C. MARKET RISK

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. The Company uses derivatives to manage market risks. Derivatives are only used for economic hedging purposes and not as speculative investments. All such transactions are carried out within the guidelines set by the Board of Directors.

(i) Currency Risk

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. The Company's exposure to currency risk relates primarily to the Company's operating activities and borrowings when transactions are denominated in a different currency from the Company's functional currency.

The Company manages its foreign currency risk by hedging transactions that are expected to occur within a maximum 12 month period for hedges of forecasted sales and purchases and for 36 months period for borrowings.

When a derivative is entered into for the purpose of being a hedge, the Company negotiates the terms of those derivatives to match the terms of the hedged exposure. For hedges the derivatives cover the period of exposure from the point the cash flows of the transactions are forecasted up to the point of settlement of the resulting receivable or payable that is denominated in the foreign currency.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows.

Figures in Lakhs

Particulars	Currency	As at March 31, 2022	As at March 31, 2021
Trade payables/acceptance	USD	**77.68**	45.38

Of the above foreign currency exposures, the following exposures are not hedged by a derivative:

Figures in Lakhs

Particulars	Currency	As at March 31, 2022	As at March 31, 2021
Trade payables/acceptance	USD	**23.23**	5.90

(ii) Interest rate risk

Refer note B (ii) for interest rate sensitivity

(iii) Raw material price risk

The Company does not have significant risk in raw material price variations. In case of any variation in price same is passed on to the customer through appropriate adjustments to selling prices.

There has been no significant changes to the company's exposure to market risk or the methods in which they are managed or measured.

Note No. 36 - Fair value measurement

Fair valuation techniques and inputs used

This section explains the judgment and estimates made in determining the fair value of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair value are disclosed in financials statements. To provide an indication about the reliability of the inputs used in determining the fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standards.

Level 1 inputs:

Level 1 inputs are quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date. A quoted market price in an active market provides the most reliable evidence of fair value and is used without adjustment to measure fair value whenever available, with limited exceptions. If an entity holds a position in a single asset or liability and the asset or liability is traded in an active market, the fair value of the asset or liability is measured within Level 1 as the product of the quoted price for the individual asset or liability and the quantity held by the entity, even if the market's normal daily trading volume is not sufficient to absorb the quantity held and placing orders to sell the position in a single transaction might affect the quoted price.

Level 2 inputs:

Level 2 inputs are inputs other than quoted market prices included within level 1 that are observable for the asset or liability, either directly or indirectly.

Level 2 inputs include:

- quoted prices for similar assets or liabilities in active markets
- quoted prices for identical or similar assets or liabilities in markets that are not active
- inputs other than quoted prices that are observable for the asset or liability, for example-interest rates and yield curves observable at commonly quoted interval
- implied volatilities
- credit spreads
- inputs that are derived principally from or corroborated by observable market data by correlation or other means ('market-corroborated inputs')

Level 3 inputs:

Level 3 inputs are unobservable inputs for the asset or liability. Unobservable inputs are used to measure fair value to the extent that relevant observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date. An entity develops unobservable inputs using the best information available in the circumstances, which might include the entity's own data, taking into account all information about market participant assumptions that is reasonably available.

Rs. in Lakhs

	Fair value hierarchy as at March 31, 2022			
Financial assets/ financial liabilities	**Level-1**	**Level-2**	**Level-3**	**Total**
Financial assets				
Financial assets carried at amortised cost				
– Investments-Mutual funds	**575.00**	–	–	**575.00**
– Cash and cash equivalents	–	**10.86**	–	**10.86**
– Trade and other receivables	–	**5,353.78**	–	**5,353.78**
– Other financial assets	–	**1,782.66**	–	**1,782.66**
Total	**575.00**	**7,147.30**	–	**7,722.30**
Financial liabilities				
Financial liabilities held at amortised cost				
– Bank loans	–	**7,731.75**	–	**7,731.75**
– Short term deposits	–	**62.17**	–	**62.17**
– Trade and other payables	–	**12,819.01**	–	**12,819.01**
Total	–	**20,612.93**	–	**20,612.93**

Rs. in Lakhs

	Fair value hierarchy as at March 31, 2021			
Financial assets/ financial liabilities	**Level-1**	**Level-2**	**Level-3**	**Total**
Financial assets				
Financial assets carried at amortised cost				
– Cash and cash equivalents	–	**11.35**	–	**11.35**
– Trade and other receivables	–	**6,059.22**	–	**6,059.22**
– Other financial assets	–	**445.84**	–	**445.84**
– Deposits and similar assets	–	–	–	–
Total	–	**6,516.41**	–	**6,516.41**
Financial liabilities				
Financial liabilities held at amortised cost				
– Bank loans	–	**4,242.32**	–	**4,242.32**
– Short term deposits	–	**42.24**	–	**42.24**
– Trade and other payables	–	**10,054.73**	–	**10,054.73**
Total	–	**14,339.29**	–	**14,339.29**

Financial assets/ financial liabilities measured at Fair value

Financial assets/financial liabilities	**As at March 31, 2022**	As at March 31, 2021	Fair value hierarchy	**Valuation technique(s) and key input(s)**	**Significant unobservable input(s)**	**Relationship of unobservable inputs to fair value and sensitivity**
Other Financial Liabilities						
Foreign currency forward contracts	**3.66**	53.22	Level 2	Discounted cash flow. Future cash flows are estimated based on forward exchange rates (from observable forward exchange rate at the end of the reporting period) and contract forward rate that reflects the credit risk of various counter parties.	NA	NA
Liability for Cash-settled share-based payments	**61.87**	50.16	Level 2	The Black-Scholes model. Inputs used: Current Stock Price of the base instrument, Annual Volatility based on Sensex, Risk Free Return based on Zero Coupon Yield, Exercise Price, time to option maturity, dividend yield.	NA	NA
Total financial liabilities	**65.53**	103.38				
Other Financial Assets						
Investments in Mutual funds	**575.00**	–	Level 1	Net assets value declared by the respective asset management companies.	NA	NA
Other Financial Assets	**–**	–				

The fair values of the financial assets and financial liabilities included in the level 2 category above have been determined in accordance with generally accepted pricing models based on a discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the credit risk of counterparties.

Fair value of financial assets and financial liabilities that are not measured at fair value

The Company consider that the carrying amount of financial asset and financial liabilities recognised in the financial statements approximate their fair value.

Note No. 37 - Earnings per share

Particulars	As at March 31, 2022	As at March 31, 2021
(loss)/Profit after tax (Rs. in Lakhs) (A).....	**1,843.65**	(660.41)
Weighted average number of shares Basic (B)	**16,539,759**	16,539,759
Earnings per share basic/diluted (Rupees) (A/B)	**11.15**	(3.99)
Nominal value of equity share (Rupees)...	**10.00**	10.00

Note No. 38 - Corporate social responsibility (CSR)

The CSR obligation for the year as computed by the Company and relied upon by the auditors is Rs. Nil Lakhs (F.Y 2021 Rs. 10.19 Lakhs). CSR amount spent during the year is Rs. 9.59 Lakhs (F.Y 2021 Rs. 10.60 Lakhs).

Note No. 39 - Stock Appreciation Rights

In accordance with the directions and recommendations of the Remuneration Committee of the Company, the Company grants SARs to eligible employees/ directors. SARs granted would vest over a period of five years, or such period as stipulated by the Remuneration Committee, from the date of grant. Upon vesting of SARs eligible employees are entitled to earn cash benefits as prescribed.

One SAR shall be entitled to a cash benefit which would be the difference between the Fair Value of one fully-paid Equity Share of the holding company on the exercise date less the face value of the equity share of the holding company on the grant date. Provided, however, that once SARs have vested, an eligible employee will have the option to exercise the same within a maximum period of three years from the vesting date during such periods of time as determined by the Company.

Once SARs are vested and exercised by an employee, the Company would, within a period of 90 days from the exercise date, compute the cash benefit due in respect of those SARs and pay the same to the employee after deducting the applicable income tax at source. The latest available fair value of the Company's equity share would be considered for computing the said cash benefit.

If an eligible employee fails to exercise the SARs within a period of three years as aforesaid, the unexercised SARs will lapse and the Company's liability for such unexercised SARs will cease.

The Company has granted Stock Appreciation Rights ("SARs") to eligible employees in accordance with the Stock Appreciation Rights Scheme 2013 (SARS-2013) during the years ended March 31, 2018 and March 31, 2020.

Details of stock appreciation rights outstanding as on March 31, 2022

Particulars	Number of Grants	Grant Date	Expiry Date	Exercise Price	Fair value at Grant Date
Cash settled					
F'18 grant	592	Jan 29, 2018	Feb 28, 2026	10.00	118.40
F'20 grant	13,791	Apr 23, 2019	Feb 28, 2023	10.00	178.76
F'20 grant	13,831	Apr 23, 2019	Feb 28, 2024	10.00	178.76

Movement in Stock appreciation rights

Particulars	Number of Shares
(1) The number of share options outstanding at the beginning of the year;	49,067
(2) Granted during the year..	–
(3) Exercised during the year	17,865
(4) Expired/forfeited during the year	2,988
(5) Outstanding at the end of the year	28,214

Stock Appreciation Right's paid during the year

Persuant to the circular resolution passed by the Nomination and Remuneration Committee of the Board, during the financial year 2020, on account of business uncertainty & outbreak of COVID 19, the Company had deferred the opening of its exercise window for SARs in case of the following SARs which had vested on 28 February 2020. According to the resolution, the Excercise window was opened before 31 Jan 2021 at an exercise price of Rs. 236.57 per SARs being the share valuation of the holding company, Mahindra Intertrade Limited as on 31st March 2020. Accordingly, the SARs vested, but deferred for excercise has been paid at 226.57 per SARs being Rs. 236.57 (Excercise Price) less Rs. 10 (Grant Price) during the previous year F:2021. The details of such SARs as below:

SARs vested during the earlier year but deferred for excercise and paid during the year ended 31 Mar 2021

Particulars	Number of SAR's	Vesting date	Share price at Exercise date
F'15 grant	8,328	Feb 28, 2020	236.57
F'16 grant	1,311	Feb 28, 2020	236.57
F'18 grant	4,274	Feb 28, 2020	236.57
F'20 grant	14,653	Feb 28, 2020	236.57
Total	**28,566**		

The inputs used in the measurement of the fair values at grant date of the cash-settled share-based payment plans were as follows.

Particulars	Cash settled share appreciation rights
(1) Share price...	388.3
(2) Exercise price	10.00
(3) Expected volatility (weighted-average)	50.30%
(4) Option Life..	1.75
(5) Expected dividends yield	5.15%
(6) Risk-free interest rate (based on government bonds)	4.90%

Note No. 40 - Amendment to Schedule III

Ministry of Corporate Affairs (MCA) has issued notification dated 24 March 2021 related to amendment to Schedule III. The said amendments inter-alia prescribed several additional disclosures under 'Additional Regulatory Information'. Some of these disclosures are not applicable to the Company and hence no disclosure is made for such items.

Note No. 41 - Previous year's figures have been regrouped/reclassified wherever necessary.

In terms of our report attached

For and on behalf of the Board of Directors of
Mahindra Steel Service Centre Limited
CIN:U27100MH1993PLC070416

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration Number
101248W/W-100022

Jayesh T Thakkar
Partner
Membership No: 113959

Place: Mumbai
Date: April 22 2022

Romali Malvankar
Company Secretary
Membership No-A29447

Jitendra T. Rahate
Chief Financial Officer

Place: Mumbai
Date: April 22 2022

Sumit Issar
Managing Director
DIN: 06951249

Vijay Arora
Director
DIN: 07347126

INDEPENDENT AUDITORS' REPORT

To the Members of
Mahindra Electrical Steel Private Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Mahindra Electrical Steel Private Limited ("the Company"), which comprise the balance sheet as at 31 March 2022, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2022, and its loss and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

Other Information

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's and Board of Directors' Responsibilities for the Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, its loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. (A) As required by Section 143(3) of the Act, we report that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   c) The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account.

   d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.

   e) On the basis of the written representations received from the directors as on 31 March 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022 from being appointed as a director in terms of Section 164(2) of the Act.

   f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

   (B) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

   a) The Company does not have any pending litigations which would impact its financial position.

   b) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

   c) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

   d) (i) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:

      - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or

      - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

      ii) The management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall:

      - directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Party or

      - provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries.

      iii) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (d) (i) and (d) (ii) contain any material mis-statement.

   e) The Company has neither declared nor paid any dividend during the year.

   (C) With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

   In our opinion and according to the information and explanations given to us, there was no remuneration paid by the Company to its directors during the current year and hence the provisions of Section 197 of the Act are no applicable to the Company. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No. 101248W/W-100022

Jayesh T Thakkar
Partner
Membership No. 113959
UDIN: 22113959AHSFRV6691

Place: Mumbai
Date: 25th April 2022

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS OF MAHINDRA ELECTRICAL STEEL PRIVATE LIMITED FOR THE YEAR ENDED 31 MARCH 2022

With reference to the Annexure A referred to in the Independent Auditors' report to the members of Mahindra Electrical Steel Private Limited ('the Company') on the financial statements for the year ended 31 March 2022, we report the following

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) The Company does not have any intangible assets. Accordingly, clause 3(i)(a)(B) of the order is not applicable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified every year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No discrepancies were noticed on such verification.

(c) The Company does not have any immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee). Accordingly, clause 3(i)(c) of the Order is not applicable.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) during the year. The Company does not have any intangible assets.

(e) According to information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) The Company is not carrying out any manufacturing activity. Accordingly, it does not hold any physical inventories. Accordingly, clause 3(ii)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been sanctioned any working capital limits in excess of five crore rupees in aggregate from banks and financial institutions on the basis of security of current assets at any point of time of the year. Accordingly, clause 3(ii)(b) of the Order is not applicable to the Company.

(iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments, provided guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year. Accordingly, provisions of clauses 3(iii)(a) to 3(iii)(f) of the Order are not applicable to the Company.

(iv) According to the information and explanations given to us and on the basis of our examination of records of the Company, the Company has neither made any investments nor has it given loans or provided guarantee or security and therefore the relevant provisions of Sections 185 and 186 of the Companies Act, 2013 ("the Act") are not applicable to the Company. Accordingly, clause 3(iv) of the Order is not applicable.

(v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.

(vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act for the products manufactured by it. Accordingly, clause 3(vi) of the Order is not applicable.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Income-Tax and other material statutory dues have been regularly deposited by the Company with the appropriate authorities. Further, the Company did not have any dues on account of Goods and Service Tax ('GST'), Provident Fund, Employees' State Insurance, Sales-tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax and Cess.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no undisputed amounts payable in respect of Income-Tax and other material statutory dues were in arrears as at 31 March 2022 for a period of more than six months from the date they become payable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no statutory dues relating to Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues, which have not been deposited with the appropriate authorities on account of any dispute.

(viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.

(ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to any lender.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.

(c) According to the information and explanations given to us by the management, the Company has not obtained any term loans during the year. Accordingly, clause 3(ix)(c) of the Order is not applicable.

(d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) The Company does not hold any investment in any subsidiary, associate or joint venture (as defined under the Act) during the year ended 31 March 2022. Accordingly, clause 3(ix)(e) is not applicable.

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies (as defined under the Act).

(x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) Accordingly, clause 3(x)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.

(xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the course of the audit.

(b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) Based on the information and explanations provided to us, the Company does not have a vigil mechanism and is not required to have a vigil mechanism as per the Act.

(xii) (a) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us and on the basis of our examination of records of the Company, transactions with the related parties are in compliance with Section 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards. The provisions of Section 177 are not applicable to the company and accordingly reporting under clause 3(xiii) insofar as it relates to Section 177 of the Act is not applicable to the Company and hence not commented upon.

(xiv) In our opinion and based on the information and explanations provided to us, the Company does not have an internal audit system and is not required to have an internal audit system as per Section 138 of the Act. Accordingly, clause 3(xiv) of the Order is not applicable.

(xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.

(xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.

(b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.

(d) According to the information and explanations provided to us, the Group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016) has more than one CIC as part of the Group. The Group has six CICs as part of the Group.

(xvii) The Company has incurred cash losses of Rs 196.95 lakhs in the current financial year and Rs 245.73 lakhs in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) The requirements as stipulated by the provisions of Section 135 are not applicable to the Company. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No. 101248W/W-100022

Jayesh T Thakkar
Partner
Membership No. 113959
UDIN: 22113959AHSFRV6691

Place: Mumbai
Date: 25th April 2022

ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS OF MAHINDRA ELECTRICAL STEEL PRIVATE LIMITED FOR THE YEAR ENDED 31 MARCH 2022

Report on the internal financial controls with reference to the aforesaid financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

(Referred to in paragraph 2(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to financial statements of Mahindra Electrical Steel Private Limited ("the Company") as of 31 March 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2022, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and whether such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No. 101248W/W-100022

Jayesh T Thakkar
Partner
Membership No. 113959
UDIN: 22113959AHSFRV6691

Place: Mumbai
Date: 25th April 2022

BALANCE SHEET AS AT MARCH 31, 2022

in Rs lakhs

Particulars	Note No.	As at March 31, 2022	As at March 31, 2021
A ASSETS			
1 Non-current assets			
a) Property, plant and equipment	3	**–**	685.23
Total non-current assets		**–**	685.23
2 Current assets			
a) Financial assets			
(i) Cash and cash equivalents	4	**17.05**	13.94
(ii) Others	5	**9.48**	9.48
b) Asset held for sale	3	**678.24**	–
Total current assets		**704.77**	23.42
Total assets (1+2)		**704.77**	708.65
B EQUITY AND LIABILITIES			
1 Equity			
a) Equity share capital	6	**50.00**	50.00
b) Other equity	7	**(973.53)**	(769.59)
Total equity		**(923.53)**	(719.59)
LIABILITIES			
2 Current liabilities			
a) Financial liabilities			
(i) Borrowings	8	**1,425.00**	1,220.00
(ii) Trade payables			
(a) total outstanding dues of micro enterprises and small enterprises; and	9	**–**	–
(b) total outstanding dues of creditors other than micro enterprise and small enterprises	9	**4.27**	127.45
(iii) Other financial liabilities	10	**0.61**	79.92
b) Other current liabilities	11	**1.14**	0.87
c) Liabilities directly associated with the asset held for sale	12	**197.28**	–
Total current liabilities		**1,628.30**	1,428.24
Total equity and liabilities (1+2)		**704.77**	708.65

See accompanying notes to the financial statements

In terms of our report attached

For B S R & Co. LLP
Chartered Accountants
Firm's registration number: 101248W/W-100022

Jayesh T Thakkar
Partner
Membership number: 113959

Place : Mumbai
Date: 25th April 2022

For and on behalf of the Board of Directors

CIN : U27100MH2009PTC193205

Sumit Issar
DIN: 06951249

Vijay Arora
DIN: 07347126

Place : Mumbai
Date: 25th April 2022

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2022

In Rs lakhs

Particulars		Note No.	For the year ended March 31, 2022	For the year ended March 31, 2021
I	Other income	15	–	0.16
I	**Total Income**		–	0.16
II	**EXPENSES**			
	a) Finance costs	16	**118.45**	114.21
	b) Depreciation expense	3	**6.99**	7.63
	c) Other expenses	17	**78.50**	131.68
	Total expenses		**203.94**	253.52
III	**Loss before tax (I - II)**		**(203.94)**	(253.36)
IV	**Tax expense**			
	a) Current tax	13	–	–
	b) Deferred tax	14	–	–
	Total tax expense		–	–
V	**Loss after tax (III - IV)**		**(203.94)**	(253.36)
VI	**Other comprehensive income**		–	–
	a) Items that will not be reclassified to profit or loss		–	–
	b) Income tax relating to items that will not be reclassified to profit or loss		–	–
VII	**Total comprehensive loss for the year (V + VI)**		**(203.94)**	(253.36)
VIII	**Earnings per equity share (of Rs. 10 each)**			
	Basic/Diluted (Rs.)	20	**(40.79)**	(50.67)

In terms of our report attached

For B S R & Co. LLP
Chartered Accountants
Firm's registration number: 101248W/W-100022

Jayesh T Thakkar
Partner
Membership number: 113959

Place : Mumbai
Date: 25th April 2022

For and on behalf of the Board of Directors

CIN : U27100MH2009PTC193205

Sumit Issar
DIN: 06951249

Vijay Arora
DIN: 07347126

Place : Mumbai
Date: 25th April 2022

STATEMENT OF CHANGES IN EQUITY

A. Equity share capital

in Rs lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Balance at the beginning of the year	**50.00**	50.00
Changes in equity share capital during the year	**–**	–
Balance at the close of the year	**50.00**	50.00

B. Other equity

Particulars	Equity component of compound financial instruments	Retained earnings	Total
Balance as at April 1, 2020	**511.97**	**(1,028.20)**	**(516.23)**
Loss for the year	–	(253.36)	(253.36)
Recognition of equity component of compound financial instrument at fair value	–	–	–
Deferred tax on equity component of compound financial instrument	–	–	–
Other comprehensive income [Net of tax]	–	–	–
Total comprehensive loss for the year	–	(253.36)	(253.36)
Balance as at March 31, 2021	**511.97**	**(1,281.56)**	**(769.59)**
Loss for the year	–	(203.94)	(203.94)
Recognition of equity component of compound financial instrument at fair value	–	–	–
Deferred tax on equity component of compound financial instrument	–	–	–
Other comprehensive income [Net of tax]	–	–	–
Total comprehensive loss for the year	–	(203.94)	(203.94)
Balance as at March 31, 2022	**511.97**	**(1,485.50)**	**(973.53)**

In terms of our report attached

For B S R & Co. LLP
Chartered Accountants
Firm's registration number: 101248W/W-100022

Jayesh T Thakkar
Partner
Membership number: 113959

Place : Mumbai
Date: 25th April 2022

For and on behalf of the Board of Directors

CIN : U27100MH2009PTC193205

Sumit Issar
DIN: 06951249

Vijay Arora
DIN: 07347126

Place : Mumbai
Date: 25th April 2022

CASH FLOW STATEMENT FOR THE YEAR ENDED March 31, 2022

Particulars	For the year ended March 31, 2022	in Rs lakhs For the year ended March 31, 2021
A. Cash flow from operating activities		
Loss for the year	**(203.94)**	(253.36)
Adjustments for:		
Interest income	**-**	(0.16)
Depreciation	**6.99**	7.63
Finance costs	**118.45**	114.21
	125.44	121.68
Operating loss before working capital changes	**(78.50)**	(131.68)
Changes in working capital:		
Increase in trade payables	**73.11**	123.94
Increase/(Decrease) in other current liabilities	**0.27**	(0.31)
	73.38	123.63
Cash used in operations	**(5.12)**	(8.05)
Net income tax refund	**-**	0.11
Net cash flow used in operating activities (A)	**(5.12)**	(7.94)
B. Cash flow from investing activities		
Advance proceeds from proposed transfer of leasehold land- Dahej	**0.99**	-
Interest received	**-**	0.16
Net cash flow from investing activities (B)	**0.99**	0.16
C. Cash flow from financing activitiess		
Inter-corporate deposit taken	**1,425.00**	1,220.00
Inter-corporate deposit repaid	**(1,220.00)**	(1,160.00)
Interest paid	**(197.76)**	(59.32)
Net cash flow from financing activities (C)	**7.24**	0.68
Net (decrease)/increase in cash and cash equivalents (A + B + C)	**3.11**	(7.10)
Cash and cash equivalents at beginning of the year	**13.94**	21.04
Cash and cash equivalents at end of the year	**17.05**	13.94
	3.11	(7.10)

See accompanying notes forming part of the financial statements

Notes:

The above Cash Flow Statement has been prepared under the “indirect method” as set out in ‘Indian Accounting Standard (Ind AS) 7 - Statement of Cash Flows’.

CASH FLOW STATEMENT FOR THE YEAR ENDED March 31, 2022 (CONTD.....)

IND AS 7 Cash flow statements requires the entitles to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement. The required disclosure is made below:

in Rs lakhs

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Opening Balance:		
Short term loan	**1,220**	1,160
Total Opening Balance	**1,220**	1,160
(a) Cash flow movements:		
Proceeds from borrowings	**1,425**	1,220
Repayment of borrowrings	**(1,220)**	(1,160)
	205	60
(b) Non cash adjustements	**–**	–
Closing Balance:		
Short term loan	**1,425**	1,220
Total Closing Balance	**1,425**	1,220

In terms of our report attached

For B S R & Co. LLP
Chartered Accountants
Firm's registration number: 101248W/W-100022

Jayesh T Thakkar
Partner
Membership number: 113959

Place : Mumbai
Date: 25th April 2022

For and on behalf of the Board of Directors

CIN : U27100MH2009PTC193205

Sumit Issar
DIN: 06951249

Vijay Arora
DIN: 07347126

Place : Mumbai
Date: 25th April 2022

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

1 Corporate information:

Mahindra Electrical Steel Limited ('the Company') was incorporated in India on 10 June, 2009 as a Public Company with authorised share capital of Rs.1,500.00 lakhs. The Ministry of Corporate Affairs approved the change of name from Mahindra Electrical Steel Limited to Mahindra Electrical Steel Private Limited with effect from 13 January, 2012. The Company is a public Company by virtue of proviso to Section 2(71) of the Companies Act, 2013 ("the 2013 Act") as it is a subsidiary of Mahindra Intertrade Limited a public limited Company. The Company's main object is to trade in or process non-ferrous/ferrous materials including various grades of steel.

2 Significant Accounting Policies followed by the Company

2.1 Statement of Compliance and Basis of preparation and presentation:

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under section 133 of the Companies Act 2013 and other relevant provision of the Act.

Going concern:

As at 31 March 2022, the Company's paid up capital stands at Rs 50.00 lakhs and correspondingly, the Company's accumulated loss aggregated Rs 973.54 lakhs. The Company's current liabilities exceed the current assets by Rs 923.54 lakhs. However, the financial statements have been prepared on a going-concern basis based on a letter of support from Mahindra Intertrade Limited, the holding company, stating that it will continue to provide such financial support to the Company as is necessary to maintain the Company as a going concern for the foreseeable future and to meet its debts and liabilities, both present as well as in the future (until 31 March 2023), as and when they fall due for payment in the normal course of business.

Further, the company has entered in to an agreement to sale leasehold land ar Dahej (Gujarat) for total consideration of Rs 1,981.40 lakhs.

Accordingly, these financial statements do not include any adjustments relating to the recoverability and classification of recorded assets, or to amounts and classification of liabilities that may be necessary if the entity is unable to continue as a going concern.

All assets and liabilities are classified as current if it is expected to realise or settle within 12 months after the Balance Sheet date.

The financial statements are presented in Indian Rupees (INR) which is also the Company's functional currency.

The financial statements were approved by the Board of Directors and authorised for issue on 25 April 2022.

2.2 Use of estimates and judgments:

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets, liabilities, income, expenses etc. at the date of these financial statements and the reported amounts of revenues and expenses for the years presented. Actual results may differ from these estimates.

2.3 Property, plant & equipment:

Property, plant and equipment are stated at cost of acquisition or construction less accumulated depreciation less accumulated impairment, if any. Cost includes financing cost relating to borrowed funds attributable to the construction or acquisition of qualifying tangible assets up to the date the assets are ready for use. The estimated useful lives, residual values, are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

When an asset is scrapped or otherwise disposed off, the cost and related depreciation are removed from the books of account and resultant profit or loss, if any, is reflected in the Statement of Profit and Loss.

Depreciation is calculated on Straight Line method over the estimated useful life of all assets. These lives are in accordance with Schedule II to the Companies Act, 2013

Right-of-use assets are amortised over the period of lease.

2.4 Financial assets and Financial liabilities:

Financial instruments:

Financial assets and financial liabilities are recognised when a Company becomes a party to the contractual provisions of the instruments. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the Statement of Profit or Loss.

Financial assets:

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace. All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Financial liabilities and equity instruments:

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instrument:

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all its liabilities. Equity instrument issued by the Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instrument is recognised and deducted directly in equity. No gain or loss is recognised in the Statement of Profit or Loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Financial liabilities:

All the financial liabilities are subsequently measured at amortised cost using the effective interest method or at fair value through profit and loss.

Derecognition of financial liabilities:

The Company derecognises financial liabilities when, and only when, the Company's obligation are discharged, cancelled or have expired. An exchange between the lender of debt instrument with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the term of an existing liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the Statement of Profit or loss.

Compound financial instruments

The component parts of compound financial instruments (convertible notes) issued by the Company are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. A conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is an equity instrument.

At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recognised as a liability on an amortised cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date.

The conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound financial instrument as a whole. This is recognised and included in equity, net of income tax effects, and is not subsequently remeasured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised, in which case, the balance recognised in equity will be transferred to other component of equity. When the conversion option remains unexercised at the maturity date of the convertible note, the balance recognised in equity will be transferred to retained earnings. No gain or loss is recognised in profit or loss upon conversion or expiration of the conversion option.

Transaction costs that relate to the issue of the convertible notes are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are recognised directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component and are amortised over the lives of the convertible notes using the effective interest method.

2.5 Cash and cash equivalents (for purposes of Cash Flow Statement):

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

2.6 Cash flow statement:

Cash flows are reported using the indirect method, whereby profit/(loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

2.7 Earnings per share:

Basic earnings per share is computed by dividing the profit/(loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year.

2.8 Taxes on income:

Income Tax expense represents the sum of the tax currently payable and deferred tax.

Current Tax:

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred Tax:

Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences could be utilized.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax for the year:

Current and deferred tax are recognized in the Statement of Profit or Loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively.

Minimum Alternate Tax (MAT):

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax against which the MAT paid will be adjusted.

2.9 Leases:

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration

As a lessee:

At commencement or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Company has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The Company has elected not to apply the requirements of Ind AS 116 Leases to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

2.10 Provisions and contingencies:

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes. Contingent assets are not recognised in the financial statements.

2.11 Non-current assets held for sale

The Company classifies non-current assets and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use.

Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset (disposal group), excluding finance costs and income tax expense.

The criteria for held for sale classification is regarded as met only when the sale is highly probable, and the asset or disposal group is available for immediate sale in its present condition. Actions required to complete the sale/ distribution should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the sale and the sale expected within one year from the date of classification.

For these purposes, sale transactions include exchanges of non-current assets for other non-current assets when the exchange has commercial substance. The criteria for held for sale classification is regarded met only when the assets or disposal group is available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of such assets (or disposal groups), its sale is highly probable; and it will genuinely be sold, not abandoned. The group treats sale of the asset or disposal group to be highly probable when:

The appropriate level of management is committed to a plan to sell the asset (or disposal group),

An active programme to locate a buyer and complete the plan has been initiated (if applicable),

- The asset (or disposal group) is being actively marketed for sale at a price that is reasonable in relation to its current fair value,
- The sale is expected to qualify for recognition as a completed sale within one year from the date of classification, and
- Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

2.12 Recent accounting pronouncements:

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1st, 2022, as below:

Ind AS 16 – Proceeds before intended use

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Company does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract

The amendments specify that that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 109 – Annual Improvements to Ind AS (2021)

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact in its financial statements.

Note 3 - Property, plant and equipment

in Rs lakhs

Description of Assets	ROU
I. Cost	
Balance as at April 1, 2021	**756.77**
Additions	–
Disposals	–
Transfer to asset held for sale	**(756.77)**
Balance as at March 31, 2022	–
II. Accumulated depreciation	
Balance as at April 1, 2021	**71.54**
Depreciation for the year	6.99
Transfer to asset held for sale	(78.53)
Balance as at March 31, 2022	–
Net carrying amount (I-II)	
Balance as at March 31, 2022	–
Balance as at March 31, 2021	685.23

Description of Assets	ROU
I. Cost	
Balance as at April 1, 2020	**756.77**
Additions	–
Disposals	–
Other changes	–
Balance as at March 31, 2021	**756.77**
II. Accumulated depreciation	
Balance as at April 1, 2020	63.91
Depreciation for the year	**7.63**
Eliminated on disposal of assets	–
Balance as at March 31, 2021	**71.54**
Net carrying amount (I-II)	
Balance as at March 31, 2021	**685.23**
Balance as at March 31, 2020	692.86

Note 4 - Cash and cash equivalents

in Rs lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Cash and cash equivalents		
Unrestricted balances with banks		
In current account	**17.05**	13.94
Total	**17.05**	13.94

Note 5 - Other financial assets

Particulars	As at March 31, 2022	As at March 31, 2021
Refund due from GIDC - leasehold land at Dahej	**9.48**	9.48
Total	**9.48**	9.48

Note 6 - Share capital

in Rs lakhs

Particulars	As at March 31, 2022 Number of shares	As at March 31, 2022 Rupees	As at March 31, 2021 Number of shares	As at March 31, 2021 Rupees
(a) Authorised				
Equity shares of Rs. 10 each	**15,000,000**	**1,500.00**	15,000,000	1,500.00
	15,000,000	**1,500.00**	15,000,000	1,500.00

in Rs lakhs

Particulars	As at March 31, 2022 Number of shares	Rupees	As at March 31, 2021 Number of shares	Rupees
(b) Issued, subscribed and fully paid up				
Equity shares of Rs. 10 each	**500,000**	**50.00**	500,000	50.00
	500,000	**50.00**	500,000	50.00

(i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period

Particulars	Opening balance	Fresh issue	Buy back	Closing balance
Issued, subscribed and fully paid up				
Equity Shares of Rs. 10 each				
For the year ended March 31, 2022				
Number of shares	**500,000**	–	–	**500,000**
Amount (in Rs lakhs)...........	**50.00**	–	–	**50.00**
For the year ended March 31, 2021				
Number of shares	500,000	–	–	500,000
Amount (in Rs lakhs)...........	50.00	–	–	50.00

The Company has not allotted any equity shares for consideration other than cash, bonus shares, nor have any shares been bought back during the period of five years immediately preceding the Balance Sheet date.

(ii) Terms and rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs. 10/- per share. Each shareholder has the following voting rights (i) On a show of hands: one vote for a member present in person and (ii) On a poll: in proportion to the share in paid-up equity share capital of the Company. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing annual general meeting, except in case of interim dividend. In the event of winding up, if the assets available for distribution are less/ more than sufficient to repay the whole of the paid up share capital, the losses/ excess shall be borne/ distributed amongst the members in proportion to the capital at the commencement of the winding up, paid up or which ought to have been paid up on the shares held by them respectively.

(iii) Details of shares held by the holding company

Particulars	As at March 31, 2022 Number of shares	As at March 31, 2021 Number of shares
Mahindra Intertrade Limited (Including 6 equity shares held jointly with its nominees)	**500,000**	500,000

(iv) Details of shares held by each shareholder holding more than 5% shares

Particulars	As at March 31, 2022 Number of shares	% of holding	As at March 31, 2021 Number of shares	% of holding
Mahindra Intertrade Limited (Including 6 equity shares held jointly with its nominees)	**500,000**	**100%**	500,000	100%

Note 7 - Other equity

in Rs lakhs

Particulars	Equity component of compound financial instruments	Retained earnings	Total
Balance as at March 31, 2020..	**511.97**	**(1,028.20)**	**(516.23)**
Loss for the year..........................	–	(253.36)	(253.36)
Total comprehensive loss for the year..	–	(253.36)	(253.36)
Balance as at March 31, 2021....	**511.97**	**(1,281.56)**	**(769.59)**
Loss for the year	–	(203.94)	(203.94)
Total comprehensive loss for the year..	–	(203.94)	(203.94)
Balance as at March 31, 2022....	**511.97**	**(1,485.50)**	**(973.53)**

Note 8 - Borrowings

in Rs lakhs

Particulars	As at March 31, 2021	As at March 31, 2021
Measured at amortised cost		
Unsecured borrowings - at amortised Cost		
Loans		
Inter-corporate deposits taken:		
Unsecured		
From related parties		
Mahindra Intertrade Limited*	**–**	**1,220.00**
Mahindra Steel Service Center Limited*...	**1,425.00**	**–**
Total current borrowings..................................	**1,425.00**	1,220.00

* Public Limited companies in which directors of the Company are directors.

Note 9 - Trade payables

Particulars	As at March 31, 2022	As at March 31, 2021
Creditors for supplies/services............................		
(a) total outstanding dues of micro enterprises and small enterprises; and	**–**	–
(b) total outstanding dues of creditors other than micro enterprise and small enterprises..........	**4.27**	127.45
Total	**4.27**	127.45

Note - There are no Micro and Small Enterprises, as defined in the Micro, Small, Medium Enterprises Development Act, 2006, to whom the Company owes dues on account of principal amount together with interest and accordingly no additional disclosures have been made. This has been determined to the extent such parties have been identified based on the information available with the Company which has been relied upon by the auditors.

Particluars	Outstanding for following periods from due date of payment: Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(a) total outstanding dues of micro enterprises and small enterprises; and	–	–	–	–	–	–
(b) total outstanding dues of creditors other than micro enterprise and small enterprises	4.27	–	–	–	–	4.27

Note 10 – Other financial liabilities

in Rs lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Financial liabilities measured at amortised cost		
(a) Interest accrued on inter corporate deposits	**0.61**	79.92
Total	**0.61**	79.92

Note 11 - Other liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
Others		
- Statutory Dues (TDS)	**1.14**	0.87
Total	**1.14**	0.87

Note 12 - Liabilities directly associated with the asset held for sale

Particulars	As at March 31, 2022	As at March 31, 2021
(a) Advance against sale of asset held for sale	**0.99**	–
(b) Nonutilisation fees payable	**196.29**	–
Total	**197.28**	–

Note 13 - Current tax

(a) Income Tax recognised in profit and loss

in Rs lakhs

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Current tax:		
In respect of current year	**–**	–
Excess provision for income tax for prior year	**–**	–
Total	**–**	–
Deferred tax:		
In respect of current year origination and reversal of temporary differences	**–**	–
Due to change in income tax rate	**–**	–
Total	**–**	–

(b) Reconciliation of income tax expense and the accounting profit multiplied by Company's domestic tax rate:

in Rs lakhs

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Loss before tax	**(203.94)**	(253.36)
Income tax expense calculated at 31.20%	**(64.00)**	(79.00)
Effect of current year losses for which no deferred tax asset is recognised	**64.00**	**79.00**
Income tax expense recognised in the Statement of profit and loss	**–**	**–**

Note 14 - Deferred tax

Particulars	As at March 31, 2022			
	Opening Balance	**Recognised in profit and loss**	**Recognised in equity**	**Recognised in equity**
Tax effect of items constituting deferred tax liabilities				
- Deferred tax -on recognition of equity component on compound financial instrument	**153.43**	–	–	**153.43**
Tax effect of items constituting deferred tax assets				
- Deferred tax - on recognition of accrued interest on compound financial instrument	**153.43**	–	–	**153.43**
Total	–	–	–	–

Particulars	As at March 31, 2021			
	Opening Balance	Recognised in profit and loss	Recognised in equity	Recognised in equity
Tax effect of items constituting deferred tax liabilities				
- Deferred tax -on recognition of equity component on compound financial instrument	153.43	–	–	153.43
Tax effect of items constituting deferred tax assets				
- Deferred tax - on recognition of accrued interest on compound financial instrument	153.43	–	–	153.43
Total	–	–	–	–

Note 15 - Other income

in Rs lakhs

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest income:		
- Bank deposits (at amortised cost)	**–**	0.15
- On income tax refund	**–**	0.01
Total	**–**	0.16

Note 16 - Finance costs

in Rs lakhs

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest expense		
(a) Interest on inter corporate deposit	**118.45**	114.21
Total	**118.45**	114.21

Analysis of interest expenses by category

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
(a) On financial liability at amortised cost	**118.45**	114.21
Total	**118.45**	114.21

Note 17 - Other expenses

in Rs lakhs

	Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
(a)	Provision for non utilisation fees on leasehold land..........................	**71.23**	125.06
(b)	Rates and taxes............................	**1.94**	1.74
(c)	Legal & professional expenses ...	**3.62**	3.35
(d)	Auditors' remuneration (refer Note below)	**1.71**	1.53
(e)	Other general expenses...............	**–**	*
Total	....	**78.50**	131.68

* Represents Rs 284

Note

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Payment to statutory auditors:		
For audit (Including GST)	**1.71**	1.53
Total	**1.71**	1.53

Note No. 18 - Ratios

in Rs lakhs

Sr. No.	Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021	Variance	Refer foot note
1	**Current ratio (times)** Current assets/Current liabilities	0.43	0.02	2050%	1
2	**Debt-Equity ratio (times)** (Long term borrowings + short term borrowings (including current maturities of long term borrowings)/(Total equity)	(1.54)	(1.70)	(9%)	
3	**Debt service coverage ratio (times)** (Profit before interest and depreciation)/(gross interest for the period + principal repayments within a year)	NA	NA	NA	3
4	**Return on Equity** (Net profit for the period/ Total equity)	22%	35%	(37%)	2
5	**Inventory turnover (times)** (Cost of materials consumed/Average inventories for the period)	NA	NA	NA	3
6	**Trade receivables turnover (times)** Revenue from sale of goods and services)/ (Average trade receivable for the year)	NA	NA	NA	3
7	**Trade payables turnover (times)** (Purchase of goods and services)/(Average trade payable for the year)	NA	NA	NA	3
8	**Net working capital turnover (times)** Revenue from sale of goods and services)/ (working Capital i.e. current assets - current liabilities)	NA	NA	NA	3
9	**Net Profit margin (%)** (Net Profit for the period/ Revenue from operations)	NA	NA	NA	3
10	**Return on capital employed (%)** (Profit before interest and tax/total equity, total debt)	(17.05%)	(27.81%)	(39%)	2
11	**Return on Investment (%)** (Total income from investment/Average investment for the period)	NA	NA	NA	

Notes:

1) Change in ratio is mainly on account of noncurrent asset classified as held for sale at the year end

2) Change in ratio is mainly on account of change in the accounted losses in provision for operating expenses during the year

3) There is no operating activities during the year and hence ratio related to operation are not applicable to the company.

Note 19 - Related Party Disclosures

Related party disclosures as required by Ind AS-24 " Related Party Disclosures" are given below.

(A) List of Related Parties:

Ultimate Holding Company	Mahindra & Mahindra Limited
Holding Company	Mahindra Intertrade Limited
Fellow Subsidiary	Mahindra Steel Service Centre Limited

(B) Transactions with Related Parties:

(a) Disclosure of transactions between the Company and related parties during the year ended March 31, 2022:

In Rs lakhs

		For the year ended March 31, 2022	For the year ended March 31, 2021
(i)	**Ultimate Holding Company**		
	Professional fees	**3.27**	2.48
(ii)	**Holding Company**		
	Interest on Inter Corporate Deposits ..	**117.77**	114.21
(iii)	**Fellow Subsidiary Company**		
	Interest on Inter Corporate Deposits ..	**0.68**	–

(b) Outstanding balances:

In Rs lakhs

	As at March 31, 2022	As at March 31, 2021
Outstanding payables		
Ultimate Holding Company................................	**2.32**	0.72
Holding Company: Borrowings..........................	**–**	1,220.00
Fellow Subsidiary Company: Borrowings	**1,425.00**	–

During the year, there is no amount written off or written back in respect of such parties.

Note 20 - Earnings per share

in Rs lakhs

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Loss after tax (in Rs lakhs) (A)	**(203.94)**	(253.36)
Weighted average number of shares (B) ...	**500,000**	500,000
Earnings per share [Basic/Diluted] (Rs.) (A/B)	**(40.79)**	(50.67)
Nominal value of equity share (Rs.)	**10.00**	10.00

Note 21 - Financial Instruments

Financial Risk Management Framework

The Company's activities expose it to liquidity risk. In order to manage the aforementioned risks, the Company operates a risk management policy and a program that performs close monitoring of and responding to each risk factors.

LIQUIDITY RISK

(i) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Company's short-, medium- and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves and banking facilities by continuously monitoring forecast and actual cash flow, and by matching the monitoring profiles of financial assets and liabilities.

(ii) Maturities of financial liabilities

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The amount disclosed in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flow.

In Rs lakhs

Particulars	Effective interest rate	Less than 1 Year	1–3 Years	3–4 Years	5 Years and above	Total	Carrying value
Non-derivative financial liabilities							
March 31, 2022							
Non-interest bearing		**4.88**	**–**	**–**	**–**	**4.88**	**4.88**
Variable interest rate instruments..............................	**8.75%**	**1,456.09**	**–**	**–**	**–**	**1,456.09**	**1,425.00**
Total		**1,460.97**	**–**	**–**	**–**	**1,460.97**	**1,429.88**
March 31, 2021							
Non-interest bearing................		207.37	–	–	–	207.37	207.37
Variable interest rate instruments..............................	9.40%	1,220.00	–	–	–	1,220.00	1,220.00
Total.......................................		1,427.37	–	–	–	1,427.37	1,427.37

Sensitivity interest rate increase by 1%: Profit will decrease by Rs. 142.50 lakhs for the year ended March 31, 2021 (Rs. 122.00 lakhs March 31, 2020)

Sensitivity interest rate decrease by 1%: Profit will increase by Rs. 142.50 lakhs for the year ended March 31, 2021 (Rs. 122.00 lakhs March 31, 2020)

(iii) Maturities of financial assets

The following table details the Company's expected maturity for its non-derivative financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Company's liquidity risk management as the liquidity is managed on a net asset and liability basis.

In Rs lakhs

Particulars	Effective interest rate	Less than 1 Year	1–3 Years	3–4 Years	5 Years and above	Total	Carrying amount
Non-derivative financial assets							
March 31, 2022							
Interest bearing		**–**	**–**	**–**	**–**	**–**	**–**
Non-interest bearing		**26.53**	**–**	**–**	**–**	**26.53**	**26.53**
Total		**26.53**	**–**	**–**	**–**	**26.53**	**26.53**
March 31, 2021							
Interest bearing........................		–	–	–	–	–	–
Non-interest bearing................		23.42	–	–	–	23.42	23.42
Total		**23.42**	**–**	**–**	**–**	**23.42**	**23.42**

Note 22 - Fair Value Measurement

Fair Valuation Techniques and Inputs used

This section explains the judgment and estimates made in determining the fair value of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair value are disclosed in financials statements. To provide an indication about the reliability of the inputs used in determining the fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standards.

Level 1 inputs

Level 1 inputs are quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date. A quoted market price in an active market provides the most reliable evidence of fair value and is used without adjustment to measure fair value whenever available, with limited exceptions. If an entity holds a position in a single asset or liability and the asset or liability is traded in an active market, the fair value of the asset or liability is measured within Level 1 as the product of the quoted price for the individual asset or liability and the quantity held by the entity, even if the market's normal daily trading volume is not sufficient to absorb the quantity held and placing orders to sell the position in a single transaction might affect the quoted price.

Level 2 inputs

Level 2 inputs are inputs other than quoted market prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 2 inputs include:

- quoted prices for similar assets or liabilities in active markets
- quoted prices for identical or similar assets or liabilities in markets that are not active
- inputs other than quoted prices that are observable for the asset or liability, for example
- interest rates and yield curves observable at commonly quoted intervals
- implied volatilities
- credit spreads
- inputs that are derived principally from or corroborated by observable market data by correlation or other means ('market-corroborated inputs')

Level 3 inputs

Level 3 inputs are unobservable inputs for the asset or liability. Unobservable inputs are used to measure fair value to the extent that relevant observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date. An entity develops unobservable inputs using the best information available in the circumstances, which might include the entity's own data, taking into account all information about market participant assumptions that is reasonably available.

in Rs lakhs

	Fair value hierarchy as at March 31, 2022			
Particulars	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets				
Financial assets carried at Amortised Cost				
– Cash and cash equivalents	**–**	**17.05**	**–**	**17.05**
– Others		**9.48**		**9.48**
Total	**–**	**26.53**	**–**	**26.53**

in Rs lakhs

	Fair value hierarchy as at March 31, 2022			
Particulars	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial liabilities				
Financial liabilities held at amortised cost				
– Inter corporate deposit	**–**	**1,425.00**	**–**	**1,425.00**
– trade and other payables	**–**	**4.27**	**–**	**4.27**
Total	**–**	**1,429.27**	–	**1,429.27**

	Fair value hierarchy as at March 31, 2021			
Particulars	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets				
Financial assets carried at Amortised Cost				
– Cash and cash equivalents	–	13.94	–	13.94
– Others		9.48		9.48
Total	–	23.42	–	23.42
Financial liabilities				
Financial liabilities held at amortised cost				
– Inter corporate deposit	–	1,220.00	–	1,220.00
– trade and other payables	–	207.37	–	207.37
Total	–	1,427.37	–	1,427.37

Fair value of financial assets and financial liabilities that are not measured at fair value

The Company consider that the carrying amount of financial asset and financial liabilities recognised in the financial statements approximate their fair value.

Note: 23

Ministry of corporate affairs (MCA) has issued notifications dated 24 March 2021 related to amendment to schedule III. The said amendment interalia prescribed several additional disclosures under 'Additional Regulatory Information'. Some of these disclosures are not applicable to the company and hence no disclosure is made for such items.

In terms of our report attached

For B S R & Co. LLP
Chartered Accountants
Firm's registration number: 101248W/W-100022

Jayesh T Thakkar
Partner
Membership number: 113959

Place : Mumbai
Date: 25th April 2022

For and on behalf of the Board of Directors

CIN : U27100MH2009PTC193205

Sumit Issar
DIN: 06951249

Vijay Arora
DIN: 07347126

Place : Mumbai
Date: 25th April 2022

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF
MAHINDRA AUTO STEEL PRIVATE LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Mahindra Auto Steel Private Limited ("the Company"), which comprise the balance sheet as at 31 March 2022, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2022, and its profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

Other Information

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's and Board of Directors' Responsibilities for the Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, its profit and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with

reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. (A) As required by Section 143(3) of the Act, we report that :
   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
   c) The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account.
   d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.
   e) On the basis of the written representations received from the directors as on 31 March 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022 from being appointed as a director in terms of Section 164(2) of the Act.
   f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

   (B) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
   a) The Company has disclosed the impact of pending litigations as at 31 March 2022 on its financial position in its financial statements - Refer Note 27 to the financial statements.
   b) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
   c) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
   d) (i) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:
      - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or
      - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

      ii) The management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall:
      - directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Party or
      - provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries.

      iii) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (d) (i) and (d) (ii) contain any material mis-statement.

e) The dividend declared and paid during the year by the Company is in compliance with Section 123 of the Act.

(C) With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No. 101248W/W-100022

Jayesh T Thakkar
Partner
Membership No. 113959
UDIN: 22113959AHSFPE6038

Place: Mumbai
Date: 25 April 2022

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS OF MAHINDRA AUTO STEEL PRIVATE LIMITED FOR THE YEAR ENDED 31 MARCH 2022

With reference to the Annexure A referred to in the Independent Auditors' report to the members of Mahindra Auto Steel Private Limited ('the Company') on the financial statements for the year ended 31 March 2022, we report the following

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) The Company does not have any intangible assets. Accordingly, clause 3(i)(a)(B) of the order is not applicable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified every year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No discrepancies were noticed on such verification.

(c) The Company has self-constructed building on the leasehold land which is in the name of the Company based on the taxes paid to the authorities (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee).

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) during the year. The Company does not have any intangible assets.

(e) According to information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) The inventory, except goods-in-transit and stocks lying with third parties, has been physically verified by the management during the year. For stocks lying with third parties at the year-end, written confirmations have been obtained and for goods-in-transit subsequent evidence of receipts has been linked with inventory records. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks are in agreement with the books of account of the Company.

(iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments, provided guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year. Accordingly, provisions of clauses 3(iii)(a) to 3(iii)(f) of the Order are not applicable to the Company.

(iv) According to the information and explanations given to us and on the basis of our examination of records of the Company, the Company has neither made any investments nor has it given loans or provided guarantee or security and therefore the relevant provisions of Sections 185 and 186 of the Companies Act, 2013 ("the Act") are not applicable to the Company. Accordingly, clause 3(iv) of the Order is not applicable.

(v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.

(vi) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Act in respect of its manufactured goods and services provided by it and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed examination of the records with a view to determine whether these are accurate or complete.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Service Tax ('GST'), Provident Fund, Employees' State Insurance, Income-Tax and other material statutory dues have been regularly deposited by the Company with the appropriate authorities. Further, the Company did not have any dues on account of Sales-tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax and Cess.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employees' State Insurance, Income-Tax and other material statutory dues were in arrears as at 31 March 2022 for a period of more than six months from the date they become payable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no statutory dues relating to Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues, which have not been deposited with the appropriate authorities on account of any dispute.

Name of the Statute	Nature of the dues	Rupees in lakhs		Period to which the amount relates	Forum where dispute is pending
		Amount demanded	Amount not deposited under dispute		
Central Excise Act, 1944	Cenvat Credit	6.15	5.92	April 2016 to June 2017	Commissioner (Appeals)

(viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.

(ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to any lender.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.

(c) According to the information and explanations given to us by the management, the Company has not obtained any term loans during the year. Accordingly, clause 3(ix)(c) of the Order is not applicable.

(d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) The Company does not hold any investment in any subsidiary, associate or joint venture (as defined under the Act) during the year ended 31 March 2022. Accordingly, clause 3(ix)(e) is not applicable.

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies (as defined under the Act).

(x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) Accordingly, clause 3(x)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.

(xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the course of the audit.

(b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.

(xii) (a) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.

(b) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.

(c) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the internal audit reports of the Company issued till date for the period under audit

(xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.

(xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.

(b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.

(d) According to the information and explanations provided to us, the Group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016) has more than one CIC as part of the Group. The Group has six CICs as part of the Group.

(xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No. 101248W/W-100022

Jayesh T Thakkar
Partner
Membership No. 113959
UDIN: 22113959AHSFPE6038

Place: Mumbai
Date: 25 April 2022

ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS OF MAHINDRA AUTO STEEL PRIVATE LIMITED FOR THE YEAR ENDED 31 MARCH 2022

Report on the internal financial controls with reference to the aforesaid financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

(Referred to in paragraph 2(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to financial statements of Mahindra Auto Steel Private Limited ("the Company") as of 31 March 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2022, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and whether such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No. 101248W/W-100022

Jayesh T Thakkar
Partner
Membership No. 113959
UDIN: 22113959AHSFPE6038

Place: Mumbai
Date: 25 April 2022

BALANCE SHEET AS AT 31 MARCH, 2022

Rs in lakhs

	Particulars	Note No.	As at 31 March, 2022	As at 31 March, 2021
A	**ASSETS**			
	1 Non-current assets			
	(a) Property, plant and equipment	4	**9,613.50**	7,056.68
	(b) Capital work in progress	4(a)	**–**	3,076.72
	(c) Financial assets			
	(i) Others	9	**713.86**	950.07
	(d) Deferred tax assets (net)			–
	(e) Other non-current assets	5	**26.10**	47.46
	Total non - current assets		**10,353.46**	11,130.93
	2 Current assets			
	(a) Inventories	6	**5,721.74**	1,211.44
	(b) Financial assets			
	(i) Trade receivables	7	**7,291.72**	2,304.56
	(ii) Cash and cash equivalents	8	**169.10**	116.33
	(iii) Others	9	**418.52**	33.77
	(c) Other current assets	5	**134.88**	158.25
	Total current assets		**13,735.96**	3,824.35
	Total assets (1+2)		**24,089.42**	14,955.28
B	**EQUITY AND LIABILITIES**			
	1 Equity			
	(a) Equity share capital	10	**6,850.00**	6,850.00
	(b) Other equity	11	**4,347.21**	2,816.74
			11,197.21	9,666.74
	Total equity		**11,197.21**	9,666.74
	LIABILITIES			
	2 Non-current liabilities			
	(a) Financial liabilities			
	(i) Borrowings	12	**1,281.60**	1,708.80
	(ii) Other financial liabilities (other than those specified in (c) below)	16	**6.22**	5.65
	(b) Deferred tax liabilities (net)	20	**586.65**	288.78
	(c) Provisions	13	**43.18**	30.92
	Total non - current liabilities		**1,917.65**	2,034.15
	3 Current liabilities			
	(a) Financial liabilities			
	(i) Borrowings	14	**3,352.00**	727.47
	(ii) Trade payables			
	(a) total outstanding dues of micro enterprises and small enterprises; and	15	**60.03**	41.32
	(b) total outstanding dues of creditors other than micro enterprises and small enterprises	15	**7,172.27**	2,144.78
	(iii) Other financial liabilities (other than those specified in (b) below)	16	**102.64**	268.08
	(b) Provisions	13	**4.07**	2.89
	(c) Current tax liabilities (Net)	17	**70.15**	4.06
	(d) Other current liabilities	18	**213.40**	65.79
	Total current liabilities		**10,974.56**	3,254.39
	Total equity and liabilities (1+2+3)		**24,089.42**	14,955.28

See accompanying notes forming part of the financial statements

In terms of our report attached
For B S R & Co. LLP
Chartered Accountants
Firm's Registration
No: 101248W/W-100022

Saroj Khuntia
Chief Financial Officer

For and on behalf of the Board of Directors of
Mahindra Auto Steel Private Limited
CIN No: U27100MH2013PTC250979

Parag Shah DIN: 00374944 Chairman
Sumit Issar DIN: 06951249 Director

Jayesh T Thakkar
Partner
Membership No: 113959

Bhavna Awatramani
Company Secretary

Place: Mumbai
Date: 25 April, 2022

Place: Mumbai
Date: 25 April, 2022

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH, 2022

Rs in lakhs

	Particulars	Note No.	For the year ended 31 March, 2022	For the year ended 31 March, 2021
I	Revenue from operations	21	**24,873.68**	6,817.21
II	Other Income	22	**5.51**	43.86
III	**Total income (I + II)**		**24,879.19**	6,861.07
IV	**EXPENSES**			
	(a) Cost of materials consumed	23(a)	**18,126.61**	5,347.14
	(b) Purchases of stock-in-trade		**2,391.54**	1.61
	(c) Changes in inventories of finished goods and stock-in-trade	23(b)	**(67.79)**	(32.32)
	(d) Employee benefits expense	24	**307.24**	216.10
	(e) Finance costs	25	**311.92**	21.03
	(f) Depreciation expenses	4	**631.59**	434.23
	(g) Other expenses	26	**925.11**	687.35
	Total expenses (IV)		**22,626.22**	6,675.14
V	**Profit before tax (III - IV)**		**2,252.97**	185.93
VI	**Tax expense**			
	(a) Current tax	19	**401.86**	(10.57)
	(b) Deferred tax	19	**297.87**	77.04
	Total tax expense		**699.73**	66.47
VII	**Profit for the year (V - VI)**		**1,553.24**	119.46
VIII	**Other comprehensive income**		**(2.77)**	1.18
	(i) Items that will not be reclassified to profit or loss			
	(a) Remeasurements of the defined benefit plans		**3.91**	(1.64)
	(ii) Income tax relating to items that will not be reclassified to profit or loss		**(1.14)**	0.46
IX	**Total comprehensive income for the year (VII + VIII)**		**1,550.47**	120.64
	Earnings per equity share (of Rs. 10/- each)			
	Basic/Diluted	33	**2.27**	0.17

See accompanying notes forming part of the financial statements

In terms of our report attached
For B S R & Co. LLP
Chartered Accountants
Firm's Registration
No: 101248W/W-100022

Jayesh T Thakkar
Partner
Membership No: 113959

Place: Mumbai
Date: 25 April, 2022

Saroj Khuntia
Chief Financial Officer

Bhavna Awatramani
Company Secretary

For and on behalf of the Board of Directors of
Mahindra Auto Steel Private Limited
CIN No: U27100MH2013PTC250979

Parag Shah DIN: 00374944 Chairman
Sumit Issar DIN: 06951249 Director

Place: Mumbai
Date: 25 April, 2022

STATEMENT OF CHANGES IN EQUITY

A. Equity share capital

Rs in lakhs

Particulars	
Balance at 1 April, 2020	6,850.00
Changes in equity during the year	–
Balance at 31 March, 2021	6,850.00
Changes in equity during the year	–
Balance at 31 March, 2022	**6,850.00**

B. Other Equity

For the year ended 31 March, 2022

Rs in lakhs

Particulars	Retained earnings
Balance at 1 April, 2020 (A)	2,792.00
Profit for the year (B)	119.46
Other comprehensive income (C)	1.18
Total comprehensive income for the year (D)=(B)+(C)	**120.64**
Dividend paid on equity shares (E)	(95.90)
Balance at 31 March, 2021 (G)=(A)+(D)+(E)	**2,816.74**
Profit for the year (H)	**1,553.24**
Other comprehensive income (I)	**(2.77)**
Total comprehensive income for the year (J)=(H)+(I)	**1,550.47**
Dividend paid on equity shares (K)	**(20.00)**
Balance at 31 March, 2022 (G)+(J)+(K)	**4,347.21**

In terms of our report attached
For B S R & Co. LLP
Chartered Accountants
Firm's Registration
No: 101248W/W-100022

Jayesh T Thakkar
Partner
Membership No: 113959

Place: Mumbai
Date: 25 April, 2022

Saroj Khuntia
Chief Financial Officer

Bhavna Awatramani
Company Secretary

For and on behalf of the Board of Directors of
Mahindra Auto Steel Private Limited
CIN No: U27100MH2013PTC250979

Parag Shah DIN: 00374944 Chairman
Sumit Issar DIN: 06951249 Director

Place: Mumbai
Date: 25 April, 2022

STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31 MARCH, 2022

Rs in lakhs

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Cash flow from operating activities		
Profit before tax for the year	**2,252.97**	185.93
Adjustment for:		
(1) Depreciation and amortisation	**631.59**	434.23
(2) Finance costs	**311.92**	21.03
(3) Unrealised loss on derivative contracts	**3.27**	25.14
(4) Interest income recognised in Statement of Profit and Loss	**(1.04)**	(10.23)
(5) Profit on sale of current investments	**–**	(1.22)
(6) Loss on sale of property, plant and equipment	**0.57**	0.42
	3,199.28	655.30
Movement in working capital:		
(1) Increase in trade receivable	**(4,987.17)**	(992.25)
(2) Increase in inventories	**(4,510.30)**	(178.55)
(3) Decrease/(increase) in other assets	**(123.01)**	92.56
(4) Increase in trade payable	**5,046.20**	731.19
(5) Increase in provision	**9.53**	1.14
(6) Increase in other liabilities	**171.44**	42.81
	(4,393.30)	(303.09)
Cash (used)/ generated in operations	**(1,194.02)**	352.21
Less: income taxes paid/(refund)	**(334.63)**	3.00
Net cash (used)/ generated by operating activities	**(1,528.65)**	355.21
Cash flows from investment activities		
(1) Payment for property, plant and equipment	**(285.26)**	(2,366.82)
(2) Proceed from disposal of property, plant and equipment	**0.10**	0.20
(3) Interest received	**1.04**	10.23
(4) Sale of current investments	**–**	402.12
Net cash used in investment activities	**(284.12)**	(1,954.28)
Cash flow from financing activities		
(1) Proceeds from long term borrowings	**–**	1,767.00
(2) Repayment of long term borrowings	**(427.47)**	(375.00)
(3) Proceeds from short term borrowings	**2,924.80**	–
(4) Repayment of short term borrowings	**–**	(409.80)
(5) Inter corporate Deposit taken	**8,150.00**	1,575.00
(6) Inter corporate Deposit repaid	**(8,450.00)**	(1,275.00)
(7) Interest paid	**(311.79)**	(13.52)
(8) Dividend paid (including dividend distribution tax)	**(20.00)**	(95.90)
Net cash Generated financing activities	**1,865.54**	1,172.78
Net (Decrease)/increase in cash and cash equivalents	**52.77**	(426.29)
Cash and cash equivalents at the beginning of the year	**116.33**	542.62
Cash and cash equivalents at the end of the year	**169.10**	116.33

STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31 MARCH, 2022 (CONTD...)

Rs in lakhs

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Schedule of cash and cash equivalent (refer note: 8)		
Cash in hand	*	0.01
Balances with bank	**169.10**	116.32
	169.10	116.33

* Represents Rs 392

Notes:

1 The above Cash Flow Statement has been prepared under the “indirect method” as set out in ‘Indian Accounting Standard (Ind AS) 7 - Statement of Cash Flows’.

2 IND AS 7 Cash flow statements requires the entitles to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement. The required disclosure is made below:

Rs in lakhs

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Opening Balance:		
Long term loan	**1,708.80**	369.00
Short term loan	**300.00**	409.80
Current maturities of long term loan	**427.47**	375.27
Total Opening Balance	**2,436.27**	1,154.07
(a) Cash flow movements:		
Proceeds from borrowings	**11,074.80**	3,342.00
Repayment of borrowrings	**(8,877.47)**	(2,059.80)
	2,197.33	1,282.20
(b) Non cash adjustements	**–**	–
Closing Balance:		
Long term loan	**1,281.60**	1,708.80
Short term loan	**2,924.80**	300.00
Current maturities of long term loan	**427.20**	427.47
Total Closing Balance	**4,633.60**	2,436.27

In terms of our report attached
For B S R & Co. LLP
Chartered Accountants
Firm’s Registration
No: 101248W/W-100022

Jayesh T Thakkar
Partner
Membership No: 113959

Place: Mumbai
Date: 25 April, 2022

Saroj Khuntia
Chief Financial Officer

Bhavna Awatramani
Company Secretary

For and on behalf of the Board of Directors of
Mahindra Auto Steel Private Limited
CIN No: U27100MH2013PTC250979

Parag Shah DIN: 00374944 Chairman
Sumit Issar DIN: 06951249 Director

Place: Mumbai
Date: 25 April, 2022

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022

1 Corporate information

Mahindra Auto Steel Private Limited (“”the Company””) is incorporated on December 12, 2013 under the Companies Act, 2013. The Company is a public company by virtue of proviso to Section 2(71) of Companies Act,2013 (‘’the 2013 Act’’) as it is a subsidiary of a public limited company. The registered office of the Company is located at Mahindra Towers, P.K. Kurne Chowk, Worli, Mumbai - 400018.

The Company’s main activity is processing and trading of various grades of steel. The Company’s steel processing plant is located at Chakan.

The Company is the subsidiary of Mahindra Intertrade Limited, Mumbai, a Company incorporated in India. The ultimate parent Company is Mahindra and Mahindra Limited.

2 Significant accounting policies:

2.1 Statement of Compliance and Basis of preparation and presentation :

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) Rules, 2016. For all periods upto and including the financial year ended 31 March, 2016, the Company prepared its financial statements in accordance with accounting standards notified under the section 133 of the Companies Act 2013 (Previous GAAP) which includes standards notified under the Companies (Accounting Standards) Rules, 2006.

All assets and liabilities are classified as current if it is expected to realise or settle within 12 months after the Balance Sheet date.

The financial statements are presented in Indian Rupees (INR) in lakhs which is also the Company’s functional currency.

The financial statements were approved by the Board of Directors and authorised for issue on 25 April, 2022.

2.2 Use of estimates and judgments:

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets, liabilities, income, expenses etc. at the date of these financial statements and the reported amounts of revenues and expenses for the years presented. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed at each balance sheet date. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are included in the following notes:

Note No.2.3	Property, plant & equipment
Note No.2.10	Employee benefits

2.3 Property, plant & equipment:

Property, plant and equipment are stated at cost of acquisition or construction less accumulated depreciation less accumulated impairment, if any. Cost includes financing cost relating to borrowed funds attributable to the construction or acquisition of qualifying tangible assets upto the date the assets are ready for use. The estimated useful lives, residual values, are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

When an asset is scrapped or otherwise disposed off, the cost and related depreciation are removed from the books of account and resultant profit or loss, if any, is reflected in the Statement of Profit and Loss.

Depreciation is calculated on Straight Line method over the estimated useful life of all assets. These lives are in accordance with Schedule II to the Companies Act, 2013, other than the following class based on the technical advise which has considered estimated usage and operating condition of the assets:

(a) Blanking line (plant and equipment)-20 years

(b) Progressive line (plant and equipment)-20 years

(c) Vehicles - 5 years

2.4 Impairment of assets :

At the end of each reporting period, the Company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing the value in use, the estimated future cash flows are discounted at their present value using the pre-tax discount rate that reflects current market assessment of time value of money and the risks specific to the assets for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the Statement of Profit or Loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the Statement of Profit or Loss.

2.5 Inventories :

Inventories, except for stores and spares which are valued at cost, are valued at the lower of cost (on weighted average basis) and the net realisable value after providing for obsolescence and other losses, where considered necessary.

Cost comprises of all costs of purchase, conversion and other costs incurred in bringing the inventories to their present location and condition.

Net Realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022

Work-in-progress and finished goods include appropriate proportion of overheads and, where applicable, excise duty.

2.6 Foreign currencies :

Transactions in currencies other than the Company's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in the Statement of Profit or Loss in the period in which they arise except for exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest cost on those foreign currency borrowings.

2.7 Financial assets and financial liabilities:

Financial instruments:

Financial assets and financial liabilities are recognised when a Company becomes a party to the contractual provisions of the instruments. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the Statement of Profit or Loss.

Financial assets:

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace. All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Impairment of financial assets:

The Company applies the expected credit loss model for recognising impairment loss on financial assets. With respect to trade receivables the Company measures the loss allowance at an amount equal to lifetime expected credit losses.

Derecognition of financial assets:

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in the Statement of Profit and Loss if such gain or loss would have otherwise been recognised in the Statement of Profit and Loss on disposal of that financial asset.

Financial liabilities and equity instruments:

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instrument:

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all its liabilities. Equity instrument issued by the Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instrument is recognised and deducted directly in equity. No gain or loss is recognised in the Statement of Profit or Loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Financial liabilities:

All the financial liabilities are subsequently measured at amortised cost using the effective interest method or at fair value through profit and loss.

Derecognition of financial liabilities:

The Company derecognises financial liabilities when, and only when, the Company's obligation are discharged, cancelled or have expired. An exchange between the lender of debt instrument with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the term of an existing liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the Statement of Profit or Loss.

Derivative financial instruments:

The Company enters into a variety of derivative financial instruments to manage its exposure to foreign exchange rate risks, including foreign exchange forward contracts and cross currency swaps. Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in the Statement of Profit and Loss immediately.

2.8 Revenue recognition :

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company assesses promises in the contract that are separate performance obligations to which a portion of transaction price is allocated.

Revenue is measured based on the transaction price as specified in the contract with the customer. It excludes taxes or other amounts collected from customers in its capacity as an agent. In determining the transaction price, the Company considers:

Significant financing component - Generally, the Company receives short-term advances from its customers. Using the practical expedient in Ind AS 115, the Company does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be one year or less.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022

The accounting policies for specific revenue streams of the company is summarised below:

Sale of goods:

Customers obtain control of the goods when the goods are delivered to and have been accepted by them.

Sale of services:

Service income is recognised over time based on as and when service is performed.

2.9 Government grants:

The Company is entitled to incentives from government authority in respect of manufacturing unit located in developing region. The Company accounts for its entitlement as income on an accrual basis.

2.10 Employee benefits:

Retirement benefit costs and termination benefits:

Payment to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the return of plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in the other comprehensive income is reflected immediately in retained earnings and is not reclassified to Statement of profit or loss. Past service cost is recognised in Statement of profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the defined benefit liability or asset. Defined benefit costs are categorised as follows

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- remeasurement

The Company presents the first two components of defined benefit costs in the Statement of Profit or Loss in the line item “Employee benefits expense”. Curtailment gains and losses are accounted for as past service cost.

The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Company’s defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

A liability for the termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

Short-term and other long-term employee benefits:

A liability is recognised for benefits accruing to the employees in respect of wages and salaries and annual leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange of that service.

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange of related service.

Liabilities recognized in respect of other long-term employee benefits are measured at present value of the estimated future cash outflows expected to be made by the company in respect of services provided by employee upto the reporting date.

2.11 Stock appreciation rights (SARs):

For cash-settled share-based payments, a liability is recognized for the services acquired, measured initially at the fair value of the liability. At the end of each reporting period until the liability is settled, and at the date of settlement, the fair value of the liability is remeasured, with any changes in fair value recognized in the Statement of Profit or Loss for the year.

2.12 Borrowing costs:

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognised in the Statement of Profit or Loss in the period in which they are incurred.

2.13 Provisions:

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

2.14 Taxes on income:

Income Tax expense represents the sum of the tax currently payable and deferred tax.

Current tax:

The tax currently payable is based on taxable profit for the year. Taxable profit differs from ‘profit before tax’ as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company’s current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax:

Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences could be utilized.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax for the year:

Current and deferred tax are recognized in the Statement of Profit or Loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively.

Minimum alternate tax (MAT):

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax against which the MAT paid will be adjusted.

2.15 Cash and cash equivalents:

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

2.16 Cash flow statement:

Cash flows are reported using the indirect method, whereby profit/(loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating investing and financing activities of the Company are segregated based on the available information.

2.17 Earning per share:

Basic earnings per share is computed by dividing the profit after tax by the weighted average number of equity shares outstanding during the year.

2.18 Leases:

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As a lessee

At commencement or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Company has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The Company presents right-of-use assets that do not meet the definition of investment property in ‘property and equipment’ and lease liabilities in the statement of financial position.

The Company has elected not to apply the requirements of Ind AS 116 Leases to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

3 Recent accounting pronouncements

Ministry of Corporate Affairs (“MCA”) notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1st, 2022, as below:

Recent pronouncements

Ind AS 16 – Proceeds before intended use

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Company does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract

The amendments specify that that the ‘cost of fulfilling’ a contract comprises the ‘costs that relate directly to the contract’. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 109 – Annual Improvements to Ind AS (2021)

The amendment clarifies which fees an entity includes when it applies the ‘10 percent’ test of Ind AS 109 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact in its financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022

Note No. 4 - Property, plant and equipment

Rs in lakhs

Description of assets	Right of use asset - Land	Buildings	Plant and equipment	Electrical installations	Office equipment	Furniture and fixtures	Computers	Vehicles	Total
I. Cost or deemed cost									
Balance as at 1 April, 2021	**2,466.36**	**2,101.89**	**4,698.17**	**250.40**	**18.82**	**23.36**	**14.69**	**54.34**	**9,628.03**
Additions		413.06	2,739.27	3.10	2.07		4.24	27.34	3,189.08
Disposals						0.07		12.83	12.90
Balance as at 31 March, 2022	**2,466.36**	**2,514.95**	**7,437.44**	**253.50**	**20.89**	**23.29**	**18.93**	**68.85**	**12,804.21**
II. Accumulated depreciation									
Balance as at 1 April, 2021	**182.91**	**436.25**	**1,770.83**	**111.86**	**16.17**	**10.09**	**12.26**	**30.98**	**2,571.35**
Depreciation and amortisation for the year	26.14	85.03	486.95	23.81	0.84	2.23	1.30	5.29	631.59
Eliminated on disposal of assets	–	–	–	–		0.04		12.19	12.23
Balance as at 31 March 2022	**209.05**	**521.28**	**2,257.78**	**135.67**	**17.01**	**12.28**	**13.56**	**24.08**	**3,190.71**
Net carrying amount (I-II)									
Balance as on 31 March, 2022	**2,257.31**	**1,993.67**	**5,179.66**	**117.83**	**3.88**	**11.01**	**5.37**	**44.77**	**9,613.50**
Balance as on 31 March, 2021	2,283.45	1,665.64	2,927.34	138.54	2.65	13.27	2.43	23.36	7,056.68
I. Cost or deemed cost									
Balance as at 1 April, 2020	**2,466.36**	**2,101.89**	**4,657.67**	**216.14**	**18.52**	**19.41**	**13.38**	**39.07**	**9,532.44**
Additions	–	–	40.50	35.47	0.30	3.95	1.31	15.27	96.80
Disposals	–	–	–	1.21	–	–	–	–	1.21
Balance as at 31 March, 2021	**2,466.36**	**2,101.89**	**4,698.17**	**250.40**	**18.82**	**23.36**	**14.69**	**54.34**	**9,628.03**
II. Accumulated depreciation									
Balance as at 1 April, 2020	**156.77**	**362.08**	**1,468.72**	**90.61**	**14.28**	**8.05**	**10.77**	**26.43**	**2,137.71**
Depreciation and amortisation for the year	26.14	74.17	302.11	21.84	1.89	2.04	1.49	4.55	434.23
Eliminated on disposal of assets	–	–	–	0.59			–		0.59
Balance as at 31 March, 2021	**182.91**	**436.25**	**1,770.83**	**111.86**	**16.17**	**10.09**	**12.26**	**30.98**	**2,571.35**
Net carrying amount (I-II)									
Balance as on 31 March, 2021	**2,283.45**	**1,665.64**	**2,927.34**	**138.54**	**2.65**	**13.27**	**2.43**	**23.36**	**7,056.68**
Balance as on 31 March, 2020	2,309.59	1,739.81	3,188.95	125.53	4.24	11.36	2.61	12.64	7,394.73

Note No. 4(a) - Capital work in progress

	Amount in CWIP is for the period of				
CWIP	**Less than 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
As at 31 March, 2022	**–**	**–**	**–**	**–**	–
As at 31 March, 2021					
Projects in progress	2,720.33	356.40	–	–	3,076.73
Projects temporarily suspended	–	–	–	–	–
Total	2,720.33	356.40	–	–	3,076.73

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022

Note No. 5 - Other assets

Rs in lakhs

Particulars		**As at 31 March, 2022**			As at 31 March, 2021		
		Current	**Non–Current**	**Total**	Current	Non–Current	Total
(i)	Capital advances	**–**	**–**	**–**	–	19.20	19.20
(ii)	Prepayments	**22.74**	**6.22**	**28.96**	15.92	8.38	24.30
(iii)	Income tax assets (net)	**–**	**19.88**	**19.88**	–	19.88	19.88
(iv)	Balances with government authorities (other than income taxes)	**84.01**	**–**	**84.01**	134.50	–	134.50
(v)	Others advances						
	(a) Defined contribution plan assets receivable in respect of employees transferred to the company	**10.58**	**–**	**10.58**	7.64	–	7.64
	(b) Advances to suppliers	**17.55**	**–**	**17.55**	–	–	–
	(c) Advances to employee	**–**	**–**	**–**	0.19	–	0.19
Total		**134.88**	**26.10**	**160.98**	158.25	47.46	205.71

Note No. 6 - Inventories

Rs in lakhs

Particulars		**As at 31 March, 2022**	As at 31 March, 2021
(a)	Raw materials	**5,250.10**	825.87
(b)	Finished goods	**327.23**	326.19
(c)	Stock-in-trade	**66.75**	–
(d)	Stores and spares	**77.66**	59.38
Total inventories at the lower of cost or net realisable value		**5,721.74**	1,211.44
Raw material good in transit included above		**985.25**	29.22

(i) The mode of valuation of inventories has been stated in note 2.5

Note No. 7 - Trade receivables

Rs in lakhs

Particulars	**As at 31 March, 2022**	As at 31 March, 2021
Trade receivables		
Unsecured, considered good	**7,291.72**	2,304.56
Total	**7,291.72**	2,304.56

Notes:

(i) The average credit period ranges between 10 to 90 days for sales of products and between 10 to 60 days for job work processing.

(ii) There are no trade receivable which have significant increase in credit risk or are credit impaired.

Particulars	Not Due	Outstanding for following periods from due date of payment: Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
As at March 31, 2022						
Undisputed trade receivables — considered good	**6,856.76**	**434.96**	**–**	**–**	**–**	**7,291.72**
Total Trade Receivables	**6,856.76**	**434.96**	**–**	**–**	**–**	**7,291.72**
As at March 31, 2021						
Undisputed trade receivables — considered good	2,230.35	73.65		0.54	0.02	2,304.56
Total Trade Receivables	2,230.35	73.65	–	0.54	0.02	2,304.56

Note No. 8 - Cash and cash equivalents

Rs in lakhs

Particulars		**As at 31 March, 2022**	As at 31 March, 2021
(a)	Cash in hand	*****	0.01
(b)	Balances with banks		
	In current account	**169.10**	116.32
Total		**169.10**	116.33

* Represents Rs 392

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022

Note No. 9 - Other financial assets

Rs in lakhs

Particulars		As at 31 March, 2022 Current	As at 31 March, 2022 Non-Current	As at 31 March, 2022 Total	As at 31 March, 2021 Current	As at 31 March, 2021 Non-Current	As at 31 March, 2021 Total
(a)	**Financial assets at amortised cost**						
	Industrial promotion subsidy receivable	**418.52**	**689.91**	**1,108.43**	33.77	926.12	959.89
		418.52	**689.91**	**1,108.43**	33.77	926.12	959.89
(b)	Security deposit with others	**–**	**23.95**	**23.95**	–	23.95	23.95
		418.52	**713.86**	**1,132.38**	33.77	950.07	983.84

Note No. 10 - Share capital

	Particulars	As at 31 March, 2022 Number of shares	As at 31 March, 2022 Rs in Lakhs	As at 31 March, 2021 Number of shares	As at 31 March, 2021 Rs in Lakhs
(a)	**Authorised**				
	Equity Shares of Rs. 10 each	**76,000,000**	**7,600**	76,000,000	7,600
		76,000,000	**7,600**	76,000,000	7,600
(b)	**Issued, subscribed and fully paid up**				
	Equity Shares of Rs. 10 each	**68,500,000**	**6,850**	68,500,000	6,850
		68,500,000	**6,850**	68,500,000	6,850

(i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

Particulars	Opening Balance	Fresh issue	Buy back	Closing Balance
Equity Shares of Rs. 10 each				
Year ended 31 March, 2022				
Number of shares	**68,500,000**	**–**	**–**	**68,500,000**
Rs in lakhs	**6,850**	**–**	**–**	**6,850**
Year ended 31 March, 2021				
Number of shares	68,500,000	–	–	68,500,000
Rs in lakhs	6,850	–	–	6,850

(ii) The Company has not alloted any equity shares for consideration other than cash, bonus shares, nor have any shares been bought back since its incorporation (i.e. 12 December, 2013).

Terms and rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs. 10/- per share. Each shareholder has the following voting rights (i) On a show of hands: one vote for a member present in person and (ii) On a poll: in proportion to the share in paid-up equity share capital of the Company. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing annual general meeting, except in case of interim dividend. In the event of winding up, if the assets available for distribution are less/ more than sufficient to repay the whole of the paid up share capital, the losses/ excess shall be borne/ distributed amongst the members in proportion to the capital at the commencement of the winding up, paid up or which ought to have been paid up on the shares held by them respectively.

(iii) Details of shares held by the holding company:

Particulars	**As at 31 March, 2022** Number of shares	As at 31 March, 2021 Number of shares
Mahindra Intertrade Limited (Including 2 equity shares held jointly with its nominees)	**34,935,000**	34,935,000

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022

(iv) Details of shares held by each shareholder holding more than 5% shares:

Particulars	As at 31 March, 2022		As at 31 March, 2021	
	Number of shares	% of holding	Number of shares	% of holding
Mahindra Intertrade Limited (Including 2 equity shares held jointly with its nominees)	**34,935,000**	**51.00%**	34,935,000	51.00%
CSGT International Corporation	**16,782,500**	**24.50%**	16,782,500	24.50%
Mitsui & Co.Ltd	**16,782,500**	**24.50%**	16,782,500	24.50%

Note No. 11 - Other equity

Rs in lakhs

Particulars	Retained earnings As at 31 March, 2022	As at 31 March, 2021
Balance at beginning of year (A)	**2,816.74**	2,792.00
Profit for the year (B)	**1,553.24**	119.46
Other comprehensive income (net of taxes) (C)	**(2.77)**	1.18
Total comprehensive income for the year (D)=(B)+(C)	**1,550.47**	120.64
Dividend (Rs. 0.029 per share) (2021: Rs.0.14 per share) (E)	**(20.00)**	(95.90)
Balance at end of year (A)+(D)+(E)	**4,347.21**	2,816.74

Note No. 12 - Non current borrowings

Rs in lakhs

Particulars	As at 31 March, 2022	As at 31 March, 2021
Measured at amortised cost		
Secured		
Term loans from banks		
Rupee term loan (Refer Note 1, 2 and 3)	**1,708.80**	2,136.27
Less: Current maturities of long term loan	**427.20**	427.47
Total	**1,281.60**	1,708.80

Note : The Company has taken term loan at MCLR plus 0.40% of Rs 2,136.00 lakhs The repayment schedule for the balance outstandong amount is as under:

Name of the Bank	Rate of Interest	repayable in			
		FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
HDFC Bank	7.50%	427.20	640.80	640.80	–

Note 1: Secured by first pari passu charge on the moveable fixed assets of the Company, present and future. Further, the Company has created negative lien on other fixed assets in favour of HDFC Bank limited.

Note No. 13 - Provisions

Rs in lakhs

Particulars	As at 31 March, 2022			As at 31 March, 2021		
	Current	Non-Current	Total	Current	Non-Current	Total
Provision for employee benefits						
Long-term employee benefits						
(i) Provision for gratuity	**–**	**9.47**	**9.47**	–	5.41	5.41
(ii) Provision for compensated absences	**4.07**	**25.39**	**29.46**	2.89	19.40	22.29
(iii) Provision for post retirement medical benefit	**–**	**8.32**	**8.32**	–	6.11	6.11
Total	**4.07**	**43.18**	**47.25**	2.89	30.92	33.81

The provision for employee benefits includes privileged leave entitlements accrued. The increase in the carrying amount of the provision for the current year results from accrual of the privileged leave entitlements for the current year. For other disclosures, refer note 29.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022

Note No. 14 - Current borrowings

Rs in lakhs

Particulars	As at 31 March, 2022	As at 31 March, 2021
Unsecured		
Loan repayable on demand from Banks	**2,900.00**	–
Inter-corporate deposit payable	**–**	300.00
Current maturities of long term debts	**427.20**	427.47
Overdraft facilities from banks	**24.80**	–
Total	**3,352.00**	727.47

Note No. 15 - Trade payables

Rs in lakhs

Particulars	As at 31 March, 2022	As at 31 March, 2021
Trade payable for goods & services		
(a) Micro and small enterprises	**60.03**	41.32
(b) Other than micro and small enterprises*	**7,172.27**	2,144.78
Total	**7,232.30**	2,186.10

* Includes acceptances Rs. 2,045.83 lakhs (2021: Rs. NIL)

Note:

There are no Micro and Small Enterprises, as defined in the Micro, Small, Medium Enterprises Development Act, 2006, to whom the Company owes dues on account of principal amount together with interest and accordingly no additional disclosures have been made. This has been determined to the extent such parties have been identified based on the information available with the Company which has been relied upon by the auditors.

Note: Dues to Micro, Small and Medium Enterprises

Rs in lakhs

Particulars	As at 31 March, 2022	As at 31 March, 2021
The amounts remaining unpaid to micro and small suppliers as at the end of the year		
Principal	**60.03**	41.32
Interest due thereon	**–**	–
The amounts of the payments made to micro and small suppliers beyond the appointed day during each accounting year	**–**	–
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act,2006	**–**	–
The amount of interest accrued and remaining unpaid at the end of each accounting year.	**–**	–
The amount of further interest remaining due and payable even in the succeeding years until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under the MSMED Act, 2006	**–**	–

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management. This has been relied upon by the auditors.

Rs in lakhs

		Outstanding for following periods from due date of payment				
Particulars	**Not Due**	**Less than 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
As at March 31, 2022						
Trade payables — MSME	**60.03**	**–**	**–**	**–**	**–**	**60.03**
Trade payables — Others	**5,720.54**	**1,451.73**	**–**	**–**	**–**	**7,172.27**
Total	**5,780.57**	**1,451.73**	**–**	**–**	**–**	**7,232.30**
As at March 31, 2021						
Trade payables — MSME	41.32	–	–	–	–	41.32
Trade payables — Others	1,672.14	472.17	–	0.47	–	2,144.78
Total	1,713.46	472.17	–	0.47	–	2,186.10

Note No. 16 - Other financial liabilities

Rs in lakhs

	As at 31 March, 2022			As at 31 March, 2021		
Particulars	**Current**	**Non-Current**	**Total**	Current	Non-Current	Total
Other Financial Liabilities Measured at Amortised Cost						
(a) Interest accrued but not due on borrowings	**13.79**	–	**13.79**	13.66	–	13.66
(c) Other liabilities						
(1) Dealer deposit	**22.96**	–	**22.96**	15.11	–	15.11
(2) Creditors for capital supplies/services	**4.68**	–	**4.68**	196.78	–	196.78
(3) Others	**47.26**	–	**47.26**	35.24	–	35.24
	88.69	–	**88.69**	260.79	–	260.79
Other Financial Liabilities Measured at Fair value						
(a) Liability for Cash-settled share-based payments	**8.23**	**6.22**	**14.45**	4.84	5.65	10.49
(b) Derivative financial instruments Forward contracts	**5.72**	–	**5.72**	2.45	–	2.45
	13.95	**6.22**	**20.17**	7.29	5.65	12.94
Total	**102.64**	**6.22**	**108.86**	268.08	5.65	273.73

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022

Note No. 17 - Current tax liabilities

Rs in lakhs

Particulars	As at 31 March, 2022	As at 31 March, 2021
Provision for tax (Net of advance income tax)	**70.15**	4.06
Total	**70.15**	4.06

Note No. 18 - Other current liabilities

Rs in lakhs

Particulars	As at 31 March, 2022	As at 31 March, 2021
(a) Advances received from customers	**2.76**	8.36
(b) Others		
(1) Employee Recoveries and Employer Contributions	**2.06**	1.52
(2) Statutory Dues (TDS,TCS etc)	**22.48**	14.30
(3) GST payable	**186.10**	41.61
Total	**213.40**	65.79

Note No. 19 - Current tax and deferred Tax

(a) Income tax recognised in Statement of profit or loss

Rs in lakhs

Particulars	As at 31 March, 2022	As at 31 March, 2021
Current Tax:		
In respect of current year	**401.86**	11.34
In respect of earlier years	–	(21.91)
	401.86	(10.57)
Deferred Tax:		
In respect of current year origination and reversal of temporary differences	**231.96**	12.59
Minimum Alternate Tax Credit	**65.91**	64.45
	297.87	77.04
Total	**699.73**	66.47

(b) Income tax recognised in other comprehensive income

Rs in lakhs

Particulars	As at 31 March, 2022	As at 31 March, 2021
Current Tax		
Remeasurement of defined benefit obligations	**(1.14)**	0.64
Deferred tax related to items recognised in other comprehensive income during the year:		
Remeasurement of defined benefit obligations	–	(0.18)
Total	**(1.14)**	0.46
Bifurcation of income tax recognised in other comprehensive income into:		
– Items that will not be reclassified to profit and loss	**(1.14)**	0.46
– Items that will be reclassified to profit and loss	–	–
Total	**(1.14)**	0.46

(c) Reconciliation of income tax expense and the accounting profit multiplied by Company's domestic tax rate:

Rs in lakhs

Particulars	As at 31 March, 2022	As at 31 March, 2021
Profit before tax	**2,252.97**	185.93
Income tax expense calculated at 29.12% (2021: 27.82%)	**656.06**	51.73
Effect of expenses that is non-deductible in determining taxable profit	**11.13**	12.78
Others	**6.95**	23.87
Decrease in tax rate	**25.59**	–
	699.73	88.38
Adjustments recognised in the current year in relation to the current tax of prior years	–	(21.91)
Income tax expense recognised In profit or loss	**699.73**	66.47

Note:

The tax rate used for the 31 March 2022 and 31 March 2021 reconciliations above is the corporate tax rate of 29.12% and 27.82% respectively (including surcharge 12% (2021: 7%)and health and education cess of 4%) payable by corporate entities in India on taxable profits under Indian Income Tax Laws.

Note No. 20 - Deferred Tax

Rs in lakhs

Particulars	Opening Balance	Recognised in the Statement of Profit and Loss	Recognised in Other Comprehensive Income (OCI)	Closing Balance
	For the Year ended 31 March, 2022			
Tax effect of items constituting deferred tax liabilities				
Property, Plant and Equipment	**(539.35)**	**(231.13)**	–	**(770.48)**
FVTPL financial asset including derivatives	**(20.34)**	**(17.20)**	–	**(37.54)**
Tax effect of items constituting deferred tax assets				
Property, plant and equipment	–	–	–	–
Minimum alternate tax credit	**258.57**	**(65.91)**	–	**192.66**
Employee benefits	**6.20**	**2.38**	–	**8.58**
Cash-eettled share based payments	**2.92**	**1.29**	–	**4.21**
Others	**3.22**	**12.70**	–	**15.92**
Net tax asset/(liabilities)	**(288.78)**	**(297.87)**	–	**(586.65)**

Rs in lakhs

Particulars	Opening Balance	Recognised in the Statement of Profit and Loss	Recognised in Other Comprehensive Income (OCI)	Closing Balance
	For the Year ended 31 March, 2021			
Tax effect of items constituting deferred tax liabilities				
Property, plant and equipment	(534.28)	(5.08)	–	(539.35)
FVTPL financial asset including derivatives	(19.63)	(0.71)	–	(20.34)
Tax effect of items constituting deferred tax assets				
Property, plant and equipment	–	–	–	–

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022

Rs in lakhs

Particulars	Opening Balance	Recognised in the Statement of Profit and Loss	Recognised in Other Comprehensive Income (OCI)	Closing Balance
	For the Year ended 31 March, 2021			
Minimum alternate tax credit	323.02	(64.45)	–	258.57
Employee benefits	8.40	(2.37)	0.17	6.20
Cash-settled share based payments	7.53	(4.61)	–	2.92
Others	3.05	0.17	–	3.22
Net tax asset/(liabilities)	(211.91)	(77.05)	0.17	(288.78)

Note No. 21 - Revenue from operations

The following is an analysis of the company's revenue for the year from continuing operations.

Rs in lakhs

Particulars		For the year ended 31 March, 2022	For the year ended 31 March, 2021
(a)	Revenue from sale of goods (Refer Note (i) below)	**23,328.00**	6,028.15
(b)	Revenue from rendering of services (Refer Note (ii) below)	**541.87**	333.80
(c)	Other operating revenue (Refer Note (iii) below)	**1,003.81**	455.26
Total		**24,873.68**	6,817.21

Notes: (i)

Rs in lakhs

Particulars		For the year ended 31 March, 2022	For the year ended 31 March, 2021
(i)	Revenue from sale of goods comprises:		
	Manufactured goods		
	– Steel products	**20,769.68**	5,909.56
	Traded goods		
	– Steel products	**2,558.32**	118.59
(ii)	Revenue from rendering of services comprises:		
	– Job work processing	**541.87**	333.80
(iii)	Other operating revenue comprises:		
	– Scrap sales	**627.99**	263.94
	– Industrial promotion subsidy	**375.82**	191.32

Notes: (ii)

The management determines that the segment information reported under Note 31 Segment information is sufficient to meet the disclosure objective with respect to disaggregation of revenue under Ind AS 115 Revenue from contract with Customers. Hence, no seperate disclosures of disaggregated revenues are reported.

Note No. 22 - Other income

Rs in lakhs

Particulars		For the year ended 31 March, 2022	For the year ended 31 March, 2021
(a)	Interest Income:		
	On fixed deposits	–	5.38
	On others	**1.04**	4.85
(b)	Gain on sale of current investments	–	1.22
(c)	Net gain on foreign currency transactions and translations	–	28.91
(d)	Others	**4.47**	3.50
Total		**5.51**	43.86

Note No. 23(a) - Cost of materials consumed

Rs in lakhs

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Opening stock	**825.87**	678.78
Add: Purchases	**22,550.84**	5,494.23
	23,376.71	6,173.01
Less: Closing stock-Steel	**5,250.10**	825.87
Cost of materials consumed-Steel	**18,126.61**	5,347.14

Note No. 23(b) - Change in inventories of finished goods

Rs in lakhs

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Inventories at the end of the year:		
Finished goods	**327.23**	326.19
Stock-in-trade	**66.75**	–
	393.98	326.19
Inventories at the beginning of the year:		
Finished goods	**326.19**	165.71
Stock-in-trade	–	128.16
	326.19	293.87
Net (increase)/decrease	**(67.79)**	(32.32)

Note No. 24 - Employee benefits expense

Rs in lakhs

Particulars		For the year ended 31 March, 2022	For the year ended 31 March, 2021
(a)	Salaries and wages	**238.97**	187.22
(b)	Contribution to provident and other funds	**14.94**	13.25
(c)	Share based payment to employees	**16.40**	11.95
(d)	Post retirement medical benefit expense	**1.61**	0.72
(e)	Staff welfare expenses	**35.32**	2.96
Total		**307.24**	216.10

Note No. 25 - Finance cost

Rs in lakhs

Particulars		For the year ended 31 March, 2022	For the year ended 31 March, 2021
(a)	Interest expense on Borrowings	**304.33**	15.75
(b)	Other finance cost	**7.59**	5.28
Total		**311.92**	21.03

Analysis of interest expense by category

Rs in lakhs

Particulars		For the year ended 31 March, 2022	For the year ended 31 March, 2021
Interest Expense			
(a)	On financial liability at amortised cost	**311.92**	21.03
(b)	On non-financial liabilities	–	–

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022

Note No. 26 - Other Expenses

Rs in lakhs

	Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
(a)	Stores and spares consumed	**42.85**	3.13
(b)	Power & fuel	**97.38**	64.73
(c)	Rates and taxes	**16.99**	12.05
(d)	Insurance charges	**20.09**	16.71
(e)	Repairs and maintenance - Building	**28.85**	2.80
(f)	Repairs and maintenance - machinery	**19.48**	6.62
(g)	Repairs and maintenance - others	**24.20**	9.68
(h)	Freight and handling charges	**157.61**	79.06
(i)	Management fees	**200.00**	200.00
(j)	Auditors' remuneration (refer note below)	**10.15**	9.39
(k)	Directors' fees	**6.70**	4.60
(l)	Commission to non whole time directors	**10.00**	10.00
(m)	Fair value loss on financial instruments at fair value through profit and loss	**3.27**	25.14
(n)	Net loss on foreign currency transactions and translations	**79.58**	–
(o)	Printing and stationery	**4.22**	1.01
(p)	Legal and professional	**77.22**	71.75
(q)	Loss on sale of Property, Plant and Equipment	**0.57**	0.42
(r)	Travelling expenses	**3.62**	0.81
(s)	Industrial promotion subsidy written off	–	70.95
(t)	Expenditure on corporate social responsibilty (CSR) under section 135 of the Companies Act, 2013	**15.33**	26.01
(u)	Other general expenses	**107.00**	72.49
Total		**925.11**	687.35

Note

Rs in lakhs

	Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Payment to Auditor			
(a)	For audit	**6.05**	5.50
(b)	For certification	**0.35**	0.35
(c)	For other services	**3.75**	3.50
(d)	For reimbursement of expenses	–	0.04
		10.15	9.39

Note No. 27 - Contingent liabilities and commitments (to the extent not provided for)

Rs in lakhs

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Claims against the company not acknowledged as debts:		
Demand in lieu of cenvat credit disallowances	**6.15**	–
Commitments:		
Estimated amount of contracts remaining to be executed on capital account and not provided for	**20.86**	28.58

Note No. 28 - Ratios

Rs in lakhs

Sr. No.	Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021	Variance	Refer foot note
1	**Current ratio (times)** Current assets / Current liabilities	**1.25**	1.18	6%	
2	**Debt-Equity ratio (times)** (Long term borrowings + short term borrowings (including current maturities of long term borrowings) / (Total equity)	**0.41**	0.25	64%	1
3	**Debt service coverage ratio (times)** (Profit before interest, tax and depreciation) / (gross interest for the period + principal repayments within a year)	**4.32**	1.43	202%	2
4	**Return on Equity** (Net profit for the period / Total equity)	**13.87%**	1.24%	1019%	3
5	**Inventory turnover (times)** (Cost of materials consumed / Average inventories for the period)	**5.90**	4.74	24%	
6	**Trade receivables turnover (times)** Revenue from sale of goods and services) / (Average trade receivable for the year)	**4.97**	3.52	41%	3
7	**Trade payables turnover (times)** (Purchase of goods and services) / (Average trade payable for the year)	**5.30**	3.02	75%	4
8	**Net working capital turnover (times)** Revenue from sale of goods and services) / (working Capital i.e. current assets - current liabilities)	**8.64**	11.16	-23%	
9	**Net Profit margin (%)** (Net Profit for the period / Revenue from operations)	**6.24%**	1.75%	257%	3
10	**Return on capital employed (%)** (Profit before interest and tax / total equity, total debt)	**16.20%**	1.71%	847%	3
11	**Return on Investment (%)** (Total income from investment / Average investment for the period)	**NA**	NA	NA	

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022

Notes:

1) Debt equity ratio increased on accout of increase short term borrowing to meet in working capital requirements.
2) DSCR is improved due to increase in business revenue product mix.
3) Increased mainly due to increase business volumes, revenue and higher contribution.
4) Trade payable turnover increased due to increase in import.

Note No. 29 - Employee benefits

(a) Defined Contribution Plan

The Company has recognized, in statement of profit and loss for the year, an amount of Rs 9.79 lakhs (2021: Rs. 8.75 lakhs) pertaining to defined contribution plans.

Rs in lakhs

Benefit (Contribution to)	As at 31 March, 2022	As at 31 March, 2021
Provident Fund	**6.22**	5.56
Pension Fund	**3.57**	3.18
Total	**9.79**	8.74

(b) Defined Benefit Plans:

(i) GRATUITY

The Company operates a gratuity plan covering qualifying employees. The benefit payable is the greater of the amount calculated as per the Payment of Gratuity Act, 1972 or the Company scheme applicable to the employees. The benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. In case of death while in service, the gratuity is payable irrespective of vesting.

Nature of Benefits:

The gratuity benefits payable to the employees are based on the employee's service and last drawn salary at the time of leaving. The employees do not contribute towards this plan and the full cost of providing these benefits are met by the Company.

Regulatory framework:

There are no minimum funding requirements for a gratuity plan in India. The trustees of the gratuity fund have a fiduciary responsibility to act according to the provisions of the trust deed and rules. Since the fund is income tax approved, the Company and the trustees have to ensure that they are at all times fully compliant with the relevant provisions of the income tax and rules. Besides this if the Company is covered by the Payment of Gratuity Act, 1972 then the Company is bound to pay the statutory minimum gratuity as prescribed under this Act.

Governance of Plan:

The Company has setup an income tax approved irrevocable trust fund to finance the plan liability. The trustees of the trust fund are responsible for the overall governance of the plan. The plan is funded under Group Gratuity Scheme which is administered by LIC. The Company makes annual contribution to the plan.

Inherent Risk

The plan is of a final salary defined benefit in nature which is sponsored by the Company and hence it underwrites all the risks pertaining to the plan. In particular, there is a risk for the Company that any adverse salary growth or demographic experience or inadequate returns on underlying plan assets can result in an increase in cost of providing these benefits to employees in future. since the benefits are lump sum in nature the plan is not subject to any longevity risks.

(ii) POST RETIREMENTS MEDICAL BENEFITS

The Company provides post retirement medical cover to select grade of employees to cover the retiring employee and their spouse upto a specified age through mediclaim policy on which the premiums are paid by the Company. The eligibility of the employee for the benefit as well as the amount of medical cover purchased is determined by the grade of the employee at the time of retirement.

Nature of Benefits:

The Company operates a defined benefit post-retirement medical plan. The benefits payable to the employees are post their retirement from the Company. The employees do not contribute towards this plan and the full cost of providing these benefits are met by the Company.

Regulatory framework:

There are no minimum funding requirements for such a post-retirement medical plan in India. The Company has chosen not to fund the post-retirement benefit liabilities of the plan but instead carry a provision based on actuarial valuation in its books of accounts.

Governance of Plan:

The Company is responsible for the overall governance of the plan. Since the plan is unfunded, the governance of the plan is limited to employees being paid the benefits as per the terms of the plan.

Inherent Risk

The plan is of a defined benefit in nature which is sponsored by the Company and hence it underwrites all the risks pertaining to the plan. In particular, there is a risk for the Company that any adverse increase in healthcare costs or demographic experience can result in an increase in cost of providing these benefits to employees in future. The benefits are also paid post retirement upto a specified age of the beneficiary and plan carries the longevity risks.

Life expectancy

The majority of the plan's obligations are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the plan's liabilities. This is particularly significant in the Company's defined benefit plans, where inflationary increases result in higher sensitivity to changes in life expectancy.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022

Defined benefit plans – as per actuarial valuation on 31st March, 2022

Rs in lakhs

Particulars			Funded Plan Gratuity 31-Mar-22	Unfunded Plan Post retirement medical benefit 31-Mar-22	Funded Plan Gratuity 31-Mar-21	Unfunded Plan Post retirement medical benefit 31-Mar-21
(iii)	**Expense recognised in the Statement of Profit and Loss for the year ended 31st March:**					
	1.	Current service cost	**3.52**	**0.48**	3.46	0.41
	2.	Past service cost	**–**	**0.57**	–	–
	3.	Interest on net defined benefit liability/(asset)	**0.19**	**0.40**	0.11	0.31
			3.71	**1.45**	3.57	0.72
(iv).	**Included in other Comprehensive Income**					
	1.	Actual return on plan assets less interest on plan assets	**0.18**	–	0.58	–
	2.	Actuarial (Gain)/Loss on account of:				
		– Financial Assumptions	**2.09**	**(0.43)**	(0.13)	(0.05)
		– Demographic Assumptions	**–**	**–**	–	–
		– Experience Adjustments	**1.03**	**1.03**	(2.75)	0.70
			3.30	**0.60**	(2.30)	0.65
(v).	**Net Asset/(Liability) recognised in the Balance Sheet as at 31st March**					
	1.	Present value of defined benefit obligation as at 31st March	**47.88**	**8.32**	36.03	6.11
	2.	Fair value of plan assets as at 31st March	**38.42**	**–**	30.62	–
	3.	Surplus/(Deficit)	**(9.46)**	**(8.32)**	(5.41)	(6.11)
	4.	Current portion of the above	**–**	**–**	–	–
	5.	Non current portion of the above	**(9.46)**	**(8.32)**	(5.41)	(6.11)
(vi).	**Change in the obligation during the year ended 31st March**					
	1.	Present value of defined benefit obligation at the beginning of the year	**36.02**	**6.11**	33.36	4.73
	2.	Expenses Recognised in Statement of Profit and Loss Account				
		– Current Service Cost	**3.52**	**0.48**	3.46	0.41
		– Past Service Cost	**–**	**0.57**	–	–
		– Interest Expense (Income)	**2.26**	**0.40**	2.08	0.31
	3.	Recognised in Other Comprehensive Income Remeasurement gains/(losses)				
		– Actuarial Gain (Loss) arising from:				
		i. Financial Assumptions	**2.09**	**(0.43)**	(0.13)	(0.04)
		ii. Demographic Assumptions	**–**	**–**	–	–
		iii. Experience Adjustments	**1.03**	**1.03**	(2.75)	0.70
	4.	Benefit payments	**–**	**–**	–	–
	5.	Impact of liability assumed or (settled)	**2.94**	**0.16**	–	–
	6.	Present value of defined benefit obligation at the end of the year	**47.86**	**8.32**	36.02	6.11
(vii).	**Change in fair value of assets during the year ended 31st March**					
	1.	Fair value of plan assets at the beginning of the year	**30.62**	–	29.23	–
	2.	Expenses Recognised in Statement of Profit and Loss Account				
		– interest on plan assets	**2.07**	–	1.97	–
	3.	Recognised in Other Comprehensive Income Remeasurement gains/(losses)				
		– Actual Return on plan assets in excess of the expected return	**(0.18)**	–	(0.58)	–
		– Others (specify)	–	–	–	–
	4.	Contributions by employer (including benefit payments recoverable)	**5.91**	–	–	–
	5.	Benefit payments	–	–	–	–
	6.	Assets acquired/(settled)	–	–	–	–
	7.	Fair value of plan assets at the end of the year	**38.42**	–	30.62	–
(viii).	**The Major categories of plan assets**					
	–	List the plan assets by category here				
		– Insurer managed funds	**38.42**	–	30.62	–
(ix).	**Actuarial assumptions**					
	1.	Discount rate	**6.55%**	**6.90%**	6.55%	6.55%
	2.	Attrition rate	**8.00%**	**8.00%**	8.00%	8.00%
	3.	Medical premium inflation	**–**	**6.00%**	–	6.00%
	4.	Rate of increase in compensation levels	**7.00%**	**7.00%**	7.00%	7.00%
	5.	Mortality table	**IALM(2012-14) ult**	**IALM(2012-14) ult**	IALM(2012-14) ult	IALM(2012-14) ult

The expected rate of return on plan assets is based on the average long term rate of return expected on investments of the fund during the estimated term of obligation.

The estimate of future salary increases, considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022

(x) Sensitivity analysis:

Gratuity

Gratuity is a lump sum plan and the cost of providing these benefits is typically less sensitive to small changes in demographic assumptions. The key actuarial assumptions to which the benefit obligation results are particularly sensitive to are discount rate and future salary escalation rate. The following table summarizes the impact on the reported defined benefit obligation at the end of the reporting period arising on account of an increase or decrease in the reported assumption by 100 basis points.

These sensitivities have been calculated to show the movement in defined benefit obligation in isolation and assuming there are no other changes in market conditions at the accounting date. There have been no changes from the previous periods in the methods and assumptions used in preparing the sensitivity analysis.

The sensitivity of the Gratuity Benefits to changes in the weighted principal assumptions is:

Rs in lakhs

Principal assumption	Year	Changes in assumption	Impact on defined benefit obligation	
			Increase in assumption	Decrease in assumption
Discount rate	**2022**	**1%**	**44.71**	**51.47**
	2021	1%	33.63	38.73
Salary growth rate	**2022**	**1%**	**51.27**	**44.71**
	2021	1%	38.69	33.62

Post retirement medical benefits

The benefit obligation results for the cost of paying future hospitalization premiums to insurance company in future for the employee / beneficiaries during their lifetime is sensitive to discount rate and future increase in healthcare costs.

The following table summarizes the impact on the reported defined benefit obligation at the end of the reporting period arising on account changes in these three key parameters:

These sensitivities have been calculated to show the movement in defined benefit obligation in isolation and assuming there are no other changes in market conditions at the accounting date. There have been no changes from the previous periods in the methods and assumptions used in preparing the sensitivity analysis.

The sensitivity of the post retirement medical benefit obligation to changes in the weighted principal assumptions is:

Rs in lakhs

Principal assumption	Year	Changes in assumption	Impact on defined benefit obligation	
			Increase in assumption	Decrease in assumption
Discount rate	**2022**	**1%**	**7.23**	**9.63**
	2021	1%	5.28	7.12
Medical inflation rate	**2022**	**1%**	**9.63**	**7.21**
	2021	1%	7.11	5.26

(xi) Expected contributions for the next year:

The Company expects to contribute Rs. 9.50 lakhs to the gratuity trusts during the next financial year.

(xii) Maturity profile:

Gratuity

Rs in lakhs

Maturity profile of defined benefit obligation:	2022	2021
Within 1 year	**3.81**	3.00
1 – 2 year	**3.91**	2.96
2 – 3 year	**12.69**	3.00
3 – 4 year	**3.09**	9.70
4 – 5 year	**3.10**	2.31
5 – 10 years	**20.59**	8.94
More than 10 years	**38.96**	32.27

Post retirement medical benefits

Maturity profile of defined benefit obligation:

	2022	2021
Within 1 year	–	–
1 – 2 year	–	–
2 – 3 year	–	–
3 – 4 year	**0.28**	–
4 – 5 year	**0.29**	0.22
5 – 10 years	**1.36**	1.04
More than 10 years	**24.08**	17.30

Note No. 30 - Segment reporting

The Company has identified 'steel Processing', as its only primary reportable segment. The Manager (as appointed under Companies Act, 2013) have been identified as the Chief Operating Decision Maker (CODM) as defined under Ind AS 108. CODM reviews overall financial information of the Company together for performance evaluation and allocation of resources and does not review any discrete information to evaluate performance of any individual product or geography.

Geographical Information

All the customers of the company are located within india.

The Company operates and has its processing facility based out of Chakan in India.

There are 5 customers (2021 : 4 customers) those are individually contributing to more than 10% of the Company's revenue, Total amount of revenue from such customers for the year ended on 31 March 2022 are Rs. 17,655.22 lakhs (2021 : Rs 4,347.60 lakhs).

Note No. 31 - Related Party Disclosures

Related party disclosures as required by IND AS 24 " Related Party Disclosures" are given below.

(A) List of Related Parties:

Ultimate Holding Company	Mahindra & Mahindra Limited (M&M)
Holding Company	Mahindra Intertrade Limited (MIL)

Other parties with whom transactions have taken place during the year

(i) Fellow Subsidiaries	Mahindra Integrated Business Solutions Private Limited (MIBS)
	Mahindra Steel Service Centre Limited (MSSCL)
	Mahindra Logistics Limited (MLL)
	Mahindra MSTC Recycling Private Limited (MMRPL)
	Mahindra Electric Mobility Limited(MEML)
(ii) Company which is Associate of Ultimate Holding Company	Mahindra CIE Limited (MCIE)
(iii) Companies having significant influence	CSGT International Corporation (CSGT)
	Mitsui & Co. Ltd (Mitsui)
(iv) Key Management Personnel (KMP)	Mr. Sanjay Somkumar, Manager w.e.f. 29 April, 2015
	Ms. Smita Mankad, Independent Director
	Mr. P.R. Barpande, Independent Director

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022

(B) Disclosure of transactions (net of duties and taxes) between the Company and related parties during the period ended 31 March, 2022:

Rs in lakhs

	Ultimate Holding Company		Holding Company		A Company having significant influence		A Company having significant influence	
	M&M		MIL		CSGT		Mitsui	
	31 March, 2022	31 March, 2021	**31 March, 2022**	31 March, 2021	**31 March, 2022**	31 March, 2021	**31 March, 2022**	31 March, 2021
Dividend paid	–	–	**10.20**	48.91	**4.90**	23.50	**4.90**	23.50
Inter corporate deposit taken	–	–	**8,150.00**	1,575.00	–	–	–	–
Inter corporate deposit repaid	–	–	**8,450.00**	1,275.00	–	–	–	–
Purchase of vehicles	**14.49**	9.34	–	–	–	–	–	–
Purchase of pant & machinery	–	–	**3.97**	–	–	–	–	–
Purchase of raw materials	–	24.72	**857.23**	302.78	–	–	–	–
Sale of Traded goods	–	–	**486.75**	116.69	–	–	–	–
Sale of finished goods	**1,809.96**	878.39	–	–	–	–	–	–
Job work processing	–	–	–	0.35	–	–	–	–
Other expenses	**1.04**	10.47	–	–	–	–	–	–
Legal and professional	**3.13**	23.86	–	–	–	–	–	–
Management fees	–	–	**200.00**	200.00	–	–	–	–
Interest on Inter corporate deposit	–	–	**118.71**	6.40	–	–	–	–
Reimbursement received from parties	–	–	–	–	**3.75**	3.50	–	–
Reimbursement made to parties	**27.11**	–	**37.18**	29.56	–	–	–	–

(C) Outstanding receivable from and payable to related parties

	Ultimate Holding Company		Holding Company	
	M&M		MIL	
	31 March, 2022	31 March, 2021	**31 March, 2022**	31 March, 2021
Outstanding receivable	**182.88**	14.48	**56.44**	22.97
Outstanding payable	**11.01**	32.76	**296.73**	92.70

Rs in lakhs

	Fellow Subsidiary		Fellow Subsidiary		Fellow Subsidiary		Fellow Subsidiary		Fellow Subsidiary	
	MSSCL		MIBS		MMRPL		MLL		MEML	
	31 March, 2022	31 March, 2021	**31 March, 2022**	31 March, 2021	**31 March, 2022**	31 March, 2021	**31 March, 2022**	31 March, 2021	**31 March, 2022**	31 March, 2021
Purchase of Property, Plant and Equipment	–	–	–	–	–	–	–	33.61	–	–
Sale of finished goods	**11.91**	–	–	–	–	–	–	–	**0.17**	**2.30**
Job work processing	–	0.09	–	–	–	–	–	–	–	–
Legal and professional	–	–	**7.71**	1.14	–	–	–	–	–	–
Reimbursement received from parties	–	**2.91**	–	–	**13.05**	–	–	–	–	–
Reimbursement made to parties	**8.08**	6.89	–	–	**0.04**	–	–	–	–	–
Processing charges	**21.72**	1.20	–	–	–	–	–	–	–	–
Freight charges	–	–	–	–	–	–	**18.96**	–	–	–

	Fellow Subsidiary		Fellow Subsidiary		Fellow Subsidiary	
	MSSCL		MIBS		MMRPL	
	31 March, 2022	31 March, 2021	**31 March, 2022**	31 March, 2021	**31 March, 2022**	31 March, 2021
Outstanding receivable	–	–	–	–	**2.26**	–
Outstanding payable	**3.09**	3.64	**0.47**	0.42	–	–

Note:

1. The sales/provision of services to and purchases/provision of services from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 March 2022, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (31 March 2021: Rs Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022

Rs in lakhs

	Company which is Associate of Ultimate Holding Company		Name of KMP*		Name of KMP		Name of KMP	
	MCIE		Mr. Sanjay Somkumar		Ms. Smita Mankad		Mr. P.R.Barpande	
	31 March, 2022	31 March, 2021	**31 March, 2022**	31 March, 2021	**31 March, 2022**	31 March, 2021	**31 March, 2022**	31 March, 2021
Sale of finished goods	**3,306.54**	971.40	–	–	–	–	–	–
Sitting fees paid	–	–	–	–	**3.40**	2.40	**3.30**	2.20
Commission	–	–	–	–	**5.00**	5.00	**5.00**	5.00
Managerial Remuneration	–	–	**62.16**	46.09	–	–	–	–

	Company which is Associate of Ultimate Holding Company		KMP		KMP	
	MCIE		Ms.Smita Makad		Mr. P.R.Barpande	
	31 March, 2022	31 March, 2021	**31 March, 2022**	31 March, 2021	**31 March, 2022**	31 March, 2021
Outstanding receivable	**842.10**	559.80	–	–	–	–
Outstanding payable	–	–	**4.50**	4.50	**4.50**	4.50

* excludes provision for gratuity and compensated absences, which is determined on the basis of actuarial valuation done on overall basis for the Company.

Note:

1. The sales/provision of services to and purchases/provision of services from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 March 2022, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (31 March 2021: Rs Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

Note No. 32 - Financial instruments

[I] Capital management

The company's capital management objectives are:

– to ensure the company's ability to continue as a going concern

– to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

The capital structure of the Company consists of net debt (borrowings as detailed in note 14 and offset by cash and cash equivalents and current investments) and total equity of the Company.

The Company monitors capital using a gearing ratio, which is Net Debt divided by total capital. The Company's policy is to keep the gearing ratio within 150%.

The company sets the amount of capital in proportion to its overall financing structure, i.e. equity and financial liabilities. The company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

Rs in lakhs

	31 March, 2022	31 March, 2021
Debt	**4,633.60**	2,436.27
Less:– Cash and Cash Equivalent including current investments	**169.10**	116.33
Net Debt	**4,464.50**	2,319.94
Equity	**11,197.21**	9,666.74
Gearing ratio	**40%**	24%

[II] Financial Risk Management Framework

The company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk . In order to manage the aforementioned risks, the company operates a risk management policy and a program that performs close monitoring of and responding to each risk factors.

(A) CREDIT RISK

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

Trade receivables

Customer credit risk is managed by each business unit subject to the companies's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on payment performance over the period of time and financial analysis including credit rating issued by credit rating agencies. Outstanding customer receivables are regularly monitored and any shipments to other small customers are generally covered by letters of credit .

The company follows expected credit loss method for determination of impairment of trade receivable. Additionally, an impairment analysis is performed at each reporting date on specfic case basis for major customers.

Financial instruments and cash deposits:

Credit risk from balances with banks and financial institutions is managed by the company in accordance with the company's policy. Investments of surplus funds are made only with approved mutual fund or banks and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the company on an annual basis, and may be updated throughout the year subject to approval of the Group's Finance Committee. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

[B] LIQUIDITY RISK

(i) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the company's short-, medium- and long-term funding and liquidity management requirements. The company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

(ii) Maturities of financial liabilities

The following tables detail the company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The amount disclosed in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the company can be required to pay. The tables include both interest and principal cash flows.

To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the company may be required to pay.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022

Rs in lakhs

	Less than 1 Year	1-3 Years	3-5 Years	5 Years and above	Total	Carrying amount
Non-derivative financial liabilities						
31 March 2022						
Non-interest bearing	**7,315.43**	**6.22**	**–**	**–**	**7,321.65**	**7,321.65**
Variable interest rate instruments	**3,499.78**	**1,401.34**	**–**	**–**	**4,901.12**	**4,647.39**
Total	**10,815.21**	**1,407.56**	**–**	**–**	**12,222.77**	**11,969.04**
31 March 2021						
Non-interest bearing	2,438.06	5.65	**–**	**–**	2,443.71	2,443.71
Variable interest rate instruments	889.76	1,272.04	**675.92**	**–**	2,837.72	2,436.27
Total	3,327.82	1,277.69	**675.92**	**–**	5,281.43	4,879.98

Sensitivity interest rate increase by 1%: Profit will decrease by Rs. 46.34 Lakhs for the year ended 31 March, 2022 (Rs. 24.36 lakhs for the year ended 31 March, 2021)

Sensitivity interest rate decrease by 1%: Profit will increase by Rs. 46.34 Lakhs for the year ended 31 March, 2022 (Rs. 24.36 lakhs for the year ended 31 March, 2021)

The following table details the company's liquidity analysis for its derivative financial instruments. The table has been drawn up based on the undiscounted contractual net cash inflows and outflows on derivative instruments that settle on a net basis, and the undiscounted gross inflows and outflows on those derivatives that require gross settlement.

Rs in lakhs

	Less than 1 Year	1-3 Years	3-5 Years	5 Years and above	Total
Derivative financial instruments					
31 March 2022					
Gross settled:					
– foreign exchange forward contracts	**5.72**	**–**	**–**	**–**	**5.72**
31 March 2021					
Gross settled:					
– foreign exchange forward contracts	2.45	–	–	–	2.45

(iii) Maturities of financial assets

Rs in lakhs

	Less than 1 Year	1-3 Years	3-5 Years	5 Years and above	Total	Carrying value
Non–derivative financial assets						
31 March 2022						
Non–interest bearing	**7,879.34**	**689.91**	**–**	**–**	**8,569.25**	**8,569.25**
Variable interest rate instruments	**–**	**–**	**–**	**23.95**	**23.95**	**23.95**
Total	**7,879.34**	**689.91**	**–**	**23.95**	**8,593.20**	**8,593.20**
31 March 2021						
Non–interest bearing	2,454.67	926.11	–	–	3,380.78	3,380.78
Variable interest rate instruments	–	–	–	23.95	23.95	23.95
Total	2,454.67	926.11	–	23.95	3,404.73	3,404.73

The amounts included above for variable interest rate instruments for both non-derivative financial assets and liabilities is subject to change if changes in variable interest rates differ to those estimates of interest rates determined at the end of the reporting period.

(iv) Financing arrangements

The company had access to following undrawn borrowing facilities at the end of the reporting period:

Rs in lakhs

	31-Mar-22	31-Mar-21
Bank Overdraft/ WCDL facility	**575.00**	1,000.00
– Expiring within one year (Unsecured)	**575.00**	1,000.00
Working Capital Non-Fund Based facility: (LC, BG, LUT, LER)	**545.00**	3,715.90
– Expiring within one year (Unsecured)	**545.00**	3,715.90

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022

[C] MARKET RISK

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. The company uses derivatives to manage market risks. Derivatives are only used for economic hedging purposes and not as speculative investments. All such transactions are carried out within the guidelines set by the Board of Directors.

(i) Currency Risk

The company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. The company's exposure to currency risk relates primarily to the company's operating activities and borrowings when transactions are denominated in a different currency from the company's functional currency.

The company manages its foreign currency risk by hedging transactions that are expected to occur within a maximum 12 month period for hedges of forecasted sales and purchases and for 36 months period for borrowings.

When a derivative is entered into for the purpose of being a hedge, the company negotiates the terms of those derivatives to match the terms of the hedged exposure. For hedges the derivatives cover the period of exposure from the point the cash flows of the transactions are forecasted up to the point of settlement of the resulting receivable or payable that is denominated in the foreign currency.

The carrying amounts of the company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows.

	Currency	31-Mar-22	31-Mar-21
Trade payables/acceptance	USD	**3,538,693**	108,921
Creditors for capital supplies/services	USD	–	267,000

Of the above foreign currency exposures, the following exposures are not hedged by a derivative:

	Currency	31-Mar-22	31-Mar-21
Trade payables/acceptance	USD	**2,685,874**	–
Creditors for capital supplies/services	USD	–	–

(ii) Interest Rate Risk

Refer Note B (ii) for interest rate sensitivity

(iii) Raw material price risk

The company does not have significant risk in raw material price variations. In case of any variation in price, same is passed on to the customer through appropriate adjustments to selling prices

There has been no significant changes to the company's exposure to market risk or the methods in which they are managed or measured.

Note No. 33 - Fair Value Measurement

Fair Valuation Techniques and Inputs used

This section explains the judgment and estimates made in determining the fair value of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair value are disclosed in financials statements. To provide an indication about the reliability of the inputs used in determining the fair value, the company has classified its financial instruments into the three levels prescribed under the accounting standards.

Level 1 inputs

Level 1 inputs are quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date. A quoted market price in an active market provides the most reliable evidence of fair value and is used without adjustment to measure fair value whenever available, with limited exceptions. If an entity holds a position in a single asset or liability and the asset or liability is traded in an active market, the fair value of the asset or liability is measured within Level 1 as the product of the quoted price for the individual asset or liability and the quantity held by the entity, even if the market's normal daily trading volume is not sufficient to absorb the quantity held and placing orders to sell the position in a single transaction might affect the quoted price.

Level 2 inputs

Level 2 inputs are inputs other than quoted market prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 2 inputs include:

- quoted prices for similar assets or liabilities in active markets
- quoted prices for identical or similar assets or liabilities in markets that are not active
- inputs other than quoted prices that are observable for the asset or liability, for example-interest rates and yield curves observable at commonly quoted interval
- implied volatilities
- credit spreads
- inputs that are derived principally from or corroborated by observable market data by correlation or other means ('market-corroborated inputs')

Level 3 inputs

Level 3 inputs are unobservable inputs for the asset or liability. Unobservable inputs are used to measure fair value to the extent that relevant observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date. An entity develops unobservable inputs using the best information available in the circumstances, which might include the entity's own data, taking into account all information about market participant assumptions that is reasonably available.

Rs in lakhs

Financial assets/financial liabilities	**Fair value hierarchy as at 31 March, 2022**			
	Level 1	**Level 2**	**Level 3**	**Total**
Financial assets				
Financial assets carried at Amortised Cost				
– Cash and cash equivalent	–	**169.10**	–	**169.10**
– trade receivables	–	**7,291.72**	–	**7,291.72**
– deposits	–	**23.95**	–	**23.95**
– Industrial promotion subsidy receivable	–	**1,108.43**	–	**1,108.43**
Total	–	**8,593.20**	–	**8,593.20**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022

Rs in lakhs

Financial assets/financial liabilities	**Fair value hierarchy as at 31 March, 2022**			
	Level 1	**Level 2**	**Level 3**	**Total**
Financial liabilities				
Financial liabilities held at amortised cost				
– Bank loans	**–**	**4,633.60**	**–**	**4,633.60**
– Short term deposits	**–**	**22.96**	**–**	**22.96**
– trade and other payables	**–**	**7,284.24**	**–**	**7,284.24**
– Interest payable	**–**	**13.79**	**–**	**13.79**
Total	**–**	**11,954.59**	**–**	**11,954.59**

Rs in lakhs

Financial assets/financial liabilities	Fair value hierarchy as at 31 March, 2021			
	Level 1	Level 2	Level 3	Total
Financial assets				
Financial assets carried at Amortised Cost				
– Cash and cash equivalent	–	116.33	–	116.33
– trade receivables	–	2,304.55	–	2,304.55
– deposits	–	23.95	–	23.95
– Industrial promotion subsidy receivable	–	959.89	–	959.89
Total	–	3,404.72	–	3,404.72
Financial liabilities				
Financial liabilities held at amortised cost				
– Bank loans	–	2,436.27	–	2,436.27
– Short term deposits	–	15.11	–	15.11
– trade and other payables	–	2,418.11	–	2,418.11
– Interest payable	–	13.66	–	13.66
Total	–	4,883.15	–	4,883.15

Financial assets/financial liabilities measured at Fair value

Rs in lakhs

Financial assets/financial liabilities	**Fair value as at 31-Mar-22**	31-Mar-21	**Fair value hierarchy**	**Valuation technique(s) and key input(s)**	**Significant unobservable input(s)**	**Relationship of unobservable inputs to fair value and sensitivity**
Financial assets	–	–				
Total financial assets	–	–				
Financial liabilities						
Other Financial Liabilities						
Liability for Cash-settled share-based payments	**14.45**	10.49	Level 2	Black Scholes option model	NA	NA
Forward contracts	**5.72**	–	Level 2	Discounted cash flow. Future cash flows are estimated based on forward exchange rates (from observable forward exchange rate at the end of the reporting period) and contract forward rate that reflects the credit risk of various counter parties.	NA	NA
Total financial liabilities	**20.17**	10.49				

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022

The fair values of the financial assets and financial liabilities included in the level 2 categories above have been determined in accordance with generally accepted pricing models based on a discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the credit risk of counterparties.

Fair value of financial assets and financial liabilities that are not measured at fair value

The company considers that the carrying amount of financial assets and financial liabilities recognised in financial statements approximates their fair value.

Note No. 34 - Earnings per share

Rs in lakhs

Particulars	**For the Year ended 31 March, 2022**	For the Year ended 31 March, 2021
Profit after tax (Rs in lakhs) (A)	**1,553**	119
Weighted average number of shares (B)	**68,500,000**	68,500,000
Earnings per share [Basic/Diluted] (Rs.) (A/B)	**2.27**	0.17
Nominal value of equity share (Rs.)	**10.00**	10.00

Note No. 34(a) - Corporate Social Responsibility (CSR)

The CSR obligation for the year as computed by the company and relied upon by the auditors is Rs.15.31 lakhs (2021: 26.00 lakhs). CSR amount spent during the year is Rs. 15.33 lakhs (2021: Rs. 26.01 lakhs).

Note No. 35 - Stock Appreciation Rights

In accordance with the directions and recommendations of the Remuneration Committee of the Company, the Company grants SARs to eligible employees/ directors. SARs granted would vest over a period of five years, or such period as stipulated by the Remuneration Committee, from the date of grant. Upon vesting of SARs eligible employees are entitled to earn cash benefits as prescribed.

One SAR shall be entitled to a cash benefit which would be the difference between the Fair Value of one fully-paid Equity Share of the holding company on the exercise date less the Face Value of the Equity Share of the holding company on the grant date. Provided, however, that once SARs have vested, an eligible employee will have the option to exercise the same within a maximum period of three years from the vesting date during such periods of time as determined by the Company.

Once SARs are vested and exercised by an employee, the Company would, within a period of 90 days from the exercise date, compute the cash benefit due in respect of those SARs and pay the same to the employee after deducting the applicable income tax at source. The latest available Fair Value of the Company's Equity Share would be considered for computing the said cash benefit.

If an eligible employee fails to exercise the SARs within a period of three years as aforesaid, the unexercised SARs will lapse and the Company's liability for such unexercised SARs will cease.

The Company has granted Stock Appreciation Rights ("SARs") to eligible employees in accordance with the Stock Appreciation Rights Scheme 2015 (SARS-2015) during the year ended 31st March, 2015, 31st March, 2016, 31st March 2018 and 31st March, 2020.

Details of stock appreciation rights outstanding as on 31st March 2022

	Number of Shares	**Grant Date**	**Expiry Date**	**Exercise Price (Rs.)**	**Fair value at Grant Date (Rs.)**
Cash settled					
F'20 grant	3,286	24 Apr 2019	28 Feb 2026	10	178.89
F'20 grant	3,291	24 Apr 2019	28 Feb 2027	10	178.89

Movement in Stock appreciation rights

		Number of Shares
1.	The number of share options outstanding at the beginning of the year;	10,704
2.	Granted during the period	–
3.	Exercised during the period	3,491
4.	Lapsed during the period	636
5.	Outstanding at the end of the period	6,577

Details of stock appreciation rights exercised during the year 31st March 2022

	Number of SAR's	**Vesting date**	**Share price at Exercise date**
Cash settled			
F'18 grant	205	28-02-2022	388.30
F'20 grant	3,286	28-02-2022	388.30

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022

The inputs used in the measurement of the fair values at grant date of the cash-settled share-based payment plans were as follows.

		Cash settled Share Appreciation Rights
1.	Share price	388.30
2.	Exercise price	10
3.	Expected volatility (weighted-average)	50.30%
4.	Expected life/Option Life (weighted-average)	1.75
5.	Expected dividends yield	5.15%
6.	Risk-free interest rate (based on government bonds)	4.90%

Note No. - 36

Ministry of corporate affairs (MCA) has issued notifications dated 24 March 2021 related to amendment to schedule III. The said amendment interalia prescribed several additional disclosures under ‘Additional Regulatory Information’. Some of these disclosures are not applicable to the company and hence no disclosure is made for such items.

Note No. - 37

Previous year’s figure have been regrouped/reclassfied wherever necessary.

In terms of our report attached
For B S R & Co. LLP
Chartered Accountants
Firm’s Registration
No: 101248W/W-100022

Jayesh T Thakkar
Partner
Membership No: 113959

Place: Mumbai
Date: 25 April, 2022

Saroj Khuntia
Chief Financial Officer

Bhavna Awatramani
Company Secretary

For and on behalf of the Board of Directors of
Mahindra Auto Steel Private Limited
CIN No: U27100MH2013PTC250979

Parag Shah DIN: 00374944 Chairman
Sumit Issar DIN: 06951249 Director

Place: Mumbai
Date: 25 April, 2022

INDEPENDENT AUDITORS' REPORT

To the Shareholders of Mahindra MiddleEast Electrical Steel Service Centre (FZC)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Mahindra MiddleEast Electrical Steel Service Centre (FZC) ("the Company"), which comprise the statement of financial position as at 31 March 2022, the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 March 2022, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with International Ethics Standards Board for Accountants International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matter – Supplementary Information

We draw attention to Note 2(c) of the financial statements, which describes the fact that the United Arab Emirate Dirhams and Indian Rupee amounts in the accompanying financial statements are presented as supplementary information solely for the convenience of users which does not form part of the financial statements. We draw attention to the fact that the supplimentary information does not form part of the audited financial statements. We have not audited this supplimentary information and, accordingly, we do not express an opinion on this supplimentary information.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS and their preparation in accordance with the applicable implementing rules and regulations of Sharjah Airport Free Zone and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with Governance are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

We further report that the financial statements have been prepared, in all material respects, in accordance with the Sharjah Airport Free Zone.

KPMG Lower Gulf Limited – SHJ BR

Fawzi AbuRass

Registration No.: 968

Place: Sharjah, United Arab Emirates
Date: 15th April 2022

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2022

				Unaudited supplementary information (refer note 2 (c))			
	Note	**31 March 2022**	31 March 2021	**31 March 2022**		31 March 2021	
		USD	USD	**Dhs.**	**Rs.**	Dhs.	Rs.
ASSETS							
Property, plant and equipment	4	**3,399,857**	3,177,796	**12,477,475**	**257,437,172**	11,662,508	240,622,713
Capital advances		**–**	404,230	**–**	**–**	1,483,524	30,608,296
Non–current assets		**3,399,857**	3,582,026	**12,477,475**	**257,437,172**	13,146,032	271,231,009
Inventories	5	**2,421,362**	1,998,169	**8,886,398**	**183,345,531**	7,333,283	151,301,356
Trade and other receivables	6	**1,711,103**	1,017,077	**6,279,766**	**129,564,720**	3,732,671	77,013,069
Prepayments	7	**17,672**	13,306	**64,855**	**1,338,124**	48,832	1,007,531
Cash and bank balances	8	**208,329**	231,886	**764,566**	**15,774,672**	851,019	17,558,408
Current assets		**4,358,466**	3,260,438	**15,995,585**	**330,023,047**	11,965,805	246,880,364
Total assets		**7,758,323**	6,842,464	**28,473,060**	**587,460,219**	25,111,837	518,111,373
EQUITY							
Share capital	9	**550,000**	550,000	**2,018,500**	**41,646,000**	2,018,500	41,646,000
Retained earnings		**2,878,025**	2,176,142	**10,562,364**	**217,924,054**	7,986,454	164,777,473
Statutory reserves	17	**275,063**	275,063	**1,009,481**	**20,827,770**	1,009,481	20,827,770
Total equity		**3,703,088**	3,001,205	**13,590,345**	**280,397,824**	11,014,435	227,251,243
LIABILITIES							
Employee end of service benefits		**42,783**	33,036	**157,012**	**3,239,529**	121,241	2,501,486
Lease liabilities	19	**556,764**	624,593	**2,043,325**	**42,158,170**	2,292,257	47,294,182
Non– current liabilities		**599,547**	657,629	**2,200,337**	**45,397,699**	2,413,498	49,795,668
Short– term borrowings	10	**1,979,982**	1,596,081	**7,266,535**	**149,924,237**	5,857,616	120,855,253
Trade and other payables	11	**1,475,706**	1,587,549	**5,415,843**	**111,740,459**	5,826,288	120,209,209
Current liabilities		**3,455,688**	3,183,630	**12,682,378**	**261,664,696**	11,683,904	241,064,462
Total liabilities		**4,055,235**	3,841,259	**14,882,715**	**307,062,395**	14,097,402	290,860,130
Total equity and liabilities		**7,758,323**	6,842,464	**28,473,060**	**587,460,219**	25,111,837	518,111,373

The attached notes 1 to 21 are an integral part of these financial statements.

'The independent auditors' report is set out on pages herein.

To the best of our knowledge, the financial statements fairly present, in all material respects, the financial position, results of operation and cash flows of the Company as of, and for, the year ended 31 March 2022.

The Board of Directors has authorised the issue of these financial statements on 15th April 2022 and signed on behalf of the Board of Directors by:

Mr. Sumit Issar
Mr Parag Shah
Director

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2022

				Unaudited supplementary information (refer note 2 (c))			
	Note	**31 March 2022**	31 March 2021	**31 March 2022**		31 March 2021	
		USD	USD	**Dhs.**	**Rs.**	Dhs.	Rs.
Revenue	12	**8,236,774**	7,586,401	**30,228,959**	**623,688,527**	27,842,091	574,442,284
Cost of sales	13.1	**(7,011,552)**	(7,465,527)	**(25,732,396)**	**(530,914,717)**	(27,398,484)	(565,289,705)
Gross profit / (loss)		**1,225,222**	120,874	**4,496,563**	**92,773,810**	443,607	9,152,579
Other income	14	**–**	11,763	**–**	**–**	43,172	890,694
Selling and distribution expenses		**(193,019)**	(197,071)	**(708,379)**	**(14,615,399)**	(723,251)	(14,922,216)
Administrative and general expenses	13.2	**(255,927)**	(265,853)	**(939,251)**	**(19,378,791)**	(975,671)	(20,130,389)
Operating profit / (loss)		**776,276**	(330,287)	**2,848,933**	**58,779,620**	(1,212,143)	(25,009,332)
Finance cost	15	**(74,393)**	(142,386)	**(273,023)**	**(5,633,039)**	(522,556)	(10,781,468)
Profit / (loss) for the year		**701,883**	(472,673)	**2,575,910**	**53,146,581**	(1,734,699)	(35,790,800)
Other comprehensive income		**–**	–	**–**	**–**	–	–
Total comprehensive profit / (loss) for the year		**701,883**	(472,673)	**2,575,910**	**53,146,581**	(1,734,699)	(35,790,800)
Earning per equity share *(Basic and diluted)* 1000 Shares of USD 550 (Dhs. 2,019) (Rs. 35,703) *(Refer note 21)*		**702**	(473)	**2,576**	**53,147**	(1,735)	(35,791)

The attached notes 1 to 21 are an integral part of these financial statements.

The independent auditors' report is set out on pages herein.

The Board of Directors has authorised the issue of these financial statements on 15th April 2022 and signed on behalf of the Board of Directors by:

Mr. Sumit Issar
Mr Parag Shah
Director

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2022

					Unaudited supplementary information (refer note 2 (c))							
	Share capital USD	Retained earnings USD	Statutory reserve USD	Total equity USD	Share capital Dhs.	Share capital Rs.	Retained earnings Dhs.	Retained earnings Rs.	Statutory reserve Dhs.	Statutory reserve Rs.	Total equity Dhs.	Total equity Rs.
Balance as at 1 April 2020	550,000	2,648,815	275,063	3,473,878	2,018,500	41,646,000	9,721,153	200,568,272	1,009,481	20,827,770	12,749,134	263,042,042
Total comprehensive income for the year												
Loss for the year	–	(472,673)	–	(472,673)	–	–	(1,734,699)	(35,790,799)	–	–	(1,734,699)	(35,790,799)
Balance as at 31 March 2021	550,000	2,176,142	275,063	3,001,205	2,018,500	41,646,000	7,986,454	164,777,473	1,009,481	20,827,770	11,014,435	227,251,243
Balance as at 1 April 2021	550,000	2,176,142	275,063	3,001,205	2,018,500	41,646,000	7,986,454	164,777,473	1,009,481	20,827,770	11,014,435	227,251,243
Total comprehensive income for the year												
Profit for the year	–	701,883	–	701,883	–	–	2,575,910	53,146,581	–	–	2,575,910	53,146,581
Balance as at 31 March 2022	**550,000**	**2,878,025**	**275,063**	**3,703,088**	**2,018,500**	**41,646,000**	**10,562,364**	**217,924,054**	**1,009,481**	**20,827,770**	**13,590,345**	**280,397,824**

The attached notes 1 to 21 are an integral part of these financial statements.

The Board of Directors has authorised the issue of these financial statements on 15th April 2022 and signed on behalf of the Board of Directors by:

Mr. Sumit Issar
Mr Parag Shah } Director

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2022

			Unaudited supplementary information (refernote 2 (c))			
	31 March 2022	31 March 2021	**31 March 2022**		31 March 2021	
	USD	USD	**Dhs.**	**Rs.**	Dhs.	Rs.
Cash flows from operating activities:						
Profit / (Loss) for the year	**701,883**	(472,673)	**2,575,910**	**53,146,581**	(1,734,699)	(35,790,800)
Adjustments for:						
Depreciation	**350,863**	339,897	**1,287,669**	**26,567,346**	1,247,425	25,737,002
Loss on disposal of property, plant and equipment	**–**	1,750	**–**	**–**	6,422	132,510
Interest expenses	**37,911**	30,235	**139,135**	**2,870,621**	110,961	2,289,394
Interest on lease liabilities (refer note 15)	**29,441**	32,311	**108,048**	**2,229,273**	118,581	2,446,589
Movement in end of service benefits	**9,747**	(5,887)	**35,771**	**738,043**	(21,607)	(445,764)
	1,129,845	(74,367)	**4,146,533**	**85,551,864**	(272,917)	(5,631,069)
Changes in working capital:						
Inventories	**(423,193)**	(791,348)	**(1,553,115)**	**(32,044,175)**	(2,904,250)	(59,920,871)
Trade and other receivables	**(694,026)**	(137,914)	**(2,547,098)**	**(52,551,648)**	(506,142)	(10,442,849)
Prepayments	**(4,366)**	(9,661)	**(16,023)**	**(330,593)**	(35,454)	(731,531)
Trade and other payables	**(114,104)**	1,349,694	**(418,740)**	**(8,639,953)**	4,953,340	102,198,830
Net cash from / (used in) operating activities	**(105,844)**	336,404	**(388,443)**	**(8,014,505)**	1,234,577	25,472,510
Investing activities:						
Acquisition of property, plant and equipment	**(572,924)**	(24,397)	**(2,102,636)**	**(43,381,805)**	(89,537)	(1,847,341)
Paid for capital advances	**404,230**	(127,530)	**1,483,524**	**30,608,296**	(468,035)	(9,656,572)
Proceeds from sale of an asset	**–**	2,589	**–**	**–**	9,500	196,039
Net cash used in investing activities	**(168,694)**	(149,338)	**(619,112)**	**(12,773,509)**	(548,072)	(11,307,874)
Financing activity						
Interest paid	**(36,916)**	(34,572)	**(135,482)**	**(2,795,280)**	(126,878)	(2,617,792)
Short term borrowings taken	**19,408,000**	4,114,517	**71,227,360**	**1,469,573,760**	15,100,277	311,551,227
Short term borrowings repayment	**(19,268,000)**	(3,659,691)	**(70,713,560)**	**(1,458,972,960)**	(13,431,066)	(277,111,803)
Repayment of lease liabilities	**(96,004)**	(98,855)	**(352,335)**	**(7,269,423)**	(362,775)	(7,485,301)
Net cash generated from financing activities	**7,080**	321,399	**25,983**	**536,097**	1,179,558	24,336,331
Net increase / (decrease) in cash and cash equivalents	**(267,458)**	508,465	**(981,572)**	**(20,251,917)**	1,866,063	38,500,967
Cash and cash equivalents :						
Cash and cash equivalents at the beginning of the year	**231,805**	(276,660)	**850,723**	**17,552,272**	(1,015,340)	(20,948,695)
Cash and cash equivalents at the end of the year	**(35,653)**	231,805	**(130,849)**	**(2,699,645)**	850,723	17,552,272
These comprise of:						
Cash on hand (Refer note 8)	**1,296**	365	**4,755**	**98,133**	1,338	27,638
Bank balance in current accounts (Refer note 8)	**207,033**	231,521	**759,811**	**15,676,539**	849,681	17,530,767
Bank overdraft repayable on demand (Refer note 10)	**(243,982)**	(81)	**(895,415)**	**(18,474,317)**	(296)	(6,133)
Total	**(35,653)**	231,805	**(130,849)**	**(2,699,645)**	850,723	17,552,272

The attached notes 1 to 21 are an integral part of these financial statements.
The independent auditors' report is set out on pages herein.
The Board of Directors has authorised the issue of these financial statements on 15th April 2022 and signed on behalf of the Board of Directors by:

Mr. Sumit Issar
Mr Parag Shah
Director

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

1 Reporting entity

Mahindra MiddleEast Electrical Steel Service Centre (FZC) ("the Company"), was incorporated and licensed on 8 August 2004 at Sharjah Airport International Free Zone, Sharjah (FZ) with limited liability in the United Arab Emirates (UAE). Subsequently, the Company has entered into an agreement for subscription of capital by Nippon Steel Corporation (NSC) formerly known as Nippon Steel & Sumitomo Metal Corporation (NSSMC), Japan to reorganise the Company and manage it as a Free Zone Company (FZC). Consequent upon the induction of NSSMC as a shareholder, the status changed from Free Zone Establishment (FZE) to Free Zone Company (FZC) with limited liability with effect from 28 November 2005. The Company is engaged in processing of steel coils and supply of slit coils and laminations. The shareholding pattern as of 31 March 2022 is as follows:

Shareholders	Percentage
Mahindra Intertrade Limited	90%
Nippon Steel Corporation (formarly known as Nippon Steel & Sumitomo Metal Corporation)	10%

The ultimate holding company is Mahindra & Mahindra Limited.

2 Basis of preparation

The financial statements have been prepared under the historical cost convention.

(a) Statement of compliance

The financial statements have been prepared in compliance with International Financial Reporting Standards issued by the International Accounting Standards Board and the rules and regulations of the Sharjah Airport International Free Zone Authority (SAIF Zone).

(b) Functional and presentation currency

These financial statements are presented in United States Dollars ("USD"), which is the Company's functional currency.

(c) Convenience translation

In addition to presenting the financial statements in USD, unaudited supplementary information in United Arab Emirates Dirham ("Dhs") and Indian Rupee ("Rs") has been prepared for the convenience of users of the financials statements.

All amounts (including previous year information) are translated from USD to Dhs. and Rs. at the closing exchange rate at 31 March 2022 based on average of the telegraphic transfer buying and selling rates quoted by the Mumbai Branch of State Bank of India of Dhs. 3.67 to USD 1 and Rs. 75.72 to USD 1 respectively.

(d) Use of estimates and judgements

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed by management on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in every future period affected.

The Company makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

i) Impairment losses on trade receivables

The Company follows expected credit loss model for creating provision for loss allowance relating to trade receivables. Additionally, management review outstanding trade receivables on specific case to case basis at each year end to determine provision for loss allowance. The Company's credit risk is primarily attributable to its trade receivables.

ii) Provision for obsolete and expired inventory

The Company reviews its inventory to assess loss on account of obsolescence and expiry on a regular basis. In determining whether provision for obsolescence should be recorded in the profit or loss, the Company makes judgements as to whether there is any observable data indicating that there is any future saleability of the product and the net realisable value for such product. Accordingly, provision for impairment is made where the net realisable value is less than cost based on best estimates by the management. The provision for obsolescence of inventory is based on the aging and past movement of the inventory.

iii) Estimated useful lives of property, plant and equipment

The Company estimates the useful lives of property, plant and equipment based on the period over which the assets are expected to be available for use. The estimated useful lives are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the assets. In addition, estimation of the useful lives of property, plant and equipment is based on collective assessment of industry practice, internal technical evaluation and on the historical experience with similar assets. It is possible, however, that future results of operations could be materially affected by changes in estimates brought about by changes in factors mentioned above. The amounts and timing of recorded expenses for any period would be affected by changes in these factors and circumstances.

3 Significant accounting policies

The accounting policies set out below, which comply with IFRS, have been consistently applied to all periods presented in these financial statements.

(a) Property, plant and equipment and depreciation

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses, if any. Cost includes expenditures that are directly attributable to the acquisition of the asset. When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Depreciation is calculated over the depreciable amount, which is the cost of an asset, less its residual value. Depreciation is recognized in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. The estimated useful lives for the current and comparative periods are as follows:

Factory Building	18 years
Plant and Machinery	20 years
Vehicles	5 years
Furniture and Fixtures	10 years
Office Equipment	5 years
Computers	5 years

Residual value of the property plant and equipments has been estimated at 5% of its capitalised value for the purpose of calculating depreciation.

Any gain or loss on disposal of an item of property, plant and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss.

The components of an asset are identified and depreciated separately, if they have differing patterns of benefits and are significant to the total cost of the item. The overall value of an asset is split fairly between significant components and accounted for separately. The components' useful lives and the method of depreciation are determined on a reasonable and consistent basis.

(b) Inventories

Inventories are measured at the lower of cost and net realizable value, after making due allowance for any obsolete or slow moving items. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. Cost is determined as follows:

Raw materials

The cost of raw materials includes insurance, freight and other incidental charges incurred in acquiring the inventories and bringing them to their present location and condition. Valuation of the raw materials is determined on a weighted average cost basis.

Work-in-progress

The cost of work in progress includes cost of raw material and an appropriate share of production overheads based on normal operating capacity.

Finished goods

The cost of finished goods is arrived at on a weighted average cost basis and includes cost of direct materials and direct labour plus an appropriate share of production overheads based on normal operating capacity.

(c) Revenue from contracts with customers

Revenue is measured based on the consideration specified in a contract with a customer. The Company recognises revenue when it transfers control over a good or service to a customer. Revenue is recognised when the goods are delivered and have been accepted by customers at their premises. For contracts that permit the customer to return an item, revenue is recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur.

Therefore, the amount of revenue recognised is adjusted for expected returns, which are estimated based on the historical data for specific products. In these circumstances, a refund liability and a right to recover returned goods asset are recognised. The right to recover returned goods asset is measured at the former carrying amount of the inventory less any expected costs to recover goods.

(d) Finance income and finance costs

Finance income comprises interest income. Interest income is recognised as it accrues in profit or loss, using the effective interest method.

Finance costs comprise interest expenses on borrowings and preshipment credit. Interest costs is recognised as it accrues in profit or loss, using the effective interest method.

(e) Foreign currency transactions and balances

Transactions in foreign currencies are translated to the functional currency (“USD”) at the exchange rates ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the year. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction. Foreign currency differences arising on retranslation are recognised in profit or loss.

(f) Employee benefit

The provision for staff terminal benefits is calculated in accordance with the provisions of the UAE Labour Law and is based on the liability that would arise if the employment of all staff were to be terminated at the reporting date.

(g) Assets held for sale

Non-current assets are classified as held for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use. Such assets are generally measured at lower of their carrying amount and fair value less cost to sale. Impairment losses on initial classification as held for sale and subsequent gain / losses on measurement are recognized in profit and loss. Once classified as held for sale, intangible assets and property plant and equipment are no longer amortized or depreciated.

(h) Financial instruments

Recognition and initial measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

Classification and subsequent measurement

On initial recognition, a financial asset is classified as measured at: amortised cost; FVOCI – debt investment; FVOCI – equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets

i) Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, ‘principal’ is defined as the fair value of the financial asset on initial recognition. ‘Interest’ is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features;
- prepayment and extension features; and
- terms that limit the company’s claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

ii) Financial liabilities and equity instruments

Financial assets at amortised cost are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Derivative financial instruments

The Company holds derivative financial instruments (currency forward contracts) to hedge its foreign currency risk exposure.

Derivatives are recognised initially at fair value attributable transaction costs are recognised in profit or loss when incurred. Subsequent to initial recognition, derivatives are measured at fair value and changes there in are recognised in the profit or loss.

Financial liabilities

Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost and are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

Derecognition

i) Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

ii) Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value. On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(i) Impairment

Non-derivative financial assets

Financial instruments and contract assets

The Company recognises loss allowances for ECLs on financial assets measured at amortised cost. The Company measures loss allowances at an amount equal to lifetime ECLs, except for bank balances and other debt securities for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition. Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 180 days past due.

The Company considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held); or
- the financial asset is more than 180 days past due.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive).

ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 180 days past due;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For its customers, the Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

(j) Earning per share

Basic earnings per share are calculated by dividing the net profit for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the reporting period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares), if any occurred during the reporting period, that have changed the number of equity shares outstanding,without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit for the year attributable to the equity shareholders and the weighted average number of equity shares outstanding during the year, are adjusted for the effects of all dilutive potential equity shares.

The number of shares and potential dilutive equity shares are adjusted retrospectively for all periods presented for any bonus shares issues including for changes effected prior to the approval of the financial statements by the Board of Directors.

(k) Provisions

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be measured reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

(l) Lease

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company uses the definition of a lease in IFRS 16.

As a lessee

At commencement or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Company has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

The Company determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased. Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments; and
- lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in the statement of financial position.

Short-term leases and leases of low-value assets

The Company has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including IT equipment. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(m) Standards issued but yet not effective

A number of new standards are effective for annual periods beginning after 1 April 2021 and earlier application is permitted, however, the Company has not early adopted the new or amended standards in preparing these financial statements.

The following amended standards and interpretations are not expected to have a significant impact on the Company's financial statements

- Amendments to References to Conceptual Framework in IFRS Standards
- Definition of Business (Amendments to IFRS 3)
- Definition of Material (Amendments to IAS 1 and IAS 8)
- Interest Rate Benchmark Reform (Amendments to IFRS 9, IAS 39 and IFRS 7)

Other new or amended standards

The following new or amended standards that are required to be adopted in annual periods beginning on 1 April 2022 and earlier adoption is permitted; however, the Company has not early adopted the new or amended standards and are not expected to have a significant impact on the Company's financial statements:

- COVID-19 – Related Rent Concessions (Amendment to IFRS 16)
- Interest Rate Benchmark Reform – Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)
- Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37)
- Annual Improvements to IFRS Standards 2018–2020
- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16)
- Reference to the Conceptual Framework (Amendments to IFRS 3)
- Classification of Liabilities as Current or Non-current (Amendments to IAS 1)
- IFRS 17 Insurance Contracts and amendments to IFRS 17 Insurance Contract

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 MARCH 2022 – (CONTINUED)

4. PROPERTY, PLANT AND EQUIPMENT

Particulars	Factory building	Plant and machinery	Vehicles	Furniture and fixtures	Office equipment	Computers	Right of use assets - Land	Total
	USD	USD	USD	USD	USD	USD	USD	USD
Cost:								
At 1 April 2020	641,164	4,541,143	36,962	27,753	4,559	5,154	866,166	6,122,901
Additions	–	23,639	–	240	518	–	–	24,397
Disposals	–	(20,954)	–	–	–	–	–	(20,954)
At 31 March 2021	641,164	4,543,828	36,962	27,993	5,077	5,154	866,166	6,126,344
At 1 April 2021	641,164	4,543,828	36,962	27,993	5,077	5,154	866,166	6,126,344
Additions	–	561,566	–	9,049	1,274	1,035	–	572,924
Disposals	–	–	–	–	–	–	–	–
At 31 March 2022	**641,164**	**5,105,394**	**36,962**	**37,042**	**6,351**	**6,189**	**866,166**	**6,699,268**
Depreciation:								
At 1 April 2020	285,785	2,192,808	35,873	24,595	2,775	4,086	79,344	2,625,266
Charge for the year	35,620	223,266	–	930	534	204	79,343	339,897
On disposals	–	(16,615)	–	–	–	–	–	(16,615)
At 31 March 2021	321,405	2,399,459	35,873	25,525	3,309	4,290	158,687	2,948,548
At 1 April 2021	321,405	2,399,459	35,873	25,525	3,309	4,290	158,687	2,948,548
Charge for the year	35,620	233,941	–	901	702	356	79,343	350,863
On disposals	–	–	–	–	–	–	–	–
At 31 March 2022	**357,025**	**2,633,400**	**35,873**	**26,426**	**4,011**	**4,646**	**238,030**	**3,299,411**
Net Book Value:								
At 31 March 2022	**284,139**	**2,471,994**	**1,089**	**10,616**	**2,340**	**1,543**	**628,136**	**3,399,857**
At 31 March 2021	319,759	2,144,369	1,089	2,468	1,768	864	707,479	3,177,796

Unaudited supplementary information (refer note 2 (c))

Particulars	Factory building		Plant and machinery		Vehicles		Furniture and fixtures		Office equipment		Computers		Right of use assets - Land		Under construction		Total	
	Dhs.	Rs.	Dhs.	Rs.	Dhs.	Rs.	Dhs.	Rs.	Dhs.	Rs.	Dhs.	Rs.	Dhs.	Rs.	Dhs.	Rs.	Dhs.	Rs.
Cost:																		
At 1 April 2020	2,353,074	48,548,938	16,665,994	343,855,348	135,651	2,798,763	101,853	2,101,457	16,733	345,207	18,912	390,261	3,178,828	65,586,090	–	–	22,471,045	463,626,064
Additions	–	–	86,755	1,789,945	–	–	881	18,173	1,901	39,223	–	–	–	–	–	–	89,537	1,847,341
Disposals	–	–	(76,900)	(1,586,637)	–	–	–	–	–	–	–	–	–	–	–	–	(76,900)	(1,586,637)
At 31 March 2021	2,353,074	48,548,938	16,675,849	344,058,656	135,651	2,798,763	102,734	2,119,630	18,634	384,430	18,912	390,261	3,178,828	65,586,090	–	–	22,483,682	463,886,768
At 1 April 2021	2,353,074	48,548,938	16,675,849	344,058,656	135,651	2,798,763	102,734	2,119,630	18,634	384,430	18,912	390,261	3,178,828	65,586,090	–	–	22,483,682	463,886,768
Additions	–	–	2,060,949	42,521,778	–	–	33,210	685,190	4,677	96,467	3,800	78,370	–	–	–	–	2,102,636	43,381,805
Disposals	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
At 31 March 2022	**2,353,074**	**48,548,938**	**18,736,798**	**386,580,434**	**135,651**	**2,798,763**	**135,944**	**2,804,820**	**23,311**	**480,897**	**22,712**	**468,631**	**3,178,828**	**65,586,090**	–	–	**24,586,318**	**507,268,573**
Depreciation:																		
At 1 April 2020	1,048,835	21,639,640	8,047,593	166,039,422	131,656	2,716,304	90,267	1,862,333	10,187	210,123	14,998	309,392	291,191	6,007,928	–	–	9,634,727	198,785,142
Charge for the year	130,726	2,697,146	819,387	16,905,702	–	–	3,414	70,420	1,958	40,434	750	15,447	291,190	6,007,852	–	–	1,247,425	25,737,001
On disposals	–	–	(60,978)	(1,258,088)	–	–	–	–	–	–	–	–	–	–	–	–	(60,978)	(1,258,088)
At 31 March 2021	1,179,561	24,336,786	8,806,002	181,687,036	131,656	2,716,304	93,681	1,932,753	12,145	250,557	15,748	324,839	582,381	12,015,780	–	–	10,821,174	223,264,055
At 1 April 2021	1,179,561	24,336,786	8,806,002	181,687,036	131,656	2,716,304	93,681	1,932,753	12,145	250,557	15,748	324,839	582,381	12,015,780	–	–	10,821,174	223,264,055
Charge for the year	130,726	2,697,146	858,562	17,714,013	–	–	3,307	68,224	2,576	53,155	1,308	26,956	291,190	6,007,852	–	–	1,287,669	26,567,346
On disposals	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
At 31 March 2022	**1,310,287**	**27,033,932**	**9,664,564**	**199,401,049**	**131,656**	**2,716,304**	**96,988**	**2,000,977**	**14,721**	**303,712**	**17,056**	**351,795**	**873,571**	**18,023,632**	–	–	**12,108,843**	**249,831,401**
Net Book Value:																		
At 31 March 2022	**1,042,787**	**21,515,006**	**9,072,234**	**187,179,385**	**3,995**	**82,459**	**38,956**	**803,843**	**8,590**	**177,185**	**5,656**	**116,836**	**2,305,257**	**47,562,458**	–	–	**12,477,475**	**257,437,172**
At 31 March 2021	1,173,513	24,212,152	7,869,847	162,371,620	3,995	82,459	9,053	186,877	6,489	133,873	3,164	65,422	2,596,447	53,570,310	–	–	11,662,508	240,622,713

4(i) Depreciation expenses has been allocated as follows:

			Unaudited supplementary information (refer note 2 (c))			
	31 March 2022	31 March 2021	**31 March 2022**		31 March 2021	
	USD	USD	**Dhs.**	**Rs.**	Dhs.	Rs.
Cost of sales (refer note 13.1)	**349,260**	338,433	**1,281,786**	**26,445,967**	1,242,053	25,626,147
Administrative and general expenses (refer note 13.2)	**1,603**	1,464	**5,883**	**121,379**	5,372	110,855
	350,863	339,897	**1,287,669**	**26,567,346**	1,247,425	25,737,002

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 MARCH 2022 – (CONTINUED)

			Unaudited supplementary information (refer note 2 (c))			
	31 March 2022	31 March 2021	**31 March 2022**		31 March 2021	
	USD	USD	**Dhs.**	**Rs.**	Dhs.	Rs.
5. INVENTORIES						
Raw materials and consumables	**1,588,541**	872,427	**5,829,944**	**120,284,325**	3,201,808	66,060,172
Work-in-progress	**543,575**	680,559	**1,994,920**	**41,159,499**	2,497,652	51,531,927
Finished goods	**289,246**	445,183	**1,061,534**	**21,901,707**	1,633,823	33,709,257
	2,421,362	1,998,169	**8,886,398**	**183,345,531**	7,333,283	151,301,356

The cost of inventories recognised as an expense includes USD 140,328 (2021: USD 139,769) in respect provision for slow moving and write-downs of inventory to net realisable value.

			Unaudited supplementary information (refer note 2 (c))			
	31 March 2022	31 March 2021	**31 March 2022**		31 March 2021	
	USD	USD	**Dhs.**	**Rs.**	Dhs.	Rs.
6. TRADE AND OTHER RECEIVABLES						
Trade receivables	**1,622,105**	971,947	**5,953,124**	**122,825,791**	3,567,044	73,595,826
Deposits	**36,072**	22,113	**132,384**	**2,731,372**	81,155	1,674,396
Advance to suppliers	**9,690**	6,909	**35,561**	**733,727**	25,355	523,149
Vat receivable	**43,236**	16,108	**158,697**	**3,273,830**	59,117	1,219,698
	1,711,103	1,017,077	**6,279,766**	**129,564,720**	3,732,671	77,013,069

			Unaudited supplementary information (refer note 2 (c))			
	31 March 2022	31 March 2021	**31 March 2022**		31 March 2021	
	USD	USD	**Dhs.**	**Rs.**	Dhs.	Rs.
7. PREPAYMENTS						
Prepayments of expenses	**17,672**	10,840	**64,855**	**1,338,124**	39,782	**820,805**
Other prepayments	**–**	2,466	**–**	**–**	9,050	186,726
	17,672	13,306	**64,855**	**1,338,124**	48,832	1,007,531

Other prepayments includes the costs incurred for decommissioning of the TBA 1000 line to be given on lease.

			Unaudited supplementary information (refer note 2 (c))			
	31 March 2022	31 March 2021	**31 March 2022**		31 March 2021	
	USD	USD	**Dhs.**	**Rs.**	Dhs.	Rs.
8. CASH AND BANK BALANCES						
Cash on hand	**1,296**	365	**4,755**	**98,133**	1,338	27,638
Bank balance in current accounts	**207,033**	231,521	**759,811**	**15,676,539**	849,681	17,530,770
	208,329	231,886	**764,566**	**15,774,672**	851,019	17,558,408

			Unaudited supplementary information (refer note 2 (c))			
	31 March 2022	31 March 2021	**31 March 2022**		31 March 2021	
	USD	USD	**Dhs.**	**Rs.**	Dhs.	Rs.
9. SHARE CAPITAL						
Authorized, issued and paid						
1,000 shares of USD 550	**550,000**	550,000	**2,018,500**	**41,646,000**	2,018,500	41,646,000
(Dhs. 2,019) (Rs. 35,703) each	**550,000**	550,000	**2,018,500**	**41,646,000**	2,018,500	41,646,000

[900 Shares of USD 550 (Dhs. 2,019) (Rs. 35,703) each held by Mahindra Intertrade Limited, which is a subsidiary of Mahindra & Mahindra Limited] [100 Shares of USD 550 (Dhs. 2,019) (Rs. 35,703) each held by Nippon Steel Corporation, Japan (formerly known as Nippon Steel & Sumitomo Metal Corporation, Japan).]

Terms/rights attached to equity shares

The Company has only one class of equity share having a par value of USD 550 per share. Each shareholder is entitled to one vote per share at general meetings of the Company. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing annual general meeting.

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 MARCH 2022 – (CONTINUED)

				Unaudited supplementary information (refer note 2 (c))			
		31 March 2022	31 March 2021	**31 March 2022**		31 March 2021	
		USD	USD	**Dhs.**	**Rs.**	Dhs.	Rs.
10.	**SHORT-TERM BORROWINGS**						
	Working capital demand loans	**1,736,000**	1,596,000	**6,371,120**	**131,449,920**	5,857,320	120,849,120
	Bank overdraft	**243,982**	81	**895,415**	**18,474,317**	296	6,133
		1,979,982	1,596,081	**7,266,535**	**149,924,237**	5,857,616	120,855,253

During the year, the Company obtained several working capital demand loans, which are secured, repayable within 30-90 days and carry interest rate of USD Libor plus spread of 2.4%. The Company has also availed a bank overdraft facility during the year at USD Libor plus 1.5%.

				Unaudited supplementary information (refer note 2 (c))			
		31 March 2022	31 March 2021	**31 March 2022**		31 March 2021	
		USD	USD	**Dhs.**	**Rs.**	Dhs.	Rs.
11.	**TRADE AND OTHER PAYABLES:**						
	Due to related parties (refer note 18)	**22,213**	29,715	**81,521**	**1,681,968**	109,053	2,250,020
	Trade payables	**1,296,453**	1,420,987	**4,757,982**	**98,167,422**	5,215,022	107,597,135
	Accrued expenses	**51,951**	33,452	**190,662**	**3,933,730**	122,748	2,532,985
	Trade payables	**1,370,617**	1,484,154	**5,030,165**	**103,783,120**	5,446,823	112,380,140
	Interest payable	**3,050**	2,055	**11,193**	**230,946**	7,543	155,605
	Advance from customers	**–**	6	**–**	**–**	23	454
	Others	**1,913**	2,474	**7,022**	**144,852**	9,081	187,331
	Lease liabilities	**100,126**	98,860	**367,463**	**7,581,541**	362,818	7,485,679
	Other payables	**105,089**	103,395	**385,678**	**7,957,339**	379,465	7,829,069
	Trade and other payables	**1,475,706**	**1,587,549**	**5,415,843**	**111,740,459**	5,826,288	120,209,209

				Unaudited supplementary information (refer note 2 (c))			
		31 March 2022	31 March 2021	**31 March 2022**		31 March 2021	
		USD	USD	**Dhs.**	**Rs.**	Dhs.	Rs.
12.	**REVENUE**						
	Sale of goods - *point-in-time*	**8,232,634**	7,476,887	**30,213,765**	**623,375,046**	27,440,174	566,149,884
	Sale of services - *point-in-time*	**4,140**	109,514	**15,194**	**313,481**	401,917	8,292,400
		8,236,774	7,586,401	**30,228,959**	**623,688,527**	27,842,091	574,442,284

GEOGRAPHICAL INFORMATION

The amount of the company's revenue from external customers broken down by location of the customers is shown in the table below:

			Unaudited supplementary information (refer note 2 (c))			
	31 March 2022	31 March 2021	**31 March 2022**		31 March 2021	
	USD	USD	**Dhs.**	**Rs.**	Dhs.	Rs.
Domestic	**1,003,962**	716,541	**3,684,538**	**76,020,003**	2,629,707	54,256,485
Other GCC countries	**2,028,959**	1,037,662	**7,446,280**	**153,632,775**	3,808,218	78,571,767
Exports	**5,203,853**	5,832,198	**19,098,141**	**394,035,748**	21,404,166	441,614,032
	8,236,774	7,586,401	**30,228,959**	**623,688,526**	27,842,091	574,442,284

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 MARCH 2022 – (CONTINUED)

	31 March 2022	31 March 2021	Unaudited supplementary information (refer note 2 (c)) 31 March 2022		31 March 2021	
	USD	USD	**Dhs.**	**Rs.**	Dhs.	Rs.
13. EXPENSES BY NATURE						
Changes in inventories of finished goods and work-in-progress	**292,921**	(382,306)	**1,075,021**	**22,179,978**	(1,403,064)	(28,948,210)
Raw materials and consumables used	**5,991,950**	7,160,993	**21,990,456**	**453,710,454**	26,280,846	542,230,390
Employee benefit expenses	**328,082**	276,829	**1,204,060**	**24,842,369**	1,015,962	20,961,492
Depreciation	**350,863**	339,897	**1,287,669**	**26,567,346**	1,247,425	25,737,002
Other expenses	**49,339**	71,578	**181,073**	**3,735,949**	262,687	5,419,886
Freight	**193,019**	197,071	**708,379**	**14,615,399**	723,251	14,922,216
Travelling and conveyance	**11,356**	6,217	**41,678**	**859,876**	22,812	470,751
Communication expenses	**11,393**	10,221	**41,811**	**862,678**	37,510	773,934
Audit fees (includes out of pocket expenses)	**16,006**	14,731	**58,741**	**1,211,974**	54,064	1,115,431
Repairs and maintenance	**43,413**	29,894	**159,325**	**3,287,232**	109,710	2,263,574
Insurance	**9,357**	7,146	**34,339**	**708,512**	26,224	541,095
Service charges	**72,726**	73,417	**266,905**	**5,506,813**	269,439	5,559,135
Bank charges	**51,299**	45,951	**188,269**	**3,884,360**	168,640	3,479,410
General expenses	**38,774**	76,812	**142,300**	**2,935,967**	281,900	5,816,204
	7,460,498	7,928,451	**27,380,026**	**564,908,907**	29,097,406	600,342,310

	31 March 2022	31 March 2021	Unaudited supplementary information (refer note 2 (c)) 31 March 2022		31 March 2021	
	USD	USD	**Dhs.**	**Rs.**	Dhs.	Rs.
13.1. COST OF SALES						
Changes in inventories of finished goods and work-in-progress	**292,921**	(382,306)	**1,075,021**	**22,179,978**	(1,403,064)	(28,948,210)
Raw materials and consumables used	**5,991,950**	7,160,993	**21,990,456**	**453,710,454**	26,280,846	542,230,390
Employee benefit expenses	**328,082**	276,829	**1,204,060**	**24,842,369**	1,015,962	20,961,492
Depreciation on plant and machinery and building	**349,260**	338,433	**1,281,786**	**26,445,967**	1,242,053	25,626,147
Other expenses	**49,339**	71,578	**181,073**	**3,735,949**	262,687	5,419,886
	7,011,552	7,465,527	**25,732,396**	**530,914,717**	27,398,484	565,289,705

	31 March 2022	31 March 2021	Unaudited supplementary information (refer note 2 (c)) 31 March 2022		31 March 2021	
	USD	USD	**Dhs.**	**Rs.**	Dhs.	Rs.
13.2. ADMINISTRATIVE AND GENERAL EXPENSES						
Travelling and conveyance	**11,356**	6,217	**41,678**	**859,876**	22,812	470,751
Communication expenses	**11,393**	10,221	**41,811**	**862,678**	37,510	773,934
Audit fees (includes out of pocket expenses)	**16,006**	14,731	**58,741**	**1,211,974**	54,064	1,115,431
Repairs and maintenance	**43,413**	29,894	**159,325**	**3,287,232**	109,710	2,263,574
Depreciation on others	**1,603**	1,464	**5,883**	**121,379**	5,372	110,855
Insurance	**9,357**	7,146	**34,339**	**708,512**	26,224	541,095
Service charges	**72,726**	73,417	**266,905**	**5,506,813**	269,439	5,559,135
Bank charges	**51,299**	45,951	**188,269**	**3,884,360**	168,640	3,479,410
General expenses	**38,774**	76,812	**142,300**	**2,935,967**	281,900	5,816,204
	255,927	265,853	**939,251**	**19,378,791**	975,671	20,130,389

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 MARCH 2022 – (CONTINUED)

			Unaudited supplementary information (refer note 2 (c))			
	31 March 2022	31 March 2021	**31 March 2022**		31 March 2021	
	USD	USD	**Dhs.**	**Rs.**	Dhs.	Rs.
14. OTHER INCOME						
Other miscellaneous income	**–**	11,763	**–**	**–**	43,172	890,694
	–	11,763	**–**	**–**	43,172	890,694

			Unaudited supplementary information (refer note 2 (c))			
	31 March 2022	31 March 2021	**31 March 2022**		31 March 2021	
	USD	USD	**Dhs.**	**Rs.**	Dhs.	Rs.
15. FINANCE COST						
Interest expenses	**37,911**	30,235	**139,135**	**2,870,621**	110,961	2,289,394
Interest on lease liabilities	**29,441**	32,311	**108,048**	**2,229,273**	118,581	2,446,589
Exchange loss (net)	**7,041**	79,840	**25,840**	**533,145**	293,014	6,045,485
	74,393	142,386	**273,023**	**5,633,039**	522,556	10,781,468

			Unaudited supplementary information (refer note 2 (c))			
	31 March 2022	31 March 2021	**31 March 2022**		31 March 2021	
	USD	USD	**Dhs.**	**Rs.**	Dhs.	Rs.
16. CONTINGENCIES AND COMMITMENTS						
Letters of credit	**1,654,835**	892,731	**6,073,243**	**125,304,106**	3,276,324	67,597,591
	1,654,835	892,731	**6,073,243**	**125,304,106**	3,276,324	67,597,591

17. STATUTORY RESERVE

According to the articles of association of the Company, 10% of the net profit for each year is required to be transferred to a statutory reserve. The management may resolve to discontinue such annual transfers when the reserve reaches 50% of the paid up share capital. The reserve is not available for distribution. No appropriations to the statutory reserve have been made in current year (2020: Nil) as the statutory reserve has accumulated to 50% of the paid up share capital.

18. RELATED PARTIES

Management's policy is to conduct transactions with related parties on prices at mutually agreed terms.

List of related parties:

Ultimate Holding Company

Mahindra & Mahindra Limited

Holding Company

Mahindra Intertrade Limited – Shareholder

Fellow Subsidiaries

Mahindra Integrated Business Solution Private Limited

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 MARCH 2022 – (CONTINUED)

Transactions with related parties

			Unaudited supplementary information (refer note 2 (c))			
	31 March 2022	31 March 2021	**31 March 2022**		31 March 2021	
	USD	USD	**Dhs.**	**Rs.**	Dhs.	Rs.
Mahindra Intertrade Limited:						
Reimbursement of expenses by the company	**600**	6,651	**2,202**	**45,432**	24,409	503,614
Service charges*	**72,663**	73,369	**266,673**	**5,502,042**	269,264	5,555,501
Mahindra & Mahindra Limited:						
Reimbursement of expenses by company	**4,739**	4,226	**17,392**	**358,837**	15,508	319,970
Mahindra Integrated Business Solution Private Limited:						
Service Charges (Salary processing cost)	**1,219**	1,141	**4,473**	**92,303**	4,187	86,397

* The managerial services are rendered by Mahindra Intertrade Limited, shareholder and the same is paid as service charges.

Outstanding balances

			Unaudited supplementary information (refer note 2 (c))			
	31 March 2022	31 March 2021	**31 March 2022**		31 March 2021	
	USD	USD	**Dhs.**	**Rs.**	Dhs.	Rs.
Outstanding payable						
Mahindra Intertrade Limited	**18,600**	24,975	**68,282**	**1,408,392**	91,659	1,891,107
Mahindra & Mahindra Limited	**3,306**	4,226	**12,143**	**250,330**	15,508	319,993
Mahindra Integrated Business Solutions Pvt Ltd	**299**	514	**1,096**	**22,640**	1,886	38,920
	22,205	29,715	**81,521**	**1,681,362**	109,053	2,250,020

19. LEASES

The Company has entered into lease arrangements with Government of Sharjah, represented by Sharjah Airport International Free Zone (SAIF Zone) The tenure of the lease agreement is generally for a period of 25 years, renewable thereafter for another equal term.

While measuring lease liabilities, the company discounted lease payments using its incremental borrowing rate at 1 April 2019. The average rate applied is 4.23%

Lease liabilities included in the statement of financial position

			Unaudited supplementary information (refer note 2 (c))			
	31 March 2022	31 March 2021	**31 March 2022**		31 March 2021	
	USD	USD	**Dhs.**	**Rs.**	Dhs.	Rs.
At 1 April	**723,453**	789,992	**2,655,075**	**54,779,861**	2,899,269	59,818,573
Interest on lease liabilities (refer note 15)	**29,441**	32,311	**108,048**	**2,229,273**	118,581	2,446,589
Payments made against lease liabilities	**(96,004)**	(98,850)	**(352,335)**	**(7,269,423)**	(362,775)	(7,485,301)
At 31 March	**656,890**	723,453	**2,410,788**	**49,739,711**	2,655,075	54,779,861
Less: current portion of lease liabilities	**(100,126)**	(98,860)	**(367,463)**	**(7,581,541)**	(362,818)	(7,485,679)
Non-current portion of lease liabilities	**556,764**	624,593	**2,043,325**	**42,158,170**	2,292,257	47,294,182

Amount recognised in profit and loss statement

			Unaudited supplementary information (refer note 2 (c))			
	31 March 2022	31 March 2021	**31 March 2022**		31 March 2021	
	USD	USD	**Dhs.**	**Rs.**	Dhs.	Rs.
Depreciation on right-of-use assets	**79,343**	79,343	**291,190**	**6,007,852**	291,190	12,015,780
Interest on lease liabilities	**29,441**	32,311	**108,048**	**2,229,273**	118,581	2,446,589
	108,784	111,654	**399,238**	**8,237,125**	409,771	14,462,369

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 MARCH 2022 – (CONTINUED)

Maturity analysis

The following table sets out a maturity analysis of lease payables showing the undiscounted lease payments to be payable after the reporting date:

			Unaudited supplementary information (refer note 2 (c))			
	31 March 2022	31 March 2021	**31 March 2022**		31 March 2021	
	USD	USD	**Dhs.**	**Rs.**	Dhs.	Rs.
Less than one year	**100,126**	98,855	**367,463**	**7,581,541**	362,797	7,485,301
Between one and five years	**395,419**	395,419	**1,451,188**	**29,941,127**	1,451,188	29,941,127
More than five years	**288,326**	378,948	**1,058,158**	**21,832,045**	1,390,744	28,693,943
	783,871	873,222	**2,876,809**	**59,354,713**	3,204,729	66,120,371

20. FINANCIAL INSTRUMENTS

Overview

The Company has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital.

The Company's Board of Directors have overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

A) Credit risk

Credit risk is the risk of financial loss to the Company if counterparty to a financial instrument fails to meet its contractual obligations. Credit risk is mainly attributable to cash at bank and trade and other receivables.

Trade receivables

The exposure to credit risk on trade receivables is monitored on an ongoing basis by the management and these are considered recoverable by the Company's management. The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the Company's customer base, including the default risk of the industry and country, in which customers operate, has less of an influence on credit risk.

Management has established a credit policy under which each new customer is analyzed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered. Purchase limits are established for each customer, which represent the maximum open amount.

The Company follows expected credit loss method for determination of impairment for trade receivable, additionally an impairment analysis is performed on each reporting date on specific case basis for major customer.

Exposure to credit risk:

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

			Unaudited supplementary information (refer note 2 (c))			
	31 March 2022	31 March 2021	**31 March 2022**		31 March 2021	
	USD	USD	**Dhs.**	**Rs.**	Dhs.	Rs.
Trade receivables	**1,622,105**	971,947	**5,953,124**	**122,825,791**	3,567,044	73,595,826
Other receivables (excluding advances and Vat receivable)	**36,072**	22,113	**132,384**	**2,731,372**	81,155	1,674,396
Cash at banks	**207,033**	231,521	**759,811**	**15,676,539**	849,681	17,530,770
	1,865,210	1,225,581	**6,845,319**	**141,233,702**	4,497,880	92,800,992

The maximum exposure to credit risk for trade receivables at the reporting date by geographic region was:

			Unaudited supplementary information (refer note 2 (c))			
	31 March 2022	31 March 2021	**31 March 2022**		31 March 2021	
	USD	USD	**Dhs.**	**Rs.**	Dhs.	Rs.
Domestic	**99,017**	39,110	**363,391**	**7,497,567**	143,532	2,961,409
Other GCC countries	**496,556**	268,599	**1,822,360**	**37,599,220**	985,758	20,338,316
Exports	**1,026,532**	664,238	**3,767,373**	**77,729,004**	2,437,754	50,296,101
	1,622,105	971,947	**5,953,124**	**122,825,791**	3,567,044	73,595,826

Impairment losses

Expected credit loss assessment

The Company applies the simplified approach to providing for expected credit losses prescribed by IFRS 9, which permits the use of the lifetime expected loss provision for all trade receivables. The Company has computed expected credit losses based on a provision matrix which uses historical credit loss experience of the Company. Forward-looking information (including macroeconomic information) has been incorporated into the determination of expected credit losses.

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 MARCH 2022 – (CONTINUED)

The age of trade receivables at the reporting date was:

			Unaudited supplementary information (refer note 2 (c))			
	31 March 2022	31 March 2021	**31 March 2022**		31 March 2021	
	USD	USD	**Dhs.**	**Rs.**	Dhs.	Rs.
Not past due	**1,621,831**	611,906	**5,952,118**	**122,805,044**	2,245,696	46,333,522
Past due 0 - 180 days	**157**	359,595	**575**	**11,888**	1,319,715	27,228,533
Past due more than 180 days	**117**	446	**431**	**8,859**	1,633	33,771
	1,622,105	971,947	**5,953,124**	**122,825,791**	3,567,044	73,595,826

B) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. Liquidity risk mainly relates to amounts due to related parties, short term borrowings and trade and other payables. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due without incurring unacceptable losses or risking damage to the Company's reputation. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of letter of credit facilities.

The following are the contractual maturities of financial liabilities (including estimated interest payments).

			Unaudited supplementary information (refer note 2 (c))			
	31 March 2022	31 March 2021	**31 March 2022**		31 March 2021	
	USD	USD	**Dhs.**	**Rs.**	Dhs.	Rs.
Carrying amount						
Lease liabilities	**656,890**	723,453	**2,410,788**	**49,739,711**	2,655,075	54,779,861
Short-term borrowings	**1,979,982**	1,596,081	**7,266,535**	**149,924,237**	5,857,616	120,855,253
Trade and other payables (excluding advances)	**1,450,443**	1,555,773	**5,323,129**	**109,827,545**	5,709,669	117,803,130
Due to related parties	**22,213**	29,715	**81,521**	**1,681,968**	109,053	2,250,020
Interest payable	**3,050**	2,055	**11,193**	**230,946**	7,543	155,605
	4,112,578	3,907,077	**15,093,166**	**311,404,407**	14,338,956	295,843,869
Contractual cash flows						
Lease liabilities	**783,871**	**873,222**	**2,876,809**	**59,354,713**	3,204,729	66,120,371
Short-term borrowings	**1,979,982**	**1,596,081**	**7,266,535**	**149,924,237**	5,857,616	120,855,253
Trade and other payables	**1,450,443**	**1,555,773**	**5,323,129**	**109,827,545**	5,709,669	117,803,130
Due to related parties	**22,213**	**29,715**	**81,521**	**1,681,968**	109,053	2,250,020
Interest payable	**3,050**	**2,055**	**11,193**	**230,946**	7,543	155,605
	4,239,559	**4,056,846**	**15,559,187**	**321,019,409**	14,888,610	307,184,379
1 year or less						
Lease liabilities	**100,126**	98,855	**367,463**	**7,581,541**	362,797	7,485,301
Short-term borrowings	**1,979,982**	1,596,081	**7,266,535**	**149,924,237**	5,857,616	120,855,253
Trade and other payables	**1,450,443**	1,555,773	**5,323,129**	**109,827,545**	5,709,669	117,803,132
Due to related parties	**22,213**	29,715	**81,521**	**1,681,968**	109,053	2,250,020
Interest payable	**3,050**	2,055	**11,193**	**230,946**	7,543	155,605
	3,555,814	3,282,479	**13,049,841**	**269,246,237**	12,046,678	248,549,311
More than 1 year						
Lease liabilities	**683,745**	774,367	**2,509,346**	**51,773,172**	2,841,932	58,635,070
Short-term borrowings	**–**	–	**–**	**–**	–	–
Trade and other payables	**–**	–	**–**	**–**	–	–
Due to related parties	**–**	–	**–**	**–**	–	–
Interest payable	**–**	–	**–**	**–**	–	–
	683,745	774,367	**2,509,346**	**51,773,172**	2,841,932	58,635,070

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 MARCH 2022 – (CONTINUED)

C) Market risk

(i) Currency risk

Foreign exchange risk is limited since all significant transactions are either in USD or Dhs. (which is currently fixed to USD).

(ii) Interest rate risk

The Company has placed fixed deposits / margin money in form of fixed deposits with banks at normal commercial rates. Short term borrowings (Trust Receipts and working capital demand loans) carry interest at fixed rate linked to USD Libor.

Interest rate sensitivity analysis
A resonably possible change of 100 basis point in interest rates at the reporting date would have increased (decreased) profit or loss by the amounts shown below. The analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

			Unaudited supplementary information (refer note 2 (c))			
	31 March 2022	31 March 2021	**31 March 2022**		31 March 2021	
	USD	USD	**Dhs.**	**Rs.**	Dhs.	Rs.
Interest rate increase by 1%	**(19,800)**	(15,961)	**(72,665)**	**(1,499,242)**	(58,576)	(1,208,553)
Interest rate decrease by 1%	**19,800**	15,961	**72,665**	**1,499,242**	58,576	1,208,553

(iii) Price risk
The Company dose not have a significant risk in raw material price variation. In case of any variation in price same is passed on to customer through appropriate adjustment to selling price.

21. EARNINGS PER SHARE

			Unaudited supplementary information (refer note 2 (c))			
	31 March 2022	31 March 2021	**31 March 2022**		31 March 2021	
	USD	USD	**Dhs.**	**Rs.**	Dhs.	Rs.
Basic and diluted						
Loss for the year (A)	**701,883**	(472,673)	**2,575,910**	**53,146,581**	(1,734,699)	(35,790,800)
Weighted average number of shares (B)	**1,000**	1,000	**1,000**	**1,000**	1,000	1,000
Earnings per share basic / diluted (A/B)	**702**	(473)	**2,576**	**53,147**	(1,735)	(35,791)
Nominal value of equity share	**550**	550	**2,019**	**35,703**	2,019	35,703

Mr Sumit Issar
Mr Parag Shah
Directors

DIRECTOR'S STATEMENT LETTER RELATING TO THE RESPONSIBILITY ON THE FINANCIAL STATEMENTS FOR THE YEARS ENDED MARCH 31, 2022

We the undersigned :

Name	: Mr. Dharmesh Vipinchandra Modi
Office Address	: Jl.Albasia Selatan block K6-09, Delta Silicon 8, Desa Sukasari, Kecamatan Serang Baru, Kabupaten Bekasi, Jawa Barat 17530
Position	: Director
Phone Number	: 062 - 8118201918

declare that:

1. We are responsible for the preparation and presentation of the Financial Statements PT. MAHINDRA ACCELO STEEL.
2. The Financial Statements have been prepared and presented in accordance with Indonesian Accounting Standard
3. All information contained in the Financial Statements are complete and correct, and the Financial Statements do not contain misleading material information or facts, and do not omit material information and facts.
4. We are responsible for the Company's Internal Control System.

April 22, 2022

For and on behalf of the board of Directors

Mr. Dharmesh Vipinchandra Modi
Director

INDEPENDENT AUDITORS' REPORT

The Stockholders, Board of Commissioners, Directors

PT MAHINDRA ACCELO STEEL INDONESIA

Preface

We have audited the accompanying statements of financial position of PT Mahindra Accelo Steel Indonesia for the year ended March 31, 2022, and the Statements of Comprehensive Income, statement of changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management responsibility to the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in auditing standards established by the Indonesian Financial Accounting Standards and the internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether caused by fraud or error.

The auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Standards on Auditing established by the Indonesian Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of risk of material misstatement in the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of PT Mahindra Accelo Steel Indonesia on March 31, 2022, results of its operation, its changes in equity and its cash flows for the years then ended in conformity with Indonesian Financial Accounting Standards.

Other matter

The financial statements for the year ended March 31, 2021 were audited by another independent auditor with his report No.0265T/DW/2.0876/GA-SC/AU.1/0015-1/0/IV/2021 dated April 24, 2021 with a fair opinion without exception

REGISTERED PUBLIC ACCOUNTANT
Abdul Aziz Fiby Ariza

(KAP - AAFA)

Abdul Aziz, CPA

NIAP : 0514

SI No. : 856/KM.1/2012

Jakarta, April 22, 2022

STATEMENTS OF FINANCIAL POSITION AS OF MARCH 31, 2022 AND 2021
(Figures in table are expressed in Rupiah, unless otherwise stated)

	Notes	March 31, 2022	March 31, 2021
ASSETS			
Current Assets			
Cash and bank	3	**3,643,570,714**	6,049,560,947
Inventories	4	**8,917,526,558**	–
Prepaid tax	5	**12,369,875,981**	5,685,164,607
Other Current Assets	6	**100,005,043**	104,421,000
Total current assets		**25,030,978,296**	11,839,146,554
Non-Current Assets			
Fixed assets-net	7	**18,980,183,841**	18,983,663,409
Construction in progress	8	**77,836,360,704**	41,129,222,134
Other asset	9	**1,366,617,024**	173,131,024
Total non current assets		**98,183,161,569**	60,286,016,567
TOTAL ASSETS		**123,214,139,865**	72,125,163,121
LIABILITIES AND EQUITY			
Current Liabilities			
Trade payable			
Third parties	**10**	**6,510,947,449**	4,317,200
Related parties	**11a**	**1,885,830,729**	–
Other payables	**11b**	**–**	42,406,847
Tax payable	**12**	**21,655,191**	151,580,209
Accrued expenses	**13**	**1,118,139,679**	391,041,346
Other Current Liabilities	**14**	**886,720,877**	–
Loans	**15b**	**5,677,139,056**	–
Total current liabilities		**16,100,432,981**	589,345,602
Non Current Liabilities			
Loans	**15a**	**56,000,000,000**	**24,981,201,600**
Total non current liabilities		**56,000,000,000**	**24,981,201,600**
TOTAL LIABILITIES		**72,100,432,981**	**25,570,547,202**
EQUITY			
Capital stock - Rp 10.000.000 par value per share			
Authorized – 11.300 shares			
Issued and fully paid – 5.550 shares	16	**55,500,000,000**	48,500,000,000
Retained earning		**(4,386,293,116)**	(1,945,384,081)
Total equity		**51,113,706,884**	46,554,615,919
TOTAL LIABILITIES AND EQUITY		**123,214,139,865**	72,125,163,121

The accompanying notes to the financial statements are an integral part of the financial statements.

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED MARCH 31, 2022 AND 2021
(Figures in table are expressed in Rupiah, unless otherwise stated)

	Notes	March 31, 2022	March 31, 2021
REVENUES	17	**447,650,160**	–
COST OF REVENUES	18	**387,020,736**	–
GROSS PROFIT		**60,629,424**	–
OPERATIONAL EXPENSES			
Operational expense	19	**2,466,376,142**	(1,142,948,552)
Operating loss		**(2,405,746,718)**	(1,142,948,552)
Other Incomes-net	20	**25,266,482**	(1,193,116,105)
PROFIT(LOSS) BEFORE TAX		**(2,431,013,200)**	50,167,553
TAX EXPENSE			
Tax Expense		**9,895,835**	–
TOTAL TAX EXPENSE		**9,895,835**	–
TOTAL COMPREHENSIVE LOSS		**(2,440,909,035)**	50,167,553

The accompanying Notes to Financial Statements are an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITIES FOR THE YEARS ENDED MARCH 31, 2022 AND 2021 (Figures in table are expressed in Rupiah, unless otherwise stated)

	Share Capital	Retained Earning	Total Equity
Balance as of March 31, 2020	28,250,000,000	(1,995,551,634)	26,254,448,366
Additional Paid up capital	20,250,000,000		20,250,000,000
Total Comprehensive Income/loss	–	50,167,553	50,167,553
Balance as of March 31, 2021	48,500,000,000	(1,945,384,081)	46,554,615,919
Additional Paid up capital	7,000,000,000		7,000,000,000
Total Comprehensive Income/loss	–	(2,440,909,035)	(2,440,909,035)
Balance as of March 31, 2022	**55,500,000,000**	**(4,386,293,116)**	**51,113,706,884**

The accompanying notes to the financial statements are an integral part of the financial statements.

STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED MARCH 31, 2022 AND 2021
(Figures in table are expressed in Rupiah, unless otherwise stated)

	March 31, 2022	March 31, 2021
Cash Flows From Operating Activities		
Total comprehensive Income (losses)	**(2,440,909,035)**	50,167,553
The Adjustment to reconcile total comprehensive income (loss) to cash :		
Depreciation	**3,479,568**	2,927,068
Changes in operating assets and liabilities :		
Increase (decrease) Inventories	**(8,917,526,558)**	–
Increase (decrease) Prepaid tax	**(6,684,711,374)**	(3,759,376,906)
Increase (decrease) other current assets	**4,415,957**	1,551,997,400
Increase (decrease) other asset	**(1,193,486,000)**	(172,131,024)
Increase (decrease) Accounts Payable	**8,392,460,978**	(281,850,635)
Increase (decrease) Other Payable	**(42,406,847)**	(168,507,386)
Increase (decrease) Tax payable	**(129,925,018)**	132,774,595
Increase (decrease) Accrued Expenses	**727,098,333**	315,147,380
Increase (decrease) Other Current liabilities	**886,720,877**	–
Net cash used for Operating activities	**(9,394,789,119)**	(2,328,851,955)
Cash Flows From Investing activities		
Purchase of fixed assets	**–**	(1,078,279,487)
Construction work in progress	**(36,707,138,570)**	(39,593,527,137)
Net cash used by investing activities	**(36,707,138,570)**	(40,671,806,624)
Cash Flows From Financing Activities		
Proceeds from issue of equity instruments of the Company	**7,000,000,000**	20,250,000,000
Proceeds/(repayment) of borrowings	**36,695,937,456**	24,981,201,600
Net cash used in financing activities	**43,695,937,456**	45,231,201,600
NET (DECREASE) INCREASE CASH AND CASH EQUIVALENTS	**(2,405,990,233)**	2,230,543,021
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	**6,049,560,947**	3,819,017,926
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	**3,643,570,714**	6,049,560,947

The accompanying notes to the financial statements are an integral part of the financial statements.

NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED MARCH 31, 2022 AND 2021
(Figures in table expressed in Rupiah, unless otherwise stated)

1. GENERAL

a. Establishment and General Information

PT. Mahinda Accelo Steel Indonesia (“ the “Company”) was established based on deed No. 65 of Notary Mala Mukti, SH, LL.M, dated 18 December 2018. The deed of establishment of the company was approved by the Ministry of Law and Human Rights Republic of Indonesia based on Decree No. AHU-0060888.AH.01.01.Tahun 2018 dated 19 December 2018.

The company is domiciled in Jalan Albasia Selatan Blok K6-09 Delta Silicon 8, Sukasari, Serang Baru, Cikarang, Jawa Barat, Indonesia. The company is registered as a taxpayer at the Cikarang Selatan Tax Office (KPP) with a NPWP of 90.338.648.0-018.000.

PT. Mahinda Accelo Steel Indonesia (the “Company”) deed of establishment have been amended based on deed No. 898 from Notary Hambit Maseh, S.H. dated 28 June, 2021 regarding issuance of shares that are still in savings. The deed of establishment of the company was approved by the Ministry of Law and Human Rights Republic of Indonesia based on Decree No. AHU-0115323.AH.01.11.TAHUN 2021 dated 30 June 2021.

PT. Mahinda Accelo Steel Indonesia (the “Company”) deed of establishment have been amended based on deed No. 15 from Notary Abdul Salam, S.H. dated 08th December 2021 regarding renewal tenure to the board of directors and commissioners. The deed of establishment of the company was approved by the Ministry of Law and Human Rights Republic of Indonesia based on Decree No. AHU-0016740.AH.01.11.TAHUN 2022 dated 25 January 2022

PT. Mahinda Accelo Steel Indonesia (the “Company”) deed of establishment have been amended based on deed No. 16 from Notary Bambang Ariawan, S.H. dated Feburary 10th, 2022 regarding changes to the board of directors and commissioners. The deed of establishment of the company was approved by the Ministry of Law and Human Rights Republic of Indonesia based on Decree No. AHU-0034449.AH.01.11TAHUN 2022 dated 18 Feburary 2022

b. Commissioners and Directors

The composition of the Company’s commissioners and directors as of March 31, 2022 and 2021 is as follows:

Commissioners	**2022**	**2021**
President Commissioner	Mr Parag Shah	Mr. Zhooben Dossabhoy Bhiwandiwala
Commissioner	Mr. Sumit Issar	Mr. Sumit Issar
Directors		
President Director	Mr. Vijay Arora	Mr. Vijay Arora
Director	Mr. Dharmesh Vipinchandra Modi	Mr. Dharmesh Vipinchandra Modi
Director	Mr. Rudy E. Tiendas	Mr. Rudy E. Tiendas
Director	Ms Ami Goda	

The number of Company employees as of March 31, 2022 is 8 and March 31, 2021 were 2 permanent employees (unaudited).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a Basis of Preparation of the Financial Statements

Based on the requirements and criteria in the Indonesian Financial Accounting Standards, the Company fulfills the criteria as an entity consisting of Statements and Interpretations issued by the Financial Accounting Standards Board of the Indonesian Institute of Accountants.

The financial statements use the historical cost basis of accounting, except for certain accounts which are measured on the basis described in the related accounting policies. The financial statements have been prepared on accrual basis.

The statements of cash flows are prepared using the indirect method with classifications of cash flows into operating, investing, and financing activities.

The Company that chooses the reporting currency used in the preparation of the financial statements is the Rupiah. Unless otherwise stated, all figures presented in the financial statements are stated in full amount of Rupiah.

b Changes to Statements of Financial Accounting Standards (PSAK) and Interpretations of Statements of Financial Accounting Standards (ISAK)

The adoption of the following new PSAK, amendments and improvements to PSAKs which are effective for periods beginning on or after January 1, 2019 have no material impact to disclosures or on the amounts recognized in the current and prior year financial statements:

- ISAK 33: “Foreign Currency Transactions and Advance Consideration”;
- PSAK 15: (amendment), “Investments in Associates and Joint Ventures: Long Term Interest In Associate and Joint Ventures”;
- PSAK 62: “Insurance Contract”;
- PSAK 71: “Financial Instruments”;
- PSAK 71: (amendment), “Financial Instruments: Prepayment Features with Negative Compensation”
- PSAK 72: “Revenue from Contracts with Customers”, and
- PSAK 73: “Leases”.

All new PSAKs and amendments to PSAKs are effective for periods beginning on or after January 1, 2020, while the new ISAK is effective for periods beginning on or after January 1, 2019. Early adoption of the new PSAKs and amendments to PSAKs is permitted, while early adoption of PSAK 73 is permitted only upon early adoption of PSAK 72.

c Financial Instruments

I Financial assets

Initial recognition

Financial asset within the scope of PSAK No. 55 (Revised 2014) are classified as financial assets at fair value through profit and loss, loans and receivables, held-to-maturity investments and available for sale financial assets. The Company determines the classification of its financial assets at initial recognition and, where allowed and appropriate, re-evaluates this designation at each financial year end.

All financial assets are recognized initially at fair value plus transaction costs, except in the case of financial assets which are recorded at fair value through profit or loss.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way purchases) are recognized on the trade date, i.e., the date that the Company commits to purchase or sell the assets.

Initial recognition

As of March 31, 2022, the Company’s financial assets included cash and bank. The Company has determined that these financial assets are included in the loans and receivables category.

Subsequent Measurement

Loans and receivables are non-derivative financial assets with fixed determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortized cost using the Effective Interest Rate (“EIR”), less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or cost that are an integral part of the EIR. The EIR amortization is included in the statement of comprehensive income. Losses arising from impairment are also recognized in the statements of comprehensive income.

NOTES TO FINANCIAL STATEMENTS (Continued)
FOR THE YEARS ENDED MARCH 31, 2022 AND 2021
(Figures in table expressed in Rupiah, unless otherwise stated)

II Financial liabilities

Initial recognition

Financial liabilities within the scope of PSAK No. 55 (Revised 2014) are classified as financial liabilities at fair value through profit and loss, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Company determines the classification of its financial liabilities at initial recognition.

Financial liabilities are recognized initially at fair value and, in the case of loans and borrowings, include directly attributable transaction costs.

As of March 31, 2022, the Company's financial liabilities include account payable, other payable and accrued expenses. The Company has determined that all of these financial liabilities are included in the loans and borrowings category.

Subsequent Measurement

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method.

Gains and losses are recognized in the statements of comprehensive income when the liabilities are derecognized as well as through the EIR amortization process.

III Offsetting of financial Instruments

Financial assets and financial liabilities are offset and the net amount reported in the statements of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and the liabilities simultaneously.

IV Fair value of financial instruments

The fair value of financial instruments that are actively traded in-organized financial markets is determined by reference to quoted market bid prices at the close of business at the end of the reporting year. For financial instruments where there is no active market, fair value is determined using valuation techniques. Such techniques may include using recent arm's length market transaction, reference to the current fair value of another instrument that is substantially the same, discounted cash flow analysis, or other valuation models.

Credit risk adjustment

The Company adjust the price in the observable market to reflect any differences in counterparty credit risk between instruments traded in that market and the ones being valued for financial asset positions. In determining the fair value of financial liability positions, the Company's own credit risks associated with the instrument are taken into account.

V Amortized cost of financial instruments

Amortized cost is computed using the EIR method less any allowance for impairment and principal repayment or reduction. The calculation takes into account any premium or discount on acquisition and includes transaction costs and fees that are an integral part of the effective interest rate.

VI Impairment of financial assets

The Company assesses at the end of each reporting periods whether there is any objective evidence that a financial asset or a Company of financial assets is impaired. there is any objective evidence that a financial asset or a Company of financial assets is impaired.

For loans and receivables carried at amortized cost, the Company first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Company determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, the asset is included in a Company of financial assets with similar credit risk characteristics and the asset is collectively assessed for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be recognized, are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss has occurred the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flow (excluding future expected credit losses that have not yet been incurred). The present value of the estimated future cash flow is discounted at the financial assets' original effective interest rate. If a "loans and receivables" financial asset has a variable interest rate, the discount rate for measuring impairment loss is the current EIR.

The carrying amount of the asset is reduced through the use of an allowance accounts and the amount of the loss is recognized in the statements of comprehensive income. Interest income continues to be accrued on the reduced carrying amount based on the rate of interest used to discount future cash flow for the purpose of measuring impairment loss. Loans and receivables, together with the associated allowance, are written off when there is no realistic prospect of future recovery and all collateral has been realized or has been transferred to the Company. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognized the previously recognized impairment loss is increase or reduced by adjusting the allowance account. If a future write-off is later recovered, the recovery is recognized in the statements of comprehensive income.

VII Derecognition of financial assets and liabilities

Financial assets

A financial asset (or where applicable, a part of a financial asset or part of a Company of similar financial assets) is derecognized when: (1) the rights to receive cash flows from the asset have expired; or (2) the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement, and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognized in the consolidated statements of comprehensive income.

d Fixed Assets

All fixed assets are initially recognized at cost which comprises their purchase price and any costs directly attributable in bringing the asset to its working condition and to the location where it is intended to be used. Costs of replacing part of fixed assets, which met the recognition criteria, is recognized as part of cost. Subsequent to initial recognition, fixed assets are carried at cost less any subsequent accumulated depreciation and impairment losses.

Fixed assets of direct acquisition are stated at cost less accumulated depreciation, except for land, which is not depreciated. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, as follows:

	Years
Computer	4

e Revenue Recognition and Burden

The Company has transactions with certain parties who have related party relationship as defined under. PSAK No. 7 (Revised 2015) on "Related Party Disclosures". According to this PSAK

NOTES TO FINANCIAL STATEMENTS (Continued)
FOR THE YEARS ENDED MARCH 31, 2022 AND 2021
(Figures in table expressed in Rupiah, unless otherwise stated)

1) A person or a close member of that person's family is related to Company if that person:
   (i) has control or joint control over the Company;
   (ii) has significant influence over the Company; or.
   (iii) is a member of the key management personnel of the Company or parent of the Company.
2) An entity is related to the Company if any of the following conditions applies:
   (i) the entity and the Company are members of the same group;
   (ii) the entity is an associate or a joint venture of the Company (or associate or joint venture of a member of a group of which the Company is a member);
   (iii) the entity and the Company are joint ventures of the same third party;
   (iv) in entity which is a joint venture of the Company and other entity which is an associate of the Company;
   (v) the entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company:
   (vi) the entity is controlled or jointly controlled by a person identified in (1);
   (vii) a person identified in (1) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or parent of the entity);
   (viii) the entity, or a member of a group to which the entity is part of the group, providing services to the key management personnel of the Company or to the parent entity of the Company.

All significant transactions and balance with related parties are disclosed in Notes to Financial Statements

f Foreign Currency Transactions and Balances

Transactions during the year involving foreign currencies are recorded at the rates of exchange prevailing at the time the transactions are made. At financial position date, monetary assets and liabilities denominated in foreign currencies are adjusted to reflect the rates of exchange prevailing at that date. The resulting gains or losses are credited in or charged to current operations.

Exchange rates used were Rp 14,342.00/US$ and Rp 14,572.00/US$ as of March 31, 2022 and 2021, respectively.

g Expenses

Expenses are recognized as incurred.

h Taxation

Current Tax

Income tax expense represents the sum of the corporate income tax currently payable and deferred tax.

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authority. The tax rates and tax laws used to compute the amount are those that have been enacted or substantively enacted as of the reporting date.

Current income taxes are recognized in the statement of profit or loss and other comprehensive income, except to the extent that the tax relates to items recognized outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions when appropriate.

Deferred tax is recognized using the liability method or temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

(i) Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

(ii) In respect of taxable temporary differences associated with investment in subsidiaries, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

(iii) In respect of deductible temporary differences associated with investment in subsidiaries, deferred tax assets are recognized only to the extent that is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which temporary differences can be utilized.

Value Added Tax

Revenue, expenses and assets are recognized net of the amount of VAT except:

(i) The VAT incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the VAT is recognized as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

(ii) Receivables and payables that are stated inclusive of the VAT amount.

The net amount of VAT recoverable from, or payable to, the taxation authorities is included as part of receivables or payables in the statement of financial position.

3. CASH AND BANK

	March 31, 2022	March 31, 2021
Cash on hand	**6,016,386**	6,002,110
Cash in bank		
The Hongkong and Shanghai Banking Corporation	**2,866,715,915**	1,043,558,837
MUFG Bank Limited, Jakarta	**770,838,413**	
Deposit with Bank	–	5,000,000,000
Total	**3,643,570,714**	6,049,560,947

4. Inventories

	March 31, 2022	March 31, 2021
Raw Materials	**8,917,526,558**	–
Total	**8,917,526,558**	–

5. PREPAID TAX

	March 31, 2022	March 31, 2021
VAT In	**11,289,529,981**	5,272,715,607
Withholding Taxes 22	**1,080,346,000**	412,449,000
Total	**12,369,875,981**	5,685,164,607

6. OTHER CURRENT ASSETS

	March 31, 2022	March 31, 2021
Interest accrued on FD	–	401,389
Prepaid Expenses	**71,005,043**	36,769,611
Deposit for Service apartment Rental	9,000,000	–
Deposit for Warehouse Rental	–	47,250,000
Deposit for Construction Permit	**20,000,000**	20,000,000
Total	**100,005,043**	104,421,000

NOTES TO FINANCIAL STATEMENTS (Continued)
FOR THE YEARS ENDED MARCH 31, 2022 AND 2021
(Figures in table expressed in Rupiah, unless otherwise stated)

7. FIXED ASSETS

	March 31, 2022	March 31, 2021
At cost:		
Direct acquisitions		
Land	**18,973,859,487**	17,900,000,000
Computer	**13,918,274**	9,498,274
Total Opening Balance	**18,987,777,761**	17,909,498,274
Additions		
Land	**–**	1,073,859,487
Computer	**–**	4,420,000
Total	**–**	1,078,279,487
Deletions		
Land	**–**	–
Computer	**–**	–
Total	**–**	–
Closing Balance		
Land	**18,973,859,487**	18,973,859,487
Computer	**13,918,274**	13,918,274
Total Closing Balance	**18,987,777,761**	18,987,777,761

	March 31, 2022	March 31, 2021
Depreciation		
Land	**–**	–
Computer	**4,114,352**	1,187,284
Total Opening Balance	**4,114,352**	1,187,284
Additions		
Land	**–**	–
Computer	**3,479,568**	2,927,068
Total	**3,479,568**	2,927,068
Depreciation Closing Balance		
Land	**–**	–
Computer	**7,593,920**	4,114,352
Total Closing Balance	**7,593,920**	4,114,352
Net Book Value		
Land	**18,973,859,487**	17,900,000,000
Computer	**9,803,922**	8,310,990
Total Opening Balance	**18,983,663,409**	17,908,310,990
Net Book Value		
Land	**18,973,859,487**	18,973,859,487
Computer	**6,324,354**	9,803,922
Total Closing Balance	**18,980,183,841**	18,983,663,409

8. CONSTRUCTION IN PROGRESS

This account consists of construction in progress amounted of Rp 77,836,360,704 as of March 31, 2022 and Rp 41,129,222,134 as of March 31, 2021

9. OTHER ASSET

	March 31, 2022	March 31, 2021
Deposit for Electrical Connection	**173,131,024**	173,131,024
Deposit for Sharjah Lease line	**1,193,486,000**	–
Total	**1,366,617,024**	173,131,024

10. ACCOUNTS PAYABLE - THIRD PARTIES

This account arise mainly from the professional service rendered related to business activities. The aging analysis of accounts payable is as follows

	March 31, 2022	March 31, 2021
1-30 days	**68,588,218**	–
31-60 days	**6,442,359,231**	4,317,200
Total	**6,510,947,449**	4,317,200

11. BALANCES AND TRANSACTIONS WITH RELATED PARTIES

The Company entered in to certain transactions with related parties as follows:

a. Related parties

	March 31, 2022	March 31, 2021
Mahindra Intertrade ltd	**1,885,830,729**	–
Total	**1,885,830,729**	–

b. Other payables

	March 31, 2022	March 31, 2021
Mahindra Intertrade ltd	**–**	–
Mahindra & Mahindra Ltd	**–**	42,406,847
Total	**–**	42,406,847

c. Construction in progress

The company appointed Pininfarina S.p.A for the project of façade design of the company factory. During the year March 31, 2022 the company has not paid any amount. For the year ended March 31, 2021 an amonut of EURO 13,500 or equal to Rp 214.852.500 was paid and recorded in construction work in progress.

d. Key management compensation

Key management personnel are the board of Commissioners, Board of Directors and key employees of the Group. The compensation paid to key management for the year ended March 31, 2022 amounted to Rp 815,523,867 and for the year ended March 31, 2021, amounted to Rp 762,944,948.

The nature of transactions and relationship with the related parties is as follows:

Related parties	Relationship	Nature of Transactions
Mahindra Intertrade ltd.	Shareholder	Purchase of goods
Mahindra & Mahindra ltd.	Ultimate Shareholder	Reimb of expenses
Pininfarina Spa	Affiliate	Purchase of design
Dhamesh Vipinchandra Modi	KMP	Director Salary
Rudy E. Tiendas	KMP	Director Fee

NOTES TO FINANCIAL STATEMENTS (Continued)
FOR THE YEARS ENDED MARCH 31, 2022 AND 2021
(Figures in table expressed in Rupiah, unless otherwise stated)

12. TAXATION

a. Taxes payable

	March 31, 2022	March 31, 2021
Income taxes		
Article 21	**13,230,066**	10,910,883
Article 23	**8,132,325**	290,202
Article 4 (2)	**292,800**	140,379,124
Total	**21,655,191**	151,580,209

b. Reconciliations between the loss before income tax and estimated taxable income of year ended March 31, 2022 and March 31, 2021

Loss before income tax per statements of profit or loss and other

	March 31, 2022	March 31, 2021
comprehensive income/(loss) Fiscal corrections:	**(2,440,909,035)**	50,167,553
Fiscal corrections:		
Staff welfare	**365,074,264**	1,884,495
Miscellaneous expenses	**22,500,000**	33,825,500
Interest income – net	**(49,077,777)**	(49,552,225)
Estimated taxable Income/(loss)	**(2,102,412,548)**	36,325,323

Under Indonesian Tax Law, the tax loss can be carry forward for five years.

13. ACCRUED EXPENSES

	March 31, 2022	March 31, 2021
Salaries	**246,257,830**	181,478,032
Professional fees	**499,735,000**	65,000,000
Interest accured on Loan	**372,146,849**	144,563,314
Total	**1,118,139,679**	391,041,346

14. OTHER CURRENT LIABILIITIES

	March 31, 2022	March 31, 2021
Advance from customers	**886,720,877**	–
Total	**886,720,877**	–

15. LOAN

a Non Current

	March 31, 2022	March 31, 2021
PT Bank HSBC, Indonesia	**–**	24,981,201,600
MUFG Bank Limited, Jakarta	**56,000,000,000**	–
Total	**56,000,000,000**	24,981,201,600

The company paid its credit facility with PT Bank HSBC, Indonesia during the year and availed fresh credit facilities from MUFG Bank LTD.

The Company has credit facility from MUFG Bank LTD in accordance with the credit agreement Number: 2021-0054119-LT dated November 25, 2021. With the following terms and conditions:

Facility Type	:	Term Loan Facility
Facility Limit	:	IDR 56.000.000.000/-
Interest Rate	:	3M JIBOR & Margin minimum 3.25% p.a (Jakarta Interbank Offered Rate)
Availability Period	:	25 November 2021 - 25 Febuary 2022
Credit Collateral	:	1. Letter of comfort from MIL
		2. Fixed Asset (Land, Building, Machineries) & Insurances proceeds

The Company has credit facility from MUFG Bank LTD in accordance with the credit agreement Number: 2021-0054119-LN dated January 7, 2022. With the following terms and conditions:

Facility Type	:	Short Term Credit/Working capital limit
Facility Limit	:	USD 6.000.000/-
Interest Rate	:	3M JIBOR & Margin minimum 2% p.a (Jakarta Interbank Offered Rate)
Availability Period	:	7 January 2022 - 7 January 2023
Credit Collateral	:	1. Letter of comfort from MIL
		2. Fixed Asset (Land, Building, Machineries) & Insurances proceeds

b Current

	March 31, 2022	March 31, 2021
Mahindra Intertrade Limited	**5,677,139,056**	–
Total	**5,677,139,056**	–

Based on agreement dated 29 Oct 2021, Mahindra Intertrade Limited has provided short term loan of INR 30 Million to the company for meeting its cashflow requirements. The loan is based on interest rates of 7.5% p.a.

16. CAPITAL STOCK

The details of share ownership of the Company as of March 31, 2022 and 2021 are as follows:

	March 31, 2022			March 31, 2021		
Shareholders	**Number of Shares**	**Percentage of Owners**	**Amount**	Number of Shares	Percentage of Owners	Amount
Mahindra Intertrade Limited	**5,549**	**99.98%**	**55,490,000,000**	4,849	99.98%	48,490,000,000
Karthick Gnanasekaran	**1**	**0.02%**	**10,000,000**	1	0.02%	10,000,000
Total	**5,550**	**100%**	**55,500,000,000**	4,850	100%	48,500,000,000

NOTES TO FINANCIAL STATEMENTS (Continued)
FOR THE YEARS ENDED MARCH 31, 2022 AND 2021
(Figures in table expressed in Rupiah, unless otherwise stated)

17. REVENUES

	March 31, 2022	March 31, 2021
Sales of processed goods	**447,650,160**	–
Total	**447,650,160**	–

18. COST OF REVENUES

	March 31, 2022	March 31, 2021
Cost of goods sold	**358,361,339**	–
Freight Charges	**9,503,247**	–
Packing Materials	**15,068,150**	–
Stores consumed	**4,088,000**	–
Total	**387,020,736**	–

19. OPERATING EXPENSES

	March 31, 2022	March 31, 2021
Professional fees	**952,640,492**	303,471,414
Salary	**663,937,429**	489,241,681
Travelling	**218,563,750**	13,112,276
Rent	**65,555,555**	47,203,306
Directors fees	**108,568,000**	85,800,000
Repairs & Maintenance	**151,832,014**	156,739,790
Electricity	**76,129,678**	**–**
Others (each below Rp 50,000,000)	**229,149,224**	47,380,085
Total	**2,466,376,142**	1,142,948,552

20. OTHER INCOME

	March 31, 2022	March 31, 2021
Interest Income Net	**49,077,777**	49,552,225
Finance charges		
Bank charges	**(71,168,444)**	(18,690,720)
Exchange gain/(loss)	**(3,175,815)**	1,162,254,600
Total Other Income or net	**(25,266,482)**	1,193,116,105

21. MONETARY ACCOUNTS

The following table shows the Company's liability in foreign currency as of March 31, 2022 and as of March 31, 2021 as follow :

	March 31, 2022		March 31, 2021	
	US$	**Equivalent in Rp**	US$	Equivalent in Rp
Accounts payable to related parties (see Note 10)	**577,544**	**1.885.830.729**	2,774	42,406,847
Accounts payable - third parties		**6.442.359.231**		–

22. FAIR VALUE OF FINANCIAL INSTRUMENTS

The following table sets out the carrying values, which also represent the estimated fair values, of the Company's financial instruments as of March 31, 2022, and 2021:

	March 31, 2022	March 31, 2021
Financial assets:		
Cash and bank	3,819,017,926	**6,049,560,947**
Total Financial Assets	3,819,017,926	**6,049,560,947**
Financial liabilities:		
Accounts payables	**6,510,947,449**	4,317,200
Other payables	**1,885,830,729**	42,406,847
Accrued expenses	**1,118,139,679**	391,041,346
Loans-MUFG Bank Limited, Jakarta	**56,000,000,000**	24,981,201,600
Loans-Mahindra Intertrade Limited	**5,677,139,056**	
Total Financial Liabilities	**71,192,056,913**	25,418,966,993

Fair value is defined as the amount at which the instrument could be exchanged in a current transaction between knowledgeable willing parties in an arm's length transaction, other than in a forced or liquidation sale.

The following method and assumption are used to estimate the fair value of each class of financial instruments is Short-term financial assets and liabilities. The fair value of cash and bank, trade payables, other payables and accrued expenses approximate their carrying values due to their short-term nature.

INDEPENDENT AUDITORS' REPORT

To the Members of Mahindra MSTC Recycling Private Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Mahindra MSTC Recycling Private Limited ("the Company"), which comprise the balance sheet as at 31 March 2022, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2022, and its profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

Other Information

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's and Board of Directors' Responsibilities for the Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, its profit and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. (A) As required by Section 143(3) of the Act, we report that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   c) The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account.

   d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.

   e) On the basis of the written representations received from the directors as on 31 March 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022 from being appointed as a director in terms of Section 164(2) of the Act.

   f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

   (B) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

   a) The Company does not have any pending litigations which would impact its financial position.

   b) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

   c) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

   d) (i) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:

- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or
- provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(ii) The management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall:

- directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Party or
- provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries.

(iii) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (d) (i) and (d) (ii) contain any material mis-statement.

e) The Company has neither declared nor paid any dividend during the year.

(C) With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No.101248W/W-100022

Jayesh T Thakkar
Partner
Membership No. 113959
UDIN: 22113959AHSFLZ3982

Mumbai
25 April 2022

Annexure A to the Independent Auditors' Report on the financial statements of Mahindra MSTC Recycling Private Limited for the year ended 31 March 2022

With reference to the Annexure A referred to in the Independent Auditors' report to the members of Mahindra MSTC Recycling Private Limited ('the Company') on the financial statements for the year ended 31 March 2022, we report the following

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified every year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No discrepancies were noticed on such verification.

(c) The Company has self-constructed building on the leasehold land which is in the name of the Company based on the taxes paid to the authorities (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee).

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.

(e) According to information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) The inventory, except stocks lying with third parties, has been physically verified by the management during the year. For stocks lying with third parties at the year-end, written confirmations have been obtained. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been sanctioned any working capital limits in excess of five crore rupees in aggregate from banks and financial institutions on the basis of security of current assets at any point of time of the year. Accordingly, clause 3(ii)(b) of the Order is not applicable to the Company.

(iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments, provided guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year. Accordingly, provisions of clauses 3(iii)(a) to 3(iii)(f) of the Order are not applicable to the Company.

(iv) According to the information and explanations given to us and on the basis of our examination of records of the Company, the Company has neither made any investments nor has it given loans or provided guarantee or security and therefore the relevant provisions of Sections 185 and 186 of the Companies Act, 2013 ("the Act") are not applicable to the Company. Accordingly, clause 3(iv) of the Order is not applicable.

(v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.

(vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act for the products manufactured by it and services provided by it. Accordingly, clause 3(vi) of the Order is not applicable.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Service Tax ('GST'), Provident Fund, Employees' State Insurance, Income-Tax and other material statutory dues have been regularly deposited by the Company with the appropriate authorities. Further, the Company did not have any dues on account of Sales-tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax and Cess.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employees' State Insurance, Income-Tax and other material statutory dues were in arrears as at 31 March 2022 for a period of more than six months from the date they become payable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no statutory dues relating to Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of

Customs or Cess or other statutory dues, which have not been deposited with the appropriate authorities on account of any dispute.

(viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.

(ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company did not have any loans or borrowings from any lender during the year. Accordingly, clause 3(ix)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.

(c) According to the information and explanations given to us by the management, the Company has not obtained any term loans during the year. Accordingly, clause 3(ix)(c) of the Order is not applicable.

(d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) The Company does not hold any investment in any subsidiary, associate or joint venture (as defined under the Act) during the year ended 31 March 2022. Accordingly, clause 3(ix)(e) is not applicable.

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies (as defined under the Act).

(x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) Accordingly, clause 3(x)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.

(xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the course of the audit.

(b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) Establishment of vigil mechanism is not mandated for the Company, however, the same is established voluntarily. As represented to us by the management, there are no whistle blower complaints received by the Company during the year.

(xii) (a) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.

(b) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.

(c) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv) (a) In our opinion and based on the information and explanations provided to us, the Company does not have an Internal Audit system and is not required to have an internal audit system as per Section 138 of the Act.

(b) In our opinion and based on the information and explanations provided to us, the Company does not have an internal audit system and is not required to have an internal audit system as per Section 138 of the Act. Accordingly, clause 3(xiv)(b) of the Order is not applicable.

(xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.

(xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.

(b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.

(d) According to the information and explanations provided to us, the Group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016) has more than one CIC as part of the Group. The Group has six CICs as part of the Group.

(xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) The requirements as stipulated by the provisions of Section 135 are not applicable to the Company. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

For B S R & Co. LLP
Chartered Accountants
Firm’s Registration No. 101248W/W-100022

Jayesh T Thakkar
Partner
Membership No: 113959
UDIN: 22113959AHSFLZ3982

Mumbai
25 April 2022

Annexure B to the Independent Auditors' report on the financial statements of Mahindra MSTC Recycling Private Limited for the year ended 31 March 2022

Report on the internal financial controls with reference to the aforesaid financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

(Referred to in paragraph 2(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to financial statements of Mahindra MSTC Recycling Private Limited ("the Company") as of 31 March 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2022, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and whether such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No. 101248W/W-100022

Jayesh T Thakkar
Partner
Membership No.113959
UDIN: 22113959AHSFLZ3982

Mumbai
25 April 2022

BALANCE SHEET AS AT 31 MARCH, 2022

Rs. in lakhs

Particulars				Note	As at 31 March, 2022	As at 31 March, 2021
A	ASSETS					
	1	Non-current assets				
		(a)	Property, plant and equipment	4	1,800.65	1,768.43
		(b)	Capital work-in-progress		53.77	–
		(c)	Intangible assets	5	11.72	11.16
		(d)	Intangible assets under development		–	4.50
		(e)	Financial assets			
			Others	6	71.71	50.96
		(f)	Other non-current assets	7	41.99	22.25
		Total non-current assets			1,979.84	1,857.30
	2	Current assets				
		(a)	Inventories	8	513.27	73.43
		(b)	Financial assets			
			(i) Trade receivables	9	3.42	46.89
			(ii) Cash and cash equivalents	10	294.16	288.02
			(iii) Bank balances other than (ii) above	10	1,952.00	997.00
			(iv) Others	6	20.29	5.77
		(c)	Other current assets	7	213.06	203.80
		Total current assets			2,996.20	1,614.91
		Total assets (1+2)			4,976.04	3,472.21
B	EQUITY AND LIABILITIES					
	1	Equity				
		(a)	Equity share capital	11	5,720.00	4,520.00
		(b)	Other equity	12	(1,594.41)	(1,650.65)
					4,125.59	2,869.35
			Total equity		4,125.59	2,869.35
		LIABILITIES				
	2	Non-current liabilities				
		(a)	Financial liabilities			
			(i) Lease liabilities		280.61	172.36
		(b)	Provisions	13	33.13	26.13
		(c)	Deferred tax liabilities (net)	18	–	47.70
			Total non-current liabilities		313.74	246.19

BALANCE SHEET AS AT 31 MARCH, 2022 (Contd...)

Rs. in lakhs

Particulars	Note	As at 31 March, 2022	As at 31 March, 2021
3 **Current liabilities**			
(a) Financial liabilities			
(i) Lease liabilities		**140.96**	152.54
(i) Trade payables			
(a) total outstanding dues of micro enterprises and small enterprises; and	14	**1.30**	3.17
(b) total outstanding dues of creditors other than micro enterprises and small enterprises	14	**205.45**	97.57
(iii) Other financial liabilities	15	**88.76**	45.79
(b) Provisions	13	**3.96**	3.06
(c) Other current liabilities	16	**96.28**	54.54
Total current liabilities		**536.71**	356.67
Total equity and liabilities (1+2+3)		**4,976.04**	3,472.21

See accompanying notes forming part of the financial statements

In terms of our report attached

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Jayesh T Thakkar
Partner
Membership No: 113959

Mumbai
25 April 2022

For and on behalf of the Board of Directors of
Mahindra MSTC Recycling Private Limited
CIN No: U37100MH2016PTC288535

Surinder Kumar Gupta
Chairman
DIN: 08643406

Sumit Issar
Director
DIN: 06951249

Satya Prakash Shaw
Chief Financial Officer

Dolly Dhandhresha
Company Secretary

Mumbai
25 April 2022

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH, 2022

Rs. in lakhs

	Particulars	Note No.	For the year ended 31 March, 2022	For the year ended 31 March, 2021
	Revenue from operations	19	**1,665.14**	952.34
	Other income	20	**83.00**	35.39
I	**Total income**		**1,748.14**	987.73
II	**EXPENSES**			
	(a) Cost of materials consumed	21a	**535.08**	198.89
	(b) Changes in inventories of finished goods and work-in-progress	21b	**(82.99)**	(2.79)
	(c) Employee benefits expense	22	**316.63**	288.79
	(d) Finance costs	23	**35.38**	50.81
	(e) Depreciation and amortisation expenses	4 & 5	**332.89**	321.28
	(f) Other expenses	24	**602.17**	297.21
	Total expenses (II)		**1,739.16**	1,154.19
III	**Profit/(loss) before tax (I - II)**		**8.98**	(166.46)
IV	**Tax Expense**			
	(a) Current tax	17	**–**	–
	(b) Deferred tax	18	**(47.59)**	5.63
	Total tax expense		**(47.59)**	5.63
V	**Profit/(loss) after tax (III - IV)**		**56.57**	(172.09)
VI	**Other comprehensive (loss)/income**		**(0.33)**	1.96
(i)	Items that will not be reclassified to profit or loss			
	(a) Remeasurements of the defined benefit liability/(asset)		**0.44**	(2.65)
(ii)	Income tax relating to items that will not be reclassified to profit or loss	18	**(0.11)**	0.69
VII	**Total comprehensive income/(loss) for the year (V + VI)**		**56.24**	(170.13)
	Earnings per equity share (of Rs. 10/- each)	31		
	(a) Basic		**0.12**	(0.46)
	(b) Diluted		**0.12**	(0.46)

See accompanying notes forming part of the financial statements

In terms of our report attached

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Jayesh T Thakkar
Partner
Membership No: 113959

Mumbai
25 April 2022

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Chief Financial Officer

Dolly Dhandhresha
Company Secretary

Mumbai
25 April 2022

STATEMENT OF CHANGES IN EQUITY

A. Equity share capital

For the year ended 31 March, 2022 — Rs. in lakhs

Particulars	As at 31 March, 2022	As at 31 March, 2021
Balance at the beginning of the year	**4,520.00**	3,720.00
Changes in equity share capital during the year	**1,200.00**	800.00
Balance at the end of the year	**5,720.00**	4,520.00

B. Other equity

For the year ended 31 March, 2022 — **Rs. in lakhs**

Particulars	**Retained earnings**	
	As at 31 March, 2022	As at 31 March, 2021
Balance at the beginning of year (A)	**(1,650.65)**	(1,480.52)
Profit/ (loss) for the year (B)	**56.57**	(172.09)
Other comprehensive (loss) / income (net of taxes) (C)	**(0.33)**	1.96
Total comprehensive income/(loss) for the year (D)=(B)+(C)	**56.24**	(170.13)
Balance at the end of year (A)+(D)	**(1,594.41)**	(1,650.65)

See accompanying notes forming part of the financial statements

In terms of our report attached

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Jayesh T Thakkar
Partner
Membership No: 113959

Mumbai
25 April 2022

For and on behalf of the Board of Directors of
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Chief Financial Officer

Dolly Dhandhresha
Company Secretary

Mumbai
25 April 2022

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2022

Rs. in lakhs

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Cash flow from operating activities		
Profit/(loss) before tax for the year	**8.98**	(166.46)
Adjustment for:		
(1) Depreciation and amortisation expenses	**332.89**	321.28
(2) Finance cost	**35.38**	50.81
(3) Interest income	**(68.15)**	(11.54)
(4) Interest on discounting of security deposit measured at FVTPL	**(4.98)**	(4.33)
(5) Lease rent concession (practical expedient)	**–**	(8.17)
	304.12	181.59
Movement in working capital:		
(1) (Increase) in inventories	**(439.84)**	(20.62)
(2) (Increase)/decrease in other assets	**(28.17)**	92.69
(3) Increase in trade payables	**106.01**	44.82
(4) Decrease/ (increase) in trade receivables	**43.47**	(26.15)
(5) Increase / (decrease) in provisions	**7.47**	(7.44)
(6) Increase in other liabilities	**71.13**	22.71
	(239.93)	106.01
Cash generated from operations	**64.19**	287.60
Less: income taxes paid	**(6.05)**	(9.46)
Net cash generated from operating activities	**58.14**	278.14
Cash flow from investment activities		
(1) Payment for property, plant and equipment	**(154.63)**	(33.89)
(2) Bank balances not considered as cash and cash equivalents		
- Placed	**(2,082.00)**	(997.00)
- Matured	**1,127.00**	–
(3) Interest received	**52.98**	7.84
Net cash used in investment activities	**(1,056.65)**	(1,023.05)
Cash flow from financing activities		
(1) Proceeds from issue of equity shares	**1,200.00**	800.00
(2) Repayment of the principal portion of the lease liability	**(159.97)**	(116.74)
(3) Repayment of the interest portion of the lease liability	**(35.38)**	(50.81)
Net cash generated from financing activities	**1,004.65**	632.45
Net increase/(decrease) in cash and cash equivalents	**6.14**	(112.46)
Cash and cash equivalents at the beginning of the year	**288.02**	400.48
Cash and cash equivalents at the end of the year	**294.16**	288.02
Reconciliation of cash and cash equivalents with the balance sheet:		
Cash and cash equivalents as per balance sheet (refer Note no. 10)	**294.16**	288.02
Balance as per statement of cash flows	**294.16**	288.02

Note:

The above Cash Flow Statement has been prepared under the "indirect method" as set out in 'Indian Accounting Standard (Ind AS) 7 - Statement of Cash Flows'.

See accompanying notes forming part of the financial statements

In terms of our report attached

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Jayesh T Thakkar
Partner
Membership No: 113959

Mumbai
25 April 2022

For and on behalf of the Board of Directors of
Mahindra MSTC Recycling Private Limited
CIN No: U37100MH2016PTC288535

Surinder Kumar Gupta
Chairman
DIN: 08643406

Sumit Issar
Director
DIN: 06951249

Satya Prakash Shaw
Chief Financial Officer

Dolly Dhandhresha
Company Secretary

Mumbai
25 April 2022

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022

1 Corporate information

Mahindra MSTC Recycling Private Limited is a private limited company incorporated in Mumbai, India on 16 December, 2016 under the Companies Act 2013. The registered office of the company is located at Mahindra Towers, P. K. Kurne Chowk, Worli, Mumbai - 400018.

The Company's main activity is carrying on the business of setting up, owning, maintenance and operation of shredding plants and facilities for purchase, storage, collection, segregating, processing, recycling and importing of end of life vehicles and end of life white goods and other materials and sale there from of shredded ferrous and non-ferrous metal scrap and all other types of scrap including E-waste scrap, plastics, rubber, spare parts and any other disposable items, within and outside India.

2 Significant accounting policies:

2.1 Statement of Compliance and Basis of preparation and presentation:

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under section 133 of the Companies Act 2013 (the 'Act') and other relevant provisions of the act.

All assets and liabilities are classified as current if it is expected to realise or settle within 12 months after the Balance Sheet date.

The financial statements are presented in Indian Rupees (INR) which is also the Company's functional currency.

The financial statements were approved by the Board of Directors and authorised for issue on April 25, 2022.

2.2 Use of estimates and judgments:

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets, liabilities, income, expenses etc. at the date of these financial statements and the reported amounts of revenues and expenses for the years presented. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed at each balance sheet date. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

2.3 Property, plant & equipment:

Property, plant and equipment are stated at cost of acquisition or construction less accumulated depreciation less accumulated impairment, if any. Cost includes financing cost relating to borrowed funds attributable to the construction or acquisition of qualifying tangible assets upto the date the assets are ready for use. The estimated useful lives, residual values, are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

When an asset is scrapped or otherwise disposed off, the cost and related depreciation are removed from the books of account and resultant profit or loss, if any, is reflected in the Statement of Profit and Loss.

Depreciation is calculated on Straight Line method over the estimated useful life of all assets. These lives are in accordance with Schedule II to the Companies Act, 2013, other than the following asset class based on the Company's expected usage pattern:

(a) Building - over the lease period

(b) Plant & Machinery - 5 to 20 years

(c) Vehicles - 5 years

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet is classified as capital advances and cost of assets not ready for use at the balance sheet date are disclosed under capital work-in-progress.

2.4 Intangible asset:

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses.

Advances paid towards the acquisition of intangible assets outstanding at each balance sheet is classified as capital advances and cost of assets not ready for use at the balance sheet date are disclosed under Intangible asset under development.

2.5 Impairment of assets:

"At the end of each reporting period, the Company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing the value in use, the estimated future cash flows are discounted at their present value using the pre-tax discount rate that reflects current market assessment of time value of money and the risks specific to the assets for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the Statement of Profit and Loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the Statement of Profit and Loss.

2.6 Inventories:

Inventories are valued at the lower of cost (on weighted average basis) and the net realisable value after providing for obsolescence and other losses, where considered necessary.

Cost comprises of all costs of purchase, conversion and other costs incurred in bringing the inventories to their present location and condition.

Net Realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

Work-in-progress and finished goods include appropriate proportion of overheads and, where applicable, taxes.

2.7 Foreign exchange transactions and translations:

Transactions in currencies other than the Company's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in the Statement of Profit and Loss in the period in which they arise except for exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest cost on those foreign currency borrowings.

2.8 Financial assets and Financial liabilities:

Financial instruments:

Financial assets and financial liabilities are recognised when a Company becomes a party to the contractual provisions of the instruments. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the Statement of Profit and Loss.

Financial assets:
All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace. All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Derecognition of financial assets:
The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in the Statement of Profit and Loss if such gain or loss would have otherwise been recognised in the Statement of Profit and Loss on disposal of that financial asset.

Equity instrument:
An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all its liabilities. Equity instrument issued by the Company are recognised at the proceeds received, net of direct issue costs. Repurchase of the Company's own equity instrument is recognised and deducted directly in equity. No gain or loss is recognised in the Statement of Profit and Loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Financial liabilities:
All the financial liabilities are subsequently measured at amortised cost using the effective interest method or at fair value through profit and loss.

Derecognition of financial liabilities:
The Company derecognises financial liabilities when, and only when, the Company's obligation are discharged, cancelled or have expired. An exchange between the lender of debt instrument with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the term of an existing liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the Statement of Profit and Loss.

2.9 Revenue recognition:

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company assesses promises in the contract that are separate performance obligations to which a portion of transaction price is allocated.

Revenue is measured based on the transaction price as specified in the contract with the customer. It excludes taxes or other amounts collected from customers in its capacity as an agent. In determining the transaction price, the Company considers:

Significant financing component - Generally, the Company receives short-term advances from its customers. Using the practical expedient in Ind AS 115, the Company does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be one year or less.

The accounting policies for specific revenue streams of the company is summarised below:

Sale of goods: Customers obtain control of the goods when the goods are delivered to and have been accepted.

Sale of Services: Service income is recognized over time based on as and when service is performed.

Other income:
Interest income is accounted on time proportionate basis.

2.10 Employee benefits:

Retirement benefit costs and termination benefits:

Payment to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the return of plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in the other comprehensive income is reflected immediately in retained earnings and is not reclassified to Statement of profit and loss. Past service cost is recognised in Statement of profit and loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the defined benefit liability or asset. Defined benefit costs are categorised as follows

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- remeasurement

The Company presents the first two components of defined benefit costs in the Statement of Profit and Loss in the line item "Employee benefits expense". Curtailment gains and losses are accounted for as past service cost.

The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

A liability for the termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

Short-term and other long-term employee benefits:
A liability is recognised for benefits accruing to the employees in respect of wages and salaries and annual leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange of that service.

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange of related service.

Liabilities recognized in respect of other long-term employee benefits are measured at present value of the estimated future cash outflows expected to be made by the company in respect of services provided by employee upto the reporting date.

2.11 Borrowing costs:

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognised in the Statement of Profit and Loss in the period in which they are incurred.

2.12 Provisions:

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

Provisions for the expected cost of warranty obligations are recognised at the time of sale of the relevant products, at the best estimate of the expenditure required to settle the Company's obligation.

2.13 Taxes on income:

Income Tax expense represents the sum of the tax currently payable and deferred tax.

Current Tax:
The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred Tax:
Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences could be utilized.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax for the year:
Current and deferred tax are recognized in the Statement of Profit and Loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively.

2.14 Cash and cash equivalents:

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value. Bank overdrafts are shown within borrowings in other financial liabilities.

2.15 Cash Flow Statement:

Cash flows are reported using the indirect method, whereby profit/(loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating investing and financing activities of the Company are segregated based on the available information.

2.16 Earnings per share:

Basic earnings per share is computed by dividing the profit/loss after tax by the weighted average number of equity shares outstanding during the year.

2.17 Leases:

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee:
At commencement or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Company has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The Company presents right-of-use assets that do not meet the definition of investment property in 'property and equipment' and lease liabilities in the statement of financial position.

The Company has elected not to apply the requirements of Ind AS 116 Leases to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

Operating lease payments are recognized as an expense in the Statement of Profit and Loss on a straight-line basis over the term of the relevant lease.

3 Recent pronouncements:

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1st, 2022, as below:

Ind AS 16 – Proceeds before intended use
The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Company does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract
The amendments specify that that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 109 – Annual Improvements to Ind AS (2021)
The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact in its financial statements.

NOTES FORMING PART OF FINANCIAL STATEMENTS

Note No. 4 - Property, plant and equipment

Rs. in lakhs

Description of assets	Building*	Right of use asset (Leasehold land & building)	Plant equipments	Furniture and fixtures	Office equipments	Electrical installations	Vehicles	Computers & data processing units	Total
I. Cost									
Balance as at 1 April, 2021	**292.19**	**576.49**	**1,350.66**	**14.10**	**33.36**	**88.89**	**23.54**	**15.35**	**2,394.58**
Additions during the year	–	267.54	72.39	4.60	2.93	–	–	6.71	354.17
Balance as at 31 March 2022	**292.19**	**844.03**	**1,423.05**	**18.70**	**36.29**	**88.89**	**23.54**	**22.06**	**2,748.75**
II. Accumulated depreciation									
Balance as at 1 April, 2021	**150.66**	**289.40**	**140.01**	**2.12**	**10.60**	**16.77**	**8.14**	**8.45**	**626.15**
Depreciation for the year	73.62	154.78	69.09	1.59	6.62	8.44	4.47	3.34	321.95
Balance as at 31 March 2022	**224.28**	**444.18**	**209.10**	**3.71**	**17.22**	**25.21**	**12.61**	**11.79**	**948.10**
Net carrying amount (I-II)									
Balance as at 31 March 2022	**67.91**	**399.85**	**1,213.95**	**14.99**	**19.07**	**63.68**	**10.93**	**10.27**	**1,800.65**
Balance as at 31 March 2021	141.53	287.09	1,210.65	11.98	22.76	72.12	15.40	6.90	1,768.43
I. Cost									
Balance as at 1 April, 2020	284.47	576.49	1,336.92	11.58	32.12	88.59	23.54	13.97	2,367.68
Additions during the year	7.72	–	13.74	2.52	1.24	0.30	–	1.38	26.90
Balance as at 31 March, 2021	292.19	576.49	1,350.66	14.10	33.36	88.89	23.54	15.35	2,394.58
II. Accumulated depreciation									
Balance as at 1 April, 2020	78.30	144.70	73.30	0.90	4.46	8.34	3.67	5.30	318.97
Depreciation for the year	72.36	144.70	66.71	1.22	6.14	8.43	4.47	3.15	307.18
Balance as at 31 March, 2021	150.66	289.40	140.01	2.12	10.60	16.77	8.14	8.45	626.15
Net carrying amount (I-II)									
Balance as at 31 March, 2021	141.53	287.09	1,210.65	11.98	22.76	72.12	15.40	6.90	1,768.43
Balance as at 31 March, 2020	206.17	431.79	1,263.62	10.68	27.66	80.25	19.87	8.67	2,048.71

* It includes the capital expenditure incurred on leasehold land.

Note No. 5 - Intangible assets

Rs. in lakhs

Description of assets	**Software**	**Website**	**Total**
I. Cost			
Balance as at 1 April, 2021	41.54	3.75	45.29
Additions during the year	11.50	–	11.50
Balance as at 31 March, 2022	**53.04**	**3.75**	**56.79**
II. Accumulated depreciation			
Balance as at 1 April, 2021	31.21	2.92	34.12
Amortisation for the year	10.11	0.83	10.94
Balance as at 31 March 2022	**41.32**	**3.75**	**45.07**
Net carrying amount (I-II)			
Balance as at 31 March 2022	**11.72**	**–**	**11.72**
Balance as at 31 March 2021	10.33	0.83	11.16

Rs. in lakhs

Description of Assets	Software	Website	Total
I. Cost			
Balance as at 1 April, 2020	37.04	3.75	40.79
Additions during the year	4.50	–	4.50
Balance as at 31 March, 2021	41.54	3.75	45.29
II. Accumulated depreciation			
Balance as at 1 April, 2020	18.36	1.67	20.03
Amortisation for the year	12.85	1.25	14.10
Balance as at 31 March, 2021	31.21	2.92	34.12
Net carrying amount (I-II)			
Balance as at 31 March, 2021	10.33	0.83	11.17
Balance as at 31 March, 2020	18.68	2.08	20.76

Note No. 6 - Other financial assets

Rs. in lakhs

Particulars	As at 31 March, 2022			As at 31 March, 2021		
	Current	Non-Current	Total	Current	Non-Current	Total
Financial assets at amortised cost						
Security Deposits						
Unsecured, considered good						
With others	–	**71.71**	**71.71**	0.50	50.96	51.46
Other receivables						
From related parties	**1.48**	–	**1.48**	0.85	–	0.85
From others	**0.15**	–	**0.15**	–	–	–
Interest receivable						
Interest accrued on deposits	**18.66**	–	**18.66**	4.42	–	4.42
Total	**20.29**	**71.71**	**92.00**	5.77	50.96	56.73

Note No. 7 - Other assets

Rs. in lakhs

Particulars	As at 31 March, 2022			As at 31 March, 2021		
	Current	Non-Current	Total	Current	Non-Current	Total
Capital advances	–	**9.90**	**9.90**	–	–	–
Total (A)	–	**9.90**	**9.90**	–	–	–
Advances other than capital advances						
Unsecured, considered good						
(i) Prepayments	**18.71**	**2.86**	**21.57**	4.77	–	4.77
(ii) Income tax assets (net)	–	**29.23**	**29.23**	–	22.25	22.25
(iii) Balances with government authorities (other than income taxes)						–
(a) GST input tax credit	**178.43**	–	**178.43**	192.48	–	192.48
(b) Others	**1.20**	–	**1.20**	1.20	–	1.20
(iv) Other advances						
(a) Advances to suppliers	**13.82**	–	**13.82**	5.35	–	5.35
(b) Advances to employees	**0.90**	–	**0.90**	–	–	–
Total (B)	**213.06**	**32.09**	**245.15**	203.80	22.25	226.05
Total (A + B)	**213.06**	**41.99**	**255.05**	203.80	22.25	226.05

Note No. 8 - Inventories

Rs. in lakhs

Particulars		As at 31 March, 2022	As at 31 March, 2021
(a)	Raw material	**392.85**	37.16
(b)	Work in progress	**2.97**	2.52
(c)	Finished goods	**114.09**	31.55
(d)	Stores and spares	**3.36**	2.20
		513.27	**73.43**

(a) Raw material comprises of End of life Vehicles (ELVs) and industrial scrap. Work in process comprises of hulk dismantled out of ELVs. Finished goods comprises of processed material i.e. steel scrap, accessories (preowned spare parts), etc.

(b) The cost of inventories recognised as an expense during the year in respect of continuing operations was Rs. 452.09 lakhs (2021: Rs 196.10 lakhs)

(c) The cost of inventories recognised as an expense includes (2021: Rs. 0.95 lakhs) in respect of write-downs of inventory to net realisable value.

(d) The mode of valuation of inventories has been stated in Note no. 2.6

Note No. 9 - Trade receivables

Rs. in lakhs

Particulars	As at 31 March, 2022	As at 31 March, 2021
Trade receivables		
Considered good, Unsecured	**3.42**	46.89
Total	**3.42**	46.89

(a) There are no trade receivables which have significant increase in credit risk or are credit impaired.

Trade receivables ageing schedule:

Rs. in lakhs

Particulars	Outstanding for following periods from due date of payment						
	Not due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
As at 31st March, 2022							
Undisputed trade receivables — considered good	–	3.42	–	–	–	–	3.42
Disputed trade receivables — considered good	–	–	–	–	–	–	–
Total trade receivables	–	3.42	–	–	–	–	3.42

Rs. in lakhs

Particulars	Outstanding for following periods from due date of payment						
	Not due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
As at 31st March, 2021							
Undisputed trade receivables — considered good	–	46.89	–	–	–	–	46.89
Disputed trade receivables — considered good	–	–	–	–	–	–	–
Total trade receivables	–	46.89	–		–	–	46.89

Note No. 10 - Cash and bank balances

Rs. in lakhs

Particulars	As at 31 March, 2022	As at 31 March, 2021
(A) Cash and cash equivalents		
(a) Balances with banks		
With scheduled banks		
(i) In Current accounts	**89.16**	39.02
(ii) In Deposit accounts (refer note below)	**205.00**	249.00
Total cash and cash equivalents	**294.16**	288.02

Rs. in lakhs

Particulars	As at 31 March, 2022	As at 31 March, 2021
(B) Other bank balances		
(a) Balances with banks		
With scheduled banks		
(i) In deposit accounts with maturity greater than 3 months but less than 12 months at inception	**1,952.00**	997.00
Total other bank balances	**1,952.00**	997.00

(a) Lien has been created on a fixed deposit of Rs 15 lakhs in favour of banks as a security for their guarantees.

Note No. 11 - Equity share capital

Particulars	As at 31 March, 2022		As at 31 March, 2021	
	Number of shares	Rs. in lakhs	Number of shares	Rs. in lakhs
(a) Authorised				
Equity Shares of Rs.10 each	**6,00,00,000**	**6,000.00**	6,00,00,000	6,000.00
	6,00,00,000	**6,000.00**	6,00,00,000	6,000.00
(b) Issued, subscribed and fully paid up				
Equity Shares of Rs.10 each	**5,72,00,000**	**5,720.00**	4,52,00,000	4,520.00
	5,72,00,000	**5,720.00**	4,52,00,000	4,520.00

(i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the year:

Particulars	As at 31 March, 2022		As at 31 March, 2021	
	Number of shares	Rs. in lakhs	Number of shares	Rs. in lakhs
Equity Shares of Rs. 10 each				
<u>Subscribed and fully paid</u>				
Opening balance	**4,52,00,000**	**4,520.00**	3,72,00,000	3,720.00
Add: Fresh issue	**1,20,00,000**	**1,200.00**	80,00,000	800.00
Closing balance	**5,72,00,000**	**5,720.00**	4,52,00,000	4,520.00

(ii) The Company has not allotted any equity shares for consideration other than cash, bonus shares, nor have any shares been bought back since its incorporation (i.e. 16 December, 2016).

Terms and rights attached to equity shares

The Company has only one class of equity share having a par value of Rs. 10/- per share. Each shareholder has the following voting rights (i) On a show of hands: one vote for a member present in person and (ii) On a poll: in proportion to his share in the paid up equity share capital of the Company. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing annual general meeting, except in case of interim dividend. In the event of winding up, the liquidator may, with the sanction of a special resolution of the Company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the company, whether they shall consist of property of the same kind or not.

As laid down in Articles of Association of the Company, there is a restriction on transfer of Company's shares for a lock-in period of 3 years from the date of issue of share certificate(s) of the Memorandum of Association, during which period Shares of the Company cannot be transferred by the Parties. After the expiry of the Lock-in Period, the shareholders may transfer the shares in accordance with the provisions of the Articles of Association.

(iii) Details of shares held by the holding company:

Particulars	As at 31 March, 2022	As at 31 March, 2021
	Number of shares	Number of shares
Mahindra Intertrade Limited, the holding company	**2,86,00,000**	2,26,00,000

(iv) Details of shares held by each shareholder holding more than 5% shares:

Particulars	As at 31 March, 2022		As at 31 March, 2021	
	Number of shares	% of holding	Number of shares	% of holding
Mahindra Intertrade Limited	**2,86,00,000**	**50.00%**	2,26,00,000	50.00%
MSTC Limited	**2,86,00,000**	**50.00%**	2,26,00,000	50.00%

Note No. 12 - Other equity

Rs. in lakhs

Particulars	Retained earnings As at 31 March, 2022	As at 31 March, 2021
Balance at the beginning of year (A)	**(1,650.65)**	(1,480.52)
Profit / (loss) for the year (B)	**56.57**	(172.09)
Other comprehensive (loss) / income (net of taxes) (C)	**(0.33)**	1.96
Total comprehensive income/(loss) for the year (D)=(B)+(C)	**56.24**	(170.13)
Balance at the end of year (A)+(D)	**(1,594.41)**	(1,650.65)

Note No. 13 - Provisions

Rs. in lakhs

Particulars	As at 31 March, 2022			As at 31 March, 2021		
	Current	Non-Current	Total	Current	Non-Current	Total
Provision for employee benefits						
Long-term employee benefits						
(i) Provision for gratuity	–	**2.15**	**2.15**	–	0.34	0.34
(ii) Provision for compensated absences	**3.96**	**25.74**	**29.70**	3.06	21.57	24.63
(iii) Provision for post retirement medical benefit	–	**5.24**	**5.24**	–	4.22	4.22
Total	**3.96**	**33.13**	**37.09**	3.06	26.13	29.19

Note:

The provision for employee benefits includes privileged leave entitlements accrued. The increase in the carrying amount of the provision for the current year results from accrual of the privileged leave entitlements for the current year. For other disclosures, refer note 25.

Note No. 14 - Trade payables

Rs. in lakhs

Particulars	As at 31 March, 2022	As at 31 March, 2021
Trade payables for goods and services		
(a) Micro enterprises and small enterprises	**1.30**	3.17
(b) Other than micro enterprises and small enterprises	**205.45**	97.57
Total	**206.75**	100.74

Note: Dues of micro, small and medium enterprises

Rs. in lakhs

Particulars	As at 31 March, 2022	As at 31 March, 2021
The amounts remaining unpaid to micro and small suppliers as at the end of the year		
Principal	**1.30**	3.17
Interest due thereon	–	–
The amounts of the payments made to micro and small suppliers beyond the appointed day during each accounting year	–	–
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006	–	–
The amount of interest accrued and remaining unpaid at the end of each accounting year.	–	–
The amount of further interest remaining due and payable even in the succeeding years until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under the MSMED Act, 2006	–	–

Dues of micro and small enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management. This has been relied upon by the auditors.

Trade payables ageing schedule:

Rs. in lakhs

Particulars	Not due	less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	Total
As at March 31, 2022						
Trade payables — MSME	–	1.30	–	–	–	1.30
Trade payables — Others	47.12	158.33	–	–	–	205.45
Total trade payables	**47.12**	**159.63**	–	–	–	**206.75**
As at March 31, 2021						
Trade payables — MSME	–	3.17	–	–	–	3.17
Trade payables — Others	21.63	75.94	–	–	–	97.57
Total trade payables	**21.63**	**79.11**	–	–	–	**100.74**

Note No. 15 - Other financial liabilities

Rs. in lakhs

Particulars	As at 31 March, 2022	As at 31 March, 2021
Other Financial Liabilities Measured at Amortised Cost		
(a) Other liabilities		
(i) Creditors for capital supplies/services	**14.48**	0.90
(ii) Employee related liabilities	**74.28**	44.89
Total	**88.76**	45.79

Note No. 16 - Other current liabilities

Rs. in lakhs

Particulars	As at 31 March, 2022	As at 31 March, 2021
(a) Others		
(i) Employee recoveries and employer contributions	**2.99**	2.15
(ii) Statutory dues payable	**12.42**	4.53
(iii) GST payable	**8.98**	0.77
(iv) Dealers deposit	**0.13**	4.01
(v) Advance received from customers	**70.51**	41.83
(vi) Defined contribution plan assets payable in respect of employees transferred from the company	**1.25**	1.25
Total	**96.28**	54.54

Note No. 17 - Current tax

(a) Income tax recognised in statement of profit and loss

Rs. in lakhs

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Current tax:		
In respect of current year	–	–
Deferred tax:		
In respect of taxable temporary differences	**5.16**	–
In respect of deductible temporary differences	**(52.75)**	5.63
	(47.59)	5.63
Total	**(47.59)**	5.63

(b) Income Tax recognised in other comprehensive income

Rs. in lakhs

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Deferred tax related to items recognised in other comprehensive income		
Remeasurement of defined obligations	**(0.11)**	0.69
Total	**(0.11)**	0.69
Bifurcation of income tax recognised in other comprehensive income into:		
– Items that will not be reclassified to profit and loss	**(0.11)**	0.69
Total	**(0.11)**	0.69

(c) Reconciliation of income tax expense and the accounting profit multiplied by Company's domestic tax rate:

Rs. in lakhs

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Profit/(loss) before tax	**8.98**	(166.46)
Income tax expense calculated at 26% (2021: 26%)	**2.33**	(43.28)
Effect of expenses that are non - deductible in determining taxable profit	**(0.82)**	–
Effect of unused tax losses for which no deferred tax asset is recognised	–	50.77
Effect of unused tax losses for which deferred tax asset is recognised to the extent of deferred tax liability	**(48.88)**	–
Others	**(0.22)**	(1.86)
Income tax expense recognised in statement of profit and loss	**(47.59)**	5.63

Note:

The tax rate used for the year ended 31 March, 2022 and 31 March 2021 reconciliations above is the corporate tax rate of 26% (including Health and Education cess of 4% respectively) payable by corporate entities in India on taxable profits under Indian Income Tax Laws.

Note No. 18 - Deferred tax

Rs. in lakhs

Particulars	For the year ended 31 March, 2022 Opening Balance	Recognised in the Statement of Profit and Loss	Recognised in Other Comprehensive Income (OCI)	Closing Balance
Tax effect of items constituting deferred tax liabilities				
Property, plant and equipment	**61.57**	**5.16**	**–**	**66.73**
Tax effect of items constituting deferred tax assets				
Employee benefits	**(6.41)**	**(1.20)**	**(0.11)**	**(7.72)**
Preliminary expenses	**(6.09)**	**3.04**	**–**	**(3.05)**
Carry forward tax losses to the extent of balance in deferred tax liabilities	**–**	**(52.36)**	**–**	**(52.36)**
Others	**(1.37)**	**(2.24)**	**–**	**(3.61)**
Net deferred tax liabilities/ (assets)	**47.70**	**(47.59)**	**(0.11)**	**–**

Rs. in lakhs

Particulars	For the Year ended 31 March, 2021 Opening Balance	Recognised in the Statement of Profit and Loss	Recognised in Other Comprehensive Income (OCI)	Closing Balance
Tax effect of items constituting deferred tax liabilities				
Property, Plant and Equipment	59.09	2.48	–	61.57
Tax effect of items constituting deferred tax assets				
Employee benefits	(8.51)	1.41	0.69	(6.41)
Preliminary expenses	(9.13)	3.04	–	(6.09)
Others	(0.07)	(1.30)	–	(1.37)
Net deferred tax liabilities	41.38	5.63	0.69	47.70

Amounts on which deferred tax asset has not been created:

Deferred tax asset have not been recognised in respect of following items, because it is not probable that future taxable profits will be available on which the Company can use the benefit therefrom:

Rs. in lakhs

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Unused tax losses (revenue in nature) [see expiry years in note below]	**959.69**	1,147.69
Unused depreciation losses (will never expire)	**848.51**	660.70
Total	**1,808.20**	1,808.39

Note: The unreognised tax losses carried forward will expire as follows:

Rs. in lakhs

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Assessment years		
2027-28	**169.05**	370.43
2028-29	**582.49**	582.49
2029-30	**194.77**	194.77
2030-31	**13.38**	–
Total	**959.69**	1,147.69

Note No. 19 - Revenue from operations

Rs. in lakhs

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Revenue from contracts with customers:		
Sale of goods (refer Note below)	**1,643.22**	857.71
Sale of services (refer Note below)	**21.92**	94.63
Total	**1,665.14**	952.34

(a) Revenue from sale of goods mainly comprises of sale of processed material i.e. steel scrap, accessories (preowned spare parts), processed industrial scrap, etc.

(b) The management determines that the segment information reported under Note No. 29 - Segment information is sufficient to meet the disclosure objective with respect to disaggregation of revenue under Ind AS 115 Revenue from contract with Customers. Hence, no separate disclosures of disaggregated revenues are reported.

Note No. 20 - Other income

Rs. in lakhs

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
(a) Interest Income:		
On fixed deposits with banks	**67.22**	11.43
Others	**0.93**	0.11
(b) Interest on discounting of security deposit measured at FVTPL	**4.98**	4.33
(c) Lease rent concession (practical expedient)	–	8.17
(d) Insurance claim received	–	0.55
(e) Other income including earnest money deposit forfeited	**9.87**	10.80
Total	**83.00**	35.39

Note No 21(a) - Cost of materials consumed

Rs. in lakhs

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Opening stock	**37.16**	18.72
Add: Purchases	**890.77**	217.33
	927.93	236.05
Less: Closing stock	**(392.85)**	(37.16)
Total cost of materials consumed	**535.08**	198.89

Note No 21(b) - Change in inventories of finished goods and work in progress

Rs. in lakhs

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Inventories at the end of the year:		
Finished goods	**114.09**	31.55
Work-in-progress	**2.97**	2.52
	117.06	34.07
Inventories at the beginning of the year:		
Finished goods	**31.55**	26.03
Work-in-progress	**2.52**	5.25
	34.07	31.28
Net (increase)	**(82.99)**	(2.79)

Note No. 22 - Employee benefits expenses

Rs. in lakhs

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
(a) Salaries and wages	**277.34**	262.10
(b) Contribution to provident and other funds	**17.67**	17.35
(c) Post retirement medical benefit expenses	**1.02**	0.64
(d) Staff welfare expenses	**20.60**	8.70
Total	**316.63**	288.79

Note No. 23 - Finance cost

Rs. in lakhs

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Interest expense on		
(a) Unwinding of discount on lease liabilities	**35.38**	50.81
Total	**35.38**	50.81

Analysis of interest expense by category

Rs. in lakhs

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Interest Expense		
(a) On financial liabilities at amortised cost	**35.38**	50.81
Total	**35.38**	50.81

Note No. 24 - Other expenses

Rs. in lakhs

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
(a) Power and fuel	**16.55**	15.61
(b) Rates and taxes	**7.06**	3.27
(c) Security expenses	**33.30**	30.18
(d) Insurance charges	**2.77**	1.57
(e) Repairs and maintenance - others	**15.50**	7.11
(f) Rent expenses	**2.34**	3.71
(g) Freight and handling charges	**67.12**	46.44
(h) Advertisement expenses	**38.99**	0.61
(i) Auditors' remuneration (refer Note below)	**9.75**	9.25
(j) Directors' fees	**4.40**	4.80
(k) Printing and stationery	**2.97**	1.62
(l) Legal and professional expenses	**202.09**	55.46
(m) Subcontracting and hire charges	**124.78**	72.45
(n) Travelling expenses	**17.53**	4.39
(o) Other general expenses	**57.02**	40.74
Total	**602.17**	297.21

Note

Rs. in lakhs

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Payment to Statutory Auditors (excluding GST)		
(a) For audit	**3.75**	3.25
(b) For other services	**6.00**	6.00
	9.75	9.25

Note No. 25 - Employee benefits

(a) Defined contribution plan:

The Company has recognized, in the statement of profit and loss for the year ended, an amount of Rs 13.18 lakhs (2021: 10.78 lakhs) pertaining to defined contribution plans.

Rs. in lakhs

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Provident Fund	**7.28**	6.87
Pension Fund	**5.90**	3.91
Total	**13.18**	10.78

(b) Defined benefit plan:

(i) GRATUITY

The Company operates a gratuity plan covering qualifying employees. The benefit payable is the greater of the amount calculated as per the Payment of Gratuity Act, 1972 or the Company scheme applicable to the employees. The benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. In case of death while in service, the gratuity is payable irrespective of vesting.

Nature of benefits:

The gratuity benefits payable to the employees are based on the employee's service and last drawn salary at the time of leaving. The employees do not contribute towards this plan and the full cost of providing these benefits are met by the Company.

Regulatory framework:

There are no minimum funding requirements for a gratuity plan in India. The trustees of the gratuity fund have a fiduciary responsibility to act according to the provisions of the trust deed and rules. Since the fund is income tax approved, the Company and the trustees have to ensure that they are at all times fully compliant with the relevant provisions of the income tax and rules. Besides this if the Company is covered by the Payment of Gratuity Act, 1972 then the Company is bound to pay the statutory minimum gratuity as prescribed under this Act.

Governance of plan:

The Company has setup an income tax approved irrevocable trust fund to finance the plan liability. The trustees of the trust fund are responsible for the overall governance of the plan. The plan is funded under Group Gratuity Scheme which is administered by LIC. The Company makes annual contribution to the plan.

Inherent risk

The plan is of a final salary defined benefit in nature which is sponsored by the Company and hence it underwrites all the risks pertaining to the plan. In particular, there is a risk for the Company that any adverse salary growth or demographic experience or inadequate returns on underlying plan assets can result in an increase in cost of providing these benefits to employees in future. Since the benefits are lump sum in nature the plan is not subject to any longevity risks.

(ii) POST RETIREMENT MEDICAL BENEFITS

The Company provides post retirement medical cover to select grade of employees to cover the retiring employee and their spouse upto a specified age through mediclaim policy on which the premiums are paid by the Company. The eligibility of the employee for the benefit as well as the amount of medical cover purchased is determined by the grade of the employee at the time of retirement.

Nature of benefits:

The Company operates a defined benefit post-retirement medical plan. The benefits payable to the employees are post their retirement from the Company. The employees do not contribute towards this plan and the full cost of providing these benefits are met by the Company.

Regulatory framework:

There are no minimum funding requirements for such a post-retirement medical plan in India. The Company has chosen not to fund the post-retirement benefit liabilities of the plan but instead carry a provision based on actuarial valuation in its books of accounts.

Governance of plan:

The Company is responsible for the overall governance of the plan. Since the plan is unfunded, the governance of the plan is limited to employees being paid the benefits as per the terms of the plan.

Inherent risk:

The plan is of a defined benefit in nature which is sponsored by the Company and hence it underwrites all the risks pertaining to the plan. In particular, there is a risk for the Company that any adverse increase in healthcare costs or demographic experience can result in an increase in cost of providing these benefits to employees in future. The benefits are also paid post retirement upto a specified age of the beneficiary and plan carries the longevity risks.

Life expectancy:

The majority of the plan's obligations are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the plan's liabilities. This is particularly significant in the Company's defined benefit plans, where inflationary increases result in higher sensitivity to changes in life expectancy.

Note No. 25 - Employee benefits
Defined benefit plans – as per actuarial valuation as on 31 March, 2022

Particulars				Rs. in lakhs
	Funded Plan	**Unfunded Plan**	Funded Plan	Unfunded Plan
	Gratuity	**Post retirement medical benefit**	Gratuity	Post retirement medical benefit
	31 March, 2022	**31 March, 2022**	31 March, 2021	31 March, 2021
(i). Expense recognised in the statement of profit and loss for the year ended:				
1. Current service cost	**4.23**	**0.57**	4.20	0.87
2. Interest on net defined benefit (asset)/liability	**(0.04)**	**0.27**	0.38	0.23
	4.19	**0.84**	4.58	1.10
(ii). Included in other comprehensive income				
1. Return on assets less interest on assets	**(0.12)**	–	(0.61)	–
2. Actuarial (Gain)/Loss on account of:	–	–	–	–
– Financial assumptions	**1.60**	**(0.31)**	(0.11)	(0.04)
– Experience adjustments	**(1.22)**	**0.49**	(1.47)	(0.42)
– Demographic assumptions	–	–	–	–
	0.26	**0.18**	(2.19)	(0.46)
(iii). Net asset/(liability) recognised in the balance sheet as at 31 March				
1. Present value of defined benefit obligation as at 31 March	**32.22**	**5.24**	25.97	4.22
2. Fair value of plan assets as at 31 March	**30.07**	–	25.63	–
3. (Deficit)	**(2.15)**	**(5.24)**	(0.34)	(4.22)
4. Current portion of the above	–	–	–	–
5. Non current portion of the above	**(2.15)**	**(5.24)**	(0.34)	(4.22)
(iv). Change in the obligation during the year ended				
1. Present value of defined benefit obligation at the beginning of the year	**25.97**	**4.22**	23.87	3.60
2. Add/(Less) on account of Scheme of Arrangement/Business transfer	–	–	–	–
3. Expenses recognised in statement of profit and loss account				
– Current service Cost	**4.23**	**0.57**	4.20	0.87
– Interest expense (Income)	**1.64**	**0.27**	1.50	0.23

Particulars	Rs. in lakhs			
	Funded Plan	**Unfunded Plan**	Funded Plan	Unfunded Plan
	Gratuity	**Post retirement medical benefit**	Gratuity	Post retirement medical benefit
	31 March, 2022	**31 March, 2022**	31 March, 2021	31 March, 2021
4. Recognised in other comprehensive income				
Remeasurement gains / (losses)				
– Actuarial gain (loss) arising from:				
i. Demographic assumptions	–	–	–	–
ii. Financial assumptions	**1.60**	**(0.31)**	(0.11)	(0.04)
iii. Experience adjustments	**(1.22)**	**0.49**	(1.47)	(0.42)
5. Benefit payments	–	–	(1.67)	–
6. Impact of liability assumed or (settled)	–	–	(0.35)	(0.02)
7. Present value of defined benefit obligation at the end of the year	**32.22**	**5.24**	25.97	4.22
(v). Change in fair value of assets during the year ended				
1. Fair value of plan assets at the beginning of the year	**25.63**	–	17.31	–
2. Expenses recognised in statement of profit and loss account				
– Interest on plan assets	**1.68**	–	1.13	–
3. Recognised in other comprehensive income				
Remeasurement gains / (losses)				
– Actual return on plan assets in excess of the expected return	**0.12**	–	0.61	–
– Others (specify)	–	–	–	–
4. Contributions by employer (including benefit payments recoverable)	**2.64**	–	1.67	–
5. Benefit payments	–	–	(1.67)	–
6. Assets acquired/(settled)	–	–	6.58	–
7. Fair value of plan assets at the end of the year	**30.07**	–	25.63	–
(vi). The major categories of plan assets				
– List the plan assets by category here				
– Insurer managed funds	**30.07**	–	25.63	–
(vii). Actuarial assumptions				
1. Discount rate	**6.90%**	**6.90%**	6.55%	6.50%
2. Attrition rate	**8.00%**	**8.00%**	8.00%	8.00%
3. Medical premium inflation	–	**6.00%**	–	6.00%
4. Rate of increase in compensation levels	**8.00%**	–	7.00%	–
5. Mortality table	**IALM(2012-14)**	**IALM(2012-14)**	IALM(2012-14)	IALM(2012-14)

The estimate of future salary increases, considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

(viii) Sensitivity analysis:

Gratuity

Gratuity is a lump sum plan and the cost of providing these benefits is typically less sensitive to small changes in demographic assumptions. The key aerial assumptions to which the benefit obligation results are particularly sensitive to are discount rate and future salary escalation rate. The following table summarizes the impact on the reported defined benefit obligation at the end of the reporting period arising on account of an increase or decrease in the reported assumption by 100 basis points.

These sensitivities have been calculated to show the movement in defined benefit obligation in isolation and assuming there are no other changes in market conditions at the accounting date. There have been no changes from the previous periods in the methods and assumptions used in preparing the sensitivity analysis.

The sensitivity of the gratuity benefits to changes in the weighted principal assumptions is:

Rs. in lakhs

Principal assumption	Year	Changes in assumption	Impact on defined benefit obligation	
			Increase in assumption	Decrease in assumption
Discount rate	**31 March, 2022**	1%	29.79	34.99
	31 March, 2021	1%	23.97	28.25
Salary growth rate	**31 March, 2022**	1%	34.94	29.79
	31 March, 2021	1%	28.21	23.96

Post retirement medical benefits

The benefit obligation results for the cost of paying future hospitalization premiums to insurance company in future for the employee / beneficiaries during their lifetime is sensitive to discount rate and future increase in healthcare costs. The following table summarizes the impact on the reported defined benefit obligation at the end of the reporting period arising on account changes in these three key parameters:

These sensitivities have been calculated to show the movement in defined benefit obligation in isolation and assuming there are no other changes in market conditions at the accounting date. There have been no changes from the previous periods in the methods and assumptions used in preparing the sensitivity analysis.

The sensitivity of the post retirement medical benefit obligation to changes in the weighted principal assumptions is:

Rs. in lakhs

Principal assumption	Year	Changes in assumption	Impact on defined benefit obligation	
			Increase in assumption	Decrease in assumption
Discount rate	31 March, 2022	1%	4.47	6.19
	31 March, 2021	1%	3.55	5.05
Medical inflation rate	31 March, 2022	1%	6.19	4.46
	31 March, 2021	1%	5.04	3.54

(ix) Expected contributions for the next year:

The expected contribution payable to the plan next year is Rs. 5 lakhs.

(x) Maturity profile:

Gratuity — Rs. in lakhs

Maturity profile of defined benefit obligation:	31 March, 2022	31 March, 2021
Within 1 year	**2.34**	1.95
1 - 2 year	**2.36**	2.01
2 - 3 year	**2.60**	2.01
3 - 4 year	**2.60**	2.13
4 - 5 year	**2.63**	2.09
5 - 10 years	**19.15**	15.92
More than 10 years	**31.51**	23.26

Post retirement medical benefits — Rs. in lakhs

Maturity profile of defined benefit obligation:	31 March, 2022	31 March, 2021
Within 1 year	–	–
1 - 2 year	–	–
2 - 3 year	–	–
3 - 4 year	–	–
4 - 5 year	–	–
5 - 10 years	**0.54**	0.12
More than 10 years	**18.08**	15.19

Note No. 26 - Related party transactions

Related party transactions as required by IND AS 24 “Related Party Disclosures” are given below.

(A) List of related parties:

Ultimate Holding Company	Mahindra & Mahindra Limited (M&M)
Holding Company	Mahindra Intertrade Limited (MIL)
Other parties with whom transactions have taken place during the year	
(i) Fellow Subsidiaries	Mahindra Integrated Business Solutions Private Limited (MIBS) Mahindra Steel Service Centre Limited (MSSCL) Mahindra Auto Steel Private Limited (MASPL) Mahindra Logistics Limited (MLL) Mahindra Firct Choice Wheels Limited (MFCWL) Mahindra Engineering and Chemical Products Limited (MECP) - merged with M&M w.e.f. 1st April, 2021
(ii) Companies having significant influence	MSTC Limited (MSTC)
(iii) Key Managerial Personnel (KMP)	Mr. Ashish Bhagra, Chief Operating Officer and Manager Mr. P. R. Barpande (Independent Director - till 31st March, 2022) Mr. Bansh Bahadur Singh (Independent Director - till 30th September, 2021) Mr. Duraiswamy Subramaniam Ramadorai (Independent Director - appointed w.e.f. 21st December, 2021)

(B) Disclosure of transactions (net of duties and taxes) between the Company and related parties during the financial year ended 31 March, 2022:

Rs. in lakhs

	Ultimate Holding Company		Holding Company		A Company having significant influence		Fellow Subsidiary	
	M&M		MIL		MSTC		MIBS	
	31 March, 2022	31 March, 2021	31 March, 2022	31 March, 2021	31 March, 2022	31 March, 2021	31 March, 2022	31 March, 2021
Issue of equity share capital	–	–	**600.00**	400.00	**600.00**	400.00	–	–
Purchase of property, plant and equipment	**158.60**	39.82	–	–	–	–	–	–
Rent paid	**1.98**	3.71	–	–	–	–	–	–
Reimbursement made to related parties	**25.37**	19.47	**4.84**	18.15	–	6.57	–	–
Reimbursement received from related parties	–	–	**0.97**	8.25	**6.00**	6.00	–	–
Legal and professional expenses	**1.00**	1.00	–	–	**8.18**	1.38	–	–
Services rendered	–	0.77	–	–	–	–	–	–
Deputation of key managerial personnel from related parties	–	–	–	–	**24.24**	9.97	–	–
Deputation of personnel from related parties	–	–	**37.11**	–	–	–	–	–
Other expenses	**2.18**	–	–	–	–	–	–	–
Payroll processing fees	–	–	–	–	–	–	**0.99**	0.90
Business support (manpower arrangement) charges	–	–	–	–	–	–	**40.04**	9.26

(C) Outstanding receivable from and payable to related parties **Rs. in lakhs**

	Ultimate Holding Company		Holding Company		A Company having significant influence		Fellow Subsidiary	
	M&M		MIL		MSTC		MIBS	
	31 March, 2022	31 March, 2021	31 March, 2022	31 March, 2021	31 March, 2022	31 March, 2021	31 March, 2022	31 March, 2021
Outstanding receivable	–	–	**0.60**	–	–	–	–	–
Outstanding payable	**62.18**	29.39	**11.13**	–	**2.22**	2.49	**8.16**	1.46

Note No. 26 - Related party transactions (Contd...)

Rs. in lakhs

	Fellow Subsidiary MSSCL		Fellow Subsidiary MASPL		Fellow Subsidiary MECP		Fellow Subsidiary MLL		Fellow Subsidiary MFCWL	
	31 March, 2022	31 March, 2021	**31 March, 2022**	31 March, 2021	**31 March, 2022**	31 March, 2021	**31 March, 2022**	31 March, 2021	**31 March, 2022**	31 March, 2021
Reimbursement received from related parties	**7.73**	7.39	**0.04**	–	–	–	–	–	–	–
Reimbursement made to related parties	**1.15**	1.25	–	–	–	–	–	–	–	–
Deputation of personnel from related parties	–	–	**13.05**	–	–	–	–	–	–	–
Other expenses	**0.01**	0.09	–	–	–	1.11	**8.70**	0.90	**19.30**	2.20
Freight charges paid	–	–	–	–	–	–	**29.56**	16.20	–	–

Rs. in lakhs

	Fellow Subsidiary MSSCL		Fellow Subsidiary MASPL		Fellow Subsidiary MECP		Fellow Subsidiary MLL		Fellow Subsidiary MFCWL	
	31 March, 2022	31 March, 2021	**31 March, 2022**	31 March, 2021	**31 March, 2022**	31 March, 2021	**31 March, 2022**	31 March, 2021	**31 March, 2022**	31 March, 2021
Outstanding receivable	**0.88**	0.85	–	–	–	–	–	–	–	–
Outstanding payable	**0.20**	0.11	**2.26**	–	–	0.77	**16.32**	10.27	**21.50**	2.20

Rs. in lakhs

	KMP Mr. Ashish Bhagra		KMP Mr. P R Barpande		KMP Mr. Bansh Bahadur Singh		KMP Mr. Duraiswamy Subramaniam Ramadorai	
	31 March, 2022	31 March, 2021	**31 March, 2022**	31 March, 2021	**31 March, 2022**	31 March, 2021	**31 March, 2022**	31 March, 2021
Sitting fees paid	–	–	**2.40**	2.40	**1.00**	2.40	**1.00**	–
Managerial remuneration paid	**55.30**	49.96	–	–	–	–	–	–

Note:

1. The sales/provision of services to and purchases/provision of services from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables.

Note No. 27 - Financial instruments

[I] Capital management

The company's capital management objectives are:

- to ensure the company's ability to continue as a going concern
- to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

The capital structure of the Company consists of total equity of the Company.

The Company monitors capital on the basis of the carrying amount of equity less cash and bank balances as presented on the face of the statement of financial position.

The company sets the amount of capital in proportion to its overall financing structure, i.e. equity and financial liabilities. The company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

Rs. in lakhs

	31 March, 2022	31 March, 2021
Equity	**4,125.59**	2,869.35
Less:- Cash and bank balances	**(2,246.16)**	(1,285.02)
	1,879.43	1,584.33

[II] Financial risk management framework

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk. In order to manage the aforementioned risks, the Company operates a risk management policy and a program that performs close monitoring of and responding to each risk factors.

(A) CREDIT RISK

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument leading to a financial loss. The Company is exposed to credit risk from its operating activities and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

Trade and other receivables

As at 31 March 2022, the Company had receivables majorly from a single customer. The Company does not expect any credit loss.

Financial instruments and cash deposits:

Credit risk from balances with banks and financial institutions is managed by the Company in accordance with the Company's policy. Investments of surplus funds are made only with banks and within credit limits assigned to each counterparty.

(B) LIQUIDITY RISK

(i) Liquidity risk management

The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

(ii) Maturities of financial liabilities

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The amount disclosed in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows.

Rs. in lakhs

	Less than 1 Year	1-3 Years	3-5 Years	5 Years and above	Total	Carrying amount
Non-derivative financial liabilities						
31 March 2022						
Non-interest bearing	**295.51**	–	–	–	**295.51**	**295.51**
Fixed interest rate instruments	**140.96**	**111.15**	**86.07**	**83.39**	**421.57**	**421.57**
Total	**436.47**	**111.15**	**86.07**	**83.39**	**717.08**	**717.08**
31 March 2021						
Non-interest bearing	146.53	–	–	–	146.53	146.53
Fixed interest rate instruments	152.54	172.36	–	–	324.90	324.90
Total	299.07	172.36	–	–	471.43	471.43

(iii) Maturities of financial assets

The following table details the Company's expected maturity for its non-derivative financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Company's liquidity risk management as the liquidity is managed on a net asset and liability basis.

Rs. in lakhs

	Less than 1 Year	1-3 Years	3-4 Years	5 Years and above	Total	Carrying value
Non-derivative financial assets						
31 March 2022						
Non-interest bearing	**112.87**	**8.46**	–	–	**121.33**	**121.33**
Fixed interest rate instruments	**2,157.00**	**47.32**	–	**15.93**	**2,220.25**	**2,220.25**
Total	**2,269.87**	**55.78**	–	**15.93**	**2,341.58**	**2,341.58**
31 March 2021						
Non-interest bearing	91.68	–	50.96	–	142.64	142.64
Fixed interest rate instruments	1,246.00	–	–	–	1,246.00	1,246.00
Total	1,337.68	–	50.96	–	1,388.64	1,388.64

(iv) Financing arrangements

The Company had access to following undrawn borrowing facilities at the end of the reporting period:

Rs. in lakhs

	31 March, 2022	31 March, 2021
Working Capital Non-Fund Based facility: (LC, BG, LUT, LER)		
Expiring beyond one year (unsecured)	**30.00**	10.00

(C) MARKET RISK

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. All such transactions are carried out within the guidelines set by the Board of Directors.

Note No. 28 - Fair value measurement

Fair Valuation Techniques and Inputs used.

This section explains the judgment and estimates made in determining the fair value of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair value are disclosed in financials statements. To provide an indication about the reliability of the inputs used in determining the fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standards.

Level 1 inputs

Level 1 inputs are quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date. A quoted market price in an active market provides the most reliable evidence of fair value and is used without adjustment to measure fair value whenever available, with limited exceptions. If an entity holds a position in a single asset or liability and the asset or liability is traded in an active market, the fair value of the asset or liability is measured within Level 1 as the product of the quoted price for the individual asset or liability and the quantity held by the entity, even if the market's normal daily trading volume is not sufficient to absorb the quantity held and placing orders to sell the position in a single transaction might affect the quoted price.

Level 2 inputs

Level 2 inputs are inputs other than quoted market prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 2 inputs include:

- quoted prices for similar assets or liabilities in active markets
- quoted prices for identical or similar assets or liabilities in markets that are not active
- inputs other than quoted prices that are observable for the asset or liability, for example-interest rates and yield curves observable at commonly quoted interval
- implied volatilities
- credit spreads
- inputs that are derived principally from or corroborated by observable market data by correlation or other means ('market-corroborated inputs')

Level 3 inputs

Level 3 inputs are unobservable inputs for the asset or liability. Unobservable inputs are used to measure fair value to the extent that relevant observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date. An entity develops unobservable inputs using the best information available in the circumstances, which might include the entity's own data, taking into account all information about market participant assumptions that is reasonably available.

Rs. in lakhs

Financial assets/financial liabilities	Fair value hierarchy as at 31 March 2022			
	Level 1	Level 2	Level 3	Total
Financial assets				
Financial assets carried at Amortised Cost				
– cash and cash equivalents	–	**294.16**	–	**294.16**
– other bank balances	–	**1,952.00**	–	**1,952.00**
– trade receivables	–	**3.42**	–	**3.42**
– other receivables	–	**1.63**	–	**1.63**
– security deposits	–	**71.71**	–	**71.71**
– Interest receivable	–	**18.66**	–	**18.66**
Total	–	**2,341.58**	–	**2,341.58**
Financial liabilities				
Financial liabilities held at amortised cost				
– trade payables	–	**206.75**	–	**206.75**
– lease liability	–	**421.57**	–	**421.57**
– creditors for capital supplies/ services	–	**14.48**		**14.48**
– employee related liabilities	–	**74.28**	–	**74.28**
Total	–	**717.08**	–	**717.08**

Rs. in lakhs

Financial assets/ financial liabilities	Fair value hierarchy as at 31 March 2021			
	Level 1	Level 2	Level 3	Total
Financial assets				
Financial assets carried at Amortised Cost				
– cash and cash equivalents	–	288.02	–	288.02
– other bank balances		997.00		997.00
– trade receivables	–	46.89	–	46.89
– other receivables	–	0.85	–	0.85
– security deposits	–	51.46	–	51.46
– Interest receivable	–	4.42	–	4.42
Total	–	1,388.64	–	1,388.64

Rs. in lakhs

Financial assets/ financial liabilities	Fair value hierarchy as at 31 March 2021			
	Level 1	Level 2	Level 3	Total
Financial liabilities				
Financial liabilities held at amortised cost				
– trade payables	–	100.74	–	100.74
– lease liability	–	324.90	–	324.90
– creditors for capital supplies/ services	–	0.90	–	0.90
– employee related liabilities	–	44.89	–	44.89
Total	–	471.43	–	471.43

The fair values of the financial assets and financial liabilities included in the level 2 categories above have been determined in accordance with generally accepted pricing models based on a discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the credit risk of counterparties.

Fair value of financial assets and financial liabilities that are not measured at fair value

The Company considers that the carrying amount of financial assets and financial liabilities recognised in financial statements approximates their fair value.

Note No. 29 – Segment reporting

Segment Information

The company has identified 'Processing of End of life vehicles (ELVs) and Industrial steel scrap' as its only primary reportable segment. The Chief Operating Officer of the Company has been identified as the Chief Operating Decision Maker (CODM) as defined under Ind AS 108. CODM reviews overall financial information of the Company together for performance evaluation and allocation of resources and does not review any discrete information to evaluate performance of any individual product or geography.

Geographical Information

All customers of the Company are located within India.

The Company operates and has its processing facilities based out at Greater Noida, Chennai Pune and Indore in India.

There is only one customer (2021: one) who is individually contributing to more than 10% of the Company's revenue. Total amount of revenue from such customer for the year ended on 31 March 2022 is Rs. 242.74 lakhs (2021: Rs. 130.68 lakhs)

Note No. 30 - Commitments (to the extent not provided for)

Rs. in lakhs

Particulars	**For the year ended 31 March, 2022**	For the year ended 31 March, 2021
Commitments:		
Estimated amount of contracts remaining to be executed on capital account and not provided for	**132.80**	2.85

Note No. 31 - Earnings per share

Rs. in lakhs

Particulars	**For the year ended 31 March, 2022**	For the year ended 31 March, 2021
Profit / (loss) after tax (Rs. lakhs) (A)	**56.57**	(172.09)
Weighted average number of shares (B)	**4,81,91,780**	3,72,21,918
Earnings per share [basic / diluted] (Rs.) (A/B)	**0.12**	(0.46)
Nominal value of equity share (Rs.)	**10**	10

Note No. 32 - Additional Regulatory Information:

a. Capital-work-in progress (CWIP) ageing schedule:

					Rs. in lakhs
	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
As at 31 Mar 2022:					
Projects in progress	53.77	–	–	–	53.77
Total capital-work-in progress	**53.77**	–	–	–	**53.77**
As at 31 March, 2021:					
Projects in progress	–	–	–	–	–
Total capital-work-in progress	–	–	–	–	–

b. Intangible assets under development (IUD) ageing schedule:

					Rs. in lakhs
	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
As at 31 Mar 2022:					
Projects in progress	–	–	–	–	–
Total Intangible assets under development	–	–	–	–	–
As at 31 March, 2021:					
Projects in progress	4.50	–	–	–	4.50
Total Intangible assets under development	4.50	–	–	–	4.50

Note No. 33 - Ratios

Sr. No.	Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021	Variance (%)	Notes
1	**Current Ratio (times)** Current Assets / Current Liabilities	5.58	4.53	23%	
2	**Debt-Equity Ratio (times)** (Long term Borrowings + Short term Borrowings (including current maturities of long term borrowings) / (Total Equity)	–	–	–	**1**
3	**Debt Service Coverage Ratio (times)** (Profit before interest, tax, depreciation, amortisation, impairments and exceptional items) / (Gross interest for the year + Principal repayments within a year)	–	–	–	**1**
4	**Return on Equity** (Net Profit for the year / Total Equity)	**1.4%**	-5.9%	**-123%**	**2**
5	**Inventory Turnover (times)** (Cost of materials consumed / Average Inventories for the year)	1.54	3.11	-50%	3
6	**Trade Receivables Turnover (times)** Revenue from sale of goods and services) / (Average Trade Receivable for the year)	**66.19**	28.16	**135%**	**4**
7	**Trade Payables Turnover (times)** (Purchase of goods and services) / (Average Trade Payable for the year)	**5.79**	2.77	**109%**	**5**
8	**Net Working Capital Turnover (times)** Revenue from sale of goods and services) / (Working Capital i.e. Current Assets - Current Liabilities)	**0.68**	0.76	**-11%**	
9	**Net Profit margin (%)** (Net Profit for the year/ Revenue from operations)	**3.40%**	-18.07%	**-119%**	**6**
10	**Return on Capital Employed (%)** (Profit before interest and tax / Average Debt and Shareholder Funds for the year)	**1.27%**	-4.53%	**-128%**	**7**
11	**Return on Investment (%)** (Total income from Investment / Average Investment for the year)	–	–	–	**8**

Notes:

1) The Company has not taken any borrowing during the year and in previous year.
2) The return on equity has improved compared to previous year mainly due to growth in business and operating profits. Also due to reduction of capital expenditure per processing facillity.
3) Inventory turnover ratio has reduced mainly due to higher procurement of end of life vehicles/used vehicles in Q4 which will be realised in subsequent quarter.
4) Improvement as compared to previous year mainly due to transactions are carried out on advance/immediate payment basis. Accordingly there are no outstanding receivables from customer.
5) Trade payables turnover ratio is increased due to most of the procurement in our business is on the basis of advance payment / payment on delivery.
6) Net profit margin has improved compared to previous year mainly due to growth in business and operating profits.
7) The return on capital employed has improved compared to previous year mainly due to growth in business and operating profits. Also due to reduction of capital expenditure per processing facillity.
8) The Company has not made any investment during the year and in previous year.

Note No. 34

Ministry of Corporate Affairs (MCA) has issued notification dated 24 March 2021 related to amendment to Schedule III. The said amendments inter-alia prescribed several additional disclosures under 'Additional Regulatory Information'. Some of these disclosures are not applicable to the Company and hence no disclosure is made for such items.

Note No. 35

Previous year's figures have been regrouped/reclassified wherever necessary.

In terms of our report attached

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Jayesh T Thakkar
Partner
Membership No: 113959

Mumbai
25 April 2022

For and on behalf of the Board of Directors of
Mahindra MSTC Recycling Private Limited
CIN No: U37100MH2016PTC288535

Surinder Kumar Gupta
Chairman
DIN: 08643406

Sumit Issar
Director
DIN: 06951249

Satya Prakash Shaw
Chief Financial Officer

Dolly Dhandhresha
Company Secretary

Mumbai
25 April 2022

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MAHINDRA HOLDINGS LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Mahindra Holdings Limited ("the Company"), which comprise the balance sheet as at 31 March 2022, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2022, and its loss and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

Other Information

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's and Board of Directors' Responsibilities for the Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, its loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.

- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. (A) As required by Section 143(3) of the Act, we report that:

    a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

    b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

    c) The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account.

    d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.

    e) On the basis of the written representations received from the directors as on 31 March 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022 from being appointed as a director in terms of Section 164(2) of the Act.

    f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

   (B) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

    a) The Company does not have any pending litigations which would impact its financial position.

    b) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

    c) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

    d) (i) The management has represented that, to the best of its knowledge and belief, as disclosed in the note 25 to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:

        - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or

        - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

       ii) The management has represented, that, to the best of its knowledge and belief, as disclosed in the Note 25 to the financial statements, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall:

        - directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Party or

        - provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries.

iii) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) contain any material mis-statement.

e) The Company has neither declared nor paid any dividend during the year.

(C) With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For **B S R & Co. LLP**
Chartered Accountants
(Firm's Registration No: 101248W/W-100022)

Jamil Khatri
Partner
Membership No: 102527
UDIN: 22102527AJCVZJ2287

Mumbai: 17 May 2022

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS OF MAHINDRA HOLDINGS LIMITED FOR THE YEAR ENDED 31 MARCH 2022

With reference to the Annexure A referred to in the Independent Auditors' report to the members of Mahindra Holdings Limited ('the Company') on the financial statements for the year ended 31 March 2022, we report the following

(i) The Company does not have any Property, Plant and Equipment (including Right of Use assets) or intangible assets. Accordingly, clause 3(i) of the Order is not applicable.

(ii) (a) The Company is a Core Investment Company, not requiring registration, as per the Reserve Bank of India Act, 1934, primarily engagement in the business of acquisition of shares and other securities. Accordingly, it does not hold any physical inventories. Accordingly, clause 3(ii)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been sanctioned any working capital limits in excess of five crore rupees in aggregate from banks and financial institutions on the basis of security of current assets at any point of time of the year. Accordingly, clause 3(ii)(b) of the Order is not applicable.

(iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, limited liability partnership or any other parties during the year. The Company has made investments in companies, in respect of which the requisite information is as below. The Company has not made any investments in firms, limited liability partnership or any other parties.

(a) The Company has not provided any guarantee or security, granted any loans or advances in the nature of loans, secured or unsecured, to companies, limited liability partnership or any other parties during the year.

(b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the investments made during the year are, prima facie, not prejudicial to the interest of the Company.

(c) The Company has not given any loans or any advance in the nature of loan to any party during the year. Accordingly, clause 3(iii)(c) of the Order is not applicable.

(d) The Company has not given any loans or any advance in the nature of loan to any party during the year. Accordingly, clause 3(iii)(d) of the Order is not applicable.

(e) The Company has not given any loans or any advance in the nature of loan to any party during the year. Accordingly, clause 3(iii)(e) of the Order is not applicable.

(f) The Company has not given any loans or any advance in the nature of loan to any party during the year. Accordingly, clause 3(iii)(f) of the Order is not applicable.

(iv) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not given any loans, or provided any guarantee or security as specified under Section 185 and 186 of the Companies Act, 2013 ("the Act"). In respect of the investments made by the Company, in our opinion the provisions of Section 186 of the Act have been complied with to the extent applicable.

(v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.

(vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act. Accordingly, clause 3(vi) of the Order is not applicable.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Income-Tax and other material statutory dues have been regularly deposited by the Company with the appropriate authorities. Further, the Company did not have any dues on account of Goods and Service Tax ('GST'), Provident Fund, Employees' State Insurance, Sales-tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax and Cess.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no undisputed amounts payable in respect of Goods and Service Tax ('GST'), Provident Fund, Employees' State Insurance, Income-Tax and other material statutory dues were in arrears as at 31 March 2022 for a period of more than six months from the date they become payable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no statutory dues relating to Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues, which have not been deposited with the appropriate authorities on account of any dispute.

(viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.

(ix) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company did not have any loans or borrowings from any lender during the year. Accordingly, clause 3(ix) of the Order is not applicable.

(x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) Accordingly, clause 3(x)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.

(xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the course of the audit.

(b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) Based on the information and explanations provided to us, the Company does not have a vigil mechanism and is not required to have a vigil mechanism as per the Act.

(xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.

(xiii) The requirements as stipulated by the provisions of Section 177 of the Act are not applicable to the Company. In our opinion and according to the information and explanations given to us and on the basis of our examination of records of the Company, transactions with the related parties are in compliance with Section 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the internal audit reports of the Company issued till date for the period under audit.

(xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable.

(xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.

(b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.

(c) The Company is a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. However, the Company is exempted from registration as CIC and continues to meet the criteria for such exemption.

(d) According to the information and explanations provided to us, the Group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016) has more than one CIC as part of the Group. The Group has six CICs as part of the Group.

(xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

For **B S R & Co. LLP**
Chartered Accountants
(Firm's Registration No: 101248W/W-100022)

Jamil Khatri
Partner
Membership No: 102527
UDIN: 22102527AJCVZJ2287

Mumbai: 17 May 2022

ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS OF MAHINDRA HOLDINGS LIMITED FOR THE YEAR ENDED 31 MARCH 2022

Report on the internal financial controls with reference to the aforesaid financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

(Referred to in paragraph 2(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to financial statements of Mahindra Holdings Limited ("the Company") as of 31 March 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2022, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and whether such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **B S R & Co. LLP**
Chartered Accountants
(Firm's Registration No: 101248W/W-100022)

Jamil Khatri
Partner
Membership No: 102527
UDIN: 22102527AJCVZJ2287

Mumbai: 17 May 2022

BALANCE SHEET AS AT 31ST MARCH, 2022

Particulars	Notes	As at 31st March, 2022 Rupees lakhs	As at 31st March, 2021 Rupees lakhs
ASSETS			
I. Financial Assets			
(a) Cash and cash equivalents	4	**2.89**	2,316.71
(b) Investments	5	**2,09,635.73**	2,06,833.60
(c) Other current assets	6	**–**	3.38
		2,09,638.62	2,09,153.69
II. Non-Financial Assets			
(a) Income tax assets (net)	7	**128.27**	131.71
(b) Deferred tax assets (net)	8	**9,469.19**	9,655.37
		9,597.46	9,787.08
TOTAL ASSETS		**2,19,236.08**	2,18,940.77
LIABILITIES AND EQUITY			
LIABILITIES			
I. Financial Liabilities			
Payables			
Trade Payables	9		
(i) total outstanding dues of micro enterprises and small enterprises			
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		**24.41**	75.11
		24.41	75.11
II. Non-Financial Liabilities			
(a) Other non financial liabilities	10	**2.65**	6.65
		2.65	6.65
III. EQUITY			
(a) Equity share capital	11	**2,46,349.95**	2,46,349.95
(b) Other equity	12	**(27,140.93)**	(27,490.94)
		2,19,209.02	2,18,859.01
TOTAL LIABILITIES AND EQUITY		**2,19,236.08**	2,18,940.77

In terms of our report attached

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Jamil Khatri
Partner
Membership No. 102527

Place: Mumbai
Date: 17th May, 2022

For and on behalf of the Board of Directors of
Mahindra Holdings Limited
CIN No. U65993MH2007PLC175649

Manoj Bhat
Director

Bharat Doshi
Director

Zhooben Bhiwandiwala
Whole-time Director/
Chief Executive Officer

Anil Mangalvedhekar
Chief Financial Officer

Gayathri Iyer
Company Secretary
Date: 17th May, 2022

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2022

	Particulars	Notes	**For the year ended 31st March, 2022 Rupees lakhs**	For the year ended 31st March, 2021 Rupees lakhs
(I)	**Revenue from operations**	13	**192.62**	190.60
(II)	**Other income**	14	**5.50**	–
(III)	**Total income**		**198.12**	190.60
(IV)	**Expenses**			
	Other expenses	15	**42.80**	49.71
(V)	**Total Expenses**		**42.80**	49.71
(VI)	Profit before exceptional item and tax (III-V)		**155.32**	140.89
(VII)	Less: exceptional item	16	**(600.00)**	(20,765.98)
(VIII)	Loss before tax (VI+VII)		**(444.68)**	(20,625.09)
(IX)	**Tax expenses:**			
	Current tax		**(26.00)**	(40.00)
	Deferred tax		**–**	9,882.85
			(26.00)	9,842.85
(X)	Loss for the year (VIII+IX)		**(470.68)**	(10,782.24)
(XI)	**Other comprehensive income**			
	(i) Items that will not be reclassified to profit or loss Net gain/(loss) on equity instruments through other comprehensive income		**1,006.87**	1,534.03
	(ii) Income tax relating to items that will not be reclassified to profit or loss		**(186.18)**	(76.87)
	Total other comprehensive income		**820.69**	1,457.16
	Total comprehensive income/(loss) for the year		**350.01**	(9,325.08)
(XI)	Earnings per equity share: (Basic and diluted) (Face Value Rs. 10 per share) (Rupees)			
	Basic		**(0.02)**	(0.44)
	Diluted		**(0.02)**	(0.44)

In terms of our report attached

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Jamil Khatri
Partner
Membership No. 102527

Place: Mumbai
Date: 17th May, 2022

For and on behalf of the Board of Directors of
Mahindra Holdings Limited
CIN No. U65993MH2007PLC175649

Manoj Bhat
Director

Bharat Doshi
Director

Zhooben Bhiwandiwala
Whole-time Director/
Chief Executive Officer

Anil Mangalvedhekar
Chief Financial Officer

Gayathri Iyer
Company Secretary
Date: 17th May, 2022

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2022

	Particulars	For the year ended 31st March, 2022 Rupees lakhs	For the year ended 31st March, 2021 Rupees lakhs
A.	**Cash Flow from operating activities:**		
	Loss before tax	**(444.68)**	(20,625.09)
	Adjustments for:		
	Impairment and loss on sale of non-current investments	**600.00**	20,742.88
	Loss on demerger	**–**	23.10
	Dividend on investments measured at fair value through profit and loss	**(75.69)**	(13.97)
	Operating profit before working capital changes	**79.63**	126.92
	Changes in Working Capital:		
	Adjustments for:		
	Decrease/(Increase) in Other current assets	**3.38**	(3.38)
	Adjustments for:		
	(Decrease)/Increase before Trade payable and Other current liabilities	**(54.69)**	46.53
		(51.31)	43.15
	Cash generated from operations	**28.32**	170.07
	Income taxes paid (net of refunds)	**(22.56)**	(35.70)
	NET CASH FLOW FROM OPERATING ACTIVITIES (A)	**5.76**	134.37
B.	**Cash Flow from investing activities:**		
	Purchase of long term investments - subsidiaries	**(5,361.30)**	(300.00)
	Purchase of investments - mutual funds	**(2,373.13)**	(2,937.90)
	Sale of investments - subsidiaries	**–**	3,499.35
	Sale of investments - others	**–**	1,584.54
	Sale of investments - mutual funds	**5,339.15**	100.00
	Dividend on current investments	**75.69**	13.97
	NET CASH (USED IN) / GENERATED FROM INVESTING ACTIVITIES (B)	**(2,319.59)**	1,959.96
C.	**Cash Flow from financing activities:**		
	Proceeds from issue of share capital	**–**	200.00
	Share issue expenses	**–**	(0.20)
	NET CASH GENERATED FROM FINANCING ACTIVITIES (C)	**–**	199.80
	CHANGES AS NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	**(2,313.83)**	2,294.13
	Cash and cash equivalents at the beginning of the year	**2,316.71**	22.58
	Cash and cash equivalents at the end of the year	**2.89**	2,316.71
	Reconciliation of cash and cash equivalents with statement of financial position		
	Bank balance in current accounts (refer Note 4)	**2.89**	2,316.71

Notes:

1. The above Cash Flow Statement has been prepared under the indirect method as set out in “Indian Accounting Standard (Ind AS) 7- Statement of Cash Flows.

In terms of our report attached

For **B S R & Co. LLP**
Chartered Accountants
Firm’s Registration No: 101248W/W-100022

Jamil Khatri
Partner
Membership No. 102527

Place: Mumbai
Date: 17th May, 2022

For and on behalf of the Board of Directors of
Mahindra Holdings Limited
CIN No. U65993MH2007PLC175649

Manoj Bhat
Director

Bharat Doshi
Director

Zhooben Bhiwandiwala
Whole-time Director/
Chief Executive Officer

Anil Mangalvedhekar
Chief Financial Officer

Gayathri Iyer
Company Secretary
Date: 17th May, 2022

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2022

(A) Equity Share Capital

	For the year ended 31st March, 2022 Rupees lakhs	For the year ended 31st March, 2021 Rupees lakhs
Issued, Subscribed and paid up:		
Balance as at the beginning of the year	**2,46,349.95**	2,46,149.95
Equity share capital issued, subscribed and paid up during the year	**–**	200.00
Balance as at the end of the year	**2,46,349.95**	2,46,349.95

(B) Other Equity

	Reserves and surplus		**Items of other comprehensive income**	**Total**
	Special reserve	Retained earnings	Equity instruments through other comprehensive income	
	Rupees lakhs	**Rupees lakhs**	**Rupees lakhs**	**Rupees lakhs**
Balance as at 31st March 2020	502.03	(19,484.73)	817.04	**(18,165.66)**
Loss for the year	–	(10,782.24)	–	**(10,782.24)**
Other comprehensive income	–	–	1,457.16	**1,457.16**
Share issue expenses	–	(0.20)	–	**(0.20)**
Balance as at 31st March 2021	502.03	(30,267.17)	2,274.20	**(27,490.94)**
Loss for the year	–	(470.68)	–	**(470.68)**
Other comprehensive income	–	–	820.69	**820.69**
Balance as at 31st March 2022	**502.03**	**(30,737.85)**	**3,094.89**	**(27,140.93)**

(C) Description of the nature and purpose of Other Equity:

i) **Special reserve:** Special Reserve is created as per section 45-IC of the Reserve Bank of India Act, 1934.

ii) **Retained earnings:** Retained earings comprises of accumulated balance of profits/(losses) of current and prior years.

In terms of our report attached

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Jamil Khatri
Partner
Membership No. 102527

Place: Mumbai
Date: 17th May, 2022

For and on behalf of the Board of Directors of
Mahindra Holdings Limited
CIN No. U65993MH2007PLC175649

Manoj Bhat
Director

Bharat Doshi
Director

Zhooben Bhiwandiwala
Whole-time Director/
Chief Executive Officer

Anil Mangalvedhekar
Chief Financial Officer

Gayathri Iyer
Company Secretary
Date: 17th May, 2022

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

1. **Background**

   Mahindra Holdings Limited ('the Company') is a limited company incorporated in India. The address of its Registered Office and principal activities of the Company are disclosed in the introduction to the Annual Report. The Company is a Core Investment Company, not requiring registration, as per the Reserve Bank of India Act, 1934. The principal activity of the Company is to make investments in group companies.

2. **Significant Accounting Policies**

   (a) Statement of compliance and basis of preparation and presentation

   These financial statements of Mahindra Holdings Limited have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under section 133 of the Companies Act, 2013 (the 'Act') and other relevant provisions of the Act.

   These financial statements are presented in Indian Rupees which is also the Company's functional currency.

   These are the standalone financial statement of the Company. The Ministry of Corporate Affairs has, vide its Notification G.S.R 742(E) dated 27th July, 2016, exempted a wholly owned subsidiary Company from preparation and presentation of Consolidated Financial Statements provided the Company meets the conditions as mentioned in the said Notification.

   Accordingly, the Company has not prepared Consolidated Financial Statements since it has met all requirements mentioned in the aforesaid Notification.

   These financial statements have been approved by the Company's Board of Directors and authorised for issue on 17th May, 2022.

   (b) Basis of measurement

   The financial statements have been prepared on the historical cost basis except for certain financial instruments which are measured at fair value.

   (c) Measurement of fair value

   A number of the Company's accounting policies and disclosures require the measurement of fair value for both financial and non-financial assets and liabilities.

   In determining the fair value of its financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The Management has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values and assessments that these valuations meet the requirements of Ind AS. The methods used to determine fair value include discounted cashflow analysis, available quoted market prices. All methods of assessing fair value result in general approximation of value and such value may never actually be realised.

   Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

   Level 1: Quoted prices (unadjusted) in active markets for identical assets and liabilities.

   Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

   Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

   (d) Use of estimates and judgements

   The preparation of the financial statements in conformity with Ind AS requires Management to make estimates and assumptions that affect the reported amount of assets and liabilities, revenue and expenses and disclosure of contingent liabilities as on the date of the financial statements. Actual results could differ from those estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

   Estimates and underlying assumptions are reviewed at each balance sheet date. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

   The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

   Fair value of financial assets, liabilities and investments

   The Company measures certain financial assets and liabilities on fair value basis at each balance sheet date or at the time they are assessed for impairment. Fair Value measurement that are based on significant unobservable inputs (Level 3) requires estimates of operating margin, discount rate, future growth rate, terminal values, etc. based on Management's best estimate about future developments.

   (e) Financial instruments

   Financial assets and financial liabilities are recognised when a company becomes a party to the contractual provisions of the instruments.

   Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

   Classification and subsequent measurement

   Financial assets

   All purchases or sales of financial assets are recognised and derecognised on a trade date basis except for those purchases or sales where delivery of assets are not on the trade date but on a subsequent date within the time frame established by regulation or convention in the marketplace. All recognised financial assets are subsequently measured at either amortised cost or fair value depending on their respective classification.

   On initial recognition, a financial asset is classified as measured at:

   - Amortised cost; or
   - Fair Value through Other Comprehensive Income (FVTOCI) - equity investment; or
   - Fair Value Through Profit or Loss (FVTPL)

   Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

   All financial assets not classified as measured at amortised cost or FVTOCI are measured at FVTPL.

   Financial assets at amortised cost are subsequently measured at amortised cost using effective interest method. The amortised cost is reduced by impairment losses. Interest income and impairment expenses are recognised in profit or loss. Any gain and loss on derecognition is also recognised in profit or loss.

   The effective interest method is a method of calculating the amortised cost of allocating interest income over the relevant period.

   For equity investments, the Company makes an election on an instrument-by-instrument basis to designate equity investments as measured at FVTOCI. These elected investments are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the reserves. The cumulative gain or loss is not reclassified to profit or loss on disposal of the investments. These investments in equity are not held for trading. Instead, they are held for medium or long-term strategic purpose. Upon the application of Ind AS 109, the Company has chosen to designate these investments as at FVTOCI as the Company believes that this provides a more meaningful presentation for medium or long-term strategic investments, than reflecting changes in fair value immediately in profit or loss. Dividend income received on such equity investments are recognised in profit or loss.

   Equity investments that are not designated to be measured at FVTOCI are designated to be measured at FVTPL. Subsequent changes in fair value are recognised in profit or loss.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company is recognised at the proceeds received, net of directly attributable transaction costs.

Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the right to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Impairment of financial assets

The Company applies the Expected Credit Loss (ECL) model for recognising impairment loss on financial assets.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery.

(f) Investments in subsidiaries, associates and joint ventures

The Company accounts for its investments in subsidiaries, associates and joint ventures at cost less accumulated impairment, if any.

(g) Revenue recognition

i) Dividend income is accounted for when the right to receive payment is established.

ii) Interest income from financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

(h) Taxation

Current tax

Current tax is determined as the amount of tax payable in respect of taxable income for the year. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax assets and liabilities are recognised for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases. Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets are recognised to the extent that it is probable that future taxable income will be available against which the deductible temporary differences could be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect included in the accounting for the business combination.

(i) Provisions

A provision is recognized when the Company has a present obligation (legal or constructive) as a result of past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When provision is measured using the cash flow estimated to settle the present obligation, its carrying amount is the present value of these cash flows (when the effect of the time value of money is material).

3. Recent accounting pronouncements:

Ministry of Corporate ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from 1st April 2022.

NOTE 4

Cash and Cash equivalents

Particulars	**As at 31st March, 2022 Rupees lakhs**	As at 31st March, 2021 Rupees lakhs
Balances with Bank:		
On current accounts	**2.89**	21.71
Fixed deposits with maturity less than 3 months	**–**	2,295.00
	2.89	2,316.71

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

NOTE 5

Investments

No of shares	Face Value Per Unit Rupees	Particulars	As at 31st March, 2022	As at 31st March, 2021
			Rupees lakhs	Rupees lakhs
		(A) Investments in equity instruments unquoted -at cost		
		(i) In subsidiary companies:		
19,54,61,728	10	Mahindra Susten Private Limited	**71,839.66**	71,839.66
58,50,000	10	Mahindra Airways Limited	**585.00**	585.00
4,02,31,037	10	Mahindra First Choice Wheels Limited	**43,326.92**	43,326.92
42,22,250	$0.001	Bristlecone Limited	**14,025.07**	14,025.07
2,66,07,970	10	Gromax Agri Equipment Limited	**1,985.98**	1,985.98
			1,31,762.63	1,31,762.63
		(ii) In associate companies:		
35,000	10	Mahindra and Mahindra Contech Limited	**169.79**	169.79
100	10	Medwell Ventures Private Limited	**6.36**	6.36
1,91,928	10	Mahindra eMarket Limited	**1.19**	1.19
21,17,580	10	New Delhi Centre for Sight Limited	**11,650.59**	11,650.59
			11,827.93	11,827.93
		(B) Designated & carried at fair value through other comprehensive income		
		(i) In other entities:		
10	10	NBS International Limited (subsidiary of the holding company)	**0.03**	0.03
19,748	5	PSL Media & Communications Limited (associate of the holding company)	**0.01**	0.01
18,68,53,800	0.02	Mahindra Two Wheelers Limited (subsidiary of the holding company)	**196.91**	196.91
15,00,000	10	Mahindra Integrated Business Solutions Private Limited (subsidiary of the holding company)	**150.00**	150.00
			346.95	346.95
		(C) Investments in preference shares unquoted- at cost		
		(i) In subsidiary companies:		
5,36,13,008	10	Mahindra First Choice Wheels Limited	**5,361.30**	–
77,75,147	$0.001	Bristlecone Limited - Preference Shares A	**25,826.74**	25,826.74
69,20,000	$0.001	Bristlecone Limited - Preference Shares B	**22,986.20**	22,986.20
			54,174.24	48,812.94
		(ii) In associate companies		
1,81,597	2000	Series B Compulsory Convertible Preference Shares of Medwell Ventures Private Limited	**11,544.12**	11,544.12
16,35,502	10	Series B Compulsory Convertible Preference Shares of New Delhi Centre for Sight Limited	**9,000.00**	9,000.00
1,56,063	10	Series A Compulsory Covertible Cumulative Preference Shares of Aquasail Distribution Company Private Limited	**600.00**	600.00
			21,144.12	21,144.12
		(D) Investments in Equity Shares Quoted		
		Designated & carried at Fair Value Through Other Comprehensive Income		
		(i) In other entities:		
1,98,201	5	Tech Mahindra Limited (Associate of the Holding Company)	**2,971.92**	1,965.06
			2,971.92	1,965.06

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

No of shares	Face Value Per Unit Rupees	Particulars	As at 31st March, 2022	As at 31st March, 2021
			Rupees lakhs	Rupees lakhs
		(E) Investments in Mutual Funds Quoted:		
		Carried at Fair Value Through Profit or Loss		
		Investments in Mutual Funds	**31.61**	2,997.64
			31.61	2,997.64
		Less: Allowance for impairment	**(12,623.67)**	(12,023.67)
		Total Investments	**2,09,635.73**	2,06,833.60
		(i) Investment outside of India (A)	**62,838.00**	62,838.00
		(ii) Investment in India (B)	**1,46,797.73**	1,43,995.60
		Total (A+B)	**2,09,635.73**	2,06,833.60

NOTE 6

Other current assets

Particulars	**As at 31st March, 2022 Rupees lakhs**	As at 31st March, 2021 Rupees lakhs
Interest accrued on fixed deposits	**–**	2.85
others)	**–**	0.53
	–	3.38

NOTE 7

Income tax assets (Net)

Particulars	**As at 31st March, 2022 Rupees lakhs**	As at 31st March, 2021 Rupees lakhs
Advance Income-tax (net of provision for tax)	**128.27**	131.71
	128.27	131.71

NOTE 7 (a)

Current Tax and Deferred Tax

(a) Income Tax recognised in profit or loss

Particulars	**For the year ended 31st March, 2022 Rupees lakhs**	For the year ended 31st March, 2021 Rupees lakhs
Current tax:		
In respect of current year	**(26.00)**	(40.00)
Deferred tax:		
In respect of current year origination and reversal of temporary differences	**–**	9,882.85
Total income tax expense	**(26.00)**	9,842.85

(b) Income tax recognised in other comprehensive income

Particulars	**For the year ended 31st March, 2022**	For the year ended 31st March, 2021
	Rupees lakhs	Rupees lakhs
Deferred tax related to items recognised in other comprehensive income during the year	**(186.18)**	(76.87)
Total	**(186.18)**	(76.87)

(c) Reconciliation of estimated income tax at tax rate to income tax expense reported in profit or loss as follows:

Particulars	**For the year ended 31st March, 2022**	For the year ended 31st March, 2021
	Rupees lakhs	Rupees lakhs
Loss before tax	**(444.68)**	(20,625.09)
Applicable Income tax rate	**27.82%**	27.82%
Expected Income Tax expense	**(123.71)**	(5,737.90)
Effect of income exempt from tax	**–**	–
Items on which no DTA is created/DTA created at definite rate		
Impairments on Investments	**166.64**	2,154.70
Losses on account of sale of shares	**–**	3,623.21
Others	**(16.93)**	–
Effect of utilisation/(recognition) of deferred tax on capital losses		
Recognition of deferred tax on capital losses	**–**	(9,882.85)
Income tax expense recognised in profit or loss	**26.00**	(9,842.85)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

NOTE 8

Deferred Tax (Assets)/Liabilities (Net)

(i) Movement in deferred tax balances

Particulars	For the Year ended 31st March 2022			
	Opening Balance	**Charge/ (credit) in Profit or Loss**	**Charge/ (credit) in OCI**	**Closing Balance**
	Rupees lakhs	**Rupees lakhs**	**Rupees lakhs**	**Rupees lakhs**
Tax effect of items constituting deferred tax liabilities				
Fair Value through Other Comprehensive Income financial assets	**227.48**	**–**	**186.18**	**413.66**
Tax effect of items constituting deferred tax assets				
On Carryforward long term/short capital losses	**(9882.85)**	**–**	**–**	**(9882.85)**
Net deferred tax assets (net)	**(9,655.37)**	**–**	**186.18**	**(9469.19)**

Note: Net deferred tax assets have been recognised by the Company to the extent that sufficient taxable profit are probable and will be available against which such deferred tax assets can be realised.

Particulars	For the Year ended 31st March 2021			
	Opening Balance	Charge/ (credit) in Profit or Loss	Charge/(credit) in OCI	Closing Balance
	Rupees lakhs	Rupees lakhs	Rupees lakhs	Rupees lakhs
Tax effect of items constituting deferred tax liabilities				
Fair Value through Other Comprehensive Income financial assets	150.61	–	76.87	227.48
Tax effect of items constituting deferred tax assets				
On Carryforward long term/short capital losses	–	(9882.85)	–	(9882.85)
Net deferred tax assets (net)	150.61	(9882.85)	76.87	(9655.37)

NOTE 9

Trade payables

Particulars	**As at 31st March, 2022**	As at 31st March, 2021
	Rupees lakhs	Rupees lakhs
(i) Total outstanding dues of micro and small enterprises	**–**	–
(ii) Total outstanding dues of creditors other than micro and small enterprises	**24.41**	75.11
	24.41	75.11

Note: On the basis of information available with the management, there are no Micro, Small and Medium Enterprises as specified in the Micro, Small and Medium Enterprises Development Act, 2006, to whom the Company owes dues which are outstanding for more than the stipulated period. Accordingly, the disclosures as required by Notification No. GSR 719(E) dated 16 November 2007 are not applicable. This has been relied upon by the auditors.

i) Creditors Ageing schedule for the year ended 31st March, 2022

(Rs. lakhs)

Particulars	**Less than 6 months**	**6 months - 1 year**	**1 - 2 years**	**2 - 3 years**	**more than 3 years**	**Total**
MSME	**–**	**–**	**–**	**–**	**–**	**–**
Others	**24.41**	**–**	**–**	**–**	**–**	**24.41**
Disputed dues- MSME	**–**	**–**	**–**	**–**	**–**	**–**
Disputed dues- Others	**–**	**–**	**–**	**–**	**–**	**–**

i) Creditors Ageing schedule for the year ended 31st March, 2021

(Rs. lakhs)

Particulars	**Less than 6 months**	**6 Months – 1 year**	**1-2 year**	**2-3 Year**	**More than 3 year**	**Total**
MSME	–	–	–	–	–	–
Others	75.11	–	–	–	–	75.11
Disputed dues- MSME	–	–	–	–	–	–
Disputed dues- Others	–	–	–	–	–	–

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

NOTE 10

Other non financial liabilities

Particulars	As at 31st March, 2022 Rupees lakhs	As at 31st March, 2021 Rupees lakhs
– Statutory dues payables	**2.65**	6.65
	2.65	6.65

NOTE 11

Share capital

	Particulars	As at 31st March, 2022 Rupees lakhs	As at 31st March, 2021 Rupees lakhs
Authorised:			
2,50,40,00,000	Ordinary (equity) shares of Rs.10 each with voting rights	**2,50,400.00**	2,50,400.00
20,00,000	preference shares of Rs. 100 each	**2,000.00**	2,000.00
	Total	**2,52,400.00**	2,52,400.00
Issued:			
2,46,34,99,450	Ordinary (equity) shares of Rs.10 each with voting rights	**2,46,349.95**	2,46,349.95
	Total	**2,46,349.95**	2,46,349.95
Subscribed and Fully paid-up:			
2,46,34,99,450	Ordinary equity shares of Rs.10 each with voting rights (All the shares are held by Mahindra & Mahindra Limited (the holding Company)	**2,46,349.95**	2,46,349.95
	Total	**2,46,349.95**	2,46,349.95

NOTE 12

Other Equity:

Particulars	Reserves and surplus		Items of other comprehensive income	
	Special reserve	Retained earnings	Equity instruments through other comprehensive income	Total
	Rupees lakhs	Rupees lakhs	Rupees lakhs	Rupees lakhs
Balance as at 31st March 2020	502.03	(19,484.73)	817.04	**(18,165.66)**
Loss for the year	–	(10,782.24)	–	**(10,782.24)**
Other comprehensive income	–	–	1,457.16	**1,457.16**
Share issue expenses	–	(0.20)	–	**(0.20)**
Balance as at 31st March 2021	502.03	(30,267.17)	2,274.20	**(27,490.94)**
Loss for the year	–	(470.68)	–	**(470.68)**
Other comprehensive income	–	–	820.69	**820.69**
Balance as at 31st March 2022	502.03	(30,737.85)	3,094.89	**(27,140.93)**

(A) Description of the nature and purpose of Other Equity:

I) Special Reserve: Special Reserve is created as per section 45-IC of the Reserve Bank of India Act, 1934.

II) Retained earnings: Retained earings comprises of accumulated balance of profits/(losses) of current and prior years.

NOTE 13

Revenue from Operations:

Particulars	For the year ended 31st March, 2022 Rupees lakhs	For the year ended 31st March, 2021 Rupees lakhs
a) Dividend Income:		
Mutual fund measured at fair value through profit or loss	**75.69**	13.97
Investments in subsidiaries	**7.67**	22.50
Investments in others	**100.32**	151.04
b) Interest Income		
Interest on deposits	**8.94**	3.09
Total	**192.62**	190.60

NOTE 14

Other income:

Particulars	For the year ended 31st March, 2022 Rupees lakhs	For the year ended 31st March, 2021 Rupees lakhs
Excess provision written back	**5.50**	–
Total	**5.50**	–

NOTE 15

Other Expenses:

Particulars	For the year ended 31st March, 2022 Rupees lakhs	For the year ended 31st March, 2021 Rupees lakhs
Payment to statutory auditors:		
For audit fees (including GST)	**4.42**	3.54
For other services	**0.33**	0.47
Legal and professional charges	**34.85**	30.22
Donation	**–**	5.00
Directors' commission	**0.63**	3.43
Miscellaneous expenses	**2.57**	7.05
Total	**42.80**	49.71

16. Exceptional Item

Exceptional Item recognised in profit or loss account represents:

a) loss on sale of non-current investments in certain subsidiaries Rs. Nil (2021: Rs. 13000.65) representing difference between its net carrying amount over the fair value of sale consideration received.

b) impairment provision on certain long-term investments Rs. 600.00 lakhs (2021: Rs. 7742.23 lakhs)

c) During the previous year end 31st March, 2021, the Scheme of Arrangement (Scheme) between the Company's fellow subsidiary, Mahindra Two Wheelers Limited (MTWL) and Mahindra Automobile Distributor Private Limited (MADPL), an associate company, was approved by the National Company Law Tribunal (NCLT). Consequent to the scheme, the Company has received 18,68,53,800 equity shares of MTWL in exchange for the 2,10,000 equity shares of MADPL held by the Company. Accordingly, the Company has recognised a loss of Rs 23.10 lakhs, being lower of fair value of equity shares of MTWL over the carrying value of investment in MADPL.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

17. Capital management

The Company's capital management strategy is to effectively determine, raise and deploy capital so as to create value for its shareholders by Holding Company.

The Company determines the amount of capital required on the basis of its strategic investment plans. The same is funded through equity capital.

18. Financial risk management framework

The Company's activities expose it to a variety of financial risks namely credit risk, interest risk, liquidity risk and market risk. In order to manage the aforementioned risks, the Company operates a Risk Management policy and a program that performs close monitoring of and responding to each risk factors. The ultimate responsibility vests with the Board of Directors.

a) Market risk

Market risk is the risk that changes in market prices such as foreign exchange rates, interest rates etc. could affect the Company's income or the value of its holdings of financial instruments including cash flow. The objectives of market risk management is to manage and control market risk exposures within acceptable parameters, while maximising the return.

b) Credit risk

Credit risk refers to the risk that a counterparty will default on its obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The credit risk on liquid funds is limited because the counterparties are Mutual Funds and banks with high credit- ratings assigned by credit- agencies.

c) Liquidity risk

The Board of Directors has established an appropriate liquidity risk management framework for the management of the Company's short, medium and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves and banking facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

Maturity of financial liabilities

The following Table details the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The amount disclosed in the Table have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The Table include both interest and principal cash flows.

(Rs. lakhs)

Particulars	Less than 1 Year	1-3 Years	3 Years to 5 Years	5 Years and above
31st March, 2022				
Non-interest bearing	24.41	–	–	–
31st March, 2021				
Non-interest bearing	75.11	–	–	–

d) Interest rate risk

The Company does not have any borrowings and hence, it does not have any interest rate risk.

e) Maturity analysis of assets and liabilities

The below Table shows the maturity analysis of assets and liabilities according to when they are expected to be recovered or settled:

(Rs. lakhs)

Particulars	31st March, 2022		31st March, 2021	
	Within 12 months	After 12 months	Within 12 months	After 12 months
Assets				
Cash and cash equivalents	**2.89**	–	2,316.71	–
Investments	**31.61**	**2,09,604.13**	2,997.64	2,03,835.96
Other current assets	–	–	3.38	–
Income tax assets (net)	–	**128.27**	–	131.71
Deferred tax assets (net)	–	**9,469.19**	–	9,655.37
Total Assets	**34.50**	**2,19,201.59**	5,317.73	2,13,623.04
Liabilities				
Trade Payables- total outstanding dues of creditors other than micro enterprises and small enterprises	**24.41**	–	75.11	–
Other non-financial liabilities	**2.65**	–	6.65	–
Total liabilities	**27.06**	–	81.76	–

19. Fair value measurement

a) Fair valuation Techniques and inputs used –recurring items

(Rs. lakhs)

Financial assets/ financial liabilities measured at fair value	Fair value as at 31st March, 2022	Fair value as at 31st March, 2021	Fair value hierarchy	Valuation technique(s) and key input(s)
Financial assets Investments				
Mutual fund investments	**31.61**	2,997.64	Level 1	Net Asset value
Investment in equity instruments - Quoted	**2,971.92**	1,965.06	Level 1	Quoted market price
Investment in equity instruments - Unquoted	**346.95**	346.95	Level 3	Price of recent transaction

b) Reconciliation of Level 3 fair value measurements of financial instruments measured at fair value.

	(Rs. lakhs)
Particulars	**Unquoted equity instruments**
Year ended 31st March, 2022	
Opening balance of fair value	**346.95**
Total gain recognised in other comprehensive income	**–**
Closing balance of fair value	**346.95**
Year ended 31st March, 2021	
Opening balance of fair value	894.80
Total gain recognised in other comprehensive income	(547.85)
Closing balance of fair value	346.95

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

20. Contingent Liability

Taxation Matters:

Demands against the Company not acknowledged as debt and not provided for, relating to issue of taxability in respect of which the Company is in appeal and exclusive of the effect of similar matters in respect of assessment remaining to be completed Rs. Nil (2021: Rs. 138.42 lakhs). However, the Company has received Vivad se Vishwas order from the income tax department and refund is under process.

21. Segment information

The Company is a Core Investment Company, primarily engaged in the business of acquisition of shares and other securities in group companies. The Company's business activity falls within a single segment and accordingly there is no separate reportable segment as per Ind AS 108.

22. Related Party Transactions

(a) List of Related Parties:

i) Holding Company:
- Mahindra & Mahindra Limited

ii) Related Parties where control exists:

Subsidiary Companies:
- Mahindra First Choice Wheels Limited
- Fifth Gear Ventures Limited (wholly owned subsidiary of Mahindra First Choice Wheels Limited)
- Mahindra Airways Limited
- Mahindra Susten Private Limited
- Mahindra Renewables Private Limited (wholly owned subsidiary of Mahindra Susten Private Limited)
- Mahindra Teqo Private Limited (wholly owned subsidiary of Mahindra Susten Private Limited)
- Martial Solren Private Limited (wholly owned subsidiary of Mahindra Susten Private Limited)
- Brightsolar Renewable Energy Private Limited (subsidiary of Mahindra Renewables Private Limited)
- Neo Solren Private Limited (wholly owned subsidiary of Mahindra Renewables Private Limited)
- Martial Solren Private Limited (wholly owned subsidiary of Mahindra Susten Private Limited)
- Astra Solren Private Limited (wholly owned subsidiary of Mahindra Renewables Private Limited)
- Mega Suryaurja Private Limited (wholly owned subsidiary of Mahindra Renewables Private Limited)
- Mahindra Susten Bangladesh Private Limited (subsidiary of Mahindra Susten Private Limited) - ceased to be a wholly owned subsidiary w.e.f. 15th March, 2022
- MSPE URJA S.R.L (wholly owned subsidiary of Mahindra Susten Private Limited) - ceased to be a wholly owned subsidiary w.e.f. 18th January, 2022
- MSPL International DMCC (wholly owned subsidiary of Mahindra Susten Private Limited)
- Bristlecone Limited
- Bristlecone India Limited (wholly owned subsidiary of Bristlecone Limited)
- Bristlecone Inc (wholly owned subsidiary of Bristlecone Limited)
- Bristlecone UK Limited (wholly owned subsidiary of Bristlecone Limited)
- Bristlecone (Malaysia) Sdn Bhd (wholly owned subsidiary of Bristlecone Limited)
- Bristlecone Consulting Limited (wholly owned subsidiary of Bristlecone Limited)
- Bristlecone International AG (wholly owned subsidiary of Bristlecone Limited)
- Bristlecone Middle East DMCC (wholly owned subsidiary of Bristlecone Limited)
- Bristlecone (Singapore) Pte Ltd (wholly owned subsidiary of Bristlecone India)
- Bristlecone Gmbh (wholly owned subsidiary of Bristlecone India)
- Bristlecone International Costa Rica Limited (wholly owned subsidiary of Bristlecone India)

iii) Name of other related parties where transactions have taken place:

Fellow Subsidiary Companies:
- Mahindra Two Wheelers Limited
- Mahindra Integrated Business Solutions Private Limited

Associate of Holding Company:
- Tech Mahindra Limited

Directors of the Company
- Ms. Pallavi Kanchan - Independent Director

(b) Related Party Transactions are as under:

(Rs. lakhs)

Nature of Transaction	Holding Company	Subsidiary Companies	Associate Companies	Associate of Holding Company	Fellow Subsidiary	Director
(A) Investments – Subscribed/ Purchased:						
(a) Mahindra Two Wheelers Limited	–	–	–	–	–	–
	(–)	(–)	(–)	(–)	(196.91)	(–)
(b) Mahindra First Choice Wheels Limited............	–	5,361.30	–	–	–	–
	(–)	(–)	(–)	(–)	(–)	(–)
(c) Mahindra Airways Limited............	–	–	–	–	–	–
	(–)	(300.00)	(–)	(–)	(–)	(–)
(B) Investments – Sales:						
(a) Mahindra First Choice Services Limited............	–	–	–	–	–	–
	(–)	(16,500.00)	(–)	(–)	(–)	(–)
(b) Auto Digitech Private Limited............	–	–	–	–	–	–
	(–)	(1,349.96)	(–)	(–)	(–)	(–)
(c) Mahindra Automobile Distributor Private Limited.............	–	–	–	–	–	–
	(–)	(–)	(220.01)	(–)	(–)	(–)
(d) Brainbees Solutions Private Limited............	–	–	–	–	–	–
	(–)	(–)	(–)	(894.76)	(–)	(–)
(C) Dividend Received:						
(a) Mahindra Integrated Business Solutions Private Limited............	–	7.67	–	–	–	–
	(–)	(22.50)	(–)	(–)	(–)	(–)
(b) Tech Mahindra Limited............	–	–	–	89.19	–	–
	(–)	(–)	(–)	(39.64)	(–)	(–)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

(Rs. lakhs)

Nature of Transaction	Holding Company	Subsidiary Companies	Associate Companies	Associate of Holding Company	Fellow Subsidiary	Director
(c) Mahindra Two Wheelers Limited	–	–	–	–	11.13	–
	(–)	(–)	(–)	(–)	(111.40)	(–)
(D) Receipt of services						
(a) Mahindra & Mahindra Limited...........	25.30	–	–	–	–	–
	(24.42)	(–)	(–)	(–)	(–)	(–)
(E) Issue of shares:						
(a) Mahindra & Mahindra Limited...........	–	–	–	–	–	–
	(200.00)	(–)	(–)	(–)	(–)	(–)
(F) Investments Balances:						
(a) Mahindra First Choice Wheels Limited...........	–	5,361.30	–	–	–	–
	(–)	(–)	(–)	(–)	(–)	(–)
(b) Mahindra Two Wheelers Limited...........	–	–	–	–	–	–
	(–)	(–)	(–)	(–)	(196.91)	(–)
(c) Mahindra Airways Limited...........	–	–	–	–	–	–
	(–)	(585.00)	(–)	(–)	(–)	(–)
(G) Outstandings - Payable:						
(a) Mahindra & Mahindra Limited...........	19.50	–	–	–	–	–
	(22.87)	(–)	(–)	(–)	(–)	(–)
(H) Commission and Director fees	–	–	–	–	–	0.63
	(–)	(–)	(–)	(–)	(–)	(3.43)

Note: Previous year's figures are given in brackets.

23. Corporate Social Responsibility (CSR)

The CSR obligation for the period was Rs. Nil (2021: Rs.3.72 lakhs) against which the Company has made a payment of Rs. 5 lakhs (2021: Rs. 5.00 lakhs) to K. C. Mahindra Education Trust which is engaged in activities prescribed under section 135 of the Companies Act, 2013, read with Schedule VII to the Act.

24. Earnings per share:

Particulars	31st March, 2022	31st March, 2021
Loss after tax for the year (Rs. lakhs)	**(470.68)**	(10782.24)
Nominal Value per ordinary equity Share (in Rs.)	**10**	10
Weighted Average number of ordinary equity shares for Basic Earnings per share	**2,46,34,99,450**	2,46,26,83,012
Basic Earnings per equity Share (in Rs.) - (Rounded off)	**(0.02)**	(0.44)
Weighted Average number of ordinary equity shares for Diluted Earnings per share	**2,46,34,99,450**	2,46,26,83,012
Diluted Earnings per equity Share (in Rs.) - (Rounded off)	**(0.02)**	(0.44)
Loss after tax for the year (Rs. lakhs)	**(470.68)**	(10782.24)
Basic Earnings per equity Share (in Rs.) - (Rounded off)	**(0.02)**	(0.44)
Diluted Earnings per equity Share (in Rs.) - (Rounded off)	**(0.02)**	(0.44)

25. Other matters

- Information with regard to other matters specified in Part II of Schedule III to the Act is either nil or not applicable to the Company for the year.
- No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- Amendment to Schedule III

  Ministry of Corporate Affairs (MCA) has issued notification dated 24 March 2021 related to amendment to Schedule III. The said amendments inter-alia prescribed several additional disclosures under 'Additional Regulatory Information'. Some of these disclosures are not applicable to the Company and hence no disclosure is made for such items.
- Disclosures required as per RBI direction for core investment company are either nil or given at appropriate places.

In terms of our report attached

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Jamil Khatri
Partner
Membership No. 102527

Place: Mumbai
Date: 17th May, 2022

For and on behalf of the Board of Directors of
Mahindra Holdings Limited
CIN No. U65993MH2007PLC175649

Manoj Bhat
Director

Bharat Doshi
Director

Zhooben Bhiwandiwala
Whole-time Director/ Chief Executive Officer

Anil Mangalvedhekar
Chief Financial Officer

Gayathri Iyer
Company Secretary
Date: 17th May, 2022

Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/ associate companies/ joint ventures

Part "A": Subsidiaries

(Rs. in lakhs)

Sl. No.	Particulars	Mahindra Susten Private Limited	Mahindra Airways Limited	Mahindra First Choice Wheels Limited	Gromax Agri Equipment Limited	*Mahindra Renewables Private Limited	*MSPE International DMCC	*Mahindra Teqo Private Limited
1	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	31st March, 2022	31st March, 2022	31st March, 2022	31st March, 2022	31st March, 2022	31st March, 2022	31st March, 2022
2	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Indian Subsidiary	Indian Subsidiary	Indian Subsidiary	Indian Subsidiary	Indian Subsidiary	Foreign Subsidiary	Indian Subsidiary
3	Share Capital	19546.17	585.00	7950.99	5430.20	32512.46	2395.22	10.00
4	Reserves & Surplus	80221.12	(547.61)	6087.35	(432.13)	7517.81	(2338.71)	1792.42
5	Total Assets	285940.08	50.40	31564.17	11346.52	272946.45	30.63	7818.43
6	Total Liabilities & Equity	285940.08	50.40	31564.17	11346.52	272946.45	30.63	7818.43
7	Investments	47520.85	–	6511.64	–	15440.31	–	–
8	Turnover	65734.00	0.56	85535.97	19157.12	30227.74	–	13032.84
9	Profit/(Loss) before taxation	601.36	(16.01)	(3077.48)	2,719.20	3,907.99	(4.15)	1284.52
10	Provision for taxation	650.59	–	92.53	9.03	983.64	–	342.35
11	Profit/(Loss) after taxation	(49.23)	(16.01)	(3170.01)	2710.17	2924.35	(4.15)	942.17
12	Proposed Dividend	–	–	–	–	–	–	–
13	% of shareholding	100%	100%	49.17%	49%	100%	100%	100%

* a subsidiary of Mahindra Susten Private Limited

Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/ associate companies/ joint ventures

Part "A": Subsidiaries

(Rs. in lakhs)

Sl. No.	Particulars	*Martial Solren Private Limited	*Mega Suryaurja Private Limited	**Marvel Solren Private Limited	**Astra Solren Private Limited	**Neo Solren Private Limited	**Brightsolar Renewable Energy Private Limited	$ Fifth Gear Ventures Limited
1	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	31st March, 2022	31st March, 2022	31st March, 2022	31st March, 2022	31st March, 2022	31st March, 2022	31st March, 2022
2	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Indian Subsidiary	Indian Subsidiary	Indian Subsidiary	Indian Subsidiary	Indian Subsidiary	Indian Subsidiary	Indian Subsidiary
3	Share Capital	1.00	865.00	2781.60	888.94	931.50	951.79	19.81
4	Reserves & Surplus	(5.60)	7,621.04	2376.73	7,690.64	6929.73	1357.11	943.86
5	Total Assets	0.08	133570.54	13644.00	40371.62	30826.35	9376.29	3041.91
6	Total Liabilities & Equity	0.08	133570.54	13644.00	40371.62	30826.35	9376.29	3041.91
7	Investments	–	–	–	–	–	–	–
8	Turnover	–	–	1918.92	6135.31	4137.84	1327.74	2863.74
9	Profit/(Loss) before taxation	3.21	(16.66)	122.24	1470.66	543.23	114.02	(1961.87)
10	Provision for taxation	–	(1.55)	45.41	411.92	151.13	31.72	–
11	Profit/(Loss) after taxation	(3.21)	(15.11)	76.83	1058.73	392.10	82.30	(1961.87)
12	Proposed Dividend	–	–	–	–	–	–	–
13	% of shareholding	100%	100%	51%	100%	100%	51%	100%

* a subsidiary of Mahindra Susten Private Limited
** a subsidiary of Mahindra Renewables Pvt.Ltd
$ a subsidiary of Mahindra First Choice Wheels Ltd

Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/ associate companies/ joint ventures

Part “B”: Associate Companies

(Rs. in lakhs)

Sl. No.	Particulars	Mahindra and Mahindra Contech Limited	Mahindra eMarket Limited	# Medwell Ventures Private Limited	# New Delhi Centre for Sight Limited	# Aquasail Distribution Company Private Limited
1	Latest audited Balance Sheet Date	31st March, 2022	31st March, 2022	31st March, 2022	31st March, 2022	31st March, 2022
2	Share of associates companies held by the company on the year end	23.33%	24.00%	31.45%	30.30%	17.63%
3	No of Equity Share held	35000	191928	181697	3753082	156063
4	Amount of Investment in associate companies	169.79	1.19	11544.12	20650.60	600
5	Extent of Holding %	23.33%	24.00%	31.45%	30.30%	17.63%
6	Description of how there is significant influence	–	–	–	–	–
7	Reason why the associate companies is not consolidated	NA	NA	NA	NA	NA
8	Net worth attributable to shareholding as per latest audited Balance Sheet	392.43	(23.48)	837.59	8058.56	50.97
9	Profit/(Loss) for the year	27.37	(69.91)	(160.05)	430.54	(19.69)

Amounts are based on unaudited financials.

Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/ associate companies/ joint ventures

Part "A": Subsidiaries

(Rs. in lakhs)

Sl. No.	Particulars	Bristlecone Limited	*Bristlecone India Limited	*Bristlecone Inc	*Bristlecone UK Limited	*Bristlecone (Malaysia) Sdn Bhd	*Bristlecone Consulting Limited	*Bristlecone International AG	*Bristlecone Middle East DMCC	**Bristlecone (Singapore) Pte Ltd	**Bristlecone Gmbh
1	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	31st March, 2022	31st March, 2022	31st March, 2022	31st March, 2022	31st March, 2022	31st March, 2022	31st March, 2022	31st March, 2022	31st March, 2022	31st March, 2022
2	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Foreign Subsidiary	Indian Subsidiary	Foreign Subsidiary	Foreign Subsidiary	Foreign Subsidiary	Foreign Subsidiary	Foreign Subsidiary	Foreign Subsidiary	Foreign Subsidiary	Foreign Subsidiary
3	Share Capital	15.14	1904.94	5187.42	2333.08	90.15	0.00	81.86	10.12	934.20	42.25
4	Reserves & Surplus	4553.80	7272.05	3316.55	(1739.96)	87.88	288.42	1682.45	1553.73	-13.18	4556.21
5	Total Assets	23087.03	20418.18	25879.29	593.12	333.35	324.24	2819.37	2137.01	1207.90	5364.73
6	Total Liabilities & Equity	23087.03	20418.18	25879.29	593.12	333.35	324.24	2819.37	2137.01	1207.90	5406.98
7	Investments	21624.12	778.51	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
8	Turnover	12380.98	38991.23	50666.48	81.24	269.43	80.15	1616.51	2601.76	1679.36	3425.28
9	Profit/(Loss) before taxation	12050.84	4443.56	1459.22	53.32	47.66	(68.01)	(295.65)	816.16	384.80	587.04
10	Provision for taxation	2665.34	1087.70	92.91	0.00	0.00	(18.22)	0.61	0.00	23.56	120.62
11	Profit/(Loss) after taxation	9385.49	3355.86	1366.31	53.32	47.66	(49.79)	(295.03)	816.16	361.25	466.69
12	Proposed Dividend			–	–	180.30		–	–	–	
13	% of shareholding	97.06%	97.06%	97.06%	97.06%	97.06%	97.06%	97.06%	97.06%	97.06%	97.06%

* a subsidiary of Bristlecone Limited

** a subsidiary of Bristlecone India

In terms of our report attached

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Jamil Khatri
Partner
Membership No. 102527

Place: Mumbai
Date: 17th May, 2022

For and on behalf of the Board of Directors of
Mahindra Holdings Limited
CIN No. U65993MH2007PLC175649

Manoj Bhat
Director

Bharat Doshi
Director

Zhooben Bhiwandiwala
Whole-time Director/
Chief Executive Officer

Anil Mangalvedhekar
Chief Financial Officer

Gayathri Iyer
Company Secretary
Date: 17th May, 2022

INDEPENDENT AUDITORS' REPORT

TO THE MEMBER OF MAHINDRA OVERSEAS INVESTMENT COMPANY (MAURITIUS) LTD

Report on the Audit of the Separate Financial Statements

Opinion

We have audited the separate financial statements of **Mahindra Overseas Investment Company (Mauritius) Ltd**, the "Company", which comprise the statement of financial position as at 31 March 2022 and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the separate financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying separate financial statements give a true and fair view of the financial position of the Company as at 31 March 2022 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Separate Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the separate financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matter

The supplementary information presented in Indian Rupee in the separate financial statements is solely for the convenience of the users of these separate financial statements. The supplementary information presented in Indian Rupee does not form part of the audited separate financial statements. We have therefore not audited the supplementary information and, accordingly, we do not express an opinion on this supplementary information. This paragraph has no impact on the audit opinion expressed in this auditors' report.

Information Other than the Separate Financial Statements and Auditors' Report Thereon ("Other Information")

Management is responsible for the Other Information. The Other Information comprises the information included under the Corporate Data and Commentary of Directors sections, but does not include the separate financial statements and our auditors' report thereon.

Our opinion on the separate financial statements does not cover the Other Information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the separate financial statements, our responsibility is to read the Other Information and, in doing so, consider whether the Other Information is materially inconsistent with the separate financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this Other Information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Separate Financial Statements

Management is responsible for the preparation of the separate financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of the separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the separate financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Separate Financial Statements

Our objectives are to obtain reasonable assurance about whether the separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these separate financial statements.

The Company is licensed as an Authorised Company with the Financial Services Commission of Mauritius (FSC) and by virtue of this status, it does not have an obligation to file audited financial statements with the FSC.

Mahindra and Mahindra Limited, the parent company, is listed in the Republic of India and is required to submit consolidated audited financial statements to the Indian authorities. The Group Auditors of the parent company, in compliance with ISA 600, Special Considerations - Audits of Group Financial Statements (Including the Work of Component Auditors), require an audit to be performed on these separate financial statements and to communicate the results thereon to them. In this context, the directors have voluntarily appointed Grant Thornton to carry out an audit on these separate financial statements.

As part of an audit in accordance with International Standards of Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the separate financial statements, including the disclosures, and whether the separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of this report

Our report is made solely to the member of the Company as a body in accordance with Section 205 of the Mauritius Companies Act 2001. Our audit work has been undertaken so that we might state to the Company's member those matters we are required to state to it in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's member as a body, for our audit work, for this report, or for the opinion we have formed.

Grant Thornton
Chartered Accountants

K RAMCHURUN, FCCA
Licensed by FRC

Date: 20 May 2022
Ebene 72201, Republic of Mauritius

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH

	Notes	2022 USD	2022 INR (Note 1)	2021 USD	2021 INR (Note 1)
INCOME					
Dividend income		**6,920,486**	**524,019,200**	7,407,822	560,920,282
		6,920,486	**524,019,200**	7,407,822	560,920,282
EXPENSES					
Professional fees		**684,811**	**51,853,889**	252,972	19,155,040
Depreciation	9	**26,568**	**2,011,728**	35,384	2,679,278
Repairs and maintenance		**28,951**	**2,192,170**	26,354	1,995,522
Audit fees		**29,003**	**2,196,108**	27,084	2,050,800
Bank charges		**8,240**	**623,933**	12,227	925,826
Licence fees		**1,038**	**78,596**	2,300	174,156
Insurance charges		**887**	**67,164**	1,384	104,796
		779,498	**59,023,588**	357,705	27,085,421
OPERATING PROFIT		**6,140,988**	**464,995,612**	7,050,117	533,834,861
Impairment of investments	11	**(18,960,370)**	**(1,435,679,216)**	(201,333,444)	(15,244,968,380)
Impairment of property, plant and equipment	9	**(279,630)**	**(21,173,584)**	–	–
Reversal of impairment losses	11	**72,473,012**	**5,487,656,469**	9,479,685	717,801,748
Finance income	20.1	**15,177,998**	**1,149,278,009**	1,684,446	127,546,521
Finance costs	20.2	**(5,391,813)**	**(408,268,080)**	(20,051,968)	(1,518,335,017)
Loss on disposal of investments	11	**(71,705,705)**	**(5,429,555,983)**	–	–
LOSS BEFORE TAX		**(2,545,520)**	**(192,746,773)**	(203,171,164)	(15,384,120,537)
Tax expense	8	**(3,344,425)**	**(253,239,862)**	(1,617,293)	(122,461,425)
LOSS FOR THE YEAR		**(5,889,945)**	**(445,986,635)**	(204,788,457)	(15,506,581,962)
OTHER COMPREHENSIVE INCOME:					
Items that will not be reclassified subsequently to profit or loss		**–**	**–**	–	–
Items that will be reclassified subsequently to profit or loss		**–**	**–**	–	–
Fair value (loss)/gain on financial assets at fair value through other comprehensive income	**12(iii)**	**(5,872,648)**	**(444,676,907)**	10,677,083	808,468,725
OTHER COMPREHENSIVE (LOSS)/GAIN FOR THE YEAR, NET OF TAX		**(5,872,648)**	**(444,676,907)**	10,677,083	808,468,725
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		**(11,762,593)**	**(890,663,542)**	(194,111,374)	(14,698,113,237)

The notes on pages herein form an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH

	Notes	2022	2022	2021	2021
		USD	**INR (Note 1)**	USD	INR (Note 1)
ASSETS					
Non-current					
Property, plant and equipment	9	**–**	**–**	1,200,652	90,913,369
Investments in associates	10	**78,400,645**	**5,936,496,839**	78,400,645	5,936,496,839
Investments in subsidiaries	11	**110,828,408**	**8,391,927,054**	98,831,476	7,483,519,363
Financial assets at fair value through other comprehensive income ("FVOCI")	12	**33,750,760**	**2,555,607,547**	39,123,408	2,962,424,454
Non-current assets		**222,979,813**	**16,884,031,440**	217,556,181	16,473,354,025
Current					
Investment in subsidiaries	11	**2,891,692**	**218,958,918**	–	–
Other receivables and prepayments	18	**44,432**	**3,364,391**	45,957	3,479,863
Cash and cash equivalents	14	**5,049,819**	**382,372,295**	27,685,885	2,096,375,212
		7,985,943	**604,695,604**	**27,731,842**	**2,099,855,075**
Non-current asset classified as held-for-sale	**15**	**894,454**	**67,728,057**	**–**	**–**
Current assets		**8,880,397**	**672,423,661**	27,731,842	2,099,855,075
Total assets		**231,860,210**	**17,556,455,101**	245,288,023	18,573,209,100
EQUITY AND LIABILITIES					
Equity					
Stated capital	16	**440,309,209**	**33,340,213,305**	424,109,209	32,113,549,305
Accumulated losses		**(427,019,081)**	**(32,333,884,813)**	(421,129,136)	(31,887,898,178)
Fair value reserves for financial assets at FVOCI	12	**(23,986,744)**	**(1,816,276,256)**	(18,114,096)	(1,371,599,349)
Total equity		**(10,696,616)**	**(809,947,764)**	(15,134,023)	(1,145,948,222)
Liabilities					
Non-current					
Borrowings	17	**–**	**–**	227,470,060	17,224,032,943
Non-current liabilities		**–**	**–**	227,470,060	17,224,032,943
Current					
Borrowings	17	**242,474,376**	**18,360,159,751**	32,847,374	2,487,203,159
Accruals	19	**82,450**	**6,243,114**	104,612	7,921,220
Current liabilities		**242,556,826**	**18,366,402,865**	32,951,986	2,495,124,379
Total liabilities		**242,556,826**	**18,366,402,865**	260,422,046	19,719,157,322
Total equity and liabilities		**231,860,210**	**17,556,455,101**	245,288,023	18,573,209,100

Approved by the Board of Directors on 20 May 2022 and signed on its behalf by:

DIRECTOR

Zakir Hussein Niamut

The notes on pages herein form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH

	Stated capital	Accumulated losses	Fair value reserves for financial assets at fair value through other comprehensive income	Total
	USD	USD	USD	USD
Balance at 01 April 2020	292,579,209	(215,340,580)	(29,791,278)	47,447,351
Issue of shares	131,530,000	–	–	131,530,000
Transactions with the owner	131,530,000	–	–	131,530,000
Loss for the year	–	(204,788,457)	–	(204,788,457)
Other comprehensive loss	–	–	10,677,083	10,677,083
Total comprehensive loss for the year	–	(204,788,457)	10,677,083	194,111,374
Transfer of fair value loss of equity investment at FVOCI to accumulated losses upon winding up of investee company	–	(1,000,099)	1,000,099	–
Balance at 31 March 2021	424,109,209	(421,129,136)	(18,114,096)	(15,134,023)
Balance at 01 April 2021	**424,109,209**	**(421,129,136)**	**(18,114,096)**	**(15,134,023)**
Issue of shares	**16,200,000**	**–**	**–**	**16,200,000**
Transaction with the owner	**16,200,000**	**–**	**–**	**16,200,000**
Loss for the year	**–**	**(5,889,945)**	**–**	**(5,889,945)**
Other comprehensive income	**–**	**–**	**(5,872,648)**	**(5,872,648)**
Total comprehensive loss for the year	**–**	**(5,889,945)**	**(5,872,648)**	**(11,762,593)**
Balance at 31 March 2022	**440,309,209**	**(427,019,081)**	**(23,986,744)**	**(10,696,616)**

	Stated capital	Accumulated losses	Fair value reserves for financial assets at fair value through other comprehensive income	Total
	INR	INR	INR	INR
Balance at 01 April 2020	22,154,097,705	(16,305,588,720)	(2,255,795,570)	3,592,713,417
Issue of shares	9,959,451,600	–	–	9,959,451,600
Transactions with the owner	9,959,451,600	–	–	9,959,451,600
Loss for the year	–	(15,506,581,962)	–	(15,506,581,962)
Other comprehensive loss	–	–	808,468,725	808,468,725
Total comprehensive loss for the year	–	(15,506,581,964)	808,468,725	(14,698,113,237)
Transfer of fair value loss of equity investment at FVOCI to accumulated losses upon winding up of investee Company	–	(75,727,496)	75,727,496	–
Balance at 31 March 2021	32,113,549,305	(31,887,898,178)	(1,371,599,349)	(1,145,948,222)
Balance at 01 April 2021	**32,113,549,305**	**(31,887,898,178)**	**(1,371,599,349)**	**(1,145,948,222)**
Issue of shares	**1,226,664,000**	**–**	**–**	**1,226,664,000**
Transaction with the owner	**1,226,664,000**	**–**	**–**	**1,226,664,000**
Loss for the year	**–**	**(445,986,635)**	**–**	**(445,986,635)**
Other comprehensive income	**–**	**–**	**(444,676,907)**	**(444,676,907)**
Total comprehensive loss for the year	**–**	**(445,986,635)**	**(444,676,907)**	**(890,663,542)**
Balance at 31 March 2022	**33,340,213,305**	**(32,333,884,813)**	**(1,816,276,256)**	**(809,947,764)**

The notes on pages herein form an integral part of these financial statements.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH

	Notes	2022	2022	2021	2021
		USD	**INR (Note 1)**	USD	INR (Note 1)
Operating activities					
Loss before tax		**(2,545,520)**	**(192,746,773)**	(203,171,164)	(15,384,120,537)
Adjustments for:					
Net fair value gain on derivative financial instruments		**–**	**–**	(834,828)	(63,213,176)
Net impairment of investments		**(53,512,642)**	**(4,051,977,252)**	201,333,444	15,244,968,380
Impairment of property, plant and equipment		**279,630**	**21,173,584**	–	–
Net impairment of loans		**–**	**–**	(9,479,685)	(717,801,824)
Depreciation		**26,568**	**2,011,728**	35,384	2,679,278
Loss on disposal of investments		**71,705,705**	**5,429,555,983**	–	–
Amortisation of transaction costs		**–**	**–**	115,612	8,754,141
Interest income		**(13,843)**	**(1,048,192)**	(377,117)	(28,555,299)
Interest expense		**2,757,809**	**208,821,297**	2,860,503	216,597,287
Swap interest expense		**–**	**–**	578,913	43,835,292
Dividend income		**(6,920,486)**	**(524,019,200)**	(7,407,822)	(560,920,282)
Net foreign exchange differences		**(14,016,670)**	**(1,061,342,252)**	15,511,642	1,174,541,605
		(2,239,449)	**(169,571,077)**	(835,118)	(62,235,135)
Changes in working capital:					
Change in other receivables and prepayments		**1,525**	**115,473**	257,264	19,480,030
Change in accruals		**(22,162)**	**(1,678,107)**	(49,884)	(3,777,216)
Net cash used in operations		**(2,260,086)**	**(171,133,711)**	(627,738)	(47,532,321)
Interest paid	**22**	**(10,525,223)**	**(796,969,886)**	(1,467,059)	(111,085,707)
Swap interest paid	**22**	**–**	**–**	(645,871)	(48,905,352)
Tax refund received		**–**	**–**	10,087	763,788
Tax paid		**(3,344,425)**	**(253,239,861)**	(4,617,293)	(349,621,426)
Net cash used in operating activities		**(16,129,734)**	**(1,221,343,458)**	(7,347,874)	(556,381,018)
Investing activities					
Purchase of investments		**(34,348,994)**	**(2,600,905,826)**	(96,499,767)	(7,306,962,357)
Proceeds from sale of investments		**767,307**	**58,100,486**	–	–
Dividends received		**6,920,486**	**524,019,200**	7,407,822	560,920,282
Interest received		**13,600**	**1,029,792**	–	–
Net cash used in investing activities		**(26,647,601)**	**(2,017,756,348)**	(89,091,945)	(6,746,042,075)
Financing activities					
Loans repaid to banks	**22**	**(260,222,100)**	**(19,704,017,412)**	(325,072,049)	(24,614,455,550)
Loans received from banks (net of transaction cost)	**22**	**274,729,863**	**20,802,545,226**	90,439,500	6,848,078,940
Loans received from shareholder		**–**	**–**	229,553,600	17,381,798,592
Loan repaid to shareholder		**(11,496,306)**	**(870,500,290)**		
Loans repaid by related parties		**2,739,000**	**207,397,080**	–	–
Proceeds from issue of shares		**16,200,000**	**1,226,664,000**	115,030,000	8,710,071,600
Loan granted to related parties		**(2,735,750)**	**(214,722,990)**	–	–
Net cash from financing activities		**19,214,707**	**1,454,937,614**	109,951,051	8,325,493,582
Net change in cash and cash equivalents		**(23,562,628)**	**(1,784,162,192)**	13,511,232	1,023,070,489
Cash and cash equivalents, beginning of year		**27,685,885**	**2,096,375,212**	13,718,024	1,038,728,777
Exchange differences on cash and cash equivalents		**926,562**	**70,159,275**	456,629	34,575,946
Cash and cash equivalents, end of year		**5,049,819**	**382,372,295**	27,685,885	2,096,375,212
Cash and cash equivalents made up of:					
Cash at bank	**14**	**5,049,819**	**382,372,295**	27,685,885	2,096,375,212

The notes on pages herein form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

1. GENERAL INFORMATION AND STATEMENT OF COMPLIANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRS")

Mahindra Overseas Investment Company (Mauritius) Ltd, the "Company", was incorporated in the Republic of Mauritius under the Mauritius Companies Act 2001 on 7 December 2004 as a private Company with liability limited by shares and held a Global Business Licence issued by the Financial Services Commission up to 22 March 2021. Pursuant to a Board meeting held on 2 February 2021, the Company had sought authorisation from the Financial Services Commission ("FSC") to be converted from a Global Business Licence Company to an Authorised Company. The Company was issued with an authorisation from the FSC to convert into an Authorised Company under Section 71A of the Financial Services Act 2007 on 22 March 2021.

The Company's registered office is Sanne House, Bank Street, TwentyEight, Cybercity, Ebene 72201, Republic of Mauritius. The principal purpose of the Company is to act as an investment holding company. The Company holds property, plant and equipment in the Republic of South Africa. In accordance with South African tax regulations, the Company has been registered as an external company.

Indian Rupee ("INR") amounts are included solely for convenience. These transactions should not be construed as representations that the USD amounts actually represent or have been or could be converted into INR. As the amounts shown in INR are for convenience only, the rate of USD 1= INR 75.72 has been used for the purpose of presentation of the INR amounts in the accompanying separate financial statements for the two years ended 31 March 2022 and 31 March 2021.

2. APPLICATION OF NEW AND REVISED IFRS

2.1 New and amended Standards that are effective for the current year

The Company has applied the following Standards, amendments and Interpretations to existing Standards for the first time for the annual reporting period commencing on 01 April 2021:

Various	Interest Rate Benchmark Reform Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)
IFRS 16	COVID - 19 Related Rent Concessions (Amendment to IFRS 16)

The directors have assessed the impact of these revised Standards and amendments and concluded that none of these has an impact on these separate financial statements.

2.2 Standards, amendments and Interpretations to existing Standards that are not yet effective and have not been adopted early by the Company

At the date of authorisation of these separate financial statements, several new, but not yet effective, Standards, amendments to existing Standards and Interpretations have been published by the IASB. None of these Standards, amendments or Interpretations have been adopted early by the Company.

Management anticipates that all relevant pronouncements, will be adopted in the Company's accounting policies for the first period beginning on or after the effective date of the pronouncement. Information on new Standards, amendments to existing Standards and Interpretations is provided below.

IFRS 3	References to the Conceptual Framework (Amendments to IFRS 3)
IFRS 16	Covid - 19 - Related Rent Concessions beyond 30 June 2021 (Amendments to IFRS 16)
IAS 16	Proceeds before Intended Use (Amendments to IAS 16)
IAS 37	Onerous Contract - Cost of Fulfilling a Contract (Amendments to IAS 37)
IFRS 17	Insurance Contracts
IFRS 1, IFRS 9, IFRS 16 and IAS 41	Annual improvements to IFRS Standards 2019-2020 Cycle (Amendments to IFRS 1, IFRS 9, IFRS 16, IAS 41
IFRS 4	Extension of the Temporary Exemption from Applying IFRS 9 (Amendments to IFRS 4)
IFRS 17	Initial application of IFRS 17 and IFRS 9 - Comparative Information (Amendments to IFRS 17)
IAS 1	Classification of Liabilities as Current or Non-current (Amendments to IAS 1)
IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)

Management has yet to assess the impact of the above Standards, amendments to existing Standards and Interpretations on the Company's separate financial statements.

3. SUMMARY OF ACCOUNTING POLICIES

(a) Overall considerations

The significant accounting policies that have been used in the preparation of these separate financial statements are summarised below.

(b) Revenue

Dividend income is recognised when the Company's right to receive such dividend is established.

Interest income is recognised on the accrual basis unless collectability is in doubt.

(c) Expenses

All expenses are accounted for in the statement of profit or loss and other comprehensive income on the accrual basis.

(d) Taxation

Tax expense recognised in the statement of profit or loss and other comprehensive income comprises the sum of deferred tax and current tax not recognised in other comprehensive income or directly in equity.

Current income tax assets and/or liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting periods, that are unpaid at the reporting date. Current tax is payable on taxable profit, which differs from profit or loss in the separate financial statements. Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting date.

Deferred income taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases.

(e) Property, plant and equipment

Building and furniture and fittings are initially recognised at acquisition cost, including any costs directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by the Company's management. Building and furniture and fittings are subsequently measured using the cost model, cost less subsequent depreciation and impairment losses.

Depreciation is recognised on a straight-line basis to write down the cost less estimated residual values.

The following average useful lives are applied:

Building: 60 years
Furnitures and fittings: 10 years

Where the carrying amount of an asset is greater than its estimated amount, it is written down immediately to its recoverable amount.

The assets' residual values, useful lives and methods of depreciation are reviewed and adjusted, if appropriate, at each reporting date. Repairs and maintenance costs are expensed as incurred.

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset. The gain or loss on disposal is credited or charged to the statement of profit or loss and other comprehensive income.

(f) Consolidated financial statements

The financial statements are separate financial statements which contain information about Mahindra Overseas Investment Company (Mauritius) Ltd as a company and do not contain consolidated financial information as the parent of a group.

(g) Investment in subsidiary

A subsidiary is an entity over which the Company has control. The Company controls an entity when the Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The Company has majority votimg rights in ten unquoted companies at the reporting date and which are considered to be subsidiaries in accordance with IFRS 10, *Consolidated Financial Statements.*

Consolidated financial statements have not been presented as the Company monitors the performance of the subsidiaries on an ongoing basis and their accounts are made available to the Company as and when required. The Company believes that consolidated information would add minimal value and also the costs of providing the information would exceed any benefits therefrom. The investments in the subsidiaries are measured at cost less any impairment charges in these separate financial statements. Impairment charges are recognised in the statement of comprehensive income. On disposal of the investment, the difference between the net disposal proceeds and the carrying amount is charged or credited in the statement of profit or loss and other comprehensive income.

(h) Investment in associate and joint venture

An associate is an entity over which the Company has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights.

The existence of significant influence by an entity is usually evidenced in one or more of the following ways: (a) representation on the board of directors or equivalent governing body of the investee; (b) participation in policy-making processes, including participation in decisions about dividends or other distributions; (c) material transactions between the investor and the investee; (d) interchange of managerial personnel; or (e) provision of essential technical information.

A joint venture is an arrangement that the Company controls jointly with one or more other investors, and over which the Company has rights to a share of the arrangement's net assets rather than direct rights to underlying assets and obligations for underlying liabilities.

Investment in associate and joint venture are initially shown at cost in these separate financial statements in accordance with IAS 28, *Investments in Associates and Joint Ventures.* Where an indication of impairment exists, the recoverable amount of the investment is assessed. Where the carrying amount of an investment is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount and the difference is charged to the statement of profit or loss and other comprehensive income.

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the statement of profit or loss and other comprehensive income.

(i) Financial instruments

Recognition and derecognition

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted by transaction costs. Subsequent measurement of financial assets and financial liabilities are described below.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and subsequent measurement of financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with IFRS 15, all financial assets are initially measured at fair value adjusted for transaction costs, where appropriate.

Financial assets, other than those designated and effective as hedging instruments, are classified into the following categories:

- amortised cost;
- fair value through profit or loss (FVTPL); or
- fair value through other comprehensive income (FVOCI).

In the current year, the Company does not have any financial assets categorised as FVTPL.

The classification is determined by both:

- the Company's business model for managing the financial asset.
- the contractual cash flow characteristics of the financial asset.

All income and expenses relating to financial assets are recognised in the statement of profit or loss and other comprehensive income.

Subsequent measurement of financial assets

Financial assets at amortised cost

Financial assets are measured at amortised cost using the effective interest method if the assets meet the following conditions (and are not designated as FVTPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows; and
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Discounting is omitted where the effect of discounting is immaterial. The Company's other receivables and cash and cash equivalents fall into this category of financial instruments.

Financial assets at fair value through other comprehensive income ("FVOCI'')

The Company accounts for financial assets at FVOCI if the assets meet the following conditions:

- they are held under a business model whose objective is "hold to collect" the associated cash flows and sell; and
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Any gains or losses recognised in other comprehensive income (OCI) will be recycled upon derecognition of the asset.

Impairment of financial assets

IFRS 9's impairment requirements use more forward-looking information to recognise expected credit losses – the 'expected credit loss (ECL) model'. This replaces IAS 39's 'incurred loss model'. For the Company, instruments within the scope of the new requirements included its loans and other receivables.

Recognition of credit losses is no longer dependent on the Company's first identifying a credit loss event. Instead the Company considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:

- Financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ("Stage 1"); and
- Financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ("Stage 2").

'Stage 3' would cover financial assets that have objective evidence of impairment at the reporting date.

'12-month expected credit losses' are recognized for the first category while 'lifetime expected credit losses' are recognized for the second category.

Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

Classification and subsequent measurement financial liabilities

The Company's financial liabilities include accruals and borrowings.

Financial liabilities are measured subsequently at amortised cost using the effective interest method.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

(j) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank. Cash equivalents are short term, highly liquid investments maturing within 90 days from the date of acquisition that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

(k) Equity

Stated capital is determined using the value of shares that have been issued.

Accumulated losses include all current and prior years' results as disclosed in the statement of profit or loss and other comprehensive income.

(l) Related parties

A related party is a person or company where that person or company has control or joint control of the reporting company; has significant influence over the reporting company; or is a member of the key management personnel of the reporting company or of a parent of the reporting company.

(m) Foreign currency translation

(i) Functional and presentation currency

The financial statements are presented in United States Dollars ("USD"), which is the Company's functional and presentation currency. The Company has also presented the financial statements in Indian Rupee ('INR") for the convenience of users of financial statements.

(ii) Foreign currency transactions and balances

Foreign currency transactions are translated into the functional currency of the Company using the exchange rates prevailing at the dates of the transactions (spot exchange rate). Foreign exchange gains and losses resulting from the settlement of such transactions and from the remeasurement of monetary items denominated in foreign currency at year-end exchange rates are recognised in the statement of profit or loss and other comprehensive income.

Non-monetary items are not retranslated at year-end and are measured at historical cost (translated using the exchange rates at the transaction date), except for non-monetary items measured at fair value which are translated using the exchange rates at the date when fair value was determined.

(n) Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation and the amount can be estimated reliably.

Provisions are measured at the estimated expenditure required to settle the present obligation based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. The increase in the provision due to passage of time is recognised as interest expense in the statement of profit or loss and other comprehensive income.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole.

(o) Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the year of the borrowings using the effective interest method.

Fees paid on loan facilities are recognised as transaction costs and amortised over the terms of the borrowings.

(p) Non-current assets held-for-sale

Non-current assets classified as held-for-sale are presented separately and measured at the lower of carrying amount prior to their classification as held-for-sale and fair value less costs to sell. Once classified as held-for-sale, the assets are not subjected to depreciation or amortisation.

The following conditions must be met for an asset to be classified as held-for-sale:

- management is committed to a plan to sell;
- the asset is available for immediate sale;
- an active programme to locate a buyer is initiated;
- the sale is highly probable, within 12 months of classification as held-for-sale (subject to limited exceptions);
- the assets is being actively marketed for sale at a sales price reasonable in relation to its fair; and
- actions required to complete the plan indicate that it is unlikely that the plan will be significantly changed or withdrawn.

(q) Comparatives

Where necessary, comparatives figures have been adjusted to conform with changes in presentation in the current year.

4. SIGNIFICANT MANAGEMENT JUDGEMENT IN APPLYING ACCOUNTING POLICIES AND ESTIMATION UNCERTAINTY

When preparing the separate financial statements, management undertakes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

Significant management judgements

The following is the significant management judgement in applying the accounting policies of the Company that has the most significant effect on the separate financial statements.

Determination of functional currency

The determination of the functional currency of the Company is critical since recording of transactions and exchange differences arising therefrom are dependent on the functional currency selected. The directors have considered those factors and have determined that the functional currency of the Company is the USD.

Going concern assumption

The directors have exercised significant judgement in assessing that the preparation of these separate financial statements on a going concern basis is appropriate. In making this assessment, the directors have considered the Company's future business projects, future cash flows and future profitability.

In particular, the directors have assessed that certain investments in associates/subsidiaries, stated at cost in these separate financial statements, have higher fair values based on recent external valuation and available quoted price. The total fair value of these investments as at 31 March 2022 is more than the cost by USD 141 million. Consequently, the total asset size of the Company is deemed to be USD 372 million which is more than the liabilities of USD 243 million resulting into a comfortable safety margin of USD 129 million. The Company would therefore be able to repay all its liabilities should the need arise.

Furthermore, all Company's borrowings are secured by the corporate guarantee of the parent company, Mahindra & Mahindra Limited ("M&M").

Investments in associates

The directors have assessed the level of influence that the Company has on CIE Automotive S.A and The East India Company Group Limited and determined that the Company has significant influences even though the shareholdings are below 20% due to the representations on the board of directors and participations in policy-making processes. Consequently, these investments have been classified as associates.

Estimation uncertainty

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

Impairment of investments in associates and subsidiaries.

In assessing impairment, management estimates the recoverable amount of each asset based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate. The directors have assessed the recoverable amount of the investments and confirmed that the carrying amounts of certain investments suffered impairment losses as reported in Notes 10 and 11.

Impairment losses on financial assets

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

Fair value of unquoted investments

The Company holds investments that are not quoted on active markets. Fair values of such investments are determined using management's assessment including third party transaction values, earnings, net asset value or discounted cash flow, whichever, is considered to be appropriate. Changes in assumptions about these factors and the method adopted could affect the reported fair values of the financial instruments.

Useful lives and residual values of property, plant and equipment

Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets.

Impact of COVID-19

In January 2020, the World Health Organization has declared the outbreak of a novel coronavirus (COVID-19) as a "Public Health Emergency of International Concern," which continues to spread throughout the world and has adversely impacted global commercial activity and contributed to significant declines and volatility in financial markets.

The directors have considered the potential adverse impact of the COVID-19 pandemic on the Fund's business activities by making assumptions using the existing market conditions as well as forward looking estimates at the end of the reporting date. Estimation uncertainty relates to assumptions about future operating results.

Assets held-for-sale

The Board resolved to dispose its property, plant and equipment ("PPE") held in South Africa. Consequently, the latter was classified as held-for-sale in these separate financial statements. The Board considered the PPE to meet the criteria to be classified as held for sale at that date for the following reasons:

- The PPE is available for immediate sale and can be sold to the buyer in its current condition;
- The actions to complete the sale were initiated and expected to be completed within one year from the date of initial classification;
- A potential buyer has been identified and negotiations as at the reporting date are at an advance stage; and
- The directors already approved the plan to sell on 03 December 2019 and the sale was delayed due to COVID-19 pandemic.

5. FINANCIAL INSTRUMENT RISK

Risk management objectives and policies

The Company is exposed to various risks in relation to its financial instruments. The main types of risks are market risk, credit risk and liquidity risk.

The Company's financial assets and financial liabilities by category are summarised below.

	2022 USD	**2022 INR (Note 1)**	2021 USD	2021 INR (Note 1)
Financial assets				
Non-current				
Financial assets at fair value through other comprehensive income:				
Investments in quoted and unquoted securities	**33,750,760**	**2,555,607,547**	39,123,408	2,962,424,454
	33,750,760	**2,555,607,547**	39,123,408	2,962,424,454
Current				
Financial assets measured at amortised cost:				
Other receivables	**40,075**	**3,034,479**	40,075	3,034,479
Cash and cash equivalents	**5,049,819**	**382,372,295**	27,685,885	2,096,375,212
	5,089,894	**385,406,774**	27,725,960	2,099,409,691
Total financial assets	**38,840,654**	**2,941,014,321**	66,849,368	5,061,834,145
Financial liabilities				
Non-current				
Financial liabilities measured at amortised cost:				
Borrowings	**–**	**–**	227,470,060	17,224,032,943

	2022 USD	**2022 INR (Note 1)**	2021 USD	2021 INR (Note 1)
	–	**–**	227,470,060	17,224,032,943
Current				
Financial liabilities measured at amortised cost:				
Borrowings	**242,474,376**	**18,360,159,751**	32,847,374	2,487,203,159
Accruals	**82,450**	**6,243,114**	104,612	7,921,220
	242,556,826	**18,366,402,865**	32,951,986	2,495,124,379
Total financial liabilities	**242,556,826**	**18,366,402,865**	260,422,046	19,719,157,322

The Company's risks are managed by its Board of Directors and the focus is on securing the Company's short to medium term cash flows by minimising the exposure to financial risks. The Company's investments are managed to generate lasting returns.

The Company does not actively engage in the trading of financial assets and derivatives for speculative purposes. The most significant financial risks to which the Company is exposed to are described below.

(a) Market risk analysis

Market risk is specifically comprised of currency risk and interest rate risk, which result from both its operating and investing activities. The Company is exposed to market risk through its use of financial instruments.

(i) Foreign currency sensitivity

Foreign currency risk, as defined in IFRS 7: Financial Instruments: Disclosures, arises as the value of future transactions, recognised monetary assets and monetary liabilities denominated in other currencies fluctuate due to changes in foreign exchange rates.

The currency profile of the Company's financial assets and financial liabilities is as follows:

	Financial assets 2022 USD	**Financial liabilities 2022 USD**	Financial assets 2021 USD	Financial liabilities 2021 USD
United States Dollar (USD)	**7,764,489**	**66,739**	20,427,863	16,119,337
Euro (EUR)	**31,069,542**	**242,485,443**	46,413,928	240,571,003
Great Britain Pound (GBP)	**–**	**–**	–	3,725,028
South African Rand (ZAR)	**6,623**	**3,323**	7,577	6,472
Indian Rupee (INR)	**–**	**1,321**	–	206
	38,840,654	**242,556,826**	66,849,368	260,422,046

	Financial assets 2022 INR (Note 1)	**Financial liabilities 2022 INR (Note 1)**	Financial assets 2021 INR (Note 1)	Financial liabilities 2021 INR (Note 1)
United States Dollar (USD)	**587,927,107**	**5,053,477**	1,546,797,786	1,220,556,198
Euro (EUR)	**2,352,585,720**	**18,360,997,744**	3,514,462,628	18,216,036,347
Great Britain Pound (GBP)	**–**	**–**	–	282,059,120
South African Rand (ZAR)	**501,494**	**251,618**	573,731	490,060
Indian Rupee (INR)	**–**	**100,026**	–	15,597
	2,941,014,321	**18,366,402,865**	5,061,834,145	19,719,157,322

The Company's transactions are carried out in the United States Dollar (USD), Euro (EUR), Great Britain Pound (GBP), South African Rand (ZAR) and Indian Rupee (INR). Consequently, the Company is exposed to foreign currency risk on its financial liabilities and financial assets denominated in EUR, GBP, ZAR and INR.

The table below illustrates the sensitivity of profit and equity in regard to the Company's financial instruments and the USD/EUR, USD/GBP, USD/ZAR and USD/INR exchange rates "all other things being equal".

It assumes the following percentage changes in the exchange rates:

	2022 % change	2021 % change
EUR	**3%**	6%
GBP	**5%**	10%
ZAR	**4%**	17%
INR	**3%**	2%

These percentages have been determined based on the average market volatility in exchange rates in the previous 12 months. The sensitivity analysis is based on the Company's foreign currency financial instruments held at each reporting date.

If the foreign currencies had strengthened by the above percentages, then this would have the following impact on loss and equity:

	Loss 2022		Loss 2021	
	USD	**INR (Note 1)**	USD	INR (Note 1)
EUR	**(8,456,636)**	**(640,336,478)**	(14,380,576)	(1,088,897,215)
GBP	**–**	**–**	(390,527)	(29,570,704)
ZAR	**99**	**7,496**	184	13,932
INR	**40**	**3,029**	(5)	(379)

	Equity 2022		Equity 2021	
	USD	**INR (Note 1)**	USD	INR (Note 1)
EUR	**9,589,275**	**726,099,903**	12,355,450	935,554,674
GBP	**–**	**–**	390,527	29,570,704
ZAR	**(99)**	**(7,496)**	(184)	(13,932)
INR	**(40)**	**(3,029)**	5	379

If the foreign currencies had weakened by the above percentages, then this would have the same reverse impact on loss and equity.

(ii) Interest rate sensitivity

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company has interest bearing financial assets and liabilities in the form of loans and borrowings.

The Company is not exposed to changes in market interest rates on its interest-bearing financial assets having fixed interest rates.

As 31 March 2022, the Company has interest bearing financial liabilities in the form of bank loan from Bank of America, N.A.

Loan from Bank of America, N.A

During the year ended 31 March 2021, the Company entered into a Loan Agreement dated 24 March 2021 with Bank of America ("BOA") to borrow an amount of up to EUR 50,000,000. The loan carries interest at EURIBOR +125 basis point. It is agreed that if the EURIBOR is negative it shall be deemed zero for the purpose of the loan facility. As at 31 March 2022, the Company owes EUR 40,000,000 to BOA. The loans are repayable within the next 12 months.

Interest rate sensitivity analysis

The following table illustrates the sensitivity of loss and equity to reasonably possible changes in interest rates of +/- 1% for the years ended 31 March 2021 and 2022. These changes are considered to be reasonably possible based on observation of current market conditions. The calculations are based on a change in the average market interest rates for each year, and the financial instruments held at each reporting date that are sensitive to changes in interest rates. All other variables are held constant.

A 1% increase in interest rate will have the following impact:

	Loss for the year	**Shareholder's deficit**
	USD	**USD**
At 31 March 2022	**448,339**	**448,339**
	Loss for the year	**Shareholder's deficit**
	USD	**USD**
At 31 March 2021	328,440	328,440

	Loss for the year	**Shareholder's deficit**
	INR	**INR**
At 31 March 2022	**33,948,238**	**339,948,238**
	Loss for the year	**Shareholder's deficit**
	INR	**INR**
At 31 March 2021	24,869,477	24,869,477

A 1% decrease in interest rate would have the reversed impact.

(iii) Other price sensitivity

The Company is exposed to other price risk in respect of its listed securities. The average volatility observed in the share prices during the year ended 31 March 2021 is shown in the table below:

Name of investee company	**% change in share price 2022**	% change in share price 2021
Global Dominion Access S.A	**6%**	72%
Bird Global Inc.	**75%**	–
REE Automotive Ltd.	**81%**	–

	Other comprehensive income and equity		Other comprehensive income and equity	
	2022	**2022**	2021	2021
	USD	**INR**	USD	INR
Increase	**15,957,407**	**1,208,294,858**	28,168,854	2,132,945,625
Decrease	**(15,957,407)**	**(1,208,294,858)**	(28,168,854)	(2,132,945,625)

The listed securities were classified as financial assets at fair value through other comprehensive income and therefore no effect on profit was noted.

(b) Credit risk analysis

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's receivables from customers. The Company's exposure to credit risk is monitored by management on an ongoing basis. The Company limits its risk by carrying out transactions with related parties. The Company has significant concentration of credit risk as shown as follows.

The Company's exposure to credit risk is limited to the carrying amount of financial assets recognised at the reporting date, as summarised below:

	2022	2022	2021	2021
	USD	INR (Note 1)	USD	INR (Note 1)
ASSETS				
Non-current				
Financial assets at fair value through other comprehensive income ("FVOCI")	**33,750,760**	**2,555,607,547**	39,123,408	2,962,424,454
	33,750,760	**2,555,607,547**	39,123,408	2,962,424,454
Current				
Other receivables	**40,075**	**3,034,479**	40,075	3,034,479
Cash and cash equivalents	**5,049,819**	**382,372,295**	27,685,885	2,096,375,212
	5,089,894	**385,406,774**	27,725,960	2,099,409,691
Total assets	**38,840,654**	**2,941,014,321**	66,849,368	5,061,834,145

The Company holds investments in both quoted and unquoted companies. The directors have made assessment on the fair value of these investments and have recognised a fair value loss of USD5,872,648 (2021: fair value gain of USD10,677,083) in these separate financial statements.

The Company measures credit risk and ECL using probability of default, exposure at default and loss given default. Management considers both historical analysis and forward-looking information in determining any ECL.

Based on the assessment for other receivables, management considers the probability of default of the counterparty and as a result, no loss allowance has been recognised based on 12-month ECL as any such impairment would be wholly insignificant to the Company.

The credit risk for the bank balances and derivative financial instruments is considered negligible since the counterparties are reputable banks with high quality external credit ratings.

The disposal of the investments is subject to some restrictions as described in Note 11 to these separate financial statements.

None of the Company's financial assets are secured by collateral or other credit enhancements.

(c) Liquidity risk analysis

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities. Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding from the shareholder.

The Company's main cash inflows are in the form of dividend, interest on loans, proceeds from issue of shares and disposal of investment. The main cash outflows relate to repayment of loans and interest and capital investments.

The Company's liquidity risk is managed by securing credit facilities from financial institutions and also through shares issue. The Company also seeks financial support of its parent company where necessary.

The Company also manages its liquidity needs by carefully monitoring cash inflows and cash outflows due in day-to-day business as well as scheduled debt servicing payments for long-term financial liabilities.

At 31 March 2022, the Company has contractual maturities which are summarised below:

	Current		Non-current	
	Within 1 year	Within 1 year	Over 1 year	Over 1 year
	USD	INR (Note 1)	USD	INR (Note 1)
Borrowings	**242,474,376**	**18,360,159,751**	–	–
Accruals	**82,450**	**6,243,114**	–	–
Total	**242,556,826**	**18,366,402,865**	–	–

This compares to the maturity of the Company's financial liabilities in the previous reporting year as follows:

	Current		Non–current	
	Within 1 year	Within 1 year	Over 1 Year	Over 1 Year
	USD	INR (Note 1)	USD	INR (Note 1)
Borrowings	**32,847,374**	**2,487,203,159**	227,470,060	17,224,032,943
Accruals	**104,612**	**7,921,220**	–	–
Total	**32,951,986**	**2,495,124,379**	227,470,060	17,224,032,943

(d) Concentration risk analysis

The Company has invested in unlisted companies whose securities are considered to be illiquid. Such illiquidity may adversely affect the ability of the Company to acquire or dispose of such investments. These investments may be difficult to value and to sell or otherwise liquidate and the risk of investing in such companies is much greater than the risk of investing in publicly traded securities. On account of the inherent uncertainty of valuation, the estimated values may differ significantly from the values that would be used had a ready market for the investments existed. However the directors consider these investments to be strategic and the concentration risk is manageable.

6. FAIR VALUE MEASUREMENT

6.1 Fair value measurement of financial instruments

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three Levels of a fair value hierarchy. The three Levels are defined based on the observability of significant inputs to the measurement, as follows:

- Level 1 : quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3: unobservable inputs for the asset or liability.

The following table shows the Levels within which the hierarchy of financial assets and financial liabilities measured at fair value on a recurring basis at 31 March 2022.

Level 1

	Level 1	Level 2	Level 3	Total
	USD	USD	USD	USD
Financial assets				
Investments at fair value through other comprehensive income	**29,550,753**	**–**	4,200,007	33,750,760

	Level 1	Level 2	Level 3	Total
	INR	INR	INR	INR
Financial assets				
Investments at fair value through other comprehensive income	**2,237,583,017**	**–**	318,024,530	2,555,607,547

The following table shows the Levels within which the hierarchy of financial liabilities measured at fair value on a recurring basis at 31 March 2021:

Level 1

	Level 1	Level 2	Level 3	Total
	USD	USD	USD	USD
Financial assets				
Investments at fair value through other comprehensive income	**31,823,401**	**–**	7,300,007	39,123,408

	Level 1	Level 2	Level 3	Total
	INR	INR	INR	INR
Financial assets				
Investments at fair value through other comprehensive income	**2,409,667,924**	**–**	552,756,530	2,962,424,454

There were no transfers between Level 1 and Level 2 during the year ended 31 March 2022 and 31 March 2021.

The method used for the purpose of measuring fair values of securities are detailed below:

Quoted company (Level 1)

The listed equity shares are denominated in EURO and USD and are publicly traded on Bolsa de Madrid, New York Stock Exchange and Nasdaq Stock Market. The fair value has been determined by reference to their respective quoted closing prices at the reporting date.

Unquoted companies (Level 3)

The fair values of the investments in the unquoted companies are determined using management's assessment including third party transaction values, earnings, net asset value or discounted cash flow, whichever, is considered to be appropriate.

Level 3- Fair value measurement

The reconciliation of the carrying amount of financial assets classified within level 3 is as follows:

	2022	**2022**	2021	2021
	USD	**INR**	USD	INR
At 01 April	**7,300,007**	**552,756,530**	11,032,346	835,369,239
Fair value adjustments	–	–	(3,732,339)	(282,612,709)
Transfer from Level 3 to Level 1	**(3,100,000)**	**(234,732,000)**	–	–
At 31 March	**4,200,007**	**318,024,530**	7,300,007	552,756,530

6.2 Fair value measurement of financial instruments not carried at fair value

The Company's other financial assets and liabilities are measured at their carrying amounts, which approximate their fair values.

6.3 Fair value measurement of non-financial assets and non-financial liabilities

The Company's non-financial assets consist of property, plant and equipment, investments in associates, investments in subsidiaries, non-current asset classified as held-for-sale and prepayments. For these non-financial instruments, fair value measurement is not applicable since these are not measured at fair value on a recurring or non-recurring basis in the statement of financial position. At the reporting date, the Company did not have any non-financial liabilities.

7. CAPITAL MANAGEMENT POLICIES AND PROCEDURES

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern in order to provide returns to its member.

In order to maintain or adjust the capital structure, the Company may adjust the dividends paid to its member, buy back shares or issue new shares.

The Company monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital.

The details of the gearing ratio are disclosed as follows:

	2022	**2022**	2021	2021
	USD	**INR (Note 1)**	USD	INR (Note 1)
Total borrowings (i)	**242,474,376**	**18,360,159,751**	260,317,434	19,711,236,102
Less: cash and cash equivalents	**(5,049,819)**	**(382,372,295)**	(27,685,885)	(2,096,375,212)
Net debt	**237,424,557**	**17,977,787,456**	232,631,549	17,614,860,890
Total equity	**–**	**–**	–	–
Total capital	**237,424,557**	**17,977,787,456**	232,631,549	17,614,860,890
Gearing ratio (%) (ii)	**100%**	**100%**	100%	100%

(i) Borrowings include all short-term and long-term borrowings as detailed in Note 17.

(ii) The Company was fully geared (2021: 100%) at the reporting date and the directors consider that this level of gearing is reasonable taking into account the Company's business activities.

8. TAXATION

(i) Income tax

The Company, has on 22 March 2021, obtained authorisation from the Financial Services Commission to act as an Authorised Company. The Finance (Miscellaneous Provisions) Act 2018 amended the Financial Services Act 2007 to introduce a new type of licence, the "Authorised Company". An Authorised Company is required to have its place of effective management outside of Mauritius. Accordingly, under this new regime, the Company has its control and management in India and it will be deemed to be non-resident for tax purposes in Mauritius. By being non-resident for tax purposes in Mauritius, it will not be subject to tax on its foreign income. On the other hand, the Company will be liable to tax in Mauritius on any local-source income. Furthermore, an Authorised Company is required to file a return of income to the Mauritius Revenue Authority within six months of its accounting year end.

Tax expense recognised in profit or loss comprises the sum of deferred tax and current tax not recognised in other comprehensive income or directly in equity.

During the year under review, the Company submitted tax returns to the Mauritius Revenue Authority under the Advance Payment Systems (''APS'') for the quarters ended 30 June 2021, 30 September 2021 and 31 December 2021.

Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. Deferred income taxes are calculated using the balance sheet liability method.

At 31 March 2022, the Company has a current tax asset of USD Nil (2021: USD Nil) and a current tax liability of USD Nil (2021: USD Nil) with the Mauritius Tax authority and India Tax Authority respectively.

Statement of profit or loss and other comprehensive income

	2022	**2022**	2021	2021
	USD	**INR (Note 1)**	USD	INR (Note 1)
Tax charge for the year (Note 8 (iv))	**2,029,533**	**153,676,239**	209,807	15,886,586
Withholding tax (Note 8 (iii))	**1,314,892**	**99,563,623**	1,407,486	106,574,839
	3,344,425	**253,239,862**	1,617,293	122,461,425

The tax charge for the year of **USD 2,029,533** (2021: USD 209,807) relates to Advance tax payment amounting to USD 1,971,851 in respect to Tax residency and Place of Effective Management ("PoEM") year of assessment 2022/2023 (Note 8 (iv)) and Tax Deduct at Source paid on behalf of Indian vendors.

(a) Movement in current tax asset:

	2022	2022	2021	2021
	USD	INR (Note 1)	USD	INR (Note 1)
At 01 April	–	–	10,087	763,788
Tax refund	–	–	(10,087)	(763,788)
	–	–	–	–

During the year, total taxes paid to the Spain and India Tax Authorities amounted to **USD 3,344,425** (2021: USD 4,617,293).

(b) Movement in current tax liability:

	2022	2022	2021	2021
	USD	INR (Note 1)	USD	INR (Note 1)
At 01 April	–	–	3,000,000	227,160,000
Tax charge for the year	2,029,533	153,676,239	209,807	15,886,586
Tax paid for the year	(2,029,533)	(153,676,239)	(3,209,807)	(243,046,586)
	–	–	–	–

(ii) Income tax reconciliation

The income tax on the Company's loss before tax differs from the theoretical amount that would arise using the effective tax rate of the Company as follows:

	2022	2022	2021	2021
	USD	INR (Note 1)	USD	INR (Note 1)
Loss before tax	(2,545,520)	(1,964,594,699)	(203,171,164)	(15,384,120,537)
Tax calculated at the rate of 3%	(76,366)	(5,782,434)	(6,095,135)	461,523,622
Capital allowances			2,239	169,537
Items outside taxation scope	(2,837,145)	(214,828,619)	401,359	30,390,903
Non-allowable expenses	2,913,511	220,611,053	5,835,905	441,894,727
Tax charge for the year (Note 8 (iv))	–	–	(144,369)	(10,931,545)
Tax expense for the year	–	–	–	–

(iii) Withholding tax

	2022	2022	2021	2021
	USD	INR (Note 1)	USD	INR (Note 1)
Withholding tax	1,314,892	99,563,623	1,407,486	106,574,839
	1,314,892	99,563,623	1,407,486	106,574,839

During the year ended 31 March 2022, withholding tax of 19% was charged on dividend income from CIE Automotive S.A and Global Dominion S.A both quoted and incorporated in Spain.

(iv) Tax residency and Place of Effective Management ("PoEM")

During the year, the Company has paid an advance tax in India amounting to **USD 1,971,851** (2021: USD 3,209,807) and would also submit tax returns in India for the said period by 30 September 2022.

(v) Deferred tax

Deferred tax assets are recognised to the extent that it is probable that the underlying tax loss or deductible temporary difference will be utilised against future taxable income. This is assessed based on the Company's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss or credit. Deferred tax liabilities are generally recognised in full, although IAS 12 'Income Taxes' specifies limited exemptions.

Deferred tax is calculated on all temporary differences under the liability method at the rate of 3%.

9. PROPERTY, PLANT AND EQUIPMENT

Details of the Company's property, plant and equipment and their carrying amounts are as follows:

	Building	Furnitures & fittings	Total
	USD	USD	USD
Gross carrying amount			
Balance at 01 April 2021	1,430,606	115,430	1,546,036
Impairment during the year	(279,630)	–	(279,630)
Amount transfer to non-current asset held-for-sale	(894,454)	–	(894,454)
Balance at 31 March 2022	256,522	115,430	371,952
Depreciation			
Balance at 01 April 2021	232,681	112,703	345,384
Charge for the year	23,841	2,727	26,568
Balance at 31 March 2022	256,522	115,430	371,952
Carrying amount			
31 March 2022	–	–	–

	Building	Furnitures & fittings	Total
	USD	USD	USD
Gross carrying amount			
Balance at 01 April 2020 and 31 March 2021	1,430,606	115,430	1,546,036
Depreciation			
Balance at 01 April 2020	208,840	101,160	310,000
Charge for the year	23,841	11,543	35,384
Balance at 31 March 2021	232,681	112,703	345,384
Carrying amount			
31 March 2021	1,197,925	2,727	1,200,652

	Building	Furnitures & fittings	Total
	INR (Note 1)	INR (Note 1)	INR (Note 1)
Gross carrying amount			
Balance at 01 April 2021	108,325,486	8,740,360	117,065,846
Impairment during the year	(21,173,584)	–	(21,173,584)
Amount transfer to non-current asset held-for-sale	(67,728,057)	–	(67,728,057)
Balance at 31 March 2022	19,423,845	8,740,360	28,164,205
Depreciation			
Balance at 01 April 2021	17,618,605	8,533,872	26,152,477
Charge for the year	1,805,240	206,488	2,011,728
Balance at 31 March 2022	19,423,845	8,740,360	28,164,205
Carrying amount			
31 March 2022	–	–	–

	Building	Furnitures & fittings	Total
	INR (Note 1)	INR (Note 1)	INR (Note 1)
Gross carrying amount			
Balance at 01 April 2020 and 31 March 2021	108,325,486	8,740,360	117,065,846
Depreciation			
Balance at 01 April 2020	15,813,364	7,659,835	23,473,200
Charge for the year	1,805,241	874,037	2,679,278
Balance at 31 March 2021	17,618,605	8,533,872	26,152,477
Carrying amount			
31 March 2021	90,706,881	206,488	90,913,369

(i) During the year, the Company entered into an agreement dated 22 March 2022 with Willem Bester (the "Purchaser") to fully disposed its property, plant and equipment. The agreed purchase price was USD 894,454 (ZAR 13,000,000) and as a result the property, plant and equipment was measured at the lower of its carrying amount and fair value less costs to sell at the time of the reclassification and consequently an impairment loss of USD 279,630 was recognised in these separate financial statements.

10. INVESTMENTS IN ASSOCIATES

	2022	**2022**	2021	2021
	USD	**INR (Note 1)**	USD	INR (Note 1)
(i) At carrying amount:				
Balance at 01 April and 31 March	**78,400,645**	**5,936,496,839**	78,400,645	5,936,496,839

(ii) Details pertaining to the investments are as follows:

Name of investee companies	Class of shares	Country of incorporation	% holding	Carrying amount 2022	Carrying amount 2021
				USD	USD
CIE Automotive S.A.	Equity shares	Spain	7.43%	**78,400,645**	78,400,645
The East India Company Group Limited (Note 10 (v))	Equity shares	Jersey	18.62%	**15,893,176**	15,893,176
The East India Company Gin (BVI) Limited (Note 10 (v))	Equity shares	British Virgin Islands	20%	**4,000**	4,000
The East India Company Gin Ltd (Note 10 (v))	Equity shares	The Republic of Singapore	20%	**25,992**	25,992
Accumulated impairment				**(15,923,168)**	(15,923,168)
Total				**78,400,645**	78,400,645

(iii) The Company exercises significant influence with its 20% stake in The East India Company Gin (BVI) Limited and The East India Company Gin Ltd. For the remaining investee companies, although the Company has less than 20% shareholdings in these companies, the directors assessed the level of influence that the Company has on them and determined that it has significant influence over these investee companies through its representations on the board of directors and participations in policy-making processes. Consequently, these investments have been classified as associates and accounted at cost in these separate financial statements.

(iv) At 31 March 2022, the investment in CIE Automotive S.A. had a fair value of USD 219,285,949 based on the closing market price listed on the Madrid Stock Exchange (Bolsa de Madrid), Spain.

(v) During the year ended 31 March 2022, the Company has appointed Ernst & Young Merchant Banking Services LLP to carried out the fair valuation of its investments in associates. As a result, no additional impairment was required and consequently there was no movement in the accumulated impairment losses.

(vi) The above companies are considered to be associates in accordance with IAS 28, *Investments in Associates and Joint Ventures*. Consequently, as required by IAS 28, the Company should adopt the equity method for these investments. However, these investments have not been equity accounted in these separate financial statements.

11. INVESTMENTS IN SUBSIDIARIES

	2022	**2022**	2021	2021
	USD	**INR (Note 1)**	USD	INR (Note 1)
Non-current				
Investment in subsidiaries	**110,828,408**	**8,391,927,054**	98,831,476	7,483,519,363
Current				
Investment in subsidiary	**2,891,692**	**218,958,918**	–	–
Total	**113,720,100**	**8,610,885,972**	98,831,476	7,483,519,363

	2022	**2022**	2021	2021
	USD	**INR (Note 1)**	USD	INR (Note 1)
Unquoted and at carrying amount				
Balance at 01 April	**98,831,476**	**7,483,519,363**	183,392,037	13,886,597,194
Additions during the year (Note 11 (ii))	**33,848,994**	**2,563,045,825**	96,499,767	7,306,962,357
Conversion of loans into investments	**–**	**–**	20,273,115	1,535,080,192
Impairment of investments (Note 11 (iv))	**(18,960,370)**	**(1,435,679,216)**	(201,333,443)	(15,244,968,380)
Balance at 31 March	**113,720,100**	**8,610,885,972**	98,831,476	7,483,519,363

(i) Details pertaining to the investments are as follows:

Name of investee companies	Country of incorporation	% holding	**Carrying amount 2022**	Carrying amount 2021
			USD	USD
Equity shares				
Mahindra - BT Investment Company (Mauritius) Limited	Republic of Mauritius	57%	**6,771,600**	6,771,600
Graphics Research Design S.r.l. (formerly known as Mahindra Graphics Research Design S.r.l)	Republic of Italy	100%	**5,238,486**	5,238,486
Mahindra Europe S.r.l	Republic of Italy	100%	**4,136,635**	4,136,635
Mahindra Racing UK Limited	United Kingdom	100%	**33,700**	33,700

Name of investee companies	Country of incorporation	% holding	Carrying amount 2022	Carrying amount 2021
			USD	USD
Mahindra Tractor Assembly, Inc (Note 11 (ii))	United States of America	100%	**110,024,287**	109,305,287
Mahindra Emirates Vehicle Armouring FZ-LLC	United Arab Emirates	88%	**2,891,692**	2,891,692
Hisarlar Makine Sanayi ve Ticaret (Note 11 (v))	Turkey	86.80%	**–**	72,473,012
Mahindra Automotive North America, Inc (Note 11 (ii))	United States of America	100%	**185,443,430**	170,443,430
Erkunt Sanayi A.S.	Turkey	63.72%	**30,384,793**	30,384,793
Erkunt Traktor Sanayii A.S. (Note 11 (ii))	Turkey	100%	**102,943,630**	84,813,635
Reversal of impairment			**72,473,012**	–
Accumulated impairment losses (Note 11(iv))			**(406,621,165)**	(387,660,794)
Total			**113,720,100**	98,831,476

(ii) During the year under review, the Company made additional investments as follows:

Name of Subsidiaries	USD
Mahindra Tractor Assembly, Inc (Note 11 (ii)(a))	**719,000**
Mahindra Automotive North America, Inc (Note 11 (ii)(b))	**15,000,000**
Erkunt Traktor Sanayii A.S. (Note 11 (ii)(d))	**18,129,994**
	33,848,994

(a) The Company holds 100% of the share capital of Mahindra Tractor Assembly, Inc (“MTAI”) and has subscribed to an additional 3,595,000 equity shares for a total consideration of USD 719,000.

(b) The Company holds 100% of the share capital of Mahindra Automotive North America, Inc (“MANA”) and has subscribed to an additional 600,000 equity shares for a total consideration of USD 15,000,000.

(c) The Company holds 100% of the share capital of Erkunt Traktor Sanayii A.S.(“Erkunt’’) and has subscribed for additional 175,000 equity shares for a total consideration of USD 18,129,994 (Turkish Lira 175,000,000).

(iii) Subsequent to year end, the Company has disposed its entire shareholding in Mahindra Emirates Vehicle Armouring FZ-LLC equivalent to it carrying amounting of USD 2,891,692 and therefore the investment was classified as current asset in these separate financial statements.

(iv) During the year ended 31 March 2022, the Company has appointed Ernst & Young Merchant Banking Services LLP to carried out the fair valuation of its investments in subsidiaries. Consequently, these investments have suffered additional impairment of USD 18,960,370 resulting to accumulated impairment losses of USD 406,621,165.

(v) During the year, the Company has fully disposed it investment in Hisarlar Makine Sanayi ve Ticaret for a consideration price of USD 767,307 and consequently the impairment loss of USD 72,473,012 was reversed and resulting to a loss on disposal of USD 71,705,705 in these separate financial statements.

(vi) The disposals of the following investments are subject to some restrictions, as more fully defined in the respective Agreements:

Name of investee companies	Restrictions on disposal of shares
Mahindra – BT Investment Company (Mauritius) Limited	As detailed in the Share Subscription Agreement signed between the Company, Mahindra – BT Investment Company (Mauritius) Limited and BT Holdings Limited on 23 June 2005.
Mahindra Europe S.r.l.	As detailed in the Credit Agreement with EXIM Bank and prior approval of Unicredit Bank and San Paolo Bank have to be obtained before any disposal of shares held.

(vii) The above unquoted companies are considered to be subsidiaries in accordance with IFRS 10, *Consolidated Financial Statements*. Consequently, as required by IFRS 10, the Company should present consolidated financial statements. However, the Company has only prepared separate financial statements as it monitors the performance of its subsidiaries on an ongoing basis and their accounts are made available to the Company as and when required. The Company believes that consolidated information would add minimal value and also the costs of providing the information would exceed any benefits therefrom.

(viii) The proportions of the voting rights in the subsidiaries held directly by the Company do not differ from the proportion of ordinary shares held.

12. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	2022	2022	2021	2021
	USD	**INR (Note 1)**	USD	INR (Note 1)
(i) Cost				
Balance at 01 April	**57,237,504**	**4,334,023,803**	58,237,604	4,409,751,375
Additions during the year	**500,000**	**37,860,000**	–	–
Investment written off during the year	**–**	**–**	(1,000,100)	(75,727,572)
Balance at 31 March	**57,737,504**	**4,371,883,803**	57,237,504	4,334,023,803

	2022	2022	2021	2021
	USD	**INR (Note 1)**	USD	INR (Note 1)
(ii) Fair value				
Balance at 01 April	**39,123,408**	**2,962,424,454**	28,446,326	2,153,955,805
Additions during the year	**500,000**	**37,860,000**	–	–
Investment written off during the year	**–**	**–**	(1)	(76)
Fair value adjustment for the year	**(5,872,648)**	**(444,676,907)**	**10,677,083**	**808,468,725**
Balance at 31 March	**33,750,760**	**2,555,607,547**	39,123,408	2,962,424,454

	2022	2022	2021	2021
	USD	**INR (Note 1)**	USD	INR (Note 1)
(iii) Fair value reserves				
At beginning of the year	**(18,114,096)**	**(1,371,599,349)**	(29,791,278)	(2,255,795,570)
Transfer of fair value loss of equity investment at FVOCI to accumulated losses upon winding up of investee company	**–**	**–**	1,000,099	75,727,496
Fair value adjustment for the year	**(5,872,648)**	**(444,676,907)**	10,677,083	808,468,725
At end of year	**(23,986,744)**	**(1,816,276,256)**	(18,114,096)	(1,371,599,349)

(iv) Details pertaining to the investments are as follows:

Name of investee companies	Country of incorporation	% holding	2022	2021
			USD	**USD**
Equity shares				
Mahindra Do Brasil Industrial, Ltda	Brazil	0.27%	**20,000**	20,000
Distilled Analytics	Canada	0.137%	**–**	1,000,100
Preference shares/common stock				
Cleartrip Inc	Cayman Islands	0.74%	**1,046,155**	1,046,155
Cloudleaf, Inc. – Series A Preferred Stock	United States of America	15.13%	**2,030,479**	2,030,479
Cloudleaf, Inc. – Series B Preferred Stock	United States of America	8.31%	**2,389,132**	2,389,132
Avaamo, Inc	United States of America	5.27%	**2,999,998**	2,999,998
Zoomcar	United States of America	5.7%	**7,294,205**	7,294,205
Medixine OY	Finland	1.3%	**239,020**	239,020
Global Dominion Access S.A	Spain	3.7%	**34,386,175**	34,386,175
Bird Global Inc (Note 12 (v) (i))	United States of America	0.19	**6,832,339**	6,832,339
Prana Holdings, Inc (initially acquired at a cost of USD 1,441,607)	United States of America	3.7%	**–**	–
REE Automotive Ltd. (Note 12 (v) (ii))	Israel	< 1%	**500,000**	–
Other				
Chartoff – Tempest Productions, LLC	–	–	**1**	1
Fair value reserves			**(23,986,744)**	(18,114,096)
Fair value at 31 March			**33,750,760**	39,123,408

(v) During the year 31 March 2022, the following transaction took place:

(i) Bird Rides Inc. was listed on New York Stock Exchange leading to a decrease in the number of shares held by Company to 465,219 and to a fair value decrease of USD 1,960,213.

(ii) The Company acquired 50,000 shares for a total consideration of USD 500,000 in REE Automotive, a company incorporated in Israel. The investee company is listed on Nasdaq Stock Market and as at 31 March 2022, a fair value adjustment of USD 405,000 was recognised in these separate financial statements.

(vi) At reporting the date, there was a fall in the share price of Dominion Access S.A, Bird Rides, Inc and REE Automotive resulting into a fair value loss of USD 5,872,648.

13. LOANS

	2022	**2022**	2021	2021
	USD	**INR (Note 1)**	USD	INR (Note 1)
Current				
Loan to related parties	**–**	**–**	–	–

The movement during the year on the loans given to related parties is as follows:

	2022	**2022**	2021	2021
	USD	**INR (Note 1)**	USD	INR (Note 1)
Balance at 01 April	–	–	10,416,313	788,723,220
Loans given to related party:				
Sampo Rosenlew OY (Note 13 (i))	**2,735,750**	**214,722,990**	–	–
Loans repaid:				
Sampo Rosenlew OY (Note 13 (i))	**(2,739,000)**	**(207,397,080)**	–	–
Interest income during the year	**13,843**	**1,048,392**	377,117	28,555,300
Interest received during the year	**(13,600)**	**(1,029,792)**	–	–
Conversion of loan to investment:				
Mahindra Automotive North America	–	–	(10,793,430)	(817,278,520)
Mahindra Tractor Assembly, Inc.	–	–	(9,479,685)	(717,801,748)
Reversal of impairment	–	–	9,479,685	717,801,748
Foreign exchange losses	**(96,993)**	**(7,344,310)**	–	–
Balance at 31 March	–	–	–	–

(i) The Company had extended a short-term loan to Sampo Rosenlew OY, a company incorporate in Finland, of USD 2,735,750 (EUR 2,500,000) which carried interest at the rate of 3.25% per annum. The loans along with it interest amounting to USD 2,752,600 (EUR 2,512,413) was fully repaid during the year under review.

14. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of the following:

	2022	**2022**	2021	2021
	USD	**INR (Note 1)**	USD	INR (Note 1)
Cash at bank:				
– USD	**2,713,500**	**205,466,220**	13,087,782	991,006,853
– ZAR	**6,624**	**501,570**	7,577	573,730
– EUR..............	**2,329,695**	**176,404,505**	14,590,526	1,104,794,629
	5,049,819	**382,372,295**	27,685,885	2,096,375,212

15. NON-CURRENT ASSET CLASSIFIED AS HELD-FOR-SALE

	2022	**2022**	2021	2021
	USD	**INR (Note 1)**	USD	INR (Note 1)
Transfer from property, plant and equipment during the year and at 31 March (Note 9(i))	**894,454**	**67,728,057**	–	–

16. STATED CAPITAL

The Company has issued shares to Mahindra & Mahindra Ltd as follows:

	No of Shares	**USD**
Issued and fully paid:		
At 1 April 2021	**629,615,543**	**424,109,209**
57,857,143 Ordinary shares of USD0.28 each	**57,857,143**	**16,200,000**
At 31 March 2022	**687,472,686**	**440,309,209**

During the year ended 31 March 2022, the Company issued 57,857,143 shares (2021: 301,166,769 shares) amounting to USD 16,200,000 (2021: USD 115,030,000).

(i) The movement during the year was as follows:

	2022	2022	2021	2021
	USD	INR (Note 1)	USD	INR (Note 1)
At 01 April	**424,109,209**	**32,113,549,305**	292,579,209	22,154,097,705
Issue of shares during the year	**16,200,000**	**1,226,664,000**	131,530,000	9,959,451,600
At 31 March	**440,309,209**	**33,340,213,305**	424,109,209	32,113,549,305

(ii) In accordance with the Company's Constitution, the main rights and obligations attached to the ordinary shares are as follows:

- confer to its holder the rights to attend and exercise one vote at meetings of members generally and class meetings of the ordinary shares;
- have a right to receive any dividend or distribution; and
- be entitled, on a winding up, to share in the assets of the Company available for distribution.

17. BORROWINGS

		2022	2022	2021	2021
		USD	INR (Note 1)	USD	INR (Note 1)
(i)	**Non-current**				
	Bank loans	–	–	–	–
	Loans from holding company (Note 17 (iv))	–	–	227,470,060	17,224,032,943
(ii)	**Current**				
	Loans from holding company (Note 17 (iv))	**197,639,311**	**14,965,248,629**	–	–
	Bank loans	**44,835,065**	**3,394,911,122**	32,847,374	2,487,203,159
		242,474,376	**18,360,159,751**	32,847,374	2,487,203,159
	Total	**242,474,376**	**18,360,159,751**	260,317,434	19,711,236,102

(iii) The movements during the year on the borrowings was as follows:

	2022	2022	2021	2021
	USD	INR (Note 1)	USD	INR (Note 1)
Balance at 01 April	**260,317,434**	**19,711,236,102**	264,486,014	20,026,880,979
Loans repaid during the year:				
HSBC Bank (Mauritius) Limited	–	–	(133,660,849)	(10,120,799,486)
Bank of America, N.A	**(125,706,450)**	**(9,518,492,394)**	(162,044,500)	(12,270,009,540)
Societe Generale	**(134,515,650)**	**(10,185,525,018)**	(29,366,700)	(2,223,646,524)
Mahindra & Mahindra Limited	**(11,496,306)**	**(870,500,290)**	–	–
Loans received during the year:				
Bank of America, N.A	**137,923,863**	**10,443,594,906**	32,942,000	2,494,368,240
HSBC Bank (Mauritius) Limited	–	–	27,387,500	2,073,781,500
Societe Generale	**136,806,000**	**10,358,950,320**	30,110,000	2,279,929,200
Mahindra & Mahindra Limited	–	–	229,553,600	17,381,798,592
Loans converted into equity:				
Mahindra & Mahindra Limited	–	–	(16,500,000)	(1,249,380,000)
Interest element for the year:				
Interest expense	**2,757,809**	**208,821,297**	2,860,503	216,597,287
Interest payments	**(10,525,223)**	**(796,969,886)**	(1,467,059)	(111,085,707)
TDS payment	**(290,505)**	**(21,997,039)**	–	–
Loss on interest rate swaps	–	–	578,913	43,835,292
Interest rate swaps paid	–	–	(645,871)	(48,905,352)
Amortisation of transaction costs	–	–	115,612	8,754,141
Foreign exchange gains/ (losses)	**(12,796,596)**	**(968,958,247)**	15,968,271	1,209,117,480
Balance at 31 March	**242,474,376**	**18,360,159,751**	260,317,434	19,711,236,102

(iii) During the year under review, loans amounting to USD 9,345,000 and GBP 1,600,000 disbursed by the parent company, Mahindra & Mahindra Ltd, a quoted company on the National Stock Exchange of India, in prior financial years, have been fully repaid by the Company.

The remaining loans provided in the financial year ended 31 March 2021, pursuant to Term Sheets dated 07 December 2020, 18 March 2021 and 23 March 2021 respectively, are unsecured and carry interest at a fixed rate of 1% per annum. The interest is payable at maturity date along with the principal amount. The loans have been reclassified from non-current to current liabilities since the loans would be repaid within 12 months.

(v) Summary of bank borrowings arrangements are as follows:

(a) Loan from Bank of America, N.A ("BOA")

During the year ended 31 March 2021, the Company entered into a Loan Agreement dated 24 March 2021 with Bank of America ("BOA") to borrow an amount of up to EUR 50,000,000. The loan carries interest at EURIBOR +125 basis point. It is agreed that if the EURIBOR is negative it shall be deemed zero for the purpose of the loan facility. As at 31 March 2021, BOA disbursed a loan amounting to EUR 28,000,000.

During the year ended 31 March 2022, BOA has disbursed loans amounting to EUR 120,100,000 in several tranches which had repayment dates within the next 12 months. Loans amounting to EUR 107,500,000 have been repaid as at reporting date by the Company. Consequently, loan amounting to EUR 40,500,100 (USD 44,833,912) is payable as at reporting date. The remaining loans were disbursed in three different tranches with repayment date being 29 April 2022, 29 September 2022 and 31 December 2023. Subsequent to the reporting date, the Company has made a part payment for the facility having repayment date of 31 December 2023. Therefore, the loan facility has been classified as current liabilities in these separate financial statements. The interest accrued on the loans from BOA outstanding at the reporting date amounted to USD 1,153.

(b) Loan from Societe Generale

Pursuant to the Master Money Market Agreement dated 27 January 2021 entered in the prior financial year, Societe Generale disbursed loans amounting to EUR 117,000,000 in several tranches. The loans have been fully repaid as at 31 March 2022. The loan facility was interest and unsecured in nature.

18. OTHER RECEIVABLES AND PREPAYMENTS

	2022	2022	2021	2021
	USD	INR (Note 1)	USD	INR (Note 1)
Prepayments	**4,357**	**329,912**	5,882	445,384
Advance to investee company (Note 18 (i))	**40,075**	**3,034,479**	40,075	3,034,479
	44,432	**3,364,391**	45,957	3,479,863

(i) The advances of USD 40,075 (EUR 35,000) was made to Graphics Research Design S.r.l and are interest free, unsecured and receivable on demand.

(ii) The directors have assessed the recoverable amount of the other receivable and concluded that no allowance for credit losses is necessary as any such impairment would be wholly insignificant to the Company in these separate financial statements.

19. ACCRUALS

	2022	2022	2021	2021
	USD	INR (Note 1)	USD	INR (Note 1)
Professional fees	60,891	4,610,667	82,802	6,269,767
Administration fees	21,559	1,632,447	21,810	1,651,453
	82,450	6,243,114	104,612	7,921,220

20. FINANCE INCOME AND FINANCE COSTS

	2022	2022	2021	2021
	USD	INR (Note 1)	USD	INR (Note 1)
20.1 Finance income				
Interest on loans (Note 13)	13,843	1,048,192	377,117	28,555,300
Fair value adjustment – Derivative financial instruments	–	–	834,828	63,213,176
Foreign exchange gain	15,164,155	1,148,229,817	457,349	34,630,466
Interest income from Escrow account	–	–	5,468	414,037
Distribution income	–	–	9,684	733,272
	15,177,998	1,149,278,009	1,684,446	127,546,251

	2022	2022	2021	2021
	USD	INR (Note 1)	USD	INR (Note 1)
20.2 Finance costs				
Amortisation of transaction costs (Note 17 (iii))	–	–	115,612	8,754,141
Interest on borrowings (Note 17(iii))	2,757,809	208,821,297	2,860,503	216,597,287
Loss on interest rate swaps (Note 17(iii))	–	–	578,913	43,835,292
Foreign exchange losses	2,634,004	199,446,783	15,969,225	1,209,189,717
Depository charges	–	–	14,849	1,124,366
Transaction costs (Note (i))	–	–	512,866	38,834,214
	5,391,813	408,268,080	20,051,968	1,518,335,017

(i) Transaction costs pertained to an amount of USD 394,485 incurred by the Company as unwinding cost upon early termination of swap agreements with Bank of America, N.A and upfront fee of USD 108,200 incurred on new loan of EUR25,000,000 granted by HSBC Bank (Mauritius) Limited during the year ended 31 March 2021.

21. RELATED PARTY TRANSACTIONS

During the year ended 31 March 2021, the Company had transactions with related parties. The nature, volume of transactions and balances with the related parties are as follows:

Nature of relationship	Nature of Transactions	Volume of transactions	Credit balances at 31 March 2022	Credit balances at 31 March 2021
		USD	USD	USD
Subsidiary companies	Loan receivables	2,735,750	–	–
Parent company	Loan payables	29,830,749	(197,639,311)	(227,470,060)

Nature of relationship	Nature of Transactions	Volume of transactions	Credit balances at 31 March 2022	Credit balances at 31 March 2021
		INR (Note 1)	INR (Note 1)	INR (Note 1)
Subsidiary companies	Loan receivables	214,722,990	–	–
Parent company	Loan payables	2,258,784,314	(14,965,248,629)	(17,224,032,943)

The terms and conditions of the balances are stated in Notes 13 and 17 to these separate financial statements.

22. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

Net det reconciliation:

	2022	2021
Net debt	USD	USD
Borrowings:		
– Repayable within one year	–	32,847,374
– Repayable after one year	242,474,376	227,470,060
	242,474,376	260,317,434

	Borrowings due after more than 1 year	Borrowings due within 1 year	Total
	USD	USD	USD
Net debt as at 01 April 2021	227,470,060	32,847,374	260,317,434
Cash flows:			
– Proceeds from loans (net of transaction cost)	–	274,729,863	274,729,863
– Interest payments	(10,344,237)	(180,986)	(10,525,223)
– Repayment of loans	(11,496,306)	(260,222,100)	(271,718,406)
Non-cash:			
– Interest expense	2,565,659	192,150	2,757,809
– TDS payment	290,505	–	290,505
– Foreign exchange losses	(10,265,360)	(2,531,236)	(12,796,596)

	Borrowings due after more than 1 year	Borrowings due within 1 year	Total
	USD	USD	USD
– Reclassification of loan from non-current to current	(197,639,311)	197,639,311	–
Net debt as at 31 March 2022	**–**	**242,474,376**	**242,474,376**

	Borrowings due after more than 1 year	Borrowings due within 1 year	Total
	USD	USD	USD
Net debt as at 01 April 2020	162,877,606	101,608,408	264,486,014
Cash flows:			
– Proceeds from loans (net of transaction cost)	213,053,600	106,939,500	319,993,100
– Interest payments	(336,523)	(1,130,536)	(1,467,059)
– Repayment of loans	(158,783,049)	(166,289,000)	(325,072,049)
– Interest rate swaps paid	(411,376)	(234,495)	(645,871)
Non-cash:			
– Loss on interest rate swaps	411,376	167,537	578,913
– Amortisation of transaction costs	95,932	19,680	115,612
– Interest expense	1,777,738	1,082,765	2,860,503
– Foreign exchange gains	8,784,756	7,183,515	15,968,271
– Reclassification of loan	–	(16,500,000)	(16,500,000)
Net debt as at 31 March 2021	227,470,060	32,847,374	260,317,434

	2022	2021
Net debt	**INR (Note 1)**	INR (Note 1)
Borrowings:		
– Repayable within one year	**–**	17,224,032,943
– Repayable after one year	**18,360,159,751**	2,487,203,159
	18,360,159,751	19,711,236,102

	Borrowings due after more than 1 year	Borrowings due within 1 year	Total
	INR (Note 1)	INR (Note 1)	INR (Note 1)
Net debt as at 01 April 2021	**17,224,032,943**	**2,487,203,159**	**19,711,236,102**
Cash flows:			
– Proceeds from loans (net of transaction cost)	–	**20,802,545,226**	**20,802,545,226**
– Interest payments	**(783,265,626)**	**(13,704,260)**	**(796,969,886)**
– Repayment of loans	**(870,500,290)**	**(19,704,017,412)**	**20,574,517,702)**
Non-cash:			
– Interest expense	**194,271,699**	**14,549,598**	**208,821,297**
– TDS payment	**(21,997,039)**	–	**(21,997,039)**
– Foreign exchange losses	**(211,625,965)**	**(78,381,255)**	**(290,007,220)**
– Reclassification of loan from non-current to current	**(14,965,248,629)**	**14,965,248,629**	–
Net debt as at 31 March 2022	–	**18,360,159,751**	**18,360,159,751**

	Borrowings due after more than 1 year	Borrowings due within 1 year	Total
	INR (Note 1)	INR (Note 1)	INR (Note 1)
Net debt as at 01 April 2020	12,333,092,326	7,693,788,654	20,026,880,980
Cash flows:			
– Proceeds from loans (net of transaction cost)	16,132,418,592	8,097,458,940	24,229,877,532
– Interest payments	(25,481,522)	(85,604,186)	(111,085,707)
– Repayment of loans	(12,023,052,470)	(12,591,403,080)	(24,614,455,550)
– Interest rate swaps paid	(31,149,391)	(17,755,961)	(48,905,352)
Non-cash:			
– Loss on interest rate swaps	31,149,391	12,685,902	43,835,293
– Amortisation of transaction costs	7,263,971	1,490,170	8,754,142
– Interest expense	134,610,321	81,986,966	216,597,287
– Foreign exchange gains	665,181,725	543,935,754	1,209,117,479
– Reclassification of loan	–	(1,249,380,000)	(1,249,380,000)
Net debt as at 31 March 2021	17,224,032,943	2,487,203,159	19,711,236,102

23. GOING CONCERN

The separate financial statements have been prepared on the going concern basis which assumes that the Company will continue in operational existence for the foreseeable future. The validity of this assumption depends on the continued financial support of the shareholder.

The Company's accumulated losses amounted to USD 427,019,081 as at 31 March 2022 (2021 : USD 421,129,136) and it has also a negative equity of USD 10,696,616 (2021: USD 15,134,023).

The directors have assessed that certain investments in associates/subsidiaries, started at cost in these separate financial statements, have higher fair values based on recent external valuation and available quoted price. The total fair value of these investments as at 31 March 2022 is more than the cost by USD 141 million. Consequently, the total asset size of the Company is deemed to be USD 372 million which is more than the liabilities of USD 243 million resulting into a comfortable safety margin of USD 129 million. The Company would therefore be able to repay all its liabilities should the need arise.

Furthermore, the directors are of the opinion that financial support from the shareholder will be forthcoming over the next twelve months. They therefore believe that it is appropriate for the financial statements to be prepared on the going concern basis.

24. EVENTS AFTER THE REPORTING DATE

The Company has evaluated all events subsequent through the date of these separate financial statements that were available to be issued on 20 May 2022 and determined that the subsequent events that require disclosures are mentioned below:

- The Company has taken a new short term interest free loan of EUR25,500,000 from Societe Generale on 28 April 2022 and repayable by 30 June 2022;
- Loan amounting to EUR 10,000,000 from Bank of America, N.A along with its interest was repaid on 29 April 2022;
- Loan facility of EUR 15,500,000 from Bank of America, N.A was repaid on 29 April 2022;

25. HOLDING COMPANY

The directors regard Mahindra & Mahindra Ltd, a quoted company on the National Stock Exchange of India, as the Company's holding company.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBER OF Mahindra Automotive Mauritius Ltd.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **Mahindra Automotive Mauritius Ltd.**, the "Company", which comprise the statement of financial position as at 31 March 2022, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements on pages herein give a true and fair view of the financial position of the Company as at 31 March 2022 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as modified by the exemption from consolidation in the Mauritius Companies Act 2001 for companies holding a Global Business Licence and the requirements of the Mauritius Companies Act 2001.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matter

The supplementary information presented in Indian Rupee in the financial statements is solely for the convenience of the users of the financial statements. The supplementary information presented in Indian Rupee does not form part of the audited financial statements. We have therefore not audited the supplementary information and, accordingly, we do not express an opinion on this supplementary information. This paragraph has no impact on the audit opinion expressed in this auditors' report.

Information Other than the Financial Statements and Auditors' Report thereon ("Other Information")

Management is responsible for the Other Information. The Other Information comprises the information included in the Corporate data and Commentary of the Directors sections but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the Other Information and we do not express any form of assurance conclusion thereon.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

In connection with our audit of the financial statements, our responsibility is to read the Other Information and, in doing so, consider whether the Other Information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this Other Information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation of the financial statements in accordance with International Financial Reporting Standards as modified by the exemption from consolidation in the Mauritius Companies Act 2001 for companies holding a Global Business Licence and in compliance with the requirements of the Mauritius Companies Act 2001, and for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with International Standards of Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Mauritius Companies Act 2001, we report as follows:

- we have no relationship with, or any interests in, the Company other than in our capacity as auditors;
- we have obtained all the information and explanations we have required; and
- in our opinion, proper accounting records have been kept by the Company as far as it appears from our examination of those records.

Use of this report

Our report is made solely to the member of the Company as a body in accordance with Section 205 of the Mauritius Companies Act 2001. Our audit work has been undertaken so that we might state to the Company's member those matters we are required to state to it in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's member as a body, for our audit work, for this report, or for the opinion we have formed.

Grant Thornton
Chartered Accountants

K RAMCHURUN, FCCA
Licensed by FRC

Date: 25 April 2022

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH

	Notes	2022	2022	2021	2021
		EUR	**INR**	EUR	INR
			(Note 1)		(Note 1)
INCOME		**–**	**–**	869	73,431
EXPENDITURE					
Interest on shareholder's loan	11 (ii)	**79,576**	**6,724,172**	–	–
Professional fees	10	**31,993**	**2,703,409**	27,882	2,356,029
Audit fees		**3,870**	**327,015**	3,506	296,257
Bank charges		**1,107**	**93,542**	2,891	244,290
Licence fees		**1,986**	**167,817**	2,083	176,014
Realised loss on foreign exchange		**187**	**15,802**	–	–
		118,719	**10,031,757**	36,362	3,072,590
OPERATING LOSS		**(118,719)**	**(10,031,757)**	(35,493)	(2,999,159)
Impairment of investment		**(36,599,938)**	**(3,092,694,761)**	(150,825,062)	(12,744,717,739)
LOSS BEFORE TAX		**(36,718,657)**	**(3,102,726,518)**	(150,860,555)	(12,747,716,898)
Tax expense	8	**–**	**–**	–	–
LOSS FOR THE YEAR		**(36,718,657)**	**(3,102,726,518)**	(150,860,555)	(12,747,716,898)
OTHER COMPREHENSIVE INCOME:					
Items that will not be reclassified subsequently to profit or loss		**–**	**–**	–	–
Items that will be reclassified subsequently to profit or loss		**–**	**–**	–	–
OTHER COMPREHENSIVE INCOME FOR THE YEAR NET OF TAX		**–**	**–**	–	–
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		**(36,718,657)**	**(3,102,726,518)**	(150,860,555)	(12,747,716,898)

The notes on pages herein form an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 31 MARCH

	Notes	2022	2022	2021	2021
		EUR	INR (Note 1)	EUR	INR (Note 1)
ASSETS					
Non-current asset					
Investments in subsidiary	9	–	–	–	–
Current					
Prepayments		**1,907**	**161,142**	1,915	161,818
Cash and cash equivalents	12	**39,915**	**3,372,818**	55,469	4,687,131
Current assets		**41,822**	**3,533,960**	57,384	4,848,949
Total assets		**41,822**	**3,533,960**	57,384	4,848,949
EQUITY AND LIABILITIES					
Equity					
Stated capital	11	**187,705,001**	**15,861,072,585**	151,005,001	12,759,922,585
Share application monies	13	–	–	–	–
Accumulated losses		**(187,672,190)**	**(15,858,300,057)**	(150,953,533)	(12,755,573,539)
Total equity		**32,811**	**2,772,528**	51,468	4,349,046
Liabilities					
Current liabilities					
Accruals		**9,011**	**761,432**	5,916	499,903
Total equity and liabilities		**41,822**	**3,533,960**	57,384	4,848,949

Approved by the Board of Directors on **25 April 2022** and signed on its behalf by:

Zakir Hussein Niamut
Director

Abdool Fareed Soreefan
Director

The notes on pages herein form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH

	Stated capital	Share application monies	Accumulated losses	Total
	EUR	EUR	EUR	EUR
Balance at 01 April 2021	**151,005,001**	**–**	**(150,953,533)**	**51,468**
Issue of shares	**36,700,000**	**–**	**–**	**36,700,000**
Transaction with the shareholder	**36,700,000**	**–**	**–**	**36,700,000**
Loss for the year	**–**	**–**	**(36,718,657)**	**(36,718,657)**
Other comprehensive income	**–**	**–**	**–**	**–**
Total comprehensive loss for the year	**–**	**–**	**(36,718,657)**	**(36,718,657)**
At 31 March 2022	**187,705,001**	**–**	**(187,672,190)**	**32,811**
Balance at 01 April 2020	95,175,001	1,000,000	(92,978)	96,082,023
Issue of shares	55,830,000	(1,000,000)	–	54,830,000
Transaction with the shareholder	55,830,000	(1,000,000)	–	54,830,000
Loss for the year	–	–	(150,860,555)	(150,860,555)
Other comprehensive income	–	–	–	–
Total comprehensive loss for the year	–	–	(150,860,555)	(150,860,555)
At 31 March 2021	151,005,001	–	(150,953,533)	51,468

The notes on pages herein form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH

	Stated capital	Share application monies	Accumulated losses	Total
	INR	INR	INR	INR
Balance at 01 April 2021	**12,759,922,585**	**–**	**(12,755,573,539)**	**4,349,046**
Issue of shares	**3,101,150,000**	**–**	**–**	**3,101,150,000**
Transaction with the shareholder	**3,101,150,000**	**–**	**–**	**3,101,150,000**
Loss for the year	**–**	**–**	**(3,102,726,518)**	**(3,102,726,518)**
Other comprehensive income	**–**	**–**	**–**	**–**
Total comprehensive loss for the year	**–**	**–**	**(3,102,726,518)**	**(3,102,726,518)**
At 31 March 2022	**15,861,072,585**	**–**	**(15,858,300,057)**	**2,772,528**
Balance at 01 April 2020	8,042,287,585	84,500,000	(7,856,641)	8,118,930,944
Issue of shares	4,717,635,000	(84,500,000)	–	4,633,135,000
Transaction with the shareholder	4,717,635,000	(84,500,000)	–	4,633,135,000
Loss for the year	–	–	(12,747,716,898)	(12,747,716,898)
Other comprehensive income	–	–	–	–
Total comprehensive loss for the year	–	–	(12,747,716,898)	(12,747,716,898)
At 31 March 2021	12,759,922,585	–	(12,755,573,539)	4,349,046

The notes on pages herein form an integral part of these financial statements.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH

	2022	**2022**	2021	2021
	EUR	**INR (Note 1)**	EUR	INR (Note 1)
Operating activities				
Loss before tax	**(36,718,657)**	**(3,102,726,518)**	(150,860,555)	(12,747,716,898)
Adjustments for:				
Impairment of investments	**36,599,938**	**3,092,694,761**	150,825,062	12,744,717,739
	(118,719)	**(10,031,757)**	(35,493)	(2,999,159)
Changes in working capital:				
Change in prepayments	**8**	**676**	3	254
Change in accruals	**3,095**	**261,529**	(4,618)	(390,221)
Net cash used in operations	**(115,616)**	**(9,769,552)**	(40,108)	(3,389,126)
Investing activities				
Investments in subsidiary	**(36,599,938)**	**(3,092,694,761)**	(55,750,062)	(4,710,880,239)
Net cash used in investing activities	**(36,599,938)**	**(3,092,694,761)**	(55,750,062)	(4,710,880,239)
Financing activities				
Proceeds from issue of shares	**36,700,000**	**3,101,150,000**	54,830,000	4,633,135,000
Net cash from financing activities	**36,700,000**	**3,101,150,000**	54,830,000	4,633,135,000
Net change in cash and cash equivalents	**(15,554)**	**(1,314,313)**	(960,170)	(81,134,365)
Cash and cash equivalents at beginning of the year	**55,469**	**4,687,131**	1,015,639	85,821,496
Cash at bank at end of the year	**39,915**	**4,687,131**	55,469	4,687,131
Cash and cash equivalents made up of:				
Cash at bank	**39,915**	**3,372,818**	55,469	4,687,131

The notes on pages herein form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

1. GENERAL INFORMATION AND STATEMENT OF COMPLIANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRS")

Mahindra Automotive Mauritius Ltd. (the 'Company') was incorporated in the Republic of Mauritius under the Mauritius Companies Act 2001 on 27 August 2018 as a private company with liability limited by shares and holds a Global Business Licence issued by the Financial Services Commission. The Company's registered office is Sanne House, Bank Street, TwentyEight, Cybercity, Ebene 72201, Mauritius.

The principal activity of the Company is to hold investments.

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS") as modified by the exemption from consolidation in the Mauritius Companies Act 2001 for companies holding a Global Business Licence.

Indian Rupee ("INR") amounts are included solely for convenience. These transactions should not be construed as representations that the EUR amounts actually represent or have been or could be converted into INR. As the amounts shown in INR are for convenience only, the rate of EUR 1 = INR84.50 has been used for the purpose of presentation of the INR amounts in the accompanying financial statements for the year ended 31 March 2022.

2. ADOPTION OF NEW AND AMENDED IFRS

2.1 New and amended Standards that are effective for the current year

The Company has applied the following Standards, amendments and Interpretations to existing Standards for the first time for the financial year commencing on 01 April 2021:

Various	Interest Rate Benchmark Reform Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)
IFRS 16	COVID-19 Related Rent Concessions (Amendment to IFRS 16)

Management has assessed the impact of these new and revised Standards and Interpretations and concluded that none of the above has an impact on these financial statements.

2.2 Standards, amendments and Interpretations to existing Standards that are not yet effective and have not been adopted early by the Company

At the date of authorisation of these financial statements, several new, but not yet effective, Standards, amendments to existing Standards and Interpretations have been published by the IASB. None of these Standards, amendments or Interpretations have been adopted early by the Company.

Management anticipates that all relevant pronouncements, will be adopted in the Company's accounting policies for the first period beginning on or after the effective date of the pronouncement. Information on new Standards, amendments to existing Standards and Interpretations is provided below.

IFRS 3	References to the Conceptual Framework (Amendments to IFRS 3)
IFRS 16	Covid-19 - Related Rent Concessions beyond 30 June 2021 (Amendments to IFRS 16)
IAS 16	Proceeds before Intended Use (Amendments to IAS 16)
IAS 37	Onerous Contract - Cost of Fulfilling a Contract (Amendments to IAS 37)
IFRS 17	Insurance Contracts
IFRS 1, IFRS 9, IFRS 16 and IAS 41	Annual improvements to IFRS Standards 2019-2020 Cycle (Amendments to IFRS 1, IFRS 9, IFRS 16, IAS 41
IFRS 4	Extension of the Temporary Exemption from Applying IFRS 9 (Amendments to IFRS 4)
IFRS 17	Initial application of IFRS 17 and IFRS 9 - Comparative Information (Amendments to IFRS 17)
IAS 1	Classification of Liabilities as Current or Non-current (Amendments to IAS 1)
IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)

Management has yet to assess the impact of the above Standards, amendments to existing Standards and Interpretations on the Company's financial statements.

3. SUMMARY OF ACCOUNTING POLICIES

3.1 Overall considerations

The financial statements have been prepared using the significant accounting policies and measurement bases summarised below.

3.2 Expenses

All expenses are accounted for in the statement of comprehensive income on the accrual basis.

3.3 Taxation

Tax expense recognised in the statement of comprehensive income comprises of deferred tax and current tax not recognised in other comprehensive income or directly in equity.

Current income tax assets and/or liabilities comprise of those obligations to, or claims from, fiscal authorities relating to the current period, that are unpaid at the reporting date. Current tax is payable on taxable profit, which differs from profit or loss in the financial statements.

Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting date.

Deferred income taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases.

3.4 Financial instruments

Recognition and derecognition

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instruments.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and initial measurement of financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with IFRS 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

Financial assets, other than those designated and effective as hedging instruments, are classified into the following categories:

- amortised cost
- fair value through profit or loss (FVTPL)
- fair value through other comprehensive income (FVOCI)

In the current year, the Company does not have any financial assets categorised as FVOCI and FVTPL.

The classification is determined by both:

- the entity's business model for managing the financial asset
- the contractual cash flow characteristics of the financial asset.

All income and expenses relating to financial assets are recognised in the statement of comprehensive income.

Subsequent measurement of financial assets

Financial assets at amortised cost

Financial assets are measured at amortised cost using the effective interest method if the assets meet the following conditions (and are not designated as FVTPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows.
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Discounting is omitted where the effect of discounting is immaterial. The Company's cash and cash equivalents fall into this category of financial instruments.

Classification and subsequent measurement of financial liabilities

The Company's financial liabilities consist of accruals.

Financial liabilities are measured subsequently at amortised cost using the effective interest method.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

3.5 Consolidated financial statements

The financial statements are separate financial statements which contain information about Mahindra Automotive Mauritius Ltd. as an individual company and do not contain consolidated financial information as the parent of a group.

The Company holds a Global Business Licence issued by the Financial Services Commission and has taken advantage of the exemption given in Section 12 of Part 1 of the Fourteenth Schedule of the Mauritius Companies Act 2001 from the requirement to prepare consolidated financial statements as it is a wholly-owned subsidiary of a quoted company incorporated in the Republic of India, Mahindra & Mahindra Ltd.

3.6 Investments in subsidiary

A subsidiary is an entity over which the Company has control. The Company controls an entity when the Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Investments in subsidiary is initially shown at cost. Where an indication of impairment exists, the recoverable amount of the investment is assessed. Where the carrying amount of an investment is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount and the difference is charged to the statement of comprehensive income.

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the statement of comprehensive income.

3.7 Cash and cash equivalents

Cash and cash equivalents comprise of cash at bank and cash in transit. Cash equivalents are short term, highly liquid investments maturing within 90 days from the date of acquisition that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

3.8 Equity

Stated capital is determined using the value of shares that have been issued.

Accumulated losses include all current and prior years' results as disclosed in the statement of comprehensive income.

3.9 Share application monies

Share application monies represent amount received and / or cash in transit for equity shares in the Company and for which relevant shares were not yet allotted at the reporting date.

3.10 Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, and it is probable that an outflow of resources will be required to settle the obligation and the amount can be estimated reliably.

Provisions are measured at the estimated expenditure required to settle the present obligation based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. The increase in the provision due to passage of time is recognised as interest expense in the statement of comprehensive income.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole.

3.11 Related parties

A related party is a person or company where that person or company has control or joint control of the reporting company; has significant influence over the reporting company; or is a member of the key management personnel of the reporting company or of a parent of the reporting company.

3.12 Foreign currency translation

Functional and presentation currency

The financial statements are presented in Euro ("EUR"), which is the Company's functional and presentation currency. The Company has also presented the financial statements in Indian Rupee ("INR") for the convenience of users of financial statements.

Foreign currency transactions and balances

Foreign currency transactions are translated into the functional currency of the Company using the exchange rates prevailing at the dates of the transactions (spot exchange rate). Foreign exchange gains and losses resulting from the settlement of such transactions and from the remeasurement of monetary items denominated in foreign currency at year-end exchange rates are recognised in the statement of comprehensive income.

Non-monetary items are not retranslated at year-end and are measured at historical cost (translated using the exchange rates at the transaction date), except for non-monetary items measured at fair value which are translated using the exchange rates at the date when fair value was determined.

3.13 Impairment of assets

At each reporting date, the Company reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered any impairment loss. When an indication of impairment loss exists, the carrying amount of the asset is assessed and written down to its recoverable amount.

3.14 Comparatives

Where necessary, comparatives figures have been adjusted to conform with changes in presentation in the current year.

4. SIGNIFICANT MANAGEMENT JUDGEMENT IN APPLYING ACCOUNTING POLICIES AND ESTIMATION UNCERTAINTY

When preparing the financial statements, management undertakes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

Significant management judgements

The following are the significant management judgements in applying the accounting policies of the Company that have the most significant effect on the financial statements.

Determination of functional currency

The determination of the functional currency of the Company is critical since recording of transactions and exchange differences arising therefrom are dependent on the functional currency selected. The directors have considered those factors and have determined that the functional currency of the Company is the EUR.

Going concern assumption

The directors have exercised significant judgement in assessing that the preparation of these financial statements on a going concern basis is appropriate. In making this assessment, the directors have considered the Company's future business projects, future cash flows and future profitability.

Estimation uncertainty

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

Impact of COVID-19

In January 2020, the World Health Organization has declared the outbreak of a novel coronavirus (COVID-19) as a "Public Health Emergency of International Concern," which continues to spread throughout the world and has adversely impacted global commercial activity and contributed to significant declines and volatility in financial markets.

The directors have considered the potential adverse impact of the COVID-19 pandemic on the Fund's business activities by making assumptions using the existing market conditions as well as forward looking estimates at the end of the reporting date. Estimation uncertainty relates to assumptions about future operating results.

5. FINANCIAL INSTRUMENTS RISK

Risk management objectives and policies

The Company is exposed to various risks in relation to its financial instruments. The main types of risks are market risk, credit risk and liquidity risk.

The Company's financial assets and financial liabilities by category are summarised below.

	2022	**2022**	2021	2021
	EUR	**INR**	EUR	INR
		(Note 1)		(Note 1)
Financial assets at amortised cost:				
Current				
Cash and cash equivalents	**39,915**	**3,372,818**	55,469	4,687,131
Total financial assets	**39,915**	**3,372,818**	55,469	4,687,131
Financial liabilities at amortised cost:				
Current				
Accruals	**9,011**	**761,432**	5,916	499,903
Total financial liabilities	**9,011**	**761,432**	5,916	499,903

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyse the risks faced by the Company to set appropriate measures and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and in the Company's activities.

The Company does not actively engage in the trading of financial assets and derivatives for speculative purposes. The most significant financial risks to which the Company is exposed to are described as follows:

5.1 Market risk analysis

The Company is exposed to market risk through its use of financial instruments. Market risk is comprised specifically of currency risk and interest rate risk, which result from both its operating and investing activities.

(i) Foreign currency sensitivity

Foreign currency risk arises when the fair value or future cash flows of a financial instrument fluctuate because of changes in foreign exchange rates.

The Company's financial assets and financial liabilities are not exposed to any foreign currency risk as these are principally denominated in the EURO ("EUR").

(ii) Interest rate sensitivity

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company does not have interest bearing financial assets and financial liabilities and it is therefore not exposed to interest rate on its financial instruments.

5.2 Credit risk analysis

Credit risk is the risk that counterparty fails to discharge an obligation to the Company.

The Company's maximum exposure to credit risk is limited to the carrying amount of financial assets recognised at the reporting date, as summarised below:

	2022	**2022**	2021	2021
	EUR	**INR**	EUR	INR
		(Note 1)		(Note 1)
ASSETS				
Current assets				
Cash and cash equivalents	**39,915**	**3,372,818**	55,469	4,687,131

The credit risk for the bank balance is considered negligible, since the counterparty is a reputable bank with high quality external credit ratings.

None of the Company's financial assets are secured by collateral or other credit enhancements.

5.3 Liquidity risk analysis

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due.

The Company's approach to managing liquidity risk is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The following are the contractual maturities of the Company's financial liabilities:

		2022		2021
	Less than one year	**Less than one year**	Less than one year	Less than one year
	EUR	**INR**	EUR	INR
		(Note 1)		(Note 1)
Accruals	**9,011**	**761,432**	5,916	499,903
Total	**9,011**	**761,432**	5,916	499,903

6. FAIR VALUE MEASUREMENT

6.1 Fair value measurement of financial instruments

The Company has financial assets and financial liabilities and they are measured at their carrying amounts which approximate their fair values.

6.2 Fair value measurement of non-financial instruments

The Company's non-financial assets consist of investment in subsidiary and prepayments for which fair value measurement is not applicable since these are not measured at fair value on a recurring or non-recurring basis in the statement of financial position. At the reporting date, the Company did not have any non-financial liabilities.

7. CAPITAL MANAGEMENT POLICIES AND PROCEDURES

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns to its member.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to its member, buy back shares or issue new shares.

The Company monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. For the year ended 31 March 2021 and 2022, the Company was not geared since it did not have any external borrowings.

8. TAXATION

(i) Income tax

The Company monitors proposed and issued tax laws, regulations and cases to determine the impact on uncertain tax positions. At 31 March 2022, there are no potential subsequent events, other than those described below, that would have a material impact on unrecognised income tax benefits within the next twelve months.

The Company holds a Global Business Licence for the purpose of the Financial Services Act 2007 of Mauritius. Pursuant to the enactment of the Finance Act 2018, with effect as from 1 January 2019, the deemed tax credit has been phased out, through the implementation of a new tax regime. Companies which had obtained their Global Business Licence on or before 16 October 2017, including the Company, have been grandfathered and would benefit from the deemed tax credit regime up to 30 June 2021.

Accordingly, the Company is entitled to a foreign tax credit equivalent to the higher of the actual foreign tax suffered or 80% of the Mauritian tax ("Deemed tax credit") on its foreign source income resulting in an effective tax rate on net income of up to 3%, up to 30 June 2021. Further, the Company is exempted from income tax in Mauritius on profits or gains arising from sale of securities. In addition, there is no withholding tax payable in Mauritius in respect of payments of dividends to the Shareholder or in respect of redemptions or exchanges of shares.

Post 30 June 2021 and under the new tax regime and subject to meeting the necessary substance requirements as required under the Financial Services Act 2007 (as amended by the Finance Act 2018) and such guidelines issued by the Financial Services Commission, the Company would be entitled to either (a) a foreign tax credit equivalent to the actual foreign tax suffered on its foreign income against the Company's tax liability computed at 15% on such income, or (b) a partial exemption of 80% of some of the income derived, including but not limited to foreign source dividends or interest income.

Tax expense recognised in profit or loss comprises the sum of deferred tax and current tax not recognised in other comprehensive income or directly in equity.

Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. Deferred income taxes are calculated using the balance sheet liability method.

At 31 March 2022, the Company has accumulated tax losses of EUR219,529 (2021: EUR102,702) and is therefore not liable to income tax.

(ii) Deferred tax

Deferred income tax is calculated on all temporary differences under the liability method at the rate of 3%. At 31 March 2022, no deferred tax has been recognised in respect of the accumulated tax losses carried forward as it is not probable that taxable profit will be available in the foreseeable future.

(iii) Income tax reconciliation

The income tax on the Company's loss before tax differs from the theoretical amount that would arise using the effective tax rate of the Company as follows:

	2022	2021
	EUR	EUR
Loss for the year	**(36,718,657)**	(150,860,555)
Tax calculated at the rate of 3%	**–**	–
Tax expense	**–**	–

9. INVESTMENTS IN SUBSIDIARY

	2022	**2022**	2021	2021
	EUR	**INR (Note 1)**	EUR	INR (Note 1)
(i) Unquoted and at carrying amount				
At 01 April 2021	–	–	95,075,000	8,033,837,500
Additions during the year (Note 9 (iii))	**36,599,938**	**3,092,694,761**	55,750,062	4,710,880,239
Impairment during the year (Note 9 (iv))	**(36,599,938)**	**3,092,694,761**	(150,825,062)	(12,744,717,739)
At 31 March	–	–	–	–

(ii) Details pertaining to the unquoted investments are as follows:

Name of investee company	Type of investments	Carrying amount 2022	Cost 2022	Carrying amount 2021	Cost 2021
		EUR	**EUR**	EUR	EUR
Automobili Pininfarina GmbH*	Equity	–	**166,900,000**	–	130,300,062
Automobili Pininfarina GmbH*	Capital contribution	–	**20,525,000**	–	20,525,000
		–	**187,425,000**	–	150,825,062

* The Company has 100% holding in Automobili Pininfarina GmbH, a company incorporated in Germany.

(iii) During the year ended 31 March 2022, the Company acquired additional equity shares amounting to EUR36,599,938 (2021: EUR55,750,062) in Automobili Pininfarina GmbH.

(iv) The directors made an assessment on the recoverable amount of the investments in Automobili Pininfarina GmbH and concluded that the carrying amount of these investments were fully impaired at the reporting date.

(v) The Company holds a Global Business Licence issued by the Financial Services Commission and has therefore taken advantage of Section 12 of Part 1 of the Fourteenth Schedule of the Mauritius Companies Act 2001 which dispenses it from presenting consolidated financial statements as it is wholly-owned subsidiary of Mahindra & Mahindra Ltd, a company incorporated in the Republic of India.

10. PROFESSIONAL FEES

	2022	**2022**	2021	2021
	EUR	**INR**	EUR	INR
		(Note 1)		(Note 1)
Administration fees and disbursements	**22,233**	**1,878,689**	19,905	1,681,973
Directors' fees	**2,200**	**185,900**	2,198	185,731
Fees for tax filings	**1,839**	**155,396**	1,855	156,748
Secretarial fees	**1,320**	**111,540**	1,319	111,456
Legal fees	**1,892**	**159,874**	1,041	87,965
Trademark fee	**2,328**	**196,716**	1,178	99,541
Other expenses	**181**	**15,294**	386	32,615
	31,993	**2,703,409**	27,882	2,356,029

11. STATED CAPITAL

	2022	2022	2021	2021
	EUR	**INR (Note 1)**	EUR	INR (Note 1)
Issued and paid:				
At start of the year	**151,005,001**	**12,759,922,585**	95,175,001	8,042,287,585
Issued during the year (Note 11 (i) & (ii))	**36,700,000**	**3,101,150,000**	54,830,000	4,633,135,000
Conversion of share application monies into shares (Note 13)	–	–	1,000,000	84,500,000
At end of the year	**187,705,001**	**15,861,072,585**	151,005,001	12,759,922,585

(i) During the year ended 31 March 2022, the Company issued 317,732,083,333 shares of no par value amounting EUR 27,200,000 to Mahindra & Mahindra Ltd.

(ii) During the year, the Company obtained a loan amounting to EUR9,500,000 from the shareholder which is unsecured, repayable on demand and bearing interest of 3.5%. Pursuant to board meeting dated 09 September 2021, the interest element of EUR79,576 was fully repaid and the principal amount was converted into 47,500,000,000 shares of no par value.

(iii) As at 31 March 2022, the Company has 365,493,659,763 shares of no par value amounting EUR187,705,001.

(iv) In accordance with the Company's Constitution, the main rights and obligations attached to the ordinary shares are as follows:

- confer to its holder the rights to attend and exercise one vote at meetings of members generally and class meetings of the ordinary shares;
- have a right to receive any dividend or distribution; and
- and be entitled, on a winding up, to share in the assets of the Company available for distribution.

12. CASH AND CASH EQUIVALENTS

	2022	2022	2021	2021
	EUR	**INR (Note 1)**	EUR	INR (Note 1)
Cash at bank	**39,915**	**3,372,818**	55,469	4,687,131
	39,915	**3,372,818**	55,469	4,687,131

13. SHARE APPLICATION MONIES

	2022	2022	2021	2021
	EUR	**INR (Note 1)**	EUR	INR (Note 1)
Balance at 01 April	–	–	1,000,000	84,500,000
Conversion into shares during the year (Note 11)	–	–	(1,000,000)	(84,500,000)
	–	–	–	–

Share application monies represent payments made for equity shares by Mahindra & Mahindra Ltd and for which the relevant shares were allotted during the year ended 31 March 2021.

14. CONTINGENT LIABILITIES

The Company has no litigation claims outstanding, pending or threatened against it, which could have a material adverse effect on the Company's financial position or results as at 31 March 2022.

15. EVENTS AFTER THE REPORTING DATE

The Company has evaluated all events subsequent to the date when these financial statements were available to be issued on 25 April 2022 and determined that there were no subsequent events that require disclosures in the financial statements.

16. HOLDING COMPANY

The directors regard Mahindra & Mahindra Ltd, a company listed on the National Stock Exchange of India, as the Company's holding company.

AUDITOR'S REPORT

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MAHINDRA RACING UK LIMITED

Opinion

We have audited the financial statements of Mahindra Racing UK Limited (the 'Company') for the year ended 31 March 2022, which comprise the Statement of income and retained earnings, the Balance sheet and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2022 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditor's report thereon. The directors are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or the Directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement set out on page herein, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- Enquiry of management and those charged with governance on management's assessment of risk and management's processes for identifying and responding to the risks of fraud in the entity;
- Enquiry of management and those charged with governance around actual and potential litigation and claims;
- Enquiry of entity staff in compliance functions to identify any instances of non-compliance with laws and regulations;
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias;
- Reviewing minutes of meetings of those charged with governance; and
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's report.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

John Coverdale FCA
(Senior Statutory Auditor)
for and on behalf of
MHA MacIntyre Hudson
Statutory Auditor
London,
United Kingdom

Date: 24th May 2022

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2022

	2022	2021
	£	£
INCOME		
Sales	**17,591,699**	14,963,502
Other operating income	**–**	64,510
Interest receivable	**295**	658
	17,591,994	15,028,670
EXPENSES		
Subcontract labour	**1,656,715**	1,566,604
Commissions payable	**10,619**	303,802
FIA & development costs	**10,018,694**	8,818,964
Directors national insurance	**50,437**	37,916
Directors salaries	**318,389**	292,333
Directors pension costs - defined contribution schemes	**28,404**	14,617
Staff salaries	**2,678,862**	2,195,099
Staff national insurance	**294,640**	260,791
Staff pension costs - defined contribution schemes	**129,893**	109,871
Staff welfare	**172,454**	80,878
Entertainment	**122,159**	–
Hotels, travel and subsistence	**817,367**	469,764
Printing and stationery	**24,099**	27,452
Telephone and fax	**15,447**	19,195
Computer costs	**1,486**	13,015
Advertising and promotion	**364,373**	326,617
Legal and professional	**129,584**	121,425
Auditors' remuneration	**9,000**	9,000
Accountancy fees	**100,963**	99,067
Bank charges	**8,785**	22,800
Bad debts	**174,951**	–
Difference on foreign exchange	**44,432**	99,342
Rent	**159,714**	183,898
Rates	**205,315**	167,204
Light and heat	**143,920**	79,842
Insurances	**74,682**	54,650
Repairs and maintenance	**75,465**	72,863
Depreciation	**895,538**	1,307,677
Recruitment	**27,294**	47,975
Interest payable	**44,666**	17,531
	18,798,347	16,820,192
OPERATING (LOSS)/PROFIT	**(1,206,353)**	(1,791,522)
Investment written off	**–**	–
Impairment of available for sale financial asset	**–**	–
Realised gain on disposal of investment	**–**	–
(LOSS)/PROFIT BEFORE TAX	**(1,206,353)**	(1,791,522)
Tax expense	**(825,265)**	(1,056,566)
(LOSS)/PROFIT FOR THE YEAR	**(381,088)**	(734,956)
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX	–	–
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**(381,088)**	(734,956)

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2022

	2022	2021
	£	£
ASSETS		
Non Current Assets		
Long term lease hold property	**567,762**	673,299
Plant & Machinery	**407,132**	752,289
Fixture & Fittings	**32,432**	103,884
Office Equipment	**169,780**	255,475
Asset under construction	**852,414**	-
Intangible assets	**2**	2
	2,029,522	1,784,949
Current Assets		
Trade Debtors	**280,721**	208,467
Amount owed by Group undertakings	**–**	6,941
Other debtors	**2,133,767**	1,183,393
Prepayments and acrued income	**2,882,794**	1,914,601
Cash at bank and in hand	**899,964**	3,141,915
	6,197,246	6,455,317
Total Assets	**8,226,768**	8,240,266
EQUITY AND LIABILITES		
Equity		
Allotted, called up and fully paid	**20,000**	20,000
(Accumulated losses)/Retained earnings)	**(1,741,042)**	(1,359,954)
	(1,721,042)	(1,339,954)
Non–current liabilities		
Borrowings	**–**	–
Current Liabilities		
Bank loans	**2,000,000**	2,000,000
Trade Creditors	**1,408,531**	993,332
Other taxation & social security	**106,500**	93,530
Other creditors	**20,429**	16,312
Accruals & Deferred income	**6,412,350**	6,477,046
	9,947,810	9,580,220
Total equity and liabilities	**8,226,768**	8,240,266

Approved by the Board of Directors on 19.05.2022 and signed on its behalf by:

DIRECTOR
Dilbagh Gill

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2022

	2022 £	2021 £
Cash flows from operating activities		
(Loss)/profit before taxation	**(1,206,353)**	(1,791,522)
Adjustments for:		
Depreciation	**895,538**	1,307,677
Impairment loss on available-for-sale financial asset	**–**	–
Realised gain on disposal of investment	**–**	–
Unrealised foreign exchange loss/(gain)	**–**	–
Interest income	**–**	–
Interest expense	**–**	–
Dividend income	**–**	–
	(310,815)	(483,845)
Adjustments for working capital changes:		
(Increase)/Decrease in Current Assets	**(1,983,880)**	(952,270)
Increase/(Decrease) in Current Liabilities	**(47,609)**	1,169,703
Cash flows generated from operating activities	**(2,342,304)**	(266,412)
Taxes paid	**825,265**	1,056,566
Interest paid	**–**	–
Net cash flows generated from/(used in) operating activities	**(1,517,039)**	790,154
Cash flows from investing activities		
Purchase of available-for-sale financial assets	**–**	–
Purchase of property, plant & equipment	**(1,140,111)**	(822,865)
Proceeds from disposal of available-for-sale financial assets	**–**	–
Dividend received	**–**	–
Net cash flows (used in)/from investing activities	**(1,140,111)**	(822,865)
Cash flows from financing activities		
Share Capital	**–**	–
Loans repaid to bank	**–**	–
Loans from bank	**415,199**	1,200,000
Loan repayment received	**–**	–
Proceeds from issue of shares	**–**	–
Loans given	**–**	–
Shareholder's loan	**–**	–
Net cash flows generated from/(used in) financing activities	**415,199**	1,200,000
(Decrease)/increase in cash and cash equivalents	**(2,241,951)**	1,167,289
Cash & Bank Balances		
Opening Balance	**3,141,915**	1,974,626
Closing Balance	**899,964**	3,141,915
Cash and cash equivalents made up of:		
Cash at bank	**899,964**	3,141,915

NOTES TO THE FINANCIAL STATEMENTS AT 31 MARCH 2022

1. General Information

Mahindra Racing UK Limited is a private company limited by shares, incorporated in England and Wales within the UK.

The address of the registered office & the registration number are given in the compnay information page of these financial statements

2. ACCOUNTING POLICIES

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the financial standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of finnacial statements in compliance with FRS 102 requires the use of certain crtitical accounting estimates. It also requires management to exercise judgement in applying the Company's Accounting Policies (see note 3).

The following principal accounting policies have been applied :

2.2 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iv), 11.48(a)(v), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Mahindra & Mahindra Ltd as at 31 March 2022 and these financial statements may be obtained from Mahindra Towers Dr. G. M. Bhosale Marg, Worli, Mumbai, 400 018, India.

2.3 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP with a rounding tolerance of £1.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period -end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of income except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the statement of income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Statement of income within "other operating income"

2.4 Revenue

Sponsorship revenue is recognised evenly over each race season in line with the number of races that have taken place prior to the period end, or to the extent that it is probable that the economic benefits will flow to the Company in line with the sponsorship agreement. Value in Kind Sponsorship is recognised in accordance with fulfillment of conditions per sponsorship agreement. Sponsorship revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

2.5 Operating Lease : the Company as lessee

Rentals paid under operating leases are charged to the Statement of income on a straight line basis over the lease term.

2.6 Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight line basis over their useful economic lives, which range from 3 to 6 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

2.7. Government Grants

Grants are accounted under accrual model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to the statement of income at the same rate as the depreciation on assets to which the grants relates. The deferred element of grants is included in creditors as deferred income.

Grants of revenue nature are recognised in the statement of income in the same period as the related expenditure.

2.8 Interest income

Interest income is recognised in the Statement of income and retained earnings using the effective interest method.

2.9 Finance costs

Finance costs are charged to the Statement of income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.10 Borrowing costs

All borrowing costs are recognised in the statement of income in the year in which they are incurred

2.11 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

2.12 Taxation

Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

2.13 Intangible Assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less and accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life, If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

2.14 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributed to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis :

Long-term leasehold property	–	
Plant & Machinery	–	33% straight line
Furniture & Fittings	–	20% straight line
Office equipment	–	33% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and Losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.15 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.16 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.17 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.18 Financial Instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Investments in non-derivative instruments that are equity to the issuer are measured:

- at fair value with changes recognised in the Statement of income if the shares are publicly traded or their fair value can otherwise be measured reliably;
- at cost less impairment for all other investments.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised In the Statement of income & retained earnings.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an assets' carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.19 Going Concern

The financialstatements have been prepared on a going concern basis. The Directors have considered relevant information, including the annual budget, forecast future cash flows and the impact of subsequent events in making their assessment. Whilst the postponement of races last year impacted the team's financial operations, the team has secured new sponsorship deals, returned to the full race calender, and made commitments to the next generation of Formula-E racing.

Based on these assessments and having regard to the resources available to the entity, the Directors have concluded that there is no material uncertainty and that they can continue to adopt the going concern basis in preparing the annual report and accounts.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

In the opinion of the directors there are no significant judgements in applying accounting policies and there are no key sources of estimation uncertainty.

4. Turnover

An analysis of turnover by class of business is as follows:

	2022	2021
	£	£
Sales	**17,591,699**	14,963,502
	17,591,699	14,963,502

Analysis of turnover by country of destination:

	2022	2021
	£	£
United Kingdom	**299,475**	184,357
Rest of Europe	**9,275,405**	7,796,396
Rest of the world	**8,016,819**	6,982,749
	17,591,699	14,963,502

5. Other operating income

	2022	2021
	£	£
Government Grants receivable	**–**	64,510
	–	64,510

6. Operating loss

The operating loss is stated after charging :

	2022	2021
	£	£
Exchange differences	**44,432**	99,342
Other operating lease rentals	**159,714**	183,898

7. Auditor's remuneration

	2022	2021
	£	£
Fees payable to the company's auditor and its associates for the audit of the company's annual Financial statements	**9,000**	9,000

8. Employees

	2022	2021
	£	£
Wages & Salaries	**2,997,251**	2,487,432
Social security costs	**345,077**	298,707
Cost of defined contribution scheme	**158,297**	124,488
	3,500,625	2,910,627

The average monthly number of employees, including the directors, during the year was as follows:

	2022	2021
	No.	No.
Staff	**38**	37

9. Directors' remuneration

	2022	2021
	£	£
Directors' emoluments	**318,389**	292,333
Company contributions to defined contribution pension schemes	**28,404**	14,617
	346,793	306,950

During the year retirement benefits were accruing to 2 directors (2021 - 2) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £232,875 (2021 - £204,805).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £11,644 (2021 - £10,240).

10. Taxation

	2022	2021
	£	£
Corporation tax		
Research & Development Tax Credit	**(825,265)**	(1,056,566)
	(825,265)	(1,056,566)
Total current tax	**(825,265)**	(1,056,566)
Deferred tax		
Total deferred tax		
Taxation on loss on ordinary activities	**(825,265)**	(1,056,566)

Factors affecting tax charge for the year

The tax assessed for the year is Nil (2021 - Nil) the standard rate of corporation tax in the UK of 19% (2021 - 19%). The differences are explained below:

	2022	2021
	£	£
Loss on ordinary activities before tax	**(1,206,353)**	(1,791,522)
Effects of:		
Adjustment in research and development tax credit leading to an increase (decrease) in the tax charge	**(825,265)**	(1,056,566)
Total tax charge for the year	**(825,265)**	(1,056,566)

Factors that may affect future tax charges

There are no factors that affect future tax charges.

11. Intangible assets

Costs	**Patents**
	£
At 1st April 2021	**2**
At 31st March 2022	**2**
Net Book Value	
At 31st March 2022	2
At 31st March 2021	2

12. Tangible fixed assets

	Long term lease hold property	Plant and Machinery	Fixtures and Fittings	Office Equipment	Asset under construction	Total
	£	£	£	£	£	£
Cost or valuation						
At 1 April 2021	755,220	3,392,340	284,590	427,489	0	4,859,639
Additions	0	265,546	947	21,204	852,414	1,140,111
At 31 March 2022	**755,220**	**3,657,886**	**285,537**	**448,693**	**852,414**	**5,999,750**
Depreciation						
At 1 April 2021	81,921	2,640,051	180,706	172,014	0	3,074,692
Charge for the year on owned assets	105,537	610,703	72,399	106,899	0	895,538
At 31 March 2022	**187,458**	**3,250,754**	**253,105**	**278,913**	**0**	**3,970,230**
Net book value						
At 31 March 2022	**567,762**	**407,132**	**32,432**	**169,780**	**852,414**	**2,029,520**
At 31 March 2021	673,299	752,289	103,884	255,475	0	1,784,947

13. Debtors

	2022	2021
	£	£
Trade Debtors	**280,721**	208,467
Amounts owed by Group undertakings	**–**	6,941
Other debtors	**2,133,767**	1,183,393
Prepayments and acrued income	**2,882,794**	1,914,601
	5,297,282	3,313,402

14. Cash & Cash equivalents

	2022	2021
	£	£
Cash at bank and in hand	**899,964**	3,141,915
	899,964	3,141,915

15. Creditors : Amounts falling due within one year

	2022	2021
	£	£
Bank loans	**2,000,000**	2,000,000
Trade Creditors	**1,408,531**	993,332
Other taxation & social security	**106,500**	93,530
Other creditors	**20,429**	16,312
Accruals and deferred income	**6,412,350**	6,477,046
	9,947,810	9,580,220
The following liabilities were secured		
Bank loans	**2,000,000**	2,000,000
	2,000,000	2,000,000

Details of Security provided

The above liabilities were secured by guarantee from the Company's ultimate parent company Mahindra & Mahindra Limited.

16. Share Capital

	2022	2021
	£	£
Allotted, called up and fully paid		
20,000 (2021 - 20,000) Ordinary shares of £1.00 each	**20,000**	20,000

17. Reserves

Profit and loss account

The profit and loss account represents the net accumulated profits and losses, after the deduction of dividends and adjustments.

18. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £158,297 (2021 - £124,488). Contributions totalling £20,429 (2021 - £16,312) were payable to the fund at the balance sheet date and are included in creditors.

19. Commitments under operating leases

At 31 March 2022 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2022	2021
	£	£
Not later than 1 year	**221,943**	40,000
Later than 1 year and not later than 5 years	**746,701**	141,479
	968,644	181,479

20. Related party transactions

During the year the company received sponsorship income amounting to £6,650,000 (2021: £6,150,728) from Mahindra & Mahindra Limited, it's ultimate parent undertaking. At the balance sheet date there was an amount owed by the company to Mahindra & Mahindra Limited of £1,527 (2021: £6,290) owed to Mahindra & Mahindra Limited).

Also during the year, the company received sponsorship income from Tech Mahindra Limited amounting to £1,186,492 (2021: £825,079), with £52,475 owed to the company at year end (2021: £Nil).

21. Controlling party

The Company's immediate parent undertaking is Mahindra Overseas Investment Company (Mauritius) Limited, a company incorporated in Mauritius. The ultimate parent undertaking is Mahindra & Mahindra Limited, a company incorporated in India.

The company's results are included in the consolidated financial statements of Mahindra & Mahindra Limited which are publicly available from Mahindra Towers, Dr. G. M. Bhosale Marg, Worli, Mumbai, 400 018, India.

DETAILED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2022

	2022 £	2021 £
Turnover	**17,591,699**	14,963,502
Cost of Sales	**(11,686,028)**	(10,689,370)
Gross profit	**5,905,671**	4,274,132
Other operating income	**–**	64,510
Less: overheads		
Administration expenses	**(7,067,653)**	(6,113,291)
Operating loss	**(1,161,982)**	(1,774,649)
Interest receivable	**295**	658
Interest payable	**(44,666)**	(17,531)
Research & Development Tax Credit	**825,265**	1,056,566
Loss for the year	**(381,088)**	(734,956)

SCHEDULE TO THE DETAILED ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2022

	2022 £	2021 £
Turnover		
Sales-United Kingdom	**299,475**	184,357
Sales-Rest of Europe	**9,275,405**	7,796,396
Sales-Rest of world	**8,016,819**	6,982,749
	17,591,699	14,963,502
Cost of sales		
Subcontract labour	**1,656,715**	1,566,604
Commissions payable	**10,619**	303,802
FIA and development costs	**10,018,694**	8,818,964
	11,686,028	10,689,370

	2022 £	2021 £
Other operating income		
Government Grants receivable	**–**	64,510
	–	64,510
Administration expenses		
Directors national insurance	**50,437**	37,916
Directors salaries	**318,389**	292,333
Directors pension costs - defined contribution schemes	**28,404**	14,617
Staff salaries	**2,678,862**	2,195,099
Staff national insurance	**294,640**	260,791
Staff pension costs - defined contribution schemes	**129,893**	109,871
Staff welfare	**172,454**	80,878
Entertainment	**122,159**	–
Hotels, travel and subsistence	**817,367**	469,764
Printing and stationery	**24,099**	27,452
Telephone and fax	**15,447**	19,195
Computer costs	**1,486**	13,015
Advertising and promotion	**364,373**	326,617
Legal and professional	**129,584**	121,425
Auditors' remuneration	**9,000**	9,000
Accountancy fees	**100,963**	99,067
Bank charges	**8,785**	22,800
Bad debts	**174,951**	–
Difference on foreign exchange	**44,432**	99,342
Rent	**159,714**	183,898
Rates	**205,315**	167,204
Light and heat	**143,920**	79,842
Insurances	**74,682**	54,650
Repairs and maintenance	**75,465**	72,863
Depreciation	**895,538**	1,307,677
Recruitment	**27,294**	47,975
	7,067,653	6,113,291
Interest receivable		
Bank interest receivable	**295**	658
	295	658
Interest payable		
Bank loan interest payable	**44,666**	17,531
	44,666	17,531

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF
MAHINDRA SUSTEN PRIVATE LIMITED

Report on the Audit of Ind AS Financial Statements

Opinion

We have audited the accompanying financial statements of Mahindra Susten Private Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2022, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2022, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Information Other than the Financial Statements and Auditor's Report Thereon

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Directors' report, Management discussion and analysis and Business responsibility report, but does not include the financial statements and our auditor's report thereon.
- Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report, to the extent applicable that:
   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
   c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.
   d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.
   e) On the basis of the written representations received from the directors as on 31 March 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022 from being appointed as a director in terms of Section 164(2) of the Act.
   f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
   g) In our opinion and to the best of our information and according to the explanations given to us, the Company being a private company, section 197 of the Act related to the managerial remuneration is not applicable.
   h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
      i. The Company has disclosed the impact of pending litigations on its financial position it its financial statements;
      ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
      iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
      iv. (a) The Management has represented that, to the best of its knowledge and belief, as disclosed in the notes to the accounts, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
      (b) The Management has represented, that, to the best of its knowledge and belief, other than as disclosed in the notes to accounts, no funds (which are material either individually or in the aggregate) have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
      (c) Based on the audit procedures that has been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
      v. The company has not declared or paid any dividend during the year and has not proposed final dividend for the year.
2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Registration No. 117366W/ W-100018)

Mehul Parekh
Partner
(Membership No. 121513)
(UDIN: 22121513AIRMYG9528)

Place: Mumbai
Date: May 9, 2022

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause(i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Mahindra Susten Private Limited ("the Company") as of 31 March 2022 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2022, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No. 117366W/ W-100018)

Mehul Parekh
Partner
Membership No. 121513
UDIN:22121513AIRMYG9528

Place: Mumbai
Date: May 9,2022

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and capital work- in-progress.

(B) The Company has maintained proper records showing full particulars of intangible assets and intangible assets under development.

(b) The Property, Plant and Equipment was physically verified during the year by the Management which, in our opinion, provides for physical verification at reasonable intervals. No material discrepancies were noticed on such verification.

(c) Based on our examination of the registered sale deed provided to us, we report that, the title deeds of all the immovable properties disclosed in the financial statements included in property, plant and equipment are held in the name of the Company as at the balance sheet date.

(d) The Company has not revalued any of its property, plant and equipment (including Right of Use assets) and intangible assets during the year.

(e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

(ii) (a) The inventories were physically verified during the year by the Management at reasonable intervals. In our opinion and based on information and explanations given to us, the coverage and procedure of such verification by the Management is appropriate having regard to the size of the Company and the nature of its operations.

(b) According to the information and explanations given to us, the Company has been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate, at points of time during the year, from banks or financial institutions on the basis of security of current assets. In our opinion and according to the information and explanations given to us, the quarterly returns or statements comprising (stock statements, book debt statements, and other stipulated financial information) filed by the Company with such banks or financial institutions till the date of this report are in agreement with unaudited books of account of the Company of the respective quarters ending June 30, 2021, September 30, 2021 and December 31, 2021. The Company is yet to submit the return/ statement for the quarter ended March 31, 2022 with the banks or financial institutions.

(iii) (a) The Company has made investments in, provided guarantee and granted unsecured loans during the year and details of which are given below:

Rupees (In Lakhs)

Particulars	Investment	Loans	Guarantee
A. Aggregate amount granted/provided during the year:			
- Subsidiaries	10,802.00	35,393.67	20.00
B. Balance outstanding as at balance sheet date in respect of above cases:			
- Subsidiaries	10,802.00	33,049.50	20.00

(b) The investments made, guarantees provided and the terms and conditions of the grant of all the above-mentioned loans, during the year are, in our opinion, prima facie, not prejudicial to the Company's interest.

(c) In respect of loans of Rs. 7,383.50 Lacs granted by the Company for which the schedule of repayment of principal and payment of interest has been stipulated and the repayments of principal amounts and receipts of interest are regular as per stipulation. The Company has also granted sub-ordinated loans aggregating to Rs. 66,365.90 Lacs that are payable after servicing of senior secured debts of those subsidiaries. In the absence of such schedule, we are unable to comment on the regularity of the repayments of principal amounts and payment of interest. {Refer reporting under clause (iii)(f) below}.

(d) According to information and explanations given to us and based on the audit procedures performed, in respect of loans of Rs. 7,383.50 Lacs provided by the Company, wherein the schedule of repayment of principal and payment of interest has been stipulated, there is no overdue amount remaining outstanding as at the balance sheet date. The Company has also granted sub-ordinated loans aggregating to Rs. 66,365.90 Lacs that are payable after servicing of senior secured debts of those subsidiaries. In the absence of such schedule, we are unable to comment on overdue amount remaining outstanding as at the balance sheet date.

{Refer reporting under clause (iii)(f) below}.

(e) No loan granted by the Company which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.

(f) The Company has granted following sub-ordinated loans to it's subsidiaries, the terms of which do not specify the period of repayment but are repayable after servicing of senior secured debts of those subsidiaries:

Particulars	Rupees (In Lakhs)
Aggregate of loans	
– Repayable on demand (A)	Nil
– Agreement does not specify period of repayment (B)	28,730.00
Total (A+B)	**28,730.00**
Percentage of loans to the total loans	81.32%

(iv) According to information and explanation given to us, the Company has not granted any loans, made investments or provided guarantees or securities that are covered under the provisions of sections 185 or 186 of the Companies Act, 2013, and hence reporting under clause (iv) of the Order is not applicable.

(v) The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause (v) of the Order is not applicable.

(vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the books of account maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended, prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained by the Company. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) In respect of statutory dues:

(a) Undisputed statutory dues, including Goods and Service tax, Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, duty of Custom, duty of Excise, Value Added Tax, cess and other material statutory dues applicable to the Company have generally been regularly deposited by it with the appropriate authorities though there has been a delay in respect of remittance of tax deducted at source dues.

There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Income-tax, Sales Tax, Service Tax, duty of Customs, duty of Excise, Value Added Tax, cess and other material statutory dues in arrears as at March 31, 2022 for a period of more than six months from the date they became payable.

(b) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2022 on account of disputes are given below:

Name of Statute	**Nature of Dues**	**Forum Pending**	**Period to which the Amount Relates**	**Amount involved (Rs. In Lacs)**	**Amount Unpaid (Rs. in Lacs)**
Income Tax, Act 1961	Income tax	Commissioner of Income Tax (Appeals)	F.Y 2012-13; F.Y 2013-14 and F. Y 2016- 17	2,94,49,404	9,89,164
Goods and Service Tax Act, 2017	Goods and Service Tax	Appellate Authority	F.Y 2017-18 and F.Y 2018- 19	1,17,25,83,892	1,10,47,73,148
Central Sales Tax Act, 1956	Sales Tax	Commissioner (Appeals)	F.Y. 2014-15 to F.Y 2017-18	23,55,37,672	20,14,48,225
Rajasthan Entry Tax	Entry Tax	Commissioner (Appeals)	FY 2012-13	12,59,79,350	72,2,03,588

(viii) There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.

(ix) (a) In our opinion, the Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.

(b) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.

(c) To the best of our knowledge and belief, in our opinion, term loans availed by the Company were, applied by the Company during the year for the purposes for which the loans were obtained.

(d) On an overall examination of the financial statements of the Company, funds raised on short-term basis aggregating to Rs. 24,447.07 Lacs have been used during the year for long-term purposes by the Company.

(e) On an overall examination of the financial statements of the Company, we report that the funds taken by the Company towards end of the previous year from the following entities and persons have been utilised to meet the obligations of its subsidiaries during the year as per details below:

Nature of funds taken	Name of lender	On account of or to meet the obligations of subsidiary		
		Amount involved	Name of the subsidiary	Nature of transaction for which funds utilized
Unsecured loan	Mahindra and Mahindra Limited	Rs. 37,200.00 Lacs	Mega Urja Surya Private Limited	Capital expenditure
		Rs. 2,500.00 Lacs	Bright Solar Limited	Term loan repayment

(f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries or joint ventures.

(x) (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause (x)(a) of the Order is not applicable.

(b) During the year the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause (x)(b) of the Order is not applicable to the Company.

(xi) (a) To the best of our knowledge, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

(b) To the best of our knowledge, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.

(c) We have taken into consideration the whistle blower complaints received by the Company during the year and provided to us, when performing our audit.

(xii) (a) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.

(xiii) In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.

(xiv) (a) In our opinion, the Company has an adequate internal audit system commensurate with the size and the nature of its business.

(b) We have considered, the internal audit reports issued to the Company during the year and covering the period up to March 2022.

(xv) In our opinion, during the year, the Company has not entered into any non-cash transactions with any of its directors or directors of its holding company or persons connected with such directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

(xvi) (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause (xvi)(a), (b) and (c) of the Order is not applicable.

(d) The Group has more than one CIC as part of the group. There are () forming part of the group.

(xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors of the Company during the year.

(xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) (a) The Company has fully spent the required amount towards Corporate Social Responsibility (CSR) and there are no unspent CSR amount for the year requiring a transfer to a Fund specified in Schedule VII to the Companies Act or special account in compliance with the provision of sub-section (6) of section 135 of the said Act. Accordingly, reporting under clause (xx) of the Order is not applicable for the year.

(b) In respect of ongoing projects, the Company does not have any unspent Corporate Social Responsibility (CSR) amount as at the end of the previous financial year and also at the end of the current financial year. Hence, reporting under this clause is not applicable for the year.

(xxi) The Company does not prepare Consolidated Financial Statements and hence, reporting under clause (xxi) of the Order is not applicable.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No. 117366W/ W-100018)

Mehul Parekh
Partner
Membership No. 121513
UDIN:22121513AIRMYG9528

Place: Mumbai
Date: May 9, 2022

BALANCE SHEET AS AT 31 MARCH 2022

Rupees (In Lakhs)

Particulars	Note No.	As at 31 March 2022	As at 31 March 2021
I ASSETS			
NON-CURRENT ASSETS			
(a) Property, Plant and Equipment	4	**1,10,780.74**	31,520.53
(b) Right-of-use assets	4 A	**47.11**	–
(c) Capital Work-in-Progress	4 B	**–**	43,440.14
(d) Other Intangible Assets	5	**30.48**	70.63
(e) Intangible Assets Under Development	5 A	**96.83**	695.02
(f) Financial Assets			
(i) Investments	6	**47,520.85**	39,020.85
(ii) Loans	7	**73,749.40**	38,426.70
(iii) Other Financial Assets	8	**9,600.59**	7,904.48
(g) Current Tax Assets (Net)		**2,935.18**	1,393.40
(h) Other Non-current Assets	10	**770.24**	1,465.52
SUB-TOTAL		**2,45,531.42**	1,63,937.27
CURRENT ASSETS			
(a) Inventories	11	**315.86**	1,203.61
(b) Financial Assets			
(i) Trade Receivables	12	**22,404.57**	44,211.69
(ii) Cash and Cash Equivalents	13	**3,967.12**	3,425.06
(iii) Other Bank Balances	13	**3,007.63**	1,611.97
(iv) Loans	7	**–**	3,938.66
(v) Other Financial Assets	8	**2,022.70**	3,665.07
(c) Other Current Assets	10	**7,928.33**	6,147.59
SUB-TOTAL		**39,646.21**	64,203.65
Non-Current Assets Classified as Held for Sale	37	**762.45**	673.75
TOTAL ASSETS		**2,85,940.08**	2,28,814.67
II EQUITY AND LIABILITIES			
EQUITY			
(a) Equity Share Capital	14 A	**19,546.17**	19,546.17
(b) Other Equity	14 B	**80,221.14**	80,281.53
SUB-TOTAL		**99,767.31**	99,827.70
LIABILITIES			
NON-CURRENT LIABILITIES			
(a) Financial Liabilities			
(i) Borrowings	15	**1,12,024.32**	38,458.93
(ii) Lease liabilities	4 A	**38.75**	–
(b) Provisions	16	**4,168.01**	5,764.74
(c) Deferred Tax Liabilities (Net)	9	**3,350.33**	2,894.26
SUB-TOTAL		**1,19,581.41**	47,117.93
CURRENT LIABILITIES			
(a) Financial Liabilities			
(i) Borrowings	17	**41,968.97**	33,473.68
(ii) Lease liabilities	4 A	**11.87**	
(iii) Trade Payables:	18		
- Total outstanding dues of creditors other than micro and small enterprises		**14,250.78**	27,822.56
(iv) Other Financial Liabilities	19	**5,132.14**	14,578.95
(b) Provisions	16	**4,042.70**	1,480.92
(c) Other Current Liabilities	20	**1,184.90**	4,512.93
SUB-TOTAL		**66,591.36**	81,869.04
TOTAL EQUITY AND LIABILITIES		**2,85,940.08**	2,28,814.67
The accompanying notes are an integral part of the Financial Statements	1-42		

In terms of our report attached.
For Deloitte Haskins & Sells LLP
Chartered Accountants
Firm Registration no.117366W/ W-100018

Mehul Parekh
Partner

Place : Mumbai
Date : 09.05.2022

For and on behalf of the Board of Directors

Ami Goda
Director
DIN: 09136149

Basant Jain
Managing Director & Chief Executive Officer
DIN: 00220395

Avinash Bapat
Chief Financial Officer

Mandar Joshi
Company Secretary

Place : Mumbai
Date : 22.04.2022

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2022

Rupees (In Lakhs)

Particulars		Note No.	Year ended 31 March 2022	Year ended 31 March 2021
I.	Revenue from operations	21	**59,547.53**	95,228.66
II.	Other Income	22	**6,186.47**	5,610.00
III.	**Total Income (I + II)**		**65,734.00**	1,00,838.66
IV.	**Expenses**			
	(a) Cost of materials consumed	23(a)	**39,742.05**	76,509.40
	(b) Cost of Services rendered		**–**	953.21
	(c) Changes in inventories of work-in-progress	23(b)	**80.19**	610.35
	(d) Employee benefit expense	24	**5,241.23**	7,000.15
	(e) Finance costs	25	**6,890.40**	3,248.10
	(f) Depreciation and amortisation expense	4,5	**2,842.41**	2,056.48
	(g) Other expenses	26	**10,336.35**	4,226.18
	Total Expenses		**65,132.63**	94,603.87
	Profit before exceptional items and tax (III-IV)		**601.37**	6,234.79
	Exceptional Items (Refer note 36)		**–**	2,872.97
V.	**Profit before tax**		**601.37**	3,361.82
VI.	**Tax Expense**	9		
	(a) Current tax		**(32.60)**	2,383.21
	(b) Minimum Alternate Tax		**187.57**	–
	(c) Minimum Alternate Tax Credit		**(187.57)**	–
	(d) Excess provision of Current Tax relating to earlier years		**–**	(376.76)
	(e) Deferred tax		**458.51**	(1,243.55)
	(f) Deferred Tax charge relating to earlier years	9(b)	**224.68**	1,984.73
	Total tax expense [for 2021-22: Rs. 1,139.66 Lakhs, relating to earlier years 1,607.98 Lakhs]		**650.59**	2,747.63
VII.	**Profit / (Loss) for the year (V - VI)**		**(49.22)**	614.19
VIII.	**Other comprehensive income**		**11.18**	(144.72)
	Items that will not be reclassified to profit or loss:			
	(i) Remeasurements of the defined benefit liabilities / (asset)		**17.19**	(222.46)
	(ii) Income tax relating to remeasurement of defined benefit plan		**(6.01)**	77.74
IX.	**Total comprehensive income /(Loss) for the year**		**(60.40)**	758.91
X	**Earnings per equity share:**			
	(1) Basic (In Rupees)	27	**(0.03)**	0.31
	(2) Diluted (In Rupees)	27	**(0.03)**	0.31

The accompanying notes are an integral part of the Financial Statements 1–42

In terms of our report attached.
For Deloitte Haskins & Sells LLP
Chartered Accountants
Firm Registration no.117366W/ W-100018

Mehul Parekh
Partner

Place : Mumbai
Date : 09.05.2022

For and on behalf of the Board of Directors

Ami Goda
Director
DIN: 09136149

Basant Jain
Managing Director & Chief Executive Officer
DIN: 00220395

Avinash Bapat
Chief Financial Officer

Mandar Joshi
Company Secretary

Place : Mumbai
Date : 22.04.2022

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2022

Rupees (In Lakhs)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Cash flows from operating activities		
Profit before tax for the year	**601.37**	3,361.82
Adjustments for:		
Additional provision of ESOP due to changes in fair value	**–**	177.33
Finance costs recognised in profit or loss	**6,890.40**	3,001.31
Investment income recognised in profit or loss	**(6,186.47)**	(5,108.02)
Depreciation and amortisation of non-current assets	**2,842.41**	2,056.48
Net unrealised foreign exchange loss	**2,217.52**	317.39
Interest acrrued written back	**–**	(331.69)
Provision for Impairment of Asset	**1,857.04**	2,872.97
Vat receivable written off during the year	**–**	221.03
Liability no longer required written back	**–**	(501.98)
Operating profit before working capital changes	**8,222.28**	6,066.64
Movements in working capital:		
Decrease in trade and other receivables	**20,881.47**	7,291.11
Decrease in inventories	**799.05**	1,063.04
Decrease in other assets	**102.05**	3,248.27
Decrease in trade and other payables	**(13,720.00)**	(9,260.77)
(Decrease)/Increase in provisions	**947.86**	(365.27)
(Decrease)/increase in other liabilities	**(5,359.84)**	2,086.71
	3,650.59	4,063.09
Income taxes paid	**(1,730.29)**	(644.62)
Net cash (used in)/generated by operating activities	**10,142.58**	9,485.11
Cash flows from investing activities		
Payments to acquire financial assets	**(1,395.66)**	(1,611.54)
ICD given to Subsidiaries	**(35,393.67)**	(58,893.32)
Repayment of ICD from Subsidiaries	**3,926.39**	52,828.95
Interest received	**3,606.58**	3,326.61
Payments for property, plant and equipment	**(50,465.57)**	(17,788.93)
Proceeds from disposal of property, plant and equipment	**8.15**	–
Investments in subsidiary	**(8,500.00)**	(1,781.51)
Net cash used in investing activities	**(88,213.79)**	(23,919.74)
Cash flows from financing activities		
Proceeds from borrowings	**1,67,176.64**	20,462.50
Repayment of borrowings	**(85,115.95)**	(7,941.35)
Interest paid	**(3,447.43)**	(2,718.29)
Net cash from financing activities	**78,613.26**	9,802.86
Net increase/(decrease) in cash and cash equivalents	**542.05**	(4,631.77)
Cash and cash equivalents at the beginning of the year	**3,425.06**	8,056.83
Cash and cash equivalents at the end of the year	**3,967.11**	3,425.06

The accompanying 1-42 notes are an integral part of the Financial Statements

In terms of our report attached.
For Deloitte Haskins & Sells LLP
Chartered Accountants
Firm Registration no.117366W/ W-100018

Mehul Parekh
Partner

Place : Mumbai
Date : 9th May, 2022

For and on behalf of the Board of Directors

Ami Goda
Director
DIN: 09136149

Basant Jain
Managing Director & Chief Executive Officer
DIN: 00220395

Avinash Bapat
Chief Financial Officer

Mandar Joshi
Company Secretary

Place : Mumbai
Date : 22nd April, 2022

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2022

A. Equity share capital

(i) Current reporting year

Rupees (In Lakhs)

Balance at the beginning of the current reporting year	Changes in Equity Share Capital due to prior year errors	Restated balance at the beginning of the current reporting year	Balance at the end of the current reporting year
19,546.17		19,546.17	19,546.17

(ii) Previous year reporting year

Rupees (In Lakhs)

Balance at the beginning of the Previous reporting year	Changes in Equity Share Capital due to prior year errors	Restated balance at the beginning of the Previous reporting year	Balance at the end of the Previous reporting year
19,546.17		19,546.17	19,546.17

B. Other Equity

(i) Current reporting year

Rupees (In Lakhs)

	Reserves and Surplus				
	Securities Premium Reserve	Capital Total Reserve	Other Reserve (ESOP Outstanding A/c)	Retained Earnings	Total
Balance at the beginning of the current reporting year	52,222.42	–	485.15	27,573.96	80,281.53
Profit /(Loss) for the year				(60.40)	(60.40)
Balance at the end of the current reporting year	**52,222.42**	**–**	**485.15**	**27,513.56**	**80,221.14**

(ii) Previous year reporting year

Rupees (In Lakhs)

	Reserves and Surplus				
	Securities Premium Reserve	Capital Total Reserve	Other Reserve (ESOP Outstanding A/c)	Retained Earnings	Total
Balance at the beginning of the current reporting year	52,222.42		307.82	26,815.06	79,345.30
Profit /(Loss) for the year				614.18	614.18
Additional provision of ESOP due to changes in fair value			177.33		177.33
Other Comprehensive loss for the year				144.72	144.72
Balance at the end of the current reporting year	**52,222.42**	**–**	**485.15**	**27,573.96**	**80,281.53**

The accompanying 1-42 notes are an integral part of the Financial Statements

In terms of our report attached.
For Deloitte Haskins & Sells LLP
Chartered Accountants
Firm Registration no.117366W/ W-100018

Mehul Parekh
Partner

Place : Mumbai
Date : 9th May, 2022

For and on behalf of the Board of Directors

Ami Goda
Director
DIN: 09136149

Basant Jain
Managing Director & Chief Executive Officer
DIN: 00220395

Avinash Bapat
Chief Financial Officer

Mandar Joshi
Company Secretary

Place : Mumbai
Date : 22nd April, 2022

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

1. Nature of Operations

Mahindra Susten Private Limited ('the Company') is a company limited by shares, incorporated, and domiciled in India and is a subsidiary of Mahindra Holdings Limited. The Company is engaged in the business of providing services in the areas of Engineering, Procurement and Construction of power plants in renewable energy, operations and maintenance, analytics, energy management services, sale of power and sale of solar water pump.

The standalone financial statements were authorized for issue in accordance with a resolution of the Board of Directors on 22 April 2022

2. Statement of compliance

The accompanying standalone financial statements have been prepared in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) (Amendment) Rules, 2016 notified under Section 133 of the Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

The Company is exempt from preparing a consolidated financial statement (CFS)

a) being a wholly owned intermediate subsidiary;

b) not listed on any stock exchange and;

c) as its ultimate holding company files CFS with the Registrar of Companies which are in compliance with applicable accounting standards.

3. Significant Accounting Policies and Accounting Judgments and Estimates

A) Significant Accounting Policies

a) Basis of Preparation of Financial Statements

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable to the Financial statements

The financial statements have been prepared on a historical cost basis, except for Certain financial assets and liabilities measured at fair value

b) Use of estimates and judgments

The preparation of the standalone financial statements in accordance with Ind AS requires use of judgements, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognised prospectively.

Assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending 31 March 2021 are as follows:

(i) Evaluation of percentage of completion :

Determination of revenue under percentage of completion method necessarily involves making estimates, some of which are of a technical nature, concerning, where relevant, the percentage of completion, costs to completion, the expected revenue from the project or activity and foreseeable losses to completion. Estimates of project income, as well as project costs, are reviewed periodically. The effect of changes, if any, to estimates is recognised in the standalone financial statements for the year/ period in which such changes are determined.

(ii) Recoverability of deferred tax assets :

In determining the recoverability of deferred income tax assets, the Company primarily considers current and expected profitability of applicable operating business segments and their ability to utilise any recorded tax assets. The Company reviews its deferred income tax assets at every reporting year/ period end, taking into consideration the availability of sufficient current and projected taxable profits, reversals of taxable temporary differences and tax planning strategies.

(iii) Measurement of defined benefit obligations and other employee benefit obligations:

The Company's net obligation in respect of gratuity benefit scheme is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any plan assets is deducted.

Compensated absences which are not expected to occur within twelve months after the end of the year/ period in which the employee renders the related services are recognised as a liability at the present value of the other long-term employment benefits.

The present value of the obligation is determined based on actuarial valuation at the balance sheet date by an Independent actuary using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures. The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plan, are based on the market yields on Government securities as at the balance sheet date.

(iv) Provision for obsolete inventory :

The Company reviews its inventory to assess loss on account of obsolescence on a regular basis. In determining whether provision for obsolescence should be recorded in the standalone statement of profit and loss, the Company makes judgments as to whether there is any observable data indicating that there is any future salability of the product, including demand forecasts and shelf life of the product. The provision for obsolescence of inventory is based on the ageing and past movement of the inventory.

(v) Impairment losses on financial assets :

The Company reviews its financial assets to assess impairment at regular intervals. The Company's credit risk is primarily attributable to its financial assets. In determining whether impairment losses should be reported in the standalone statement of profit and loss, the Company makes judgments as to whether there is any observable data indicating that there is a measurable decrease in the estimated future cash flows. Accordingly, an allowance for expected credit loss is made where there is an identified loss event or condition which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows

(vi) Impairment losses on investment:

The Company reviews its carrying value of investments carried at amortised cost annually, or more frequently when there is indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for.

(vii) Estimation of provisions and contingencies :

Provisions are liabilities of uncertain amount or timing recognised where a legal or constructive obligation exists at the balance sheet date, as a result of a past event, where the amount of the obligation can be reliably estimated and where the outflow of economic benefit is probable. Contingent liabilities are possible obligations that may arise from past event whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events which are not fully within the control of the Company. The Company exercises judgement and estimates in recognizing the provisions and assessing the exposure to contingent liabilities relating to pending litigations. Judgement is necessary in assessing the likelihood of the success of the pending claim and to quantify the possible range of financial settlement. Due to this inherent uncertainty in the evaluation process, actual losses may be different from originally estimated provision.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

(viii) Provision for product warranty:

The warranty provision represents management's best estimate of the Company's liability under warranties granted on products, based on prior experience and industry averages. Presently, company creates provision at 1% on Revenues.

c) Revenue Recognition:

The Company has adopted Ind AS 115, Revenue from Contracts with Customers, with effect from 1 April 2018. The Company has applied the following accounting policy for revenue recognition:

Revenue from contracts with customers:

The Company recognises revenue from contracts with customers based on a five step model as set out in Ind AS 115:

Step 1. Identify the contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2. Identify the performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer

Step 3. Determine the transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4. Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company will allocate the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

Step 5. Recognise revenue when (or as) the entity satisfies a performance obligation

The Company satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

- The customer simultaneously receives and consumes the benefits provided by the Company's performance as the Company performs; or
- The Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- The Company's performance does not create an asset with an alternative use to the Company and the entity has an enforceable right to payment for performance completed to date

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes and duty. The Company assesses its revenue arrangements against specific criteria to determine if it is acting as principal or agent. The Company has concluded that it is acting as a principal in all of its revenue arrangements

(i) EPC Contracts

Revenue from EPC contracts, where the outcome can be estimated reliably, is recognised under the percentage of completion method by reference to the stage of completion of the contract activity, hence revenue is recognized over the period of time. The stage of completion is measured by calculating the proportion that costs incurred to date bear to the estimated total costs of a contract. Determination of revenues under the percentage of completion method necessarily involves making estimates by the management.

When the Company satisfies a performance obligation by delivering the promised goods or services it creates a contract asset based on the amount of consideration to be earned by the performance. Where the amount of consideration received from a customer exceeds the amount of revenue recognised this gives rise to a contract liability.

Any variations in contract work, claims, incentive payments are included in the transaction price if it is highly probable that a significant reversal of revenue will not occur once associated uncertainties are resolved.

Consideration is adjusted for the time value of money if the period between the transfer of goods or services and the receipt of payment exceeds twelve months and there is a significant financing benefit either to the customer or the Company.

(ii) Sales of goods

An entity shall recognise revenue when (or as) the entity satisfies a performance obligation by transferring a promised good or service (ie an asset) to a customer. An asset is transferred when (or as) the customer obtains control of that asset.

(iii) Service Income

Service income i.e Operation & Maintenance, is recognised as per the terms of the contract when the related services are rendered.

d) Current and Non-current classification

The Schedule III to the Act requires assets and liabilities to be classified as either current or non-current. An asset is treated as current when it is:

(i) it is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle;

(ii) it is expected to be realised within twelve months from the reporting date;

(iii) it is held primarily for the purposes of being traded; or

(iv) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date

All other assets are classified as non-current.

A liability is current when:

(i) it is expected to be settled in the Company's normal operating cycle;

(ii) it is due to be settled within twelve months from the reporting date;

(iii) it is held primarily for the purposes of being traded; or

(iv) the Company does not have an unconditional right to defer settlement of the liability for atleast twelve months from the reporting date.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets or liabilities.

Operating Cycle

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out above which are in accordance with the Schedule III to the Act.

In respect of the engineering, procurement and construction services (EPC) segment & other operations of the Company, it has ascertained its operating cycle as 12 months for the purpose of current - non-current classification of assets and liabilities.

e) Property plant and equipment and Intangible Assets:

(i) Property plant and equipment:

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Company's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Fixtures and equipment are stated at cost less accumulated depreciation and recognised impairment losses.

Freehold land is stated at the cost of acquisition and is not depreciated.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

Depreciation on tangible assets in respect of electricity business is as prescribed in schedule II to the Companies Act 2013.

Depreciation on other tangible assets is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives or as prescribed in schedule II to the Companies Act 2013 whichever is higher. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds (net of expenses incurred in connection with the sale) and the carrying amount of the asset and is recognised in profit or loss.

(ii) Capital work in progress and Capital advances:

Assets under construction includes the cost of property, plant and equipment that are not ready to use at the balance sheet date. Advances paid to acquire property, plant and equipment before the balance sheet date are disclosed under other non-current assets. Assets under construction are not depreciated as these assets are not yet available for use.

(iii) Intangible Assets:

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives.

The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

Internally-generated intangible assets

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

(iv) Impairment:

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the Company makes a reasonable estimate of the value in use.

When an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

f) Borrowing Costs

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

g) Inventories:

Inventories are stated at lower of cost and net realisable value.

Cost of raw materials includes all costs of purchase, conversion and other direct attributable costs incurred for bringing the items to their present location and condition and is determined using the weighted average cost method.

The cost of contracts work in progress comprises costs directly attributable to the specific contracts and related overheads.

Traded goods costs includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

h) Foreign Currency:

Foreign currency transactions

Initial Recognition

All transactions that are not denominated in the Company's functional currency are foreign currency transactions. These transactions are initially recorded in the functional currency by applying the appropriate daily rate which best approximates the actual rate of the transaction. Exchange differences arising on foreign exchange transactions settled during the year are recognised in the standalone statement of profit and loss.

Measurement of foreign currency items at the reporting date

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Nonmonetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Exchange differences are recognised in the standalone statement of profit and loss

Foreign operations.

The assets and liabilities of foreign operations (branches), are translated into INR, the functional currency of the Company, at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into INR at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction.

i) Fair value measurement

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company's Valuation Committee determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value, and for non-recurring measurement, such as assets held for sale in discontinued operations. The Valuation Committee comprises of the head of the investment properties segment, heads of the Company's internal mergers and acquisitions team, the head of the risk management department, financial controllers and chief finance officer

External valuers are involved for valuation of significant assets, such as properties and unquoted financial assets, and significant liabilities, such as contingent consideration. Involvement of external valuers is decided upon annually by the Valuation Committee after discussion with and approval by the Company's Audit Committee. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. Valuers are normally rotated every three years. The Valuation Committee decides, after discussions with the Company's external valuers, which valuation techniques and inputs to use for each case.

At each reporting date, the Valuation Committee analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Company's accounting policies. For this analysis, the Valuation Committee verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The Valuation Committee also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

On an interim basis, the Valuation Committee present the valuation results to the Audit Committee and the Company's independent auditors. This includes a discussion of the major assumptions used in the valuations.

On an interim basis, the Valuation Committee present the valuation results to the Audit Committee and the Company's independent auditors. This includes a discussion of the major assumptions used in the valuations.

j) Hedge accounting

The Company designates certain hedging instruments, which include derivatives, and non-derivatives in respect of foreign currency risk, as either fair value hedges, or cash flow hedges. Hedges of foreign exchange risk on firm commitments are accounted for as cash flow hedges.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated under the heading of cash flow hedging reserve. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss, and is included in the 'Other income' line item.

Changes in fair value of the designated portion of derivatives that qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. The change in the fair value of the designated portion of hedging instrument and the change in the hedged item attributable to the hedged risk are recognised in profit or loss in the line item relating to the hedged item.

k) Investments

Investments in subsidiary

Investments in equity shares of subsidiaries are recorded at cost and reviewed for impairment at each reporting date. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries, the difference between net disposal proceeds and the carrying amounts are recognized in Statement of Profit and Loss.

Investments that are readily realisable and intended to be held for not more than a year from the date of acquisition are classified as current investments. All other investments are classified as long-term investments. Any reductions in the carrying amount and any reversals of such reductions are charged or credited to the standalone statement of profit and loss. Cost of investments include acquisition charges such as brokerage, fees and duties.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

Investment in joint ventures

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The considerations made in determining whether significant influence or joint control are similar to those necessary to determine control over the subsidiaries.

l) Employee Benefits:

(i) Short term employee benefit

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. These benefits include short term compensated absences such as paid annual leave. The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees is recognized as an expense during the period. Benefits such as salaries and wages, etc. and the expected cost of the bonus / ex-gratia are recognized in the period in which the employee renders the related service.

(ii) Post employment employee benefits

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by employees up to the reporting date.

a) Defined Contribution schemes

The Company's contributions to the Provident Fund and Employee's State Insurance Fund are charged to the Statement of Profit and Loss of the year when the contributions to the respective funds are due.

b) Defined benefits plans

The Company provides for gratuity, a defined benefit plan (the "Gratuity Plan") covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year.

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Re-measurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss.

m) Share Based Payments:

Equity-settled share-based payments to employees are measured at the fair value of the equity instruments at the grant date.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

n) Taxes on Income:

Income tax comprises current and deferred tax. It is recognised in the standalone statement of profit and loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income.

On 30 March 2019, MCA has issued amendment regarding the income tax Uncertainty over Income Tax Treatments. The notification clarifies the recognition and measurement requirements when there is uncertainty over income tax treatments. In assessing the uncertainty, an entity shall consider whether it is probable that a taxation authority will accept the uncertain tax treatment. This notification is effective for annual reporting periods beginning on or after April 1, 2019. As per the Company's assessment, there are no material uncertainties over income tax treatments.

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using applicable tax rates (and tax laws) enacted or substantially enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Minimum Alternative Tax ('MAT')

Minimum Alternative Tax ('MAT') under the provisions of the Income-tax Act, 1961 is recognised as current tax in the standalone statement of profit and loss. The credit available under the Act in respect of MAT paid is recognised as a deferred tax asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the period for which the MAT credit can be carried forward for set-off against the normal tax liability. MAT credit recognised as an deferred tax asset is reviewed at each balance sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits.

Deferred tax is not recognised for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;
- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Company recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets – unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the year/period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

o) Provisions and Contingent Liabilities :

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost. Expected future operating losses are not provided for.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources embodying economic benefits or the amount of such obligation cannot be measured reliably. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources embodying economic benefits is remote, no provision or disclosure is made.

A contingent asset is disclosed where an inflow of economic benefits is probable.

Onerous contracts

A contract is considered to be onerous when the expected economic benefits to be derived by the Company from the contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision for an onerous contract is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before such a provision is made, the Company recognises any impairment loss on the assets associated with that contract.

p) Financial Assets and Financial Liabilities

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

(i) Financial assets

All financial assets by regular way of purchases or sales are recognised and derecognised on a trade date basis. Regular way of purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured at either amortised cost or fair value, depending on the classification of the financial assets

Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortised cost (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in profit or loss and is included in the “Other income” line item.

Financial assets at fair value through profit or loss (FVTPL)

Investments in debt / equity instruments are classified as at FVTPL, unless the Company irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the ‘Other income’ line item. Dividend on financial assets at FVTPL is recognised when the Company’s right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

Impairment of financial assets

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, debt instruments at FVTOCI, lease receivables, trade receivables, other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

The Company follows 'simplified approach' for recognition of impairment loss allowance on Trade Receivable

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights for each category of receivable. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract/agreement and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Company estimates cash flows by considering all contractual/agreed terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument.

As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss (P&L). The balance sheet presentation for various financial instruments is described below

- Financial assets measured at amortised cost, contractual revenue receivables and lease receivable , ECL is presented as as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.
- Loan contract & financial guarantee contract, ECL is presented as a provision in the balance sheet, i.e as a liability.

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of that financial asset to another party.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss, if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

Foreign exchange gains and losses

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

For foreign currency denominated financial assets measured at amortised cost and FVTPL, the exchange differences are recognised in profit or loss except for those which are designated as hedging instruments in a hedging relationship.

(ii) Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on re-measurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'Other income' line item.

Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments and are recognised in 'Other income'.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in profit or loss.

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and/or payable is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

Derivative financial instruments

The Company enters into a derivative financial instruments to manage its exposure to foreign exchange rate risks through foreign exchange forward contracts.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedging relationship and the nature of the hedged item.

q) Cash and Cash Equivalents

Cash and cash equivalents for the purpose of Cash Flow Statements include cash in hand, demand deposits with banks, other short-term highly liquid investments with original maturities of three months or less.

r) Earnings Per Share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period and,

Diluted earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period adjusted for the effects of dilutive options.

s) Segment Reporting

Operating segments are reported in a manner consistent with internal reporting provided to the Chief Operating Decision Maker (CODM) of the Company. The CODM is responsible for allocating resources and assessing performances of the operating segments of the Company

t) Events after reporting date

Where events occurring after the balance sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted with the standalone financial statements. Otherwise, events after the balance sheet date of material size or nature are only disclosed.

u) Leases

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116 and this may require significant judgment. The Company also uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend or terminate the lease if the Company is reasonably certain based on relevant facts and circumstances that the option to extend or terminate will be exercised. If there is a change in facts and circumstances, the expected lease term is revised accordingly. The discount rate is generally based on the interest rate specific to the lease being evaluated or if that cannot be easily determined the incremental borrowing rate for similar term is used. The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

The Company as a lessee

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and restoration cost, less any lease incentives received. The right-of-use assets are subsequently depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. In addition, the right-of-use asset is reduced by impairment losses, if any.The lease liability is initially measured at amortised cost at the present value of the future lease payments. When a lease liability is remeasured, the corresponding adjustment of the lease liability is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

v) Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirement of Schedule III, unless otherwise stated.

Recent Accounting Pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1 2022, as below:

Ind AS 16 – Proceeds before intended use

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. An entity will not recognize such sales proceeds and related cost in profit or loss, but deduct the cost from the directly attributable costs considered as part of cost of an item of property, plant, and equipment. The Company does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract

The amendments specify that that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 103 – Reference to Conceptual Framework

The amendments specifiy that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 109 – Annual Improvements to Ind AS (2021)

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact in its financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

Note No. 4. – Property, Plant and Equipment

Rupees (In Lakhs)

Description of Assets	Land - Freehold	Plant and Equipment - Freehold	Office Equipment	Furniture and Fixtures	Vehicles	Total
I. Gross Carrying Amount						
Balance as at 1 April 2021	4,752.96	34,626.64	626.34	17.84	96.13	40,119.91
Additions	573.60	81,768.72	82.83	–		82,425.15
Disposals	–	(498.47)	(104.23)	(17.14)	(39.03)	(658.87)
Impairment	–					–
Balance as at 31 March 2022	**5,326.56**	**1,15,896.89**	**604.94**	**0.70**	**57.10**	**1,21,886.19**
II. Accumulated depreciation / Impairment						
Balance as at 1 April 2021	–	8,017.36	518.89	10.48	52.67	8,599.38
Depreciation expense for the year	–	2,738.02	46.50	1.59	13.61	2,799.73
Disposals	–	**(317.32)**	**(89.10)**	**(11.83)**	**(33.24)**	**(451.49)**
Impairment	–	157.82				157.82
Balance as at 31 March 2022	**–**	**10,595.88**	**476.29**	**0.24**	**33.03**	**11,105.44**
III. Net carrying amount (I-II)	**5,326.56**	**1,05,301.01**	**128.65**	**0.46**	**24.07**	**1,10,780.75**

Rupees (In Lakhs)

Description of Assets	Land - Freehold	Plant and Equipment - Freehold	Office Equipment	Furniture and Fixtures	Vehicles	Total
I. Gross Carrying Amount						
Balance as at 1 April 2020	2,510.21	34,742.38	628.82	57.87	85.46	38,024.74
Additions	2,242.75	38.53	3.05	–	0.78	2,285.12
Disposals	–	(202.19)	(5.66)	–	(0.66)	(208.51)
Deductions / adjustments	–	47.92	0.13	(40.03)	10.55	18.57
Balance as at 31 March 2021	**4,752.96**	**34,626.64**	**626.34**	**17.84**	**96.13**	**40,119.92**
II. Accumulated depreciation						
Balance as at 1 April 2020	–	6,149.41	457.84	11.74	37.75	6,656.75
Depreciation expense for the year	–	1,931.75	63.00	1.62	14.19	2,010.56
Disposals	–	(84.70)	(1.99)	–	(0.11)	(86.80)
Deductions / adjustments	–	20.90	0.03	(2.88)	0.84	18.88
Balance as at 31 March 2021	**–**	**8,017.36**	**518.89**	**10.48**	**52.67**	**8,599.39**
III. Net carrying amount (I-II)	**4,752.96**	**26,609.29**	**107.46**	**7.36**	**43.47**	**31,520.53**

Note:

i) Freehold land and plant and equipment have been charged against the borrowings. (Refer note no. 15 Non Current Borrowings).

ii) The title deeds of immovable properties included in Property, Plant and Equipment are held in the name of the Company

iii) During the year ended 31st March, 2022, the Company has reassessed the balance useful lives, residual values and the manner in which the economic benefit is being derived from property, plant and equipment.

The effect of changes in estimates of useful lives, residual values and pattern of consumption of economic benefits of property, plan and equipment.

Rupees (In Lakhs)

Financial Year	(Decrease)/Increase in Depreciation expenses
2021-22	(561.91)
2022-23	(561.91)
2023-24	(561.91)
2024-25	(561.91)
2025-26	(561.91)
Later Years	4,404.13

Note No. 4A – Right-of-use assets & Lease Liability

Rupees (In Lakhs)

Right of use of asset	Car	Total
I. Gross Carrying Amount		
Balance as at 1 April 2021		–
Additions	49.63	49.63
Balance as at 31 March 2022	**49.63**	**49.63**
II. Accumulated depreciation		
Balance as at 1 April 2021		–
Charge for the year	2.52	2.52
Balance as at 31 March 2022	**2.52**	**2.52**
III. Net carrying amount (I-II)	**47.11**	**47.11**

Rupees (In Lakhs)

Right of use of asset	Car	Total
I. Gross Carrying Amount		
Balance as at 31 March 2021	**Nil**	**Nil**
II. Accumulated Amortisation		
Balance as at 31 March 2021	**Nil**	
III. Net carrying amount (I-II)	Nil	**Nil**

The lease term of the car is 4 years. The Company does not have an option to purchase the car at the end of lease term.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

Note No. 4A – Right-of-use assets & Lease Liability

Rupees (In Lakhs)

Movement in Lease Liablties	**2021-22**	2020-21
Balance at the beginning of the year	0	0
Additions	49.63	0
Finance cost accrued during the year	0.99	0
Deletions		0
Payment of lease liabilities	0	0
	50.62	0

Amounts recognised instatement of profit and loss	**2021-22**	2020-21
– Depreciation expense on right-of-use assets	2.52	Nil
– Interest expense on lease liabilities	0.99	Nil

The total cash outflow for leases amount to Nil (2020-21: Rs. Nil) ,Future expected cash flow is Rs 60 lakhs

Lease liabilities	**2021-22**	2020-21
Maturity Analysis		
On or before 31st march 2022	–	–
On or before 31st march 2023	11.87	–
On or before 31st march 2024	14.11	–
On or before 31st march 2025	13.21	–
On or before 31st march 2026	11.43	–
Less : Unearned Interest		

– Analysed as	**2021-22**	2020-21
Non Current	38.75	–
Current	11.87	–

Note No. 4 B - Capital Work in Progress

CWIP Aging schedule as at 31st March 2021

Rupees(In Lakhs)

CWIP	**Less than 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
Project in progress	43,440.14	–	–	–	**43,440.14**

CWIP completion schedule, whose completion is overdue or has exceeded its cost compared to its original plan: None (31 March 2021 : None)

Note No. 5 A - Intagible assets under development

ITUD Aging schedule as at 31st March 2022

Rupees(In Lakhs)

ITUD	**Less than 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
Project in progress	96.83	–	–	–	**96.83**

ITUD Aging schedule as at 31st March 2021

Rupees(In Lakhs)

ITUD	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Project in progress	695.02	–	–	–	695.02

ITUD completion schedule, whose completion is overdue or has exceeded its cost compared to its original plan: None (31 March 2021 : None)

Note No. 5 - Other Intangible Assets

Rupees (In Lakhs)

Description of Assets	**Computer Software**	**Total**
I. Gross Carrying Amount		
Balance as at 1 April 2021	446.01	446.01
Additions		–
Balance as at 31 March, 2022..........................	**446.01**	**446.01**
II. Accumulated depreciation		
Balance as at 1 April 2021	375.38	375.38
Amortisation expense for the year......................	40.15	40.15
Balance as at 31 March, 2022..........................	**415.53**	**415.53**
III. Net carrying amount (I-II)	**30.48**	**30.48**

Rupees (In Lakhs)

Description of Assets	**Computer Software**	**Total**
I. Gross Carrying Amount		
Balance as at 1 April 2020..................................	417.29	417.29
Additions	18.72	18.72
Deductions / adjustments	10.00	10.00
Balance as at 31 March, 2021..........................	**446.01**	**446.01**
II. Accumulated Amortisation		
Balance as at 1 April 2020..................................	329.46	329.46
Amortisation expense for the year	45.92	45.92
Balance as at 31 March, 2021..........................	**375.38**	**375.38**
III. Net carrying amount (I-II)	**70.63**	**70.63**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

Note No. 6. – Investments

Rupees (In Lakhs)

Particular	As at 31 March 2022 No. Of Shares	As at 31 March 2022 Amounts Non Current	As at 31 March 2021 No. Of Shares	As at 31 March 2021 Amounts Non Current
A. Investment in Subsidiaries in equity instrument measured at cost less impairments, if any				
Unquoted Investments (fully paid up)	**33,04,01,616**	**47,397.49**	32,19,30,051	37,118.15
Impairment in the value of investments (fully impaired)	**(11,616)**	**(2,306.72)**	(40,051)	(527.38)
Total	**33,03,90,000**	**45,090.77**	32,18,90,000	36,590.77
B. Investment in Joint Venture in equity instruments measured at cost less impairments, if any				
Unquoted Investments (fully paid up)	**1,41,86,160**	**2,429.58**	1,41,86,160	2,429.58
Total	**1,41,86,160**	**2,429.58**	1,41,86,160	2,429.58
C. Investment in Others in equity instruments measured at cost less impairments, if any				
Unquoted Investments (fully paid up)	**2,010**	**0.50**	2,010	0.50
TOTAL INVESTMENTS CARRYING VALUE (A) + (B) + (C)	**34,45,78,170**	**47,520.85**	33,60,78,170	39,020.85
List of entities				
Subsidiaries				
1. Mahindra Renewables Private Limited	**32,16,30,000**	**36,575.30**	32,16,30,000	36,575.30
2. Mahindra Teqo Private Limited	**1,00,000**	**10.00**	1,00,000	10.00
3. Mahindra Susten Bangladesh Private Limited (fully impaired during the year 2020-21)	**–**	**–**	40,000	32.50
(40000 shares of 100 BDT each)	**–**		–	
4. MSPE Urja SRL (fully impaired during the year 2020-21)	**–**	**–**	1	484.89
(1 lot of 10000 EUR)	**–**		–	
5. MSPL International DMCC (fully impaired during the year 2020-21)	**11,616**	**2,306.72**	50	10.00
6. Mega Surya Urja Private Limited	**86,50,000**	**8,504.47**	1,50,000	4.47
7. Martial Solren Private Limited	**10,000**	**1.00**	10,000	1.00
Joint Venture	**–**		–	
1. Marvel Solren Private Limited	**1,41,86,160**	**2,429.58**	1,41,86,160	2,429.58
Others	**–**		–	
1. The Zoroastrian Co-operative Bank Limited	**2,010**	**0.50**	2,010	0.50

Company has pledged 51% of its Equity shares held in Mahindra Renewables Private Limited & Mega Surya Urja Private Limited and 30% of Marvel Solren Private Limited, Collateral for the respective project lenders as per Loan financing documents for FY 2021-22 and FY 2020-21.

Note No. 7. – Loans

Rupees (In Lakhs)

Particulars	As at 31 March 2022 Current	As at 31 March 2022 Non-Current	As at 31 March 2021 Current	As at 31 March 2021 Non-Current
Loans to related parties				
– Unsecured, considered good	**–**	**73,749.40**	3,938.66	38,426.70
– Credit impaired	**–**	**–**	2,296.73	–
Less: Allowance for Credit Losses (Refer note 36)		**–**	(2,296.73)	–
TOTAL (B)	**–**	**73,749.40**	3,938.66	38,426.70
TOTAL	**–**	**73,749.40**	3,938.66	38,426.70

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

Rupees (In Lakhs)

List of entities	Rate of Interest (%)	**As at 31 March 2022**	As at 31 March 2021
Subsidiaries			
1. Mahindra Renewables Private Limited (Sub-ordinate Debt, repayable after servicing of senior secured debts)	11.50	**37,491.70**	38,426.70
2. Mega Surya Urja Private Limited (Sub-ordinate Debt, repayable after servicing of senior secured debts)	11.50	**28,874.20**	144.20
3. Bright Solar Private Limited (To repay bank loan, repayable at the end of 20 years from date of drawdown of each tranche)	8.90	**2,500.00**	
4. Bright Solar Private Limited (For general business purpose, repayable at the end of 5 years from date of drawdown of each tranche)	11.00	**1,956.00**	1,089.00
5. Neo Solren Private Limited (For general business purpose, repayable at the end of 5 years from date of drawdown of each tranche)	11.00	**2,325.00**	2,260.00
6. Mahindra Teqo Private Limited (For general business purpose, repayable at the end of 3 years from date of drawdown of each tranche)	11.00	**600.00**	445.46
7. Martial Solren Private Limited (For general business purpose, repayable at the end of 2 years from date of drawdown of each tranche)	11.00	**2.50**	
TOTAL		**73,749.40**	42,365.36

Note No. 8. – Other financial assets

Rupees (In Lakhs)

Particulars	**As at 31 March 2022** Current	**As at 31 March 2022** Non-Current	As at 31 March 2021 Current	As at 31 March 2021 Non-Current
Financial assets				
a) Security Deposits:	200.65	148.92	116.51	432.20
b) Interest accrued on Deposits :				
– Gross	**–**	**9,500.53**	–	7,521.14
– Allowance for Credit loss (Refer note 36)	**–**	**(48.86)**	–	(48.86)
– Net	**–**	**9,451.67**	**–**	7,472.28
c) Unbilled Revenue	**1,822.05**	**–**	3,548.56	–
TOTAL	**2,022.70**	**9,600.59**	3,665.07	7,904.48

Note No. 9 - Current Tax and Deferred Tax

(i) Income Tax recognised in profit or loss

Rupees (In Lakhs)

Particulars	**Year ended 31 March 2022**	Year ended 31 March 2021
Current Tax:		
In respect of current year		2,383.21
In respect of prior years	**(32.60)**	(376.76)
Deferred Tax:		
In respect of current year	**458.51**	(1,243.55)
In respect of prior years	**224.68**	1,984.74
Total income tax expense	**650.59**	2,747.64

(ii) Income tax recognised in other Comprehensive income

Rupees (In Lakhs)

Particulars	**Year ended 31 March 2022**	Year ended 31 March 2021
Remeasurement of defined benefit obligaitons not reclassified to profit or loss	**(6.01)**	77.74
Total	**(6.01)**	77.74

(iii) Reconciliation of income tax expense and the accounting profit multiplied by Company's domestic tax rate:

Rupees (In Lakhs)

Particulars	**Year ended 31 March 2022**	Year ended 31 March 2021
i) **Profit before tax**	**601.37**	3,361.82
ii) Corporate tax rate as per Income tax Act, 1961	**34.94%**	34.94%
iii) Tax on accounting profit (iii) = (i) X (ii)	**210.14**	1,174.62
Effect of income that is exempt from taxation		(0.65)
Effect of expenses that is non-deductible in determining taxable profit	248.37	(34.31)
Effect of tax incentives and concessions (research and development and other allowances)		
iv) **Total effect of Tax adjustment**	**458.52**	1,139.66
v) Adjustments recognised in the current year in relation to the current tax of prior years	**192.07**	1,607.98
vi) Tax expense recognised during the year (vi) = (iv) + (v)	**650.59**	2,747.64

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

(iv) Movement in deferred tax balances

Rupees (In Lakhs)

	For the Year ended 31 March 2022			
Particulars	**Opening Balance**	**Recognised in profit and Loss**	**Recognised in OCI**	**Closing Balance**
Tax effect of items constituting deferred tax liabilities				
Property, plant and equipment and intangible assets:Impact of difference between written down value as per books of account and income tax	8,275.49	7,835.81	–	16,111.30
Unwinding of Financial liability	124.83	72.84		197.67
	8,400.32	7,908.65	–	16,308.97
Tax effect of items constituting deferred tax assets				
Employee Benefits	113.50	32.36	6.01	151.87
Provisions	3,422.34	196.59	–	3,618.93
Unabsorbed depreciation		5,856.24		5,856.24
Unwinding of Financial assets		370.15		370.15
Other Financial Assets		770.12		770.12
Minimum Alternate Tax Credit	1,970.22	221.11	–	2,191.33
	5,506.06	7,446.57	6.01	12,958.64
Net deferred tax liabilities	(2,894.26)	(462.08)	6.01	(3,350.33)

Rupees (In Lakhs)

	For the Year ended 31 March 2021					
Particulars	**Opening Balance**	**Reclassification in between the components of deferred tax as at 1st April 2020**	**Restated opening balance (No change in the net amount)**	**Recognised in profit and Loss**	**Recognised in OCI**	**Closing Balance**
A	B	C	D = B+C	E	F	G
Tax effect of items constituting deferred tax liabilities						
Property, plant and equipment and intangible assets:Impact of difference between written down value as per books of account and income tax	11,385.32	(2,916.43)	8,468.88	(193.39)	–	8,275.49
Unwinding of Financial liability	–	–	–	124.83	–	124.83
	11,385.32	(2,916.43)	8,468.88	(68.56)	–	8,400.32
Tax effect of items constituting deferred tax assets						
Employee Benefits	364.95		364.95	(173.71)	(77.74)	113.50
Provisions	2,073.65	1,984.74	4,058.39	(636.04)	–	3,422.34
Unabsorbed depreciation/carry forward losses	4,901.17	(4,901.17)	–	–	–	–
Minimum Alternate Tax Credit	1,381.16	–	1,381.16	589.06	–	1,970.22
	8,720.93	(2,916.43)	5,804.50	(220.69)	(77.74)	5,506.06
Net deferred tax liabilities	(2,664.39)	–	(2,664.39)	(152.13)	(77.74)	(2,894.26)

Note 9:

Several of the projects carried out by the Company take a considerable time to complete and could carry over for multiple financial years. Accordingly, the tax effects of temporary differences between the accounting of expenses in the books of account, mainly arising out of provisions and management estimates, and its allowability under the Income tax Act, 1961 could also carry over multiple financial years. While carrying out the exercise of reconciliation referred to in above note and on completion of the assessments in respect of certain prior years, during the year, the management reassessed the recoverability of its Deferred Tax Assets as at 31st March, 2021 and accordingly reversed an amount of Rs. 1984.74 Lakhs as a charge to the statement of profit and loss.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

Note No. 10 – Other assets

Rupees (In Lakhs)

Particulars	As at 31 March 2022 Current	As at 31 March 2022 Non-Current	As at 31 March 2021 Current	As at 31 March 2021 Non-Current
(a) Capital advances	**–**	**770.24**	–	1,006.77
(b) Advances other than capital advances:				
(i) Balances with government authorities (other than income taxes)	**7,017.36**	**–**	5,211.99	–
(ii) Other advances				
- Advances to suppliers	**493.93**	**–**	632.90	–
- Advances to employees	**295.25**	**–**	3.51	–
- Prepaid Expenses	**99.56**	**–**	181.58	–
(c) Other Assets				
(i) Others	**22.23**	**–**	117.61	458.75
Total	**7,928.33**	**770.24**	6,147.59	1,465.52

Note No. 11 – Inventories

Rupees (In Lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
(a) Project Inventory	**–**	80.19
(b) Stores and spares (Including Solar Water Pumps)	**315.86**	1,123.42
Total Inventories (at lower of cost and net realisable value)	**315.86**	1,203.61

Note:

(i) The cost of inventories recognised as an expense is disclosed in note no 23(a) & 23(b)

(ii) The cost of inventories recognised as an expense includes Nil (31 March 2021: Rs 98.74 lakhs) in respect of write-down of inventory to net realisable value

(iii) The carrying amount of inventories is provided as a charge against working capital limits provided by banks.

Note No. 12 – Trade receivables

Rupees(In Lakhs)

Particulars	**Outstanding as at 31st March 2022 from due date of payment**						
	Not Due	**Less than 6 months**	**6 Months - 1 year**	**1-2 Years**	**2-3 Years**	**More than 3 Years**	**Total**
Trade receivables							
(a) Undisputed Trade receivables - considered good	**13293.58**	**6,034.77**	**1,357.03**	**1,141.75**	**46.30**	**531.12**	**22,404.57**
(b) Undisputed Trade receivables - Credit Impaired		**7.27**	**50.03**	**38.76**	**–**	**829.59**	**925.65**
Less: Impairment allowance for trade receivables		**(7.27)**	**(50.03)**	**(38.76)**	**–**	**(829.59)**	**(925.65)**
TOTAL	**13,293.58**	**6,034.77**	**1,357.03**	**1,141.75**	**46.30**	**531.12**	**22,404.57**

Rupees(In Lakhs)

Particulars	Outstanding as at 31st March 2021 from due date of payment						
	Not Due	Less than 6 months	6 Months - 1 year	1-2 Years	2-3 Years	More than 3 Years	Total
Trade receivables							
(a) Undisputed Trade receivables - considered good	33,386.12	7,103.22	1,700.80	1.46	1,245.41	774.69	44,211.69
(b) Undisputed Trade receivables - Credit Impaired		29.03				46.79	75.82
(c) Disputed Trade receivables - Credit Impaired							–
Less: Impairment allowance for trade receivables		(29.03)				(46.79)	(75.82)
TOTAL	33,386.12	7,103.22	1,700.80	1.46	1,245.41	774.69	44,211.69

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

Rupees (In Lakhs)

Of the above, trade receivables from:	As at 31 March 2022	As at 31 March 2021
- Related Parties	**13,437.79**	11,673.70
- Others	**8,966.78**	32,537.99
Total	**22,404.57**	44,211.69

Note: 1
There are no Debts due by directors or other officers of the company or any of them either severally or jointly with any other person or debts due by firms or private companies respectively in which any director is a partner or a director or a member.

Note: 2
The credit period given to customers range from 30 days to 90 days.For explanations on the Company's credit risk management processes, Refer note 28.

Note: 3
All trade receivables have been pledged (first charge) to secure the current borrowings of the Company (Refer Note 17).

Note: 4
Refer Note 28 - Financial Instruments - for disclosures related to credit risk, allowance for trade receivables under expected credit loss model and other disclosure.

Note No. 13 - Cash and Cash equivalents

Rupees (In Lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
Cash and cash equivalents		
Balances with banks	**3,967.12**	3,419.01
Cash on hand	**–**	6.05
Total Cash and cash equivalents	**3,967.12**	3,425.06
Other Bank Balances		
Fixed Deposit with Maturity greater then 3 months	**3,007.63**	1,611.97
Total Other Bank balances	**3,007.63**	1,611.97

Note No. 14 A - Equity Share Capital

Rupees (In Lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
Authorised:		
Equity shares of Rs 10 each with voting rights	**20,000.00**	20,000.00
Issued, Subscribed and Fully Paid up:		
Equity shares of Rs. 10 each with voting rights	**19,546.17**	19,546.17
Total	**19,546.17**	19,546.17

(i) Reconciliation of the number of shares outstanding at the beginning and at the end of the period.

Rupees (In Lakhs)

Particulars	Opening Balance	Fresh Issue	Closing Balance
Equity Shares with Voting rights			
Period Ended 31 March 2022			
No. of Shares	**19,54,61,728**	–	**19,54,61,728**
Amount (In Lakhs)	**19,546.17**	–	**19,546.17**
Year Ended 31 March 2021			
No. of Shares	19,54,61,728	–	19,54,61,728
Amount (In Lakhs)	19,546.17	–	19,546.17

(ii) Details of shares held by the holding company:

Particulars	No. of Shares Equity Shares with Voting rights
As at 31 March 2022	
Mahindra Holdings Limited	**19,54,61,728**
As at 31 March 2021	
Mahindra Holdings Limited	19,54,61,728

(iii) Details of shares held by each shareholder holding more than 5% shares:

Class of shares/Name of shareholder	**As at 31 March 2022**		As at 31 March 2021	
	Number of shares held	**% holding in that class of shares**	Number of shares held	% holding in that class of shares
Equity shares with voting rights				
Mahindra Holdings Limited, the Holding Company	**19,54,61,728**	**100%**	19,54,61,728	100%

Note No. 14 B - Other Equity:

Rupees (In Lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
(i) Securities Premium	**52,222.42**	52,222.42

Note:
Securities premium is used to record the excess of the amount received over the face value of the shares. This reserve will be utilised in accordance with the provisions of the Companies Act, 2013.

(ii) Other Reserves (ESOP)

Rupees (In Lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
Balances as at beginning of the year	**485.14**	307.82
Additional provision due to changes in fair value	**–**	177.33
Balances as at end of the year	**485.14**	485.14

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

Shared held by Promotor at the end of the 31 March 2022

Rupees (In Lakhs)

S.No	Promoters name	No of Shares	% of total shares	% Changes during the Year
1	Mahindra Holdings Limited, the Holding Company	**19,54,61,728**	**100%**	**0%**

Shared held by Promotor at the end of the 31 March 2021

Rupees (In Lakhs)

S. No	Promoters name	No of Shares	% of total shares	% Changes during the Year
1	Mahindra Holdings Limited, the Holding Company	19,54,61,728	100%	0%

Note No. 15 - Non-Current Borrowings

Rupees (In lakhs)

Particulars	Rate of Interest %	As at 31 March 2022 Amount	As at 31 March 2021 Amount
Measured at amortised cost			
A. Secured Borrowings:			
(a) Term Loan			
For Goyalari Project (Repayable in 59 quarterly installments, last installment falling due on Sep 2034)	7.35 to 7.40	**20,893.03**	22,299.42
For Seci Raj Project 200 (Repayable in 74 quarterly installments, last installment falling due on Sep 2040)	8.00 to 8.05	**15,046.91**	
(b) Buyers Credit		**46,584.38**	16,159.51
For Seci Raj Project 200			
Total Secured Borrowings		**82,524.32**	38,458.93
B. Unsecured Borrowings			
Loans from related parties	6.75	**29,500.00**	
(Repayable at end of 24 Months from date of borrowings,last Payment falling due on Feb 2024)			
Total Unsecured Borrowings		**29,500.00**	–
Total Borrowings	–	**1,12,024.32**	38,458.93

Note:

a) As at March 31, 2022 the Company has availed Buyers' Credit of INR 46,585.38 Lakhs (2021: INR 16,159.51 Lakhs) at libor plus varying premium for SECI RAJ Project.

b) Term loan taken for Goyalari project is secured by creation of charge over the assets of 60 Mwp power plant situated in Goyalari. Term loan taken for Seci Raj project is secured by 200 Mwp power plant situated in Bikaner.

c) Term loans were applied for the purpose for which the loans were obtained.

d) There are no defaults in repayment of interest and principal.

Note No. 16 - Provisions

Rupees (In Lakhs)

Particulars	As at 31 March 2022 Current	As at 31 March 2022 Non-Current	As at 31 March 2021 Current	As at 31 March 2021 Non-Current
(a) Provision for employee benefits				
(1) Leave Encashment	**25.72**	**236.50**	93.38	169.85
(2) Gratuity (Refer Note no 30 (b))	**–**	**88.13**	–	61.61
(b) Other Provisions				
(1) Warranty	**4,016.98**	**3,843.38**	1,387.54	5,533.28
Total Provisions	**4,042.70**	**4,168.01**	1,480.92	5,764.74

Details of movement in Other Provisions is as follows:

Particulars	Warranty claims
Balance at 1 April 2020	6,692.42
Additional provisions recognised	1,516.04
Amounts used during the year	(831.09)
Unused amounts reversed during the year	(780.58)
Unwinding of discount and effect of changes in the discount rate	324.02
Balance at 31 March 2021	**6,920.83**

Particulars	Warranty claims
Balance at 1 April 2021	6,920.83
Additional provisions recognised	4,549.09
Amounts used during the year	(3,271.37)
Unused amounts reversed during the year	(445.94)
Unwinding of discount and effect of changes in the discount rate	107.75
Balance at 31 March 2022	**7,860.36**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

Warranty Claims:

Provision for warranty represents present value of management's best estimate of the future outflow of economic benefits that will be required in respect of sale of certain products, the estimated cost of which is accrued at the time of sale. Management estimates the related provision for future warranty claims based on historical warranty claim information and is adjusted regularly to reflect new information. The products are generally covered under a free warranty period up to 5 years. It is expected that most of these costs may be incurred in the next five financial years.

Note No. 17 - Current Borrowings

Rupees (In Lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
Secured Borrowings		
(1) WCDL from bank (Repayable in Sep'22)...	**9,372.42**	2,360.00
(2) Short Term loan (Repayable in Apr'22).....	**2,000.00**	30,000.00
(3) Current maturities of long term borrowings	**2,596.55**	1,113.68
Unsecured Borrowings		
Loans from related parties	**28,000.00**	
(Repayable at end of 12 Months from date of borrowings,last Payment falling due on Oct 2022)		
Total Current Borrowings...........................	**41,968.97**	33,473.68

Note:

a) The Company has various working capital limits from banks. As at March 31, 2022 the Company has drawn INR 9,372.42 Lakhs against various sanctioned funded limits. The interest rate for the said borrowings range from 4.80 % - 5.65% p.a. The said borrowings are secured against the working capital of the Company.

b) Bank returns / stock statements filed by the Company with its bankers are in agreement with books of account.

Note No. 18 - Trade Payables

Rupees (In Lakhs)

Particulars	Outstanding as at 31st March 2022 from due date of payment					
	Not Due	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	As at 31 March 2022
Other than Micro and small enterprises (Undisupted)	1,309.94	11,365.98	733.68	352.08	489.10	14,250.78
Total trade payables	1,309.94	11,365.98	733.68	352.08	489.10	14,250.78

Rupees (In Lakhs)

Particulars	Outstanding as at 31st March 2021 from due date of payment					
	Not Due	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	As at 31 March 2021
Other than Micro and small enterprises (Undisupted)	1,345.56	24,578.83	797.41	900.99	199.77	27,822.56
Total trade payables	1,345.56	24,578.83	797.41	900.99	199.77	27,822.56

Note

There are no amounts due to micro and small enterprises registered under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act).

The above information regarding Micro and Small Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.

Note No. 19 - Other Financial Liabilities

Rupees (In Lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
Other Financial Liabilities Measured at Amortised Cost		
Current		
(a) Creditors for Capital Goods	**2,197.87**	13,972.40
(b) Interest accrued but not due.......	**2,294.96**	152.95
Other Financial Liabilities Measured at Fair value		
(a) Derivatives designated and effective as hedging instruments carried at fair value	**639.31**	453.60
Total Other Financial Liabilities	**5,132.14**	14,578.95

Note No. 20 - Other Liabilities

Rupees (In Lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
a. Advances received from customers	**912.84**	4,212.11
b. Statutory dues		
- Taxes payable (other than income taxes)	**155.27**	300.82
- Dues recoverable from Employees.................................	**116.79**	
Total Other Liabilities	**1,184.90**	4,512.93

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

Note No. 21 - Revenue from Operations

Rupees (In Lakhs)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
(a) Revenue from EPC Contracts	**46,619.52**	79,284.13
(b) Revenue from rendering of services	**–**	2,002.65
(c) Sale of Solar Water Pumps	**–**	6,624.41
(d) Construction contract revenue	**–**	6.06
(e) Sale of power	**10,054.59**	6,135.96
(f) Other operating revenue:		
(i) Scrap Sales	**387.61**	174.38
(ii) Income from VCU & SEIS Script	**2,040.66**	–
(iii) Other – Shared service income	**445.15**	1,001.07
Total Revenue from Operations	**59,547.53**	95,228.66

Note:

A. Disaggregated Revenue Information:

Revenue from contracts with customers is disaggregated by primary geographical area and the type of contract of revenue recognition. Disaggregated revenue with the Company's reportable segments is given in the note 32

B. Reconciliation of Contract Assets & Contract Liabilities:

Rupees (In Lakhs)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Contract Assets		
Unbilled Receivable		
At the beginning of the year	**3,548.56**	7,284.53
Less: Bill during the year	**(58,400.62)**	(97,789.18)
Add: Revenue recognised during the year.	**56,674.11**	94,053.21
At the end of the year	**1,822.05**	3,548.56
Contract Liability		
Advance from customer		
At the beginning of the year	**4,212.11**	4,212.11
Addition/(Applied) during the year	**(3,299.27)**	–
At the end of the year	**912.84**	4,212.11

C. Reconciliation of revenue as per Ind AS 115:

Rupees (In Lakhs)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Revenue as per contracted prices	**56,674.11**	94,146.51
Less: Deferment of revenue pertaining to free Operation & Maintenance	**–**	(93.30)
Revenue from contract with customers	**56,674.11**	94,053.21

Note No. 22 – Other Income

Rupees (In Lakhs)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
(a) Interest Income		
(1) On Financial Assets at Amortised Cost	**6,079.88**	4,733.94
(2) On Financial Assets (Unwinding Interest)	**96.91**	372.21
(b) Dividend Income		
(1) Mutual Funds	**9.68**	1.87
(c) *Liability no longer required written back*	**–**	501.98
Total Other Income	**6,186.47**	5,610.00

Note No. 23(a) - Cost of materials consumed

Rupees (In Lakhs)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Opening stock	**1,123.42**	2,249.84
Add: Purchases	**38,934.49**	75,382.98
	40,057.91	77,632.82
Less: Closing stock	**315.86**	1,123.42
Cost of materials consumed	**39,742.05**	76,509.40

Note 23(b) Changes in inventories of work-in-progress

Rupees (In Lakhs)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Inventories at the end of the year:		
Work-in-progress	**–**	80.19
	–	80.19
Inventories at the beginning of the year:		
Work-in-progress	**80.19**	690.54
	80.19	690.54
Net (increase)/decrease	**80.19**	610.35

Note No. 24 - Employee Benefits Expense

Rupees (In Lakhs)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
(a) Salaries and wages, including bonus	**5,006.91**	6,346.36
(b) Contribution to provident and other funds	**239.39**	384.55
(c) Share based payment transactions expenses		
Expense due to changes in fair value	**–**	177.33
(d) Staff welfare expenses	**(5.07)**	91.91
Total Employee Benefit Expense	**5,241.23**	7,000.15

Movement in Share Options

Particulars	Equity-settled share-based payments: Number of Shares	Equity-settled share-based payments: Weighted average exercise price (in INR)
1. The number and weighted average exercise prices of share options outstanding at the beginning of the period;	**45.49**	3232563 @ 17 771669 @ 35.81 545047 @ 49.27
2. Granted during the year	**–**	NA
3. Forfeited during the year		
4. Exercised during the year	**–**	NA
5. Expired during the year	**–**	NA
6. Outstanding at the end of the year	**45.49**	3232563 @ 17 771669 @ 35.81 545047 @ 49.27
7. Exercisable at the end of the year	**45.49**	3232563 @ 17 771669 @ 35.81 545047 @ 49.27

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

Note No. 25 - Finance Cost (Net)

Rupees (In Lakhs)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
(a) Interest expense	**6,035.83**	2,865.38
Less: Amounts included in the cost of qualifying assets	**(532.72)**	(195.77)
(b) Bank charges	**86.33**	107.36
(c) Discounting of long term financial assets	**1,300.96**	471.13
Total finance costs (Net)	**6,890.40**	3,248.10

Note No. 26 - Other Expenses

Rupees (In Lakhs)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
(a) Rent including lease rentals	**125.99**	346.70
(b) Rates and taxes	**15.19**	0.23
(c) Insurance	**154.32**	263.56
(d) Repairs and maintenance - Others	**88.06**	113.56
(e) Advertisement	**12.48**	48.51
(f) Travelling and Conveyance Expenses	**65.77**	72.45
(g) Net loss / (gain) on foreign currency transactions net off Derivative gain/ loss (other than considered as finance costs)	**2,217.52**	317.39
(h) Auditors remuneration and out-of-pocket expenses (excl. taxes)	**20.00**	22.38
(i) Statutory Audit Fees	**17.50**	16.00
(ii) Tax Audit Fees	**2.50**	–
(iii) Limited Review fees	**–**	5.00
(iv) Certification and Other services	**–**	0.70
(v) Out of Pocket Expenses	**–**	0.68
(i) Other expenses		
(i) Warranty Expenses (Net) [Refer Note 16]	**4,549.09**	735.47
(ii) Legal and other professional costs	**988.66**	1,410.73
(iii) Power and Fuel	**–**	0.26
(iv) Communication expenses	**22.40**	3.64
(v) CSR Expenses [Refer note below]	**184.29**	181.09
(vi) Printing & Stationary	**3.27**	11.22
(vii) Software Expenses	**59.67**	180.55
(viii) Training	**11.19**	18.89
(ix) Research and Development	**73.43**	191.02
(x) Miscellaneous expenses	**819.36**	337.56
(xi) Provision for Doubtful debts	**925.65**	(29.03)
Total Other Expenses	**10,336.35**	4,226.18

Note: Details of CSR Expenditure

Rupees (In Lakhs)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
(i) Amount required to be spent by Company	**184.29**	181.09
(ii) Amount of expenditure incurred	**184.29**	181.09
(iii) Shortfall at the end of year	**–**	–
(iv) Nature of CSR Activities		
Promoting health care including preventive health care and sanitation and disaster management, including relief, rehabilitation and reconstruction activities	**68.21**	5.81
Ensuring environmental sustainability, ecological balance, protection of flora and fauna	**45.41**	1.75
Promotion of Education, Special education and Education of the girl child	**26.56**	72.16
Rural Development	**24.93**	0.30
Healthcare including preventive health care	**17.80**	2.18
Sanitation and contribution to Swacch Bharat Kosh	**1.03**	1.66
Administrative Overheads and Indirect Cost	**0.36**	6.38
Promoting gender equality, empowering women,		90.55
Environment conservation other than plantation		0.30

Note No. 27 - Earnings per Share

Rupees (In Lakhs)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Basic Earnings per share	**(0.03)**	0.31
Diluted Earnings per share	**(0.03)**	0.31

Basic earnings per share

The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:

Rupees (In Lakhs)

	Year ended 31 March 2022	Year ended 31 March 2021
Profit / (loss) for the year attributable to owners of the Company (Rupees In Lakhs)	**(49.23)**	614.18
Weighted average number of equity shares (In Lakhs)	**1,954.62**	1,954.62
Basic Earnings per share from operations (Rupees)	**(0.03)**	0.31

Diluted earnings per share

The diluted earnings per share has been computed by dividing the Net profit after tax available for Equity shareholders by the weighted average number of equity shares, after giving dilutive effect of the outstanding Warrants, Stock options and Convertible bonds for the respective periods.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

Rupees (In Lakhs)

	Year ended 31 March 2022	Year ended 31 March 2021
Profit / (loss) for the year used in the calculation of basic earnings per share (Rupees in Lakhs)	**(49.23)**	614.18
Weighted average number of equity shares (In Lakhs)	**2,000.11**	2,000.11
Diluted Earnings per share from operations (Rupees)	**(0.03)***	0.31

*Diluted EPS considered same as Basic EPS due to loss in current financial year.

The weighted average number of ordinary shares for the purpose of diluted earnings per share reconciles to the weighted average number of ordinary shares used in the calculation of basic earnings per share as follows:

Rupees (In Lakhs)

	Year ended 31 March 2022	Year ended 31 March 2021
Weighted average number of equity shares used in the calculation of Basic EPS (In lakhs)	**1,954.62**	1,954.62
Add:		
ESOPs (In lakhs) ESOPs	**45.49**	45.49
Weighted average number of equity shares used in the calculation of Diluted EPS (In lakhs)	**2,000.11**	2,000.11

Note No. 28 – Financial Instruments

Capital management

The company's capital management objectives are:

– to ensure the company's ability to continue as a going concern

– to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

The Company manages capital risk in order to maximize shareholders' profit by maintaining sound/optimal capital structure through monitoring of financial ratios, such as debt-to-equity ratio and net borrowings-to-equity ratio on a periodic basis and implements capital structure improvement plan when necessary. There is no change in the overall capital risk management strategy of the Company compared to last year.

The Company is not subject to externally enforced capital regulation.

Debt-to-equity ratio as of 31 March 2022 and 31 March 2021 is as follows:

	31-Mar-22	31-Mar-21
Debt (A) (Rupees in Lakhs)	**1,53,993.29**	71,933.00
Equity (B) (Rupees in Lakhs)	**99,767.31**	99,827.70
Debt Ratio (A / B)	**1.54**	0.72

Categories of financial assets and financial liabilities

As at 31 March 2022
Rupees (In Lakhs)

	Amortised Costs	FVTPL	FVOCI	Total
Non-current Assets				
Investments	**47,520.85**	**–**	**–**	**47,520.85**
Loans	**73,749.40**	**–**	**–**	**73,749.40**
Other Financial Assets				
– Non Derivative Financial Assets	**9,600.59**	**–**	**–**	**9,600.59**
Current Assets				
Trade Receivables	**22,404.57**	**–**	**–**	**22,404.57**
Cash and Cash Equivalents	**3,967.12**	**–**	**–**	**3,967.12**
Other Bank Balances	**3,007.63**	**–**	**–**	**3,007.63**
Non Derivative Financial Assets	**2,022.70**	**–**	**–**	**2,022.70**
Non-current Liabilities				
Secured Borrowings	**82,524.32**	**–**	**–**	**82,524.32**
Unsecured Borrowings	**29,500.00**			**29,500.00**
Lease liabilities	**38.75**			**38.75**
Current Liabilities				
Borrowings	**41,968.97**	**–**	**–**	**41,968.97**
Trade Payables	**14,250.78**	**–**	**–**	**14,250.78**
Lease liabilities	**11.87**			**11.87**
Other Financial Liabilities				
- Interest accrued but not due	**2,294.96**	**–**	**–**	**2,294.96**
- Creditors for capital goods	**2,197.87**			**2,197.87**
- Derivative Financial Liabilities	**–**	**639.31**	**–**	**639.31**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

As at 31 March 2021
Rupees (In Lakhs)

	Amortised Costs	FVTPL	FVOCI	Total
Non-current Assets				
Investments	39,020.85	–	–	39,020.85
Loans	38,605.35	–	–	38,605.35
Other Financial Assets				
– Non Derivative Financial Assets	7,472.28	–	–	7,472.28
Current Assets				
Trade Receivables	44,211.69	–	–	44,211.69
Cash and Cash Equivalents	3,425.06			3,425.06
Other Bank Balances	1,611.97	–	–	1,611.97
Loans	4,308.73	–	–	4,308.73
Other Financial Assets				
– Non Derivative Financial Assets	3,548.56	–	–	3,548.56
Non-current Liabilities				
Borrowings	38,458.93	–	–	38,458.93
Current Liabilities				
Borrowings	33,473.68	–	–	33,473.68
Trade Payables	27,822.55	–	–	27,822.55
Other Financial Liabilities				
– Interest accrued but not due	152.95	–	–	152.95
– Creditors for capital goods	13,972.40			
– Derivative Financial Liabilities		453.60		453.60

Financial Risk Management Framework

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk . In order to manage the aforementioned risks, the Company operates a risk management policy and a program that performs close monitoring of and responding to each risk factors.

CREDIT RISK

(i) Credit risk management

Credit risk arises when a counterparty defaults on its contractual obligations to pay resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collatarel, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Company uses other publicly available financial information and its own trading records to rate its major customers. The Company's exposure and credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterpaty limits that are reviewed and approved by the risk management committee annually.

Trade receivables consist of a large number of customers, spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivable.

The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-agencies.

The Company applies the simplified approach to providing for expected credit losses prescribed by Ind AS 109, which permits the use of the lifetime expected loss provision for all trade receivables. The Company based on its assessment has created provision of Rs 925.65 lakhs (March 31, 2020 : 29.03 lakhs) in the statement of profit and loss.

The loss allowance provision is determined as follows:

As at 31 March 2022
Rupees (In Lakhs)

	Not due	**Less than 6 months past due**	**More than 6 months past due**	**Total**
Gross carrying amount	**2,590.12**	**3,050.23**	**4,891.42**	**10,531.78**
Loss allowance provision	**1.96**	**2.31**	**921.38**	**925.65**
Net	**2,588.16**	**3,047.92**	**3,970.04**	**9,606.13**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

As at 31 March 2021
Rupees (In Lakhs)

	Not due	Less than 6 months past due	More than 6 months past due	Total
Gross carrying amount	33,386.12	7,179.46	3,731.60	44,297.18
Loss allowance provision	5.24	15.39	8.40	29.03
Net	**33,380.88**	**7,164.07**	**3,723.20**	**44,268.15**

LIQUIDITY RISK

(i) *Liquidity risk management*

The mangement of the Company has established an appropriate liquidity risk management framework for the management of the Company's short-, medium- and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

(ii) *Maturities of financial liabilities*

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The amount disclosed in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows.

To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Company may be required to pay.

Rupees (In Lakhs)

Particulars	Less than 1 Year INR	1-3 Years INR	3 Years to 5 Years INR	5 years and above INR
Non Derivative financial instruments				
31-Mar-22				
Trade Payables	**14,250.78**	–	–	–
Creditors for capital goods	**2,197.87**	–	–	–
Interest accured but not due	**2,294.96**			
Lease liabilities	**11.87**	**27.32**	**11.43**	
Fixed interest rate instruments	**39,372.42**	**29,500.00**		**46,584.38**
Variable interest rate instruments	**2,596.55**	**6,764.85**	**7,023.83**	**22,151.26**
Total	**60,724.46**	**36,292.17**	**7,035.26**	**68,735.64**
31-Mar-21				
Trade Payables	27,822.85	–	–	–
Creditors for capital goods	13,972.40	–	–	–
Interest accured but not due	152.95			
Variable interest rate instruments	49,633.19	3,857.00	4,723.94	13,718.49
Total	91,581.39	3,857.00	4,723.94	13,718.49

The following table details the Company's / Company's liquidity analysis for its derivative financial instruments. The table has been drawn up based on the undiscounted contractual net cash inflows and outflows on derivative instruments that settle on a net basis, and the undiscounted gross inflows and outflows on those derivatives that require gross settlement. When the amount payable or receivable is not fixed, the amount disclosed has been determined by reference to the projected interest rates as illustrated by the yield curves at the end of the reporting period.

Rupees (In Lakhs)

Particulars	Less than 1 Year INR	1-3 Years INR	3 Years to 5 Years INR	5 years and above INR
Derivative financial instruments				
31-Mar-22				
Net settled:				
– interest rate swaps	–	–	–	–
– foreign exchange forward contracts	**639.31**	–	–	–
Total	**639.31**	–	–	–
31-Mar-21				
Net settled:				
– interest rate swaps	–	–	–	–
– foreign exchange forward contracts	453.60	–	–	–
Total	453.60	–	–	–

(iii) *Financing arrangements*

The Company had access to following undrawn borrowing facilities at the end of the reporting period:

Rupees (In Lakhs)

Particulars	31-Mar-22 INR	31-Mar-21 INR
Secured Bank Overdraft facility		
– Expiring within one year	**9,372.42**	2,360.00
– Expiring beyond one year	–	–
	9,372.42	2,360.00

(iv) *Maturities of financial assets*

The following table details the Company's expected maturity for its non-derivative financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Company's liquidity risk management as the liquidity is managed on a net asset and liability basis.

Rupees (In Lakhs)

Particulars	Less than 1 Year INR	1-3 Years INR	3 Years to 5 Years INR	5 years and above INR
Non-derivative financial assets				
31-Mar-22				
Investments		–	–	47,520.85
Trade Receivables	**22,404.57**			
Cash and Cash Equivalents	**3,967.12**			
Other bank balances	**3,007.63**			
Non Derivative Financial Assets	**2,022.70**			**9,600.59**
Fixed interest rate instruments		**3,232.50**	**1,651.00**	**68,865.90**
Total	**31,402.02**	**3,232.50**	**1,651.00**	**1,25,987.33**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

Rupees (In Lakhs)

Particulars	Less than 1 Year INR	1-3 Years INR	3 Years to 5 Years INR	5 years and above INR
31-Mar-21				
Investments		–	–	39,020.85
Trade Receivables	44,211.69			
Cash and Cash Equivalents	3,425.06			
Other bank balances	1,611.97			
Non Derivative Financial Assets	11,020.84			
Derivative Financial Assets	–			
Fixed interest rate instruments	42,914.08	–	–	–
Total	1,03,183.64	–	–	39,020.85

The amounts included above for variable interest rate instruments for both non-derivative financial assets and liabilities is subject to change if changes in variable interest rates differ to those estimates of interest rates determined at the end of the reporting period.

MARKET RISK

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk such as equity price risk and commodity price risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. The Company uses derivatives to manage market risks. Derivatives are only used for economic hedging purposes and not as speculative investments. All such transactions are carried out within the guidelines set by the Board of Directors and Risk Management Committee.

There has been no significant changes to the company's exposure to market risk or the methods in which they are managed or measured.

Currency Risk

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. The Company's / Company's exposure to currency risk relates primarily to the Company's operating activities and borrowings when transactions are denominated in a different currency from the Company's functional currency.

The Company manages its foreign currency risk by hedging the transactions at the time the Company enters into a contract with its customers by passing the exchange risk to the customer. The foreign curency borrowings are entirely hedged for the entire period of the borrowing.

When a derivative is entered into for the purpose of being a hedge, the Company negotiates the terms of those derivatives to match the terms of the hedged exposure. For hedges of forecast transactions the derivatives cover the period of exposure from the point the cash flows of the transactions are forecasted up to the point of settlement of the resulting receivable or payable that is denominated in the foreign currency.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows.

Rupees (In Lakhs)

Particulars	Currency	31-Mar-22	31-Mar-21
Trade Receivables	USD	**242.72**	671.31
Trade Payables	EUR	**4.94**	
Trade Payables	USD	**11.08**	9,636.57
Secured Bank Loans	USD	**46,584.38**	16,159.51

Of the above foreing currency exposures, the following exposures are not hedged by a derivative:

Rupees (In Lakhs)

Particulars	Currency	31-Mar-22	31-Mar-21
Trade Receivables	USD	**242.72**	671.31
Trade Payables	EUR	**4.94**	
Trade Payables (Refer Note 1)........	USD	**11.08**	325.66
Secured Bank Loans	USD	–	

Foreign Currency Sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD and EUR exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities including non-designated foreign currency derivatives and embedded derivatives. The impact on the Company's pre-tax equity is due to changes in the fair value of forward exchange contracts designated as cash flow hedges. The Company's exposure to foreign currency changes for all other currencies is not material.

	Currency	Change in rate	Effect on profit before tax	Effect on pre-tax equity
31-Mar-22	USD	+10%	23.16	–
	USD	-10%	(23.16)	–
	Eur	+10%	0.49	–
	Eur	-10%	(0.49)	–
31-Mar-21	USD	+10%	34.57	–
	USD	-10%	(34.57)	–

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

Interest rate sensitivity

The sensitivity analyses below have been determined based on exposure to interest rate for both derivative and non-derivative instruments at the end of reporting period. For floating rate liabilities, analysis is prepared assuming the amount of liability outstanding at the end of the reporting period was outstanding for the whole year.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected, after the impact of hedge accounting. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

	Currency	Increase/decrease in basis points	Effect on profit before tax
31-Mar-22	**INR**	**+50**	**(192.68)**
	INR	**-50**	**192.68**
31-Mar-21	INR	+50	(242.60)
	INR	-50	242.60

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment, showing a significantly higher volatility than in prior years.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

Note No. 29 - Fair Value Measurement

Fair Valuation Techniques and Inputs used - recurring Items

Rupees (In Lakhs)

Financial assets/financial liabilities measured at Fair value	**Fair value as at**		**Fair value hierarchy**	**Valuation technique(s) and key input(s)**	**Significant unobservable input(s)**	**Relationship of unobservable inputs to fair value and sensitivity**
	31-Mar-22	31-Mar-21				
Financial liabilities						
Other Financial Liabilities						
1) Foreign currency forward contracts	**639.31**	453.60	Level 2	Derivative valuation by Banks	NA	**NA**
Total financial liabilities	**639.31**	453.60				

There were no transfers between level 1 and level 2 for recurring fair value measurements during the year.

Fair value of financial assets and financial liabilities that are not measured at fair value

Rupees (In Lakhs)

Particulars	**31-Mar-22**		31-Mar-21	
	Carrying amount	**Fair value**	Carrying amount	Fair value
Financial assets				
Financial assets carried at Amortised Cost				
– Security deposits & Earnest money deposits	**349.57**	**349.57**	548.71	548.71
– loans to related parties	**73,749.40**	**37,125.72***	42,365.36	37,502.03
– trade and other receivables	**22,404.57**	**22,404.57**	44,211.69	44,211.69
– Cash and Cash Equivalents	**3,967.12**	**3,967.12**		
– Other Bank Balances	**3,007.63**	**3,007.63**		
– Non Derivative Financial Assets	**11,273.72**	**11,273.72**		
– Others		**–**	12,632.81	12,632.81
Total	**1,14,752.01**	**78,128.33**	99,758.57	94,895.24
Financial liabilities				
Financial liabilities held at amortised cost				
– bank loans	**96,493.29**	**93,689.17**	71,932.61	71,932.61
– Loans to related Party	**57,500.00**	**59,378.86**		
– Lease Liablities	**50.62**	**50.62**		
– trade and other payables	**18,743.62**	**18,743.62**	42,401.51	42,401.51
Total	**1,72,787.53**	**1,71,862.27**	1,14,334.12	1,14,334.12

Fair value hierarchy as at 31 March 2022
Rupees (In Lakhs)

	Level 1	**Level 2**	**Level 3**	**Total**
Financial assets				
Financial assets carried at Amortised Cost				
– Security deposits & Earnest money deposits	**–**	**–**	**349.57**	**349.57**
– loans to related parties	**–**	**–**	**37,125.72**	**37,125.72**
– trade and other receivables	**–**	**–**	**22,404.57**	**22,404.57**
– Investments			**–**	**–**
– Cash and Cash Equivalents		**3,967.12**		**3,967.12**
– Other Bank Balances		**3,007.63**		**3,007.63**
– Non Derivative Financial Assets			**11,273.72**	**11,273.72**
– Others	**–**	**–**	**–**	**–**
Total	**–**	**6,975**	**1,18,674.43**	**1,25,649.18**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

Fair value hierarchy as at 31 March 2022
Rupees (In Lakhs)

	Level 1	**Level 2**	**Level 3**	**Total**
Financial liabilities				
Financial Instruments not carried at Fair Value				
– bank loans	**–**	**93,689**		**93,689.17**
– Loans to related Party	**–**		**59,378.86**	**59,378.86**
– Lease Liabilities			**50.62**	**50.62**
– trade and other payables	**–**	**–**	**18,743.62**	**18,743.62**
Total	**–**	**93,689**	**78,173.10**	**1,71,862.27**

Fair value hierarchy as at 31 March 2021
Rupees (In Lakhs)

	Level 1	Level 2	Level 3	Total
Financial assets				
Financial assets carried at Amortised Cost				
– Security deposits & Earnest money deposits	–	–	548.71	548.71
– loans to related parties	–	–	42,365.36	42,365.36
– trade and other receivables	–	–	44,211.69	44,211.69
– Others	–	–	12,632.81	12,632.81
Total	–	–	99,758.57	99,758.57
Financial liabilities				
Financial Instruments not carried at Fair Value				
– bank loans	–	–	71,932.61	71,932.61
– trade and other payables	–	–	42,401.51	42,401.51
Total	–	–	1,14,334.12	1,14,334.12

The fair values of the financial assets and financial liabilities included in the level 2 and level 3 categories above have been determined in accordance with generally accepted pricing models based on a discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the credit risk of counterparties.

* Fair value of Loans to related party considered based on bullet repayment of Sub debt along with Interest at end of tenure.

Note No. 30 - Employee benefits

(a) Defined Contribution Plan

The Company's contribution to Provident Fund aggregating INR 163.66 Lakhs (2020: INR 240 Lakhs) has been recognised in the Statement of Profit or Loss under the head Employee Benefits Expense.

(b) Defined Benefit Plans:

Gratuity

The Company operates a gratuity plan covering qualifying employees. The benefit payable is the greater of the amount calculated as per the Payment of Gratuity Act, 1972 or the Company scheme applicable to the employee. The benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. In case of death while in service, the gratuity is payable irrespective of vesting. The Company makes annual contribution to the group gratuity scheme administered by the Life Insurance Corporation of India through its Gratuity Trust Fund.

Through its defined benefit plans the Company is exposed to a number of risks, the most significant of which are detailed below:

Asset volatility

The plan liabilities are calculated using a discount rate set with references to government bond yields; if plan assets under perform compared to the government bonds discount rate, this will create or increase a deficit. The defined benefit plans hold a significant proportion of equity type assets, which are expected to outperform government bonds in the long-term while providing volatility and risk in the short-term.

As the plans mature, the Company intends to reduce the level of investment risk by investing more in assets that better match the liabilities.

However, the Company believes that due to the long-term nature of the plan liabilities and the strength of the supporting group, a level of continuing equity type investments is an appropriate element of the Company's long term strategy to manage the plans efficiently.

Changes in bond yields

A decrease in government bond yields will increase plan liabilities, although this is expected to be partially offset by an increase in the value of the plans' bond holdings and interest rate hedging instruments.

Inflation risk

Some of the Company's pension obligations are linked to inflation, and higher inflation will lead to higher liabilities (although, in most cases, caps on the level of inflationary increases are in place to protect the plan against extreme inflation). The plans hold a significant proportion of assets in index linked gilts, together with other inflation hedging instruments and also assets which are more loosely correlated with inflation. However an increase in inflation will also increase the deficit to some degree.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

Life expectancy

The majority of the plan's obligations are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the plan's liabilities. This is particularly significant in the Company's defined benefit plans, where inflationary increases result in higher sensitivity to changes in life expectancy.

The significant actuarial assumptions used for the purposes of the actuarial valuations were as follows:

	Valuation as at	
	31-Mar-22	31-Mar-21
Discount rate(s)	**7.25%**	6.95%
Expected rate(s) of salary increase	**8.00%**	8.00%

Defined benefit plans – as per actuarial valuation on 31st March, 2022

Rupees (In Lakhs)

Particulars	**Funded Plan**	Funded Plan
	Gratuity	
	2022	2021
Amounts recognised in comprehensive income in respect of these defined benefit plans are as follows:		
Service Cost:		
Current Service Cost	**75.45**	124.82
Past service cost and (gains)/losses from settlements	**–**	–
Net interest expense	**3.59**	9.89
Components of defined benefit costs recognised in profit or loss	**79.03**	134.71
Remeasurement on the net defined benefit liability		
Return on plan assets (excluding amount included in net interest expense)	**4.55**	(43.55)
Actuarial gains and loss arising form changes in financial assumptions	**(11.14)**	(1.99)
Actuarial gains and loss arising form experience adjustments	**3.35**	(89.08)
Actuarial gains and loss arising from changes in demographics	**20.43**	(87.84)
Components of defined benefit costs recognised in other comprehensive income	**17.19**	(222.46)
Total	**96.22**	(87.74)
I. Net Asset/(Liability) recognised in the Balance Sheet as at 31st March		
1. Present value of defined benefit obligation as at 31st March	**350.90**	414.57
2. Fair value of plan assets as at 31st March	**262.77**	352.96
3. Surplus/(Deficit)	**88.13**	61.61
4. Current portion of the above	**–**	–
5. Non current portion of the above	**88.13**	61.61
II. Change in the obligation during the year ended 31st March		
1. Present value of defined benefit obligation at the beginning of the year	**414.57**	528.38
2. Add/(Less) on account of Scheme of Arrangement/Business Transfer		
3. *Expenses Recognised in Profit and Loss Account*		
– Current Service Cost	**75.45**	124.82
– Past Service Cost	**–**	–
– Interest Expense (Income)	**24.54**	35.54
4. *Recognised in Other Comprehensive Income*		
Remeasurement gains/(losses)		
– Actuarial Gain (Loss) arising from:		
i. Demographic Assumptions	**20.43**	(87.84)
ii. Financial Assumptions	**(11.14)**	(1.99)
iii. Experience Adjustments	**3.35**	(89.08)
5. Benefit payments	**(106.59)**	(95.27)
6. Liabilities assumed/(settled)	(69.71)	–
7. Present value of defined benefit obligation at the end of the year	**350.90**	414.57
III. Change in fair value of assets during the year ended 31st March		
1. Fair value of plan assets at the beginning of the year	**352.96**	372.87
2. Employer Contributions	**–**	6.16
3. Interest on plan assets	**20.95**	25.65
Remeasurement due to:		
– Actual return on plan assets	**(4.55)**	43.55
4. Benefits paid	**(106.59)**	(95.27)
5. Fair value of plan assets at the end of the year	**262.77**	352.96
IV. The Major categories of plan assets		
– List the plan assets by category here		
Insured Funds	**LIC investments**	LIC investments
V. Actuarial assumptions		
1. Discount rate	**7.25%**	6.95%
2. Attrition rate	**8.00%**	8.00%

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

Rupees (In Lakhs)

Principal assumption		Changes in assumption	Impact on defined benefit obligation: Increase in assumption	Impact on defined benefit obligation: Decrease in assumption
	2022	**1.00%**	**-9.53%**	**11.24%**
Discount rate...........	2021	1.00%	-3.09%	3.29%
	2022	**1.00%**	**8.71%**	**-8.37%**
Salary growth rate ..	2021	1.00%	3.13%	-3.00%

The methods and types of assumptions used in preparing the sensitivity analyses did not change compared to previous period.

Maturity profile of defined benefit obligation:

	2022	2021
Within 1 year	**22.49**	123.01
1 – 2 year..	**24.62**	97.91
2 – 3 year..	**25.65**	78.57
3 – 4 year..	**26.19**	60.87
4 – 5 year..	**27.10**	44.20
5 – 10 years..	**138.07**	88.51
10 years & above	**639.00**	37.97

The weighted average duration of the defined benefit obligation as at 31 March 2022 is 10.32 years (2021: 3.18 years)

Rupees (In Lakhs)

VIII. Experience Adjustments :	Period Ended **2022**	2021	2020	2019	2018
			Gratuity		
1. Defined Benefit Obligation					
2. Fair value of plan assets	**–**	–	–	–	–
3. Surplus/(Deficit)	**–**	–	–	–	–
4. Experience adjustment on plan liabilities [(Gain)/Loss]	**(3.35)**	89.08	39.85	12.03	57.08
5. Experience adjustment on plan assets [Gain/(Loss)]	**–**	–	–	–	–

The expected rate of return on plan assets is based on the average long term rate of return expected on investments of the fund during the estimated term of obligation.

The estimate of future salary increases, considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Note No. 31 - Related Party Transactions

Relationships:	**Name:**
Ultimate Holding	Mahindra & Mahindra Limited
Parent Company	Mahindra Holdings Limited
Subsidiaries	1. Mahindra Renewables Pvt Ltd 2. Astra Solren Pvt Ltd 3. Neo Solren Pvt Ltd 4. Mega Surya Urja Pvt Ltd 5. Mahindra Teqo Pvt Ltd 6. MSPL International DMCC 7. Martial Solren Pvt Ltd 8. Brightsolar Renewable Energy Private Limited (from 19th Jul'21) 9. Mahindra Solarize Private Limited (from 6th April'21 to 11th March'22) 10. MSPE Urja S.r.l (liquidated dated January 18, 2022) 11. Mahindra Susten Bangladesh Private Limited (liquidated dated 15th March, 2022)
Joint venture	Marvel Solren Pvt Ltd Brightsolar Renewable Energy Private Limited (till 18th Jul'21)
Key Managerial Persons (KMP)	**Managing Director:** 1. Basant Jain **Non Executive Director:** 1. Parag Shah 2. Ramesh Iyer 3. Amit Raje 4. Manoj Bhat (appointed w.e.f. July 28, 2021) 5. Amit Kumar Sinha (appointed w.e.f. July 28, 2021) 6. Ami Goda (appointed w.e.f. July 28, 2021) 7. Zhooben Bhiwandiwala (ceased wef March 22, 2022) 8. Chandrasekar Kandasamy (ceased wef July 28, 2021) 9. Ranjan Pant (ceased wef September 24, 2021) 10. Sriram Ramachandran (ceased wef July 28, 2021) 11. Nora Bhatia (ceased wef July 28, 2021) **Independent Director** 1. Anup Shah 2. Diwakar Gupta
Fellow Subsidiaries	1. Mahindra Intratrade Pvt Limited 2. Mahindra Powerol Limited 3. Bristlecone India Pvt Ltd 4. Mahindra Steel Services Centre Ltd 5. Mahindra Engineering & Chemical Products Ltd 6. Mahindra Integrated Business Solutions Pvt Ltd 7. Mahindra Logistics Limited 8. NBS International Ltd 9. Mahindra Holidays & Resorts India Ltd 10. Mahindra & Mahindra Financial Services Ltd 11. Mahindra Defence System Limited 12. Sunrise Initiative Trust 13. Mahindra Solarize Private Limited (from 12th March'22)
Other Related Parties	1. Tech Mahindra 2. Mahindra world city Jaipur

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

Details of transaction between the Company and its related parties are disclosed below:

Rupees (In Lakhs)

Particulars	For the year ended	Ultimate Holding and Parent Company	Subsidiaries	Joint venture	KMP of the Company	Fellow Subsidiaries
Nature of transactions with Related Parties						
Sale of goods	**31-Mar-22**	**99.67**	**37,558.62**	**48.60**	**–**	
	31-Mar-21	160.63	26,065.51	2,966.21	–	1,756.96
Purchase of goods	**31-Mar-22**					
	31-Mar-21					611.89
Receiving of services	**31-Mar-22**	**4.53**	**792.02**			**1,773.05**
	31-Mar-21	2.00	316.56	–	–	–
Lease expenses	**31-Mar-22**			**–**	**–**	**–**
	31-Mar-21			–	–	–
Interest expense	**31-Mar-22**	**2,023.61**				**0.99**
	31-Mar-21					
Loans given	**31-Mar-22**	**–**	**35,393.67**	**–**	**–**	
	31-Mar-21	–	58,394.32	–	–	499.00
Loans given refunded	**31-Mar-22**	**–**	**3,926.39**		**–**	
	31-Mar-21	–	51,466.14	806.96	–	–
Loans Taken	**31-Mar-22**	**57,500.00**				**49.63**
	31-Mar-21	–	–	–	–	–
Interest income	**31-Mar-22**	**–**	**5,995.70**		**–**	**1.48**
	31-Mar-21	–	4,269.87	6.09	–	76.66
Equity contribution by the Company	**31-Mar-22**		**10,796.73**			
	31-Mar-21	–	5.47	1,786.84	–	–
Commission to non executive director	**31-Mar-22**	**–**	**–**	**–**	**9.72**	**–**
	31-Mar-21	–	–	–	5.00	–
Sitting fees to non executive director	**31-Mar-22**	**–**	**–**	**–**	**8.50**	**–**
	31-Mar-21	–	–	–	4.40	–
Remuneration to KMP	**31-Mar-22**	**–**	**–**	**–**	**351.74**	**–**
	31-Mar-21	–	–	–	149.34	–
Post Employement Benefit (PF) to KMP	**31-Mar-22**				**5**	
	31-Mar-21				5	
ESOP's to KMP	**31-Mar-22**				**88**	
	31-Mar-21				88	
Advance to KMP	**31-Mar-22**				**128**	
	31-Mar-21				–	
Other transactions	**31-Mar-22**					**2.52**
	31-Mar-21					

Nature of Balances with Related Parties	Balance as on	Parent Company	Subsidiaries	Joint venture	KMP of the Company	Fellow Subsidiaries	Other related parties
Trade Receivable	**31-Mar-22**	**15.97**	**13,370.05**	**48.60**	**–**	**1.09**	2.08
	31-Mar-21		9,809.65	1,864.05	–		–
Trade payables	**31-Mar-22**	**164.58**	**157.65**	**–**		**259.18**	
	31-Mar-21	–	116.32	–	–		314.60
Loans & advances given	**31-Mar-22**	**–**	**73,749.40**	**–**	**128.00**		
	31-Mar-21	–	41,276.36	–	–		1,089.00
Loans Taken	**31-Mar-22**	**57,500.00**				**50.62**	
	31-Mar-21	–	–	–	–		–
Guarantee given	**31-Mar-22**	**–**	**6,807.00**				
	31-Mar-21	–	13,057.00	–	–		–
Interest Receivable	**31-Mar-22**	**–**	**10,032.72**	**–**	**–**		
	31-Mar-21	–	7,362.29	–	–		103.87
Interest Payable	**31-Mar-22**	**1,821.25**				**0.99**	
	31-Mar-21						

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

Note No. 32 - Segment Information:

The Company is primarily engaged in the business of Sale of Power and turnkey solution for Engineering, Procurement & Construction projects (EPC) along with sale of solar water pumps. The Company's Chief Operating Decision Maker (CODM) reviews the internal management reports prepared based on financial information for Sale of Power and EPC. Accordingly, the Company has determined its reportable segments under Ind AS 108 Operating Segments as follows:

- Sale of Power
- EPC & Others

A Segment revenue and profits

Analysis of Company's revenue & result by reportable segment for FY 2021-22

Rupees (In Lakhs)

	Segment		
	Sale of Power	**EPC & Others**	**Total**
Revenue			
External Sales	11,700.74	47,401.64	59,102.38
Total Revenue	**11,700.74**	**47,401.64**	**59,102.38**
Result			
Segment Profit	7,532.78	(1,769.02)	5,763.76
Net Unallocable (Expense)/Income			(5,162.41)
Profit/(Loss) before tax			601.36
Income tax			(650.59)
Profit/(Loss) before tax			**(49.22)**

Analysis of Company's revenue & result by reportable segment for FY 2020-21

Rupees (In Lakhs)

	Segment		
	Sale of Power	**EPC & Others**	**Total**
Revenue			
External Sales	6,135.96	87,917.25	94,053.21
Inter Segment sales	–	–	–
Total Revenue	**6,135.96**	**87,917.25**	**94,053.21**
Result			
Segment Profit	3,658.66	1,428.59	5,087.25
Net Unallocable (Expense)/Income			(1,725.42)
Profit/(Loss) before tax			3,361.83
Income tax			(2,747.65)
Profit/(Loss) before tax			**614.19**

B

Rupees (In Lakhs)

Segment Assets	**As at 31 March 2022**	As at 31 March 2021
Sale of Power	**1,13,583.63**	76,198.99
EPC & Others	**24,138.67**	57,326.75
Total	**1,37,722.30**	1,33,525.74
Unallocable Assets	**1,48,217.78**	95,288.93
Total Assets	**2,85,940.08**	2,28,814.67

C

Rupees (In Lakhs)

Segment Liability	**As at 31 March 2022**	As at 31 March 2021
Sale of Power	**2,197.87**	13,972.40
EPC & Others	**23,296.04**	40,034.74
Total	**25,493.91**	54,007.14
Unallowable Liability	**1,60,678.88**	74,979.83
Total Liability	**1,86,172.78**	1,28,986.97

D Other Segmental Information's

Rupees (In Lakhs)

Segment	**Depreciation & Amortisation**		**Capital Expenditure(exclude Advances)**	
	2021-22	2020-21	**2021-22**	2020-21
Sale of Power	**2,632.13**	1,745.89	**82,342.32**	45,623.68
EPC & Others	**210.28**	310.59		815.31

E Revenue from major products & services:

Rupees (In Lakhs)

	2021-22	2020-21
EPC Contracts	**46,619.52**	85,908.54
Rendering of services		2,002.65
Sale of Power	**10,054.59**	6,135.96
Construction contract revenue		6.06
Others	**2,428.27**	–
Total	**59,103.38**	94,053.21

F Geographical Information

Rupees (In Lakhs)

Segment	**Revenue from external customer**		**Non Current Assets**	
	2021-22	2020-21	**2021-22**	2020-21
India	**59,020.54**	93,873.69	**1,11,062.94**	75,701.41
Outside India	**82.85**	179.52	**4.58**	24.90
Total	**59,103.38**	94,053.21	**1,11,067.52**	75,726.31

G Information about major customers

Revenue from one customer of the company is INR 32,876 Lakhs (two customers of the company is INR 54,418 Lakhs for 31 March 2021) which accounts for more than 10% of the company's total revenue for the year ended 31 March 2022

H Segment profit represents the profit before finance cost and tax earned by each segment without allocation of central administration costs and directors' salaries, investment income and finance costs. This is the measure reported to the chief operating decision maker for the purposes of allocation and assessment of segment performance.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

Note No. 33

Key Ratios

	Numerator	Denominator	**2021-22**	2020-21	% Variance	Reason for Variance
Current Ratio	Current Asset	Current Liabilities	**0.60**	0.78	-24%	
Debt Equity Ratio	Total Debt	Shareholder's Equity	**1.54**	0.72	114%	Additional Debt taken during the year for SECI RJ Project, Also additional unsecured borrowing taken to support Subsidiary's new projects.
Debt Service Coverage ratio	Profit before interest, tax and, Depreciation; amortisation	Interest expenses relating to Debt plus Principal repayment	**0.32**	0.76	-58%	Reduction profit as increase in warranty expenses provided during the year and Higher Finance cost as additional borrowing taken for SECI RJ Project ,Also Impact of Goyalari principal Repayment resulted in reduction in ratio.
Return on Equity Ratio	Net Profit after taxes	Average Shareholder's Equity	**-0.05%**	0.62%	-108%	Lower profit as increase in warranty expense provided during the year which has significantly impacted profit
Inventory turnover ratio	Cost of goods sold	Average inventory	**52.42**	37.68	39%	SECI RJ project was under construction in previous year, commissioned during the year which supported for improvement in ratio
Trade receivables turnover ratio	Net Sales	Average Trade Receivable	**1.79**	1.99	-10%	
Trade payables turnover ratio	Net Credit Purchases	Average Trade Payable	**1.85**	2.47	-25%	
Net Capital turnover ratio	Net Sales	Average Working Capital=avg (Current assets - Current Liabilities)	**-2.67**	22.26	-112%	Higher current maturities of borrowings due during the year which resulted in increase current liabilities.
Net Profit ratio	Net Profit	Net Sales	**-0.08%**	0.64%	-113%	Lower profit as increase in warranty expense provided during the year which has significantly impacted profit
Return on capital employed	Earning before Interest and Taxes	Capital Employed = Net worth + Total Debt + Lease liability	**2.41%**	3.51%	-32%	Lower profit as increase in warranty expense provided during the year which has significantly impacted profit; During year, Additional borrowing taken for SECI RJ Project, Also additional unsecured borrowing taken to support Subsidiary's new project.

Note No. 34 - Contingent liabilities and commitments

Contingent liabilities (to the extent not provided for)

Rupees (In Lakhs)

	As at 31 March 2022	As at 31 March 2021
Contingent liabilities		
(a) Claims against the Company not acknowledged as debt	**12,001.44**	15,035.84
(b) Performance Bank Guarantees.........	**47,520.75**	52,488.25

Rupees (In Lakhs)

	As at 31 March 2022	As at 31 March 2021
Commitments		
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of Advances)	**45.42**	32,387.66

Note No. 35 - Event during the year

- Company has incorporated new subsidiary "Mahindra Solarize Pvt Ltd" on April 6, 2021 with Rs 5,00,000 share and ceased to be a subsidiary company of Mahindra Susten Private Limited ("Susten") w.e.f. 11th March, 2022, pursuant to the transfer of shares from Susten to Mahindra Telecom Energy Solutions Private Limited ("Telecom").
- MSPE Urja S.r.l. incorporated in Italy, which is a wholly owned subsidiary of MSPL had filed for voluntary liquidation and upon receipt of the Order of Chamber of Commerce, Italy dated January 18, 2022, has been liquidated and has ceased to be in existence with effect from the said date.
- Mahindra Susten Bangladesh Private Limited ("MSBPL"), which is a wholly owned subsidiary of MSPL. has been liquidated and has ceased to be in existence with effect from 15th March, 2022, the final extra ordinary general meeting of its shareholders on 15th March, 2022 and approved the final voluntary winding up.

Note No. 36

During the year, the Company has made a strategic decision to not accept new projects in the international markets, whereby the operations in its international subsidiaries have ceased. Consequently the amount of

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

Rs 2872.97 lakhs invested in its international subsidiaries, viz. Mahindra Susten Bangladesh Private Limited, MSPE Urja SRL & MSPL International DMCC, in the form of Equity Capital, Inter Corporate Deposits and the accrued interest there on, has been provided towards Impairment for year 2020-21. The said amount is reported in Profit & loss statement as an Exceptional Item for year 2020-21.

Note No. 37

The Company had procured land parcel in the Tumkur district in Karnataka admeasuring 66.8 acres in concurrence with ITC Limited, the purposes of acquisition of land was for development of 10 Mega Watts Open Access solar Power project in Karnataka. Since the contract for Engineering, Procurement and Services with ITC Limited has been cancelled, the Company proposes to explore the option of sale of the said land parcel.

Note No. 38

As per the current assessment of the situation based on the internal and external information available up to the date of approval of these financial statements by the Board of Directors, the Company continues to believe that the impact of Covid-19 on its business, assets, internal financial controls, profitability and liquidity, both present and future, would be limited and there is no indication of any material impact on the carrying amounts of inventories, intangible assets, trade receivables, investments and other financial assets. The eventual outcame of the impact of the global health pandemic may be different from those estimated as on the date of approval of these financial results and the Company will closely monitor any material changes to the economic environment and their impact on its business in the times to come.

Note No. 39 - Disclosure required under Section 186(4) of the Companies Act, 2013

1) Guarantees given on behalf of subsidiaries

Rupees (In Lakhs)

	2021-22	2020-21
Mahindra Renewables Pvt. Ltd	**2160**	8,375.00
Mahindra Teqo Private Limited	**172**	207.00
Mega Surya Urja Pvt. Ltd	**4475**	4,475.00
	6,807.00	13,057.00

2) Investment Made and Securities provided in connection with loan given to Subsidiaries are disclosed under note 6.

3) Loans given are disclosed under note 7.

Note No. 40 - Other Statutory Information

- The Company do not have any Benami property, where any proceeding has been initiated or pending against the company for holding any Benami property
- The Company do not have any transactions with companies struck off.
- The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.
- The Company have not any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.)
- The Company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall: (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- The Company has made investments in, provided guarantee and granted unsecured loans to Subsidairies during the year and details of which are given below:

Rupees (In Lakhs)

Particulars	**Investment**	**Loans**	Guarantee
Aggregate amount granted / provided during the year:	10,802.00	**35,328.67**	20
Balance outstanding as at balance sheet date in respect of above cases:	10,802.00	**33,049.50**	20

Note No. 41

Unless otherwise stated, previous period's figures have been re-grouped / re-classified, to the extent necessary, to conform to current period's classifications. All the numbers have been rounded off to nearest Lakhs.

Note No. 42

The financial statements for the year ended 31st March 2022 were approved by the Board of Directors and authorised for issue on April 22, 2022.

For and on behalf of the Board of Directors

Ami Goda	**Basant Jain**
Director	*Managing Director & Chief Executive Officer*
DIN: 09136149	DIN: 00220395
Avinash Bapat	**Mandar Joshi**
Chief Financial Officer	*Company Secretary*

Place : Mumbai

Date : 9th May, 2022

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF MAHINDRA RENEWABLES PRIVATE LIMITED

Report on the Audit of Ind AS Financial Statements

Opinion

We have audited the accompanying financial statements of Mahindra Renewables PrivateLimited ("the Company"), which comprise the Balance Sheet as at 31st March, 2022, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the CompaniesAct, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st Marc h, 2022, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Emphasis of Matter

We draw attention to Note 27 to the financial statements, which describes the retrospective restatement of comparative financial information.

Our opinion is not modified in respect of this matter.

Information Other than the Financial Statements and Auditor's Report Thereon

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Directors' report, Management discussion and analysis and Business responsibility report, but does not include the financial statements and our auditor's report thereon.
- Our opinion on the financial statements does not cover the other information and We do not express any form of assurance conclusion thereon.
- In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high levelof assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion.Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report, to the extent applicable that:

    a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

    b) In our opinion, proper books of account as required by law have been kept by the company so far as it appears from our examination of those books.

    c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and Statement of changes in Equity dealt with by this Report are in agreement with the relevant books of account.

    d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.

    e) On the basis of the written representations received from the directors as on 31st March, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2022 from being appointed as a director in terms of Section 164(2) of the Act.

    f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

    g) In our opinion and to the best of our information and according to the explanations given to us, the Company being a private company, section 197 of the Act related to the managerial remuneration is not applicable.

    h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

        i. The Company has disclosed the impact of pending litigations on its financial position it its financial statements;

        ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.

        iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

iv. (a) The Management has represented that, to the best of its knowledge and belief, as disclosed in the notes to the accounts, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The Management has represented, that, to the best of its knowledge and belief, other than as disclosed in the notes to accounts, no funds (which are material either individually or in the aggregate) have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c) Based on the audit procedures that has been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. The company has not declared or paid any dividend during the year and has not proposed final dividend for the year.

2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/ W-100018)

Mehul Parekh
(Partner)
(Membership No. 121513)
(UDIN: 22121513AJDPGR6785)

Place: Mumbai
Date: 17th May, 2022

ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of Mahindra Renewables Private Limited (“the Company”) as of 31st March, 2022 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor’s Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2022, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm’s Registration No. 117366W/ W-100018)

Mehul Parekh
(Partner)
(Membership No. 121513)
(UDIN: 22121513AJDPGR6785)

Place: Mumbai
Date: 17th May, 2022

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment, capital work-inprogress and right-of-use assets

(B) As the Company does not hold any intangible assets, reporting under clause 3(i) (a)(B) of the Order is not applicable.

(i) (b) The Property, Plant and Equipment was physically verified during the year by the Management which, in our opinion, provides for physical verification at reasonable intervals. No material discrepancies were noticed on such verification.

(i) (c) Based on our examination of the registered sale deed provided to us, we report that, the title deeds of all the immovable properties disclosed in the financial statements included in property, plant and equipment are held in the name of the Company as at the balance sheet date.

(i) (d) The Company has not revalued any of its property, plant and equipment (including Right of Use assets) and intangible assets during the year.

(i) (e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

(ii) (a) According to the information and explanations given to us, the Company does not have inventory, therefore the provisions of clause 3 (ii) of the order are not applicable to the Company.

(ii) (b) According to the information and explanations given to us, at any point of time of the year, the Company has not been sanctioned any working capital facility from banks or financial institutions and hence reporting under clause (ii)(b) of the order is not applicable.

(iii) (a) The Company has made following investments during the year:

Particulars	**Investment Rs. in lakhs**
A. Aggregate amount invested during the year:	
- Subsidiary	1,073.35
B. Balance outstanding as at balance sheet date inrespect of above case:	
- Subsidiary	1,073.35

The Company has not provided any guarantee or security, and granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms,limited liability partnerships or any other parties during the year.

(b) The investments made during the year are in our opinion, prima facie, not prejudicial to the Company's interest. The Company has not provided any guarantee or security, and granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year.

(c) According to information and explanations given to us, the Company had granted sub-ordinated loan aggregating to Rs.1,000.00 Lakhs to a subsidiary that is payable after servicing of senior secured debts of such subsidiary and receipts of interest thereon are regular as per stipulation. Whilst such loan has been repaid by the subsidiary during the year, in the absence of any repayment schedule, we are unable to comment on the regularity of the repayments of principal amount, in terms of reporting under clause (iii) (c) and (iii) (d) of the Order.

(d) No loan granted by the Company which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.

(e) According to information and explanations given to us, the Company has not provided any loans or advances in the nature of loans or stood guarantee, or provided security to any other entity during the year, and hence reporting under clause (iii) (f) is not applicable to the Company.

(iv) According to information and explanation given to us, the Company has not grantedany loans, made investments or provided guarantees or securities that are coveredunder the provisions of sections 185 or 186 of the Companies Act, 2013, and hence reporting under clause (iv) of the Order is not applicable.

(v) The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause (v) of the Order is not applicable.

(vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the books of account maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended, prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained by the Company. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurateor complete.

(vii) In respect of statutory dues:

(a) Undisputed statutory dues, including Goods and Service tax, Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, duty of Custom, duty of Excise, Value Added Tax, cess and other material statutory dues applicable to the Company have generally been regularly deposited by it with the appropriate authorities

There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Income-tax, Sales Tax, Service Tax, duty of Customs, duty of Excise, Value Added Tax, cess and other material statutory dues in arrears as at March 31, 2022 for a period of more than six months from the date they became payable.

(b) Details of statutory dues referred to in sub-clause (a) above which have not beendeposited as on March 31, 2022 on account of disputes are given below:

Name of Statute	Nature of Dues	Forum Pending	Period to which the Amount Relates	Amount involved (Rs. in lakhs)	Amount Unpaid (Rs. in lakhs)
Income Tax, Act 1961	Income tax	Commissioner of Income Tax (Appeals)	F.Y 2015-16	386.85	31,0.82

(viii) There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.

(ix) (a) In our opinion, the Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.

(ix) (b) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.

(ix) (c) To the best of our knowledge and belief, in our opinion, term loans availed by the Company were, applied by the Company during the year for the purposes for whichthe loans were obtained.

(ix) (d) According to information and explanation given to us, Company has not raised funds on short term basis during the year so reporting under this clause is not applicable to the company.

(ix) e) On an overall examination of the financial statements of the Company, the Companyhas not taken any funds from any entity or person on account of or to meet the obligation of the subsidiaries.

(ix) (f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries or joint ventures.

(x) (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause(x)(a) of the Order is not applicable.

(x) (b) During the year the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause (x)(b) of the Order is not applicable to the Company.

(xi) (a) To the best of our knowledge, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

(xi) (b) To the best of our knowledge, no report under sub-section (12) of section 143 of theCompanies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.

(xi) (c) As represented to us by the Management, there were no whistle blower complaints received by the Company during the year (and upto the date of this report).

(xi) (f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries.

(xii) (a) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.

(xiii) In our opinion, the Company is in compliance with section 188 of the Companies Act for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards. The Company is a private company and hence the provisions of Section 177 of the Companies Act, 2013 are not applicable to the Company.

(xiv)(a) In our opinion, the Company has an adequate internal audit system commensurate with the size and the nature of its business.

(xiv) (b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.

(xv) In our opinion, during the year, the Company has not entered into any non-cash transactions with any of its directors or directors of its holding company or persons connected with such directors and hence provisions of section 192 of the CompaniesAct, 2013 are not applicable to the Company.

(xvi)(a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause (xvi)(a), (b) and (c) of the Order is not applicable.

(xvi) (d) The Group has more than one CIC as part of the group. There were six CIC forming part of the group as at March 31, 2022, of which three have merged with Mahindra & Mahindra Limited effective April 29, 2022 with appointed date of April 1, 2021, till the date of this report

(xvii) The Company has not incurred cash losses during the financial year covered by ouraudit and the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors of the Company during the year.

(xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) The Company has, at aggregate level, net losses during the immediately preceding three financial years and hence it is not required to spend any money under subsection (5) of section 135 of the Act. Accordingly, reporting under clauses (xx) (a) and (b) of the Order are not applicable to the Company for the year.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/ W-100018)

Mehul Parekh
(Partner)(Membership No. 121513)
(UDIN: 22121513AJDPGR6785)

Place: Mumbai
Date: 17th May, 2022

BALANCE SHEET AS AT 31ST MARCH 2022

Rupees (In Lakhs)

	Particulars	Note No.	As at 31st March 2022	As at 31st March 2021 (Restated)*	As at 01 April 2020 (Restated)*
I	**ASSETS**				
1	**NON-CURRENT ASSETS**				
	(a) Property, Plant and Equipment	4	2,24,353.94	1,21,562.02	1,28,419.73
	(b) Right of Use - Land	4A	**6,098.61**	6,365.70	6,632.80
	(c) Capital Work-in-Progress	4B	**–**	84,070.14	10,539.14
	(d) Financial Assets				
	(i) Investments	5	**15,440.31**	14,366.95	7,945.50
	(ii) Loans	6	**–**	1,000.00	1,425.00
	(iii) Other Financial Assets	10	**12,304.21**	9.03	12.49
	(e) Non Current Tax Assets (Net)		**241.08**	138.86	151.46
	(f) Deferred Tax Assets (Net)	7	**–**	699.16	–
	(g) Other Non-current Assets	11	**712.94**	917.12	866.83
	SUB-TOTAL		**2,59,151.08**	**2,29,128.98**	**1,55,992.95**
2	**CURRENT ASSETS**				
	(a) Financial Assets				
	(i) Trade Receivables	8	**1,043.47**	**1,375.39**	3.74
	(ii) Cash and Cash Equivalents	9	**6,378.29**	**1,193.85**	14,329.16
	(iii) Other Bank Balances	9	**2,456.12**	**2,456.12**	–
	(iv) Other Financial Assets	10	**3,810.91**	**1,477.94**	1,343.57
	(b) Other Current Assets	11	**106.58**	**1,111.76**	26.11
	SUB-TOTAL		**13,795.37**	17,615.07	15,702.58
	Non-Current Assets Classified as Held for Sale		**–**	–	14,026.55
	TOTAL ASSETS		**2,72,946.45**	**2,46,744.05**	**1,85,722.08**
II	**EQUITY AND LIABILITIES**				
1	**EQUITY**				
	(a) Equity Share Capital	12	**32,152.46**	32,152.46	32,152.46
	(b) Other Equity	12	**7,517.81**	4,593.45	2,570.65
	SUB-TOTAL		**39,670.27**	36,745.91	34,723.11
	LIABILITIES				
2	**NON-CURRENT LIABILITIES**				
	(a) Financial Liabilities				
	(i) Borrowings	13	**2,00,196.23**	1,66,438.12	89,601.86
	(ii) Lease Liability	13A	**6,152.46**	6,331.50	6,497.92
	(iii) Other Financial Liabilities	15	**3,534.39**	6,855.03	630.40
	(b) Deferred Tax Liabilities (Net)		**284.48**	–	740.21
	(c) Other Non-current Liabilities	17	**11,433.23**	–	**–**
	SUB-TOTAL		**2,21,600.79**	1,79,624.65	97,470.39
3	**CURRENT LIABILITIES**				
	(a) Financial Liabilities				
	(i) Borrowings	14	**4,587.08**	2,860.97	9,713.88
	(ii) Lease Liability	13A	**179.04**	166.42	154.69
	(iii) Trade Payables	15			
	- Total outstanding dues of micro and small enterprises and		**–**	–	–
	- Total outstanding dues of creditors other than micro and small enterprises		**633.48**	406.09	926.97
	(IV) Other Financial Liabilities	16	**5,619.02**	26,786.79	42,412.85
	(b) Other Current Liabilities	17	**656.77**	153.22	320.19
	SUB-TOTAL		**11,675.39**	30,373.49	53,528.58
	TOTAL EQUITY AND LIABILITIES		**2,72,946.45**	**2,46,744.05**	**1,85,722.08**

* See Note no 26 for details regarding restatement

The accompanying notes 1 to 36 are an integral part of the Financial Statements

In terms of our report attached.

For Deloitte Haskins & Sells LLP
Chartered Accountants

Mehul Parekh
Partner

Place: Mumbai
Date: 17th May, 2022

For and on behalf of the Board of Directors

Basant Jain
Director
DIN : 00220395

Rakesh Singh
Director
DIN: 07319353

Avinash Bapat
Chief Financial Officer

Mandar Joshi
Company Secretary

STATEMENT OF PROFIT AND LOSS FOR YEAR ENDED 31ST MARCH 2022

Rupees (In Lakhs)

	Particulars	Note No.	Year ended 31st March, 2022	Year ended 31st March, 2021 (Restated)*
	Continuining Operations			
I	Revenue from operations	18	**29,421.27**	15,369.51
II	Other Income	19	**806.47**	351.96
III	**Total Revenue (I + II)**		**30,227.74**	**15,721.47**
IV	**Expenses**			
	(a) Finance costs	20	**14,807.39**	10,958.85
	(b) Depreciation and amortisation expense	21	**8,309.76**	7,138.01
	(c) Other expenses	21 A	**3,202.60**	1,883.99
	Total Expenses		**26,319.75**	**19,980.84**
V	**(Loss)/Profit before exceptional items (III - IV)**		**3,907.99**	(4,259.38)
	Add: Exceptional Gain			4,842.81
VI	**Profit/(Loss) after exceptional items**		**3,907.99**	583.43
VII	**Profit/(Loss) before tax**		**3,907.99**	583.43
VIII	**Tax Expense**	7		
	(a) Current tax		**–**	–
	(b) Deferred tax		**983.64**	(138.61)
	(c) Deferred Tax charged relating to earlier years		**–**	(1,300.76)
	Total tax expense		**983.64**	**(1,439.37)**
IX	**Profit/(Loss) after tax (VII -VIII)**		**2,924.35**	2,022.80
X	**Other comprehensive income**			
	(a) (i) Items that will not be reclassified to profit or loss		**–**	–
	(ii) Income tax relating to items that will not be reclassified to profit or loss		**–**	–
	(b) (i) Items that may be reclassified to profit or loss		**–**	–
	(ii) Income tax on items that may be reclassified to profit or loss		**–**	–
XI	**Total comprehensive income for the year (IX+ X)**		**2,924.35**	**2,022.80**
XII	**Earnings per equity share:**			
	(a) Basic	22	**0.91**	0.63
	(b) Diluted	22	**0.91**	0.63

* See Note no 26 for details regarding restatement

The accompanying notes 1 to 36 are an integral part of the Financial Statements

In terms of our report attached.

For Deloitte Haskins & Sells LLP
Chartered Accountants

Mehul Parekh
Partner

Place: Mumbai
Date: 17th May, 2022

For and on behalf of the Board of Directors

Basant Jain
Director
DIN : 00220395

Rakesh Singh
Director
DIN: 07319353

Avinash Bapat
Chief Financial Officer

Mandar Joshi
Company Secretary

Place: Mumbai
Date: 17th May, 2022

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH 2022

Rupees (In Lakhs)

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021 (Restated)*
Cash flows from operating activities		
Profit before tax for the year	**3,907.99**	583.43
Adjustments for:		
Finance costs	**14,807.39**	10,958.70
Interest Income	**(806.47)**	(351.96)
Net loss on foreign currency transactions	**186.38**	–
Gain on disposal of a subsidiary (Exceptional Gain)	**–**	(4,842.81)
Depreciation and amortisation expense	**8,309.76**	7,138.01
Operating profit before working capital changes	**22,497.06**	12,901.95
Changes of (increase)/decrease in working capital:		
Trade and other receivables	**331.92**	(1,371.65)
Other financial assets	**(14,608.79)**	(141.48)
Other assets	**1,005.18**	(1,085.94)
Trade payable & other liabilities	**12,271.18**	(20,678.66)
Cash generated from operations	**(1,000.50)**	(23,277.73)
Income taxes paid/(refund)	**(102.21)**	12.59
Net cash flow generated from/ (used in) operating activities	**25,302.34**	(9,779.76)
Cash flows from investing activities		
Sale of Non Current Investments	**–**	12,447.91
Loan repaid by Subsidiaries	**1,000.00**	425.00
Investment in equity instruments	**(1,073.35)**	–
Changes in earmarked balances and margin account with banks	**–**	(2,456.12)
Interest received	**787.11**	362.52
Payments for property, plant and equipment	**(33,958.61)**	(33,174.18)
Net cash flow used in investing activities	**(33,244.86)**	(22,394.87)
Cash flows from financing activities		
Proceeds from long term borrowings	**23,725.81**	53,884.38
Repayment of long term borrowings	**(6,245.51)**	(21,512.79)
Proceeds from subordinate debt	**65.00**	27,476.00
Repayment of subordinate debt	**(1,000.00)**	(14,800.00)
Proceeds from inter corporate deposit	**700.00**	14,081.00
Repayment of inter corporate deposit	**(700.00)**	(19,680.60)
Lease liability paid	**(637.20)**	(637.20)
Interest paid	**(12,781.15)**	(9,771.46)
Net cash flow generated from financing activities	**3,126.96**	29,039.32
Net increase/ (decrease) in cash and cash equivalents	**(4,815.56)**	(3,135.31)
Cash and cash equivalents at the beginning of the year	**11,193.85**	14,329.16
Cash and cash equivalents at the end of the year	**6,378.29**	**11,193.85**

* See Note no 26 for details regarding restatement

The accompanying notes 1 to 36 are an integral part of the Financial Statements

In terms of our report attached.

For Deloitte Haskins & Sells LLP
Chartered Accountants

Mehul Parekh
Partner

Place: Mumbai
Date: 17th May, 2022

For and on behalf of the Board of Directors

Basant Jain
Director
DIN : 00220395

Rakesh Singh
Director
DIN: 07319353

Avinash Bapat
Chief Financial Officer

Mandar Joshi
Company Secretary

Place: Mumbai
Date: 17th May, 2022

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2022

A. Equity Share Capital

(i) Current reporting period

Rupees (In Lakhs)

Balance at the beginning of the current reporting period	Changes in Equity Share Capital during current year	Balance at the end of the current reporting period
32,152.46	–	32,152.46

(ii) Previous year reporting period

Rupees (In Lakhs)

Balance at the beginning of the previous reporting period	Changes in Equity Share Capital during previous year	Balance at the end of the previous reporting period
32,152.46	–	32,152.46

B. Other Equity

(1) Current reporting period

Rupees (In Lakhs)

	Share application money pending allotment	Reserves and Surplus		Total
		Securities Premium	Retained Earnings	
Balance at the beginning of the current reporting period	–	4,395.61	197.84	4,593.45
Total Comprehensive Income for the current year	–		2,924.35	2,924.35
Balance at the end of the current reporting period	**–**	**4,395.61**	**3,122.19**	**7,517.80**

(ii) Previous year reporting period

Rupees (In Lakhs)

	Share application money pending allotment	Reserves and Surplus		Total
		Securities Premium	Retained Earnings (Restated)	
Balance at the beginning of the previous reporting period	–	4,395.61	(1,824.96)	2,570.65
Total Comprehensive Income for the previous year	–	–	2,022.80	2,022.80
Balance at the end of the previous reporting period	**–**	**4,395.61**	**197.84**	**4,593.45**

* See Note no 26 for details regarding restatement

The accompanying notes 1 to 36 are an integral part of the Financial Statements

In terms of our report attached.

For Deloitte Haskins & Sells LLP
Chartered Accountants

Mehul Parekh
Partner

Place: Mumbai
Date: 17th May, 2022

For and on behalf of the Board of Directors

Basant Jain
Director
DIN : 00220395

Rakesh Singh
Director
DIN: 07319353

Avinash Bapat
Chief Financial Officer

Mandar Joshi
Company Secretary

Place: Mumbai
Date: 17th May, 2022

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

1. **Nature of Operations**

Mahindra Renewables Private Limited ('the Company') is a company limited by shares, incorporated and domiciled in India and is a subsidiary of Mahindra Susten Private Limited. The Company is engaged in the business as a producer and distributor of solar power by using solar cells, photo voltaic cells, wafers, photo voltaic solar modules, photo voltaic solar system/sub system, tracker or fixed tilt, concentrated solar power and to provide related services.

Statement of compliance

The accompanying financial statements have been prepared in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) (Amendment) Rules, 2016 notified under Section 133 of the Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

The Company is exempt from preparing a consolidated financial statement (CFS)

a) being a wholly owned intermediate subsidiary;

b) not listed on any stock exchange and;

as its ultimate holding company files CFS with the Registrar of Companies which are in compliance with applicable accounting standards.

2. **Significant Accounting Policies and Accounting Judgments and Estimates**

A. Basis of Preparation of Financial Statements

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable to the Financial statements

The financial statements have been prepared on a historical cost basis, except for Certain financial assets and liabilities measured at fair value

B. Use of estimates and judgments

The preparation of the financial statements in accordance with Ind AS requires use of judgements, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognised prospectively.

Assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending 31 March 2022 are as follows:

(i) Recoverability of deferred tax assets :

In determining the recoverability of deferred income tax assets, the Company primarily considers current and expected profitability of applicable operating business segments and their ability to utilise any recorded tax assets. The Company reviews its deferred income tax assets at every reporting year/ period end, taking into consideration the availability of sufficient current and projected taxable profits, reversals of taxable temporary differences and tax planning strategies.

(ii) Impairment losses on financial assets :

The Company reviews its financial assets to assess impairment at regular intervals. The Company's credit risk is primarily attributable to its financial assets. In determining whether impairment losses should be reported in the standalone statement of profit and loss, the Company makes judgments as to whether there is any observable data indicating that there is a measurable decrease in the estimated future cash flows. Accordingly, an allowance for expected credit loss is made where there is an identified loss event or condition which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows

(iii) Estimation of provisions and contingencies :

Provisions are liabilities of uncertain amount or timing recognised where a legal or constructive obligation exists at the balance sheet date, as a result of a past event, where the amount of the obligation can be reliably estimated and where the outflow of economic benefit is probable. Contingent liabilities are possible obligations that may arise from past event whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events which are not fully within the control of the Company. The Company exercises judgement and estimates in recognizing the provisions and assessing the exposure to contingent liabilities relating to pending litigations. Judgement is necessary in assessing the likelihood of the success of the pending claim and to quantify the possible range of financial settlement. Due to this inherent uncertainty in the evaluation process, actual losses may be different from originally estimated provision.

C. Other Significant Accounting Policies:

a) Current versus Non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets or liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

b) Financial Assets and Financial Liabilities

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

(i) Financial assets

All financial assets by regular way of purchases or sales are recognised and derecognised on a trade date basis. Regular way of purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured at either amortised cost or fair value, depending on the classification of the financial assets

Classification of financial assets

Instruments that meet the following conditions are subsequently measured at amortised cost (except for that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a assets and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the assets, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for instruments other than those financial assets classified as at FVTPL. Interest income is recognised in profit or loss and is included in the “Other income” line item.

Financial assets at fair value through profit or loss (FVTPL)

Investments in debt/equity instruments are classified as at FVTPL, unless the Company irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the ‘Other income’ line item. Dividend on financial assets at FVTPL is recognised when the Company’s right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

Impairment of financial assets

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, debt instruments at FVTOCI, lease receivables, trade receivables, and other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights for each category of receivable. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract/agreement and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Company estimates cash flows by considering all contractual/agreed terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument.

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. 12-month expected credit losses are portion of the life-time expected credit losses and represent the lifetime cash shortfalls that will result if default occurs within the 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.

If the Company measured loss allowance for a financial instrument at lifetime expected credit loss model in the previous period, but determines at the end of a reporting period that the credit risk has not increased significantly since initial recognition due to improvement in credit quality as compared to the previous period, the Company again measures the loss allowance based on 12-month expected credit losses.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Company uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

For investments, company reviews its carrying value of investments carried at cost annually, or more frequently when there is indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted in the statement of profit and loss.

Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of that financial asset to another party.

On derecognition of a financial asset in its entirety, the difference between the asset’s carrying amount and the sum of the consideration received and receivable is recognised in profit or loss, if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on re-measurement recognised in profit or loss.

Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and/or payable is recognised in profit or loss.

Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments and are recognised in profit or loss.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in profit or loss.

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and/or payable is recognised in profit or loss.

Derivative financial instruments

The Company enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including foreign exchange forward contracts, interest rate swaps and cross currency swaps.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedging relationship and the nature of the hedged item.

c) Property plant and equipment and Intangible Assets:

(i) Property plant and equipment:

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Company's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Freehold land is stated at the cost of acquisition and is not depreciated.

Depreciation on tangible assets in respect of assets awarded in a competitive bid have been depreciated based on the useful lives of the assets on a straight line method.
Estimated useful life of the assets considered is 25 years and residual value is considered at 5% of the original cost of the assets

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds (net of expenses incurred in connection with the sale) and the carrying amount of the asset and is recognised in profit or loss

(ii) Capital work in progress and Capital advances:

Assets under construction includes the cost of property, plant and equipment that are not ready to use at the balance sheet date. Advances paid to acquire property, plant and equipment before the balance sheet date are disclosed under other non-current assets. Assets under construction are not depreciated as these assets are not yet available for use.

(iii) Intangible Assets:

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives.

The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

Internally-generated intangible assets

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

(iv) Impairment:

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use.
In assessing value in use, the Company makes a reasonable estimate of the value in use.

When an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

d) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

e) Foreign Exchange Transactions:

Initial Recognition

All transactions that are not denominated in the Company's functional currency are foreign currency transactions. These transactions are initially recorded in the functional currency by applying the appropriate daily rate which best approximates the actual rate of the transaction. Exchange differences arising on foreign exchange transactions settled during the year are recognised in the standalone statement of profit and loss.

Measurement of foreign currency items at the reporting date

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Nonmonetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Exchange differences are recognised in the standalone statement of profit and loss

f) Fair value measurement

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

g) Hedge accounting

The Company designates certain hedging instruments, which include derivatives, and non-derivatives in respect of foreign currency risk, as either fair value hedges, or cash flow hedges. Hedges of foreign exchange risk on firm commitments are accounted for as cash flow hedges.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

under the heading of cash flow hedging reserve. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss

Changes in fair value of the designated portion of derivatives that qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. The change in the fair value of the designated portion of hedging instrument and the change in the hedged item attributable to the hedged risk are recognised in profit or loss in the line item relating to the hedged item.

h) Segment information

Operating segments are reported in a manner consistent with internal reporting provided to the Chief Operating Decision Maker (CODM) of the Company. The CODM is responsible for allocating resources and assessing performances of the operating segments of the Company. The Company operates only in one segment viz. sale of solar energy.

i) Investments

Investments in subsidiary

Investments in equity shares of subsidiaries are recorded at cost and reviewed for impairment at each reporting date. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries, the difference between net disposal proceeds and the carrying amounts are recognized in Statement of Profit and Loss.

Investments that are readily realisable and intended to be held for not more than a year from the date of acquisition are classified as current investments. All other investments are classified as long-term investments. Any reductions in the carrying amount and any reversals of such reductions are charged or credited to the standalone statement of profit and loss. Cost of investments include acquisition charges such as brokerage, fees and duties.

Investment in joint ventures

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The considerations made in determining whether significant influence or joint control are similar to those necessary to determine control over the subsidiaries.

j) Leases:

As per Ind As 116 at inception of contract, the Company assesses whether the Contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. At inception or on reassessment of a contract that contains a lease component, the Company allocates consideration in the contract to each lease component on the basis of their relative standalone price.

As a lessee:

i) Right-of-use assets:

The Company recognises right-of-use assets at the commencement date of the lease. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, lease payments made at or before the commencement date less any lease incentives received and estimate of costs to dismantle. Right of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets. The Company presents right-to-use assets that do not meet the definition of investment property in 'Property, plant and equipment'.

ii) Lease liabilities:

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. In calculating the present value of lease payments, the Company generally uses its incremental borrowing rate at the lease commencement date if the discount rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. The carrying amount is remeasured when there is a change in future lease payments arising from a change in index or rate. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset. The Company presents lease liabilities under financial liabilities in the Balance Sheet.

iii) Short term leases and leases of low value of assets:

The Company applies the short-term lease recognition exemption to its short-term leases. It also applies the lease of lowvalue assets recognition exemption that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

As a lessor:

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned. Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

k) Taxes on Income:

Income tax comprises current and deferred tax. It is recognised in the standalone statement of profit and loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income.

On 30th March 2019, MCA has issued amendment regarding the income tax Uncertainty over Income Tax Treatments. The notification clarifies the recognition and measurement requirements when there is uncertainty over income tax treatments. In assessing the uncertainty, an entity shall consider whether it is probable that a taxation authority will accept the uncertain tax treatment. This notification is effective for annual reporting periods beginning on or after April 1, 2019. As per the Company's assessment, there are no material uncertainties over income tax treatments.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using applicable tax rates (and tax laws) enacted or substantially enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Minimum Alternative Tax ('MAT')

Minimum Alternative Tax ('MAT') under the provisions of the Income-tax Act, 1961 is recognised as current tax in the standalone statement of profit and loss. The credit available under the Act in respect of MAT paid is recognised as a deferred tax asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the period for which the MAT credit can be carried forward for set-off against the normal tax liability. MAT credit recognised as an deferred tax asset is reviewed at each balance sheet date and written down to the extent the aforesaid convincing evidence no longer exists.
However, company has opted for New tax regime as per section 115BAC from Financial Year 2019-20, where in company is no longer required to pay tax under MAT.

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits.

Deferred tax is not recognised for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;
- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Company recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets – unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the year/period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

l) Provisions and Contingent Liabilities :

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost. Expected future operating losses are not provided for.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources embodying economic benefits or the amount of such obligation cannot be measured reliably. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources embodying economic benefits is remote, no provision or disclosure is made.

A contingent asset is disclosed where an inflow of economic benefits is probable.

m) Cash and Cash Equivalents

Cash and cash equivalents for the purpose of Cash Flow Statements include cash in hand, demand deposits with banks, other short-term highly liquid investments with original maturities of three months or less.

n) Government Grant

Government grants are recognised where there is reasonable assurance that the grant will be received and allattached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on asystematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. Whenthe grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the relatedasset and are presented in the balance sheet by setting up the grant as deferred income. Such grant is not reduced from the value of assets.

When the Company receives grants of non-monetary assets, the asset and the grant are recorded at fair value amountsand released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset i.e. by equal annual instalments. When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as a government grant. The loan or assistance is initially recognised and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

o) Earnings Per Share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period and,

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

Diluted earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period adjusted for the effects of dilutive options.

p) Revenue Recognition:

The Company has adopted Ind AS 115, Revenue from Contracts with Customers, with effect from 1 April 2018. The Company has applied the following accounting policy for revenue recognition:

Revenue from contracts with customers:

The Company recognises revenue from contracts with customers based on a five step model as set out in Ind AS 115:

Step 1. Identify the contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2. Identify the performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer

Step 3. Determine the transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4. Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company will allocate the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

Step 5. Recognise revenue when (or as) the entity satisfies a performance obligation

The Company satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

- The customer simultaneously receives and consumes the benefits provided by the Company's performance as the Company performs; or
- The Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- The Company's performance does not create an asset with an alternative use to the Company and the entity has an enforceable right to payment for performance completed to date

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes and duty. The Company assesses its revenue arrangements against specific criteria to determine if it is acting as principal or agent. The Company has concluded that it is acting as a principal in all of its revenue arrangements

The accounting policies for the specific revenue streams of the Company is:

Sales of Power & Verified Carbon Credit Units:

An entity shall recognise revenue when (or as) the entity satisfies a performance obligation by transferring a promised good or service (ie an asset) to a customer. An asset is transferred when (or as) the customer obtains control of that asset.

q) Events after reporting date

Where events occurring after the balance sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted with the standalone financial statements. Otherwise, events after the balance sheet date of material size or nature are only disclosed.

r) Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest crores as per the requirement of Schedule III, unless otherwise stated.

Recent Accounting Pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1st, 2022, as below:

Ind AS 16 – Proceeds before intended use

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. An entity will not recognize such sales proceeds and related cost in profit or loss, but deduct the cost from the directly attributable costs considered as part of cost of an item of property, plant, and equipment. The Company does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract

The amendments specify that that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 103 – Reference to Conceptual Framework

The amendments specifiy that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 109 – Annual Improvements to Ind AS (2021)

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact in its financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

Note No. 4 - Property, Plant and Equipment

Rupees (In Lakhs)

Description of Assets	Land- Freehold	Plant and Equipment	Total
I. Gross Carrying Amount			
Balance as at 1st April, 2021	4,661.68	1,30,117.18	1,34,778.86
Additions during the year	1,651.50	1,09,183.09	1,10,834.58
Balance as at 31st March, 2022	**6,313.17**	**2,39,300.27**	**2,45,613.44**
II. Accumulated depreciation			
Balance as at 1st April, 2021	–	13,216.84	13,216.84
Depreciation expense for the year	–	8,042.67	8,042.67
Balance as at 31st March, 2022	**–**	**21,259.50**	**21,259.50**
III. Net carrying amount (I-II)	**6,313.17**	**2,18,040.76**	**2,24,353.94**

Rupees (In Lakhs)

Description of Assets	Land- Freehold	Plant and Equipment	Total
I. Gross Carrying Amount			
Balance as at 1st April, 2020	4,648.48	1,30,117.18	1,34,765.65
Additions during the year	13.20	–	13.20
Balance as at 31st March, 2021	**4,661.68**	**1,30,117.18**	**1,34,778.86**
II. Accumulated depreciation			
Balance as at 1 April, 2020	–	6,345.92	6,345.92
Depreciation expense for the year	–	6,870.92	6,870.92
Balance as at 31st March, 2021	**–**	**13,216.84**	**13,216.84**
III. Net carrying amount (I-II)	**4,661.68**	**1,16,900.34**	**1,21,562.02**

Note No. 4 A - Right of Use (ROU) - Land

Rupees (In Lakhs)

Description of Assets	ROU - Land	Total
I. Gross Carrying Amount		
Balance as at 1st April, 2021	6,677.31	6,677.31
Additions during the year		
Balance as at 31st March, 2022	**6,677.31**	6,677.31
II. Accumulated depreciation		
Balance as at 1st April, 2021	311.61	311.61
Depreciation expense for the year	267.09	267.09
Balance as at 31st March, 2022	**578.70**	578.70
III. Net carrying amount (I-II)	**6,098.61**	6,098.61

Rupees (In Lakhs)

Description of Assets	ROU - Land	Total
I. Gross Carrying Amount		
Balance as at 1st April, 2020	6,677.31	6,677.31
Additions during the year		–
Balance as at 31st March, 2022	**6,677.31**	6,677.31
II. Accumulated depreciation		–
Balance as at 1st April, 2021	44.52	44.52
Depreciation expense for the year	267.09	267.09
Balance as at 31st March, 2022	**311.61**	311.61
III. Net carrying amount (I-II)	**6,365.70**	6,365.70

Note:

(1) Freehold land and plant and equipment have been charged against the borrowings. (Refer note no. 13 Non Current Borrowings).

(2) The title deeds of immovable properties included in Property, Plant and Equipment are held in the name of the Company.

(3) During the year ended 31st March, 2022, the Company has reassessed the balance useful lives, residual values and the manner in which the economic benefit is being derived from property, plant and equipment.

The effect of changes in estimates of useful lives, residual values and pattern of consumption of economic benefits of property, plan and equipment.

Rupees (In Lakhs)

Financial Year	(Decrease)/Increase in Depreciation expenses
2021-22	(2,084.88)
2022-23	(2,084.88)
2023-24	(2,084.88)
2024-25	(2,084.88)
2025-26	(2,084.88)
Later Years	16,923.64

Note No. 4-B - Capital Work-in-Progress

CWIP Ageing Schedule

Rupees (In Lakhs)

CWIP	Amount in CWIP for a 31st March, 2022				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Project in progress	–	–	–	–	

CWIP Ageing Schedule

Rupees (In Lakhs)

CWIP	Amount in CWIP for a 31st March, 2021				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
ISTS 250 MW Plant	73,531.00	10,438.01	101.13	–	84,070.14

CWIP Ageing Schedule

Rupees (In Lakhs)

CWIP	Amount in CWIP for a 31st March, 2020				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
ISTS 250 MW Plant	10,438.01	101.13	–	–	10,539.14

Note:

1) There has been no over due in completion of capital work in progess or any exceed in capital work in progress cost compared to its original plan during the reporting period.

2) There has been no temporary suspension of any activity during the reporting period.

Note No. 5 - Investments

Rupees (In Lakhs)

Particular	As at 31st March, 2022		As at 31st March, 2021 (Restated)		As at 01st April, 2020 (Restated)	
	QTY	Amounts	QTY	Amounts	QTY	Amounts
A. Investment in equity instrument measured at cost less impairments, if any Unquoted Investments (fully paid up)						
Subsidiaries	2,73,28,600	15,440.31	1,78,04,600	13,332.22	84,89,600	6,910.77
Joint Venture	–	–	48,57,240	1,034.73	48,57,240	1,034.73
Total	**2,73,28,600**	**15,440.31**	**2,26,61,840**	**14,366.95**	**1,33,46,840**	**7,945.50**
List of entities Subsidiaries						
1. Astra Solren Private Limited	84,89,600	6,910.77	84,89,600	6,910.77	84,89,600	6,910.77
2. Neo Solren Private Limited	93,15,000	6,421.45	93,15,000	6,421.45		
3. Brightsolar Renewable Energy Pvt.Ltd	95,24,000	2,108.08				

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

Rupees (In Lakhs)

Particular	As at 31st March, 2022		As at 31st March, 2021 (Restated)		As at 01st April, 2020 (Restated)	
	QTY	Amounts	QTY	Amounts	QTY	Amounts
Joint Venture						
1. Brightsolar Renewable Energy Pvt.Ltd	–	–	48,57,240	1,034.73	48,57,240	1,034.73

Note :
Company has pledged 30% of its Equity shares held in Astra Solren Private Limited, Neo Solren Private Limited & Bright Renewable Energy Private Limited as collateral for the respective project lenders as per Loan financing documents for FY 2021-22 and FY 2020-21.

Note No. 6 - Loans

Rupees (In Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021 (Restated)	As at 31st March, 2020 (Restated)
a) Loans to related parties			
- Unsecured, considered good	–	1,000.00	1,425.00
	–	1,000.00	1,425.00

Note:

1. The Company has granted suboridnated debt of Nil (31 March 21:Rs. 1,000 @ 11% p.a & 01 April 2020:Rs. 1,425 @ 11% p.a) to Astra Solren Private Limited. This loans are subordinated to bank borrowings taken by Astra Solren Private Limited and are to be repaid after repayment of bank borrowings. Disclosure given above as per requirement of section 186(4) of the Companies Act, 2013.
2. Refer Note no 32(c).

Note No. 7 - Current Tax and Deferred Tax

Rupees (In Lakhs)

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021 (Restated)
Deferred Tax:		
In respect of current year	**983.64**	(138.59)
In respect of prior years	**–**	(1,300.77)
Total income tax expense on continuing operations	**983.64**	(1,439.37)

(b) Reconciliation of income tax expense and the accounting profit multiplied by Company's domestic tax rate:

Rupees (In Lakhs)

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021 (Restated)
Profit before tax from continuing operations	**3,907.99**	583.44
Income tax expense calculated at 25.17%	**983.64**	146.85
Reduction/increase in tax rate	**–**	–
Effect of expenses that is non-deductible in determining taxable profit	**–**	(285.44)
Effect of recogniation of deffered tax assets of previous years	**–**	(1,300.77)
Income tax expense recognised In profit and loss statement	**983.64**	(1,439.37)

(c) Movement in deferred tax balances

Rupees (In Lakhs)

As at 31st March, 2022

Particulars	Opening Balance	Recognised in profit and Loss	Closing Balance
Tax effect of items constituting deferred tax liabilities			
Property, Plant and Equipment	**18,034.20**	**13,486.65**	**31,520.85**
Safe Guard Duty Income	**–**	**228.06**	**228.06**
	18,034.20	**13,714.71**	**31,748.91**
Tax effect of items constituting deferred tax assets			
Unwinding of Financial Liability	**33.28**	**25.34**	**58.62**
Carry forward Tax Losses	**18,700.08**	**12,705.73**	**31,405.81**
	18,733.36	**12,731.07**	**31,464.43**
Net Deferred Tax (Asset)/ Liabilities	**(699.16)**	**983.64**	**284.48**

Rupees (In Lakhs)

As at 31st March, 2021 (Restated)

Particulars	Opening Balance	Recognised in profit and Loss	Closing Balance
Tax effect of items constituting deferred tax liabilities			
Property, Plant and Equipment	19,484.62	(1,450.42)	18,034.20
	19,484.62	(1,450.42)	18,034.20
Tax effect of items constituting deferred tax assets			
Unwinding of Financial Liability	4.99	28.29	33.28
Carry forward Tax Losses	18,739.42	(39.34)	18,700.08
	18,744.41	(11.05)	18,733.36
Net Deferred Tax (Asset)/ Liabilities	**740.21**	**(1,439.37)**	**(699.16)**

Note No. 8 - Trade Receivables

Rupees (In Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021 (Restated)	As at 31st March, 2020 (Restated)
Trade receivables			
(a) Undisputed Trade receivables - considered good	**1,043.47**	1,375.39	3.74
Total Trade Receivables	**1,043.47**	1,375.39	3.74

Note:

All Trade receivable are charged against the borrowings. (Refer Note no. 13 Non-Current Borrowings).

Rupees (In Lakhs)

As at 31st March, 2022

Particulars	Not Due	Outstanding for following periods from due date of payment: Less than 6 months	6 months -1 year	1-2 Years	2-3 years	More than 3 years	Total
Undisputed Trade receivables — considered good	1,042.00	1.47	–	–	–	–	1,043.47

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

Rupees (In Lakhs)

As at 31st March, 2021

Particulars	Not Due	Outstanding for following periods from due date of payment: Less than 6 months	6 months -1 year	1-2 Years	2-3 years	More than 3 years	Total
Undisputed Trade receivables — considered good	1.96	1.78	–	–	–	–	3.74

Rupees (In Lakhs)

As at 1st April, 2020

Particulars	Not Due	Outstanding for following periods from due date of payment: Less than 6 months	6 months -1 year	1-2 Years	2-3 years	More than 3 years	Total
Undisputed Trade receivables — considered good	–	1.90	–	–	–	–	1.90

Note No. 9 - Cash and Cash Equivalents

Rupees (In Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021 (Restated)	As at 01st April, 2020 (Restated)
Cash and cash equivalents			
Balances with banks	**1,136.61**	5,962.21	14,329.16
Fixed Deposit with Maturity less than or Equal to 3 months	**5,241.68**	5,231.64	–
Total Cash and cash equivalents	**6,378.29**	1,193.85	14,329.16
Other Bank Balances			
Earmarked Balance with Bank - For Debt service Reserve Account	**2,456.12**	2,456.12	–
Total Other Bank balances	**2,456.12**	2,456.12	–

All Cash and cash equivlents are charged against the borrowings. (Refer Note no. 13 Non-Current Borrowings).

Note No. 10 - Other Financial Assets

Rupees (In Lakhs)

Particulars	As at 31st March, 2022 Current	As at 31st March, 2022 Non-Current	As at 31st March, 2021 (Restated) Current	As at 31st March, 2021 (Restated) Non-Current	As at 01st April, 2020 (Restated) Current	As at 01st April, 2020 (Restated) Non-Current
Financial assets at amortised cost						
a) Interest Accured on Fixed deposit	**31.47**	–	3.07	–	10.18	–
b) Interest Accured on loan to related party	–	–	–	9.03	–	12.49
c) Unbilled Revenue	**2,977.87**	–	1,474.87	–	1,333.39	–
d) SGD Receivable (Refer Note no 33)	**801.58**	**12,304.21**	–	–	–	–
Total Other Financial Assets	**3,810.91**	**12,304.21**	1,477.94	9.03	1,343.57	12.49

Note:
All other financial assets are charged against the borrowings. (Refer footnotes to note no. 13 Non Current Borrowings).

Note No. 11 - Other Assets

Rupees (In Lakhs)

Particulars	As at 31st March, 2022 Current	As at 31st March, 2022 Non-Current	As at 31st March, 2021 (Restated) Current	As at 31st March, 2021 (Restated) Non-Current	As at 01st April, 2020 (Restated) Current	As at 01st April, 2020 (Restated) Non-Current
(a) Capital advances						
(i) For Capital work in progress	**–**	**712.65**	–	916.83	–	866.83
(b) Advances other than capital advances						
(i) Balances with government authorities (other than income taxes)	**–**	**0.29**	–	0.29	0.29	–
(c) Other Assets						
(i) - Prepaid Expenses	**106.58**	**–**	1,111.76	–	25.79	–
(ii) - Advances to employees	**–**	**–**	–	–	0.03	–
Total Other Assets	**106.58**	**712.94**	1,111.76	917.12	26.11	866.83

Note:
All other assets are charged against the borrowings. (Refer Note no. 13 Non-Current Borrowings).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

Note No. 12 - Equity Share Capital

Rupees (In Lakhs)

Particulars	As at 31st March, 2022 No. of shares	As at 31st March, 2022 Share Capital	As at 31st March, 2021 (Restated) No. of shares	As at 31st March, 2021 (Restated) Share Capital	As at 01st April, 2020 (Restated) No. of shares	As at 01st April, 2020 (Restated) Share Capital
Authorised:						
Equity shares of Rs.10 each with voting rights	**40,00,00,000**	**40,000.00**	40,00,00,000	40,000.00	40,00,00,000	40,000.00
Issued, Subscribed and Fully Paid:						
Equity shares of ₹ Rs.10 each with voting rights	**32,16,30,000**	**32,163.00**	32,16,30,000	32,163.00	32,16,30,000	32,163.00
Total Equity share capital	**32,16,30,000.00**	**32,163.00**	32,16,30,000.00	32,163.00	32,16,30,000	32,163

Notes:

(i) Reconciliation of the number of shares outstanding at the beginning and at the end of the period.

Particulars		Opening Balance	Fresh Issue	Bonus	ESOP	Other Changes	Closing Balance
(a) Equity Shares with Voting rights*							
Year Ended 31st March, 2022							
	No. of Shares	32,16,30,000.00	–	–	–	–	32,16,30,000.00
	Amount in Rupees	32,163.00	–	–	–	–	32,163.00
Year Ended 31st March, 2021							
	No. of Shares	32,16,30,000.00	–	–	–	–	32,16,30,000.00
	Amount in Rupees	32,163.00	–	–	–	–	32,163.00
Year Ended 31st March, 2020							
	No. of Shares	32,16,30,000.00	–	–	–	–	32,16,30,000.00
	Amount in Rupees	32,163.00	–	–	–	–	32,163.00

(ii) Details of shares held by the holding company, the ultimate holding company, their subsidiaries and associates:

Particulars	No. of Shares: Equity Shares with Voting rights	Equity Shares with Differential Voting rights	Others
As at 31st March, 2022			
Mahindra Susten Private Limited	**32,16,30,000.00**	–	–
As at 31st March, 2021			
Mahindra Susten Private Limited	32,16,30,000.00	–	–
As at 31st March, 2020			
Mahindra Susten Private Limited	32,16,30,000.00	–	–

(iii) Details of shares held by each shareholder holding more than 5% shares:

Class of shares / Name of shareholder	As at 31st March, 2022 Number of shares held	As at 31st March, 2022 % holding in that class of shares	As at 31st March, 2021 Number of shares held	As at 31st March, 2021 % holding in that class of shares	As at 01st April, 2020 (Restated) Number of shares held	As at 01st April, 2020 (Restated) % holding in that class of shares
<u>**Equity shares with voting rights**</u>						
Mahindra Susten Private Limited*	**32,16,30,000.00**	**100%**	32,16,30,000.00	100%	32,16,30,000.00	100%

A company shall disclose Shareholding of Promoters* as under:

Shares held by promoters as at 31st March, 2022

Promoter name	No. of Shares	% of total shares	% Change during the year 31st March, 2022
Mahindra Susten Private Limited*	**32,16,30,000**	100%	–

Shares held by promoters as at 31st March, 2021

Promoter name	No. of Shares	% of total shares	% Change during the year 31st March, 2021
Mahindra Susten Private Limited*	32,16,30,000	100%	–

Shares held by promoters as at 1st April, 2020

Promoter name	No. of Shares	% of total shares	% Change during the year 1st April, 2020
Mahindra Susten Private Limited*	32,16,30,000.00	100%	–

* Note :- This includes 5000 equity share held as nominee by an individual on behalf of the holding company.

(Mahindra Renewables Private Limited jointly with Miss Brijbala Batwal - 5000 equity share)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

Rupees (In Lakhs)

Other Equity:	As at 31 March 2022	As at 31 March 2021 (Restated)	As at 01 April 2020 (Restated)
(i) Securities Premium	**4,395.61**	4,395.61	4,395.61
(ii) Retained Earnings	**3,122.19**	197.84	(1,824.96)
Total	**7,517.81**	**4,593.45**	**2,570.65**

Note:
Securities premium is used to record the excess of the amount received over the face value of the shares. This reserve will be utilised in accordance with the provisions of the Companies Act, 2013.

Note No. 13 - Non Current Borrowing

Rupees (In Lakhs)

Particulars	Interest Rate	Repayment Terms	As at 31st March, 2022	As at 31st March, 2021 (Restated	As at 01st April, 2020 (Restated)
Secured Borrowings					
Term loan from Bank	7.45% - 8.90%	Refer note no. 3 & 7	**1,13,230.25**	97,476.05	65,651.16
Buyer's credit arrangement in foreign curreny from bank	0.65% - 0.89%	Refer note no. 7	**49,474.28**	30,535.37	–
Total Secured Borrowings			**1,62,704.53**	**1,28,011.42**	**65,651.16**
Unsecured Borrowings					
(a) Subordinated Debt from Related party	11.50%	Refer note no. 9	**37,491.70**	38,426.70	23,950.70
Total Non-Current Borrowings			**37,491.70**	38,426.70	23,950.70
Total Non-Current Borrowings			**2,00,196.23**	1,66,438.12	89,601.86

Notes:

1. Mahindra Renewables Private Limited ("Company/Borrower") is in the business of development, designing, construction, financing, commissioning, operation and maintenance of a 250 MW AC Solar Photovoltaic (PV) Power Plant at Unit 1 of Rewa Ultra Mega Solar Park ("RUMS") located at Badwar Village, Tehsil – Gurh, Dist-Rewa, State-Madhya Pradesh, India **(the "REWA- Project")**. The entire electricity generated from REWA Project will be suppling to MP Power Management Company Limited ("MPPMCL") and Delhi Metro Rail Corporation Limited (DMRC) in accordance with the Power Purchase Agreement (PPAs) executed amongst Company, DMRC, Rewa Ultra Mega Solar Limited (RUMSL) and MPPMCL.

2. To part finance of the project of REWA-Project, the Company has availed INR denominated ECB aggregating upto INR 199.75 Cr from International Finance Corporation ("IFC") and Rupee Term Loan aggregating upto INR 727.75 Cr from Yes Bank Limited. Subsequently Yes Bank Limited has down sold their exposure of Rs.300 Cr to Aditya Birla Finance Limited and Rs.427.75 Cr to HDFC Bank Limited and subsequently HDFC Bank has down sold their part exposure of Rs.200.00 Cr to Bank of Maharashtra.

3. The door to door loan tenor is 20 years and applicable ROI for domestic loan is 1-year MCLR + Spread and applicable ROI for IFC loan is three-year rupee fixed base rate + Spread. The IFC loan will repaid in 73 structured quarterly installment starting from 15th Oct, 2019 and Domestic lenders loan will be repaid in 73 structured quarterly installment starting from 31st Dec, 2019.

4. The REWA Project loans obligations has been secured in favour of the Security Trustee acting for the benefit of the Senior Lenders until Final Settlement Date:

   i. first ranking pari passu mortgage on the entire immovable properties (both leasehold and freehold) of the Borrower, pertaining to the Project, both present and future

   ii. a first ranking pari passu charge by way of hypothecation/ mortgage on the entire movable properties of the Borrower, pertaining to the Project, both present and future, including movable plant and machinery, current assets, DSRA, intangible assets and all other movable properties and all the rights, title, interest, benefits, claims and demands whatsoever of the Borrower in project documents.

   iii. first ranking pari passu pledge over at least 143,000,000 (one hundred and forty three million) equity shares of the Borrower

   iv. first ranking pari passu pledge over all CCD's forming part of the Sponsor Subordinated Debt till the Final Settlement Date

   v. Assignment by way of security of all Insurance Contracts and Insurance Proceeds

5. Mahindra Renewables Private Limited ("Company/Borrower") is in the business of development, designing, construction, financing, commissioning, operation and maintenance of a 250 MW AC Solar Photovoltaic (PV) Power Plant at Village Bhivji ka gaon, Tehsil Baap, District Jodhpur, Rajasthan, India (the "SECI-ISTS-1- Project"). The entire electricity generated from SECI-ISTS-1- Project will be suppling to Solar Energy Corporation of India Limited ("SECI") in accordance with the Power Purchase Agreement (PPA) executed amongst Company and SECI.

6. To part finance of the project of SECI-ISTS-1- Project, the Company has availed sanctioned of Term Loan aggregating upto INR 400 Cr from Indusind Bank Limited, INR 250 Cr from HDFC Bank Limited and INR 250 Cr from Axis Bank Limited.

7. The HDFC and Indusind Bank, door to door loan tenor is 19.25 years and applicable ROI for RTL is 1-year MCLR of respective lenders + Spread and repayment over 75 quarterly instalments (last repayment on March 31, 2040) and Axis Bank door to door loan tenor is 15 years and applicable ROI for RTL is 1-year MCLR of respective lenders + Spread and 52 structured quarterly Installments starting from quarter ending September 2021 with a bullet payment of 38.40% in last quarter i.e. June 2034.

8. The SECI-ISTS-1- Project loans obligations has been secured in favour of the Security Trustee acting for the benefit of the Senior Lenders until Final Settlement Date:

   i. a first ranking pari passu mortgage on the entire immovable properties (both leasehold and freehold) of the Borrower, pertaining to the Project, both present and future;.

   ii first ranking pari passu charge by way of hypothecation/ mortgage on the entire movable properties of the Borrower, pertaining to the Project, both present and future, including movable plant and machinery, current assets, DSRA, intangible assets and all other movable properties and all the rights, title, interest, benefits, claims and demands whatsoever of the Borrower in project documents

   iii first ranking pari passu pledge over at least 51% equity shares of the Borrower

   iv first ranking pari passu pledge over all CCD's forming part of the Sponsor Subordinated Debt till the Final Settlement Date.

   v. Assignment by way of security of all Insurance Contracts and Insurance Proceeds.

9. The Company has availed an Subordinated debt from Mahindra Susten private limited (the holding Company) aggregating amounting upto INR 3,74.92 as on March 2022 ; wherein INR 144.26 as part of promoter contribution for Rewa project, INR 230.66 Cr as part of promoter contribution for SECI-ISTS-1. The amount will be repayable after repayment of bank borrowings.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

Note No. 13A- Lease Liability

Rupees (In Lakhs)

Particulars	As at 31st March, 2022 Current	As at 31st March, 2022 Non Current	As at 31st March, 2021 (Restated) Current	As at 31st March, 2021 (Restated) Non Current	As at 01st April, 2020 (Restated) Current	As at 01st April, 2020 (Restated) Non Current
Lease Liability	**179.04**	**6,152.46**	166.42	6,331.50	154.69	6,497.92
Total	**179.04**	**6,152.46**	166.42	6,331.50	154.69	6,497.92

Note No. 14 - Short term borrowings

Rupees (In Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021 (Restated)	As at 01st April, 2020 (Restated)
Current maturities of long-term debt	**4,587.08**	2,860.97	2,314.28
ICD from Related Party	**–**	–	7,399.60
Total Short term borrowings	**4,587.08**	2,860.97	9,713.88

Note: The Company has availed ICD of Rs. 7399.60 Lakhs from Mahindra Susten Pvt Ltd at 11% p.a

Note No. 15 - Trade Payables

Rupees (In Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021	As at 01st April, 2020
(a) Micro and small enterprises	**–**	–	–
(b) Others	**633.49**	406.09	926.97
Total Trade Payables	**633.49**	406.09	926.97

Note:

There are no amounts due to micro and small enterprises registered under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act). The above information regarding Micro and Small Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.

As at 31st March, 2022

Particulars	Not Due	Outstanding for following periods from date of transaction: Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Other than micro and small enterprises -undisputed	**–**	**608.05**	**–**	**5.72**	**19.72**	**633.49**

As at 31st March, 2021 (Restated)

Particulars	Not Due	Outstanding for following periods from date of transaction: Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Other than micro and small enterprises -undisputed	–	378.52	6.14	–	21.43	406.09

As at 01st April 2020

Particulars	Not Due	Outstanding for following periods from date of transaction: Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Other than micro and small enterprises -undisputed	–	903.99	1.55	21.43	–	926.97

Note No. 16 - Other Financial Liabilities

Rupees (In Lakhs)

Particulars	As at 31st March, 2022 Current	As at 31st March, 2022 Non Current	As at 31st March, 2021 (Restated) Current	As at 31st March, 2021 (Restated) Non Current	As at 01st April, 2020 (Restated) Current	As at 01st April, 2020 (Restated) Non Current
Other Financial Liabilities Measured at Amortised Cost						
(a) Interest accrued on Borrowing	**5,292.05**	**3,534.39**	415.94	6,855.03	5,935.84	630.40
(b) Bills Payable due to Bank	**–**	**–**	14,725.81	–	19,990.81	–
(c) Creditors for capital supplies/services	**33.60**	**–**	11,645.03	–	16,486.20	–

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

Rupees (In Lakhs)

Particulars	As at 31st March, 2022 Current	As at 31st March, 2022 Non Current	As at 31st March, 2021 (Restated) Current	As at 31st March, 2021 (Restated) Non Current	As at 01st April, 2020 (Restated) Current	As at 01st April, 2020 (Restated) Non Current
Other Financial Liabilities Measured at Fair Value						
(a) Forward contract derivative	**293.37**	**–**	–	–	–	–
Total Other Financial Liabilities	**5,619.02**	**3,534.39**	26,786.79	6,855.03	42,412.85	630.40

Note No. 17 - Other Liabilities

Rupees (In Lakhs)

Particulars	As at 31st March, 2022 Current	As at 31st March, 2022 Non Current	As at 31st March, 2021 (Restated) Current	As at 31st March, 2021 (Restated) Non Current	As at 01st April, 2020 (Restated) Current	As at 01st April, 2020 (Restated) Non Current
(a) Safe Guard Duty (SGD) Liability (Refer Note no 33)	**523.84**	**11,433.23**	–	–	–	–
(b) Statutory dues						
- taxes payable (other than income taxes)	**132.93**	**–**	153.22	–	320.19	–
Total Other Liabilities	**656.77**	**11,433.23**	153.22	–	320.19	–

Note No. 18 - Revenue from Operations

The following is an analysis of the company's revenue for the year from continuing operations.

Rupees (In Lakhs)

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
(a) Revenue from sale of - Solar Energy	**25,625.01**	14,647.05
(b) **Others Operting income**		–
(i) VCU	**2,157.26**	–
(ii) Deviation settlement mechanism Charges	**505.82**	722.46
(iii) Safeguard Duty Income (Refer Note no 33)	**1,133.18**	–
Total Revenue from Operations	**29,421.27**	15,369.51

Note:

A. Disaggregated Revenue Information:

The company's revenue is from only one soruce of segment i.e Sale of Power

B. Reconciliation of Contract Assets & Contract Liabilities:

Rupees (In Lakhs)

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Contract Assets		
Unbilled Receivable		
At the beginning of the year	**1,474.87**	1,333.39
Less: Bill during the year	**(24,122.02)**	(14,505.57)
Add: Revenue recognised during the year	**25,625.01**	14,647.05
At the end of the year	**2,977.87**	1,474.87
Contract Liability	**–**	–

C. Reconciliation of revenue as per Ind AS 115:

Rupees (In Lakhs)

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Revenue as per contracted prices	**25,625.01**	14,647.05
Less: Adjustment of revenue pertaining to Revenue from sale	**–**	–
Revenue from contract with customers	**25,625.01**	14,647.05

Note No. 19 - Other Income

Rupees (In Lakhs)

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
(a) Interest Income	**269.47**	351.96
(b) Interest on Safeguard Duty Income (Refer Note no 33)	**537.00**	–
Total Other Income	**806.47**	351.96

Note No. 20 - Finance Cost

Rupees (In Lakhs)

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
(a) Interest expense at amortised cost	**16,823.99**	12,999.17
Less: Amounts included in the cost of qualifying assets	**(2,710.01)**	(2,563.65)
(b) Interest unwinding on Lease Liability	**470.78**	482.51
(c) Other borrowing cost	**–**	40.67
(d) Bank charges	**222.63**	0.15
Total Finance Cost	**14,807.39**	10,958.85

Note No. 21 - Depreciaition and Amortisation

Rupees (In Lakhs)

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
(a) Depreciaition on property, plant and equipment	**8,042.67**	6,870.92
(b) Amortisation of Right-in-use assets	**267.09**	267.09
Total Depreciation and Amortisation	**8,309.76**	7,138.01

Note No. 21 A - Other Expenses

Rupees (In Lakhs)

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021 (Restated)
(a) ROC charges, Registration charges and stamp duty expenses	**5.73**	3.01
(b) Repairs and maintenance - Machinery	**1,101.41**	700.46
(c) Advertisement	**0.42**	0.45

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

Particulars	Year ended 31st March, 2022	Rupees (In Lakhs) Year ended 31st March, 2021 (Restated)
(d) Comphresive Charges (Refer note below)	**771.05**	618.70
(e) Commission, discounts and rebates	**154.45**	93.01
(f) Insurance Expenses	**382.60**	142.54
(g) Auditors remuneration and out-of-pocket expenses		
(i) As Auditors- statuotry audit fees	**8.85**	2.06
(ii) For Tax audit fees	**2.07**	1.48
(iii) For Other services	**0.48**	0.24
(h) Other expenses		
(i) Legal and other professional costs	**295.75**	299.75
(ii) Printing and Stationary	**0.25**	0.03
(iii) State Load Dispatch Centre and Wester Regional Load Dispatch Centre Charges	**45.75**	6.54
(iv) Net loss on foreign currency transactions	**186.38**	–
(v) Miscellaneous expenses	**247.40**	15.72
Total Other Expenses	**3,202.60**	1,883.99

Notes:
(a) Comprehensive charges includes charges for acitivies and services perofmed at Rewa Site by the customer including the construction of internal evacuation infrastructure, Admininstration charges and local area development charges at proejct site at Rewa, of Madhya Pradesh state.

(b) Corporate Social Responsibility:
Based on the provisions of Section 135 of the Companies Act, 2013 ('the Act') read with Schedule VII to the Act and the Companies (Corporate SocialResponsibility) Rules, 2014, as amended, the Company has no expenditure obligation towards Corporate Social Responsibility.

Note No. 22 - Earnings per Share

Particulars	Year ended 31st March, 2022	Rupees Year ended 31st March, 2021 (Restated)
	Per Share	Per Share
Basic Earnings per share	**0.91**	0.63
Total basic earnings per share	**0.91**	0.63
Diluted Earnings per share	**0.91**	0.63
Total diluted earnings per share	**0.91**	0.63

Basic & diluted earnings per share

The earnings and weighted average number of ordinary shares used in the calculation of basic & diluted earnings per share are as follows:

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021 (Restated
Profit for the year (Rupees (In Lakhs))	**2,924.35**	2,022.80
Less: Preference dividend and tax thereon	**–**	–
Profit for the year used in the calculation of basic earnings per share (Rupees (In Lakhs))	**2,924.35**	2,022.80
Profits used in the calculation of basic and diluted earnings per share from continuing operations(Rupees (In Lakhs)) (i)	**2,924.35**	2,022.80
Weighted average number of equity shares (ii)	**32,16,30,000**	32,16,30,000
Earnings per share - Basic & diluted (i/ii)	**0.91**	0.63

Note No. 23 - Financial Instruments

The Company manages capital risk in order to maximize shareholders' profit by maintaining sound/optimal capital structure through monitoring of financial ratios, such as debt-to-equity ratio and net borrowings-to-equity ratio on a monthly basis and implements capital structure improvement plan when necessary. There is no change in the overall capital risk management strategy of the Company compared to last year.

The Company uses debt ratio as a capital management index and calculates the ratio as total liabilities divided by total equity. Total liabilities and total equity are based on the amounts stated in the separate financial statements.

The Company is not subject to externally enforced capital regulation.

Debt-to-equity ratio as of 31 March 2022 and 31 March 2021 is as follows:

	31-Mar-22	**31-Mar-21**	01-Apr-20
Debt (A)	**2,04,783**	**1,69,299**	99,316
Equity (B)	**39,670**	**36,746**	34,723
Debt Equity Ratio (A / B)	**5.16**	**4.61**	2.86

Categories of financial assets and financial liabilities

As at 31st March, 2022 — **Rupees (In Lakhs)**

	Costs	**Amortised Costs**	**FVTPL**	**FVOCI**	**Total**
Non-current Assets					
Investments	**15,440.31**	–	–	–	**15,440.31**
Other Financial Assets					
- Non Derivative Financial Assets	–	**12,304.21**	–	–	**12,304.21**
Current Assets					
Trade Receivables	–	**1,043.47**	–	–	**1,043.47**
Cash and Bank Balances		**8,834.41**	–	–	**8,834.41**
Other Financial Assets					
– Non Derivative Financial Assets	–	**3,810.91**	–	–	**3,810.91**
Non-Current Liabilities					
Borrowings from Banks and Financial institutions	–	**1,62,704.53**	–	–	**1,62,704.53**
Borrowings from related party	–	**37,491.70**	–	–	**37,491.70**
Lease Liabilities	–	**6,152.46**	–	–	**6,152.46**
Other Financial Liabilities					
- Non Derivative Financial Liabilities	–	**3,534.39**	–	–	**3,534.39**
Current Liabilities					
'Current maturities of long-term debt		**4,587.08**			**4,587.08**
Lease Liabilities		**179.04**			**179.04**
Trade Payables	–	**633.48**	–	–	**633.48**
Other Financial Liabilities	–	–	–		–
- Derivative Financial Liabilities	–		**293.37**		**293.37**
- Non Derivative Financial Liabilities	–	**5,325.65**	–	–	**5,325.65**

As at 31st March, 2021 — Rupees (In Lakhs)

	Costs	Amortised Costs	FVTPL	FVOCI	Total
Non-current Assets					
Investments	14,366.95	–	–	–	14,366.95
Loan to related party	–	1,000.00	–	–	1,000.00
Other Financial Assets					

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

As at 31st March, 2021 — Rupees (In Lakhs)

	Costs	Amortised Costs	FVTPL	FVOCI	Total
- Non Derivative Financial Assets	–	9.03	–	–	9.03
Current Assets					
Trade Receivables	–	1,375.39	–	–	1,375.39
Cash and Bank Balances	–	13,649.98	–	–	13,649.98
Other Financial Assets					
- Non Derivative Financial Assets	–	1,477.94	–	–	1,477.94
Non-current Liabilities					
Borrowings from Banks and Financial institutions	–	1,28,011.42	–	–	1,28,011.42
Borrowings from related party	–	38,426.70	–	–	38,426.70
Lease Liabilities	–	6,331.50	–	–	6,331.50
Other Financial Liabilities					
- Non Derivative Financial Liabilities	–	6,855.03			6,855.03
Current Liabilities					–
Current maturities of long-term debt	–	2,860.97			2,860.97
Lease Liabilities	–	166.42			166.42
Trade Payables	–	406.09	–	–	406.09
Other Financial Liabilities					–
- Non Derivative Financial Liabilities	–	26,786.79	–	–	26,786.79

As at 1 April 2020 — Rupees (In Lakhs)

	Costs	Amortised Costs	FVTPL	FVOCI	Total
Non-current Assets					
Investments	7,945.50	–	–	–	7,945.50
Loan to related party	–	1,425.00	–	–	1,425.00
Other Financial Assets					–
- Non Derivative Financial Assets	–	12.49	–	–	12.49
Current Assets					
Trade Receivables	–	3.74	–	–	3.74
Cash and Bank Balances	–	14,329.16	–	–	14,329.16
Other Financial Assets					
- Non Derivative Financial Assets	–	1,343.57	–	–	1,343.57
Non-current Liabilities					
Borrowings from Banks and Financial institutions	–	65,651.16	–	–	65,651.16
Borrowings from related party	–	23,950.70	–	–	23,950.70
Lease Liabilities	–	6,497.92	–	–	6,497.92
Other Financial Liabilities					
- Non Derivative Financial Liabilities	–	630.40	–	–	630.40
Current Liabilities					–
Current maturities of long-term debt	–	2,314.28	–	–	2,314.28
Borrowings from related party	–	7,399.60	–	–	7,399.60
Lease Liabilities	–	154.69	–	–	154.69
Trade Payables	–	926.97	–	–	926.97
Other Financial Liabilities					–
- Non Derivative Financial Liabilities	–	42,412.85	–	–	42,412.85

Financial Risk Management

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk. In order to manage the aforementioned risks, the Company operates a risk management policy and a program that performs close monitoring of and responding to each risk factors.

CREDIT RISK

(i) *Credit risk management*

Credit risk arises when a counterparty defaults on its contractual obligations to pay resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collatarel , where appropriate, as a means of mitigating the risk of financial loss from defaults. The Company only transacts with entities that are rated the equivalent of investment grade and above. This information is supplied by independent rating agencies where available and, if not available, the Company uses other publicly available financial information and its own trading records to rate its major customers. The Company's exposure and credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterpaty limits that are reviewed and approved by the risk management committee annually.

LIQUIDITY RISK

(i) *Liquidity risk management*

Ultimate responsibility for liquidity risk management rests with the management of the company, which has established an appropriate liquidity risk management framework for the management of the Company's short-, medium- and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

(ii) *Maturities of financial liabilities*

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment years. The amount disclosed in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay.

Rupees (In Lakhs)

Particulars	Less than 1 Year INR	1-3 Years INR	3 Years to 5 Years INR	5 years and above INR
31-Mar-22				
Non-derivative financial liabilities				
Non-interest bearing	**6,138.16**	**3,934.21**	**462.74**	**5,289.89**
Variable interest rate instruments	**4,587.08**	**10,616.89**	**12,632.13**	**89,981.22**
Fixed interest rate instruments	**–**	**49,474.28**	**–**	**37,491.70**
Derivative financial liabilities				
Non-interest bearing	**293.37**	–	–	–
Total	**11,018.61**	**64,025.38**	**13,094.88**	**1,32,762.82**
31-Mar-21				
Non-derivative financial liabilities				
Non-interest bearing	27,359.30	7,226.68	430.13	5,529.72
Variable interest rate instruments	2,860.97	14,083.40	16,525.42	66,867.23
Fixed interest rate instruments	–	30,535.37	–	38,426.70
Total	30,220.27	51,845.45	16,955.55	1,10,823.65

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

Rupees (In Lakhs)

Particulars	Less than 1 Year INR	1-3 Years INR	3 Years to 5 Years INR	5 years and above INR
01-Apr-20				
Non-derivative financial liabilities				
Non-interest bearing	43,494.52	975.86	399.82	5,752.64
Variable interest rate instruments	2,314.28	5,087.18	6,164.03	54,399.95
Fixed interest rate instruments	7,399.60	–	–	23,950.70
Total	53,208.40	6,063.04	6,563.85	84,103.29

(iii) *Maturities of financial assets*

The following table details the Company's expected maturity for its non-derivative financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Company's liquidity risk management as the liquidity is managed on a net asset and liability basis.

Rupees (In Lakhs)

Particulars	Less than 1 Year INR	1-3 Years INR	3 Years to 5 Years INR	5 years and above INR
Non-derivative financial assets				
31-Mar-22				
Non interest beaing	**4,854.38**	**1,289.91**	**1,558.67**	**24,895.94**
Variable interest rate instruments	**1,136.61**	–	–	–
Fixed interest rate instruments	**7,697.80**	–	–	–
	13,688.79	**1,289.91**	**1,558.67**	**24,895.94**
31-Mar-21				
Non interest beaing	2,853.33	9.03	–	14,366.95
Variable interest rate instruments	5,962.21	–	–	–
Fixed interest rate instruments	7,687.77	1,000.00	–	–
	16,503.31	1,009.03	–	14,366.95
01-Apr-20				
Non interest beaing	1,347.31	12.49	–	7,945.50
Variable interest rate instruments	14,329.16	–	–	–
Fixed interest rate instruments	–	1425.00	–	–
	15,676.46	1,437.49	–	7,945.50

The amounts included above for variable interest rate instruments for both non-derivative financial assets and liabilities is subject to change if changes in variable interest rates differ to those estimates of interest rates determined at the end of the reporting period.

MARKET RISK

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk such as equity price risk and commodity price risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. The Company uses derivatives to manage market risks. Derivatives are only used for economic hedging purposes and not as speculative investments. All such transactions are carried out within the guidelines set by the Board of Directors and Risk Management Committee.

There has been no significant changes to the company's exposure to market risk or the methods in which they are managed or measured.

Currency Risk

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. The Company's / Company's exposure to currency risk relates primarily to the Company's operating activities and borrowings when transactions are denominated in a different currency from the Company's functional currency.

The Company manages its foreign currency risk by hedging the transactions at the time the Company enters into a contract with its customers by passing the exchange risk to the customer. The foreign curency borrowings are entirely hedged for the entire period of the borrowing.

When a derivative is entered into for the purpose of being a hedge, the Company negotiates the terms of those derivatives to match the terms of the hedged exposure. For hedges of forecast transactions the derivatives cover the period of exposure from the point the cash flows of the transactions are forecasted up to the point of settlement of the resulting receivable or payable that is denominated in the foreign currency.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows.

Rupees (In Lakhs)

Particulars	Currency	31-Mar–22	31-Mar–21	01-Apr–20
Trade Payables	USD	9.63	3,248.06	–
Secured Bank Loans	USD	49,474.28	30,535.37	–

Of the above foreing currency exposures, the following exposures are not hedged by a derivative:

Rupees (In Lakhs)

Particulars	Currency	31-Mar-22	31-Mar-21	01-Apr-20
Trade Payables	USD	9.63	–	–
Secured Bank Loans	USD	–	–	–

Foreign Currency Sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD and EUR exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities including non-designated foreign currency derivatives and embedded derivatives. The impact on the Company's pre-tax equity is due to changes in the fair value of forward exchange contracts designated as cash flow hedges. The Company's exposure to foreign currency changes for all other currencies is not material.

Rupees (In Lakhs)

	Currency	Change in rate	Effect on profit before tax	Effect on pre-tax equity
31-Mar-22	**USD**	**+10%**	(2.00)	**–**
	USD	**-10%**	2.00	**–**
31-Mar-21	USD	+10%	–	–
	USD	-10%	–	–
01-Apr-20	USD	+10%	–	–
	USD	-10%	–	–

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

Interest rate sensitivity

The sensitivity analyses below have been determined based on exposure to interest rate for both derivative and non-derivative instruments at the end of reporting period. For floating rate liabilities, analysis is prepared assuming the amount of liability outstanding at the end of the reporting period was outstanding for the whole year.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected, after the impact of hedge accounting. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

Rupees (In Lakhs)

	Currency	Increase / decrease in basis points	Effect on profit before tax
31-Mar-22	**INR**	**+100**	**(1,193.93)**
	INR	**(-) 100**	**1,193.93**
31-Mar-21	INR	+100	(1,308.72)
	INR	(-) 100	1,308.72
01-Apr-20	INR	+100	(679.65)
	INR	(-) 100	679.65

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment, showing a significantly higher volatility than in prior years.

Note No. 24 - Fair Value Measurement

Fair Valuation Techiques and Inputs used - recurring Items

Rupees (In Lakhs)

Financial assets/ financial liabilities measured at Fair value	**Fair value as at**			**Fair value hierarchy**	**Valuation technique(s) and key input(s)**
	31-Mar-22	**31-Mar-21**	**1-Apr-20**		
Financial liabilities					
Other Financial Liabilities				Level 2	The fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date.
– Foreign currency forward contracts	**293.37**	**–**	**–**		
Total financial liabilities	**293.37**	**–**	**–**		

There were no transfers between level 1 and level 2 for recurring fair value measurements during the year.

Fair value of financial assets and financial liabilities that are not measured at fair value

Rupees (In Lakhs)

	31-Mar-22		31-Mar-21 (Restated)		1-Apr-20 (Restated)	
Particulars	**Carrying amount**	**Fair value**	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets						
Financial assets carried at Amortised Cost						
– loans to related parties	**–**	**–**	1,000.00	1,000.00	1,425.00	1,425.00
– trade receivables	**1,043.47**	**1,043.47**	1,375.39	1,375.39	3.74	3.74
– cash and bank balances	**8,834.41**	**8,834.41**	13,649.98	13,649.98	14,329.16	14,329.16
– Other financial asses	**16,115.13**	**16,115.13**	1,486.98	1,486.98	1,356.06	1,356.06
	25,993.01	**25,993.01**	17,512.35	17,512.35	17,113.96	17,113.96
Financial liabilities						
Financial liabilities held at amortised cost						
– borrowing from bank and financial institutions	**167,291.61**	**163,386.50**	130,872.39	126,227.71	67,965.44	67,965.44
– loans from related parties	**37,491.70**	*** 19,999.19**	38,426.70	38,426.70	31,350.30	31,350.30
– Lease Liabilities	**6,331.50**	**6,331.50**	6,497.92	6,497.92	6,652.61	6,652.61
– trade payables	**633.49**	**633.49**	406.09	406.09	926.97	926.97
– others financial liability	**8,860.03**	**8,860.03**	33,641.82	33,641.82	43,043.25	43,043.25
Total	**220,608.32**	**199,210.71**	209,844.92	205,200.24	149,938.57	149,938.57

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

Rupees (In Lakhs)

Fair value hierarchy as at 31st March, 2022

Particulars	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets				
Financial assets carried at Amortised Cost				
– trade receivables	**–**	**–**	**1,043.47**	**1,043.47**
– cash and bank balances		**8,834.41**		**8,834.41**
– Others	**–**	**–**	**16,115.13**	**16,115.13**
Total	**–**	**8,834.41**	**17,158.60**	**25,993.01**
Financial liabilities				
Financial liabilities held at amortised cost				
– loans from Bank & Financial institution	**–**	**–**	**163,386.50**	**163,386.50**
– loans from related parties	**–**	**–**	**19,999.19**	**19,999.19**
– lease liabilities	**–**	**–**	**6,331.50**	**6,331.50**
– trade payables	**–**	**–**	**633.49**	**633.49**
– others	**–**	**–**	**8,860.03**	**8,860.03**
Total	**–**	**–**	**1,99,210.71**	**1,99,210.71**

Rupees (In Lakhs)

Fair value hierarchy as at 31st March, 2021

Particulars	Level 1	Level 2	Level 3	Total
Financial assets				
Financial assets carried at Amortised Cost				
– loans to related parties	–	–	1,000.00	1,000.00
– trade receivables	–	–	1,375.39	1,375.39
– cash and bank balances	–	–	13,649.98	13,649.98
– Others	–	–	1,486.98	1,486.98
Total	–	–	17,512.35	17,512.35
Financial liabilities				
Financial Instruments not carried at Fair Value				
– Loans from Bank & Financial institution	–	–	126,227.71	126,227.71
– loans from related parties	–	–	38,426.70	38,426.70
– lease liabilities			6,497.92	6,497.92
– trade payables	–	–	406.09	406.09
– others	–	–	33,641.82	33,641.82
Total	–	–	205,200.24	205,200.24

Rupees (In Lakhs)

Fair value hierarchy as at 1st April, 2020

Particulars	Level 1	Level 2	Level 3	Total
Financial assets				
Financial assets carried at Amortised Cost				
– loans to related parties	–	–	1,425.00	1,425.00
– trade receivables	–	–	3.74	3.74
– cash and bank balances	–	–	14,329.16	14,329.16
– Others	–	–	1,356.06	1,356.06
Total	–	–	17,113.96	17,113.96
Financial liabilities				
Financial liabilities held at amortised cost				
– Loans from Bank & Financial institution	–	–	67,965.44	67,965.44
– loans from related parties	–	–	31,350.30	31,350.30
– lease liabilities	–	–	6,652.61	6,652.61
– trade payables	–	–	926.97	926.97
– others	–	–	43,043.25	43,043.25
Total	–	–	149,938.57	149,938.57

The fair values of the financial assets and financial liabilities included in the level 2 and level 3 categories above have been determined in accordance with generally accepted pricing models based on a discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the credit risk of counterparties.

* Fair value of Loans to related party considered based on bullet repayment of Sub debt along with Interest at end of tenure.

Note No. 25- Leases

The Company has entered into operating lease agreement. The contracts for land used in its operations is for 25 years.

Rupees (In Lakhs)

Amounts recognised in profit and loss	**Year Ended 31st March, 2022**	Year Ended 31st March, 2021 (Restated)
- Depreciation expense on right-of-use assets	**267.09**	267.09
- Interest expense on lease liabilities	**470.78**	482.51
Total	**737.87**	749.60

The following table set outs maturity analysis of lease liability to be paid after the reporting date

Rupees (In Lakhs)

Maturity Analysis	**As at 31st March, 2022**	As at 31st March, 2021 (Restated)	As at 1st April, 2020 (Restated)
- Less than 1 year	**179.04**	166.42	154.69
- 1 year - 3 years	**399.82**	371.65	345.46
- 3 years - 5 years	**462.74**	430.13	399.82
- 5 years and above	**5,289.89**	5,529.72	5,752.64

C) The total cash outflow for leases during the year amount to Rs. 637.20 Lakhs (FY 2020-21:Rs. 637.20 Lakhs)

D) Below are the carrying amount of lease liabilities and the movement during the year

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

Rupees (In Lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021 (Restated)	As at 1 April 2020 (Restated)
Opening	**6,497.92**	6,652.61	–
Additions	**–**	–	6,677.31
Accretion of interest	**470.78**	482.51	81.50
Payments	**637.20**	637.20	106.20
Closing	**6,331.50**	6,497.92	6,652.61

E) Below is the breakup of Current and Non current lease liabilities:

Rupees (In Lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021 (Restated)	As at 1 April 2020 (Restated)
Current lease liabilities	**179.04**	166.42	154.69
Non current lease liabilities	**6,152.46**	6,331.50	6,497.92
Total	**6,331.50**	6,497.92	**6,652.61**

Note no 26 : Prior Year Adjustments:

The comparative financial information has been retrospectively re-stated to give effect to (a) inadvertent omission of recognition and measurement of right of use and related lease liability towards land usage charges embedded into long-term Implementation Support Agreement entered into in conjunction with agreement for supply of power through the Company's 250 MW Rewa power plant in Madhya Pradesh; (b) computational error of deferred tax charge pertaining to property, plant and equipment as summarized below:

Rupees (In Lakhs)

	For the Year ended 31 March 2020		
Impact on equity	**Reported**	**Adjustment**	**Restated**
ROU	**–**	6,632.80	6,632.80
Lease Liability	**–**	(6,652.61)	(6,652.61)
Deferred tax (liability)/ asset	**(745.20)**	4.99	(740.21)
Total effect on net assets	**(745.20)**	(14.82)	(760.02)
Impact on Retained Earnings	**1,810.14**	14.82	1,824.96
Total effect on equity	**1,810.14**	14.82	1,824.96

Rupees (In Lakhs)

	For the Year ended 31 March 2021		
Impact on equity	**Reported**	**Adjustment**	**Restated**
ROU	–	6,365.70	6,365.70
Lease Liability	–	(6,497.92)	(6,497.92)
Deferred tax (liability)/ asset	2,292.73	(1,593.57)	699.16
Total effect on net assets	2,292.73	(1,725.78)	566.95
Impact on Retained Earnings	(1,923.64)	1,725.78	(197.85)
Total effect on equity	(1,923.64)	1,725.78	(197.85)

Rupees (In Lakhs)

	For the Year ended 31st March, 2020		
Impact on total comprehensive income for the year /profit for the year	**Reported**	**Adjustment**	**Restated**
Increase/(Decrease) in Finance Cost	7,927.44	81.50	8,008.94
Increase/(Decrease) in Depreciation	5,698	44.52	5,742.53
Increase/(Decrease) in Other expense	2,810	(106.20)	2,704.21
Increase /(Decrease) in Tax expense	887.91	(4.99)	882.92
Impact on total comprehensive income for the year	(1,616.18)	14.82	(1,631.00)

Rupees (In Lakhs)

	For the Year ended 31st March, 2021		
Impact on total comprehensive income for the year /profit for the year	**Reported**	**Adjustment**	**Restated**
Increase/(Decrease) in Finance Cost	10,476.19	482.51	10,958.70
Increase/(Decrease) in Depreciation	6,870.92	267.09	7,138.01
Increase/(Decrease) in Other expense	2,521.33	(637.20)	1,884.13
Increase /(Decrease) in Tax expense	(3,037.93)	1,598.56	(1,439.37)
Impact on total comprehensive income for the year	3,733.77	1,710.96	2,022.81

	For the Year ended 31st March, 2020		
Impact on Earnings per share	**Reported**	**Adjustment**	**Restated**
Basis EPS	(0.50)	(0.00)	(0.51)
Diluted EPS	(0.50)	(0.00)	(0.51)

	For the Year ended 31st March, 2021		
Impact on Earnings per share	**Reported**	**Adjustment**	**Restated**
Basis EPS	1.16	(0.53)	0.63
Diluted EPS	1.16	(0.53)	0.63

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

Note No. 27 - Key Ratios **Rupees (In Lakhs)**

Particulars	Numerator	Denominator	2021-22	2020-21	% Variance	Reason for Variance
Current Ratio	Current Assets	Current Liabilities	1.18	0.58	104%	Increased due to conversion of Bills Payable into Term loan
Debt Equity Ratio	Borrowings	Shareholder's Equity	5.16	4.61	12%	
Debt Service Coverage ratio	Earnings before interest, taxes, depreciation and ammortisation	Interest & Principal Payment	1.19	0.54	121%	Increased due to higher revenue generation from other operating income during current year.
Return on Equity Ratio	Profit after taxes	Average Shareholder's Equity	7.65%	5.66%	35%	Increased due to higher revenue from other operating income and change in estimate of useful life of property, plant and equipment.
Inventory turnover ratio	Cost of goods sold	Average Inventory	–	–		No inventory procurement or consumption of goods made by the company
Trade receivables turnover ratio	Revenue from operations	Average Trade Receivable	24.33	22.29	9%	
Trade payables turnover ratio	Purchases	Average Trade Payables	–	–		No purchases are made by the company
Net Captial turnover ratio	Revenue from operations	Average working Capital	-5.53	-0.61	810%	Repayment of capital creditors of Rewa & ISTS 1 project during the year
Net Profit ratio	Profit after taxes	Revenue from operations	9.94%	13.16%	-24%	
Return on Investment	Income from Investments	Average Investments	0%	0%	0%	No income realised from investments
Return on capital employed	Earnings before interest and taxes	Average Shareholder’s Equity + Average Borrowings	8.31%	6.79%	22%	

Note No. 28 - Related Party Transactions

Relationships:	**Name:**
Ultimate Holding	Mahindra & Mahindra Limited
Parent Company	Mahindra Susten Private Limited
Subsidiaries	Astr Solren Private Limited
	Neo Solren Private Limited
	Brightsolar Renewable Energy Private Limited (From 1st July 2021)
	Divine Solren Private Limited (Till 16 April 2020)
Other Related parties	Mahindra Teqo Private Limited
	Mega Surya Urja Private Limited
	MSPL International DMCC
	Martial Solren Private Limited
	Mahindra Solarize Private Limited (from 6th April’21 to 11th March’22)
	MSPE Urja S.r.l (liquidated dated January 18, 2022)
	Mahindra Susten Bangladesh Private Limited (liquidated on 15 March 2022)
Joint Venture	Brightsolar Renewable Energy Private Limited (Till 30th June 2021)
Key Managerial Persons (KMP)	**Non Executive Director**
	Basant Jain
	Rakesh Singh
	Sriram Ramachandran
	Nora Bhatia

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

Details of transaction between the Company and its related parties are disclosed below:

Rupees (In Lakhs)

Nature of transactions with Related Parties	For the year ended	Ultimate Holding Company	Parent Company	Subsidiaries	Fellow Subsidiaries
Sale of goods	31-Mar-22	19.07	–	–	–
	31-Mar-21	19.66	–	–	–
Purchase of assets (Power Plant)	31-Mar-22	–	4,535.80	–	–
	31-Mar-21	–	27,570.51	–	–
Receiving of services	31-Mar-22	5.22	197.50	–	1,071.57
	31-Mar-21	3.56	268.12	–	700.46
Investment in equity instruments	31-Mar-22	–	–	1,073.35	–
	31-Mar-21	–	–	–	–
Subordinated debts received	31-Mar-22	–	65.00	1,000.00	–
	31-Mar-21	–	27,476.00	425.00	–
Subordinated debts paid	31-Mar-22	–	1,000.00	–	–
	31-Mar-21	–	14,800.00	–	–
Intercorporate Deposit received	31-Mar-22	–	700.00	–	–
	31-Mar-21	–	14,081.00	–	–
Intercorporate Deposit repaid	31-Mar-22	–	700.00	–	–
	31-Mar-21	–	19,680.60	–	–
Intercorporate deposit given	31-Mar-22	–	–	450.00	–
	31-Mar-21	–	–	–	–
Intercorporate deposit recovered	31-Mar-22	–	–	450.00	–
	31-Mar-21	–	–	–	–
Interest income on Subordinated debts	31-Mar-22	–	–	57.66	–
	31-Mar-21	–	–	159.72	–
Interest expense on Subordinated debts	31-Mar-22	–	4,362.67	–	–
	31-Mar-21	–	3,760.27	–	–
Interest income on inter corporate deposit	31-Mar-22	–	–	4.48	–
	31-Mar-21	–	–	48.37	–
Interest expense on inter corporate deposit	31-Mar-22	–	21.05	–	–
	31-Mar-21	–	73.56	–	–

Rupees (In Lakhs)

Nature of Balances with Related Parties	Balance as on	Ultimate Holding Company	Parent Company	Subsidiaries	Fellow Subsidiaries
Interest payable on subordinated debt	31-Mar-22	–	8,197.86	–	–
	31-Mar-21	–	6,855.03	–	–
	01-Apr-20	–	4,172.15	–	–

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

Rupees (In Lakhs)

Nature of Balances with Related Parties	Balance as on	Ultimate Holding Company	Parent Company	Subsidiaries	Fellow Subsidiaries
Interest receivable on subordinated debt	31-Mar-22	–	–	–	–
	31-Mar-21	–	–	9.03	–
	01-Apr-20	–	–	12.49	–
Trade payables	31-Mar-22	–	–	–	0.29
	31-Mar-21	–	8,394.55		63.89
	01-Apr-20	–	16,468.05		
Creditor for capital supplies	31-Mar-22	–	–	–	–
	31-Mar-21	–	8,394.55	–	–
	01-Apr-20	–	16,468.05	–	–
Trade Receivable	31-Mar-22		3.07		
	31-Mar-21		4.01		
	01-Apr-20		3.74		
Subordinate debt	31-Mar-22	–	37,491.70	–	–
	31-Mar-21	–	38,426.70	–	–
	01-Apr-20	–	31,350.30	–	–
Loans given	31-Mar-22	–	–	–	–
	31-Mar-21	–	–	1,000.00	–
	01-Apr-20	–	–	1,425.00	

Note No. 29 - Contingent liabilities

Rupees (In Lakhs)

Contingent liabilities (to the extent not provided for)	**As at 31st March, 2022**	**As at 31st March, 2021**	**As at 1st April, 2020**
Claims against the Company not acknowledged as debt	386.85	386.85	386.85

Note 30 - Commitments

Rupees (In Lakhs)

Commitments	**As at 31st March, 2022**	**As at 31st March, 2021**	**As at 1st April, 2020**
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of Advances)	–	25,847.62	99,428.61

Note 31 - Segment Information

Operating segments are reported in a manner consistent with internal reporting provided to the Chief Operating Decision Maker (CODM) of the Company. The CODM is responsible for allocating resources and assessing performances of the operating segments of the Company. The Company operates only in one segment viz. sale of solar energy.

Note 32 - Other Statutory Informations

(a) The Company does not have any benami property, where any proceeding has been initiated or pending against the Company for holding any benami property.

(b) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

(c) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (ultimate beneficiaries) or

(ii) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries

(d) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (funding party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (ultimate beneficiaries) or

(ii) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

(e) The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

(f) The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.

(g) The Company is not declared wilful defaulter by and bank or financials institution or lender during the year.

(h) The Company has used the borrowings from banks and financial institutions for the specific purpose for which it was obtained.

(i) The Company does not have transactions with any struck off entity.

(j) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries or joint ventures or associate companies.

(k) The title deeds of all the immovable properties, (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the Company) disclosed in the financial statements included in property, plant and equipment and capital work-in progress are held in the name of the Company as at the balance sheet date

(l) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

Note 33 - Claim under Change in Law

Subsequent to the signing of the power purchase agreement, the Department of Revenue, Government of India, vide its notification dated July 30, 2018 ("Notification") under the Customs Tariff Act, 1975 ("CTA") imposed Safeguard Duty on import of 'solar cells whether or not assembled in modules or panels'. The Safeguard Duty was imposed with effect from the date of Notification. Pursuant to this notification, the Company incurred ₹ 19,221.65 Lakhs (including goods and services tax of ₹ 6,132.00 Lakhs) in relation to Safeguard Duty on solar modules as of the reporting date.

During the previous years, the Company filed petitions before Central Electricity Regulatory Commission ('CERC') for acknowledgment of these additional cost for SGD as events of "Change in Law". CERC vide its order in January 2021 established such change in law entitlement of the Company. Pursuant to which, during the current year, customers have issued letter agreeing to an amount of Rs.13,089.65 lakhs to be settled in 13 years on monthly payment basis. Such amount carries interest @ SBI MCLR +250 points.

The Company recognized a safeguard duty refund receivables under other financial assets and a corresponding liability as deferred revenue under other liability. The safeguard duty refund receivables is measured at amortised cost. Deferred revenue will be amortised on straight line basis over the period of PPA.

As at the date of release of these Financial Statements, the reconciliation process for GST claim is under process. Owing to uncertainties in timing and mode of receipt, management has not recognized the GST claim receivable as on March 31, 2022.

Note 34

The Company has considered possible effects that may result from the ongoing COVID 19 in the preparation of these financial statements including the recover ability of carrying amounts of financial and non-financial assets. In developing the assumptions relating to the possible future uncertainties in the economic conditions because of COVID 19 variants, the Company has, at the date of approval of these financial statements, used internal and external sources of information and expects that the carrying amount of the assets will be recovered. The impact of COVID 19 variants on the Company's financial statements may differ from that estimated as at the date of approval of the same.

Note 35

Unless otherwise stated, previous period's figures have been re-grouped / re-classified, to the extent necessary, to conform to current period's classifications (in addition to restatement done as per Note no. 26). All the numbers have been rounded off to nearest Lakhs.

Note 36

The financial statements for the year ended 31st March 2022 were approved by the Board of Directors and authorised for issue on 17th May, 2022.

The accompanying notes 1 to 36 are an integral part of the Financial Statements

In terms of our report attached.

For Deloitte Haskins & Sells LLP
Chartered Accountants

Mehul Parekh
Partner

Place: Mumbai
Date: 17th May, 2022

For and on behalf of the Board of Directors

Basant Jain
Director
DIN : 00220395

Rakesh Singh
Director
DIN: 07319353

Avinash Bapat
Chief Financial Officer

Mandar Joshi
Company Secretary

Place: Mumbai
Date: 17th May, 2022

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF
MAHINDRA TEQO PRIVATE LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying Financial Statements of **Mahindra Teqo Private Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, its profit and total comprehensive income, its changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Financial Statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the 'Auditors' Responsibilities for the Audit of the Financial Statements' section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("the ICAI") together with the ethical requirements that are relevant to our audit of the Financial Statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Financial Statements.

Information Other than the Financial Statements and Auditors' Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the Directors Report and the related annexures, but does not include the Financial Statements and our Auditors' Report thereon.

Our opinion on the Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Financial Statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Financial Statements of the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other Legal and Regulatory requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-Section (11) of Section 143 of the Act and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in Annexure B, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   (c) The Balance Sheet, the Statement of Profit and Loss, the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this report are in agreement with the books of account.

   (d) In our opinion, the aforesaid Financial Statements comply with the Accounting Standards specified under Section 133 of the Act.

   (e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164(2) of the Act.

   (f) With respect to the adequacy of the internal financial controls with reference to Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure A. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to Financial Statements.

(g) In our opinion and to the best of our information and according to the explanations given to us, the Company being a private company, the provisions of Section 197 of the Act related to the managerial remuneration are not applicable.

(h) With respect to the other matters to be included in the Auditors' Report in accordance with the requirements of Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

(i) The Company does not have any pending litigations which will impact its financial positions.

(ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

(iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

(iv)

(a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

(v) The Company has not declared/ paid/ declared and paid any dividend during the year.

For B. K. Khare and Co.
Chartered Accountants
Firm's Registration No. 105102W

Shirish Rahalkar
Partner
Membership No. 111212
UDIN: 22111212AIDKZN7784

Place : Mumbai
Date : April 20, 2022

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of sub-section (3) of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of **Mahindra Teqo Private Limited** ("the Company") as of March 31, 2022 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2022, based on the criteria for internal financial control with reference to financial statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For B. K. Khare and Co.
Chartered Accountants
Firm's Registration No. 105102W

Shirish Rahalkar
Partner
Membership No. 111212
UDIN: 22111212AIDKZN7784

Place : Mumbai
Date : April 20, 2022

ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT

[Referred to in Clause 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date]

i. (a) According to the information and explanations given to us, the Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.

(b) According to the information and explanations given to us, the Company has maintained proper records showing full particulars of intangible assets.

(c) Property, plant and equipment have been physically verified by the management during the year and no material discrepancies were noticed on such verification.

(d) According to the information and explanations given to us, there are no immovable properties that are held in the name of the Company.

(e) According to the information and explanations given to us, the Company has not revalued any of its Property, Plant and Equipment (including Right of Use assets) during the year.

(f) Based on the audit procedures performed by us and according to the information, explanations and representations given to us, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

ii. (a) According to the information and explanations given to us, the inventory comprising of materials which will be used in the projects have been physically verified by the management during the year. In our opinion, the coverage and procedure of such verification by the management is appropriate and no discrepancy of 10% or more was noticed on such verification between the physical inventory and the book records.

(b) According to the information and explanations given to us, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from bank on the basis of security of current assets during the year. The stock statements filed by the Company with bank on a monthly basis are in agreement with the unaudited books of account as certified by the management.

iii. According to the information and explanations given to us, the Company has not made investments in or provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year. Accordingly, the reporting under Clauses 3(iii)(a) to 3(iii)(f) of the Order is not applicable to the Company.

iv. According to the information and explanations given to us, the Company has not granted any loans or made any investments or provided any guarantees or security to the parties covered under Sections 185 and 186 of the Act. Accordingly, the reporting under Clause 3(iv) of the Order is not applicable to the Company.

v. According to the information and explanations given to us, the Company has not accepted deposits under the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. Accordingly, the reporting under Clause 3(v) of the Order is not applicable to the Company.

vi. The Central Government has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company. Accordingly, the reporting under Clause 3(vi) of the Order is not applicable to the Company.

vii. According to the information and explanations given to us and on the basis of our examination of records of the Company, the amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Services tax, Income-tax, Cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. The amounts deducted / accrued in the books of account in respect of undisputed statutory dues of Income-tax have generally been regularly deposited during the year by the Company with the appropriate authorities. According to the information and explanations given to us and on the basis of our examination of records of the Company, there were no undisputed statutory dues payable in respect of Sales tax, Service tax, Duty of Customs, Duty of Excise and Value Added Tax.

According to the information and explanations given to us and on the basis of our examination of records of the Company, there were no arrears of outstanding statutory dues in respect of Goods and Services tax, Provident fund, Employees' State Insurance, Income-tax, Sales tax, Service tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other material statutory dues as on the last day of the financial year for a period of more than six months from the date they became payable.

According to the information and explanations given to us and on the basis of our examination of records of the Company, there were no arrears of outstanding statutory dues in respect of Goods and Services tax, Provident fund, Employees' State Insurance, Income-tax, Sales tax, Service tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other material statutory dues as on the last day of the financial year for a period of more than six months from the date they became payable.

viii. According to the information and explanations given to us, there are no transactions not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income-tax Act, 1961. Accordingly, the reporting under Clause 3(viii) of the Order is not applicable to the Company.

ix. (a) According to the information and explanations given to us and based on the audit procedures performed by us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.

(b) According to the information and explanations given to us, the Company has not been declared a willful defaulter by any bank or financial institution or any other lender till the date of our audit report.

(c) According to the information and explanation given to us, the Company has not obtained any term loan during the year. Accordingly, the reporting under Clause 3(ix)(c) of the Order is not applicable to the Company.

(d) In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that funds raised on short-term basis have not been utilised for long-term purposes as at the Balance Sheet date.

(e) According to the information and explanations given to us, the Company does not have any subsidiaries, associates or joint ventures. Accordingly, the reporting under Clauses 3(ix)(f) and 3(ix)(e) of the Order is not applicable to the Company.

x. (a) According to the information and explanations given to us, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under Clause 3(x)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Accordingly, the reporting under Clause 3(x)(b) of the Order is not applicable to the Company.

xi. (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company noticed or reported during the year, nor have we been informed of any such case by the management.

(b) There has been no report filed by us under sub-section (12) of Section 143 of the Act in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government. Accordingly, the reporting under Clause 3(xi)(b) of the Order is not applicable to the Company.

(c) As represented to us by the management, no whistle blower complaints were received by the Company during the year.

xii. According to the information and explanations given to us, the Company is not a Nidhi company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, the reporting under Clause 3(xii) of the Order is not applicable to the Company.

xiii. In our opinion and according to the information and explanations given to us, the Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required by Indian Accounting Standard (Ind AS) 24, Related Party Disclosures, specified under Section 133 of the Act.

xiv. In our opinion and based on our examination, the Company does not have an internal audit system and is not required to have an internal audit system as per the provisions of the Act. Accordingly, the reporting under Clauses 3(xiv)(a) and 3(xiv)(b) of the Order is not applicable to the Company.

xv. According to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or directors of its holding, subsidiary or associate company or persons connected with them during the year and hence, the provisions of Section 192 of the Act are not applicable to the Company. Accordingly, the reporting under Clause 3(xv) of the Order is not applicable to the Company.

xvi. (a) According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under Clause 3(xvi)(a) of the Order is not applicable to the Company.

(b) In our opinion and according to the information and explanations given to us, the Company has not conducted any Non-Banking Financial or Housing Finance activities. Accordingly, the reporting under Clause 3(xvi)(b) of the Order is not applicable to the Company.

(c) In our opinion and according to the information and explanations given to us, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under Clauses 3(xvi)(c) of the Order is not applicable to the Company.

(d) Based on the information and explanations given to us and the audit procedures performed by us, we report that the Group has 6 Core Investment Companies.

xvii. In our opinion and according to the information and explanations given to us, the Company has not incurred cash losses in the current financial year as well as in the immediately preceding financial year. Accordingly, the reporting under Clause 3(xvii) of the Order is not applicable to the Company.

xviii. There has been no resignation of the statutory auditors during the year. Accordingly, the reporting under Clause 3(xviii) of the Order is not applicable to the Company.

xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of Balance Sheet as and when they fall due within a period of one year from the Balance Sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the Balance Sheet date, will get discharged by the Company as and when they fall due.

xx. (a) According to the information and explanations given to us, in respect of other than ongoing projects, the Company has no unspent amount that needs to be transferred to a Fund specified in Schedule VII to the Act in compliance with second proviso to sub-section (5) of Section 135 of the Act.

(b) According to the information and explanations given to us, in respect of ongoing projects, the Company has no unspent amount which needs to be transferred to a special account in compliance with sub-section (6) of Section 135 of the Act.

For B. K. Khare & Co.
Chartered Accountants
Firm's Registration No. 105102W

Shirish Rahalkar
Partner
Membership No. 111212
UDIN: 22111212AIDKZN7784

Place : Mumbai
Date : April 20, 2022

BALANCE SHEET AS AT 31ST MARCH, 2022

INR In Lakhs

Particulars		Note No.	As at 31 March 2022	As at 31 March 2021
I	**ASSETS**			
1	**NON-CURRENT ASSETS**			
	(a) Property, Plant and Equipment	4	**473.77**	294.18
	(b) Other Intangible Assets	5	**446.19**	39.08
	(c) Intangible Assets under Development	6	**–**	419.87
	SUB-TOTAL		**919.96**	753.13
2	**CURRENT ASSETS**			
	(a) Financial Assets			
	(i) Trade Receivables	7	**4,262.57**	3,200.58
	(ii) Cash and Cash Equivalents	8	**887.62**	463.30
	(iii) Other Financial Assets	9	**560.19**	959.26
	(b) Other Current Assets	10	**185.80**	146.82
	(c) Inventory	11	**1,006.69**	763.77
	SUB-TOTAL		**6,902.87**	5,533.73
	TOTAL ASSETS		**7,822.83**	6,286.86
II	**EQUITY AND LIABILITIES**			
1	**EQUITY**			
	(a) Equity Share Capital	12	**10.00**	10.00
	(b) Other Equity		**1,792.42**	850.24
	SUB-TOTAL		**1,802.42**	860.24
2	**LIABILITIES**			
	NON CURRENT LIABILITIES			
	(a) Deferred Tax Liabilities (Net)	13	**4.02**	(28.56)
	(b) Provisions	18	**119.32**	127.31
	SUB-TOTAL		**123.34**	98.75
	CURRENT LIABILITIES			
	(a) Financial Liabilities			
	(i) Borrowings	14	**3,300.00**	2,288.78
	(ii) Trade Payables	15	**1,473.10**	1,932.23
	(iii) Other Financial Liabilities	16	**778.64**	928.90
	(b) Provisions	18	**78.17**	49.58
	(c) Other Current Liabilities	17	**267.16**	128.38
	SUB-TOTAL		**5,897.07**	5,327.87
	TOTAL EQUITY AND LIABILITIES		**7,822.83**	6,286.86

The accompanying notes 1 to 34 are an integral part of the Financial Statements

In terms of our report attached.
For B K Khare & Co
Chartered Accountants
Firm Registration No. 105102W

Shirish Rahalkar
Partner
Membership No. 111212

Place : Mumbai
Date : 20th April 2022

For and on behalf of the Board of Directors

Mr. Parag Shah
Director
(DIN: 00374944)

Mr. Rajesh BC
CEO

Place : Mumbai
Date : 20th April 2022

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2022

INR In Lakhs

	Particulars	Note No.	For the year ended 31 March 2022	For the year ended 31 March 2021
I	Revenue from Operations	18	**13,032.84**	8,854.57
II	Other Income		**–**	–
III	**Total Revenue (I + II)**		**13,032.84**	8,854.57
IV	**Expenses**			
	(a) Direct Expenses	19	**6,236.91**	4,495.56
	(b) Employee benefit expense	20	**4,488.29**	2,672.01
	(c) Finance costs	21	**244.65**	93.03
	(d) Depreciation and amortisation expense	4	**174.59**	20.28
	(e) Other expenses	22	**609.55**	688.32
	Total Expenses (IV)		**11,753.99**	7,969.20
V	**Profit before tax (III-IV)**		**1,278.86**	885.37
VI	**Tax Expense**			
	(a) Current tax	12	**309.77**	236.53
	(b) Deferred tax	12	**31.15**	(29.65)
	Total tax expense		**340.92**	206.88
VII	**Profit after tax from continuing operations (V - VI)**		**937.93**	678.49
VIII	**Other comprehensive income**			
	A (i) Items that will not be reclassfied to profit or loss		**5.67**	4.32
	(ii) Income tax relating to items that will not be reclassified to profit or loss	12	**(1.43)**	(1.09)
	B (i) Items that will be reclassfied to profit or loss		**–**	–
	(ii) Income tax on items that may be reclassified to profit or loss		**–**	–
IX	**Total comprehensive income for the period (VII+VIII)**		**942.17**	681.72
X	**Earnings per equity share (for continuing operation):**			
	(a) Basic	25	**942.17**	681.72
	(b) Diluted	25	**942.17**	681.72

The accompanying notes 1 to 34 are an integral part of the Financial Statements

In terms of our report attached.
For B K Khare & Co
Chartered Accountants
Firm Registration No. 105102W

Shirish Rahalkar
Partner
Membership No. 111212

Place : Mumbai
Date : 20th April 2022

For and on behalf of the Board of Directors

Mr. Parag Shah
Director
(DIN: 00374944)

Mr. Rajesh BC
CEO

Place : Mumbai
Date : 20th April 2022

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH, 2022

INR in Lakhs

Particulars	Note No.	For the year ended 31 March 2022	For the year ended 31 March 2021
Cash flows from operating activities			
Profit before tax for the year		**1,278.86**	885.37
Adjustments for:			
Depreciation and amortisation expenses		**174.59**	20.28
Finance Cost		**244.65**	93.03
Capital Working in Progess written off		**59.27**	–
		478.51	113.31
		1,757.36	998.68
Movements in working Capital			
(Increase)/decrease in trade and other receivables		**(1,061.99)**	(1,179.08)
(Increase)/decrease in other assets		**93.00**	(1,868.33)
Decrease in trade and other payables		**(459.13)**	321.00
Increase/(decrease) in provisions		**24.83**	33.23
(Decrease)/increase in other liabilities		**21.12**	817.59
Cash generated from operations		**(1,382.17)**	(1,875.60)
Income taxes paid		**(316.75)**	(95.93)
Net cash (used in)/generated from operating activities		**58.44**	(972.85)
Cash flows from investing activities		**–**	–
Purchase of Tangible Assets		**(281.20)**	(295.11)
Purchase of Intangible Assets		**(119.49)**	(21.90)
Capital Work in Progress		**–**	(419.86)
Net cash (used in) by investing activities		**(400.69)**	(736.87)
Cash flows from financing activities			
Proceeds of borrowings			
From Bank		**850.00**	1,850.00
From Parent company		**161.22**	388.78
Interest paid			
On Borrowing from Bank		**(133.83)**	(13.13)
On Borrowing from Parent company		**(110.81)**	(79.90)
Net cash generated from financing activities		**766.58**	2,145.75
Net increase in Cash and Cash Equivalents		**424.32**	436.03
Cash and Cash Equivalents at the beginning of the year		**463.30**	27.27
Cash and Cash Equivalents at the end of the year		**887.62**	463.30

The accompanying notes 1 to 34 are an integral part of the Financial Statements

In terms of our report attached.
For B K Khare & Co
Chartered Accountants
Firm Registration No. 105102W

Shirish Rahalkar
Partner
Membership No. 111212

Place : Mumbai
Date : 20th April 2022

For and on behalf of the Board of Directors

Mr. Parag Shah
Director
(DIN: 00374944)

Mr. Rajesh BC
CEO

Place : Mumbai
Date : 20th April 2022

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2022

A. Equity Share Capital

(i) Current reporting period

INR in Lakhs

Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Balance at the end of the current reporting period
10.00	–	**10.00**

(ii) Previous reporting period

INR in Lakhs

Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Balance at the end of the current reporting period
10.00	–	**10.00**

B. Other Equity

(i) Current reporting period

INR in Lakhs

Particulars	Other item of Other Comprehensive Income	Retained Earnings	Total
Balance at the beginning of the current reporting period	3.23	847.01	850.24
Total Comprehensive Income for the current year	4.24	937.93	942.17
Balance at the end of the current reporting period	**7.47**	**1,784.95**	**1,792.42**

(ii) Previous reporting period

INR in Lakhs

Particulars	Other item of Other Comprehensive Income	Retained Earnings	Total
Balance at the beginning of the previous reporting period	–	168.52	168.52
Total Comprehensive Income for the previous year	3.23	678.49	681.72
Balance at the end of the previous reporting period	**3.23**	**847.01**	**850.24**

The accompanying notes 1 to 34 are an integral part of the Financial Statements

In terms of our report attached.
For B K Khare & Co
Chartered Accountants
Firm Registration No. 105102W

Shirish Rahalkar
Partner
Membership No. 111212

Place : Mumbai
Date : 20th April 2022

For and on behalf of the Board of Directors

Mr. Parag Shah
Director
(DIN: 00374944)

Mr. Rajesh BC
CEO

Place : Mumbai
Date : 20th April 2022

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

1. Nature of Operations

Mahindra Teqo Private Limited ('the Company') is a company limited by shares, incorporated and domiciled in India, having CIN as U40100MH2016PTC271679 and it is a subsidiary of Mahindra Susten Private Limited. Its ultimate holding Company is Mahindra and Mahindra Limited. The Company offers turnkey asset management solutions which helps the Renewable Energy asset owners to maximize returns through Performance enhancement services (Operation & Maintenance, Technical due diligence, Remote monitoring and analysis).

Statement of compliance

The accompanying financial statements have been prepared in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) (Amendment) Rules, 2016 notified under Section 133 of the Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

2. Significant Accounting Policies and Accounting Judgments and Estimates

A) Basis of Preparation of Financial Statements

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable to the financial statements

The financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities measured at fair value

B) Use of estimates and judgments

The preparation of the financial statements in accordance with Ind AS requires use of judgements, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognized prospectively.

Assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ended 31 March 2022 are as follows:

(i) Recoverability of deferred tax assets:

In determining the recoverability of deferred income tax assets, the Company primarily considers current and expected profitability of applicable operating business segments and their ability to utilise any recorded tax assets. The Company reviews its deferred income tax assets at every reporting year/ period end, taking into consideration the availability of sufficient current and projected taxable profits, reversals of taxable temporary differences and tax planning strategies.

(ii) Impairment losses on financial assets:

The Company reviews its financial assets to assess impairment at regular intervals. The Company's credit risk is primarily attributable to its financial assets. In determining whether impairment losses should be reported in the statement of profit and loss, the Company makes judgments as to whether there is any observable data indicating that there is a measurable decrease in the estimated future cash flows. Accordingly, an allowance for expected credit loss is made where there is an identified loss event or condition which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

(iii) Estimation of provisions and contingencies:

Provisions are liabilities of uncertain amount or timing recognized where a legal or constructive obligation exists at the balance sheet date, as a result of a past event, where the amount of the obligation can be reliably estimated and where the outflow of economic benefit is probable. Contingent liabilities are possible obligations that may arise from past event whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events which are not fully within the control of the Company. The Company exercises judgement and estimates in recognizing the provisions and assessing the exposure to contingent liabilities relating to pending litigations. Judgement is necessary in assessing the likelihood of the success of the pending claim and to quantify the possible range of financial settlement. Due to this inherent uncertainty in the evaluation process, actual losses may be different from originally estimated provision.

C) Other Significant Accounting Policies:

Current versus Non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current. A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets or liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

a) Financial Assets and Financial Liabilities

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

Financial assets

All financial assets by regular way of purchases or sales are recognized and derecognized on a trade date basis. Regular way of purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

All recognized financial assets are subsequently measured at either amortized cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

Instruments that meet the following conditions are subsequently measured at amortized cost (except for that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Effective interest method

The effective interest method is a method of calculating the amortized cost of a assets and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the assets, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognized on an effective interest basis for instruments other than those financial assets classified as at FVTPL. Interest income is recognized in profit or loss and is included in the “Other income” line item.

Financial assets at fair value through profit or loss (FVTPL)

Investments in debt / equity instruments are classified as at FVTPL, unless the Company irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement recognized in profit or loss. The net gain or loss recognized in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the ‘Other income’ line item. Dividend on financial assets at FVTPL is recognized when the Company’s right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

Impairment of financial assets

The Company applies the expected credit loss model for recognizing impairment loss on financial assets measured at amortized cost, debt instruments at FVTOCI, lease receivables, trade receivables, and other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights for each category of receivable. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract/agreement and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Company estimates cash flows by considering all contractual/agreed terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument.

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. 12-month expected credit losses are portion of the life-time expected credit losses and represent the lifetime cash shortfalls that will result if default occurs within the 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.

If the Company measured loss allowance for a financial instrument at lifetime expected credit loss model in the previous period, but determines at the end of a reporting period that the credit risk has not increased significantly since initial recognition due to improvement in credit quality as compared to the previous period, the Company again measures the loss allowance based on 12-month expected credit losses.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Company uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

For investments, company reviews its carrying value of investments carried at cost annually, or more frequently when there is indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted in the statement of profit and loss.

Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of that financial asset to another party.

On derecognition of a financial asset in its entirety, the difference between the asset’s carrying amount and the sum of the consideration received and receivable is recognized in profit or loss, if such gain or loss would have otherwise been recognized in profit or loss on disposal of that financial asset.

Financial liabilities

All financial liabilities are subsequently measured at amortized cost using the effective interest method or at FVTPL.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on re-measurement recognized in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

Financial liabilities subsequently measured at amortized cost

Financial liabilities that are not designated as at FVTPL are measured at amortized cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortized cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Derecognition of financial liabilities

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognized and the consideration paid and/or payable is recognized in profit or loss.

Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortized cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortized cost of the instruments and are recognized in profit or loss.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognized in profit or loss.

Derecognition of financial liabilities

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognized and the consideration paid and/or payable is recognized in profit or loss.

Derivative financial instruments

The Company enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including foreign exchange forward contracts, interest rate swaps and cross currency swaps.

Derivatives are initially recognized at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognized in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedging relationship and the nature of the hedged item.

b) Property plant and equipment:

(i) Property plant and equipment:

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognized impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalized in accordance with the Company's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Management reviews the useful lives and residual values of property, plant and equipment and intangible assets, at least once a year and any changes could affect the depreciation rates prospectively and hence the asset carrying values.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds (net of expenses incurred in connection with the sale) and the carrying amount of the asset and is recognized in profit or loss

(ii) Capital work in progress and Capital advances:

Assets under construction includes the cost of property, plant and equipment that are not ready to use at the balance sheet date. Advances paid to acquire property, plant and equipment before the balance sheet date are disclosed under other non-current assets. Assets under construction are not depreciated as these assets are not yet available for use.

(iii) Impairment:

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use.

In assessing value in use, the Company makes a reasonable estimate of the value in use.

When an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

c) **Borrowing Costs:**

Borrowing costs directly attributable to the acquisition, construction or production of an asset are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

d) **Foreign Exchange Transactions:**

Initial Recognition

All transactions that are not denominated in the Company's functional currency are foreign currency transactions. These transactions are initially recorded in the functional currency by applying the appropriate daily rate which best approximates the actual rate of the transaction. Exchange differences arising on foreign exchange transactions settled during the year are recognized in the standalone statement of profit and loss.

Measurement of foreign currency items at the reporting date

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Nonmonetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Exchange differences are recognized in the standalone statement of profit and loss

e) **Fair value measurement**

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

f) **Segment information:**

Operating segments are reported in a manner consistent with internal reporting provided to the Chief Executive Office) of the Company. The Chief Executive Officer is responsible for allocating resources and assessing performances of the operating segments of the Company.

g) **Leases:**

As per Ind As 116 at inception of contract, the Company assesses whether the Contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. At inception or on reassessment of a contract that contains a lease component, the Company allocates consideration in the contract to each lease component on the basis of their relative standalone price.

As a lessee:

i) **Right-of-use assets:**

The Company recognized right-of-use assets at the commencement date of the lease. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, lease payments made at or before the commencement date less any lease incentives received and estimate of costs to dismantle. Right of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets. The Company presents right-to-use assets that do not meet the definition of investment property in 'Property, plant and equipment'.

ii) **Lease liabilities:**

At the commencement date of the lease, the Company recognized lease liabilities measured at the present value of lease payments to be made over the lease term. In calculating the present value of lease payments, the Company generally uses its incremental borrowing rate at the lease commencement date if the discount rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. The carrying amount is remeasured when there is a change in future lease payments arising from a change in index or rate. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset. The Company presents lease liabilities under financial liabilities in the Balance Sheet.

iii) **Short term leases and leases of low value of assets:**

The Company applies the short-term lease recognition exemption to its short-term leases. It also applies the lease of low value assets recognition exemption that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognized as expense on a straight-line basis over the lease term.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

As a lessor:

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognized on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income. Contingent rents are recognized as revenue in the period in which they are earned. Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

h) Taxes:

Income tax comprises current and deferred tax. It is recognized in the standalone statement of profit and loss except to the extent that it relates to a business combination or to an item recognized directly in equity or in other comprehensive income.

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using applicable tax rates (and tax laws) enacted or substantially enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognized amounts, and it is intended to realize the asset and settle the liability on a net basis or simultaneously.

Minimum Alternative Tax ('MAT')

Minimum Alternative Tax ('MAT') under the provisions of the Income-tax Act, 1961 is recognized as current tax in the standalone statement of profit and loss. The credit available under the Act in respect of MAT paid is recognized as a deferred tax asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the period for which the MAT credit can be carried forward for set-off against the normal tax liability. MAT credit recognized as an deferred tax asset is reviewed at each balance sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

Deferred tax

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognized in respect of carried forward tax losses and tax credits.

Deferred tax is not recognized for:

– temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;

– temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and

– taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognized to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Company recognizes a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realized. Deferred tax assets – unrecognized or recognized, are reviewed at each reporting date and are recognized/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realized.

Deferred tax is measured at the tax rates that are expected to apply to the year/period when the asset is realized or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

i) Provisions and Contingent Liabilities:

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost. Expected future operating losses are not provided for.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources embodying economic benefits or the amount of such obligation cannot be measured reliably. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources embodying economic benefits is remote, no provision or disclosure is made.

A contingent asset is disclosed where an inflow of economic benefits is probable.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

j) **Cash and Cash Equivalents:**

Cash and cash equivalents for the purpose of Cash Flow Statements include cash in hand, demand deposits with banks, other short-term highly liquid investments with original maturities of three months or less.

k) **Earnings Per Share:**

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period and,

Diluted earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period adjusted for the effects of dilutive options.

l) **Revenue Recognition:**

The Company has adopted Ind AS 115, Revenue from Contracts with Customers,. The Company has applied the following accounting policy for revenue recognition:

Revenue from contracts with customers:

The Company recognizes revenue from contracts with customers based on a five step model as set out in Ind AS 115:

Step 1. Identify the contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2. Identify the performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer

Step 3. Determine the transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4. Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company will allocate the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

Step 5. Recognize revenue when (or as) the entity satisfies a performance obligation

The Company satisfies a performance obligation and recognizes revenue over time, if one of the following criteria is met:

- The customer simultaneously receives and consumes the benefits provided by the Company's performance as the Company performs; or
- The Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- The Company's performance does not create an asset with an alternative use to the Company and the entity has an enforceable right to payment for performance completed to date.

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes and duty. The Company assesses its revenue arrangements against specific criteria to determine if it is acting as principal or agent. The Company has concluded that it is acting as a principal in all of its revenue arrangements.

The accounting policies for the specific revenue streams of the Company is:

Sales of goods

An entity shall recognize revenue when (or as) the entity satisfies a performance obligation by transferring a promised good or service (ie an asset) to a customer. An asset is transferred when (or as) the customer obtains control of that asset.

Interest Income

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably

m) **Events after reporting date:**

Where events occurring after the balance sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted with the standalone financial statements. Otherwise, events after the balance sheet date of material size or nature are only disclosed.

3. Recent Accounting Pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On 23 March, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from 1st April, 2022, as below:

Ind AS 16 – Proceeds before intended use

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. An entity will not recognize such sales proceeds and related cost in profit or loss, but deduct the cost from the directly attributable costs considered as part of cost of an item of property, plant, and equipment. The Company does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract

The amendments specify that that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 103 – Reference to Conceptual Framework

The amendments specifiy that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 109 – Annual Improvements to Ind AS (2021)

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact in its financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

Note No. 4 - Property, Plant and Equipment

INR in Lakhs

Description of Assets	Plant and Equipment	Office Equipment	Computers & EDP	Furniture and Fixtures	Vehicles	Total
I. Gross Carrying Amount						
Balance as at 1 April 2021	254.04	0.51	30.31	14.16	14.09	313.11
Additions during the year	217.71	1.79	52.09	0.00	9.61	281.20
Balance as at 31 March 2022	**471.76**	**2.29**	**82.40**	**14.16**	**23.71**	**594.31**
II. Accumulated depreciation and impairment						
Balance as at 1 April 2021	16.22	0.06	1.85	0.33	0.47	18.93
Depreciation expense for the year	80.28	0.33	16.54	1.78	2.67	101.61
Balance as at 31 March 2022	**96.50**	**0.39**	**18.39**	**2.12**	**3.14**	**120.54**
III. Net carrying amount (I-II)	**375.26**	**1.90**	**64.01**	**12.04**	**20.57**	**473.77**

INR in Lakhs

Description of Assets	Plant and Equipment	Office Equipment	Computers & EDP	Furniture and Fixtures	Vehicles	Total
I. Gross Carrying Amount						
Balance as at 1 April 2020	18.00	0.00	0.00	0.00	0.00	18.00
Additions during the year	236.04	0.51	30.31	14.16	14.09	295.11
Balance as at 31 March 2021	**254.04**	**0.51**	**30.31**	**14.16**	**14.09**	**313.11**
II. Accumulated depreciation and impairment						
Balance as at 1 April 2020	2.85	0.00	0.00	0.00	0.00	2.85
Depreciation expense for the year	13.36	0.06	1.85	0.33	0.47	16.08
Balance as at 31 March 2021	**16.21**	**0.06**	**1.85**	**0.33**	**0.47**	**18.93**
III. Net carrying amount (I-II)	**237.83**	**0.45**	**28.46**	**13.82**	**13.62**	**294.18**

Note No. 5 - Other Intangible Assets

INR in Lakhs

Description of Assets	Software	Total
I. Gross Carrying Amount		
Balance as at 1 April 2021	43.28	43.28
Additions during the year	480.09	480.09
Balance as at 31 March 2022	**523.37**	**523.37**
II. Accumulated depreciation and impairment		
Balance as at 1 April 2021	4.20	4.20
Depreciation expense for the year	72.98	72.98
Balance as at 31 March 2022	**77.18**	**77.18**
III. Net carrying amount (I-II)	**446.19**	**446.19**

INR in Lakhs

Description of Assets	Software	Total
I. Gross Carrying Amount		
Balance as at 1 April 2020	0.00	0.00
Additions during the year	43.28	43.28
Balance as at 31 March 2021	**43.28**	**43.28**
II. Accumulated depreciation and impairment		
Balance as at 1 April 2020	0.00	0.00
Depreciation expense for the year	4.20	4.20
Balance as at 31 March 2021	**4.20**	**4.20**
III. Net carrying amount (I-II)	**39.08**	**39.08**

Note No. 6 - Intangible Assets under Development

INR in Lakhs

Description of Assets	Software	Total
I. Gross Carrying Amount		
Balance as at 1 April 2021	419.87	**419.87**
Additions during the year	0.00	0.00
Transferred to Intangible Assets	360.60	360.60
Written off during the year	59.27	59.27
Balance as at 31 March 2022	**0.00**	**0.00**

INR in Lakhs

Description of Assets	Software	Total
I. Gross Carrying Amount		
Balance as at 1 April 2020	21.38	**21.38**
Additions during the year	419.86	419.86
Transferred to Intangible Assets	21.38	0.00
Written off during the year	0.00	0.00
Balance as at 31 March 2021	**419.86**	**441.24**

Intangible Assets under Development ageing schedule

As at 31 March 2021

INR in Lakhs

Outstanding for following periods				
Less than 1 year	**1-2 Years**	**2-3 years**	**More than 3 years**	**Total**
419.86	–	–	–	419.86

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

Note No. 7 - Trade receivables

INR in Lakhs

Particulars	As at 31 March 2022	As at 31 March 2021
Trade receivables		
(a) Unsecured, undisputed, considered good	**4327.98**	3217.98
Less: Allowance for Credit Losses	**(65.41)**	(17.40)
TOTAL	**4,262.57**	3,200.58
Of the above , Trade Receivable from		
Related Parties	**127.97**	201.67
Others	**4,134.60**	2,963.11
TOTAL	**4,262.57**	3,164.78

Note:
All the Sundry Debtors have been charged against Working Capital Demand Loan (WCDL) taken from Bank

Trade Receivables ageing schedule

INR in Lakhs

Particulars	Outstanding for following periods from due date of payment					
As at 31 March 2022	Less than 6 months incl Not Due	6 months - 1 year	1-2 Years	2-3 years	More than 3 years	Total
Undisputed Trade receivables — considered good	3,960.91	314.76	52.31	0.00	–	4,327.98

INR in Lakhs

Particulars	Outstanding for following periods from due date of payment					
As at 31 March 2021	Less than 6 months incl Not Due	6 months - 1 year	1-2 Years	2-3 years	More than 3 years	Total
Undisputed Trade receivables — considered good	3,107.58	87.46	22.94	–	–	3,217.98

Note No. 8 - Cash and Cash Equivalent

INR in Lakhs

Particulars	As at 31 March 2022	As at 31 March 2021
Balances with banks	**887.62**	463.30
Total Cash and cash equivalent	**887.62**	463.30

Note:

All cash and cash equivalents have been charged against WCDL taken from Bank

Note No. 9 - Other Financial Assets

INR in Lakhs

Particulars	As at 31 March 2022		As at 31 March 2021	
	Current	Non Current	Current	Non Current
(i) Security Deposits for Rent	**28.11**	**–**	28.11	–
(ii) Security Deposit -Mvat Registration	**0.25**	**–**	0.25	–
(iii) Unbilled Revenue	**371.07**	**–**	879.16	–
(iv) Other advances	**160.76**	**–**	51.73	–
Total Other Financial Assets	**560.19**	**–**	959.26	–

Note:
All Other Financial Assets have been charged against WCDL taken from Bank

Note No. 10 - Other Assets

INR in Lakhs

Particulars	As at 31 March 2022		As at 31 March 2021	
	Current	Non Current	Current	Non Current
(i) Balances with government authorities (other than income taxes)	**185.80**	–	146.82	–
Total Other Assets	**185.80**	**–**	146.82	**–**

Note:
All Other Assets have been charged agaisnt WCDL taken from Bank

Note No. 11 - Inventories

INR in Lakhs

Particulars	As at 31 March 2022	As at 31 March 2021
Consumables and spares	1,006.69	763.77
Total	**1,006.69**	763.77

Note:
The inventory is valued at cost or net realisable value whichever is lower
All Inventory have been charged against WCDL taken from Bank

Note No. 12 - Equity Share Capital

INR in Lakhs

Particulars	As at 31 March 2022		As at 31 March 2021	
	No. of shares	Value of shares	No. of shares	Value of shares
Authorised:				
Equity shares of ₹ INR 10 each with voting rights	**1,00,000**	**10.00**	1,00,000	10.00
Issued, Subscribed and Fully Paid:				
Equity shares of ₹ INR 10 each with voting rights	**1,00,000**	**10.00**	1,00,000	10.00
Total Equity Share Capital	**1,00,000**	**10.00**	1,00,000	10.00

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

(i) Reconciliation of the number of shares outstanding at the beginning and at the end of the period;

Particulars	Opening Balance	Fresh Issue	Bonus	ESOP	Other Changes	Closing Balance
Equity Shares with Voting rights						
Period Ended 31st March 2022						
No. of Shares	1,00,000	–	–	–	–	1,00,000
Amount in INR Lakhs	10.00	–	–	–	–	10.00
Equity Shares with Voting rights						
Period Ended 31st March 2021						
No. of Shares	1,00,000	–	–	–	–	1,00,000
Amount in INR Lakhs	10.00	–	–	–	–	10.00

ii) Details of shares held by the holding company, the ultimate holding company, their subsidiaries and associates:

Particulars	No. of Shares		
	Equity Shares with Voting rights	Equity Shares with Differential Voting rights	Others
As at 31 March 2022	1,00,000	–	–
Mahindra Susten Private Limited (Holding Company)			
As at 31 March 2021			
Mahindra Susten Private Limited (Holding Company)	1,00,000	–	–

(iii) Details of shares held by each shareholder holding more than 5% shares:

	As at 31 March 2022		As at 31 March 2021	
Class of shares / Name of shareholder	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares with voting rights				
Mahindra Susten Private Limited (Holding Company)	1,00,000	100%	1,00,000	100%

Note:
It includes 1 equity share held as nominee by an individual on behalf of the Holding Company (Mahindra Susten Private Limited holds 1 Equity share with Miss Brijbala Batwal).

Shares held by promoters as at 31 March 2022

Promoter Name	No. of Shares	% of total shares	% Change during the year 31 March 2022
Mahindra Susten Private Limited	1,00,000	100%	–

Shares held by promoters as at 31 March 2021

Promoter Name	No. of Shares	% of total shares	% Change during the year 31 March 2021
Mahindra Susten Private Limited	1,00,000	100%	–

Note No. 13 - Current Tax and Deferred Tax

(a) Income Tax recognised in profit or loss

INR in Lakhs

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Current Tax:		
In respect of current year	**309.77**	236.53
Deferred Tax:		
In respect of current year	**31.15**	(29.65)
Total income tax expense	**340.92**	206.88

(b) Reconciliation of income tax expense and the accounting profit multiplied by Company's domestic tax rate:

INR in Lakhs

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
i) Profit before tax for the year	**1,278.86**	885.37
ii) Corporate tax rate as per Income tax Act, 1961	**25.168%**	25.168%
iii) Tax on accounting profit (iii) = (i) X (ii)	**321.86**	222.83
Effect of expenses that is non-deductible in determining taxable profit	**(12.09)**	13.70
iv) Total effect of Tax adjustment	**309.77**	236.53
v) Adjustments recognised in the current year in relation to the current tax of prior years	–	–
vi) Tax expense recognised during the year (vi)=(iv)+(v)	**309.77**	236.53

(c) Movement in deferred tax balances

INR in Lakhs

	Year ended 31 March 2022			
Particulars	Opening Balance	Recognised in Other Comprehensive Income	Recognised in profit and Loss	Closing Balance
Tax effect of items constituting deferred tax liabilities				
Property, Plant and Equipment	4.78	–	31.68	36.46
	4.78	–	31.68	36.46
Tax effect of items constituting deferred tax assets				
Other Assets	33.34	(1.43)	0.53	32.44
	33.34	(1.43)	0.53	32.44
Net Deferred Tax (Asset)/Liabilities	(28.56)	1.43	31.15	4.02

INR in Lakhs

	Year ended 31 March 2021			
Particulars	Opening Balance	Recognised in Other Comprehensive Income	Recognised in profit and Loss	Closing Balance
Tax effect of items constituting deferred tax liabilities				
Property, Plant and Equipment	–	–	4.78	4.78
	–	–	4.78	4.78
Tax effect of items constituting deferred tax assets				
Other Assets	–	(1.09)	34.43	33.34
	–	(1.09)	34.43	33.34
Net Deferred Tax (Asset)/Liabilities	–	1.09	(29.65)	(28.56)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

Note No. 14 - Current Borrowings

INR in Lakhs

Particulars	As at 31 March 2022	As at 31 March 2021
Measured at amortised cost		
A. Secured Borrowings:		
(a) Working Capital Demand Loan (WCDL)	**2,700.00**	1,850.00
Total Secured Borrowings	**2,700.00**	1,850.00
B. Unsecured Borrowings		
(a) Loans from related parties	**600.00**	438.78
Total Unsecured Borrowings	**600.00**	438.78
Total Borrowings	**3,300.00**	2,288.78

Note

1 The Company has WCDL Limits from Bank

As at March 31, 2022 the Company has availed WCDL of INR 2,700 Lakhs (as at March 31, 2021 - INR 1,850 Lakhs). The interest rate for borrowings ranges from 6% p.a. to 6.5% p.a.

2 The WCDL amount is Secured by exclusive charge on all present and future Current Assets of the Company including receivables.

3 The Company has availed Inter Corporate Depost (ICD) at 11% from Parent Compnay for a tenor of 3 years with an option to prepay at any time during the tenor.

Note No. 15 - Trade Payables

INR in Lakhs

Particulars	As at 31 March 2022		As at 31 March 2021	
	Current	Non Current	Current	Non Current
Trade payable - MSME	–	–	–	–
Trade payable - Other than MSME	**1,473.10**	–	1,932.23	–
Total Trade payables	**1,473.10**	**–**	1,932.23	**–**

Notes

(1) Trade Payables are payables in respect of the amount due on account of goods purchased or services received in the normal course of business.

(2) There are no amount due to micro and small enterprises registered the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act). The identification of suppliers as Micro and small enterprises covered under the "Micro small and Medium enterprises development Act 2006" was done on the basis of the information to the extent provided by the supplier to the Company.

INR in Lakhs
As at 31 March 2022

Particulars	Outstanding for following periods from date of transaction				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Trade payables - Other than MSME	991.55	481.55	–	–	1,473.10

INR in Lakhs
As at 31 March 2021

Particulars	Outstanding for following periods from date of transaction				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Trade payables - Other than MSME	1,913.71	18.52	–	–	1,932.23

Note No. 16 - Other Financial Liabilities

INR in Lakhs

Particulars	As at 31 March 2022		As at 31 March 2021	
	Current	Non Current	Current	Non Current
Accrued Expenses	769.01	–	928.77	–
Interest Payable - at amortised cost	9.63	–	0.13	–
TOTAL OTHER FINANCIAL LIABILITIES	**778.64**	**–**	928.90	**–**

Note No. 17 - Other Liabilities

INR in Lakhs

Particulars	As at 31 March 2022		As at 31 March 2021	
	Current	Non Current	Current	Non Current
TDS	**46.25**	–	62.87	–
Other Statutory Liabilities	**9.84**	–	10.41	–
Provision for Tax (Net)	**35.71**	–	35.47	–
Deferred Revenue	**115.23**	–	–	–
Other Liabilities	**60.15**	–	19.63	–
TOTAL OTHER LIABILITIES	**267.16**	**–**	128.38	**–**

Note No. 18 - Provisions

INR in Lakhs

Particulars	As at 31 March 2022		As at 31 March 2021	
	Current	Non Current	Current	Non Current
1. Gratutiy Provision (refer note 19)	**4.06**	**71.66**	1.29	62.76
2. Leave Provision	**5.52**	**47.65**	3.87	64.55
3. Provision towards Performance Pay	**68.58**	**–**	44.42	–
Total Provisions	**78.17**	**119.32**	49.58	127.31

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

Movement In Provision

Particulars	Provision towards Performance Pay	Leave Provision
Balance as at 1 April 2021	44.42	68.42
Additions during the year	68.58	7.38
Deletion during the year	(44.42)	(22.62)
Balance as at 31 March 2022	**68.58**	**53.18**

Particulars	Provision towards Performance Pay	Leave Provision
Balance as at 1 April 2020	19.47	–
Additions during the year	44.42	68.42
Deletion during the year	(19.47)	–
Balance as at 31 March 2021	**44.42**	**68.42**

Note No. 19 - Employee benefits

(a) Defined Contribution Plan

The Company's contribution to Provident Fund aggregating INR 57.32 Lakhs (Previous Year INR 50.82 Lakhs) has been recognised in the Statement of Profit or Loss under the head Employee Benefits Expense.

(a) Defined Benefit Plans:

Gratuity

The Company operates a gratuity plan covering qualifying employees. The benefit payable is the greater of the amount calculated as per the Payment of Gratuity Act, 1972 or the Company scheme applicable to the employee. The benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. In case of death while in service, the gratuity is payable irrespective of vesting.

Through its defined benefit plans the Company is exposed to a number of risks, the most significant of which are detailed below:

Changes in bond yields

A decrease in government bond yields will increase plan liabilities, although this is expected to be partially offset by an increase in the value of the plans' bond holdings and interest rate hedging instruments.

Inflation risk

Some of the Company's pension obligations are linked to inflation, and higher inflation will lead to higher liabilities (although, in most cases, caps on the level of inflationary increases are in place to protect the plan against extreme inflation). The plans hold a significant proportion of assets in index linked gilts, together with other inflation hedging instruments and also assets which are more loosely correlated with inflation. However an increase in inflation will also increase the deficit to some degree.

Life expectancy

The majority of the plan's obligations are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the plan's liabilities. This is particularly significant in the Company's defined benefit plans, where inflationary increases result in higher sensitivity to changes in life expectancy.

The significant actuarial assumptions used for the purposes of the actuarial valuations were as follows:

	Valuation as at	
	31 March 2022	31 March 2021
Discount rate(s)	**7.15%**	7.10%
Expected rate(s) of salary increase	**8.00%**	8.00%

Defined benefit plans – as per actuarial valuation on 31st March, 2022

Particulars	Unfunded Plan	Unfunded Plan
		INR in Lakhs
	Gratuity	
	2022	2021
Amounts recognised in comprehensive income in respect of these defined benefit plans are as follows:		
Service Cost		
Current Service Cost	**19.21**	18.25
Past service cost and (gains)/losses from settlements	–	–
Net interest expense	**4.53**	3.72
Components of defined benefit costs recognised in profit or loss	**23.74**	21.96
Remeasurement on the net defined benefit liability		
Return on plan assets (excluding amount included in net interest expense)	–	–
Actuarial gains and loss arising form changes in financial assumptions	**0.43**	(4.27)
Actuarial gains and loss arising form changes in demographic assumptions	**(6.29)**	–
Actuarial gains and loss arising form experience adjustments	**0.20**	(0.04)
Others (describe)	–	–
Components of defined benefit costs recognised in other comprehensive income	**(5.67)**	(4.32)
Total	**18.07**	17.65
I. Net Asset/(Liability) recognised in the Balance Sheet as at 31 March		
1. Present value of undefined benefit obligation as at 31 March	**75.72**	64.05
2. Current portion of the above	**4.06**	1.29
3. Non current portion of the above	**71.66**	62.76
II. Change in the obligation during the year ended 31st March		
1. Present value of defined benefit obligation at the beginning of the year	**64.05**	54.71
2. Add/(Less) on account of Scheme of Arrangement/Business	–	–
Transfer		
3. Expenses Recognised in Profit and Loss Account	–	–
- Current Service Cost	**19.21**	18.25
- Past Service Cost	–	–
- Interest Expense (Income)	**4.53**	3.72
4. Recognised in Other Comprehensive Income		
Remeasurement gains / (losses)		
- Actuarial Gain (Loss) arising from:		
i. Demographic Assumptions	**(6.29)**	–
ii. Financial Assumptions	**0.43**	(4.27)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

INR in Lakhs

Particulars	Unfunded Plan	Unfunded Plan
	Gratuity	
	2022	2021
iii. Experience Adjustments	**0.20**	(0.04)
5. Benefit payments	**(18.87)**	(8.32)
6. Liabilities assumed / (settled)	**12.48**	–
7. Present value of defined benefit obligation at the end of the year	**75.72**	64.05
III. Change in fair value of assets during the year ended 31st March		
1. Fair value of plan assets at the beginning of the year	**18.87**	8.32
2. Add/(Less) on account of Scheme of Arrangement/Business Transfer	–	–
3. Expenses Recognised in Profit and Loss Account		
- Expected return on plan assets	–	–
4. Recognised in Other Comprehensive Income	–	–
Remeasurement gains / (losses)		
- Actual Return on plan assets in excess of the expected return	–	–
- Others (specify)	–	–
5. Contributions by employer (including benefit payments recoverable)	–	–
6. Benefit payments	**(18.87)**	(8.32)
7. Fair value of plan assets at the end of the year	–	–
IV. The Major categories of plan assets	**NA**	NA
– List the plan assets by category here		
Insured Funds		
V. Actuarial assumptions		
1. Discount rate	**7.10%**	7.15%
2. Expected rate of return on plan assets	**NA**	NA
3. Attrition rate	**8.00%**	8.00%
4. Medical premium inflation	**NA**	NA

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

Principal assumption		Changes in assumption	Impact on defined benefit obligation: Increase in assumption	Decrease in assumption
	2022	1.00%	(10.39%)	12.42%
Discount rate	2021	1.00%	(16.34%)	20.61%
	2022	1.00%	11.48%	(10.08%)
Salary growth rate	2021	1.00%	18.50%	(15.64%)

The methods and types of assumptions used in preparing the sensitivity analyses did not change compared to previous period.

Maturity profile of defined benefit obligation:

	2022	2021
Within 1 year	**4.06**	1.29
1 - 2 year	**5.41**	1.53
2 - 3 year	**5.64**	1.96
3 - 4 year	**5.74**	2.41
4 - 5 year	**5.97**	2.22
5 - 10 years	**23.11**	9.33
10 years & above	**158.94**	276.23

The weighted average duration of the defined benefit obligation as at 31 March 2022 is 11.33 years (as at 31 march 2021 - 18.29 years)

The estimate of future salary increases, considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The current service cost and the net interest expense for the year are included in the employee benefits expense in profit or loss of the expense for the year.

Note No. 20 – Revenue from Operations

INR in Lakhs

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
(a) Revenue from rendering of services	**13,032.84**	8,854.57
(b) Other operating revenue	–	–
Total Revenue from Operations	**13,032.84**	8,854.57

Note:

A. Disaggregated Revenue Information:
The Company's revenue is from only one segment i.e Renewable Asset Management

B. Reconciliation of Contract Assets & Contract Liabilities:

INR in Lakhs

Particulars	As at 31 March 2022	As at 31 March 2021
Contract Assets		
Unbilled Revenue		
At the beginning of the year	**879.16**	**32.48**
Less: Bill during the year	**(13,540.93)**	**(8,007.89)**
Add: Revenue recognised during the year	**13,032.84**	**8,854.57**
At the end of the year	**371.07**	879.16

INR in Lakhs

Particulars	As at 31 March, 2022	As at 31 March, 2021
Contract Liability		**–**
Deferred Revenue		
At the beginning of the year	**–**	**–**
Less: Revenue recognised during the year	**–**	**–**
Add: Bill During the Year	**115.23**	**–**
At the end of the year	**115.23**	–

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

C. Reconciliation of revenue as per Ind AS 115:

INR in Lakhs

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Revenue as per contracted prices	**13,032.84**	8,854.57
Less: Adjustment of revenue pertaining to Revenue from sale	**–**	–
Revenue from contract with customers	**13,032.84**	8,854.57

Note No. 21 - Direct Expense

INR in Lakhs

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
(a) Project Expenses for services rendered towards site operations & maintenance	**6,236.91**	4,495.56
Total Direct Expense	**6,236.91**	4,495.56

Note:
The expenses incurred are direct expenses on-site for rendering of site activities as per agreed terms and scope of contract. These services (module cleaning, site security, vegetation treatment, plant maintenance) are sub-contracted to vendors.

Note No. 22- Employee Benefit Expense

INR in Lakhs

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
(a) Salaries and wages	**4,364.07**	2,560.29
(b) Contribution to provident and other funds	**81.94**	55.36
(c) Staff welfare expenses	**42.27**	56.35
Total Employee Benefit Expense	**4,488.29**	2,672.01

Note No. 23- Finance Cost

INR in Lakhs

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
(a) Interest expense on WCDL	**133.83**	13.13
(b) *Interest expense on ICDs*	**110.82**	79.90
Total Finance costs	**244.65**	93.03

Note No. 24 - Other Expenses

INR in Lakhs

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
(a) Rent, Rates and taxes	**79.59**	88.40
(b) Corporate social responsibility (CSR) Expenses (refer note below)	**7.53**	–
(c) Auditors remuneration and out-of-pocket expenses		**–**
(i) As Auditors- statutory audit fees	**2.50**	2.50
(ii) Others	**0.50**	0.50
(d) Other expenses		–
(1) Professional & Legal Fees	**110.40**	470.52
(2) Travelling & Conveyance expenses	**39.33**	40.17
(3) Provision for Doubtful Debtors	**48.01**	17.40
(4) Insurance exp	**25.06**	–
(5) Software Charges	**146.35**	24.05
(6) Intangible Assets under Development written off	**59.27**	–
(7) Miscellaneous expenses	**91.00**	44.78
Total Other Expenses	**609.55**	688.32

Note 1: Rent, Rates & taxes
The Company had taken premises on lease in Thane & Banglore. Intital arrangements were till September 2021 which has been extended till October 2022. The Termination notice is 2 calendar months as per Agreement. The future expected cash outlay are as follows:

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Expected Future Cash Outlflow	**55.80**	35.34

Note 2: Details of CSR Expenditure

INR in Lakhs

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
i) Amount required to be spent by the company during the year	**7.53**	–
ii) Amount of expenditure incurred	**7.53**	–
iii) Nature of CSR activities		
Hospital Development	**2.53**	–
Aganwadi Development in Rural Area	**1.70**	–
Providing cycles to school for daily commute of poor children	**1.70**	–
Helping Street children and sex workers kids for Education	**1.60**	
iv) Amount paid to related party from CSR	**–**	–

Note No. 25 - Financial Instruments

Capital management

The Company's capital management objectives are:

- to ensure the Company's ability to continue as a going concern
- to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

The Company monitors capital on the basis of the carrying amount of equity less cash and cash equivalents as presented on the face of the statement of financial position.

The Company sets the amount of capital in proportion to its overall financing structure, i.e. equity and financial liabilities. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

Debt-to-equity ratio as of 31 March 2022 and 31 March 2021 is as follows:

	31 March 2022	31 March 2021
Debt (A) in INR in Lakhs	**3,300**	2,289
Equity (B) in INR in Lakhs	**1,802**	860
Debt Equity Ratio (A / B)	**1.83**	2.66

Categories of financial assets and financial liabilities
As at 31 March 2022

INR in Lakhs

	Amortised Costs	FVTPL	FVOCI	Total
Current Assets				
Trade Receivables	4,327.98	–	–	4,327.98
Cash and Bank Balances	887.62	–	–	887.62
Loans	–	–	–	–
Other Financial Assets	560.19	–	–	560.19

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

INR in Lakhs

	Amortised Costs	FVTPL	FVOCI	Total
Non-current Liabilities				
Borrowings	–	–	–	–
Lease Liabilities	–	–	–	–
Current Liabilities				
Borrowings	3,300.00	–	–	3,300.00
Lease Liabilities	–	–	–	–
Trade Payables	1,473.10	–	–	1,473.10
Other Financial Liabilities	778.64	–	–	778.64

As at 31 March 2021

INR in Lakhs

	Amortised Costs	FVTPL	FVOCI	Total
Current Assets				
Trade Receivables	3,217.98	–	–	3,217.98
Cash and Bank Balances	463.30	–	–	463.30
Loans	–	–	–	–
Other Financial Assets	959.26	–	–	959.26
Current Liabilities				
Borrowings	2,288.78	–	–	2,288.78
Lease Liabilities	–	–	–	–
Trade Payables	1,932.23	–	–	1,932.23
Other Financial Liabilities	928.90	–	–	928.90

Financial Risk Management Framework

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk. In order to manage the aforementioned risks, the Company operates a risk management policy and a program that performs close monitoring of and responding to each risk factors.

CREDIT RISK

(i) Credit risk management

Credit risk arises when a counterparty defaults on its contractual obligations to pay resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral , where appropriate, as a means of mitigating the risk of financial loss from defaults. The Company uses other publicly available financial information and its own trading records to rate its major customers. The Company's exposure and credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by the risk management committee annually.

The credit period for Trade receivables ranges from 15 days to 45 days.

The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-agencies.

The Company applies the simplified approach to provide for expected credit losses prescribed by Ind AS 109, which permits the use of the lifetime expected loss provision for all trade receivables. The Company based on its assessment has created provision of INR 65.41 Lakhs (as at March 31, 2021 : INR 17.40 Lakhs) has been provided in the statement of profit and loss.

LIQUIDITY RISK

(i) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the management of the company, which has established an appropriate liquidity risk management framework for the management of the Company's short-, medium- and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

(ii) Maturities of financial liabilities

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment years. The amount disclosed in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay.

INR in Lakhs

Particulars	Less than 1 Year	1 Year to 3 Years	3 Years to 5 Years	5 years and above
Non-derivative financial liabilities				
31 March 2022				
Non-interest bearing	2,861	–	–	–
Fixed interest rate instruments	3,300	–	–	–
	6,161	–	–	–
31 March 2021				
Non-interest bearing	2,861	–	–	–
Fixed interest rate instruments	2,289	–	–	–
	5,150	–	–	–

(iii) Maturities of financial assets

The following table details the Company's expected maturity for its non-derivative financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Company's liquidity risk management as the liquidity is managed on a net asset and liability basis.

INR in Lakhs

Particulars	Less than 1 Year	1 Year to 3 Years	3 Years to 5 Years	5 years and above
Non-derivative financial liabilities				
31 March 2022				
Non-interest bearing	4,888	–	–	–
Fixed interest rate instruments	–	–	–	–
	4,888	–	–	–
31 March 2021				
Non-interest bearing	4,177	–	–	–
Fixed interest rate instruments	–	–	–	–
	4,177	–	–	–

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

MARKET RISK

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk such as equity price risk and commodity price risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. The Company uses derivatives to manage market risks. Derivatives are only used for economic hedging purposes and not as speculative investments. All such transactions are carried out within the guidelines set by the Board of Directors and Risk Management Committee.

CURRENCY RISK

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. The Company's exposure to currency risk relates primarily to the Company's operating activities and borrowings when transactions are denominated in a different currency from the Company's functional currency.

The Company manages its foreign currency risk by hedging transactions that are expected to occur

When a derivative is entered into for the purpose of being a hedge, the Company negotiates the terms of those derivatives to match the terms of the hedged exposure. For hedges of forecast transactions the derivatives cover the year of exposure from the point the cash flows of the transactions are forecasted up to the point of settlement of the resulting receivable or payable that is denominated in the foreign currency.

INTEREST RATE RISK

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company has a policy of investing surplus cash balances in short term liquid debt funds which are subject to minimum market risk.

Interest rate sensitivity

The sensitivity analyses below have been determined based on exposure to interest rate for both derivative and non-derivative instruments at the end of reporting year. For floating rate liabilities, analysis is prepared assuming the amount of liability outstanding at the end of the reporting year was outstanding for the whole year.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected, after the impact of hedge accounting. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

	Currency	Increase / decrease in basis points	Effect on profit before tax (INR in Lakhs)
31 March 2022	INR	+100	33.00
	INR	(100)	(33.00)
31 March 2021	INR	+100	22.89
	INR	(100)	(22.89)

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment, showing a significantly higher volatility than in prior years.

Note No. 26 - Fair Value Measurement

Fair value of financial assets and financial liabilities that are not measured at fair value

INR in Lakhs

Particulars	As at 31 March 2022		As at 31 March 2021	
	Carrying value	Fair value	Carrying value	Fair value
Financial assets				
Financial assets carried at Amortised Cost				
– trade and other receivables	4,327.98	4,327.98	3,217.98	3,217.98
– other financial assets	560.19	560.19	959.26	959.26
Total	4,327.98	4,327.98	3,217.98	3,217.98
Financial liabilities				
Financial liabilities held at amortised cost				
– trade and other payables	1,473.10	1,473.10	1,932.23	1,932.23
– other financial liabilities	778.64	778.64	928.90	928.90
– Interest accured on borrowings	9.63	9.63	0.13	0.13
– other Borrowings	3,300.00	3,300.00	2,288.78	2,288.78
Total	5,561.36	5,561.36	5,150.03	5,150.03

INR in Lakhs

Fair value hierarchy as at 31 March 2022

	Level 1	Level 2	Level 3	Total
Financial assets				
Financial assets carried at Amortised Cost				
– trade and other receivables	–	–	4,327.98	4,327.98
– other financial assets	–		560.19	560.19
Total	–	–	4,888.17	4,888.17
Financial liabilities				
Financial Instruments not carried at Fair Value				
– trade and other payables	–	–	1,473.10	1,473.10
– other financial liabilities	–	–	769.01	769.01
– Interest accured on borrowings	–	9.63	–	9.63
– other Borrowings	–	3,300.00	–	3,300.00
Total	–	3,309.63	2,242.11	5,551.74

INR in Lakhs

Fair value hierarchy as at 31 March 2021

	Level 1	Level 2	Level 3	Total
Financial assets				
Financial assets carried at Amortised Cost				
– trade and other receivables	–	–	3,217.98	3,217.98

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

INR in Lakhs

Fair value hierarchy as at 31 March 2021

	Level 1	Level 2	Level 3	Total
– other financial assets	–	–	959.26	959.26
Total	–	–	4,177.23	4,177.23
Financial liabilities				
Financial Instruments not carried at Fair Value				
– trade and other payables	–	–	1,932.23	1,932.23
– other financial liabilities	–	–	928.77	928.77
– Interest accured on borrowings	–	0.13	–	0.13
– other Borrowings	–	2,288.78	–	2,288.78
Total	–	2,288.91	2,861.00	5,149.91

Note No. 27- Earnings per Share

INR in Lakhs

Particulars	For the current year ended 31 March 2022	For the current year ended 31 March 2021
Basic Earnings per share	**942.17**	681.72
Total basic earnings per share	**942.17**	681.72
Diluted Earnings per share	**942.17**	681.72
Total diluted earnings per share	**942.17**	681.72

Basic & Diluted earnings per share

The earnings and weighted average number of ordinary shares used in the calculation of basic and diluted earnings per share are as follows:

INR in Lakhs

Particulars	For the current year ended 31 March 2022	For the current year ended 31 March 2021
Profit for the year	**942.17**	681.72
Less: Preference dividend and tax thereon	–	–
Profit for the year used in the calculation of basic earnings per share	**942.17**	681.72
Profit for the year on discontinued operations used in the calculation of basic earnings per share from discontinued operations	–	–
Profits used in the calculation of basic earnings per share from continuing operations (i)	**942.17**	681.72
Weighted average number of equity shares (ii)	**1,00,000**	1,00,000
Earnings per share from continuing operations - Basic and Diluted	**942.17**	681.72

Note No. 28 Key Ratios

Particulars	Numerator	Denominator	2021-22	2020-21	% Variance	Reason for Variance
Current Ratio	Current Assets	Current Liabilities	1.17	1.04	13%	
Debt Equity Ratio	Borrowings	Shareholder's Equity	1.83	2.66	(31%)	Borrowing increased by ~44% owing to Revenue growth of 47% and facilitation of corresponding operating cycle.
Debt Service Coverage ratio	Earnings before interest, taxes, depreciation and ammortisation	Interest & Principal Payment	0.48	0.42	14%	
Return on Equity Ratio	Profit after taxes	Average Shareholder's Equity	52.3%	79.2%	(27%)	Contribution Margin on new portfolios (F22) is lower than existing portfolio resulting in overall revenue growth but lower corresponding PAT.
Inventory turnover ratio	Cost of goods sold	Average Inventory	6.20	5.89	5%	
Trade receivables turnover ratio	Revenue from operations	Average Trade Receivable	3.06	2.77	11%	
Trade payables turnover ratio	Purchases	Average Trade Payables	4.65	2.68	73%	Timely rotation of payables to ensure smooth functioning of site operations and competitive pricing.
Net Captial turnover ratio	Revenue from operations	Total Assets	1.67	1.41	18%	
Net Profit ratio	Profit after taxes	Revenue from operations	7.23%	7.70%	0%	
Return on Investment	Income from Investments	Average Investments	–	–	–	
Return on capital employed	Earnings before interest and taxes	Average Shareholder's Equity + Borrowings + Lease liabilities	29.86%	31.07%	(1%)	

Note No. 29 - Related Party Transactions

Name of the Ultimate Holding Company	Mahindra & Mahindra Limited
Name of the Intermediate Holding Company	Mahindra Holdings Limited
Name of the Parent Company	Mahindra Susten Private Limited
Name of the fellow subsidiary	Astra Solren Private Limited
Name of the fellow subsidiary	Neo Solren Private Limited
Name of the fellow subsidiary	Mahindra Renewables Private Limited
Name of the fellow subsidiary	Mahindra Integrated Business Solutions Private Limited
Name of the fellow subsidiary	Mahindra Solarize Private Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

Details of transaction between the Company and its related parties are disclosed below:

INR in Lakhs

Particulars	For the year ended	Ultimate Holding Company	Parent Company	Fellow Subsidiary
Nature of transactions with Related Parties				–
ICD Taken	31st Mar 2022	–	1,650.00	–
	31st Mar 2021	–	2,445.00	–
ICD Repayment	31st Mar 2022	–	1,495.46	–
	31st Mar 2021	–	2,049.53	–
Rendering of services / goods	31st Mar 2022	–	998.07	1,320.40
	31st Mar 2021	–	316.56	950.30
Receiving of services / goods	31st Mar 2022	72.34	721.44	48.97
	31st Mar 2021	2.21	1,113.74	14.23
Interest on ICD	31st Mar 2022	–	110.82	–
	31st Mar 2021	–	79.90	–
Payment of Interest on ICD	31st Mar 2022	–	101.31	–
	31st Mar 2021	–	86.46	–

INR in Lakhs

Particulars	Balances as on	Ultimate Holding Company	Parent Company	Fellow Subsidiary
Trade Receivables	31st Mar 2022	–	66.98	60.99
	31st Mar 2021	–	115.64	86.03
Trade Payable	31st Mar 2022	46.22	721.44	10.04
	31st Mar 2021	5.81	12.95	14.35
ICD Payable	31st Mar 2022		600.00	–
	31st Mar 2021		438.78	–
Interest on ICD Payable	31st Mar 2022		9.63	–
	31st Mar 2021		0.13	–

Note No. 30 - Contingent liabilities and commitments

INR in Lakhs

Contingent liabilities (to the extent not provided for)	As at 31 March 2022	As at 31 March 2021
Contingent liabilities		
(a) Bank Guarantees	620.38	23.57

Note 31 - Other Statutory Informations

(a) The Company does not have any benami property, where any proceeding has been initiated or pending against the Company for holding any benami property.

(b) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

(c) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
  - (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (ultimate beneficiaries) or
  - (ii) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

(d) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (funding party) with the understanding (whether recorded in writing or otherwise) that the Group shall:
  - (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (ultimate beneficiaries) or
  - (ii) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

(e) The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

(f) The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.

(g) The Company is not declared wilful defaulter by and bank or financials institution or lender during the year.

(h) The Company has used the borrowings from banks and financial institutions for the specific purpose for which it was obtained.
  - (i) The Company does not have transactions with any struck off entity.

(j) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries or joint ventures or associate companies.

Note No. 32

COVID-19, a new strain of Coronavirus, has spread globally, including India. The event significantly affects the economic activity worldwide. The impact of the COVID-19 on the Company's business will depend on future developments that cannot be reliably predicted, including actions to contain or treat the disease and mitigate its impact on the economy of the country, among others. The Company will closely monitor any material changes to future economic conditions due to this pandemic.

Note No. 33

The amounts are been mention in INR Lakhs and has been rounded off to the nearest Rupees and previous years amount has been reclassified/regrouped where ever required.

Note No. 34

The financial statements have been approved for issue by Company's Board of Directors on 20 April 2022.

The accompanying notes 1 to 34 are an integral part of the Financial Statements

In terms of our report attached.
For B K Khare & Co
Chartered Accountants
Firm Registration No. 105102W

Shirish Rahalkar
Partner
Membership No. 111212

Place : Mumbai
Date : 20th April 2022

For and on behalf of the Board of Directors

Mr. Parag Shah
Director
(DIN: 00374944)

Mr. Rajesh BC
CEO

Place : Mumbai
Date : 20th April 2022

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF NEO SOLREN PRIVATE LIMITED

Report on the audit of the Financial Statements

Opinion

We have audited the accompanying Financial Statements of **Neo Solren Private Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, its profit and total comprehensive income, its changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Financial Statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the 'Auditors' Responsibilities for the Audit of the Financial Statements' section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("the ICAI") together with the ethical requirements that are relevant to our audit of the Financial Statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Financial Statements.

Information Other than the Financial Statements and Auditors' Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the Directors Report and the related annexures, but does not include the Financial Statements and our Auditors' Report thereon.

Our opinion on the Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Financial Statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Financial Statements of the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other Legal and Regulatory requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-Section (11) of Section 143 of the Act and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in Annexure B, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
   (c) The Balance Sheet, the Statement of Profit and Loss, the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this report are in agreement with the books of account.
   (d) In our opinion, the aforesaid Financial Statements comply with the Accounting Standards specified under Section 133 of the Act.
   (e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164(2) of the Act.
   (f) With respect to the adequacy of the internal financial controls with reference to Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure A. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to Financial Statements.
   (g) With respect to the other matters to be included in the Auditors' Report in accordance with the requirements of Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
      (i) The Company does not have any pending litigations which will impact its financial positions.
      (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
      (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

(iv)

(a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

(v) The Company has not declared/ paid/ declared and paid any dividend during the year.

For **B. K. Khare & Co.**
Chartered Accountants
Firm Registration No. 105102W

Shirish Rahalkar
Partner
Membership No.111212
UDIN: 22111212AHLXII3204

Place: Mumbai
Date: April 19, 2022

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of sub-section (3) of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of **Neo Solren Private Limited** ("the Company") as of March 31, 2022 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2022, based on the criteria for internal financial control with reference to financial statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **B. K. Khare & Co.**
Chartered Accountants
Firm Registration No. 105102W

Shirish Rahalkar
Partner
Membership No.111212
UDIN: 22111212AHLXII3204

Place: Mumbai
Date: April 19, 2022

ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT

[Referred to in Clause 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date]

i. (a) According to the information and explanations given to us, the Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.

(b) According to the information and explanations given to us, the Company does not have intangible assets.

(c) Property, plant and equipment have been physically verified by the management during the year and no material discrepancies were noticed on such verification.

(d) According to the information and explanations given to us, the title deeds of immovable properties are held in the name of the Company.

(e) According to the information and explanations given to us, the Company has not revalued any of its Property, Plant and Equipment (including Right of Use assets) during the year.

(f) Based on the audit procedures performed by us and according to the information, explanations and representations given to us, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

ii. (a) According to the information and explanations given to us, the Company does not have inventory. Accordingly, the reporting under Clause 3(ii)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us, the Company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets at any point of time during the year.

iii. According to the information and explanations given to us, the Company has not made investments in or provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year. Accordingly, the reporting under Clauses 3(iii)(a) to 3(iii)(f) of the Order is not applicable to the Company.

iv. According to the information and explanations given to us, the Company has not granted any loans or made any investments or provided any guarantees or security to the parties covered under Sections 185 and 186 of the Act. Accordingly, the reporting under Clause 3(iv) of the Order is not applicable to the Company.

v. According to the information and explanations given to us, the Company has not accepted deposits under the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. Accordingly, the reporting under Clause 3(v) of the Order is not applicable to the Company.

vi. The Central Government has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company. Accordingly, the reporting under Clause 3(vi) of the Order is not applicable to the Company.

vii. According to the information and explanations given to us and on the basis of our examination of records of the Company, the amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Services tax, Income-tax, Cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. The amounts deducted / accrued in the books of account in respect of undisputed statutory dues of Income-tax have been regularly deposited during the year by the Company with the appropriate authorities. According to the information and explanations given to us and on the basis of our examination of records of the Company, there were no undisputed statutory dues payable in respect of Sales tax, Service tax, Duty of Customs, Duty of Excise and Value Added Tax.

According to the information and explanations given to us and on the basis of our examination of records of the Company, there were no arrears of outstanding statutory dues in respect of Goods and Services tax, Provident fund, Employees' State Insurance, Income-tax, Sales tax, Service tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other material statutory dues as on the last day of the financial year for a period of more than six months from the date they became payable.

According to the information and explanations given to us and on the basis of our examination of records of the Company, there are no statutory dues in respect of Goods and Services Tax, Provident Fund, Employees' State Insurance, Sales tax, Service tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and any other material statutory dues as at 31 March 2022, which have not been deposited with the appropriate authorities on account of any dispute.

viii. According to the information and explanations given to us, there are no transactions not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income-tax Act, 1961. Accordingly, the reporting under Clause 3(viii) of the Order is not applicable to the Company.

ix. (a) According to the information and explanations given to us and based on the audit procedures performed by us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.

(b) According to the information and explanations given to us, the Company has not been declared a willful defaulter by any bank or financial institution or any other lender till the date of our audit report.

(c) According to the information and explanation given to us, the Company has not obtained any term loan during the year. Accordingly, the reporting under Clause 3(ix)(c) of the Order is not applicable to the Company.

(d) According to the information and explanation given to us, the Company has not raised funds on short term basis during the year. Accordingly, the reporting under Clause 3(ix)(d) of the Order is not applicable to the Company.

(e) According to the information and explanations given to us, the Company does not have any subsidiaries, associates or joint ventures. Accordingly, the reporting under Clauses 3(ix)(f) and 3(ix)(e) of the Order is not applicable to the Company.

x. (a) According to the information and explanations given to us, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under Clause 3(x)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Accordingly, the reporting under Clause 3(x)(b) of the Order is not applicable to the Company.

xi. (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company noticed or reported during the year, nor have we been informed of any such case by the management.

(b) There has been no report filed by us under sub-section (12) of Section 143 of the Act in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government. Accordingly, the reporting under Clause 3(xi)(b) of the Order is not applicable to the Company.

(c) As represented to us by the management, no whistle blower complaints were received by the Company during the year.

xii. According to the information and explanations given to us, the Company is not a Nidhi company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, the reporting under Clause 3(xii) of the Order is not applicable to the Company.

xiii. In our opinion and according to the information and explanations given to us, the Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required by Indian Accounting Standard (Ind AS) 24, Related Party Disclosures, specified under Section 133 of the Act.

xiv. (a) In our opinion and according to the information and explanations given to us and based on our examination, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the Internal Audit reports of the Company issued till date for the period under audit.

xv. According to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or directors of its holding company or persons connected with them during the year and hence, the provisions of Section 192 of the Act are not applicable to the Company. Accordingly, the reporting under Clause 3(xv) of the Order is not applicable to the Company.

xvi. (a) According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under Clause 3(xvi)(a) of the Order is not applicable to the Company.

(b) In our opinion and according to the information and explanations given to us, the Company has not conducted any Non-Banking Financial or Housing Finance activities. Accordingly, the reporting under Clause 3(xvi)(b) of the Order is not applicable to the Company.

(c) In our opinion and according to the information and explanations given to us, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under Clauses 3(xvi)(c) of the Order is not applicable to the Company.

(d) Based on the information and explanations given to us and the audit procedures performed by us, we report that the Group has 6 Core Investment Companies.

xvii. In our opinion and according to the information and explanations given to us, the Company has not incurred cash losses in the current financial year as well as in the immediately preceding financial year. Accordingly, the reporting under Clause 3(xvii) of the Order is not applicable to the Company.

xviii. There has been no resignation of the statutory auditors during the year. Accordingly, the reporting under Clause 3(xviii) of the Order is not applicable to the Company.

xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of Balance Sheet as and when they fall due within a period of one year from the Balance Sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the Balance Sheet date, will get discharged by the Company as and when they fall due.

xx. According to the information and explanations given to us, the Company is not required to spend any amount as per the provisions of Section 135 of the Act. Accordingly, the reporting under Clauses 3(xx)(a) and 3(xx)(b) of the Order is not applicable to the Company.

For **B. K. Khare & Co.**
Chartered Accountants
Firm Registration No. 105102W

Shirish Rahalkar
Partner
Membership No. 111212
UDIN: 22111212AHLXII3204

Place: Mumbai
Date: April 19, 2022

BALANCE SHEET AS AT 31 MARCH 2022

INR (₹)

	Particulars	Note No.	As at 31 March 2022	As at 31 March 2021
I	**ASSETS**			
	NON-CURRENT ASSETS			
	(a) Property, Plant and Equipment	4	**2,44,96,62,849**	2,52,36,93,027
	(b) Other Non-current Assets	10	**3,31,26,779**	2,78,49,377
	SUB-TOTAL		**2,48,27,89,628**	2,55,15,42,404
	CURRENT ASSETS			
	(a) Financial Assets			
	(i) Trade Receivables	6	**50,51,86,314**	20,36,17,999
	(ii) Cash and Cash Equivalents	7	**27,07,939**	19,72,67,411
	(iii) Other Bank Balance	8	**8,07,87,512**	8,07,87,512
	(iv) Other Financial Assets	9	**74,15,115**	4,45,31,167
	(b) Current Tax Assets (Net)	5	**-**	37,63,031
	(c) Other Current Assets	10	**37,48,828**	34,53,205
	SUB-TOTAL		**59,98,45,708**	53,34,20,325
	TOTAL ASSETS		**3,08,26,35,336**	3,08,49,62,729
II	**EQUITY AND LIABILITIES**			
1	**EQUITY**			
	(a) Equity Share Capital	11	**9,31,50,000**	9,31,50,000
	(b) Other Equity	11	**69,29,72,565**	65,37,62,122
	SUB-TOTAL		**78,61,22,565**	74,69,12,122
LIABILITIES				
2	**NON-CURRENT LIABILITIES**			
	(a) Financial Liabilities			
	(i) Borrowings	12	**2,06,72,76,873**	2,16,86,19,344
	(b) Deferred Tax Liabilities (Net)	5	**1,27,11,404**	66,66,325
	SUB-TOTAL		**2,07,99,88,277**	2,17,52,85,669
3	**CURRENT LIABILITIES**			
	(a) Financial Liabilities			
	(i) Borrowings	13	**10,71,19,179**	9,87,87,689
	(ii) Trade Payables	14		
	(A) Total outstanding dues of micro & small enterprises		**–**	–
	(B) Total outstanding dues to creditors other than Micro & small enterprises		**30,00,485**	17,77,237
	(iii) Other Financial Liabilities	15	**10,06,21,357**	6,08,45,595
	(b) Current Tax Liabilities (Net)	16	**39,84,646**	–
	(c) Other Current Liabilities	16	**17,98,827**	13,54,417
	SUB-TOTAL		**21,65,24,494**	16,27,64,938
	TOTAL EQUITY AND LIABILITIES		**3,08,26,35,336**	3,08,49,62,729

The accompanying notes 1 to 30 are an integral part of the Financial Statements

In terms of our report attached.
For **B. K. Khare & Co**
Chartered Accountants
Firm Registration No : 105102W

Shirish Rahalkar
Partner
Membership No. 111212

Place : Mumbai
Date : 19 April 2022

For and on behalf of the Board of Directors

Mr. Basant Jain
Director
DIN : 00220395

Mr. Rakesh Singh
Director
DIN : 07319353

Place : Mumbai
Date : 19 April 2022

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2022

INR (₹)

	Particulars	Note No.	Year ended 31 March 2022	Year ended 31 March 2021
	Continuining Operations			
I	Revenue from operations	17	**40,53,54,980**	38,89,01,498
II	Other Income	18	**84,29,440**	4,76,66,314
III	**Total Income (I + II)**		**41,37,84,420**	43,65,67,812
IV	**Expenses**			
	(a) Finance costs	19	**22,11,72,803**	24,41,00,633
	(b) Depreciation and amortisation expense	4	**9,43,40,164**	13,98,78,325
	(c) Other expenses	20	**4,39,48,312**	3,10,36,444
	Total Expenses		**35,94,61,279**	41,50,15,402
V	**Profit before tax (III-IV)**		**5,43,23,141**	2,15,52,410
VI	**Tax Expense**			
	(a) Current tax- (i) Minimum Alternate Tax		**90,67,619**	35,97,528
	(ii) Minimum Alternate Tax Credit		**(90,67,619)**	(35,97,528)
	(b) Deferred Tax	5	**1,51,12,698**	(70,39,704)
	Total tax expense		**1,51,12,698**	(70,39,704)
VII	**Profit after tax for the year (V-VI)**		**3,92,10,443**	2,85,92,114
VIII	**Other comprehensive income**			
	A (i) Items that will not be reclassified to profit or loss		**–**	–
	(ii) Income tax relating to items that will not be reclassified to profit or loss		**–**	–
	B (i) Items that may be reclassified to profit or loss		**–**	–
	(ii) Income tax on items that may be reclassified to profit or loss		**–**	–
IX	**Total comprehensive income for the year (VII + VIII)**		**3,92,10,443**	2,85,92,114
X	**Earnings per equity share**			
	(a) Basic	21	**0.42**	3.07
	(b) Diluted	21	**0.42**	3.07

The accompanying notes 1 to 30 are an integral part of the Financial Statements

In terms of our report attached.
For **B. K. Khare & Co**
Chartered Accountants
Firm Registration No : 105102W

Shirish Rahalkar
Partner
Membership No. 111212

Place : Mumbai
Date : 19 April 2022

For and on behalf of the Board of Directors

Mr. Basant Jain
Director
DIN : 00220395

Mr. Rakesh Singh
Director
DIN : 07319353

Place : Mumbai
Date : 19 April 2022

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2022

INR (₹)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Cash flows from operating activities		
Profit before tax for the year	**5,43,23,141**	2,15,52,410
Adjustments for:		
Finance costs recognized in profit or loss	**22,11,72,803**	24,41,00,633
Investment income recognized in profit or loss	**(84,29,440)**	(1,12,94,432)
Depreciation expense	**9,43,40,164**	13,98,78,325
Net Gain on foreign currency transactions net off Derivative	**–**	(3,63,71,881)
Movements in working capital:	**30,70,83,527**	33,63,12,644
(Increase)/decrease in Debtors	**(30,15,68,313)**	12,46,26,814
(Increase)/decrease in other assets & other financial assets	**3,65,71,411**	10,59,40,640
(Decrease)/increase in trade and other payables	**12,23,248**	(11,59,524)
(Decrease)/increase in other liabilities	**4,44,410**	2,80,581
Cash generated from operations	**(26,33,29,244)**	22,96,88,512
Income taxes paid	**(13,19,942)**	39,02,456
Net cash flow from operating activities	**9,67,57,481**	59,14,56,022
Cash flows from investing activities		
Interest received	**86,78,458**	1,06,83,486
Payments for property, plant and equipment	**(81,87,388)**	(4,30,19,353)
Net cash flow from investing activities	**4,91,070**	(3,23,35,867)
Cash flows from financing activities		
Paid for Margin money with Bank	**–**	(3,09,77,512)
Proceeds from borrowings	**61,16,078**	58,51,11,839
Repayment of borrowings	**(9,91,27,060)**	(78,34,64,171)
Interest paid	**(19,87,97,041)**	(25,91,79,758)
Net cash flows used in financing activities	**(29,18,08,022)**	(48,85,09,603)
Net increase/(decrease) in cash and cash equivalents	**(19,45,59,471)**	7,06,10,553
Cash and cash equivalents at the beginning of the year	**19,72,67,411**	12,66,56,858
Cash and cash equivalents at the Period end of the year	**27,07,939**	19,72,67,411

The accompanying notes 1 to 30 are an integral part of the Financial Statements

In terms of our report attached.
For **B. K. Khare & Co**
Chartered Accountants
Firm Registration No : 105102W

Shirish Rahalkar
Partner
Membership No. 111212

Place : Mumbai
Date : 19 April 2022

For and on behalf of the Board of Directors

Mr. Basant Jain
Director
DIN : 00220395

Mr. Rakesh Singh
Director
DIN : 07319353

Place : Mumbai
Date : 19 April 2022

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2022

A. Equity share capital

(i) Current reporting period

		INR (₹)
Balance at the beginning of the current reporting period	**Changes in Equity Share Capital during current year**	**Balance at the end of the current reporting period**
9,31,50,000	**–**	**9,31,50,000**

(ii) Previous year reporting period

		INR (₹)
Balance at the beginning of the current reporting period	**Changes in Equity Share Capital during current year**	**Balance at the end of the current reporting period**
9,31,50,000	**–**	**9,31,50,000**

B. Other Equity

(i) Current reporting period

INR (₹)

	Reserves and Surplus		
Particulars	**Securities Premium**	**Retained Earnings**	**Total**
Balance at the beginning of the current reporting period	54,81,53,955	10,56,08,167	65,37,62,122
Total Comprehensive Income for the current year	–	3,92,10,443	3,92,10,443
Balance at the end of the current reporting period	**54,81,53,955**	**14,48,18,610**	**69,29,72,565**

(ii) Previous reporting period

INR (₹)

	Reserves and Surplus		
Particulars	**Securities Premium**	**Retained Earnings**	**Total**
Balance at the beginning of the current reporting period	54,81,53,955	7,70,16,053	62,51,70,008
Total Comprehensive Income for the pervious year	-	2,85,92,114	2,85,92,114
Balance at the end of the pervious reporting period	**54,81,53,955**	**10,56,08,167**	**65,37,62,122**

The accompanying notes 1 to 30 are an integral part of the Financial Statements

In terms of our report attached.
For **B. K. Khare & Co**
Chartered Accountants
Firm Registration No : 105102W

Shirish Rahalkar
Partner
Membership No. 111212

Place : Mumbai
Date : 19 April 2022

For and on behalf of the Board of Directors

Mr. Basant Jain
Director
DIN : 00220395

Mr. Rakesh Singh
Director
DIN : 07319353

Place : Mumbai
Date : 19 April 2022

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022

1. Nature of Operations

Neo Solren Private Limited ('the Company') is a Company limited by shares, incorporated and domiciled in India and is a subsidiary of Mahindra Renewables Private Limited. The Company is engaged in the business as a producer and distributor of solar power by using solar cells, photo voltaic cells, wafers, photo voltaic solar modules, photo voltaic solar system/sub system, tracker or fixed tilt, concentrated solar power and to provide related services.

Statement of compliance

The accompanying financial statements have been prepared in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) (Amendment) Rules, 2016 notified under Section 133 of the Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

2. Significant Accounting Policies and Accounting Judgments and Estimates

A. Basis of Preparation of Financial Statements:

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable to the financial statements.

The financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities measured at fair value.

B. Use of estimates and judgments:

The preparation of the financial statements in accordance with Ind AS requires use of judgements, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognized prospectively.

Assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ended 31 March 2022 are as follows:

(i) Recoverability of deferred tax assets:

In determining the recoverability of deferred income tax assets, the Company primarily considers current and expected profitability of applicable operating business segments and their ability to utilise any recorded tax assets. The Company reviews its deferred income tax assets at every reporting year/ period end, taking into consideration the availability of sufficient current and projected taxable profits, reversals of taxable temporary differences and tax planning strategies.

(ii) Impairment losses on financial assets:

The Company reviews its financial assets to assess impairment at regular intervals. The Company's credit risk is primarily attributable to its financial assets. In determining whether impairment losses should be reported in the statement of profit and loss, the Company makes judgments as to whether there is any observable data indicating that there is a measurable decrease in the estimated future cash flows. Accordingly, an allowance for expected credit loss is made where there is an identified loss event or condition which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

(iii) Estimation of provisions and contingencies:

Provisions are liabilities of uncertain amount or timing recognized where a legal or constructive obligation exists at the balance sheet date, as a result of a past event, where the amount of the obligation can be reliably estimated and where the outflow of economic benefit is probable. Contingent liabilities are possible obligations that may arise from past event whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events which are not fully within the control of the Company. The Company exercises judgement and estimates in recognizing the provisions and assessing the exposure to contingent liabilities relating to pending litigations. Judgement is necessary in assessing the likelihood of the success of the pending claim and to quantify the possible range of financial settlement. Due to this inherent uncertainty in the evaluation process, actual losses may be different from originally estimated provision.

C. Other Significant Accounting Policies:

Current versus Non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets or liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

a) Financial Assets and Financial Liabilities

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

Financial assets

All financial assets by regular way of purchases or sales are recognized and derecognized on a trade date basis. Regular way of purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022

All recognized financial assets are subsequently measured at either amortized cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

Instruments that meet the following conditions are subsequently measured at amortized cost (except for that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Effective interest method

The effective interest method is a method of calculating the amortized cost of a assets and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the assets, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognized on an effective interest basis for instruments other than those financial assets classified as at FVTPL. Interest income is recognized in profit or loss and is included in the “Other income” line item.

Financial assets at fair value through profit or loss (FVTPL)

Investments in debt / equity instruments are classified as at FVTPL, unless the Company irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement recognized in profit or loss. The net gain or loss recognized in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the ‘Other income’ line item. Dividend on financial assets at FVTPL is recognized when the Company’s right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

Impairment of financial assets

The Company applies the expected credit loss model for recognizing impairment loss on financial assets measured at amortized cost, debt instruments at FVTOCI, lease receivables, trade receivables, and other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights for each category of receivable. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract/agreement and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Company estimates cash flows by considering all contractual/agreed terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument.

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. 12-month expected credit losses are portion of the life-time expected credit losses and represent the lifetime cash shortfalls that will result if default occurs within the 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.

If the Company measured loss allowance for a financial instrument at lifetime expected credit loss model in the previous period, but determines at the end of a reporting period that the credit risk has not increased significantly since initial recognition due to improvement in credit quality as compared to the previous period, the Company again measures the loss allowance based on 12-month expected credit losses.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Company uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

For investments, Company reviews its carrying value of investments carried at cost annually, or more frequently when there is indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted in the statement of profit and loss.

Derecognition of financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of that financial asset to another party.

On derecognition of a financial asset in its entirety, the difference between the asset’s carrying amount and the sum of the consideration received and receivable is recognized in profit or loss, if such gain or loss would have otherwise been recognized in profit or loss on disposal of that financial asset.

Financial liabilities

All financial liabilities are subsequently measured at amortized cost using the effective interest method or at FVTPL.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on re-measurement recognized in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022

Financial liabilities subsequently measured at amortized cost

Financial liabilities that are not designated as at FVTPL are measured at amortized cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortized cost are determined based on the effective interest method. Interest expense that is not capitalized as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Derecognition of financial liabilities

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognized and the consideration paid and/or payable is recognized in profit or loss.

Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortized cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortized cost of the instruments and are recognized in profit or loss.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognized in profit or loss.

Derecognition of financial liabilities

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognized and the consideration paid and/or payable is recognized in profit or loss.

Derivative financial instruments

The Company enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including foreign exchange forward contracts, interest rate swaps and cross currency swaps.

Derivatives are initially recognized at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognized in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedging relationship and the nature of the hedged item.

b) Property plant and equipment:

(i) Property plant and equipment:

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognized impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalized in accordance with the Company's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Freehold land is stated at the cost of acquisition and is not depreciated.

Depreciation on tangible assets in respect of assets awarded in a competitive bid have been depreciated based on the useful lives of the assets on a straight line method.

Estimated useful life of the assets considered is 25 years and residual value is considered at 5% of the original cost of the assets.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds (net of expenses incurred in connection with the sale) and the carrying amount of the asset and is recognized in profit or loss.

(ii) Capital work in progress and Capital advances:

Assets under construction includes the cost of property, plant and equipment that are not ready to use at the balance sheet date. Advances paid to acquire property, plant and equipment before the balance sheet date are disclosed under other non-current assets. Assets under construction are not depreciated as these assets are not yet available for use.

(iii) Impairment:

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use.

In assessing value in use, the Company makes a reasonable estimate of the value in use.

When an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

c) Borrowing Costs:

Borrowing costs directly attributable to the acquisition, construction or production of an asset are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022

an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

d) Foreign Exchange Transactions:

Initial Recognition

All transactions that are not denominated in the Company's functional currency are foreign currency transactions. These transactions are initially recorded in the functional currency by applying the appropriate daily rate which best approximates the actual rate of the transaction. Exchange differences arising on foreign exchange transactions settled during the year are recognized in the standalone statement of profit and loss.

Measurement of foreign currency items at the reporting date

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Nonmonetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Exchange differences are recognized in the standalone statement of profit and loss

e) Fair value measurement

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

f) Segment information:

Operating segments are reported in a manner consistent with internal reporting provided to the Chief Operating Decision Maker (CODM) of the Company. The CODM is responsible for allocating resources and assessing performances of the operating segments of the Company. The Company operates only in one segment viz. sale of solar energy.

g) Leases:

As per Ind As 116 at inception of contract, the Company assesses whether the Contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. At inception or on reassessment of a contract that contains a lease component, the Company allocates consideration in the contract to each lease component on the basis of their relative standalone price.

As a lessee:

i) Right-of-use assets:

The Company recognized right-of-use assets at the commencement date of the lease. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, lease payments made at or before the commencement date less any lease incentives received and estimate of costs to dismantle. Right of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets. The Company presents right-to-use assets that do not meet the definition of investment property in 'Property, plant and equipment'.

ii) Lease liabilities:

At the commencement date of the lease, the Company recognized lease liabilities measured at the present value of lease payments to be made over the lease term. In calculating the present value of lease payments, the Company generally uses its incremental borrowing rate at the lease commencement date if the discount rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. The carrying amount is remeasured when there is a change in future lease payments arising from a change in index or rate. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset. The Company presents lease liabilities under financial liabilities in the Balance Sheet.

iii) Short term leases and leases of low value of assets:

The Company applies the short-term lease recognition exemption to its short-term leases. It also applies the lease of low value assets recognition exemption that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognized as expense on a straight-line basis over the lease term.

As a lessor:

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognized on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income. Contingent rents are recognized as revenue in the period in which they are earned. Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022

recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

h) Taxes:

Income tax comprises current and deferred tax. It is recognized in the standalone statement of profit and loss except to the extent that it relates to a business combination or to an item recognized directly in equity or in other comprehensive income.

On 30 March 2019, MCA has issued amendment regarding the income tax Uncertainty over Income Tax Treatments. The notification clarifies the recognition and measurement requirements when there is uncertainty over income tax treatments. In assessing the uncertainty, an entity shall consider whether it is probable that a taxation authority will accept the uncertain tax treatment. This notification is effective for annual reporting periods beginning on or after 1 April 2019. As per the Company's assessment, there are no material uncertainties over income tax treatments.

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using applicable tax rates (and tax laws) enacted or substantially enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognized amounts, and it is intended to realized the asset and settle the liability on a net basis or simultaneously.

Minimum Alternative Tax ('MAT')

Minimum Alternative Tax ('MAT') under the provisions of the Income-tax Act, 1961 is recognized as current tax in the standalone statement of profit and loss. The credit available under the Act in respect of MAT paid is recognized as a deferred tax asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the period for which the MAT credit can be carried forward for set-off against the normal tax liability. MAT credit recognized as an deferred tax asset is reviewed at each balance sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

Deferred tax

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognized in respect of carried forward tax losses and tax credits.

Deferred tax is not recognized for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;
- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognized to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Company recognizes a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realized. Deferred tax assets – unrecognized or recognized, are reviewed at each reporting date and are recognized/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realized.

Deferred tax is measured at the tax rates that are expected to apply to the year/period when the asset is realized or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

i) Provisions and Contingent Liabilities:

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost. Expected future operating losses are not provided for.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources embodying economic benefits or the amount of such obligation cannot be measured reliably. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources embodying economic benefits is remote, no provision or disclosure is made.

A contingent asset is disclosed where an inflow of economic benefits is probable.

j) Cash and Cash Equivalents:

Cash and cash equivalents for the purpose of Cash Flow Statements include cash in hand, demand deposits with banks, other short-term highly liquid investments with original maturities of three months or less.

k) Government Grant:

Government grants are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognized as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognized as income in equal amounts over the expected useful life of the related asset and are presented in the balance sheet by setting up the grant as deferred income. Such grant is not reduced from the value of assets.

When the Company receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset i.e. by equal annual instalments. When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favourable interest

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022

is regarded as a government grant. The loan or assistance is initially recognized and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

l) Earnings Per Share:

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period and,

Diluted earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period adjusted for the effects of dilutive options.

m) Revenue Recognition:

The Company has adopted Ind AS 115, Revenue from Contracts with Customers, with effect from 1 April 2018. The Company has applied the following accounting policy for revenue recognition:

Revenue from contracts with customers:

The Company recognizes revenue from contracts with customers based on a five step model as set out in Ind AS 115:

Step 1. Identify the contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2. Identify the performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer

Step 3. Determine the transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4. Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company will allocate the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

Step 5. Recognize revenue when (or as) the entity satisfies a performance obligation

The Company satisfies a performance obligation and recognizes revenue over time, if one of the following criteria is met:

- The customer simultaneously receives and consumes the benefits provided by the Company's performance as the Company performs; or

- The Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or

- The Company's performance does not create an asset with an alternative use to the Company and the entity has an enforceable right to payment for performance completed to date.

  Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes and duty. The Company assesses its revenue arrangements against specific criteria to determine if it is acting as principal or agent. The Company has concluded that it is acting as a principal in all of its revenue arrangements.

The accounting policies for the specific revenue streams of the Company is:

Sales of goods

An entity shall recognize revenue when (or as) the entity satisfies a performance obligation by transferring a promised good or service (ie an asset) to a customer. An asset is transferred when (or as) the customer obtains control of that asset.

Interest Income

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably.

n) Events after reporting date:

Where events occurring after the balance sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted with the standalone financial statements. Otherwise, events after the balance sheet date of material size or nature are only disclosed.

o) Rounding of amounts:

All amounts disclosed in the financial statements and notes have been rounded off to the nearest crores as per the requirement of Schedule III, unless otherwise stated.

Recent Accounting Pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On 23 March, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from 1 April 2022, as below:

Ind AS 16 – Proceeds before intended use

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. An entity will not recognize such sales proceeds and related cost in profit or loss, but deduct the cost from the directly attributable costs considered as part of cost of an item of property, plant, and equipment. The Company does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract

The amendments specify that that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 103 – Reference to Conceptual Framework

The amendments specifiy that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 109 – Annual Improvements to Ind AS (2021)

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognize a financial liability. The Company does not expect the amendment to have any significant impact in its financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022

Note No. 4 - Property, Plant and Equipment

INR (₹)

Description of Assets	Land - Freehold	Plant and Equipment	Total
I. Gross Carrying Amount			
Balance as at 1 April 2021	**34,95,39,072**	**2,64,92,10,708**	**2,99,87,49,780**
Additions during the year	16,41,970	1,86,68,016	2,03,09,986
Balance as at 31 March 2022.......	**35,11,81,042**	**2,66,78,78,724**	**3,01,90,59,766**
II. Accumulated depreciation			
Balance as at 1 April 2021	–	**47,50,56,753**	**47,50,56,753**
Depreciation expense for the year	–	9,43,40,164	9,43,40,164
Balance as at 31 March 2022....	–	**47,50,56,753**	**56,93,96,917**
III. Net carrying amount (I-II)	**35,11,81,042**	**2,19,28,21,971**	**2,44,96,62,849**

INR (₹)

Description of Assets	Land - Freehold	Plant and Equipment	Total
I. Gross Carrying Amount			
Balance as at 1 April 2020	**23,56,79,403**	**2,69,13,76,039**	**2,92,70,55,442**
Additions during the year	11,38,59,669	(4,21,65,331)	7,16,94,338
Balance as at 31 March, 2021......	**34,95,39,072**	**2,64,92,10,708**	**2,99,87,49,780**
II. Accumulated depreciation			
Balance as at 1 April 2020	–	**33,51,78,428**	**33,51,78,428**
Depreciation expense for the year	–	13,98,78,325	13,98,78,325
Balance as at 31 March, 2021 ...	–	**47,50,56,753**	**47,50,56,753**
III. Net carrying amount (I-II)	**34,95,39,072**	**2,17,41,53,955**	**2,52,36,93,027**

Note:

(1) Plant and Equipment has been charged against the borrowings (Refer Note No. 11 Non Current Borrowings)

(2) During the year ended 31st March, 2022, the Company has reassessed the balance useful lives, residual values and the manner in which the economic benefit is being derived from property, plant and equipment.

The effect of changes in estimates of useful lives, residual values and pattern of consumption of economic benefits of property, plan and equipment.

INR (₹)

Financial Year	(Decrease)/Increase in Depreciation expenses
2021-22	(45,554,374)
2022-23	(45,554,374)
2023-24	(45,554,374)
2024-25	(45,554,374)
2025-26	(45,554,374)
Later Years	360,232,408

Note No. 5 - Current Tax and Deferred Tax

(a) Income Tax recognized in profit or loss

INR (₹)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Current Tax:		
Minimum alternate tax for the year...	**90,67,619**	35,97,528
Minimum alternate tax credit entitlement...................................	**(90,67,619)**	(35,97,528)
Deferred Tax:		
In respect of current year origination and reversal of temporary differences.................	**1,51,12,698**	(70,39,704)
Total income tax expense	**1,51,12,698**	(70,39,704)

(b) Reconciliation of income tax expense and the accounting profit multiplied by Company's domestic tax rate:

INR (₹)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
i) Profit before tax for the year	**5,43,23,141**	2,15,52,410
ii) Corporate tax rate as per Income tax Act, 1961	**27.82%**	27.82%
iii) Tax on accounting profit (iii) = (i) X (ii)	**1,51,12,698**	59,95,881
Effect of expenses that is non-deductible in determining taxable profit	**–**	(1,01,18,657)
Effect of tax on temporary differences relating to prior years	**–**	(29,16,927)
iv) Total effect of Tax adjustment	**1,51,12,698**	(70,39,704)
v) Adjustments recognized in the current year in relation to the current tax of prior years.........		
vi) Tax expense recognized during the year (vi)=(iv)+(v)	**1,51,12,698**	(70,39,704)

(c) Movement in deferred tax balances INR (₹)

Particulars	Year ended 31 March 2022		
	Opening Balance	Recognized in profit and Loss	Closing Balance
Tax effect of items constituting deferred tax liabilities			
Property, Plant and Equipment...	**6,78,44,456**	**3,06,30,355**	**9,84,74,812**
	6,78,44,456	**3,06,30,355**	**9,84,74,812**
Tax effect of items constituting deferred tax assets			
Carry forward Tax Losses............	**3,59,53,112**	**1,55,17,658**	**5,14,70,770**
	3,59,53,112	**1,55,17,658**	**5,14,70,770**
Deferred Tax Liabilities..............	**3,18,91,344**	**1,51,12,698**	**4,70,04,042**
Minimum Alternate Tax Credit	**2,52,25,019**	**90,67,619**	**3,42,92,638**
Net Deferred Tax (Liabilities)....	**66,66,325**	**60,45,079**	**1,27,11,404**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022

INR (₹)

Particulars	Year ended 31 March 2021		
	Opening Balance	Recognized in profit and Loss	Closing Balance
Tax effect of items constituting deferred tax liabilities			
Property, Plant and Equipment...	5,20,97,365	1,57,47,092	6,78,44,456
	5,20,97,365	1,57,47,092	6,78,44,456
Tax effect of items constituting deferred tax assets			
Carry forward Tax Losses............	1,31,66,316	2,27,86,795	3,59,53,112
	1,31,66,316	2,27,86,795	3,59,53,112
Deferred Tax Liabilities	3,89,31,048	(70,39,704)	3,18,91,344
Minimum Alternate Tax Credit.....	2,16,27,491	35,97,528	2,52,25,019
Net Deferred Tax Liabilities	1,73,03,558	(1,06,37,232)	66,66,325

Note No. 6 - Trade receivables

INR (₹)

Particulars	As at 31 March 2022	As at 31 March 2021
(a) Undisputed Trade receivables - considered good	**50,51,86,314**	20,36,17,999
Total trade receivables.........	**50,51,86,314**	20,36,17,999
Of the above, trade receivables from:		
– Related Party...	–	–
– Others..	**50,51,86,314**	20,36,17,999
Total	**50,51,86,314**	20,36,17,999

Note:
(1) All the trade receivables have been charged against the borrowings of the Company. (Refer Note no. 12- Non Current Borrowings)
(2) The credit period given to customers is of 30 days

Trade Receivables ageing schedule

INR (₹)

Particulars	**Outstanding for following periods from date of payment**					
As at 31 March 2022	**Less than 6 months**	**6 months -1 year**	**1-2 Years**	**2-3 years**	**More than 3 years**	**Total**
(a) Undisputed Trade receivables - considered good	22,69,60,067	24,80,68,575	3,01,57,671	–	–	50,51,86,314

INR (₹)

Particulars	Outstanding for following periods from date of payment					
As at 31 March 2021	Less than 6 months	6 months -1 year	1-2 Years	2-3 years	More than 3 years	Total
(a) Undisputed Trade receivables - considered good	20,36,17,999	–	–	–	–	20,36,17,999

Note No. 7 - Cash and Cash Equivalent

INR (₹)

Particulars	As at 31 March 2022	As at 31 March 2021
Cash and cash equivalents		
(a) Balances with banks	**25,42,608**	1,21,02,080
(b) Fixed Deposit maturity less then 3 months	**1,65,331**	18,51,65,331
Total Cash and Cash Equivalent.....................	**27,07,939**	19,72,67,411

Note:
(1) All cash and cash equivalents have been secured against the borrowings of the Company. (Refer Note no. 12- Non Current Borrowings).

Note No. 8 - Other Bank Balance

INR (₹)

Particulars	As at 31 March 2022	As at 31 March 2021
Earmarked Balance with Bank - For Debt service Reserve Account..	**7,88,10,000**	7,88,10,000
Earmarked Balance with Bank - For Insurance Account	**19,77,512**	19,77,512
Total Other Bank Balances	**8,07,87,512**	8,07,87,512

Note:
(1) All other bank balance have been charged against the borrowings of the Company. (Refer Note no. 12- Non Current Borrowings).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022

Note No. 9 - Other Financial Assets

INR (₹)

Particulars	As at 31 March 2022 Current	As at 31 March 2021 Current
Financial assets at amortized cost		
a) Unbilled revenue...............	**60,97,322**	4,29,64,356
b) Interest Accrued on Fixed Deposit	**13,17,793**	15,66,811
Total Other Financials Assets ...	**74,15,115**	4,45,31,167

Note:

(1) All other financial assets have been charged against the borrowings of the Company (Refer Note no. 12- Non Current Borrowings)

Note No. 10 - Other Assets

INR (₹)

Particulars	As at 31 March 2022		As at 31 March 2021	
	Current	**Non-Current**	Current	Non-Current
(a) Capital advances				
(i) For Capital work in progress	–	**3,31,18,666**	–	2,78,41,264
(b) Other Advances				
(i) Advances to vendor	**1,91,831**	–	–	–
(c) Other Assets				
(i) Income Tax paid under protest FY 2015-16.......	–	**8,113**	–	8,113
(ii) Prepaid expenses..........	**35,56,997**	–	34,53,205	–
Total Other Assets	**37,48,828**	**3,31,26,779**	34,53,205	2,78,49,377

Note:

(1) All other assets have been charged against the borrowings of the Company. (Refer No. 12- Non current Borrowings).

Note No. 11 - Equity Share Capital

INR (₹)

Particulars	As at 31 March 2022 No. of shares	As at 31 March 2022 Value of share	As at 31 March 2021 No. of shares	As at 31 March 2021 Value of share
Authorised:				
Equity shares of INR 10 each with voting rights..	**1,50,00,000**	**15,00,00,000**	1,50,00,000	15,00,00,000
Issued, Subscribed and Fully Paid:				
Equity shares of INR 10 each with voting rights..	**93,15,000**	**9,31,50,000**	93,15,000	9,31,50,000
Total Equity share capital	**93,15,000**	**9,31,50,000**	93,15,000	9,31,50,000

Notes:

(i) 30% equity share are pedged with banks for security against the bank borrowing (Refer Note no. 12 - Non Current Borrowings).

(ii) Reconciliation of the number of shares outstanding at the beginning and at the end of the period.

INR (₹)

Particulars	Opening Balance	Fresh Issue	Bonus	ESOP	Other Changes	Closing Balance
(a) Equity Shares with Voting rights						
For the year ended 31 March 2022						
No. of Shares	**93,15,000**	–	–	–	–	**93,15,000**
Amount in ₹ (INR)	**9,31,50,000**	–	–	–	–	**9,31,50,000**
(a) Equity Shares with Voting rights*						
For the year ended 31 March 2021						
No. of Shares	93,15,000	–	–	–	–	93,15,000
Amount in ₹ (INR)	9,31,50,000	–	–	–	–	9,31,50,000

(iii) Details of shares held by the holding company, the ultimate holding company, their subsidiaries and associates:

Particulars	No. of Shares: Equity Shares with Voting rights	Equity Shares with Differential Voting rights	Others
As at 31 March 2022			
Mahindra Renewables Private Limited..	**93,15,000**	–	–
As at 31 March 2021			
Mahindra Renewables Private Limited..	93,15,000	–	–

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022

(iv) Details of shares held by each shareholder holding more than 5% shares:

Class of shares / Name of shareholder	**As at 31 March 2022**		As at 31 March 2021	
	Number of shares held	**% holding in that class of shares**	Number of shares held	% holding in that class of shares
Equity shares with voting rights				
Mahindra Renewables Private Limited	**93,15,000**	**100%**	93,15,000	100%

* Note:
It includes 1 equity share held as nominee by an indiviudal on behalf of the Holding Company (Mahindra Renewables Private Limited jointly holds 1 Equity share wih Miss Brijbala Batwal)

A company shall disclose Shareholding of Promoters as under:

Shares held by promoters as at 31 March 2022

Promoter name	**No. of Shares**	**%of total shares**	**% Change during the year 31 March 2022**
Mahindra Renewables Private Limited	93,15,000	100.00%	–

Shares held by promoters as at 31 March 2021

Promoter name	No. of Shares	%of total shares	% Change during the year 31 March 2022
Mahindra Renewables Private Limited	93,15,000.00	100.00%	–

Other Equity:	**As at 31 March 2022**	**As at 31 March 2021**
(i) Securities Premium	54,81,53,955	54,81,53,955
(ii) Retained Earnings	14,48,18,610	10,56,08,167

Note:

Securities premium is used to record the excess of the amount received over the face value of the shares. This reserve will be utilised in accordance with the provisions of the Companies Act, 2013.

Note No. 12 - Non-Current Borrowings

INR (₹)

Particulars	**Rate of Interest**	**Repayment terms**	**As at 31 March 2022**	**As at 31 March 2021**
Measured at amortized cost				
Secured Borrowings:				
Term loan from Bank	8.85%	Refer note 1 below	**1,01,57,76,873**	1,08,16,19,344
Term loan from financial institution	8.85%	Refer note 1 below	**81,90,00,000**	86,10,00,000
Unsecured Borrowings				
Loan from Related party	11.00%	Refer note 4 below	**23,25,00,000**	22,60,00,000
Total Non Current Borrowings			**2,06,72,76,873**	2,16,86,19,344

Notes:

(1) Neo Solren Private Limited (“Borrower”) is in the business of development, designing, construction, financing, commissioning, operation and maintenance of a 42 MW AC/49.92 MW DC Solar PV Power Project at Wadekothapally, Kodkandla Mandal, Warangal District, in the State of Telangana, India (“Project”) and has successfully achieved COD on 06th November, 2017.

To finance part of the cost of the Project, Lenders have financed rupee term loans aggregating to INR 268.80 crores from Bank, on the term and conditions of the common loan agreement dated December 29, 2016 (“Common Loan Agreement”). The subsequently Bank has down sold their exposure amounting to Rs. 100 Crores to financial institution.

The tenure of the Borrowings is 19 years, with repayment starting from March-2018 to last repayment date being September-2035 (quarterly Installments).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022

(2) The loan amount is secured by:

(a) First charge on all present and future tangible / intangible moveable assets, current assets including receivables.

(b) First charge on all present and future immovable properties, both freehold and leasehold.

(c) First charge on all the borrowers bank accounts including Escrow account and any other reserve and other bank accounts.

(d) First charge on all the rights, title interest, benefits, claims and demands whatsoever of the borrower in:

i) Project agreements

ii) the clearances subject to applicable law

iii) any letter of credit, guarantee, performance bond ,corporate guarantee, bank guarantees or warranty provided by any party

(e) Assignment of insurance policies relating to the project, right, titles, permits/approvals. Clearances and interests to the company.

(f) Short fall undertaking from sponsor for funding time/cost overruns.

(g) Pledge of shares held by shareholders in the borrower representing 30% of the total paid up equity share capital.

(h) Non disposal undertaking from Mahindra Susten private limited for its 51% shareholding in Mahindra Renewables Private Limited.

(3) The Company has to maintain a debt service reserve account with a minimum balance equal to total amount of schedules interest fees and principal due within next Period.

(4) The Company has taken unsecured loan from Mahindra Susten Private Limited at 11.00 % p.a repayble in 5 years from date of drawdown of each tranche.

Note No. 13 - Short Term borrowings

INR (₹)

Particulars	As at 31 March 2022	As at 31 March 2021
Current maturities of long-term debt	**10,71,19,179**	9,87,87,689
Total Short Term borrowings...	**10,71,19,179**	9,87,87,689

Note No. 14 - Trade Payables

INR (₹)

Particulars	As at 31 March 2022	As at 31 March 2021
(a) Micro and small enterprises	**–**	–
(b) Other than Micro and small enterprises	**30,00,485**	17,77,237
Total Trade Payables	**30,00,485**	17,77,237

Notes:

(1) Trade Payables are payables in respect of the amount payable on account of goods purchased or services received in the normal course of business.

(2) There are no amounts due to micro and small enterprises registered under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act). The above information regarding Micro and Small Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.

As at 31 March 2022

Particulars	Outstanding for following periods from due date of transaction				Total
	Less than 1 year	**1-2 years**	**2-3 years**	**More than 3 years**	
(b) Other than Micro and small enterprises	29,45,235	55,250	–	–	30,00,485

As at 31 March 2021

Particulars	Outstanding for following periods from due date of transaction				Total
	Less than 1 year	**1-2 years**	**2-3 years**	**More than 3 years**	
(b) Other than Micro and small enterprises	17,77,237	–	–	–	17,77,237

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022

Note No. 15 - Other Liabilities

INR (₹)

Particulars	As at 31 March 2022	As at 31 March 2021
Other Financial Liabilities Measured at Amortized Cost		
(a) Interest accrued on debt	**7,27,73,732**	5,03,97,970
(b) Creditors for capital supplies/ services	**2,78,47,625**	1,04,47,625
Total Other Liabilities	**10,06,21,357**	6,08,45,595

Note No. 16 - Other Current Liabilities

INR (₹)

Particulars	As at 31 March 2022	As at 31 March 2021
Statutory dues taxes payable (other than income taxes)	**17,98,827**	13,54,417
Total Other Current Liabilities	**17,98,827**	13,54,417

Note No. 17 - Revenue from Operations

INR (₹)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
(a) Revenue from sale of Solar Energy	**40,53,54,980**	38,89,01,498
Total Revenue from Operations	**40,53,54,980**	38,89,01,498

A. Disaggregated Revenue Information:

The Company's revenue is from only one segment i.e Sale of Solar Power.

B. Reconciliation of Contract Assets & Contract Liabilities:

INR (₹)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Contract Assets		
Unbilled Receivable		
At the beginning of the year	**4,29,64,356**	4,76,03,647
Less: Bill during the year	**(44,22,22,014)**	(39,35,40,789)
Add: Revenue recognized during the year	**40,53,54,980**	38,89,01,498
At the end of the year	**60,97,322**	4,29,64,356
Contract Liability	**–**	–

C. Reconciliation of revenue as per Ind AS 115:

INR (₹)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Revenue as per contracted prices	**40,53,54,980**	38,89,01,498
Less: Adjustment of revenue pertaining to Revenue from sale	**–**	–
Revenue from contract with customers	**40,53,54,980**	38,89,01,498

Note No. 18 - Other Income

INR (₹)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
(a) Interest Income		
On Financial Assets at Amortized Cost	**84,29,440**	1,12,94,432
(b) Net Loss/(Gain) on foreign currency transactions net off Derivative gain/loss	**–**	3,63,71,881
Total Other Income	**84,29,440**	4,76,66,314

Note No. 19 - Finance Cost

INR (₹)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
(a) Interest expense	**22,11,72,803**	24,41,00,633
Total Finance Cost	**22,11,72,803**	24,41,00,633

Note No.20 - Other Expenses

INR (₹)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
(a) Insurance	**52,08,348**	28,12,033
(b) Operation & Maintenance Charges	**1,71,69,423**	1,68,34,735
(c) Power Consumption charges	**46,20,907**	39,97,090
(e) Auditors remuneration and out-of-pocket expenses		
(i) As Auditors- Statutory audit fees	**2,06,500**	1,59,300
(ii) For Tax audit fees	**70,800**	59,000
(ii) For Other services	**32,450**	1,12,100
(f) Other expenses		
(i) Legal and other professional costs	**85,40,076**	61,93,589
(ii) QCA (Qualified Coordinating Agency) Fees	**2,87,200**	3,15,796
(ii) Bank Charges	**89,636**	99,418
(iii) Statutory Charges	**71,51,450**	–
(iii) Miscellaneous expenses	**5,71,522**	4,53,383
Total Other Expenses	**4,39,48,312**	3,10,36,444

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022

Note No. 21 - Earnings per Share

INR (₹)

Particulars	Year ended 31 March 2022 Per Share	Year ended 31 March 2021 Per Share
Basic Earnings per share.............	**0.42**	3.07
Total basic earnings per share...	**0.42**	3.07
Diluted Earnings per share	**0.42**	3.07
Total diluted earnings per share	**0.42**	3.07

Basic & diluted earnings per share

The earnings and weighted average number of ordinary shares used in the calculation of basic and diluted earnings per share are as follows:

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Profit for the year	**3,92,10,443**	2,85,92,114
Less: Preference dividend and tax thereon	**–**	–
Profit for the year used in the calculation of basic earnings per share	**3,92,10,443**	2,85,92,114
Profit for the year on discontinued operations used in the calculation of basic earnings per share from discontinued operations.............	**–**	–

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Profits used in the calculation of basic earnings per share (i)	**3,92,10,443**	2,85,92,114
Weighted average number of equity shares (ii)	**9,31,50,000**	93,15,000
Earnings per share - Basic & diluted (i/ii)	**0.42**	3.07

Note No. 22 - Financial Instruments

Capital management

The Company manages capital risk in order to maximize shareholders' profit by maintaining sound/optimal capital structure through monitoring of financial ratios, such as debt-to-equity ratio and net borrowings-to-equity ratio on a monthly basis and implements capital structure improvement plan when necessary. There is no change in the overall capital risk management strategy of the Company compared to last year.

The Company uses debt ratio as a capital management index and calculates the ratio as total liabilities divided by total equity. Total liabilities and total equity are based on the amounts stated in the separate financial statements.

The Company is not subject to externally enforced capital regulation.

Debt-to-equity ratio as of 31 March 2022 and 31 March 2021 is as follows:

	31 March 2022	31 March 2021
Debt (A)	**2,17,43,96,052**	2,26,74,07,033
Equity (B).....................................	**78,61,22,565**	74,69,12,122
Debt Equity Ratio (A / B)	**2.77**	3.04

Categories of financial assets and financial liabilities

As at 31 March 2022 INR (₹)

Particulars	Amortized Costs	FVTPL	FVOCI	Total
Non - Current Assets				
Non Derivative Financial Assets..	3,31,26,779	–	–	3,31,26,779
Current Assets				
Trade Receivables	50,51,86,314	–	–	50,51,86,314
Cash and Bank Balances...	8,07,87,512	–	–	8,07,87,512
Non Derivative Financial Assets..	74,15,115	–	–	74,15,115
Non-current Liabilities				
Borrowings from Banks..	1,83,47,76,873	–	–	1,83,47,76,873
Borrowings from Related party	23,25,00,000			23,25,00,000
Current Liabilities				
Borrowings from Banks..	10,71,19,179	–	–	10,71,19,179
Trade Payables	30,00,485	–	–	30,00,485
Non Derivative Financial Liabilities	10,06,21,357	–	–	10,06,21,357

As at 31 March 2021 INR (₹)

Particulars	Amortized Costs	FVTPL	FVOCI	Total
Non - Current Assets				
Non Derivative Financial Assets..	2,78,49,377	–	–	2,78,49,377
Current Assets				
Trade Receivables	20,36,17,999	–	–	20,36,17,999
Cash and Bank Balances...	27,80,54,923	–	–	27,80,54,923
Non Derivative Financial Assets..	4,45,31,167	–	–	4,45,31,167

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022

As at 31 March 2021 INR (₹)

Particulars	Amortized Costs	FVTPL	FVOCI	Total
Non-current Liabilities				
Borrowings from Banks	1,94,26,19,344	–	–	1,94,26,19,344
Borrowings from Related party	22,60,00,000	–	–	22,60,00,000
Current Liabilities				
Borrowings from Banks	9,87,87,689	–	–	9,87,87,689
Trade Payables	17,77,237	–	–	17,77,237
Non Derivative Financial Liabilities	6,08,45,595	–	–	6,08,45,595

Financial Risk Management Framework

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk. In order to manage the aforementioned risks, the Company operates a risk management policy and a program that performs close monitoring of and responding to each risk factors.

CREDIT RISK

(i) Credit risk management

Credit risk arises when a counterparty defaults on its contractual obligations to pay resulting in financial loss to the Company. The Company has entered into a Power Purchase Agreement with the state DISCOM of Telangana and it believes that it is a solvent debt and hence the risk is minimal.

Trade receivables consist of receivable from the state DISCOM of Telangana.

The Company applies the simplified approach to providing for expected credit losses prescribed by Ind AS 109, which permits the use of the lifetime expected loss provision for all trade receivables.

There is no change in estimation techniques or significant assumptions during the reporting period.

There is no Bad Debts in any of the financial year, hence not provided for any Bad Debts.

LIQUIDITY RISK

(i) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the managment of the company, who have established an appropriate liquidity risk management framework for the management of the Company's short-, medium- and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

(ii) Maturities of financial liabilities

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The amount disclosed in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay.

To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Company may be required to pay.

INR (₹)

Particulars	Less than 1 Year	1-3 Years	3 Years to 5 Years	5 years and above
	INR	INR	INR	INR
Non-derivative financial liabilities				
31 March 2022				
Non-interest bearing	10,36,21,842	–	–	–
Variable interest rate instruments	10,71,19,179	23,33,76,986	26,07,04,279	1,34,06,95,608
Fixed interest rate instruments	–	–	–	23,25,00,000
Total	**21,07,41,021**	**23,33,76,986**	**26,07,04,279**	**1,57,31,95,608**
31 March 2021				
Non-interest bearing	6,26,22,832	–	–	–
Variable interest rate instruments	9,87,87,689	21,69,52,045	24,31,60,537	1,48,25,06,762
Fixed interest rate instruments	–	–	–	22,60,00,000
Total	**16,14,10,521**	**21,69,52,045**	**24,31,60,537**	**1,70,85,06,762**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022

(iii) Maturities of financial assets

The following table details the Company's expected maturity for its non-derivative financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Company's liquidity risk management as the liquidity is managed on a net asset and liability basis.

Particulars	Less than 1 Year	1-3 Years	3 Years to 5 Years	5 years and above
	INR	INR	INR	INR
Non-derivative financial assets				
31 March 2022				
Non-interest bearing	54,57,28,208	–	–	–
Variable interest rate instruments	8,07,87,512	–	–	–
Total	**62,65,15,720**	**–**	**–**	**–**
31 March 2021				
Non-interest bearing	27,59,98,543	–	–	–
Variable interest rate instruments	27,80,54,923	–	–	–
Total	**55,40,53,466**	**–**	**–**	**–**

The amounts included above for variable interest rate instruments for both non-derivative financial assets and liabilities is subject to change if changes in variable interest rates differ to those estimates of interest rates determined at the end of the reporting period.

MARKET RISK

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk such as equity price risk and commodity price risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. The Company uses derivatives to manage market risks. Derivatives are only used for economic hedging purposes and not as speculative investments. All such transactions are carried out within the guidelines set by the Board of Directors and Risk Management Committee.

There has been no significant changes to the Company's exposure to market risk or the methods in which they are managed or measured.

INTEREST RATE RISK

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

The Company has a policy of investing surplus cash balances in short term liquid debt funds which are subject to minimum market risk.

The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings. To manage this, the Company enters into interest rate swaps, in which it agrees to exchange, at specified intervals, the difference between fixed and variable rate interest amounts calculated by reference to an agreed-upon notional principal amount.

Interest rate sensitivity

The sensitivity analyses below have been determined based on exposure to interest rate for both derivative and non-derivative instruments at the end of reporting period. For floating rate liabilities, analysis is prepared assuming the amount of liability outstanding at the end of the reporting period was outstanding for the whole year.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected, after the impact of hedge accounting. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

	Currency	Increase / decrease in basis points	Effect on profit before tax
31 March 2022	INR	-100	(1,94,95,691)
	INR	-100	1,94,95,691
31 March 2021	INR	+100	(2,04,14,070)
	INR	-100	2,04,14,070

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment, showing a significantly higher volatility than in prior years.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022

Note No. 23 : Fair Value Measurement

Fair value of financial assets and financial liabilities that are not measured at fair value

INR (₹)

Particulars	31 March 2022		31 March 2021	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Financial assets carried at Amortized Cost				
– Trade receivables	50,51,86,314	50,51,86,314	20,36,17,999	20,36,17,999
– Cash and bank balance	8,07,87,512	8,07,87,512	27,80,54,923	27,80,54,923
– Other financial assets	4,05,41,894	4,05,41,894	7,23,80,544	7,23,80,544
	62,65,15,720	62,65,15,720	55,40,53,466	55,40,53,466
Financial liabilities				
Financial liabilities held at amortized cost				
– loan from banks	1,94,18,96,052	1,94,18,96,052	2,04,14,07,033	2,04,14,07,033
– Loans from repated party	23,25,00,000	23,25,00,000	22,60,00,000	22,60,00,000
– Trade payables	30,00,485	30,00,485	17,77,237	17,77,237
Other financial liabilities	10,06,21,357	10,06,21,357	6,08,45,595	6,08,45,595
Total	2,27,80,17,894	2,27,80,17,894	2,33,00,29,865	2,33,00,29,865

Fair value hierarchy as at 31 March 2022

	Level 1	Level 2	Level 3	Total
Financial assets				
Financial assets carried at Amortized Cost				
– Trade and other receivables	–	–	50,51,86,314	**50,51,86,314**
– Other bank balance	–	8,07,87,512	–	**80,787,512**
– Other financial assets	–	–	4,05,41,894	**4,05,41,894**
Total	–	8,07,87,512	54,57,28,208	**62,65,15,720**
Financial liabilities				
Financial Instruments not carried at Fair Value				
– Loan from banks	–	1,94,18,96,052	–	**1,94,18,96,052**
– Loans from related party	–	–	23,25,00,000	**23,25,00,000**
– Trade payables	–	–	30,00,485	**30,00,485**
Other financial liabilities		7,27,73,732	2,78,47,625	**10,06,21,357**
Total	–	2,01,46,69,784	26,33,48,110	**2,27,80,17,894**

Fair value hierarchy as at 31 March 2021

	Level 1	Level 2	Level 3	Total
Financial assets				
Financial assets carried at Amortized Cost				
– Trade and other receivables	–	–	20,36,17,999	**20,36,17,999**
– Cash and bank balance	–	27,80,54,923		**27,80,54,923**
– Other financial assets	–	–	7,23,80,544	**7,23,80,544**
Total	–	27,80,54,923	27,59,98,543	**55,40,53,466**
Financial liabilities				
Financial Instruments not carried at Fair Value				
– Bank loans	–	2,04,14,07,033	–	**2,04,14,07,033**
– Loans from related party	–	–	22,60,00,000	**22,60,00,000**
– Trade and other payables	–	–	17,77,237	**17,77,237**
Current maturities of long-term debt	–	5,03,97,970	1,04,47,625	**6,08,45,595**
Total	–	2,09,18,05,003	23,82,24,862	**2,33,00,29,865**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022

Note No. 24 : Key Ratios

Particulars	Numerator	Denominator	2021-22	2020-21	% Variance	Reason for Variance
Current Ratio	Current Assets	Current Liabilities	1.3	1.4	-3%	
Debt Equity Ratio	Borrowings	Shareholder's Equity	2.8	3.0	-9%	
Debt Service Coverage ratio	Earnings before interest, taxes, depreciation and ammortisation	Interest & Principal Payment	1.2	1.2	-3%	
Return on Equity Ratio	Profit after taxes	Average Shareholder's Equity	5.12%	3.90%	31%	Due to change in method of accounting of depreciation prescribed from CERC to Sch II
Inventory turnover ratio	Cost of goods sold	Average Inventory	–	–		No inventory procurement or consumption of goods made by the company
Trade receivables turnover ratio	Revenue from operations	Average Trade Receivable	1.1	1.5	-22%	
Trade payables turnover ratio	Purchases	Average Trade Payables	–	–		No purchases are made by the company
Net Captial turnover ratio	Revenue from operations	Total Assets	13.15%	12.61%	4%	
Net Profit ratio	Profit after taxes	Revenue from operations	9.67%	7.35%	32%	Due to change in method of accounting of depreciation prescribed from CERC to Sch II
Return on Investment	Income from Investments	Average Investments	–	–	–	No investment held by the company
Return on capital employed	Earnings before interest and taxes	Average Shareholder's Equity + Borrowings + Lease liabilities	9.37%	8.86%	6%	

Note No. 25- Related Party Transactions

Ultimate Holding Company	Mahindra & Mahindra Limited
Intermediate Holding Company	Mahindra Susten Private Limited
Parent Company	Mahindra Renewables Private Limited
Fellow Subsidiaries	Mahindra Teqo Private Limited Astra Solren Private Limited Neo Solren Private Limited Mega Surya Urja Private Limited Brightsolar Renewable Energy Private Limited (Subsidary effective 19 July 2021) Mahindra Solarize Private Limited (from 6 April 2021 to 11 March 2022) MSPE Urja S.r.l (liquidated dated 18 January 2022) Mahindra Susten Bangladesh Private Limited (liquidated dated 15 March 2022) MSPL International DMCC Martial Solren Private Limited

Details of transaction between the Company and its related parties are disclosed below:

INR (₹)

Nature of transactions with Related Parties	For the year ended	Ultimate Holding Company	Intermediate Holding Company	Fellow Subsidiary Company
Receiving of services	**31-Mar-22**	**1,66,320**	**1,67,57,416**	**1,43,68,332**
	31-Mar-21	1,78,414	19,75,000	1,61,47,229
Interest paid on ICD	**31-Mar-22**	**–**	**2,48,61,959**	**–**
	31-Mar-21	–	2,48,59,998	–
Inter Corporate Deposit Taken	**31-Mar-22**	**–**	**65,00,000**	**–**
	31-Mar-21	–	–	–

Nature of Balances with Related Parties	Balance as on	Ultimate Holding Company	Intermediate Holding Company	Fellow Subsidiary Company
Trade payables	**31-Mar-22**	**44,906**	**1,74,00,000**	**13,88,939**
	31-Mar-21	–	–	13,28,499
Interest on ICD payable	**31-Mar-22**	**–**	**7,27,73,732**	**–**
	31-Mar-21	–	5,03,97,969	–
Inter corproate deposit payable	**31-Mar-22**	**–**	**23,25,00,000**	**–**
	31-Mar-21	–	22,60,00,000	–

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022

Note No. 26 - Contingent liabilities and commitments

INR (₹)

Contingent liabilities (to the extent not provided for)	As at 31 March 2022	As at 31 March 2021
Contingent liabilities		
a) Appeals filed in respect of disputed demands:		
Income Tax		
- where the Company is in appeal	**5,83,892**	5,83,892

Note No. 27 - Other Statutory Informations

(a) The Company does not have any benami property, where any proceeding has been initiated or pending against the Company for holding any benami property.

(b) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

(c) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (ultimate beneficiaries) or

(ii) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries

(d) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (funding party) with the understanding (whether recorded in writing or otherwise) that the Group shall:

(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (ultimate beneficiaries) or

(ii) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries

(e) The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

(f) The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number o Layers) Rules, 2017.

(g) The Company is not declared wilful defaulter by and bank or financials institution or lender during the year.

(h) The Company has used the borrowings from banks and financial institutions for the specific purpose for which it was obtained.

(i) The Company does not have transactions with any struck off entity.

(j) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries or joint ventures or associate companies.

Note No. 28

COVID-19, a novel Coronavirus, has spread globally, including India and has significantly affected public health and economic activities worldwide. The Company has considered relevant internal and external sources of information to evaluate the impact on the financial statements for the year ended 31 March 2022 and has assessed the carrying value of the assets to be recoverable. However, the actual impact may be different from that estimated as it will depend upon future developments and future actions to contain or treat the disease and mitigate its impact on the economy. The Company continues to closely monitor impact of the pandemic on the future economic conditions and the operations of the Company.

Note No. 29

The amount has been rounded off to nearest ₹ (INR) and previous years amount has been reclassified/regrouped where ever required.

Note No. 30

The Financial Statements have been approved for issue by Company's Board of Directors on 19 April 2022.

The accompanying notes 1 to 30 are an integral part of the Financial Statements

In terms of our report attached.
For **B. K. Khare & Co**
Chartered Accountants
Firm Registration No : 105102W

Shirish Rahalkar
Partner
Membership No. 111212

Place : Mumbai
Date : 19 April 2022

For and on behalf of the Board of Directors

Mr. Basant Jain
Director
DIN : 00220395

Mr. Rakesh Singh
Director
DIN : 07319353

Place : Mumbai
Date : 19 April 2022

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF MARVEL SOLREN PRIVATE LIMITED

Report on the audit of the Financial Statements

Opinion

We have audited the accompanying Financial Statements of Marvel Solren Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, its profit and total comprehensive income, its changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Financial Statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the 'Auditors' Responsibilities for the Audit of the Financial Statements' section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("the ICAI") together with the ethical requirements that are relevant to our audit of the Financial Statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Financial Statements.

Information Other than the Financial Statements and Auditors' Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the Directors Report and the related annexures, but does not include the Financial Statements and our Auditors' Report thereon.

Our opinion on the Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Financial Statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Financial Statements of the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other Legal and Regulatory requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-Section (11) of Section 143 of the Act and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in Annexure B, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   (c) The Balance Sheet, the Statement of Profit and Loss, the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this report are in agreement with the books of account.

   (d) In our opinion, the aforesaid Financial Statements comply with the Accounting Standards specified under Section 133 of the Act.

   (e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164(2) of the Act.

   (f) With respect to the adequacy of the internal financial controls with reference to Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure A. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to Financial Statements.

   (g) In our opinion and to the best of our information and according to the explanations given to us, the Company being a private company, the provisions of Section 197 of the Act related to the managerial remuneration are not applicable.

   (h) With respect to the other matters to be included in the Auditors' Report in accordance with the requirements of Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

      (i) The Company does not have any pending litigations which will impact its financial positions.

      (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

      (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

      (iv) (a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

(v) The Company has not declared and / or paid any dividend during the year.

For B. K. Khare & Co.
Chartered Accountants
Firm Registration No. 105102W

Shirish Rahalkar
Partner
Membership No. 111212
UDIN: 22111212AIVCGI8019

Place: Mumbai
Date: April 22, 2022

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of sub-section (3) of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of Marvel Solren Private Limited ("the Company") as of March 31, 2022 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2022, based on the criteria for internal financial control with reference to financial statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For B. K. Khare & Co.
Chartered Accountants
Firm Registration No. 105102W

Shirish Rahalkar
Partner
Membership No. 111212
UDIN: 22111212AIVCGI8019

Place: Mumbai
Date: April 22, 2022

ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT

[Referred to in Clause 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date]

i. (a) According to the information and explanations given to us, the Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.

(b) According to the information and explanations given to us, the Company does not have intangible assets.

(c) Property, plant and equipment have been physically verified by the management during the year and no material discrepancies were noticed on such verification.

(d) According to the information and explanations given to us, the title deeds of immovable properties are held in the name of the Company.

(e) According to the information and explanations given to us, the Company has not revalued any of its Property, Plant and Equipment (including Right of Use assets) during the year.

(f) Based on the audit procedures performed by us and according to the information, explanations and representations given to us, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

ii. (a) According to the information and explanations given to us, the Company does not have inventory. Accordingly, the reporting under Clause 3(ii)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us, the Company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets at any point of time during the year.

iii. According to the information and explanations given to us, the Company has not made investments in or provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year. Accordingly, the reporting under Clauses 3(iii)(a) to 3(iii)(f) of the Order is not applicable to the Company.

iv. According to the information and explanations given to us, the Company has not granted any loans or made any investments or provided any guarantees or security to the parties covered under Sections 185 and 186 of the Act. Accordingly, the reporting under Clause 3(iv) of the Order is not applicable to the Company.

v. According to the information and explanations given to us, the Company has not accepted deposits under the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. Accordingly, the reporting under Clause 3(v) of the Order is not applicable to the Company.

vi. The Central Government has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company. Accordingly, the reporting under Clause 3(vi) of the Order is not applicable to the Company.

vii. According to the information and explanations given to us and on the basis of our examination of records of the Company, the amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Services tax, Income-tax, Cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. The amounts deducted / accrued in the books of account in respect of undisputed statutory dues of Income-tax have been regularly deposited during the year by the Company with the appropriate authorities. According to the information and explanations given to us and on the basis of our examination of records of the Company, there were no undisputed statutory dues payable in respect of Sales tax, Service tax, Duty of Customs, Duty of Excise and Value Added Tax.

According to the information and explanations given to us and on the basis of our examination of records of the Company, there were no arrears of outstanding statutory dues in respect of Goods and Services tax, Provident fund, Employees' State Insurance, Income-tax, Sales tax, Service tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other material statutory dues as on the last day of the financial year for a period of more than six months from the date they became payable.

According to the information and explanations given to us and on the basis of our examination of records of the Company, there are no statutory dues in respect of Income Tax, Goods and Services Tax, Provident Fund, Employees' State Insurance, Sales tax, Service tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and any other material statutory dues as at 31 March 2022, which have not been deposited with the appropriate authorities on account of any dispute.

viii. According to the information and explanations given to us, there are no transactions not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income-tax Act, 1961. Accordingly, the reporting under Clause 3(viii) of the Order is not applicable to the Company.

ix. (a) According to the information and explanations given to us and based on the audit procedures performed by us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.

(b) According to the information and explanations given to us, the Company has not been declared a willful defaulter by any bank or financial institution or any other lender till the date of our audit report.

(c) According to the information and explanation given to us, the Company has not obtained any term loan during the year. Accordingly, the reporting under Clause 3(ix)(c) of the Order is not applicable to the Company.

(d) According to the information and explanation given to us, the Company has not raised funds on short term basis during the year. Accordingly, the reporting under Clause 3(ix)(d) of the Order is not applicable to the Company.

(e) According to the information and explanations given to us, the Company does not have any subsidiaries, associates or joint ventures. Accordingly, the reporting under Clauses 3(ix)(f) and 3(ix)(e) of the Order is not applicable to the Company.

x. (a) According to the information and explanations given to us, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under Clause 3(x)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Accordingly, the reporting under Clause 3(x)(b) of the Order is not applicable to the Company.

xi. (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company noticed or reported during the year, nor have we been informed of any such case by the management.

(b) There has been no report filed by us under sub-section (12) of Section 143 of the Act in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government. Accordingly, the reporting under Clause 3(xi)(b) of the Order is not applicable to the Company.

(c) As represented to us by the management, no whistle blower complaints were received by the Company during the year.

xii. According to the information and explanations given to us, the Company is not a Nidhi company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, the reporting under Clause 3(xii) of the Order is not applicable to the Company.

xiii. In our opinion and according to the information and explanations given to us, the Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required by Indian Accounting Standard (Ind AS) 24, Related Party Disclosures, specified under Section 133 of the Act.

xiv. In our opinion and based on our examination, the Company does not have an internal audit system and is not required to have an internal audit system as per the provisions of the Act. Accordingly, the reporting under Clauses 3(xiv)(a) and 3(xiv)(b) of the Order is not applicable to the Company.

xv. According to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or directors of its holding company or persons connected with them during the year and hence, the provisions of Section 192 of the Act are not applicable to the Company. Accordingly, the reporting under Clause 3(xv) of the Order is not applicable to the Company.

xvi. (a) According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under Clause 3(xvi)(a) of the Order is not applicable to the Company.

(b) In our opinion and according to the information and explanations given to us, the Company has not conducted any Non-Banking Financial or Housing Finance activities. Accordingly, the reporting under Clause 3(xvi)(b) of the Order is not applicable to the Company.

(c) In our opinion and according to the information and explanations given to us, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under Clauses 3(xvi)(c) of the Order is not applicable to the Company.

(d) Based on the information and explanations given to us and the audit procedures performed by us, we report that the Group has 6 Core Investment Companies.

xvii. In our opinion and according to the information and explanations given to us, the Company has not incurred cash losses in the current financial year as well as in the immediately preceding financial year. Accordingly, the reporting under Clause 3(xvii) of the Order is not applicable to the Company.

xviii. There has been no resignation of the statutory auditors during the year. Accordingly, the reporting under Clause 3(xviii) of the Order is not applicable to the Company.

xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of Balance Sheet as and when they fall due within a period of one year from the Balance Sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the Balance Sheet date, will get discharged by the Company as and when they fall due.

xx. According to the information and explanations given to us, the Company is not required to spend any amount as per the provisions of Section 135 of the Act. Accordingly, the reporting under Clauses 3(xx)(a) and 3(xx)(b) of the Order is not applicable to the Company.

For B. K. Khare & Co.
Chartered Accountants
Firm Registration No. 105102W

Shirish Rahalkar
Partner
Membership No. 111212
UDIN: 22111212AIVCGI8019

Place: Mumbai
Date: April 22, 2022

BALANCE SHEET AS AT 31ST MARCH, 2022

INR (₹)

	Particulars	Note No.	As at 31st March 2022	As at 31st March 2021
I	**ASSETS**			
	NON-CURRENT ASSETS			
	(a) Property, Plant and Equipment	4	**1,21,80,54,523**	1,00,42,61,107
	(b) Capital Work-in-Progress	4 (a)	**–**	19,91,66,965
	(c) Deferred Tax Assets (Net)	5	**31,92,796**	77,33,318
	SUB-TOTAL		**1,22,12,47,318**	1,21,11,61,390
	CURRENT ASSETS			
	(a) Financial Assets			
	(i) Trade Receivables	6	**2,18,80,632**	56,28,253
	(ii) Cash and Cash Equivalents	7	**4,57,10,299**	3,54,97,142
	(iii) Other Bank Balances	7 (a)	**5,10,92,046**	2,99,02,079
	(iv) Other Financial Assets	8	**1,89,24,377**	2,92,94,070
	(b) Current Tax Assets (Net)		**7,57,974**	19,33,121
	(c) Other Current Assets	9	**8,32,900**	23,41,387
	SUB-TOTAL		**13,91,98,228**	10,45,96,052
	TOTAL ASSETS		**1,36,04,45,547**	1,31,57,57,442
II	**EQUITY AND LIABILITIES**			
	1 EQUITY			
	(a) Equity Share Capital	10	**27,81,60,000**	27,81,60,000
	(b) Other Equity	10	**23,76,73,252**	22,99,89,753
	SUB-TOTAL		**51,58,33,252**	50,81,49,753
	LIABILITIES			
	2 NON-CURRENT LIABILITIES			
	(a) Financial Liabilities			
	(i) Borrowings	11	**78,46,99,675**	58,08,30,806
	(b) Provisions	16	**–**	6,86,839
	SUB-TOTAL		**78,46,99,675**	58,15,17,645
	3 CURRENT LIABILITIES			
	(a) Financial Liabilities			
	(i) Borrowings	12	**4,16,46,645**	3,30,71,500
	(ii) Trade Payables			
	(a) Total outstanding dues to Micro & small enterprises		**–**	–
	(b) Total outstanding dues to creditors other than Micro & small enterprises	13	**92,04,679**	82,66,317
	(iii) Other Financial Liabilities	14	**40,02,060**	17,56,19,972
	(b) Provisions	16	**46,35,009**	76,61,813
	(c) Other Current Liabilities	15	**4,24,226**	14,70,443
	SUB-TOTAL		**5,99,12,619**	22,60,90,044
	TOTAL EQUITY AND LIABILITIES		**1,36,04,45,547**	1,31,57,57,442

The accompanying notes 1 to 29 are an integral part of the Financial Statements

In terms of our report attached.

For B. K. Khare & Co
Chartered Accountants
Firm Registration No: 105102W

Shirish Rahalkar
Partner
Membership No. 111212
Place: Mumbai
Date : 22nd April, 2022

For and on behalf of the Board of Directors

Mr. Basant Jain
Director
DIN : 00220395

Mr. Daisuke Nakahara
Director
DIN : 08629558

Mr. Takayuki Kobayashi
Chief Executive Officer

Ms. Shruti Bugde
Company Secretary

Mr. Amit Gaikwad
Chief Financial Officer

Place: Mumbai
Date : 22nd April, 2022

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2022

INR (₹)

	Particulars	Note No.	Year ended 31st March 2022	Year ended 31st March 2021
I	Revenue from operations	17	**18,87,50,278**	13,31,55,324
II	Other Income	**18**	**31,41,559**	44,57,415
III	**Total Income (I + II)**		**19,18,91,837**	13,76,12,739
IV	**Expenses**			
	(a) Employee benefit expense	**19**	**37,79,585**	77,49,709
	(b) Finance costs	**20**	**5,66,22,047**	5,46,72,220
	(c) Depreciation expense	**4**	**8,02,67,543**	4,63,68,453
	(d) Other expenses	**21**	**3,89,98,639**	3,34,05,305
	Total Expenses		**17,96,67,814**	14,21,95,687
V	**(Loss)/profit before tax (III-IV)**		**1,22,24,023**	(45,82,948)
VI	**Tax Expense**			
	(a) Current tax		**–**	–
	(b) Deferred tax	5	**45,40,524**	(11,78,069)
	Total tax expense		**45,40,524**	(11,78,069)
VII	**(Loss)/Profit after tax for the year (V - VI)**		**76,83,499**	(34,04,879)
VIII	**Other comprehensive income**		**–**	1,05,144
	(a) (i) Items that will not be reclassified to profit or loss			
	(a) Changes in revaluation surplus		**–**	–
	(b) Remeasurements of the defined benefit liabilities/(asset)		**–**	1,05,144
IX	**Total comprehensive income for the year (VII + VIII)**		**76,83,499**	(32,99,735)
X	**Earnings per equity share:**			
	(a) Basic	22	**0.28**	(0.12)
	(b) Diluted	22	**0.28**	(0.12)

The accompanying notes 1 to 29 are an integral part of the Financial Statements

In terms of our report attached.

For B. K. Khare & Co
Chartered Accountants
Firm Registration No: 105102W

Shirish Rahalkar
Partner
Membership No. 111212
Place: Mumbai
Date : 22nd April, 2022

For and on behalf of the Board of Directors

Mr. Basant Jain
Director
DIN : 00220395

Mr. Daisuke Nakahara
Director
DIN : 08629558

Mr. Takayuki Kobayashi
Chief Executive Officer

Ms. Shruti Bugde
Company Secretary

Mr. Amit Gaikwad
Chief Financial Officer

Place: Mumbai
Date : 22nd April, 2022

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH, 2022

INR (₹)

Particulars	Year ended 31st March 2022	Year ended 31st March 2021
Cash flows from operating activities		
(Loss)/Profit before tax for the year	**1,22,24,023**	(45,82,948)
Adjustments for:		
Finance costs recognised in profit or loss	**5,66,22,047**	5,46,72,220
Investment income recognised in profit or loss	**(31,41,559)**	(44,57,415)
Depreciation expense recognised in profit or loss	**8,02,67,543**	4,63,68,453
Movements in working capital:		
Increase in trade and other receivables	**(1,62,52,379)**	32,38,224
(Increase)/decrease in financial and other assets	**73,37,656**	(1,85,40,244)
Increase/(Decrease) in trade and other payables	**(27,73,219)**	(1,56,90,462)
(Decrease)/increase in other liabilities	**34,94,306**	(11,91,887)
Cash generated from operations	**13,77,78,418**	5,98,15,941
Income taxes paid	**11,75,147**	(4,97,157)
Net cash flow generated from operating activities	**13,89,53,565**	5,93,18,784
Cash flows from investing activities		
Additions to Earmarked Balance	**(2,11,89,967)**	(97,58,701)
Interest received	**31,41,559**	44,57,415
Payments to acquire PPE	**(26,65,13,967)**	(31,38,02,827)
Net cash flow used in investing activities	**(28,45,62,375)**	(31,91,04,114)
Cash flows from financing activities		
Proceeds from issue of equity instruments of the Company	**–**	35,03,60,000
Proceeds from / (Repayment of) borrowings	**21,24,44,014**	(3,23,94,527)
Interest paid	**(5,66,22,047)**	(5,46,72,220)
Net cash flow generated from financing activities	**15,58,21,967**	26,32,93,253
Net Increase/(Decrease) in cash and cash equivalents	**1,02,13,157**	35,07,923
Cash and cash equivalents at the beginning of the year	**3,54,97,142**	3,19,89,219
Cash and cash equivalents at the end of the year	**4,57,10,299**	3,54,97,142

The accompanying notes 1 to 29 are an integral part of the Financial Statements

In terms of our report attached.

For B. K. Khare & Co
Chartered Accountants
Firm Registration No: 105102W

Shirish Rahalkar
Partner
Membership No. 111212
Place: Mumbai
Date : 22nd April, 2022

For and on behalf of the Board of Directors

Mr. Basant Jain
Director
DIN : 00220395

Mr. Daisuke Nakahara
Director
DIN : 08629558

Mr. Takayuki Kobayashi
Chief Executive Officer

Ms. Shruti Bugde
Company Secretary

Mr. Amit Gaikwad
Chief Financial Officer

Place: Mumbai
Date : 22nd April, 2022

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2022

A. Equity share capital

(i) Current reporting period

INR (₹)

Balance at the beginning of the current reporting period	Changes in Equity Share Capital during current year	Balance at the end of the current reporting period
27,81,60,000	–	27,81,60,000

(ii) Previous reporting period

INR (₹)

Balance at the beginning of the previous reporting period	Changes in Equity Share Capital during previous year	Balance at the end of the previous reporting period
12,61,60,000	15,20,00,000	27,81,60,000

B. Other Equity

(i) Current reporting period

INR (₹)

Particulars	Share application money pending allotment	Reserves and Surplus: Securities Premium	Reserves and Surplus: Retained Earnings	Total
Balance at the beginning of the current reporting period	–	25,21,75,448	(2,21,85,695)	22,99,89,753
Total Comprehensive Income for the current year	–	–	76,83,499	76,83,499
Balance at the end of the current reporting period	**–**	**25,21,75,448**	**(1,45,02,196)**	**23,76,73,252**

(ii) Previous year reporting period

INR (₹)

Particulars	Share application money pending allotment	Reserves and Surplus: Securities Premium	Reserves and Surplus: Retained Earnings	Total
Balance at the beginning of the previous reporting period	–	5,38,15,448	(1,88,85,960)	3,49,29,488
Total Comprehensive Income for the previous year	–	19,83,60,000	(32,99,735)	19,50,60,265
Balance at the end of the previous reporting period	–	25,21,75,448	(2,21,85,695)	22,99,89,753

The accompanying notes 1 to 29 are an integral part of the Financial Statements

In terms of our report attached.

For B. K. Khare & Co
Chartered Accountants
Firm Registration No: 105102W

Shirish Rahalkar
Partner
Membership No. 111212
Place: Mumbai
Date : 22nd April, 2022

For and on behalf of the Board of Directors

Mr. Basant Jain
Director
DIN : 00220395

Mr. Daisuke Nakahara
Director
DIN : 08629558

Mr. Takayuki Kobayashi
Chief Executive Officer

Ms. Shruti Bugde
Company Secretary

Mr. Amit Gaikwad
Chief Financial Officer

Place: Mumbai
Date : 22nd April, 2022

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

1. Nature of Operations

Marvel Solren Private Limited ('the Company') is a company limited by shares, incorporated and domiciled in India. The Company is engaged in the business as a producer and distributor of solar power by using solar cells, photo voltaic cells, wafers, photo voltaic solar modules, photo voltaic solar system/sub system, tracker or fixed tilt, concentrated solar power and to provide related services.

The holding company is Mahindra Susten Private Limited.

Statement of compliance

The accompanying financial statements have been prepared in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) (Amendment) Rules, 2016 notified under Section 133 of the Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

2. Significant Accounting Policies and Accounting Judgments and Estimates

A) Basis of Preparation of Financial Statements

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable to the financial statements

The financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities measured at fair value.

B) Use of estimates and judgments

The preparation of the financial statements in accordance with Ind AS requires use of judgements, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognized prospectively.

Assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ended 31 March, 2022 are as follows:

(i) Recoverability of deferred tax assets:

In determining the recoverability of deferred income tax assets, the Company primarily considers current and expected profitability of applicable operating business segments and their ability to utilize any recorded tax assets. The Company reviews its deferred income tax assets at every reporting year/ period end, taking into consideration the availability of sufficient current and projected taxable profits, reversals of taxable temporary differences and tax planning strategies.

(ii) Impairment losses on financial assets:

The Company reviews its financial assets to assess impairment at regular intervals. The Company's credit risk is primarily attributable to its financial assets. In determining whether impairment losses should be reported in the statement of profit and loss, the Company makes judgments as to whether there is any observable data indicating that there is a measurable decrease in the estimated future cash flows. Accordingly, an allowance for expected credit loss is made where there is an identified loss event or condition which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

(iii) Estimation of provisions and contingencies:

Provisions are liabilities of uncertain amount or timing recognized where a legal or constructive obligation exists at the balance sheet date, as a result of a past event, where the amount of the obligation can be reliably estimated and where the outflow of economic benefit is probable. Contingent liabilities are possible obligations that may arise from past event whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events which are not fully within the control of the Company. The Company exercises judgement and estimates in recognizing the provisions and assessing the exposure to contingent liabilities relating to pending litigations. Judgement is necessary in assessing the likelihood of the success of the pending claim and to quantify the possible range of financial settlement. Due to this inherent uncertainty in the evaluation process, actual losses may be different from originally estimated provision.

C) Other Significant Accounting Policies:

Current versus Non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current. A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets or liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

a) Financial Assets and Financial Liabilities

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

Financial assets

All financial assets by regular way of purchases or sales are recognized and derecognized on a trade date basis. Regular way of purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognized financial assets are subsequently measured at either amortized cost or fair value, depending on the classification of the financial assets.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

Classification of financial assets

Instruments that meet the following conditions are subsequently measured at amortized cost (except for that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Effective interest method

The effective interest method is a method of calculating the amortized cost of a assets and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the assets, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognized on an effective interest basis for instruments other than those financial assets classified as at FVTPL. Interest income is recognized in profit or loss and is included in the "Other income" line item.

Financial assets at fair value through profit or loss (FVTPL)

Investments in debt / equity instruments are classified as at FVTPL, unless the Company irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement recognized in profit or loss. The net gain or loss recognized in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other income' line item. Dividend on financial assets at FVTPL is recognized when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

Impairment of financial assets

The Company applies the expected credit loss model for recognizing impairment loss on financial assets measured at amortized cost, debt instruments at FVTOCI, lease receivables, trade receivables, and other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights for each category of receivable. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract/agreement and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Company estimates cash flows by considering all contractual/agreed terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument.

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. 12-month expected credit losses are portion of the life-time expected credit losses and represent the lifetime cash shortfalls that will result if default occurs within the 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.

If the Company measured loss allowance for a financial instrument at lifetime expected credit loss model in the previous period, but determines at the end of a reporting period that the credit risk has not increased significantly since initial recognition due to improvement in credit quality as compared to the previous period, the Company again measures the loss allowance based on 12-month expected credit losses.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Company uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

For investments, company reviews its carrying value of investments carried at cost annually, or more frequently when there is indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted in the statement of profit and loss.

Derecognition of financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of that financial asset to another party.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss, if such gain or loss would have otherwise been recognized in profit or loss on disposal of that financial asset.

Financial liabilities

All financial liabilities are subsequently measured at amortized cost using the effective interest method or at FVTPL.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognized in profit or loss.

Financial liabilities subsequently measured at amortized cost

Financial liabilities that are not designated as at FVTPL are measured at amortized cost at the end of subsequent accounting periods.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

The carrying amounts of financial liabilities that are subsequently measured at amortized cost are determined based on the effective interest method. Interest expense that is not capitalized as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Derecognition of financial liabilities

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognized and the consideration paid and/or payable is recognized in profit or loss.

Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortized cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortized cost of the instruments and are recognized in profit or loss.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognized in profit or loss.

Derivative financial instruments

The Company enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including foreign exchange forward contracts, interest rate swaps and cross currency swaps.

Derivatives are initially recognized at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognized in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedging relationship and the nature of the hedged item.

b) Property plant and equipment:

(i) Property plant and equipment:

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognized impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalized in accordance with the Company's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Freehold land is stated at the cost of acquisition and is not depreciated.

Depreciation on tangible assets is based on straight line method. Estimated useful life of the assets considered is 10 to 15 years and residual value is considered at 5% of the original cost of the assets.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds (net of expenses incurred in connection with the sale) and the carrying amount of the asset and is recognized in profit or loss.

(ii) Capital work in progress and Capital advances:

Assets under construction includes the cost of property, plant and equipment that are not ready to use at the balance sheet date. Advances paid to acquire property, plant and equipment before the balance sheet date are disclosed under other non-current assets. Assets under construction are not depreciated as these assets are not yet available for use.

(iii) Impairment:

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use.

In assessing value in use, the Company makes a reasonable estimate of the value in use.

When an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

c) Borrowing Costs:

Borrowing costs directly attributable to the acquisition, construction or production of an asset are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

d) Foreign Exchange Transactions: Initial Recognition

All transactions that are not denominated in the Company's functional currency are foreign currency transactions. These transactions are initially recorded in the functional currency by applying the appropriate daily rate which best approximates the actual rate of the transaction. Exchange differences arising on foreign exchange transactions settled during the year are recognized in the standalone statement of profit and loss.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

Measurement of foreign currency items at the reporting date

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Nonmonetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Exchange differences are recognized in the standalone statement of profit and loss

e) Fair value measurement

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

f) Segment information:

Operating segments are reported in a manner consistent with internal reporting provided to the Chief Operating Decision Maker (CODM) of the Company. The CODM is responsible for allocating resources and assessing performances of the operating segments of the Company. The Company operates only in one segment viz. sale of solar energy.

g) Taxes:

Income tax comprises current and deferred tax. It is recognized in the standalone statement of profit and loss except to the extent that it relates to a business combination or to an item recognized directly in equity or in other comprehensive income.

On 30th March, 2019, MCA has issued amendment regarding the income tax Uncertainty over Income Tax Treatments. The notification clarifies the recognition and measurement requirements when there is uncertainty over income tax treatments. In assessing the uncertainty, an entity shall consider whether it is probable that a taxation authority will accept the uncertain tax treatment. This notification is effective for annual reporting periods beginning on or after April 1, 2019. As per the Company's assessment, there are no material uncertainties over income tax treatments.

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using applicable tax rates (and tax laws) enacted or substantially enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognized amounts, and it is intended to realize the asset and settle the liability on a net basis or simultaneously.

Minimum Alternative Tax ('MAT')

Minimum Alternative Tax ('MAT') under the provisions of the Income-tax Act, 1961 is recognized as current tax in the standalone statement of profit and loss. The credit available under the Act in respect of MAT paid is recognized as a deferred tax asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the period for which the MAT credit can be carried forward for set-off against the normal tax liability. MAT credit recognized as an deferred tax asset is reviewed at each balance sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

Deferred tax

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognized in respect of carried forward tax losses and tax credits.

Deferred tax is not recognized for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;
- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

Deferred tax assets are recognized to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Company recognizes a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realized. Deferred tax assets – unrecognized or recognized, are reviewed at each reporting date and are recognized/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realized.

Deferred tax is measured at the tax rates that are expected to apply to the year/period when the asset is realized or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

h) Provisions and Contingent Liabilities:

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost. Expected future operating losses are not provided for.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources embodying economic benefits or the amount of such obligation cannot be measured reliably. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources embodying economic benefits is remote, no provision or disclosure is made.

A contingent asset is disclosed where an inflow of economic benefits is probable.

i) Cash and Cash Equivalents:

Cash and cash equivalents for the purpose of Cash Flow Statements include cash in hand, demand deposits with banks, other short-term highly liquid investments with original maturities of three months or less.

j) Government Grant:

Government grants are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognized as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognized as income in equal amounts over the expected useful life of the related asset and are presented in the balance sheet by setting up the grant as deferred income. Such grant is not reduced from the value of assets.

When the Company receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset i.e. by equal annual instalments. When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as a government grant. The loan or assistance is initially recognized and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

k) Earnings Per Share:

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period and,

Diluted earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period adjusted for the effects of dilutive options.

l) Revenue Recognition:

The Company has adopted Ind AS 115, Revenue from Contracts with Customers, with effect from 1 April 2018. The Company has applied the following accounting policy for revenue recognition:

Revenue from contracts with customers:

The Company recognizes revenue from contracts with customers based on a five step model as set out in Ind AS 115:

Step 1. Identify the contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2. Identify the performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer

Step 3. Determine the transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4. Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company will allocate the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

Step 5. Recognize revenue when (or as) the entity satisfies a performance obligation.

The Company satisfies a performance obligation and recognizes revenue over time, if one of the following criteria is met:

- The customer simultaneously receives and consumes the benefits provided by the Company's performance as the Company performs; or
- The Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- The Company's performance does not create an asset with an alternative use to the Company and the entity has an enforceable right to payment for performance completed to date.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes and duty. The Company assesses its revenue arrangements against specific criteria to determine if it is acting as principal or agent. The Company has concluded that it is acting as a principal in all of its revenue arrangements.

The accounting policies for the specific revenue streams of the Company is:

Sales of goods

An entity shall recognize revenue when (or as) the entity satisfies a performance obligation by transferring a promised good or service (ie an asset) to a customer. An asset is transferred when (or as) the customer obtains control of that asset.

Interest Income

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably

m) Events after reporting date:

Where events occurring after the balance sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted with the standalone financial statements. Otherwise, events after the balance sheet date of material size or nature are only disclosed.

3. Recent Accounting Pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On 23 March 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from 1st April, 2022, as below:

Ind AS 16 – Proceeds before intended use

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. An entity will not recognize such sales proceeds and related cost in profit or loss, but deduct the cost from the directly attributable costs considered as part of cost of an item of property, plant, and equipment. The Company does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract

The amendments specify that that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 103 – Reference to Conceptual Framework

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 109 – Annual Improvements to Ind AS (2021)

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognize a financial liability. The Company does not expect the amendment to have any significant impact in its financial statements.

Note No. 4 – Property, Plant and Equipment

INR (₹)

Description of Assets	Land-Freehold	Plant and Equipment	Total
I. Gross Carrying Amount			
Balance as at 1st April 2021	7,21,75,146	1,05,66,40,262	1,12,88,15,408
Additions during the year	–	29,40,60,959	29,40,60,959
As at 31st March 2022	**7,21,75,146**	**1,35,07,01,221**	**1,42,28,76,367**
II. Accumulated depreciation			
Balance as at 1st April 2021	–	12,45,54,301	12,45,54,301
Depreciation expense for the year	–	8,02,67,543	8,02,67,543
As at 31st March 2022	**–**	**20,48,21,844**	**20,48,21,844**
III. Net carrying amount (I–II)	**7,21,75,146**	**1,14,58,79,377**	**1,21,80,54,523**

Description of Assets	Land-Freehold	Plant and Equipment	Total
I. Gross Carrying Amount			
Balance as at 1st April 2020	7,21,75,146	76,72,24,450	83,93,99,596
Additions during the year	–	28,94,15,812	28,94,15,812
Balance as at 31st March 2021	**7,21,75,146**	**1,05,66,40,262**	**1,12,88,15,408**
II. Accumulated depreciation			
Balance as at 1st April 2020	–	7,81,85,848	7,81,85,848
Depreciation expense for the year	–	4,63,68,453	4,63,68,453
As at 31st March 2021	**–**	**12,45,54,301**	**12,45,54,301**
III. Net carrying amount (I–II)	**7,21,75,146**	**93,20,85,961**	**1,00,42,61,107**

Note :-

(1) Plant and Equipment have been charged against the borrowings. (Refer Note No. 11 Non Current Borrowings).

Note No. 4 (a) - Capital Work-in-Progress

CWIP aging schedule:

INR (₹)

CWIP	Amount in CWIP for a 31st March 2022 Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress - Opex Projects	–	–	–	–	–

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

Movement in CWIP for a 31st March 2022

Particulars	INR (₹) Amount
Opening Balance	19,91,66,965
(+) Addition during the year	–
(-) Cpatialized Opex Project during the Year	19,91,66,965
Closing Balance	–

CWIP aging schedule:

INR (₹)

CWIP	Amount in CWIP for a 31st March 2021 Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress - Opex Projects	18,39,52,875	1,52,14,090	–	–	19,91,66,965

Note No. 5 – Current Tax and Deferred Tax

(a) Income Tax recognised in profit or loss

INR (₹)

Particulars	Year ended 31st March 2022	Year ended 31st March 2021
Current Tax:		
Minimum alternate tax for the year	–	–
Minimum alternate tax credit entitlement	–	–
Deferred Tax:		
In respect of current period origination	45,40,524	(11,78,069)
Total Income Tax Expense	45,40,524	(11,78,069)

(b) Reconciliation of income tax expense and the accounting profit multiplied by Company's domestic tax rate:

INR (₹)

Particulars	Year ended 31st March 2022	Year ended 31st March 2021
i) **Profit before tax for the year**	**1,22,24,023**	(45,82,948)
ii) Corporate tax rate as per Income tax Act, 1961	**25.17%**	27.82%
iii) Tax on accounting profit (iii) = (i) × (ii)	**30,76,542**	(12,74,976)
Effect of income that is exempt from taxation	**14,63,982**	–
Effect of expenses that is non-deductible in determining taxable profit	–	96,907
iv) **Total effect of Tax adjustment**	**45,40,524**	(11,78,069)
v) Adjustments recognised in the current year in relation to the current tax of prior years	–	–
vi) **Tax expense recognised during the year (vi) = (iv) + (v)**	**45,40,524**	(11,78,069)

(c) Movement in deferred tax balances

INR (₹)

Particulars	Year ended 31st March 2022 Opening Balance	Recognised in profit and Loss	Closing Balance
Tax effect of items constituting deferred tax liabilities			
Property, Plant and Equipment	5,21,71,193	3,83,35,657	9,05,06,849
	5,21,71,193	3,83,35,657	9,05,06,849
Tax effect of items constituting deferred tax assets			
Carry forward Tax Losses	5,99,04,512	3,37,95,133	9,36,99,645
	5,99,04,512	3,37,95,133	9,36,99,645
Net Deferred Tax (Asset)/ Liabilities	**77,33,319**	**(45,40,524)**	**31,92,796**

INR (₹)

Particulars	Year ended 31st March 20221 Opening Balance	Recognised in profit and Loss	Closing Balance
Tax effect of items constituting deferred tax liabilities			
Property, Plant and Equipment	3,32,76,967	1,88,94,226	5,21,71,193
	3,32,76,967	1,88,94,226	5,21,71,193
Tax effect of items constituting deferred tax assets			
Carry forward Tax Losses	3,98,32,216	2,00,72,295	5,99,04,512
	3,98,32,216	2,00,72,295	5,99,04,512
Net Deferred Tax (Asset)/Liabilities	65,55,249	11,78,069	77,33,319

Note No. 6 – Trade receivables

INR (₹)

Particulars	As at 31st March 2022	As at 31st March 2021
Trade receivables		
Undisputed Trade receivables - considered good	**2,18,80,632**	56,28,253
Total Trade Receivables	**2,18,80,632**	56,28,253

Note:

(1) All Trade receivable are charged against the borrowings. (Refer Note no. 11 Non-Current Borrowings).

(2) The credit period given to customers is of 7 days to 15 days.

Trade Receivables ageing schdule
As at 31st March 2022

INR (₹)

Particulars As at 31st March 2022	Outstanding for following periods from due date of payment Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed Trade receivables — considered good	**1,99,37,399**	**19,42,738**	–	–	**2,18,80,137**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

As at 31st March 2021

INR (₹)

Particulars	Outstanding for following periods from due date of payment				
As at 31st March 2021	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed Trade receivables — considered good	56,28,253	–	–	–	56,28,253

Note No. 7 – Cash and Cash Equivalents

INR (₹)

Particulars	As at 31st March, 2022	As at 31st March, 2021
(a) Balances with banks	**3,07,13,102**	56,66,240
(b) Fixed Deposit with Original Maturity less than or Equal to 3 months	**1,49,97,197**	2,98,30,902
Total Cash and Cash Equivalents	**4,57,10,299**	3,54,97,142

Note:
All other Cash and Cash Equivalents are charged against the borrowings. (Refer Note no. 11 Non-Current Borrowings).

Note No.7(a) – Other Bank Balances

INR (₹)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Earmarked Balance with Bank - For Debt service Reserve Account	**5,10,92,046**	2,99,02,079
Total Other Bank balances	**5,10,92,046**	2,99,02,079

Note:
All other Bank balances are charged against the borrowings. (Refer Note no. 11 Non-Current Borrowings).

Note No. 8 – Other Financial Assets

INR (₹)

Particulars	As at 31st March, 2022 Current	Non–Current	As at 31st March, 2021 Current	Non–Current
Financial assets at amortised cost				
a) Unbilled Revenue	**1,76,02,377**	–	2,92,94,070	–
b) Deposit	**13,22,000**	–	13,22,000	–
Total Other Financial Assets	**1,89,24,377**	–	3,06,16,070	–

Note:
All other financial assets are charged against the borrowings. (Refer footnotes to note no. 11 Non Current Borrowings).

Note No. 9 – Other assets

INR (₹)

Particulars	As at 31st March, 2022 Current	Non–Current	As at 31st March, 2021 Current	Non–Current
Prepaid Expenses	**8,32,900**	–	10,19,387	–
Total Other Current Assets	**8,32,900**	–	10,19,387	–

Note:
All other Current assets are charged against the borrowings. (Refer Note no. 11 Non-Current Borrowings).

Note No. 10 – Equity Share Capital

INR (₹)

Particulars	As at 31st March, 2022 No. of shares	Share Capital	As at 31st March, 2021 No. of shares	Share Capital
Authorised:				
Equity shares of Rs. 10 each with voting rights	**2,78,16,000**	**27,81,60,000**	2,78,16,000	27,81,60,000
Issued, Subscribed and Fully Paid:				
Equity shares of Rs. 10 each with voting rights	**2,78,16,000**	**27,81,60,000**	2,78,16,000	27,81,60,000
Total Equity share capital	**2,78,16,000**	**27,81,60,000**	2,78,16,000	27,81,60,000

Notes:

(i) Reconciliation of the number of shares outstanding at the beginning and at the end of the period.

Particulars	Opening Balance	Fresh Issue	Bonus	ESOP	Other Changes	Closing Balance
(a) Equity Shares with Voting rights						
Year ended 31st March 2022						
No. of Shares	**2,78,16,000**	–	–	–	–	**2,78,16,000**
Amount in INR	**27,81,60,000**	–	–	–	–	**27,81,60,000**
Year ended 31st March 2021						
No. of Shares	2,78,16,000	–	–	–	–	2,78,16,000
Amount in INR	27,81,60,000	–	–	–	–	27,81,60,000

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

(ii) Details of shares held by the holding company, the ultimate holding company, their subsidiaries and associates:

Particulars	No. of Shares		
	Equity Shares with Voting rights	Equity Shares with Differential Voting rights	Others
Year ended 31st March 2022			
Mahindra Susten Private Limited	27,81,60,000	–	–
As at 31st March 2021			
Mahindra Susten Private Limited	27,81,60,000	–	–

(iii) Details of shares held by each shareholder holding more than 5% shares:

Class of shares/Name of shareholder	As at 31st March, 2022 Number of shares held	% holding in that class of shares	As at 31st March, 2021 Number of shares held	% holding in that class of shares
<u>Equity shares with voting rights</u>				
Mahindra Susten Private Limited ...	14,18,61,600	51%	14,18,61,600	51%
Mitsui & Co.	13,62,98,400	49%	13,62,98,400	49%

Shareholding of Promoters is as under

Shares held by promoters as at 31st March 2022			
Promoter name	**No. of Shares**	**%of total shares**	**% Change of during the year 31st March 2022**
Mahindra Susten Private Limited.........	14,18,61,600	51%	–
Mitsui & Co.	13,62,98,400	49%	–

Shares held by promoters as at 31st March 2021			
Promoter name	No. of Shares	%of total shares	% Change of during the year 31st March 2021
Mahindra Susten Private Limited.........	14,18,61,600	51%	–
Mitsui & Co.	13,62,98,400	49%	–

Note-
It includes 1 equity share held as nominee by an indiviudal on behalf of the Holding Company (Mahindra Susten Private Limited jointly holds 1 Equity share wih Miss Brijbala Batwal).

Other Equity	As at 31st March 2022	As at 31st March 2021
(i) Securities Premium	**25,21,75,448**	25,21,75,448
(ii) Retained Earnings...	**(1,45,02,196)**	(2,21,85,695)
Total Revenue from Operations	**23,76,73,252**	22,99,89,753

Note:
Securities premium is used to record the excess of the amount received over the face value of the shares. This reserve will be utilised in accordance with the provisions of the Companies Act, 2013.

Note No. 11 – Non–Current Borrowings

INR (₹)

Particulars	Rate of Interest	Maturity	As at 31st March 2022	As at 31st March 2021
Measured at amortised cost				
Secured Borrowings:				
Term Loans from Banks (MICR-1 Y is 8.30% and spread is 0.35%)	8.30%	To be repaid by 30/03/2032	**46,14,12,407**	49,86,24,720
Term Loans from Banks (MICR-1 Y is 8.55% and spread is 0.95%)	8.55%	To be repaid by 30/09/2033	**7,59,09,021**	8,22,06,086
Term Loans from Banks (MICR-1 Y is 7.30% and spread is 0.95%)	7.30%	To be repaid by 31/12/2032	**24,73,78,247**	–
Total Non – Current Borrowings............			**78,46,99,675**	58,08,30,806

Notes:

(1) The Company is engaged in the business of operating Solar Power project; The term loan from Bank is repayable.
   i) Starting from 30 June 2019 and ending on 30 March 2032.
   ii) Starting from 30 December 2019 and ending on 30 September 2033.
   iii) Starting from 30 September 2021 and ending on 30 December 2032.

(2) The loan amount is secured by:
   (a) First charge on all present and future tangible moveable assets, intangible assets, current assets including receivables.
   (b) First charge on all present and future immovable properties, both freehold and leasehold.
   (c) First charge on all the borrowers bank accounts including Escrow account and any other reserve and other bank accounts.
   (d) First charge on all the rights, title interest, benefits, claims and demands whatsoever of the borrower in:
      i) Project agreements
      ii) the clearances subject to applicable law
      iii) any letter of credit, guarantee, performance bond, corporate guarantee, bank guarantees or warranty provided by any party.
   (e) Assignment of insurance policies relating to the project, right, titles, permits/approvals. Clearances and interests to the company.
   (f) Pledge of shares held by shareholders in the borrower representing 30% of the total paid up equity share capital.

(3) The Company have to maintain a debt service reserve account with a minimum balance equal to total amount of schedules interest fees and principal due within next quarter.

Note No. 12- Current Borrowings

Particulars	As at 31st March 2022	As at 31st March 2021
Current maturities of long-term debt	**4,16,46,645**	3,30,71,500
Total Current Borrowings.......................................	**4,16,46,645**	3,30,71,500

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

Note No. 13 – Trade Payables

INR (₹)

Particulars	As at 31st March, 2022 Current	As at 31st March, 2022 Non–Current	As at 31st March, 2021 Current	As at 31st March, 2021 Non–Current
(a) Micro and small enterprises	–	–	–	–
(b) Other than Micro and small enterprises	**92,04,679**	–	82,66,317	–
Total Other Liabilities	**92,04,679**	–	82,66,317	–

Notes:

(1) Trade Payables are payables in respect of the amount payable on account of goods purchased or services received in the normal course of business.

(2) There are no amounts due to micro and small enterprises registered under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act). The above information regarding Micro and Small Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.

Trade Payable Aging schedule

As at 31st March, 2022

Particulars	Outstanding for following periods from date of transaction: Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Other than Micro and small enterprises	**92,04,679**	–	–	–	**92,04,679**

As at 31st March, 2021

Particulars	Outstanding for following periods from date of transaction: Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Other than Micro and small enterprises	82,66,317	–	–	–	82,66,317

Note No. 14 – Other Financial Liabilities

INR (₹)

Particulars	As at 31st March 2022	As at 31st March 2021
Other Financial Liabilities Measured at Amortised Cost		
Current		
(a) Interest accrued on loan	**2,061**	–
(b) Creditors for capital supplies/services	**39,99,999**	17,56,19,972
Total Other Financial Liabilities	**40,02,060**	17,56,19,972

Note No. 15 – Other Liabilities

INR (₹)

Particulars	As at 31st March 2022	As at 31st March 2021
Statutory dues payable		
(a) Other than income taxes	**2,80,529**	12,51,285
(b) Employee Recoveries and Employer Contributions	**1,43,697**	2,19,158
Total Other Financial Liabilities	**4,24,226**	14,70,443

Note No. 16 – Provisions

INR (₹)

Particulars	As at 31st March, 2022 Current	As at 31st March, 2022 Non-Current	As at 31st March, 2021 Current	As at 31st March, 2021 Non-Current
(a) Provision for employee benefits				
(1) Long-term Employee Benefits	–	–	3,49,821	6,86,839
(b) Other Provisions				
(1) Other Provisions	**46,35,009**	–	73,11,992	–
Total Provisions	**46,35,009**	–	76,61,813	6,86,839

Movement in Provision

INR (₹)

Particulars	As at 31st March 2022	As at 31st March 2021
Opening Balance	**83,48,652**	9,69,800
(+) Addition during the year	**24,53,625**	73,78,852
(-) Utilization during the year	**61,67,267**	–
Closing Balance	**46,35,009**	83,48,652

Note No. 17 – Revenue from Operations

INR (₹)

Particulars	Year ended 31st March 2022	Year ended 31st March 2021
Revenue from sale of solar power	**18,87,50,278**	13,31,55,324
Total Revenue from Operations	**18,87,50,278**	13,31,55,324

Note:

A. Disaggregated Revenue Information:

The Company's revenue is from only one segment i.e Sale of Solar Power.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

B. Reconciliation of Contract Assets & Contract Liabilities:

INR (₹)

Particulars	Year ended 31st March 2022	Year ended 31st March 2021
Contract Assets		
Unbilled Receivable		
At the beginning of the year	**2,92,94,070**	**1,06,30,768**
Less: Bill during the year	**20,04,41,971**	**11,44,92,022**
Add: Revenue recognised during the year	**18,87,50,278**	**13,31,55,324**
At the end of the year	**1,76,02,377**	2,92,94,070
Contract Liability	–	–

C. Reconciliation of revenue as per Ind AS 115:

INR (₹)

Particulars	Year ended 31st March 2022	Year ended 31st March 2021
Revenue as per contracted prices	**18,87,50,278**	13,31,55,324
Less: Adjustment of revenue pertaining to Revenue from sale	–	–
Revenue from contract with customers	**18,87,50,278**	**13,31,55,324**

Note No. 18 – Other Income

INR (₹)

Particulars	Year ended 31st March 2022	Year ended 31st March 2021
Interest Income	**24,56,452**	44,57,415
Other (Sale of i-RECs)	**6,85,107**	–
Total Other Income	**31,41,559**	44,57,415

Note No. 19 – Employee Benefits Expense

INR (₹)

Particulars	Year ended 31st March 2022	Year ended 31st March 2021
Salaries and wages	**37,79,585**	77,49,709
Total Employee Benefit Expense	**37,79,585**	77,49,709

Note No. 20 – Finance Cost

INR (₹)

Particulars	Year ended 31st March 2022	Year ended 31st March 2021
(a) Interest expense	**5,66,22,047**	5,46,72,220
Total Finance Cost	**5,66,22,047**	5,46,72,220

Note No. 21 - Other Expenses

INR (₹)

Particulars	For the Period ended 31st March, 2022	For the year ended 31st March, 2021
(a) ROC Charges, Registration charges and stamp duty expenses	**42,175**	3,97,050
(b) Insurance	**24,53,924**	13,86,246
(c) Repairs and maintenance – Machinery	**1,77,92,580**	80,07,536
(d) Rent For Officers	**30,00,000**	30,00,000
(e) Travelling and Conveyance Expenses	**10,10,132**	6,09,382
(f) Auditors remuneration and out–of–pocket expenses		
(i) As Auditors– Statutory audit fees	**2,74,450**	1,26,000
(g) Other expenses		
(i) Legal and other professional costs	**1,36,57,427**	1,93,22,242
(ii) Bank Charges	–	1,68,483
(iii) Miscellaneous expenses	**7,67,952**	3,88,367
Total Other Expenses	**3,89,98,639**	**3,34,05,305**

Note No. 22 - Earnings per Share

INR (₹)

Particulars	For the Period ended 31st March, 2022	For the year ended 31st March, 2021
	Per Share	**Per Share**
Basic Earnings per share	**0.28**	(0.12)
Total basic earnings per share	**0.28**	(0.12)
Diluted Earnings per share	**0.28**	(0.12)
Total basic earnings per share	**0.28**	(0.12)

Basic & diluted earnings per share

The earnings and weighted average number of ordinary shares used in the calculation of basic & diluted earnings per share are as follows:

INR (₹)

Particulars	For the Period ended 31st March, 2022	For the year ended 31st March, 2021
Profit for the year attributable to owners of the Company (INR)	**76,83,499**	(32,99,735)
Less: Preference dividend and tax thereon	–	–
Profit for the year used in the calculation of basic earnings per share (INR)	**76,83,499**	(32,99,735)
Profits used in the calculation of basic and diluted earnings per share from continuing operations(INR) (i)	**76,83,499**	(32,99,735)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

INR (₹)

Particulars	For the Period ended 31st March, 2022	For the year ended 31st March, 2021
Weighted average number of equity shares (ii)	**2,78,16,000**	2,78,16,000
Earnings per share from continuing operations - Basic & diluted (i/ii)	**0.28**	(0.12)

Note No. 23 - Financial Instruments

The Company manages capital risk in order to maximize shareholders' profit by maintaining sound/optimal capital structure through monitoring of financial ratios, such as debt-to-equity ratio and net borrowings-to-equity ratio on a monthly basis and implements capital structure improvement plan when necessary. There is no change in the overall capital risk management strategy of the Company compared to last year.

The Company uses debt ratio as a capital management index and calculates the ratio as total liabilities divided by total equity. Total liabilities and total equity are based on the amounts stated in the separate financial statements.

The Company is not subject to externally enforced capital regulation.

Debt-to-equity ratio as of 31st March 2022 and 31st March 2021 is as follows:

	31st March 2022	31st March 2021
Debt (A)	**82,63,46,320**	61,39,02,306
Equity (B)	**51,58,33,252**	50,81,49,753
Debt Equity Ratio (A / B)	**1.60**	1.21

Categories of financial assets and financial liabilities

As at 31st March 2022 INR (₹)

	Costs	Amortised Costs	FVTPL	FVOCI	Total
Current Assets					
Trade Receivables	–	2,18,80,632	–	–	**2,18,80,632**
Cash and Bank Balances	–	4,57,10,299	–	–	**4,57,10,299**
Other Financial Assets					
- Non Derivative Financial Assets	–	7,00,16,423	–	–	**7,00,16,423**
Non-current Liabilities					
Borrowings from Banks	–	78,46,99,675	–	–	**78,46,99,675**
Current Liabilities					
Borrowings from Banks	–	4,16,46,645	–	–	**4,16,46,645**
Trade Payables	–	92,04,679	–	–	**92,04,679**
Other Financial Liabilities	–	40,02,060	–	–	**40,02,060**

As at 31st March 2021 INR (₹)

	Costs	Amortised Costs	FVTPL	FVOCI	Total
Current Assets					
Trade Receivables	–	56,28,253	–	–	**56,28,253**
Cash and Bank Balances	–	3,54,97,142	–	–	**3,54,97,142**
Other Financial Assets					
- Non Derivative Financial Assets	–	5,91,96,149	–	–	**5,91,96,149**
Non-current Liabilities					
Borrowings from Banks	–	58,08,30,806	–	–	**58,08,30,806**
Current Liabilities					**–**
Borrowings from Banks	–	3,30,71,500	–	–	**3,30,71,500**
Trade Payables	–	82,66,317	–	–	**82,66,317**
Other Financial Liabilities	–	17,56,19,972	–	–	**17,56,19,972**

Financial Risk Management Framework

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk. In order to manage the aforementioned risks, the Company operates a risk management policy and a program that performs close monitoring of and responding to each risk factors.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

CREDIT RISK

(i) Credit risk management

Credit risk arises when a counterparty defaults on its contractual obligations to pay resulting in financial loss to the Company. The Company has entered into a Power Purchase Agreement with the various companies in various states and it believes that it is a solvent debt and hence the risk is minimal.

LIQUIDITY RISK

(i) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the management of the company, which has established an appropriate liquidity risk management framework for the management of the Company's short-, medium- and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

(ii) Maturities of financial liabilities

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment years. The amount disclosed in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay.

INR (₹)

	Less than 1 Year	1 Year-3 Years	3 Years to 5 Years	5 years and above
Particulars	**INR**	**INR**	**INR**	**INR**
31st March 2022				
Non-derivative financial liabilities				
Non-interest bearing	1,32,06,739	–	–	–
Variable interest rate instruments	4,16,46,645	12,71,89,500	14,58,92,000	51,16,18,175
Total	**5,48,53,384**	**12,71,89,500**	**14,58,92,000**	**51,16,18,175**
31st March 2021				
Non-derivative financial liabilities				
Non-interest bearing	18,38,86,289	–	–	–
Variable interest rate instruments	3,30,71,500	8,60,89,250	10,00,83,500	39,46,58,056
Total	**21,69,57,789**	**8,60,89,250**	**10,00,83,500**	**39,46,58,056**

Non-derivative financial liabilities

Non-interest bearing	**Year ended 31st March, 2022**	Year ended 31st March, 2021
Trade Payables	92,04,679	82,66,317
Other Financial Liabilities	40,02,060	17,56,19,972
	1,32,06,739	18,38,86,289

(iii) Maturities of financial assets

The following table details the Company's expected maturity for its non-derivative financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Company's liquidity risk management as the liquidity is managed on a net asset and liability basis.

INR (₹)

	Less than 1 Year	1 Year-3 Years	3 Years to 5 Years	5 years and above
Particulars	**INR**	**INR**	**INR**	**INR**
Non-derivative financial assets				
31st March 2022				
Non interest beaing	9,18,97,055	–	–	–
Variable interest rate instruments	4,57,10,299	–	–	–
	13,76,07,354	**–**	**–**	**–**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

Particulars	Less than 1 Year INR	1 Year-3 Years INR	3 Years to 5 Years INR	5 years and above INR
31st March 2021				
Non interest beaing	6,48,24,402	–	–	–
Variable interest rate instruments	3,54,97,142	–	–	–
Fixed interest rate instruments	–	–	–	–
	10,03,21,544	**–**	**–**	**–**

Non-derivative financial liabilities

Non interest beaing	Period ended 31st March, 2022	Year ended 31st March, 2021
Trade Receivables	2,18,80,632	56,28,253
Non Derivative Financial Assets	7,00,16,423	5,91,96,149
	9,18,97,055	6,48,24,402

The amounts included above for variable interest rate instruments for both non-derivative financial assets and liabilities is subject to change if changes in variable interest rates differ to those estimates of interest rates determined at the end of the reporting period.

Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk such as equity price risk and commodity price risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. The Company uses derivatives to manage market risks. Derivatives are only used for economic hedging purposes and not as speculative investments. All such transactions are carried out within the guidelines set by the Board of Directors and Risk Management Committee.

There has been no significant changes to the company's exposure to market risk or the methods in which they are managed or measured.

Currency Risk

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. The Company's / Company's exposure to currency risk relates primarily to the Company's operating activities and borrowings when transactions are denominated in a different currency from the Company's functional currency.

The Company manages its foreign currency risk by hedging the transactions at the time the Company enters into a contract with its customers by passing the exchange risk to the customer. The foreign curency borrowings are entirely hedged for the entire period of the borrowing.

When a derivative is entered into for the purpose of being a hedge, the Company negotiates the terms of those derivatives to match the terms of the hedged exposure. For hedges of forecast transactions the derivatives cover the period of exposure from the point the cash flows of the transactions are forecasted up to the point of settlement of the resulting receivable or payable that is denominated in the foreign currency.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

Interest rate sensitivity

The sensitivity analyses below have been determined based on exposure to interest rate for both derivative and non-derivative instruments at the end of reporting period. For floating rate liabilities, analysis is prepared assuming the amount of liability outstanding at the end of the reporting period was outstanding for the whole year.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected, after the impact of hedge accounting. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

INR (₹)

	Currency	Increase / decrease in basis points	Effect on profit before tax
31st March 2022	INR	+100	(78,46,997)
	INR	(-) 100	78,46,997
31st March 2021	INR	+100	(58,08,308)
	INR	(-) 100	58,08,308

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment, showing a significantly higher volatility than in prior years.

Note No. 23 (a) - Fair Value Measurement

Fair value of financial assets and financial liabilities that are not measured at fair value

INR (₹)

Particulars	31st March 2022 Carrying amount	31st March 2022 Fair value	31st March 2021 Carrying amount	31st March 2021 Fair value
Financial assets				
Financial assets carried at Amortised Cost				
Trade receivables	**2,18,80,632**	**2,18,80,632**	56,28,253	56,28,253
Other financial assets	**1,89,24,377**	**1,89,24,377**	2,92,94,070	2,92,94,070
Total	**4,08,05,009**	**4,08,05,009**	3,49,22,323	3,49,22,323

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

	31st March 2022		31st March 2021	
Particulars	**Carrying amount**	**Fair value**	Carrying amount	Fair value
Financial liabilities				
Financial liabilities held at amortised cost				
Non Current Liabilities				
Borrowing from bank	**78,46,99,675**	**78,46,99,675**	58,08,30,806	58,08,30,806
Current Liabilities				
Borrowing from bank	**4,16,46,645**	**4,16,46,645**	3,30,71,500	3,30,71,500
Trade payables	**92,04,679**	**92,04,679**	82,66,317	82,66,317
Others Financial liabilities	**40,02,060**	**40,02,060**	17,56,19,972	17,56,19,972
Total	**83,95,53,059**	**83,95,53,059**	79,77,88,595	79,77,88,595

INR (₹)

	Fair value hierarchy as at 31st March 2022			
	Level 1	**Level 2**	**Level 3**	**Total**
Financial assets				
Financial assets carried at Amortised Cost				
Trade receivables	**–**	**–**	**2,18,80,632**	**2,18,80,632**
Other financial assets	**–**	**7,44,583**	**1,42,86,808**	**1,42,86,808**
Total	**–**	**7,44,583**	**3,61,67,440**	**3,61,67,440**
Financial liabilities				
Financial Instruments not carried at Fair Value				
Loans from bank	**–**	**82,63,46,320**	**–**	**82,63,46,320**
Trade payables	**–**	**–**	**92,04,679**	**92,04,679**
Other financial liabitilies	**–**	**–**	**40,02,060**	**40,02,060**
Total	**–**	**82,63,46,320**	**1,32,06,739**	**83,95,53,059**

INR (₹)

	Fair value hierarchy as at 31st March 2021			
	Level 1	Level 2	Level 3	Total
Financial assets				
Financial assets carried at Amortised Cost				
Trade receivables	–	–	56,28,253	56,28,253
Other financial assets	–	–	2,92,94,070	2,92,94,070
Total	–	–	3,49,22,323	3,49,22,323
Financial liabilities				
Financial Instruments not carried at Fair Value				
Loans from bank	–	61,39,02,306	–	61,39,02,306
Loans from related parties	–	–	–	–
Trade payables	–	–	82,66,317	82,66,317
Other financial liabitilies	–	–	17,56,19,972	17,56,19,972
Total	–	61,39,02,306	18,38,86,289	79,77,88,595

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

Note No. 24 – Key Ratios

Sr. No.	Particular	Numerator	Denominator	2021-22	2020-21	Variance	Reason for Variance
1	Current Ratio	Current Assets	Current Liabilities	2.32	0.46	402%	Payment of Current Liabilities during the year
2	Debt Equity Ratio	Borrowings	Shareholder's Equity	1.60	1.21	33%	Increase in Project Financing during the year
3	Debt Service Coverage ratio	Earnings before interest, taxes, depreciation and ammortisation	Interest & Principal Payment	1.52	1.06	44%	Revenue and profit accrued from all Projects
4	Return on equity ratio	Profit after taxes	Average Shareholder's Equity	1.49%	(0.67%)	2%	Revenue and profit accrued from all Projects
5	Inventory turnover ratio	Cost of goods sold	Average Inventory	–	–	–	–
6	Trade receivable turnover ratio	Revenue from operations	Average Trade Receivable	8.63	23.66	(64%)	Increase in Receivables due to Increase in Revenue
7	Trade payable turnover ratio	Purchases	Average Trade Payables	–	–	–	–
8	net capital turnover ratio	Revenue from operations	Total Assets	0.37	0.26	40%	Increase in Revenue leading to Higher Asset turnover
9	Net profit ratio	Profit after taxes	Revenue from operations	6%	(3%)	10%	–
10	Return on capital employed	Earnings before interest and taxes	Average Shareholder's Equity + Borrowings + Lease liabilities	3%	(1%)	4%	–
11	Return on investment	Income from Investments	Average Investments	–	–	–	No investment held by the company

Note No. 25 - Related Party Transactions

Relationships:	**Name:**
Ultimate Holding Company	Mahindra & Mahindra Limited
Parent Company	Mahindra Susten Private Limited
Fellow Subsidiaries	Mahindra Teqo Private Limited
	Mahindra Solarize Private Limited
	Mahindra Integrated Business Solutions Private Limited
	Tech Mahindra Limited

Details of transaction between the Company and its related parties are disclosed below:

INR (₹)

Nature of transactions with Related Parties	For the year ended	Ultimate Holding Company	Parent Company	Fellow Subsidiaries
<u>**Nature of transactions with Related Parties**</u>				
Sale of goods	**31-Mar-22**	**3,96,51,976**	**–**	**8,71,03,420**
	31-Mar-21	1,69,13,576	–	8,23,21,454
Receiving of services	**31-Mar-22**	**2,90,528**	**8,46,865**	**2,44,59,450**
	31-Mar-21	77,350	1,50,12,774	81,23,557

INR (₹)

Nature of transactions with Related Parties	For the year ended	Ultimate Holding Company	Parent Company	Fellow Subsidiaries
Trade Receivable	**31-Mar-22**	**–**	**–**	**37,14,246**
	31-Mar-21	–	–	25,79,817
Trade payables	**31-Mar-22**	**–**	**–**	**90,92,388**
	31-Mar-21	–	–	91,99,430
Other Financial Liabilities	**31-Mar-22**	**–**	**–**	**39,99,999**
	31-Mar-21	–	–	39,99,999

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

Note No. 26 – Other Statutory Informations

(a) The Company does not have any benami property, where any proceeding has been initiated or pending against the Company for holding any benami property.

(b) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

(c) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (ultimate beneficiaries) or

(ii) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

(d) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (funding party) with the understanding (whether recorded in writing or otherwise) that the Group shall:

(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (ultimate beneficiaries) or

(ii) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries."

(e) The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

(f) The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.

(g) The Company is not declared wilful defaulter by and bank or financials institution or lender during the year.

(h) The Company has used the borrowings from banks and financial institutions for the specific purpose for which it was obtained.

(i) The Company does not have transactions with any struck off entity.

(j) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries or joint ventures or associate companies.

Note No. 27

COVID-19, a novel Coronavirus, has spread globally, including India and has significantly affected public health and economic activities worldwide. The Company has considered relevant internal and external sources of information to evaluate the impact on the financial statements for the year ended 31st March 2022 and has assessed the carrying value of the assets to be recoverable. However, the actual impact may be different from that estimated as it will depend upon future developments and future actions to contain or treat the disease and mitigate its impact on the economy. The Company continues to closely monitor impact of the pandemic on the future economic conditions and the operations of the Company.

Note No. 28

The amount has been rounded off to nearest ₹ (INR) and previous years amount has been reclassified/regrouped where ever required.

Note No. 29

The financial statements have been approved for issue by Company's Board of Directors on April 22, 2022

The accompanying notes 1 to 29 are an integral part of the Financial Statements

In terms of our report attached.

For B. K. Khare & Co
Chartered Accountants
Firm Registration No: 105102W

Shirish Rahalkar
Partner
Membership No. 111212
Place: Mumbai
Date : 22nd April, 2022

For and on behalf of the Board of Directors

Mr. Basant Jain	**Mr. Daisuke Nakahara**	**Mr. Takayuki Kobayashi**
Director	Director	Chief Executive Officer
DIN : 00220395	DIN : 08629558	
Ms. Shruti Bugde	**Mr. Amit Gaikwad**	
Company Secretary	Chief Financial Officer	

Place: Mumbai
Date : 22nd April, 2022

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF

ASTRA SOLREN PRIVATE LIMITED

Report on the audit of the Financial Statements

Opinion

We have audited the accompanying Financial Statements of **Astra Solren Private Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, its profit and total comprehensive income, its changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Financial Statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the 'Auditors' Responsibilities for the Audit of the Financial Statements' section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("the ICAI") together with the ethical requirements that are relevant to our audit of the Financial Statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Financial Statements.

Information Other than the Financial Statements and Auditors' Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the Directors Report and the related annexures, but does not include the Financial Statements and our Auditors' Report thereon.

Our opinion on the Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Financial Statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Financial Statements of the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other Legal and Regulatory requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-Section (11) of Section 143 of the Act and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in Annexure B, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   (c) The Balance Sheet, the Statement of Profit and Loss, the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this report are in agreement with the books of account.

   (d) In our opinion, the aforesaid Financial Statements comply with the Accounting Standards specified under Section 133 of the Act.

   (e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164(2) of the Act.

   (f) With respect to the adequacy of the internal financial controls with reference to Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure A. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to Financial Statements.

(g) With respect to the other matters to be included in the Auditors' Report in accordance with the requirements of Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

(i) The Company does not have any pending litigations which will impact its financial positions.

(ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

(iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

(iv)

(a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

(v) The Company has not declared/ paid/ declared and paid any dividend during the year.

For **B. K. Khare & Co.**
Chartered Accountants
Firm Registration No. 105102W

Shirish Rahalkar
Partner
Membership No. 111212
UDIN: 22111212AHLWXN6461

Place: Mumbai
Date: April 19, 2022

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of sub-section (3) of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of **Astra Solren Private Limited** ("the Company") as of March 31, 2022 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2022, based on the criteria for internal financial control with reference to financial statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **B. K. Khare & Co.**
Chartered Accountants
Firm Registration No. 105102W

Shirish Rahalkar
Partner
Membership No. 111212
UDIN: 22111212AHLWXN6461

Place: Mumbai
Date: April 19, 2022

ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT

[Referred to in Clause 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date]

i. (a) According to the information and explanations given to us, the Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.

(b) According to the information and explanations given to us, the Company does not have intangible assets.

(c) Property, plant and equipment have been physically verified by the management during the year and no material discrepancies were noticed on such verification.

(d) According to the information and explanations given to us, there are no immovable properties that are held in the name of the Company.

(e) According to the information and explanations given to us, the Company has not revalued any of its Property, Plant and Equipment (including Right of Use assets) during the year.

(f) Based on the audit procedures performed by us and according to the information, explanations and representations given to us, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

ii. (a) According to the information and explanations given to us, the Company does not have inventory. Accordingly, the reporting under Clause 3(ii)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us, the Company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets at any point of time during the year.

iii. According to the information and explanations given to us, the Company has not made investments in or provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year. Accordingly, the reporting under Clauses 3(iii)(a) to 3(iii)(f) of the Order is not applicable to the Company.

iv. According to the information and explanations given to us, the Company has not granted any loans or made any investments or provided any guarantees or security to the parties covered under Sections 185 and 186 of the Act. Accordingly, the reporting under Clause 3(iv) of the Order is not applicable to the Company.

v. According to the information and explanations given to us, the Company has not accepted deposits under the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. Accordingly, the reporting under Clause 3(v) of the Order is not applicable to the Company.

vi. The maintenance of cost records has been specified by the Central Government under sub-section (1) of Section 148 of the Act for the products of the Company. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended, specified by the Central Government under sub-section (1) of Section 148 of the Act and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

vii. According to the information and explanations given to us and on the basis of our examination of records of the Company, the amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Services tax, Income-tax, Cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. The amounts deducted / accrued in the books of account in respect of undisputed statutory dues of Income-tax have been regularly deposited during the year by the Company with the appropriate authorities. According to the information and explanations given to us and on the basis of our examination of records of the Company, there were no undisputed statutory dues payable in respect of Sales tax, Service tax, Duty of Customs, Duty of Excise and Value Added Tax.

According to the information and explanations given to us and on the basis of our examination of records of the Company, there were no arrears of outstanding statutory dues in respect of Goods and Services tax, Provident fund, Employees' State Insurance, Income-tax, Sales tax, Service tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other material statutory dues as on the last day of the financial year for a period of more than six months from the date they became payable.

According to the information and explanations given to us and on the basis of our examination of records of the Company, there are no statutory dues in respect of Goods and Services Tax, Provident Fund, Employees' State Insurance, Sales tax, Service tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and any other material statutory dues as at 31 March 2022, which have not been deposited with the appropriate authorities on account of any dispute.

viii. According to the information and explanations given to us, there are no transactions not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income-tax Act, 1961. Accordingly, the reporting under Clause 3(viii) of the Order is not applicable to the Company.

ix. (a) According to the information and explanations given to us and based on the audit procedures performed by us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.

(b) According to the information and explanations given to us, the Company has not been declared a willful defaulter by any bank or financial institution or any other lender till the date of our audit report.

(c) According to the information and explanation given to us, the Company has not obtained any term loan during the year. Accordingly, the reporting under Clause 3(ix)(c) of the Order is not applicable to the Company.

(d) According to the information and explanation given to us, the Company has not raised funds on short term basis during the year. Accordingly, the reporting under Clause 3(ix)(d) of the Order is not applicable to the Company.

(e) According to the information and explanations given to us, the Company does not have any subsidiaries, associates or joint ventures. Accordingly, the reporting under Clauses 3(ix)(f) and 3(ix)(e) of the Order is not applicable to the Company.

x. (a) According to the information and explanations given to us, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under Clause 3(x)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Accordingly, the reporting under Clause 3(x)(b) of the Order is not applicable to the Company.

xi. (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company noticed or reported during the year, nor have we been informed of any such case by the management.

(b) There has been no report filed by us under sub-section (12) of Section 143 of the Act in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government. Accordingly, the reporting under Clause 3(xi)(b) of the Order is not applicable to the Company.

(c) As represented to us by the management, no whistle blower complaints were received by the Company during the year.

xii. According to the information and explanations given to us, the Company is not a Nidhi company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, the reporting under Clause 3(xii) of the Order is not applicable to the Company.

xiii. In our opinion and according to the information and explanations given to us, the Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required by Indian Accounting Standard (Ind AS) 24, Related Party Disclosures, specified under Section 133 of the Act.

xiv. (a) In our opinion and according to the information and explanations given to us and based on our examination, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the Internal Audit reports of the Company issued till date for the period under audit.

xv. According to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or directors of its holding company or persons connected with them during the year and hence, the provisions of Section 192 of the Act are not applicable to the Company. Accordingly, the reporting under Clause 3(xv) of the Order is not applicable to the Company.

xvi. (a) According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under Clause 3(xvi)(a) of the Order is not applicable to the Company.

(b) In our opinion and according to the information and explanations given to us, the Company has not conducted any Non-Banking Financial or Housing Finance activities. Accordingly, the reporting under Clause 3(xvi)(b) of the Order is not applicable to the Company.

(c) In our opinion and according to the information and explanations given to us, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under Clauses 3(xvi)(c) of the Order is not applicable to the Company.

(d) Based on the information and explanations given to us and the audit procedures performed by us, we report that the Group has 6 Core Investment Companies.

xvii. In our opinion and according to the information and explanations given to us, the Company has not incurred cash losses in the current financial year as well as in the immediately preceding financial year. Accordingly, the reporting under Clause 3(xvii) of the Order is not applicable to the Company.

xviii. There has been no resignation of the statutory auditors during the year. Accordingly, the reporting under Clause 3(xviii) of the Order is not applicable to the Company.

xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of Balance Sheet as and when they fall due within a period of one year from the Balance Sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the Balance Sheet date, will get discharged by the Company as and when they fall due.

xx. (a) According to the information and explanations given to us, in respect of other than ongoing projects, the Company has no unspent amount that needs to be transferred to a Fund specified in Schedule VII to the Act in compliance with second proviso to sub-section (5) of Section 135 of the Act.

(b) According to the information and explanations given to us, in respect of ongoing projects, the Company has no unspent amount which needs to be transferred to a special account in compliance with sub-section (6) of Section 135 of the Act.

For **B. K. Khare & Co.**
Chartered Accountants
Firm Registration No. 105102W

Shirish Rahalkar
Partner
Membership No. 111212
UDIN: 22111212AHLWXN6461

Place: Mumbai
Date: April 19, 2022

BALANCE SHEET AS AT 31 MARCH 2022

INR (₹)

	Particulars	Note No.	As at 31 March 2022	As at 31 March 2021
I	**ASSETS**			
	NON-CURRENT ASSETS			
	(a) Property, Plant and Equipment	**4**	**3,034,215,535**	3,173,409,910
	(b) Right of Use - Land	**4A**	**547,942,876**	555,499,655
	(c) Other Financial Assets	**8**	**713,765**	713,765
	SUB-TOTAL		**3,582,872,176**	3,729,623,330
	CURRENT ASSETS			
	(a) Financial Assets			
	(i) Trade Receivables	**6**	**141,376,433**	148,662,029
	(ii) Cash and Cash Equivalents	**7**	**143,470,770**	103,679,920
	(iii) Other Bank Balance	**7(a)**	**108,093,987**	104,660,193
	(iv) Other Financial Assets	**8**	**60,619,924**	62,268,383
	(b) Other Current Assets	**9**	**729,070**	709,097
	SUB-TOTAL		**454,290,184**	419,979,622
	TOTAL ASSETS		**4,037,162,360**	4,149,602,952
II	**EQUITY AND LIABILITIES**			
1	**EQUITY**			
	(a) Equity Share Capital	**10**	**88,896,000**	88,894,300
	(b) Other Equity	**10**	**769,062,115**	663,188,653
	SUB-TOTAL		**857,958,115**	752,082,953
	LIABILITIES			
2	**NON–CURRENT LIABILITIES**			
	(a) Financial Liabilities			
	(i) Borrowings	**11**	**2,574,682,341**	2,828,292,235
	(ii) Lease Liabilities	**14**	**13,225,913**	–
	(iii) Other Financial Liabilities	**15**	**–**	903,459
	(b) Deferred Tax Liabilities (Net)	**5**	**28,960,404**	12,316,464
	(c) Other Non-current Liabilities	**16**	**344,332,787**	370,657,151
	SUB-TOTAL		**2,961,201,445**	3,212,169,309
3	**CURRENT LIABILITIES**			
	(a) Financial Liabilities			
	(i) Borrowings	**12**	**155,922,160**	**147,395,167**
	(ii) Lease Liabilities		**1,370,721**	**–**
	(iii) Trade Payables			
	(A) Total outstanding dues to Micro & small enterprises		**–**	–
	(B) Total outstanding dues to creditors other than Micro & small enterprises	**13**	**5,033,477**	8,996,634
	(iv) Other Financial Liabilities	**15**	**19,142,558**	–
	(b) Current Tax Liabilities (Net)		**10,121,021**	2,437,825
	(c) Other Current Liabilities	**16**	**26,412,863**	26,521,064
	SUB–TOTAL		**218,002,800**	185,350,690
	TOTAL EQUITY AND LIABILITIES		**4,037,162,360**	4,149,602,952

The accompanying notes 1 to 30 are an integral part of the Financial Statements

In terms of our report attached
For **B. K. Khare & Co.**
Chartered Accountants
Firm Registration No.: 105102W

Shirish Rahalkar
Partner
Membership No. 111212

Place: Mumbai
Date: 19 April 2022

For and on behalf of the Board of Directors

Mr. Basant Jain
Director
DIN : 00220395

Mr. Rakesh Singh
Director
DIN : 07319353

Place: Mumbai
Date: 19 April 2022

STATEMENT OF PROFIT & LOSS FOR YEAR ENDED 31 MARCH 2022

INR (₹)

	Particulars	Note No.	Year ended 31 March 2022	Year ended 31 March 2021
I	Revenue from operations	17	580,140,078	620,593,438
II	Other Income	18	33,390,546	37,563,057
III	**Total Income (I + II)**		613,530,624	658,156,495
IV	**Expenses**			
	(a) Finance costs	19	239,448,858	281,632,587
	(b) Depreciation expense	4	163,004,397	233,537,849
	(c) Other expenses	20	64,011,780	76,864,831
	Total Expenses		466,465,034	592,035,267
V	**Profit before tax (III-IV)**		147,065,590	66,121,228
VI	**Tax Expense**			
	(a) Current tax (i) Minimum alternate Tax		24,548,188	11,036,955
	(ii) Minimum alternate tax credit		(24,548,188)	(11,036,955)
	(b) Deferred Tax	5	41,192,128	18,394,926
	Total tax expense		41,192,128	18,394,926
VII	**Profit after tax for the year (V - VI)**		105,873,461	47,726,302
VIII	**Other comprehensive income**			
	A (i) Items that will not be reclassified to profit or loss		–	–
	(ii) Income tax relating to items that will not be reclassified to profit or loss		–	–
	B (i) Items that will be reclassified to profit or loss		–	–
	(ii) Income tax on items that may be reclassified to profit or loss		–	–
IX	**Total comprehensive income for the year**		105,873,461	47,726,302
X	**Earnings per equity share :**			
	(a) Basic	21	11.91	5.37
	(b) Diluted	21	11.91	5.37

The accompanying notes 1 to 30 are an integral part of the Financial Statements

In terms of our report attached
For **B. K. Khare & Co.**
Chartered Accountants
Firm Registration No.: 105102W

Shirish Rahalkar
Partner
Membership No. 111212

Place: Mumbai
Date: 19 April 2022

For and on behalf of the Board of Directors

Mr. Basant Jain
Director
DIN : 00220395

Mr. Rakesh Singh
Director
DIN : 07319353

Place: Mumbai
Date: 19 April 2022

STATEMENT OF CASH FLOWS FOR YEAR ENDED 31 MARCH 2022

INR (₹)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Cash flows from operating activities		
Profit before tax for the year	**147,065,590**	66,121,228
Adjustments for:		
Finance costs recognized in profit	**239,448,858**	281,632,587
Amortisation of deferred revenue	**(26,324,363)**	(26,324,363)
Investment income recognized in profit or loss	**(7,066,183)**	(11,118,755)
Depreciation expense	**163,004,397**	233,537,849
	369,062,708	477,727,318
Movements in working capital:		
(Increase)/Decrease in trade and other receivables	**7,285,596**	3,060,160
(Increase)/decrease in other assets	**(19,973)**	(1,132,971)
Decrease/(Increase) in trade and other payables	**(3,963,157)**	(1,039,199)
(Increase)/decrease in other Financial assets	**697,758**	(893,225)
Decrease/(Increase) in other liabilities	**(106,502)**	(172,620)
Cash generated from operations	**3,893,722**	(177,855)
Income taxes paid	**(16,864,992)**	(3,481,344)
Net cash flow from operating activities	**503,157,028**	540,189,347
Cash flows from investing activities		
Interest received	**8,016,884**	11,733,066
Payments for property, plant and equipment	**(1,476,225)**	–
Net cash flow from investing activities	**6,540,659**	11,733,066
Cash flows from financing activities		
Paid for Earmarked Balance with Bank	**(3,433,794)**	8,024,312
Repayment of borrowings	**(245,082,900)**	(193,549,592)
Proceeds from borrowings	**–**	2,265,275
Lease liability paid	**(1,370,723)**	(1,370,721)
Interest paid	**(220,019,420)**	(273,604,571)
Net cash flow used in financing activities	**(469,906,837)**	(458,235,298)
Net increase in Cash and cash equivalents	**39,790,850**	93,687,116
Cash and cash equivalents at the beginning of the year	**103,679,920**	9,992,804
Cash and cash equivalents at the end of the year	**143,470,770**	103,679,920

The accompanying notes 1 to 30 are an integral part of the Financial Statements

In terms of our report attached
For **B. K. Khare & Co.**
Chartered Accountants
Firm Registration No.: 105102W

Shirish Rahalkar
Partner
Membership No. 111212

Place: Mumbai
Date: 19 April 2022

For and on behalf of the Board of Directors

Mr. Basant Jain
Director
DIN : 00220395

Mr. Rakesh Singh
Director
DIN : 07319353

Place: Mumbai
Date: 19 April 2022

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2022

A. Equity share capital

(i) Current reporting period **INR (₹)**

Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Balance at the end of the current reporting period
88,894,300	**1,700**	**88,896,000**

(ii) Previous year reporting period **INR (₹)**

Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Balance at the end of the current reporting period
88,894,300	**–**	**88,894,300**

B. Other Equity

(1) Current reporting period

INR (₹)

Particulars	Reserves and Surplus		
	Securities Premium	Retained Earnings	Total
Balance at the beginning of the current reporting period......	601,490,222	61,698,432	663,188,654
Total Comprehensive Income for the current year	–	105,873,461	105,873,461
Balance at the end of the current reporting period.............	**601,490,222**	**167,571,893**	**769,062,115**

(ii) Previous reporting period

INR (₹)

Particulars	Reserves and Surplus		
	Securities Premium	Retained Earnings	Total
Balance at the beginning of the previous reporting period ...	601,490,222	13,972,129	615,462,351
Total Comprehensive Income for the previous year............	–	47,726,302	47,726,302
Balance at the end of the previous reporting period	**601,490,222**	**61,698,432**	**663,188,654**

The accompanying notes 1 to 30 are an integral part of the Financial Statements

In terms of our report attached
For **B. K. Khare & Co.**
Chartered Accountants
Firm Registration No.: 105102W

Shirish Rahalkar
Partner
Membership No. 111212

Place: Mumbai
Date: 19 April 2022

For and on behalf of the Board of Directors

Mr. Basant Jain
Director
DIN : 00220395

Mr. Rakesh Singh
Director
DIN : 07319353

Place: Mumbai
Date: 19 April 2022

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

1. **Nature of Operations**

Astra Solren Private Limited ('the Company') is a company limited by shares, incorporated and domiciled in India and is a subsidiary of Mahindra Renewables Private Limited. The Company is engaged in the business as a producer and distributor of solar power by using solar cells, photo voltaic cells, wafers, photo voltaic solar modules, photo voltaic solar system/sub system, tracker or fixed tilt, concentrated solar power and to provide related services.

Statement of compliance

The accompanying financial statements have been prepared in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) (Amendment) Rules, 2016 notified under Section 133 of the Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

2. **Significant Accounting Policies and Accounting Judgments and Estimates**

A. Basis of Preparation of Financial Statements:

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable to the financial statements

The financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities measured at fair value

B. Use of estimates and judgments:

The preparation of the financial statements in accordance with Ind AS requires use of judgements, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognized prospectively.

Assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ended 31 March 2022 are as follows:

(i) Recoverability of deferred tax assets:

In determining the recoverability of deferred income tax assets, the Company primarily considers current and expected profitability of applicable operating business segments and their ability to utilise any recorded tax assets. The Company reviews its deferred income tax assets at every reporting year/ period end, taking into consideration the availability of sufficient current and projected taxable profits, reversals of taxable temporary differences and tax planning strategies.

(ii) Impairment losses on financial assets :

The Company reviews its financial assets to assess impairment at regular intervals. The Company's credit risk is primarily attributable to its financial assets. In determining whether impairment losses should be reported in the statement of profit and loss, the Company makes judgments as to whether there is any observable data indicating that there is a measurable decrease in the estimated future cash flows. Accordingly, an allowance for expected credit loss is made where there is an identified loss event or condition which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

(iii) Estimation of provisions and contingencies :

Provisions are liabilities of uncertain amount or timing recognized where a legal or constructive obligation exists at the balance sheet date, as a result of a past event, where the amount of the obligation can be reliably estimated and where the outflow of economic benefit is probable. Contingent liabilities are possible obligations that may arise from past event whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events which are not fully within the control of the Company. The Company exercises judgement and estimates in recognizing the provisions and assessing the exposure to contingent liabilities relating to pending litigations. Judgement is necessary in assessing the likelihood of the success of the pending claim and to quantify the possible range of financial settlement. Due to this inherent uncertainty in the evaluation process, actual losses may be different from originally estimated provision.

C. Other Significant Accounting Policies:

Current versus Non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets or liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

a) Financial Assets and Financial Liabilities:

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

Financial assets

All financial assets by regular way of purchases or sales are recognized and derecognized on a trade date basis. Regular way of purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognized financial assets are subsequently measured at either amortized cost or fair value, depending on the classification of the financial assets.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

Classification of financial assets

Instruments that meet the following conditions are subsequently measured at amortized cost (except for that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Effective interest method

The effective interest method is a method of calculating the amortized cost of a assets and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the assets, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognized on an effective interest basis for instruments other than those financial assets classified as at FVTPL. Interest income is recognized in profit or loss and is included in the “Other income” line item.

Financial assets at fair value through profit or loss (FVTPL)

Investments in debt / equity instruments are classified as at FVTPL, unless the Company irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement recognized in profit or loss. The net gain or loss recognized in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the ‘Other income’ line item. Dividend on financial assets at FVTPL is recognized when the Company’s right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

Impairment of financial assets

The Company applies the expected credit loss model for recognizing impairment loss on financial assets measured at amortized cost, debt instruments at FVTOCI, lease receivables, trade receivables, and other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights for each category of receivable. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract/ agreement and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Company estimates cash flows by considering all contractual/agreed terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument.

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. 12-month expected credit losses are portion of the life-time expected credit losses and represent the lifetime cash shortfalls that will result if default occurs within the 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.

If the Company measured loss allowance for a financial instrument at lifetime expected credit loss model in the previous period, but determines at the end of a reporting period that the credit risk has not increased significantly since initial recognition due to improvement in credit quality as compared to the previous period, the Company again measures the loss allowance based on 12-month expected credit losses.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Company uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

For investments, company reviews its carrying value of investments carried at cost annually, or more frequently when there is indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted in the statement of profit and loss.

Derecognition of financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of that financial asset to another party.

On derecognition of a financial asset in its entirety, the difference between the asset’s carrying amount and the sum of the consideration received and receivable is recognized in profit or loss, if such gain or loss would have otherwise been recognized in profit or loss on disposal of that financial asset.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

Financial liabilities

All financial liabilities are subsequently measured at amortized cost using the effective interest method or at FVTPL.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on re-measurement recognized in profit or loss.

Financial liabilities subsequently measured at amortized cost

Financial liabilities that are not designated as at FVTPL are measured at amortized cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortized cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Derecognition of financial liabilities

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognized and the consideration paid and/or payable is recognized in profit or loss.

Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortized cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortized cost of the instruments and are recognized in profit or loss.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognized in profit or loss.

Derecognition of financial liabilities

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognized and the consideration paid and/or payable is recognized in profit or loss.

Derivative financial instruments

The Company enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including foreign exchange forward contracts, interest rate swaps and cross currency swaps.

Derivatives are initially recognized at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognized in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedging relationship and the nature of the hedged item.

b) Property plant and equipment:

(i) Property plant and equipment:

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognized impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalized in accordance with the Company's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Freehold land is stated at the cost of acquisition and is not depreciated.

Depreciation on tangible assets in respect of assets awarded in a competitive bid have been depreciated based on the useful lives of the assets on a straight line method.

Estimated useful life of the assets considered is 25 years and residual value is considered at 5% of the original cost of the assets.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds (net of expenses incurred in connection with the sale) and the carrying amount of the asset and is recognized in profit or loss.

(ii) Capital work in progress and Capital advances:

Assets under construction includes the cost of property, plant and equipment that are not ready to use at the balance sheet date. Advances paid to acquire property, plant and equipment before the balance sheet date are disclosed under other non-current assets. Assets under construction are not depreciated as these assets are not yet available for use.

(iii) Impairment:

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use.

In assessing value in use, the Company makes a reasonable estimate of the value in use.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

When an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

c) Borrowing Costs:

Borrowing costs directly attributable to the acquisition, construction or production of an asset are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

d) Foreign Exchange Transactions:

Initial Recognition

All transactions that are not denominated in the Company's functional currency are foreign currency transactions. These transactions are initially recorded in the functional currency by applying the appropriate daily rate which best approximates the actual rate of the transaction. Exchange differences arising on foreign exchange transactions settled during the year are recognized in the standalone statement of profit and loss.

Measurement of foreign currency items at the reporting date

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Nonmonetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Exchange differences are recognized in the standalone statement of profit and loss

e) Fair value measurement:

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

f) Segment information:

Operating segments are reported in a manner consistent with internal reporting provided to the Chief Operating Decision Maker (CODM) of the Company. The CODM is responsible for allocating resources and assessing performances of the operating segments of the Company. The Company operates only in one segment viz. sale of solar energy.

g) Leases:

As per Ind As 116 at inception of contract, the Company assesses whether the Contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. At inception or on reassessment of a contract that contains a lease component, the Company allocates consideration in the contract to each lease component on the basis of their relative standalone price.

As a lessee:

i) *Right-of-use assets:*

The Company recognized right-of-use assets at the commencement date of the lease. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, lease payments made at or before the commencement date less any lease incentives received and estimate of costs to dismantle. Right of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets. The Company presents right-to-use assets that do not meet the definition of investment property in 'Property, plant and equipment'.

ii) *Lease liabilities:*

At the commencement date of the lease, the Company recognized lease liabilities measured at the present value of lease payments to be made over the lease term. In calculating the present value of lease payments, the Company generally uses its incremental borrowing rate at the lease commencement date if the discount rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. The carrying amount is remeasured when there is a change in future lease payments arising from a change in index or rate. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset. The Company presents lease liabilities under financial liabilities in the Balance Sheet.

iii) *Short term leases and leases of low value of assets:*

The Company applies the short-term lease recognition exemption to its short-term leases. It also applies the lease of low value assets recognition exemption that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognized as expense on a straight-line basis over the lease term.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

As a lessor:

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognized on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income. Contingent rents are recognized as revenue in the period in which they are earned. Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

h) Taxes:

Income tax comprises current and deferred tax. It is recognized in the standalone statement of profit and loss except to the extent that it relates to a business combination or to an item recognized directly in equity or in other comprehensive income.

On 30th March 2019, MCA has issued amendment regarding the income tax Uncertainty over Income Tax Treatments. The notification clarifies the recognition and measurement requirements when there is uncertainty over income tax treatments. In assessing the uncertainty, an entity shall consider whether it is probable that a taxation authority will accept the uncertain tax treatment. This notification is effective for annual reporting periods beginning on or after April 1, 2019. As per the Company's assessment, there are no material uncertainties over income tax treatments.

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using applicable tax rates (and tax laws) enacted or substantially enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognized amounts, and it is intended to realize the asset and settle the liability on a net basis or simultaneously.

Minimum Alternative Tax ('MAT')

Minimum Alternative Tax ('MAT') under the provisions of the Income-tax Act, 1961 is recognized as current tax in the standalone statement of profit and loss. The credit available under the Act in respect of MAT paid is recognized as a deferred tax asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the period for which the MAT credit can be carried forward for set-off against the normal tax liability. MAT credit recognized as an deferred tax asset is reviewed at each balance sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

Deferred tax

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognized in respect of carried forward tax losses and tax credits.

Deferred tax is not recognized for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;
- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognized to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Company recognized a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realized. Deferred tax assets – unrecognized or recognized, are reviewed at each reporting date and are recognized/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realized.

Deferred tax is measured at the tax rates that are expected to apply to the year/period when the asset is realized or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

i) Provisions and Contingent Liabilities:

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost. Expected future operating losses are not provided for.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources embodying economic benefits or the amount of such obligation cannot be measured reliably. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources embodying economic benefits is remote, no provision or disclosure is made.

A contingent asset is disclosed where an inflow of economic benefits is probable.

j) Cash and Cash Equivalents:

Cash and cash equivalents for the purpose of Cash Flow Statements include cash in hand, demand deposits with banks, other short-term highly liquid investments with original maturities of three months or less.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

k) Government Grant:

Government grants are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognized as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognized as income in equal amounts over the expected useful life of the related asset and are presented in the balance sheet by setting up the grant as deferred income. Such grant is not reduced from the value of assets.

When the Company receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset i.e. by equal annual instalments. When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as a government grant. The loan or assistance is initially recognized and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

l) Earnings Per Share:

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period and,

Diluted earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period adjusted for the effects of dilutive options.

m) Revenue Recognition:

The Company has adopted Ind AS 115, Revenue from Contracts with Customers, with effect from 1 April 2018. The Company has applied the following accounting policy for revenue recognition:

Revenue from contracts with customers:

The Company recognizes revenue from contracts with customers based on a five step model as set out in Ind AS 115:

Step 1. Identify the contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2. Identify the performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer

Step 3. Determine the transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4. Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company will allocate the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

Step 5. Recognize revenue when (or as) the entity satisfies a performance obligation

The Company satisfies a performance obligation and recognizes revenue over time, if one of the following criteria is met:

- The customer simultaneously receives and consumes the benefits provided by the Company’s performance as the Company performs; or
- The Company’s performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- The Company’s performance does not create an asset with an alternative use to the Company and the entity has an enforceable right to payment for performance completed to date.

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes and duty. The Company assesses its revenue arrangements against specific criteria to determine if it is acting as principal or agent. The Company has concluded that it is acting as a principal in all of its revenue arrangements.

The accounting policies for the specific revenue streams of the Company is:

Sales of goods

An entity shall recognize revenue when (or as) the entity satisfies a performance obligation by transferring a promised good or service (ie an asset) to a customer. An asset is transferred when (or as) the customer obtains control of that asset.

Interest Income

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably.

n) Events after reporting date:

Where events occurring after the balance sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted with the standalone financial statements. Otherwise, events after the balance sheet date of material size or nature are only disclosed.

3. Recent Accounting Pronouncements

Ministry of Corporate Affairs (“MCA”) notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On 23 March 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from 1st April, 2022, as below:

Ind AS 16 – Proceeds before intended use

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. An entity will not recognize such sales proceeds and related cost in profit or loss, but deduct the cost from the directly attributable costs considered as part of cost of an item of property, plant, and equipment. The Company does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract

The amendments specify that that the ‘cost of fulfilling’ a contract comprises the ‘costs that relate directly to the contract’. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 103 – Reference to Conceptual Framework

The amendments specifiy that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 109 – Annual Improvements to Ind AS (2021)

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognize a financial liability. The Company does not expect the amendment to have any significant impact in its financial statements.

Note No. 4 - Property, Plant and Equipment

INR (₹)

Description of Assets	Plant and Equipment	Total
I. Gross Carrying Amount		
Balance as at 1 April 2021	**3,984,236,283**	**3,984,236,283**
Additions during the year	**1,476,225**	**1,476,225**
Balance as at 31 March 2022	**3,985,712,508**	**3,985,712,508**
II. Accumulated depreciation		
Balance as at 1 April 2021	810,826,373	810,826,373
Depreciation expense for the year	140,670,600	140,670,600
Balance as at 31 March 2022	**951,496,973**	**951,496,973**
III. Net carrying amount (I-II)	**3,034,215,535**	**3,034,215,535**

INR (₹)

Description of Assets	Plant and Equipment	Total
I. Gross Carrying Amount		
Balance as at 1 April 2020	3,984,236,283	3,984,236,283
Additions during the year		–
Balance as at 31 March 2021	**3,984,236,283**	**3,984,236,283**
II. Accumulated depreciation		
Balance as at 1 April 2020	600,458,697	600,458,697
Depreciation expense for the year	210,367,676	233,537,849
Balance as at 31 March 2021	**810,826,373**	**810,826,373**
III. Net carrying amount (I-II)	3,173,409,910	3,173,409,910

Note No. 4 A :- Right of Use - Land

INR (₹)

Description of Assets	ROU-Land	Total
I. Gross Carrying Amount		
Balance as at 1 April 2021	**649,940,751**	**649,940,751.00**
Additions during the year	**14,777,018**	**14,777,017.86**
Balance as at 31 March 2022	**664,717,769**	**664,717,768.86**
II. Accumulated depreciation		
Balance as at 1 April 2021	94,441,096	94,441,096.00
Depreciation expense for the year	22,333,797	22,333,797.00
Balance as at 31 March 2022	**116,774,893**	**116,774,893.00**
III. Net carrying amount (I-II)	**547,942,876**	**547,942,875.86**

INR (₹)

Description of Assets	ROU-Land	Total
I. Gross Carrying Amount		
Balance as at 1 April 2020	649,940,751	649,940,751.00
Additions during the year	–	–
Balance as at 31 March 2021	**649,940,751**	**649,940,751.00**
II. Accumulated depreciation		
Balance as at 1 April 2020	71,270,923	71,270,922.55
Depreciation expense for the year	23,170,173	23,170,173.45
Balance as at 31 March 2021	**94,441,096**	**94,441,096.00**
III. Net carrying amount (I-II)	555,499,655	555,499,655.00

Notes:

(1) Plant and Equipment has been charged against the borrowings (Refer Note No. 11 Non Current Borrowings)

(2) During the year ended 31st March, 2022, the Company has reassessed the balance useful lives, residual values and the manner in which the economic benefit is being derived from property, plant and equipment.

The effect of changes in estimates of useful lives, residual values and pattern of consumption of economic benefits of property, plan and equipment.

INR (₹)

Financial Year	(Decrease)/Increase in Depreciation expenses
2021-22	(69,715,909)
2022-23	(69,715,909)
2023-24	(69,715,909)
2024-25	(69,715,909)
2025-26	(69,715,909)
Later Years	547,791,359

Note No. 5 - Current Tax and Deferred Tax

(a) Income Tax recognized in profit or loss

INR (₹)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Current Tax:		
Minimum alternate tax for the year	24,548,188	11,036,955
Minimum alternate tax credit entitlement	(24,548,188)	(11,036,955)
Deferred Tax:		
In respect of current year	41,192,128	18,394,926
Total income tax expense	**41,192,128**	**18,394,926**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

(b) Reconciliation of income tax expense and the accounting profit multiplied by Company's domestic tax rate:

INR (₹)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
i) Profit before tax for the year	**147,065,590**	66,121,228
ii) Corporate tax rate as per Income tax Act, 1961	**27.82%**	27.82%
iii) Tax on accounting profit (iii) = (i) X (ii)	**40,913,647**	18,394,926
Effect of expenses that is non-deductible in determining taxable profit	**278,481.31**	–
iv) Total effect of Tax adjustment	**41,192,128**	18,394,926
v) Adjustments recognized in the current year in relation to the current tax of prior years	**–**	–
vi) Tax expense recognized during the year (vi)=(iv)+(v)	**41,192,128**	18,394,926

(c) Movement in deferred tax balances INR (₹)

	Year ended 31 March 2022		
Particulars	**Opening Balance**	**Recognized in profit and loss**	**Closing Balance**
Tax effect of items constituting deferred tax liabilities	115,376,420	46,118,310	161,494,729
Property, Plant and Equipment	**115,376,420**	**46,118,310**	**161,494,729**
Tax effect of items constituting deferred tax assets			
Carry forward Tax Losses	71,375,391	1,472,660	72,848,050
Other Assets	3,342,705	3,453,521	6,796,227
	74,718,096	**4,926,181**	**79,644,277**
Deferred Tax Liabilities	40,658,324	41,192,128	81,850,452
Minimum alternate tax Credit	28,341,859	24,548,188	52,890,048
Net Deferred Tax (Asset)/ Liabilities	**12,316,464**	**16,643,940**	**28,960,404**

INR (₹)

	Year ended 31 March 2021		
Particulars	**Opening Balance**	**Recognized in profit and loss**	**Closing Balance**
Tax effect of items constituting deferred tax liabilities			
Property, Plant and Equipment	88,663,627	26,712,792	115,376,420
	88,663,627	**26,712,792**	**115,376,420**
Tax effect of items constituting deferred tax assets			
Carry forward Tax Losses	66,400,231	4,975,159	71,375,391
Other Assets	–	3,342,705	3,342,705
	66,400,231	**8,317,865**	**74,718,096**
Deferred Tax Liabilities	22,263,396	18,394,928	40,658,324
Minimum alternate tax Credit	5,443,558	22,898,301	28,341,859
Net Deferred Tax (Asset)/ Liabilities	**16,819,838**	**(4,503,374)**	**12,316,464**

Note No. 6 - Trade Receivables

INR (₹)

Particulars	As at 31 March 2022 Current	As at 31 March 2021 Current
Trade receivables		
(a) Undisputed Trade receivables - considered good	**141,376,433**	148,662,029
Total	**141,376,433**	148,662,029
Of the above, trade receivables from:		
– Related Party	**–**	–
– Others	**141,376,433**	148,662,029
Total	**141,376,433**	148,662,029

Note:

1) All the sundry debtors have been charged against the borrowings (Refer Note no. 11- Non Current Borrowings)
2) The credit period given to customers is of 45 days

Trade Receivables ageing schedule

INR (₹)

Particulars	Outstanding for following periods from due date of payment					
As at 31 March 2022	**Less than 6 months**	**6 Months – 1 years**	**1-2 Years**	**2-3 years**	**More than 3 years**	**Total**
Undisputed Trade receivables — considered good	141,376,433	–	–	–	–	141,376,433

INR (₹)

Particulars	Outstanding for following periods from due date of payment					
As at 31 March 2021	**Less than 6 months**	**6 months - 1 year**	**1-2 Years**	**2-3 years**	**More than 3 years**	**Total**
Undisputed Trade receivables — considered good	148,662,029	–	–	–	–	148,662,029

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

Note No. 7- Cash and Cash Equivalent

INR (₹)

Particulars	As at 31 March 2022	As at 31 March 2021
(a) Balances with banks	**20,470,770**	985,414
(b) Fixed Deposits with original maturity less than 3 months	**123,000,000**	102,694,506
Total Cash and cash equivalent	**143,470,770**	103,679,920

Note:

(1) All other cash and cash equivalents have been charged against borrowings (Refer Note no.11- Non Current Borrowings)

Note No. 7(a) - Other Bank Balance

INR (₹)

Particulars	As at 31 March 2022	As at 31 March 2021
Earmarked balances with banks- For Debt Service Reserve Account	**108,093,987**	104,660,193
Total Other Bank balances	**108,093,987**	104,660,193

Notes:

(1) All other bank balance have been charged against borrowings (Refer Note no.11- Non Current Borrowings)

Note No. 8 - Other Financial Assets

INR (₹)

Particulars	As at 31 March 2022 Current	As at 31 March 2022 Non Current	As at 31 March 2021 Current	As at 31 March 2021 Non Current
Financial assets				
(a) Security deposits	–	**713,765**	–	713765
(b) Interest accrued on deposits	**317,260**	–	1,267,961	–
(c) Unbilled Receivable	**60,302,664**	–	61,000,422	–
Total Other Financial Assets	**60,619,924**	**713,765**	62,268,383	713,765

Note:

(1) All the other financial assets have been charged against the borrowings (Refer Note no. 11- Non Current Borrowings)

Note No. 9 - Other Assets

INR (₹)

Particulars	As at 31 March 2022 Current	As at 31 March 2022 Non Current	As at 31 March 2021 Current	As at 31 March 2021 Non Current
(a) Advances other than capital advances				
(i) Balances with government authorities (other than income taxes)	**90,000**	–	90,000	–
(ii) Prepaid Expenses	**639,070**	–	619,097	–
Total Other Assets	**729,070**	–	709,097	–

Note:

(1) All the other assets have been charged against the borrowings (Refer Note no. 11- Non Current Borrowings)

Note No. 10 - Equity Share Capital

Particulars	As at 31 March 2022 No. of shares	As at 31 March 2022 Value of shares	As at 31 March 2021 No. of shares	As at 31 March 2021 Value of shares
Authorised:				
Equity shares of INR.10 each with voting rights	**141,000,000**	**141,000,000**	14,100,000	141,000,000
Issued, Subscribed and Fully Paid:				
Equity shares of INR.10 each with voting rights	**88,896,000**	**88,896,000**	8,889,600	88,896,000
Total Equity Share Capital	**88,896,000**	**88,896,000**	8,889,600	88,896,000

Notes:

(i) 30% equity share are pedged with banks for security against the bank borrowing (Refer Note no. 11 - Non current borrowing)

(ii) Reconciliation of the number of shares outstanding at the beginning and at the end of the year :

Particulars		Opening Balance	Fresh Issue	Bonus	ESOP	Other Changes	Closing Balance
(a) Equity Shares with Voting rights*							
As at 31 March 2022							
	No. of Shares	**8,489,600**	**–**	–	–	–	**8,489,600**
	Amount in Rupees	**84,896,000**	**–**	–	–	–	**84,896,000**
As at 31 March 2021							
	No. of Shares	8,489,600	–	–	–	–	8,489,600
	Amount in Rupees	84,896,000	–	–	–	–	84,896,000

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

(iii) Details of shares held by the holding company, the ultimate holding company, their subsidiaries and associates:

Particulars	No. of Shares		
	Equity Shares with Voting rights	Equity Shares with Differential Voting rights	Others
As at 31 March 2022			
Mahindra Renewables Private Limited	**8,889,600**		
As at 31 March 2021			
Mahindra Renewables Private Limited	8,889,600		

(iv) Details of shares held by each shareholder holding more than 5% shares:

Class of shares/ Name of shareholder	As at 31 March 2022		As at 31 March 2021	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares with voting rights				
Mahindra Renewables Private Limited	**8,889,600**	**100.00%**	8,889,600	100.00%

Note:

It includes 1 equity share held as nominee by an indiviudal on behalf of the Holding Company (Mahindra Renewables Private Limited jointly holds 1 Equity share wih Miss Brijbala Batwal)

A company shall disclose Shareholding of Promoters as under:

Shares held by promoters as at 31 March 2022

Promoter name	No. of Shares	% of total shares	% Change during the year 31 March 2022
Mahindra Renewables Private Limited	**8,889,600**	**100.00%**	**–**

Shares held by promoters as at 31 March 2021

Promoter name	No. of Shares	% of total shares	% Change during the year 31 March 2022
Mahindra Renewables Private Limited	8,889,600	100.00%	–

INR (₹)

Other Equity:	As at 31 March 2022	As at 31 March 2021
(i) Securities Premium	**601,490,222**	601,490,222
(ii) Retained Earnings	**167,571,893**	61,698,432

Note:

Securities premium is used to record the excess of the amount received over the face value of the shares. This reserve will be utilised in accordance with the provisions of the Companies Act, 2013.

Note No. 11 - Non-Current Borrowings

INR (₹)

Particulars	Rate of Interest %	Repayment terms	As at 31 March 2022	As at 31 March 2021
Measured at amortized cost*				
A. Secured Borrowings:				
Term loan from Bank	8.10%	To be repaid by 31/03/2035	2,574,682,341	2,728,292,235
			2,574,682,341	2,728,292,235
B. Unsecured Borrowings:				
Subordinated debt from related party	11.50%	Refer below note 3	–	100,000,000
			–	100,000,000
Total Non Current Borrowings			**2,574,682,341**	**2,828,292,235**

Notes:

(1) The Company is engaged in the business of operating (a) 40MW AC solar power project at Charanka Solar Park, Gujarat (hereinafter referred to as the "Project 1") and 25MW AC solar power project at Charanka Solar Park, Gujarat (hereinafter referred to as the "Project 2") (Project 1 and Project 2 are hereinafter collectively referred to as the "Project");

The term loan from HDFC bank is repayable in 60 quarterly structured installment starting from June 2020 and ending on March 2035.

(2) The loan amount is secured by:

(a) First charge on all present and future tangible moveable assets, current assets including receivables

(b) First charge on all present and future immovable properties, both freehold and leasehold.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

(c) First charge on all the borrowers bank accounts including Escrow account and any other reserve and other bank accounts.

(d) First charge on all the rights, title interest, benefits, claims and demands whatsoever of the borrower in :

(i) Project agreements

(ii) the clearances subject to applicable law

(iii) any letter of credit, guarantee, performance bond ,corporate guarantee, bank guarantees or warranty provided by any party

(iv) assignment of insurance policies relating to the project, right, titles, permits/approvals. Clearances and interests to the company.

(e) Pledge of shares held by shareholders in the borrower representing 30% of the total paid up equity share capital and non disposal undertaking for 21% of paid up equity share capital.

(3) The Company had taken a subordinated debt from Mahindra Renewables Private Limited at 11.50 % fixed Interest per annum. It is been entirely repaid during the year

(4) The Company have to maintain a debt service reserve account with a minimum balance equal to total amount of schedule interest fees and principal due within next quarter.

Note No. 12 - Short term borrowings

INR (₹)

Particulars	As at 31 March 2022	As at 31 March 2021
Current maturities of long-term debt	**155,922,160**	147,395,167
	155,922,160	147,395,167

Note No. 13 - Trade Payables

INR (₹)

Particulars	As at 31 March 2022	As at 31 March 2021
(a) Micro and small enterprises	–	–
(b) Other than Micro and small enterprises......................................	**5,033,477**	8,996,634
Total Trade Payables	**5,033,477**	8,996,634

Notes:

(1) Trade Payables are payables in respect of the amount payable on account of goods purchased or services received in the normal course of business.

(2) There are no amounts due to micro and small enterprises registered under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act).

The above information regarding Micro and Small Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.

As at 31 March 2022

Particulars	Outstanding for following periods from date of transaction: Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(b) Other than Micro and small enterprises	5,033,477	–	–	–	5,033,477

As at 31 March 2021

Particulars	Outstanding for following periods from date of transaction: Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(b) Other than Micro and small enterprises	8,996,634	–	–	–	8,996,634

Note No. 14 - Lease Liabilities

INR (₹)

Particulars	As at 31 March 2022		As at 31 March 2021	
	Current	Non Current	Current	Non Current
Lease Liability	**1,370,721**	**13,225,913**	–	–
	1,370,721	**13,225,913**	–	–

Note No. 15 - Other Financial Liabilities

INR (₹)

Particulars	As at 31 March 2022		As at 31 March 2021	
	Current	Non Current	Current	Non Current
Other Financial Liabilities Measured at Amortized Cost				
Interest accrued on secured Borrowing	**19,142,558**	–	–	903,459
Total Other Financial Liabilities	**19,142,558**	–	–	903,459

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

Note No. 16 - Other Current Liabilities

INR (₹)

Particulars	As at 31 March 2022		As at 31 March 2021	
	Current	Non Current	Current	Non Current
Short-term provisions				
(a) Statutory dues taxes payable (other than income taxes)	**88,499**	–	196,701	–
(b) Vibality Gap Funding...	**26,324,363**	344,332,787	26,324,363	370,657,150
Total Other Current Liabilities	**26,412,862**	344,332,787	26,521,064	370,657,150

Notes:

Deffered income of Vibality Gap Funding is to be amortized over the life of the asset.

Note No. 17 - Revenue from Operations

INR (₹)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Revenue from sale of solar power	**580,140,078**	620,593,438
Total Revenue from Operations..........	**580,140,078**	620,593,438

Notes:

A. Disaggregated Revenue Information:

The company's revenue is from only segment i.e Sale of Solar Power

B. Reconciliation of Contract Assets & Contract Liabilities:

INR (₹)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Contract Assets		
Unbilled Receivable		
At the beginning of the year	**61,000,422**	60,107,197
Less: Bill during the year.............................	**(580,837,836)**	(619,700,213)
Add: Revenue recognized during the year...	**580,140,078**	620,593,438
At the end of the year	**60,302,664**	61,000,422
Contract Liability...	**–**	–

C. Reconciliation of revenue as per Ind AS 115:

INR (₹)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Revenue as per contracted prices	**580,140,078**	620,593,438
Less: Adjustment of revenue pertaining to Revenue from sale	**–**	–

INR (₹)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Revenue from contract with customers......	**580,140,078**	620,593,438

Note No. 18 - Other Income

INR (₹)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
(a) Interest Income..................................	**7,066,183**	11,118,755
(b) Interest on Income Tax refund	**–**	119,939
(c) Amortisation of deferred income Viablity Gap Funding.........................	**26,324,363**	26,324,363
Total other Income	**33,390,546**	37,563,057

Note No. 19 - Finance Cost

INR (₹)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
(a) Interest expense	**238,258,519**	281,276,290
(b) Finance Charges	**–**	356,297
(b) Interest unwinding on lease liability	**1,190,339**	–
Total Finance cost......................	**239,448,858**	281,632,587

Note No. 20 - Other Expenses

INR (₹)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
(a) Insurance Charges	**7,269,385**	6,868,151
(b) Operation and Maintenance Charges......................................	**48,944,365**	57,578,553
(c) Corporate social responsibilty (CSR) Expenses (Refer note below)...	**1,001,004**	550,289
(d) Auditors remuneration and out-of-pocket expenses		
(i) As Auditors-statutory audit fees..	**159,300**	247,800
(ii) For Tax audit fees.................	**206,500**	59,000
(iii) For Other services / connection with the assessment	**47,200**	35,400
(e) Other expenses..........................		
(i) Legal and professional fees..	**4,155,864**	5,069,661

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

INR (₹)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
(ii) Bank Charges	**712**	–
(iv) Registration and Documentation Charges	**15,480**	2,177,280
(v) DSM (Derivation Settlement Mechanism) Charges	**1,606,704**	3,631,206
(vi) SLDC (State Load Despatch Centre) Charges	**339,452**	437,994
(vii) QCA (Qualified Coordinating Agency) Fees	**253,110**	147,030
(viii) Miscellaneous expenses	**12,704**	62,467
Total Other Expenses	**64,011,780**	76,864,831

Note: Details of CSR Expenditure

INR (₹)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
i) Amount required to be spent by the company during the year	**998,192**	550,289
ii) Amount of expenditure incurred	**1,001,004**	550,289
iii) Nature of CSR activities		
Purchase of Oxygen Concentrator Model	**976,000**	–
Supply of Cloth Mat	**25,004**	**–**
Donation to Nanhi Kali	**–**	**550,289**
(iv) Amount paid to related party from CSR	**–**	**550,289**
(v) Amount of Provision made with repect to liablity entrered to contractual obligation	**–**	**–**

Note No. 21 - Earnings per Share

INR (₹)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
	Per Share	**Per Share**
Basic Earnings per share	**11.91**	5.37
Total basic earnings per share	**11.91**	5.37
Diluted Earnings per share	**11.91**	5.37
Total diluted earnings per share	**11.91**	5.37

Basic and diluted earnings per share

The earnings and weighted average number of ordinary shares used in the calculation of basic and diluted earnings per share are as follows:

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Profit for the year attributable to owners of the Company	105,873,461	47,726,302
Less: Preference dividend and tax thereon	–	–
Profit for the year used in the calculation of basic earnings per share	105,873,461	47,726,302
Profit for the year on discontinued operations used in the calculation of basic earnings per share from discontinued operations	–	–
Profits used in the calculation of basic earnings per share from continuing operations (i)	105,873,461	47,726,302
Weighted average number of equity shares (ii)	8,889,600	8,889,600
Earnings per share from continuing operations - Basic and diluted (i/ii)	11.91	5.37

Note No. 22- Financial Instruments

Capital management

The Company manages capital risk in order to maximize shareholders' profit by maintaining sound/optimal capital structure through monitoring of financial ratios, such as debt-to-equity ratio and net borrowings-to-equity ratio on a monthly basis and implements capital structure improvement plan when necessary. There is no change in the overall capital risk management strategy of the Company compared to last year.

The Company uses debt ratio as a capital management index and calculates the ratio as total liabilities divided by total equity. Total liabilities and total equity are based on the amounts stated in the separate financial statements.

The Company is not subject to externally enforced capital regulation.

Debt-to-equity ratio as of 31 March 2022 and 31 March 2021 is as follows:

	31 March 2022	31 March 2021
Debt (A) in Rupees	**2,730,604,501**	2,975,687,401
Equity (B) in Rupees	**857,958,115**	752,082,953
Debt Equity Ratio (A / B)	**3.18**	3.96

Categories of financial assets and financial liabilities

As at 31 March 2022

INR (₹)

	Amortized Costs	FVTPL	FVOCI	Total
Non Current Assets				
Other Financial Assets				–
– Security Deposits	**713,765**	–	–	**713,765**
Current Assets				
Trade Receivables	**141,376,433**	–	–	**141,376,433**
Cash and Bank Balances	**251,564,757**	–	–	**251,564,757**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

INR (₹)

	Amortized Costs	FVTPL	FVOCI	Total
Other Financial Assets				
– Interest accrued on deposits	**317,260**	–	–	**317,260**
– Unbilled Receivable	**60,302,664**	–	–	**60,302,664**
Non-current Liabilities				
Borrowings	**2,574,682,341**	–	–	**2,574,682,341**
Lease Liabilities	**13,225,913**	–	–	**13,225,913**
Current Liabilities				
Borrowings	**155,922,160**	–	–	**155,922,160**
Lease Liabilities	**1,370,721**	–	–	**1,370,721**
Trade Payables	**5,033,477**	–	–	**5,033,477**
Other Financial Liabilities				
– Interest accrued on borrowings	**19,142,558**	–	–	**19,142,558**

As at 31 March 2021

INR (₹)

	Amortized Costs	FVTPL	FVOCI	Total
Non Current Assets				
Other Financial Assets				
– Security Deposits	713,765	–	–	713,765
Current Assets				
Trade Receivables	148,662,029	–	–	148,662,029
Cash and Bank Balances	208,340,113	–	–	208,340,113
Other Financial Assets				
– Interest accrued on deposits	1,267,961	–	–	1,267,961
– Unbilled Receivable	61,000,422	–	–	61,000,422
Non-current Liabilities				
Borrowings	2,728,292,235	–	–	2,728,292,235
Borrowings from Related Party	100,000,000	–	–	100,000,000
Other Financial Liabilities				
– Interest accrued on borrowings	903,459	–	–	903,459
Current Liabilities				
Borrowings	147,395,167	–	–	147,395,167
Trade Payables	8,996,634	–	–	8,996,634

Financial Risk Management Framework

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk. In order to manage the aforementioned risks, the Company operates a risk management policy and a program that performs close monitoring of and responding to each risk factors.

CREDIT RISK

(i) Credit risk management

Credit risk arises when a counterparty defaults on its contractual obligations to pay resulting in financial loss to the Company. The Company has entered into a Power Purchase Agreement with the state DISCOM of Telangana and it believes that it is a solvent debt and hence the risk is minimal.

LIQUIDITY RISK

(i) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the management of the company, which has established an appropriate liquidity risk management framework for the management of the Company's short-, medium- and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

(ii) Maturities of financial liabilities

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment years. The amount disclosed in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay.

INR (₹)

Particulars	Less than 1 Year	1-3 Years	3 Years to 5 Years	5 years and above
	INR	INR	INR	INR
Non-derivative financial liabilities				
31 March 2022				
Non-interest bearing	25,546,756	2,741,442	2,741,442	7,743,029
Variable interest rate instruments	155,922,160	338,643,441	377,623,981	1,858,414,919
	181,468,916	**341,384,883**	**380,365,423**	**1,866,157,948**
31 March 2021				
Non-interest bearing	9,900,093	–	–	–
Variable interest rate instruments	147,395,167	311,844,320	348,997,647	2,067,450,268
Fixed interest rate instruments	–	–	–	100,000,000
	157,295,260	**311,844,320**	**348,997,647**	**2,167,450,268**

(iii) Maturities of financial assets

The following table details the Company's expected maturity for its non-derivative financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Company's liquidity risk management as the liquidity is managed on a net asset and liability basis.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

INR (₹)

Particulars	Less than 1 Year	1-3 Years	3 Years to 5 Years	5 years and above
	INR	INR	INR	INR
31-Mar-22				
Non-interest bearing	201,996,357			713,765
Variable interest bearing	251,564,757			
	453,561,114	**–**	**–**	**713,765**
31-Mar-21				
Non-interest bearing	210,930,412			713,765
Variable interest bearing	208,340,113			
	419,270,525	**–**	**–**	**713,765**

The amounts included above for variable interest rate instruments for both non-derivative financial assets and liabilities is subject to change if changes in variable interest rates differ to those estimates of interest rates determined at the end of the reporting year.

MARKET RISK

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk such as equity price risk and commodity price risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. The Company uses derivatives to manage market risks. Derivatives are only used for economic hedging purposes and not as speculative investments. All such transactions are carried out within the guidelines set by the Board of Directors and Risk Management Committee.

There has been no significant changes to the company's exposure to market risk or the methods in which they are managed or measured.

CURRENCY RISK

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. The Company's / Company's exposure to currency risk relates primarily to the Company's operating activities and borrowings when transactions are denominated in a different currency from the Company's functional currency.

The Company manages its foreign currency risk by hedging transactions that are expected to occur within a maximum 12 month year for hedges of forecasted sales and purchases and for 36 months year for borrowings.

When a derivative is entered into for the purpose of being a hedge, the Company negotiates the terms of those derivatives to match the terms of the hedged exposure. For hedges of forecast transactions the derivatives cover the year of exposure from the point the cash flows of the transactions are forecasted up to the point of settlement of the resulting receivable or payable that is denominated in the foreign currency.

INTEREST RATE RISK

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

The Company has a policy of investing surplus cash balances in short term liquid debt funds which are subject to minimum market risk.

The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings. To manage this, the Company enters into interest rate swaps, in which it agrees to exchange, at specified intervals, the difference between fixed and variable rate interest amounts calculated by reference to an agreed-upon notional principal amount.

Interest rate sensitivity

The sensitivity analyses below have been determined based on exposure to interest rate for both derivative and non-derivative instruments at the end of reporting year. For floating rate liabilities, analysis is prepared assuming the amount of liability outstanding at the end of the reporting year was outstanding for the whole year.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected, after the impact of hedge accounting. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

	Currency	Increase/ decrease in basis points	Effect on profit before tax
31 March 2022	INR	+100	27,469,099
	INR	-100	(27,469,099)
31 March 2021	INR	+100	(27,282,922)
	INR	-100	27,282,922

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment, showing a significantly higher volatility than in prior years.

Note No. 23 - Fair Value Measurement

Fair value of financial assets and financial liabilities that are not measured at fair value

INR (₹)

Particulars	31 March 2022 Carrying amount	31 March 2022 Fair value	31 March 2021 Carrying amount	31 March 2021 Fair value
Financial assets				
Financial assets carried at Amortized Cost				
Non Current Assets				
– Security Deposits	**713,765**	**713,765**	713,765	713,765

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

INR (₹)

Particulars	31 March 2022 Carrying amount	31 March 2022 Fair value	31 March 2021 Carrying amount	31 March 2021 Fair value
Current Assets				
Trade Receivables	**141,376,433**	**141,376,433**	148,662,029	148,662,029
Cash and Bank Balances	**251,564,757**	**251,564,757**	208,340,113	208,340,113
Other Financial Assets				
– Interest accrued on deposits	**317,260**	**317,260**	1,267,961	1,267,961
– Unbilled Receivable	**60,302,664**	**60,302,664**	61,000,422	61,000,422
Total	**454,274,879**	**454,274,879**	419,984,290	419,984,290
Financial liabilities				
Financial liabilities held at amortized cost				
Non Current Liabilities				
Borrowings	**2,574,682,341**	**2,574,682,341**	2,828,292,235	2,828,292,235
Lease Liabilities	**13,225,913**	**13,225,913**	–	–
Other Financial Liabilities				
– Interest accrued on borrowings	**–**	**–**	903,459	903,459
Current Liabilities				
Borrowings	**155,922,160**	**155,922,160**	147,395,166.8	147,395,167
Lease Liabilities	**1,370,721**	**1,370,721**	–	–
Trade Payables	**5,033,477**	**5,033,477**	8,996,634	8,996,634
Other Financial Liabilities				
– Interest accrued on borrowings	**19,142,558**	**19,142,558**	–	–
Total	**2,769,377,170**	**2,769,377,170**	2,985,587,494	2,985,587,494

Fair value hierarchy as at 31 March 2022

	Level 1	Level 2	Level 3	Total
Financial assets				
Financial assets carried at Amortized Cost				
– Security Deposits			713,765	**713,765**
– trade and other receivables	–	–	141,376,433	**141,376,433**
– Cash and Bank Balances	–	251,564,757	–	**251,564,757**
– Other Financial Assets				
- Interest accrued on deposits	–	317,260	–	**317,260**
- Unbilled Receivable	–	–	60,302,664	**60,302,664**
Total	**–**	**251,564,757**	**142,090,198**	**393,654,955**
Financial liabilities				
Financial Instruments not carried at Fair Value				
– Borrowings	–	2,730,604,501	–	**2,730,604,501**
– Lease Liabilities	–	–	14,596,634	**14,596,634**
– Trade Payables	–	–	5,033,477.00	**5,033,477**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

	Fair value hierarchy as at 31 March 2022			
	Level 1	Level 2	Level 3	Total
– Other Financial Liabilities				
- Interest accrued on borrowings	–	19,142,557.93	–	**19,142,558**
Total	**–**	**2,749,747,059**	**19,630,111**	**2,769,377,170**

	Fair value hierarchy as at 31 March 2021			
	Level 1	Level 2	Level 3	Total
Financial assets				
Financial assets carried at Amortized Cost				
– Security Deposits	–	–	713,765	**713,765**
– trade and other receivables	–	–	148,662,029	**148,662,029**
– Cash and Bank Balances	–	208,340,113	–	**208,340,113**
– Other Financial Assets				
- Interest accrued on deposits	–	1,267,961	–	**1,267,961**
- Unbilled Receivable	–		61,000,422	**61,000,422**
Total	**–**	**209,608,074**	**210,376,216**	**419,984,290**
Financial liabilities				
Financial Instruments not carried at Fair Value				
– Borrowings	–	2,775,687,401	100,000,000	**2,875,687,401**
– Lease Liabilities	–	–	–	**–**
– Trade Payables	–		8,996,634	**8,996,634**
– Other Financial Liabilities				
- Interest accrued on borrowings	–	–	–	**–**
Total	**–**	**2,775,687,401**	**108,996,634**	**2,884,684,035**

Note No. 24 - Leases

A) The Company has lease contracts for land used in its operations for 25 years. Details of amount recognized in profit and loss:

Amounts recognized in profit and loss	**31 March 2022**	31 March 2021
Depreciation expense on right-of-use assets	**22,333,797**	23,170,173
Interest expense on lease liabilities	**1,190,339**	–
Expense relating to short-term leases	**–**	–
Total	**23,524,136**	23,170,173

B) The following table set outs maturity analysis of lease liability to be paid after the reporting date

Maturity Analysis	**31 March 2022**	31 March 2021
- Less than 1 years	**1,370,721**	–
- 1 years - 3 years	**2,741,442**	–
- 3 years - 5 years	**2,741,442**	–
- 5 years and above	**7,743,029**	–

C) The total cash outflow for leases amount to Rs. 13,70,721 during the year

D) Below are the carrying amount of lease liabilities and the movement during the year

Particulars	**31 March 2022**	31 March 2021
Opening	**–**	–
Additions	**14,777,018**	–
Accretion of interest	**1,190,339**	–
Payments	**1,370,723**	
Closing	**14,596,634**	–

E) Below is the breakup of Current and Non current lease liabilities

Particulars	**31 March 2022**	31 March 2021
Current lease liabilities	**1,370,721**	–
Non current lease liabilities	**13,225,913**	–
Total	**14,596,634**	–

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

Note No. 25 - Key Ratios

						INR (₹)
	Numerator	**Denominator**	**2021-22**	**2020-21**	**% Variance**	**Reason for Variance**
Current Ratio	Current Assets	Current Liabilities	2.08	2.27	(8%)	
Debt Equity Ratio	Borrowings	Shareholder's Equity	3.18	3.96	(20%)	
Debt Service Coverage ratio	Earnings before interest, taxes, depreciation and ammortisation	Interest & Principal Payment	1.13	1.22	(7%)	
Return on Equity Ratio	Profit after taxes	Average Shareholder's Equity	13.15%	6.55%	101%	Due to change in method of accounting of depreciation prescribed from CERC to Sch II
Inventory turnover ratio	Cost of goods sold	Average Inventory	–	–		No inventory procurement or consumption of goods made by the company
Trade receivables turnover ratio	Revenue from operations	Average Trade Receivable	4.00	4.13	(3%)	
Trade payables turnover ratio	Purchases	Average Trade Payables	–	–		No purchases are made by the company
Net Captial turnover ratio	Revenue from operations	Total Assets	14.37%	14.96%	(4%)	
Net Profit ratio	Profit after taxes	Revenue from operations	18.25%	7.69%	137%	Due to change in method of accounting of depreciation prescribed from CERC to Sch II
Return on Investment	Income from Investments	Average Investments	–	–		No investment held by the company
Return on capital employed	Earnings before interest and taxes	Average Shareholder's Equity + Borrowings + Lease liabilities	10.89%	9.39%	16%	

Note No. 26 - Related Party Transactions

Relationships:	**Name:**
Ultimate Holding Company	Mahindra & Mahindra Limited
Intermediate Holding Company	Mahindra Susten Private Limited
Parent Company	Mahindra Renewables Private Limited
Fellow Subsidiaries	Mahindra Teqo Private Limited
	Neo Solren Private Limited
	Mega Surya Urja Private Limited
	Brightsolar Renewable Energy Private Limited (Converted to subsidary effective 19 July 2021)
	Mahindra Solarize Private Limited (from 6 April 2021 to 11 March 2022)
	MSPE Urja S.r.l (liquidated dated 18 January 2022)
	Mahindra Susten Bangladesh Private Limited (liquidated dated 15 March 2022)
	MSPL International DMCC
	Martial Solren Private Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

Details of transaction between the Company and its related parties are disclosed below:

INR (₹)

Nature of transactions with Related Parties	For the year ended	Ultimate Holding Company	Parent Company	Fellow Subsidiary Company	Intermediate Holding Company
Receiving of services	31-Mar-22	276,905	–	21,914,595	1,490,468
	31-Mar-21	299,292	–	24,986,682	1,674,999
Subdebt Repaid	31-Mar-22	–	100,000,000	–	–
	31-Mar-21	–	40,000,000	–	–
Interest paid on Sub oridinated Debts	31-Mar-22	–	5,765,753	–	–
	31-Mar-21	–	15,972,397	–	–

Nature of Balances with Related Parties	Balance as on	Ultimate Holding Company	Parent Company	Fellow Subsidiary Company	Intermediate Holding Company
Trade payables	31-Mar-22	–	–	–	–
	31-Mar-21	–		2,050,643	–
Interest on Subordinated debt payable	31-Mar-22				
	31-Mar-21		903,459		
Loans payable	31-Mar-22		–		
	31-Mar-21		100,000,000		

Note No 27 - Other Statutory Informations

(a) The Company does not have any benami property, where any proceeding has been initiated or pending against the Company for holding any benami property.

(b) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

(c) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (ultimate beneficiaries) or

(ii) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries

(d) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (funding party) with the understanding (whether recorded in writing or otherwise) that the Group shall:

(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (ultimate beneficiaries) or

(ii) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries

(e) The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

(f) The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number o Layers) Rules, 2017.

(g) The Company is not declared wilful defaulter by and bank or financials institution or lender during the year.

(h) The Company has used the borrowings from banks and financial institutions for the specific purpose for which it was obtained.

(i) The Company does not have transactions with any struck off entity.

(j) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries or joint ventures or associate companies.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

Note No 28

COVID-19, a novel Coronavirus, has spread globally, including India and has significantly affected public health and economic activities worldwide. The Company has considered relevant internal and external sources of information to evaluate the impact on the financial statements for the year ended 31 March 2022 and has assessed the carrying value of the assets to be recoverable. However, the actual impact may be different from that estimated as it will depend upon future developments and future actions to contain or treat the disease and mitigate its impact on the economy. The Company continues to closely monitor impact of the pandemic on the future economic conditions and the operations of the Company.

Note No 29

The amount has been rounded off to nearest ₹ (INR) and previous years amount has been reclassified/regrouped where ever required.

Note No 30

The financial statements have been approved for issue by Company's Board of Directors on 19th April 2022

The accompanying notes 1 to 30 are an integral part of the Financial Statements

In terms of our report attached
For **B. K. Khare & Co.**
Chartered Accountants
Firm Registration No.: 105102W

Shirish Rahalkar
Partner
Membership No. 111212

Place: Mumbai
Date: 19 April 2022

For and on behalf of the Board of Directors

Mr. Basant Jain
Director
DIN : 00220395

Mr. Rakesh Singh
Director
DIN : 07319353

Place: Mumbai
Date: 19 April 2022

INDEPENDENT AUDITORS' REPORT

To the members of Brightsolar Renewable Energy Private Limited

Report on the audit of the Financial Statements

Opinion

We have audited the accompanying Financial Statements of **Brightsolar Renewable Energy Private Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, its profit and total comprehensive income, its changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Financial Statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the 'Auditors' Responsibilities for the Audit of the Financial Statements' section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("the ICAI") together with the ethical requirements that are relevant to our audit of the Financial Statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Financial Statements.

Emphasis of Matter related to Provision for doubtful debts

We draw attention to note no. 6 to the financial statements with respect to recoverability of the trade receivables as at March 31, 2022. Our opinion is not modified in respect of this matter.

Information Other than the Financial Statements and Auditors' Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the Directors Report and the related annexures, but does not include the Financial Statements and our Auditors' Report thereon.

Our opinion on the Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Financial Statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Financial Statements of the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other Legal and Regulatory requirements

1. As required by the Companies (Auditor's Report) Order, 2021 ("the Order"), issued by the Central Government of India in terms of sub-Section (11) of Section 143 of the Act and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in Annexure B, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
   (c) The Balance Sheet, the Statement of Profit and Loss, the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this report are in agreement with the books of account.
   (d) In our opinion, the aforesaid Financial Statements comply with the Accounting Standards specified under Section 133 of the Act.
   (e) On the basis of the written representations received from the directors as on March 31, 2022 taken on

record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164(2) of the Act.

(f) With respect to the adequacy of the internal financial controls with reference to Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure A. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to Financial Statements.

(g) With respect to the other matters to be included in the Auditors' Report in accordance with the requirements of Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

(i) The Company does not have any pending litigations which will impact its financial positions.

(ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

(iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

(iv)

(a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

(v) The Company has not declared and / or paid any dividend during the year.

For B.K. Khare & Co.
Chartered Accountants
Firm Registration No. 105102W

Shirish Rahalkar
Partner
Membership No.111212
UDIN: 22111212AIDJWY9587

Place: Mumbai
Date: April 22, 2022

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of sub-section (3) of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of **Brightsolar Renewable Energy Private Limited** ("the Company") as of March 31, 2022 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2022, based on the criteria for internal financial control with reference to financial statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For B.K. Khare & Co.
Chartered Accountants
Firm Registration No. 105102W

Shirish Rahalkar
Partner
Membership No. 111212
UDIN: 22111212AIDJWY9587

Place: Mumbai
Date: April 22, 2022

ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT

[Referred to in Clause 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date]

i. (a) According to the information and explanations given to us, the Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.

(b) According to the information and explanations given to us, the Company does not have intangible assets.

(c) Property, plant and equipment have been physically verified by the management during the year and no material discrepancies were noticed on such verification.

(d) According to the information and explanations given to us, the title deeds of immovable properties are held in the name of the Company.

(e) According to the information and explanations given to us, the Company has not revalued any of its Property, Plant and Equipment (including Right of Use assets) during the year.

(f) Based on the audit procedures performed by us and according to the information, explanations and representations given to us, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

ii. (a) According to the information and explanations given to us, the Company does not have inventory. Accordingly, the reporting under Clause 3(ii)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us, the Company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets at any point of time during the year.

iii. According to the information and explanations given to us, the Company has not made investments in or provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year. Accordingly, the reporting under Clauses 3(iii)(a) to 3(iii)(f) of the Order is not applicable to the Company.

iv. According to the information and explanations given to us, the Company has not granted any loans or made any investments or provided any guarantees or security to the parties covered under Sections 185 and 186 of the Act. Accordingly, the reporting under Clause 3(iv) of the Order is not applicable to the Company.

v. According to the information and explanations given to us, the Company has not accepted deposits under the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. Accordingly, the reporting under Clause 3(v) of the Order is not applicable to the Company.

vi. The Central Government has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company. Accordingly, the reporting under Clause 3(vi) of the Order is not applicable to the Company.

vii. According to the information and explanations given to us and on the basis of our examination of records of the Company, the amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Services tax, Income-tax, Cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. The amounts deducted / accrued in the books of account in respect of undisputed statutory dues of Income-tax have been regularly deposited during the year by the Company with the appropriate authorities. According to the information and explanations given to us and on the basis of our examination of records of the Company, there were no undisputed statutory dues payable in respect of Sales tax, Service tax, Duty of Customs, Duty of Excise and Value Added Tax.

According to the information and explanations given to us and on the basis of our examination of records of the Company, there were no arrears of outstanding statutory dues in respect of Goods and Services tax, Provident fund, Employees' State Insurance, Income-tax, Sales tax, Service tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other material statutory dues as on the last day of the financial year for a period of more than six months from the date they became payable.

According to the information and explanations given to us and on the basis of our examination of records of the Company, there are no statutory dues in respect of Goods and Services Tax, Provident Fund, Employees' State Insurance, Sales tax, Service tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and any other material statutory dues as at 31 March 2022, which have not been deposited with the appropriate authorities on account of any dispute.

viii. According to the information and explanations given to us, there are no transactions not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income-tax Act, 1961. Accordingly, the reporting under Clause 3(viii) of the Order is not applicable to the Company.

ix. (a) According to the information and explanations given to us and based on the audit procedures performed by us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.

(b) According to the information and explanations given to us, the Company has not been declared a willful defaulter by any bank or financial institution or any other lender till the date of our audit report.

(c) According to the information and explanation given to us, the Company has not obtained any term loan during the year. Accordingly, the reporting under Clause 3(ix)(c) of the Order is not applicable to the Company.

(d) In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that funds raised on short-term basis have not been utilised for long- term purposes as at the Balance Sheet date.

(e) According to the information and explanations given to us, the Company does not have any subsidiaries, associates or joint ventures. Accordingly, the reporting under Clauses 3(ix)(f) and 3(ix)(e) of the Order is not applicable to the Company.

x. (a) According to the information and explanations given to us, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under Clause 3(x)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Accordingly, the reporting under Clause 3(x)(b) of the Order is not applicable to the Company.

xi. (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company noticed or reported during the year, nor have we been informed of any such case by the management.

(b) There has been no report filed by us under sub-section (12) of Section 143 of the Act in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government. Accordingly, the reporting under Clause 3(xi)(b) of the Order is not applicable to the Company.

(c) As represented to us by the management, no whistle blower complaints were received by the Company during the year.

xii. According to the information and explanations given to us, the Company is not a Nidhi company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, the reporting under Clause 3(xii) of the Order is not applicable to the Company.

xiii. In our opinion and according to the information and explanations given to us, the Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required by Indian Accounting Standard (Ind AS) 24, Related Party Disclosures, specified under Section 133 of the Act.

xiv. In our opinion and based on our examination, the Company does not have an internal audit system and is not required to have an internal audit system as per the provisions of the Act. Accordingly, the reporting under Clauses 3(xiv)(a) and 3(xiv)(b) of the Order is not applicable to the Company.

xv. According to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or directors of its holding company or persons connected with them during the year and hence, the provisions of Section 192 of the Act are not applicable to the Company. Accordingly, the reporting under Clause 3(xv) of the Order is not applicable to the Company.

xvi. (a) According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under Clause 3(xvi)(a) of the Order is not applicable to the Company.

(b) In our opinion and according to the information and explanations given to us, the Company has not conducted any Non-Banking Financial or Housing Finance activities. Accordingly, the reporting under Clause 3(xvi)(b) of the Order is not applicable to the Company.

(c) In our opinion and according to the information and explanations given to us, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under Clauses 3(xvi)(c) of the Order is not applicable to the Company.

(d) Based on the information and explanations given to us and the audit procedures performed by us, we report that the Group has 6 Core Investment Companies.

xvii. In our opinion and according to the information and explanations given to us, the Company has not incurred cash losses in the current financial year as well as in the immediately preceding financial year. Accordingly, the reporting under Clause 3(xvii) of the Order is not applicable to the Company.

xviii. There has been no resignation of the statutory auditors during the year. Accordingly, the reporting under Clause 3(xviii) of the Order is not applicable to the Company.

xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of Balance Sheet as and when they fall due within a period of one year from the Balance Sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the Balance Sheet date, will get discharged by the Company as and when they fall due.

xx. According to the information and explanations given to us, the Company is not required to spend any amount as per the provisions of Section 135 of the Act. Accordingly, the reporting under Clauses 3(xx)(a) and 3(xx)(b) of the Order is not applicable to the Company.

For **B. K. Khare & Co.**
Chartered Accountants
Firm Registration No. 105102W

Shirish Rahalkar
Partner
Membership No. 111212
UDIN: 22111212AIDJWY9587

Place: Mumbai
Date: April 22, 2022

BALANCE SHEET AS AT 31 MARCH 2022

INR (₹)

Particulars		Note No.	As at 31 March, 2022	As at 31 March, 2021
I	**ASSETS**			
	NON-CURRENT ASSETS			
	(a) Property, Plant and Equipment	4	55,86,35,842	58,39,48,254
	SUB-TOTAL		55,86,35,842	58,39,48,254
	CURRENT ASSETS			
	(a) Financial Assets			
	(i) Trade Receivables	6	32,91,93,799	23,26,66,038
	(ii) Cash and Cash Equivalents	7	1,19,90,617	1,13,58,467
	(iii) Other Bank Balances	7 (a)	2,17,00,000	1,02,36,264
	(iv) Other Financial Assets	8	1,50,31,391	1,47,84,756
	(b) Current Tax Assets (Net)		–	43,14,465
	(c) Other Current Assets	9	10,76,902	10,85,981
	SUB-TOTAL		37,89,92,709	27,44,45,971
	TOTAL ASSETS		93,76,28,551	85,83,94,225
II	**EQUITY AND LIABILITIES**			
1	**EQUITY**			
	(a) Equity Share Capital	10	9,51,78,500	9,51,78,500
	(b) Other Equity	10	13,57,11,361	12,74,81,039
	SUB-TOTAL		23,08,89,861	22,26,59,539
	LIABILITIES			
2	**NON-CURRENT LIABILITIES**			
	(a) Financial Liabilities			
	(i) Borrowings	11	66,00,02,668	58,73,66,988
	(b) Deferred Tax Liabilities (Net)	5	16,37,064	35,92,772
	SUB-TOTAL		66,16,39,732	59,09,59,760
3	**CURRENT LIABILITIES**			
	(a) Financial Liabilities			
	(i) Borrowings	12	1,78,58,852	2,81,96,163
	(ii) Trade Payables			
	(A) Total outstanding dues to Micro & small enterprises		–	–
	(B) Total outstanding dues to creditors other than Micro & small enterprises	13	52,33,651	55,77,123
	(iii) Other Financial Liabilities	14	1,72,53,972	1,03,87,355
	(b) Current Tax Liabilities (Net)		33,93,802	–
	(c) Other Current Liabilities	15	13,58,681	6,14,285
	SUB-TOTAL		4,50,98,958	4,47,74,926
	TOTAL EQUITY AND LIABILITIES		93,76,28,551	85,83,94,225

The accompanying notes 1 to 28 are an integral part of the Financial Statements

In terms of our report attached.

For B K Khare & Co.
Chartered Accountants
Firm registration no. 105102W

Shirish Rahalkar
Partner
Membership No. 111212

Place: Mumbai
Date : 22 April 2022

For and on behalf of the Board of Directors

Mr. Basant Jain
Director
DIN : 00220395

Mr. Avinash Bapat
Director
DIN : 09179587

Place: Mumbai
Date: 22 April 2022

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31 MARCH 2022

INR (₹)

Particulars	Note No.	Year Ended 31 March, 2022	Year ended 31 March, 2021
Continuining Operations			
I Revenue from operations	16	13,14,41,594	13,08,47,333
II Other Income	17	13,31,983	8,61,849
III Total Income (I + II)		**13,27,73,576**	**13,17,09,182**
IV Expenses			
(a) Finance costs	18	6,60,27,778	6,25,11,426
(b) Depreciation expense	4	2,56,59,284	4,58,48,314
(c) Other expenses	19	2,96,84,017	1,07,36,141
Total Expenses		**12,13,71,079**	**11,90,95,881**
V Profit before tax (III-IV)		**1,14,02,497**	**1,26,13,300**
VI Tax Expense			
(a) Current tax- (i) Minimum Alternate Tax		51,27,882	19,53,332
(ii) Minimum Alternate Tax Credit		(51,27,882)	(19,53,332)
(b) Deferred tax		31,72,175	35,09,020
Total tax expense		**31,72,175**	**35,09,020**
VII Profit after tax for the year (V-VI)		**82,30,323**	**91,04,280**
VIII Other comprehensive income			
(a) (i) Items that will not be reclassified to profit or loss		–	–
(ii) Income tax relating to items that will not be reclassified to profit or loss		–	–
(b) (i) Items that may be reclassified to profit or loss		–	–
(ii) Income tax on items that may be reclassified to profit or loss		–	–
IX Total comprehensive income for the year (VII + VIII)		**82,30,323**	**91,04,280**
X Earnings per equity share :			
(a) Basic	20	0.86	0.96
(b) Diluted	20	0.86	0.96

The accompanying notes 1 to 28 are an integral part of the Financial Statements

In terms of our report attached.

For B K Khare & Co.
Chartered Accountants
Firm registration no. 105102W

Shirish Rahalkar
Partner
Membership No. 111212

Place: Mumbai
Date : 22 April 2022

For and on behalf of the Board of Directors

Mr. Basant Jain
Director
DIN : 00220395

Mr. Avinash Bapat
Director
DIN : 09179587

Place: Mumbai
Date: 22 April 2022

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2022

INR (₹)

Particulars	Year ended 31 March, 2022	Year ended 31 March, 2021
Cash flows from operating activities		
Profit before tax for the year	1,14,02,497	1,26,13,300
Adjustments for:		
Finance cost recognised in profit	6,60,27,778	6,25,11,426
Investment income recognised in profit or loss	(13,31,983)	(8,61,849)
Provision for Doubtful Debts	1,93,18,101	–
Depreciation expense	2,56,59,284	4,58,48,314
	12,10,75,678	12,01,11,192
Movements in working capital:		
(Increase)/Decrease in trade and other receivables	(11,58,45,861)	(10,17,50,517)
(Increase)/decrease in Other financial assets	4,97,948	(12,63,109)
(Increase)/decrease in other assets	9,079	(6,98,031)
(Decrease)/Increase in trade and other payables	(3,43,472)	41,12,668
(Decrease)/increase in other liabilities	7,44,396	(4,07,413)
Cash generated from operations	61,37,768	2,01,04,790
Income taxes paid	25,80,384	(15,96,427)
Net cash flows from/(used in) operating activities	87,18,153	1,85,08,362
Cash flows from investing activities		
Proceeds from Earmarked Balance	(1,14,63,736)	2,01,236
Payments to acquire PPE	(3,46,872)	–
Interest received	5,87,400	8,81,878
Net cash flows from/ (used in) investing activities	(1,12,23,210)	10,83,114
Cash flows from financing activities		
Proceeds from borrowings	35,89,99,866	5,02,67,280
Repayment of borrowings	(29,67,01,498)	(2,85,71,619)
Interest paid	(5,91,61,161)	(5,54,20,150)
Net cash flows used in financing activities	31,37,207	(3,37,24,490)
Net increase/(decrease) in Cash and cash equivalents	6,32,150	(1,41,33,013)
Cash and cash equivalents at the beginning of the year	1,13,58,467	2,54,91,481
Cash and cash equivalents at the end of the year	1,19,90,617	1,13,58,467

The accompanying notes 1 to 28 are an integral part of the Financial Statements

In terms of our report attached.

For B K Khare & Co.
Chartered Accountants
Firm registration no. 105102W

Shirish Rahalkar
Partner
Membership No. 111212

Place: Mumbai
Date : 22 April 2022

For and on behalf of the Board of Directors

Mr. Basant Jain
Director
DIN : 00220395

Mr. Avinash Bapat
Director
DIN : 09179587

Place: Mumbai
Date: 22 April 2022

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2022

A. Equity Share Capital

(i) Current reporting period **INR (₹)**

Balance at the beginning of the current reporting period	Changes in Equity Share Capital during the current year	Balance at the end of the current reporting period
9,51,78,500	**–**	**9,51,78,500**

(ii) Previous year reporting period **Rupees**

Balance at the beginning of the previous reporting period	Changes in Equity Share Capital during the previous year	Balance at the end of the previous reporting period
9,51,78,500	**–**	**9,51,78,500**

B. Other Equity

(i) Current reporting period

INR (₹)

Particulars	Reserves and Surplus		
	Securities Premium	Retained Earnings	Total
Balance at the beginning of the current reporting period......	10,69,60,200	2,05,20,839	12,74,81,039
Total Comprehensive Income for the current year	–	82,30,323	82,30,323
Balance at the end of the current reporting period.............	**10,69,60,200**	**2,87,51,161**	**13,57,11,361**

(ii) Previous reporting period

INR (₹)

Particulars	Reserves and Surplus		
	Securities Premium	Retained Earnings	Total
Balance at the beginning of the pervious reporting period ...	10,69,60,200	1,14,16,558	11,83,76,758
Total Comprehensive Income for the pervious year.............	–	91,04,280	91,04,280
Balance at the end of the previous reporting period	**10,69,60,200**	**2,05,20,839**	**12,74,81,039**

The accompanying notes 1 to 28 are an integral part of the Financial Statements

In terms of our report attached.

For B K Khare & Co.
Chartered Accountants
Firm registration no. 105102W

Shirish Rahalkar
Partner
Membership No. 111212

Place: Mumbai
Date : 22 April 2022

For and on behalf of the Board of Directors

Mr. Basant Jain
Director
DIN : 00220395

Mr. Avinash Bapat
Director
DIN : 09179587

Place: Mumbai
Date: 22 April 2022

Notes to the financial statements for the year ended 31st March, 2022

1. **Nature of Operations**

   Brightsolar Renewable Energy Private Limited ('the Company') is a company limited by shares, incorporated and domiciled in India and is a subsidiary of Mahindra Renewables Private Limited. The Company is engaged in the business as a producer and distributor of solar power by using solar cells, photo voltaic cells, wafers, photo voltaic solar modules, photo voltaic solar system/sub system, tracker or fixed tilt, concentrated solar power and to provide related services.

   Statement of compliance

   The accompanying financial statements have been prepared in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) (Amendment) Rules, 2016 notified under Section 133 of the Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

2. **Significant Accounting Policies and Accounting Judgments and Estimates**

   A. Basis of Preparation of Financial Statements

   The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable to the financial statements

   The financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities measured at fair value

   B. Use of estimates and judgments

   The preparation of the financial statements in accordance with Ind AS requires use of judgements, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The actual results may differ from these estimates.

   Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognised prospectively.

   Assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending 31 March 2022 are as follows:

   (i) Recoverability of deferred tax assets :

   In determining the recoverability of deferred income tax assets, the Company primarily considers current and expected profitability of applicable operating business segments and their ability to utilise any recorded tax assets. The Company reviews its deferred income tax assets at every reporting year/ period end, taking into consideration the availability of sufficient current and projected taxable profits, reversals of taxable temporary differences and tax planning strategies.

   (ii) Impairment losses on financial assets :

   The Company reviews its financial assets to assess impairment at regular intervals. The Company's credit risk is primarily attributable to its financial assets. In determining whether impairment losses should be reported in the statement of profit and loss, the Company makes judgments as to whether there is any observable data indicating that there is a measurable decrease in the estimated future cash flows. Accordingly, an allowance for expected credit loss is made where there is an identified loss event or condition which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows

   (iii) Estimation of provisions and contingencies :

   Provisions are liabilities of uncertain amount or timing recognised where a legal or constructive obligation exists at the balance sheet date, as a result of a past event, where the amount of the obligation can be reliably estimated and where the outflow of economic benefit is probable. Contingent liabilities are possible obligations that may arise from past event whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events which are not fully within the control of the Company. The Company exercises judgement and estimates in recognizing the provisions and assessing the exposure to contingent liabilities relating to pending litigations. Judgement is necessary in assessing the likelihood of the success of the pending claim and to quantify the possible range of financial settlement. Due to this inherent uncertainty in the evaluation process, actual losses may be different from originally estimated provision.

   C. Other Significant Accounting Policies:

   a) Current versus Non-current classification

   The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

   - Expected to be realized or intended to be sold or consumed in normal operating cycle
   - Held primarily for the purpose of trading
   - Expected to be realized within twelve months after the reporting period, or
   - Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

   All other assets are classified as non-current.

   A liability is current when:

   - It is expected to be settled in normal operating cycle
   - It is held primarily for the purpose of trading
   - It is due to be settled within twelve months after the reporting period, or
   - There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

   The Company classifies all other liabilities as non-current.

   Deferred tax assets and liabilities are classified as non-current assets or liabilities.

   The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

   b) Financial Assets and Financial Liabilities

   Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

   Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

   (i) Financial assets

   All financial assets by regular way of purchases or sales are recognised and derecognised on a trade date basis. Regular way of purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured at either amortised cost or fair value, depending on the classification of the financial assets

Classification of financial assets

Instruments that meet the following conditions are subsequently measured at amortised cost (except for that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a assets and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the assets, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for instruments other than those financial assets classified as at FVTPL. Interest income is recognised in profit or loss and is included in the "Other income" line item.

Financial assets at fair value through profit or loss (FVTPL)

Investments in debt / equity instruments are classified as at FVTPL, unless the Company irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other income' line item. Dividend on financial assets at FVTPL is recognised when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

Impairment of financial assets

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, debt instruments at FVTOCI, lease receivables, trade receivables, and other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights for each category of receivable. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract/agreement and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Company estimates cash flows by considering all contractual/agreed terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument.

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. 12-month expected credit losses are portion of the life-time expected credit losses and represent the lifetime cash shortfalls that will result if default occurs within the 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.

If the Company measured loss allowance for a financial instrument at lifetime expected credit loss model in the previous period, but determines at the end of a reporting period that the credit risk has not increased significantly since initial recognition due to improvement in credit quality as compared to the previous period, the Company again measures the loss allowance based on 12-month expected credit losses.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Company uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

For investments, company reviews its carrying value of investments carried at cost annually, or more frequently when there is indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted in the statement of profit and loss.

Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of that financial asset to another party.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss, if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on re-measurement recognised in profit or loss.

Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and/or payable is recognised in profit or loss.

Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments and are recognised in profit or loss.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in profit or loss.

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and/or payable is recognised in profit or loss.

Derivative financial instruments

The Company enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including foreign exchange forward contracts, interest rate swaps and cross currency swaps.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedging relationship and the nature of the hedged item.

c) Property plant and equipment and Intangible Assets:

(i) Property plant and equipment:

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Company's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Freehold land is stated at the cost of acquisition and is not depreciated.

Depreciation on tangible assets in respect of assets awarded in a competitive bid have been depreciated based on the useful lives of the assets on a straight line method.

Estimated useful life of the assets considered is 25 years and residual value is considered at 5% of the original cost of the assets

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds (net of expenses incurred in connection with the sale) and the carrying amount of the asset and is recognised in profit or loss

(ii) Capital work in progress and Capital advances:

Assets under construction includes the cost of property, plant and equipment that are not ready to use at the balance sheet date. Advances paid to acquire property, plant and equipment before the balance sheet date are disclosed under other non-current assets. Assets under construction are not depreciated as these assets are not yet available for use.

(iii) Intangible Assets:

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives.

The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

Internally-generated intangible assets

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

(iv) Impairment:

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use.

In assessing value in use, the Company makes a reasonable estimate of the value in use.

When an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

d) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

e) Foreign Exchange Transactions:

Initial Recognition

All transactions that are not denominated in the Company's functional currency are foreign currency transactions. These transactions are initially recorded in the functional currency by applying the appropriate daily rate which best approximates the actual rate of the transaction. Exchange differences arising on foreign exchange transactions settled during the year are recognised in the standalone statement of profit and loss.

Measurement of foreign currency items at the reporting date

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Nonmonetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Exchange differences are recognised in the standalone statement of profit and loss

f) Fair value measurement

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

g) Hedge accounting

The Company designates certain hedging instruments, which include derivatives, and non-derivatives in respect of foreign currency risk, as either fair value hedges, or cash flow hedges. Hedges of foreign exchange risk on firm commitments are accounted for as cash flow hedges.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated under the heading of cash flow hedging reserve. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss

Changes in fair value of the designated portion of derivatives that qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. The change in the fair value of the designated portion of hedging instrument and the change in the hedged item attributable to the hedged risk are recognised in profit or loss in the line item relating to the hedged item.

h) Segment information

Operating segments are reported in a manner consistent with internal reporting provided to the Chief Operating Decision Maker (CODM) of the Company. The CODM is responsible for allocating resources and assessing performances of the operating segments of the Company. The Company operates only in one segment viz. sale of solar energy.

i) Investments

Investments in subsidiary

Investments in equity shares of subsidiaries are recorded at cost and reviewed for impairment at each reporting date. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries, the difference between net disposal proceeds and the carrying amounts are recognized in Statement of Profit and Loss.

Investments that are readily realisable and intended to be held for not more than a year from the date of acquisition are classified as current investments. All other investments are classified as long-term investments. Any reductions in the carrying amount and any reversals of such reductions are charged or credited to the standalone statement of profit and loss. Cost of investments include acquisition charges such as brokerage, fees and duties.

Investment in joint ventures

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The considerations made in determining whether significant influence or joint control are similar to those necessary to determine control over the subsidiaries.

j) Taxes on Income:

Income tax comprises current and deferred tax. It is recognised in the standalone statement of profit and loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income.

On 30th March, 2019, MCA has issued amendment regarding the income tax Uncertainty over Income Tax Treatments. The notification clarifies the recognition and measurement requirements when there is uncertainty over income tax treatments. In assessing the uncertainty, an entity shall consider whether it is probable that a taxation authority will accept the uncertain tax treatment. This notification is effective for annual reporting periods beginning on or after April 1, 2019. As per the Company's assessment, there are no material uncertainties over income tax treatments.

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using applicable tax rates (and tax laws) enacted or substantially enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Minimum Alternative Tax ('MAT')

Minimum Alternative Tax ('MAT') under the provisions of the Income-tax Act, 1961 is recognised as current tax in the standalone statement of profit and loss. The credit available under the Act in respect of MAT paid is recognised as a deferred tax asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the period for which the MAT credit can be carried forward for set-off against the normal tax liability. MAT credit recognised as an deferred tax asset is reviewed at each balance sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits.

Deferred tax is not recognised for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;
- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Company recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets – unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the year/period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

k) Provisions and Contingent Liabilities:

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost. Expected future operating losses are not provided for.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources embodying economic benefits or the amount of such obligation cannot be measured reliably. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources embodying economic benefits is remote, no provision or disclosure is made.

A contingent asset is disclosed where an inflow of economic benefits is probable.

l) Cash and Cash Equivalents

Cash and cash equivalents for the purpose of Cash Flow Statements include cash in hand, demand deposits with banks, other short-term highly liquid investments with original maturities of three months or less.

m) Government Grant

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset and are presented in the balance sheet by setting up the grant as deferred income. Such grant is not reduced from the value of assets.

When the Company receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset i.e. by equal annual instalments. When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as a government grant. The loan or assistance is initially recognised and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

n) Earnings Per Share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period and,

Diluted earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period adjusted for the effects of dilutive options.

o) Revenue Recognition:

The Company has adopted Ind AS 115, Revenue from Contracts with Customers, with effect from 1 April 2018. The Company has applied the following accounting policy for revenue recognition:

Revenue from contracts with customers:

The Company recognises revenue from contracts with customers based on a five step model as set out in Ind AS 115:

Step 1. Identify the contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2. Identify the performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3. Determine the transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4. Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company will allocate the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

Step 5. Recognise revenue when (or as) the entity satisfies a performance obligation.

The Company satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

- The customer simultaneously receives and consumes the benefits provided by the Company's performance as the Company performs; or
- The Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- The Company's performance does not create an asset with an alternative use to the Company and the entity has an enforceable right to payment for performance completed to date

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes and duty. The Company assesses its revenue arrangements against specific criteria to determine if it is acting as principal or agent. The Company has concluded that it is acting as a principal in all of its revenue arrangements.

The accounting policies for the specific revenue streams of the Company is:

Sales of goods

An entity shall recognise revenue when (or as) the entity satisfies a performance obligation by transferring a promised good or service (ie an asset) to a customer. An asset is transferred when (or as) the customer obtains control of that asset.

p) Events after reporting date

Where events occurring after the balance sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted with the standalone financial statements. Otherwise, events after the balance sheet date of material size or nature are only disclosed.

q) Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest crores as per the requirement of Schedule III, unless otherwise stated.

3. Recent Accounting Pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1st, 2022, as below:

Ind AS 16 – Proceeds before intended use

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. An entity will not recognize such sales proceeds and related cost in profit or loss, but deduct the cost from the directly attributable costs considered as part of cost of an item of property, plant, and equipment. The Company does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract

The amendments specify that that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 103 – Reference to Conceptual Framework

The amendments specifiy that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 109 – Annual Improvements to Ind AS (2021)

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact in its financial statements.

Note No. 4 - Property, Plant and Equipment

INR (₹)

Description of Assets	Land - Freehold	Plant and Equipment	Total
I. Gross Carrying Amount			
Balance as at 1st April 2021	**3,76,25,477**	**78,64,20,488**	**82,40,45,965**
Additions during the year	–	3,46,872	3,46,872
As at 31 March 2022	**3,76,25,477**	**78,67,67,360**	**82,43,92,837**
II. Accumulated depreciation			
Balance as at 1st April 2021	–	24,00,97,711	**24,00,97,711**
Depreciation expense for the year	–	2,56,59,284	**2,56,59,284**
As at 31 March 2022	**–**	**26,57,56,995**	**26,57,56,995**
III. Net carrying amount (I-II)	**3,76,25,477**	**52,10,10,365**	**55,86,35,842**

INR (₹)

Description of Assets	Land - Freehold	Plant and Equipment	Total
I. Gross Carrying Amount			
Balance as at 1st April 2020	3,76,25,477	78,64,20,488	82,40,45,965
Additions during the year	–	–	–
As at 31 March 2021	**3,76,25,477**	**78,64,20,488**	**82,40,45,965**
II. Accumulated depreciation and impairment			
Balance as at 1st April 2020	–	19,42,49,397	**19,42,49,397**
Depreciation expense for the year	–	4,58,48,314	**4,58,48,314**
As at 31 March 2021	**–**	**24,00,97,711**	**24,00,97,711**
III. Net carrying amount (I-II)	**3,76,25,477**	**54,63,22,777**	**58,39,48,254**

Note:

(1) Plant and Equipment has been charged against the borrowings (Refer Note No. 11 Non Current Borrowings)

(2) During the year ended 31st March, 2022, the Company has reassessed the balance useful lives, residual values and the manner in which the economic benefit is being derived from property, plant and equipment.

The effect of changes in estimates of useful lives, residual values and pattern of consumption of economic benefits of property, plan and equipment.

INR (₹)

Financial Year	(Decrease)/Increase in Depreciation expenses
2021-22	(2,01,93,702)
2022-23	(2,01,93,702)
2023-24	(2,01,93,702)
2024-25	(2,01,93,702)
2025-26	(2,01,93,702)
Later Years	14,02,89,533

Note No. 5 - Current Tax and Deferred Tax

(a) Income Tax recognised in profit or loss

INR (₹)

Particulars	Year Ended 31 March 2022	Year Ended 31 March 2021
Current Tax:		
Minimum alternate tax for the year	51,27,882	19,53,332
Minimum alternate tax credit entitlement	(51,27,882)	(19,53,332)
Deferred Tax:		
In respect of current period origination	31,72,175	35,09,020
Total Income Tax Expense	**31,72,175**	**35,09,020**

(b) Reconciliation of income tax expense and the accounting profit multiplied by Company's domestic tax rate:

INR (₹)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
i) Profit before tax for the year	**1,14,02,497**	**1,26,13,300**
ii) Corporate tax rate as per Income tax Act, 1961	27.82%	27.82%
iii) Tax on accounting profit (iii) = (i) X (ii)	31,72,175	35,09,020
Effect of expenses that is non-deductible in determining taxable profit	–	–
iv) Total effect of Tax adjustment	31,72,175	35,09,020
v) Adjustments recognised in the current year in relation to the current tax of prior years	–	–
vi) Tax expense recognised during the year (vi)=(iv)+(v)	31,72,175	35,09,020

(c) Movement in deferred tax balances

INR (₹)

Particulars	As at 31 March 2022		
	Opening Balance	**Recognised in profit and Loss**	**Closing Balance**
Tax effect of items constituting deferred tax liabilities			
Property, Plant and Equipment	1,73,10,343	96,93,358	2,70,03,701
	1,73,10,343	**96,93,358**	**2,70,03,701**
Tax effect of items constituting deferred tax assets			
Carry forward Tax Losses	59,50,477	11,46,887	70,97,364
Doubtful Debts	–	53,74,296	53,74,296
	59,50,477	**65,21,183**	**1,24,71,660**
Deferred Tax Liabilities	1,13,59,866	31,72,175	1,45,32,041
Minimum alternate tax Credit	77,67,094	51,27,882	1,28,94,977
Net Deferred Tax Liabilities	**35,92,772**	**(19,55,708)**	**16,37,064**

INR (₹)

Particulars	As at 31 March 2021		
	Opening Balance	**Recognised in profit and Loss**	**Closing Balance**
Tax effect of items constituting deferred tax liabilities			
Property, Plant and Equipment	2,16,53,169	(43,42,826)	1,73,10,343
	2,16,53,169	**(43,42,826)**	**1,73,10,343**
Tax effect of items constituting deferred tax assets			
Carry forward Tax Losses	1,38,02,324	(78,51,846)	59,50,477
	1,38,02,324	**(78,51,846)**	**59,50,477**
Deferred Tax Liabilities	78,50,846	35,09,020	1,13,59,866
Minimum alternate tax Credit	58,13,762	19,53,332	77,67,094
Net Deferred Tax Liabilities	**20,37,084**	**15,55,688**	**35,92,772**

Note No. 6 - Trade Receivables

INR (₹)

Particulars	**As at 31 March 2022**	**As at 31 March 2021**
Trade receivables		
(a) Undisputed Trade receivables - Considered good	32,91,93,798	23,26,66,038
(b) Undisputed Trade receivables - Which has significatn increase in credit risk	1,93,18,101	–
(c) Undisputed Trade receivables - Credit Impaired	(1,93,18,101)	–
Total Trade Receivable	**32,91,93,798**	**23,26,66,038**
Of the above, trade receivables from:		
- Related Party	–	–
- Others	32,91,93,798	23,26,66,038

Note:

(1) All the trade receivables have been charged against the borrowings . (Refer Note no. 11-Non Current Borrowings).

(2) The credit period given to customers is of 30 days

Trade Receivables ageing schedule

INR (₹)

Particulars	Outstanding for following periods from date of payment					
As at 31 March 2022	**Less than 6 months**	**6 Months – 1 year**	**1-2 Years**	**2-3 years**	**More than 3 years**	**Total**
(i) Undisputed Trade Receivables — considered good	6,06,33,010	6,24,37,598	8,59,84,264	12,01,38,926	–	32,91,93,798
(ii) Undisputed Trade Receivables — which have significant increase in credit risk	21,37,130	44,63,761	61,71,109	65,46,100	–	1,93,18,101
(iii) Undisputed Trade Receivables — credit impaired	(21,37,130)	(44,63,761)	(61,71,109)	(65,46,100)	–	(1,93,18,101)
Total	6,06,33,010	6,24,37,598	8,59,84,264	12,01,38,926	–	32,91,93,798

Particulars	Outstanding for following periods from date of payment					
As at 31 March 2021	**Less than 6 months**	**6 months - 1 year**	**1-2 Years**	**2-3 years**	**More than 3 years**	**Total**
Undisputed Trade receivables — considered good	5,77,76,314	7,15,35,331	10,33,54,393	–	–	23,26,66,038

Note No. 7 - Cash and Cash Equivalents

INR (₹)

Particulars	As at 31 March 2022	As at 31 March 2021
Cash and cash equivalents		
Balances with banks	1,19,90,617	1,13,58,467
Total Cash and cash equivalent	1,19,90,617	1,13,58,467

Note:
All the cash and cash equivalent have been charged against the borrowings. (Refer Note no. 11-Non Current Borrowings)

Note 7(a) other Bank Balance

INR (₹)

Particulars	As at 31 March 2022	As at 31 March 2021
Other Bank Balances		
Earmarked balances with banks- For Debt Service Reserve Account	2,17,00,000	1,02,36,264
Total Other Bank balances	2,17,00,000	1,02,36,264

Notes:
All the other Bank balance have been charged against the borrowings.(Refer Note no. 11-Non Current Borrowings)

Note No. 8 - Other Financial Assets

INR (₹)

Particulars	As at 31 March 2022	As at 31 March 2021
Financial assets		
a) Interest accrued on Fixed Deposit	7,44,583	–
b) Deposits	3,03,000	3,03,000
c) Unbilled Receivable	1,39,83,808	1,44,81,756
Total Other Financials Assets	**1,50,31,391**	**1,47,84,756**

Note:
All the other financial assets have been charged against the borrowings (Refer Note no. 11-Non Current Borrowings)

Note No. 9 - Other Current Assets

INR (₹)

Particulars	As at 31 March 2022	As at 31 March 2021
Prepaid expense	10,76,902	10,85,981
Total Other Current Assets	**10,76,902**	**10,85,981**

Note:
All other assets have been charged against the borrowings (Refer Note no. 11-Non Current Borrowings)

Note No. 10 - Equity Share Capital

INR (₹)

Particulars	As at 31 March 2022		As at 31 March 2021	
	No. of shares	Value of Shares	No. of shares	Value of Shares
Authorised:				
Equity shares of INR.10 each with voting rights	1,00,00,000	10,00,00,000	1,00,00,000	10,00,00,000
Issued, Subscribed and Fully Paid:				
Equity shares of INR.10 each with voting rights	95,24,000	9,52,40,000	95,24,000	9,52,40,000
Total Equity Share Capital	**95,24,000**	**9,52,40,000**	**95,24,000**	**9,52,40,000**

Notes:

(i) 30% of the equity share held by shareholders are pledge with banks for security against the bank borrowing (Refer Note no. 11 - Non current Borrowings)

(ii) Reconciliation of the number of shares outstanding at the beginning and at the end of the year:

Particulars		Opening Balance	Fresh Issue	Bonus	ESOP/ other changes	Closing Balance
(a) Equity Shares with Voting rights						
Year Ended 31st March 2022						
	No. of Shares	95,24,000	–	–	–	95,24,000
	Amount in Rupees	9,52,40,000	–	–	–	9,52,40,000
Year Ended 31st March 2021						
	No. of Shares	95,24,000	–	–	–	95,24,000
	Amount in Rupees	9,52,40,000	–	–	–	9,52,40,000

(iii) Details of shares held by the holding company, the ultimate holding company, their subsidiaries and associates

Particulars	No. of Shares Equity Shares with Voting rights	Equity Shares with Differential Voting rights	Others
As at 31 March 2022			
Mahindra Renewables Private Limited, Co Venturerer	95,24,000	–	–
As at 31 March 2021			
Mahindra Renewables Private Limited, Co Venturerer	48,57,240	–	–
Trina Solar (Singapore) Third Pte. Limited, Co Venturerer	46,66,760	–	–

(iv) Details of shares held by each shareholder holding more than 5% shares:

Class of shares/Name of shareholder	As at 31 March 2022 Number of shares held	% holding in that class of shares	As at 31 March 2021 Number of shares held	% holding in that class of shares
<u>Equity shares with voting rights</u>				
Mahindra Renewables Private Limited (Holding Company)	95,24,000	100%	48,57,240	51%
Trina Solar (Singapore) Third Pte. Limited	–	0%	46,66,760	49%

Note :

It includes 1 equity share held as nominee by an indiviudal on behalf of the Holding Company (Mahindra Renewables Private Limited jointly holds 1 Equity share wih Miss Brijbala Batwal)

Shares held by promoters as at 31 March 2022

Promoter name	No. of Shares	% of total shares	% Change during the year 31 March 2022
Mahindra Renewables Private Limited	**95,24,000**	**100%**	**49%**
Trina Solar (Singapore) Third Private Limited	**0**	**0.00%**	**-49%**

Shares held by promoters as at 31 March 2021

Promoter name	No. of Shares	% of total shares	% Change during the year 31 March 2021
Mahindra Renewables Private Limited (Holding Company)	48,57,240	51.00%	–
Trina Solar (Singapore) Third Pte. Limited	46,66,760	49.00%	–

INR (₹)

Other Equity:	As at 31 March 2022	As at 31 March 2021
(i) Securities Premium	10,69,60,200	10,69,60,200
(ii) Retained Earnings	2,87,51,161	2,05,20,839

Note:

Securities premium is used to record the excess of the amount received over the face value of the shares. This reserve will be utilised in accordance with the provisions of the Companies Act, 2013.

Note No. 11 - Non-Current Borrowings

INR (₹)

Particulars	Rate of Interest	Repayment terms	As at 31 March 2022	As at 31 March 2021
Measured at amortised cost				
A. Secured Borrowings:				
Term loan from financial institution	7.90%	Refer note 1 below	21,44,02,668	47,84,66,988
B. Unsecured Borrowings				
Loans from related party	8.90% - 11.00%	Refer note 3 below	44,56,00,000	10,89,00,000
Total Non Current Borrowings			**66,00,02,668**	**58,73,66,988**

Notes:

(1) The loan availed from Kotak Infrastructed debt fund is repayable in 51 Quarterly structured installment starting from September 2019 and ending on March 2032. During the year company has prepaid loan amounting Rs. 25 crore

(2) The loan amount is secured by:

- (a) First charge on all present and future tangible / intangible moveable assets, current assets including receivables.
- (b) First charge on all present and future immovable properties, both freehold and leasehold.
- (c) First charge on all the borrowers bank accounts including Escrow account and any other reserve and other bank accounts.
- (d) First charge on all the rights, title interest, benefits, claims and demands whatsoever of the borrower in :
  - i) Project agreements
  - ii) the clearances subject to applicable law
  - iii) any letter of credit, guarantee, performance bond ,corporate guarantee, bank guarantees or warranty provided by any party.
- (e) Assignment of insurance policies relating to the project, right, titles, permits/approvals. Clearances and interests to the company.
- (f) Pledge of shares held by shareholders in the borrower representing 30% of the total paid up equity share capital.
- (g) Non disposal undertaking from Mahindra Susten private limited for its 21% shareholding in Mahindra Renewables Private Limited.

(3) The Company has taken long term unsecured loan of Rs. 25 crore in current year from Mahindra Susten Private Limited for repayment of its borrowing form Kotak Infrastructed Debt Fund (KIDF). It is availed at actual interest rate on KIDF loan + 100 bps i.e at 8.90% p.a and repayble in 20 years from date of drawdown of each tranche. Also, the Company has taken unsecured loan from Mahindra Susten Private Limited amounting to Rs. 19.56 crore at 11.00 % p.a. and repayble in 5 years from date of drawdown of each tranche.

(4) The Company have to maintain a debt service reserve account with a minimum balance equal to total amount of schedules interest fees and principal due within next quarter.

Note No. 12 - Short term borrowings

INR (₹)

Particulars	As at 31 March 2022	As at 31 March 2021
Current maturities of long-term debt	1,78,58,852	2,81,96,163
Total Short term borrowings	**1,78,58,852**	2,81,96,163

Note No. 13 - Trade Payables

INR (₹)

Particulars	As at 31 March 2022	As at 31 March 2021
(a) Micro and small enterprises	–	–
(b) Other than Micro and small enterprises	52,33,651	55,77,123
Total Trade Payables	**52,33,651**	55,77,123

Notes:

(1) Trade Payables are payables in respect of the amount payable on account of goods purchased or services received in the normal course of business.

(2) There are no amounts due to micro and small enterprises registered under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act). The above information regarding Micro and Small Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.

As at 31 March 2022

Particulars	Outstanding for following periods from date of transaction				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(b) Other than Micro and small enterprises	50,78,951	1,54,700	–	–	52,33,651

As at 31 March 2021

Particulars	Outstanding for following periods from date of transaction				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(b) Other than Micro and small enterprises	55,77,123	–	–	–	55,77,123

Note No. 14 - Other Financial Liabilities

INR (₹)

Particulars	As at 31 March 2022	As at 31 March 2021
Other Financial Liabilities Measured at Amortised Cost		
Interest accrued but not due	1,72,53,972	1,03,87,355
Total Other Financial Liabilities	**1,72,53,972**	**1,03,87,355**

Note No. 15 - Other Current Liabilities

INR (₹)

Particulars	As at 31 March 2022	As at 31 March 2021
Short-term provisions		
Statutory dues taxes payable (other than income taxes)	13,58,681	6,14,285
Total Other Current Liabilities	**13,58,681**	**6,14,285**

Note No. 16 - Revenue from Operations

INR (₹)

Particulars	Year Ended 31 March 2022	Year ended 31 March 2021
Revenue from sale of solar power	13,14,41,594	13,08,47,333
Total Revenue from Operations	**13,14,41,594**	**13,08,47,333**

Note:

A. Disaggregated Revenue Information:

The company's revenue is from only one of segment i.e Sale of Solar Power

B. Reconciliation of Contract Assets & Contract Liabilities:

INR (₹)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Contract Assets		
Unbilled Receivable		
At the beginning of the year	1,44,81,756	1,32,18,647
Less: Bill during the year	(13,19,39,542)	(12,95,84,224)
Add: Revenue recognised during the year	13,14,41,594	13,08,47,333
At the end of the year	**1,39,83,808.00**	1,44,81,756.00
Contract Liability	–	–

C. Reconciliation of revenue as per Ind AS 115:

INR (₹)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Revenue as per contracted prices	13,14,41,594	13,08,47,333
Less: Adjustment of revenue pertaining to Revenue from sale	–	–
Revenue from contract with customers	**13,14,41,594**	13,08,47,333

Note No. 17 - Other Income

INR (₹)

Particulars	Year Ended 31 March 2022	Year ended 31 March 2021
(a) Interest income On Financial Assets at Amortised Cost	10,38,754	8,61,849
(b) Interest on Income Tax refund	2,93,229	–
Total Other Income	**13,31,983**	8,61,849

Note No. 18 - Finance Cost

INR (₹)

Particulars	Year Ended 31 March 2022	Year ended 31 March 2021
Interest expense	6,60,27,778	6,25,11,426
Total Finance Cost	**6,60,27,778**	**6,25,11,426**

Note No. 19 - Other Expenses

INR (₹)

Particulars	Year Ended 31 March 2022	Year ended 31 March 2021
(a) Insurance Charges	15,36,435	8,15,593
(b) Operation & Maintenance Charges	58,51,530	57,55,005
(c) Travelling and Conveyance Expenses	–	27,318
(d) Power consumption charges	4,18,096	18,74,031
(e) Auditors remuneration and out-of-pocket expenses		
(i) As Auditors- Statutory audit fees	2,06,500	2,65,500
(ii) For Tax audit Fees	1,59,300	59,000
(iii) For Other services /connection with the assessment	32,450	23,600
(f) Other expenses		
(i) Legal and other professional fees	15,34,937	12,82,966
(ii) DSM (Derivation Settlement Mechanism) Charges	48,440	–
(iii) Miscellaneous expenses	5,78,228	6,33,129
(iv) Provision Bad Debts	1,93,18,101	–
Total Other Expenses	**2,96,84,017**	**1,07,36,141**

Note No. 20 - Earnings per Share

v

Particulars	Year Ended 31 March 2022 Per Share	Year ended 31 March 2021 Per Share
Basic Earnings per share	0.86	0.96
Total basic earnings per share	**0.86**	**0.96**
Diluted Earnings per share	0.86	0.96
Total diluted earnings per share	**0.86**	**0.96**

Basic and Diluted earnings per share

The earnings and weighted average number of ordinary shares used in the calculation of basic and diluted earnings per share are as follows:

INR (₹)

Particulars	Year Ended 31 March 2022	Year Ended 31 March 2021
Profit for the year	82,30,323	91,04,280
Less: Preference dividend and tax thereon	–	–
Profits used in the calculation of basic earnings per share (i)	82,30,323	91,04,280
Weighted average number of equity shares (ii)	95,24,000	95,24,000
Earnings per share - Basic and Diluted (i/ii)	0.86	0.96

Note No. 21 - Financial Instruments

The Company manages capital risk in order to maximize shareholders' profit by maintaining sound/optimal capital structure through monitoring of financial ratios, such as debt-to-equity ratio and net borrowings-to-equity ratio on a monthly basis. There is no change in the overall capital risk management strategy of the Company compared to last year.

The Company uses debt ratio as a capital management index and calculates the ratio as total liabilities divided by total equity. Total liabilities and total equity are based on the amounts stated in the separate financial statements.

The Company is not subject to externally enforced capital regulation.

Debt-to-equity ratio as of 31st March 2022 and 31 March 2021 is as follows:

	31 March 2022	31 March 2021
Debt (A)	67,78,61,519	61,55,63,151
Equity (B)	23,08,89,861	22,26,59,539
Debt/ Equity Ratio (A / B)	2.94	2.76

Categories of financial assets and financial liabilities

As at 31st March 2022

INR (₹)

	Amortised Costs	FVTPL	FVOCI	Total
Current Assets				
Trade Receivables	32,91,93,799	–	–	**32,91,93,799**
Cash and Bank Balances	3,36,90,617	–	–	**3,36,90,617**
Other Financial Assets				
- Non Derivative Financial Assets	1,50,31,391	–	–	**1,50,31,391**
Non Current Liabilities				
Borrowings from Banks	21,44,02,668	–	–	**21,44,02,668**
Borrowings from Related Party	44,56,00,000	–	–	**44,56,00,000**
Current Liabilities				
Borrowings from Banks	1,78,58,852	–	–	**1,78,58,852**
Trade Payables	52,33,651	–	–	**52,33,651**
Other Financial Liabilities				
- Non Derivative Financial Liabilities	1,72,53,972	–	–	**1,72,53,972**

As at 31st March 2021

	Amortised Costs	FVTPL	FVOCI	INR (₹) Total
Current Assets				
Trade Receivables	23,26,66,038	–	–	**23,26,66,038**
Cash and Bank Balances	2,15,94,731	–	–	**2,15,94,731**
Other Financial Assets				
- Non Derivative Financial Assets	1,47,84,756	–	–	**1,47,84,756**
Non Current Liabilities				
Borrowings from Banks	58,73,66,988	–	–	**58,73,66,988**
Borrowings from Related Party	10,89,00,000			**10,89,00,000**
Current Liabilities				
Borrowings from Banks	2,81,96,163	–	–	**2,81,96,163**
Borrowings from Related Party	10,89,00,000	–	–	**10,89,00,000**
Trade Payables	55,77,123	–	–	**55,77,123**
Other Financial Liabilities				
- Non Derivative Financial Liabilities	1,03,87,355	–	–	**1,03,87,355**

Financial Risk Management Framework

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk. In order to manage the aforementioned risks, the Company operates a risk management policy and a program that performs close monitoring of and responding to each risk factors.

CREDIT RISK

(i) Credit risk management

Credit risk arises when a counterparty defaults on its contractual obligations to pay resulting in financial loss to the Company. The Company has entered into a Power Purchase Agreement with the state DISCOM of Andhra Pradesh and it believes that it is a solvent debt and hence the risk is minimal.

Trade receivables consist of receivable from the state DISCOM of Andhra Pradesh.

The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-agencies.

The Company applies the simplified approach to providing for expected credit losses prescribed by Ind AS 109, which permits the use of the lifetime expected loss provision for all trade receivables.

The loss allowance provision is determined as follows:

Particulars	Not due	Less than 6 months past due	More than 6 months past due	INR (₹) As at 31 March 2022 Total
Expected loss rate	0.00%	5.36%	6.17%	5.87%
Gross carrying amount	–	12,30,70,609	20,61,23,190	32,91,93,798
Loss allowance provision	–	66,00,891	1,27,17,210	1,93,18,101

Losses recognised in the year based on 12 month expected credit loss is Rs 1.93 crore (credit loss as at 31 March 2021 : Nil).

LIQUIDITY RISK

(i) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the managment of the company, who have established an appropriate liquidity risk management framework for the management of the Company's short-, medium- and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

(ii) Maturities of financial liabilities

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The amount disclosed in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows.

To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Company may be required to pay.

Particulars	Less than 1 Year INR	1-3 Years INR	3 Years to 5 Years INR	INR (₹) 5 years and above INR
Non-derivative financial liabilities				
31 March 2022				
Non-interest bearing	2,24,87,623	–	–	–
Variable interest rate instruments	1,78,58,852	4,28,61,244	5,21,25,523	36,94,15,900
Fixed interest rate instruments	–	–	–	19,56,00,000
Total	**4,03,46,475**	**4,28,61,244**	**5,21,25,523**	**56,50,15,900**

INR (₹)

Particulars	Less than 1 Year INR	1-3 Years INR	3 Years to 5 Years INR	5 years and above INR
Non-derivative financial liabilities				
31 March 2021				
Non-interest bearing	1,59,64,478	–	–	–
Variable interest rate instruments	2,81,96,163	6,68,41,952	8,80,64,272	43,24,60,765
Fixed interest rate instruments	–	–	–	10,89,00,000
Total	**4,41,60,641**	**6,68,41,952**	**8,80,64,272**	**54,13,60,765**

(iii) Maturities of financial assets

The following table details the Company's expected maturity for its non-derivative financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Company's liquidity risk management as the liquidity is managed on a net asset and liability basis.

INR (₹)

Particulars	Less than 1 Year INR	1-3 Years INR	3 Years to 5 Years INR	5 years and above INR
Non-derivative financial assets				
31 March 2022				
Non-interest bearing	34,42,25,190	–	–	–
Variable interest rate instruments	3,36,90,617	–	–	–
Total	37,79,15,807	–	–	–
Non-derivative financial assets				
31 March 2021				
Non-interest bearing	24,74,50,794	–	–	–
Variable interest rate instruments	2,15,94,731	–	–	–
Total	**26,90,45,526**	–	–	–

The amounts included above for variable interest rate instruments for both non-derivative financial assets and liabilities is subject to change if changes in variable interest rates differ to those estimates of interest rates determined at the end of the reporting period.

MARKET RISK

"Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk such as equity price risk and commodity price risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. The Company uses derivatives to manage market risks. Derivatives are only used for economic hedging purposes and not as speculative investments. All such transactions are carried out within the guidelines set by the Board of Directors and Risk Management Committee.

There has been no significant changes to the company's exposure to market risk or the methods in which they are managed or measured.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings.

Interest rate sensitivity

The sensitivity analyses below have been determined based on exposure to interest rate for both derivative and non-derivative instruments at the end of reporting period. For floating rate liabilities, analysis is prepared assuming the amount of liability outstanding at the end of the reporting period was outstanding for the whole year.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected, after the impact of hedge accounting. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

	Currency	Increase / decrease in basis points	Effect on profit before tax
31 March 2022	**INR**	**100**	(48,42,021)
	INR	**-100**	48,42,021
31 March 2021	**INR**	**100**	(47,84,670)
	INR	**-100**	47,84,670

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment, showing a significantly higher volatility than in prior years.

Note No. 22 - Fair Value Measurement

Fair value of financial assets and financial liabilities that are not measured at fair value

INR (₹)

Particulars	31 March 2022 Carrying amount	31 March 2022 Fair value	31 March 2021 Carrying amount	31 March 2021 Fair value
Financial assets				
Financial assets carried at Amortised Cost				
Trade receivables	32,91,93,799	32,91,93,799	23,26,66,038	23,26,66,038
Cash and bank balances	3,36,90,617	3,36,90,617	2,15,94,731	2,15,94,731
Other financial assets	1,50,31,391	1,50,31,391	1,47,84,756	1,47,84,756
Total	**37,79,15,807**	**37,79,15,807**	**26,90,45,526**	**26,90,45,526**
Financial liabilities				
Financial liabilities held at amortised cost				
Borrowing from bank	23,22,61,519	23,22,61,519	61,55,63,151	61,55,63,151
Loans from related party	44,56,00,000	44,56,00,000	–	–
Trade payables	52,33,651	52,33,651	55,77,123	55,77,123
Others Financial liabilities	1,72,53,972	1,72,53,972	1,03,87,355	1,03,87,355
Total	**70,03,49,143**	**70,03,49,143**	**63,15,27,629**	**63,15,27,629**

INR (₹)

	Fair value hierarchy as at 31 March 2022			
	Level 1	**Level 2**	**Level 3**	**Total**
Financial assets				
Financial assets carried at Amortised Cost				
Trade receivables	–	–	32,91,93,799	**32,91,93,799**
Cash and bank balances	–	3,36,90,617	–	**3,36,90,617**
Other financial assets	–	7,44,583	1,42,86,808	**1,42,86,808**
Total	–	**3,44,35,200**	**34,34,80,607**	**37,71,71,224**
Financial liabilities				
Financial Instruments not carried at Fair Value				
loans from bank	–	23,22,61,519	–	**23,22,61,519**
loans from related parties		–	44,56,00,000	**44,56,00,000**
Trade payables	–	–	52,33,651	**52,33,651**
Other financial liabitilies	–	–	1,72,53,972	**1,72,53,972**
Total	**–**	**23,22,61,519**	**46,80,87,623**	**70,03,49,143**

	Fair value hierarchy as at 31 March 2021			
	Level 1	**Level 2**	**Level 3**	**Total**
Financial assets				
Financial assets carried at Amortised Cost				
Trade receivables	–	–	23,26,66,038	**23,26,66,038**
Cash and bank balances	–	2,15,94,731	–	**2,15,94,731**
Other financial assets	–	–	1,47,84,756	**1,47,84,756**
Total	**–**	**2,15,94,731**	**24,74,50,794**	**26,90,45,526**
Financial liabilities				
Financial Instruments not carried at Fair Value				
Loans from bank	–	61,55,63,151	–	**61,55,63,151**
Loans from related parties	–	–	–	**–**
Trade payables	–	–	55,77,123	**55,77,123**
Other financial liabitilies	–	–	1,03,87,355	**1,03,87,355**
Total	**–**	**61,55,63,151**	**1,59,64,478**	**63,15,27,629**

Note No. 23 - Key Ratios

						INR (₹)
Particulars	**Numerator**	**Denominator**	**2021-22**	**2020-21**	**% Variance**	**Reason for Variance**
Current Ratio	Current Assets	Current Liabilities	8.40	6.13	37%	Due to non realisation of debtors
Debt Equity Ratio	Borrowings	Shareholder's Equity	2.94	2.76	6%	
Debt Service Coverage ratio	Earnings before interest, taxes, depreciation and ammortisation	Interest & Principal Payment	0.28	0.26	11%	
Return on Equity Ratio	Profit after taxes	Average Shareholder's Equity	3.63%	4.17%	-13%	Due to change in method of accounting of depreciation prescribed from CERC to Sch II
Inventory turnover ratio	Cost of goods sold	Average Inventory	–	–	–	No inventory procurement or consumption of goods by the company
Trade receivables turnover ratio	Revenue from operations	Average Trade Receivable	0.47	0.72	–35%	Due to non realisation of debtors
Trade payables turnover ratio	Purchases	Average Trade Payables	–	–	–	No purchases are made by the company
Net Captial turnover ratio	Revenue from operations	Total Assets	14.02%	15.24%	–8%	
Net Profit ratio	Profit after taxes	Revenue from operations	6.26%	6.96%	–10%	
Return on Investment	Income from Investments	Average Investments	–	–	–	No investment held by the company
Return on capital employed	Earnings before interest and taxes	Average Shareholder's Equity + Borrowings + Lease liabilities	8.56%	9.01%	–5%	

Note No. 24 Related Party Transactions

Relationships:	**Name:**
Ultimate Holding	Mahindra & Mahindra Limited
Intermediate Holding Company	Mahindra Susten Private Limited
Parent Company	Mahindra Renewables Private Limited
Fellow Subsidiaries	Mahindra Teqo Private Limited
	Astra Solren Private Limited
	Neo Solren Private Limited
	Mega Surya Urja Private Limited
	Mahindra Solarize Private Limited (from 6 April 2021 to 11 March 2022)
	Martial Solren Private Limited
	MSPL International DMCC
	MSPE Urja S.r.l (liquidated dated 18 January 2022)
	Mahindra Susten Bangladesh Private Limited (liquidated dated 15 March 2022)

Details of transaction between the Company and its related parties are disclosed below:

INR (₹)

Nature of transactions with Related Parties	**Year ended**	**Parent Company**	**Inermediate Holding Company**	**Ultimate Holding Company**	**Fellow Subsidiaries**
Receiving of services	31-Mar-22	–	3,27,012	2,70,756	49,19,463
	31-Mar-21	–	41,920	3,52,584	59,61,830
Interest paid on loan	31-Mar-22	4,47,534	2,20,91,988	–	–
	31-Mar-21	–	76,66,246	–	–
Loan taken	31-Mar-22	–	25,00,00,000	–	–
	31-Mar-21	–	–	–	–
Inter Corporate Deposit taken	31-Mar-22	4,50,00,000	10,87,00,000	–	–
	31-Mar-21	–	29,99,00,000	–	–
Inter Corporate Deposit Repaid	31-Mar-22	4,50,00,000	2,20,00,000	–	–
	31-Mar-21	–	–	–	–

INR (₹)

Particulars	Balance as on	Parent Company	Inermediate Holding Company	Ultimate Holding Company	Fellow Subsidiaries
Nature of Balances with Related Parties					
Trade payables	31-Mar-22	–	–	–	43,87,347
	31-Mar-21	–	–	3,44,144	46,74,012
Interest Payable on inter corporate deposit	31-Mar-22	–	1,72,53,972	–	–
	31-Mar-21	–	1,03,87,356	–	–
Loan Outstanding	31-Mar-22	–	25,00,00,000	–	–
	31-Mar-21	–	–	–	–
Inter Corporate Deposit Payable	31-Mar-22	–	19,56,00,000	–	–
	31-Mar-21	–	10,89,00,000	–	–

Note 25 - Other Statutory Informations

(a) The Company does not have any benami property, where any proceeding has been initiated or pending against the Company for holding any benami property.

(b) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

(c) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

 (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (ultimate beneficiaries) or

 (ii) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries

(d) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (funding party) with the understanding (whether recorded in writing or otherwise) that the Group shall:

 (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (ultimate beneficiaries) or

 (ii) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries

(e) The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

(f) The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.

(g) The Company is not declared wilful defaulter by and bank or financials institution or lender during the year.

(h) The Company has used the borrowings from banks and financial institutions for the specific purpose for which it was obtained.

(i) The Company does not have transactions with any struck off entity.

(j) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries or joint ventures or associate companies.

Note No. 26

COVID-19, a novel Coronavirus, has spread globally, including India and has significantly affected public health and economic activities worldwide. The Company has considered relevant internal and external sources of information to evaluate the impact on the financial statements for the year ended 31 March 2022 and has assessed the carrying value of the assets to be recoverable. However, the actual impact may be different from that estimated as it will depend upon future developments and future actions to contain or treat the disease and mitigate its impact on the economy. The Company continues to closely monitor impact of the pandemic on the future economic conditions and the operations of the Company.

Note No. 27

The amount has been rounded off to nearest ₹ (INR) and previous years amount has been reclassified/regrouped where ever required.

Note No. 28

The Financial Statements have been approved for issue by Company's Board of Directors on 22 April 2022.

The accompanying notes 1 to 28 are an integral part of the Financial Statements

In terms of our report attached.

For B K Khare & Co.
Chartered Accountants
Firm registration no. 105102W

Shirish Rahalkar
Partner
Membership No. 111212

Place: Mumbai
Date : 22 April 2022

For and on behalf of the Board of Directors

Mr. Basant Jain
Director
DIN : 00220395

Mr. Avinash Bapat
Director
DIN : 09179587

Place: Mumbai
Date: 22 April 2022

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF

Mega Suryaurja Private Limited

Report on the audit of the Financial Statements

Opinion

We have audited the accompanying Financial Statements of **Mega Suryaurja Private Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, its loss and total comprehensive loss, its changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Financial Statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the 'Auditors' Responsibilities for the Audit of the Financial Statements' section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("the ICAI") together with the ethical requirements that are relevant to our audit of the Financial Statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Financial Statements.

Information Other than the Financial Statements and Auditors' Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the Directors Report and the related annexures, but does not include the Financial Statements and our Auditors' Report thereon.

Our opinion on the Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Financial Statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Financial Statements of the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other Legal and Regulatory requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-Section (11) of Section 143 of the Act and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in Annexure B, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   (c) The Balance Sheet, the Statement of Profit and Loss, the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this report are in agreement with the books of account.

   (d) In our opinion, the aforesaid Financial Statements comply with the Accounting Standards specified under Section 133 of the Act.

   (e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164(2) of the Act.

   (f) With respect to the adequacy of the internal financial controls with reference to Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure A. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the

Company's internal financial controls with reference to Financial Statements.

(g) With respect to the other matters to be included in the Auditors' Report in accordance with the requirements of Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

(i) The Company does not have any pending litigations which will impact its financial positions.

(ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

(iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

(iv) (a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

(v) The Company has not declared/ paid/ declared and paid any dividend during the year.

For B. K. Khare & Co.
Chartered Accountants
Firm Registration No. 105102W

Shirish Rahalkar
Partner
Membership No. 111212
UDIN: 22111212AHLWRH2828

Place: Mumbai
Date: April 19, 2022

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of sub-section (3) of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of Mega Suryaurja Private Limited ("the Company") as of March 31, 2022 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2022, based on the criteria for internal financial control with reference to financial statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For B. K. Khare & Co.
Chartered Accountants
Firm Registration No. 105102W

Shirish Rahalkar
Partner
Membership No. 111212
UDIN: 22111212AHLWRH2828

Place: Mumbai
Date: April 19, 2022

ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT

[Referred to in Clause 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date]

i. (a) According to the information and explanations given to us, the Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.

(b) According to the information and explanations given to us, the Company does not have intangible assets.

(c) Property, plant and equipment have been physically verified by the management during the year and no material discrepancies were noticed on such verification.

(d) According to the information and explanations given to us, the title deeds of immovable properties are held in the name of the Company.

(e) According to the information and explanations given to us, the Company has not revalued any of its Property, Plant and Equipment (including Right of Use assets) during the year.

(f) Based on the audit procedures performed by us and according to the information, explanations and representations given to us, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

ii. (a) According to the information and explanations given to us, the Company does not have inventory. Accordingly, the reporting under Clause 3(ii)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us, the Company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets at any point of time during the year.

iii. According to the information and explanations given to us, the Company has not made investments in or provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year. Accordingly, the reporting under Clauses 3(iii)(a) to 3(iii)(f) of the Order is not applicable to the Company.

iv. According to the information and explanations given to us, the Company has not granted any loans or made any investments or provided any guarantees or security to the parties covered under Sections 185 and 186 of the Act. Accordingly, the reporting under Clause 3(iv) of the Order is not applicable to the Company.

v. According to the information and explanations given to us, the Company has not accepted deposits under the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. Accordingly, the reporting under Clause 3(v) of the Order is not applicable to the Company.

vi. The Central Government has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company. Accordingly, the reporting under Clause 3(vi) of the Order is not applicable to the Company.

vii. According to the information and explanations given to us and on the basis of our examination of records of the Company, the amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Services tax, Income-tax, Cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. The amounts deducted / accrued in the books of account in respect of undisputed statutory dues of Income-tax have been regularly deposited during the year by the Company with the appropriate authorities. According to the information and explanations given to us and on the basis of our examination of records of the Company, there were no undisputed statutory dues payable in respect of Sales tax, Service tax, Duty of Customs, Duty of Excise and Value Added Tax.

According to the information and explanations given to us and on the basis of our examination of records of the Company, there were no arrears of outstanding statutory dues in respect of Goods and Services tax, Provident fund, Employees' State Insurance, Income-tax, Sales tax, Service tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other material statutory dues as on the last day of the financial year for a period of more than six months from the date they became payable.

According to the information and explanations given to us and on the basis of our examination of records of the Company, there are no statutory dues in respect of Goods and Services Tax, Provident Fund, Employees' State Insurance, Sales tax, Service tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and any other material statutory dues as at 31 March 2022, which have not been deposited with the appropriate authorities on account of any dispute.

viii. According to the information and explanations given to us, there are no transactions not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income-tax Act, 1961. Accordingly, the reporting under Clause 3(viii) of the Order is not applicable to the Company.

ix. (a) According to the information and explanations given to us and based on the audit procedures performed by us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.

(b) According to the information and explanations given to us, the Company has not been declared a willful defaulter by any bank or financial institution or any other lender till the date of our audit report.

(c) In our opinion and according to the information and explanations given to us, the term loans have been applied for the purpose for which the loans were obtained.

(d) In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that funds raised on short-term basis have not been utilised for long- term purposes as at the Balance Sheet date.

(e) According to the information and explanations given to us, the Company does not have any subsidiaries, associates or joint ventures. Accordingly, the reporting under Clauses 3(ix)(f) and 3(ix)(e) of the Order is not applicable to the Company.

x. (a) According to the information and explanations given to us, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under Clause 3(x)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Accordingly, the reporting under Clause 3(x)(b) of the Order is not applicable to the Company.

xi. (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company noticed or reported during the year, nor have we been informed of any such case by the management.

(b) There has been no report filed by us under sub-section (12) of Section 143 of the Act in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government. Accordingly, the reporting under Clause 3(xi)(b) of the Order is not applicable to the Company.

(c) As represented to us by the management, no whistle blower complaints were received by the Company during the year.

xii. According to the information and explanations given to us, the Company is not a Nidhi company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, the reporting under Clause 3(xii) of the Order is not applicable to the Company.

xiii. In our opinion and according to the information and explanations given to us, the Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required by Indian Accounting Standard (Ind AS) 24, Related Party Disclosures, specified under Section 133 of the Act.

xiv. In our opinion and based on our examination, the Company does not have an internal audit system and is not required to have an internal audit system as per the provisions of the Act. Accordingly, the reporting under Clauses 3(xiv)(a) and 3(xiv)(b) of the Order is not applicable to the Company.

xv. According to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or directors of its holding company or persons connected with them during the year and hence, the provisions of Section 192 of the Act are not applicable to the Company. Accordingly, the reporting under Clause 3(xv) of the Order is not applicable to the Company.

xvi. (a) According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under Clause 3(xvi)(a) of the Order is not applicable to the Company.

(b) In our opinion and according to the information and explanations given to us, the Company has not conducted any Non-Banking Financial or Housing Finance activities. Accordingly, the reporting under Clause 3(xvi)(b) of the Order is not applicable to the Company.

(c) In our opinion and according to the information and explanations given to us, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under Clauses 3(xvi)(c) of the Order is not applicable to the Company.

(d) Based on the information and explanations given to us and the audit procedures performed by us, we report that the Group has 6 Core Investment Companies.

xvii. In our opinion and according to the information and explanations given to us, the Company has incurred cash losses of Rs. 16,66,318 during the current financial year and Rs. 2,97,085 in the immediately preceding financial year.

xviii. There has been no resignation of the statutory auditors during the year. Accordingly, the reporting under Clause 3(xviii) of the Order is not applicable to the Company.

xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of Balance Sheet as and when they fall due within a period of one year from the Balance Sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the Balance Sheet date, will get discharged by the Company as and when they fall due.

xx. According to the information and explanations given to us, the Company is not required to spend any amount as per the provisions of Section 135 of the Act. Accordingly, the reporting under Clauses 3(xx)(a) and 3(xx)(b) of the Order is not applicable to the Company.

For B. K. Khare & Co.
Chartered Accountants
Firm Registration No. 105102W

Shirish Rahalkar
Partner
Membership No. 111212
UDIN: 22111212AHLWRH2828

Place: Mumbai
Date: April 19, 2022

BALANCE SHEET AS AT 31 MARCH 2022

INR (₹)

	Particulars	Note No.	As at 31 March 2022	As at 31 March 2021
I	**ASSETS**			
	NON-CURRENT ASSETS			
	(a) Property, Plant and Equipment	4	**38,40,89,003**	–
	(b) Capital Work-in-Progress	5	**11,76,56,41,402**	5,48,38,506
	(c) Other Non-current Assets	9	**4,71,47,720**	1,00,00,000
	(d) Deferred Tax Assets (Net)	6	**3,01,964**	1,47,190
	SUB-TOTAL		**12,19,71,80,090**	6,49,85,696
	CURRENT ASSETS			
	(a) Financial Assets			
	(i) Cash and Cash Equivalents	7	**55,85,77,580**	10,47,353
	(ii) Other Bank Balances	7	**60,00,00,000**	–
	(iii) Other Financial Assets	8	**4,24,658**	39
	(b) Current Tax Assets (Net)		**8,72,007**	–
	(c) Other Current Assets	9	**–**	2,000
	SUB-TOTAL		**1,15,98,74,245**	10,49,392
	TOTAL ASSETS		**13,35,70,54,335**	6,60,35,088
II	**EQUITY AND LIABILITIES**			
1	**EQUITY**			
	(a) Equity Share Capital	10	**8,65,00,000**	15,00,000
	(b) Other Equity	10	**76,21,03,819**	(13,84,637)
	SUB-TOTAL		**84,86,03,819**	1,15,363
	LIABILITIES			
2	**NON-CURRENT LIABILITIES**			
	(a) Financial Liabilities			
	(i) Borrowings	11	**6,72,02,00,506**	1,44,20,000
	(ii) Other Financial Liabilities	13	**9,24,81,272**	–
	(b) Other Non Current Liabilities	14	**3,50,00,000**	–
	SUB-TOTAL		**6,84,76,81,778**	1,44,20,000
3	**CURRENT LIABILITIES**			
	(a) Financial Liabilities			
	(i) Trade Payables			
	(a) Total outstanding dues to Micro & small enterprises		**–**	–
	(b) Total outstanding dues to creditors other than Micro & small enterprises	12	**1,94,000**	1,09,257
	(iii) Other Financial Liabilities	13	**5,64,01,47,124**	5,13,62,982
	(b) Other Current Liabilities	14	**2,04,27,613**	27,486
	SUB-TOTAL		**5,66,07,68,737**	5,14,99,725
	TOTAL EQUITY AND LIABILITIES		**13,35,70,54,335**	6,60,35,088

The accompanying notes 1 to 27 are an integral part of the Financial Statements

In terms of our report attached
For B K Khare & Co
Chartered Accountants
Firm Registration No. 105102W

Shirish Rahalkar
Partner
Membership No. 111212

Place: Mumbai
Date: 19 April, 2022

For and on behalf of the Board of Directors

Mr. Basant Jain
Director
DIN: 00220395

Mr. Rakesh Singh
Director
DIN: 07319353

Place: Mumbai
Date: 19 April, 2022

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2022

INR (₹)

	Particulars	Note No.	Year ended 31 March 2022	Year ended 31 March 2021
I	**Revenue from operations**			
II	Other Income	15	–	10,456
III	**Total Income (I + II)**		–	10,456
IV	**Expenses**			
	(a) Finance costs	16	–	78
	(b) Other expenses	17	**16,66,318**	3,07,463
	Total Expenses (IV)		**16,66,318**	3,07,541
V	**Loss before tax (III - IV)**		**(16,66,318)**	(2,97,085)
VI	**Tax Expense**			
	(a) Current tax		–	–
	(i) Minimum alternate Tax		–	–
	(ii) Minimum alternate tax credit		–	–
	(b) Deferred tax Income	6	**(1,54,775)**	(2,11,852)
	Total tax expense		**(1,54,775)**	(2,11,852)
VII	**Loss after tax for the year (V - VI)**		**(15,11,543)**	(85,233)
VIII	**Other comprehensive income**			
	A (i) Items that will not be reclassified to profit or loss		–	–
	(ii) Income tax relating to items that will not be reclassified to profit or loss		–	–
	B (i) Items that may be reclassified to profit or loss		–	–
	(ii) Income tax on items that may be reclassified to profit or loss		–	–
IX	**Total comprehensive income for the year (VII + VIII)**		**(15,11,543)**	(85,233)
X	**Earnings per equity share (Face Value of Rs. 10/- each)**			
	(a) Basic	18	**(0.62)**	(0.57)
	(b) Diluted	18	**(0.62)**	(0.57)

The accompanying notes 1 to 27 are an integral part of the Financial Statements

In terms of our report attached
For B K Khare & Co
Chartered Accountants
Firm Registration No. 105102W

Shirish Rahalkar
Partner
Membership No. 111212

Place: Mumbai
Date: 19 April, 2022

For and on behalf of the Board of Directors

Mr. Basant Jain
Director
DIN: 00220395

Mr. Rakesh Singh
Director
DIN: 07319353

Place: Mumbai
Date: 19 April, 2022

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2022

INR (₹)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Cash flows from operating activities		
Loss before tax for the year	**(16,66,318)**	(2,97,085)
Adjustments for:		
Finance costs recognised in profit or loss	**–**	78
Investment income recognised in profit or loss	**–**	(10,456)
Movements in working capital:		
Increase/(Decrease) in trade and other payables	**84,743**	(29,002)
(Increase)/decrease in other assets	**2,000**	2,000
Increase in other liabilities	**5,54,00,127**	3,37,887
Cash generated from operations	**5,54,86,870**	3,00,507
Income taxes paid	**(8,72,007)**	10,000.00
Net cash flow from operating activities	**5,29,48,545**	13,423
Cash flows from investing activities		
Payments to acquire financial assets	**(60,00,00,000)**	–
Interest received	**17,20,108**	12,985
Payments for property, plant and equipment	**(4,02,05,48,689)**	(1,37,90,955)
Net cash flow from investing activities	**(4,61,88,28,581)**	(1,37,77,970)
Cash flows from financing activities		
Proceeds from issue of equity shares	**85,00,00,000**	–
Interest Paid	**(2,17,09,738)**	(78)
Proceeds from borrowings	**4,29,51,20,000**	1,44,20,000
Net cash flow from financing activities	**5,12,34,10,262**	1,44,19,922
Net increase in Cash and cash equivalents	**55,75,30,227**	6,55,374
Cash and cash equivalents at the beginning of the year	**10,47,353**	3,91,979
Cash and cash equivalents at the end of the year	**55,85,77,580**	10,47,353

The accompanying notes 1 to 27 are an integral part of the Financial Statements

In terms of our report attached
For B K Khare & Co
Chartered Accountants
Firm Registration No. 105102W

Shirish Rahalkar
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Place: Mumbai
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Mr. Rakesh Singh
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DIN: 07319353

Place: Mumbai
Date: 19 April, 2022

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2022

A. EQUITY SHARE CAPITAL

(i) Current reporting period

INR (₹)

Balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period
15,00,000	**8,50,00,000**	**8,65,00,000**

(ii) Previous year reporting period

INR (₹)

Balance at the beginning of the pervious reporting period	Changes in equity share capital during the pervious year	Balance at the end of the pervious reporting period
15,00,000	–	15,00,000

B. Other Equity

(i) Current reporting period

INR (₹)

Particulars	Reserves and Surplus: Securities Premium	Reserves and Surplus: Retained Earnings	Total
Balance at the beginning of the current reporting period	–	(13,84,637)	(13,84,637)
Total Comprehensive Income for the current year	–	(15,11,543)	(15,11,543)
Any other change (to be specified)	76,50,00,000	–	76,50,00,000
Balance at the end of the current reporting period	**76,50,00,000**	**(28,96,181)**	**76,21,03,819**

(ii) Previous reporting period

INR (₹)

Particulars	Reserves and Surplus: Securities Premium	Reserves and Surplus: Retained Earnings	Total
Balance at the beginning of the pervious reporting period	–	(12,99,404)	(12,99,404)
Total Comprehensive Income for the previous year	–	(85,233)	(85,233)
Balance at the end of the pervious reporting period	**–**	**(13,84,637)**	**(13,84,637)**

The accompanying notes 1 to 27 are an integral part of the Financial Statements

In terms of our report attached
For B K Khare & Co
Chartered Accountants
Firm Registration No. 105102W

Shirish Rahalkar
Partner
Membership No. 111212

Place: Mumbai
Date: 19 April, 2022

For and on behalf of the Board of Directors

Mr. Basant Jain
Director
DIN: 00220395

Mr. Rakesh Singh
Director
DIN: 07319353

Place: Mumbai
Date: 19 April, 2022

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

1. Nature of Operations

Mega Surya Urja Private Limited ('the Company') is a Company limited by shares, incorporated and domiciled in India and is a subsidiary of Mahindra Susten Private Limited. The Company is engaged in the business as a producer and distributor of solar power by using solar cells, photo voltaic cells, wafers, photo voltaic solar modules, photo voltaic solar system/sub system, tracker or fixed tilt, concentrated solar power and to provide related services.

Statement of compliance

The accompanying financial statements have been prepared in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) (Amendment) Rules, 2016 notified under Section 133 of the Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

2. Significant Accounting Policies and Accounting Judgments and Estimates

A. Basis of Preparation of Financial Statements

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable to the financial statements

The financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities measured at fair value

B. Use of estimates and judgments

The preparation of the financial statements in accordance with Ind AS requires use of judgements, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognised prospectively.

Assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ended 31 March 2022 are as follows:

(i) Recoverability of deferred tax assets :

In determining the recoverability of deferred income tax assets, the Company primarily considers current and expected profitability of applicable operating business segments and their ability to utilise any recorded tax assets. The Company reviews its deferred income tax assets at every reporting year/ period end, taking into consideration the availability of sufficient current and projected taxable profits, reversals of taxable temporary differences and tax planning strategies.

(ii) Impairment losses on financial assets :

The Company reviews its financial assets to assess impairment at regular intervals. The Company's credit risk is primarily attributable to its financial assets. In determining whether impairment losses should be reported in the statement of profit and loss, the Company makes judgments as to whether there is any observable data indicating that there is a measurable decrease in the estimated future cash flows. Accordingly, an allowance for expected credit loss is made where there is an identified loss event or condition which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows

(iii) Estimation of provisions and contingencies :

Provisions are liabilities of uncertain amount or timing recognised where a legal or constructive obligation exists at the balance sheet date, as a result of a past event, where the amount of the obligation can be reliably estimated and where the outflow of economic benefit is probable. Contingent liabilities are possible obligations that may arise from past event whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events which are not fully within the control of the Company. The Company exercises judgement and estimates in recognizing the provisions and assessing the exposure to contingent liabilities relating to pending litigations. Judgement is necessary in assessing the likelihood of the success of the pending claim and to quantify the possible range of financial settlement. Due to this inherent uncertainty in the evaluation process, actual losses may be different from originally estimated provision.

C. Other Significant Accounting Policies:

a) Current versus Non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets or liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

b) Financial Assets and Financial Liabilities

Financial assets and financial liabilities are when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

(i) Financial assets

All financial assets by regular way of purchases or sales are recognised and derecognised on a trade date basis. Regular way of purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured at either amortised cost or fair value, depending on the classification of the financial assets

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

Classification of financial assets

Instruments that meet the following conditions are subsequently measured at amortised cost (except for that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a assets and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the assets, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for instruments other than those financial assets classified as at FVTPL. Interest income is recognised in profit or loss and is included in the “Other income” line item.

Financial assets at fair value through profit or loss (FVTPL)

Investments in debt / equity instruments are classified as at FVTPL, unless the Company irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the ‘Other income’ line item. Dividend on financial assets at FVTPL is recognised when the Company’s right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

Impairment of financial assets

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, debt instruments at FVTOCI, lease receivables, trade receivables, and other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights for each category of receivable. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract/agreement and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Company estimates cash flows by considering all contractual/agreed terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument.

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. 12-month expected credit losses are portion of the life-time expected credit losses and represent the lifetime cash shortfalls that will result if default occurs within the 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.

If the Company measured loss allowance for a financial instrument at lifetime expected credit loss model in the previous period, but determines at the end of a reporting period that the credit risk has not increased significantly since initial recognition due to improvement in credit quality as compared to the previous period, the Company again measures the loss allowance based on 12-month expected credit losses.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Company uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

For investments, company reviews its carrying value of investments carried at cost annually, or more frequently when there is indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted in the statement of profit and loss.

Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of that financial asset to another party.

On derecognition of a financial asset in its entirety, the difference between the asset’s carrying amount and the sum of the consideration received and receivable is recognised in profit or loss, if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on re-measurement recognised in profit or loss.

Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the ‘Finance costs’ line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and/or payable is recognised in profit or loss.

Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments and are recognised in profit or loss.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in profit or loss.

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and/or payable is recognised in profit or loss.

Derivative financial instruments

The Company enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including foreign exchange forward contracts, interest rate swaps and cross currency swaps.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedging relationship and the nature of the hedged item.

c) Property plant and equipment and Intangible Assets:

(i) Property plant and equipment:

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Company's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Freehold land is stated at the cost of acquisition and is not depreciated.

Depreciation on tangible assets in respect of assets awarded in a competitive bid have been depreciated based on the useful lives of the assets on a straight line method. Estimated useful life of the assets considered is 25 years and residual value is considered at 5% of the original cost of the assets

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds (net of expenses incurred in connection with the sale) and the carrying amount of the asset and is recognised in profit or loss

(ii) Capital work in progress and Capital advances:

Assets under construction includes the cost of property, plant and equipment that are not ready to use at the balance sheet date. Advances paid to acquire property, plant and equipment before the balance sheet date are disclosed under other non-current assets. Assets under construction are not depreciated as these assets are not yet available for use.

(iii) Impairment:

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the Company makes a reasonable estimate of the value in use.

When an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

d) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

e) Foreign Exchange Transactions:

Initial Recognition

All transactions that are not denominated in the Company's functional currency are foreign currency transactions. These transactions are initially recorded in the functional currency by applying the appropriate daily rate which best approximates the actual rate of the transaction. Exchange differences arising on foreign exchange transactions settled during the year are recognised in the standalone statement of profit and loss.

Measurement of foreign currency items at the reporting date

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Nonmonetary assets and

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Exchange differences are recognised in the standalone statement of profit and loss

f) Fair value measurement

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

g) Hedge accounting

The Company designates certain hedging instruments, which include derivatives, and non-derivatives in respect of foreign currency risk, as either fair value hedges, or cash flow hedges. Hedges of foreign exchange risk on firm commitments are accounted for as cash flow hedges.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated under the heading of cash flow hedging reserve. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss

Changes in fair value of the designated portion of derivatives that qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. The change in the fair value of the designated portion of hedging instrument and the change in the hedged item attributable to the hedged risk are recognised in profit or loss in the line item relating to the hedged item.

h) Segment information

Operating segments are reported in a manner consistent with internal reporting provided to the Chief Operating Decision Maker (CODM) of the Company. The CODM is responsible for allocating resources and assessing performances of the operating segments of the Company. The Company operates only in one segment viz. sale of solar energy.

i) Taxes on Income:

Income tax comprises current and deferred tax. It is recognised in the standalone statement of profit and loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income.

On 30 March 2019, MCA has issued amendment regarding the income tax Uncertainty over Income Tax Treatments. The notification clarifies the recognition and measurement requirements when there is uncertainty over income tax treatments. In assessing the uncertainty, an entity shall consider whether it is probable that a taxation authority will accept the uncertain tax treatment. This notification is effective for annual reporting periods beginning on or after April 1, 2019. As per the Company's assessment, there are no material uncertainties over income tax treatments.

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using applicable tax rates (and tax laws) enacted or substantially enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Minimum Alternative Tax ('MAT')

Minimum Alternative Tax ('MAT') under the provisions of the Income-tax Act, 1961 is recognised as current tax in the standalone statement of profit and loss. The credit available under the Act in respect of MAT paid is recognised as a deferred tax asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the period for which the MAT credit can be carried forward for set-off against the normal tax liability. MAT credit recognised as an deferred tax asset is reviewed at each balance sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits.

Deferred tax is not recognised for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;
- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Company recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets – unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the year/period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

j) Provisions and Contingent Liabilities :

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost. Expected future operating losses are not provided for.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources embodying economic benefits or the amount of such obligation cannot be measured reliably. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources embodying economic benefits is remote, no provision or disclosure is made.

A contingent asset is disclosed where an inflow of economic benefits is probable.

k) Cash and Cash Equivalents

Cash and cash equivalents for the purpose of Cash Flow Statements include cash in hand, demand deposits with banks, other short-term highly liquid investments with original maturities of three months or less.

l) Earnings Per Share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period and,

Diluted earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period adjusted for the effects of dilutive options.

m) Revenue Recognition:

The Company has adopted Ind AS 115, Revenue from Contracts with Customers, with effect from 1 April 2018. The Company has applied the following accounting policy for revenue recognition:

Revenue from contracts with customers:

The Company recognises revenue from contracts with customers based on a five step model as set out in Ind AS 115:

Step 1. Identify the contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2. Identify the performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer

Step 3. Determine the transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4. Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company will allocate the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

Step 5. Recognise revenue when (or as) the entity satisfies a performance obligation

The Company satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

- The customer simultaneously receives and consumes the benefits provided by the Company's performance as the Company performs; or
- The Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- The Company's performance does not create an asset with an alternative use to the Company and the entity has an enforceable right to payment for performance completed to date

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes and duty. The Company assesses its revenue arrangements against specific criteria to determine if it is acting as principal or agent. The Company has concluded that it is acting as a principal in all of its revenue arrangements

The accounting policies for the specific revenue streams of the Company is:

Sales of goods

An entity shall recognise revenue when (or as) the entity satisfies a performance obligation by transferring a promised good or service (ie an asset) to a customer. An asset is transferred when (or as) the customer obtains control of that asset.

Interest Income

Interest income from a financial asset is recognized when it is probable that the economic benefit will flow to the Company and the amount of income can be measured reliably

n) Events after reporting date

Where events occurring after the balance sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted with the standalone financial statements. Otherwise, events after the balance sheet date of material size or nature are only disclosed.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

3. Recent Accounting Pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from 1 April, 2022, as below:

Ind AS 16 – Proceeds before intended use

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. An entity will not recognize such sales proceeds and related cost in profit or loss, but deduct the cost from the directly attributable costs considered as part of cost of an item of property, plant, and equipment. The Company does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract

The amendments specify that that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 103 – Reference to Conceptual Framework

The amendments specifiy that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 109 – Annual Improvements to Ind AS (2021)

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact in its financial statements.

Note No. 4 - Property, Plant and Equipment

INR (₹)

Description of Assets	Land - Freehold	Plant and Equipment	Total
I. Gross Carrying Amount			
Balance as at 1 April 2021			
Additions during the year	38,40,89,003	–	38,40,89,003
Balance as at 31 March 2022	**38,40,89,003**	**–**	**38,40,89,003**
II. Accumulated depreciation			
Balance as at 1 April 2021			
Depreciation expense for the year	–	–	–
Balance as at 31 March 2022	–	–	–
III. Net carrying amount (I-II)	**38,40,89,003**	**–**	**38,40,89,003**

Note:

(i) Plant and Equipment has been charged against the borrowings (Refer Note No. 11 Non Current Borrowings).

(ii) Previous year figures are 'Nil'.

Note No. 5 - Capital Work-in-Progress

INR (₹)

	Amount in CWIP for a 31 March 2022				
CWIP	**Less than 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
Project in progress - ISTS - II 250 MW Plant	11,71,08,02,896	5,48,38,506	–	–	11,76,56,41,402

INR (₹)

	Amount in CWIP for a 31 March 2021				
CWIP	**Less than 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
Project in progress - ISTS - II 250 MW Plant	5,48,38,506	–	–	–	5,48,38,506

Note No. 6 - Current Tax and Deferred Tax

(a) Income Tax recognised in profit or loss

INR (₹)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Current Tax:		
Minimum alternate tax for the year	**–**	–
Minimum alternate tax credit entitlement	**–**	–

INR (₹)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Deferred Tax:		
In respect of current year	**(1,54,775)**	(2,11,852)
Total income tax expense on continuing operations	**(1,54,775)**	(2,11,852)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

(b) Reconciliation of income tax expense and the accounting profit multiplied by Company's domestic tax rate:

INR (₹)

Particulars		Year ended 31 March 2022	Year ended 31 March 2021
i)	**Profit before tax for the year**	**(16,66,318)**	(2,97,085)
ii)	Corporate tax rate as per Income tax Act, 1961	**27.82%**	27.82%
iii)	Tax on accounting profit (iii) = (i) X (ii)	**(4,63,570)**	(82,649)
	Effect of expenses that is non-deductible in determining taxable profit	**3,08,795**	–
iv)	**Total effect of Tax adjustment**	**(1,54,775)**	(82,649)
v)	Adjustments recognised in the current year in relation to the current tax of prior years	**–**	(1,29,203)
vi)	**Tax expense recognised during the year (vi)=(iv)+(v)**	**(1,54,775)**	(2,11,852)

(c) Movement in deferred tax balances

INR (₹)

Particulars	Year ended 31 March 2022		
	Opening Balance	**Recognised in profit and Loss**	**Closing Balance**
Tax effect of items constituting deferred tax liabilities			
Property, Plant and Equipment	–	–	–
	–	–	–
Tax effect of items constituting deferred tax assets			
Carry forward Tax Losses	**1,47,190**	**1,54,775**	**3,01,964**
Net Deferred Tax (Asset)	**(1,47,190)**	**(1,54,775)**	**(3,01,964)**

INR (₹)

Particulars	For the year ended 31 March 2021		
	Opening Balance	**Recognised in profit and Loss**	**Closing Balance**
Tax effect of items constituting deferred tax liabilities			
Property, Plant and Equipment	–	–	–
	–	–	–
Tax effect of items constituting deferred tax assets			
Carry forward Tax Losses	**(64,662)**	**2,11,852**	**1,47,190**
	(64,662)	**2,11,852**	**1,47,190**
Net Deferred Tax Asset	**64,662**	**(2,11,852)**	**(1,47,190)**

Note No. 7 - Cash and Cash Equivalent

INR (₹)

Particulars	As at 31 March 2022	As at 31 March 2021
Cash and cash equivalents		
(a) Balances with banks in current account	**55,85,77,580**	10,47,353
(b) Fixed Deposit with maturity less then 3 months	**60,00,00,000**	–
Total Cash and Cash Equivalent	**1,15,85,77,580**	10,47,353

Note No. 8 - Other Financial Assets

INR (₹)

Particulars	As at 31 March 2022	As at 31 March 2021
(a) Interest Accrued on Fixed Deposit	**4,24,658**	39
Total Other Assets	**4,24,658**	39

Note No. 9 - Other Non-current Assets

INR (₹)

Particulars	As at 31 March 2022		As at 31 March 2021	
	Current	**Non Current**	Current	Non Current
(a) Capital advances	**–**	**4,71,47,720**	–	1,00,00,000
(b) Prepaid Expenses	**–**	**–**	2,000	–
Total Other Non-current Assets	**–**	**4,71,47,720**	2,000	1,00,00,000

Note No. 10 - Equity Share Capital

INR (₹)

Particulars	As at 31 March 2022		As at 31 March 2021	
	No. of shares	**Amount**	No. of shares	Amount
Authorised:				
1,50,000 equity shares of INR 10 each	**1,00,00,000**	**10,00,00,000**	1,50,000	15,00,000
Issued, Subscribed and Fully Paid:				
Equity shares of INR 10 each with voting rights	**86,50,000**	**8,65,00,000**	1,50,000	15,00,000

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

Notes:

(i) Reconciliation of the number of shares outstanding at the beginning and at the end of the year

Particulars		Opening Balance	Fresh Issue	Closing Balance
Equity Shares with voting rights				
For the year Ended 31 March 2022				
	No. of Shares	**1,50,000**	85,00,000	86,50,000
	Amount in Rupees	**15,00,000**	8,50,00,000	8,65,00,000
For the year Ended 31 March 2021				
	No. of Shares	**1,50,000**	–	1,50,000
	Amount in Rupees	**15,00,000**	–	15,00,000

(ii) Details of shares held by the holding company, the ultimate holding company, their subsidiaries and associates:

Particulars	No. of Shares Equity Shares with Voting rights	 Equity Shares with Differential Voting rights	 Others
Balance at 31 March 2022			
Mahindra Susten Private Limited	**86,50,000**	–	–
Balance at 31 March 2021			
Mahindra Susten Private Limited	**1,50,000**	–	–

(iii) Details of shares held by each shareholder holding more than 5% shares:

Class of shares / Name of shareholder	As at 31 March 2022 Number of shares held	 % holding in that class of shares	As at 31 March 2021 Number of shares held	 % holding in that class of shares
Equity shares with voting rights				
Mahindra Susten Private Limited	**86,50,000**	**100%**	1,50,000	100%

Note:
It includes 1 equity share held as nominee by an indiviudal on behalf of the Holding Company (Mahindra Susten Private Limited jointly holds 1 Equity share wih Miss Brijbala Batwal).

A company shall disclose Shareholding of Promoters as under:

Shares held by promoters as at 31 March 2022

Promoter name	No. of Shares	%of total shares	% Change during the year 31 March 2022
Mahindra Susten Private Limited	**86,50,000**	100%	5667%

Shares held by promoters as at 31 March 2021

Promoter name	No. of Shares	%of total shares	% Change during the year 31 March 2021
Mahindra Susten Private Limited	**1,50,000**	100%	–

INR (₹)

Other Equity	As at 31 March 2022	As at 31 March 2021
Securities Premium	76,50,00,000	–
Retained Earnings	(28,96,181)	(13,84,637)
Total Other Equity	**76,21,03,819**	**(13,84,637)**

Note:
Securities premium is used to record the excess of the amount received over the face value of the shares. This reserve will be utilised in accordance with the provisions of the Companies Act, 2013.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

Note No. 11 - Non Current Borrowings

INR (₹)

Particulars	Rate of Interest	Repayment Terms	As at 31 March 2022	As at 31 March 2021
Measured at amortised cost				
Secured Borrowings				
Term loan from Bank	8.65%	Refer Note 3	**1,42,21,20,000**	–
Buyer's credit arrangement in foreign currency	1.20% to 1.75%		**2,41,06,60,506**	–
Total Secured Borrowings			**3,83,27,80,506**	–
Unsecured Borrowings				
Subordinated debt from related party	11.5%	Refer Note 5	**2,88,74,20,000**	1,44,20,000
Total Unsecured Borrowings			**2,88,74,20,000**	1,44,20,000
Total Non-Current Borrowings			**6,72,02,00,506**	1,44,20,000

Notes:

1 MEGA SURYAURJA PRIVATE LIMITED, (as the Borrower) is in the business of development, designing, construction, financing, commissioning, operation and maintenance of a 250 MW AC Solar Photovoltaic (PV) Power Plant at village Daddu Ka Gaon & Seora, Tehsil Kolayat, District Bikaner, in the state of Rajasthan, India (the "ISTS-2 Project"). The entire electricity generated from ISTS-2 Project will be supplying to Solar Energy Corporation of India Limited ("SECI") in accordance with the Power Purchase Agreement (PPA) executed amongst Company and SECI.

2 To part finance of the project of ISTS-2- Project, the Company has availed sanctioned of Term Loan aggregating upto INR 640,00,00,000 from Bank and INR 300,00,00,000 from Bank.

3 The Borrower shall repay the Loans to the Lenders in 52 (fifty two) & 78 (seventy eight) structured quarterly instalments, starting from December 31, 2022 with last repayment on September 30, 2036 & on March 31, 2042 consisting bullet payment of 34.38% of availed loan amount. ROI for RTL is 1-year MCLR + spread ranging between 1.05% & 1.60%

4 The ISTS-2 Project loans obligations has been secured with following securities of Borrower and charges has been created in favour of the Security Trustee acting for the benefit of the all Lenders until Final Settlement Date

i. first ranking pari passu mortgage on the entire immovable properties (both leasehold and freehold) of the Borrower, pertaining to the Project, both present and future;.

ii. first ranking pari passu charge by way of hypothecation/ mortgage on the entire movable properties of the Borrower, pertaining to the Project, both present and future, including movable plant and machinery, current assets, DSRA, intangible assets and all other movable properties and all the rights, title, interest, benefits, claims and demands whatsoever of the Borrower in project documents

iii first ranking pari passu pledged over 51% equity shares of the Borrower

iv. Charge and equitable assignment by way of power of attorney over all Subordinate Loans extended by Promoter to Borrower, and over NCDs/ compulsory convertible debentures/optionally convertible debentures (as applicable) of Borrower subscribed to by Promoter (subject to Applicable Laws)

v. Assignment by way of security of all Insurance Contracts and Insurance Proceeds and project documents.

5 The Company has availed an Subordinated debt from Mahindra Susten Private Limited aggregating upto INR 2,88,74,20,000 as part of promoter contribution for the ISTS 2 project.

Note No. 12 - Trade Payables

INR (₹)

Particulars	As at 31 March 2022	As at 31 March 2021
(a) Micro and small enterprises	–	–
(b) Other than Micro and small enterprises	**1,94,000**	1,09,257
Total Trade Payables	**1,94,000**	1,09,257

Notes:

(1) Trade Payables are payables in respect of the amount due on account of goods purchased or services received in the normal course of business.

(2) There are no amounts due to micro and small enterprises registered under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act).

The above information regarding Micro and Small Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.

As at 31 March 2022

Particulars	Outstanding for following periods from date of transaction Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(b) Other than Micro and small enterprises	1,94,000	–	–	–	1,94,000

As at 31 March 2021

Particulars	Outstanding for following periods from date of transaction Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(b) Other than Micro and small enterprises	1,09,257.00	–	–	–	1,09,257

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

Note No.13 - Other Financial Liabilities

INR (₹)

Particulars	As at 31 March 2022 Current	As at 31 March 2022 Non Current	As at 31 March 2021 Current	As at 31 March 2021 Non Current
(a) Interest accrued but not due	**89,48,096**	**9,24,81,272**	3,15,431	–
(b) Creditors for capital project	**5,56,46,46,564**	**–**	5,10,47,551	–
(c) Forward contract derivative	**6,65,52,464**	**–**	–	–
Other Financial Liabilities	**5,64,01,47,124**	**9,24,81,272**	5,13,62,982	

Note No. 14 - Other Current Liabilities

INR (₹)

Particulars	As at 31 March 2022 Current	As at 31 March 2022 Non Current	As at 31 March 2021 Current	As at 31 March 2021 Non Current
(a) Statutory dues taxes payable (other than income taxes)	**2,04,27,613**	**–**	27,486	–
(b) Deferred Liability - Multi Circuit Tower	**–**	**3,50,00,000**	–	–
Total Other Current Liabilities	**2,04,27,613**	**3,50,00,000**	27,486	–

Note No. 15 - Other Income

INR (₹)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Interest Income	**–**	10,456
Total Other Income	**–**	10,456

Note No. 16 - Finance Cost

INR (₹)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Interest on loan from related party	**–**	78
Total Finance Cost	**–**	78

Note No. 17 - Other Expenses

INR (₹)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
(a) Auditors remuneration and out-of-pocket expenses		
(i) As statutory auditors - audit fees	**1,47,500**	34,811
(b) Other expenses		
(i) Legal and Professional fees	**3,78,300**	2,36,049
(ii) Bank Charges	**9,198**	649
(iii) Share issue expenses- Stamp duty paid on increase in Authorised capital	**11,09,975**	–
(iv) Miscellaneous expenses	**21,345**	35,954
Total Other Expenses	**16,66,318**	3,07,463

Note No. 18 - Basic And Diluted Earning per share

Basic earnings per share

The earnings and weighted average number of shares used in the calculation of earnings per share are as follows:

INR (₹)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Loss for the year	**(15,11,543)**	(85,233)
Weighted average number of equity shares	**24,32,192**	1,50,000
Basic Earnings per share	**(0.62)**	(0.57)

Diluted earnings per share

The earnings and weighted average number of shares used in the calculation of earnings per share are as follows:

INR (₹)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Loss for the year	**(15,11,543)**	(85,233)
Weighted average number of equity shares	**24,32,192**	1,50,000
Diluted Earnings per share	**(0.62)**	(0.57)

Note No. 19 - Financial Instruments

The Company manages capital risk in order to maximize shareholders' profit by maintaining sound/optimal capital structure through monitoring of financial ratios, such as debt-to-equity ratio and net borrowings-to-equity ratio on a monthly basis. There is no change in the overall capital risk management strategy of the Company compared to last year.

'The Company uses debt ratio as a capital management index and calculates the ratio as total liabilities divided by total equity. Total liabilities and total equity are based on the amounts stated in the separate financial statements.

The Company is not subject to externally enforced capital regulation.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

Debt-to-equity ratio as of 31st March 2022 and 31 March 2021 is as follows:

	31 March 2022	31 March 2021
Debt (A)	**6,72,02,00,506**	1,44,20,000
Equity (B)	**84,86,03,819**	1,15,363
Debt Equity Ratio (A / B)	**7.92**	125.00

Categories of financial assets and financial liabilities:

As at 31 March 2022 — INR (₹)

	Amortised Costs	FVTPL	FVOCI	Total
Current Assets				
Cash and Bank balances	**1,15,85,77,580**	–	–	**1,15,85,77,580**
Non Derivative Financial Assets	**4,24,658**	–	–	**4,24,658**
Non-current Liabilities				
Borrowings	**6,72,02,00,506**	–	–	**6,72,02,00,506**
Non Derivative Financial Liabilities	**9,24,81,272**	–	–	**9,24,81,272**
Current Liabilities				
Trade Payables	**1,94,000**	–	–	**1,94,000**
Non Derivative Financial Liabilities	**5,57,35,94,660**	–	–	**5,57,35,94,660**
Derivative Financial Liabilities	–	**6,65,52,464**	–	**6,65,52,464**

As at 31 March 2021 — INR (₹)

	Amortised Costs	FVTPL	FVOCI	Total
Current Assets				
Cash and Bank balances	10,47,353	–	–	10,47,353
Interest accrued on Financial Assets	39	–	–	39
Non-current Liabilities				
Borrowings	1,44,20,000	–	–	1,44,20,000
Current Liabilities				
Trade Payables	1,09,257	–	–	1,09,257
Other Financial Liabilities	5,13,62,982	–	–	5,13,62,982

CREDIT RISK

(i) Credit risk management

Credit risk arises when a counterparty defaults on its contractual obligations to pay resulting in financial loss to the Company. The Company has entered into a Power Purchase Agreement with the state DISCOM of Rajasthan where in generating revenue will commence from next year.

LIQUIDITY RISK

(i) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the management of the company, which has established an appropriate liquidity risk management framework for the management of the Company's short-, medium- and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

(ii) Maturities of financial liabilities

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment years. The amount disclosed in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting year. The contractual maturity is based on the earliest date on which the Company may be required to pay.

INR (₹)

Particulars	Less than 1 Year INR	1 Year to 3 Years INR	3 Years to 5 Years INR	5 years and above INR
Non-derivative financial liabilities				
31 March 2022				
Non-interest bearing	5,73,28,22,396	–	–	–
Fixed interest rate instruments	2,41,06,60,506	–	–	2,88,74,20,000
Variable interest rate instruments	23,18,07,500	47,52,12,500	12,28,12,500	59,22,87,500
	8,37,52,90,402	**47,52,12,500**	**12,28,12,500**	**3,47,97,07,500**
31 March 2021				
Non-interest bearing	5,14,72,239	–	–	–
Fixed interest rate instruments				1,44,20,000
	5,14,72,239	**95,04,25,000**	**24,56,25,000**	**6,97,38,35,000**

INR (₹)

Particulars	Less than 1 Year INR	1 Year to 3 Years INR	3 Years to 5 Years INR	5 years and above INR
Derivative financial liabilities				
31 March 2022				
Foreign exchange forward contracts	6,65,52,464	–	–	–
	6,65,52,464	–	–	–
31 March 2021				
Foreign exchange forward contracts	–	–	–	–

(iii) Maturities of financial assets

The following table details the Company's expected maturity for its non-derivative financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Company's liquidity risk management as the liquidity is managed on a net asset and liability basis.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

INR (₹)

Particulars	Less than 1 Year INR	1-3 Years INR	3 Years to 5 Years INR	5 years and above INR
31 March, 2022				
Non-interest bearing	**4,24,658**	**–**	**–**	**–**
Fixed interest bearing	**–**	**–**	**–**	**–**
Variable interest bearing	**1,15,85,77,580**	**–**	**–**	**–**
	1,15,90,02,238	**–**	**–**	**–**
31 March 2021				
Non-interest bearing	39	–	–	–
Fixed interest bearing	–	–	–	–
Variable interest bearing	10,47,353	–	–	–
	10,47,392	–	–	–

The amounts included above for variable interest rate instruments for both non-derivative financial assets and liabilities is subject to change if changes in variable interest rates differ to those estimates of interest rates determined at the end of the reporting year.

MARKET RISK

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk such as equity price risk and commodity price risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. The Company uses derivatives to manage market risks. Derivatives are only used for economic hedging purposes and not as speculative investments. All such transactions are carried out within the guidelines set by the Board of Directors and Risk Management Committee.

There has been no significant changes to the company's exposure to market risk or the methods in which they are managed or measured.

Currency Risk

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. The Company's / Company's exposure to currency risk relates primarily to the Company's operating activities and borrowings when transactions are denominated in a different currency from the Company's functional currency.

The Company manages its foreign currency risk by hedging transactions that are expected to occur within a maximum 12 month year for hedges of forecasted sales and purchases and for 36 months year for borrowings.

When a derivative is entered into for the purpose of being a hedge, the Company negotiates the terms of those derivatives to match the terms of the hedged exposure. For hedges of forecast transactions the derivatives cover the year of exposure from the point the cash flows of the transactions are forecasted up to the point of settlement of the resulting receivable or payable that is denominated in the foreign currency.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows.

INR (₹)

Particulars	Currency	31 March 2022	31 March 2021
Trade Payables	USD	**4,20,58,19,135**	–
Secured Bank Loans	USD	**2,41,06,60,506**	–

Of the above foreing currency exposures, the following exposures are not hedged by a derivative:

INR (₹)

Particulars	Currency	31 March 2022	31 March 2021
Trade Payables	USD	**–**	–
Secured Bank Loans	USD	**–**	–

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

The Company has a policy of investing surplus cash balances in short term liquid debt funds which are subject to minimum market risk.

The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings.To manage this, the Company enters into interest rate swaps, in which it agrees to exchange, at specified intervals, the difference between fixed and variable rate interest amounts calculated by reference to an agreed-upon notional principal amount.

Interest rate sensitivity

The sensitivity analyses below have been determined based on exposure to interest rate for both derivative and non-derivative instruments at the end of reporting year. For floating rate liabilities, analysis is prepared assuming the amount of liability outstanding at the end of the reporting year was outstanding for the whole year. The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected, after the impact of hedge accounting. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

	Currency	Increase / decrease in basis points	Effect on profit before tax
31 March 2022			
	INR	+100	(1,50,00,000)
	INR	-100	1,50,00,000
31 March 2021	INR	+100	–
	INR	-100	–

Note No. 20 - Fair Value Measurement

Fair value of financial assets and financial liabilities that are not measured at fair value

INR (₹)

Particulars	As at 31 March 2022 Carrying amount	Fair value	As at 31 March 2021 Carrying amount	Fair value
Financial assets				
Current Assets				
Cash and Bank balances	**1,15,85,77,580**	**1,15,85,77,580**	10,47,353	10,47,353
Other financial assets	**4,24,658**	**4,24,658**	39	39
Total	**1,15,90,02,238**	**1,15,90,02,238**	10,47,392	10,47,392
Financial liabilities				
Financial liabilities held at amortised cost				
Non Current Liabilities				
Borrowings	**6,72,02,00,506**	**6,72,02,00,506**	1,44,20,000	1,44,20,000
Other Financial Liabilities	**9,24,81,272**	**9,24,81,272**	–	–
Current Liabilities				
Trade Payables	**1,94,000**	**1,94,000**	1,09,257	1,09,257
Other Financial Liabilities	**5,57,35,94,660**	**5,57,35,94,660**	5,13,62,982	5,13,62,982
Current Liabilities				
Derivative Financial Liabilities	**6,65,52,464**	**6,65,52,464**	–	–
Total	**12,45,30,22,902**	**12,45,30,22,902**	6,58,92,239	6,58,92,239

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

Fair value hierarchy as at 31 March 2022

	Level 1	Level 2	Level 3	Total
Financial assets				
Financial assets carried at Amortised Cost				
Other financial assets	–	–	**4,24,658**	**4,24,658**
Total	–	–	**4,24,658**	**4,24,658**
Financial liabilities				
Financial Instruments not carried at Fair Value				
Borrowings	–	3,83,27,80,506	2,88,74,20,000	6,72,02,00,506
Trade Payables	–	–	1,94,000	1,94,000
Other financial liabilities	–	89,48,096	5,56,46,46,564	5,57,35,94,660
Total	–	**3,84,17,28,602**	**8,45,22,60,564**	**12,29,39,89,166**

Fair value hierarchy as at 31 March 2021

	Level 1	Level 2	Level 3	Total
Financial assets				
Financial assets carried at Amortised Cost				
Other financial assets	–	–	39	39
Total	–	–	**39**	**39**
Financial liabilities				
Financial Instruments not carried at Fair Value				
Borrowings	–	–	1,44,20,000	1,44,20,000
Trade Payables	–	–	1,09,257	1,09,257
Other financial liabilities	–	–	5,13,62,982	5,13,62,982
Total	–	–	1,09,257	1,09,257

Note No. 21 - Key Ratios

INR (₹)

Particulars	Numerator	Denominator	2021-22	2020-21	% Variance	Reason for Variance
Current Ratio	Current Assets	Current Liabilities	0.20	0.02	906%	Due to ongoing development of 250 AC MW ISTS 2 project
Debt Equity Ratio	Borrowings	Shareholder's Equity	7.92	125.00	-94%	Due to ongoing development of 250 AC MW ISTS 2 project
Debt Service Coverage ratio	Earnings before interest, taxes, depreciation and ammortisation	Interest & Principal Payment	–	–		
Return on Equity Ratio	Profit after taxes	Average Shareholder's Equity	-0.20%	-257.52%	-100%	Due to ongoing development of 250 AC MW ISTS 2 project
Inventory turnover ratio	Cost of goods sold	Average Inventory	–	–		
Trade receivables turnover ratio	Revenue from operations	Average Trade Receivable	–	–		
Trade payables turnover ratio	Purchases	Average Trade Payables	–	–		
Net Captial turnover ratio	Revenue from operations	Total Assets	–	–		
Net Profit ratio	Profit after taxes	Revenue from operations	–	–		
Return on Investment	Income from Investments	Average Investments	–	–		
Return on capital employed	Earnings before interest and taxes	Average Shareholder's Equity + Borrowings + Lease liabilities	-0.02%	-2.04%	-99%	Due to ongoing development of 250 AC MW ISTS 2 project

Note No. 22 - Related Party Transactions

Relationships:	Name:
Ultimate Holding	Mahindra & Mahindra Limited
Parent Company	Mahindra Susten Private Limited
Fellow Subsidiaries	Mahindra Renewables Private Limited
	Astra Solren Private Limited
	Neo Solren Private Limited
	MSPL International DMCC
	Mahindra Teqo Private Limited
	Brightsolar Renewable Energy Private Limited
	(Converted to subsidary effective 19 July 2021)
	Mahindra Solarize Private Limited (from 6 April 2021 to 11 March 2022)
	MSPE Urja S.r.l (liquidated dated 18 January 2022)
	Mahindra Susten Bangladesh Private Limited (liquidated dated 15 March 2022)
	MSPL International DMCC
	Martial Solren Private Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

Details of transactions between the Company and its related parties are disclosed below:

INR (₹)

Nature of transactions with Related Parties	For the year ended	Parent Company	Ultimate Holding Company
Receiving of services	31-Mar-22	–	1,66,320
	31-Mar-21	–	1,78,416
Availment of EPC services for Capital project	31-Mar-22	3,30,64,96,233	–
	31-Mar-21	–	–
Advance given for Capital project	31-Mar-22	41,70,00,000	–
	31-Mar-21	–	–
Interest on loan	31-Mar-22	10,24,06,491	–
	31-Mar-21	3,41,006	–
Issue of Equity	31-Mar-22	85,00,00,000	–
	31-Mar-21	–	–
Subordinate debt received	31-Mar-22	2,87,30,00,000	–
	31-Mar-21	1,44,20,000	–

Nature of Balances with Related Parties	Balance as on	Parent Company	Ultimate Holding Company
Trade & Other payables	31-Mar-22	1,29,33,40,384	
	31-Mar-21	–	44,863.00
Advance outstanding for Capital projects	31-Mar-22	4,71,47,720	–
	31-Mar-21	–	–
Interest on loan payable	31-Mar-22	9,24,81,272	
	31-Mar-21	3,15,431	–
Subordinate debt outstanding	31-Mar-22	2,88,74,20,000	
	31-Mar-21	1,44,20,000	–

Note No. 23

INR (₹)

Commitments		
Particulars	**As at 31 March, 2022**	As at 31 March 2021
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of Advances)	**1,09,03,98,941**	13,22,72,60,589

Note No. 24 - Other Statutory Informations

(a) The Company does not have any benami property, where any proceeding has been initiated or pending against the Company for holding any benami property.

(b) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

(c) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
   (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (ultimate beneficiaries) or
   (ii) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries

(d) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (funding party) with the understanding (whether recorded in writing or otherwise) that the company shall:
   (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (ultimate beneficiaries) or
   (ii) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries

(e) The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

(f) The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.

(g) The Company is not declared wilful defaulter by and bank or financials institution or lender during the year.

(h) The Company has used the borrowings from banks and financial institutions for the specific purpose for which it was obtained.

(i) The Company does not have transactions with any struck off entity.

(j) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries or joint ventures or associate companies.

Note No. 25

COVID-19, a novel Coronavirus, has spread globally, including India and has significantly affected public health and economic activities worldwide. The Company has considered relevant internal and external sources of information to evaluate the impact on the financial statements for the year ended 31 March 2022 and has assessed the carrying value of the assets to be recoverable. However, the actual impact may be different from that estimated as it will depend upon future developments and future actions to contain or treat the disease and mitigate its impact on the economy. The Company continues to closely monitor impact of the pandemic on the future economic conditions and the operations of the Company.

Note No. 26

The amount has been rounded off to nearest ₹ (INR) and previous years amount has been reclassified/regrouped where ever required.

Note No. 27

The financial statements have been approved for issue by Company's Board of Directors on 19 April 2022.

The accompanying notes 1 to 27 are an integral part of the Financial Statements

In terms of our report attached.
For B K Khare & Co
Chartered Accountants
Firm Registration No. 105102W

Shirish Rahalkar
Partner
Membership No. 111212

Place: Mumbai
Date: 19 April, 2022

For and on behalf of the Board of Directors

Mr. Basant Jain
Director
DIN: 00220395

Mr. Rakesh Singh
Director
DIN: 07319353

Place: Mumbai
Date: 19 April, 2022

INDEPENDENT AUDITOR'S REPORT

To the members of Martial Solren Private Limited

Report on the audit of the Financial Statements

Opinion

We have audited the accompanying Financial Statements of **Martial Solren Private Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, its loss and total comprehensive loss, its changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Financial Statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the 'Auditors' Responsibilities for the Audit of the Financial Statements' section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("the ICAI") together with the ethical requirements that are relevant to our audit of the Financial Statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Financial Statements.

Information Other than the Financial Statements and Auditors' Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the Directors Report and the related annexures, but does not include the Financial Statements and our Auditors' Report thereon.

Our opinion on the Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Financial Statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Financial Statements of the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other Legal and Regulatory requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-Section (11) of Section 143 of the Act and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in Annexure B, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
   (c) The Balance Sheet, the Statement of Profit and Loss, the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this report are in agreement with the books of account.
   (d) In our opinion, the aforesaid Financial Statements comply with the Accounting Standards specified under Section 133 of the Act.
   (e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164(2) of the Act.
   (f) With respect to the adequacy of the internal financial controls with reference to Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure A. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to Financial Statements.
   (g) With respect to the other matters to be included in the Auditors' Report in accordance with the requirements of Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
      i. The Company does not have any pending litigations which will impact its financial positions.
      ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
      iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
      iv. (a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity,

including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

v The Company has not declared/ paid/ declared and paid any dividend during the year.

For **B. K. Khare & Co.**
Chartered Accountants
Firm Registration No. 105102W

Shirish Rahalkar
Partner
Membership No. 111212
UDIN: 22111212AHLWRH2828

Place: Mumbai
Date: April 22, 2022

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of sub-section (3) of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of Mega Suryaurja Private Limited ("the Company") as of March 31, 2022 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2022, based on the criteria for internal financial control with reference to financial statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **B. K. Khare & Co.**
Chartered Accountants
Firm Registration No. 105102W

Shirish Rahalkar
Partner
Membership No. 111212
UDIN: 22111212AHLWRH2828

Place: Mumbai
Date: April 22, 2022

ANNEXURE B TO THE AUDITOR'S REPORT

[Referred to in Clause 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date]

i. According to the information and explanations given to us, the Company does not have property, plant and equipment and intangible asset. Accordingly, the reporting under Clauses 3(i)(a) to 3(i)(e) of the Order is not applicable to the Company.

   (f) Based on the audit procedures performed by us and according to the information, explanations and representations given to us, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

ii. (a) According to the information and explanations given to us, the Company does not have inventory. Accordingly, the reporting under Clause 3(ii)(a) of the Order is not applicable to the Company.

   (b) According to the information and explanations given to us, the Company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets at any point of time during the year.

iii. According to the information and explanations given to us, the Company has not made investments in or provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year. Accordingly, the reporting under Clauses 3(iii)(a) to 3(iii)(f) of the Order is not applicable to the Company.

iv. According to the information and explanations given to us, the Company has not granted any loans or made any investments or provided any guarantees or security to the parties covered under Sections 185 and 186 of the Act. Accordingly, the reporting under Clause 3(iv) of the Order is not applicable to the Company.

v. According to the information and explanations given to us, the Company has not accepted deposits under the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. Accordingly, the reporting under Clause 3(v) of the Order is not applicable to the Company.

vi. The Central Government has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company. Accordingly, the reporting under Clause 3(vi) of the Order is not applicable to the Company.

vii. According to the information and explanations given to us and on the basis of our examination of records of the Company, the amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Services tax, Income-tax, Cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. The amounts deducted / accrued in the books of account in respect of undisputed statutory dues of Income-tax have been regularly deposited during the year by the Company with the appropriate authorities. According to the information and explanations given to us and on the basis of our examination of records of the Company, there were no undisputed statutory dues payable in respect of Sales tax, Service tax, Duty of Customs, Duty of Excise and Value Added Tax.

   According to the information and explanations given to us and on the basis of our examination of records of the Company, there were no arrears of outstanding statutory dues in respect of Goods and Services tax, Provident fund, Employees' State Insurance, Income-tax, Sales tax, Service tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other material statutory dues as on the last day of the financial year for a period of more than six months from the date they became payable.

   According to the information and explanations given to us and on the basis of our examination of records of the Company, there are no statutory dues in respect of Goods and Services Tax, Provident Fund, Employees' State Insurance, Sales tax, Service tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and any other material statutory dues as at 31 March 2022, which have not been deposited with the appropriate authorities on account of any dispute.

viii. According to the information and explanations given to us, there are no transactions not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income-tax Act, 1961. Accordingly, the reporting under Clause 3(viii) of the Order is not applicable to the Company.

ix. (a) According to the information and explanations given to us and based on the audit procedures performed by us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.

   (b) According to the information and explanations given to us, the Company has not been declared a willful defaulter by any bank or financial institution or any other lender till the date of our audit report.

   (c) According to the information and explanation given to us, the Company has not obtained any term loan during the year. Accordingly, the reporting under Clause 3(ix)(c) of the Order is not applicable to the Company.

(d) In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that funds raised on short-term basis have not been utilised for long-term purposes as at the Balance Sheet date.

(e) According to the information and explanations given to us, the Company does not have any subsidiaries, associates or joint ventures. Accordingly, the reporting under Clauses 3(ix)(f) and 3(ix)(e) of the Order is not applicable to the Company.

x. (a) According to the information and explanations given to us, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under Clause 3(x)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Accordingly, the reporting under Clause 3(x)(b) of the Order is not applicable to the Company.

xi. (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company noticed or reported during the year, nor have we been informed of any such case by the management.

(b) There has been no report filed by us under sub-section (12) of Section 143 of the Act in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government. Accordingly, the reporting under Clause 3(xi)(b) of the Order is not applicable to the Company.

(c) As represented to us by the management, no whistle blower complaints were received by the Company during the year.

xii. According to the information and explanations given to us, the Company is not a Nidhi company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, the reporting under Clause 3(xii) of the Order is not applicable to the Company.

xiii. In our opinion and according to the information and explanations given to us, the Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required by Indian Accounting Standard (Ind AS) 24, Related Party Disclosures, specified under Section 133 of the Act.

xiv. In our opinion and based on our examination, the Company does not have an internal audit system and is not required to have an internal audit system as per the provisions of the Act. Accordingly, the reporting under Clauses 3(xiv)(a) and 3(xiv)(b) of the Order is not applicable to the Company.

xv. According to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or directors of its holding company or persons connected with them during the year and hence, the provisions of Section 192 of the Act are not applicable to the Company. Accordingly, the reporting under Clause 3(xv) of the Order is not applicable to the Company.

xvi. (a) According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under Clause 3(xvi)(a) of the Order is not applicable to the Company.

(b) In our opinion and according to the information and explanations given to us, the Company has not conducted any Non-Banking Financial or Housing Finance activities. Accordingly, the reporting under Clause 3(xvi)(b) of the Order is not applicable to the Company.

(c) In our opinion and according to the information and explanations given to us, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under Clauses 3(xvi)(c) of the Order is not applicable to the Company.

(d) Based on the information and explanations given to us and the audit procedures performed by us, we report that the Group has 6 Core Investment Companies.

xvii. In our opinion and according to the information and explanations given to us, the Company has incurred cash losses of Rs. 3,20,976 during the current financial year and Rs. 2,39,611 in the immediately preceding financial year.

xviii. There has been no resignation of the statutory auditors during the year. Accordingly, the reporting under Clause 3(xviii) of the Order is not applicable to the Company.

xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of Balance Sheet as and when they fall due within a period of one year from the Balance Sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the Balance Sheet date, will get discharged by the Company as and when they fall due.

xx. According to the information and explanations given to us, the Company is not required to spend any amount as per the provisions of Section 135 of the Act. Accordingly, the reporting under Clauses 3(xx)(a) and 3(xx)(b) of the Order is not applicable to the Company.

For **B. K. Khare & Co.**
Chartered Accountants
Firm Registration No. 105102W

Shirish Rahalkar
Partner
Membership No. 111212
UDIN: 22111212AHLWRH2828

Place: Mumbai
Date: April 22, 2022

BALANCE SHEET AS AT 31 MARCH 2022

INR (₹)

	Particulars	Note No.	As at 31 March, 2022	As at 31 March, 2021
I	**ASSETS**			
	1 NON-CURRENT ASSETS		**–**	–
	2 CURRENT ASSETS			
	(a) Financial Assets			
	(i) Cash and Cash Equivalents	**04**	**8,371**	16,679
	SUB-TOTAL		**8,371**	16,679
	TOTAL ASSETS		**8,371**	16,679
II	**EQUITY AND LIABILITIES**			
	1 EQUITY			
	(a) Equity Share Capital	**05**	**1,00,000**	1,00,000
	(b) Other Equity	**05**	**(5,60,587)**	(2,39,611)
	SUB-TOTAL		**(4,60,587)**	(1,39,611)
	2 NON-CURRENT LIABILITIES			
	(i) Borrowings	**06**	**2,50,000**	–
	(ii) Other Financial Liabilities	**07**	**14,062**	–
			2,64,062	
	3 CURRENT LIABILITIES			
	(a) Financial Liabilities			
	(i) Trade Payables			
	(a) total outstanding dues to Micro & small enterprises		**–**	–
	(b) total outstanding dues to creditors other than Micro & small enterprises	**08**	**1,87,030**	1,50,851
	(ii) Other Current Liabilities	**09**	**17,866**	5,439
	SUB-TOTAL		**2,04,896**	1,56,290
	TOTAL EQUITY AND LIABILITIES		**8,371**	16,679

The accompanying notes 1 to 19 are an integral part of the Financial Statements

In terms of our report attached

For **B. K. Khare & Co**
Chartered Accountants
Firm Registration No. 105102W

Shirish Rahalkar
Partner
Membership No. 111212

Place: Mumbai
Date: 22 April 2022

For and on behalf of the Board of Directors

Mr. Basant Jain
Director
DIN : 00220395

Mr. Rakesh Singh
Director
DIN : 07319353

Place: Mumbai
Date: 22 April 2022

STATEMENT OF PROFIT AND LOSS FOR YEAR ENDED 31 MARCH 2022

INR (₹)

Particulars	Note No.	Year ended 31 March 2022	Period 27 August 2020 to 31 March 2021
Revenue			
Continuining Operations			
I Revenue from operations		–	–
II Other Income		–	–
III Total Income (I + II)		–	–
IV Expenses			
(a) Finance costs	10	15,624	–
(b) Other expenses	11	3,05,352	2,39,611
Total Expenses (IV)		3,20,976	2,39,611
V Loss before tax (IV - III)		(3,20,976)	(2,39,611)
VI Tax Expense			
(a) Current tax		–	–
(b) Deferred tax		–	–
Total tax expense		–	–
VII Loss after tax (V - VI)		(3,20,976)	(2,39,611)
VIII Other comprehensive income			
A (i) Items that will not be reclassified to profit or loss		–	–
(ii) Income tax relating to items that will not be reclassified to profit or loss		–	–
B (i) Items that may be reclassified to profit or loss		–	–
(ii) Income tax on items that may be reclassified to profit or loss		–	–
IX Total comprehensive income for the year		(3,20,976)	(2,39,611)
X Earnings per equity share			
(a) Basic	12	(32.10)	(23.96)
(b) Diluted	12	(32.10)	(23.96)

The accompanying notes 1 to 19 are an integral part of the Financial Statements

In terms of our report attached

For **B. K. Khare & Co**
Chartered Accountants
Firm Registration No. 105102W

Shirish Rahalkar
Partner
Membership No. 111212

Place: Mumbai
Date: 22 April 2022

For and on behalf of the Board of Directors

Mr. Basant Jain
Director
DIN : 00220395

Mr. Rakesh Singh
Director
DIN : 07319353

Place: Mumbai
Date: 22 April 2022

STATEMENT OF CASH FLOWS FOR YEAR ENDED 31 MARCH 2022

INR (₹)

Particulars	Note No.	Year ended 31 March 2022	Period form 27 August 2020 to 31 March 2021
Cash flows from operating activities			
Loss before tax for the year / period		**(3,20,976)**	(2,39,611)
Adjustments for:			
Finance costs recognised in profit or loss		**15,624**	–
Movements in working capital:		**48,606**	1,56,290
(Decrease)/Increase in trade and other payables		**–**	–
Cash generated from operations		**(2,56,746)**	(83,321)
Income taxes paid		**–**	–
Net cash flow used in operating activities		**(2,56,746)**	(3,22,933)
Net cash flow from investing activities		**–**	–
Cash flows from financing activities			
Proceeds from issue of equity instruments of the Company		**–**	1,00,000
Proceeds from borrowings		**2,50,000**	–
Interest Paid		**(1,562)**	–
Net cash flow from financing activities		**2,48,438**	1,00,000
Net increase/(decrease) in cash and cash equivalents		**(8,308)**	16,679
Cash and cash equivalents at the beginning of the year / period		**16,679**	–
Cash and cash equivalents at the end of the year / period		**8,371**	16,679

The accompanying notes 1 to 19 are an integral part of the Financial Statements

In terms of our report attached

For **B. K. Khare & Co**
Chartered Accountants
Firm Registration No. 105102W

Shirish Rahalkar
Partner
Membership No. 111212

Place: Mumbai
Date: 22 April 2022

For and on behalf of the Board of Directors

Mr. Basant Jain
Director
DIN : 00220395

Mr. Rakesh Singh
Director
DIN : 07319353

Place: Mumbai
Date: 22 April 2022

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED AT 31 MARCH 2022

A. Equity share capital

(i) Current reporting period

INR (₹)

Balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period
1,00,000	–	**1,00,000**

(ii) Previous reporting period

INR (₹)

Balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period
–	**1,00,000**	**1,00,000**

B. Other Equity

(1) Current reporting period

INR (₹)

	Reserves and Surplus	
Particulars	**Retained Earnings**	**Total**
Balance at the beginning of the current reporting period	(2,39,611)	(2,39,611)
Total Comprehensive Income for the current year	(3,20,976)	(3,20,976)
Balance at the end of the current reporting period	**(5,60,587)**	**(5,60,587)**

(ii) Previous reporting period

INR (₹)

	Reserves and Surplus	
Particulars	**Retained Earnings**	**Total**
Balance at the beginning of the current reporting period	–	
Total Comprehensive Income for the current year	(2,39,611)	(2,39,611)
Balance at the end of the previous reporting period	**(2,39,611)**	**(2,39,611)**

The accompanying notes 1 to 19 are an integral part of the Financial Statements

In terms of our report attached

For **B. K. Khare & Co**
Chartered Accountants
Firm Registration No. 105102W

Shirish Rahalkar
Partner
Membership No. 111212

Place: Mumbai
Date: 22 April 2022

For and on behalf of the Board of Directors

Mr. Basant Jain
Director
DIN : 00220395

Mr. Rakesh Singh
Director
DIN : 07319353

Place: Mumbai
Date: 22 April, 2022

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2022

1. **Nature of Operations**

Martial Solren Private Limited ('the Company') is a Company limited by shares, incorporated and domiciled in India and is a subsidiary of Mahindra Susten Private Limited.

Statement of compliance

The accompanying financial statements have been prepared in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) (Amendment) Rules, 2016 notified under Section 133 of the Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

2. **Significant Accounting Policies and Accounting Judgments and Estimates**

A) Basis of Preparation of Financial Statements

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable to the financial statements

The financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities measured at fair value

B) Use of estimates and judgments

The preparation of the financial statements in accordance with Ind AS requires use of judgements, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognised prospectively.

Assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending 31 March 2022 are as follows:

(i) Recoverability of deferred tax assets:

In determining the recoverability of deferred income tax assets, the Company primarily considers current and expected profitability of applicable operating business segments and their ability to utilise any recorded tax assets. The Company reviews its deferred income tax assets at every reporting year/ period end, taking into consideration the availability of sufficient current and projected taxable profits, reversals of taxable temporary differences and tax planning strategies.

(ii) Impairment losses on financial assets:

The Company reviews its financial assets to assess impairment at regular intervals. The Company's credit risk is primarily attributable to its financial assets. In determining whether impairment losses should be reported in the statement of profit and loss, the Company makes judgments as to whether there is any observable data indicating that there is a measurable decrease in the estimated future cash flows. Accordingly, an allowance for expected credit loss is made where there is an identified loss event or condition which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows

(iii) Estimation of provisions and contingencies:

Provisions are liabilities of uncertain amount or timing recognised where a legal or constructive obligation exists at the balance sheet date, as a result of a past event, where the amount of the obligation can be reliably estimated and where the outflow of economic benefit is probable. Contingent liabilities are possible obligations that may arise from past event whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events which are not fully within the control of the Company. The Company exercises judgement and estimates in recognizing the provisions and assessing the exposure to contingent liabilities relating to pending litigations. Judgement is necessary in assessing the likelihood of the success of the pending claim and to quantify the possible range of financial settlement. Due to this inherent uncertainty in the evaluation process, actual losses may be different from originally estimated provision.

C) Other Significant Accounting Policies:

a) Current versus Non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets or liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

b) Financial Assets and Financial Liabilities

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

(i) Financial assets

All financial assets by regular way of purchases or sales are recognised and derecognised on a trade date basis. Regular way of purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured at either amortised cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

Instruments that meet the following conditions are subsequently measured at amortised cost (except for that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a assets and of allocating interest income

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2022

over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the assets, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for instruments other than those financial assets classified as at FVTPL. Interest income is recognised in profit or loss and is included in the "Other income" line item.

Financial assets at fair value through profit or loss (FVTPL)
Investments in debt / equity instruments are classified as at FVTPL, unless the Company irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other income' line item. Dividend on financial assets at FVTPL is recognised when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

Impairment of financial assets
The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, debt instruments at FVTOCI, lease receivables, trade receivables, and other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights for each category of receivable. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract/agreement and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Company estimates cash flows by considering all contractual/agreed terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument.

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. 12-month expected credit losses are portion of the life-time expected credit losses and represent the lifetime cash shortfalls that will result if default occurs within the 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.

If the Company measured loss allowance for a financial instrument at lifetime expected credit loss model in the previous period, but determines at the end of a reporting period that the credit risk has not increased significantly since initial recognition due to improvement in credit quality as compared to the previous period, the Company again measures the loss allowance based on 12-month expected credit losses.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Company uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

For investments, company reviews its carrying value of investments carried at cost annually, or more frequently when there is indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted in the statement of profit and loss.

Derecognition of financial assets
The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of that financial asset to another party.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss, if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on re-measurement recognised in profit or loss.

Financial liabilities subsequently measured at amortised cost
Financial liabilities that are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Derecognition of financial liabilities
The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and/or payable is recognised in profit or loss.

Foreign exchange gains and losses
For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments and are recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2022

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in profit or loss.

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and/or payable is recognised in profit or loss.

Derivative financial instruments

The Company enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including foreign exchange forward contracts, interest rate swaps and cross currency swaps.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedging relationship and the nature of the hedged item.

c) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

d) Fair value measurement

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

In the principal market for the asset or liability, or

In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

e) Taxes on Income:

Income tax comprises current and deferred tax. It is recognised in the standalone statement of profit and loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income.

On 30 March 2019, MCA has issued amendment regarding the income tax Uncertainty over Income Tax Treatments. The notification clarifies the recognition and measurement requirements when there is uncertainty over income tax treatments. In assessing the uncertainty, an entity shall consider whether it is probable that a taxation authority will accept the uncertain tax treatment. This notification is effective for annual reporting periods beginning on or after April 1, 2019. As per the Company's assessment, there are no material uncertainties over income tax treatments.

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using applicable tax rates (and tax laws) enacted or substantially enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Minimum Alternative Tax ('MAT')

Minimum Alternative Tax ('MAT') under the provisions of the Income-tax Act, 1961 is recognised as current tax in the standalone statement of profit and loss. The credit available under the Act in respect of MAT paid is recognised as a deferred tax asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the period for which the MAT credit can be carried forward for set-off against the normal tax liability. MAT credit recognised as an deferred tax asset is reviewed at each balance sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits.

Deferred tax is not recognised for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;
- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2022

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Company recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets – unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the year/period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

f) Provisions and Contingent Liabilities:

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost. Expected future operating losses are not provided for.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources embodying economic benefits or the amount of such obligation cannot be measured reliably. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources embodying economic benefits is remote, no provision or disclosure is made.

A contingent asset is disclosed where an inflow of economic benefits is probable.

g) Cash and Cash Equivalents

Cash and cash equivalents for the purpose of Cash Flow Statements include cash in hand, demand deposits with banks, other short-term highly liquid investments with original maturities of three months or less.

h) Earnings Per Share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period and,

Diluted earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period adjusted for the effects of dilutive options.

i) Events after reporting date

Where events occurring after the balance sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted with the standalone financial statements. Otherwise, events after the balance sheet date of material size or nature are only disclosed.

j) Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest crores as per the requirement of Schedule III, unless otherwise stated

3 Recent Accounting Pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1st, 2022, as below:

Ind AS 16 – Proceeds before intended use

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. An entity will not recognize such sales proceeds and related cost in profit or loss, but deduct the cost from the directly attributable costs considered as part of cost of an item of property, plant, and equipment. The Company does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract

The amendments specify that that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 103 – Reference to Conceptual Framework

The amendments specifiy that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 109 – Annual Improvements to Ind AS (2021)

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact in its financial statements.

Note No. 04 – Cash and Cash Equivalents

INR (₹)

Particulars	As at 31 March 2022	As at 31 March 2021
Cash and cash equivalents		
(a) Balances with banks	**8,371**	16,679
Total Cash and Cash Equivalents	**8,371**	16,679

Note No. 05 – Equity Share Capital

INR (₹)

Particulars	As at 31 March 2022		As at 31 March 2021	
	No. of shares	Share Capital	No. of shares	Share Capital
Authorised:				
Equity shares of INR 10 each with voting rights	**10,000**	**1,00,000**	10,000	1,00,000
Issued and Subscribed:				
Equity shares of INR 10 each with voting rights	**10,000**	**1,00,000**	10,000	1,00,000
Total Equity share capital	**10,000**	**1,00,000**	10,000	1,00,000

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2022

(i) Reconciliation of the number of shares outstanding at the beginning and at the end of the period.

Particulars	Opening Balance	Fresh Issue	Bonus	ESOP	Other Changes	Closing Balance
Equity Shares with Voting rights						
Year Ended 31 March 2022						
No. of Shares	**10,000**	**–**	**–**	**–**	**–**	**10,000**
Amount in Rupees	**1,00,000**	**–**	**–**	**–**	**–**	**1,00,000**
Year Ended 31 March 2021						
No. of Shares	**–**	**10,000**	**–**	**–**	**–**	**10,000**
Amount in Rupees	**–**	**1,00,000**	**–**	**–**	**–**	**1,00,000**

(ii) Details of shares held by the holding company, the ultimate holding company, their subsidiaries and associates:

	No. of Shares		
Particulars	**Equity Shares with Voting rights**	**Equity Shares with Differential Voting rights**	**Others**
As at 31 March 2022			
Mahindra Susten Private Limited	**10,000**	**–**	**–**
As at 31 March 2021			
Mahindra Susten Private Limited	**10,000**	**–**	**–**

(iii) Details of shares held by each shareholder holding more than 5% shares:

	As at 31 March 2022		As at 31 March 2021	
Class of shares/ Name of shareholder	**Number of shares held**	**% holding in that class of shares**	Number of shares held	% holding in that class of shares
Equity shares with voting rights				
Mahindra Susten Private Limited	**10,000**	**100%**	10,000	100%

Note :- It includes 1 equity share held as nominee by an indiviudal on behalf of the Holding Company (Mahindra Susten Private Limited jointly holds 1 Equity share wih Miss Brijbala Batwal).

A company shall disclose Shareholding of Promoters as under:

Shares held by promoters as at 31 March 2022

Promoter name	**No. of Shares**	**%of total shares**	**% Change during the year 31 March 2022**
Mahindra Susten Private Limited	**10,000**	**100%**	**–**

Shares held by promoters as at 31 March 2021

Promoter name	**No. of Shares**	**%of total shares**	**% Change during the year 31 March 2022**
Mahindra Susten Private Limited	**10,000**	**100%**	**100%**

INR (₹)

Other Equity	**As at 31 March 2022**	As at 31 March 2021
(i) Securities Premium	**–**	–
(ii) Retained Earnings	**5,60,587**	2,39,611
Total Other Equity	**5,60,587**	2,39,611

Note:

Securities premium is used to record the excess of the amount received over the face value of the shares. This reserve will be utilised in accordance with the provisions of the Companies Act, 2013.

Note No. 06 - Non-Current Borrowings

INR (₹)

Particulars	**Rate of Interest (%)**	**Repayment terms**	**As at 31 March 2022**	As at 31 March 2021
A. Unsecured Borrowings:				
Loan from related party (Refer note below)	11.00%	Refer Note. 1 below	**2,50,000**	–
Total Non Current Borrowings			**2,50,000**	–

Notes:

1) The Company has taken unsecured loan in current year from Mahindra Susten Private Limited at 11.00 % p.a. The amount is to be repayed after 2 years from the date of drawdown of each tranche.

Note No. 07 – Other Financial Liabilities

INR (₹)

Particulars	**As at 31 March 2022**	As at 31 March 2021
Other Financial Liabilities Measured at Amortised Cost		
(a) Interest accrued but not due	**14,062**	–
Total Other Financial Liabilities	**14,062**	–

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2022

Note No.08 – Trade Payables

INR (₹)

Particulars	As at 31 March 2022	As at 31 March 2021
(a) Micro and small enterprises	–	–
(b) Other than Micro and small enterprises	1,87,030	1,50,851
Total Trade Payables	**1,87,030**	**1,50,851**

Notes:

(1) Trade Payables are payables in respect of the amount due on account of goods purchased or services received in the normal course of business.

(2) There are no amounts due to micro and small enterprises registered under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act). The above information regarding Micro and Small Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.

INR (₹)
As at 31 March 2022

Particulars	Outstanding for following periods from due date of transaction				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(b) Other than Micro and small enterprises	1,87,030	–	–	–	1,87,030

INR (₹)
As at 31 March 2021

Particulars	Outstanding for following periods from due date of transaction				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(b) Other than Micro and small enterprises	1,50,851	–	–	–	1,50,851

Note No. 09 – Other Current Liabilities

INR (₹)

Particulars	As at 31 March 2022	As at 31 March 2021
Statutory dues		
Statutory dues - TDS payable	17,866	5,439
Total Other Current Liabilities	**17,866**	5,439

Note No. 10 – Finance Cost

INR (₹)

Particulars	Year ended 31 March 2022	Period 27 August 2020 to 31 March 2021
Interest expense	15,624	–
Total Finance Cost	**15,624**	–

Note No. 11 – Other Expenses

INR (₹)

Particulars	Year ended 31 March 2022	Period 27 August 2020 to 31 March 2021
(a) Auditors remuneration and out-of-pocket expenses		
(i) Statutory Audit Fees	88,500	29,500
(b) Legal and other professional costs	2,11,109	2,08,384
(c) Registration and Documentation Charges	2,700	1,500
(d) Bank charges	162	127
(e) Miscellaneous expenses	2,881	100
Total Other Expenses	**3,05,352**	2,39,611

Note No. 12 – Earnings per Share

INR (₹)

Particulars	Year ended 31 March 2022	Period 27 August 2020 to 31 March 2021
Basic Earnings per share		
From continuing operations	(32.10)	(23.96)
Total basic earnings per share	**(32.10)**	(23.96)
Diluted Earnings per share		
From continuing operations	(32.10)	(23.96)
Total diluted earnings per share	**(32.10)**	(23.96)

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2022

Basic And Diluted Earning per share

The earnings and weighted average number of shares used in the calculation of earnings per share are as follows:

INR (₹)

Particulars	Year ended 31 March 2022	Period form 27 August 2020 to 31 March 2021
Loss for the year	**(3,20,976)**	(2,39,611)
Less: Preference dividend and tax thereon		
Loss for the year used in the calculation of basic earnings per share	**(3,20,976)**	(2,39,611)
Profit for the year on discontinued operations used in the calculation of basic earnings per share from discontinued operations	–	–
Loss used in the calculation of basic earnings per share (i)	**(3,20,976)**	(2,39,611)
Weighted average number of equity shares	**10,000**	10,000
Earnings per share - Basic and Diluted	**(32.10)**	(23.96)

Note No. 13 – Financial Instruments
Capital management

The Company manages capital risk in order to maximize shareholders' profit by maintaining sound/optimal capital structure through monitoring of financial ratios, such as debt-to-equity ratio and net borrowings-to-equity ratio on a monthly basis and implements capital structure improvement plan when necessary. There is no change in the overall capital risk management strategy of the Company compared to last year.

The Company uses debt ratio as a capital management index and calculates the ratio as total liabilities divided by total equity. Total liabilities and total equity are based on the amounts stated in the separate financial statements.

The Company is not subject to externally enforced capital regulation.

Debt-to-equity ratio as of 31 March 2022 and 31 March 2021 is as follows:

	31 March 2022	31 March 2021
Debt (A) in Rupees	**2,64,062**	–
Equity (B) in Rupees	**(4,60,587)**	(1,39,611)
Debt Equity Ratio (A / B)	**(0.57)**	–

Categories of financial assets and financial liabilities

As at 31 March 2022 INR (₹)

	Amortised Costs	FVTPL	FVOCI	Total
Non Current Assets				
Current Assets				
Cash and Bank Balances	8,371	–	–	**8,371**
Non-current Liabilities				
Borrowings	2,50,000	–	–	**2,50,000**
Other Financial Liabilities	14,062	–	–	**14,062**
Current Liabilities				
Trade Payables	1,87,030	–	–	1,87,030

As at 31 March 2021 INR (₹)

	Amortised Costs	FVTPL	FVOCI	Total
Non Current Assets				
Current Assets				
Cash and Bank Balances	16,679	–	–	16,679
Non-current Liabilities				
Borrowings	–	–	–	–
Current Liabilities				
Trade Payables	1,50,851	–	–	1,50,851

Financial Risk Management Framework

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk. In order to manage the aforementioned risks, the Company operates a risk management policy and a program that performs close monitoring of and responding to each risk factors.

CREDIT RISK

(i) Credit risk management

Credit risk arises when a counterparty defaults on its contractual obligations to pay resulting in financial loss to the Company. The Company does not have any credit risk as on 31 March'2022.

LIQUIDITY RISK

(i) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the management of the company, which has established an appropriate liquidity risk management framework for the management of the Company's short-, medium- and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

(ii) Maturities of financial liabilities

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment years. The amount disclosed in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay.

INR (₹)

Particulars	Less than 1 Year INR	1 Year to 3 Years INR	3 Years to 5 Years INR	5 years and above INR
Non-derivative financial liabilities				
31 March 2022				
Non-interest bearing	**1,87,030**	**14,062**	**–**	**–**
Fixed interest rate instruments	**–**	**2,50,000**	**–**	**–**
	1,87,030	**2,64,062**	**–**	**–**

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2022

INR (₹)

Particulars	Less than 1 Year INR	1 Year to 3 Years INR	3 Years to 5 Years INR	5 years and above INR
31 March 2021				
Non-interest bearing	1,50,851	–	–	–
Fixed interest rate instruments	–	–	–	–
	1,50,851	–	–	–

(iii) Maturities of financial assets

The following table details the Company's expected maturity for its non-derivative financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Company's liquidity risk management as the liquidity is managed on a net asset and liability basis.

INR (₹)

Particulars	Less than 1 Year INR	1 Year to 3 Years INR	3 Years to 5 Years INR	5 years and above INR
31-Mar-22				
Non-interest bearing	**–**	**–**	**–**	**–**
Variable interest bearing	**8,371**	**–**	**–**	**–**
	8,371	**–**	**–**	**–**
31-Mar-21				
Non-interest bearing	–	–	–	–
Variable interest bearing	16,679	–	–	–
	16,679	–	–	–

The amounts included above for variable interest rate instruments for both non-derivative financial assets and liabilities is subject to change if changes in variable interest rates differ to those estimates of interest rates determined at the end of the reporting year.

MARKET RISK

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk such as equity price risk and commodity price risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. The Company uses derivatives to manage market risks. Derivatives are only used for economic hedging purposes and not as speculative investments. All such transactions are carried out within the guidelines set by the Board of Directors and Risk Management Committee.

There has been no significant changes to the company's exposure to market risk or the methods in which they are managed or measured.

CURRENCY RISK

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. The Company's / Company's exposure to currency risk relates primarily to the Company's operating activities and borrowings when transactions are denominated in a different currency from the Company's functional currency.

The Company manages its foreign currency risk by hedging transactions that are expected to occur within a maximum 12 month year for hedges of forecasted sales and purchases and for 36 months year for borrowings.

When a derivative is entered into for the purpose of being a hedge, the Company negotiates the terms of those derivatives to match the terms of the hedged exposure. For hedges of forecast transactions the derivatives cover the year of exposure from the point the cash flows of the transactions are forecasted up to the point of settlement of the resulting receivable or payable that is denominated in the foreign currency.

INTEREST RATE RISK

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

The Company has a policy of investing surplus cash balances in short term liquid debt funds which are subject to minimum market risk.

The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings.To manage this, the Company enters into interest rate swaps, in which it agrees to exchange, at specified intervals, the difference between fixed and variable rate interest amounts calculated by reference to an agreed-upon notional principal amount.

Interest rate sensitivity

Not applicable since no variable interest bearing Financial liabilities

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2022

Note No.14 – Fair Value Measurement

Fair value of financial assets and financial liabilities that are not measured at fair value

INR (₹)

Particulars	31 March 2022 Carrying amount	31 March 2022 Fair value	31 March 2021 Carrying amount	31 March 2021 Fair value
Financial assets				
Financial assets carried at Amortised Cost				
Cash and bank balances	**8,371**	**8,371**	16,679	16,679
Total	**8,371**	**8,371**	16,679	16,679
Financial liabilities				
Financial liabilities held at amortised cost				
Loans from related party	**2,50,000**	**2,50,000**	–	–
Other Financial Liabilities	**14,062**	**14,062**		
Trade payables	**1,87,030**	**1,87,030**	1,50,851	1,50,851
Total	**4,51,092**	**4,51,092**	1,50,851	1,50,851

INR (₹)

Fair value hierarchy as at 31 March 2022

	Level 1	Level 2	Level 3	Total
Financial assets				
Financial assets carried at Amortised Cost				
Cash and bank balances	–	8,371	–	8,371
Total	–	8,371	–	8,371
Financial liabilities				
Financial Instruments not carried at Fair Value				
loans from bank	–	–	–	–
loans from related parties		–	2,50,000	2,50,000
Trade payables	–	–	1,87,030	1,87,030
Other financial liabitilies	–	–	14,062	14,062
Total	–	–	**4,51,092**	**4,51,092**

INR (₹)

Fair value hierarchy as at 31 March 2021

	Level 1	Level 2	Level 3	Total
Financial assets				
Financial assets carried at Amortised Cost				
Cash and bank balances	–	16,679	–	16,679
Total	–	16,679	–	16,679
Financial liabilities				
Financial Instruments not carried at Fair Value				
Loans from related parties	–	–	–	–
Trade payables	–	–	1,50,851	1,50,851
Other financial liabitilies	–	–	–	–
Total	–	–	**1,50,851**	**1,50,851**

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2022

Note No.15 – Key Ratios

INR (₹)

	Numerator	Denominator	2021-22	2020-21	% Variance	Reason for Variance
Current Ratio	Current Assets	Current Liabilities	0.0	0.1	-62%	Due to Receipt of ICD Form Related Party
Debt Equity Ratio	Borrowings	Shareholder's Equity	-0.5	0.0	0%	
Debt Service Coverage ratio	Earnings before interest, taxes, depreciation and ammortisation	Interest & Principal Payment	-195.5	0.0	0%	
Return on Equity Ratio	Profit after taxes	Average Shareholder's Equity	106.96%	171.63%	-38%	Due to increase in accumulation of losses
Inventory turnover ratio	Cost of goods sold	Average Inventory	–	–	–	
Trade receivables turnover ratio	Revenue from operations	Average Trade Receivable	–	–	–	
Trade payables turnover ratio	Purchases	Average Trade Payables	–	–	–	
Net Captial turnover ratio	Revenue from operations	Total Assets	–	–	–	
Net Profit ratio	Profit after taxes	Revenue from operations	–	–	–	
Return on Investment	Income from Investments	Average Investments	–	–	–	
Return on capital employed	Earnings before interest and taxes	Average Shareholder's Equity + Borrowings + Lease liabilities	609.49%	171.63%	255%	Due to Receipt of ICD Form Related Party

Note No.16 – Related Party Transactions

Relationships:

Ultimate Holding	Mahindra & Mahindra Limited
Parent Company	Mahindra Susten Private Limited
Fellow Subsidiaries	Mahindra Renewables Private Limited
	Astra Solren Private Limited
	Neo Solren Private Limited
	Mega Surya Urja Private Limited
	Brightsolar Renewable Energy Private Limited (Converted to subsidary effective 19 July 2021)
	Mahindra Solarize Private Limited (from 6 April 2021 to 11 March 2022)
	MSPE Urja S.r.l (liquidated dated 18 January 2022)
	Mahindra Susten Bangladesh Private Limited (liquidated dated 15 March 2022)
	MSPL International DMCC
	Martial Solren Private Limited

Details of transaction between the Company and its related parties are disclosed below:

INR (₹)

Particulars	For the year ended	Parent Company	Ultimate Holding Company
<u>Nature of transactions with Related Parties</u>			
Equity contribution to the Company	31-Mar-22	–	–
	31-Mar-21	1,00,000	–
ICD taken	31-Mar-22	2,50,000	–
	31-Mar-21	–	–
Interest on ICD	31-Mar-22	15,624	–
	31-Mar-21	–	–
Receiving of services	31-Mar-22	–	1,09,392
	31-Mar-21	–	1,00,360

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2022

	Balance as on	Parent Company	Ultimate Holding Company
Nature of Balances with Related Parties			
Trade payables	31-Mar-22	–	25,030
	31-Mar-21	–	93,982
Interest on ICD payable	31-Mar-22	14,062	–
	31-Mar-21	–	–
ICD payable	31-Mar-22	2,50,000	–
	31-Mar-21	–	–

Note No.17 – Other Statutory Informations

(a) The Company does not have any benami property, where any proceeding has been initiated or pending against the Company for holding any benami property.

(b) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

(c) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (ultimate beneficiaries) or

(ii) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries

(d) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (funding party) with the understanding (whether recorded in writing or otherwise) that the Group shall:

(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (ultimate beneficiaries) or

(ii) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries

(e) The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

(f) The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number o Layers) Rules, 2017.

(g) The Company is not declared wilful defaulter by and bank or financials institution or lender during the year.

(h) The Company does not have transactions with any struck off entity.

(i) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries or joint ventures or associate companies.

Note No. – 18

The amount has been rounded off to nearest INR (₹) and previous years amount has been reclassified/regrouped where ever required.

Note No. – 19

The financial statements have been approved for issue by Company's Board of Directors on 22 April 2022.

The accompanying notes 1 to 19 are an integral part of the Financial Statements

In terms of our report attached

For **B. K. Khare & Co**
Chartered Accountants
Firm Registration No. 105102W

Shirish Rahalkar
Partner
Membership No. 111212

Place: Mumbai
Date: 22 April 2022

For and on behalf of the Board of Directors

Mr. Basant Jain
Director
DIN : 00220395

Mr. Rakesh Singh
Director
DIN : 07319353

Place: Mumbai
Date: 22 April 2022

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF MAHINDRA SOLARIZE PRIVATE LIMITED

Report on the audit of the Financial Statements

Opinion

We have audited the accompanying Financial Statements of **Mahindra Solarize Private Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, its profit and total comprehensive income, its changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Financial Statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the 'Auditors' Responsibilities for the Audit of the Financial Statements' section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("the ICAI") together with the ethical requirements that are relevant to our audit of the Financial Statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Financial Statements.

Information Other than the Financial Statements and Auditors' Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the Directors Report and the related annexures, but does not include the Financial Statements and our Auditors' Report thereon.

Our opinion on the Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Financial Statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Financial Statements of the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other Legal and Regulatory requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-Section (11) of Section 143 of the Act and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in Annexure B, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
   (c) The Balance Sheet, the Statement of Profit and Loss, the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this report are in agreement with the books of account.
   (d) In our opinion, the aforesaid Financial Statements comply with the Accounting Standards specified under Section 133 of the Act.
   (e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164(2) of the Act.
   (f) With respect to the adequacy of the internal financial controls with reference to Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure A. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to Financial Statements.
   (g) With respect to the other matters to be included in the Auditors' Report in accordance with the requirements of Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
      (i) The Company does not have any pending litigations which will impact its financial positions.
      (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
      (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
      (iv) (a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
         (b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
         (c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
      (v) The Company has not declared/ paid/ declared and paid any dividend during the year.

For **B. K. Khare and Co.**
Chartered Accountants
Firm Registration No.: 105102W

Shirish Rahalkar
Partner
Membership No.: 111212

UDIN: 22111212AIFDOK4919
Mumbai, April 25, 2022

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of sub-section (3) of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of **Mahindra Solarize Private Limited** ("the Company") as of March 31, 2022 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2022, based on the criteria for internal financial control with reference to financial statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **B. K. Khare and Co.**
Chartered Accountants
Firm Registration No.: 105102W

Shirish Rahalkar
Partner
Membership No.: 111212

UDIN: 22111212AIFDOK4919
Mumbai, April 25, 2022

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in Clause 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date]

i. (a) According to the information and explanations given to us, the Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.

(b) According to the information and explanations given to us, the Company does not have intangible assets.

(c) Property, plant and equipment have been physically verified by the management during the year and no material discrepancies were noticed on such verification.

(d) According to the information and explanations given to us, there are no immovable properties that are held in the name of the Company.

(e) According to the information and explanations given to us, the Company has not revalued any of its Property, Plant and Equipment (including Right of Use assets) during the year.

(f) Based on the audit procedures performed by us and according to the information, explanations and representations given to us, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

ii. (a) According to the information and explanations given to us, the inventory comprising of materials which will be used in the projects have been physically verified by the management during the year. In our opinion, the coverage and procedure of such verification by the management is appropriate and no discrepancy of 10% or more was noticed on such verification between the physical inventory and the book records.

(b) According to the information and explanations given to us, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from HDFC Bank on the basis of security of book debts during the year. The book debt statements filed by the Company with HDFC Bank on a quarterly basis are materially in agreement with the unaudited books of account as certified by the management.

iii. According to the information and explanations given to us, the Company has not made investments in or provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year. Accordingly, the reporting under Clauses 3(iii)(a) to 3(iii)(f) of the Order is not applicable to the Company.

iv. According to the information and explanations given to us, the Company has not granted any loans or made any investments or provided any guarantees or security to the parties covered under Sections 185 and 186 of the Act. Accordingly, the reporting under Clause 3(iv) of the Order is not applicable to the Company.

v. According to the information and explanations given to us, the Company has not accepted deposits under the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. Accordingly, the reporting under Clause 3(v) of the Order is not applicable to the Company.

vi. The Central Government has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company. Accordingly, the reporting under Clause 3(vi) of the Order is not applicable to the Company.

vii. According to the information and explanations given to us and on the basis of our examination of records of the Company, the amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Services tax, Income-tax, Cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. The amounts deducted / accrued in the books of account in respect of undisputed statutory dues of Income-tax have generally been regularly deposited during the year by the Company with the appropriate authorities. According to the information and explanations given to us and on the basis of our examination of records of the Company, there were no undisputed statutory dues payable in respect of Sales tax, Service tax, Duty of Customs, Duty of Excise and Value Added Tax.

According to the information and explanations given to us and on the basis of our examination of records of the Company, there were no arrears of outstanding statutory dues in respect of Goods and Services tax, Provident fund, Employees' State Insurance, Income-tax, Sales tax, Service tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other material statutory dues as on the last day of the financial year for a period of more than six months from the date they became payable.

According to the information and explanations given to us and on the basis of our examination of records of the Company, there are no statutory dues in respect of Goods and Services Tax, Provident Fund, Employees' State Insurance, Sales tax, Service tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and any other material statutory dues as at 31 March 2022, which have not been deposited with the appropriate authorities on account of any dispute.

viii. According to the information and explanations given to us, there are no transactions not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income-tax Act, 1961. Accordingly, the reporting under Clause 3(viii) of the Order is not applicable to the Company.

ix. (a) According to the information and explanations given to us and based on the audit procedures performed by us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.

(b) According to the information and explanations given to us, the Company has not been declared a willful defaulter by any bank or financial institution or any other lender till the date of our audit report.

(c) In our opinion and according to the information and explanations given to us, the Company has not taken any term loan during the year. Accordingly, the reporting under Clause 3(ix) (c) of the Order is not applicable to the Company.

(d) In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that funds raised on short-term basis have not been utilised for long- term purposes as at the Balance Sheet date

(e) According to the information and explanations given to us, the Company does not have any subsidiaries, associates or joint ventures. Accordingly, the reporting under Clauses 3(ix)(f) and 3(ix)(e) of the Order is not applicable to the Company.

x. (a) According to the information and explanations given to us, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under Clause 3(x)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Accordingly, the reporting under Clause 3(x)(b) of the Order is not applicable to the Company.

xi. (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company noticed or reported during the year, nor have we been informed of any such case by the management.

(b) There has been no report filed by us under sub-section (12) of Section 143 of the Act in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government. Accordingly, the reporting under Clause 3(xi)(b) of the Order is not applicable to the Company.

(c) As represented to us by the management, no whistle blower complaints were received by the Company during the year.

xii. According to the information and explanations given to us, the Company is not a Nidhi company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, the reporting under Clause 3(xii) of the Order is not applicable to the Company.

xiii. In our opinion and according to the information and explanations given to us, the Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required by Indian Accounting Standard (Ind AS) 24, Related Party Disclosures, specified under Section 133 of the Act.

xiv. In our opinion and based on our examination, the Company does not have an internal audit system and is not required to have an internal audit system as per the provisions of the Act. Accordingly, the reporting under Clauses 3(xiv)(a) and 3(xiv)(b) of the Order is not applicable to the Company.

xv. According to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or directors of its holding company or persons connected with them during the year and hence, the provisions of Section 192 of the Act are not applicable to the Company. Accordingly, the reporting under Clause 3(xv) of the Order is not applicable to the Company.

xvi. (a) According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under Clause 3(xvi)(a) of the Order is not applicable to the Company.

(b) In our opinion and according to the information and explanations given to us, the Company has not conducted any Non-Banking Financial or Housing Finance activities. Accordingly, the reporting under Clause 3(xvi)(b) of the Order is not applicable to the Company.

(c) In our opinion and according to the information and explanations given to us, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under Clauses 3(xvi)(c) of the Order is not applicable to the Company.

(d) Based on the information and explanations given to us and the audit procedures performed by us, we report that the Group has 6 Core Investment Companies.

xvii. In our opinion and according to the information and explanations given to us, the Company has not incurred cash losses in the current financial year as well as in the immediately preceding financial year. Accordingly, the reporting under Clause 3(xvii) of the Order is not applicable to the Company.

xviii. There has been no resignation of the statutory auditors during the year. Accordingly, the reporting under Clause 3(xviii) of the Order is not applicable to the Company.

xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of Balance Sheet as and when they fall due within a period of one year from the Balance Sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the Balance Sheet date, will get discharged by the Company as and when they fall due.

xx. According to the information and explanations given to us, the Company is not required to spend any amount as per the provisions of Section 135 of the Act. Accordingly, the reporting under Clauses 3(xx)(a) and 3(xx)(b) of the Order is not applicable to the Company.

For **B. K. Khare and Co.**
Chartered Accountants
Firm Registration No.: 105102W

Shirish Rahalkar
Partner
Membership No.: 111212

UDIN: 22111212AIFDOK4919
Mumbai, April 25, 2022

BALANCE SHEET AS AT 31 MARCH 2022

		(INR in Lakhs)
Particulars	**Note No.**	**As at 31 March 2022**
I **ASSETS**		
NON-CURRENT ASSETS		
(a) Property, Plant and Equipment	4	**58.25**
(b) Deferred Tax Assets (Net)	10	**74.11**
SUB-TOTAL		**132.36**
CURRENT ASSETS		
(a) Inventories	5	**276.60**
(b) Financial Assets		
(i) Trade Receivables	6	**9,700.72**
(ii) Cash and Cash Equivalents	7	**527.79**
(iii) Other Bank Balances	7	**1,500.00**
(iv) Other Financial Assets	8	**10.34**
(c) Other Current Assets	9	**399.06**
SUB-TOTAL		**12,414.52**
TOTAL ASSETS		**12,546.88**
II **EQUITY AND LIABILITIES**		
1 **EQUITY**		
(a) Equity Share Capital	11	**2,800.00**
(b) Other Equity	11	**267.60**
SUB-TOTAL		**3,067.60**
LIABILITIES		
2 **NON-CURRENT LIABILITIES**		
(a) Financial Liabilities		
(i) Lease Liabilities	13	**44.68**
(b) Provisions	12	**33.17**
SUB-TOTAL		**77.85**
3 **CURRENT LIABILITIES**		
(a) Financial Liabilities		
(i) Lease Liabilities	13	**10.44**
(ii) Trade Payables	14	
(A) Total outstanding dues to Micro & small enterprises		**82.46**
(B) Total outstanding dues to creditors other than Micro & small enterprises		**7,344.13**
(b) Provisions	12	**1,467.98**
(c) Current Tax Liabilities (Net)	8A	**148.02**
(d) Other Current Liabilities	15	**348.40**
SUB-TOTAL		**9,401.44**
TOTAL EQUITY AND LIABILITIES		**12,546.88**

The accompanying notes 1 to 32 are an integral part of the Financial Statements

In terms of our report attached.

For B.K.Khare & Co

Chartered Accountants
Firm Registration No. 105102W

Shirish Rahalkar
Partner
Membership No. 111212

Place: Mumbai
Date: 25 April, 2022

For and on behalf of the Board of Directors

Parag Shah
Director
DIN:00374944

Rakesh Singh
Executive Director & CEO
DIN: 07319353

Sajjansingh Sandu
Chief Financial Officer

Vidhi Salot
Company Secretary

Place: Mumbai
Date: 25 April, 2022

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2022

(INR in Lakhs)

	Particulars	Note No.	Period from 6 April 2021 to 31 March 2022
I	Revenue from operations	16	**16,017.60**
II	Other Income	17	**265.67**
III	**Total Revenue (I + II)**		**16,283.26**
IV	**EXPENSES**		
	(a) Cost of materials consumed	18	**14,189.86**
	(b) Employee benefit expense	19	**998.98**
	(c) Finance costs	20	**96.35**
	(d) Depreciation expense	21	**6.20**
	(e) Other expenses	22	**612.10**
	Total Expenses		**15,903.49**
V	**Profit before tax (III-IV)**		**379.77**
VI	**Tax Expense**	10	
	(a) Current tax		**169.69**
	(c) Deferred tax		**(69.94)**
	Total tax expense		**99.76**
VII	**Profit for the year (V - VI)**		**280.02**
VIII	**Other comprehensive income**		
	Items that will not be reclassified to profit or loss:		
	(i) Income relating to remeasurement of defined benefit plan		**(16.59)**
	(ii) Income tax relating to remeasurement of defined benefit plan		**4.17**
IX	**Total comprehensive income for the year**		**267.60**
X	**Earnings per equity share (for continuing operation):**		
	(1) Basic (INR)	23	**11.55**
	(2) Diluted (INR)	23	**11.55**

The accompanying notes 1 to 32 are an integral part of the Financial Statements

In terms of our report attached.

For B.K.Khare & Co

Chartered Accountants
Firm Registration No. 105102W

Shirish Rahalkar
Partner
Membership No. 111212

Place: Mumbai
Date: 25 April, 2022

For and on behalf of the Board of Directors

Parag Shah
Director
DIN:00374944

Rakesh Singh
Executive Director & CEO
DIN: 07319353

Sajjansingh Sandu
Chief Financial Officer

Vidhi Salot
Company Secretary

Place: Mumbai
Date: 25 April, 2022

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2022

Particulars	(INR in Lakhs) Period from 6 April 2021 to 31 March 2022
Cash flows from operating activities	
Profit before tax for the year	**379.77**
Adjustments for:	
Finance costs recognised in profit or loss	**96.35**
Depreciation expense recognised in Profit & Loss	**6.20**
Cash flow from Operating activities before working capital changes	**482.32**
Movements in working capital:	
(Increase) in trade receivables	**(9,700.72)**
(Increase) in inventories	**(276.60)**
(Increase) in other current assets	**(399.06)**
(Increase) in other financial assets	**(10.34)**
(Decrease)/Increase in trade payables	**7,426.59**
(Decrease)/Increase in provisions	**1,484.56**
(Decrease)/increase in other current liabilities	**348.40**
Cash generated from operations	**(1,127.18)**
Income taxes paid	**(21.67)**
Net cash used in operating activities	**(666.53)**
Cash flows from investing activities	
Payments for property, plant and equipment	**(7.73)**
Fixed Deposits created	**(1,500.00)**
Net cash used in investing activities	**(1,507.73)**
Cash flows from financing activities	
Issue of share capital	**2,800.00**
ICD received	**6,600.00**
ICD repaid	**(6,600.00)**
Payment towards lease liabilities (net)	**(2.51)**
Interest paid	**(95.43)**
Net cash from financing activities	**2,702.06**
Net increase/(decrease) in cash and cash equivalents	**527.79**
Cash and cash equivalents at the beginning of the year	**–**
Cash and cash equivalents at the end of the year	**527.79**

The accompanying notes 1 to 32 are an integral part of the Financial Statements

In terms of our report attached.

For B.K.Khare & Co

Chartered Accountants
Firm Registration No. 105102W

Shirish Rahalkar
Partner
Membership No. 111212

Place: Mumbai
Date: 25 April, 2022

For and on behalf of the Board of Directors

Parag Shah
Director
DIN:00374944

Rakesh Singh
Executive Director & CEO
DIN: 07319353

Sajjansingh Sandu
Chief Financial Officer

Vidhi Salot
Company Secretary

Place: Mumbai
Date: 25 April, 2022

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2022

A. Equity share capital

(1) Current reporting period

(INR in Lakhs)

Particulars	Balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period
Equity Share Capital	**–**	**2800**	**2800**

B. Other Equity

(1) Current reporting period

(INR in Lakhs)

	Reserves & Surplus	
Particular	**Retained Earnings**	**Total**
Balance at the beginning of the current reporting period	**–**	**–**
Total Comprehensive Income for the current year	**267.60**	**267.60**
Balance at the end of the current reporting period	**267.60**	**267.60**

The accompanying notes 1 to 32 are an integral part of the Financial Statements

In terms of our report attached.

For B.K.Khare & Co

Chartered Accountants
Firm Registration No. 105102W

Shirish Rahalkar
Partner
Membership No. 111212

Place: Mumbai
Date: 25 April, 2022

For and on behalf of the Board of Directors

Parag Shah
Director
DIN:00374944

Rakesh Singh
Executive Director & CEO
DIN: 07319353

Sajjansingh Sandu
Chief Financial Officer

Vidhi Salot
Company Secretary

Place: Mumbai
Date: 25 April, 2022

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

1. **Nature of Operations**

   Mahindra Solarize Private Limited ('the Company') is a company limited by shares, incorporated and domiciled in India and is a subsidiary of Mahindra Holdings Limited. The Company is engaged in the business of providing services in the areas of Engineering, Procurement and Construction of power plants in renewable energy, operations and maintenance, analytics, energy management services, sale of power and sale of solar water pump.

   The standalone financial statements were authorized for issue in accordance with a resolution of the Board of Directors on ____

2. **Statement of compliance**

   The accompanying standalone financial statements have been prepared in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) (Amendment) Rules, 2016 notified under Section 133 of the Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

   The Company is exempt from preparing a consolidated financial statement (CFS)

   a) being a wholly owned intermediate subsidiary;

   b) not listed on any stock exchange and;

   c) as its ultimate holding company files CFS with the Registrar of Companies which are in compliance with applicable accounting standards.

3. **Significant Accounting Policies and Accounting Judgments and Estimates**

   A) Significant Accounting Policies

   a) Basis of Preparation of Financial Statements

   The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable to the Financial statements

   The financial statements have been prepared on a historical cost basis.

   b) Use of estimates and judgments

   The preparation of the standalone financial statements in accordance with Ind AS requires use of judgements, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The actual results may differ from these estimates.

   Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognised prospectively.

   Assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending 31 March 2022 are as follows:

   (i) Evaluation of percentage of completion :

   Determination of revenue under percentage of completion method necessarily involves making estimates, some of which are of a technical nature, concerning, where relevant, the percentage of completion, costs to completion, the expected revenue from the project or activity and foreseeable losses to completion. Estimates of project income, as well as project costs, are reviewed periodically. The effect of changes, if any, to estimates is recognised in the standalone financial statements for the year/ period in which such changes are determined.

   (ii) Recoverability of deferred tax assets :

   In determining the recoverability of deferred income tax assets, the Company primarily considers current and expected profitability of applicable operating business segments and their ability to utilise any recorded tax assets. The Company reviews its deferred income tax assets at every reporting year/ period end, taking into consideration the availability of sufficient current and projected taxable profits, reversals of taxable temporary differences and tax planning strategies.

   (iii) Measurement of defined benefit obligations and other employee benefit obligations:

   The Company's net obligation in respect of gratuity benefit scheme is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any plan assets is deducted.

   Compensated absences which are not expected to occur within twelve months after the end of the year/ period in which the employee renders the related services are recognised as a liability at the present value of the other long-term employment benefits.

   The present value of the obligation is determined based on actuarial valuation at the balance sheet date by an Independent actuary using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures. The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plan, are based on the market yields on Government securities as at the balance sheet date.

   (iv) Provision for obsolete inventory :

   The Company reviews its inventory to assess loss on account of obsolescence on a regular basis. In determining whether provision for obsolescence should be recorded in the standalone statement of profit and loss, the Company makes judgments as to whether there is any observable data indicating that there is any future salability of the product, including demand forecasts and shelf life of the product. The provision for obsolescence of inventory is based on the ageing and past movement of the inventory.

   (v) Estimation of provisions and contingencies :

   Provisions are liabilities of uncertain amount or timing recognised where a legal or constructive obligation exists at the balance sheet date, as a result of a past event, where the amount of the obligation can be reliably estimated and where the outflow of economic benefit is probable. Contingent liabilities are possible obligations that may arise from past event whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events which are not fully within the control of the Company. The Company exercises judgement and estimates in recognizing the provisions and assessing the exposure to contingent liabilities relating to pending litigations. Judgement is necessary in assessing the likelihood of the success of the pending claim and to quantify the possible range of financial settlement. Due to this inherent uncertainty in the evaluation process, actual losses may be different from originally estimated provision.

   (vi) Provision for product warranty:

   The warranty provision represents management's best estimate of the Company's liability under warranties granted on products, based on prior experience and industry averages. Presently, company creates provision at 1% on Revenues.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

c) Revenue Recognition:

The Company has adopted Ind AS 115, Revenue from Contracts with Customers. The Company has applied the following accounting policy for revenue recognition:

Revenue from contracts with customers:

The Company recognises revenue from contracts with customers based on a five step model as set out in Ind AS 115:

Step 1. Identify the contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2. Identify the performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer

Step 3. Determine the transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4. Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company will allocate the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

Step 5. Recognise revenue when (or as) the entity satisfies a performance obligation

The Company satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

- The customer simultaneously receives and consumes the benefits provided by the Company's performance as the Company performs; or
- The Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- The Company's performance does not create an asset with an alternative use to the Company and the entity has an enforceable right to payment for performance completed to date

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes and duty. The Company assesses its revenue arrangements against specific criteria to determine if it is acting as principal or agent. The Company has concluded that it is acting as a principal in all of its revenue arrangements

(i) EPC Contracts

Revenue from EPC contracts, where the outcome can be estimated reliably, is recognised under the percentage of completion method by reference to the stage of completion of the contract activity, hence revenue is recognized over the period of time. The stage of completion is measured by calculating the proportion that costs incurred to date bear to the estimated total costs of a contract. Determination of revenues under the percentage of completion method necessarily involves making estimates by the management.

When the Company satisfies a performance obligation by delivering the promised goods or services it creates a contract asset based on the amount of consideration to be earned by the performance. Where the amount of consideration received from a customer exceeds the amount of revenue recognised this gives rise to a contract liability.

Any variations in contract work, claims, incentive payments are included in the transaction price if it is highly probable that a significant reversal of revenue will not occur once associated uncertainties are resolved.

Consideration is adjusted for the time value of money if the period between the transfer of goods or services and the receipt of payment exceeds twelve months and there is a significant financing benefit either to the customer or the Company.

(ii) Sales of goods

An entity shall recognise revenue when (or as) the entity satisfies a performance obligation by transferring a promised good or service (ie an asset) to a customer. An asset is transferred when (or as) the customer obtains control of that asset.

d) Current and Non-current classification

The Schedule III to the Act requires assets and liabilities to be classified as either current or non-current. An asset is treated as current when it is:

(i) it is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle;

(ii) it is expected to be realised within twelve months from the reporting date;

(iii) it is held primarily for the purposes of being traded; or

(iv) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date

All other assets are classified as non-current.

A liability is current when:

(i) it is expected to be settled in the Company's normal operating cycle;

(ii) it is due to be settled within twelve months from the reporting date;

(iii) it is held primarily for the purposes of being traded; or

(iv) the Company does not have an unconditional right to defer settlement of the liability for atleast twelve months from the reporting date.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets or liabilities.

Operating Cycle

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out above which are in accordance with the Schedule III to the Act.

In respect of the engineering, procurement and construction services (EPC) segment & other operations of the Company, it has ascertained its operating cycle as 12 months for the purpose of current - non-current classification of assets and liabilities.

e) Property plant and equipment and Intangible Assets:

Property plant and equipment:

Fixtures and equipment are stated at cost less accumulated depreciation and recognised impairment losses.

Depreciation on tangible assets is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives or as prescribed in schedule II to the Companies Act 2013 whichever is higher. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

depreciated over the shorter of the lease term and their useful lives.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds (net of expenses incurred in connection with the sale) and the carrying amount of the asset and is recognised in profit or loss.

f) Borrowing Costs:

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs are recognized as an expense in the period in which they are incurred.

g) Inventories:

Inventories are stated at lower of cost and net realisable value.

Cost of raw materials includes all costs of purchase, conversion and other direct attributable costs incurred for bringing the items to their present location and condition and is determined using the weighted average cost method.

The cost of contracts work in progress comprises costs directly attributable to the specific contracts and related overheads.

Traded goods costs includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

h) Foreign Currency:

Foreign currency transactions

Initial Recognition

All transactions that are not denominated in the Company's functional currency are foreign currency transactions. These transactions are initially recorded in the functional currency by applying the appropriate daily rate which best approximates the actual rate of the transaction. Exchange differences arising on foreign exchange transactions settled during the year are recognised in the standalone statement of profit and loss.

Measurement of foreign currency items at the reporting date

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Nonmonetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Exchange differences are recognised in the standalone statement of profit and loss

Foreign operations

The assets and liabilities of foreign operations (branches), are translated into INR, the functional currency of the Company, at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into INR at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction.

i) Employee Benefits:

(i) Short term employee benefit

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. These benefits include short term compensated absences such as paid annual leave. The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees is recognized as an expense during the period. Benefits such as salaries and wages, etc. and the expected cost of the bonus / ex-gratia are recognized in the period in which the employee renders the related service.

(ii) Post employment employee benefits

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by employees up to the reporting date.

a) Defined Contribution schemes

The Company's contributions to the Provident Fund and Employee's State Insurance Fund are charged to the Statement of Profit and Loss of the year when the contributions to the respective funds are due.

b) Defined benefits plans

The Company provides for gratuity, a defined benefit plan (the "Gratuity Plan") covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year.

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Re-measurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss.

j) Taxes on Income:

Income tax comprises current and deferred tax. It is recognised in the standalone statement of profit and loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income.

On 30th March 2019, MCA has issued amendment regarding the income tax Uncertainty over Income Tax Treatments. The notification clarifies the recognition and measurement requirements when there is uncertainty over income tax treatments. In assessing the uncertainty, an entity shall consider whether it is probable that a taxation authority will accept the uncertain tax treatment. This notification is effective for annual reporting periods beginning on or after April 1, 2019. As per the Company's assessment, there are no material uncertainties over income tax treatments.

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using applicable tax rates (and tax laws) enacted or substantially enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

Minimum Alternative Tax ('MAT')

Minimum Alternative Tax ('MAT') under the provisions of the Income-tax Act, 1961 is recognised as current tax in the standalone statement of profit and loss. The credit available under the Act in respect of MAT paid is recognised as a deferred tax asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the period for which the MAT credit can be carried forward for set-off against the normal tax liability. MAT credit recognised as an deferred tax asset is reviewed at each balance sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits.

Deferred tax is not recognised for:

– temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;

– temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and

– taxable temporary differences arising on the initial recognition of goodwill

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Company recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets – unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the year/period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

k) Provisions and Contingent Liabilities :

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost. Expected future operating losses are not provided for.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources embodying economic benefits or the amount of such obligation cannot be measured reliably. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources embodying economic benefits is remote, no provision or disclosure is made.

A contingent asset is disclosed where an inflow of economic benefits is probable.

l) Cash and Cash Equivalents:

Cash and cash equivalents for the purpose of Cash Flow Statements include cash in hand, demand deposits with banks, other short-term highly liquid investments with original maturities of three months or less.

m) Earnings Per Share:

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period and,

Diluted earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period adjusted for the effects of dilutive options.

n) Segment Reporting:

Operating segments are reported in a manner consistent with internal reporting provided to the Chief Operating Decision Maker (CODM) of the Company. The CODM is responsible for allocating resources and assessing performances of the operating segments of the Company

o) Events after reporting date:

Where events occurring after the balance sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted with the standalone financial statements. Otherwise, events after the balance sheet date of material size or nature are only disclosed.

p) Rounding of amounts:

All amounts disclosed in the financial statements and notes have been rounded off to the nearest crores as per the requirement of Schedule III, unless otherwise stated.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

Note No. 4 - Property, Plant and Equipment

(INR in Lakhs)

Description of Assets	Computer	Right of use assets	Total
I. Gross Carrying Amount			
Balance as at 1 April 2021	–	–	–
Additions	2.88	56.72	59.59
Additions by way of purchase from Mahindra Susten Private Limited	4.86	–	4.86
Disposals	–	–	–
Deductions / adjustments	–	–	–
Balance as at 31 March 2022	**7.73**	**56.72**	**64.45**
II. Accumulated depreciation			
Balance as at 1 April 2021	–	–	–
Depreciation expense for the year	3.83	2.36	6.20
Disposals	–	–	–
Deductions / adjustments	–	–	–
Balance as at 31 March 2022	**3.83**	**2.36**	**6.20**
III. Net carrying amount (I-II)	3.90	54.35	58.25

Note No. 5 - Inventories

(INR in Lakhs)

Particulars	As at 31 March 2022
(a) Project Inventory	**276.60**
Total Inventories (at lower of cost and net realisable value)	**276.60**

Project inventory consists of various materials including solar PV Modules and other related materials in oredr to install Solar power generating system.

Note No. 6 - Trade receivables

(INR in Lakhs)

Particulars	As at 31 March 2022
Trade receivables	
Undisputed Trade receivables - considered good	**9,700.72**
TOTAL	**9,700.72**
Of the above, trade receivables from:	
- Related Party	**787.89**
- Others	**8,912.83**

(INR in Lakhs)

Particulars	As at 31 March 2022					
	Less than 6 months	6 months - 1 year	1-2 Years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables — considered good	8,916.46	784.26	–	–	–	9,700.72

Note No. 7 - Cash and Cash Equivalents

(INR in Lakhs)

Particulars	As at 31 March 2022
Cash and cash equivalents	
Balances with banks	**527.79**
Total Cash and cash equivalents	**527.79**
Other Bank Balances	
Fixed Deposit with Maturity greater than 3 months	**1,500.00**
Total Other Bank balances	**1,500.00**

Note No. 8 - Other Financial Assets

(₹ in Lakhs)

Particulars	As at 31 March 2022 Current	Non-Current
Financial assets		
Security deposits	**10.34**	–
Total other Financial Assets	**10.34**	–

Note No. 9 - Other assets

(INR in Lakhs)

Particulars	As at 31 March 2022 Current	Non-Current
(a) Unbilled revenue*	**377.48**	–
(b) Other advances		
– Advances to employees	**0.49**	–
– Prepaid Expenses	**2.87**	–
(c) Other Assets		
(i) Grauity account	**17.95**	–
(Net of provision of Rs 68.86 Lakhs)		
(ii) Others	**0.28**	–
Total other Assets	**399.06**	–

* Classified as non financial asset as the contractual right to consideration is dependent on completion of contractual milestones.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

Note No. 9A - Current Tax Liabilities

(INR in Lakhs)

Particulars	As at 31 March 2022 Current	As at 31 March 2022 Non-Current
Tax payable (Net of TDS receivable for Rs. 21.67 (Lakhs)	**148.02**	–
Total Current Tax Liabilities	**148.02**	–

Note No. 10 - Current Tax and Deferred Tax

(i) Income Tax recognised in profit or loss

Particulars	Period from 6 April 2021 to 31 March 2022
Current Tax:	
In respect of current year	**169.69**
Deferred Tax:	
In respect of current year	**(69.94)**
Total income tax expense recognised in profit and loss	**99.76**

(ii) Income tax recognised in other Comprehensive income

Particulars	Period from 6 April 2021 to 31 March 2022
Remeasurement of defined benefit obligations not reclassified to profit or loss	**4.17**
Total Income tax recognised in other Comprehensive income	**4.17**

(iii) Reconciliation of income tax expense and the accounting profit multiplied by Company's domestic tax rate:

	Particulars	Period from 6 April 2021 to 31 March 2022
i)	Profit before tax	**379.77**
ii)	Corporate tax rate as per Income tax Act, 1961	**25.17%**
iii)	Tax on accounting profit (iii) = (i) X (ii)	**95.58**
iv)	Total effect of Tax adjustment	**95.58**
v)	Adjustments recognised in the current year in relation to the current tax of prior years	–
vi)	**Tax expense recognised during the year (vi)=(iv)+(v)**	**95.58**

(iv) Movement in deferred tax balances

(INR in Lakhs)

Particulars	For the Year ended 31 March 2022			
	Opening Balance	Recognised in profit and Loss#	Recognised in OCI	Closing Balance
A	B	C	D	E
Tax effect of items constituting deferred tax liabilities				
Tax effect of items constituting deferred tax assets				
Property, plant and equipment and intangible assets:Impact of difference between written down value as per books of account and income tax	–	**0.33**	–	**0.33**
Employee Benefits	–	**0.09**	**4.17**	**4.27**
Provisions	–	**69.32**	–	**69.32**
Other Items	–	**0.19**	–	**0.19**
Net deferred tax liabilities	–	**69.94**	**4.17**	**74.11**

Note No. 11 - Equity Share Capital

(INR in Lakhs)

Particulars	As at 31 March 2022
Authorised:	
Equity shares of Rs 10 each with voting rights	**2,800.00**
Issued, Subscribed and Fully Paid up:	
Equity shares of Rs. 10 each with voting rights	**2,800.00**
Total Equity Share Capital	**2,800.00**

(i) Reconciliation of the number of shares outstanding at the beginning and at the end of the year:

(INR in Lakhs)

Particulars	Opening Balance	Fresh Issue	Closing Balance
Equity Shares with Voting rights			
year ended 31 March 2022			
No. of Shares (in Lakhs)	–	280.00	280.00
INR (in Lakhs)	–	2,800.00	2,800.00

(ii) Details of shares held by the holding company:

Particulars	No. of Shares Equity Shares with Voting rights
As at 31 March 2022	
Mahindra Telecom Energy Management Services Limited	280

(iii) Details of shares held by each shareholder holding more than 5% shares:

Class of shares / Name of shareholder	As at 31 March 2022 Number of shares held (In Lakhs)	As at 31 March 2022 % holding in that class of shares
Equity shares with voting rights		
Mahindra Telecom Energy Management Services Limited	**280**	**100%**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

(iv) Details of shares held by promoter:

	Shares held by promoters at the end of the year			% Change during the year
S. No	Promoter name	No. of Shares	%of total shares	
1	Mahindra Susten Private Limited	0	0%	100%

Note No. 12 - Provisions

(INR in Lakhs)

Particulars		As at 31 March 2022 Current	Non-Current
(a)	Provision for employee benefits		
	(1) Leave Encashment	10.29	33.17
(b)	Other Provisions	1,457.69	–
Total Provisions		**1,467.98**	**33.17**

Note: Other provisions include provision for warranty on projects for Rs. 275.42 Lakhs

Movement in Warranty provision

(INR in Lakhs)

Particulars	As at 31 March 2022
Opening Warranty provision	–
Additions during the year	275.42
Utilisation during the year	–
Provision written back	–
Closing Provision	**275.42**

Note No. 13 - Lease Liabilities

(INR in Lakhs)

Particulars	As at 31 March 2022 Current	Non-Current
Lease Liabilities	10.44	44.68
Total Lease Liabilities	**10.44**	**44.68**

Note No. 14 - Trade Payables

Trade Payables aging schedule

(INR in Lakhs)

Particulars	As at 31 March 2022
Trade payables	
Related Party	210.70
MSME	82.46
Others	7,133.43
Total	**7,426.59**

(INR in Lakhs)

Particulars	Outstanding for following periods from due date of payment: Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	82.46	–	–	–	82.46
(ii) Others	7,344.13	–	–	–	7,344.13
(iii) Disputed dues - MSME	–	–	–	–	–
(iv) Disputed dues - Others	–	–	–	–	–

Note

(1) Trade Payables are payables in respect of the amount payable on account of goods purchased or services received in the normal course of business.

(2) Amount due to micro and small enterprises registered under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) is Rs. 82.46 lakhs.

The above information regarding Micro and Small Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.

Note No. 15 - Other Liabilities

(INR in Lakhs)

Particulars	As at 31 March 2022 Current	Non-Current
a. Advances received from customers	75.00	–
b. Salary payable	5.06	–
c. Statutory dues		
- Taxes Payable (other than income taxes)	21.86	–
- GST Payable	240.21	–
- Provident fund	6.27	–
Total Other Liabilities	**348.40**	–

Note No. 16 - Revenue from Operations

(INR in Lakhs)

Particulars	Period from 6 April 2021 to 31 March 2022
(a) Income from sale of Solar Power Generating Systems	16,017.60
Total Revenue from Operations	**16,017.60**

Note:

A. Disaggregated Revenue Information:

The Company's revenue is from only one segment i.e Sale of Solar Power Generating Systems

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

B. Reconciliation of Contract Assets & Contract Liabilities:

(INR in Lakhs)

Particulars	Period from 6 April 2021 to 31 March 2022
Contract Assets	
Unbilled Revenue	
At the beginning of the year	–
Less: Billed during the year	15,640.12
Add: Revenue recognised during the year	16,017.60
At the end of the year	377.48
Contract Liability	–

C. Reconciliation of revenue as per Ind AS 115:

(INR in Lakhs)

Particulars	Period from 6 April 2021 to 31 March 2022
Revenue as per contracted prices	16,017.60
Less: Adjustment of revenue pertaining to Revenue from sale	–
Revenue from contract with customers	16,017.60

Note No. 17 - Other Income

(INR in Lakhs)

Particulars	Period from 6 April 2021 to 31 March 2022
(a) Interest Income	
Interest on Fixed Deposit	11.43
(b) Foreign exchange Gain	24.30
(c) Warranty provisions written back	229.93
Total Other Income	265.67

Note No. 18 - Cost of materials consumed

(INR in Lakhs)

Particulars	Period from 6 April 2021 to 31 March 2022
Opening stock	–
Add: Purchases	14,466.47
	14,466.47
Less: Closing stock	276.60
Cost of materials consumed	14,189.86

Note No. 19 - Employee Benefits Expense

(INR in Lakhs)

Particulars	Period from 6 April 2021 to 31 March 2022
(a) Salaries and wages, including bonus	933.02
(b) Contribution to provident and other funds	39.40
(c) Staff welfare expenses	26.56
Total Employee Benefit Expense	998.98

Note No. 20 - Finance Cost

(INR in Lakhs)

Particulars	Period from 6 April 2021 to 31 March 2022
(a) Interest expense	95.61
(b) Interest on lease liabilities	0.92
(c) Other borrowing cost	(0.17)
Total Finance Costs	96.35

Note No. 21- Depreciation Expense

(INR in Lakhs)

Particulars	Period from 6 April 2021 to 31 March 2022
(a) Depreciation on Computer	3.83
(b) Depreciation on Right of use Assets	2.36
Total Depreciation expenses	6.20

Note No. 22 - Other Expenses

(INR in Lakhs)

Particulars	Period from 6 April 2021 to 31 March 2022
(a) Insurance	11.93
(b) Rent including lease rentals	28.83
(c) Auditors remuneration and out-of-pocket expenses	
(i) As Auditors-statutory audit fees	1.75
(ii) For Tax audit fees	0.50
(iii) For Other services/connection with the assessment	–
(d) Rates and taxes	27.93
(e) Repairs and maintenances	4.24
(f) Advertisement	40.23
(g) Travelling and Conveyance Expenses	38.11
(h) Professional and legal expenses	140.99
(i) Bank Charges	21.91
(j) Postage & Telephone	2.84
(k) Printing & Stationary	0.66
(l) Training & hiring expenses	0.96
(m) Warranty expenses	275.43
(n) Miscellaneous expenses	15.80
Total Other Expenses	612.10

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

Note No. 23 - Earnings per Share

(INR in Lakhs)

Particulars	Period from 6 April 2021 to 31 March 2022
Basic Earnings per share	11.55
Total basic earnings per share	11.55
Diluted Earnings per share	11.55
Total diluted earnings per share	11.55

Basic and diluted earnings per share

The earnings and weighted average number of ordinary shares used in the calculation of basic and diluted earnings per share are as follows:

(INR in Lakhs)

Particulars	Period from 6 April 2021 to 31 March 2022
Profit / (loss) for the year	280.02
Less: Preference dividend and tax thereon	–
Profit for the year used in the calculation of basic earnings per share	280.02
Profit for the year on discontinued operations used in the calculation of basic earnings per share from discontinued operations	–
Profits used in the calculation of basic earnings per share from continuing operations (i)	280.02
Weighted average number of equity shares (ii)	24.24
Earnings per share - Basic and diluted (i/ii)	11.55

Note No. 24 - Related Party Transactions

Relationships:	Name:
Ultimate Holding	Mahindra & Mahindra Limited
Parent Company	Mahindra Telecom Energy Management Services Limited
Fellow Subsidiaries	1. Bristlecone India Ltd.
	2. Mahindra Susten Private Limited
	3. Mahindra & Mahindra Limited Ho
	4. Mahindra Integrated Business Solution Limited
	5. Mahindra & Mahindra Limited -Powerol Division

Details of transaction between the Company and its related parties are disclosed below:

(INR in Lakhs)

Particulars	For the year ended	Ultimate Holding Company	Parent Company	Fellow Subsidiaries
Nature of transactions with Related Parties				
Purchase of goods	31-Mar-22	–	240.02	–
Receiving of services	31-Mar-22	1.56	–	122.74
Loans given	31-Mar-22	–	6,600.00	–
Loans given refunded	31-Mar-22	–	6,600.00	–
Interest Expenses	31-Mar-22	–	80.90	–
Reimbursement of Expenses	31-Mar-22	–	62.84	–

Particulars	For the year ended	Ultimate Holding Company	Parent Company	Fellow Subsidiaries
Nature of Balances with Related Parties				
Trade Receivable	31-Mar-22	–	133.61	654.27
Trade payables	31-Mar-22	75.39	–	135.30

Note No. 25 - Employee benefits

(a) Defined Contribution Plan

The Company's contribution to Provident Fund aggregating INR 39.40 Lakhs has been recognised in the Statement of Profit or Loss under the head Employee Benefits Expense.

(b) Defined Benefit Plans:

Gratuity

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of the defined benefit plan is calculated by estimating the amount of future benefit that employee has earned in exchange of their service in the current and prior periods and discounted back to the current valuation date to arrive at the present value of the defined benefit obligation. The defined benefit obligation is deducted from the fair value of plan assets, to arrive at the net asset / (liability), which need to be provided for in the books of accounts of the Company.

As required by the Ind AS19, the discount rate used to arrive at the present value of the defined benefit obligations is based on the Indian government security yields prevailing as at the balance sheet date that have maturity date equivalent to the tenure of the obligation.

The calculation is performed by a qualified actuary using the projected unit credit method.

Remeasurements arising from defined benefit plans comprises of actuarial gains and losses on benefit obligations. The Company recognizes these items of remeasurements immediately in other comprehensive income and all the other expenses related to defined benefit plans as employee benefit expenses in their profit and loss account.

When the benefits of the plan are changed, or when a plan is curtailed or settlement occurs, the portion of the changed benefit related to past service by employees, or the gain or loss on curtailment or settlement, is recognized immediately in the profit or loss account when the plan amendment or when a curtailment or settlement occurs.

NATURE OF BENEFITS

The Company operates a defined benefit final salary gratuity plan which is open to new entrants. The gratuity benefits payable to the employees are based on the employee's service and last drawn salary at the time of leaving. The employees do not contribute towards this plan and the full cost of providing these benefits are met by the Company.

GOVERNANCE OF THE PLAN

The Company is responsible for the overall governance of the plan. Since the plan is unfunded, the governance of the plan is limited to employees being paid gratuity as per the terms of the plan.

INHERENT RISKS:

The plan is of a final salary defined benefit in nature which is sponsored by the Company and hence it underwrites all the risks pertaining to the plan. In particular, there is a risk for the Company that any adverse salary growth or demographic experience can result in an increase in cost of providing these benefits to employees in future. Since the benefits are lump sum in nature the plan is not subject to any longevity risks.

The significant actuarial assumptions used for the purposes of the actuarial valuations were as follows:

Particulars	Valuation as at 31 March 2022
Discount rate	6.60%
Expected rate of salary increase	9.00%

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

Defined benefit plans – as per actuarial valuation on 31st March, 2022

(INR in Lakhs)

Particulars	Funded Plan Gratuity 2022	Funded Plan 2021
Amounts recognised in comprehensive income in respect of these defined benefit plans are as follows:		
Opening of defined benefit obligation	–	–
Service Cost:		
Current Service Cost	**6.70**	–
Past service cost and (gains)/losses from settlements	–	–
Interest on defined benefit obligation	**2.21**	–
Remeasurement on the net defined benefit liability	–	–
Actuarial gains and loss arising form changes in financial assumptions	**3.85**	–
Actuarial gains and loss arising from changes in demographics	**5.59**	–
Actuarial gains and loss arising form experience adjustments	**7.15**	–
Benefits paid	**(13.87)**	–
Liabilities assumed/(settled)	**57.22**	–
Closing of defined benefit obligation	**68.85**	–
Net Asset/(Liability) recognised in the Balance Sheet as at 31st March 22		
1. Present value of funded defined benefit obligation as at 31st March	**68.86**	–
2. Fair value of plan assets as at 31st March	**86.80**	–
Net funded Obligation	**(17.95)**	–
Present value of unfunded defined benefit obligation as at 31st March	–	–
Net defined benefit liability / (asset) recognized in balance sheet	**(17.94)**	–
Current	–	–
Non current	**(17.94)**	–
Reconciliation of Net Liability/Asset		
Opening net defined benefit liabilty/ (Asset)	–	–
Expense charged to profit & loss account	**8.92**	–
Amount recognized outside profit & loss account	**16.59**	–
Employer contributions	**(100.68)**	–
Impact of liability assumed or (settled)	**57.22**	–
Closing net defined benefit liability / (asset)	**(17.95)**	–
II. Movement of liability		
Opening net defined benefit liability / (asset)	–	–
Expense charged to profit & loss account	**8.92**	–
Amount recognized outside profit & loss account	**16.59**	–
Employer contributions	**(100.68)**	–
Impact of liability assumed or (settled)	**57.23**	–
Closing net defined benefit liability / (asset)	**(17.94)**	–

PROFIT & LOSS ACCOUNT EXPENSE

Particulars	2022	Period Ended 2021
Current service cost	6.71	–
Past service cost	–	–
Administration expense	–	–
Interest on net defined benefit liability / (asset)	**2.21**	–
(Gains) / losses on settlement	–	–
Total expense charged to profit and loss account	**8.92**	–

AMOUNT RECORDED IN OTHER COMPREHENSIVE INCOME

Particulars	2022	Period Ended 2021
Opening amount recognized in OCI outside profit and loss account	–	–
Remeasurements during the period due to	–	–
Changes in financial assumptions	3.85	–
Changes in demographic assumptions	5.59	–
Experience adjustment	7.15	–
Actual return on plan assets less interest on plan assets	–	–
Adjustment to recognize the effect of asset ceiling	–	–
Closing amount recognized in OCI outside profit and loss account	**16.59**	–

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

Particulars	2022	Period Ended 2021
Defined benefit obligation on increase in 50 bps	**65.03**	–
Impact of increase in 50 bps on DBO	**-5.56%**	–
Defined benefir obligation on decrease in 50 bps	73.20	–
Impact of decrease in 50 bps on DBO	6.30%	–

Maturity profile of defined benefit obligation:

Particulars	2022	2021
Within 1 year	**16.22**	–
1 - 2 year	12.20	–
2 - 3 year	8.29	–
3 - 4 year	6.13	–
4 - 5 year	4.23	–
5 - 10 years	16.97	–
10 years & above	48.86	–

The weighted average duration of the defined benefit obligation as at 31 March 2022 is 5.91 years.

The estimate of future salary increases, considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

Note No. 26 - Financial Instruments

Capital management

The Company manages capital risk in order to maximize shareholders' profit by maintaining sound/optimal capital structure through monitoring of financial ratios, such as debt-to-equity ratio and net borrowings-to-equity ratio on a monthly basis and implements capital structure improvement plan when necessary. There is no change in the overall capital risk management strategy of the Company compared to last year.

The Company uses debt ratio as a capital management index and calculates the ratio as total liabilities divided by total equity. Total liabilities and total equity are based on the amounts stated in the separate financial statements.

The Company is not subject to externally enforced capital regulation.

Debt-to-equity ratio as of 31 March 2022 is as follows:

Particulars	31 March 2022
Debt (A) in Rupees	–
Equity (B) in Rupees	3,067.60
Debt Equity Ratio (A / B)	–

Categories of financial assets and financial liabilities

As at 31 March 2022

	Amortised Costs	FVTPL	FVOCI	Total
Current Assets				
Other Financial Assets				
– Security Deposits	10.34	–	–	10.34
Trade Receivables	9,700.72	–	–	9,700.72
Cash and Bank Balances	2,027.79	–	–	2,027.79
Non-current Liabilities				
Lease Liabilities	44.68	–	–	44.68
Current Liabilities				
Lease Liabilities	10.44	–	–	10.44
Trade Payables	7,426.59	–	–	7,426.59

Financial Risk Management Framework

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk. In order to manage the aforementioned risks, the Company operates a risk management policy and a program that performs close monitoring of and responding to each risk factors.

CREDIT RISK

(i) Credit risk management

Credit risk arises when a counterparty defaults on its contractual obligations to pay resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties.

LIQUIDITY RISK

(i) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the management of the company, which has established an appropriate liquidity risk management framework for the management of the Company's short-, medium- and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

(ii) Maturities of financial liabilities

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment years. The amount disclosed in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay.

(INR in Lakhs)

Particulars	Less than 1 Year	1 Year to 3 Years	3 Years to 5 Years	5 years and above
Non-derivative financial liabilities				
31 March 2022				
Non-interest bearing	7,437.03	20.88	20.88	2.92
	7,437.03	20.88	20.88	2.92

(iii) Maturities of financial assets

The following table details the Company's expected maturity for its non-derivative financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Company's liquidity risk management as the liquidity is managed on a net asset and liability basis.

(INR in Lakhs)

Particulars	Less than 1 Year	1 Year to 3 Years	3 Years to 5 Years	5 years and above
Financial assets				
31 March 2022				
Non-interest bearing	11,738.85	–	–	–
	11,738.85	–	–	–

MARKET RISK

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk such as equity price risk and commodity price risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. The Company uses derivatives to manage market risks. Derivatives are only used for economic hedging purposes and not as speculative investments. All such transactions are carried out within the guidelines set by the Board of Directors and Risk Management Committee.

There has been no significant changes to the company's exposure to market risk or the methods in which they are managed or measured.

CURRENCY RISK

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. The Company's exposure to currency risk relates primarily to the Company's operating activities and borrowings when transactions are denominated in a different currency from the Company's functional currency.

The Company manages its foreign currency risk by hedging transactions that are expected to occur within a maximum 12 month year for hedges of forecasted sales and purchases and for 36 months year for borrowings.

When a derivative is entered into for the purpose of being a hedge, the Company negotiates the terms of those derivatives to match the terms of the hedged exposure. For hedges of forecast transactions the derivatives cover the year of exposure from the point the cash flows of the transactions are forecasted up to the point of settlement of the resulting receivable or payable that is denominated in the foreign currency.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows.

(INR in Lakhs)

Particulars	Currency	31-Mar-22	31-Mar-21
Trade Payables	USD	6,592.75	–

Of the above foreing currency exposures, the following exposures are not hedged by a derivative:

(₹ in Lakhs)

Particulars	Currency	31-Mar-22	31-Mar-21
Trade Payables	USD	6,592.75	–

INTEREST RATE RISK

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

The Company has a policy of investing surplus cash balances in short term liquid debt funds which are subject to minimum market risk.

The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings.To manage this, the Company enters into interest rate swaps, in which it agrees to exchange, at specified intervals, the difference between fixed and variable rate interest amounts calculated by reference to an agreed-upon notional principal amount.

Note No. 27 - Fair Value Measurement

Fair value of financial assets and financial liabilities that are not measured at fair value

Particulars	31 March 2022 Carrying amount	Fair value
Financial assets		
Financial assets carried at Amortised Cost		
Other Financial Assets		
- Security Deposits	**10.34**	**10.34**
Trade Receivables	**9,700.72**	**9,700.72**
Cash and Bank Balances	**2,027.79**	**2,027.79**
Total	**11,738.85**	**11,738.85**
Financial liabilities		
Financial liabilities held at amortised cost		
Non-current Liabilities		
Lease Liabilities	**44.68**	**44.68**
Current Liabilities		
Lease Liabilities	**10.44**	**10.44**
Trade Payables	**7,426.59**	**7,426.59**
Total	**7,481.71**	**7,481.71**

Financial assets	Fair value hierarchy as at 31 March 2022 Level 1	Level 2	Level 3	Total
Financial assets carried at Amortised Cost				
Other Financial Assets				
-Security Deposits	–	–	**10.34**	**10.34**
Trade Receivables	–	–	**9,700.72**	**9,700.72**
Cash and Bank Balances	–	**2,027.79**	–	**2,027.79**
Total	–	**2,027.79**	**9,711.06**	**11,738.85**
Financial liabilities				
Financial Instruments not carried at Fair Value				
Non-current Liabilities				
Lease Liabilities	–	–	**44.68**	**44.68**
				–
Current Liabilities				
Lease Liabilities	–	–	**10.44**	**10.44**
Trade Payables	–	–	**7,426.59**	**7,426.59**
Total	–	–	**7,481.71**	**7,481.71**

Note No. 28 - Leases

A) The Company has lease contract for car, details of amount recognised in profit and loss:

(INR in Lakhs)

Amounts recognised in profit and loss	31 March 2022
Depreciation expense on right-of-use assets	**2.36**
Interest expense on lease liabilities	**0.92**
Expense relating to short-term leases	–
Total	**3.28**

B) The following table set outs maturity analysis of lease liability to be paid after the reporting date:

(INR in Lakhs)

Maturity Analysis	31 March 2022
- Less than 1 years	**10.44**
- 1 years - 3 years	**20.88**
- 3 years - 5 years	**20.88**
- 5 years and above	**2.92**

C) The total cash outflow for leases amount to Rs. 2.51 lakhs during the year.

D) Below are the carrying amount of lease liabilities and the movement during the year:

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

(INR in Lakhs)

Particulars	31 March 2022
Opening	–
Additions	56.72
Accretion of interest	0.91
Payments	2.51
Closing	55.12

E) Below is the breakup of Current and Non current lease liabilities:

(INR in Lakhs)

Particulars	31 March 2022
Current lease liabilities	10.44
Non current lease liabilities	44.68
Total	**55.12**

Note No. 29 Key Ratios

Particulars	Numerator	Denominator	2021-22
Current Ratio	Current Assets	Current Liabilities	1.32
Debt Equity Ratio	Borrowings	Shareholder's Equity	0.00
Debt Service Coverage ratio	Earnings before interest, taxes, depreciation and ammortisation	Interest & Principal Payment	5.01
Return on Equity Ratio	Profit after taxes	Average Shareholder's Equity	10.00%
Inventory turnover ratio	Cost of goods sold	Average Inventory	0.02
Trade receivables turnover ratio	Revenue from operations	Average Trade Receivable	1.65
Trade payables turnover ratio	Purchases	Average Trade Payables	2.16
Net Captial turnover ratio	Revenue from operations	Total Assets	1.28
Net Profit ratio	Profit after taxes	Revenue from operations	2%
Return on Investment	Income from Investments	Average Investments	0.00
Return on capital employed	Earnings before interest and taxes	Average Shareholder's Equity + Borrowings + Lease liabilities	9.13%

Note 30 - Other Statutory Informations

(a) The Company does not have any benami property, where any proceeding has been initiated or pending against the Company for holding any benami property.

(b) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

(c) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (ultimate beneficiaries) or

(ii) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

(d) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (funding party) with the understanding (whether recorded in writing or otherwise) that the Group shall:

(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (ultimate beneficiaries) or

(ii) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

(e) The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

(f) The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.

(g) The Company is not declared wilful defaulter by and bank or financials institution or lender during the year.

(h) The Company has used the borrowings from banks and financial institutions for the specific purpose for which it was obtained.

(i) The Company does not have transactions with any struck off entity.

(j) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries or joint ventures or associate companies.

Note No. 32

The amount has been rounded off to nearest lakhs since the company is in the first year of its operation in the FY 2021-22. Therefore, previous year amounts are not presented in the financial statement.

Note No. 32

The financial statements have been approved for issue by Company's Board of Directors on April 25 2022.

The accompanying notes 1 to 32 are an integral part of the Financial Statements

In terms of our report attached.

For B.K.Khare & Co

Chartered Accountants
Firm Registration No. 105102W

Shirish Rahalkar
Partner
Membership No. 111212

Place: Mumbai
Date: 25 April, 2022

For and on behalf of the Board of Directors

Parag Shah
Director
DIN:00374944

Rakesh Singh
Executive Director & CEO
DIN: 07319353

Sajjansingh Sandu
Chief Financial Officer

Vidhi Salot
Company Secretary

Place: Mumbai
Date: 25 April, 2022

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDER OF MSPL INTERNATIONAL DMCC

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **MSPL International DMCC** (the "Company'') which comprise the statement of financial position as at 31 March 2022, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 March 2022 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in the United Arab Emirates (UAE), and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with IFRSs, and for their compliance with the applicable provisions of Dubai Multi Commodities Centre Authority Regulations 2020, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related notes made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Financial Statements, including the notes thereto, and whether the Financial Statements represents the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

We further confirm that the financial statements comply with the applicable provisions of the Dubai Multi Commodities Centre Authority Regulations 2020. Also, in our opinion, the Company has undertaken only the activities permitted under its license.

For **PKF**

Vinod M. Joshi
Partner
Registration No. 1200
Dubai
United Arab Emirates

22th April 2022

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2022

	Notes	31.3.2022	31.3.2021
ASSETS		**AED**	AED
Current assets			
Sundry receivables	6	**1,000**	15,378
Other current assets	7	**–**	16,386
Due from a related party	8	**–**	76,460
Cash and cash equivalents	9	**147,556**	77,417
		148,556	185,641
Total assets		**148,556**	185,641
EQUITY AND LIABILITIES			
Share capital	10	**11,616,000**	50,000
Accumulated losses		**(11,341,927)**	(11,321,813)
Equity / (deficit)		**274,073**	(11,271,813)
Shareholder's current account (debit) / credit balance	11	**(125,517)**	120,353
Loans from shareholder	12	**–**	11,320,130
Total shareholder's funds		**148,556**	168,670
Current liabilities			
Sundry payables	13	**–**	16,971
Total equity and liabilities		**148,556**	185,641

The accompanying notes form an integral part of these financial statements.

The report of the independent auditor is set forth on pages herein.

We confirm that we are responsible for these financial statements, including selecting the accounting policies and making the judgments underlying them. We confirm that we have made available all relevant accounting records and information for their compilation.

Approved and authorised by the director, Mr. Rajiv Gupta on 22th April 2022

For **MSPL INTERNATIONAL DMCC**

AUTHORISED SIGNATORY

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2022

	Notes	**1.4 2021 to 31.3.2022**	1.4.2020 to 31.3.2021
		AED	AED
Sundry income		**–**	140
Staff costs	15	**–**	(4,193,652)
Depreciation and amortisation	16	**–**	(87,952)
Other operating expenses	17	**(20,114)**	(1,161,868)
Finance costs	18	**–**	(208,066)
LOSS FOR THE YEAR		**(20,114)**	(5,651,398)
Other comprehensive income for the Year		**–**	–
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**(20,114)**	(5,651,398)

The accompanying notes form an integral part of these financial statements.

The report of the independent auditor is set forth on pages herein.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2022

		Share Capital	Accumulated losses	Total (deficit) / equity
		AED	**AED**	**AED**
Balance at 1 April 2020		50,000	(5,670,415)	(5,620,415)
Comprehensive income				
– Loss	(a)	–	(5,651,398)	(5,651,398)
– Other comprehensive income	(b)	–	–	–
Total comprehensive income for the year	(a+b)	–	(5,651,398)	(5,651,398)
Balance at 31 March 2021		50,000	(11,321,813)	(11,271,813)
Comprehensive income				
– Loss	(c)	**–**	**(20,114)**	**(20,114)**
– Other comprehensive income	(d)	**–**	**–**	**–**
Total comprehensive income for the year	(c+d)	**–**	**(20,114)**	**(20,114)**
Issue of share capital		**11,566,000**	**–**	**11,566,000**
Balance at 31 March 2022		**11,616,000**	**(11,341,927)**	**274,073**

The accompanying notes form an integral part of these financial statements.

The report of the independent auditor is set forth on pages herein.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2022

	1.4.2021 to 31.3.2022	1.4.2020 to 31.3.2021
	AED	AED
Cash flows from operating activities		
Loss for the Year	**(20,114)**	(5,651,398)
Adjustments for:		
Depreciation of property, plant and equipment	**–**	86,759
Amortisation of intangible assets	**–**	1,193
Finance costs	**–**	208,066
Provision for end-of-service benefits	**–**	94,292
Loss on disposal of property, plant and equipment	**–**	74,030
Loss on disposal of intangible assets	**–**	3,558
	(20,114)	(5,183,500)
Changes in:		
– Sundry receivables	**14,378**	16,888
– Other current assets	**16,386**	21,281
– Sundry payables	**(16,971)**	(225,720)
– Accruals of staff benefits	**–**	(1,372,524)
End of service benefits paid	**–**	(148,949)
Net cash used in operating activities	**(6,321)**	(6,892,524)
Cash flows from investing activities		
Proceeds on disposal of property, plant and equipment	**–**	19,923
Decrease in other financial assets (net)	**–**	76,322
Receipts from / (payments to) a related party	**76,460**	(42,273)
Net cash from investing activities	**76,460**	53,972
Cash flows from financing activities		
Proceeds from shareholder's loans	**–**	8,160,130
Payments to related parties	**–**	(592,125)
Funds withdrawn by the shareholder	**–**	(811,385)
Net cash generated from financing activities	**–**	6,756,620
Net increase / (decrease) in cash and cash equivalents	**70,139**	(81,932)
Cash and cash equivalents at beginning of year	**77,417**	159,349
Cash and cash equivalents at end of year (note 9)	**147,556**	77,417

The accompanying notes form an integral part of these financial statements.

The report of the independent auditor is set forth on pages herein.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

1. LEGAL STATUS AND BUSINESS ACTIVITY

a) On 9 April 2018, the branch of a foreign company, **Mahindra Susten Private Limited India** (the "Parent Company"), was registered in accordance with the applicable provisions of Dubai Multi Commodities Centre DMCC Company Regulations, 2021. On 8 October 2019, the branch was converted into a company, namely, MSPL International DMCC (the "Company"), which is a subsidiary of Mahindra Susten Private Limited, India.

b) The principal activity of the Company is trading of solar energy system and components.

c) The immediate parent company is Mahindra Susten Private Limited, India, intermediate parent company is Mahindra Holdings Limited and the ultimate parent company is Mahindra & Mahindra Limited, India, listed on a stock exchange in India.

2. BASIS OF PREPARATION

a) The financial statements are prepared in accordance with International Financial Reporting Standards issued or adopted by the International Accounting Standards Board (IASB)and which are effective for accounting periods beginning on or after 1 April 2021, and with the applicable provisions of Dubai Multi Commodities Centre Authority Regulations 2020.

b) **Basis of measurement**

The financial statements are prepared using historical cost.

Historical cost is based on the fair value of the consideration given to acquire the asset or cash or cash equivalents expected to be paid to satisfy the liability.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

c) **Going concern**

The financial statements are prepared on a going concern basis.

When preparing the financial statements, management makes an assessment of the Company's ability to continue as a going concern. Financial statements are prepared on a going concern basis unless management either intends to liquidate the Company or to discontinue with the license of the Company or has no realistic alternative but to do so.

The Company incurred a loss of AED 20,114 for the year ended 31 March 2022 (previous year AED 5,651,398), and at that date, the Company's losses aggregated to AED 11,341,927.

Further, the outbreak of Covid-19 continues to cause disruptions in normal lives and business in several ways. The uncertainty due to Covid-19 outbreak with regard to the future impact on the Company's business performance has also been considered as part of Management's assessment of the Company's ability to continue as a going concern. The Company is licensed to carryout the activities of renewable energy consultancy and trading of solar energy system and components, however, the Company has not carried out commercial operations during the year, Covid-19 is not expected to have a significant impact on the Company. Hence, management has determined that there is no material uncertainty that casts doubt on the Company's ability to continue as a going concern.

Since the impact of Covid-19 continues to evolve, the Company will continue to monitor the situation and its impacts on the financial statements (note 5).

However, the shareholder desires to continue with the license of the Company and has agreed to provide continuing financial support to enable the Company to discharge its liabilities as and when they fall due. Accordingly, these financial statements have been prepared on a going concern basis.

d) **Adoption of new International Financial Reporting Standards**

Standards, amendments, improvements and interpretations effective for the current period

Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 – Interest Rate Benchmark - Phase 2 became effective 1 January 2021 or after, but did not have any significant impact on the Company's financial statements.

New and revised IFRSs in issue but not yet effective and not early adopted

The following International Financial Reporting Standards, amendments, improvements and interpretations that are assessed by management as likely to have an impact on the financial statements, have been issued by the IASB prior to the date the financial statements were authorised for issue, but have not been applied in these financial statements as their effective dates of adoption are for future accounting periods.

- Amendments to IAS 37 – Onerous Contracts - Cost of Fulfilling a contract (1 January 2022)
- Amendments to IAS 16 – Property, Plant and Equipment – Proceeds before Intended Use (1 January 2022)
- Annual Improvements to IFRS Standards 2018-2021 (1 January 2022)
  - IFRS 9 Financial Instruments
  - IFRS 16 Leases
- Amendments to IAS 1 – Classification of Liabilities as Current or Non-current (1 January 2023)
- Amendments to IAS 1 and IFRS Practice Statement 2 – Disclosure of Accounting Policies (1 January 2023)
- Amendments to IAS 8 – Definition of Accounting Estimates (1 January 2023)

e) **Functional and presentation currency**

The financial statements are presented in UAE Dirhams ("AED") which is also the Company's functional currency.

3. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted, and which have been consistently applied, are as follows:

a) Staff end-of-service benefits

Provision is made for end-of-service benefits payable to non-UAE national employees at the reporting date in accordance with the local labour laws.

b) Leases

The Company leases various properties. Rental contracts are typically made for fixed periods of 1 year but may have extension options. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease arrangements do not impose any covenant.

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on short-term leases are recognised as expense on a straight-line basis over the lease term.

c) Cash and cash equivalents

Cash and cash equivalents comprise cash and bank current account, which are subject to an insignificant risk of change in value.

d) Foreign currency transactions

Transactions in foreign currencies are translated into UAE Dirhams at the rate of exchange ruling on the date of the transactions.

Monetary assets and liabilities expressed in foreign currencies are translated into UAE Dirhams at the rate of exchange ruling at the reporting date.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

Gains or losses resulting from foreign currency transactions are taken to profit or loss.

e) Borrowing costs

Borrowing costs are recognised as an expense in the year in which they are incurred.

f) Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flow estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of receivable can be measured reliably.

g) Current versus non-current classification

The Company presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle.
- Held primarily for the purpose of trading.
- Expected to be realised within twelve months after the reporting Year. or,
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting Year.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle.
- It is held primarily for the purpose of trading.
- It is due to be settled within twelve months after the reporting Year. or,
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting Year.

The Company classifies all other liabilities as non-current.

h) Financial instruments

Classification

On initial recognition, a financial asset is classified as measured at: amortised cost; fair value through other comprehensive income (“FVTOCI”) – debt investment; FVTOCI – equity investment; or fair value through profit or loss (“FVTPL”).

The classification of financial assets at initial recognition depends on the financial assets’ contractual cash flow characteristics and the Company’s business model for managing them.

In order for a financial asset to be classified and measured at amortised cost or FVTOCI, it needs to give rise to cash flows that are ‘solely payments of principal and interest (SPPI)’ on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrumental level.

The Company’s business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cashflows, selling the financial assets, or both.

Financial liabilities are classified as financial liabilities at FVTPL or at amortised cost. The Company determines the classification of its financial liabilities at initial recognition.

Recognition

Financial assets and financial liabilities are recognised when, and only when, the Company becomes a party to the contractual provisions of the instrument. Regular purchases and sales of financial assets are recognised on trade-date, the date on which the Company commits to purchase or sell the asset.

Derecognition

Financial assets are de-recognised when, and only when,

- The contractual rights to receive cash flows expire or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a ‘pass-through’ arrangement; and either

  (a) the Company has transferred substantially all the risks and rewards of the asset,

  or

  (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Financial liabilities are de-recognised when, and only when, they are extinguished i.e. when obligation specified in the contract is discharged, cancelled or expired.

Measurement

A financial asset (unless it is a trade receivable without a significant financing component that is initially measured at the transaction price) is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition. Transactions costs of financial assets carried at FVTPL are expensed in profit or loss.

All financial assets not classified as measured at amortised cost or FVTOCI as described above are measured at FVTPL.

The following accounting policies apply to the subsequent measurement of financial assets:

Financial assets at amortised cost

Financial assets that meet the following conditions are subsequently measured at amortised cost less impairment loss and deferred income, if any using the effective interest method.

1. the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
2. the contractual terms of the instrument give rise to cash flows on specified dates that are solely payments of principal and profit on the principal amount outstanding.

All other financial assets are subsequently measured at fair value.

Foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

The financial assets at amortised cost comprise of sundry receivables, due from a related party, cash and cash equivalents, and shareholder’s current account (debit balance).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

Financial liabilities at amortised cost comprise of sundry payables, due to a related party, loans from shareholder and shareholder's current account (credit balance).

Impairment of financial assets

Expected credit losses (ECLs) are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

Loss allowances are measured on 12-month ECLs: ECLs that result from possible default events within 12 months after the reporting date

The Company measures the loss allowance on 12-month ECLs: ECLs that result from possible default events within 12 months after the reporting date.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportive information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Company considers a financial asset to be in default when the financial asset is more than 45 days past due.

At the reporting date, the Company assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial assets have occurred.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the asset.

Offsetting

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

Equity

Share capital is recorded at the value of proceeds received towards interest in share capital of the Company.

i) Fair value measurement

The Company discloses the fair value of financial instruments measured at amortised cost.

The fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The fair value of an asset or a liability is measured using assumptions that the market participants would use when pricing the asset or liability, assuming that the market participants act in their best economic interests.

4. SIGNIFICANT JUDGMENTS EMPLOYED IN APPLYING ACCOUNTING POLICIES

The significant judgments made in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are as follows:

Classification of financial assets

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them.

Impairment

The Company applies expected credit loss (ECL) model to measure loss allowance in case of financial assets on the basis of 12-month ECLs depending on credit risk characteristics and how changes in economic factors affect ECLs, which are determined on a probability-weighted basis.

5. KEY SOURCES OF ESTIMATION UNCERTAINTY

Key assumptions made concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are as follows:

Fair value of financial assets

The fair values of financial instruments that are not traded on an active market are determined using valuation techniques. The Company uses its judgement to select a variety of methods and makes assumptions that are mainly based on market conditions existing at the end of each reporting period. The key assumptions used and the impact of changes in these assumptions is provided in note 3 (h).

Impairment of financial assets

The loss allowance for financial assets are based on assumptions about the risk of default and expected loss rates. The management have not used judgement in making these assumptions and selecting the inputs to the impairment calculations based on the past history, existing market conditions as well as forward looking estimates at the end of the reporting year. Details of the key assumptions and inputs used are disclosed in note 3 (g).

Impact of Covid-19

Since the outbreak is evolving rapidly, the Company continues to assess the impact of Covid-19 on its operations on a regular basis. The management believes that there exists a material uncertainty in respect of expected duration and its potential impact on the overall economy including the operations of the Company. However, the management concluded that there is no significant impact of Covid-19 on its operations due to nature of the Company's business activities, except as follows:

The Company incurred a loss of AED 20,114 for the year ended 31 March 2022 (previous year AED 5,651,398), and at that date, the Company's losses aggregated to AED 11,341,927. Notwithstanding these facts, the financial statements of the Company have been prepared on a going concern basis as the shareholder desires to continue the license of the Company and has agreed to provide continuing financial support to enable the Company to discharge its liabilities as and when they fall due.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

6. SUNDRY RECEIVABLES

	31.3.2022	31.3.2021
	AED	AED
Deposits	**1,000**	1,000
Other receivables	**–**	14,378
	1,000	15,378

7. OTHER CURRENT ASSETS

Comprise prepaid rent of AED nil (previous year AED 16,386).

8. RELATED PARTIES

The Company enter into transactions with entities that fall within the definition of a related party as contained in International Accounting Standard 24. The management considers such transactions to be in the normal course of business and are at prices determined by the management.

Related parties comprise the Parent Company and its other branches, the intermediate parent company, the ultimate parent company, companies under common ownership and/or common management control, key management personnel and directors.

At the reporting date significant balances with related parties were as follows:

	Shareholder	**Other related parties**	**31.3.2022**	31.3.2021
	AED	**AED**	**AED**	AED
Due from a related party	–	–	–	
	–	76,460		76,460
Shareholder's current account (debit) / credit balance	(125,517)	–	**(125,517)**	
	120,353	–		120,353
Loan from shareholder	–	–	–	
	11,320,130	–		11,320,130

The balances of due from a related party and shareholder's current account are unsecured, interest-free, and are repayable on demand in cash.

The of balance loans from shareholder are unsecured, bears interest of 4.5% per annum till 31 December 2021 after which the loans became interest-free, and are repayable on demand in cash (note 12).

	Shareholder	**Key management personnel**	**Other related parties**	**1.4.2021 to 31.3.2022**	1.4.2020 to 31.3.2021
	AED	**AED**	**AED**	**AED**	AED
Remuneration	–	–	–	–	
	–	835,431	–		835,431
Interest expense	–	–	–	–	
	208,066	–	–		208,066
Transfer of property, plant and equipment	–	–	–	–	
	27,694	–	–		27,694

The Company also provides funds to/receive funds from the Parent Company as working capital facilities.

Administrative and staff related services are availed from a related party free of cost.

9. CASH AND CASH EQUIVALENTS

Comprise bank balance in current accounts of AED 147,556 (previous year AED 77,417).

10. SHARE CAPITAL

	31.3.2022	31.3.2021
	AED	AED
Issued and paid-up		
11,616 shares (previous year 50 shares) of AED 1,000 each	**11,616,000**	50,000

During the year, the Company had issued additional 11,566 shares of AED 1,000 each. Under a Board of Directors resolution dated 28 July 2021, the consideration of AED 11,566,000 for the issue of aforesaid shares had been settled by conversion of loans from shareholder of AED 11,320,130 to share capital and balance AED 245,870 had been utilised from shareholder's current account balance. The increase in the share capital of the Company has been duly approved by DMCC authority vide certificate no. SD-400249 dated 10 January 2022.

11. SHAREHOLDER'S CURRENT ACCOUNT (DEBIT) / CREDIT BALANCE

Opening balance	**120,353**	751,366
Interest credited	**–**	208,066
Assets transferred	**–**	(27,694)
Funds introduced during the year (net)	**–**	(811,385)
Issue of share capital	**(245,870)**	–
Closing balance	**(125,517)**	120,353

The balance of shareholder's current account is unsecured, interest-free, repayable on demand in cash.

12. LOANS FROM SHAREHOLDER

Loans amounting to AED nil (previous year – AED 11,320,130):

- Bears interest of 4.5% per annum till 31 December 2020, after which the loans became interest-free; and
- Are repayable on demand in cash.
- During the year, the loan from shareholder amounting to AED 11,320,130 has been converted to share capital.

13. SUNDRY PAYABLES

Accruals	**–**	15,000
Other payables	**–**	1,971
	–	16,971

14. MANAGEMENT OF CAPITAL

The Company's objectives when managing capital are to ensure that the Company continues as a going concern and to provide the shareholders with a rate of return on their investment commensurate with the level of risk assumed.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

Capital, comprises equity funds as presented in the statement of financial position together with due from a related party, loans from shareholder, and shareholder's current account. Debt comprises total amounts owing to third parties, net of cash and cash equivalents.

The Company is not exposed to any externally imposed capital requirements.

15. STAFF COSTS

	1.4.2021 to 31.3.2022	1.4.2020 to 31.3.2021
	AED	AED
Salaries and benefits	–	3,830,631
Performance pay	–	129,331
End of service benefits	–	94,292
Other costs	–	139,398
	–	4,193,652

16. DEPRECIATION AND AMORTISATION

Depreciation of property, plant and equipment	–	86,759
Amortisation of intangible assets	–	1,193
	–	87,952

17. OTHER OPERATING EXPENSES

Project and related expenses	**2,314**	748,549
Rent	**16,386**	123,700
Utilities expenses	**225**	58,928
Business development expenses	–	59,703
Loss on sale of property, plant and equipment	–	74,030
Loss on sale of intangible assets	–	3,558
Other expenses	**1,189**	93,400
	20,114	1,161,868

18. FINANCE COST

Comprise interest on shareholder's loan amounting to AED nil (previous year AED 208,066).

19. FINANCIAL INSTRUMENTS

As at the reporting date of financial assets and financial liabilities are carried amortised cost at as follows:

	31.03.2022	31.03.2021
Financial Assets	**AED**	AED
Sundry receivables	**1,000**	15,378
Due from a related party	–	76,460
Cash and cash equivalents	**147,556**	77,417
Shareholder's current account	**125,517**	–
	274,073	169,255

	31.03.2022	31.03.2021
Financial liabilities	**AED**	AED
Shareholder's current account	–	120,353
Loans from shareholder	–	11,320,130
Sundry payables	–	16,971
	–	11,457,454

Management of risk

The management conducts and operates the business in a prudent manner, taking into account the significant risks to which the business is or could be exposed.

The primary risks to which the business is exposed comprise credit risks, liquidity risks and market risks (including fair value risks).

Credit risk is managed by assessing the creditworthiness of counter parties and the potential for exposure to the market in which they operate, combined with regular monitoring and follow-up.

Exposures to the aforementioned risks are detailed below:

Credit risk

Financial assets that potentially expose the Company to concentrations of credit risk comprise principally cash and cash equivalents, dues from related parties, deposits with banks, shareholder's current account and outstanding receivables.

The bank account is placed with a high credit quality financial institution.

The management assesses the credit risk arising from amounts due from related parties and other receivables taking into account their financial position, past experience and other factors. Based on the assessment individual risk limits are determined.

Based on the assessment, the management believes that no allowance for expected credit losses is required under IFRS 9.

Liquidity risk

The Company is provided funds on an on-going basis by the Parent Company to manage its liquidity risk.

Fair values

The management assesses the fair values of all its financial assets and financial liabilities at each reporting date.

The fair values of cash and cash equivalents, sundry receivables, due from a related party, sundry payables, loans from shareholder and shareholder's current accounts approximate their carrying amounts largely due to the short-term maturities of these instruments.

For **MSPL INTERNATIONAL DMCC**

AUTHORISED SIGNATORY

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF
MAHINDRA DEFENCE SYSTEMS LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Mahindra Defence Systems Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2022, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS"), and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Information Other than the Financial Statements and Auditor's Report Thereon

The CompanVs Board of Directors is responsible for the other information. The other information comprises the information included in the Directors' report but does not include the financial statements and our auditor's report thereon. The Directors' report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during our audit or otherwise appears to be materially misstated.

en we read the Directors' report, if we conclude that there is a material misstatement ein, we are required to communicate the matter to those charged with governance as red under SA 720 'The Auditor's responsibilities Relating to Other Information'

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant 10 the preparalion and presenlalion or the financial sldlernenls Ihal give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken based on these financial statements.

As part of an audit in accordance with SAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We are also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books

   c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account

   d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.

   e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164(2) of the Act.

   f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

   g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197 (16) of the Act, as amended,

      In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

   h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

      i. The Company does not have any pending litigations which would impact its financial position. Refer note 44 (i) to the financial statements.

      ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses. Refer note 42 of the financial statements.

      iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company. Refer note 43 to the financial statements.

      iv. (a) The Management has represented that, to the best of it's knowledge and belief, as disclosed in the note 52(a) to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

      (b) The Management has represented, that, to the best of it's knowledge and belief, as disclosed in the note 52(b) to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule II(e), as provided under (a) and (b) above, contain any material misstatement.

v. As stated in note 58 to the financial statements, the Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act, as applicable.

2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

FOR **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Firm's Registration No. 015125N)

Pramod B. Shukla
(Partner)
(Membership No. 104337)
(UDIN: 22104337AIKGGE9423)

PLACE: Gurugram
DATE: May 04, 2022

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

Referred to in paragraph 1 (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date on the financial statements for the year ended March 31, 2022 of Mahindra Defence Systems Limited

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Mahindra Defence Systems Limited ("the Company") as of March 31, 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of finahcial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on "the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

FOR **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Firm's Registration No. 015125N)

Pramod B. Shukla
(Partner)
(Membership No. 104337)
(UDIN: 22104337AIKGGE9423)

PLACE: Gurugram
DATE: May 04, 2022

ANNEXURE "B" TO THE AUDITORS' REPORT

(Referred to in paragraph 2 under %Report on Legal and Regulatory Requirements' section of our report of even date on the financial statements for the year ended March 31, 2022 of Mahindra Defence Systems Limited)

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

(i) (a) A. The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment, capital work-in-progress and relevant details of right-of-use assets.

B. The Company has maintained proper records showing full particulars of intangible assets.

(b) The Company has a program of verification of Property, Plant and Equipment, capital work-in-progress and right-to-use assets so to cover all the items once every two years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain Property, Plant and Equipment were due for verification during the year and were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) With respect to immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the Company) disclosed in the financial statements included in Property, Plant and Equipment, according to the information and explanations given to us and based on the examination of the registered sale deed/ conveyance deed provided to us, we report that, the title deeds of such immovable properties are held in the name of the Company as at the balance sheet date, except for the following:

Description of property	As at the balance sheet date		Held in the name of	Whether promoter, director or their relative or employee	Period held	Reason for not being held in name of Company*
	Gross carrying value	Carrying value in the financial statements				
Freehold land located at Prithla admeasuring 64907 sq. mtrs. (Property, plant and equipment)	Rs. 836.42 Lakhs	Rs. 836.42 Lakhs	Mahindra Defence Land Systems Pvt. Ltd.	No	From January 01, 2017 appointe date as per the approved Scheme of Amalgamation (the Scheme)	The title deeds have been transferred to and vested in the Company, pursuant to the Scheme of Amalgamation of Defence Land Systems India Limited (formerly Mahindra Defence Land Systems Pvt. Ltd.) with the Company in an earlier year and the procedural formality for transfer in the name of Company in the relevant documents are in rocess.

(d) The Company has not revalued any of its Property, Plant and Equipment (including Right of Use assets) and intangible assets during the year.

(e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

(ii) (a) The inventories except for goods-in-transit and stocks held with third parties, were physically verified during the year by the Management at reasonable intervals. In our opinion and based on information and explanations given to us, the coverage and procedure of such verification by the Management is appropriate having regard to the size of the Company and the nature of its operations. For stocks held with third parties at the year-end, written confirmations have been obtained in most of the cases and in respect of goods in-transit, the goods have been received subsequent to the year-end or confirmations have been obtained from the parties. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories/alternate procedures performed as applicable, when compared with the books of account.

(b) According to the information and explanations given to us, the Company has been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate, at points of time during the year, from banks on the basis of security of current assets. In our opinion and according to the information and explanations given to us, the returns or statements viz. Financial follow-up report/Financial report as at December 31, 2021 filed by the Company with such banks are in agreement with the unaudited books of account of the Company for the said period.

(iii) The Company has not made any investments in provided any security granted and advances in the nature of loans, secured or unsecured to companies, firms, Limited Liability Partnerships or any other parties during the year. The Company has provided guarantee and granted loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year, in respect of which:

a. The Company has provided loans or stood guarantee during the year and details of which are given below:

		Loans	Guarantees
			(Rs. in Lakhs)
A	Aggregate amount granted / provided durina the ear:		
–	Joint Venture	–	6,000.00
–	Fellow subsidiaries	5,600.00	
B	Balance outstanding as at balance sheet date in respect of above cases:		
–	Joint Venture	–	6,000.00
–	Fellow subsidiaries	2,500.00	–

b. The guarantees provided and the terms and conditions of the grant of all the above-mentioned loans and guarantees provided, during the year are, in our opinion, prima facie, not prejudicial to the Company's interest.

c. In respect of loans granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments of principal amounts and receipts of interest are regular as per stipulation.

d. According to information and explanations given to us and based on the audit procedures performed, in respect of loans granted by the Company, there is no overdue amount remaining outstanding as at the balance sheet date.

e. No loan or advance in the nature of loan granted by the Company which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.

f. According to information and explanations given to us and based on the audit procedures performed, the Company has not granted any loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under clause (iii)(f) of the Companies (Auditor's Report) Order, 2020 ("the Order") is not applicable.

(iv) The Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of loans granted, investments made and guarantees and securities provided, as applicable.

(v) The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause (v) of the Order is not applicable.

(vi) The maintenance of cost records has not been specified for the activities of the Company by the Central Government under section 148(1) of the Companies Act, 2013.

(vii) In respect of statutory dues:

(a) Undisputed statutory dues, including Goods and Services tax, Provident Fund, Employees' State Insurance, Income-tax, duty of Customs, cess and other material statutory dues applicable to the Company have generally been regularly deposited by it with the appropriate authorities in all cases during the year.

There were no undisputed amounts payable in respect of Goods and Services tax, Provident Fund, Employees' State Insurance, Income-tax, Sales tax, Service Tax, duty of Customs, duty of Excise, Value Added Tax, cess and other material statutory dues in arrears as at March 31, 2022 for a period of more than six months from the date they became payable. Sales tax, Service tax, duty of Excise and Value Added Tax are not applicable to the Company.

(b) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2022 on account of disputes are given below:

Name of the statute	Nature of dues	Amount Involved (Rs. in lakhs)	Period to which the amount relates (financial year)	Forum where dispute is pending
Income-tax Act, 1961	Income Tax	11.45	2019-20	Commissioner Income Tax (Appeal)
	Tax deducted at source	8.36*	2017-18	Commissioner Income Tax (Appeal)

* Net of Rs. 2.09 lakhs paid under protest

(viii) There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.

(ix) (a) The Company has not taken any loans or other borrowings from any lender. Hence reporting under clause (ix)(a) of the Order is not applicable to the Company.

(b) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.

(c) The Company has not taken any term loan during the year and there are no unutilised term loans at the beginning of the year and hence, reporting under clause (ix)(c) of the Order is not applicable.

(d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.

(e) The Company has not made any investment in or given any new loan or advances to any of its subsidiaries, associates or joint ventures during the year and hence, reporting under clause (ix)(e) of the Order is not applicable

(f) The Company has not raised any loans during the year and hence reporting on clause (ix)(f) of the Order is not applicable.

(x) (a) The Company has not issued any of its securities (including debt instruments) during the year and hence reporting under clause (x)(a) of the Order is not applicable.

(b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause (x)(b) of the Order is not applicable to the Company.

(xi) (a) To the best of our knowledge, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

(b) To the best of our knowledge, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.

(c) As represented to us by the Management, there were no whistle blower complaints received by the Company during the year and upto the date of this report.

(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.

(xiii) In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.

(xiv) (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.

(b) We have considered the internal audit reports of the Company issued till date, for the period under audit.

(xv) In our opinion during the year the Company has not entered into any non-cash transactions with any of its directors or directors of its holding company, subsidiary company, associate company, as applicable, or persons connected with such directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

(xvi) (a) The Company is not required to be registered under section 45-1A of the Reserve Bank of India Act, 1934. Hence, reporting under clause (xvi)(a), (b) and (c) of the Order is not applicable.

(b) The Group has more than one CIC as part of the group. There are 6 CIC forming part of the group.

(xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors of the Company during the year.

(xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) The Company has fully spent the required amount towards Corporate Social Responsibility (CSR) and there are no unspent CSR amounts for the year requiring a transfer to a Fund specified in Schedule VII to the Companies Act or special account in compliance with the provision of sub-section (6) of section 135 of the said Act. Accordingly, reporting under clause (xx) of the Order is not applicable for the year.

(xxi) As stated in note 55(1) to the financial statements, the Company has elected not to prepare consolidated financial statements. Hence, reporting under clause (xxi) of the Order is not applicable.

FOR **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Firm's Registration No. 015125N)

Pramod B. Shukla
(Partner)
(Membership No. 104337)
(UDIN: 22104337AIKGGE9423)

PLACE: Gurugram
DATE: May 04, 2022

BALANCE SHEET AS AT MARCH 31, 2022

(Amount in Rs. Lakhs)

Particulars	Note No.	As at March 31, 2022	As at March 31, 2021
ASSETS			
1. Non-current assets			
(a) Property, Plant and equipment	5	**6,734.38**	6,775.24
(b) Capital Work- in-Progress	7	**422.78**	79.12
(c) Right of use assets	6	**118.12**	354.34
(d) Intangible assets	8	**3,482.70**	1,579.63
(e) Intangible assets under development	9 & 10	**297.11**	105.03
(f) Financial assets			
(i) Investments	11	**–**	734.00
(ii) Trade receivables	12	**4,448.22**	3,411.07
(iii) Other financial assets	15	**361.23**	165.84
(g) Deferred tax assets (Net)	16	**731.64**	395.43
(h) Current Tax Assets (Net)	16A	**344.87**	506.15
(i) Other non-current assets	17	**10,248.29**	1,386.41
Total Non-current Assets		**27,189.34**	15,492.26
2 Current assets			
(a) Inventories	18	**5,723.07**	4,415.77
(b) Financial assets			
(i) Investments	13	**11,846.44**	–
(ii) Trade receivables	12	**17,336.19**	17,048.31
(iii) Cash and cash equivalents	19	**9,496.86**	3,259.05
(iv) Bank balances other than (iii) above	20	**4,672.50**	339.42
(v) Loans	14	**2,500.00**	–
(vi) Other financial assets	15	**7,407.78**	5,004.11
(c) Other current assets	17	**4,044.73**	3,037.83
Total Current Assets		**63,027.57**	33,104.49
Total Assets		**90,216.91**	48,596.75
EQUITY AND LIABILITIES			
1 Equity			
(a) Equity share capital	21	**1,672.37**	1,672.37
(b) Other equity		**39,688.39**	32,011.71
Total Equity		**41,360.76**	33,684.08
2 Liabilities			
Non-current liabilities			
(a) Financial Liabilities			
(i) Lease Liabilities	47	**–**	143.83
(ii) Other Financial Liabilities	23	**26.76**	26.76
(b) Provisions	22	**993.44**	742.66
(c) Other non current Liabilities	24	**30,006.61**	598.12
Total Non-current Liabilities		**31,026.81**	1,511.37
Current liabilities			
(a) Financial liabilities			
(i) Lease Liabilities	47	**143.83**	260.00
(ii) Trade payables			
(A) total outstanding dues of micro enterprises and small enterprises; and	37 & 40	**792.00**	1,110.85
(B) total outstanding dues of creditors other than micro enterprises and small enterprises		**9,051.82**	8,718.11
(iii) Other financial liabilities	23	**39.51**	36.66
(b) Other current liabilities	24	**7,148.56**	2,422.66
(c) Provisions	22	**653.62**	853.02
Total Current Liabilities		**17,829.34**	13,401.30
Total Liabilities		**48,856.15**	14,912.67
Total Equity and Liabilities		**90,216.91**	48,596.75
The accompanying notes forming part of the financial statements	1 to 60		

In terms of our report attached
For Deloitte Haskins & Sells
Chartered Accountants

Pramod B.Shukla
Partner

Mukul Verma
Chief Financial Officer

Place : Gurugram
Date : May 04, 2022

For and on behalf of Board of Directors

S. P. Shukla — Managing Director
DIN: 00007418

Sukhvindar Hayer — Director
DIN: 07272511

Manish Sharma — Company Secretary

Place : Mumbai
Date : 04-05-2022

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2022

(Amount in Rs. Lakhs)

	Particulars	Note No	**For the year ended March 31, 2022**	For the year ended March 31, 2021
I	Revenue from operations	25	**42,308.47**	44,707.41
	Other income	26	**1,898.21**	1,151.70
	Total Income		**44,206.68**	45,859.11
II	**Expenses**			
	Cost of materials consumed	27	**10,055.29**	14,700.87
	Purchases of stock in trade	28	**793.67**	1,047.80
	Changes in Inventories of finished goods, work-in-progress and stock-in-trade	29	**(89.51)**	2,929.40
	Employee benefits expense	30	**6,356.50**	5,910.95
	Finance costs	31	**276.88**	137.46
	Depreciation and amortisation expense	5, 6 & 8	**1,752.54**	1,475.10
	Subcontracting and service charges		**6,741.15**	5,990.38
	Other expenses	32	**7,039.39**	4,515.24
	Total expenses		**32,925.91**	36,707.20
III	**Profit before exceptional items and tax (I-II)**		**11,280.77**	9,151.91
IV	Exceptional items	56	**734.00**	1,856.00
V	**Profit before tax (III-IV)**		**10,546.77**	7,295.91
VI	**Tax expense**			
	Current tax	33	**3,092.73**	2,190.88
	Tax related to earlier year		**(1.09)**	53.19
	Deferred tax charge/(benefits)	33	**(307.35)**	49.17
	Total tax expense		**2,784.29**	2,293.24
VII	**Profit for the year (V-VI)**		**7,762.48**	5,002.67
VIII	**Other comprehensive income**			
	Items that will not be reclassified to profit or loss:			
	Remeasurements (gain)/loss of the defined benefit plans	36	**(114.66)**	12.56
	Income tax relating to these items	33	**(28.86)**	3.16
	Total other comprehensive income for the year		**(85.80)**	9.40
IX	**Total comprehensive income for the year (VII + VIII)**		**7,676.68**	5,012.07
	Earnings per share (Face value of Rs 10 per share) (in Rs.)			
	– Basic (in Rs.)	35	**46.42**	29.91
	– Diluted (in Rs.)	35	**46.42**	29.91
	The accompanying notes forming part of the financial statements	1 to 60		

In terms of our report attached
For Deloitte Haskins & Sells
Chartered Accountants

Pramod B.Shukla
Partner

Mukul Verma
Chief Financial Officer

Place : Gurugram
Date : May 04, 2022

For and on behalf of Board of Directors

S. P. Shukla — Managing Director
DIN: 00007418

Sukhvindar Hayer — Director
DIN: 07272511

Manish Sharma — Company Secretary

Place : Mumbai
Date : 04-05-2022

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2022

a. Equity share capital

(Amount in Rs. Lakhs)

Particulars	
Balance as at April 1, 2021	1,672.37
Changes in equity share capital during the year	–
As at March 31, 2022	**1,672.37**
Balance as at April 1, 2020	1,672.37
Changes in equity share capital during the year	–
As at March 31, 2021	**1,672.37**

b. Other Equity

(Amount in Rs. Lakhs)

	Reserves and Surplus			
Particulars	**Capital Reserve #**	**Securities premium***	**Retained earnings##**	**Total**
Balance as on April 1, 2021	**2,412.24**	**27,622.68**	**1,976.79**	**32,011.71**
Profit for the year 2021-22	–	–	7,762.48	7,762.48
Other Comprehensive Income/(Loss) - Remeasurements of defined benefit plans, net of income tax	–	–	(85.80)	(85.80)
Total Comprehensive Income for the year	–	–	7,676.68	7,676.68
Balance as on March 31, 2022	**2,412.24**	**27,622.68**	**9,653.47**	**39,688.39**

Previous year

(Amount in Rs. Lakhs)

	Reserves and Surplus			
Particulars	**Capital Reserve #**	**Securities premium***	**Retained earnings##**	**Total**
Balance as on April 1, 2020	**2,412.24**	**27,622.68**	**(3,035.28)**	**26,999.64**
Profit for the year 2020-21	–	–	5,002.67	5,002.67
Other Comprehensive Income/(Loss) - Remeasurements of defined benefit plans, net of income tax	–	–	9.40	9.40
Total Comprehensive Income for the year	–	–	5,012.07	5,012.07
Balance as on March 31, 2021	**2,412.24**	**27,622.68**	**1,976.79**	**32,011.71**

This reserve represents reserve recognised on amalgamation of the erstwhile Defence Land Systems India Limited with the Company being the difference between Company's investment value and share capital of the transferor Company.

Retained Earnings refers to Net Earnings not paid as dividends but retained by the Company to be reinvested in its core business. Further, Remeasurement loss (net) on defined benefit plans Rs. 85.80 lakhs (Previous year gain: Rs. 9.40 lakhs) has been recognised during the year as part of retained earnings.

* Securities premium reserve is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013

The accompanying notes forming part of the financial statements 1 to 60

In terms of our report attached
For Deloitte Haskins & Sells
Chartered Accountants

Pramod B.Shukla
Partner

Mukul Verma
Chief Financial Officer

Place : Gurugram
Date : May 04, 2022

For and on behalf of Board of Directors

S. P. Shukla Managing Director
DIN: 00007418

Sukhvindar Hayer Director
DIN: 07272511

Manish Sharma Company Secretary

Place : Mumbai
Date : 04-05-2022

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2022

(Amount in Rs. Lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Cash flows from operating activities		
Profit after tax	**7,762.48**	5,002.67
Adjustments for:		
Income tax recognised in Statement of Profit or Loss	**2,784.29**	2,293.24
Impairment of Investment in Joint Venture	**734.00**	1,856.00
Interest on bank deposits (At amortised cost)	**(229.16)**	(201.60)
Interest on income tax refund	**(11.42)**	(94.06)
Interest Income on financial assets at amortised cost	**(247.79)**	(145.89)
Interest on loans to related parties	**(103.71)**	(29.14)
Profit on sale of property, plant and equipment	**(8.52)**	(0.69)
Loss on sale of property, plant and equipment	**26.75**	28.85
Gain on fair valuation of investments through profit or loss	**(191.42)**	–
Gain on sale of current investment - mutual funds	**(225.64)**	–
Dividend Income on financial instrument measured at FVTPL	–	(57.03)
Depreciation and amortisation expense	**1,752.54**	1,475.10
Excess provision / liabilities, no longer required written back	**(376.26)**	(14.41)
Allowance for doubtful debts	**755.64**	57.17
Unrealised (gain)/loss on foreign currency transaction and translation	**109.99**	(2.78)
Unwinding of discount on provision for warranty	**(5.73)**	0.77
Interest expense on financial assets at fair value through profit and loss (FVTPL)	**181.96**	54.99
Interest on delay in payments of income tax	**36.74**	41.27
Interest on delay payment of statutory dues	**8.46**	1.15
Interest on lease liabilities	**16.15**	31.09
Provision for Tax receivables	**50.80**	–
Intangible assets under development expensed off	**5.18**	–
Impairment of Property, Plant and Equipment	**54.88**	–
	12,880.21	10,296.70
Movements in working capital:		
(Increase)/decrease in trade receivables (current & non-current)	**(1,631.32)**	(13,374.16)
(Increase)/decrease in inventories (current)	**(1,307.30)**	1,069.51
(Increase)/decrease in other assets (current & non-current)	**(9,831.66)**	(475.79)
(Increase)/decrease in other financial assets (current & non-current)	**2,707.32**	(1,701.08)
Increase/(decrease) in trade and other payables (current)	**(102.42)**	2,382.08
Increase/(decrease) in provisions (current & non-current)	**(57.55)**	502.21
Increase/(decrease) in other liabilities (current)	**34,130.89**	(1,780.23)
Cash generated/(used in) from operations	**36,788.17**	(3,080.76)
Income taxes paid (Net of refund)	**(3,017.90)**	(1,086.78)
Net cash generated/(used in) by operating activities (A)	**33,770.27**	(4,167.54)
Cash flows from investing activities		
Payments towards aquisition of Property, plant and equipment and Intangible assets	**(4,054.90)**	(3,033.65)
Sale of Property, plant and equipment	**31.57**	6.59
Interest on income tax refund	**11.42**	94.06
Interest on deposits	**105.68**	203.48
Interest on loans to related parties	**42.84**	29.14
Dividend Income on financial instrument measured at FVTPL	–	57.03
Bank balances not considered as cash and cash equivalents (Net)	**(9,455.08)**	(20.30)
Proceed from/(Acquisition of) current investment (Net)	**(11,429.38)**	2,976.63
Inter corporate deposit given	**(5,600.00)**	(2,950.00)
Inter corporate deposit refunded	**3,100.00**	2,950.00
Net cash from/(used in) by investing activities (B)	**(27,247.85)**	312.98
Cash flows from financing activities		
Interest paid	**(8.46)**	(8.37)
Interest paid on lease liabilities	**(16.15)**	(31.09)
Repayment of principal towards lease liabilities	**(260.00)**	(226.97)
Net cash generated/(used in) financing activities (C)	**(284.61)**	(266.43)
Net increase/(decrease) in cash and cash equivalents (A+B+C)	**6,237.81**	(4,120.99)
Cash and cash equivalents at the beginning of the year	**3,259.05**	7,380.04
Cash and cash equivalents at the end of the year (Refer Note No: 19)	**9,496.86**	3,259.05

The accompanying notes forming part of the financial statements 1 to 60

In terms of our report attached
For Deloitte Haskins & Sells
Chartered Accountants

Pramod B.Shukla
Partner

Mukul Verma
Chief Financial Officer

Place : Gurugram
Date : May 04, 2022

For and on behalf of Board of Directors

S. P. Shukla Managing Director
DIN: 00007418

Sukhvindar Hayer Director
DIN: 07272511

Manish Sharma Company Secretary

Place : Mumbai
Date : 04-05-2022

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

1. General Information

Mahindra Defence Systems Limited is a Public Limited Company incorporated on July 30, 2012 under the Companies Act, 1956 ("the Act"). The Company is a subsidiary of Mahindra & Mahindra Limited. The Company is engaged in design, development, manufacture, supply, dealing, operating, trading, overhaul, repair, maintenance and service of all kinds of defence vehicle and other defence equipment including training to armed forces people through specific equipments. The Company is also engaged in business of consultancy, training, implementation, management, maintenance and audit in the areas of information security, physical security, homeland security, critical infrastructure security, IT systems & network security, applications security, web & software security, change management & training, business continuity, disaster recovery, governance, loss prevention, fraud risk management, forensics, third party assessment and other allied areas with the objective of derisking the business and mitigation of loss arising from such security risks. The address of company's registered office is Mahindra Towers, P.K. Kurne Chowk, Dr. G.M.Bhosale Marg, Worli, Mumbai-400018 and the address of its corporate office is Mahindra Towers, 1st Floor, 2-A, Bhikaji Cama Place, New Delhi- 110066.

2. Basis of preparation and presentation

2.1 Statement of Compliance

The financial statements have been prepared in accordance with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended.

The financial statements are presented in rupees and all values are rounded to the nearest lakhs except when otherwise indicated.

2.2 Accounting convention

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

2.3 Operating Cycle

Based on the nature of products/ activities of the Company and the normal time between acquisition of assets and their realization in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

3. Significant Accounting Policies

3.1 Revenue recognition

Revenue represents income derived from contracts for the provision of goods and services, over time or at a point in time, by the company to customers in exchange for consideration in the ordinary course of the activities.

Contract Identification

The contract between the Company and customer is identified which creates enforceable rights and obligations with defined payment terms.

Performance obligations

Upon approval by the parties to a contract, the contract is assessed to identify each promise to transfer either a distinct good or service or a series of distinct goods or services that are substantially the same and have the same pattern of transfer to the customer. Goods and services are distinct and accounted for as separate performance obligations in the contract if the customer can benefit from them either on their own or together with other resources that are readily available to the customer and they are separately identifiable in the contract.

Transaction price

At the start of the contract, the total transaction price is determined with respect to the contract. The total transaction price is allocated to the performance obligations identified in the contract in proportion to their relative stand-alone selling prices

Revenue recognition

Revenue is recognised as performance obligations are satisfied as control of the goods and services is transferred to the customer. For each performance obligation within a contract, the company determines whether it is satisfied over time or at a point in time.

Performance obligations are satisfied over time if one of the following criteria is satisfied:

- the customer simultaneously receives and consumes the benefits provided by the Company's performance as it performs;
- the Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- the Company's performance does not create an asset with an alternative use to the Company and it has an enforceable right to payment for performance completed to date.

For each performance obligation to be recognized over time, the Company recognises revenue using an input method and output method. Input method is used to recognize revenue on the basis of Percentage completion method applied on the company actual spent on the basis of resources consumed, labour hours expended, costs incurred, time elapsed or machine hours used while Output methods recognize revenue on the basis of direct measurements of the value to the customer of the goods or services transferred to date relative to the remaining goods or services promised under the contract. Revenue and attributable margin are calculated by reference to estimates of sale price and total costs.

Significant financing component;

In determining the transaction price, the company adjusts the promised amount of consideration for the effects of the time value of money if the timing of payments agreed to by the parties to the contract provides the customer or the company with a significant benefit of financing the transfer of goods or services to the customer.

The company recognises revenue at an amount that reflects the price that a customer would have paid for the promised goods or services if the customer had paid cash for those goods or services when (or as) they transfer to the customer (ie the cash selling price)

Dividend, interest and rental income

Dividend income from investments is recognized when right to receive payment has been established (provided that it is probable that the economic benefits will flow to the company and the amount of income can be measured reliably).

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Rental income from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the companies expected inflationary cost increases, such increases are recognized in the year in which such benefits accrue.

Duty Drawback and export incentive has been recognized as it has been received.

3.2 Leasing

Rental expense from operating leases is generally recognised on a straight line basis over the term of relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increase, such increases are recognised in the year in which such benefits accrue. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

The Company is Lessor

Leases for which the company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Separate lease components in the contract is accounted as Lease Income.

The Company did not need to make any adjustments to the accounting of assets held as lessor under operating leases as a result of the adoption of IND AS 116.

For operating leases, rental income is recognized on a straight line basis over the term of the relevant lease.

The Company is Lessee

The Company's lease asset classes primarily consist of leases for buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

ii) Transition

The Company applied Ind AS 116 initially on 1 April 2019, using the modified retrospective approach with Option 2 where an amount equal to lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease is recognised in the balance sheet as Right-of use asset immediately before the date of initial application.

The following is the summary of practical expedients elected on initial application:

Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date.

Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application, Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.

Applied the practical expedient to grandfather the assessment of which transactions are leases. Accordingly, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17.

The difference between the lease obligation recorded as of March 31, 2019 under Ind AS 17 disclosed under Note 25 of financial statements for the year ended March 31, 2019 and the value of the lease liability as of 01 April 2019 is primarily on account of inclusion of extension and termination options reasonably certain to be exercised, in measuring the lease liability in accordance with Ind AS 116 and discounting the lease liabilities to the present value under Ind AS 116.

3.3 Foreign currency transactions and translations

In preparing the financial statements transactions in currencies other than the Company's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise.

3.4 Borrowing costs

Borrowing costs directly attributable to the' acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

3.5 Employee benefits

Employee benefits include provident fund, employee state insurance scheme, gratuity, compensated absences and post-employment medical benefits.

<u>Retirement benefit costs</u>

Payments to defined contribution retirement benefit plans are recognised as an expense employees have rendered service entitling them to the contributions.

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- remeasurement

The Company presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service costs.

Re – measurements, comprising actuarial gains and losses, the effect of changes to asset ceiling (if applicable) and the return on plan assets, is recognized in other comprehensive income in the period in which they occur. Re- measurements recognized in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss.

The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the companies defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

Short-term and other long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

3.6 Taxes on income

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The company current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

Minimum Alternate Tax (MAT) paid as current tax expense in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as tax credit and recognised as deferred tax asset when there is reasonable certainty that the Company will pay normal income tax in the future years and future economic benefit associated with it will flow to the Company.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively

3.7 Property, Plant and equipment

Property, Plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Cost of acquisition is inclusive of freight, duties, taxes and other incidental expenses. Subsequent expenditure relating to fixed assets is capitalized only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance. Such assets are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Cost of acquisition is inclusive of freight, duties, taxes and other incidental expenses.

Depreciation is recognised so as to write off the cost of assets (Other than free hold land and properties under contruction less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Depreciation is charged on a pro-rata basis at the straight line method as per the useful life prescribed in Schedule II to the Companies Act, 2013, other than certain assets which are depreciated as follows:

Estimated useful life of assets are as follows:

Plant and equipment	1- 10 years
Office equipment	1- 5 years
Furniture and fixtures	1-10 years
Vehicles	5 years

The above useful life has been assessed based on internal assessment and technical advice, taking into account the nature of the asset, the estimated usage of the asset, and the operating conditions of the asset and anticipated technological changes.

An item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Trial and Testing Vehicles : Vehicles made for Trial/Testing/CMVR/ other development projects is reviewed after the completion of the relevant activity. Vehicles used for trial :

a) Where the asset is not usable and has negligible realizable value , the vehicle is capitalized with nominal value in FAR.

b) Where the asset is usable for further trials , the vehicle is capitalized at carrying value over the useful life of the asset.

3.8 Intangible Assets

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

Internally-generated intangible assets - research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately

Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

Amortisation and useful lives of intangible assets

Intangible assets comprising of technical knowledge and development expenditure, etc. are amortised over a period of three years or less depending on the estimated useful life of the assets remaining as at balance sheet date. Intangible assets, comprising of software, expenditure on product design and prototypes incurred are amortised on a straight line method over a period of 5 years and 3-5 years respectively.

The depreciable amount of an intangible asset with a finite useful life shall be allocated on a systematic basis over its useful life. Amortisation shall begin when the asset is available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management.

3.9 Impairment of tangible and intangible assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Recoverable amount is the higher of fair value less costs of disposal and value in use.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired. Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash- generating unit to which the asset belongs.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss. When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

3.10 Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on a moving weighted average. Finished goods and work-in-progress include appropriate proportion of overheads. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

3.11 Provisions

Provisions are recognised when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that the company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

3.12 Warranties

In respect of sale of manufactured and traded goods, the estimated liability for product warranties is recorded when products are sold. These estimates are established using historical information on the nature, frequency and average cost of warranty claims and management estimates regarding possible future incidence based on corrective actions on product failures (except warranties backed by the supplier).

3.13 Financial instruments

Financial assets and financial liabilities are recognised when Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

3.14 Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets

Classification of financial assets

Financial instruments that meet the following conditions are subsequently measured at amortised cost (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
- Financial instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income:

- the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Interest income is recognised in profit or loss for FVTOCI debt instruments.

All other financial assets are subsequently measured at fair value.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in profit or loss and is included in the "Other income" line item.

Financial assets at fair value through profit or loss (FVTPL)

A financial asset that meets the amortised cost criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other income' line item. Dividend on financial assets at FVTPL is recognised when the company right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

De-recognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

Impairment of financial assets

The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Payment terms agreed with a customer are as per business practice and the Company's trade receivables do not contain significant financing component. As per simplified approach, loss allowances on trade receivables are measured at an amount equal to life time expected losses i.e. expected cash shortfall. For all other financial assets, expected credit losses are measured at an amount equal to the 12-months expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition

The impairment losses and reversals are recognised in Statement of Profit and Loss

Investment in Equity instruments

Investments in subsidiaries and joint ventures are carried at cost less accumulated impairment, if any.

3.15 Financial liabilities

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Financial liabilities

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' Line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability.

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

De-recognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired.

3.16 Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

4. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company accounting policies, which are described in note 3, the management of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the areas of estimation uncertainty and critical judgements that the management has made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements:-

Recoverability of intangible asset under development

During the period, the Company assessed the recoverability of the intangible assets under development.

Capitalisation of cost in intangible assets under development is based on management's judgment that technological and economic feasibility is confirmed and asset under development will generate economic benefits in future. This situation is closely monitored, and adjustments made in future periods if future market activity indicates that such adjustments are appropriate.

Defined benefit plans

The cost of the defined benefit plan and other post-employment benefits and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Useful lives of depreciable assets and intangible assets

Management reviews the useful lives of depreciable assets and intangible assets at each reporting. As at March 31, 2021 management assessed that the useful lives represent the expected utility of the assets to the Company. Further, there is no significant change in the useful lives as compared to previous year.

Investment considered Joint venture

The Company holds 51% equity share capital of Mahindra Telephonics Integration Systems Limited (MTISL) and the remaining 49% is held by Telephonics corporation USA (TC) (Joint venture partner). Based on the joint venture agreement between the Company and TC, decisions on certain relevant activities, which are significant in nature, require the consent of both the Company and TC. Company cannot take unilateral decision on those activities

The provision of output from operations, do not go to “both the parties” as MTISL does not sell its product to the Company and hence the Company does not receive economic benefits of the assets of the operations. The outputs of the MTISL are purchased only by TC. The MTISL is generating cash to contribute to the continuity of the operations. Therefore, the director of the Company decided to classify MTISL as joint venture.

Impairment of Investments

The Company assesses impairment of investments in joint ventures which are recorded at cost. At the time when there are any indications that such investments have suffered a loss, if any, is recognised in the statement of Profit and Loss. The recoverable amount requires estimates of operating margin, discount rate, future growth rate, terminal values, etc. based on management’s best estimate

Leases

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to the Company’s operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

4.1 Recent Accounting pronouncements

Ministry of Corporate Affairs (“MCA”) notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, as below.

Ind AS 16 – Property Plant and equipment - The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022. The Company has evaluated the amendment and there is no impact on its consolidated financial statements.

Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets – The amendment specifies that the ‘cost of fulfilling’ a contract comprises the ‘costs that relate directly to the contract’. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022, although early adoption is permitted. The Company has evaluated the amendment and the impact is not expected to be material.

Note No: 5 - Property, plant and equipment

(Amount in Rs. Lakhs)

Description of Assets	Land- Free Hold #	Buildings*	Plant and equipment	Office equipment	Furniture and Fixtures	Vehicles	Total
I. Cost or deemed cost							
Balance as at April 1, 2021	3,177.92	2,719.58	3,051.91	214.57	335.37	1,023.69	10,523.04
Additions	–	2.47	300.10	19.56	14.51	336.51	673.15
Disposal/write off	–	–	124.68	8.35	14.02	289.60	436.65
Balance as at March 31, 2022	**3,177.92**	**2,722.05**	**3,227.33**	**225.78**	**335.86**	**1,070.60**	**10,759.54**
II. Accumulated depreciation							
Balance as at April 1, 2021	–	843.26	1,849.20	139.92	274.17	641.25	3,747.80
Depreciation expense for the year	–	100.78	341.25	24.65	14.24	128.41	609.33
Impairment of assets @		6.19	15.34	–	0.02	33.33	54.88
Eliminated on disposal/write off	–	–	107.90	7.92	12.99	258.04	386.85
Balance as at March 31, 2022	**–**	**950.23**	**2,097.89**	**156.65**	**275.44**	**544.95**	**4,025.16**
III. Net carrying amount (I-II)	**3,177.92**	**1,771.82**	**1,129.44**	**69.13**	**60.42**	**525.65**	**6,734.38**

* Part of building measuring 42,488 Sq Ft out of total area of 2,61,274 Sq Ft is leased out.

@ Impairment losses are on account of obsolescence or physical damage of assets.

(Previous year) **(Amount in Rs. Lakhs)**

Description of Assets	Land- Free Hold #	Buildings*	Plant and equipment	Office equipment	Furniture and Fixtures	Vehicles	Total
I. Cost or deemed cost							
Balance as at April 1, 2020	836.42	2,719.58	2,674.03	202.78	340.52	1,094.57	7,867.90
Additions	2,341.50	–	418.07	14.38	5.52	87.92	2,867.39
Disposal/write off	–	–	40.19	2.59	10.67	158.80	212.25
Balance as at March 31, 2021	3,177.92	2,719.58	3,051.91	214.57	335.37	1,023.69	10,523.04
II. Accumulated depreciation							
Balance as at April 1, 2020	–	757.14	1,602.52	117.77	266.51	645.67	3,389.61
Depreciation expense for the year #	–	86.12	282.74	24.61	17.78	124.44	535.69
Eliminated on disposal/write off	–	–	36.06	2.46	10.12	128.86	177.50
Balance as at March 31, 2021	–	843.26	1,849.20	139.92	274.17	641.25	3,747.80
III. Net carrying amount (I-II)	3,177.92	1,876.32	1,202.71	74.65	61.20	382.44	6,775.24

* Part of building measuring 42,488 Sq Ft out of total area of 2,61,274 Sq Ft is leased out.

The details of immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) whose title deeds are not held in the name of the Company is given below:

Description of property	As at the balance sheet date		Held in the name of	Whether promoter, director or their relative or employee	Period held	Reason for not being held in name of Company
	Gross carrying value (Rs. lakhs)	Carrying value in the financial statements (Rs. lakhs)				
Freehold land located at Prithla admeasuring 64907 sq. mtrs.	836.42	836.42	Mahindra Defence Land Systems Pvt. Ltd.	No	From January 01, 2017 appointed date as per the approved Scheme of Amalgamation (the Scheme)	The title deed have been transferred to and vested in the Company, pursuant to the Scheme of Amalgamation of Defence Land Systems India Limited (formerly Mahindra Defence Land Systems Pvt. Ltd.) with the Company in an earlier year. The Company is in the process of completing the procedural formalities of getting the relevent records updated in its name.

Note No: 6 - Right of use assets (Refer Note 47)

(Amount in Rs. Lakhs)

Description of Assets	2021-22	Description of Assets	2020-21
Balance as at April 1, 2021	**826.78**	Balance as at April 1, 2020	826.78
Additions	**–**	Additions	–
Balance as at March 31, 2022	**826.78**	**Balance as at March 31, 2021**	**826.78**
II. Accumulated Depreciation		II. Accumulated Depreciation	
Balance as at April 1, 2021	**472.44**	Balance as at April 1, 2020	236.22
Depreciation expense for the year	**236.22**	Depreciation expense for the year	236.22
Balance as at March 31, 2022	**708.66**	**Balance as at March 31, 2021**	**472.44**
III. Net carrying amount (I-II)	**118.12**	**III. Net carrying amount (I-II)**	**354.34**

Note No: 7

(a) Capital work-in-progress

(Amount in Rs. Lakhs)

As at March 31, 2022	Amount in Capital work-in-progress for a period of				
Particulars	**Less than 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
Projects in progress	406.81	0.66	15.31	–	422.78

(Previous year)

(Amount in Rs. Lakhs)

As at March 31, 2021	Amount in Capital work-in-progress for a period of				
Particulars	**Less than 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
Projects in progress	17.01	62.11	–	–	79.12

Note: There are no projects that are temporary suspended

(b) Capital work-in-progress where completion schedule is overdue

(Amount in Rs. Lakhs)

As at March 31, 2022	To be completed in				
CWIP	**Less than 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
Project 1	61.48	–	–	–	61.48

(Previous year)

(Amount in Rs. Lakhs)

As at March 31, 2021	To be completed in				
CWIP	**Less than 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
Project 1	–	61.48	–	–	61.48

There were no other projects in respect of which the completion is overdue or has exceeded its cost compared to its original plan as at March 31, 2022 and March 31, 2021.

Note No : 8 - Intangible assets

(Amount in Rs. Lakhs)

Description of assets	Software (Note 1 Below)	Product design and prototypes (Note 2 Below)	Total
I. Cost or deemed cost			
Balance as at April 1, 2021	194.14	3,263.49	**3,457.63**
Additions (Note 3 below)	–	2,810.06	**2,810.06**
Balance as at March 31, 2022	**194.14**	**6,073.55**	**6,267.69**

(Amount in Rs. Lakhs)

Description of assets	Software (Note 1 Below)	Product design and prototypes (Note 2 Below)	Total
II. Accumulated amortisation			
Balance as at April 1, 2021	190.84	1,687.16	**1,878.00**
Amortisation expense for the year	1.32	905.67	**906.99**
Balance as at March 31, 2022	**192.16**	**2,592.83**	**2,784.99**
III. Net carrying amount (I-II)	**1.98**	**3,480.72**	**3,482.70**

(Previous year) (Amount in Rs. Lakhs)

Description of assets	Software (Note 1 Below)	Product design and prototypes (Note 2 Below)	Total
I. Cost or deemed cost			
Balance as at April 1, 2020	190.14	2,903.66	**3,093.80**
Additions (Note 3 below)	4.00	359.83	**363.83**
Disposal/Write -offs	–	–	**–**
Balance as at March 31, 2021	**194.14**	**3,263.49**	**3,457.63**
II. Accumulated amortisation			
Balance as at April 1, 2020	190.06	984.75	**1,174.81**
Amortisation expense for the year	0.78	702.41	**703.19**
Eliminated on disposal of assets	–	–	**–**
Balance as at March 31, 2021	**190.84**	**1,687.16**	**1,878.00**
III. Net carrying amount (I-II)	**3.30**	**1,576.33**	**1,579.63**

Note 1 : Acquired

Note 2 : Product design and prototypes includes specified projects with net carrying amount as at March 31, 2022 Rs. 631.32 lakhs with a remaning amortisation period of 1 year and Rs 182.55 Lakhs with a remaning amortisation period of 1 year and 9 Months and Rs 2,666.85 Lakhs with a remaining amortisation period of 4 years and 9 Months (Previous year Product design and prototypes includes specified projects with net carrying amount as at March 31, 2021 Rs. 1375.44 lakhs with a remaining amortisation period of 2 years and Rs 200.89 Lakhs with a remaining amortisation period of 2 years and 9 months)

Note 3 : Includes Product design and prototypes acquired during the year for Rs 2,808.76 Lakhs (Previous year Rs 217.14 Lakhs)

Note No : 9 - Intangible assets under development

(Amount in Rs. Lakhs)

Description of Assets	Total	Description of Assets	Total
Balance as at March 31, 2021 #	**105.03**	**Balance as at March 31, 2020 #**	**86.39**
Additions	3,018.02	Additions	161.33
Capitalised**	2,820.76	Capitalised**	142.69
Expensed off	5.18	Expensed off	–
Balance as at March 31, 2022 #	**297.11**	**Balance as at March 31, 2021 #**	**105.03**

The above includes eligible design and prototype related development expenditure with respect to specified projects . On capitalisation the same would be amortised over 3 to 5 years based on economic benefits expected from its use.

** During the year Rs 2,810.06 Lakhs (Previous Year Rs. 142.69 Lakhs) capitalised in Product design and prototypes and Rs. 10.70 Lakhs (Previous Year Rs. Nil) capitalised in Vehicles

Note No 10 - Intangible assets under development ageing schedule

As at March 31, 2022 (Amount in Rs. Lakhs)

Particulars	Amount in Intangible under development for a period of: Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	198.62	61.69	36.80	–	297.11

As at March 31, 2021	Amount in Intangible under development for a period of				(Amount in Rs. Lakhs)
Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	68.16	36.87	–	–	105.03

Note : There are no projects that are temporary suspended

Note No 10A - Intangible assets under development completion schedule of overdue projects

As at March 31, 2022	**To be Completed In**				**(Amount in Rs. Lakhs)**
Particulars	**Less than 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
Project 1 - Defence related	98.49	–	–	–	98.49

As at March 31, 2021	To be Completed In				(Amount in Rs. Lakhs)
Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Project 1 - Defence related	–	98.49	–	–	98.49

There were no other projects in respect of which the completion is overdue or has exceeded its cost compared to its original plan as at March 31, 2022 and March 31, 2021.

Note No : 11 Non Current Investments

(Amount in Rs. Lakhs)

	As at March 31, 2022		As at March 31, 2021	
Particulars	**Qty (In Number)**	**Amounts**	Qty (In Number)	Amounts
Non current investment carried at cost				
Unquoted Investments (all fully paid) in equity instruments				
– In Joint venture*				
Mahindra Telephonics Integration Systems Limited	**25,900,000**	**2,590.00**	25,900,000	2,590.00
Less : Aggregate amount of Impairment in value of investment in Joint venture	**–**	**(2,590.00)**	–	(1,856.00)
Total	**25,900,000**	**0.00**	25,900,000	734.00

*Refer Note no.4, 55 and 56

Note No : 12 Trade receivables

(Amount in Rs. Lakhs)

	As at March 31, 2022		As at March 31,2021	
Particulars	**Current**	**Non–Current**	Current	Non–current
Trade receivables				
Receivable considered good- Unsecured	**17,336.19**	**4,448.22**	17,048.31	3,411.07
Receivable - credit impaired	**922.87**	**–**	251.28	–
Less: Allowance for doubtful debts (expected credit loss allowance) (Refer Note (i) below)	**922.87**	**–**	251.28	–
Total	**17,336.19**	**4,448.22**	17,048.31	3,411.07
Of the above, trade receivables from:				
– Related Parties	**1,679.16**	**83.78**	1,360.84	494.79
– Others	**15,657.03**	**4,364.44**	15,687.47	2,916.28
Total	**17,336.19**	**4,448.22**	17,048.31	3,411.07

(i) Details of movement in Allowance for doubtful receivable		Amount (Rs in Lakhs)
Particulars	**As at March 31, 2022**	As at March 31, 2021
Balance at beginning of the year	**251.28**	208.52
Add: Created during the year	**755.64**	57.17
Less: Provision no longer required, written back	**84.05**	14.41
Balance at end of the year	**922.87**	251.28

Refer Note No. 37- Financial Instruments for disclosures related to ageing credit risk, impairment under expected credit loss model and related financial instrument disclosures

Note No : 13 Current Investments

(Amount in Rs. Lakhs)

Particulars	As at March 31, 2022 Units	As at March 31, 2022 Amount	As at March 31,2021 Units	As at March 31,2021 Amount
Unquoted Investments in Mutual Funds carried at Fair value through Profit & Loss (FVTPL)				
ABSL Saving Fund - Growth Direct	**15,95,557.95**	**7,105.21**	–	–
ABSL Liquid Fund - Growth Direct	**1,904.48**	**6.53**	–	–
HDFC Money Market Fund - DP Growth	**98,571.85**	**4,588.32**	–	–
HDFC Liquid - DP - Growth	**3,497.92**	**146.38**	–	–
Total	**–**	**11,846.44**	–	–

Note: Market value of above investments is same as carrying value since being carried at FVTPL.

Note No : 14 Loans

(Amount in Rs. Lakhs)

Particulars	**As at March 31, 2022**		**As at March 31,2021**	
	Current	**Non-current**	**Current**	**Non-current**
Unsecured, considered good (At amortised cost)				
Loans to related parties (Refer note 39)	2,500.00	–	–	–
Total	2,500.00	–	–	–

Loans to related parties (for working capital purpose) are interest bearing and are for short term durations. No loans are due from directors or other officers of the Company or any of them either severally or jointly with any other person. Further, no loans are due from firms or private companies in which any director is a partner, a director or a member.

Refer Note No. 37 for financial Instruments disclosure.

Note No : 15 Other financial assets

(Amount in Rs. Lakhs)

Particulars	**As at March 31, 2022**		As at March 31, 2021	
	Current	**Non-current**	Current	Non-current
Unsecured, considered good				
Security deposits	**47.82**	**162.20**	63.50	165.84
Others			–	–
Interest accrued on bank deposits	**140.97**	**0.03**	17.49	–
Bank deposits with more than 12 months maturity	**4,923.00**	**199.00**	–	–
Interest accrued on Loan to related party	**60.87**	**–**	–	–
Unbilled revenue	**2,235.12**	**–**	4,923.12	–
Total	**7,407.78**	**361.23**	5,004.11	165.84

Refer Note No. 37- Financial Instruments for disclosures related to credit risk, impairment under expected credit loss model and related financial instrument disclosures.

Note No : 16 Deferred tax assets (Net)

(Amount in Rs. Lakhs)

Particulars	**As at March 31, 2022 Non-Current**	As at March 31, 2021 Non-Current
Deferred tax assets		
Provision for employee benefits	**231.19**	194.21
Allowance for doubtful debts	**232.27**	63.24
Financial assets carried at amortised cost	**1.37**	5.15
Bonus payable	**7.73**	6.24
Deductible temporary disallowances	**133.92**	56.29
Property, Plant and Equipment	**8.06**	–
Intangible Assets	**117.10**	102.17

(Amount in Rs. Lakhs)

Particulars	As at March 31, 2022 Non-Current	As at March 31, 2021 Non-Current
Total deferred tax assets (A)	**731.64**	427.30
Deferred tax liabilities		
Property, Plant and Equipment	–	31.87
Total Deferred tax liabilities (B)	–	31.87
Net Deferred Tax Assets/(Liabilities) (A - B)	**731.64**	395.43

ote No : 17 Other assets

(Amount in Rs. Lakhs)

Particulars	As at March 31, 2022 Current	As at March 31, 2022 Non-Current	As at March 31, 2021 Current	As at March 31, 2021 Non-current
Balances with government authorities(GST & VAT)	**2,252.26**	–	1,676.63	–
Advances to employees	**8.12**	–	6.26	–
Prepaid expenses and unamortised cost	**584.71**	**989.73**	630.89	999.66
Advances to suppliers	**1,199.64**	**8,869.89**	724.05	35.20
Capital advances	–	**388.67**	–	351.55
Total	**4,044.73**	**10,248.29**	3,037.83	1,386.41

Note No : 18 Inventories

(Amount in Rs. Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Raw materials {Including goods in transit Rs.356.45 Lakhs (previous year Rs 236.85 Lakhs)}	**4,955.12**	3,724.48
Work in progress	**614.90**	239.47
Finished Goods {Including stock in transit Rs 15.20 Lakhs (previous year Rs 139.24 Lakhs)}	**120.73**	406.65
Stores and spares	**25.73**	31.35
Loose Tools	**6.59**	13.82
Total	**5,723.07**	4,415.77

(i) The cost of inventories recognised as an expense during the year was Rs.10,759.46 Lakhs (March 31, 2021: Rs 18,678.06 Lakhs)

Refer Note No. 37 (Financial Instrument) for disclosures of secured credit facilities.

Note No : 19 Cash and cash equivalents

(Amount in Rs. Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Balance with banks		
– In current accounts	**1,096.86**	1,059.05
– In deposit accounts with original maturity of less than three months	**8,400.00**	2,200.00
Total	**9,496.86**	3,259.05

Note No : 20 Other bank balances

(Amount in Rs. Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Balance with banks		
In deposit accounts (original maturity more than three months)	**4,670.90**	–
Bank deposit kept with government authorities and bank*	**1.60**	339.42
Total	**4,672.50**	339.42

* held as margin money

Note No : 21 Equity share capital

(Amount in Rs. Lakhs)

Particulars	As at March 31, 2022		As at March 31, 2021	
	No. of shares	**Value of shares**	No. of shares	Value of shares
Authorised share capital				
Equity shares of Rs.10 each with voting rights	**315,000,000**	**31,500.00**	315,000,000	31,500.00
Issued, subscribed and fully paid shares				
Equity shares of Rs.10 each fully paid up with voting rights	**16,723,655**	**1,672.37**	16,723,655	1,672.37

The Company has only one class of shares referred to as equity shares having a par value of Rs. 10. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amount, in proportion to their shareholding.

Reconciliation of the equity shares outstanding at the beginning and at the end of the reporting period

(Amount in Rs. Lakhs)

	As at March 31, 2022		As at March 31, 2021	
Particulars	**No of Shares**	**Amount**	No of Shares	Amount
Shares outstanding at the beginning of the year	**16,723,655**	**1,672.37**	16,723,655	1,672.37
Add: Fresh issue of equity shares during the year	**–**	**–**	–	–
Shares outstanding at the end of the year	**16,723,655**	**1,672.37**	16,723,655	1,672.37

Details of shareholders holding more than 5% shares in the Company and shares held by holding company

Particulars	As at March 31, 2022		As at March 31, 2021	
Mahindra & Mahindra Limited (Holding company) jointly with its Nominees	16,723,655	100%	16,723,655	100%

Shared held by promoters at the end of the year	**As at March 31, 2022**	As at March 31, 2021
Promoter name	Mahindra & Mahindra Limited	Mahindra & Mahindra Limited
No of shares	16,723,655	16,723,655
% of total shares	100 %	100 %
% change during the year	NA	NA

Note No : 22 Provisions

(Amount in Rs. Lakhs)

	As at March 31, 2022		As at March 31, 2021	
Particulars	**Current**	**Non–current**	Current	Non–current
(i) **Provision for employee benefits**				
– Gratuity (Refer note 36)	**44.99**	**524.49**	56.69	386.16
– Compensated absences	**99.68**	**249.43**	118.58	222.77
– Post retirement medical benefits (Refer note 36)	**0.31**	**124.69**	0.44	88.69
(ii) Provision for warranty (refer note (i) below)	**295.98**	**94.83**	206.46	45.04
(iii) Provision for Liquidated Damages (refer note (ii) below)	**212.66**	**–**	470.85	–
Total	**653.62**	**993.44**	853.02	742.66

(i) Details of movement in warranty provisions

(Amount in Rs. Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Balance at beginning of the year	**251.50**	173.60
– Additional provisions recognised	**162.34**	85.19
– Provision utilised during the period	**17.30**	8.05
– Unwinding of discount and effect of changes in the discount rate	**(5.73)**	0.76
Balance at end of the year	**390.81**	251.50

Provision for warranty represent the present value of managements best estimate of the future outflow of economic benefits that will be required under the Company's obligations for warranties. The estimate has been made based on historical warranty trends and may vary as a result of new materials, altered manufacturing process or other events. It is expected that most of these costs will be incurred in the next financial year and all will have been incurred within three years after the reporting date. Assumptions used to calculate the provision for warranties were based on current sales levels and current information available about returns based on the three-year warranty period for all products sold . Further, specific waranty related cases identified by management are also covered.

(ii) Details of movement in Liquidated Damages

(Amount in Rs. Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Balance at beginning of the year	**470.85**	135.39
– Additional provisions recognised	**56.50**	335.82
– Provision utilised/reversed during the year	**314.69**	0.36
Balance at end of the year	**212.66**	470.85

Provision for liquidatd damages represents amounts estimated by the management towards possible deductions to be made by the customers at the time of releasing payments towards delays in supply of goods and services, in respect of which the Company pursue extension / waivers from the Customers. Till the time LDs are not adjusted by the customers, the Company discloses the same under the head Provisions as the management is confindent of getting extension/ waivers.

Note No : 23 Other financial liabilities

(Amount in Rs. Lakhs)

	As at March 31, 2022		As at March 31, 2021	
Particulars	**Current**	**Non-current**	Current	Non-current
Capital creditors*	**34.44**	**–**	28.09	–
Security deposits received	**5.07**	**26.76**	8.57	26.76
Total	**39.51**	**26.76**	36.66	26.76

*Refer Note No. 37- Financial Instruments

Note No : 24 Other Current liabilities

(Amount in Rs. Lakhs)

	As at March 31, 2022		As at March 31, 2021	
Particulars	**Current**	**Non-current**	Current	Non-current
Advances received from customers	**6,120.93**	**29,318.64**	952.21	–
Advance billing to the customers	**789.28**	**687.97**	1,264.86	598.12
Statutory dues (contribution to provident fund, ESIC, LWF, withholding taxes,GST, etc.)	**238.35**	**–**	205.59	–
Total	**7,148.56**	**30,006.61**	2,422.66	598.12

Note No: 25 Revenue from operations

(Amount in Rs. Lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Revenue from Contracts:		
Sale of Manufactured Goods		
Equipment for Torpedo defence system	**3,085.33**	2,066.44
VIP Discreet Vehicle	**737.17**	235.96
Light Armoured Vehicle	**6,833.41**	3,879.90
Wheel assembly	**2,729.21**	5,615.24
Police Special Purpose Vehicle	**240.45**	–
Others	**938.32**	447.12
Sale of Traded Goods		
Spare parts and other allied products	**935.13**	1,290.18
Software Licenses	**185.03**	447.54
Turnkey contracts revenue	**4,324.04**	12,262.39
Revenue from rendering of services		
Consultancy services	**1,133.92**	861.45
Annual maintenance contract	**1,981.72**	999.58
Training service	**7,136.22**	7,985.36
Business support service	**11,172.13**	8,388.87
Other services	**0.27**	31.99
Other operating Revenue		
Excess provision doubtful debt/ liabilities, no longer required written back	**376.26**	14.41
Bad debts recovered	**36.80**	119.64
Sale of scrap	**42.90**	21.46
Duty drawback and other export incentives	**420.16**	39.88
Total	**42,308.47**	44,707.41

Note No: 26 Other income

(Amount in Rs. Lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Other income		
Interest on bank deposits (At amortised cost)	**229.16**	201.60
Interest Income on financial assets at amortised cost	**247.79**	145.89
Interest on loans to related parties	**103.71**	29.14
Interest on Income tax refund	**11.42**	94.06
Unwinding of discount on provision of warranty	**5.73**	–
Gain on fair valuation of investments through profit or loss	**191.42**	–
Gain on sale of current investment - mutual funds	**225.64**	–
Dividend Income on financial instrument measured at FVTPL	**–**	57.03
Service charges recovered	**275.83**	214.98
Other non-operating income		
Rental income (Refer Note 47)	**540.58**	397.62
Profit on sale of property, plant and equipment	**8.52**	0.69
Miscellaneous income	**58.41**	10.69
Total	**1,898.21**	1,151.70

Note No: 27 Cost of materials consumed

(Amount in Rs. Lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Opening stock	**3,724.48**	1,845.22
Add : Purchases*	**11,285.93**	16,580.13
Less : Closing stock	**4,955.12**	3,724.48
Total	**10,055.29**	14,700.87

*Includes conversion/processing charges Rs 712.07 Lakhs (Previous year Rs.244.65 Lakhs)

Note No:28 Purchases of stock-in-trade

(Amount in Rs. Lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Stock-in-trade - Spares Parts and other allied products	**613.83**	707.81
Stock-in-trade - Software	**179.84**	339.99
	793.67	1,047.80

Note No:29 Changes in inventories of finished goods, work-in-progress and stock-in-trade

(Amount in Rs. Lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Inventories at the end of the year:		
Finished goods	**120.73**	406.65
Work-in-progress	**614.90**	239.47
	735.63	646.12

(Amount in Rs. Lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Inventories at the beginning of the year:		
Finished goods	**406.65**	3,290.59
Work-in-progress	**239.47**	284.93
	646.12	3,575.52
(Increase)/Decrease	**(89.51)**	2,929.40

Note No:30 Employee benefits expense

(Amount in Rs. Lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Salaries, wages, bonus,etc	**5,763.03**	5,415.56
Contribution to provident and other funds #	**291.08**	257.52
Provision for gratuity #	**115.17**	100.90
Post retirement medical benefits #	**24.84**	21.30
Expense on Employee Stock Option (ESOP) Scheme *	**0.78**	2.06
Staff welfare expenses	**161.60**	113.61
Total	**6,356.50**	5,910.95

* represents reimbursement of cost to holding company, towards ESOP's granted by the Holding company to employees of the Company for detail refer note no 41

#Note No. 36 - Employee benefits

Note No: 31 Finance costs

(Amount in Rs. Lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest expense on financial assets at fair value through profit and loss (FVTPL)	**181.96**	54.99
Interest on delay of payments to micro enterprises and small enterprises	**33.57**	8.19
Interest on delay in payments of statutory dues	**8.46**	1.15
Interest on delay in payments of income tax	**36.74**	41.27
Unwinding of discount on provision for warranty	**–**	0.77
Interest on Lease liabilities (Refer Note No 47)	**16.15**	31.09
Total	**276.88**	137.46

Note No: 32 Other expenses

(Amount in Rs. Lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Consumption of stores and spare parts	**53.54**	25.99
Tools Consumed	**49.03**	9.44
Power and Fuel	**154.30**	113.48
Rent including lease rent (Refer Note 47)	**157.09**	199.96
Rates and taxes	**36.78**	66.12
Repairs and maintenance-building	**32.83**	112.92
Repairs and maintenance-plant and equipment	**1,659.79**	1,062.79
Repairs and maintenance-others	**135.06**	148.06
Insurance	**160.06**	122.36
Legal and professional charges*	**352.56**	319.75
Shared service charges	**435.82**	317.65
Travelling and conveyance	**589.65**	403.10
Printing and stationery	**15.53**	19.54
Communication expenses	**34.15**	32.43
Software charges	**35.14**	42.37
Advertisement	**18.26**	30.92
Selling and marketing expenses	**9.71**	33.81
Loss on sale of property, plant and equipment	**26.75**	28.85
Freight outward	**180.73**	276.93
Vehicle trial expenses	**1,358.94**	346.77
Liquidated damages	**56.50**	335.82
Allowance for doubtful debts	**755.64**	57.17
Provision for doubtful tax receivables	**50.80**	–
Impairment of Property, Plant and Equipment	**54.88**	–
Warranty Expenses	**162.34**	85.19
Net loss on foreign currency transaction and translation	**52.70**	51.70
Bank charges	**93.99**	73.44
Development and testing charges	**139.41**	30.19
CSR Expenditure (Refer Note No 46)	**87.21**	48.60
Miscellaneous expenses	**90.20**	119.89
Total	**7,039.39**	4,515.24

* Legal & Professional fees include payment to auditors :-

As Auditor :		
Stautory Audit Fees	40.00	38.00
For Other services	1.20	1.00
For Reimbursement of expenses	1.27	1.24

Note No. 33 - Income Tax

Income tax expense in the statement of profit and loss comprises:

(Amount in Rs. Lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Current income tax		
In respect of the current year	**3,092.73**	2,190.88
Current tax (Sub-Total - A)	**3,092.73**	2,190.88
Deferred Tax Assets		
Brought forward business losses and Unabsorbed Depreciation	**–**	111.95
Provision for employee benefits	**(8.12)**	(9.12)
Allowance for doubtful debts	**(169.03)**	(10.76)
Financial assets carried at amortised cost	**3.78**	12.99
Bonus payable	**(1.49)**	(0.33)
Deductible temporary disallowances	**(77.63)**	234.45
Intangible Assets	**(14.93)**	(25.59)
Deferred Tax Liabilities		
Property, Plant and Equipment	**(39.93)**	(264.42)
Deferred tax charge/(benefits) (Sub-Total - B)	**(307.35)**	49.17
Total (A + B)	**2,785.38**	2,240.05

Deferred tax recognised in "Other Comprehensive Income"

(Amount in Rs. Lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Remeasurement of defined benefits obligations	**(28.86)**	3.16

The Income tax expense for the year can be reconciled to the accounting profit as follows:

(Amount in Rs. Lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Profit before tax	**10,546.77**	7,295.91
Income tax expense calculated at 25.17% (Previous year : 25.17%)	**2,654.41**	1,836.23
Effect of income exempt from taxation	**(40.82)**	(10.86)
Effect of expenses non deductible in determining taxable profits	**44.57**	30.18
Effect of disallowance of provision for impairment for Joint Venture	**184.73**	467.12
Others	**(57.51)**	(82.62)
Income Tax Expense/(benefit) recognised in profit or loss	**2,785.38**	2,240.05

Note No: 34 - Segment information

For management purposes, the Company is organised into business units based on its products and services to the customer and has two reportable segments, as follows:

– Defence and Homeland security

– Non Defence

The Managing Director, the chief operating decision maker (CODM), have chosen to organise the Company in to the above mentioned segments and which is also the basis for the purposes of resource allocation and assessment of segment performance. No aggregation has been done in arriving at the reportable segments of the Company. The CODM primarily uses Earnings before Interest and Tax (EBIT) as a measure to assess the performance of the segments.

(Amount in Rs. Lakhs)

Particulars	**For the year ended March 31, 2022**			For the year ended March 31, 2021		
	Defence & Homeland Security	**Non Defence**	**Total Segments**	Defence & Homeland Security	Non Defence	Total Segments
External sales and service income	**41,448.51**	**1,318.95**	**42,767.46**	43,835.55	1,308.99	45,144.54
Other income (excluding interest income)	**607.51**	**–**	**607.51**	408.76	0.24	409.00
Total Income	**42,056.02**	**1,318.95**	**43,374.97**	44,244.31	1,309.23	45,553.54
Depreciation and amortisation	**1,724.09**	**11.00**	**1,735.09**	1,449.51	9.96	1,459.47
Segment profit	**10,738.79**	**383.60**	**11,122.39**	8,871.83	123.85	8,995.68
Total Segment Operating assets	**53,391.50**	**365.12**	**53,756.62**	41,584.80	1,014.20	42,599.00
Total Segment Operating liabilities	**47,696.43**	**266.80**	**47,963.23**	13,431.30	821.60	14,252.90

Other disclosures

– Disclosure of operating segment assets and liabilities are not made as such measures are not provided to the CODM.

– All other adjustments and eliminations are part of detailed reconciliations presented further below.

(Amount in Rs. Lakhs)

Reconciliation of Income	For the year ended March 31, 2022	For the year ended March 31, 2021
Operating Revenue	**43,374.97**	45,553.54
Unallocable Revenue	**1,290.70**	742.70
Elimination: Inter Segment Sales	**(458.99)**	(437.13)
Total Income	**44,206.68**	45,859.11

(Amount in Rs. Lakhs)

Reconciliation of profit	For the year ended March 31, 2022	For the year ended March 31, 2021
Segment Profit	**11,122.39**	8,995.68
Unallocable Profit/(loss)	**(780.42)**	(1,974.81)
Finance income	**432.00**	352.69
Gain on financial assets at fair value through profit or loss	**247.79**	145.89
Loss on financial assets at fair value through profit or loss	**(198.11)**	(86.08)
Finance costs	**(276.88)**	(137.46)
Profit before tax	**10,546.77**	7,295.91

(Amount in Rs. Lakhs)

Reconciliation of assets	For the year ended March 31, 2022	For the year ended March 31, 2021
Segment operating assets	**53,756.62**	42,599.00
Unallocable Assets	**35,383.78**	5,096.17
Deferred tax assets	**731.64**	395.43
Current tax assets	**344.87**	506.15
Total assets	**90,216.91**	48,596.75

(Amount in Rs. Lakhs)

Reconciliation of liabilities	For the year ended March 31, 2022	For the year ended March 31, 2021
Segment operating liabilities *	**47,963.23**	14,252.90
Unallocable liabilities	**892.92**	659.77
Equity	**41,360.76**	33,684.08
Total liabilities	**90,216.91**	48,596.75

* Includes advance from customers Rs. 35,390.32 Lakhs (including non-current portion of Rs. 29,318.64 Lakhs)

Other Segment Information

Addition to Non Current Assets

(Amount in Rs. Lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Defence & Homeland Security	**3,340.08**	3,208.04
Non Defence	**44.37**	22.51
Un allocable Assets	**98.76**	0.67
Right of use assets	**–**	–
	3,483.21	3,231.22

Depreciation and Amortisation

(Amount in Rs. Lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Depreciation on Segment operating assets	**1,735.09**	1,459.47
Depreciaton on unallocated assets	**17.46**	15.63
Total Depreciation and Amortisation	**1,752.54**	1,475.10

(Amount in Rs. Lakhs)

Geographic information*	For the year ended March 31, 2022	For the year ended March 31, 2021
Revenue from external customers		
India	**34,614.26**	29,251.09
Outside India	**7,694.21**	15,456.32
Total sales	**42,308.47**	44,707.41

*There are no Non Current Assets located Outside India

Revenue from major products and services

The following is an analysis of the Company's revenue from continuing operations from its major products and services:

(Amount in Rs. Lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Equipment for Torpedo defence system	**3,085.33**	2,066.44
Light Armoured Vehicle	**6,833.41**	3,879.90
Wheel assembly	**2,729.21**	5,615.24
Police Special Purpose Vehicle	**240.45**	–
Sale of Traded Goods	**1,120.16**	1,737.72
Turnkey Project	**4,324.04**	12,262.39
Consultancy services	**1,133.92**	861.45
Annual maintenance contract	**1,981.72**	999.58
Training Service	**7,136.22**	7,985.36
Business support service	**11,172.13**	8,388.87
VIP Discreet Vehicle	**737.17**	235.96
Other	**938.59**	479.11
Total	**41,432.35**	44,512.02

The revenues from single customer exceeding 10% or more of entity's revenue is as under:

(Amount in Rs. Lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
External Customers		
Customer 1	**4,388.05**	12,074.86
Customer 2	**10,035.62**	6,973.33
Customer 3	**5,016.49**	6,107.74
Customer 4	**3,080.91**	5,880.04
Customer 5	**4,812.50**	–
Total	**27,333.57**	31,035.97

Note No: 35 Earnings Per Share

(Amount in Rs. Lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
	Per Share	Per Share
Basic earnings per share (in Rs.)	**46.42**	29.91
Total basic earnings per share (in Rs.)	**46.42**	29.91
Diluted earnings per share (in Rs.)	**46.42**	29.91
Total diluted earnings per share (in Rs.)	**46.42**	29.91

a) Basic earnings per share

The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:

(Amount in Rs. Lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Profit for the year attributable to owners of the Company (Amount in Rs Lakh)	**7,762.48**	5,002.67
Profit for the year used in the calculation of basic earnings per share (Amount in Rs Lakh)	**7,762.48**	5,002.67
Weighted average number of equity shares (In Number)	**16,723,655**	16,723,655
Earnings per share - Basic (In Rs.)	**46.42**	29.91

b) Diluted earnings per share

(Amount in Rs. Lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Profit for the year used in the calculation of basic earnings per share (Amount in Rs Lakh)	**7,762.48**	5,002.67
Profits for the year used in the calculation of diluted earnings per share (Amount in Rs Lakh)	**7,762.48**	5,002.67
Weighted average number of equity shares used in the calculation of Basic EPS	**16,723,655**	16,723,655
Weighted average number of equity shares used in the calculation of Diluted EPS	**16,723,655**	16,723,655
Earnings per share - Diluted (In Rs.)	**46.42**	29.91

Note No. 36 - Employee benefits

(a) Defined Contribution Plan

The employees are entitled to receive benefits under the Provident Fund. Both the employee and the employer make monthly contributions to the plan at a predetermined rate of an employee's basic salary. All employees have an option to make additional voluntary contributions. These contributions are made to the fund administered and managed by the Government of India (GOI). The Company has no further obligations under the fund managed by the GOI beyond its monthly contributions which are charged to the statement of profit and loss in the period they are incurred.

An amount of Rs. 291.08 Lakhs (Previous year: Rs 257.52 Lakhs) has been recognised as an expense in respect of the Company's contribution to Provident Fund deposited with the relevant authorities and has been shown under Employee benefits expenses in the Statement of Profit and Loss.

(b) Defined Benefit Plans:

Gratuity

The Company has a gratuity plan covering qualifying employees. The benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment . In case of death while in service, the gratuity is payable irrespective of vesting.

Post retirement medical benefits

The Company provides post retirement medical cover to select grade of employees to cover the retiring employee and their spouse upto a specified age through mediclaim policy on which the premiums are paid by the Company. The eligibility of the employee for the benefit as well as the amount of medical cover purchased is determined by the grade of the employee at the time of retirement.

Liability volatility

Through its benefits plan the Company is exposed to a number of risk, most significant of which are detailed below :-

Salary Increases

Actual salary increases will increase the Plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.

Discount Rate

Reduction in discount rate in subsequent valuations can increase the plan's liability.

Mortality & disability

Actual deaths & disability cases proving lower or higher than assumed in the valuation can impact the liabilities

Withdrawals

Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact Plan's liability.

Defined benefit plans

(Amount in Rs. Lakhs)

Particulars	**Unfunded Plans Gratuity**		**Unfunded Plans Post Medical Benefit**	
	2022	2021	**2022**	2021
Amounts recognised in total comprehensive income in respect of these defined benefit plans are as follows:				
Service cost				
Current service cost	**87.49**	75.17	**19.27**	15.88
Net interest expense	**27.68**	25.73	**5.57**	5.42
Components of defined benefit costs recognised in profit or loss	**115.17**	100.90	**24.84**	21.30
Remeasurement on the net defined benefit liability				
Actuarial (gains) and loss arising from changes in financial assumptions	**62.62**	35.03	**(1.53)**	9.12
Actuarial (gains) and loss arising from experience adjustments	**39.04**	3.98	**12.56**	(11.47)
Actuarial (gains) and loss arising from Demographic adjustments	**1.97**	(40.73)	**–**	(8.49)
Components of defined benefit costs recognised in other comprehensive income	**103.63**	(1.72)	**11.03**	(10.84)
I. Net Asset/(Liability) recognised in the Balance Sheet at the end of the year				
1. Present value of defined benefit obligation at the end of the year	**569.48**	442.85	**125.00**	89.13
2. Fair value of plan assets at the end of the year				
3. Surplus/(Deficit)	**(569.48)**	(442.85)	**(125.00)**	(89.13)
4. Current portion of the above	**44.99**	56.69	**0.31**	0.44
5. Non current portion of the above	**524.49**	386.16	**124.69**	88.69
II. Change in the obligation during the year ended				
1. Present value of defined benefit obligation at the beginning of the year	**442.85**	373.99	**89.13**	78.67
2. *Expenses Recognised in Statement of Profit and Loss*				
– Current Service Cost	**87.49**	75.17	**19.27**	15.88
– Past Service Cost	**-**	-	**-**	-
– Interest Expense (Income)	**27.68**	25.73	**5.57**	5.42
3. *Recognised in Other Comprehensive Income*				
Remeasurement gains / (losses)				
– Actuarial Gain (Loss) arising from:				
i. Demographic assumptions	**1.97**	(40.73)	**–**	(8.49)
ii. Financial assumptions	**62.62**	35.03	**(1.53)**	9.12
iii. Experience adjustments	**39.04**	3.98	**12.56**	(11.47)
4. Benefit payments	**(92.17)**	(30.32)	**–**	–
Present value of defined benefit obligation at the end of the year	**569.48**	442.85	**125.00**	89.13
The significant actuarial assumptions used for the purposes of the actuarial valuations were as follows:				
Actuarial assumptions				
1. Discount rate	6.81%	6.25%	6.81%	6.25%
2. Salary Increase	10.00	8.00	10.00	8.00
3. Attrition rate				
Up to 30 years	15.00	23.00	15.00	23.00
31 to 44 years	17.00	19.00	17.00	19.00
above 44 years	4.00	3.00	4.00	3.00
4. Medical premium inflation	–	–	7.50	7.50
5. In service mortality	IALM (2012-14)	IALM (2012-14)	IALM (2012-14)	IALM (2012-14)

The estimate of future salary increase, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

(Amount in Rs. Lakhs)

Principal assumption		**Changes in assumption**	**Impact on defined benefit obligation**	
			Increase in assumption	**Decrease in assumption**
Discount rate				
	2022	**0.50%**	**(23.94)**	**25.69**
	2021	0.50%	(17.22)	18.45
Salary growth rate				
	2022	**0.50%**	**24.81**	**(23.37)**
	2021	0.50%	18.05	(17.02)
Medical Inflation rate				
	2022	**0.50%**	**(16.69)**	**16.71**
	2021	0.50%	(7.38)	7.39

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the Balance sheet.

The methods and types of assumptions used in preparing the sensitivity analyses did not change compared to previous period.

Maturity profile of defined benefit obligation:

	2022	2021
Within 1 year	**44.99**	56.69
1 - 2 year	**52.11**	40.74
2 - 3 year	**49.05**	31.84
3 - 4 year	**37.69**	27.26
4 - 5 year	**34.50**	28.27
5 - 6 years	**36.39**	18.80
6 years onwards	**314.75**	239.25

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019	For the year ended March 31, 2018
Defined benefit obligation	**569.48**	442.85	373.99	345.06	270.02
Net asset/(liability)	**(569.48)**	(442.85)	(373.99)	(345.06)	(270.02)
Actuarial (gain)/loss on obligation	**103.63**	(1.72)	(27.94)	4.82	(32.09)

Note No. 37- Financial Instruments

Capital management

The Company's capital management objectives are:

– to ensure the Company's ability to continue as a going concern.

– to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

The Company monitors capital on the basis of the carrying amount of equity less cash and cash equivalents as presented on the face of the statement of financial position.

The Company sets the amount of capital in proportion to its overall financing structure, i.e. equity and financial liabilities. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

The Company manages capital risk in order to maximize shareholders' profit by maintaining sound/optimal capital structure through monitoring of financial ratios, such as debt-to-equity ratio on a monthly basis and implements capital structure improvement plan when necessary. There is no change in the overall capital risk management strategy of the Company compared to last year.

Borrowing facility

(a) The Company has working capital facilities amounting to Rs. 85,000 Lakhs (31 March 2021: Rs 45,000 Lakhs) from HDFC bank and Axis Bank. Of this the Company has utilised Rs 62,894.13 Lakhs for Non fund purposes and balance limit of Rs 22,105.87 Lakhs is undrawn as at 31 March 2022 (as at 31 March 2021 the Company has utilised Rs 39,179.75 Lakhs Non fund limit and balance limit of Rs 5,820.2 Lakhs is undrawn)

(b) Working capital limits from HDFC bank and Axis Bank are secured by way of first pari-passu hypothecation charge over Stocks and Book Debts.The quarterly returns or statements comprising financial follow-up report / financial report as at December 31 2021 has been filed by the Company with such banks and the same are in agreement with the books of accounts of the Company for this period.

(c) Company has received credit facility against the Letter of comfort issued by Mahindra and Mahindra Limited for Rs 6,500 Lakhs (Previous year Rs. Nil)

(d) The company has not been declared as wilful defaulter by any bank or financial institution or other lender.

(e) As on March 31, 2022, there are no charges or satisfaction which are yet to be registered with ROC.

The following table summarises the capital of the Company:

(Amount in Rs. Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Share Capital	**1,672.37**	1,672.37
Other Equity	**39,688.39**	32,011.71
Total Equity	**41,360.76**	33,684.08

The following methods and assumptions were used to estimate the fair values:

The following table categorise the financial instruments measured at fair value into Level 1 to Level 3, as described below.

Level 1: This level includes financial assets that are measured by reference to quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: This level includes financial assets and liabilities, measured using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

Level 3: This level includes financial assets and liabilities measured using inputs that are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

Categories of financial assets and financial liabilities

(Amount in Rs. Lakhs)

As at March 31, 2022

Particulars	Amortised Costs	FVTPL	FVTOCI	Total
Non-current Assets				
Financial Assets				
– Security deposits	162.20	–	–	162.20
– Bank deposits with more than 12 months matuity	199.00	–	–	199.00
– Interest accrued on bank deposits	0.03	–	–	0.03
– Trade receivables	4,448.22	–	–	4,448.22
Current Assets				
Financial Assets				
– Investments	–	11,846.44	–	11,846.44
– Trade receivables	17,336.19	–	–	17,336.19
– Cash and cash equivalents	9,496.86	–	–	9,496.86
– Other bank balances	4,672.50	–	–	4,672.50
– Loan	2,500.00	–	–	2,500.00
– Bank deposits with more than 12 months matuity	4,923.00	–	–	4,923.00
– Interest accrued on Loan to related party	60.87	–	–	60.87
– Unbilled revenue	2,235.12	–	–	2,235.12
– Interest accrued on bank deposits	140.97	–	–	140.97
– Security deposits	47.82	–	–	47.82
Non Current Liabilities				
Financial Liabilities				
– Other financial liabilities	26.76	–	–	26.76
Current Liabilities				
– Trade payables	9,843.82	–	–	9,843.82
– Lease Liability	143.83	–	–	143.83
– Other financial liabilities	39.51	–	–	39.51

(Amount in Rs. Lakhs)

As at March 31, 2021

Particulars	Amortised Costs	FVTPL	FVTOCI	Total
Non-current Assets				
Financial Assets				
– Security deposits	165.84	–	–	165.84
– Trade receivable	3,411.07	–	–	3,411.07
Current Assets				
Financial Assets				
– Trade receivable	17,048.31	–	–	17,048.31
– Cash and cash equivalents	3,259.05	–	–	3,259.05
– Other Bank balances	339.42	–	–	339.42
– Unbilled revenue	4,923.12	–	–	4,923.12
– Security deposits	63.50	–	–	63.50
– Other financial Assets	17.49	–	–	17.49
Non Current Liabilities				
Financial Liabilities				
– Other financial liabilities	26.76	–	–	26.76
– Lease Liability	143.83	–	–	143.83
Current Liabilities				
– Trade payables	9,828.96	–	–	9,828.96
– Lease Liability	260.00	–	–	260.00
– Other financial liabilities	36.66	–	–	36.66

Note : Investment in equity shares of Joint venture amounting Rs Nil (Previous year Rs 734 Lakhs) (Net of impairment Loss) being carried at cost and is tested for impairment

Financial Risk Management Framework

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk . In order to manage the aforementioned risks, the Company operates a risk management policy and a program that performs close monitoring of and responding to each risk factors. The Company manages risk through finance department, which evaluates and exercises independent control over the entire process of market risk management. The Company operates a risk management policy and a program that that performs close monitoring of and responding to each risk factors which includes management of cash resources and ensuring market risk limit and policies.

The Company does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

Credit Risk

(i) Credit risk management

Credit risk arises when a counterparty defaults on its contractual obligations to pay resulting in financial loss to the Company. The Company is majorily dealing with creditworthy counterparties i.e government agencies and big companies of repute. The Company has negligible history of bad debts in the past.

Company has strong system to manage receivable . Ageing analysis is being done where monthly emails are send to marketing to minimise the risk and regular followup is done to realise the receivables.

The credit risk on fixed deposits is limited because the counterparties are banks with high credit-ratings assigned by domestic credit-agencies. Customers are basically Government agencies, State police or Army dealing for majority of them is done on credit basis.

Ageing analysis of trade receivables (as on the balance sheet date considered from the due date) are as under:

(Amount in Rs. Lakhs)

As at March 31, 2022		**Outstanding for following periods from due date of payment**						
Particulars		**Not due**	**Less than 6 months**	**6 months-1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
(i)	Undisputed trade receivable-Considered good	**3,371.02**	**10,459.41**	**2,278.93**	**1,157.91**	**67.30**	**1.62**	**17,336.19**
(ii)	Undisputed Trade Receivables-which have significant increase in credit risk	**–**	**–**	**–**	**–**	**–**	**–**	**–**
(iii)	Undisputed Trade Receivables-Credit impaired	**–**	**–**	**–**	**219.08**	**51.84**	**116.82**	**387.74**
(iv)	Disputed Trade Receivables-Considered good	**–**	**–**	**–**	**–**	**–**	**–**	**–**
(v)	Disputed Trade Receivables-which have significant increase in credit risk	**–**	**–**	**–**	**–**	**–**	**–**	**–**
(vi)	Disputed Trade Receivables-credit impaired	**18.55**	**91.66**	**279.09**	**105.51**	**9.30**	**31.02**	**535.13**
Gross Receivable		**3,389.57**	**10,551.07**	**2,558.02**	**1,482.50**	**128.44**	**149.46**	**18,259.06**
Less : Provision for doubtful debt (excepted credit loss)		**18.55**	**91.66**	**279.09**	**324.59**	**61.14**	**147.84**	**922.87**
Net Receivable		**3,371.02**	**10,459.41**	**2,278.93**	**1,157.91**	**67.30**	**1.62**	**17,336.19**

Non Current receivable of Rs 4,448.22 Lakhs are not due as on the balance sheet date. These receivables will be due for payment on various dates ranging from one year to five years from the balance sheet date.

Unbilled dues of Rs. 2,284.27 Lakhs are for the period less than 6 months.

(Amount in Rs. Lakhs)

As at March 31, 2021		Outstanding for following periods from due date of payment						
Particulars		Not due	Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	Total
(i)	Undisputed trade receivable-Considered good	10,534.52	4,622.71	1,698.55	170.86	9.00	12.67	17,048.31
(ii)	Undisputed Trade Receivables-which have significant increase in credit risk	–	–	–	–	–	–	–
(iii)	Undisputed Trade Receivables-Credit impaired	–	–	–	55.07	196.21	–	251.28

(Amount in Rs. Lakhs)

As at March 31, 2021	Outstanding for following periods from due date of payment						
Particulars	Not due	Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	Total
(iv) Disputed Trade Receivables-Considered good	–	–	–	–	–	–	–
(v) Disputed Trade Receivables-which have significant increase in credit risk	–	–	–	–	–	–	–
(vi) Disputed Trade Receivables-credit impaired	–	–	–	–	–	–	–
Gross Receivable	10,534.52	4,622.71	1,698.55	225.93	205.21	12.67	17,299.59
Less : Provision for doubtful debt (excepted credit loss)	–	–	–	55.07	196.21	–	251.28
Net Receivable	10,534.52	4,622.71	1,698.55	170.86	9.00	12.67	17,048.31

Non Current receivable of Rs 3,411.07 Lakhs are not due as on the balance sheet date. These receivables will be due for payment on various dates ranging from one year to five years from the balance sheet date.

Liquidity Risk

(i) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Company's short, medium and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast, actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

(ii) Maturities of financial liabilities

The following tables details the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The amount disclosed in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay.

(Amount in Rs. Lakhs)

As at March 31, 2022	**Outstanding for following periods from due date of payment**						
Particulars	**Unbilled**	**Not Due**	**Less than one year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
MSME	**0.03**	**272.85**	**260.46**	**4.64**	**1.06**	**–**	**539.04**
Others	**3,516.81**	**1,283.32**	**3,870.94**	**58.86**	**54.59**	**267.30**	**9,051.82**
Disputed dues- MSME	**94.50**	**–**	**–**	**–**	**–**	**158.46**	**252.96**
Disputed dues- Others	**–**	**–**	**–**	**–**	**–**	**–**	**–**
	3,611.34	**1,556.17**	**4,131.40**	**63.50**	**55.65**	**425.76**	**9,843.82**
Other financial liabilities	**–**	**–**	**39.51**	**–**	**–**	**–**	**39.51**
Total	**3,611.34**	**1,556.17**	**4,170.91**	**63.50**	**55.65**	**425.76**	**9,883.33**

(Amount in Rs. Lakhs)

As at March 31, 2021	**Outstanding for following periods from due date of payment**						
Particulars	**Unbilled**	**Not Due**	**Less than one year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
MSME	–	686.00	153.72	5.97	–	–	845.69
Others	2,994.08	2,589.17	2,492.48	159.33	74.63	408.42	8,718.11
Disputed dues- MSME	56.70	–	–	–	–	208.46	265.16
Disputed dues- Others	–	–	–	–	–	–	–
	3,050.78	3,275.17	2,646.20	165.30	74.63	616.88	9,828.96
Other financial liabilities	–	–	36.66	–	–	–	36.66
Total	3,050.78	3,275.17	2,682.86	165.30	74.63	616.88	9,865.62

(iii) Maturities of financial assets

The following table details the Company's expected maturity for its non-derivative financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Company's liquidity risk management as the liquidity is managed on a net asset and liability basis.

(Amount in Rs. Lakhs)

Particulars	Less than 1 Year	1-3 Years	3-5 Years	Carrying Value
Non-derivative financial assets				
As at March 31, 2022				
Security deposits	**47.82**	**361.23**	**–**	**409.05**
Investment	**11,846.44**	**–**	**–**	**11,846.44**
Trade receivables	**17,336.19**	**4,448.22**	**–**	**21,784.41**
Cash and cash equivalents	**9,496.86**	**–**	**–**	**9,496.86**
Other Bank balances	**4,672.50**	**–**	**–**	**4,672.50**
Loan	**2,500.00**	**–**	**–**	**2,500.00**
Unbilled revenue	**2,235.12**	**–**	**–**	**2,235.12**
Bank deposits with more than 12 months matuity	**4,923.00**	**199.00**	**–**	**5,122.00**
Interest accrued on Loan to related party	**60.87**	**–**	**–**	**60.87**
Interest accrued on bank deposits	**140.97**	**0.03**	**–**	**141.00**
Total	**53,259.77**	**5,008.48**	**–**	**58,268.25**
As at March 31, 2021				
Security deposits	63.50	165.84	–	229.34
Investment	734.00	–	–	734.00
Trade receivables	17,048.31	3,411.07	–	20,459.38
Cash and cash equivalents	3,259.05	–	–	3,259.05
Other Bank balances	339.42	–	–	339.42
Unbilled revenue	4,923.12	–	–	4,923.12
Interest accrued on bank deposits	17.49	–	–	17.49
Total	26,384.89	3,576.91	–	29,961.80

Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises one type of risk: currency risk . The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. All such transactions are carried out within the guidelines set by the Board of Directors and Risk Management Committee.

There has been no significant changes to the Company's exposure to market risk or the methods in which they are managed or measured.

Currency Risk

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. The Company's exposure to currency risk relates primarily to the Company's operating activities when transactions are denominated in a different currency from the Company's functional currency.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows.

(Amount in Rs. Lakhs)

Particulars	Currency	March 31, 2022	March 31, 2021
Trade receivables	USD	**529.11**	1,672.51
Trade receivables	GBP	**–**	168.67
Trade payables	USD	**33.51**	278.05
Trade payables	EUR	**268.86**	0.31
Trade payables	GBP	**0.19**	0.19
Trade payables	AUD	**–**	11.70

Of the above foreing currency exposures, the following exposures are not hedged by a derivative:

(Amount in Rs. Lakhs)

Particulars	Currency	March 31, 2022	March 31, 2021
Trade receivables	USD	**529.11**	1,672.51
Trade receivables	GBP	**–**	168.67
Trade payables	USD	**33.51**	278.05
Trade payables	EUR	**268.86**	0.31
Trade payables	GBP	**0.19**	0.19
Trade payables	AUD	**–**	11.70

Foreign Currency Sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD ,CAD exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities . The Company's exposure to foreign currency changes for all other currencies is not material.

(Amount in Rs. Lakhs)

Particulars	Currency	Change in rate	Effect on profit before tax
As at March 31, 2022	**USD**	**+10%**	**49.56**
	USD	**-10%**	**(49.56)**
	EUR	**+10%**	**(26.89)**
	EUR	**-10%**	**26.89**
	GBP	**+10%**	**(0.02)**
	GBP	**-10%**	**0.02**
	AUD	**+10%**	**–**
	AUD	**-10%**	**–**
As at March 31, 2021	USD	+10%	139.45
	USD	-10%	(139.45)
	EUR	+10%	(0.03)
	EUR	-10%	0.03
	GBP	+10%	16.85
	GBP	-10%	(16.85)
	AUD	+10%	(1.17)
	AUD	-10%	1.17

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

Note No 38 - Fair Valuation Techiques and Inputs used - recurring Items

(Amount in Rs. Lakhs)

Particulars	Level	At at March 31, 2022 Carrying amount	At at March 31, 2022 Fair value	At at March 31, 2021 Carrying amount	At at March 31, 2021 Fair value
Financial assets					
Financial assets carried at amortised cost					
– Trade and other receivables	Level 3	**21,784.41**	**21,784.41**	20,459.38	20,459.38
– Cash and cash equivalents	Level 2	**9,496.86**	**9,496.86**	3,259.05	3,259.05
– Other Bank balances*	Level 2	**9,794.50**	**9,794.50**	339.42	339.42
– Investments	Level 1	**11,846.44**	**11,846.44**	734.00	734.00
– Deposits and similar assets	Level 3	**351.02**	**351.02**	246.82	246.82
– Unbilled revenue	Level 3	**2,235.12**	**2,235.12**	4,923.12	4,923.12
Financial liabilities					
Financial liabilities held at amortised cost					
– Other financial liabilities	Level 3	**66.27**	**66.27**	63.42	63.42
– Trade and other payables	Level 3	**9,843.82**	**9,843.82**	9,828.96	9,828.96

* Including Bank Deposits with matuiry more than 12 months.

Note No 39 -Related party transactions

Names of related parties where transactions have taken place during the year	Nature of Relationship
Mahindra & Mahindra Limited (M&M)	Holding company
Mahindra Telephonics Integrated Systems Limited	Joint Venture
Mahindra & Mahindra Financial Services Limited	Fellow subsidiary
Mahindra Agri Solutions Limited	Fellow subsidiary
Mahindra Summit Agriscience Limited	JV of the Holding company
Mahindra Vehicle Manufacturers Limited	Fellow subsidiary
Mahindra Integrated Business Solutions Private Limited	Fellow subsidiary
Mahindra Logistic Limited	Fellow subsidiary
Mahindra Emirates Vehicle Armouring FZ-LLC	Fellow subsidiary
Mahindra World City (Jaipur) Limited	JV of the Holding company
Mahindra Aerostructures Private Limited	JV of the Holding company
Mahindra Two Wheeler	Fellow subsidiary
Mahindra Susten Private Limited	Fellow subsidiary
Mahindra Rural Housing Finance Limited	Fellow subsidiary
Mahindra Manulife Investment Management Pvt Limited	JV of the Holding company
Tech Mahindra Limited	Significant influence exercise by holding company
Mr. Shri Prakash Shukla	Managing Director
Mr. Sukhvindar Hayer	Director
Mr Devendra Bhatnagar	Director
Mrs Seema Bangia	Director (w.e.f 21 October 2020)
Mr. Mukul Verma	Chief Financial Officer

B) Details of transactions with above related parties (Inclusive of taxes):

(Amount in Rs. Lakhs)

Nature of transactions	For the year ended March 31, 2022 Holding company	Fellow Subsidiaries	JV of the Holding company	Significant influence exercise by holding company	Joint venture	Key Managerial Personnel	For the year ended March 31, 2021 Holding company	Fellow Subsidiaries	JV of the Holding company	Significant influence exercise by holding company	Joint venture	Key Managerial Personnel
Purchases												
Purchase of goods	**889.11**	**22.23**	–	–	–	–	566.10	0.03	–	–	–	–
Purchase of service	**–**	**407.47**	–	**1,959.95**	–	–	–	7.25	–	2,000.25	–	–
Purchase of Property, Plant & equipment	**133.55**	–	–	–	–	–	31.26	–	–	–	–	–
Revenue												
Sale of service	**217.79**	**460.62**	**5.96**	**337.76**	–	–	256.75	154.33	1.16	232.39	–	–
Service charges recovered	**–**	–	–	–	**300.43**	–	–	–	–	–	226.53	–
Sale of Goods	**–**	–	–	**137.96**	–	–	–	3,150.69	–	295.86	–	–
Rental Income	**–**	–	–	–	**178.27**	–	–	–	–	–	169.79	–
Remuneration (Short term employee benefits) #	**–**	–	–	–	–	**421.90**	–	–	–	–	–	513.87
Interest Income	**–**	**73.26**	**30.47**	–	–	–	–	6.05	23.10	–	–	–
Other transactions												
Office Rent	**24.64**	–	–	–	–	–	53.33	–	0.07	–	–	–
Reimbursement of expenses paid	**754.27**	–	–	–	–	–	521.70	–	–	–	–	–

(Amount in Rs. Lakhs)

Nature of transactions	For the year ended March 31, 2022 Holding company	Fellow Subsidiaries	JV of the Holding company	Significant influence exercise by holding company	Joint venture	Key Managerial Personnel	For the year ended March 31, 2021 Holding company	Fellow Subsidiaries	JV of the Holding company	Significant influence exercise by holding company	Joint venture	Key Managerial Personnel
Reimbursement of expenses received	–	–	–	–	**14.44**	–	–	–	–	–	19.26	–
Inter corporate deposit given	–	**3,000.00**	**2,600.00**	–	–	–	–	1,450.00	1,500.00	–	–	–
Inter corporate deposit received back	–	**1,000.00**	**2,100.00**	–	–	–	–	1,450.00	1,500.00	–	–	–
Impairment in value of investment	–	–	–	–	**734.00**	–	–	–	–	–	1,856.00	–
Corporate Guarantee given **	–	–	–	–	**6,000.00**	–	–	–	–	–	–	–
Letter of comfort received	**65,000.00**	–	–	–	–	–	–	–	–	–	–	–
Outstanding balances as at the year end												
Trade receivables	**13.19**	–	–	**1,463.05**	**429.17**	–	114.75	67.70	–	1,336.81	313.57	–
Advance to vendors	**44.22**	–	–	–	–	–	–	0.02	–	–	–	–
Trade payables	**(442.69)**	**(126.95)**	–	**(2,102.68)**	–	**(183.17)**	(611.53)	(0.88)	–	(1,022.14)	–	(161.28)
Advance from customer	–	**(434.11)**	–	–	–	–	–	–	–	–	–	–
Inter corporate deposit Outstanding*	–	**2,000.00**	**500.00**	–	–	–	–	–	–	–	–	–
Inter corporate Interest Outstanding*	–	**56.42**	**4.45**	–	–	–	–	–	–	–	–	–
Corporate Guarantee given **	–	–	–	–	**6,000.00**	–	–	–	–	–	–	–
Letter of comfort received	**65,000.00**	–	–	–	–	–	–	–	–	–	–	–
Security deposit payable	–	–	–	–	**(26.76)**	–	–	–	–	–	(26.76)	–

The above transaction with related party were made at arm's length price and in the ordinary course of business.

Post employment benefit comprising compensated absences, gratuity and post retirement medical benefits has not been disclosed as these are determined for the Company as a whole

** During the year the company has given Corporate Guarantee to Axis Bank against the working capital utilisation by Mahindra Telephonics Interated Systems Limited

Significant related party transactions included in the above are as under:-

(Amount in Rs. Lakhs)

Particulars	Nature of Relationship	For the year ended March 2022	For the year ended March 2021
Service charges recovered			
Mahindra Telephonics Integrated Systems Limted	Joint Venture	**300.43**	226.53
Sales of Services			
Tech Mahindra Limited	Significant influence exercise by holding company	**337.76**	232.39
Mahindra Integrated Business Solutions Private Limited	Fellow subsidiary	**0.49**	1.60
Mahindra & Mahindra Limited	Holding	**217.79**	256.75
Mahidnra Vehicle Manufacturers Limited	Fellow subsidiary	**0.32**	1.24
Mahindra & Mahindra Financial Services Limited	Fellow subsidiary	**380.50**	96.93
Mahindra Susten Private Ltd	Fellow subsidiary	**27.91**	–
Mahindra Rural Housing Finance Limited	Fellow subsidiary	**5.70**	–
Mahindra Manulife Investment Management Pvt Limited	JV of the Holding company	**5.96**	–
Mahindra Emirates Vehicle Armouring FZ-LLC	Fellow subsidiary	**45.70**	42.88
Mahindra Aerostructures Pvt Limited	JV of the Holding company	**–**	1.16
Rental Income			

(Amount in Rs. Lakhs)

Particulars	Nature of Relationship	For the year ended March 2022	For the year ended March 2021
Mahindra Telephonics Integrated Systems Limited	Joint Venture	**178.27**	169.79
Sales of Goods			
Tech Mahindra Limited	Significant influence exercise by holding company	**137.96**	295.86
Mahindra Emirates Vehicle Armouring Fz LLC	Fellow subsidiary	**–**	3,150.69
Purchase of service			
Tech Mahindra Limited	Significant influence exercise by holding company	**1,959.95**	2,000.25
Mahindra Integrated Business Solutions Private Limited	Fellow subsidiary	**402.96**	7.25
Mahindra Logistic Limited	Fellow subsidiary	**4.51**	–
Reimbursement of expenses paid			
Mahindra & Mahindra Limited	Holding	**754.27**	521.70
Purchase of Property,Plant & equipment			
Mahindra & Mahindra Limited	Holding	**133.55**	31.26
Purchase of goods			
Mahindra & Mahindra Limited	Holding	**889.11**	566.10
Mahindra Two Wheeler Limited	Fellow subsidiary	**22.23**	0.03
Interest Income			
Mahindra Agri Solutions Limited	Fellow subsidiary	**73.25**	6.05
Mahindra Summit Agriscience Limited	JV of the Holding company	**30.47**	23.10
Remuneration			
Mr. Shri Prakash Shukla	Managing Director	**65.85**	175.62
Mr Mukul Verma	Chief Financial Officer	**80.28**	79.18
Mr Sukhvindar Hayer	Director	**88.71**	138.16
Mr Devendra Bhatnagar	Director	**105.15**	78.25
Mrs Seema Bangia	Director	**81.91**	42.66
Corporate Guarantee given			
Mahindra Telephonics Integrated Systems Limted	Joint Venture	**6,000.00**	–
Letter of comfort received			
Mahindra & Mahindra Limited	Holding	**65,000.00**	–
Other transactions - Office Rent			
Mahindra & Mahindra Limited	Holding	**24.64**	53.33
Mahindra World City (Jaipur) Limited	JV of the Holding company	**–**	0.07
Inter corporate deposit given			
Mahindra Agri Solutions Limited	Fellow subsidiary	**3,000.00**	1,450.00
Mahindra Summit Agri Science Limited	JV of the Holding company	**2,600.00**	1,500.00
Inter corporate deposit received back			
Mahindra Agri Solutions Limited	Fellow subsidiary	**1,000.00**	1,450.00
Mahindra Summit Agri Science Limited	JV of the Holding company	**2,100.00**	1,500.00
Reimbursement of expenses received			
Mahindra Telephonics Integrated Systems Limted	Joint Venture	**14.44**	19.26
Provision for impairment in value of investment			
Mahindra Telephonics Integrated Systems Limted	Joint Venture	**734.00**	1,856.00
Closing balance as the year end -			
Receivables			
Tech Mahindra Limited	Significant influence exercise by holding company	**1,463.05**	1,336.81
Mahindra & Mahindra Limited	Holding	**13.19**	114.75
Mahindra Telephonics Integrated Systems Limted	Joint Venture	**429.17**	313.57
Mahindra & Mahindra Financials	Fellow subsidiary	**–**	53.97
Mahindra Emirates Vehicle	Fellow subsidiary	**–**	5.38
Loans to related parties (including accrued interest)			
Mahindra Agri Solutions Limited	Fellow subsidiary	**2,056.42**	–
Mahindra Summit Agriscience Limited	JV of the Holding company	**504.45**	–
Advance to vendor			
Mahindra & Mahindra Limited	Holding	**44.22**	–
Mahindra Logistic Limited	Fellow subsidiary	**–**	0.02

(Amount in Rs. Lakhs)

Particulars	Nature of Relationship	For the year ended March 2022	For the year ended March 2021
Advance from customer			
Mahindra Emirates Vehicle	Fellow subsidiary	**(434.11)**	–
(Payables)			
Mahindra Two Wheeler Limited	Fellow subsidiary	**(1.09)**	–
Mahindra & Mahindra Limited	Holding	**(442.69)**	(611.53)
Tech Mahindra Limited	Significant influence exercise by holding company	**(2,102.68)**	(1,022.14)
Mahindra Telephonics Integrated Systems Limted	Joint Venture	**(26.76)**	(26.76)
Mahindra Integrated Business Solutions Private Limited	Fellow subsidiary	**(125.86)**	(1.40)
Remuneration	Managing Director	**(183.17)**	(161.28)
Corporate Guarantee given			
Mahindra Telephonics Integrated Systems Limted	Joint Venture	**6,000.00**	–
Letter of comfort received			
Mahindra & Mahindra Limited	Holding	**65,000.00**	–

The amount outstanding are unsecured and will be settled in cash. No expense has been recognised in the current or prior years for bad or doubtful debts in respect of the amounts owed by related parties.

Note No : 40-Disclosure as per Micro, Small and Medium Enterprises Development Act, 2006 (MSMED)

Micro, Small and Medium enterprises have been identified by the Company on the basis of the information available. Total outstanding dues of Micro and Small enterprises, which are outstanding for more than the stipulated period are given below:

(Amount in Rs. Lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Amount payable to supplier under MSMED (suppliers) as at the end of year		
– Principal	**730.43**	1,058.66
– Interest due there on	**4.67**	0.05
Payment made to supplier beyond the appointed day during the year		
– Principal	**2,755.90**	2,300.19
– Interest due there on	**9.98**	8.13
Amount of interest accrued and remaining unpaid as at the end of year	**61.57**	52.19
Amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprises for the purpose of disallowance as deduction expenditure under section 23	**–**	–

Note: Owing to dispute with MSME vendor, interest on outstanding amount not considered in the financial statements Rs 20.20 Lakhs (Previous year Rs 26.51 Lakhs) while outstanding amount in current year is Rs 158.46 Lakhs (Previous year Rs 208.46 Lakhs), The Company do not expect any Future Outflow.

Note No: 41 -Information in respect of Options granted under the Holding Company's Employee Stock Option Schemes ('Schemes')

The employees of the Company covered under Mahindra & Mahindra Limited (Holding company) Employee Stock Option Scheme (M&M ESOS) are granted an option to purchase shares of Mahindra & Mahindra Limited in accordance with the terms and conditions of the scheme as approved by Mahindra & Mahindra Limited from time to time. Each Option entitles the holder thereof to apply for and be allotted ten Ordinary Shares of Mahindra & Mahindra Limited of Rs. 5.00 each upon payment of the exercise price during the exercise period.

The Options have been granted at the 'market price' as defined from time to time under the erstwhile Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014. The fair value of the options granted is determined using the Black Scholes Option Pricing model at the grant date.

The scheme has been recognized as cash settled share based payment scheme in accordance with Ind AS 102 – Share Based Payment. The fair value of options granted is recognized as employee benefits expense , net of reimbursements, if any. The total cost recognized during the year amounted to Rs. 0.78 Lakhs (previous year - Rs. 2.06 Lakhs). The Company consider these amounts as not material and accordingly has not provided for the disclosures.

Note No : 42 - The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

Note No : 43 - There are no amounts that are due to be transferred to investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act , 2013 and rules made thereunder.

Note No: 44 - Contingent liabilities & Commitments (to the extent not provided for)

(Amount in Rs. Lakhs)

	Particulars			As at March 31, 2022	As at March 31, 2021
(i)	**Contingent Liabilities**				
a)	Claim against the company not acknowleged as debt - Income tax demand:				
		Particulars	**Brief Description of Matter**		
		Income tax	Related to Disallowances of expenses	291.57	–
		TDS	Related to TDS liability	10.45	–
b)	Guarantee given to banker of joint venture in connection with credit facilities			6,000.00	–
(ii)	**Commitments**				
a)	Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)			**1,443.56**	1,126.70

The Company does not have any pending litigations as at March 31, 2022 and as at March 31, 2021.

Note No: 45. Research and development expenditure

(i) Debited to Statement of Profit and Loss - Rs. 1,879.01 lakhs (previous year Rs 727.39 lakhs) (excluding depreciation and amortisation of Rs. 688.34 lakhs) (previous year: Rs. 684.72 lakhs)

(ii) Capitalization of assets and development work in progress (Net) - Rs. 1.73 lakhs (previous year: Rs. 381.15 lakhs)

Note No : 46 Corporate Social Responsibility

		As at March 31, 2022	As at March 31, 2021
(i)	Amount required to be spent by the company during the year (Rs. in lakhs)	**87.21**	48.60
(ii)	Amount of expenditure incurred (Rs. in lakhs)	**87.21**	48.60
(iii)	Shortfall at the end of the year	**Nil**	NIL
(iv)	Total of the previous year shortfall	**Nil**	NIL
(v)	Reason for shortfall	**NA**	NA
(vi)	Nature of CSR activities	**The area for CSR activities includes projects like education , woman economic empowerment and rural development such as safe drinking water, health and education etc**	The area for CSR activities includes projects like education , woman economic empowerment and rural development such as safe drinking water, health and education etc
(vii)	Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year shall be shown seperately	**NA**	NA

Note No: 47 Leases

The Company as a lessee

i) The Company has taken certain premises on lease

ii) Depreciation charge for right of use assets, addition to right of use assets and carrying amount of right of use assets at the end of the reporting period by class of underlying asset- Refer to Note 6

iii) The following is the movement in lease liabilities during the year ended March 31, 2022

(Amount in Rs. Lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Balance at the beginning of the year	**403.83**	630.80
Finance cost accured during the year	**16.15**	31.09
Payment of Lease Liabilities	**276.15**	258.06
Balance at the end of the year	**143.83**	403.83

iv) The following is the break up of current and non current lease liabilities as at March 31, 2022

(Amount in Rs. Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Current	**143.83**	260.00
Non Current	**–**	143.83
Total	**143.83**	403.83

v) The Company do not apply the requirement of IND AS 116 to short term lease or low value leases. Expense relating to short term leases and leases of low value assets for the year ended March 31, 2022 were Rs. 157.09 Lakhs(Previous year Rs 199.96 Lakhs)

vi) The total cash outflow for leases for the year ended March 31, 2022 were Rs. 276.15 Lakhs (Previous year Rs 258.06 Lakhs)

vii) Maturity analysis of Lease Liabilities (Amount in Rs. Lakhs)

(Amount in Rs. Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Within one year	**143.83**	260.00
Later than one year but less than five years	**–**	143.83
Later than five years	**–**	–

viii) Extension and Termination options

Extension and termination options are included in building lease executed by the Company. These are used to maximise operational flexibility in terms of managing the assets used in company's operations.

Generally, these options are exercisable mutually by both the lessor and the lessee. For the above lease there is no extension clause and details of termination clause is as follows:

1. 30 Days , if any breach of any term of agreement
2. 15 Days, if lessor, fail to any compensate, loss/cost
3. 90 days by giving a written notice.

The Company as Lessor

The Company has entered into operating lease arrangements for land and premises. These arrangements are both cancellable and non-cancellable in nature and range between one to five years. Lease rental income earned by the Company is set out in Note 26 as 'Rental income'. The future minimum lease receivables under non-cancellable operating leases are as under:

(Amount in Rs. Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Within one year	**158.83**	278.13
Later than one year but less than five years	**166.77**	325.59
Later than five years	**–**	–
	325.60	**603.72**

Note No 48 Disclosures as per IND AS 115

1. Disaggregation of Revenue from goods and services

(Amount in Rs. Lakhs)

Particulars	For the year Ended March 31, 2022			For the year Ended March 31, 2021		
	Defence	**Non-Defence**	**Total Amount**	Defence	Non-Defence	Total Amount
Sale of Manufactured Goods						
Equipment for Torpedo defence system	**3,085.33**	**–**	**3,085.33**	2,066.44	–	2,066.44
VIP Discret Vehicle	**737.17**	**–**	**737.17**	235.96	–	235.96
Light Armoured Vehicle	**6,833.41**	**–**	**6,833.41**	3,879.90	–	3,879.90
Wheel assembly	**2,729.21**	**–**	**2,729.21**	5,615.24	–	5,615.24

(Amount in Rs. Lakhs)

Particulars	For the year Ended March 31, 2022			For the year Ended March 31, 2021		
	Defence	**Non-Defence**	**Total Amount**	Defence	Non-Defence	Total Amount
Police Special Purpose Vehicle	**240.45**	**–**	**240.45**	–	–	–
Other	**938.32**	**–**	**938.32**	447.12	–	447.12
Sale of Traded Goods						
Spare parts and other allied products	**935.13**	**–**	**935.13**	1,290.18	–	1,290.18
Software License	**–**	**185.03**	**185.03**	–	447.54	447.54
Turnkey contracts revenue	**4,324.04**	**–**	**4,324.04**	12,262.39	–	12,262.39
Revenue from rendering of services						
Consultancy services	**–**	**1,133.92**	**1,133.92**	–	861.45	861.45
Annual maintenance contract	**1,981.72**	**–**	**1,981.72**	999.58	–	999.58
Training service	**7,136.22**	**–**	**7,136.22**	7,985.36	–	7,985.36
Business support service	**11,172.13**	**–**	**11,172.13**	8,388.87	–	8,388.87
Other	**0.27**	**–**	**0.27**	31.99		31.99

2. Contracted Assets , Contracted Liabilities & Receivables

(Amount in Rs. Lakhs)

Particulars	Opening as on April 1, 2021	Addition During the Year	Reduction During the year	**Closing as on March 31, 2022**	Reference
Unbilled Revenue	4,923.12	2,399.71	5,087.71	**2,235.12**	Note -a
Advance Billing	1,862.98	779.18	1,164.91	**1,477.25**	Note -b
Advance from Customer	952.21	35,308.07	820.71	**35,439.57**	Note -c
Receivables	20,459.38	56,305.01	54,979.98	**21,784.41**	Note -d

Note - a: Opening unbilled revenue represents the fulfilled obligation which couldnot be invoiced to the customer on opening balance sheet date due to contractual terms. Addition/reduction in unbilled revenue represent the accumulation of further unbilled obligations and invoicing of opening unbilled revenue respectively. The Closing balance represents the revenue for which contractual obligation has been fulfilled and invoicing is pending on the balance sheet date. The unbilled revenue pertains to defence as well as non defence business

Note – b: Opening Advance billing represents the unfulfilled obligation which though has been invoiced to the customer on opening balance sheet date but obligation is still to be performed. Addition/reduction in Advance billing represent the further invoicing and fulfilling performance obligations respectively. The Closing balance represents the revenue for which invoicing has been done on balance sheet date and contractual obligation has still to be fulfilled. The Advance pertains to defence business as well as non defence business

Note – c: The Advance from customer relates to the money received in advance ahead of the performance obligation to be fulfilled in future. Reduction in advance to customer represents fulfilment of contractual obligation and invoicing to the customer . Major part of advance from customer pertains from defence business.

Note - d: Account recievables represent the amount for which performance obligation has been fulfilled and revenue recognized but the money is receivable from customer.

* Revenue Recognized in the current year that was included in contracted liability at beginning of the year (Refer Note 24)

3. Unsatisfied Contract Value

Total performance obligation remaining unsatisfied as on March 31, 2022 with timelines within which it is expected to recognize revenue.

(Amount in Rs. Lakhs)

Performance obligation	**0-1 Year**	**1-3 Year**	**3-5 Yrs**	**Total**
Unsatisfied Performance Obligation as on March 31, 2022*	63,151.04	1,10,072.55	1,05,539.91	2,78,763.50

* Represent unsatisfied performance obligation for major contracts entered with the customer which is to be satisfied in future as per the terms of the contract.

4. Performance Obligations over the period of time

a) When the Performance Obligation is satisfied over period of time, Input method is used to recognize revenue on the basis of Percentage completion method applied on the company actual spent on the basis of resources consumed, labour hours expended, costs incurred, time elapsed or machine hours used, as applicable. This is considered to be most appropriate method for performance obligation satisfied over period of time due to the fact that there is direct relationship between the resource consumed and the control transferred to the customer.

b) Output methods recognize revenue on the basis of direct measurements of the value to the customer of the goods or services transferred to date relative to the remaining goods or services promised under the contract. Output methods include methods such as surveys of performance completed to date, appraisals of results achieved, milestones reached, time elapsed and units produced or units delivered. This is considered to be most appropriate method due to the fact that the company performance towards completion of performance obligation can be measured more appropriately with the output .

c) Company evaluates whether to apply an input method or output method for revenue recognition . For evaluation of method to be applied , the company considers the relationship between the resource consumed and the control transferred to the customer ie input method & whether the company performance towards completion of performance obligation can be measured more appropriately with the output ie output method

5. Significant Payment term in Subcontracting project with the customer having significant financing component

Payment Milestone

Project 1

Particulars	**Percentage of payment**	**Milestone detail**	**Period of Milestone**
1st Milestone	20%	Supply of IT equipment and furniture	Invoice + 12 weeks
2nd Milestone	20%	Inspection of successful installation of all the hardware and software	Invoice + 22 weeks

Particulars	Percentage of payment	Milestone detail	Period of Milestone
3rd Milestone	40%	Go-Live & Training	Invoice + 24 weeks
4th Milestone	20%	O & M for 5 years from Go Live	Equally spread over 5 years payable quarterly
	100%		

Project 2

Particulars	Percentage of payment	Milestone detail	Period of Milestone
1st Milestone	5%	Submission of Inception Report,Design, testing and acceptance of GIS Mobile application for GIS Data Collection	Invoice + 45 Days
2nd Milestone	40%	Supply and commissioning of IT and non-IT components at DC	Invoice + 45 Days
3rd Milestone	20%	Functional and Integration testing of entire system including hardware, software, network and other components	Invoice + 45 Days
4th Milestone	5%	Go-Live	Invoice + 45 Days
5th Milestone	30%	Integration with SCC	Equally spread over 5 years payable quarterly
	100%		

6. The estimated liability for product warranties is recorded when products are sold. These estimates are established using historical information on the nature, frequency and average cost of warranty claims and management estimates regarding probable future incidence based on corrective actions for product failures.

   The Company provides standard warranty on sale of armored vehicles, wheel assembly, Equipment for Torpedo defence system, Deck panels, Composite body for Mines customer based on no. of years. No warranty is provided for traded items.

Note no 49 - Loan to Specified Person

	(Amount in Rs. Lakhs)		(Amount in Rs. Lakhs)	
Type of Borrower	**Fy 21-22**	**% of Total**	**Fy 20-21**	**% of Total**
Related Parties* (Refer note no 39)	2,500.0	100.00%	–	–

During the year the Company has loaned (either borrowed funds or share premium or any other sources or kind of funds) to two related parties for working capital purposes.

Note No 50 - Struck off Companies

During the year, the Company has not entered into any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956

Note No 51 - Additional regulatory information

(a) Borrowings are made from banks/ FI on the basis of security of current asset. The returns or statements viz. Financial follow-up report/Financial report as at December 31, 2021 filed by the Company with such banks are in agreement with the unaudited books of account of the Company for the said period.

(b) The Company has complied with the number of layers of companies as prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.

(c) No proceeding has been initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder

Note No 52w

(a) No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) No funds have been received by the Company from any person(s) or entity(ies), including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

Note No 53-Financial Ratios

			(In Lakhs)	(In Lakhs)	% Variance	
Sr. No.	**Particulars**		**F22**	**F21**		**Reasons for Variance**
1	Current Ratio (in times)	**Current assets** / **Current liabilities**	3.54	2.47	43%	Mainly due to working capital management and also funds received as advance from customers (including non-current portion) deployed as short term investments, cash and cash equivalents and bank deposits.
		Current assets	63,027.57	33,104.49		
		Current Liability	17,829.34	13,401.30		
2	Debt-equity ratio	**Total Debt*** / **Shareholders’ Equity**	0.35%	1.20%	-71%	Total debts represents lease liabilities, which is getting repaid as per lease term. Current year there is payment of Rs 260 Lakhs in Lease Liability which resulted in reduction of debt equity ratio.
		Total Debt = Long term debt + short term debt	143.83	403.83		
		Shareholders Equity = Total assets - Total liabilities	41,360.76	33,684.08		

			(In Lakhs)	(In Lakhs)	% Variance	
Sr. No.	Particulars		F22	F21		Reasons for Variance
3	Debt Service coverage ratio	**Earnings for Debt Service** **Debt Service ***	38.12	32.83	16%	
		Earnings for Debt Service = Profit for the year (after taxes) + Depreciation and amortisation expenses + Finance costs + Exceptional item	10,525.90	8,471.22		
		Debt Service = Interest + Principal Repayments	276.15	258.06		
4	Return on equity ratio (ROE)	**Net income** **Shareholder's equity**	21%	16%	29%	Increase in profitability mainly due to better gross margin (depending on nature of project executed) after considering one time expenses.
		Net income = Net Profits after taxes	7,762.48	5,002.67		
		Shareholder's Equity	37,522.42	31,178.05		
5	Inventory turnover ratio	**Cost of goods sold (COGS)** **Average Inventory**	2.14	3.78	-43%	Mainly due to change in product mix, composition of orders executed during the year and order in hand. Also in current year, there is reduction in sale of goods.
		COGS = Cost of Material consumed , Purchase of stock in trade, Changes in inventories of FG,WIP, consumption of store and spares, tools consumed	10,862.02	18,713.50		
		Average inventory	5,069.42	4,950.53		
6	Trade receivable turnover ratio	**Net Sales.** **Average Trade Receivables**	2.00	3.25	-38%	Mainly due to decrease in sales on account of contractual performance obligation and increase in average trade receivable (depending on nature of project executed).
		Net Sales = Revenue from operations	42,308.47	44,707.41		
		Average Trade receivable	21,121.89	13,744.52		
7	Trade payable turnover ratio	**Net Credit Purchases** **Average Trade Payables**	3.17	3.88	-18%	
		Net credit purchases (viz. purchases and other relevent expenses)	31,159.76	33,434.51		
		Average trade payable	9,836.39	8,614.95		
8	Net capital turnover ratio	**Net Sales** **Working Capital**	0.94	2.27	-59%	Mainly due to working capital management and also funds received as advance from customers (including non-current portion) deployed as short term investments, cash and cash equivalents and bank deposits.
		Net Sales = Revenue from operations	42,308.47	44,707.41		
		Working captial = current assets - current liabilities	45,198.23	19,703.19		
9	Net profit ratio	**Net Profit** **Net Sales**	18%	11%	64%	Increase in profitability mainly due to better gross margin (depending on nature of project executed) after considering one time expenses.
		Net profit after tax	7,762.48	5,002.67		
		Net Sales = Revenue from operations	42,308.47	44,707.41		
10	Return on capital employed	**Earnings before interest and taxes (EBIT)** **Capital Employed**	30.9%	24.9%	24%	
		EBIT = Profit for the year + Tax expense + Finance costs	10,823.65	7,433.37		
		Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability	35,064.02	29,850.34		

Sr. No.	Particulars		(In Lakhs) F22	(In Lakhs) F21	% Variance	Reasons for Variance
11	Return on investment	**Gain from investments** / **Total investments** Gain from investments = Weighted average gain (realised and unrealised) on investments Total investments = Closing investments + principal of investments sold	2.51%	2.18%	15%	

* Debt includes Lease liabilities

Note No 54: Reconciliation of Cash flow arising from financing activities

(Amount in Rs. Lakhs)

Particulars	For the year Ended March 31, 2022	For the year Ended March 31, 2021
Opening balance		
Share Capital	**1,672.37**	1,672.37
Securities Premium	**27,622.68**	27,622.68
Total	**29,295.05**	29,295.05
Repayments	**–**	–
Closing balance		
Share Capital	**1,672.37**	1,672.37
Securities Premium	**27,622.68**	27,622.68
Total	**29,295.05**	29,295.05

Note No 55: Investment in Joint venture

1. The Company is a wholly owned subsidiary of Mahindra & Mahindra Limited which presents Consolidated Financial Statements to its Shareholders. As such the Company in view of the exemption given in paragraph 4(a) of Ind AS-110 " Consolidated Financial Statements" has decided to avail the exemption contained in the paragraph 16 of Ind AS-27 "Separate Financial Statements" for not preparing the consolidated financial statements.
2. Mahindra & Mahindra Limited, the holding company having its registered office at Gateway Building, Apollo Bunder, Mumbai, Maharashtra- 400001, India will be preparing Consolidated Financial Statements which will comply with the applicable Ind AS for public use and would be available on the website of holding Company i.e. www. mahindra.com
3. The details of the Joint Venture of the Company are as under:
   (a) The Company holds 51% equity share capital of Mahindra Telephonics Integration Systems Limited (MTISL) and the remaining 49% is held by Telephonics corporation USA (TC) (Joint venture partner). Based on the joint venture agreement between the Company and TC, decisions on certain relevant activities, which are significant in nature, require the consent of both the Company and TC. Company cannot take unilateral decision on those activities.
   (b) The provision of output from operations, do not go to "both the parties" as MTISL does not sell its product to the Company and hence the Company does not receive economic benefits of the assets of the operations. The outputs of the MTISL are purchased only by TC. The MTISL is generating cash to contribute to the continuity of the operations. Therefore, the director of the Company decided to classify MTISL as joint venture.

Note No 56:

Having regards to the performance (including order book position and future projections) and financial position as on March 31, 2022 of Mahindra Telephonics Integrated Systems Limited (MTISL), Joint venture of the Company, the Company performed an impairment assessment for its investment of Rs. 2,590 lakhs in the MTISL. Based on the aforesaid assessment carried by the Company, the Company has accounted for additional impairment charge of Rs. 734 Lakhs (Previous year Rs 1856 Lakhs) in MTISL which is disclosed as exceptional item in the Statement of Profit and Loss for the year ended March 31, 2022.

Note No 57: COVID 19 Impact

As per the impact assessment of COVID-19 carried out by the Management, the Company believes that there is no significant impact of COVID-19 pandemic on the financial position and performance of the Company.

Note No 58: Proposed dividend

The Board of Directors, its meeting held on May 04, 2022 has recommended a final dividend of Rs. 7.5 (previous year Rs. Nil) per equity share of Rs. 10 each aggregating to Rs. 1254.27 Lakhs (previous year Rs.Nil) for the financial year ended March 31, 2022. Recommendation is subject to the approval of shareholders at the ensuing Annual General Meeting.

Note No 59: Previous year figures have been reclassified/regrouped wherever required to confirm to the current year presentation/classification.

Note No 60: Events occurring after the reporting period : (i) All events or transactions that have taken place between March 31, 2022 and date of signing of the financial statements and for which the Indian Accounting Standard 10 – 'Events after the Reporting Period' ("Ind AS 10") requires disclosure/ adjustment are disclosed and/ or adjusted in the financial statements. (ii) Approval of financial statements - The financial statements were authorised for issue by the Board of Directors on May 04, 2022.

In terms of our report attached
For Deloitte Haskins & Sells
Chartered Accountants

Pramod B.Shukla
Partner

Mukul Verma
Chief Financial Officer

Place : Gurugram
Date : May 04, 2022

For and on behalf of Board of Directors

S. P. Shukla — Managing Director
DIN: 00007418

Sukhvindar Hayer — Director
DIN: 07272511

Manish Sharma — Company Secretary

Place : Mumbai
Date : 04-05- 2022

INDEPENDENT AUDITORS' REPORT

To the Members of Mahindra Telephonics Integrated Systems Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Mahindra Telephonics Integrated Systems Limited (the "Company"), which comprise the balance sheet as at 31 March 2022, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2022, and its loss and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us, is sufficient and appropriate to provide a basis for our opinion on the financial statements.

Management's and Board of Directors' Responsibilities for the Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. (A) As required by Section 143(3) of the Act, we report that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   c) The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account.

   d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.

   e) On the basis of the written representations received from the directors as on 31 March 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022 from being appointed as a director in terms of Section 164(2) of the Act.

   f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

   (B) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

   a) The Company does not have any pending litigations which would impact its financial position.

   b) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

   c) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

   d) (i) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:

      - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or
      - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

      (ii) The management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall:

      - directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Party or
      - provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries.

      (iii) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (d) (i) and (d) (ii) contain any material mis-statement.

   e) The Company has neither declared nor paid any dividend during the year.

   (C) With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

   In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.: 101248W/W-100022

Deepesh Sharma
Partner
Membership No.: 505725
UDIN: 22505725AHTOLH8292

Place: New Delhi
Date: 25 April, 2022

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS OF MAHINDRA TELEPHONICS INTEGRATED SYSTEMS LIMITED FOR THE YEAR ENDED 31 MARCH 2022.

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified in a phased manner over a period of two years. In accordance with this programme, certain property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No discrepancies were noticed on such verification.

(c) The Company does not have any immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee). Accordingly, clause3(i)(c) of the Order is not applicable.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.

(e) According to information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks or financial institutions are in agreement with the books of account of the Company.

(iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments, provided guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year. Accordingly, provisions of clauses 3(iii)(a) to 3(iii)(f) of the Order are not applicable to the Company.

(iv) According to the information and explanations given to us and on the basis of our examination of records of the Company, the Company has neither made any investments nor has it given loans or provided guarantee or security and therefore the relevant provisions of Sections 185 and 186 of the Companies Act, 2013 are not applicable to the Company. Accordingly, clause 3(iv) of the Order is not applicable.

(v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.

(vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Companies Act, 2013 for the products manufactured by it (and/or services provided by it). Accordingly, clause 3(vi) of the Order is not applicable.

(vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Services Tax ('GST'), Provident fund, Employees' State Insurance, Income-Tax, Duty of Customs, Cess and other statutory dues have generally been regularly deposited with the appropriate authorities, though there have been slight delays in a few cases of withholding taxes.

According to the information and explanations given to us, no undisputed amounts payable in respect of Goods and Services Tax ('GST'), Provident fund, Employees' State Insurance, Income-Tax, Duty of Customs, Cess and other statutory dues were in arrears as at 31 March 2022 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no statutory dues relating to Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues, which have not been deposited with the appropriate authorities on account of any dispute.

(viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.

(ix) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company did not have loans and borrowings at any point during the year. Accordingly, provisions of clauses 3(ix)(a) to 3(ix)(f) of the Order are not applicable to the Company.

(x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) Accordingly, clause 3(x)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.

(xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the course of the audit.

(b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Companies Act, 2013 has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.

(xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.

(xiii) The requirements stipulated by the provisions of Section 177 of the Companies Act, 2013 are not applicable to the Company. According to the information and explanations given to us and on the basis of our examination of records of the Company, transactions with the related parties are in compliance with Section 188 of the Companies Act, 2013 where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the internal audit reports of the Company issued till date for the period under audit.

(xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.

(xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.

(b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.

(d) In our opinion and according to the information and explanations given to us, there is no core investment company within the Group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016).

(xvii) The Company has incurred cash losses of Rs. 420.59 Lacs in the current financial year and Rs. 101.93 Lacs in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.

(xx) The requirements as stipulated by the provisions of Section 135 are not applicable to the Company. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

(xxi) The Company is not required to present consolidated financial statements. Accordingly, clause 3(xxi) of the Order is not applicable.

For **B S R & Co. LLP**
Chartered Accountants
(Firm's Registration No.: 101248W/W-100022)

Deepesh Sharma
Partner
Membership No.: 505725
UDIN: 22505725AHTOLH8292

Place: New Delhi
Date: 25 April, 2022

ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS OF MAHINDRA TELEPHONICS INTEGRATED SYSTEMS LIMITED FOR THE PERIOD ENDED 31 MARCH 2022.

Report on the internal financial controls with reference to the aforesaid financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

(Referred to in paragraph 2(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to financial statements of Mahindra Telephonics Integrated Systems Limited ("the Company") as of 31 March 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2022, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and whether such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **B S R & Co. LLP**
Chartered Accountants
(Firm's Registration No.: 101248W/W-100022)

Deepesh Sharma
Partner
Membership No.: 505725
UDIN: 22505725AHTOLH8292

Place: New Delhi
Date: 25 April, 2022

BALANCE SHEET AS AT 31 MARCH 2022

(All amounts in Indian ₹ Lacs, unless otherwise stated)

	Notes	**As at 31 March 2022**	As at 31 March 2021
ASSETS			
Non-current assets			
Property, plant and equipment	3	**303.91**	331.86
Right-of-use assets	3	**233.39**	353.72
Intangible assets	4	**53.70**	56.45
Intangible assets under development	4	**–**	29.24
Financial assets	5		
– Other financial assets		**25.58**	33.24
Other non-current assets	6	**24.92**	167.56
Total non-current assets		**641.50**	972.07
Current assets			
Inventories	7	**32.13**	43.52
Financial assets	8		
– Trade receivables		**1,289.79**	466.08
– Cash and cash equivalents		**655.34**	172.42
– Bank balances other than cash and cash equivalents above		**120.52**	59.87
– Other financial assets		**1.62**	1.62
Other current assets	9	**2,619.76**	374.42
Total current assets		**4,719.16**	1,117.93
Total assets		**5,360.66**	2,090.00
EQUITY AND LIABILITIES			
Equity			
Equity share capital	10	**5,078.43**	5,078.43
Other equity	11	**(4,640.09)**	(4,035.13)
Equity attributable to equity shareholders		**438.34**	1,043.30
Liabilities			
Non-current liabilities			
Financial liabilities	12		
– Lease liabilities		**149.73**	288.38
Provisions	13	**113.45**	105.34
Total non-current liabilities		**263.18**	393.72
Current liabilities			
Financial liabilities	14		
– Trade payables			
Total outstanding dues of micro enterprises and small enterprises		**11.74**	–
Total outstanding dues of creditors other than micro enterprises and small enterprises		**1,179.38**	431.45
– Lease liabilities		**138.65**	119.01
– Other financial liabilities		**71.78**	87.49
Provisions	15	**1.93**	1.56
Other current liabilities	16	**3,255.66**	13.47
Total current liabilities		**4,659.14**	652.98
Total equity and liabilities		**5,360.66**	2,090.00
Summary of significant accounting policies	2		

The accompany notes form an integral part of financial statements.

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.: 101248W/W-100022

Deepesh Sharma
Partner
Membership no. : 505725

Place: New Delhi
Date: 25 April, 2022

For and on behalf of the Board of Directors of
Mahindra Telephonics Integrated Systems Limited

S. P. Shukla
(Director)
DIN: 00007418
Place: Mumbai

Mukul Verma
(Director)
DIN: 02428217
Place: New Delhi

Jayantaraj Chatterjee
(CEO)
PAN: ADJPC7684E
Place: New Delhi

Arun Gupta
(CEO)
PAN: AFYPG8293A
Place: New Delhi

Manish Sharma
(Company Secretary)
PAN: DIXPS7998F
Place: Mumbai
Date: 25 April, 2022

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2022

(All amounts in Indian ₹ Lacs, unless otherwise stated)

Particulars	Notes	For the year ended 31 March 2022	For the year ended 31 March 2021
Revenue from operations	17	**1,136.46**	1,206.56
Other income	18	**59.90**	17.22
Total revenue		**1,196.36**	1,223.78
Expenses			
Costs of materials consumed	19	**773.59**	262.87
Employee benefit expenses	20	**390.90**	467.45
Finance cost	23	**80.25**	42.43
Depreciation and amortizaton expense	21	**196.54**	204.35
Other expenses	22	**369.54**	550.91
Total expenses		**1,810.82**	1,528.01
Loss before tax		**(614.46)**	(304.23)
Tax expense			
Current tax		**–**	–
Loss for the year		**(614.46)**	(304.23)
Other comprehensive income			
Items that will not to be reclassified to profit or loss:			
Remeasurements gain on post employment benefit obligations(net)		**9.50**	9.59
Other comprehensive income for the year, net of tax		**9.50**	9.59
Total comprehensive income for the year, net of tax		**(604.96)**	(294.64)
Earning per equity share (nominal value of share Rs 10 each)			
Basic earnings per share		**(1.21)**	(0.60)
Diluted earnings per share		**(1.21)**	(0.60)
Summary of significant accounting policies	2		

The accompany notes form an integral part of financial statements.

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.: 101248W/W-100022

Deepesh Sharma
Partner
Membership no. : 505725

Place: New Delhi
Date: 25 April, 2022

For and on behalf of the Board of Directors of
Mahindra Telephonics Integrated Systems Limited

S. P. Shukla
(Director)
DIN: 00007418
Place: Mumbai

Mukul Verma
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(CEO)
PAN: AFYPG8293A
Place: New Delhi

Manish Sharma
(Company Secretary)
PAN: DIXPS7998F
Place: Mumbai
Date: 25 April, 2022

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2022

A. Equity share capital

(All amounts in Indian ₹ Lacs, unless otherwise stated)

	Notes	Nos.	Amount
Equity shares of Rs 10 each fully paid up			
As at 01 April 2020	10	50,784,313	5,078.43
Issued during the year		–	–
As at 31 March 2021		50,784,313	5,078.43
Issued during the year		–	–
As at 31 March 2022		**50,784,313**	**5,078.43**

B. Other equity

(Amount in Rs. Lakhs)

Particulars	Notes	Reserves and surplus: Securities premium	Reserves and surplus: Retained earnings	Total
As at 01 April 2020		217.92	(3,958.41)	(3,740.49)
(Loss) for the year		–	(304.23)	(304.23)
Other comprehensive income		–	9.59	9.59
As at 31 March 2021		217.92	(4,253.05)	(4,035.13)
(Loss) for the year		–	(614.46)	(614.46)
Other comprehensive income		–	9.50	9.50
As at 31 March 2022		**217.92**	**(4,858.01)**	**(4,640.09)**

Summary of significant accounting policies 2

The accompany notes form an integral part of financial statements.

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.: 101248W/W-100022

Deepesh Sharma
Partner
Membership no. : 505725

Place: New Delhi
Date: 25 April, 2022

For and on behalf of the Board of Directors of
Mahindra Telephonics Integrated Systems Limited

S. P. Shukla
(Director)
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(CEO)
PAN: AFYPG8293A
Place: New Delhi

Manish Sharma
(Company Secretary)
PAN: DIXPS7998F
Place: Mumbai
Date: 25 April, 2022

STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31 MARCH 2022

(All amounts in Indian ₹ Lacs, unless otherwise stated)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
A. Cash flows from operating activities		
Loss before tax from operations	**(614.46)**	(304.23)
Adjustments for:		
Depreciation and amortization	**196.54**	204.35
Interest income on bank deposits	**(33.58)**	(13.46)
Unwinding of discount on security deposits	**(1.79)**	(1.65)
Interest income on income tax refunds	**(0.52)**	–
Unrealised foreign exchange loss/ (gain)	**(0.37)**	0.11
Loss /(Profit) on sale of property, plant and equipment (including CWIP)	**(0.86)**	1.22
Finance cost	**80.25**	42.43
Deferred income	**(0.51)**	(0.51)
Operating loss before working capital changes	**(375.30)**	(71.74)
Adjustments for:		
Increase /(decrease) in trade payables	**760.04**	(67.86)
Increase /(decrease) in short-term and long-term provisions	**17.98**	12.76
Increase /(decrease) in other current liability	**3,242.70**	0.29
(Decrease) /increase in other current financial liability	**(15.68)**	7.65
Decrease /(increase) in inventories	**11.39**	56.36
(Increase) /decrease in trade receivables	**(823.71)**	(89.39)
Decrease /(increase) in non-current security deposits	**–**	0.52
Decrease /(increase) in other non current assets	**167.56**	154.46
Decrease /(increase) in other current financial assets	**–**	3.00
(Increase) /decrease in other current assets	**(2,245.34)**	**98.98**
Cash generated from operations	**739.64**	105.03
Direct taxes paid (net of refunds)	**(0.49)**	3.12
Net cash flow (used in)/generated from operating activities (A)	**740.13**	101.91
B. Cash flows from investing activities		
Purchase of property, plant and equipment (including intangible assets, CWIP, Intangible assets under development and Capital Advances)	**(43.81)**	(2.49)
Sale of property, plant and equipment	**3.48**	4.27
Movement in bank deposits (net)	**(51.20)**	23.71
Interest income on bank deposits	**33.58**	13.25
Net cash flow generated from/(used in) investing activities (B)	**(57.95)**	38.74
C. Cash flows from financing activities		
Finance cost paid	**(48.16)**	–
Lease payment on account of lease liabilities	**(151.10)**	(143.90)
Net cash flows (used in)/generated from financing activities (C)	**(199.26)**	(143.90)
Net increase/(decrease) in cash and cash equivalents (A+B+C)	**482.92**	(3.25)
Cash and cash equivalents at the beginning of the year	**172.42**	175.67
Cash and cash equivalents at the end of the year	**655.34**	172.42

STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31 MARCH 2022 (CONTD.)

(All amounts in Indian ₹ Lacs, unless otherwise stated)

Particulars	**For the year ended 31 March 2022**	For the year ended 31 March 2021
Components of cash and cash equivalents		
Balance with bank		
– On current account	**104.60**	47.37
– Fixed deposits with original maturity of less than three months	**550.74**	125.05
Total cash and cash equivalents	**655.34**	172.42

Notes:

1. The Cash Flow Statement has been prepared under the 'Indirect Method' as set out in Ind AS 7, as notified under the section 133 of the Companies Act, 2013.

Summary of significant accounting policies 2

The accompany notes form an integral part of financial statements.

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.: 101248W/W-100022

Deepesh Sharma
Partner
Membership no. : 505725

Place: New Delhi
Date: 25 April, 2022

For and on behalf of the Board of Directors of
Mahindra Telephonics Integrated Systems Limited

S. P. Shukla
(Director)
DIN: 00007418
Place: Mumbai

Mukul Verma
(Director)
DIN: 02428217
Place: New Delhi

Jayantaraj Chatterjee
(CEO)
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Place: New Delhi

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(CEO)
PAN: AFYPG8293A
Place: New Delhi

Manish Sharma
(Company Secretary)
PAN: DIXPS7998F
Place: Mumbai
Date: 25 April, 2022

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

(All amounts in Indian ₹ Lacs, unless otherwise stated)

1 CORPORATE INFORMATION

Mahindra Telephonics Integrated Systems Limited (“the Company”) is a public Company domiciled in India and incorporated under the provisions of the Companies Act, 1956 having its registered office at MAHINDRA TOWERS, P. K. KURNE CHOWK, R. G. M. BHOSALE MARG, WORLI, MUMBAI, Mumbai City, Maharashtra - 400018. The Company is jointly held by Mahindra Defence Systems Limited and Telephonics corporation, USA.

The financial statements were authorised for issue in accordance with resolution of the Board of Directors on 25 April 2022.

1.01 Basis of preparation

These financial statements comply in all material aspects with Indian Accounting Standards (IND-AS) notified under Section 133 of the Companies Act, 2013, relevant provisions of the Companies Act, 2013 (“the Act’) and other accounting principles generally accepted in India. Financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value:

- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments).
- Net defined benefit (asset)/ liability- Fair value of plan assets less present value of defined benefit obligations.

1.02 Functional and presentation currency

These financial statements are presented in Indian rupees (₹), which is also the Company’s functional currency. All amounts have been rounded-off to the nearest lacs up to two place of decimal, unless otherwise indicated.

1.03 Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/non- current classification.

An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non current.

Deferred tax assets and deferred tax liabilities are classified as non- current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

2 SIGNIFICANT ACCOUNTING POLICIES

2.01 Use of estimates

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Assumptions and estimation uncertainties

Information about significant areas of estimation/uncertainty and judgements in applying accounting policies that have the most significant effect on the financial statements are as follows:-

Note 2.08-: Measurement of defined benefit obligations: key actuarial assumptions;

Note 2.02 and 2.03: Measurement of useful life and residual values of property, plant and equipment and useful life of intangible assets;

Note 2.05: Fair value measurement of financial instruments;

Note 2.13-: Judgement required to ascertain lease classification

Estimation of uncertainties relating to the global health pandemic from COVID-19 (COVID-19):

The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of various assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company, as at the date of approval of these financial statements has used internal and external sources of information including economic forecasts etc. and based on current estimates expects the carrying amount of these assets will be recovered. The impact of COVID-19 on the Company’s financial statements may differ from that estimated as at the date of approval of these financial statements.

2.02 Property, Plant and Equipment

Property, plant and equipment including capital work in progress is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises of purchase price, taxes, duties, freight and other incidental expenses directly attributable and related to acquisition and installation of the concerned assets and are further adjusted by the amount of GST credit availed wherever applicable. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their respective useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

Capital work- in- progress includes cost of property, plant and equipment under installation/under development as at the balance sheet date.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Depreciation methods, estimated useful lives and residual value

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values over their estimated useful lives and is generally recognised in the statement of profit and loss. The residual value are not more than 5% of the original cost of assets.

Depreciation on property, plant & equipment is provided on pro-rata basis on straight-line method using the useful lives of the assets estimated by management and in the manner prescribed in Schedule II of the Companies Act 2013. The useful life of Property, Plant and Equipment are as follows:

Assets	Useful life (in years)
Plant and Equipment:	15
Office Equipment (clubbed under plant and equipment):	5
Computers and Peripherals	3
Mobile Phones (clubbed under computer and peripherals):	2
Furniture and Fixtures:	10
Vehicles:	5
Electric Installation:	10

Vehicles and mobile phones are depreciated over the estimated useful lives of 5 years and 2 years, respectively, which are lower than those indicated in Schedule II. On the basis of technical assessment made by the management, it believes that the useful lives as given above best represent the period over which the assets are expected to be used.

Leasehold improvements are depreciated on straight line basis over the remaining lease agreement period.

2.03 Intangible assets

Separately acquired intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any. Internally generated intangibles, excluding capitalised development cost, are not capitalised and the related expenditure is reflected in Statement of Profit and Loss in the period in which the expenditure is incurred. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortised over their useful economic lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life is reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the Statement of Profit and Loss in the expense category consistent with the function of the intangible assets.

Gains or losses arising from disposal of the intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the assets are disposed off.

Intangible assets with finite useful life are amortised on a straight line basis over their estimated useful life as follows:

Assets	Useful life (in years)
Softwares	5/10

2.04 Foreign currencies

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates (‘the functional currency’).

Foreign currency transactions are recorded on initial recognition in the functional currency, using the exchange rate prevailing at the date of transaction.

Measurement of foreign currency items at the balance sheet date

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transaction/ Non-monetary item measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

Exchange differences

Exchange differences arising on settlement or translation of monetary items are recognised as income or expense in the period in which they arise with the exception of exchange differences on gain or loss arising on translation of non-monetary items measured at fair value which is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

2.05 Financial instruments

a. Recognition and initial measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company become a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

b. Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at

- amortised cost;
- FVTPL

Financial assets are not reclassified subsequently to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held with in a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All financial assets not classified as measured at amortised cost as described above are measured at FVTPL. On initial recognition, the Company may irrecoverably designate a financial asset that otherwise meets the requirement to be measured at amortised cost as at FVTPL if doing so eliminate or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets: Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost at effective interest rate. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairments are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Financial liabilities:

Financial liabilities are classified as measure at cost amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, or it is a derivative and it is designated as such on initial recognition. Financial liabilities at FVTPL and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

c. Derecognition

Financial assets

The company derecognises a financial asset when the contractual rights to cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfer assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not recognised.

Financial liabilities

The company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

The company also derecognises a financial liability when its terms are modified and then cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss.

d. Offsetting

Financial assert and financial liabilities are offset and net amount presented in the balance sheet when and only when the Company has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

2.06 Inventories

a) Basis of valuation:

i) Inventories are valued at lower of cost and net realisable value after providing cost of obsolescence, if any. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. The comparison of cost and net realisable value is made on an item-by-item basis.

b) Method of Valuation:

i) **Cost of raw materials and components** has been determined by using moving average basis and comprises all costs of purchase, duties, taxes (other than those subsequently recoverable from tax authorities) and all other costs incurred in bringing the inventories to their present location and condition.

ii) Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

2.07 Government Grants

Government Grants are recognised at their fair value when there is reasonable assurance that the grant will be received and all the attached conditions will be complied with.

When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

When the Company receives grants of non-monetary assets, the asset and grant are recorded at fair value amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset.

2.08 Employee benefits

A Short-term obligations

Liabilities for salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

B Other long-term employee benefit obligations

The liabilities for earned leave and sick leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in statement of profit and loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

C Post-employment obligations

The Company operates the following post-employment schemes:

(a) defined benefit plan such as gratuity and post-employment medical benefit liability; and

(b) defined contribution plan such as provident fund.

Defined benefit plans

The liability or asset recognised in the balance sheet in respect of gratuity plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in statement of profit and loss as past service cost.

Defined contribution plan

The Company pays provident fund contributions to publicly administered provident funds as per local regulations. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due.

2.09 Revenue Recognition

The Company earns revenue primarily from sale of goods and rendering of maintenance services.

Effective 01 April, 2018, the Company has applied Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. The Company has adopted Ind AS 115 using the cumulative effect method. The standard is applied retrospectively only to contracts that are not completed as at the date of initial application and the comparative information in the statement of profit and loss is not restated. The impact of the adoption of the standard on the financial statements of the Company is insignificant.

Revenue is recognised upon transfer of control of promised goods or services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those products or services.

- Revenue from the sale of goods is recognised at the point in time when control is transferred to the customer.
- Revenue from services is recognised in accordance with the terms of contract when the services are rendered and the related costs are incurred.

Revenue is measured based on the transaction price, which is the consideration as specified in the contract with the customer. Revenue also excludes taxes collected from customers.

Project work in progress includes cost incurred in fulfiling contract with customer(s) recognised in accordance with principals of Ind AS 115 - Revenue from contract with customers.

Interest income is recognised on time proportion basis taking into account the amount outstanding and the applicable interest rates and is disclosed in “other income”.

2.10 Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effect of all potentially dilutive equity shares.

2.11 Taxes

Tax expense for the year comprises of current tax and deferred tax.

Current Tax

Current income tax, assets and liabilities are measured at the amount expected to be paid to or recovered from the taxation authorities in accordance with the Income Tax Act, 1961 and the Income Computation and Disclosure Standards (ICDS) enacted in India by using tax rates and the tax laws that are enacted at the reporting date.

Current income tax relating to item recognised outside the statement of profit and loss is recognised outside profit or loss (either in other comprehensive income or equity). Current tax items are recognised in correlation to the underlying transactions either in OCI or directly in equity.

Deferred Tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets and liabilities are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside the statement of profit and loss is recognised outside the statement of profit and loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or direct in equity.

2.12 Impairment of non- financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset’s recoverable amount. An asset’s recoverable amount is the higher of an asset’s or cash-generating unit’s (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Company’s assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. Impairment losses including impairment on inventories, are recognised in the statement of profit and loss. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

2.13 Leases

The Company’s lease asset classes primarily consist of leases for buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

2.14 Borrowing Costs

Borrowing cost includes interest and other costs incurred in connection with the borrowing of funds and charged to Statement of Profit and Loss on the basis of effective interest rate (EIR) method. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing cost.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective asset. All other borrowing costs are recognised as expense in the period in which they occur.

2.15 Provisions and Contingent Liabilities

Provisions

A provision is recognised when the Company has a present obligation (legal or constructive) as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases, where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognise a contingent liability but discloses its existence in the financial statements unless the probability of outflow of resources is remote.

Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.

2.16 Fair value measurement

The Company measures financial instruments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

(i) In the principal market for asset or liability, or

(ii) In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non- financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1- Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2- Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3- Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

2.17 Cash and Cash Equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to insignificant risk of changes in value.

2.18 Recent pronouncements

Ministry of Corporate Affairs ('MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time.On march 23,2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules,2022 applicable from April 1st, 2022 as below :

(i) Ind AS 16 - Proceeds before intended use

The amendments mainly prohibits an entity from deducting from the cost of property,plant and equipment amounts

(All amounts in Indian ₹ Lacs, unless otherwise stated)

received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related costs in profit or loss. The company does not expect the amendment to have any impact in its recognition of its property,plant and equipment in its financial statements.

(ii) Ind AS 109 - Annual Improvements to Ind AS (2021)

The amendment clarifies which fees an entity includes when it applies the "10 percent" test of Ind AS 109 in assessing whether to derecognize a financial liability. The company does not expect the amendment to have any significant impact in its financial statements.

2.19 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker is considered to be the Board of Directors who makes strategic decisions and is responsible for allocating resources and assessing performance of the operating segments.

3. Property, plant and equipment including right -of -use of assets and capital work-in-progress

	Plant and Equipment	Computers and Peripherals	Furniture and Fixtures	Leasehold Improvements	Electric Installations and Equipment	Vehicles	Total	Right-of-use of assets	Capital work-in-progress
At Cost									
As at 31 March 2020	369.56	57.46	64.39	156.21	84.79	92.16	824.57	594.71	2.26
Additions	–	–	0.17	–	–	–	0.17	–	–
Disposals	–	–	–	–	–	(8.28)	(8.28)	–	(2.26)
As at 31 March 2021	369.56	57.46	64.56	156.21	84.79	83.88	816.46	594.71	–
Additions	36.24	6.89	–	–	–	–	43.13	–	–
Disposals	–	(3.34)	–	–	–	(19.34)	(22.68)	–	–
Transfers	–	–	–	–	–	–	–	–	–
As at 31 March 2022	**405.80**	**61.01**	**64.56**	**156.21**	**84.79**	**64.54**	**836.91**	**594.71**	**–**
Depreciation									
As at 31 March 2020	182.70	48.98	27.45	73.49	41.26	39.28	413.16	120.66	–
Charge for the year	31.30	2.44	6.39	15.29	8.30	12.77	76.49	120.33	–
Disposals	–	–	–	–	–	(5.05)	(5.05)	–	–
As at 31 March 2021	214.00	51.42	33.84	88.78	49.56	47.00	484.60	240.99	–
Charge for the year	24.57	1.64	6.76	15.28	8.40	11.81	68.46	120.33	–
Disposals	–	(3.10)	–	–	–	(16.96)	(20.06)	–	–
As at 31 March 2022	**238.57**	**49.96**	**40.60**	**104.06**	**57.96**	**41.85**	**533.00**	361.32	–
Net carrying amount									
As at 31 March 2022	**167.23**	**11.05**	**23.96**	**52.15**	**26.83**	**22.69**	**303.91**	**233.39**	–
As at 31 March 2021	**155.56**	**6.04**	**30.72**	**67.43**	**35.23**	**36.88**	**331.86**	**353.72**	**–**

Note : a) All movable fixed assets are under first pari-passu hypothecation charge for working capital limits obtained from HDFC bank and Axis bank. Refer note 24 (C).

b) Assets amounting to Rs 9.65 (31 March 2021 : 8.16) are held by sub-contractor.

4. Intangibles assets and Intangibles assets under development

	Computer software	Intangible assets under development
At Cost		
As at 31 March 2020	118.15	–
Additions	–	29.24
Deletions	–	–
As at 31 March 2021	**118.15**	**29.24**
Additions	5.00	–
Deletions	–	–
Transfers	–	(29.24)
As at 31 March 2022	**123.15**	**–**

	Computer software	Intangible assets under development
Amortisation		
As at 31 March 2020	54.17	–
Charge for the year	7.53	–
As at 31 March 2021	**61.70**	–
Charge for the year	7.75	–
As at 31 March 2022	**69.45**	–
Net carrying amount		
As at 31 March 2022	**53.70**	**–**
As at 31 March 2021	**56.45**	**29.24**

Note : a) Ageing analysis of Intangibles assets under development is given at Note 36

(All amounts in Indian ₹ Lacs, unless otherwise stated)

5. Non-current financial assets - Other financial assets
(Unsecured considered good, unless stated otherwise)

	As at 31 March 2022	As at 31 March 2021
Security deposit - Others	**0.55**	0.55
Security deposit to related parties	**22.84**	21.05
Deposits with banks having maturity period of more than 12 months from reporting date*#	**2.19**	11.64
	25.58	33.24

*** Fixed deposits with banks includes bank balances under lien given as security and margin money deposits**

– Rs. 2.19 (March 31, 2021 : Rs. 5.37) given to Banks as margin money for Bank Guarantee

– Rs. NIL (31 March 2021: Rs. 6.16) given to sales tax authority.

\# including interest accrued on fixed deposits as at Rs 0.03 (31 March 2021: Rs 0.11)

6. Other Non-Current assets
(Unsecured considered good, unless stated otherwise)

	As at 31 March 2022	As at 31 March 2021
Prepaid expenses - others	–	0.37
Prepaid expenses to related parties	–	167.19
Capital advances	**24.92**	–
	24.92	167.56

7. Inventories
(Valued at lower of cost and net realisable value)

	As at 31 March 2022	As at 31 March 2021
Raw materials and components	**32.13**	43.52
	32.13	43.52

Notes:

a) Inventories are hypothecated against working capital limits from HDFC bank and Axis bank. Refer note 24 (C)

8. Current financial assets
(Unsecured, unless stated otherwise)

	As at 31 March 2022	As at 31 March 2021
(A) Trade receivables		
Trade receivables from related party - Unsecured, considered good (refer note 27)	**362.98**	–
Trade receivables from others - Unsecured, considered good	**926.81**	466.08
Trade receivables (Gross)	**1,289.79**	466.08
Less: Impairment allowances for trade receivables considered doubtful	–	–
(A)	**1,289.79**	466.08

Notes:

a) The sales to related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. This assessment is undertaken each financial year.

b) Trade receivables are non-interest bearing.

c) Trade receivables are hypothecated against working capital limits from HDFC bank and Axis Bank. Refer note 24 (C)

d) Refer note 34 for ageing analysis for trade receivables.

(B) Cash and cash equivalents

	As at 31 March 2022	As at 31 March 2021
Balance with bank		
– On current account	**104.60**	47.37
– Fixed deposits with original maturity of less than three months*#	**550.74**	125.05
(B)	**655.34**	172.42

* including interest accrued on fixed deposits Rs 2.74 (31 March 2021: Rs 0.05)

\# There are no repatriation restrictions with regard to cash and cash equivalents as at the end of the reporting period and prior periods.

(C) Bank balances other than cash and cash equivalents

	As at 31 March 2022	As at 31 March 2021
Fixed deposits with original maturity of more than three months but less than 12 months*## ^	**105.76**	5.35
Long term fixed deposits with remaining maturity of less than 12 months **### ^	**14.76**	54.52
(C)	**120.52**	59.87

Notes:

(a) The disclosures regarding details of specified bank notes held and transacted during 8 November 2016 to 30 December 2016 has not been made in these financial statements since the requirement does not pertain to financial year ended 31 March 2022.

*** Fixed deposits with banks includes bank balances under lien given as security and margin money deposits**

– Rs. 5.30 (31 March 2021 : Rs. 5.30) given to Banks as margin money for Bank Guarantee.

**** Fixed deposits with banks includes bank balances under lien given as security and margin money deposits**

– Rs. 14.63 (31 March 2021 : Rs. 52.30) given to Banks as margin money for Bank Guarantee.

\## including interest accrued on fixed deposits as at Rs 0.46 (31 March 2021: Rs 0.05)

\### including interest accrued on fixed deposits as at Rs 0.13 (31 March 2021: Rs 0.03)

^ There are no repatriation restrictions with regard to cash and cash equivalents as at the end of the reporting period and prior periods.

(D) Other financial asset
(Unsecured considered good, unless stated otherwise)

	As at 31 March 2022	As at 31 March 2021
Security deposit to related parties (refer note 27)	**1.62**	1.62
(D)	**1.62**	1.62
Total (A+B+C+D)	**2,067.27**	699.99

9. Other Current assets
(Unsecured considered good, unless stated otherwise)

	As at 31 March 2022	As at 31 March 2021
Advances to suppliers	**1,730.78**	9.47
Project work in progress	**225.75**	–
Balances with statutory/government authorities	**465.42**	196.68
Prepaid expenses - others	**14.83**	15.97

(All amounts in Indian ₹ Lacs, unless otherwise stated)

	As at 31 March 2022	As at 31 March 2021
Prepaid expenses to related parties	**167.19**	146.38
Advance tax (Net of provision for income tax of Rs. Nil, 31 March 2021- Rs Nil)	**15.79**	5.92
	2,619.76	374.42

10. Share capital

	As at 31 March 2022	As at 31 March 2021
Authorised shares (Nos.)		
55,000,000 equity shares (31 March, 2020: 55,000,000)	**5,500.00**	5,500.00
	5,500.00	5,500.00
Issued, subscribed and fully paid up shares (Nos.)		
50,784,313 Equity shares (31 March, 2020: 50,784,313)	**5,078.43**	5,078.43
	5,078.43	5,078.43

10.1 Reconciliation of the equity shares outstanding at the beginning and at the end of the reporting period

	Nos.
Outstanding as at 31 March 2020	50,784,313
Issued during the period	–
Outstanding as at 31 March 2021	50,784,313
Issued during the period	–
Outstanding as at 31 March 2022	**50,784,313**

10.2 Terms/rights attached to Equity Shares

The Company has only one class of equity shares par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the Company, the holder of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion of number of equity shares held by shareholders.

10.3 Details of shareholders holding more than 5% shares in the Company

	Nos.	% of Holdings
As at 31 March 2021		
Mahindra Defence Systems Limited, India	25,900,000	51.00%
Telephonics Corporation, USA	24,884,313	49.00%
As at 31 March 2022		
Mahindra Defence Systems Limited, India	**25,900,000**	**51.00%**
Telephonics Corporation, USA	**24,884,313**	**49.00%**

10.4 Details of shares held by promoters

	As at 31 March 2022	As at 31 March 2021
Mahindra Defence Systems Limited, India		
No. of shares	**25,900,000**	25,900,000
% of total shares	**51.00%**	51.00%
% change during the year	–	–
Telephonics Corporation, USA		
No. of shares	**24,884,313**	**24,884,313**
% of total shares	**49.00%**	**49.00%**
% change during the year	–	–

11. Other equity

		Amounts
(a)	**Securities Premium**	
	As at 31 March 2020	217.92
	Add/Less: Movements during the year	–
	As at 31 March 2021	**217.92**
	Add/Less: Movements during the year	–
	As at 31 March 2022	**217.92**
(b)	**Retained earnings**	
	As at 31 March, 2020	(3,958.41)
	Loss for the year	(304.23)
	Items of other comprehensive incomes recognised directly in retained earnings	9.59
	As at 31 March 2021	**(4,253.05)**
	Loss for the year	(614.46)
	Items of other comprehensive incomes recognised directly in retained earnings	9.50
	As at 31 March 2022	**(4,858.01)**
	Total	**(4,640.09)**

Securities premium is used to record the premium on issue of shares. It is utilised in accordance with the provisions of Companies Act, 2013.

12. Non - Current financial liabilities

	As at 31 March 2022	As at 31 March 2021
Lease Liabilities (refer note 24A)	**149.73**	288.38
	149.73	288.38

13. Provision – Non-current

	As at 31 March 2022	As at 31 March 2021
Provision for employee defined benefits obligations		
Gratuity (refer note 25)	**60.38**	55.03
Post employment medical benefits (refer note 25)	**24.92**	22.33
Compensated absences	**28.15**	27.98
	113.45	105.34

14. Current financial liabilities

		As at 31 March 2022	As at 31 March 2021
(A)	**Trade payables**		
	Related parties (refer note 27)	**1,102.17**	401.31
	Micro enterprises and small enterprises	**11.74**	–
	Other trade payables	**77.21**	30.14
	(A)	**1,191.12**	431.45

Notes:

a) Refer note 35 for ageing analysis for trade payables.

(All amounts in Indian ₹ Lacs, unless otherwise stated)

b) Disclosure as required under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006) based on the information available with the Company is as follows:

As per the MSMED Act, 2006, the Company is required to identify Micro and Small suppliers and pay them interest on overdue amount beyond the specified period irrespective of the terms agreed with the suppliers. None of the creditors have confirmed the applicability of the MSMED Act, 2006 on them. Hence, the liability of the interest and disclosure are not required to be disclosed in the financial statements.

	As at 31 March 2022	As at 31 March 2021
The amounts remaining unpaid to suppliers as at the end of the year – Principal – Interest	–	–
The amount of payments made to micro and small suppliers beyond the appointed day during the accounting year.	–	–
The amount of interest paid by the buyer as per the MSMED Act, 2006.	–	–
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006.	–	–
The amount of interest accrued and remaining unpaid at the end of each accounting year.	–	–
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under the MSMED Act, 2006.	–	–

		As at 31 March 2022	As at 31 March 2021
(B)	Lease Liabilities (refer note 24A)	**138.65**	119.01
	(B)	**138.65**	119.01

		As at 31 March 2022	As at 31 March 2021
(C)	**Other financial liabilities**		
	Employee benefits payable	**71.78**	87.49
	(C)	**71.78**	87.49
	Total (A+B+C)	**1,401.55**	637.95

15. Provision - Current

	As at 31 March 2022	As at 31 March 2021
Provision for employee obligations		
Gratuity (refer note 25)	**0.84**	0.56
Compensated absences	**1.09**	1.00
	1.93	1.56

16. Other current liabilities

	As at 31 March 2022	As at 31 March 2021
Statutory dues payable	**22.53**	8.91
Payment received in advance from customers	**3,229.08**	–
Deferred income	**4.05**	4.56
	3,255.66	13.47

17. Revenue from operations

	For the year ended 31 March 2022	For the year ended 31 March 2021
Sale of goods	**801.02**	811.58
Sale of services	**335.44**	394.98
	1,136.46	**1,206.56**
Revenue disaggregation by geography is as follows :		
Outside India	**363.40**	783.60
India	**773.06**	422.96
	1,136.46	**1,206.56**
Revenue disaggregation by type of customers is as follows :		
Government	**719.26**	394.98
Non-government	**417.20**	811.58
	1,136.46	**1,206.56**

Major Customer:

During the period, the Company has earned revenue from two individual customers (31 March 2021: Two individual customer) exceeding 10% of total revenue amounting to Rs 1,082.66 (31 March 2021: Rs 1,178.58).

Contract balances	**As at 31 March 2022**	As at 31 March 2021
Trade receivables	**1,289.79**	466.08
Project work in progress *	**225.75**	–

* Project work in progress includes cost incurred in fulfiling contract with customer(s) recognised in accordance with principals of Ind AS 115 - Revenue from contract with customers.

18. Other income

	For the year ended 31 March 2022	For the year ended 31 March 2021
Interest income on financial assets carried at amortised cost		
– bank deposits	**33.58**	13.46
– security deposits	**1.79**	1.65
Interest income on income tax refunds	**0.52**	–
Gain on foreign exchange fluctuation (net)	–	0.05
Government grants	**0.51**	0.51
Profit on sale of property, plant and equipment	**0.86**	1.04
Provisions no longer required written-back	**21.69**	–
Miscellaneous income	**0.95**	0.51
	59.90	17.22

19. Costs of materials consumed

	For the year ended 31 March 2022	For the year ended 31 March 2021
Raw materials and components consumed	**773.59**	262.87
	773.59	262.87

20. Employee benefit expenses

	For the year ended 31 March 2022	For the year ended 31 March 2021
Salaries, wages and bonus	**388.58**	415.41
Contribution to provident and other funds (refer note 25)	**23.72**	21.97

(All amounts in Indian ₹ Lacs, unless otherwise stated)

	For the year ended 31 March 2022	For the year ended 31 March 2021
Gratuity expense (refer note 25)	**12.37**	14.15
Post employment medical benefit (refer note 25)	**5.96**	6.20
Staff welfare expenses	**16.53**	9.72
	447.16	467.45
Less : Allocated to project work in progress	**56.26**	–
	390.90	467.45

21. Depreciation and amortisation expense

	For the year ended 31 March 2022	For the year ended 31 March 2021
Depreciation on property, plant and equipment (refer note 3)	**68.46**	76.49
Depreciation on right-of-use assets (refer note 3)	**120.33**	120.33
Amortisation of intangible assets (refer note 4)	**7.75**	7.53
	196.54	204.35

22. Other expenses

	For the year ended 31 March 2022	For the year ended 31 March 2021
Shared service charges	**221.82**	199.94
Travelling and conveyance	**40.16**	9.31
Rent (refer note 24A)	**3.69**	61.41
Rates and taxes	**0.20**	0.34
Legal and professional (refer below note)	**168.79**	150.55
Sales promotion	**0.27**	1.71
Insurance	**10.76**	12.06
Printing and stationery	**2.01**	1.76
Telecommunication cost	**3.75**	3.16
Power and fuel	**19.39**	21.97
Repairs and maintenance		
- Others	**25.84**	26.51
Security expenses	**18.85**	17.05
Freight outward	**3.32**	29.67
Loss on foreign exchange fluctuation (net)	**2.03**	-
Bank charges	**16.97**	13.05
Miscellaneous expenses	**1.18**	2.42
Total	**539.03**	550.91
Less : Allocated to project work in progress	**169.49**	–
	369.54	550.91
Payment to auditor (included in legal and professional)		
As auditor		
Audit fee	**8.00**	6.50
In other capacity		
Taxation matters	**2.75**	2.50
Reimbursement of expenses	**0.30**	0.34
	11.05	9.34

23. Finance cost

	For the year ended 31 March 2022	For the year ended 31 March 2021
Interest on:		
on lease liability	**32.09**	42.43
Facilitation fees for corporate guarantee	**48.16**	–
	80.25	42.43

24. Commitments and Contingencies

A Contingent liabilities (to the extent not provided for)

There is no contingent liability as at 31 March 2022 and 31 March 2021

B Commitments

		For the year ended 31 March 2022	For the year ended 31 March 2021
a)	Estimated amount of capital contracts remaining to be executed and not provided for (net of advances)	**44.24**	11.00
		44.24	11.00

C Undrawn committed borrowing facility

(a) The Company has working capital credit facilities amounting to Rs. 7,500.00 (31 March 2021: Rs 1,500.00) from HDFC bank and Axis bank. Of this, the Company has utilised Rs 4,545.97 for Bank Guarantees/Letter of Credit given against customer contracts and balance Rs 2,954.03 is undrawn as at 31 March 2022 (Company had utilised Rs 576.61 and balance Rs 923.39 was undrawn as at 31 March 2021).

(b) Working capital limits from HDFC bank and Axis bank are secured by way of: First pari-passu hypothecation charge over stock, book debts and moveable fixed assets.

Working capital limits from Axis bank are also secured by way of Corporate Guarantee of Rs 6,000.00 provided by Mahindra Defence Systems Limited

24A Leases

Lease liabilities under IND AS 116 - Company as lessee

i) The Company has taken building premises on lease.

ii) Depreciation charge for right-of-use assets, additions to right-of-use assets and carrying amount of right-of-use assets at the end of the reporting period by class of underlying asset - Refer Note -3

iii) The following is the movement in lease liabilities during the year ended 31 March 2022:

	For the year ended 31 March 2022	For the year ended 31 March 2021
Balance at the beginning of the year	**407.39**	508.86
Addition during the year	–	–
Finance cost accrued during the year	**32.09**	42.43
Payment of lease liabilities	**(151.10)**	(143.90)
Balance at the end of the year	**288.38**	407.39

iv) The following is the break-up of current and non-current lease liabilities as at 31 March 2022

Particulars	As at 31 March 2022	As at 31 March 2021
Current lease liabilities	**138.65**	119.01
Non-current lease liabilities	**149.73**	288.38
Total	**288.38**	407.39

v) Expense relating to short-term leases and leases of low-value assets - 31 March 2022: Rs 3.69 (31 March 2021: Rs 61.41)

(All amounts in Indian ₹ Lacs, unless otherwise stated)

vi) Cash outflow for leases - 31 March 2021: Rs 143.90 (31 March, 2020: Rs 137.06)

vii) Maturity analysis of lease liabilities - Refer note 29
- Liquidity Risk (Other non-current financial liabilities)

25. Disclosures pursuant to Ind AS - 19 "Employee Benefits" are given below:

Contribution to Defined Contribution Plan, recognised as expense for the year is as under:

	For the year ended 31 March 2021	For the year ended 31 March, 2020
Employer's Contribution towards Provident Fund (PF)	**23.01**	21.00
Employer's Contribution towards Employee State Insurance (ESI)	**0.47**	0.72
Employer's Contribution towards Labour welfare fund	**0.24**	0.25
	23.72	21.97

Defined Benefit Plan

"The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. Every employee is entitled to the benefit equivalent to 15 days of total basic salary last drawn for each completed year of service.

The Company's gratuity benefit scheme is a defined benefit plan. The Company's net obligation in respect of a defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. Any unrecognized past service costs and the fair value of any plan assets are deducted. The calculation of the Company's obligation under the plan is performed annually at the balance sheet date by a qualified actuary using the projected unit credit method.

The Company provides post retirement medical cover to employees for grade L1 to L5 to cover the retiring employee and their spouse upto a specified age through mediclaim policy. The eligibility of the employee for the benefit as well as the amount of the medical cover purchase is determined by the grade of the employee at the time of retirement.

Medical cost increase rate is company's long term best estimate as to cost increases taking into account of inflation, other relevant factors on long term basis as provided in relevant accounting standard

The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

Based on the actuarial valuation obtained in this respect, the following table sets out the status of the gratuity plan and post retirement medical cover plan and the amounts recognised in the Company's financial statements as at balance sheet date:

		Post employment medical benefits			**Gratuity**
		For the year ended 31 March 2022	For the year ended 31 March 2021	**For the year ended 31 March 2022**	For the year ended 31 March 2021
a)	**Reconciliation of opening and closing balances of Defined Benefit obligation**				
	Defined Benefit obligation at the beginning of the year	**22.33**	23.43	**55.59**	46.78
	Interest Expense	**1.52**	1.59	**3.72**	3.18
	Current Service Cost	**4.44**	4.61	**8.65**	10.97
	Benefit paid	–	–	**(0.61)**	(3.05)
	Remeasurement of (Gain)/loss in other comprehensive income				
	Actuarial changes arising from changes in demographic assumptions	–	–	–	–
	Actuarial changes arising from changes in financial assumptions	–	–	**(4.50)**	–
	Actuarial changes arising from changes in experience adjustments	**(3.37)**	(7.30)	**(1.63)**	(2.29)
	Defined Benefit obligation at year end	**24.92**	22.33	**61.22**	55.59
b)	**Net defined benefit asset/(liability) recognised in the balance sheet**				
	Fair value of plan assets	–	–	–	–
	Present value of defined benefit obligation	**(24.92)**	(22.33)	**(61.22)**	(55.59)
	Amount recognised in Balance Sheet- Asset/(Liability)	**(24.92)**	(22.33)	**(61.22)**	(55.59)

(All amounts in Indian ₹ Lacs, unless otherwise stated)

		Post employment medical benefits		Gratuity	
		For the year ended 31 March 2022	For the year ended 31 March 2021	**For the year ended 31 March 2022**	For the year ended 31 March 2021
c)	**Net defined benefit expense (Recognised in the Statement of Profit and Loss for the year)**				
	Current Service Cost	**4.44**	4.61	**8.65**	10.97
	Net Interest Cost	**1.52**	1.59	**3.72**	3.18
	Net defined benefit expense debited to Statement of Profit and Loss	**5.96**	6.20	**12.37**	14.15
d)	**Remeasurement (gain)/ loss recognised in other comprehensive income**				
	Actuarial changes arising from changes in demographic assumptions	**–**	–	**–**	–
	Actuarial changes arising from changes in financial assumptions	**–**	–	**(4.50)**	–
	Actuarial changes arising from changes in experience adjustments	**(3.37)**	(7.30)	**(1.63)**	(2.29)
	Return on Plan assets excluding interest income	**–**	–	**–**	–
	Recognised in other comprehensive income	**(3.37)**	(7.30)	**(6.13)**	(2.29)
e)	**Principal assumptions used in determining defined benefit obligation**	**31 March 2022**	31 March 2021	**31 March 2022**	31 March 2021
	Mortality Table (LIC)	**2006-08 (Ultimate)**	2006-08 (Ultimate)	**2006-08 (Ultimate)**	2006-08 (Ultimate)
	Discount rate (per annum)	**7.26%**	6.79%	**7.26%**	6.79%
	Salary Escalation/Future medical cost increase	**10.00%**	10.00%	**10.00%**	10.00%
	Attrition Rate				
	Upto 30 years	**3.00%**	3.00%	**3.00%**	3.00%
	Upto 31 years to 44 years	**2.00%**	2.00%	**2.00%**	2.00%
	Above 44 years	**1.00%**	1.00%	**1.00%**	1.00%
f)	**Quantitative sensitivity analysis for significant assumptions is as below:**	**31 March 2022**	31 March 2021	**31 March 2022**	31 March 2021
	Increase/(decrease) on present value of defined benefits obligations at the end of the year				
	<u>Discount Rate</u>				
	Increase by 1.00%	**(0.20)**	(1.95)	**(8.63)**	(7.94)
	Decrease by 1.00%	**1.89**	1.78	**9.61**	8.02
	<u>Salary Increase</u>				
	Increase by 1.00%	**N.A.**	N.A.	**9.31**	8.06
	Decrease by 1.00%	**N.A.**	N.A.	**(8.46)**	(7.99)
	<u>Attrition Rate</u>	**N.A.**	N.A.	**N.A.**	N.A.
	Sensitivities due to mortality & withdrawals are not material	**N.A.**	N.A.	**N.A.**	N.A.
j)	**Maturity profile of defined benefit obligation**	**31 March 2022**	31 March 2021	**31 March 2022**	31 March 2021
	Within the next 12 months (next annual reporting period)	**0.20**	0.01	**0.84**	1.44
	Between 1 and 2 years	**0.45**	0.45	**6.81**	1.16
	Between 2 and 5 years	**5.83**	5.96	**8.67**	11.28
	Over 5 years	**18.44**	15.91	**44.90**	41.71
	Total expected payments	**24.92**	22.33	**61.22**	55.59

(All amounts in Indian ₹ Lacs, unless otherwise stated)

h) The estimates of rate of escalation in salary considered in actuarial valuation are after taking into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is as certified by the actuary.

i) Discount rate is based on the prevailing market yields of Indian Government securities as at the balance sheet date for the estimated term of the obligations.

j) The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

k) **Components of Other Comprehensive Income (OCI)**

The disaggregation of changes to OCI by each type of reserve in equity is shown below:

Retained Earnings

	31 March 2022	31 March 2021
Re-measurement gains/(losses) on defined benefit plans	**9.50**	9.59
	9.50	9.59

26. Segment Reporting

Operating segments are defined as components of an enterprise for which discrete financial information is available that is evaluated regularly by the chief operating decision maker, in deciding how to allocate resources and assessing performance. The Company's chief operating decision maker is the Board of Directors and the Company has only one reportable business segment i.e. defence sector.

Accordingly, the disclosure requirements of Ind AS 108 are not applicable.

Entity wide disclosure details as per Ind AS 108 on Operating segments are given below:

Information about geographical areas :

The following table shows the distribution of the Company's operating revenue by geographical location of customers, regardless of where the goods were produced/services were rendered from:

Particulars		Year ended 31 March, 2022	Year ended 31 March 2021
Revenue from operations	India	**773.06**	422.96
	Outside India	**363.40**	783.60

The following table shows the carrying amounts of non-current segment assets by geographical area in which the assets are located:

Particulars		Year ended 31 March 2022	Year ended 31 March 2021
Non-current assets*	India	**641.50**	972.07
	Outside India	–	–

*** Non-current assets**

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
India		
Property, plant and equipment	**303.91**	331.86
Right-of-use assets	**233.39**	353.72
Capital work-in-progress	–	–
Intangible assets	**53.70**	56.45
Financial assets	**25.58**	33.24
Other non-current assets	**24.92**	167.56
Outside India	–	–
Total	**641.50**	942.83

Information about major customers:

Major individual customer with whom revenue exceeds more than 10% of the Company's revenue:

Name of Customer	For the year ended 31 March 2022	For the year ended 31 March 2021
Telephonics Corporation, USA	**363.40**	783.60
Central Provisioning Directorate, T&H, Air HQ	**719.26**	–
Directorate of engineering H, Air HQ	–	394.98

27. Related party transactions

The related parties as per the terms of Ind AS-24,"Related Party Disclosures", as amended are disclosed below:-

(A) Names of related parties and description of relationship:

(i) Related party where control exists

Joint venture partner

1 Mahindra Defence Systems Limited (MDSL), India*

2 Telephonics Corporation (TC), United States of America (USA)

Holding Company/fellow subsidiary of Joint Venture Partner

1 Mahindra & Mahindra Limited (M&M)

2 Mahindra Integrated Business Solutions Private Limited (MIBL)

Key management personnel

1	Mr. Jayantaraj Chatterjee (JC)	Chief Executive Officer (CEO)
2	Mr. Arun Gupta (AG)	Chief Financial Officer (CFO)

*Entities which also have common directors

(B) Transactions during the year

For the year ended 31 March 2022

Particulars	MDSL	M&M	JC	TC	MIBL	AG
Sale of goods and services	–	–	–	**363.40**	–	–
Purchase of goods	–	–	–	**622.45**	–	–
Payment of lease liabilities	**151.08**	–	–	–	–	–
Shared service charges **	**204.68**	**15.97**	–	–	**1.17**	–
Power and fuel	**14.44**	–	–	–	–	–
Professional Services	–	–	–	**146.43**	–	–

(All amounts in Indian ₹ Lacs, unless otherwise stated)

Particulars	**MDSL**	**M&M**	**JC**	**TC**	**MIBL**	**AG**
Finance Cost***	**48.16**	–	–	–	–	–
Key managerial personnel						
Short–term Employee benefits*	–	–	**76.75**	–	–	**45.39**
Total	**418.36**	**15.97**	**76.75**	**1,132.28**	**1.17**	**45.39**

* The remuneration of key management personnel as disclosed above does not include provision made for gratuity, post retirement medical cover plan and compensated absences as they are determined on actuarial basis for the Company as a whole and individual amounts are not available.

** net of Goods and Services tax and applicable cess

*** The finance cost represents facilitation fees for a corporate guarantee amounting to Rs. 6,000 provided by Mahindra Defence Systems Limited to Axis Bank on behalf of the Company for sanction of working capital limits.

For the year ended 31 March 2021

Particulars	MDSL	M&M	JC	TC	MIBL	AG
Sale of goods	–	–	–	783.60	–	–
Rent **	–	–	–	52.38	–	–
Payment of lease liabilities	143.90	–	–	–	–	–
Shared service charges **	193.79	4.98	–	–	1.17	–
Power and fuel	20.26	–	–	–	–	–
Professional Services	–	–	–	128.94	–	–
Other expenses**	–	0.62	–	–	–	–
Key managerial personnel						
Short–term Employee benefits*			74.38			44.48
Total	357.95	5.60	74.38	964.92	1.17	44.48

* The remuneration of key management personnel as disclosed above does not include provision made for gratuity, post retirement medical cover plan and compensated absences as they are determined on actuarial basis for the Company as a whole and individual amounts are not available.

** net of Goods and Services tax and applicable cess

Balance as at year end

Particulars	**As at 31 March 2022**				As at 31 March 2021			
	Trade receivables	**Trade payables***	**Prepaid Expenses**	**Security deposits**	Trade receivables	Trade payables*	Prepaid Expenses	Security deposits
M&M	**–**	**–**	**–**	**–**	–	1.17	–	
MDSL	**–**	**429.17**	**–**	**22.84**	–	314.57	–	21.05
MIBL	**–**	**0.10**	**–**	**–**	–	0.10	–	
TC	**362.98**	**672.90**	**167.19**	**1.62**	–	85.47	313.57	1.62
Total	**362.98**	**1,102.17**	**167.19**	**24.46**	–	401.31	313.57	22.67

* Including accruals

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

28. Fair value measurements

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments:

Financial instruments by category	**Carrying Value**		**Fair Value**	
	As at 31 March 2022	As at 31 March, 2021	**As at 31 March 2022**	As at 31 March, 2021
Financial assets at amortised cost				
Cash and cash equivalent	**655.34**	172.42	**655.34**	172.42
Bank balances other than cash and cash equivalent	**146.10**	93.11	**146.10**	93.11
Other financial assets (current)	**1.62**	1.62	**1.62**	1.62

(All amounts in Indian ₹ Lacs, unless otherwise stated)

Financial instruments by category	Carrying Value		Fair Value	
	As at 31 March 2022	As at 31 March, 2021	**As at 31 March 2022**	As at 31 March, 2021
Other financial assets (non-current)	**25.58**	33.24	**25.58**	33.24
Trade receivables	**1,289.79**	466.08	**1,289.79**	466.08
	2,118.43	766.47	**2,118.43**	766.47
Financial Liabilities at amortised cost				
Trade Payables	**1,191.12**	431.45	**1,191.12**	431.45
Lease liabilities	**288.38**	407.39	**288.38**	407.39
Other financial liabilities	**71.78**	87.49	**71.78**	87.49
	1,551.28	926.33	**1,551.28**	926.33

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

1) The fair value of financial assets and liabilities at amortised cost is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities.
2) Long-term receivables/payables are evaluated by the Company based on parameters such as interest rates, risk factors, individual creditworthiness of the counterparty and the risk characteristics of the financed project. Based on this evaluation, allowances are taken into account for the expected credit losses of these receivables.

The significant unobservable inputs used in the fair value measurement categorised within level 3 of the fair value hierarchy together with a quantitative sensitivity analysis as at 31 March 2022, are as shown below:

Fair value hierarchy

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities,

Level 2: other techniques for which all inputs that have a significant effect on the recorded fair value are observable, either directly or indirectly,

Level 3: techniques that use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

Quantitative disclosures of fair value measurement hierarchy for assets as on 31 March 2022

	Carrying Value	Fair Value		
Assets carried at amortised cost for which fair value are disclosed	**31 March 2022**	Level 1	Level 2	Level 3
Other financial assets	**27.20**	–	–	27.20

Quantitative disclosures of fair value measurement hierarchy for assets as on 31 March 2021

	Carrying Value	Fair Value		
Assets carried at amortised cost for which fair value are disclosed	31 March 2021	Level 1	Level 2	Level 3
Other financial assets	**34.86**	–	–	34.86

Note: The management assessed that cash and cash equivalents, bank balance other than cash and equivalent, trade receivables, trade payables and other financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

29. Financial risk management objectives and policies

The Company's principal financial liabilities comprise of trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets includes security deposits given for rental properties taken on lease and equipment leases, trade and other receivables, and cash and cash equivalents that are derived directly from its operations.

The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company is exposed market risk, credit risk and liquidity risk.

The Company's senior management oversees the management of these risks. The senior professionals working to manage the financial risks and the appropriate financial risk governance framework for the Company are accountable to the Board of Directors. This process provides assurance to Company's senior management that the Company's financial risk-taking activities are governed by appropriate policies and procedures and that financial risk are identified, measured and managed in accordance with Company policies and Company risk objective.

The Board of Directors reviews and agrees policies for managing each of these risks which are summarised as below:

(a) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprises three types of risk: currency rate risk, interest rate risk and other price risks, such as equity price risk and commodity price risk. However, since the Company is not having any borrowings and since its nature of business does not involve commodities, it is not exposed to interest rate risk and other price risk. Financial instruments affected by market risks include deposits and foreign currency receivables and payables. The sensitivity analysis in the following sections relate to the position as at 31 March 2022. The analysis excludes the impact of movements in market variables on: the carrying values of gratuity and other post-retirement obligations, provisions, and the non-financial assets and liabilities. The sensitivity of the relevant profit and loss item is the effect of the assumed changes in the respective market risks. This is based on the financial assets and financial liabilities held as of 31 March 2022.

(i) Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in foreign currency). Foreign currency exchange rate exposure is party balanced by purchasing of goods from the respective countries. The Company evaluates exchange rate exposure arising from foreign currency transactions and follows establish risk management policies and plan the purchases and sales in manner with similar credit period and payment period that results in a natural hedge and cover risk arising due to volatility in the foreign currency risk.

(All amounts in Indian ₹ Lacs, unless otherwise stated)

Foreign currency risk sensitivity

The following table analyzes foreign currency risk from financial instruments as of 31 March 2022 and 31 March 2021:

	As at 31 March 2022			As at 31 March 2021		
Particulars	**USD**	**EUR**	**Total**	USD	EUR	Total
Trade Receivables	**620.86**	**20.47**	**641.33**	–	–	–
Trade Payable	**(404.67)**	**–**	**(404.67)**	(85.62)	–	(85.62)
Total	**216.19**	**20.47**	**236.65**	(85.62)	–	(85.62)

Foreign Currency Sensitivity

Effect in INR	**Profit/(loss) before tax for the year ended 31 March 2022**		Profit/(loss) before tax for the year ended 31 March 2021	
1% movement	**Strengthening**	**Weakening**	Strengthening	Weakening
USD	**2.16**	**(2.16)**	(0.86)	0.86
EUR	**0.20**	**(0.20)**	–	–
	2.37	**(2.37)**	(0.86)	0.86

(ii) Interest Rate Risk

Interest rate is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to the risk of changes in market interest rates since the Company's investment in fixed deposits with bank are carried at amortised cost. They are therefore not subject to interest rate risk, since neither the carrying amount nor the future cash flows will fluctuate because of change in the market interest rates.

(b) Credit Risk

Credit Risk is the risk that the counter party will not meet its obligation under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks, foreign exchange transactions and other financial instruments.

(i) Trade Receivables

Currently, the Company is primarily engaged in supplying goods to one of its shareholder; namely Telephonics Corporation. Further, for unrelated parties, the customer credit risk is managed by the Company's established policy, procedures and control relating to customer credit risk management.

An impairment analysis is performed at each reporting date on trade receivables by lifetime expected credit loss method based on provision matrix. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The Company does not hold collateral as security. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

(ii) Financial instruments and cash deposits

Credit risk from balances with banks is managed by the Company with the its treasury policy. Investments of surplus funds are made in bank deposits and other risk free securities. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments. The Company's maximum exposure to credit risk for the components of the balance sheet at 31 March 2022 is the carrying amounts. The Company's maximum exposure relating to financial is noted in liquidity table below. Trade Receivables and other financial assets are written off when there is no reasonable expectation of recovery, such as debtor failing to engage in the repayment plan with the Company.

	As at 31 March 2022	As at 31 March, 2021
Financial assets		
Cash and cash equivalent	**655.34**	172.42
Bank balances other than cash and cash equivalent	**146.10**	93.11
Other financial assets (non-current)	**25.58**	33.24
Other financial assets (current)	**1.62**	1.62
Trade Receivables	**1,289.79**	466.08
	2,118.43	766.47

Credit risk on cash and cash equivalents and bank deposits is limited as the Company generally invests in deposits with banks with high credit ratings assigned by domestic credit rating agencies.

The ageing analysis of trade receivables (gross of provision) has been considered from the date the invoice falls due

Particulars	**As at 31 March 2022**	As at 31 March 2021
Neither past due nor impaired	**1,176.38**	–
0 to 180 days due past due date	**113.41**	466.08
More than 180 days past due date	–	–
Total Trade Receivables (gross of provision)	**1,289.79**	466.08

The following table summarises the change in loss allowance measured using the life time expected credit loss model:-

	As at 31 March, 2022	As at 31 March 2021
Balance at the beginning of the year	–	–
Provision during the year	–	–
Bad debts	–	–
Balance at the end of the year	–	–

(c) Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at reasonable price. The Company's objective is to at all times maintain optimum levels of liquidity to meet its cash and liquidity requirements. The Company closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate source of financing through the use of short term bank deposits and current account with bank. Processes and policies related to such risks are overseen by senior management. Management monitors the Company's liquidity position through rolling forecasts on the basis of expected cash flows.

Maturity profile of financial liabilities

The table below provides the details regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payments.

As at 31 March 2022	**Less than 1 year**	**1 to 5 years**	**Total**
Trade payables	**1,191.12**	–	**1,191.12**
Lease liabilities	**138.65**	**149.73**	**288.38**
Other current financial liabilities	**71.78**	–	**71.78**

(All amounts in Indian ₹ Lacs, unless otherwise stated)

As at 31 March, 2021	Less than 1 year	1 to 5 years	Total
Trade payables	431.45	–	431.45
Lease liabilities	119.01	288.38	407.39
Other current financial liabilities	87.49	–	87.49

30. Capital Management

For the purposes of Company's capital management, capital includes equity attributable to the equity holders of the Company and all other equity reserves. The primary objective of the Company's capital management is to ensure that it maintains an efficient capital structure and maximise shareholder value. The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders or issue new shares. The Company is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the year ended 31 March 2022 and 31 March 2021.

The Company monitors capital using gearing ratio, which is net payables divided by total capital plus net payables.

Particulars	**31 March 2022**	31 March, 2021
Borrowings (net of cash and cash equivalent)	–	–
Net Debt	–	–
Equity	**438.34**	1,043.30
Total Capital	**438.34**	1,043.30
Capital and Net Debt	**438.34**	1,043.30
Gearing ratio	**0.00%**	0.00%

31. Income Taxes

		For the year ended 31 March 2022	For the year ended 31 March, 2021
A	**Amount recognised in Statement of Profit and Loss**		
	Current tax		
	Current period (a)	–	–
	Deferred tax asset (net) (b)		
	Deferred tax asset	–	–
	Tax expense	–	–

		For the year ended 31 March 2022	For the year ended 31 March, 2021
B	**Income tax recognised in other comprehensive income**		
	Remeasurements of defined benefit liability/ (asset)		
	Before tax	**9.50**	9.59
	Tax (expense)/ benefit	–	–
	Net of tax	**9.50**	9.59
C	**Reconciliation of effective tax rate**		
	(Loss) before tax	**(614.46)**	(304.23)
	Enacted tax rates in India	**26.00%**	26.00%
	Computed tax expense	**(159.76)**	(79.10)
	Timing differences	**(187.90)**	22.55
	Tax on carried forward losses	**347.66**	56.55
	Income tax expense	–	–

		As at 31 March 2022	As at 31 March, 2021
D	**Income tax assets and income tax liabilities**		
	Advance tax	**15.79**	5.92
		15.79	5.92
E	**Deferred tax assets (net)**		
	Deferred tax assets on account of:		
	Lease Liability	**14.29**	13.95
	Provision for employee benefits	**24.19**	27.79
	Carry forward business losses and unabsorbed depreciation	**1,193.37**	1,074.17
	Total deferred tax asset (A)	**1,231.85**	1,115.92
	Deferred tax liabilities on account of:		
	Property plant and equipment	**(2.80)**	(5.97)
	Total deferred tax liabilities (B)	**(2.80)**	(5.97)
	Net deferred tax assets/(liabilities) (A)-(B)	**1,229.05**	1,109.95
	Deferred tax assets recognised	–	–

The Company has significant unabsorbed depreciation and carry forward losses. Further, there exists no convincing evidence that sufficient taxable profit will be available against which such deferred tax assets can not be realised. Accordingly, the Company has not recognised deferred tax assets in the books of accounts.

F Movement of temporary differences

	As at 31 March, 2010	Temporary Difference	Carry forward business losses and Unabsorbed depreciation	As at 31 March, 2021	Temporary Difference	Carry forward business losses and Unabsorbed depreciation	**As at 31 March 2022**
Property plant and equipment	(9.68)	3.70	–	(5.97)	3.17	–	**(2.80)**
Lease Liability	9.03	4.93	–	13.95	0.34	–	**14.29**
Provision for employee benefits	47.73	(19.93)	–	27.79	(3.60)	–	**24.19**
Carry forward business losses and unabsorbed depreciation	954.43	–	119.75	1,074.17	–	119.20	**1,193.37**
	1,001.50	(11.30)	119.75	1,109.95	(0.10)	119.20	**1,229.05**

(All amounts in Indian ₹ Lacs, unless otherwise stated)

32. Transfer Pricing

The Company has a process of maintenance of information and documents as required by the transfer pricing regulation under sections 92-92F of the Income-Tax Act, 1961. Since the law requires existence and updating of such information and documentation to be contemporaneous in nature, the Company is in the process of updating the documentation of all transactions entered into with the associated enterprises as well as deemed international transaction with unrelated parties during the financial year 2021-22 and expects such records to be updated by the date as required by law. The management is of the opinion that its international transactions are at arm's length so that the aforesaid legislation will not have any material impact on the financial statements, particularly on the amount of tax expense and that of provision for taxation..

33. Earnings per share

a) Basic Earnings per share

	As at 31 March 2022	As at 31 March, 2021
Numerator for earnings per share		
Profit after taxation	**(614.46)**	(304.23)
Denominator for earnings per share		
Weighted number of equity shares outstanding during the year	**50,784,313**	50,784,313
Earnings per share-Basic (one equity share of INR 10 each)	**(1.21)**	(0.60)

The Company does not have any potential equity shares which have a dilutive impact on earnings per share, accordingly, basic and dilutive earnings per share are same.

34 Ageing analysis of Trade receivables is as follows :-

As at 31 March 2022

		Outstanding for following periods from due date of payment					
Particulars	**Not due**	**Less than 6 months**	**6 months - 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
(i) Undisputed Trade receivables considered good	**1,176.38**	**113.41**	–	–	–	–	**1,289.79**
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	–	–	–	–	–	–	–
(iii) Undisputed Trade Receivables credit impaired	–	–	–	–	–	–	–
(iv) Disputed Trade Receivables considered good	–	–	–	–	–	–	–
(v) Disputed Trade Receivables – which have significant increase in credit risk	–	–	–	–	–	–	–
(vi) Disputed Trade Receivables credit impaired	–	–	–	–	–	–	–

As at 31 March 2021

		Outstanding for following periods from due date of payment					
Particulars	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables considered good	–	466.08	–	–	–	–	466.08
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	–	–	–	–	–	–	–
(iii) Undisputed Trade Receivables credit impaired	–	–	–	–	–	–	–
(iv) Disputed Trade Receivables considered good	–	–	–	–	–	–	–
(v) Disputed Trade Receivables – which have significant increase in credit risk	–	–	–	–	–	–	–
(vi) Disputed Trade Receivables credit impaired	–	–	–	–	–	–	–

35 Ageing analysis of Trade payables is as follows :-

As on 31 March 2022

			Outstanding for following periods from due date of payment				
Particulars	**Unbilled dues**	**Not due**	**Less than 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
(i) MSME	–	**11.74**	–	–	–	–	**11.74**
(ii) Others	**96.98**	**603.61**	**478.79**	–	–	–	**1,179.38**
(iii) Disputed dues – MSME	–	–	–	–	–	–	–
(iv) Disputed dues - Others	–	–	–	–	–	–	–

(All amounts in Indian ₹ Lacs, unless otherwise stated)

As on 31 March 2021

Particulars				Outstanding for following periods from due date of payment				
		Unbilled dues	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i)	MSME	–	–	–	–	–	–	–
(ii)	Others	105.19	1.52	311.84	12.38	0.39	0.14	431.45
(iii)	Disputed dues – MSME	–	–	–	–	–	–	–
(iv)	Disputed dues - Others	–	–	–	–	–	–	–

36 Ageing analysis of Intangibles assets under development is as follows :-

As at 31 March 2022

Intangible assets under development	**Amount in Intangible assets under development for a period of**				
	Less than 1 year	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
Projects in progress	**–**	**–**	**–**	**–**	**–**
Projects temporarily suspended	**–**	**–**	**–**	**–**	**–**

As at 31 March 2021

Intangible assets under development	Amount in Intangible assets under development for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	**29.24**	**–**	**–**	**–**	**29.24**
Projects temporarily suspended	**–**	**–**	**–**	**–**	**–**

37 Analytical ratios

Ratio	**Numerator**	**Denominator**	**Current Year**	**Previous Year**	**% variance**	**Reason for variance**
Current Ratio	Total current assets	Total current liabilities	1.01	1.71	41%	Variation because of increase in current liabilities during the year due to receipt of advance from customer
Debt-equity ratio	Total debt*	Total equity	0.66	0.39	(68%)	Variation because of decrease in equity during the year on account of losses
Debt service coverage ratio	Earnings available for debt service = Loss for the year + non-cash operating expenses + interest + other non-cash adjustments	Debt service = Interest +Lease Payments + Principal repayments	(2.86)	(0.83)	(246%)	Variation because of increase in losses during the year due to change in product mix
Return on equity ratio	Loss for the year	Average total equity	(21%)	(6%)	(225%)	Variation because of increase in losses during the year due to change in product mix
Inventory turnover ratio	Cost of material consumed	Average inventory	5.11	0.92	(458%)	Variation because of increase in cost of materials consumed during the year due to change in product mix
Trade receivable turnover ratio	Revenue from operations	Average trade receivables	0.32	0.72	55%	Variation because of increase in receivables at the end of current year.
Trade payables turnover ratio	Cost of material consumed + Other expenses	Average trade payables	0.35	0.41	13%	
Net capital turnover ratio	Revenue from operations	Working capital = Total current assets - Total current liabilities	18.93	2.60	(630%)	Variation because of decrease in working capital during the year due to receipt of advance from customer

(All amounts in Indian ₹ Lacs, unless otherwise stated)

Ratio	Numerator	Denominator	Current Year	Previous Year	% variance	Reason for variance
Net profit ratio	Loss for the year	Revenue from operations	(54%)	(25%)	(114%)	Variation because of increase in losses during the year due to change in product mix
Return on capital employed	Losses before tax and finance cost	Tangible Net Worth + Total Debt*	(74%)	(18%)	(307%)	Variation because of increase in losses during the year due to change in product mix
Return on investment	Income generated from invested funds	Average investments	N.A.	N.A.	N.A.	–

* Total Debt represents lease liabilities only

The accompany notes form an integral part of financial statements.

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.: 101248W/W-100022

Deepesh Sharma
Partner
Membership no. : 505725

Place: New Delhi
Date: 25 April, 2022

For and on behalf of the Board of Directors of
Mahindra Telephonics Integrated Systems Limited

S. P. Shukla
(Director)
DIN: 00007418
Place: Mumbai

Mukul Verma
(Director)
DIN: 02428217
Place: New Delhi

Jayantaraj Chatterjee
(CEO)
PAN: ADJPC7684E
Place: New Delhi

Arun Gupta
(CEO)
PAN: AFYPG8293A
Place: New Delhi

Manish Sharma
(Company Secretary)
PAN: DIXPS7998F
Place: Mumbai
Date: 25 April, 2022

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Mahindra Emirates Vehicle Armouring FZ-LLC
Ras Al Khaimah, UNITED ARAB EMIRATES

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Mahindra Emirates Vehicle Armouring FZ - LLC (the Company), which comprise the statement of financial position as at 31 March 2022, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 March 2022 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in the United Arab Emirates, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matters

We draw attention to:

i) Note 2 to the financial statements which states that the Company has presented these financial statements as separate financial statements under International Accounting Standard (IAS) 27 wherein investment in subsidiary is carried at cost without consolidating the financial results of the subsidiary.

ii) Note 3.4 to the financial statements which states that the INR amounts in the accompanying financial statements are presented as supplementary information solely for the convenience of users of the financial statements. Such supplementary information does not form part of the financial statements. We have not audited this supplementary information and, accordingly, we do not express an opinion on this supplementary information.

Our opinion is not modified in respect of these matters.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

Further, as required by the UAE Federal Law No. (2) of 2015 (as amended), we report that:

1. we have obtained all the information and explanations we considered necessary for the purposes of our audit;
2. the financial statements have been prepared and comply, in all material respects, with the applicable provisions of the UAE Federal Law No. (2) of 2015 (as amended);
3. the Company has maintained proper books of account;
4. the financial information included in the Directors' report, in so far as it relates to these financial statements, is consistent with the books of account of the Company;
5. the Company has not purchased or invested in shares or stocks during the year ended 31 March 2022;
6. note 10 to the financial statements discloses material related party transactions and the terms under which they were conducted; and
7. based on the information that has been made available to us, nothing has come to our attention which causes us to believe that the Company has contravened during the financial year ended 31 March 2022 with any of the applicable provisions of the UAE Federal Law No. (2) of 2015 (as amended) or its Memorandum and Articles of Association, which would materially affect its activities or its financial position as at 31 March 2022.

Saju Augustine FCA
Reg. No : 136
Kreston Menon Chartered Accountants

Ras Al Khaimah
20 April 2022

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2022

	Notes	31.03.2022 AED	Unaudited Supplementary Information (refer note 3.4) 31.03.2022 INR	31.03.2021 AED	Unaudited Supplementary Information (refer note 3.4) 31.03.2021 INR
ASSETS					
Non-current assets					
Property and equipment	5	579,121	11,941,475	623,117	12,586,963
Right-of-use assets	6	4,315,444	88,984,455	4,820,607	97,376,261
Investment in subsidiary	7	25,900	534,058	25,900	523,180
Total non-current assets		4,920,465	101,459,988	5,469,624	110,486,404
Current assets					
Inventories	8	9,891,348	203,959,596	3,692,606	74,590,641
Trade and other receivables	9	3,321,676	68,492,960	2,679,137	54,118,567
Due from related parties	10.b	3,222,917	66,456,548	1,012,834	20,459,247
Cash and bank balances	11	11,890,205	245,176,027	8,350,207	168,674,181
Total current assets		28,326,146	584,085,131	15,734,784	317,842,636
Total assets		33,246,611	685,545,119	21,204,408	428,329,040
EQUITY AND LIABILITIES					
Equity					
Share capital	12	10,000,000	206,200,000	10,000,000	202,000,000
Statutory reserve	13	1,281,141	26,417,127	1,148,969	23,209,174
Retained earnings		2,649,921	54,641,371	1,460,375	29,499,575
Total equity		13,931,062	287,258,498	12,609,344	254,708,749
LIABILITIES					
Non-current liabilities					
Provision for employees' end of service benefits	14	1,117,559	23,044,067	1,019,184	20,587,517
Lease liabilities - non-current	15	4,776,184	98,484,914	5,066,622	102,345,764
Total non-current liabilities		5,893,743	121,528,981	6,085,806	122,933,281
Current liabilities					
Trade and other payables	16	13,118,930	270,512,337	2,283,339	46,123,447
Due to related party	10.c	–	–	26,872	542,814
Lease liabilities - current	15	302,876	6,245,303	199,047	4,020,749
Total current liabilities		13,421,806	276,757,640	2,509,258	50,687,010
Total liabilities		19,315,549	398,286,621	8,595,064	173,620,291
Total equity and liabilities		33,246,611	685,545,119	21,204,408	428,329,040

For and on behalf of the Board

Yousef Mohammed Esmaeel Mohammed Al Belooshi	Director
Rajiv Gupta	Director & CEO
Johnmon Xavier	CFO

The accompanying notes form an integral part of these financial statements.
Place: Ras al khaimah
Date: 20th April, 2022

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2022

	Notes	31.03.2022 AED	Unaudited Supplementary Information (refer note 3.4) 31.03.2022 INR	31.03.2021 AED	Unaudited Supplementary Information (refer note 3.4) 31.03.2021 INR
Revenue	17	34,994,032	721,576,940	43,752,122	883,792,864
Cost of revenue	18	(29,821,513)	(614,919,599)	(39,448,875)	(796,867,274)
Gross profit		5,172,519	106,657,341	4,303,247	86,925,590
Other income	19	105,301	2,171,307	448,293	9,055,519
Administrative expenses	20	(3,357,102)	(69,223,443)	(3,637,576)	(73,479,035)
Selling and distribution expenses	21	(318,141)	(6,560,068)	(234,652)	(4,739,971)
Profit from operating activities		1,602,577	33,045,137	879,312	17,762,103
Interest income		20,759	428,051	20,636	416,847
Finance costs	22	(301,618)	(6,219,363)	(356,360)	(7,198,472)
Profit for the year		1,321,718	27,253,825	543,588	10,980,478
Other comprehensive income		–	–	–	–
Total comprehensive income for the year		1,321,718	27,253,825	543,588	10,980,478

The accompanying notes on pages herein form an integral part of these financial statements.

The report of the independent auditor is set forth on pages herein.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2022

	Share capital AED	Statutory reserve AED	Retained earnings AED	Total AED
Balance at 1 April 2020	10,000,000	1,094,610	971,146	12,065,756
Total comprehensive income for the year	–	–	543,588	543,588
Transfer to statutory reserve	–	54,359	(54,359)	–
Balance at 31 March 2021	**10,000,000**	**1,148,969**	**1,460,375**	**12,609,344**
Total comprehensive income for the year	–	–	1,321,718	1,321,718
Transfer to statutory reserve	–	132,172	(132,172)	–
Balance at 31 March 2022	**10,000,000**	**1,281,141**	**2,649,921**	**13,931,062**

The accompanying notes on pages herein form an integral part of these financial statements.

The report of the independent auditor is set forth on pages herein.

Unaudited Supplementary Information (refer note 3.4)

	Share capital INR	Statutory reserve INR	Retained earnings INR	Total INR
Balance at 1 April 2020	205,400,000	22,483,289	19,947,339	247,830,628
Total comprehensive income for the year	–	–	10,980,478	10,980,478
Transfer to statutory reserve	–	1,098,048	(1,098,048)	–
Effects of foreign exchange differences	(3,400,000)	(372,163)	(330,194)	(4,102,357)
Balance at 31 March 2021	**202,000,000**	**23,209,174**	**29,499,575**	**254,708,749**
Total comprehensive income for the year	–	–	27,253,825	27,253,825
Transfer to statutory reserve	–	2,725,387	(2,725,387)	–
Effects of foreign exchange differences	4,200,000	482,566	613,358	5,295,924
Balance at 31 March 2022	**206,200,000**	**26,417,127**	**54,641,371**	**287,258,498**

The accompanying notes on pages herein form an integral part of these financial statements.

The report of the independent auditor is set forth on pages herein.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2022

	31.03.2022 AED	**Unaudited Supplementary Information (refer note 3.4) 31.03.2022 INR**	31.03.2021 AED	Unaudited Supplementary Information (refer note 3.4) 31.03.2021 INR
Cash flows from operating activities				
Profit for the year	**1,321,718**	**27,253,825**	543,588	10,980,478
Adjustments for:				
Finance costs	**301,618**	**6,219,363**	356,360	7,198,472
Interest income	**(20,759)**	**(428,051)**	(20,636)	(416,847)
Depreciation of property and equipment	**265,933**	**5,483,539**	368,153	7,436,691
Depreciation of right-of-use assets	**505,163**	**10,416,461**	505,163	10,204,293
Provision for employees' end of service benefits	**128,410**	**2,647,814**	80,856	1,633,291
Provision for slow moving inventories	**10,599**	**218,551**	15,809	319,343
Remission of liabilities	**–**	**–**	(268,293)	(5,419,519)
Reversal of excess allowance for impairment of trade receivables	**(35,572)**	**(733,495)**	(132,000)	(2,666,400)
Gain on disposal of property and equipment	**(69,729)**	**(1,437,812)**	–	–
Reversal of excess allowance for impairment of amount due from related parties	**–**	**–**	(48,000)	(969,600)
Operating cash flows before changes in working capital	**2,407,381**	**49,640,195**	1,401,000	28,300,202
(Increase)/decrease in inventories	**(6,209,341)**	**(128,036,611)**	9,672,815	195,390,863
(Increase)/decrease in trade and other receivables	**(606,967)**	**(12,515,660)**	1,369,167	27,657,173
(Increase)/decrease in due from related parties	**(2,210,083)**	**(45,571,911)**	12,181,794	246,072,239
Increase(decrease) in trade and other payables	**10,835,591**	**223,429,886**	(19,109,360)	(386,009,072)
(Decrease)/increase in due to related party	**(26,872)**	**(554,101)**	17,390	351,278
Cash generated from operations	**4,189,709**	**86,391,798**	5,532,806	111,762,683
Employees' end of service benefits paid	**(30,035)**	**(619,322)**	(55,270)	(1,116,454)
Net cash generated from operating activities	**4,159,674**	**85,772,476**	5,477,536	110,646,229
Cash flows from investing activities				
Purchase of property and equipment	**(221,937)**	**(4,576,341)**	(68,092)	(1,375,452)
Proceeds from disposal of property and equipment	**69,729**	**1,437,812**	–	–
(Increase) in fixed deposits	**(631,266)**	**(13,016,705)**	(5,020,636)	(101,416,847)
Interest income	**20,759**	**428,051**	20,636	416,847
Net cash (used in) investing activities	**(762,715)**	**(15,727,183)**	(5,068,092)	(102,375,452)
Cash flows from financing activities				
Interest paid on lease liabilities	**(300,345)**	**(6,193,114)**	(332,930)	(6,725,186)
Interest paid on cash credit	**(1,273)**	**(26,249)**	(23,430)	(473,286)
Repayment of lease liabilities	**(186,609)**	**(3,847,877)**	(99,743)	(2,014,809)
Net cash (used in) financing activities	**(488,227)**	**(10,067,240)**	(456,103)	(9,213,281)
Net increase/(decrease) in cash and cash equivalents	**2,908,732**	**59,978,053**	(46,659)	(942,504)
Cash and cash equivalents at beginning of year	**2,456,274**	**49,616,734**	2,502,933	51,410,244
Effects of foreign exchange differences	**–**	**1,031,637**	–	(851,006)
Cash and cash equivalents at end of year (Note 11)	**5,365,006**	**110,626,424**	2,456,274	49,616,734

The accompanying notes on pages herein form an integral part of these financial statements.

The report of the independent auditor is set forth on pages herein.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

1. GENERAL INFORMATION :

Mahindra Emirates Vehicle Armouring FZ - LLC (the Company) is a Free Zone - Limited Liability Company incorporated in Ras Al Khaimah Economic Zone (RAKEZ), Ras Al Khaimah, United Arab Emirates. The registered office address of the Company is P.O. Box. 39893, RAKEZ, Ras Al Khaimah, United Arab Emirates and principal place of business is located in Ras Al Khaimah, UAE.

The principal activities of the Company are trading and assembling of automobiles, specialised vehicles, auto spare parts and components, auto accessories, special accessories fitting & tyres & rims and manufacturing of vehicle bodies & vehicle upholstery services.

2. PRESENTATION OF SEPARATE FINANCIAL STATEMENTS OF PARENT COMPANY :

These financial statements are presented as separate financial statements wherein investment of the Company in its subsidiary is carried at cost without consolidating the financial results of the subsidiary. The Company also prepares consolidated financial statements that comply with International Financial Reporting Standards. In these separate financial statements, investment in subsidiary is accounted for as explained in note 3.8.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND DISCLOSURES :

3.1 Basis of preparation

The financial statements have been prepared on the historical cost basis. The financial statements are presented in Arab Emirates Dirhams (AED) and all values are rounded to the nearest AED. The principal accounting policies adopted are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

3.2 Statement of compliance

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards.

3.3 Adoption of new and revised International Financial Reporting Standards

The following new and revised Standards including amendments thereto and Interpretations which became effective for the current reporting period have been adopted, wherever applicable. Their adoption has not had any significant impact on the amounts reported in these financial statements but may affect the financial reporting for future transactions or arrangements.

Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 - Interest Rate Benchmark Reform - Phase 2

Amendments to IFRS 3 - Reference to the Conceptual Framework

Amendments to IAS 16 - Proceeds before Intended Use

Amendments to IAS 37 - Onerous Contracts - Cost of Fulfilling a Contract

Annual Improvements to IFRS Standards 2018–2020 - Amendments to IFRS 1, IFRS 9 and IAS 41

The following Standards, amendments thereto and interpretations have been issued prior to 31 March 2022 but have not been applied in these financial statements as their effective dates of adoption are for future periods. It is anticipated that their adoption in the relevant accounting periods will have impact only on disclosures within the financial statements.

IFRS 17: Insurance Contracts - 1 January 2023

Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Date to be determined

Amendment to IFRS 16 - COVID-19-Related Rent Concessions - 1 April 2021

Amendments to IAS 1 - Classification of Liabilities as Current or Non-current - 1 January 2023

Amendments to IAS 1 and IFRS Practice Statement 2 - Disclosure of Accounting Policies - 1 January 2023

Amendments to IAS 8 - Definition of Accounting Estimates - 1 January 2023

Amendments to IAS 12 - Deferred Tax related to Assets and Liabilities arising from a single Transaction - 1 January 2023

3.4 Convenience translation

In addition to presenting the financial statement in AED, supplementary information in INR has been prepared for the convenience of users of the financial statements. All amounts are translated from AED to INR at the closing exchange rate at 31 March 2022 of INR 20.62 to AED 1 (31 March 2021: INR 20.20).

3.5 Foreign currencies

(a) Functional and presentation currency

The financial statements are prepared and the items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The financial statements are presented in AED, which is the Company's functional and presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of outstanding amounts of such transactions and from the re-translation of monetary assets and liabilities denominated in foreign currencies at the end of the reporting period are recognised in the profit or loss. At the end of each reporting period, monetary items denominated in foreign currencies are re-translated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are re-translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions.

3.6 Property and equipment

Property and equipment is stated at cost less accumulated depreciation and identified impairment losses, if any. Cost includes expenditure that is directly attributable to the acquisition of the items including installation costs. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance expenses are charged to the profit or loss during the reporting period in which they are incurred.

The depreciation is calculated on a straight-line basis over the estimated useful lives of the assets, as follows;

	Years
Leasehold improvements	**10**
Machinery and equipment	**7 - 8**
Prototype	**4**
Furniture and equipment	**4**
Motor vehicles	**4**

In the case of leasehold improvements, it is assumed that the lease will continue to be renewed over the useful life.

The assets' residual values and useful lives are reviewed at the end of the reporting period, with the effect of any changes in estimates adjusted on a prospective basis. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

The gains or losses arising on the disposal or retirement of an item of property and equipment is determined by comparing the disposal proceeds with the carrying amount of the asset and is recognised in the profit or loss.

3.7 Leases

The Company as lessee

The Company assesses whether a contract is or contains a lease, at inception of the contract. The Company recognises a right-of-use asset and

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022 (CONTINUED)

a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless (as is typically the case) this is not readily determinable, in which case the Company's incremental borrowing rate on commencement of the lease is used. Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments are expensed in the period to which they relate.

On initial recognition, the carrying value of the lease liability also includes:

- amounts expected to be payable under any residual value guarantee;
- the exercise price of any purchase option granted in favour of the Company if it is reasonably certain to assess that option;
- any penalties payable for terminating the lease, if the term of the lease has been estimated on the basis of termination option being exercised.

Right–of–use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for:

- lease payments made at or before commencement of the lease;
- initial direct costs incurred; and
- the amount of any provision recognised where the Company is contractually required to dismantle, remove or restore the leased asset.

Subsequent to initial measurement, lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made. Right-of-use assets are amortised on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset if, rarely, this is judged to be shorter than the lease term.

When the Company revises its estimate of the term of any lease (because, for example, it re-assesses the probability of a lease extension or termination option being exercised), it adjusts the carrying amount of the lease liability to reflect the payments to make over the revised term, which are discounted using a revised discount rate. The carrying value of lease liabilities is similarly revised when the variable element of future lease payments dependent on a rate or index is revised, except the discount rate remains unchanged. In both cases an equivalent adjustment is made to the carrying value of the right-of-use asset, with the revised carrying amount being amortised over the remaining (revised) lease term. If the carrying amount of the right-of-use asset is adjusted to zero, any further reduction is recognised in profit or loss.

When the Company renegotiates the contractual terms of a lease with the lessor, the accounting depends on the nature of the modification:

- if the renegotiation results in one or more additional assets being leased for an amount commensurate with the standalone price for the additional rights-of-use obtained, the modification is accounted for as a separate lease in accordance with the above policy.
- in all other cases where the renegotiation increases the scope of the lease (whether that is an extension to the lease term, or one or more additional assets being leased), the lease liability is remeasured using the discount rate applicable on the modification date, with the right-of-use asset being adjusted by the same amount.
- if the renegotiation results in a decrease in the scope of the lease, both the carrying amount of the lease liability and right-of-use asset are reduced by the same proportion to reflect the partial or full termination of the lease with any difference recognised in profit or loss. The lease liability is then further adjusted to ensure its carrying amount reflects the amount of the renegotiated payments over the renegotiated term, with the modified lease payments discounted at the rate applicable on the modification date. The right-of-use asset is adjusted by the same amount.

For contracts that both convey a right to the Company to use an identified asset and require services to be provided to the Company by the lessor, the Company has elected to account for the entire contract as a lease, i.e. it does not allocate any amount of the contractual payments to, and account separately for, any services provided by the supplier as part of the contract.

3.8 Investment in subsidiary

Subsidiaries are entities (including structured entities) controlled by the Company. Control is achieved when the Company has power over the investee; is exposed, or has rights to variable returns from its involvement with the investee; and has the ability to use its power to affect its returns. The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements if control listed.

When the Company has less than a majority of voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power.

Investment in subsidiary is stated at cost less identified impairment losses, if any.

3.9 Inventories

Inventories are valued at the lower of cost and net realisable value. Cost is determined on a weighted average cost basis and comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing them to their present location and condition. Net realisable value represents the estimate of the selling price in the ordinary course of business, less all estimated costs to completion and costs necessary to make the sale.

Costs incurred in bringing each item to its present location and condition are accounted for as follows:

Steel & carpets and others	–	purchase cost
Vehicles	–	cost of direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity but excluding borrowing costs.

3.10 Impairment of tangible and right-of-use assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and right-of-use assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the profit or loss,

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022 (CONTINUED)

unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as revaluation increase.

3.11 Financial instruments

Financial assets and financial liabilities are recognised in the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities (unless it is a trade receivable without a significant financing component that is initially measured at the transaction price) are initially measured at fair value plus or minus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition.

Financial assets

A financial asset is classified as measured at: amortised cost; fair value through other comprehensive income ("FVTOCI") – debt investment; fair value through other comprehensive income ("FVTOCI") – equity investment; or fair value through profit or loss ("FVTPL"). The classification of financial assets is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are; solely; payments of principal and interest on the outstanding principal amount.

All financial assets of the Company are classified as and are subsequently measured at amortised cost using the effective interest method and is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment losses are recognised in profit or loss.

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

Financial liabilities

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss.

All financial liabilities of the Company are classified as and are subsequently measured at amortised cost using the effective interest method.

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the sum of consideration paid and payable is recognised in profit or loss.

3.12 Impairment of financial assets

'Expected Credit Loss' (ECL) model requires considerable judgement in selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. The Company records an allowance for ECLs for all financial assets at amortised cost, debt investments at FVTOCI, but not to investments in equity instruments.

The Company measures impairment allowances using general or simplified approach as considered appropriate. Loss allowances are measured on either of the following bases:

12 month ECLs: these are ECLs that result from possible default within 12 months after the reporting date; and

Lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument.

ECLs under the general approach are a probability weighted estimate of credit losses which are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive. The shortfall is then discounted at an approximation to the asset's original effective interest rate.

ECLs under the standard's simplified approach are calculated based on lifetime expected credit losses. The Company has established a provision matrix that is based on the Company's historical credit loss experience, adjusted for forward-looking factors specific to the financial assets and the economic environment.

The Company considers a financial asset in default when contractual payments are past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by Company.

3.13 Cash and bank balances

Cash and bank balances comprise cash on hand and bank deposits free of encumbrance with a maturity date of three months or less from the date of deposit and other short-term highly liquid investments with a maturity date of three months or less from the date of investment, net of temporary bank overdrafts.

3.14 Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and a reliable estimate can be made of the amount of the obligation. The expense relating to any provision is recognised in the profit or loss, net of any reimbursement.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. Provisions are not recognised for future operating losses.

3.15 Provision for employees' benefits

Provision for employees' end of service benefits is made in accordance with the UAE labour laws, and is based on current remuneration and periods of service at the end of the reporting period.

Provision is made for the estimated liability for employees' entitlement to annual leave as a result of services rendered by the employees up to the end of the reporting period. The provision relating to annual leave is disclosed as a current liability, while the provision relating to employees' end of service benefits is disclosed as a non-current liability.

3.16 Revenue recognition

Revenue is recognised when a customer obtains control of the goods or services. Determining the timing of the transfer of control, at a point in time or over time, requires judgement. The Company recognises revenue from sale of goods or rendering of services based on a five-step model as set out below:

Step 1. Identify the contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2. Identify the performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer goods or rendering of services to the customer.

Step 3. Determine the transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or rendering of services to a customer, excluding amounts collected on behalf of third parties.

Step 4. Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company will allocate the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022 (CONTINUED)

Step 5. Recognise revenue when (or as) the Company satisfies a performance obligation.

The Company satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

1. The customer simultaneously receives and consumes the benefits provided by the Company's performance as the Company performs; or
2. The Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
3. The Company's performance does not create an asset with an alternative use to the Company and the Company has an enforceable right to payment for performance completed to date.

For performance obligations where one of the above conditions are not met, revenue is recognised at the point in time at which performance obligation is satisfied.

When the Company satisfies a performance obligation by delivering the promised goods or rendering the promised services, it creates a contract asset based on the amount of consideration earned by the performance. Where the amount of consideration received from a customer exceeds the amount of revenue recognised, this gives rise to a contract liability.

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes and duty.

Sale of goods

Revenue from sale of goods is recognized at the point in time when control of the goods is transferred to the customer, generally on delivery of goods and issuance of the invoices to customers.

Rendering of services

Revenue from storage services is recognised as the services are rendered. Storage income is recognised over time as the customer simultaneously receives and consumes the benefits provided by the Company as the Company performs.

Interest income

Interest income is accrued on a time basis, by reference to the principal outstanding and effective interest rate applicable.

4. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS :

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below;

a) Estimated useful lives of property & equipment

Management assigns useful lives and residual values to property and equipment based on the intended use and the economic lives of those assets. Subsequent changes in circumstances could result in the actual useful lives or residual values differing from initial estimates. Where management determines that the useful life or residual value of an asset requires amendment, the net book amount in excess of the residual value is depreciated over the revised remaining useful life.

b) Impairment of non-financial assets

Assessments of net recoverable amounts of property & equipment, right-of-use assets and other non-financial assets are based on assumptions regarding future cash flows expected to be received from the related assets.

c) Inventory provisions

The Company reviews the carrying amounts of the inventories at the end of the reporting period and assesses the likely realization proceeds taken into account, the age of inventory, estimated future demand for various items in the inventory, and physical damage etc. Based on the assessment, adequate provisions are made as at the end of the reporting period.

d) Business model assessment

Classification and measurement of financial assets depends on the results of the Solely Payments of Principal and Interest (SPPI) and the business model test. The Company determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Company monitors financial assets measured at amortised cost or fair value through other comprehensive income that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

e) Significant increase in credit risk

ECLs are measured as an allowance equal to 12-month ECL for stage 1 assets, or lifetime ECL for stage 2 or stage 3 assets. An asset moves to stage 2 when its credit risk has increased significantly since initial recognition. IFRS 9 does not define what constitutes a significant increase in credit risk. In assessing whether the credit risk of an asset has significantly increased the Company takes into account qualitative and quantitative reasonable and supportable forward-looking information.

f) Calculation of loss allowance

When measuring ECL the Company uses reasonable and supportable forward-looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other.

Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements.

Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

g) Lease term and useful lives of right-of-use assets

The Company's management determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

h) Provision for warranties

"In respect of sale of manufactured goods, the estimated liability for product warranties is recorded when products are sold. These estimates are established using historical information on the nature, frequency and average cost of warranty claims and management estimates regarding possible future incidence based on corrective actions on product failures (except warranties backed by the supplier).

5. PROPERTY AND EQUIPMENT :

Movement in property and equipment are given on pages herein.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022 (CONTINUED)

6. RIGHT-OF-USE ASSETS :

	31.03.2022 AED	Unaudited Supplementary Information (refer note 3.4) 31.03.2022 INR	31.03.2021 AED	Unaudited Supplementary Information (refer note 3.4) 31.03.2021 INR
Cost				
Balance at beginning of year	**5,830,933**	**117,784,846**	5,830,933	119,767,364
Effects of foreign exchange differences	**–**	**2,448,992**	–	(1,982,518)
Balance at end of year	**5,830,933**	**120,233,838**	5,830,933	117,784,846
Accumulated depreciation				
Balance at beginning of year	**1,010,326**	**20,408,585**	505,163	10,376,048
Charge for the year	**505,163**	**10,416,461**	505,163	10,204,293
Effects of foreign exchange differences	**–**	**424,337**	–	(171,756)
Balance at end of year	**1,515,489**	**31,249,383**	1,010,326	20,408,585
Net book amount	**4,315,444**	**88,984,455**	4,820,607	97,376,261

Right-of-use assets represents long term usage rights of leased warehouses located in Al Hamra Free Zone, Ras Al Khaimah and are depreciated on a straight line basis over its estimated useful life. The depreciation charge has been allocated in the statement of profit or loss and other comprehensive income are as described in pages herein:

	31.03.2022 AED	Unaudited Supplementary Information (refer note 3.4) 31.03.2022 INR	31.03.2021 AED	Unaudited Supplementary Information (refer note 3.4) 31.03.2021 INR
Cost of revenue (Note 18)	**322,276**	**6,645,331**	322,276	6,509,975
Administrative expenses (Note 20)	**182,887**	**3,771,130**	182,887	3,694,311
	505,163	**10,416,461**	505,163	10,204,286

7. INVESTMENT IN SUBSIDIARY :

	31.03.2022 AED	Unaudited Supplementary Information (refer note 3.4) 31.03.2022 INR	31.03.2021 AED	Unaudited Supplementary Information (refer note 3.4) 31.03.2021 INR
Mahindra Armored Vehicles (Jordan) LLC	**25,900**	**534,058**	25,900	523,180

Mahindra Armored Vehicles (Jordan) LLC (the Subsidiary), is a limited liability company incorporated in Jordan and the Company is holding 100% of its share capital. The principal activities of the Subsidiary are manufacturing, armoring & sales of armored vehicles, bullet-proof vehicles, security vehicles, military vehicles, cash in transit vehicles, police vehicles, ambulance and special-purpose vehicles.

8. INVENTORIES :

	31.03.2022 AED	Unaudited Supplementary Information (refer note 3.4) 31.03.2022 INR	31.03.2021 AED	Unaudited Supplementary Information (refer note 3.4) 31.03.2021 INR
Vehicles	**7,657,066**	**157,888,701**	2,849,032	57,550,446
Steel and carpets	**2,136,186**	**44,048,155**	782,964	15,815,873
Others	**325,742**	**6,716,800**	277,657	5,608,671
	10,118,994	**208,653,656**	3,909,653	78,974,990
Less: Provision for slow moving inventories	**(227,646)**	**(4,694,060)**	(217,047)	(4,384,349)
	9,891,348	**203,959,596**	3,692,606	74,590,641

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022 (CONTINUED)

Movement of the provision for slow moving inventories is as follows:

	31.03.2022 AED	Unaudited Supplementary Information (refer note 3.4) 31.03.2022 INR	31.03.2021 AED	Unaudited Supplementary Information (refer note 3.4) 31.03.2021 INR
Balance at beginning of year	**217,047**	**4,384,349**	201,238	4,133,429
Provision made during the year (Note 18)	**10,599**	**218,551**	15,809	319,343
Effects of foreign exchange differences	**–**	**91,160**	–	(68,423)
Balance at end of year	**227,646**	**4,694,060**	217,047	4,384,349

9. TRADE AND OTHER RECEIVABLES :

	31.03.2022 AED	Unaudited Supplementary Information (refer note 3.4) 31.03.2022 INR	31.03.2021 AED	Unaudited Supplementary Information (refer note 3.4) 31.03.2021 INR
Trade receivables	**1,531,488**	**31,579,283**	921,111	18,606,442
Allowance for impairment of trade receivables	**(1,107)**	**(22,826)**	(36,679)	(740,916)
	1,530,381	**31,556,457**	884,432	17,865,526
Prepayments	**208,924**	**4,308,013**	297,624	6,012,005
Refundable deposits	**1,113,484**	**22,960,040**	360,815	7,288,463
Advance to suppliers	**289,539**	**5,970,294**	1,083,479	21,886,276
Advance to employees	**74,558**	**1,537,386**	10,010	202,202
VAT receivable[1]	**104,790**	**2,160,770**	42,777	864,095
	3,321,676	**68,492,960**	2,679,137	54,118,567

Trade receivables which are neither past due nor impaired amounted to AED 191,231/- equivalent to INR 3,943,183/- (2021: AED 884,432/- equivalent to INR 17,865,526/-).

An age analysis of trade receivables that were past due but not impaired is as follows:

	31.03.2022 AED	Unaudited Supplementary Information (refer note 3.4) 31.03.2022 INR	31.03.2021 AED	Unaudited Supplementary Information (refer note 3.4) 31.03.2021 INR
Upto 30 days past due	**1,329,683**	**27,418,063**	–	–
61 - 90 days past due	**9,467**	**195,210**	–	–
Total	**1,339,150**	**27,613,273**	–	–

An analysis of trade receivables considered to be impaired due to non-recovery or perceived difficulty in recovery is as follows:

	31.03.2022 AED	Unaudited Supplementary Information (refer note 3.4) 31.03.2022 INR	31.03.2021 AED	Unaudited Supplementary Information (refer note 3.4) 31.03.2021 INR
Gross value	**1,107**	**22,826**	36,679	740,916
Allowance	**(1,107)**	**(22,826)**	(36,679)	(740,916)
Carrying value	**–**	**–**	–	–

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022 (CONTINUED)

Movement in the allowance for impairment of trade receivables is as follows:

	31.03.2022 AED	**Unaudited Supplementary Information (refer note 3.4) 31.03.2022 INR**	31.03.2021 AED	Unaudited Supplementary Information (refer note 3.4) 31.03.2021 INR
Balance at beginning of year	**36,679**	**740,916**	168,679	3,464,667
Excess allowance reversed during the year (Note 19)	**(35,572)**	**(733,495)**	**(132,000)**	**(2,666,400)**
Effects of foreign exchange differences	**–**	**15,405**	**–**	(57,351)
Balance at end of year	**1,107**	**22,826**	36,679	740,916

Value Added Tax (VAT) receivable represents net VAT amount receivable from the U.A.E. Federal Tax Authority against the input tax charged by the suppliers on their taxable supplies to the Company in excess of the output tax charged to the customers on its taxable supplies by the Company as per the Executive Regulations of the Federal Decree Law No. 8 and Cabinet Decision No. 52 of 2017 on Value Added Tax.

The following table provides information about the ECLs for trade receivables as at 31 March 2022:

	Weighted average loss rate	**Gross carrying amount AED**	**Loss allowance AED**
Current (not past due)	**0.04%**	**191,231**	**81**
Upto 30 days past due	**0.07%**	**1,329,683**	**956**
61 - 90 days past due	**0.67%**	**10,574**	**70**
		1,531,488	**1,107**

The following table provides information about the ECLs for trade receivables as at 31 March 2021:

	Weighted average loss rate	**Gross carrying amount AED**	**Loss allowance AED**
Current (not past due)	**3.97%**	**909,743**	**36,111**
31 - 60 days past due	**5.00%**	**11,368**	**568**
		921,111	**36,679**

10. RELATED PARTY TRANSACTIONS :

Related parties include the shareholders, key management personnel, fellow subsidiaries, associates, joint ventures, directors and entities which are controlled directly or indirectly by the shareholders or directors or over which they exercise significant management influence. Balances and transactions between the Company and its related parties are described below. Transactions with related parties were entered into on terms agreed by the management.

a. During the year, the Company entered into the following transactions with related parties:

	31.03.2022 AED	**Unaudited Supplementary Information (refer note 3.4) 31.03.2022 INR**	31.03.2021 AED	Unaudited Supplementary Information (refer note 3.4) 31.03.2021 INR
Revenue (Note 17)	**7,688,569**	**158,538,293**	7,484,323	151,183,324
Cost of revenue (Note 18)	**–**	**–**	17,221,343	347,871,129
Marketing & technical support	**223,496**	**4,608,488**	220,754	4,459,231
Key management remuneration	**996,700**	**20,551,954**	952,700	19,244,540

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022 (CONTINUED)

Key management remuneration represents the compensation paid or payable to key management for employee services. Key management represents the Director & CEO and CFO of the Company and the remuneration is included in employee costs allocated to administrative expenses in the statement of profit or loss and other comprehensive income. The compensation of key management for the period is shown below:

		Unaudited Supplementary Information (refer note 3.4)		Unaudited Supplementary Information (refer note 3.4)
	31.03.2022 AED	**31.03.2022 INR**	31.03.2021 AED	31.03.2021 INR
Short-term benefits	**847,760**	**17,480,811**	803,760	16,235,952
End of service benefits	**47,360**	**976,563**	47,360	956,672
Other benefits	**101,580**	**2,094,580**	101,580	2,051,916
	996,700	**20,551,954**	952,700	19,244,540

The following balances were outstanding at the end of the reporting period:

		Unaudited Supplementary Information (refer note 3.4)		Unaudited Supplementary Information (refer note 3.4)
	31.03.2022 AED	**31.03.2022 INR**	31.03.2021 AED	31.03.2021 INR
b. **Due from related parties:**				
Mahindra Defence Systems Limited, India	**2,121,968**	**43,754,980**	–	–
Mahindra Armoured Vehicles (Jordan) LLC, Jordan	**1,100,949**	**22,701,568**	1,012,834	20,459,247
	3,222,917	**66,456,548**	1,012,834	20,459,247

		Unaudited Supplementary Information (refer note 3.4)		Unaudited Supplementary Information (refer note 3.4)
	31.03.2022 AED	**31.03.2022 INR**	31.03.2021 AED	31.03.2021 INR
c. **Due to related party:**				
Mahindra Defence Systems Limited, India	–	–	26,872	542,814
	–	–	26,872	542,814

Related party balances are unsecured and are expected to be settled by cash. No expense has been recognised in the current or prior years for bad and doubtful debts in respect of the amounts owed by related parties.

Movement in the allowance for impairment of amount due from related parties is as follows:

		Unaudited Supplementary Information (refer note 3.4)		Unaudited Supplementary Information (refer note 3.4)
	31.03.2022 AED	**31.03.2022 INR**	31.03.2021 AED	31.03.2021 INR
Balance at beginning of year	–	–	48,000	985,920
Effects of foreign exchange differences	–	–	–	(16,320)
Excess allowance reversed during the year (Note 19)	–	–	(48,000)	(969,600)
Balance at end of year	–	–	–	–

11. CASH AND BANK BALANCES :

		Unaudited Supplementary Information (refer note 3.4)		Unaudited Supplementary Information (refer note 3.4)
	31.03.2022 AED	**31.03.2022 INR**	31.03.2021 AED	31.03.2021 INR
Cash at bank:				
Current accounts	**5,365,006**	**110,626,424**	2,456,274	49,616,734
Fixed deposits	**6,525,199**	**134,549,603**	5,893,933	119,057,447

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022 (CONTINUED)

	31.03.2022 AED	Unaudited Supplementary Information (refer note 3.4) 31.03.2022 INR	31.03.2021 AED	Unaudited Supplementary Information (refer note 3.4) 31.03.2021 INR
Cash and bank balances	**11,890,205**	**245,176,027**	8,350,207	168,674,181
Less : Fixed deposits with original maturity period of more than three months	**(6,525,199)**	**(134,549,603)**	(5,893,933)	(119,057,447)
Cash and cash equivalents	**5,365,006**	**110,626,424**	2,456,274	49,616,734

Bank facilities granted to the Company are secured by undated security cheque, pledge over term deposits, comfort letters issued by shareholders, possessory pledge of machinery & equipment & inventories and assignment of leasehold right of factory land & shed & receivables in favour of the bank.

12. SHARE CAPITAL :

	31.03.2022 AED	Unaudited Supplementary Information (refer note 3.4) 31.03.2022 INR	31.03.2021 AED	Unaudited Supplementary Information (refer note 3.4) 31.03.2021 INR
Authorised, issued and fully paid;				
1,000 ordinary shares (2021: 1,000) of AED 1,000/- each	**10,000,000**	**206,200,000**	10,000,000	202,000,000

13. STATUTORY RESERVE :

	31.03.2022 AED	Unaudited Supplementary Information (refer note 3.4) 31.03.2022 INR	31.03.2021 AED	Unaudited Supplementary Information (refer note 3.4) 31.03.2021 INR
Balance at beginning of year	**1,148,969**	**23,209,174**	1,094,610	22,483,289
Transferred during the year	**132,172**	**2,725,387**	54,359	1,098,048
Effects of foreign exchange differences	**–**	**482,566**	–	(372,163)
Balance at end of year	**1,281,141**	**26,417,127**	1,148,969	23,209,174

In accordance with the UAE Federal Law No. (2) of 2015 (as amended), and the Company's memorandum of association, the Company has established a statutory reserve by transferring 10% of net profit for each year until the reserve equals 50% of the issued share capital. This reserve is not available for distribution except as stipulated by the Law.

14. PROVISION FOR EMPLOYEES' END OF SERVICE BENEFITS :

	31.03.2022 AED	Unaudited Supplementary Information (refer note 3.4) 31.03.2022 INR	31.03.2021 AED	Unaudited Supplementary Information (refer note 3.4) 31.03.2021 INR
Balance at beginning of year	**1,019,184**	**20,587,517**	993,598	20,408,503
Provision made during the year (Note 23)	**128,410**	**2,647,814**	80,856	1,633,291
Payments during the year	**(30,035)**	**(619,322)**	(55,270)	(1,116,454)
Effects of foreign exchange differences	**–**	**428,058**	–	(337,823)
Balance at end of year	**1,117,559**	**23,044,067**	1,019,184	20,587,517

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022 (CONTINUED)

15. LEASE LIABILITIES :

	31.03.2022 AED	Unaudited Supplementary Information (refer note 3.4) 31.03.2022 INR	31.03.2021 AED	Unaudited Supplementary Information (refer note 3.4) 31.03.2021 INR
Balance at beginning of year	**5,265,669**	**106,366,513**	5,365,412	110,205,563
Interest charged for the year (Note 22)	**300,345**	**6,193,114**	332,930	6,725,186
Repayments during the year	**(486,954)**	**(10,040,991)**	(432,673)	(8,739,995)
Effects of foreign exchange differences	**–**	**2,211,581**	–	**(1,824,241)**
Balance at end of year	**5,079,060**	**104,730,217**	5,265,669	106,366,513
Presented in the statement of financial position as:				
Non-current	**4,776,184**	**98,484,914**	5,066,622	102,345,764
Current	**302,876**	**6,245,303**	199,047	4,020,749
	5,079,060	**104,730,217**	5,265,669	106,366,513

16. TRADE AND OTHER PAYABLES :

	31.03.2022 AED	Unaudited Supplementary Information (refer note 3.4) 31.03.2022 INR	31.03.2021 AED	Unaudited Supplementary Information (refer note 3.4) 31.03.2021 INR
Trade payables	**1,214,378**	**25,040,475**	302,878	6,118,136
Advance from customers	**10,404,639**	**214,543,656**	998,273	20,165,115
Accruals for employees' benefits	**584,531**	**12,053,029**	474,606	9,587,041
Other payables	**256,207**	**5,282,988**	26,223	529,703
Accrued expenses	**659,175**	**13,592,189**	481,359	9,723,452
	13,118,930	**270,512,337**	2,283,339	46,123,447

17. REVENUE :

	31.03.2022 AED	Unaudited Supplementary Information (refer note 3.4) 31.03.2022 INR	31.03.2021 AED	Unaudited Supplementary Information (refer note 3.4) 31.03.2021 INR
Revenue from:				
Sale of armoured vehicles and accessories	**34,636,168**	**714,197,784**	43,312,585	874,914,217
Storage income	**357,864**	**7,379,156**	439,537	8,878,647
	34,994,032	**721,576,940**	43,752,122	883,792,864

	31.03.2022 AED	Unaudited Supplementary Information (refer note 3.4) 31.03.2022 INR	31.03.2021 AED	Unaudited Supplementary Information (refer note 3.4) 31.03.2021 INR
Analysis of revenue is as follows:				
Related parties (Note 10.a)	**7,688,569**	**158,538,293**	7,484,323	151,183,324
Others	**27,305,463**	**563,038,647**	36,267,799	732,609,540
	34,994,032	**721,576,940**	43,752,122	883,792,864

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022 (CONTINUED)

18. COST OF REVENUE :

		Unaudited Supplementary Information (refer note 3.4)		Unaudited Supplementary Information (refer note 3.4)
	31.03.2022 AED	**31.03.2022 INR**	31.03.2021 AED	31.03.2021 INR
Purchases	**30,440,569**	**627,684,533**	25,782,951	520,815,610
Employee costs (Note 23)	**1,990,709**	**41,048,420**	1,857,996	37,531,519
Clearing and forwarding	**1,350,148**	**27,840,052**	972,357	19,641,611
Other direct costs	**1,750,800**	**36,101,496**	679,087	13,717,557
Depreciation of right-of-use assets (Note 6)	**322,276**	**6,645,331**	322,276	6,509,975
Depreciation of property and equipment (Note 5)	**140,748**	**2,902,224**	137,500	2,777,500
Provision for slow moving inventories (Note 8)	**10,599**	**218,551**	15,809	319,343
Repairs and maintenance	**25,005**	**515,603**	8,084	163,296
Changes in inventories	**(6,209,341)**	**(128,036,611)**	9,672,815	195,390,863
	29,821,513	**614,919,599**	39,448,875	796,867,274

The above purchases of the previous reporting period include purchases from related parties amounting to AED 17,221,343/- equivalent to INR 347,871,127/- (Note 10.a).

19. OTHER INCOME :

		Unaudited Supplementary Information (refer note 3.4)		Unaudited Supplementary Information (refer note 3.4)
	31.03.2022 AED	**31.03.2022 INR**	31.03.2021 AED	31.03.2021 INR
Gain on disposal of property and equipment	**69,729**	**1,437,812**	–	–
Remission of liabilities	**–**	**–**	268,293	5,419,519
Reversal of excess allowance for impairment of trade receivables (Note 9)	**35,572**	**733,495**	132,000	2,666,400
Reversal of excess allowance for impairment of amount due from related party (Note 10)	**–**	**–**	48,000	969,600
	105,301	**2,171,307**	448,293	9,055,519

20. ADMINISTRATIVE EXPENSES :

		Unaudited Supplementary Information (refer note 3.4)		Unaudited Supplementary Information (refer note 3.4)
	31.03.2022 AED	**31.03.2022 INR**	31.03.2021 AED	31.03.2021 INR
Employee costs (Note 23)	**2,397,265**	**49,431,604**	2,545,846	51,426,089
Office expenses	**193,310**	**3,986,052**	170,875	3,451,675
Depreciation of property and equipment (Note 5)	**125,185**	**2,581,315**	230,653	4,659,191
Depreciation of right-of-use assets (Note 6)	**182,887**	**3,771,130**	182,887	3,694,311
Legal and professional charges	**100,294**	**2,068,062**	106,929	2,159,966
Communication	**92,148**	**1,900,092**	93,266	1,883,973
Travelling	**91,586**	**1,888,503**	54,109	1,093,002
Bank charges	**69,138**	**1,425,626**	72,518	1,464,864
Insurance	**59,999**	**1,237,179**	80,332	1,622,706
Foreign currency exchange losses	**18,932**	**390,378**	24,275	490,355
Operating lease charges	**9,414**	**194,117**	–	–

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022 (CONTINUED)

	31.03.2022 AED	**Unaudited Supplementary Information (refer note 3.4) 31.03.2022 INR**	31.03.2021 AED	Unaudited Supplementary Information (refer note 3.4) 31.03.2021 INR
Utilities	**6,834**	**140,917**	19,056	384,931
Repairs and maintenance	**6,287**	**129,638**	41,985	848,097
Other expenses	**3,823**	**78,830**	14,845	299,875
	3,357,102	**69,223,443**	3,637,576	73,479,035

21. SELLING AND DISTRIBUTION EXPENSES :

	31.03.2022 AED	**Unaudited Supplementary Information (refer note 3.4) 31.03.2022 INR**	31.03.2021 AED	Unaudited Supplementary Information (refer note 3.4) 31.03.2021 INR
Advertisement & business promotion	**208,725**	**4,303,910**	173,173	3,498,095
Other expenses	**61,447**	**1,267,037**	53,829	1,087,346
Business travelling	**47,969**	**989,121**	7,650	154,530
	318,141	**6,560,068**	234,652	4,739,971

22. FINANCE COSTS :

	31.03.2022 AED	**Unaudited Supplementary Information (refer note 3.4) 31.03.2022 INR**	31.03.2021 AED	Unaudited Supplementary Information (refer note 3.4) 31.03.2021 INR
Interest on:				
Lease liabilities (Note 15)	**300,345**	**6,193,114**	332,930	6,725,186
Cash credit	**1,273**	**26,249**	23,430	473,286
	301,618	**6,219,363**	356,360	7,198,472

23. EMPLOYEE COSTS :

	31.03.2022 AED	**Unaudited Supplementary Information (refer note 3.4) 31.03.2022 INR**	31.03.2021 AED	Unaudited Supplementary Information (refer note 3.4) 31.03.2021 INR
Salaries and allowances	**3,123,788**	**64,412,509**	3,382,678	68,330,094
End of service benefits (Note 14)	**128,410**	**2,647,814**	80,856	1,633,291
Other benefits	**1,135,776**	**23,419,701**	940,308	18,994,223
	4,387,974	**90,480,024**	4,403,842	88,957,608

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022 (CONTINUED)

The employee costs have been allocated in the statement of profit or loss and other comprehensive income as follows:

	31.03.2022 AED	**Unaudited Supplementary Information (refer note 3.4)** 31.03.2022 INR	31.03.2021 AED	Unaudited Supplementary Information (refer note 3.4) 31.03.2021 INR
Cost of revenue (Note 18)	**1,990,709**	**41,048,420**	1,857,996	37,531,519
Administrative expenses (Note 20)	**2,397,265**	**49,431,604**	2,545,846	51,426,089
	4,387,974	**90,480,024**	4,403,842	88,957,608

24. FINANCIAL INSTRUMENTS :

The net carrying amounts of financial assets and financial liabilities at the end of the reporting period are described in pages herein:

	31.03.2022 AED	**Unaudited Supplementary Information (refer note 3.4)** 31.03.2022 INR	31.03.2021 AED	Unaudited Supplementary Information (refer note 3.4) 31.03.2021 INR
Financial assets - At amortised cost :				
Trade and other receivables (excluding prepayments and advance to suppliers)	**2,823,213**	**58,214,653**	1,298,034	26,220,286
Due from related parties	**3,222,917**	**66,456,548**	1,012,834	20,459,247
Cash and bank balances	**11,890,205**	**245,176,027**	8,350,207	168,674,181
Total	**17,936,335**	**369,847,228**	10,661,075	215,353,714

	31.03.2022 AED	**Unaudited Supplementary Information (refer note 3.4)** 31.03.2022 INR	31.03.2021 AED	Unaudited Supplementary Information (refer note 3.4) 31.03.2021 INR
Financial liabilities - At amortised cost :				
Trade and other payables (excluding advance from customers)	**2,714,291**	**55,968,681**	1,285,066	25,958,332
Due to related party	**–**	**–**	26,872	542,814
Lease liabilities	**5,079,060**	**104,730,217**	5,265,669	106,366,513
Total	**7,793,351**	**160,698,898**	6,577,607	132,867,659

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 3 to the financial statements.

25. CAPITAL RISK MANAGEMENT :

The Company manages its capital to ensure that the Company will be able to continue as a going concern while providing maximum return to stakeholders through the optimisation of the debt and equity balance and to maintain an optimal capital structure to reduce the cost of capital. The Company's overall strategy on capital risk management remains unchanged from the previous year.

The capital structure of the Company consists of equity funds as presented in the statement of financial position. Debt comprises total amounts owing to third parties and related party, net of cash and bank balances.

26. FINANCIAL RISK MANAGEMENT :

Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance.

Risk management is carried out by the Company's management. The management identifies and evaluates financial risks on regular basis to minimise the adverse impact over the Company's operation.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022 (CONTINUED)

(a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises: interest rate risk and currency risk. The Company's activities are exposed primarily to the financial risks of changes in foreign currency exchange rates and interest rates.

(i) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities, when revenue or expense are denominated in a different currency from the Company's functional currency which is AED. There is no significant foreign currency risk as all financial assets and financial liabilities are denominated in AED.

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates is limited to its interest bearing assets and liabilities.

The Company has lease liabilities as disclosed in Note 15. The interest rates on lease liabilities are at commercial rates which are generally obtained in UAE.

The Company's sensitivity to interest rates has not changed significantly from the prior year.

(b) Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily for trade receivables and committed transactions) and from its financing activities, including deposits with banks, foreign exchange transactions and other financial instruments.

The Company deals only with highly reputed local and international banks. In respect of major customers, credit risk is managed by assessing the credit quality of these major customers, taking into account their financial position, past experience and other factors including regular follow up.

Of the trade receivables balance of AED 1,531,488/- equivalent to INR 31,579,283/- (2021: AED 921,111/- equivalent to INR 18,606,442) at the end of the period, AED 1,288,759/- equivalent to INR 26,574,211/- (2021: AED 852,064/- equivalent to INR 17,211,693/-) is due from one (2021: one) customer (customers with more than 10% of total balance have been considered).

Significant concentration of credit risk by geography is as follows:

		Unaudited Supplementary Information (refer note 3.4)		Unaudited Supplementary Information (refer note 3.4)
	31.03.2022 AED	**31.03.2022 INR**	31.03.2021 AED	31.03.2021 INR
Unites States of America	**–**	**–**	852,064	17,211,693
Africa	**1,288,759**	**26,574,211**	–	–
Australia	**5,973**	**123,163**	17,341	350,288
UAE	**119,279**	**2,459,533**	–	–
Other countries	**117,477**	**2,422,376**	51,706	1,044,461
	1,531,488	**31,579,283**	921,111	18,606,442

(c) Liquidity risks

Liquidity risk refers to the risk that an entity will encounter difficulty in meeting obligations associated with its financial liabilities at maturity date.

The Company manages the liquidity risk through risk management framework for the Company's short, medium and long-term funding and liquidity management requirements by maintaining adequate reserves, sufficient cash and bank balances to ensure funds are available to meet its commitments for liabilities as they fall due.

The table analyses the Company's remaining contractual maturity for its financial liabilities based on the remaining period at the end of the reporting period to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant. The contractual maturity is based on the earliest date on which the Company may be required to pay.

		Unaudited Supplementary Information (refer note 3.4)		Unaudited Supplementary Information (refer note 3.4)
	31.03.2022 AED	**31.03.2022 INR**	31.03.2021 AED	31.03.2021 INR
<u>Less than 1 year</u>				
Trade and other payables (excluding advance from customers) (Note 16)	**2,714,291**	**55,968,681**	1,285,066	25,958,332
Due to related party (Note 10.c)	**–**	**–**	26,872	542,814
Lease liabilities (Note 15)	**302,876**	**6,245,303**	199,047	4,020,749
	3,017,167	**62,213,984**	1,510,985	30,521,895

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022 (CONTINUED)

	31.03.2022 AED	Unaudited Supplementary Information (refer note 3.4) 31.03.2022 INR	31.03.2021 AED	Unaudited Supplementary Information (refer note 3.4) 31.03.2021 INR
Between 1 to 2 years				
Lease liabilities (Note 15)	**400,347**	**8,255,155**	282,913	5,714,843
Between 2 to 5 years				
Lease liabilities (Note 15)	**1,741,622**	**35,912,246**	1,451,093	29,312,079
More than 5 years				
Lease liabilities (Note 15)	**2,634,215**	**54,317,513**	3,332,616	67,318,842
Total	**7,793,351**	**160,698,898**	6,577,607	132,867,659

27. FAIR VALUE :

The fair value of a particular asset or liability is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair values of the financial assets and liabilities approximate their carrying amounts as reflected in these financial statements.

28. COMMITMENTS AND CONTINGENCIES :

Details of the commitments and outstanding contingent liabilities of the Company which are in the normal course of the business activities are as follows:

28.1 Operating lease arrangements

The Company has entered into commercial leases of certain offices and other business related premises. These leases have an average life of one to ten years and the Company does not have an option to purchase the leased properties at the expiry of the lease period. The Company has recognised a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets.

28.2 Capital commitments

Except for the ongoing service commitments in the normal course of business against which no loss is expected, there has been no other known capital commitments on the Company's account.

28.3 Contingent liabilities

As at the end of the reporting period, the following contingent liabilities were outstanding:

	31.03.2022 AED	Unaudited Supplementary Information (refer note 3.4) 31.03.2022 INR	31.03.2021 AED	Unaudited Supplementary Information (refer note 3.4) 31.03.2021 INR
Performance guarantees	**656,959**	**13,546,495**	705,626	14,253,645

29. COVID-19 IMPACT :

As the outbreak of COVID-19 continues through subsequent phases, the Management is continuously monitoring the situation and will take appropriate actions on a timely basis to respond as necessary. The Company was proactive in implementing a range of measures designed to mitigate the impact of COVID-19 and to fully implement governmental regulations and recommendations to ensure the safety and security of staff and provide, to the extent possible, uninterrupted services. Following the analysis of different possible scenarios, the Management has concluded that sufficient reserves are available in respect of the liquidity and also the equity base of the Company to guarantee continuity of its operations at the date of the authorization of these financial statements. Accordingly, the Management remains wholly satisfied that it is appropriate for the Company to prepare the financial statements on a going concern basis.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022 (CONTINUED)

30. COMPARATIVE AMOUNTS :

The following balances in the statement of profit or loss and other comprehensive income for the year ended 31 March 2021 have been reclassified to conform to the year ended 31 March 2022 presentation:

	As previously reported at 31.3.2021 AED	Reclassifications AED	As restated at 31.3.2021 AED
Statement of profit or loss and other comprehensive income			
Cost of revenue	(39,212,977)	(235,898)	(39,448,875)
Selling and distribution expenses	(470,550)	235,898	(234,652)
		–	

	Unaudited Supplementary Information (refer note 3.4)	**Unaudited Supplementary Information (refer note 3.4)**	**Unaudited Supplementary Information (refer note 3.4)**
	As previously reported at 31.3.2022 INR	Reclassifications **INR**	As restated at 31.3.2021 INR
Statement of profit or loss and other comprehensive income			
Cost of revenue	(792,102,135)	(4,765,139)	(796,867,274)
Selling and distribution expenses	(9,505,110)	4,765,139	(4,739,971)
		–	

There was no impact on the cash flows or reported profit of the previous year due to the above reclassifications.

Property and equipment
(Ref. Note 5 on pages herein)

	Leasehold improvements AED	**Machinery and equipment AED**	**Prototype AED**	**Furniture and equipment AED**	**Motor vehicles AED**	**Total AED**
Cost						
At 1 April 2020	1,166,809	1,860,898	2,377,042	758,888	412,790	6,576,427
Additions	–	–	–	18,092	50,000	68,092
Write-offs	–	–	–	(67,350)	–	(67,350)
At 31 March 2021	1,166,809	1,860,898	2,377,042	709,630	462,790	6,577,169
Additions	–	60,251	–	36,686	125,000	221,937
Disposals	–	–	(133,800)	–	–	(133,800)
At 31 March 2022	1,166,809	1,921,149	2,243,242	746,316	587,790	6,665,306
Accumulated depreciation						
At 1 April 2020	1,044,318	1,389,035	2,257,650	663,816	298,430	5,653,249
Charge for the year	111,738	129,494	34,949	54,699	37,273	368,153
Adjustment on write-offs	–	–	–	(67,350)	–	(67,350)
At 31 March 2021	1,156,056	1,518,529	2,292,599	651,165	335,703	5,954,052
Charge for the year	10,753	132,696	34,950	34,748	52,786	265,933
Adjustment on disposals	–	–	(133,800)	–	–	(133,800)
At 31 March 2022	1,166,809	1,651,225	2,193,749	685,913	388,489	6,086,185
Net book amount						
At 31 March 2022	–	269,924	49,493	60,403	199,301	579,121
At 31 March 2021	10,753	342,369	84,443	58,465	127,087	623,117

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022 (CONTINUED)

Unaudited Supplimentary Information (refer note 3.4)

	Leasehold improvements INR	**Machinery and equipment INR**	**Prototype INR**	**Furniture and equipment INR**	**Motor vehicles INR**	**Total INR**
Cost						
At 1 April 2020	23,966,257	38,222,841	48,824,447	15,587,557	8,478,707	135,079,809
Additions	–	–	–	365,452	1,010,000	1,375,452
Write-offs	–	–	–	(1,360,470)	–	(1,360,470)
Effect of foreign exchange differences	(396,715)	(632,701)	(808,199)	(258,013)	(140,349)	(2,235,977)
At 31 March 2021	23,569,542	37,590,140	48,016,248	14,334,526	9,348,358	132,858,814
Additions	–	1,242,376	–	756,465	2,577,500	4,576,341
Disposals	–	–	(2,758,956)	–	–	(2,758,956)
Effect of foreign exchange differences	490,060	781,577	998,358	298,045	194,372	2,762,412
At 31 March 2022	24,059,602	39,614,093	46,255,650	15,389,036	12,120,230	137,438,611
Accumulated depreciation						
At 1 April 2020	21,450,292	28,530,775	46,372,136	13,634,778	6,129,752	116,117,733
Charge for the year	2,257,108	2,615,779	705,970	1,104,913	752,921	7,436,691
Adjustment on write-offs	–	–	–	(1,360,470)	–	(1,360,470)
Effect of foreign exchange differences	(355,069)	(472,268)	(767,606)	(225,688)	(101,472)	(1,922,103)
At 31 March 2021	23,352,331	30,674,286	46,310,500	13,153,533	6,781,201	120,271,851
Charge for the year	221,727	2,736,192	720,669	716,504	1,088,447	5,483,539
Adjustment on disposals	–	–	(2,758,956)	–	–	(2,758,956)
Effect of foreign exchange differences	485,544	637,782	962,892	273,489	140,995	2,500,702
At 31 March 2022	24,059,602	34,048,260	45,235,105	14,143,526	8,010,643	125,497,136
Net book amount						
At 31 March 2022	–	5,565,833	1,020,545	1,245,510	4,109,587	11,941,475
At 31 March 2021	217,211	6,915,854	1,705,748	1,180,993	2,567,157	12,586,963

"Leasehold improvements represent the interior works carried out at the Company's leased premises and are fully depreciated at at the end of the reporting period."

The depreciation charge has been allocated in the statement of profit or loss and other comprehensive income as follows:

	31.03.2022 AED	**Unaudited Supplementary Information (refer note 3.4) 31.03.2022 INR**	31.03.2021 AED	Unaudited Supplementary Information (refer note 3.4) 31.03.2021 INR
Cost of revenue (Note 18)	140,748	2,902,224	137,500	2,777,500
Administrative expenses (Note 20)	125,185	2,581,315	230,653	4,659,191
	265,933	5,483,539	368,153	7,436,691

INDEPENDENT AUDITOR'S REPORT

TO THE PARTNER'S:
MAHINDRA ARMORED VEHICLES JORDAN
A LIMITED LIABILITY COMPANY
AQABA - JORDAN

Opinion

We have audited the financial statements of **MAHINDRA ARMORED VEHICLES JORDAN Co.,** which comprise the statement of financial position as at March 31, 2022 and comprehensive income statement, statement of Changes in equity, statement of cash flows for the year ended at March 31, 2022 and a summary of significant accounting policies and other explanatory notes.

In our opinion , the financial statements present fairly, in all material respects the financial position as at March 31, 2022 and of its financial performance and its cash flows for the year ended at March 31, 2022 in accordance with International Financial Reporting Standards.

Basis Opinion

We conducted our audit in accordance with International Auditing Standards. Our responsibility in accordance with those standards have been mentioned more clearly in our report in "Auditor's Responsibility on the Audit of Financial Statements" paragraph.

We are independent of the company and in accordance with the requirements of The International Ethics Standards Board for Accountants (IESBA) "Code of Ethics for Professional Accountants" relevant to our audit conducted of the financial statements, and that we have fulfilled the ethical responsibilities in accordance with those requirements.

We believe that the audit evidence that we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibility and those responsible for governance to the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards.

This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Those who responsible for governance are responsible for monitoring the financial reporting process in the company.

Auditor's Responsibility on the Audit of Financial Statements

Our objective is to obtain reasonable assurance that the financial statements as a whole are free from material misstatement, whether due to fraud or error, and issue an auditor's report which includes our opinion.

Reasonable assurance is high level of assurance, but our audit in accordance with International Auditing Standards does not always guarantee the discovery of substantially errors, even if they exist.

Errors can arise from fraud or by error, and is considered essential if they are individually or cumulative may affect the economic decisions of users of financial statements reasonably.

As part of the audit process in accordance with International Auditing Standards, we exercise professional judgment and maintain the application of the principle of professional skepticism in all aspects of the audit, in addition to:

- Identify and assess material misstatement of the financial statements of risk, whether due to fraud or error, as well as the design and implementation of audit procedures that respond to those risks, and obtaining sufficient and appropriate audit evidence to provide a basis for our opinion. The risk of non-discovery material misstatement resulting from fraud is higher than of the error risk, and that fraud may include collusion and fraud, or deliberate deletion and misrepresentations, or bypass the internal control systems.
- Get an understanding of internal control systems relevant to the work for the purpose of checking design audit procedures that are appropriate in the circumstances, and not for the purpose of expressing an opinion on the effectiveness of internal control systems in the company.
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related notes prepared by the management of the relationship.
- Conclude on the appropriateness of management's use of going concern basis in accounting, based on the audit evidence obtained, whether there is presence of non-substantial uncertainties relevant to events or conditions that may cast significant doubt about the company's ability to continuity. If we conclude that there are no lack of substantial uncertainty, we are required to draw attention in the audit report to the relevant information contained in the financial statements notes, or if the disclosure of this information is not sufficient, we will modify our opinion, the conclusions based on the audit evidence obtained them until the date of the audit report. However, it may cause future events or conditions in the company ceased to continue as a going concern.
- The overall presentation, structure and content of financial statements, including notes and whether the financial statements represent transactions and events are to achieve equitable offer.
- We have communicated with those responsible for governance with respect to the scope and timing of the planned audit and observations important including audit any significant deficiencies in internal control system identified during our audit.

Report on Other Regulatory Requirements

The Company MAHINDRA ARMORED VEHICLES JORDAN Co. maintains proper accounting records and the financial statements and the financial information presented in the Board of Directors' report are in agreement therewith. We recommend approving these financial statements.

Orbit Bureau
Member of KRESTON International

Ahmad Abdulraheem Sheeha
License No. (1069)

Amman – Jordan
19 April 2022

STATEMENT OF FINANCIAL POSITION AS AT 31, MARCH 2022 & 2021 EXHIBIT (A)

	Notes	2022	2021
ASSETS		**JD**	JD
Currents Assets:			
Cash and cash equivelant	8	**26,310**	46,118
Inventories		**147,578**	69,520
Other debit balances	9	**42,631**	39,648
Total Currents Assets		**216,519**	155,286
Non-Current Assets:			
Property & equipment's, net	10	**98,458**	134,384
Total Non-Currents Assets		**98,458**	134,384
Total Assets		**314,977**	289,670
LIABILITIES AND EQUITY			
Current liabilities			
Due to a related party		**212,538**	195,528
Other credit balances		**54,489**	62,611
Total Current Liabilities		**267,027**	258,139
Equity			
Capital		**5,000**	5,000
Statutory reserve		**4,295**	2,653
Retained earnings		**23,878**	12,703
Profit of the year - Exhibit (B)		**14,777**	11,175
Total Shareholders Equity		**47,950**	31,531
Total Liabilities & Shareholders Equity		**314,977**	289,670

Authorised for issue on 19 April 2022

For and on behalf of the Board

Rajiv Gupta - Chairman
Johnmon Xavier - Director

The accompanying notes constitute an integral part of these financial statements

INCOME STATEMENT FOR THE YEAR ENDED 31, MARCH 2022 & 2021 — EXHIBIT (B)

Description	Notes	2022	2021
		JD	JD
Revenues		**1,957,541**	3,527,375
Cost of revenues	11	**(1,575,343)**	(3,146,490)
Gross profit		**382,198**	380,885
General and administrative expenses	12	**(329,884)**	(344,339)
Depreciation expense		**(35,926)**	(34,413)
Other Income		**31**	10,284
Net profit before reserve and income tax:		**16,419**	12,417
Statutory reserve		**1,642**	1,242
Profit of the year - Exhibit (A)		**14,777**	11,175
Total		**16,419**	12,417

The accompanying notes constitute an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31,MARCH 2022 & 2021

EXHIBIT (C)

Description	Capital	Statutory Reserve	Retained Earnings	Total
Balance as at 31 March 2020	**5,000**	**1,411**	**12,703**	**19,114**
Total comperhensive income for the period	**–**	**–**	**12,417**	**12,417**
Transfer to reserves	**–**	**1,242**	**(1,242)**	**–**
Balance as at 31 March 2021	**5,000**	**2,653**	**23,878**	**31,531**
Total comperhensive income for the period	–	–	**16,419**	16,419
Transfer to reserves	–	1,642	(1,642)	–
Balance as at 31 March 2021	**5,000**	**4,295**	**38,655**	**47,950**

The accompanying notes constitute an integral part of these financial statements.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31, MARCH 2022 & 2021 EXHIBIT (D)

Description	2022	2021
	JD	JD
Cash flow from operations:		
Profit for the year	**16,419**	12,417
Non-monetary items:		
Depreciation expense	**35,926**	34,413
Provisions	**30,485**	30,701
Profit before changes in working capital items	**82,830**	77,531
Change in current assets and liabilities:		
(Increase) decrease in current assets		
Inventories	**(78,058)**	1,478,973
Other debit balances	**(2,983)**	6,791
Increase (decrease) in current liabilities:		
Due to a related party	**17,010**	(618,725)
Advances from customers	**–**	(906,133)
Other credit balances	**(8,700)**	17,987
Net cash flows from operating activities	**10,099**	(21,107)
Paid from provisions	**(29,907)**	(21,303)
Net Cash flows from operating activities	**(19,808)**	35,121
Cash flows provided by investing activities:		
Purchase of fixed assets	**–**	(26,510)
Net Cash (used in) investing activities	**–**	(26,510)
Cash flows provided by financing activities:		
Paid capital	**–**	–
Net cash provided by financing Activities	**–**	–
Cash at the beginning of reporting	**46,118**	37,507
decrease Increase in cash	**(19,808)**	8,611
Cash at the ending of reporting period	**26,310**	46,118

The accompanying notes constitute an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1. General:

A - Foundation:

MAHINDRA ARMORED VEHICLES JORDAN Was Established On March 31,2019 As A LIMITED LIABILITY COMPANY In Accordance With The Aqaba Special Economic Zone Law No. (31) And Its Amendments, with a paid – up capital of JD 5,000 and it is registered under number (1219041105).

The company is located in South Aqaba Investment Park, Aqaba – Jordan.

The company is 100% owned by mahindra emirates vehicle armouring FZ- LLC .

The accompanying financial statements have been approved by the board of directors on April 19, 2022

B- Company Objectives:

The most important purpose of the company are:

The company main activities are manufacturing

- sales of armored vehicles
- bullet – proof vehicles
- security vehicles
- military vehicles cash in transit vehicles
- ambulances and special – purpose vehicles .
- In addition to the goals mentioned in the articles of association

2. Basis of Preparation:

- The financial statements have been prepared in accordance with International Financial Reporting Standards.
- These financial statements have been prepared on the basis that the company is continuing in the foreseeable future and in accordance with the historical cost basis except the financial assets that have presented at fair value through income and through other comprehensive income and any other items at fair value on the financial statements in accordance with international standards.
- These financial statements have been prepared on the accrual basis of accounting and whereby the recognition of the impact of financial transactions and other events when they occur, regardless of payment or cash receipt and therefore are recorded accounting records for the periods to which they relate (except the statement of cash flows).
- The accounting policies adopted in the financial statements are consistent with the accounting policies of the previous financial years.

3. Functional and presentation currency:

The financial statements have been presented in Jordanian dinars, which is the functional currency of the Company and all amounts in the financial statements have been rounded to the nearest JD unless otherwise indicated.

STANDARDS ISSUED BUT NOT YET EFFECTIVE

The standards and interpretations that are issued but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

IFRS 17 Insurance Contracts

IFRS 17 provides a comprehensive model for insurance contracts covering the recognition and measurement and presentation and disclosure of insurance contracts and replaces IFRS 4 - Insurance Contracts. The standard applies to all types of insurance contracts (i.e. life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. The standard general model is supplemented by the variable fee approach and the premium allocation approach.

The new standard will be effective for annual periods beginning on or after 1 January 2021 with comparative figures required. Early application is permitted provided that the entity also applies IFRS 9 and IFRS 15 on or before the date it first applies IFRS 17. This standard is not applicable to Company.

Amendments to IAS 1: Classification of Liabilities as Current or Non-current

In January 2020, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement?
- The right to defer must exist at the end of the reporting period,
- That classification is unaffected by the likelihood,
- That an entity will exercise its deferral right,
- And that only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.

The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and must be applied retrospectively.

Reference to the Conceptual Framework – Amendments to IFRS 3

In May 2020, the IASB issued Amendments to IFRS 3 Business Combinations - Reference to the Conceptual Framework. The amendments are intended to replace a reference to the Framework for the Preparation and Presentation of Financial Statements, issued in 1989, with a reference to the Conceptual Framework for Financial Reporting issued in March 2018 without significantly changing its requirements.

The Board also added an exception to the recognition principle of IFRS 3 to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of IAS 37 or IFRIC 21 Levies, if incurred separately.

At the same time, the Board decided to clarify existing guidance in IFRS 3 for contingent assets that would not be affected by replacing the reference to the Framework for the Preparation and Presentation of Financial Statements.

The amendments are effective for annual reporting periods beginning on or after 1 January 2022 and apply prospectively. The amendments are not expected to have a material impact on the Company.

Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16

In May 2020, the IASB issued Property, Plant and Equipment Proceeds before Intended Use, which prohibits entities from deducting from the cost of an item of property, plant and equipment, any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the costs of producing those items, in profit or loss.

The amendment is effective for annual reporting periods beginning on or after 1 January 2022 and must be applied retrospectively to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented when the entity first applies the amendment.

The amendments are not expected to have a material impact on the Company

NOTES TO THE FINANCIAL STATEMENTS

SIGNIFICANT CHANGES IN ACCOUNTING POLICIES

Amendments to IFRS 3: Definition of a Business

The amendment to IFRS 3 Business Combinations clarifies that to be considered a business, an integrated set of activities and assets must include, at a minimum, an input and a substantive process that, together, significantly contribute to the ability to create output. Furthermore, it clarifies that a business can exist without including all of the inputs and processes needed to create outputs.

These amendments had no impact on the financial statements of the Company.

Amendments to IAS 1 and IAS 8: Definition of "Material"

The IASB issued amendments to IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors to align the definition of 'material' across the standards and to clarify certain aspects of the definition. The new definition states that, 'Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general-purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.

These amendments had no impact on the financial statements of the Company.

Amendments to IFRS 7, IFRS 9 and IAS 39 Interest Rate Benchmark Reform

Interest Rate Benchmark Reform Amendments to IFRS 9 and IFRS 7 includes a number of reliefs, which apply to all hedging relationships that are directly affected by interest rate benchmark reform. A hedging relationship is affected if the reform gives rise to uncertainties about the timing and or amount of benchmark-based cash flows of the hedged item or the hedging instrument.

These amendments have no impact on the financial statements of the Company.

Amendments to IFRS 16 Covid-19 Related Rent Concessions

On 28 May 2020, the IASB issued Covid-19-Related Rent Concessions - amendment to IFRS 16 Leases. The amendments provide relief to lessees from applying IFRS 16 guidance on lease modification accounting for rent concessions arising as a direct consequence of the Covid-19 pandemic. This relates to any reduction in lease payments which are originally due on or before 30 June 2021. As a practical expedient, a lessee may elect not to assess whether a Covid-19 related rent concession from a lessor is a lease modification.

The amendment applies to annual reporting periods beginning on or after 1 June 2020. Earlier application is permitted.

The Company did not have any leases impacted by the amendment

4. The principal accounting policies adopted:

<u>Property and equipment</u>

Property and equipment are stated at cost less accumulated depreciation and accumulated impairment in value if any.

The carrying values of property and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets are written down to their recoverable amounts.

The useful life and depreciation method are reviewed periodically to ensure that the method and period of depreciation are consistent with expected pattern of economic benefits from items of property and equipment.

<u>Inventories</u>

Inventories are stated at the lower of cost or net realizable value. Finished goods (vehicles) and raw materials costs are determined using the weighted average method. Net realizable value represents the estimated selling price less all estimated completion costs and costs to be Incurred in marketing, selling and distribution.

Accounts Receivable

Accounts receivable are stated at net realizable value after deducting a provision for expected credit loss.

A provision for doubtful debts is booked when there is objective evidence that the Company will not be able to recover

whole or part of the due amounts at the end of the year. When the Company collects previously written-off debts, it

recognizes the collected amounts in other revenues in the statement of income and comprehensive Income.

Furthermore, revenue and commission from doubtful debts are suspended and recognized as revenue upon collection.

Moreover, debts are written-off when they become uncollectible or are derecognized.

<u>Financial Instruments</u>

Financial assets and financial liabilities are recognized in the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on Initial recognition.

<u>Financial Assets</u>

Financial assets are recognised in the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument. Financial assets are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or Issue of financial assets (except for financial assets at fair value through statement of profit or loss and other comprehensive income) are added to or deducted from the fair value of the financial assets, as appropriate, on initial recognition.

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

<u>Classification of Financial Assets</u>

Debt instruments that meet the following conditions are measured subsequently at amortised cost:

The financial asset Is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows;

The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are measured at fair value.

<u>Impairment of Financial Assets</u>

The Company recognises a loss allowance for expected credit losses on trade receivables. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

NOTES TO THE FINANCIAL STATEMENTS

For all other financial instruments, the Company recognises lifetime expected credit losses when there has been a significant increase in credit risk since initial recognition. Lifetime expected credit losses represent the expected credit losses that will result from all possible default events over the expected life of a financial instrument.

Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, bank balances. With an original maturity of three months or less.

Accounts payable and accruals

Liabilities are recognized for amounts to be paid in the future for goods or services received, whether billed by the supplier or not.

Offsetting

Financial assets and financial liabilities are offset, the net amount is presented in the statement of financial position only when there is a legal right to offset the recognized amounts,

Provisions

Provisions are recognized when the Company has liabilities as of the date of the statement of financial position arising from previous events, settlement of the liabilities is probable and the liabilities can be reliably measured.

Warranty Provision

Warranty provision is recognized for 1% of total cost of armor-related items installed, and conversion-related custom workmanship, including transparent armor, for the period of 2 years or 20,000km, whichever comes first.

Provision for slow-moving inventory

Management estimates the provision for slow-moving and obsolete inventories on the basis of prior experience, physical condition and expected future use of such inventory in conformity with International Financial Reporting Standards (IFRSs).

Revenue Recognition

Revenue is measured based on the consideration to which the Company expects to be entitled in exchange for transferring goods or services to customer, excluding amounts collected on behalf of third parties. Revenue is adjusted for expected discounts and volume discounts, which are estimated based on the historical data or forecast and projection. The Company recognizes revenue when it transfer control over goods or services to its customer.

The Company is involved in the sale of goods in the form of armored vehicles. Revenue is recognized at point in time when control of the goods has transferred, being when the goods have been shipped to customer's specific location. Following delivery, the customer has full control over the goods, and the primary responsibility of the goods and bears the risk of obsolescence and loss in relation to the goods. A receivable is recognised by the entity when the goods are delivered to the customer as this represents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment is due.

Revenue represents the invoiced value of goods sold during the year, net of discounts and returns. Revenue from the sale of goods is recognised when all the following conditions are satisfied:

The Company has transferred to the buyer the significant risk and rewards of ownership of the goods;

The Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;

The amount of revenue can be measured reliably;

It is probable that the economic benefits associated with the transaction will flow to the entity: and

The costs incurred or to be incurred in respect of the transaction can be measured reliably.

Finance cost

Interest on bank overdrafts is recognized as an expense in the period in which it is incurred, which covers the grace period if any.

Income Tax

Income tax expenses represent accrued taxes and deferred taxes.

Income tax expenses are accounted for on the basis of taxable income. Moreover, income subject to tax differs from income declared in the financial statements because the latter includes non-taxable revenue or non-deductible tax expenses in the current year but deductible in subsequent years, accumulated losses acceptable by the tax authorities, as well as unallowable and nontaxable items.

Taxes are calculated on the basis of the tax rates prescribed according to the prevailing laws, regulations, and instructions in Jordan.

Deferred taxes are taxes expected to be paid or recovered as a result of temporary timing differences between the value of the assets and liabilities in the financial statements and the value of the taxable amount. Moreover, deferred taxes are calculated according to the tax rates expected to be applied upon the settlement of tax liability and the realization of the deferred tax assets.

Deferred tax assets or liabilities are reviewed as the statement of financial position date and are reduced in case they are expected not to be utilized, upon the settlement of tax, wholly or partially.

Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated to Jordanian Dinars using the Central Bank of Jordan average exchange rates prevailing at the reporting of date. Foreign currency transactions during the year are recorded using exchanger rates that are effective at the date of the each transaction. Foreign exchange gains or losses are recorded in the statement of comprehensive income.

Related parties transactions

The company enters into transactions with related parties i.e., major shareholders, directors and key management personnel of the company, and companies which they are principle owner.

Pricing policies and terms of these transactions with related parties are approved by the company's management.

Related parties details are as follows:

Description	**2022**	2021
	JD	JD
Mahindra Emirates Vehicles Armouring F2LLC	**212,538**	195,528

Fair value

Fair value represents the closing market price (Assets Purchasing / Liabilities Selling) of financial assets and derivatives on the date of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

In case declared market, prices do not exist active trading of some financial assets and derivatives is not available or the market is inactive fair value is estimated by one of several methods including the following:

- Comparison with the fair value of another financial asset with similar terms and conditions.
- Analysis of the present value of expected future cash flows for similar instruments.
- Adoption of the option pricing models.
- Evaluation of long-term assets and liabilities that bear no interest through discounting cash flows and Amortising premium / discount using the effective interest rate method within interest revenue / expense in the statement of income.

The valuation methods aim to provide a fair value reflecting the market's expectations taking into consideration the market expected risks and expected benefits when the value of the financial assets. When the financial assets fair value can't be reliably measured, they are stated at cost less any impairment.

5. Use Of Estimates:

The preparation of financial statements and implementation of accounting policies requires company management to make judgments and estimates that depend on future conditions that may affect the reported amounts of assets and liabilities and disclosure of contingent liabilities, as they may affect the revenues and expenses and allowances and accumulated variable in the fair value and, in particular requires the Company's management issuance of important provisions to estimate the amounts of future cash flows, times, taking into account that the estimates and judgments made by management, which depend on future conditions based on assumptions and multiple factors involving varying degrees of judgment and uncertainty and therefore the future actual results may differ from the actual results due changes in future conditions and based on the above, we believe that our estimates are reasonable within the financial statements and detailed as follows

- The company prepare an estimate useful lives of intangible assets and calculating the annual depreciation based on these estimates are recorded any losses on those assets decline in the income statement.
- The company is dedicated to taking the interview doubtful debts after studying the viability of the debt for collection.
- The company loads the fiscal year, including its own income tax expense and in accordance with the laws and regulations in force.
- The company's provision for cases filed against it take, depending on the reasonable estimates of the company's lawyer.

6. Financial Instruments and Risk management

Risk management is how to deal with the conditions of uncertainty and contain risk assessments facing the facility and the development of policies and strategies internal to deal with these risks allowing the facility up on the competition and achieve its objectives, in addition to dealing with the fundamental risks in the framework of Activity its normal as an entity to reap revenues mainly to do its operational activities and its business is exposed mainly to the following risks:

Interest rate risk

The company is exposed to interest rate risk on its interest-bearing assets and liabilities such as due to banks. The sensitivity of the income statement is the effect of the assumed changes in interest rates on the company profit for one year, based on the floating rate financial assets held at 31 December.

Exchange rate risk:

The exchange rate risk is result of the fluctuation of the value of financial instruments due to fluctuations in foreign currency exchange rates, the key processes in the company are in Jordanian Dinars and believes the company's management that the exchange rate risk lies in dealing in foreign currencies except the US dollar that the dinar Jordanian (the functional currency of the company) fixed to the US dollar, and therefore do not represent any significant risk.

Market risk:

Market risk is the risk that the fair value of the cash flows of financial instruments arising from the possibility of future changes in market prices as the change in exchange rates, interest rates and prices of equity instruments.

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The company is exposed to credit risk on its bank balance and accounts receivable as reflected in the statement of financial position.

Liquidity risk

It is associated with the possibility that facing the established difficulty in providing the necessary funds to meet its financial obligations at maturity Risk to avoid such risks, the company has diversified its sources of funding and management of assets and adapt the schedule and keep an adequate balance of cash and cash equivalents.

Capital risk management:

The company's capital managed in the manner that maintains the rights of partners to ensure the continuity of the company and meet its obligations to third parties and that the preservation of capital ratios to maximize property rights and to support the company's activity and keep track of the company to maintain a reasonable rate of debt relative to equity and policy Investment in assets provides an acceptable return for partners.

7. Comparative Figures:

Some of comparative figures of the previous year were re-tabulated to confirm with the comparative figures of the present year.

8. Cash & Cash equivelant:

Description	**2022**	2021
	JD	JD
Current accounts at bank	**26,310**	46,118
Total	**26,310**	46,118

9. Other debit balances:

Description	**2022**	2021
	JD	JD
Employee receivable	**2,201**	13,439
Prepaid expenses	**9,016**	234
Refundable Deposits	**27,163**	25,975
Other	**4,251**	–
Total	**42,631**	39,648

NOTES TO THE FINANCIAL STATEMENTS

10. Proprety, plant & Equipment:

This Item Consists of:

	Machinery & equipment	Furnitures & Decorations	Computers	Total
Description	**JD**	**JD**	**JD**	**JD**
At 31/3/2021	**111,090**	**81,386**	**748**	**193,224**
Additions	-	–	–	–
At 31/3/2022	**111,090**	**81,386**	**748**	**193,224**
Accumulated Depreciation:				
At 31/3/2021	**23,537**	**34,951**	**352**	**58,840**
Depreciation	15,870	19,869	187	35,926
At 31/3/2022	**39,407**	**54,820**	**539**	**94,766**
Book Value As:				
At 31/3/2022	**71,683**	**26,566**	**209**	**98,458**
At 31/3/2021	**87,553**	**46,435**	**396**	**134,384**

11. Cost of revenue

Description	**2022**	2021
	JD	JD
Begining inventory	**69,520**	1,548,493
purchases	**1,601,173**	1,525,362
Other direct costs	**52,228**	142,155
Cost of goods available for sale	**1,722,921**	3,216,010
Ending inventory	**(147,578)**	(69,520)
Total	**1,575,343**	3,146,490

12. General and administrative expenses:

Description	**2022**	2021
	JD	JD
Salaries and employees benefits	**198,153**	227,229
Social Security contribution	**20,581**	20,733
Medical insurance	**8,226**	6,121
Marketing expenses	**4,067**	1,034
Staff uniforms	**4,421**	3,228
Rent	**44,550**	44,550
Travel expenses	**22,872**	16,713
Professional fees	**5,304**	4,377
Bank charges	**603**	248
Other	**21,107**	20,106
Total	**329,884**	344,339

13. Tax Position

The Company is located within Aqaba Special Economic Zone in Aqaba - The Hashemite Kingdom of Jordan (ASEZA). The Company is exempted from sales and income tax as per article No. 14 of the Investment Law.

In the opinion of the management and the tax advisor, there is no need to record income tax provision.

14. Legal Cases

As of March 31, 2022, the Company was not a defendant in any legal case.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF MAHINDRA FIRST CHOICE WHEELS LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Mahindra First Choice Wheels Limited ("the Company"), which comprise the balance sheet as at 31 March 2022, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2022, and loss and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

Other Information

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's and Board of Directors' Responsibility for the Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the financial statements made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2020 ("the Order") issued by the Central Government in terms of section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. (A) As required by Section 143(3) of the Act, we report that:
   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
   c) The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account.
   d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under section 133 of the Act.
   e) On the basis of the written representations received from the directors as on 31 March 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022 from being appointed as a director in terms of Section 164(2) of the Act.
   f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

   (B) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
   a) The Company has disclosed the impact of pending litigations as on 31 March 2022 on its financial position in its financial statements – refer note 25 to the financial statements.
   b) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
   c) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2022.
   d) i. The Management has represented that, to the best of it's knowledge and belief, as disclosed in the note 35(a) to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities (intermediaries), with the understanding, whether recorded in writing or otherwise, as on the date of this audit report, that the intermediaries shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

      ii. The Management has represented, that, to the best of it's knowledge and belief, as disclosed in the note 35(b) to the accounts, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

iii. Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (d) (i) and (d) (ii) contain any material mis-statement.

e) The Company has neither declared nor paid any dividend during the year.

(C) With respect to the matter to be included in the Auditors' Report under section 197(16):

In our opinion and according to the information and explanations given to us, the remuneration paid by the company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Jaymin Sheth
Partner
Membership No. 114583
ICAI UDIN: 22114583AIOAZG1203

Place: Mumbai
Date: 6 May 2022

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT – 31 MARCH 2022

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

i (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified in a phased manner over a period of 2 years. In accordance with this programme, certain property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No discrepancies were noticed on such verification.

(c) The Company does not have any immovable property (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee). Accordingly, clause3(i)(c) of the Order is not applicable.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment or intangible assets or both during the year.

(e) According to information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

ii (a) The inventory, except for stocks lying with third parties, has been physically verified by the management during the year. For stocks lying with third parties at the year-end, written confirmations have been obtained. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been sanctioned any working capital limits in excess of five crore rupees in aggregate from banks and financial institutions on the basis of security of current assets at any point of time of the year. Accordingly, clause 3(ii)(b) of the Order is not applicable to the Company.

iii (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not provided any guarantee or security or granted any loans, secured or unsecured to companies, firms, limited liability partnership or any other parties during the year. The Company has not granted advances in nature of loan or made any investments in firms, limited liability partnership or any other parties. The Company has granted advances in nature of loan and made investment in its subsidiary company, in respect of which the requisite information is as below.

Based on the audit procedures carried on by us and as per the information and explanations given to us, the Company has provided advances in the nature of loans to any other entity as below:

Particulars	Advances in nature of loans
Aggregate amount during the year	
- Subsidiary	Rs. 2,521.83 lakhs
Balance outstanding as at balance sheet date	
- Subsidiary	Nil

(b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the investments made during the year and the terms and conditions of the grant of advances in the nature of loans during the year are, prima facie, not prejudicial to the interest of the Company.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of advances in the nature of loan given to subsidiary company is repayable on demand. During the current year, the subsidiary company has repaid the entire balance of advances in nature of loan to the Company. The payment of interest has been regular.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount for more than ninety days in respect of advances in the nature of loan given.

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT – 31 MARCH 2022 (CONTD...)

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan or advance in the nature of loan granted falling due during the year, which has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to same parties.

(f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted any advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment except for the following advances in the nature of loans to its related parties as defined in Clause (76) of Section 2 of the Companies Act, 2013. During the current year, the Company has recalled entire balance of advance in nature of loan.

	Subsidiary Company
Aggregate of advances in nature of loan	
- Repayable on demand	Rs. 2,521.83 lakhs
Percentage of advances in nature of loan to the total loans	100%

iv According to the information and explanations given to us and on the basis of our examination of the records, the Company has not given any loans, or provided any guarantee or security as specified under section 185 and 186 of the Companies Act, 2013. In respect of the investments made by the Company, the provisions of section 186 of the Companies Act, 2013 have been complied with.

v The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.

vi According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Companies Act, 2013 for the products manufactured by it. Accordingly, clause 3(vi) of the Order is not applicable.

vii (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Services Tax ('GST'), Provident fund, Employees' State Insurance, Income-Tax, Cess and other statutory dues have been regularly deposited by the company with the appropriate authorities. As explained to us, the Company did not have any dues on account of Sales Tax, Duty of Excise, Duty of Customs and Value Added Tax.

According to the information and explanations given to us, no undisputed amounts payable in respect of Goods and Services Tax ('GST'), Provident fund, Employees' State Insurance, Income-Tax, Cess and other statutory dues were in arrears as at 31 March 2022 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no dues relating to Provident Fund, Employees State Insurance, Cess or other statutory dues, which have not been deposited with the appropriate authorities on account of any dispute. According to the information and explanations given to us, statutory dues relating to Goods and Service Tax, Income-Tax, Sales Tax and Value Added Tax have not been deposited on account of any dispute are as follows:

Name of the Statute	Nature of the Dues	Amount demanded (in lakhs)	Amount deposited under protest (in lakhs)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	3.79	NIL	2008-09	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	31.08	NIL	2012-13	Assistant Commissioner of Income Tax
Income Tax Act, 1961	Income Tax	1.11	NIL	2018-19	Income Tax Officer
Value Added Tax, Maharashtra	Value Added Tax	759.53	68.49	2005-06 to 2010-11, 2012-13 & 2016-17	Joint Commissioner of Sales Tax (Appeal)
Value Added Tax, Kerala	Value Added Tax	1.55	1.16	2008-09	Commercial Tax Officer
Central Sales Tax, Maharashtra	Central Sales Tax	34.77	NIL	2008-09	Joint Commissioner of Sales Tax (Appeal)
Goods and Services Tax, Maharashtra	Goods and Services Tax	0.33	NIL	2017-18	Deputy Commissioner
Goods and Services Tax, Orissa	Goods and Services Tax	12.21	5.00	2018-19	State Tax Officer

viii According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.

ix (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company did not have

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT – 31 MARCH 2022 (CONTD...)

any loans or borrowings from any lender during the year. Accordingly, clause 3(ix)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.

(c) The Company does not have any term loan during the year. Accordingly, clause3(ix)(c) of the Order is not applicable.

(d) The Company has not raised any funds on short-term basis. Accordingly, clause3(ix)(d) of the Order is not applicable.

(e) The Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiary. Accordingly, clause3(ix)(e) of the Order is not applicable.

(f) According to the information and explanations given to us and procedures performed by us, we report that the company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies (as defined under Companies Act, 2013).

x (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) Accordingly, clause 3(x)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any private placement of shares or fully or partly convertible debentures during the year. In respect of preferential allotment of preference shares made during the year, the Company has duly complied with the requirements of section 42 and section 62 of the Companies Act, 2013. The proceeds from issue of shares have been used for the purposes for which the funds were raised.

xi (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the course of the audit.

(b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Companies Act, 2013 has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.

xii According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.

xiii In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, and the details of the related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.

xiv (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the internal audit reports of the Company issued till date for the period under audit.

xv In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company.

xvi (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.

(b) The company has not conducted any Non-Banking Financial or Housing Finance activities without a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934. Accordingly, Clause 3(xvi)(b) of the order is not applicable.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT – 31 MARCH 2022 (CONTD...)

(d) According to the information and explanations provided to us, the Group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016) has Six CICs as part of the Group.

xvii The Company has incurred cash losses of Rs. 1,921.10 lakhs in the current financial year; however, no cash loss was incurred in the previous year.

xviii There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.

xix According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.

xx The requirements as stipulated by the provisions of Section 135 are not applicable to the Company. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Jaymin Sheth
Partner
Membership No. 114583
ICAI UDIN: 22114583AIOAZG1203

Place: Mumbai
Date: 6 May 2022

ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS OF MAHINDRA FIRST CHOICE WHEELS LIMITED FOR THE YEAR ENDED 31 MARCH 2022

Report on the internal financial controls with reference to the aforesaid financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

(Referred to in paragraph 2(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to financial statements of Mahindra First Choice Wheels Limited ("the Company") as of 31 March 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2022, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and whether such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Jaymin Sheth
Partner
Membership No. 114583
ICAI UDIN: 22114583AIOAZG1203

Place: Mumbai
Date: 6 May 2022

CIN: U64200MH1994PLC083996

BALANCE SHEET AS AT 31 MARCH 2022

Rs. in Lakhs	Note No.	31 March 2022	31 March 2021
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	3	**1,107.84**	1,512.42
Goodwill		**113.00**	113.00
Other intangible assets	4	**26.86**	53.50
Intangible assets under development	4	**690.31**	190.92
Financial assets			
(i) Investments	5	**6,511.64**	3,511.68
(ii) Loans	6	**329.95**	2,822.54
(iii) Other financial assets	7	**152.30**	437.17
Income tax assets		**1,364.12**	94.15
Other non-current assets	8	**90.57**	118.91
		10,386.59	8,854.29
CURRENT ASSETS			
Inventories		**4,170.29**	2,159.36
(i) Trade receivables	9	**11,534.17**	8,836.98
(ii) Cash and cash equivalents	10	**1,192.62**	2,636.84
(iii) Bank balances other than (ii) above	10	**118.24**	127.00
(iv) Loans	6	**14.65**	10.56
(v) Other financial assets	7	**171.28**	33.42
Current tax assets		**–**	804.60
Other current assets	8	**3,976.33**	2,592.18
		21,177.58	17,200.94
TOTAL ASSETS		**31,564.17**	26,055.23
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	11	**7,950.99**	7,950.99
Other equity			
Equity component of compound financial instruments	12A	**6,027.75**	–
Reserves & Surplus	12B	**33.88**	3,250.77
Other Reserves	12C	**25.71**	2.17
		14,038.33	11,203.93
LIABILITIES			
NON-CURRENT LIABILITIES			
Financial liabilities			
(i) Lease Liabilities		**160.18**	602.81
(ii) Other financial liabilities	13	**308.91**	308.91
Provisions	14	**1,234.59**	999.93
Deferred tax liabilities (Net)	15	**20.80**	22.36
		1,724.48	1,934.01
CURRENT LIABILITIES			
Financial liabilities			
(i) Lease Liabilities		**499.65**	540.79
(ii) Trade payables			
– Total outstanding dues of micro enterprises and small enterprises	16	**70.76**	33.61
– Total outstanding dues of creditors other than micro enterprises and small enterprises	16	**9,596.13**	6,467.90
(ii) Other financial liabilities	13	**3,418.90**	3,068.18
Other current liabilities	17	**2,000.53**	2,649.54
Provisions	14	**215.39**	157.27
		15,801.36	12,917.29
TOTAL EQUITY AND LIABILITIES		**31,564.17**	26,055.23

The accompanying notes 1 to 35 are an integral part of the Financial Statements

In terms of our report attached
For **B S R & Co. LLP**
Chartered Accountants
Firm Registration No. 101248W/W-100022

Jaymin Sheth
Partner
Membership number: 114583

For and on behalf of the Board of Directors of
Mahindra First Choice Wheels Limited

Ashutosh Pandey
Managing Director &
Chief Executive Officer
DIN 08166731

Amit Kumar Sinha
Director
DIN : 09127387

V. Janakiraman
Chief Financial Officer
Membership number: 029222

Anita Halbe
Company Secretary
Membership number: A13962

Place : Mumbai
Date : 6 May 2022

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2022

Rs. in Lakhs	Note No.	31 March 2022	31 March 2021
INCOME			
Revenue from operations	18	**84,911.33**	41,278.28
Other income	19	**624.64**	617.66
Total Income		**85,535.97**	41,895.94
EXPENSES			
Purchases of stock-in-trade		**60,520.90**	26,409.62
Changes in inventories of stock-in-trade	20	**(2,010.93)**	(1,364.77)
Employee benefits expense	21	**9,258.74**	6,563.01
Finance costs	22	**72.64**	100.32
Depreciation and amortisation expense	3 & 4	**781.67**	715.51
Other expenses	23	**19,990.43**	9,802.30
Total Expenses		**88,613.45**	42,225.99
(Loss) before tax		**(3,077.48)**	(330.05)
Tax Expense			
Current tax		**–**	–
Deferred tax	15	**(1.57)**	(0.29)
Adjustment in respect of earlier years		**94.10**	–
Total tax expense		**92.53**	(0.29)
(Loss) for the year		**(3,170.01)**	(329.76)
Other comprehensive (loss) / income			
Items that will not be reclassified to profit or loss and its related income			
(i) Remeasurements of the defined benefit plans		**23.56**	113.02
(ii) Equity instruments through other comprehensive income		**(0.02)**	0.65
Total other comprehensive (loss) / income		**23.54**	113.67
Total comprehensive (loss) for the year		**(3,146.47)**	(216.09)
Earnings per equity share:			
(Face value Rs. 10/- per share) (Rupees)			
Basic and Diluted	24	**(3.99)**	(0.42)

The accompanying notes 1 to 35 are an integral part of the Financial Statements

In terms of our report attached
For **B S R & Co. LLP**
Chartered Accountants
Firm Registration No. 101248W/W-100022

Jaymin Sheth
Partner
Membership number: 114583

For and on behalf of the Board of Directors of
Mahindra First Choice Wheels Limited

Ashutosh Pandey
Managing Director &
Chief Executive Officer
DIN 08166731

Amit Kumar Sinha
Director
DIN : 09127387

V. Janakiraman
Chief Financial Officer
Membership number: 029222

Anita Halbe
Company Secretary
Membership number: A13962

Place : Mumbai
Date : 6 May 2022

CIN: U64200MH1994PLC083996

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2022

Rs. in Lakhs	**31 March 2022**	31 March 2021
Cash flows from operating activities		
(Loss) before tax	**(3,077.48)**	(330.05)
Adjustments for:		
Finance costs	**72.64**	100.32
Interest income	**(222.51)**	(418.64)
Loss/(Gain) on property, plant and equipment sold/scrapped/written off	**42.84**	(0.91)
Net gain recorded in profit or loss on sale of Mutual Funds	**(19.64)**	–
Bad debts written off	**131.74**	–
Sundry balances written back	**(338.85)**	(153.78)
Allowance for expected credit losses	**425.33**	116.26
Provision for doubtful advances	**288.22**	–
Depreciation and amortisation expense	**781.67**	715.51
Share based payment expenses	**24.48**	10.75
Operating profit before working capital changes	**(1,891.56)**	39.45
Movements in working capital:		
(Increase) in trade receivables	**(2,915.41)**	(4,932.43)
(Increase) in inventories	**(2,010.93)**	(1,364.77)
(Increase)/Decrease in other assets	**(1,380.52)**	3,365.07
Increase in trade payables	**3,165.36**	291.66
Increase/(Decrease) in borrowings - lease liabilities	**(483.76)**	629.00
Increase in provisions	**410.43**	85.49
(Decrease) in other current liabilities	**(285.68)**	(618.40)
	(3,500.51)	(2,544.38)
Cash (used in) operations	**(5,392.07)**	(2,504.93)
Income taxes paid /refund	**(465.37)**	1,103.55
Net cash (used in) operating activities	**(5,857.44)**	(1,401.38)
Cash flows from investing activities		
Inter corporate deposits given	**–**	(1,000.00)
Inter corporate deposits matured	**2,500.00**	500.00
Payments to acquire Mutual Funds	**(3,099.85)**	–
Proceeds on sale of Mutual Funds	**3,119.49**	–
Bank deposits placed	**(5,245.15)**	(4,501.00)
Bank deposits matured	**5,402.59**	4,800.00
Payments to acquire non-current investments – subsidiaries	**(2,999.98)**	(452.70)
Interest received	**221.91**	545.89
Payments to acquire property, plant and equipment and other intangible assets	**(900.33)**	1,685.58
Proceeds from sale of property, plant and equipment	**6.43**	(36.75)
Net cash generated from investing activities	**(994.89)**	1,541.02

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2022 (CONTD...)

Rs. in Lakhs	**31 March 2022**	31 March 2021
Cash flows from financing activities		
Payment for principal portion of lease liability	**(619.63)**	(572.26)
Proceeds from Preference Shares Infusion	**6,027.75**	–
Net cash generated/ (used in) financing activities	**5,408.12**	(572.26)
Net (Decrease) in cash and cash equivalents	**(1,444.21)**	(432.63)
Cash and cash equivalents at the beginning of the year	**2,636.84**	3,069.46
Cash and cash equivalents at the end of the year	**1,192.62**	2,636.84
Net (Decrease) as disclosed above	**(1,444.22)**	(432.62)

Notes to the statement of cash flows:

(a) The above Cash Flow statement has been prepared under the ‘Indirect Method’ as set out in the Accounting Standard (Ind AS) 7 - “Statement of Cash Flows” notified under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standard) Rules, 2015.

	31 March 2022	31 March 2021
(b) Cash and cash equivalents		
Components of cash and cash equivalents:-		
Cash on hand	**0.41**	0.87
Balance with banks:		
- In current accounts	**1,192.21**	2,635.97
Balances as per statement of cash flows	**1,192.62**	2,636.84

The accompanying notes 1 to 35 are an integral part of the Financial Statements

In terms of our report attached
For **B S R & Co. LLP**
Chartered Accountants
Firm Registration No. 101248W/W-100022

Jaymin Sheth
Partner
Membership number: 114583

For and on behalf of the Board of Directors of
Mahindra First Choice Wheels Limited

Ashutosh Pandey
Managing Director &
Chief Executive Officer
DIN 08166731

Amit Kumar Sinha
Director
DIN : 09127387

V. Janakiraman
Chief Financial Officer
Membership number: 029222

Anita Halbe
Company Secretary
Membership number: A13962

Place : Mumbai
Date : 6 May 2022

CIN: U64200MH1994PLC083996

STATEMENT OF CHANGES IN EQUITY AS AT 31 MARCH 2022

Rs. in Lakhs

A. Equity share capital

	31 March 2022	31 March 2021
Issued, subscribed and paid up		
Balance as at the beginning of the year	**7,950.99**	7,888.41
Add: Equity shares issued during the year	**–**	62.58
Balance as at the end of the year	**7,950.99**	7,950.99

B. Other Equity

	Reserves and Surplus			Items of other comprehensive income			
	Retained Earnings	Securities Premium	Share options outstanding account	Equity instrument through other comprehensive income	Remeasurements of the defined benefit obligations	Non Cumulative Compulsory Convertible Preference Shares (NCCCPS)	Total
Balance at 31 March 2020	(18,711.14)	20,898.15	65.82	12.30	(123.80)	–	2,141.33
Loss for the year	(329.76)						(329.76)
Remeasurements of the defined benefit plans	–	–	–	–	113.02	–	113.02
Equity instruments through other comprehensive income	–	–	–	0.65	–	–	0.65
Equity shares issued during the year	–	1,316.94					1,316.94
Total Comprehensive income for the year	(19,040.90)	22,215.09	65.82	12.95	(10.78)	–	3,242.18
Share based payment to employees	–	–	10.76	–	–	–	10.76
Balance at 31 March 2021	(19,040.90)	22,215.09	76.58	12.95	(10.78)	–	3,252.94
Loss for the year	(3,170.01)						(3,170.01)
Remeasurements of the defined benefit plans	–	–	–	–	23.56	–	23.56
Equity instruments through other comprehensive income	–	–	–	(0.02)	–	–	(0.02)
Equity/Pref. shares issued during the year	–	–				6,027.75	6,027.75
Total Comprehensive income for the year	(22,210.91)	22,215.09	76.58	12.93	12.78	6,027.75	6,134.22
Share based payment to employees	–	–	24.48	–	–	–	24.48
Preference Shares - Issuance Cost	(71.36)	–	–	–	–	–	(71.36)
Balance at 31 March 2022	**(22,282.27)**	**22,215.09**	**101.06**	**12.93**	**12.78**	**6,027.75**	**6,087.34**

The accompanying notes 1 to 35 are an integral part of the Financial Statements

In terms of our report attached
For **B S R & Co. LLP**
Chartered Accountants
Firm Registration No. 101248W/W-100022

Jaymin Sheth
Partner
Membership number: 114583

For and on behalf of the Board of Directors of
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DIN : 09127387

V. Janakiraman
Chief Financial Officer
Membership number: 029222

Anita Halbe
Company Secretary
Membership number: A13962

Place : Mumbai
Date : 6 May 2022

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

1. Corporate information:

The financial statements comprise financial statements of Mahindra First Choice Wheels Limited ("the Company" or "MFCWL") for the year ended 31 March 2022. The Company is an unlisted Public Company domiciled in India.

Mahindra First Choice Wheels Limited is principally engaged in the business of facilitating trading in used vehicles through its Franchise network and electronic platform and providing allied products and services, including online pricing guidance, used vehicle inspection and valuation services, yard management services and used vehicles inspection services for insurance.

2. Significant Accounting Policies:

2.1 <u>Statement of Compliance:</u>

These financial statements of the Company have been prepared in accordance with Indian Accounting Standards as per the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under Section 133 of the Companies Act, 2013 ("the Act") and other relevant provisions of the Act.

2.2 <u>Basis of preparation and presentation:</u>

These financial statements of the Company have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs for the asset or liability that are not based on observable market data.

2.3 <u>Business combinations:</u>

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at fair value on acquisition date and the amount of any non-controlling interests in the acquiree. Acquisition-related costs are expensed as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. When the Company acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances, and pertinent conditions as at the acquisition date.

2.4 <u>Goodwill:</u>

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Company's cash-generating units that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

<u>Estimated impairment of goodwill</u>

The Company tests annually goodwill for any impairment, in accordance with the above accounting policy. The recoverable amount of cash generating units is determined based on value-in-use calculations. These calculations require the use of estimates.

2.5 <u>Revenue recognition:</u>

Effective 1 April 2018, Ind AS 115 'Revenue from contracts with customers' has replaced Ind AS 18' Revenue' and Ind AS 11 'Construction contracts'. The Company has applied Ind AS 115 'Revenue from Contracts with customers' ("herein after referred to as Ind AS 115") effective from 1 April 2018, using modified retrospective approach for the purpose of transition. Accordingly, comparatives for the previous period have not been restated. The application of Ind AS 115 did not have any material impact on the financial results of the Company. Ind AS 115 specifies a uniform, five-step model for revenue recognition, which is generally to be applied to all contracts with customers.

Sale of goods:

The Company recognizes revenue from sale of goods measured at the fair value of the consideration received or receivable, upon satisfaction of performance obligation which is at a point in time when control of the goods is transferred to the customer, generally on delivery of the goods. Depending on the terms of the contract, which differs from contract to contract, the goods are sold on are as on able credit term. As per the terms of the contract, consideration that is variable, according to Ind AS 115, is estimated at contract inception and updated thereafter at each reporting date or until crystallisation of the amount.

Sale of Services:

i) Franchise fee - The Company recognizes revenue from the date of activation of the dealer's account on receipt of security deposit.

ii) Commission Income - The Company recognizes revenue on receipt of seller's confirmation for auction.

iii) Vehicle valuation fee - The Company recognizes revenue on release of valuation report.

iv) Inspection Fee - The Company recognizes revenue on release of inspection report.

v) Yard Management fees - The Company recognizes revenue on accrual basis of entry of the vehicle in the yard.

vi) Wholesale Bulk Income - The Company recognizes revenue on issue of release order of vehicle.

vii) Repo Management Service - The Company recognizes revenue on receipt of seller's confirmation.

viii) <u>Other Operating Income</u>:

- Warranty income - The Company recognizes revenue on sale of warranty product of a third-party warranty service provider, with no obligations to the Company.

A part of warranty income related to road side assistance is deferred over the period of warranty with the Company being the primary obligor.

– Registration Income - The Company recognizes revenue over the term of registration.

– Others - The Company recognizes revenue on satisfaction of performance obligation towards rendering of such services.

Significant financing component - Generally, the Company receives short-term advances from its customers. Using the practical expedient in Ind AS 115, the Company does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be one year or less.

2.6 <u>Dividend and interest income:</u>

Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

2.7 <u>Operating lease rental income:</u>

The income arising from operating leases is accounted on a straight-line basis over the lease terms.

The Company's policy for recognition of revenue from operating leases is described in Note No.- 2.15 below.

2.8 <u>Foreign currencies:</u>

In preparing the financial statements, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

2.9 <u>Employee benefits:</u>

a) Short term employee benefits are recognised as an expense at the undiscounted amount in the Statement of Profit and Loss for the year in which the related service is rendered.

b) Post-employment benefits

i) Defined Contribution Plan: Provident and Family Pension Fund

The eligible employees of the Company are entitled to receive post-employment benefits in respect of provident and family pension fund, in which both employees and the Company make monthly contributions at a specified percentage of the employees' eligible salary (currently 12% of employees' eligible salary). The contributions are made to Regional Provident Fund Commissioner. Provident Fund and Family Pension Fund are classified as Defined Contribution Plans as the Company has no further obligations beyond making the contribution. The Company's contributions to Defined Contribution Plan are charged to the statement of profit and loss as incurred.

ii) Defined Benefit Plan: Gratuity (unfunded)

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service or part thereof in excess of six months. Vesting occurs upon completion of five years of service. The Company accounts the gratuity benefits payable in future based on an independent external actuarial valuation carried out at the end of the year which is determined using the Projected Unit Credit method. Actuarial gains and losses are recognised in the Other Comprehensive Income. Past service cost is recognised immediately to the extent that the benefits are already vested.

c) Other long-term employment benefits – Compensated Absences

The Company provides for encashment of leave or leave with pay subject to certain rules. The employees are entitled to accumulate leave subject to certain limits for future encashment/availment. The Company makes provision for compensated absences based on an independent external actuarial valuation carried out at the end of the year.

2.10 <u>Share-based payment arrangements:</u>

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

2.11 <u>Taxation:</u>

a) Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

b) Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

2.12 Property, plant and equipment:

Property, plant and equipment are stated at cost less depreciation and impairment losses, if any. Costs comprise purchase price net of any trade discounts and rebates and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use and other incidental expenses directly attributable to acquisition of assets up to the date the asset is ready for its intended use

Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Estimated useful life of the assets are given below:

- Leasehold improvements over the period of the lease.
- Office equipment - 2 to 5 years.
- Furniture - 10 years,
- Computers and servers - 3 to 6 years
- Vehicles - 3 years for used vehicles or 5 years for new vehicles.
- Plant and equipment - 5 to 15 years
- Electrical Fitting - 5 years

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

2.13 Intangible assets:

a) Intangible assets acquired separately:

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

b) Intangible assets under development:

The Company capitalise costs incurred during IT Development phase, such expenses are initially recognised as intangible assets under development until the development phase is complete, upon which the amount is capitalised as intangible asset.

The expenditure incurred is amortised over the estimated period of benefit. The amortisation period for intangible assets with finite useful lives are reviewed annually and changes in expected useful lives are treated as changes in estimates.

c) Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

d) Useful lives of intangible assets:

Estimated useful lives of the intangible assets are as follows:

Software	5 years
Website	5 years
Non-Compete Fees	Contractual Terms
Market Information	Contractual Terms
Customer Relationships	7 years
Service Provider Contracts and intellectual property	3 years

2.14 Impairment of tangible and intangible assets other than goodwill:

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, these assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

2.15 Leases:

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116 and this may require significant judgment. The Company also uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend or terminate the lease if the Company is reasonably certain based on relevant facts and circumstances that the option to extendor terminate will be exercised. If there is a change in facts and circumstances, the expected lease term is revised accordingly.

The discount rate is generally based on the interest rate specific to the lease being evaluated or if that cannot be easily determined the incremental borrowing rate for similar term is used.

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

The Company as a lessee

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and restoration cost, less any lease incentives received.

The right-of-use assets are subsequently depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. In addition, the right-of-use asset is reduced by impairment losses, if any.

The lease liability is initially measured at amortised cost at the present value of the future lease payments. When a lease liability is remeasured, the corresponding adjustment of the lease liability is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

2.16 Inventories:

Inventories beyond 90 days from the date of valuation or purchase except for stock held as part of Pilot Projects and Finance funding cases, as the case may be, are valued at Cost or Net Realisable Value whichever is lower.

2.17 Provisions and Contingencies:

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received, and the amount of the receivable can be measured reliably.

2.18 Financial Instruments

Financial assets and financial liabilities are recognised when a Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

2.19 Financial assets

All regular way purchases or sales of financial assets are recognised and de-recognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace. All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Financial assets are subsequently measured at fair value.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition, it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument or a financial guarantee

Impairment of financial assets

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, debt instruments at FVTOCI, lease receivables, trade receivables, other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Company estimates cash flows by considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

De-recognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay.

2.20 Financial liabilities and equity instruments

a) **Classification as debt or equity**

Debt and equity instruments issued by a Company entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

b) **Equity instruments**

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

c) **Financial liabilities**

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

De-recognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

2.21 Critical accounting judgements and key sources of estimation uncertainty:

In the application of the Company's accounting policies, the management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only the period of the revision and future periods if the revision affects both current and future periods.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Useful lives of Property, plant and equipment and intangible assets

The Company reviews the useful lives of property, plant and equipment and intangible assets at the end of each reporting period. This re-assessment may result in change in depreciation and amortisation expense in future periods.

Depreciation on property, plant and equipment has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, in whose case the life of the assets has been assessed as under based on technical evaluation, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc. Vehicles - 3 years in case of used vehicles or 5 years in case of new vehicles.

Recent Pronouncements:

The Ministry of Corporate Affairs has vide notification dated 23 March 2022 notified Companies (Indian Accounting Standards) Amendment Rules, 2022 which amends certain accounting standards, and are effective 1 April 2022. Below is a summary of such amendments.

- Ind AS 16, Property, Plant and Equipment

  Proceeds before intended use of property, plant and equipment The amendment clarifies that an entity shall deduct from the cost of an item of property, plant and equipment any proceeds received from selling items produced while the entity is preparing the asset for its intended use (for example, the proceeds from selling samples produced when testing a machine to see if it is functioning properly).

- Ind AS 37, Provisions, Contingent Liabilities and Contingent Assets

  Onerous Contracts – Cost of fulfilling a contract The amendment explains that the cost of fulfilling a contract comprises: the incremental costs of fulfilling that contract and an allocation of other costs that relate directly to fulfilling contracts.

- Ind AS 103, Business combinations

  References to the conceptual framework

  The amendment adds a new exception in Ind AS 103 for liabilities and contingent liabilities.

- Ind AS 109, Financial Instruments

  Fees included in the 10% test for derecognition of financial liabilities

  The amendment clarifies which fees an entity includes when it applies the '10%' test in assessing whether to derecognise a financial liability. An entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf.

- Ind AS 41, Agriculture

  Taxation in fair value measurements

  The amendment removes the requirement in Ind AS 41 for entities to exclude cash flows for taxation when measuring fair value. This aligns the fair value measurement in Ind AS 41 with the requirements of Ind AS 113, Fair Value Measurement.

Rs in lakhs

3. Property, Plant and Equipment

Carrying Amount of:	As at 31 March 2022	As at 31 March 2021
Improvements to Leasehold Property	**20.70**	31.60
Office Equipment	**44.52**	66.37
Furniture and Fixtures	**3.64**	2.15
Electrical Fittings	**0.65**	56.09
Computers	**366.74**	275.35
Vehicles	**108.12**	55.45
Right-of-use asset	**563.47**	1,025.41
Total	**1,107.84**	1,512.42

Description of Assets	Improvements to Leasehold Property	Office Equipment	Furniture and Fixtures	Electrical Fittings	Computers	Vehicles	Right-of-use asset	Total
Gross Block								
Balance as at 31 March 2020	**56.17**	**203.58**	**7.30**	**154.17**	**654.17**	**148.29**	**2,032.77**	**3,256.45**
Additions during the year	–	4.29	3.49	–	167.53	12.07	–	187.38
Disposal during the year	–	–	–	–	–	19.31	103.30	122.61
Balance as at 31 March 2021	**56.17**	**207.87**	**10.79**	**154.17**	**821.70**	**141.05**	**1,929.47**	**3,321.22**
Additions during the year	–	6.62			252.84	92.05	53.97	405.48
Disposal during the year		103.96	1.81	151.51	139.12	37.58	–	433.98
Balance as at 31 March 2022	**56.17**	**110.53**	**8.98**	**2.66**	**935.42**	**195.52**	**1,983.44**	**3,292.72**
Accumulated depreciation								
Balance as at 31 March 2020	**13.66**	**118.13**	**3.93**	**63.23**	**452.17**	**77.99**	**409.40**	**1,138.51**
Depreciation expense for the year	10.91	23.37	4.71	34.85	94.18	25.96	494.66	688.64
Disposal during the year	–	–	–	–	–	18.35	–	18.35
Balance as at 31 March 2021	**24.57**	**141.50**	**8.64**	**98.08**	**546.35**	**85.60**	**904.06**	**1,808.80**
Depreciation expense for the year	10.90	22.89	1.69	29.45	147.44	32.60	515.91	760.88
Disposal during the year		98.38	4.99	125.52	125.11	30.80	–	384.80
Balance as at 31 March 2022	**35.47**	**66.01**	**5.34**	**2.01**	**568.68**	**87.40**	**1,419.97**	**2,184.88**
Net block								
Net carrying amount as at 31 March 2021	**31.60**	**66.37**	**2.15**	**56.09**	**275.35**	**55.45**	**1,025.41**	**1,512.42**
Net carrying amount as at 31 March 2022	**20.70**	**44.52**	**3.64**	**0.65**	**366.74**	**108.12**	**563.47**	**1,107.84**

Rs in lakhs

4. Other Intangible Assests

Carrying Amount of:	**As at 31 March 2022**	As at 31 March 2021
Computer Software	**11.30**	15.76
Websites	**4.47**	4.68
Non-Compete Fees	**(0.00)**	0.01
Customer Relationships	**11.08**	31.79
Service Provider Contracts	**0.01**	0.01
Acquisition of service contracts and Intellectual Property	**(0.00)**	0.01
Intangible assets under development	**690.31**	190.92
Total	**717.17**	243.18

Description of Assets	**Computer Software**	**Websites**	**Non-Compete Fees**	**Customer Relationships**	**Service Provider Contracts**	**Acquisition of service contracts and Intellectual Property**	**Intangible assets under development**	**Total**
Gross Block								
Balance as at 31 March 2020	139.93	450.72	4.00	145.00	25.00	33.50	–	798.15
Additions during the year	–	–	–	–	–	–	190.92	190.92
Disposal during the year	–	–	–	–	–	–	–	–
Balance as at 31 March 2021	**139.93**	**450.72**	**4.00**	**145.00**	**25.00**	**33.50**	**190.92**	**989.07**
Additions during the year	–	–	–	–	–	–	**499.39**	499.39
Disposal during the year	–	59.75	0.83	–	–	–	–	60.58
Balance as at 31 March 2022	**139.93**	**390.97**	**3.17**	**145.00**	**25.00**	**33.50**	**690.31**	**1,427.88**
Accumulated Amortisation Expenses								
Balance as at 31 March 2020	**118.68**	**445.37**	**3.87**	**92.50**	**24.99**	**32.37**	–	**717.78**
Amortisation expense during the year	5.49	0.67	0.12	20.71	–	1.12	–	28.11
Disposal during the year	–	–	–	–	–	–	–	–
Balance as at 31 March 2021	**124.17**	**446.04**	**3.99**	**113.21**	**24.99**	**33.49**	–	**745.89**
Amortisation expense during the year	4.46	0.13	–	20.71	–	0.01	–	25.31
Disposal during the year	–	59.67	0.82	–	–	–	–	60.49
Balance as at 31 March 2022	**128.63**	**386.50**	**3.17**	**133.92**	**24.99**	**33.50**	**–**	**710.71**
Net block								
Net carrying amount as at 31 March 2021	**15.76**	**4.68**	**0.01**	**31.79**	**0.01**	**0.01**	**190.92**	**243.18**
Net carrying amount as at 31 March 2022	**11.30**	**4.47**	**(0.00)**	**11.08**	**0.01**	**(0.00)**	**690.31**	**717.17**

4A. Intangible assets under development

Carrying Amount of:	**As at 31 March 2022**	As at 31 March 2021
Intangible assets under development	**690.31**	190.92
Total	**690.31**	190.92

Intangible assets under development (IAUD) Ageing Schedule

As at 31 March 2022	**Amount in IAUD for a period of**				
	Less than 1 year	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
Projects in progress	499.39	190.92	–	–	**690.31**
Projects temporarily suspended	–	–	–	–	**–**

As at 31 March 2021	**Amount in IAUD for a period of**				
	Less than 1 year	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
Projects in progress	190.92	–	–	–	**190.92**
Projects temporarily suspended	–	–	–	–	**–**

Rs in lakhs

5. Investments

	As at 31 March 2022			As at 31 March 2021		
	Number of shares	Non-current	Current	Number of shares	Non-current	Current
A. Fair value through Other Comprehensive Income						
Unquoted (fully paid-up)						
Equity shares in The Zoroastrian Co-operative Bank Ltd. (Face value - Rs 25 per share)	**4,000**	**13.95**	–	4,000	13.97	–
B. Investment in Equity Instruments						
Unquoted - At Cost						
In Subsidiary						
Fifth Gear Ventures Limited (Face value Rs 10 per share)	**198,144**	**6,497.69**	–	107,322	3,497.71	–
	202,144	**6,511.64**	–	**111,322**	**3,511.68**	–
Other disclosures						
Aggregate amount of unquoted investments		**6,511.64**	–		**3,511.68**	–
Aggregate amount of quoted investments		–			–	

Refer Note 26 and 28 for disclosures related to liquidity risk and related financial instrument disclosures.

6. Loans

	31 March 2022		31 March 2021	
	Non-current	Current	Non-current	Current
Loans to related parties				
Unsecured, considered good				
Inter corporate deposits	–	–	2,500.00	–
Employee Stock Option Scheme Trust	**319.19**	–	318.96	–
Other Loans				
Unsecured, considered good				
Loans to employees	**10.76**	**14.65**	3.58	10.56
	10.76	**14.65**	3.58	10.56
	329.95	**14.65**	2,822.54	10.56

Except for above loans to related parties, there are no loans due by directors or other officers of the Company or any of them severally or jointly with other persons or amounts due by firms or private Companies in which any director is a partner or a director or a member.

Refer note 26 for disclosures related to credit risk, impairment under expected credit loss model and related financial instrument disclosures.

7. Other financial assets

	31 March 2022		31 March 2021	
	Non-Current	Current	Non-Current	Current
Security Deposits				
Unsecured, considered good	**148.14**	**165.42**	284.34	5.50
Doubtful	**13.68**	–	9.30	4.38
Less: Allowance for expected credit loss	**(13.68)**	–	(9.30)	(4.38)
	148.14	**165.42**	**284.34**	**5.50**
Financial assets at amortised cost:				
Bank Deposits with more than 12 months maturity	**4.16**	–	152.83	–
Other financial assets	–	**5.86**	–	27.92
	152.30	**171.28**	437.17	33.42

Refer Note 26 for disclosures related to credit risk, impairment under expected credit loss model and related financial instrument disclosures.

8. Other current and Non-current financial assets

	31 March 2022		31 March 2021	
	Non-Current	Current	Non-Current	Current
Capital advances	–	–	12.38	–
Balance with Government autorities (other than income taxes)	**90.57**	–	106.53	595.35
Advances to Suppliers				
Considered good	–	**3,493.02**	–	1,798.23
Doubtful	–	**288.22**	–	–
Less: Provision for doubtful advances	–	**(288.22)**	–	–
	–	**3,493.02**	–	1,798.23
Prepaid Expenses	–	**458.84**	–	181.38
Deferred expenses	–	**24.47**	–	17.22
TOTAL	**90.57**	**3,976.33**	118.91	2,592.18

9. Trade receivables

	31 March 2022	31 March 2021
Unsecured, considered good	**11,534.17**	8,836.98
Doubtful	**926.43**	501.10
Less: Allowance for expected credit loss	**(926.43)**	(501.10)
	11,534.17	8,836.98
Dues from related parties	**677.22**	1,049.73

Except for above dues from related parties, there are, no trade or other receivables due from directors or other officers of the Company either severally or jointly with any other person and no trade or other receivable due from firms or private companies respectively in which any director is a partner or a director or a member.

For terms and conditions relating to related party receivables, refer Note 29.

Rs in lakhs

As at 31 March 2022	Outstanding for following periods from date of invoice						
	Unbilled	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	2,338.64	8,697.06	453.83	44.64	–	–	11,534.17
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	–	–	–	539.03	256.69	130.71	926.43
(iii) Undisputed Trade Receivables – credit impaired	–	–	–	–	–	–	–
(iv) Disputed Trade Receivables– considered good	–	–	–	–	–	–	–
(v) Disputed Trade Receivables – which have significant increase in credit risk	–	–	–	–	–	–	–
(vi) Disputed Trade Receivables – credit impaired	–	–	–	–	–	–	–
Trade Receivables Ageing Schedule F22	**2,338.64**	**8,697.06**	**453.83**	**583.67**	**256.69**	**130.71**	**12,460.60**

As at 31 March 2021	Outstanding for following periods from date of invoice						
	Unbilled	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	2,053.77	5,068.16	833.30	881.74	–	–	8,836.97
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	–	–	–	182.96	250.67	67.47	501.10
(iii) Undisputed Trade Receivables – credit impaired	–	–	–	–	–	–	–
(iv) Disputed Trade Receivables– considered good	–	–	–	–	–	–	–
(v) Disputed Trade Receivables – which have significant increase in credit risk	–	–	–	–	–	–	–
(vi) Disputed Trade Receivables – credit impaired	–	–	–	–	–	–	–
Trade Receivables Ageing Schedule F21	**2,053.77**	**5,068.16**	**833.30**	**1,064.70**	**250.67**	**67.47**	**9,338.07**

Refer Note 26 for disclosures related to credit risk, impairment of trade receivables under expected credit loss model and related disclosures.

10. Cash and bank balances

	31 March 2022	31 March 2021
Cash and cash equivalents		
Balances with banks		
– In current accounts	**1,192.21**	1,584.56
– Fixed Deposit with original maturity less than 3 months	–	1,051.41
Cash on hand	**0.41**	0.87
	1,192.62	2,636.84
Other bank balances		
Balances with Banks:		
– Fixed deposits with original maturity greater than 3 months but less than 12 months	**118.24**	127.00
	118.24	127.00

11. Equity share capital

	31 March 2022 Number of shares	**31 March 2022 Amount**	31 March 2021 Number of shares	31 March 2021 Amount
Authorised:				
Number of equity shares of face value Rs 10 each	**90,000,000**	**9,000.00**	90,000,000	9,000.00
Number of Preference Shares of face value Rs.10 each	**75,000,000**	**7,500.00**		
Issued, subscribed and paid up:				
Number of equity Shares of face value Rs 10 each fully paid up	**82,440,171**	**8,244.03**	82,440,171	8,244.03
Less: Equity shares of Rs 10 each fully paid up issued to ESOP Trust constituted under the Employees' Stock Option Scheme (ESOS) but not yet allotted to employees	**2,930,401**	**293.04**	2,930,401	293.04
Total Equity Share Capital	**79,509,770**	**7,950.99**	79,509,770	7,950.99

	31 March 2022		31 March 2021	
	Number of shares	Amount	Number of shares	Amount
0.001% Non-Cumulative Compulsorily Convertible Preference Shares ('NCCCPS') of Rs 10 each issued and fully paid	60,277,500	6,027.75	–	–
Total	**60,277,500**	**6,027.75**	–	–

Note:

The reduction of Rs 293.04 lakhs (29,30,401 Equity shares of Rs 10/- each), (As at 31 March 2020 – Rs. 293.04 lakhs (29,30,401 equity shares of Rs 10/- each)) and Rs 15.87 lakhs ((As at 31 March 2020 – Rs 15.87 lakhs)) from securities premium are in respect of 3,17,423 Equity Shares of face value Rs 10 each issued at a premium in earlier years, held by ESOS Trust as per the Employee Stock Option Scheme (ESOS).

For details of shares reserved for issue under the Share based payment plan of the company, Refer Note No.- 21A.

(i) Reconciliation of the number of equity shares outstanding at the beginning and at the end of the year

	31 March 2022		31 March 2021	
	Number of shares	Amount	Number of shares	Amount
Issued, subscribed and paid up:				
Equity Share Capital				
Balance at the beginning of the year	**79,509,770**	**7,950.99**	78,883,989	7,888.41
Add: shares issued during the year	–	–	625,781	62.58
Adjusted Issued, Subscribed and Paid up share capital	**79,509,770**	**7,950.99**	79,509,770	7,950.99

Terms/ rights attached to equity shares:

The Company has only one class of equity shares having par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts, if any. The distribution will be in proportion to the number of equity shares held by the shareholders.

Terms/ rights attached to Preference Shares

During the year, the Company has Non cumulatative Complusarily Convertiable preference shares having par value of Rs. 10 per share.

Conversion: The Conversion shall be mandatorily made on the earlier of i) next round of external investment in the Company or ii) end of 24 months from the date of allotment of NCCCPS. The Conversion shall be at a price/ rate which is at 10% discount to the value per share as per the valuation at the time of such fund infusion, subject to necessary compliances under FEMA and also subject to minimum floor price of Rs. 223 per NCCCPS. The discount of 10% shall be adjusted to the extent of the dividends paid to the NCCCPS holders. In the event of the next round of fund infusion by an external investment not occurring within the period of 24 months, then at the end of 24 (Twenty Four) months from the date of allotment of the Preference Shares, the NCCCPS would be mandatorily converted into Equity Shares at the minimum floor price of Rs. 223/- (Rupees Two Hundred and Twenty three) per NCCCPS (including a premium of Rs.213 per share).

Dividend: The holders of the NCCPs shall carry a non-cumulative dividend at the fixed rate of 0.001% per year, out of the profits of the company.

Voting and other rights: (i) The preference shares shall carry rights as per the provision of Section 47(2) of the Companies Act, 2013. (ii) The Preference shares shall have priority with respect to payment of dividend and repayment of capital vis-a-vis equity shares.(iii) The Preference shareholder shall not have the right of participation in surplus assets and profits, on winding up of the company, which may remain after the entire capital has been repaid.

Rs in lakhs

(ii) Details of shares held by the holding company and the ultimate holding company

	Number of Shares Equity Shares with Voting rights
As at 31 March 2022	
Mahindra Holdings Limited, Holding Company	40,231,037
Mahindra & Mahindra Limited, Ultimate Holding Company	–

(iii) The details of equity shares held by each shareholder holding more than 5% shares:

	31 March 2022		31 March 2021	
Name of the shareholder	No. of shares	% held	No. of shares	% held
Mahindra Holdings Limited	**40,231,037**	**48.80%**	40,231,037	48.80%
PHI Management Solutions Pvt Ltd	**16,184,054**	**19.63%**	16,184,054	19.63%
Valiant Mauritius Partners FDI Limited	**10,928,388**	**13.26%**	10,928,388	13.26%
Manheim Export SARL	**7,325,181**	**8.89%**	7,325,181	8.89%

(iv) Shares reserved for issue under ESOP options:

ESOPs administered under two schemes by a Trust and the Company, have been granted to certain executives and senior employees which will vest in a period of time ranging from 36 months to 60 months from date of grant. The share option outstanding account is used to recognise the value of equity-settled share-based payments provided to employees, including key management personnel, as part of their remuneration.

For details of shares reserved for issue under the Share based payment plan of the Company, please refer note 21A.

(v) Details of shares held by promoters:

As at 31 March 2022

Promoter Name	Instrument	No of shares	% of Total Shares	% Change during the year
Mahindra Holdings Limited, Holding Company	Equity Shares	40,231,037	48.80%	–
Mahindra Holdings Limited, Holding Company	Convertible Preference Shares	53,613,008	88.94%	100%

As at 31 March 2021

Promoter Name	Instrument	No of shares	% of Total Shares	% Change during the year
Mahindra Holdings Limited, Holding Company	Equity Shares	40,231,037	48.80%	–

(vi) Utilisation of proceeds from issue of Non-Cumulative Compulsorily Convertible Preference Shares ('NCCCPS')

During the year Company has raised a sum of Rs 6027.75 Lakhs by alloting 6,02,77,500 shares of 0.001% Non-Cumulative Compulsorily Convertible Preference Shares ('NCCCPS') of Rs 10 each issued and fully paid.

Particulars	As at 31 March 2022
Proceeds from the issue of Non-Cumulative Compulsorily Convertible Preference Shares ('NCCCPS')	6,027.75
Utilisation during the year	6,027.75
Balance unutilised amount outstanding	–

12. Other Equity

	31 March 2022	31 March 2021
12A) Equity component of compound financial instruments		
Equity component of Non-Cumulative Compulsorily Convertible Preference Shares (NCCCPS)	**6,027.75**	–
Total	**6,027.75**	–

12B) Reserves & Surplus	**31 March 2022**	31 March 2021
Retained earnings	**(22,282.27)**	(19,040.90)
Securities premium	**22,215.09**	22,215.09
Share option outstanding account	**101.06**	76.58
Total	**33.88**	3,250.77

Retained earnings

Balance as at the beginning of the year	**(19,040.90)**	(18,711.14)
(Loss) for the year	**(3,170.01)**	(329.76)
Preference Shares - Issuance Cost	**(71.36)**	–
Balance at the end of year	**(22,282.27)**	(19,040.90)

Securities premium

Particulars

Balance as at the beginning of the year	**22,215.09**	20,898.15
Shares issue at premium	–	1,316.94
Balance as at the end of the year	**22,215.09**	22,215.09

Securities premium is received pursuant to the further issue of equity shares at a premium net of the share issue expenses. This is a non-distributable reserve except for the following instances where the the share premium account may be applied;

i) towards the issue of unissued shares of the Company to the members of the Company as fully paid bonus shares;

ii) for the purchase of its own shares or other securities;

iii) in writing off the preliminary expenses of the Company;

iv) in writing off the expenses of, or the commission paid or discount allowed on, any issue of shares or debentures of the Company; and

v) in providing for the premium payable on the redemption of any redeemable preference shares or of any debentures of the Company.

Share option outstanding account

	31 March 2022	31 March 2021
Balance as at the beginning of the year	**76.58**	65.82
Add:- allotment of shares by ESOP Trust to employees	**24.48**	10.76
Balance at the end of year	**101.06**	76.58

The above reserve relates to share options granted by the Company to its employees under its Employee Share Option Plan (ESOP). Further information about share-based payments to its employees is set out in note 21A.

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Company's revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the share option outstaning account.

Rs in lakhs

12C) Other Reserves	**31 March 2022**	31 March 2021
Equity instruments at fair value through other comprehensive income	**12.93**	12.95
Remeasurements of the defined benefit plans	**12.78**	(10.78)
Total other equity	**25.71**	2.17

Equity instruments through other comprehensive income

Balance as at the beginning of the year	**12.95**	12.30
Remeasurements of the equity instruments through other comprehensive income	**(0.02)**	0.65
Balance at the end of year	**12.93**	12.95

This reserve represents the cumulative gains arising on the revaluation of equity instruments measured at fair value through other comprehensive income. (FVOCI)

Remeasurements of the defined benefit plans

Balance as at the beginning of the year	**(10.78)**	(123.80)
Remeasurements of the defined benefit plans	**23.56**	113.02
Balance at the end of year	**12.78**	(10.78)

This reserve represents the cumulative gains / (losses) arising on remeasurement of the employee's defined benefit plan.

13. Other financial liabilities

	31 March 2022		31 March 2021	
	Non- Current	**Current**	Non- Current	Current
Other financial liabilities measured at amortised cost				
Security Deposits *	–	**2,603.52**	–	2,384.55
Monies adjusted from share capital and reserves and surplus on account of shares held by ESOP trust	**308.91**	–	308.91	–
Capital creditors	–	**139.40**	–	151.99
Other employee related liabilities	–	**675.98**	–	531.64
Total other financial liabilities	**308.91**	**3,418.90**	308.91	3,068.18

Note:

* Deposits are re-payable on demand.

Refer Note 26 for disclosures related to liquidity risk and related financial instrument disclosures.

14. Provisions

	31 March 2022		31 March 2021	
	Non-Current	**Current**	Non-Current	Current
Provision for employee benefits				
– Compensated absences	**681.55**	**150.70**	521.52	106.10
– Gratuity (Refer Note 27)	**553.04**	**64.69**	478.41	51.17
Total provisions	**1,234.59**	**215.39**	999.93	157.27

Rs in lakhs

15. Deferred tax liablities (net)

(i) Movement of Deferred Tax

	31 March 2022		
	As at beginning of the year	**Acquired in Business Combination and recognised in Profit and Loss**	**As at end of the year**
Tax effect of items constituting deferred tax liabilities on account of Business combination	**(22.36)**	**1.57**	**(20.80)**

(i) Movement of Deferred Tax

	31 March 2021		
	As at beginning of the year	Acquired in Business Combination and recognised in Profit and Loss	As at end of the year
Tax effect of items constituting deferred tax liabilities on account of Business combination	(22.65)	0.29	(22.36)

ii) Deferred tax assets have not been recognised in respect of following items, as it is not probable that future taxable profit will be available against which the Company can utilise the benefit therefrom.

	31 March 2022	31 March 2021
Unabsorbed depreciation	**2,550.38**	2,525.01
Unabsorbed business losses	**5,324.89**	5,751.20
Total	**7,875.27**	8,276.21

The unrecognised tax losses carried forward expire as follows:

Expiry Year	**31 March 2022**	31 March 2021
Financial year 2019-2020	**–**	746.62
Financial year 2023-2024	**567.39**	567.39
Financial year 2024-2025	**938.64**	938.64
Financial year 2025-2026	**2,191.97**	2,191.97
Financial year 2026-2027	**772.83**	772.83
Financial year 2027-2028	**783.77**	533.75
Financial year 2028-2029	**70.29**	–
Total	**5,324.89**	5,751.20

The income tax expense for the year can be reconciled to the accounting Loss as follows :

	31 March 2022	31 March 2021
Loss before tax	**(3,077.48)**	(330.05)
Income tax expense calculated at 26%	**(800.14)**	(85.81)
Effect of expenses that is non-deductible in determining taxable profit	**(465.24)**	(207.28)
Effect of unused tax losses for which no deferred tax asset is recognised	**1,265.38**	293.09
	800.14	85.81
Income tax expense recognised in Statement of Profit and Loss	**–**	–

16. Trade Payables

	31 March 2022	31 March 2021
Total outstanding dues of micro enterprises and small enterprises (Refer note 30)	**70.76**	33.61
Total outstanding dues of creditors other than micro enterprises and small enterprises	**9,596.13**	6,467.90
Total Trade Payables	**9,666.89**	6,501.51

As at 31 March 2022	**Outstanding for following periods from date of invoice**					
	Unbilled*	**Less than 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
(i) Total Outstanding dues of Micro enterprises and Small Enterprises	–	**70.76**	–	–	–	70.76
(ii) Total outstanding dues of Creditors other than Micro enterprises and Small Enterprises	**4,420.83**	**3,364.46**	**1,294.58**	**295.86**	**220.40**	9,596.13
(iii) Disputed dues of Micro enterprises and Small Enterprises	–	–	–	–	–	–
(iv) Disputed dues of Creditors other than Micro enterprises and Small Enterprises	–	–	–	–	–	–

As at 31 March 2021	**Outstanding for following periods from date of invoice**					
	Unbilled*	**Less than 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
(i) Total Outstanding dues of Micro enterprises and Small Enterprises	–	**33.61**	–	–	–	33.61
(ii) Total outstanding dues of Creditors other than Micro enterprises and Small Enterprises	**3,089.57**	**2,555.00**	**363.78**	**249.36**	**210.19**	6,467.90
(iii) Disputed dues of Micro enterprises and Small Enterprises	–	–	–	–	–	–
(iv) Disputed dues of Creditors other than Micro enterprises and Small Enterprises	–	–	–	–	–	–

*Unbilled trade payables shall include accruals which are not classified as provisions under Ind AS 37.

Refer Note 26 for disclosures related to liquidity risk and related financial instrument disclosures.

Rs in lakhs

17. Other Non Financial Liabilities

		31 March 2022	31 March 2021
Contract liabilities		**1,159.57**	1,832.74
Government dues			
i)	Provident fund	**91.34**	64.05
ii)	Employees' state insurance and Profession tax	**2.52**	2.34
iii)	Tax deducted at source	**392.24**	168.30
iv)	Goods and Services Tax (GST)	**317.23**	498.74
v)	Others	**37.63**	83.37
Total other liabilities		**2,000.53**	2,649.54

18. Revenue from operations

	31 March 2022	31 March 2021
Revenue from contract with customers:-		
Sale of products	**60,408.26**	26,030.81
Sale of services	**23,841.19**	14,646.14
Other operating revenues	**661.88**	601.33
	84,911.33	41,278.28

The management determines that the segment information reported under Note 18 above Segment information is sufficient to meet the disclosure objective with respect to disaggregation of revenue under Ind AS 115 Revenue from contract with customers.

Reconciliation of revenue from sale of products	**31 March 2022**	31 March 2021
Revenue as per contracted price	**60,408.26**	26,030.81
Sales returns	**–**	–
Rebates/ Discounts	**–**	–
Sale of products	**60,408.26**	26,030.81

Contract Balances	**31 March 2022**	31 March 2021
Trade receivables (Note 9)	**11,534.17**	8,836.98
Contract assets	**–**	–
Contract Liabilities (Note 17)	**1,159.57**	1,832.74

Significant changes in contract assets and liabilities during the period	**31 March 2022**	31 March 2021
Revenue recognised that was included in the contract liability balance at the beginning of the period	**1,832.74**	1,011.83
Sale of services comprises of:		
– Franchisee fees	**1,811.94**	1,509.20
– Commission income	**2,021.23**	1,523.30
– Vehicle valuation fees	**4,550.47**	2,979.96
– Vehicle preinspection fees	**1,689.63**	1,668.43
– Yard management parking fees	**9,868.31**	5,109.12
– Indian blue book income	**919.03**	516.94
– Other services	**2,980.58**	1,339.19
Revenue from rendering of services	**23,841.19**	14,646.14

Significant changes in contract assets and liabilities during the period	**31 March 2022**	31 March 2021
Other operating revenues comprises of:		
– Warranty income	**415.37**	426.28
– Forfeiture of Earnest Money Deposits collected	**246.51**	175.05
Other operating revenues	**661.88**	601.33

19. Other Income

	31 March 2022	31 March 2021
Interest Income (On financial assets measured at amortised cost)		
– On corporate deposits	**–**	184.37
– On inter-corporate deposits	**77.92**	189.34
– Bank deposits	**36.04**	12.90
– Others	**108.55**	32.03
Operating lease rental income	**43.64**	45.24
Net gain recorded in profit or loss on sale of Mutual Funds	**19.64**	–
Sundry balances written back (net)	**338.85**	**153.78**
Total Other Income	**624.64**	617.66

20. Changes in inventories of stock-in-trade

	31 March 2022	31 March 2021
Opening Stock-in-trade	**2,159.36**	794.59
Closing Stock-in-trade	**4,170.29**	2,159.36
Changes in inventories of stock-in-trade	**(2,010.93)**	(1,364.77)

21. Employee benefits expense

	31 March 2022	31 March 2021
Salaries and wages, including bonus (Refer Note 27)	**8,624.12**	6,093.51
Contribution to provident and other funds (Refer Note 27)	**477.44**	347.31
Share based payments to employees (see Note 21A)	**24.48**	10.75
Staff welfare expenses	**132.70**	111.44
Total Employee benefits expense	**9,258.74**	6,563.01

21A Employee share option plan of the company

1.1. Details of the employees share option plan of the Company

Mahindra First Choice Wheels Limited has share option schemes under which the employees have an option to subscribe for the Company's shares which have been granted to certain executives and senior employees. The share-based payment reserve is used to recognise the value of equity-settled share-based payments provided to employees, including key management personnel, as part of their remuneration.

Each employee share option converts into the equity share of the Company on exercise. No amounts are paid or payable by the recipient on receipt of the option. The options carry neither rights to dividends nor voting rights. Options may be exercised at any time from the date of vesting to the date of expiry.

The number of options granted is calculated in accordance with the performance-based formula approved by shareholders at the previous annual general meeting and is subject to approval by the remuneration committee. The formula rewards executives and senior employees to the extent of the Company's and the individual's achievement judged against both qualitative and quantitative criteria from various financial and customer service measures.

The Company has framed an Equity settled "Employee Stock Option Scheme (ESOS), 2010" for its employees. It has a trust viz. Mahindra First Choice Wheels Limited Employees' Stock Option Trust" (ESOS trust), which would hold the shares for the benefit of the eligible employees, including Directors of the Company and its subsidiaries. In addition to the above, the Company has also settled "Employee Stock Option Scheme (ESOS), 2015" for its employees.

The following share-based payment arrangements were in existence during the current and prior years.

Rs in lakhs

Options series	Number	Grant date	Expiry date	Exercise price	Fair value at grant date (Rs per option)
1	23,36,483	04-Oct-10	03-Oct-15	10	0.70
2	9,21,817	31-Aug-12	30-Aug-17	10	2.46
3	7,52,226	25-Apr-13	20-Apr-18	10	2.93
4	2,67,463	02-Sep-13	01-Sep-18	10	2.93
5	16,76,702	30-Jul-15	29-Jul-20	10	0.69
6	1,15,357	27-Jan-16	26-Jan-21	10	0.69
7	3,75,307	25-Oct-16	24-Oct-21	10	1.25
8	33,937	25-Jan-17	24-Jan-22	10	1.25
9	57,348	27-Jul-17	26-Jul-22	10	2.41
10	4,48,180	16-Oct-17	15-Oct-22	10	2.41
11	3,08,555	15-Oct-18	14-Oct-23	10	2.49
12	61,348	16-Jan-19	16-Jan-24	10	2.49
13	1,58,802	21-Oct-19	21-Oct-24	10	4.14
14	2,37,003	03-Feb-20	03-Feb-25	10	4.14
15	84,148	18-May-20	18-May-25	10	3.52
16	32,059	19-Oct-20	19-Oct-25	10	4.04
17	2,42,023	20-Jan-21	20-Jan-26	10	4.04
18	38,351	20-Jan-21	20-Jan-22	10	4.04
19	1,54,390	18-Feb-21	18-Feb-26	10	4.06
20	36,559	29-Apr-21	29-Apr-26	10	7.79
21	4,84,501	22-Jul-21	22-Jul-26	10	7.76
22	4,99,765	28-Jan-22	28-Jan-27	10	15.04

1.2 Fair value of share options granted in the year

Inputs into the model	Option series																					
Options series	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**	**11**	**12**	**13**	**14**	**15**	**16**	**17**	**18**	**19**	**20**	**21**	**22**
Grant date share price (Rs.)	5/-	8/-	9/-	9/-	5/-	5/-	6/-	6/-	8/-	8/-	7/-	7/-	8/-	8/-	8/-	8/-	8/-	8/-	8/-	8/-	8/-	8/-
Exercise price (Rs.)	10/-	10/-	10/-	10/-	10/-	10/-	10/-	10/-	10/-	10/-	10/-	10/-	10/-	10/-	10/-	10/-	10/-	10/-	10/-	10/-	10/-	10/-
Expected volatility	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Option life (Years)	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	1	5	5	5	5
Dividend yield	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%
Risk-free interest rate	7.64%-8.38%	8.16%-8.36%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	6.25%	6.25%	5.76%		5.96%-6.08%				6.14%-6.77%	

1.3 Movements in share options during the year

The following reconciles share options outstanding at the beginning and end of the year:

	31 March 2022		31 March 2021	
	Number of options	**Weighted average exercise price**	Number of options	Weighted average exercise price
Balance at beginning of the year	**40,90,085**	**Rs. 10**	37,64,006	Rs. 10
Granted during the year	**10,20,825**	**Rs. 10**	5,50,971	Rs. 10
Forfeited during the year	**5,72,101**	–	1,81,541	–
Exercised during the year	–	–	5,000	–
Lapsed / expired during the year	–	**Rs. 10**	38,351	Rs. 10
Balance at end of the year	**45,38,809**	**Rs. 10**	40,90,085	Rs. 10

All outstanding options are exercisable at the end of the respective reporting period.

1.4 Share options outstanding at the end of the year

The share option outstanding at the end of the year had weighted average exercise price of Rs.10 (as at 31 March 2021: Rs. 10), and the weighted average remaining contractual life of 33 months (as at 31 March 2021: 33 months).

22. Finance cost

	31 March 2022	31 March 2021
Interest expense		
– On leased assets	**72.64**	100.32
Total Finance cost	**72.64**	100.32

23. Other Expenses

	31 March 2022	31 March 2021
Power and fuel	**43.31**	22.49
Repairs and maintenance - others	**197.42**	52.27
Rent - yards	**7,574.26**	3,408.92
Rent - others	**90.21**	18.88
Rates and taxes	**0.59**	1.76
Warranty related expenses	**56.05**	107.99
Vehicle valuation expenses	**2,186.38**	1,368.40
Preinspection expenses	**1,391.47**	1,370.75
Repo Management expenses	**956.78**	**224.14**
Field Inspection expenses	**123.53**	**19.26**

Rs in lakhs

	31 March 2022	31 March 2021
Printing and stationary	**36.47**	22.38
Office expenses	**79.00**	36.51
Bad debts written off (net)	**131.74**	—
Information technology costs	**957.79**	521.74
Internet charges	**42.92**	30.93
Communication charges	**285.78**	165.11
Insurance charges	**159.34**	89.64
Allowance for Expected Credit Losses	**425.33**	116.26
Provision for doubtful advances	**288.22**	–
Auditor's remuneration and out-of-pocket expenses (See Note below)	**26.00**	22.00
Director Sitting Fees	**6.75**	5.40
Professional fees	**1,225.19**	979.38
Advertisement, promotion and selling expenses	**2,434.15**	471.96
Travelling expenses	**663.92**	251.22
Loss/(Gain) on sale / discardment of Property, plant and equipment	**42.84**	(0.91)
Commission expenses	**306.25**	296.99
Miscellaneous expenses	**258.74**	198.83
Total Other Expenses	**19,990.43**	9,802.30

Note:

Auditor's remuneration and out-of-pocket expenses details:		
Audit Fees	**26.00**	22.00
Reimbursement of expenses	**—**	—
Total	**26.00**	**22.00**

24. Earnings per share

Basic and Diluted Earnings Per Share

Particulars	**Year ended 31 March 2022 Per Share**	Year ended 31 March 2021 Per Share
Basic and Diluted loss per share (Rs.)	**(3.99)**	(0.42)

The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:

	31 March 2022	31 March 2021
Loss for the year	**(3,170.01)**	(329.76)
Weighted average number of equity shares used in the calculation of basic and diluted earnings per share.	**7,95,09,770**	7,91,44,939
Basic loss per share (Rs.)	**(3.99)**	(0.42)
Weighted average number of equity shares for the purpose of dilutive earnings per share	**10,83,52,270**	7,91,44,939
Diluted loss per share (Rs.)	**#**	#

The effect of conversion of 0.001% non-cumulative compulsorily convertible preference shares ('NCCCPS') being anti-dilutive, has not been considered for the purpose of computing diluted loss per share

25. Contingent liabilities and commitments

Claims against the Company not acknowledged as debts comprise of:

Demands raised by Income tax department where the Company is in appeal	**35.98**	35.98
Demand raised by VAT & GST Department where the Company is in appeal	**770.84**	350.60
Total	**806.82**	386.58

Note: In respect of above items, till the matters are finally decided, the financial effect cannot be ascertained.

In February 2019, Supreme court of India in its judgement opined on the applicability of allowances that should be considered to measure obligation under Employee Provident Fund Act, 1952. The Company has been legally advised that there are interpretative challenges on the application of judgement retrospectively and therefore has currently not considered any probable obligation for past period.

26. Financials Instruments

Capital management

The company's capital management objectives are:
- to ensure the company's ability to continue as a going concern
- to maximise the shareholders value.

'The company sets the amount of capital in proportion to its overall financing structure, i.e. equity and financial liabilities. The company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

Categories of financial assets and financial liabilities

			31 March 2022	
Particulars	**Amortised Cost**	**Fair value through Profit or loss**	**Fair Value through other comprehensive income**	**Total**
Non-current Assets				
Investments	6,497.69	–	13.95	6,511.64
Loans	329.95	–	–	329.95
Bank deposits with more than 12 months maturity	4.16	–	–	4.16
Security Deposits	148.14	–	–	148.14
Other financial assets	90.57	–	–	90.57
Current Assets				
Trade receivables	11,534.17	–	–	11,534.17
Cash and Cash equivalents	1,192.62	–	–	1,192.62
Bank balances other than cash and cash equivalents	118.24	–	–	118.24
Secutiry Deposits	165.42	–	–	165.42
Loans	14.65	–	–	14.65
Other financial assets	5.86	–	–	5.86
Other non-financial assets	3,976.33	–	–	3,976.33
Non-current Liabilities				
Other Financial Liabilities				
Lease Liability	160.18	–	–	160.18
Shares held by ESOS trust	308.91	–	–	308.91
Current Liabilities				
Lease Liability	499.65			499.65
Trade payables	9,666.89	–	–	9,666.89
Other financial liabilities				
Deposits received from dealers	2,603.52	–	–	2,603.52
Capital creditors	139.40	–	–	139.40
Other employee related liabilities	675.98	–	–	675.98
Others non-financial liabilities	2,000.53	–	–	2,000.53

Rs in lakhs

Particulars	Amortised Cost	Fair value through Profit or loss	Fair Value through other comprehensive income	Total
				31 March 2022
Non-current Assets				
Investments	**3,497.71**	–	**13.97**	**3,511.68**
Security Deposits	**284.34**	–	–	**284.34**
Loans	**2,822.54**	–	–	**2,822.54**
Bank deposits with more than 12 months maturity	**152.83**	–	–	**152.83**

31 March 2021

Particulars	Amortised Cost	Fair value through Profit or loss	Fair Value through other comprehensive income	Total
Current Assets				
Trade receivables	8,836.98	–	–	8,836.98
Cash and cash equivalents	2,636.84	–	–	2,636.84
Bank balances other than cash and cash equivalents	127.00	–	–	127.00
Loans	10.56	–	–	10.56
Security Deposits	5.50	–	–	5.50
Other financial assets	27.92	–	–	27.92
Other non-financial assets	2,592.18	–	–	2,592.18
Non-current Liabilities				
Other Financial Liabilities				
Lease Liability	602.81	–	–	602.81
Shares held by ESOS trust	308.91	–	–	308.91

31 March 2021

Particulars	Amortised Cost	Fair value through Profit or loss	Fair Value through other comprehensive income	Total
Current Liabilities				
Lease Liability	540.79	–	–	540.79
Trade payables	6,501.51	–	–	6,501.51
Other financial liabilities				
Deposits received from dealers	2,384.55	–	–	2,384.55
Capital creditors	151.99	–	–	151.99
Other employee related liabilities	531.64	–	–	531.64
Other non-financial liabilities	2,649.54	–	–	2,649.54

CREDIT RISK

(i) Credit risk management

Credit Risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Company's exposure are continuously monitored.

Trade Receivables

The Company applies the simplified approach to providing for expected credit losses prescribed by Ind AS 109, which permits the use of the lifetime expected loss provision for all trade receivables. The Company has computed expected credit losses based on a provision matrix which uses historical credit loss experience of the Company. Forward-looking information (including macroeconomic information) has been incorporated into the determination of expected credit losses. The Company has taken security deposits which are considered as collateral and these are considered in determination of expected credit losses, where applicable.

Amounts pertaining to these collaterals are as given below:-

		Outstanding for following periods from date of invoice					
As at 31 March 2022	**Unbilled**	**Less than 6 months**	**6 months - 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
(i) Undisputed Trade receivables – considered good	2,338.64	8,697.06	453.83	44.64	–	–	11,534.17
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	–	–	–	539.03	256.69	130.71	926.43
(iii) Undisputed Trade Receivables – credit impaired	–	–	–	–	–	–	–
(iv) Disputed Trade Receivables– considered good	–	–	–	–	–	–	–
(v) Disputed Trade Receivables – which have significant increase in credit risk	–	–	–	–	–	–	–
(vi) Disputed Trade Receivables – credit impaired	–	–	–	–	–	–	–
Trade Receivables Ageing Schedule F22	**2,338.64**	**8,697.06**	**453.83**	**583.67**	**256.69**	**130.71**	**12,460.60**

		Outstanding for following periods from date of invoice					
As at 31 March 2021	Unbilled	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	2,053.77	5,068.16	833.30	881.74	–	–	6,783.20
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	–	–	–	182.96	250.67	67.47	501.10
(iii) Undisputed Trade Receivables – credit impaired	–	–	–	–	–	–	–
(iv) Disputed Trade Receivables– considered good	–	–	–	–	–	–	–
(v) Disputed Trade Receivables – which have significant increase in credit risk	–	–	–	–	–	–	–
(vi) Disputed Trade Receivables – credit impaired	–	–	–	–	–	–	–
Trade Receivables Ageing Schedule F21	2,053.77	5,068.16	833.30	1,064.70	250.67	67.47	7,284.30

In respect of other financial assets, the maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of financial assets.

Reconciliation of loss allowance provision for Trade receivables

Particulars	31 Mar 2022	31 Mar 2021
Balance as at beginning of the year	**501.10**	598.50
Impairment losses recognised in the year based on lifetime expected credit losses	**425.33**	116.26
Amounts written off during the year as uncollectible	**–**	(213.66)
Balance at end of the year	**926.43**	501.10

Particulars	Unbilled	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years
Default rate	0%	0%	0%	92%	100%	100%

MARKET RISK

Market risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk namely: currency risk and interest rate risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

LIQUIDITY RISK

(i) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, which provides guidance for the management of the Company's short-, medium- and long-term funding and liquidity management requirements. The Company manages liquidity risk by efficient management of surplus cash and by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

(ii) Maturity profile of financial liabilities

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The amount disclosed in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay.

Rs in lakhs

Particulars	Less than 1 Year	1-3 Years	3 Years to 5 Years	5 years and above
Non-derivative financial liabilities				
31 March 2022				
Non-interest bearing				
- Trade payable for goods and services	**9,666.89**	–	–	–
- Security Deposit	**2,603.52**	–	–	–
- Capital creditors	**139.40**	–	–	–
- Shares held by ESOS trust	–	–	–	**308.91**
- Other employee related liabilities	**675.98**	–	–	–
Total	**13,085.79**	–	–	**308.91**
31 March 2021				
Non-interest bearing				
- Trade payable for goods and services	6,501.52	–	–	–
- Security Deposit	2,384.55	–	–	–
- Capital creditors	151.99	–	–	–
- Shares held by ESOS trust	–	–	308.91	–
- Other employee related liabilities	531.64	–	–	–
Total	9,569.70	–	308.91	–

27. Employee benefits

(a) Defined Contribution Plan

The Company's contribution to Provident Fund aggregating Rs. 477.44 lakhs (31 March 2021: Rs.347.31 lakhs) has been recognised in the Statement of Profit and Loss.

(b) Defined Benefit Plans:

Gratuity

The Company operates a gratuity plan covering qualifying employees. The benefit payable is the greater of the amount calculated as per the Payment of Gratuity Act, 1972 or the Company scheme applicable to the employee. The benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. In case of death while in service, the gratuity is payable irrespective of vesting.

Through its defined benefit plans the Company is exposed to a number of risks, the most significant of which are detailed below:

Asset volatility

The plan liabilities are calculated using a discount rate set with references to government bond yields; if plan assets under perform compared to the government bonds discount rate, this will create or increase a deficit.

Changes in bond yields

A decrease in government bond yields will increase plan liabilities.

Inflation risk

Some of the Company's pension obligations are linked to inflation, and higher inflation will lead to higher liabilities. Thus, an increase in inflation will also increase the deficit to some extent.

Life expectancy

The majority of the plan's obligations are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the plan's liabilities. This is particularly significant in the Company's defined benefit plans, where inflationary increases result in higher sensitivity to changes in life expectancy.

The significant actuarial assumptions used for the purposes of the actuarial valuations were as follows:

	Valuation as at	
	31 March 2022	31 March 2021
Discount rate(s)	**6.90%**	6.35%
Expected rate(s) of salary increase	**8.00%**	8.00%

	Unfunded Plan Gratuity	
	31 March 2022	31 March 2021
Amounts recognised in comprehensive income in respect of these defined benefit plans are as follows:		
I. Amounts recognised in profit or loss		
Current Service Cost	**118.64**	121.46
Past service cost	**–**	–
Net interest expense	**32.00**	33.51

Rs in lakhs

	Unfunded Plan Gratuity	
	31 March 2022	31 March 2021
Total amount included in employee benefit expense	**150.64**	154.97
II. Amounts recognised in other comprehensive income		
Remeasurement (gain)/losses:		
Actuarial (gain)/losses arising from changes in -		
– financial assumptions	**(28.20)**	(69.00)
– experience adjustments	**4.64**	(44.02)
– demographic adjustments	**–**	–
Total amount recognised in other comprehensive income	**(23.56)**	(113.02)
III. Changes in the obligation		
Opening defined benefit obligation	**529.59**	526.58
Current service cost	**118.64**	121.46
Past service cost	**–**	–
Interest expense	**32.00**	33.51
Remeasurement gains / (losses) arising from changes in -		
i. Demographic Assumptions	**–**	–
ii. Financial Assumptions	**(28.20)**	(69.00)
iii. Experience Adjustments	**4.64**	(44.02)
Benefits paid	**(38.94)**	(38.94)
Closing defined benefit obligation	**617.74**	529.59
Current portion of the above	**64.69**	51.17
Non-Current portion of the above	**553.04**	478.41
	31 March 2022	31 March 2021
IV. Actuarial assumptions		
1. Discount rate	**6.90%**	6.35%
2. Attrition rate		
Age in Years 21-44	**18.00%**	18.00%
Age in Years 45-59	**1.00%**	1.00%
3. Medical premium inflation	**7.00%**	7.00%

SENSITIVITY ANALYSIS	**31 March 2022**		31 March 2021	
	Discount Rate	**Salary Escallation Rate**	Discount Rate	Salary Escallation Rate
Defined Benefit obligation plus 100bps	**571.72**	**662.52**	489.10	569.88
Defined Benefit obligation minus 100bps	**670.72**	**577.40**	576.31	493.62

The above sensitivities analysis have been calculated to show the movement in defined benefit obligation in isolation and assuming there are no other changes in market conditions at the accounting date. There have been no changes from the previous period in the methods and assumptions used in preparing the sensitivity analysis.

PROJECTED PLAN CASH FLOW

The table below shows the expected cash flow profile of the benefits to be paid to the current membership of the plan based on past service of the employees as at the valuation date.

Maturity Profile	**31 March 2022**	31 March 2021
Expected Benefits for Year 1	**64.69**	51.17
Expected Benefits for Year 2	**73.18**	50.82
Expected Benefits for Year 3	**73.26**	56.96
Expected Benefits for Year 4	**86.81**	73.40
Expected Benefits for Year 5	**62.79**	69.74
Expected Benefits for Year 6	**40.81**	45.36
Expected Benefits for Year 7	**33.47**	28.76
Expected Benefits for Year 8	**29.86**	23.24
Expected Benefits for Year 9	**42.94**	20.34
Expected Benefits for Year 10 and above	**724.18**	585.37

The weighted average duration of the defined benefit obligation as at 31 March 2022 is 7.98 years (31 March 2021: 8.20 years)

Experience Adjustments:	**Year Ended**				
	2022	2021	2020	2019	2018
	Gratuity				
1. Defined Benefit Obligation	**617.74**	529.59	526.58	401.82	362.46
2. Fair value of plan assets	–	–	–	–	–
3. Surplus/(Deficit)	**(617.74)**	(529.59)	(526.58)	(401.82)	(362.46)
4. Experience adjustment on plan liabilities [(Gain)/Loss]	**4.64**	(44.02)	(18.64)	(6.76)	23.25
5. Experience adjustment on plan assets [Gain/(Loss)]	–	–	–	–	–

The estimate of future salary increases, considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Rs in lakhs

28. Fair Value Measurement

Fair Valuation Techiques and Inputs used - Recurring Items

Financial assets/ financial liabilities	Fair value as at 31 March 2022	Fair value as at 31 March 2021	Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable input(s)	Relationship of unobservable inputs to fair value and sensitivity
1) Investment in equity instruments at amortised cost (Unquoted)	**6,497.69**	3,497.71	Level 3	Unquoted bid prices	Long term revenue growth rates.	An increase in the long-term revenue growth rates used in isolation would result in a significant increase in the fair value.
2) Investment in equity instruments at FVTOCI (Unquoted)	**13.95**	13.97	Level 3	Unquoted bid prices	Long term revenue growth rates.	An increase in the long-term revenue growth rates used in isolation would result in a significant increase in the fair value.

Reconciliation of Level 3 fair value measurements of financial instruments measured at fair value

Particulars	31 March 2022	31 March 2021
Opening balance (investment in The Zoroastrian Co-operative Bank Ltd.)	**13.97**	13.32
Total gains or losses:		
– In other comprehensive income	**(0.02)**	0.65
Closing balance	**13.95**	13.97

Fair value of financial assets and financial liabilities that are not measured at fair value i.e. measured using amortised cost

The carrying value of other financial assets and liabilities represent reasonable estimate of fair value.

Fair Valued Hierarchy as at 31 March 2022

	Level 1	Level 2	Level 3	Total
Financial assets				
Non- Current Financial Assets carried at Amortised Cost				
– Non-current investments	–	–	**6,497.69**	**6,497.69**
Current Financials Assets carried at Amortised Cost				
– Current Investments	–	–	–	–
TOTAL	–	–	**6,497.69**	**6,497.69**
Financial liabilities				
Non-Current Financial liabilities not carried at Fair Value				
– Deposits received from Dealers	–	–	–	–
– Shares held by ESOS trust	–	–	**308.91**	**308.91**
Current Financial liabilities not carried at Fair Value				
– Trade payable for goods & services	–	–	**9,666.89**	**9,666.89**
– Deposits received from Dealers	–	–	**2,603.52**	**2,603.52**
– Capital creditors	–	–	**139.40**	**139.40**
– Other employee related liabilities	–	–	**675.98**	**675.98**
– Others	–	–	–	–
Total	–	–	**13,394.70**	**13,394.70**

Fair Valued Hierarchy as at 31 March 2021

	Level 1	Level 2	Level 3	Total
Financial assets				
Non- Current Financial Assets carried at Amortised Cost				
– Non-current investments	–	–	3,497.71	3,497.71
Current Financials Assets carried at Amortised Cost				
– Current Investments	–			–
TOTAL	–	–	3,497.71	3,497.71

Rs in lakhs

	Level 1	Level 2	Level 3	Total
Financial liabilities				
Non-Current Financial liabilities not carried at Fair Value				
– Deposits received from Dealers	–	–	–	–
– Shares held by ESOS trust	–	–	308.91	308.91
Current Financial liabilities not carried at Fair Value				
– Trade payable for goods & services	–	–	6,501.52	6,501.52
– Deposits received from Dealers	–	–	2,384.55	2,384.55
– Capital creditors	–	–	151.99	151.99
– Other employee related liabilities	–	–	531.64	531.64
Total	–	–	9,878.61	9,878.61

29. Related Party Transactions:

List of Related Parties and Relationships:

Mahindra & Mahindra Limited	Ultimate Holding Company
Mahindra Holdings Limited	Holding Company
Mahindra & Mahindra Financial Services Limited	Fellow Subsidiary Company
Mahindra Integrated Business Solutions Private Limited (Formerly known as Mahindra BPO Services Private Limited)	Fellow Subsidiary Company
Mahindra First Choice Services Limited	Fellow Subsidiary Company
Mahindra Agri Solutions Limited	Fellow Subsidiary Company
Mahindra Summit Agriscience Limited	Fellow Subsidiary Company
NBS International Limited	Fellow Subsidiary Company
Mahindra Rural Housing Finance Limited	Fellow Subsidiary Company
Mahindra Two Wheelers Limited	Fellow Subsidiary Company
Mahindra Holiday & Resorts India Limited	Fellow Subsidiary Company
Mahindra Lifespace Developers Limited	Fellow Subsidiary Company
Mahindra Retail Limited	Fellow Subsidiary Company
Mahindra Emarket Limited	Fellow Subsidiary Company
Mahindra Chemical & Engineering	Fellow Subsidiary Company
Meru Mobility Tech Private Ltd	Fellow Subsidiary Company
Mahindra Vehicle Manufacturers Limited	Fellow Subsidiary Company
MFCWL Employees Stock Option Trust	ESOS Trust Company
Fifth Gear Ventures Limited (w.e.f. 17 Jan 2020)	Wholly Owned Subsidiary Company
Mahindra MSTC Recycling Pvt Ltd	Fellow Subsidiary Company
Tech Mahindra	Associates
Ashutosh Pandey (w.e.f. 2 July 2018)	Chief Executive Officer - Key Management Personnel
V. Janakiraman	Chief Financial Officer - Key Management Personnel

Details of transaction between the company and other related parties are disclosed below:

	31 March 2022	31 March 2021
Trade Payables		
Ultimate holding company	**807.24**	759.51
Fellow subsidiary companies		
Mahindra Integrated Business Solutions Private Limited	**19.35**	26.57
NBS International Limited	**0.08**	0.58
Wholly owned subsidiary Company	**89.66**	
Trade Receivables		
Fellow Subsidiary Companies		
Mahindra & Mahindra Financial Services Limited	**671.05**	540.50
NBS International Limited	**0.59**	0.57
Mahindra Rural Housing Finance Limited	**5.58**	32.49
Wholly owned subsidiary Company		476.17
Inter Corporate Deposits (ICD)		
Fellow subsidiary companies		
Mahindra Rural Housing Finance Limited	**–**	2,500
Loan Given		
MFCWL Employees Stock Option Trust	**319.19**	318.96
Investments		
Wholly Owned Subsidiary Company		
Fifth Gear Ventures Limited	**6,497.69**	500.00
Purchases		
Ultimate holding company	**237.14**	131.91
Fellow subsidiary companies		
Mahindra & Mahindra Financial Services Limited	**23,266.68**	8,737.02
Mahindra First Choice Services Ltd.	**–**	42.94
Expenditure		
Rent		
Ultimate holding company	**10.00**	13.05
Fellow subsidiary companies		
Mahindra Two Wheelers Limited	**–**	1.86
Mahindra First Choice Services Limited	**–**	1.13
Wholly Owned Subsidiary Company		
Fifth Gear Ventures Limited	**43.64**	43.64

Rs in lakhs

	31 March 2022	31 March 2021
Sales Promtion Expenses		
Wholly Owned Subsidiary Company		
Fifth Gear Ventures Limited	**154.46**	–
Reimbursement of Cost		
Ultimate holding company	**13.97**	–
Fellow subsidiary companies		
Mahindra Emarket Limited	**146.97**	62.93
Mahindra Chemical & Engineering	**–**	57.64
Meru Mobility Tech Private Ltd	**0.51**	2.91
Wholly Owned Subsidiary Company		
Fifth Gear Ventures Limited	**144.55**	–
Refurbishment Expenses		
Fellow subsidiary companies		
NBS International Limited	**0.74**	–
Wholly Owned Subsidiary Company		
Fifth Gear Ventures Limited	**11.02**	–
Server Software & Telephone Cost		
Wholly Owned Subsidiary Company		
Fifth Gear Ventures Limited	**30.26**	–
Travelling Expenses		
Wholly Owned Subsidiary Company		
Fifth Gear Ventures Limited	**0.51**	–
Professional Fees		
Ultimate holding company	**554.29**	587.17
Fellow subsidiary companies		
Mahindra Integrated Business Solutions Private Limited	**98.48**	64.40
Tech Mahindra	**73.00**	–
Wholly Owned Subsidiary Company		
Fifth Gear Ventures Limited	**196.35**	140.22
Interest Received on ICD		
Mahindra Rural Housing Finance Limited	**77.92**	189.34
Interest Received from Subsidiary		
Wholly Owned Subsidiary Company		
Fifth Gear Ventures Limited	**83.88**	–
Purchase of Leads		
Wholly Owned Subsidiary Company		
Fifth Gear Ventures Limited	**473.88**	32.90
Income from Services		
Ultimate holding company	**123.34**	40.19
Fellow Subsidiary Companies		
Mahindra First Choice Services Limited		–
Mahindra & Mahindra Financial Services Limited	**1,513.57**	903.68
NBS International Limited	**6.32**	4.64
Mahindra MSTC Recycling Pvt Ltd	**18.59**	–

	31 March 2022	31 March 2021
Recovery From Group Companies		
Ultimate holding company	–	1.21
Fellow Subsidiary Companies		
Wholly owned subsidiary company	**2,850.08**	411.14
Key Management Personnel Remuneration		
Chief Financial Officer, Chief Executive Officer and Managing Director	**378.80**	342.28

30. Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

	31 March 2022	31 March 2021
i. The principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier at the end of each accounting year	**70.76**	33.61
ii. The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	**–**	–
iii. The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	**–**	–
iv. The amount of interest accrued and remaining unpaid at the end of each accounting year	**–**	–
v. The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	**–**	–
vi. Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.	**–**	–

Rs in lakhs

31. Ratio Analysis

Sr No	Ratio	Numerator	Denominator	Current Period	Previous Period	% Variance	Reason for Variance
1	Current Ratio	Current Assets	Current Liabilities	1.3	1.3	1%	
2	Debt-Equity Ratio	Total Debt	Shareholder's Equity	Not applicable since company does not have any borrowings			
3	Debt Service Coverage Ratio	Earnings for debt service = Net profit after taxes + Non-cash operating expenses	Debt service = Interest & Lease Payments + Principal Repayments	Not applicable since company does not have any borrowings			
4	Return on Equity Ratio	Net Profits after taxes – Preference Dividend	Average Shareholder's Equity	-25%	-3%	733%	Due to Lower margin revenue share increased current year losses drives this ratio
5	Inventory Turnover Ratio	Cost of goods sold	Average Inventory	18.49	16.96	9%	
6	Trade Receivables Turnover Ratio	Net credit sales = Gross credit sales - sales return	Average Trade Receivable	8.34	6.48	29%	Variance in ratio is on account of increase in sales
7	Trade Payables Turnover Ratio	Net credit purchases = Gross credit purchases - purchase return	Average Trade Payables	7.49	4.16	80%	Variance on account of increase in payables credit period.
8	Net Capital Turnover Ratios	Net sales = Total sales - sales return	Working capital = Current assets – Current liabilities	15.79	9.64	64%	Variance in ratio is on account of increase in sales
9	Net Profit Ratio	Net Profit	Net sales = Total sales - sales return	-4%	-1%	300%	Due to Lower margin revenue share increased current year losses drives this ratio
10	Return on Capital Employeed Ratio	Earnings before interest and taxes	"Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability"	-22%	-3%	633%	Current year, there is Preference Shares infusion drives Capital employeed
11	Return on Investment Ratio	Interest (Finance Income)	Average of (Fixed Deposits + Inter Company Deposit + Advances in nature loans)	7%	4%	75%	Variance in ratio is on account of maturiy of ICD during current year

32. Stuck-off Companies details:

Name of struck off Company	Nature of transactions with struck-off Company	Balance outstanding as at 31st Mar 2022	Balance outstanding as at 31st Mar 2021	Relationship with the struck off company, if any, to be disclosed
AB Motors Private Limited	Receivables	0.42	9.85	Not Applicable
Automax Solutions India Private Limited	Receivables	0.71	–	Not Applicable
Ayushman Infotech Private Limited	Receivables	0.07	–	Not Applicable
Gehlot Cars Private Limited	Payables	(0.18)	–	Not Applicable
Leader Ship Centre Private Limited	Payables	(0.81)	–	Not Applicable
Retona Motors Private Limited	Payables	(0.98)	(0.98)	Not Applicable
Nandprabhawati Ent Private Limited	Payables	(0.01)	(0.02)	Not Applicable

33. Disclosure pursuant to Section 186 of the Companies Act, 2013

The details of loans, guarantees and investments under Section 186 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 are as follows:

Investments in equity shares

Sr. No.	Name of the entity	Year	As at 1 April 2021	Investment made during the year	Investment sold during the year	Equity instruments through other comprehensive income	As at 31 March 2022
1	The Zoroastrian Co-operative Bank Ltd.	31-Mar-22	13.97	–	–	(0.01)	13.95
		31-Mar-21	13.31	–	–	0.65	13.97
2	Fifth Gear Ventures Limited	31-Mar-22	3,497.71	2,999.98	–	–	6,497.69
		31-Mar-21	3,045.00	452.71	–	–	3,497.71

34. Segment Information

The Company is engaged in providing various value added services to their customers in the used vehicle segment. The information reported to the Chief Operating Decision Maker (CODM) primarily revolves around the revenue generated by each area of business, while he evaluates operational performance on an overall company basis, both from cost and profitability perspectives. Similarly the Board reviews the results from an organizational perspective as well.

Manpower, which is a critical resource, is fungible between the areas of business to maximize effectiveness. Similarly, the Company leverages its product and service delivery structures for offering a suite of services to its customers across all areas of business. Additionally, there are costs incurred towards advertisement, which is another major cost driver, such that its impact permeates across all areas of the Company's. Thus, considering the high interchangeability of its resources and processes for delivering its objective of serving the used car eco market and the fact that its results are reviewed at an organizational level, the company is a single operating segment.

35. Other matters

(a) No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) No funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

For and on behalf of the Board of Directors of
Mahindra First Choice Wheels Limited

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration No. 101248W/W-100022

Jaymin Sheth
Partner
Membership number: 114583

Ashutosh Pandey
Managing Director &
Chief Executive Officer
DIN 08166731

Amit Kumar Sinha
Director
DIN : 09127387

V. Janakiraman
Chief Financial Officer
Membership number: 029222

Anita Halbe
Company Secretary
Membership number: A13962

Place : Mumbai
Date : 6 May 2022

Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in Rs. In lakhs)

Sr. No.	Particulars	Details
1.	Name of the subsidiary	Fifth Gear Ventures Limited
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	31st March, 2022 (Same as Holding Company)
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	INR
4.	Share capital	Rs 19.81 lakhs
5.	Reserves & surplus	Rs 943.86 lakhs
6.	Total assets	Rs 3041.92 lakhs
7.	Total Liabilities	Rs 2078.25 lakhs
8.	Investments	NIL
9.	Turnover	Rs 2863.74 lakhs
10.	Profit before taxation	Rs 1961.88 lakhs
11.	Provision for taxation	NIL
12.	Profit after taxation	Rs 1961.88 lakhs
13.	Proposed Dividend	NIL
14.	% of shareholding	100%

Notes: The following information shall be furnished at the end of the statement:

1. Names of subsidiaries which are yet to commence operations- Not Applicable
2. Names of subsidiaries which have been liquidated or sold during the year. Not Applicable

Part "B": Associates and Joint Ventures - Not Applicable

For and on behalf of the Board of Directors of
Mahindra First Choice Wheels Limited

Ashutosh Pandey
Managing Director & Chief Executive Officer
DIN 08166731

Amit Kumar Sinha
Director
DIN 09127387

V. Janakiraman
Chief Financial Officer
Membership number: 029222

Anita Halbe
Company Secretary
Membership number: A13962

Place : Mumbai
Date : 6 May 2022

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF
FIFTH GEAR VENTURES LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Fifth Gear Ventures Limited ("the Company"), which comprise the balance sheet as at 31 March 2022, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2022, and loss and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

Other Information

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's and Board of Directors' Responsibility for the Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the financial statements made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2020 ("the Order") issued by the Central Government in terms of section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. (A) As required by Section 143(3) of the Act, we report that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   c) The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account.

   d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under section 133 of the Act.

   e) On the basis of the written representations received from the directors as on 31 March 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022 from being appointed as a director in terms of Section 164(2) of the Act.

   f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

   (B) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

   a) The Company does not have any pending litigations which would impact its financial position.

   b) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

   c) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2022.

   d) i. The Management has represented that, to the best of it's knowledge and belief, as disclosed in the note 34 to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities (intermediaries), with the understanding, whether recorded in writing or otherwise, as on the date of this audit report, that the intermediaries shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

      ii. The Management has represented, that, to the best of it's knowledge and belief, as disclosed in the note 35 to the accounts, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

iii. Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (d) (i) and (d) (ii) contain any material mis-statement.

e) The Company has neither declared nor paid any dividend during the year.

(C) With respect to the matter to be included in the Auditors' Report under section 197(16):

According to the information and explanation given to us, the Company has not paid any managerial remuneration during the current year and accordingly the requirement as stipulated by the provisions of Section 197(16) of the act are not applicable to the Company.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Jaymin Sheth
Partner

Place: Mumbai
Membership No: - 114583

Date: 6 May 2022
ICAI UDIN: 22114583AINUMI2689

Annexure A to the Independent Auditors' Report – 31 March 2022

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified in a phased manner over a period of 2 years. In accordance with this programme, certain property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No discrepancies were noticed on such verification.

(c) The Company does not have any immovable property (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee). Accordingly, clause3(i)(c) of the Order is not applicable.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment or intangible assets or both during the year.

(e) According to information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been sanctioned any working capital limits in excess of five crore rupees in aggregate from banks and financial institutions on the basis of security of current assets at any point of time of the year. Accordingly, clause 3(ii)(b) of the Order is not applicable to the Company.

(iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments, provided guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year. Accordingly, provisions of clauses 3(iii)(a) to 3(iii)(f) of the Order are not applicable to the Company.

(iv) According to the information and explanations given to us and on the basis of our examination of records of the Company, the Company has neither made any investments nor has it given loans or provided guarantee or security and therefore the relevant provisions of Sections 185 and 186 of the Companies Act, 2013 ("the Act") are not applicable to the Company. Accordingly, clause 3(iv) of the Order is not applicable.

(v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.

(vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Companies Act, 2013 for the products manufactured by it. Accordingly, clause 3(vi) of the Order is not applicable.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Services Tax ('GST'), Provident fund, Employees' State Insurance, Income-Tax, Cess and other statutory dues have been regularly deposited by the company with the appropriate authorities. As explained to us, the Company did not have any dues on account of Sales Tax, Duty of Excise, Duty of Customs and Value Added Tax.

According to the information and explanations given to us, no undisputed amounts payable in respect of Goods and Services Tax ('GST'), Provident fund, Employees' State Insurance, Income-Tax, Cess and other statutory dues were in arrears as at 31 March 2022 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no dues relating to Goods and Services Tax ('GST'), Provident fund, Employees' State

Insurance, Income-Tax, Cess and other statutory dues, which have not been deposited with the appropriate authorities on account of any dispute.

(viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.

(ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company did not have any loans or borrowings from any lender during the year. Accordingly, clause 3(ix)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.

(c) The Company does not have any term loan during the year. Accordingly, clause3(ix)(c) of the Order is not applicable.

(d) The Company has not raised any funds on short-term basis. Accordingly, clause3(ix)(d) of the Order is not applicable.

(e) The Company does not hold any investment in any subsidiary, associate or joint venture (as defined under the Act) during the year ended 31 March 2022. Accordingly, clause 3(ix)(e) is not applicable.

(f) According to the information and explanations given to us and procedures performed by us, we report that the company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies (as defined under Companies Act, 2013).

(x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) Accordingly, clause 3(x)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any private placement of shares or fully or partly convertible debentures during the year. In respect of preferential allotment of equity shares made during the year, the Company has duly complied with the requirements of section 42 and section 62 of the Companies Act, 2013. The proceeds from issue of equity shares have been used for the purposes for which the funds were raised.

(xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the course of the audit.

(b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Companies Act, 2013 has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.

(xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, and the details of the related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv) In our opinion and based on the information and explanations provided to us, the Company does not have an Internal Audit system and is not required to have an internal audit system as per Section 138 of the Act.

(xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company.

(xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.

(b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.

(d) According to the information and explanations provided to us, the Group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016) has Six CICs as part of the Group.

(xvii) The Company has incurred cash losses of Rs. 1,875.46 lakhs in the current financial year and Rs. 411.26 lakhs in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.

(xx) The requirements as stipulated by the provisions of Section 135 are not applicable to the Company. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Jaymin Sheth
Partner
Membership No: - 114583
ICAI UDIN: 22114583AINUMI2689

Place: Mumbai
Date: 6 May 2022

Annexure B to the Independent Auditors' report on the financial statements of Fifth Gear Ventures Limited for the year ended 31 March 2022

Report on the internal financial controls with reference to the aforesaid financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

(Referred to in paragraph 2(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to financial statements of Fifth Gear Ventures Limited ("the Company") as of 31 March 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2022, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and whether such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Jaymin Sheth
Partner
Membership No: - 114583
ICAI UDIN: 22114583AINUMI2689

Place: Mumbai
Date: 6 May 2022

BALANCE SHEET AS AT 31 MARCH 2022

(Currency : Indian rupees in lakhs)

	Note	As at 31 March 2022	As at 31 March 2021
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	3	**64.32**	27.64
Other intangible assets	4	**19.61**	57.34
Intangible assets under development	4	**992.73**	143.21
Income tax assets (net)	10	**61.83**	16.59
		1,138.49	244.78
CURRENT ASSETS			
Inventories	5	**20.08**	–
Financial assets			
(i) Trade receivables	6	**1,288.38**	373.11
(ii) Cash and cash equivalents	7	**67.84**	106.78
(iii) Bank balances other than (ii) above	8	**–**	56.47
(iv) Other current financial assets	9	**26.14**	0.25
Other current assets	11	**500.99**	118.04
		1,903.43	654.65
TOTAL ASSETS		**3,041.92**	899.43
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	12	**19.81**	10.73
Other equity	13	**943.86**	(81.88)
		963.67	(71.15)
LIABILITIES			
NON-CURRENT LIABILITIES			
Provisions	14(a)	**48.66**	29.78
		48.66	29.78
CURRENT LIABILITIES			
Financial liabilities			
(i) Trade payables			
– total outstanding dues of micro enterprises and small enterprises	15	**7.10**	–
– total outstanding dues of creditors other than micro enterprises and small enterprises	15	**1,523.13**	781.84
(ii) Other current financial liabilities	16	**344.98**	108.71
Provisions	14(b)	**19.93**	4.91
Other current liabilities	17	**134.45**	45.34
		2,029.59	940.80
		2,078.25	970.58
TOTAL EQUITY AND LIABILITIES		**3,041.92**	899.43

The accompanying notes 1 to 36 are an integral part of these financial statements

In terms of our report attached
For B S R & Co. LLP
Chartered Accountants
Firm registration number: 101248W/W-100022

Jaymin Sheth
Partner
Membership Number: 114583

Place: Mumbai
Date: 6 May 2022

For and on behalf of the Board of Directors of
Fifth Gear Ventures Limited

Kavinder Singh
Director
DIN : 06994031

Place: Mumbai
Date: 6 May 2022

Amit Kumar Sinha
Director
DIN : 09127387

Place: Mumbai
Date: 6 May 2022

Nalin Kapoor
CEO

Place: Mumbai
Date: 6 May 2022

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2022

(Currency : Indian rupees in lakhs)

	Note No.	**For the year ended 31 March 2022**	For the year ended 31 March 2021
INCOME			
Revenue from operations	18	**2,863.54**	1,190.02
Other income	19	**0.20**	3.89
Total income		**2,863.74**	1,193.91
EXPENSES			
Purchase of Stock in trade		**217.24**	–
Changes in inventories of stock in trade		**(20.08)**	–
Cost of services	20	**1,828.68**	351.71
Employee benefit expenses	21	**1,169.08**	495.09
Finance costs	22	**83.88**	5.90
Depreciation and amortisation expense	23	**53.27**	46.31
Marketing and distribution expenses		**1,055.97**	361.65
Other expenses	24	**437.58**	397.01
Total Expenses		**4,825.62**	1,657.67
(Loss) before tax		**(1,961.88)**	(463.76)
Tax Expense			
Current tax		**–**	(47.75)
Deferred tax		**–**	–
Total tax expenses		**–**	(47.75)
(Loss) after tax for the year		**(1,961.88)**	(416.01)
Other comprehensive (loss) / income			
Items that will not be reclassified to profit or loss and its related income		**–**	–
Remeasurement of the employee defined benefit plans	`	**(3.28)**	(1.42)
Total other comprehensive (loss) / income		**(3.28)**	(1.42)
Total comprehensive (loss) for the year		**(1,965.16)**	(417.43)
(Loss) per equity share: Basic and Diluted (in Rs.)	27	**(1,769.19)**	(419.74)
(Face value Rs. 10/- per share) (Rupees)			

The accompanying notes 1 to 36 are an integral part of these financial statements

In terms of our report attached
For B S R & Co. LLP
Chartered Accountants
Firm registration number: 101248W/W-100022

Jaymin Sheth
Partner
Membership Number: 114583

Place: Mumbai
Date: 6 May 2022

For and on behalf of the Board of Directors of
Fifth Gear Ventures Limited

Kavinder Singh
Director
DIN : 06994031

Place: Mumbai
Date: 6 May 2022

Amit Kumar Sinha
Director
DIN : 09127387

Place: Mumbai
Date: 6 May 2022

Nalin Kapoor
CEO

Place: Mumbai
Date: 6 May 2022

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2022

(Currency : Indian rupees in lakhs)

	For the year ended 31 March 2022	For the year ended 31 March 2021
Cash flow from operating activities		
Loss before tax	**(1,961.88)**	(463.76)
Adjustments for:		
Finance costs	**83.88**	5.90
Interest income on fixed deposits	**(0.10)**	(2.62)
Loss allowance on trade receivables	**33.15**	6.19
Depreciation and amortisation expense	**53.27**	46.31
	(1,791.68)	(407.98)
Movements in working capital		
(Increase)/ Decrease in trade receivables	**(948.41)**	26.24
(Increase) in inventories	**(20.08)**	–
(Increase) in other assets	**(408.84)**	(69.33)
Increase in trade payables	**748.39**	308.97
Increase in other financial liabilities	**98.92**	0.45
Increase in other liabilities	**85.82**	4.22
Increase in provisions	**33.90**	13.50
	(410.30)	284.05
Cash (used in) operation	**(2,201.98)**	(123.94)
Income tax refund	**(45.24)**	(96.92)
Net cash (used in) operating activities (A)	**(2,247.22)**	(220.85)
Cash flows from investing activities		
Purchase of Property, Plant and Equipments (including Intangible assets and Intangible assets under development)	**(764.39)**	(138.60)
Bank deposits matured	**56.47**	(50.36)
Interest received	**0.10**	2.62
Net cash (used in) investing activities (B)	**(707.82)**	(186.34)
Cash flows from financing activities		
Proceeds from issue of equity shares	**2,999.98**	500.00
Interest paid	**(83.88)**	(5.90)
Net cash generated from financing activities (C)	**2,916.10**	494.10
Net (decrease)/ increase in cash and cash equivalents (A+B+C)	**(38.94)**	86.91
Cash and cash equivalents at the beginning of the year	**106.78**	19.87
Cash and cash equivalents at the end of the year (refer note 7)	**67.84**	106.78

(Currency : Indian rupees in lakhs)

	For the year ended 31 March 2022	For the year ended 31 March 2021
Notes to the statement of cash flows:		

(a) The above Cash Flow statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard (Ind AS) 7 - "Statement of Cash Flows" notified under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standard) Rules, 2015.

	For the year ended 31 March 2022	For the year ended 31 March 2021
(b) Cash and cash equivalents		
Components of cash and cash equivalents:-		
Cash on hand	**0.00**	0.00
Balance with banks:		
– In current accounts	**67.84**	106.78
Balances as per statement of cash flows	**67.84**	106.78
(c) Movement in financial liabilities		
Opening balance	**–**	1.21
Interest expense	**83.88**	5.90
Finance cost paid	**(83.88)**	(7.11)
Closing Balance	**–**	–

The accompanying notes 1 to 36 are an integral part of these financial statements

In terms of our report attached
For B S R & Co. LLP
Chartered Accountants
Firm registration number: 101248W/W-100022

Jaymin Sheth
Partner
Membership Number: 114583

Place: Mumbai
Date: 6 May 2022

For and on behalf of the Board of Directors of
Fifth Gear Ventures Limited

Kavinder Singh
Director
DIN : 06994031

Place: Mumbai
Date: 6 May 2022

Amit Kumar Sinha
Director
DIN : 09127387

Place: Mumbai
Date: 6 May 2022

Nalin Kapoor
CEO

Place: Mumbai
Date: 6 May 2022

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2022

(Currency : Indian rupees in lakhs)

I) Equity share capital

Particulars	Amounts
Balance as at 31 March 2020	**9.22**
Changes in equity share capital during the year	1.51
Balance as at 31 March 2021	**10.73**
Issue of Share Capital	9.08
Balance as at 31 March 2022	**19.81**

II) Other equity

Figures in Rupees

Particulars	Reserves and Surplus: Securities premium reserve	Reserves and Surplus: General Reserve	Reserves and Surplus: Retained earnings	Items of OCI: Remeasurements of defined benefit obligations	Total
Balance as at 31 March 2020	1,655.56	1,290.59	(3,102.14)	(6.94)	(162.93)
Loss for the year	–	–	(416.01)	–	(416.01)
Other comprehensive income/ (loss), net of tax	–	–	–	(1.42)	(1.42)
Total comprehensive income/ (loss) for the year	–	–	**(416.01)**	**(1.42)**	**(417.43)**
Transactions with owners, recorded directly in equity					
Contributions by owners					
Issue of equity shares	498.48	–	–	–	498.48
Total transactions with owners	**498.48**	–	–	–	**498.48**
Balance as at 31 March 2021	**2,154.04**	**1,290.59**	**(3,518.15)**	**(8.36)**	**(81.88)**
Loss for the year	–	–	(1,961.88)	–	(1,961.88)
Other comprehensive income/ (loss), net of tax	–	–	–	(3.28)	(3.28)
Total comprehensive income/ (loss) for the year	–	–	**(1,961.88)**	**(3.28)**	**(1,965.16)**
Transactions with owners, recorded directly in equity					
Contributions by owners					
Issue of equity shares	2,990.90	–	–	–	2,990.90
Total transactions with owners	**2,990.90**	–	–	–	**2,990.90**
Balance as at 31 March 2022	**5,144.94**	**1,290.59**	**(5,480.03)**	**(11.64)**	**943.86**

The accompanying notes 1 to 36 are an integral part of these financial statements

In terms of our report attached
For B S R & Co. LLP
Chartered Accountants
Firm registration number: 101248W/W-100022

Jaymin Sheth
Partner
Membership Number: 114583

Place: Mumbai
Date: 6 May 2022

For and on behalf of the Board of Directors of
Fifth Gear Ventures Limited

Kavinder Singh	**Amit Kumar Sinha**	**Nalin Kapoor**
Director	Director	CEO
DIN : 06994031	DIN : 09127387	
Place: Mumbai	Place: Mumbai	Place: Mumbai
Date: 6 May 2022	Date: 6 May 2022	Date: 6 May 2022

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022

(Currency : Indian rupees in lakhs)

1 Basis of Preparation

a. Statement of compliance

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as notified by Ministry of Corporate Affairs Pursuant to section 133 of the Companies Act, 2013 ("Act") read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Act.

The Company has incurred losses in current and previous year, however Company maintains positive net worth as at 31 March 2022. The current liabilities exceed the current assets by INR 126.16 lakhs as at 31 March 2022. The Company is 100% subsidiary of Mahindra First Choice Wheels Limited ("the Holding Company"). Holding Company will support by additional funding as and when required to enable the Company to continue its operations and to meet its financial obligations. In view of the above, the use of going concern assumption has been considered appropriate in the preparation of these financial statements and assets and liabilities have been recorded on the basis that the entity will be able to realize its assets and discharge its liabilities in the normal course of business.

The financial statements were authorized for issue by the Company's Board of Directors on **6th May 2022**

b. Functional and presentation currency

The financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency. All amounts have been rounded-off to the nearest lakhs, unless otherwise indicated.

c. Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following items:

Items	Measurement basis
Certain Financial assets	Fair value
Certain financial liabilities	Fair value

d. Use of estimates and judgements

In preparing the financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively.

(i) Judgements:

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management exercises judgement in applying the Company's accounting policies.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

(ii) Assumptions and estimation uncertainties:

The areas involving critical estimates are:

- Recognition and measurement of provisions and contingencies;
- Estimation of defined benefit obligation;
- Estimated useful life of intangible assets;
- Impairment test of non-financial assets; and
- Impairment of trade receivables and other financial assets.

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

e. Measurement of fair values

A number of accounting policies and disclosures require the measurement of fair values for both financial and non-financial assets and liabilities.

The Company has an established control framework with respect to the measurement of fair values. This includes a finance team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the Management.

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognize transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further the information about the assumptions made in measuring fair values is included in the note on financial instruments.

2 Significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of standalone financial statements. The accounting policies adopted are consistent with those of the previous financial year, except if mention otherwise.

a. Foreign currency

Foreign currency transactions:

Transactions in foreign currencies are translated into the functional currency of Company at the exchange rate at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Exchange differences are recognized in profit or loss.

b. Financial instruments

Financial instrument is any contract that gives rise to a financial asset of the entity and a financial liability or equity instrument of another entity.

(i) Recognition and initial measurement:

Trade receivables and debt securities issued are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

(ii) Classification and subsequent measurement:

Financial assets

On initial recognition, a financial asset is classified as measured at:

- amortized cost;
- FVOCI – fair value through other comprehensive income
- FVTPL – fair value through profit and loss account

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

– the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022

(Currency : Indian rupees in lakhs)

- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI, if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI – equity investment). This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortized cost or fair value through other comprehensive income (FVOCI) are measured at FVTPL. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets: Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.
Financial assets at amortized cost	These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses, if any. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is also recognized in the profit or loss.
Debt investments at FVOCI	These assets are subsequently measured at fair value. Interest income under the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are not reclassified to profit or loss.

Financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in the profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

(iii) Derecognition:

Financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognized on its Balance Sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognized.

Financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Company also derecognizes a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognized at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognized in the profit or loss.

(iv) Offsetting:

Financial assets and financial liabilities are offset and the net amount presented in the Balance Sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

c. Property, plant and equipment

(i) Recognition and measurement:

Items of property, plant and equipment are measured at cost, which includes capitalized borrowing costs, less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labour, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognized in profit or loss.

(ii) Subsequent expenditure:

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022

(Currency : Indian rupees in lakhs)

(iii) Depreciation:

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values over their estimated useful lives using the straight-line method, and is generally recognized in the Statement of Profit and Loss.

The useful lives as estimated for tangible assets are in accordance with the useful lives as indicated in Schedule II of the Companies Act, 2013 except for the following classes of assets where different useful lives have been used:

Asset Class	Useful life (in years)
Computers	3
Office equipments	2
Furniture and fixtures	8

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate. Based on technical evaluation and consequent advice, the management believes that its estimates of useful lives as given above best represent the period over which management expects to use these assets.

Depreciation on additions (disposals) is provided on a pro-rata basis i.e. from (upto) the date on which asset is ready for use (disposed of).

d. Intangible assets

(i) Recognition and measurement:

Intangible assets including those acquired by the Company in a business combination are initially measured at cost. Such intangible assets are subsequently measured at cost less accumulated amortization and any accumulated impairment losses.

(ii) Intangibles assets under development:

The company expenses cost incurred during research phase to profit or loss in the year in which they are incurred.Development phase expenses are initially recognized as intangible assets under development until the development phase is complete,upon which the amount is capitalised as intangible asset.

(iii) Subsequent expenditure:

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognized in profit or loss as incurred.

(iv) Amortisation:

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values over their estimated useful lives using the straight-line method, and is included in depreciation and amortization in the Statement of Profit and Loss.

The estimated useful lives are as follows:

Asset Class	Useful life (in years)
Computer Software	6
Website	6
Trade Mark	3
Copy Rights	3

Amortization method, useful lives and residual values are reviewed at the end of each financial year and adjusted if appropriate.

(v) Derecognition of intangible assets:

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

e. Impairment

(i) Impairment of tangible and intangible assets other than goodwill:

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cashgenerating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, these assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

(ii) Impairment of financial instruments

The Company recognizes loss allowances for expected credit losses on:

- financial assets measured at amortized cost; and
- financial assets measured at FVOCI.

At each reporting date, the Company assesses whether financial assets carried at amortized cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being past due for 365 days or more;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganization; or
- the disappearance of an active market for a security because of financial difficulties.

The Company measures loss allowances at an amount equal to lifetime expected credit losses, except for the following, which are measured as 12 month expected credit losses:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables are measured at an amount at least equal to the lifetime expected credit losses.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022

(Currency : Indian rupees in lakhs)

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

In all cases, the maximum period considered when estimating expected credit losses is the maximum contractual period over which the Company is exposed to credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

Measurement of expected credit losses:

Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive).

Presentation of allowance for expected credit losses in the Balance Sheet:

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

Write-off:

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

(iii) Impairment of non-financial assets

The Company's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset).

The Company's corporate assets (e.g., central office building for providing support to various CGUs) do not generate independent cash inflows. To determine impairment of a corporate asset, recoverable amount is determined for the CGUs to which the corporate asset belongs.

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognized in the Statement of Profit and Loss. Impairment loss recognized in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets of the CGU (or group of CGUs) on a pro rata basis.

In respect of assets for which impairment loss has been recognized in prior periods, the Company reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

f. Employee benefits

(i) Short-term employee benefits:

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognized for the amount expected to be paid e.g., under short-term cash bonus, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

(ii) Defined contribution plan:

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The Company makes specified monthly contributions towards government administered provident fund scheme. Obligations for contributions to defined contribution plans are recognized as an employee benefit expense in profit or loss in the periods during which the related services are rendered by employees.

(iii) Defined benefit plan:

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount.

The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, are recognized in OCI. The Company determines the net interest expense on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability , taking into account any changes in the net defined benefit liability during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognized in the profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognized immediately in profit or loss. The Company recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

(iv) Other long-term employment benefits – Compensated Absences

The Company provides for encashment of leave or leave with pay subject to certain rules. The employees are entitled to accumulate leave subject to certain limits for future encashment/availment.The Company makes provision for compensated absences based on an independent external actuarial valuation carried out at the end of the year.

(v) Termination benefits:

Termination benefits are expensed at the earlier of when the Company can no longer withdraw the offer of those benefits and when the Company recognizes costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the reporting date, then they are discounted.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022

(Currency : Indian rupees in lakhs)

(vi) Employee share based payments:

The grant date fair value of equity settled share-based payment awards granted to employees is recognized as an employee benefits expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognized as expense is based on the estimate of the number of awards for which the related service conditions are expected to be met, such that the amount ultimately recognized as an expense is based on the number of awards that do meet the related service and non-market vesting conditions at the vesting date.

g. Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received, and the amount of the receivable can be measured reliably.

h. Revenue from contracts with customers

The Company has adopted Ind AS 115 "Revenue from Contracts with Customers" from 1 April 2018 which resulted in changes in accounting policies. Ind AS 115 replaces Ind AS 18-"Revenue" and Ind AS-11 "Construction Contracts". The standard is applied retrospectively only to contracts that are not completed as at the date of initial application. In accordance with the transition provisions in Ind AS 115, the Company has adopted modified retrospective approach. The adoption of the new standard did not have any impact on opening balance of retained earnings as at 1 April 2018, and also on the current year financial statements.

The Company earns revenue primarily from advertisement, affiliate income model and commission income.

Revenue is recognised upon transfer of control of promised services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those services.

- Advertisement revenue - the Company recognizes revenue from the display of graphical advertisements ("display advertising") on the website as "impressions" are delivered. An "impression" is delivered when an advertisement appears in pages viewed by users. The Company recognizes revenue from the display of text based links to the websites of its advertisers ("search advertising") which are placed on the website. Search advertising revenue is recognized as "click through" occur. A "click-through" occurs when a user clicks on an advertiser's listing.
- Affiliate revenue is recognized as per the terms of the contract with customers once the services are rendered.
- Sale of Products - The Company recognizes revenue from sale of goods measured at the fair value of the consideration received or receivable, upon satisfaction of performance obligation which is at a point in time when control of the goods is transferred to the customer, generally on delivery of the goods. Depending on the terms of the contract, which differs from contract to contract, the goods are sold on a reasonable credit term. As per the terms of the contract, consideration that is variable, according to Ind AS 115, is estimated at contract inception and updated thereafter at each reporting date or until crystallisation of the amount.

Revenue is measured based on the transaction price, which is the consideration and excludes taxes collected from customers.

Revenue from holding company is recognised based on transaction price which is at arm's length.

Contract assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled receivables (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

Contract liabilities primarily relate to the consideration received from customers in advance for the Company's performance obligations which is classified as advance from customers and deferred revenue which is recognised when there is billings in excess of revenues.

i. Lease

(i) Determining whether an arrangement contains a lease:

At inception of an arrangement, it is determined whether the arrangement is or contains a lease.

At inception or on reassessment of the arrangement that contains a lease, the payments and other consideration required by such an arrangement are separated into those for the lease and those for other elements on the basis of their relative fair values. If it is concluded for a finance lease that it is impracticable to separate the payments reliably, then an asset and a liability are recognized at an amount equal to the fair value of the underlying asset. The liability is reduced as payments are made and an imputed finance cost on the liability is recognized using the incremental borrowing rate.

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

(ii) Company as a lessee:

At commencement or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of its relative standalone prices. However, for the leases of property the Company has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date.The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The Company presents right-of-use assets that do not meet the definition of investment property in 'property and equipment' and lease liabilities in the statement of financial position.

The Company has elected not to apply the requirements of Ind AS 116 Leases to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognized as an expense on a straightline basis over the lease term.

Operating lease payments are recognized as an expense in the Statement of Profit and Loss on a straight-line basis over the term of the relevant lease.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022

(Currency : Indian rupees in lakhs)

Lease (policy applicable from 1 April 2019)

The Company's lease asset classes primarily consist of lease for building. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a leases if the contract conveys the right to use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assess whether: (1) the contract involves the use of an identified asset (2) the Company has substantially all of the economic benefit from use of the asset through the period of the lease and (3) the group has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangement in which it is a lessees, except for leases with a term of twelve month or less (short-term leases) and low value leases, For these short-term and low value leases, the Company recognizes the lease payment as an operating expense on a straight-line basis over the term of the lease.

Impact: There is no impact of IND AS 116 on financials of the Company as on assessment of lease contract, none of the lease has term period more than 12 month which requires recognition of right-to-use asset ("ROU") and corresponding lease liability. For all short-term leases, the Company recognizes the lease payment as an operating expense on a straight-line basis over the term of the lease

j. Recognition of interest income or expense

Interest income or expense is recognized using the effective interest method.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortized cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortized cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortized cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

k. Income tax

Income tax comprises current and deferred tax. It is recognized in profit or loss except to the extent that it relates to a business combination or to an item recognized directly in equity or in other comprehensive income.

(i) Current tax:

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognized amounts, and it is intended to realize the asset and settle the liability on a net basis or simultaneously.

(ii) Deferred tax:

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognized in respect of carried forward tax losses and tax credits.

Deferred tax is not recognized for :

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;
- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognized to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Company recognizes a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realized. Deferred tax assets – unrecognized or recognized, are reviewed at each reporting date and are recognized/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realized.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

l. Cash and cash equivalent

For the purpose of presentation in the Statement of Cash Flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the Balance Sheet.

m. Inventories

Inventories comprise all costs of purchase, conversion and other costs incurred in bringing the inventories to their present location and condition. Stores, spares and tools other than obsolete and slow-moving items are carried at cost. Obsolete and slow moving items are valued at cost or estimated net realizable value, whichever is lower.

n. Earnings per share

(i) Basic earnings per share:

Basic earnings per share is calculated by dividing:

- the profit / (loss) attributable to owners of the Company
- by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year.

(ii) Diluted earnings per share:

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

o. Contingent liabilities and contingent assets

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022

(Currency : Indian rupees in lakhs)

Contingent assets are not recognized, however, are disclosed in the financial statements where an inflow of economic benefit is probable. Contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognized in the period in which the change occurs.

p. Recent accounting pronouncements

The Ministry of Corporate Affairs has vide notification dated 23 March 2022 notified Companies (Indian Accounting Standards) Amendment Rules, 2022 which amends certain accounting standards, and are effective 1 April 2022. Below is a summary of such amendments.

- Ind AS 16, Property, Plant and Equipment

  Proceeds before intended use of property, plant and equipment The amendment clarifies that an entity shall deduct from the cost of an item of property, plant and equipment any proceeds received from selling items produced while the entity is preparing the asset for its intended use (for example, the proceeds from selling samples produced when testing a machine to see if it is functioning properly).

- Ind AS 37, Provisions, Contingent Liabilities and Contingent Assets

  Onerous Contracts – Cost of fulfilling a contract The amendment explains that the cost of fulfilling a contract comprises: the incremental costs of fulfilling that contract and an allocation of other costs that relate directly to fulfilling contracts.

- Ind AS 103, Business combinations

  References to the conceptual framework

  The amendment adds a new exception in Ind AS 103 for liabilities and contingent liabilities.

- Ind AS 109, Financial Instruments

  Fees included in the 10% test for derecognition of financial liabilities

  The amendment clarifies which fees an entity includes when it applies the '10%' test in assessing whether to derecognise a financial liability. An entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf.

- Ind AS 41, Agriculture

  Taxation in fair value measurements

  The amendment removes the requirement in Ind AS 41 for entities to exclude cash flows for taxation when measuring fair value. This aligns the fair value measurement in Ind AS 41 with the requirements of Ind AS 113, Fair Value Measurement.

Note 3 Property, plant and equipment

Particulars	Plant and machinery	Computers	Office equipment	Furniture and fixtures	Total
Gross Block					
Balance as at 1 April 2020	**0.74**	**29.65**	**2.13**	**0.23**	**32.75**
Additions	–	17.91	8.12	–	26.03
Disposals	–	–	–	–	–
Balance as at 31 March 2021	**0.74**	**47.56**	**10.25**	**0.23**	**58.78**
Additions	13.62	23.71	3.72	11.17	52.22
Disposals	–	–	–	–	–
Balance as at 31 March 2022	**14.36**	**71.27**	**13.97**	**11.40**	**111.00**

Accumulated depreciation

Particulars	Plant and machinery	Computers	Office equipment	Furniture and fixtures	Total
Balance at 1 April 2020	0.27	19.88	1.87	0.23	22.25
Depreciation for the year	0.07	6.41	2.41	–	8.89
Deletion / adjustments	–	–	–	–	–
Balance as at 31 March 2021	**0.34**	**26.29**	**4.28**	**0.23**	**31.14**
Depreciation for the year	0.74	9.53	4.63	0.64	15.54
Deletion / adjustments	–	–	–	–	–
Balance as at 31 March 2022	**1.08**	**35.82**	**8.91**	**0.86**	**46.68**
Carrying amount (net)					
Balance as at 31 March 2021	**0.40**	**21.27**	**5.97**	**–**	**27.64**
Balance as at 31 March 2022	**13.28**	**35.45**	**5.06**	**10.54**	**64.32**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022

(Currency : Indian rupees in lakhs)

Note 4A Other intangible assets

Particulars	Website	Computer Software	Trade Mark	Copy Rights	Intangible assets under development	Total
Gross Block						
Balance as at 1 April 2020	161.31	19.48	10.00	10.00	–	200.79
Additions	–	2.83	–	–	143.21	146.04
Balance as at 31 March 2021	161.31	22.31	10.00	10.00	143.21	346.83
Additions	–	–	–	–	849.52	849.52
Balance as at 31 March 2022	**161.31**	**22.31**	**10.00**	**10.00**	**992.73**	**1,196.35**

Accumulated amortization

Particulars	Website	Computer Software	Trade Mark	Copy Rights	Intangible assets under development	Total
Balance at 1 April 2020	97.54	10.20	0.56	0.56	–	108.86
Amortization for the year	26.88	3.88	3.33	3.33	–	37.42
Balance at 31 March 2021	124.42	14.08	3.89	3.89	–	146.28
Amortization for the year	26.88	4.19	3.33	3.33	–	37.73
Balance at 31 March 2022	**151.29**	**18.27**	**7.22**	**7.22**	**–**	**184.01**
Carrying amount (net)						
Balance at 31 March 2021	36.89	8.23	6.11	6.11	143.21	200.55
Balance at 31 March 2022	**10.01**	**4.04**	**2.78**	**2.78**	**992.73**	**1,012.34**

Note 4B Intangible Assets under development

Carrying amount of :-	**As at 31 March 2022**	As at 31 March 2021
Intangible assets under development	**992.73**	143.21
Total	**992.73**	143.21

a) Intangible assets under development Ageing Schedule for the year ended 31 March 2022

	Amount in IAUD for a period of				
Intangible assets under development (IAUD)	**Less than 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
Projects in progress	849.52	143.21	–	–	992.73
Projects temporarily suspended	–	–	–	–	–

b) Intangible assets under development Ageing Schedule for the year ended 31 March 2021

	Amount in IAUD for a period of				
Intangible assets under development (IAUD)	**Less than 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
Projects in progress	143.21	–	–	–	143.21
Projects temporarily suspended	–	–	–	–	–

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022

(Currency : Indian rupees in lakhs)

Note 5 Inventories

(Valued at the lower of cost or net realizable value)

Particulars	**As at 31 March 2022**	As at 31 March 2021
Spares, accessories and Merchandise	**20.08**	–
	20.08	–

Company started trading activities in Auto Spares, accessories and Merchandise during financial year ended 31 March 2022.

Note 6: Trade receivables

Particulars	**As at 31 March 2022**	As at 31 March 2021
Unsecured		
Considered good *	**1,288.38**	373.11
Doubtful	**40.06**	6.91
	1,328.44	380.02
Less: Allowance for expected credit loss	**(40.06)**	(6.91)
	1,288.38	373.11

Refer note 26 for disclosures related to credit risk, impairment of trade receivables under expected credit loss model and related disclosures.

Trade Receivables Ageing Schedule for the year ended 31 March 2022

		Outstanding for following periods from date of invoice					
Particulars	**Unbilled**	**Less than 6 months**	**6 months - 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
(i) Undisputed Trade receivables – considered good	226.90	988.13	59.71	13.64	–	–	1,288.38
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	–	–	–	–	–	–	–
(iii) Undisputed Trade Receivables – credit impaired	–	–	–	39.85	0.21	–	40.06
(iv) Disputed Trade Receivables – considered good	–	–	–	–	–	–	–
(v) Disputed Trade Receivables – which have significant increase in credit risk	–	–	–	–	–	–	–
(vi) Disputed Trade Receivables – credit impaired	–	–	–	–	–	–	–
Total	**226.90**	**988.13**	**59.71**	**53.49**	**0.21**	**–**	**1,328.44**

Trade Receivables Ageing Schedule for the year ended 31 March 2021

		Outstanding for following periods from date of invoice					
Particulars	**Unbilled**	**Less than 6 months**	**6 months - 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
(i) Undisputed Trade receivables – considered good	–	156.55	216.56	–	–	–	373.11
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	–	–	–	–	–	–	–
(iii) Undisputed Trade Receivables – credit impaired	–	–	1.77	5.14	–	–	6.91
(iv) Disputed Trade Receivables – considered good	–	–	–	–	–	–	–
(v) Disputed Trade Receivables – which have significant increase in credit risk	–	–	–	–	–	–	–
(vi) Disputed Trade Receivables – credit impaired	–	–	–	–	–	–	–
Total	**–**	**156.55**	**218.33**	**5.14**	**–**	**–**	**380.02**

*** Of the above, trade receivables from related parties are as below:**

Particulars	**As at 31 March 2022**	As at 31 March 2021
Gromax Agri Equipment Limited	**4.37**	–
Mahindra Electric Mobility Limited	**21.78**	–
Mahindra & Mahindra Financial Services Limited	**10.07**	–
NBS International Limited	**0.67**	–
Mahindra and Mahindra Limited	**156.65**	19.36
Mahindra Two Wheelers Limited	**2.36**	–
Mahindra First Choice Wheels Limited	**89.66**	4.59
Classic Legends Private Limited	**113.36**	15.98
	398.92	39.93

Note 7. Cash and cash equivalents

Particulars	**As at 31 March 2022**	As at 31 March 2021
Cash and cash equivalents		
Balances with banks		
– in current accounts	**67.84**	106.78
Cash on hand	**0.00**	0.00
	67.84	106.78

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022

(Currency : Indian rupees in lakhs)

Note 8. Bank balances other than cash and cash equivalents

Particulars	As at 31 March 2022	As at 31 March 2021
Deposits with bank having maturity within 12 months of the reporting date	–	56.47
	–	56.47

Note 9. Other current financial assets

Particulars	As at 31 March 2022	As at 31 March 2021
Interest accrued on fixed deposits	–	0.25
Security Deposits	26.14	–
	26.14	0.25

Note 10. Income tax assets (net)

Particulars	As at 31 March 2022	As at 31 March 2021
TDS receivable	61.83	16.59
	61.83	16.59

Note 11. Other current assets

Particulars	As at 31 March 2022	As at 31 March 2021
Dues recoverable from government	314.64	93.66
Employee advances	7.54	2.68
Prepaid expenses	13.43	5.45
Advance to vendors	165.35	8.03
Other Advances	0.03	8.22
	500.99	118.04

Note 12. Equity share capital

Particulars	As at 31 March 2022	As at 31 March 2021
Authorized		
200,000 (previous year 200,000) equity shares of INR 10 each	20.00	20.00
	20.00	20.00
Issued		
198,144 (previous year 161,196) equity shares of INR 10 each	19.81	16.12
	19.81	16.12

Particulars	As at 31 March 2022	As at 31 March 2021
Subscribed and fully paid up		
198,144 (previous year 107,322) equity shares of INR 10 each	19.81	10.73
	19.81	10.73

A. Reconciliation of shares outstanding at the beginning and at the end of the year

Particulars	No. of shares	Amount
As at 1 April 2020	92,185	9.22
Issued during the year	15,137	1.51
As at 31 March 2021	107,322	10.73
Issued during the year	90,822	9.08
As at 31 March 2022	198,144	19.81

B. Rights, preferences and restrictions attached to equity shares

The Company has a single class of equity shares. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets. The equity shares are entitled to receive dividend as declared from time to time. The voting rights of an equity shareholder on a poll (not on show of hands) are in proportion to its share of the paid-up equity capital of the Company. Voting rights cannot be exercised in respect of shares on which any call or other sums presently payable have not been paid. Failure to pay any amount called up on shares may lead to forfeiture of the shares. On winding up of the Company, the holders of equity shares will be entitled to receive the residual assets of the Company in proportion of the number of equity shares held.

C. Details of shareholders holding more than 5% shares in the Company

	As at 31 March 2022		As at 31 March 2021	
Name of shareholder	No. of shares	% holding	No. of shares	% holding
Mahindra First Choice Wheels Limited	198,144	100.00%	107,322	100.00%

D. Details of shareholding of its promoters of the Company

Shares held by promoters as at 31 March 2022

Promoter Name	No. of share	% of Total Share	% change during the year
Mahindra First Choice Wheels Limited	198,144	100.00%	NIL

E. Utilisation of Proceeds from issue of equity shares

During the year company has raised Rs. 2999.98 lakhs by alloting 90822 equity shares of Rs.10/- each for cash at a premium of Rs. 3293.14 per Equity Share.

Particulars	For the year ended
Proceeds from the issue of equity shares	2,999.98
Utilisation during the year	2,999.98
Balance unutilised amount oustanding	–

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022

(Currency : Indian rupees in lakhs)

Note 13. Other equity

Particulars	As at 31 March 2022	As at 31 March 2021
General reserve[a]	**1,290.59**	1,290.59
Retained earnings[b]	**(5,491.67)**	(3,526.51)
Securities premium[c]	**5,144.94**	2,154.04
	943.86	(81.88)

a) General reserve

Particulars	As at 31 March 2022	As at 31 March 2021
Balance as at the beginning of the year	**1,290.59**	1,290.59
Additions during the period	**–**	–
Balance at the end of year	**1,290.59**	1,290.59

b) Retained earnings

Particulars	As at 31 March 2022	As at 31 March 2021
Balance as at the beginning of the year	**(3,526.51)**	(3,109.08)
Loss for the year	**(1,965.16)**	(417.43)
Closing balance	**(5,491.67)**	(3,526.51)

Retained earnings are the profits/ (loss) that the Company has earned till date and it includes remeasurements of defined benefit obligations.

c) Securities premium

Particulars	As at 31 March 2022	As at 31 March 2021
Balance as at the beginning of the year	**2,154.04**	1,655.56
Additions during the year	**2,990.90**	498.48
Balance at the end of year	**5,144.94**	2,154.04

Securities premium is used to record the premium received on issue of shares. It can be utilized in accordance with the provisions of the Companies Act, 2013.

Note 14(a). Non Current Provisions

Particulars	As at 31 March 2022	As at 31 March 2021
Provision for employee benefits		
- Compensated absences	**20.26**	4.61
- Gratuity (Refer Note 29)	**28.40**	25.17
	48.66	29.78

Note 14(b). Current Provisions

Particulars	As at 31 March 2022	As at 31 March 2021
Provision for employee benefits		
- Compensated absences	**6.72**	1.05
- Gratuity (Refer Note 29)	**13.21**	3.86
	19.93	4.91

Note 15. Trade payables

Particulars	As at 31 March 2022	As at 31 March 2021
Trade payables		
- total outstanding dues of micro enterprises and small enterprises (see note below)	**7.10**	–
- total outstanding dues of creditors other than micro enterprises and small enterprises *	**1,523.13**	781.84
	1,530.23	781.84

Trade Payable ageing schedule for the year ended 31 March 2022

Particulars	Unbilled/ Provisions	Outstanding for following periods from posting date: Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	–	7.10	–	–	–	7.10
(ii) Others	695.16	597.35	161.41	28.81	40.40	1,523.13
(iii) Disputed dues – MSME	–	–	–	–	–	–
(iv) Disputed dues – Others	–	–	–	–	–	–
Total	**695.16**	**604.45**	**161.41**	**28.81**	**40.40**	**1,530.23**

Trade Payable ageing schedule for the year ended 31 March 2021

Particulars	Unbilled/ Provisions	Outstanding for following periods from posting date: Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	–	–	–	–	–	–
(ii) Others	194.84	137.34	357.53	92.13	–	781.84
(iii) Disputed dues – MSME	–	–	–	–	–	–
(iv) Disputed dues – Others	–	–	–	–	–	–
Total	**194.84**	**137.34**	**357.53**	**92.13**	**–**	**781.84**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022

(Currency : Indian rupees in lakhs)

*** Of the above, trade payable to related parties are as below:**

Particulars	As at 31 March 2022	As at 31 March 2021
Mahindra First Choice Wheels Limited	–	431.66
Mahindra & Mahindra Limited	**76.88**	–
Mahindra Intergrated Business Solutions Private Limited	**0.65**	–
Mahindra Two Wheelers Limited	**5.56**	–
	83.09	431.66

Note:

Disclosures in relation to Micro and Small enterprises "Suppliers" as defined in Micro, Small and Medium Enterprises Development Act, 2006

	Particulars	As at 31 March 2022	As at 31 March 2021
(i)	the principal amount remaining unpaid to any supplier as at the end of the year;	**7.10**	–
(ii)	the interest due on the principal remaining outstanding as at the end of the year;	–	–
(iii)	the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	–	–
(iv)	the amount of the payment made to micro and small suppliers beyond the appointed day during each accounting year;	–	–
(v)	the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	–	–
(vi)	the amount of interest accrued and remaining unpaid at the end of the year;	–	–
(vii)	the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	–	–

Note 16. Other Current financial liabilities

Particulars	As at 31 March 2022	As at 31 March 2021
Payable to employees	**149.22**	50.30
Capital creditors *	**195.76**	58.41
	344.98	108.71

* Of the above, payable to related party are as below:

Particulars	As at 31 March 2022	As at 31 March 2021
Mahindra First Choice Wheels Limited	–	42.90
	–	42.90

Note 17. Other current liabilities

Particulars	As at 31 March 2022	As at 31 March 2021
Statutory dues payable		
i) Provident fund	**9.52**	4.12
ii) Profession tax	**0.05**	–
iii) Tax deducted at source	**55.82**	21.99
iv) Goods and Services Tax (GST)	**1.16**	19.23
Advances from customers	**67.90**	–
	134.45	45.34

Note 18. Revenue from operations

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Advertisement revenue	**1,355.87**	721.70
Consultancy and other affiliate income	**1,264.82**	468.32
Sale of products	**242.85**	–
Total revenue from operations	**2,863.54**	1,190.02

Notes:

a) Reconciliation of the amount of revenue recognised in the statement of profit and loss with the contracted price

	For the year ended 31 March 2022	For the year ended 31 March 2021
Revenue as per Contracted Price for sale of products	**245.28**	–
Sales returns	**(2.43)**	–
Rebates/Discounts	**–**	–
Revenue from contracts with customers for sale of products	**242.85**	–

b) Contract balances

	For the year ended 31 March 2022	For the year ended 31 March 2021
Trade receivables (Note 6)	**1,288.38**	373.11
Contract assets (Note 11)	**165.35**	8.03
Contract liabilities (Note 17)	**67.90**	–

Note:

Contract assets represents right to receive the inventory (on estimated sales returns) and contract liabilities represents advances received from customers for sale of goods at the reporting date.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022

(Currency : Indian rupees in lakhs)

Note 19. Other income

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Interest income measured at amortized cost:		
- Fixed deposits	**0.10**	2.62
- Income tax refund	–	1.23
Miscellaneous income	**0.10**	0.04
	0.20	3.89

Note 20. Cost of services

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Direct Business Support Expense	**1,435.04**	178.90
Production, Consultancy Expenses	**393.64**	172.81
	1,828.68	351.71

Note 21. Employee benefits expenses

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Salaries, wages and bonus	**1,099.94**	462.41
Expense related to post employment defined benefit plan (refer note 29)	**11.63**	7.84
Contribution to provident and other funds	**43.78**	24.02
Staff welfare expenses	**13.73**	0.82
	1,169.08	495.09

Note 22. Finance costs

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Interest expense		
- On others	**83.88**	5.90
	83.88	5.90

Note 23. Depreciation and amortisation expense

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Depreciation on property, plant and equipment	**15.54**	8.89
Amortisation on intangible assets	**37.73**	37.42
	53.27	46.31

Note 24. Other expenses

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Rent (refer note 30)	**71.09**	43.64
Electricity and water	**5.77**	–
Printing and stationery	**0.62**	–
Postage and courier	**3.31**	0.01
Travelling expenses	**7.44**	1.09
Business promotion	**4.88**	2.04
Repairs and maintenance - computers	**4.44**	0.19
Auditor's remuneration (excluding tax) [a]	**7.00**	6.00
Bank charges	**5.09**	0.00
Insurance	**6.34**	6.68
Communication	**9.22**	0.61
Software & IT expense	**217.12**	5.75
Vehicle running and maintenance	–	0.23
Bad debts written off	–	0.01
Legal and professional fees	**55.14**	314.86
Allowance for Doubtful Receivables	**33.15**	6.19
Miscellaneous expenses	**6.97**	9.71
	437.58	397.01

a) Auditor's remuneration

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
As auditors:		
Audit fee	**7.00**	6.00
Out of pocket expense	–	–
	7.00	6.00

Note: 25A. Capital management

Equity share capital and other equity are considered for the purpose of Company's capital management. The Company's objective for capital management is to manage its capital so as to safeguard its ability to continue as a going concern and to support the growth of the Company. The capital structure of the Company is based on management's judgement of its strategic and day-to-day needs with a focus on total equity so as to maintain investors, creditors and market confidence. The funding requirements are met through equity and operating cash. The Company is not subject to any externally imposed capital requirements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022

(Currency : Indian rupees in lakhs)

Note: 25B Key Financial Ratios of the Company:

Ratio	Numerator	Denominator	Current Period	Previous Period	% Variance	Reason for Variance
Current Ratio	Current Assets	Current Liabilities	0.94	0.70	**35%**	Improvement in operational capabilities
Debt-Equity Ratio						
Debt Service Coverage Ratio	Not applicable since company doesn't carry any debt for this financial year.					
Return on Equity Ratio	Profit after tax	Average Shareholders Equity	-440%	370%	**-219%**	Focus on business growth and market share improvement led to higher spending
Inventory Turnover Ratio	Sales	Average inventory	2419%	–	Not applicable as new business started during the year	
Trade Receivables Turnover Ratio	Sales	Average receivable	345%	306%	**13%**	Receivable turnover reduced because regular collection affected basis current covid situation in the country.
Trade Payables Turnover Ratio	Purchase	Average payable	177%	56%	**216%**	The company has postponed some payment due to working capital mismatch
Net Capital Turnover Ratios	Net sales	Working capital	-2270%	-416%	**446%**	The variance is mainly because higher spending in relation to revenue during the year
Net Profit Ratio	Net profit	Net sales	-69%	-35%	**97%**	Higher spending on Marketing to gain market share
Return on Capital Employeed Ratio	EBIT	Capital Employed	-195%	643%	**-130%**	Capex investment of INR 85 Million out of capital employed led to higher changes in ratio during the year
Return on Investment Ratio	Not applicable since company doesn't have any investment activities during this financial year.					

Note 26. Financial instruments - fair value measurements and financial risk management

A. Accounting classifications and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

(i) As on 31 March 2022

		Carrying value			Fair value measurement using	
Particulars	**Note**	**FVTPL/ FVOCI**	**Amortized cost**	**Total**	**Level 1/ Level 2**	**Level 3**
Financial assets						
Inventories	**5**	–	**20.08**	**20.08**	–	**20.08**
Trade receivables*	**6**	–	**1,288.38**	**1,288.38**	–	**1,288.38**
Cash and cash equivalents*	**7**	–	**67.84**	**67.84**	–	**67.84**
Bank balances other than cash and cash equivalents*	**8**	–	–	–	–	–
Other Current Financial assets*	**9**	–	**26.14**	**26.14**	–	**26.14**
Total		–	**1,402.44**	**1,402.44**	–	**1,402.44**
Financial liabilities						
Trade payables*	**15**	–	**1,530.23**	**1,530.23**	–	**1,530.23**
Payable to employees*	**16**	–	**149.22**	**149.22**	–	**149.22**
Capital creditors*	**16**	–	**195.76**	**195.76**	–	**195.76**
Total		–	**1,875.21**	**1,875.21**	–	**1,875.21**

As on 31 March 2021

		Carrying value			Fair value measurement using	
Particulars	**Note**	**FVTPL/ FVOCI**	**Amortized cost**	**Total**	**Level 1/ Level 2**	**Level 3**
Financial assets						
Inventories	**5**	–	–	–	–	–
Trade receivables*	**6**	–	**373.11**	**373.11**	–	**373.11**
Cash and cash equivalents*	**7**	–	**106.78**	**106.78**	–	**106.78**
Bank balances other than cash and cash equivalents mentioned above*	**8**	–	**56.47**	**56.47**	–	**56.47**
Other Current Financial assets*	**9**	–	**0.25**	**0.25**	–	**0.25**
Total		–	**536.61**	**536.61**		**536.61**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022

(Currency : Indian rupees in lakhs)

Particulars	Note	Carrying value FVTPL/ FVOCI	Carrying value Amortized cost	Total	Fair value measurement using Level 1/ Level 2	Level 3
Financial liabilities						
Trade payables*	**15**	–	**781.84**	**781.84**	–	**781.84**
Payable to employees*	**16**	–	**50.30**	**50.30**	–	**50.30**
Capital creditors*	**16**	–	**58.41**	**58.41**	–	**58.41**
Total		–	**890.55**	**890.55**		**890.55**

* The carrying amounts of security deposit, trade receivables, cash and cash equivalents, bank balances other than cash and cash equivalents mentioned above, interest accrued on fixed deposit, trade payables, payable against fixed assets, payable to employees and interest payable on loan and others approximates the fair values due to their short-term nature.

Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

There has been no transfers between Level 1, Level 2 and Level 3 for the year ended 31 March 2022 and for the previous year ended 31 March 2021.

Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

- the fair value of the remaining financial instruments is determined using discounted cash flow method.

B. Financial risk management

The Company has exposure to the following risks arising from financial instruments:
- Credit risk
- Liquidity risk
- Market risk - interest rate

(i) Risk management framework

The Company's key management has overall responsibility for the establishment and oversight of the Company's risk management framework.

The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risks limits and controls and to monitor risks and adherence to limits. Risk management policies are reviewed regularly to reflect changes in market condition and the Company's activities. The Company through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which employees understand their roles and obligations.

(ii) Credit risk

The maximum exposure to credit risks is represented by the total carrying amount of these financial assets in the Balance Sheet

Particulars	As at 31 March 2022	As at 31 March 2021
Trade receivables	**1,288.38**	373.11
Cash and cash equivalents	**67.84**	106.78
Bank balances other than cash and cash equivalents mentioned above	–	56.47
Other financial assets	**26.14**	0.25

Credit risk is the risk of financial loss to the Company if a customer or counter-party fails to meet its contractual obligations. Credit risk encompasses both, the direct risk of default and the risk of deterioration of credit worthiness as well as concentration of risks.

Credit risk on cash and cash equivalents and bank deposits is limited as the Company generally deals with banks with high credit ratings assigned by domestic credit rating agencies.

The Company uses expected credit loss model to assess the impairment loss. The Company uses a provision matrix to compute the expected credit loss allowance for trade receivables. The provision matrix takes into account available internal credit risk factors such as the Company's historical experience for customers. Based on the business environment in which the Company operates, management considers that the trade receivables are in default (credit impaired) if the payments are more than 365 days past due.

Trade receivables as at year end includes INR 929.51 lakhs (previous year INR 349.15 lakhs) as amount recoverable from others and INR 398.92 lakhs (previous year INR 39.93 lakhs) recoverable from related parties.

The movement in the allowance for impairment in respect of trade receivables is as follows:

Particulars	As at 31 March 2022	As at 31 March 2021
Balance as at beginning of the year	**6.91**	1.30
Loss allowance on trade receivables	**33.15**	6.19
Utilized	–	(0.58)
Balance as at the end of the year	**40.06**	6.91

The impairment provisions for financial assets disclosed above are based on assumptions about risk of default and expected loss rates. The company uses judgement in making these assumptions and selecting the inputs to the iwmpairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

Particulars	Outstanding for following periods from date of invoice: Unbilled	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years
Default rate as at 31 March 2022	0%	0%	0%	75%	100%	0%

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022

(Currency : Indian rupees in lakhs)

(iii) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to manage liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company aims to maintain the level of its cash and cash equivalents and other highly marketable equity investments at an amount in excess of expected cash outflows on financial liabilities (other than trade payables) over the next six months. The Company also monitors the level of expected cash inflows on trade receivables together with expected cash outflows on trade payables and other financial liabilities.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The contractual cash flow amounts are gross and undiscounted.

As at 31 March 2022	**Carrying amount**	**Less than one year**	**Between one and three years**	**More than three years**	**Contractual cash flows**
Trade payables	**1,530.23**	**1,530.23**	–	–	**1,530.23**
Other financial liabilities	**344.97**	**344.97**	–	–	**344.97**
	1,875.20	**1,875.20**	–	–	**1,875.20**

As at 31 March 2021	Carrying amount	Less than one year	Between one and three years	More than three years	Contractual cash flows
Trade payables	781.84	781.84	–	–	781.84
Other financial liabilities	108.71	108.71	–	–	108.71
	890.55	890.55	–	–	890.55

(iv) Market risk

Market risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk namely: currency risk and interest rate risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

Company operated domestically and not exposed to foreign currency fluctuation risk for the financial year ended 31 march 2022.

The company does not have any borrowing during the financial year ended 31 march 2022, accordingly not exposed to interest rate risk.

Note 27. Earnings per share ('EPS')

The calculations of profit / (loss) attributable to equity shareholders and weighted average number of equity shares outstanding for purposes of earnings / (loss) per share calculations are as follows:

Particulars	**For the year ended 31 March 2022**	For the year ended 31 March 2021
Loss for the year - (A)	**(1,961.87)**	(416.01)
Calculation of weighted average number of equity shares		
Number of equity shares at the beginning of the year	**1,07,322**	92,185
Number of equity shares outstanding at the end of the year	**1,98,144**	1,07,322
Weighted average number of shares outstanding during the year - (B)	**1,10,891**	99,111
Face value of each equity share (INR)	**10**	10
Basic and diluted loss per equity share (INR) - (A)/(B)	**(1,769.19)**	(419.74)

Note 28. Related party disclosures

(a) List of related parties and nature of relationship

Ultimate Holding Company

Mahindra and Mahindra Limited

Holding Company

Mahindra First Choice Wheels Limited

Fellow subsidiary of Holding Company

Mahindra Two Wheelers Limited

Mahindra Emarket Limited

Gromax Agri Equipment Limited

Mahindra Electric Mobility Limited

Mahindra Engineering & Chemical Products Limited

Mahindra Intertrade Limited

Mahindra Holiday & Resort India Limited

NBS International Limited

Mahindra & Mahindra Financial Services Limited

Mahindra Intergrated Business Solutions Private Limited

Entities over which key management personnel have significant influence

Classic Legends Private Limited

Mahindra & Mahindra Emp Co-op Consumer Society

Key management personnel

Rajeev Bidyanand Dubey	Director
Anupam Thareja	Director
Kavinder Singh	Director
Amit Kumar Sinha	Director (effective 2 April 2021)
Nalin Kapoor	CEO (effective 1 May 2021)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022

(Currency : Indian rupees in lakhs)

(b) Transactions with related parties

The following table provides the total amount of transactions that have been entered into with related parties, in the ordinary course of business:

	Holding and Ultimate Holding Company		Fellow Subsidiary of Holding Company		Entities over which key management personnel have significant influence	
Particulars	**For the year ended 31 March 2022**	For the year ended 31 March 2021	**For the year ended 31 March 2022**	For the year ended 31 March 2021	**For the year ended 31 March 2022**	For the year ended 31 March 2021
Sale of Asset						
Mahindra First Choice Wheels Limited	**5.85**	–	–	–	–	–
Sale of Services						
Classic Legends Private Limited	–	–	–	–	**15.18**	124.57
Mahindra & Mahindra Limited	**331.81**	56.42	–	–	–	–
Mahindra Electric Mobility Limited	–	–	**42.79**	–	–	–
Mahindra Two Wheelers Limited	–	–	**2.50**	–	–	–
NBS International Limited	–	–	**1.01**	–	–	–
Mahindra First Choice Wheels Limited	**154.09**	32.89	–	–	–	–
Mahindra Holiday & Resort India Limited	–	–	–	16.06	–	–
Sale of Goods						
Gromax Agri Equipment Limited	–	–	**9.25**	–	–	–
Mahindra & Mahindra Emp Co-op Consumer Society	–	–	–	–	**0.16**	–
Mahindra & Mahindra Limited	**2.56**	–	–	–	–	–
Mahindra First Choice Wheels Limited	**11.02**	–	–	–	–	–
Mahindra Intertrade Limited	–	–	**0.16**	–	–	–
Sale of Leads						
Mahindra First Choice Wheels Limited	**473.90**	–	–	–	–	–
Mahindra & Mahindra Limited	**82.05**	–	–	–	–	–
Classic Legends Private Limited	–	–	–	–	**47.99**	–
Website Development & Call Center Income						
Classic Legends Pvt Limited	–	–	–	–	**130.18**	–
Mahindra & Mahindra Financial Services Limited	–	–	**8.54**	–	–	–
Purchase of Goods						
Mahindra & Mahindra Limited	**154.84**	–	–	–	–	–
Mahindra Two Wheelers Limited	–	–	**12.63**	–	–	–
NBS International Limited	–	–	**0.19**	–	–	–
Mahindra Engineering & Chemical Products Limited	–	–	**0.70**	–	–	–
Mahindra eMarket Limited	–	–	**18.06**	–	–	–
IT Expense & Platform License Fees						
Mahindra & Mahindra Limited	**2.87**	–	–	–	–	–
Mahindra eMarket Limited	–	–	**12.00**	–	–	–
Mahindra First Choice Wheels Limited	**30.26**	–	–	–	–	–
Purchase of fixed assets						
Mahindra Emarket Limited	–	–	**20.34**	–	–	–
Mahindra First Choice Wheels Limited	–	2.83	–	–	–	–

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022

(Currency : Indian rupees in lakhs)

Particulars	Holding and Ultimate Holding Company		Fellow Subsidiary of Holding Company		Entities over which key management personnel have significant influence	
	For the year ended 31 March 2022	For the year ended 31 March 2021	For the year ended 31 March 2022	For the year ended 31 March 2021	For the year ended 31 March 2022	For the year ended 31 March 2021
Issue of Shares						
Mahindra First Choice Wheels Limited	**2,999.98**	500.00	–	–	–	–
Cost of Service						
Mahindra & Mahindra Limited	**4.53**	–	–	–	–	–
Mahindra E Market Limited	–	–	–	8.50	–	–
Mahindra Intergrated Business Solutions Private Limited	–	–	**17.00**	–	–	–
Professional & Consultancy Charges						
Mahindra First Choice Wheels Limited	**341.41**	138.76	–	–	–	–
Interest Expense						
Mahindra First Choice Wheels Limited	**83.88**	–	–	–	–	–
Rent						
Mahindra First Choice Wheels Limited	**43.64**	43.64	–	–	–	–

(c) Key management personnel compensation

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Short term employee benefits	**141.59**	74.94

(d) Outstanding balances

Particulars	Holding and Ultimate Holding Company		Fellow Subsidiary of Holding Company		Entities over which key management personnel have significant influence	
	For the year ended 31 March 2022	For the year ended 31 March 2021	For the year ended 31 March 2022	For the year ended 31 March 2021	For the year ended 31 March 2022	For the year ended 31 March 2021
Trade payable			–	–	–	–
Mahindra First Choice Wheels Limited	–	431.66	–	–	–	–
Mahindra & Mahindra Limited	76.88	–	–	–	–	–
Mahindra Intergrated Business Solutions Private Limited	–	–	**0.65**	–	–	–
Mahindra Two Wheelers Limited	–	–	**5.56**	–	–	–
Trade receivable						
Classic Legends Private Limited	–	–	–	–	**113.36**	15.98
Gromax Agri Equipment Limited	–	–	**4.37**	–	–	–
Mahindra & Mahindra Limited	**156.65**	19.36	–	–	–	–
Mahindra Electric Mobility Limited	–	–	**21.78**	–	–	–
Mahindra First Choice Wheels Limited	**89.66**	4.59	–	–	–	–
Mahindra & Mahindra Financial Services Limited	–	–	**10.07**	–	–	–
Mahindra Two Wheelers Limited	–	–	**2.36**	–	–	–
NBS International Limited	–	–	**0.67**	–	–	–
Payable against fixed assets						
Mahindra First Choice Wheels Limited	–	42.90	–	–	–	–

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022

(Currency : Indian rupees in lakhs)

Note 29. Employee Benefits

(i) Gratuity

The Company operates a gratuity plan covering qualifying employees. The benefit payable is the greater of the amount calculated as per the Payment of Gratuity Act, 1972 or the Company scheme applicable to the employee. The benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. In case of death while in service, the gratuity is payable irrespective of vesting.

Through its defined benefit plans the Company is exposed to a number of risks, the most significant of which are detailed below:

Changes in bond yields

A decrease in government bond yields will increase plan liabilities.

Inflation risk

Some of the Company's pension obligations are linked to inflation, and higher inflation will lead to higher liabilities. Thus, an increase in inflation will also increase the deficit to some extent.

Life expectancy

The majority of the plan's obligations are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the plan's liabilities. This is particularly significant in the Company's defined benefit plans, where inflationary increases result in higher sensitivity to changes in life expectancy.

(a) Changes in present value of defined benefit obligation:

Particulars	Present value of obligation
Balance as at 1 April 2020	19.77
Current service cost	6.61
Interest expense/(income)	1.23
Total amount recognized in profit or loss	**7.84**
Remeasurements:	
(Gain) / loss from change in demographic assumptions	(3.49)
(Gain) / loss from change in financial assumptions	(3.83)
Experience (gains) / losses	8.74
Total amount recognized in other comprehensive income	**1.42**
Benefit payments	–
Balance as at 31 March 2021	**29.03**
Current service cost	9.91
Interest expense/(income)	1.72
Total amount recognized in profit or loss	**11.63**
Remeasurements:	
(Gain) / loss from change in demographic assumptions	0.45
(Gain) / loss from change in financial assumptions	(5.37)
Experience (gains) / losses	8.20
Total amount recognized in other comprehensive income	**3.28**
Benefit payments	**(2.33)**
Balance as at 31 March 2022	**41.61**

The net liability disclosed above relates to unfunded plans are as follows:

Particulars	**As at 31 March 2022**	As at 31 March 2021
Present value of obligations	**41.61**	29.03
Deficit of gratuity plan	**41.61**	29.03

(b) Assumptions:

1. Economic assumptions

Particulars	**As at 31 March 2022**	As at 31 March 2021
Discount rate	**6.10%**	6.35%
Salary growth rate	**8.00%**	8.00%

The discount rate is based on the prevailing market yields of Indian government securities as at the balance sheet date for the estimated term of the obligations.

The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors.

2. Demographic assumptions:

Particulars	**As at 31 March 2022**	As at 31 March 2021
Withdrawal rate, based on age as on 31 Mar 2021		
Age in years 21 - 44		18%
Age in years 45 - 59		1%
Withdrawal rate as on 31 Mar 2022	**20%**	

(c) Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

	Impact on defined benefit obligation					
	Change in assumption		Increase in assumption		Decrease in assumption	
Particulars	**As at 31 March 2022**	As at 31 March 2021	**As at 31 March 2022**	As at 31 March 2021	**As at 31 March 2022**	As at 31 March 2021
Discount rate	**1%**	1%	**(1.73)**	(2.22)	**1.90**	2.60
Salary growth rate	**1%**	1%	**1.82**	2.05	**(1.70)**	(1.83)

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022

(Currency : Indian rupees in lakhs)

(d) Projected Plan Cash Flow

The table below shows the expected cash flow profile of the benefits to be paid to the current membership of the plan based on past service of the employees as at the valuation date.

Maturity Profile	As at 31 March 2022	As at 31 March 2021
Within 1 year	**13.21**	0.36
Between 2 and 5 years	**18.87**	13.57
Between 6 and 9 years	**11.72**	6.11
10 years and above	**13.27**	32.90

The weighted average duration of the defined benefit obligation as at 31 March 2022 is 5.48 years (31 March 2021: 8.36 years)

Note 30. Lease commitments

A. Non-cancellable operating leases

The Company has taken a commercial premises under cancellable operating lease. The rental expense for the current year, in respect of operating leases is INR 71.09 lakhs (previous year INR 43.64 lakhs). The future minimum lease payments in respect of such leases is Nil.

Note 31. Segment information

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("CODM") as required under Ind AS 108. The CODM is considered to be Board of Directors who makes strategic decisions and is responsible for allocating resources and assessing performance of the operating segments. The principal activities of the Company comprises of e-commerce market place connecting buyers and sellers in respect of products related to cars and bikes, accordingly, the Company has one reportable segment.

Note 32. Taxation

A) The reconciliation of estimated income tax to income tax expense is as follows:

Particulars	For the year ended 31 March 2022		For the year ended 31 March 2021	
Loss before taxes		(1,961.87)		(463.76)
Tax using the Company's applicable tax rate	25.17%	(493.76)	25.17%	(116.72)
Tax effect of :				
Non deductible expenses	0.00%	–	-0.31%	1.46
Change in temporary differences	-3.54%	69.48	-1.75%	8.11
Current year losses for which no deferred tax asset was recognized	-21.63%	424.28	-23.10%	107.15
Effective tax rate	–	–	–	–

B) Unrecognized deferred tax assets

Deferred tax assets have not been recognized in respect of following items:

Particulars	As at 31 March 2022	As at 31 March 2021
Deferred tax liability		
- Property, plant and equipment and intangible assets	–	(0.38)
Deferred tax assets		
- Tax loss carry forwards	**424.28**	107.15
- Deductible temporary differences	**69.48**	8.11
Total deferred tax assets	**493.76**	115.26

As at 31 March 2022, the Company did not recognize deferred tax assets on tax losses and other temporary differences because a trend of future profitability is not yet clearly discernible.

C) Recognized deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to following:

Particulars	As at 31 March 2022	As at 31 March 2021
Deferred tax liabilities		
- Property, plant and equipments and intangible asset	–	(0.38)
Total deferred tax liabilities	–	(0.38)
Deferred tax assets		
- Deductible temporary differences	–	0.38
Total deferred tax assets	–	0.38
Net deferred tax assets/(liability)	–	–

D) Movement in deferred tax assets/(liabilities) during the year:

Movement in deferred tax assets during the year	Balance as at 1 April 2020	Recognized in profit or loss	Balance as at 31 March 2021	Recognized in profit or loss	Balance as at 31 March 2022
- Property, plant and equipments and intangible asset	(4.97)	4.58	(0.38)	6.11	5.73
- Tax loss carry forwards	4.97	(4.58)	0.38	(6.11)	(5.73)
Total	–	–	–	–	–

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022

(Currency : Indian rupees in lakhs)

Note 33. Contingent liabilities and commitments

a) Contingent liabilities

The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the company towards Provident Fund and Gratuity. The Ministry of Labour and Employment has released draft rules for the Code on Social Security, 2020 on November 13, 2020, and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Company will assess the impact and its valuation once the subject rules are notified and will give appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

b) Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) INR NIL (Previous year INR 20.53 lakhs).

34. To the best of our knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

35. To the best of our knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

36 Other Statutory Information

(i) The company do not have any Benami property, where any proceeding has been initiated or pending against the company for holding any Benami property.

(ii) The company do not have any transactions with companies struck off.

(iii) The company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period

(iv) The company have not traded or invested in Crypto currency or Virtual Currency during the financial year.

As per our report of even date attached
For B S R & Co. LLP
Chartered Accountants
Firm registration number: 101248W/W-100022

Jaymin Sheth
Partner
Membership Number: 114583

Place: Mumbai
Date: 6 May 2022

For and on behalf of the Board of Directors of
Fifth Gear Ventures Limited

Kavinder Singh	**Amit Kumar Sinha**	**Nalin Kapoor**
Director	Director	CEO
DIN : 06994031	DIN : 09127387	
Place: Mumbai	Place: Mumbai	Place: Mumbai
Date: 6 May 2022	Date: 6 May 2022	Date: 6 May 2022

INDEPENDENT AUDITOR'S REPORT

To the Members of,
Mahindra Namaste Limited

Report on the Audit of the Ind AS Financial Statements

Opinion

1. We have audited the financial statements of Mahindra Namaste Limited ("the Company"), which comprise the Balance sheet as at 31st March 2022, and the Statement of Profit and Loss (including Other Comprehensive Income), Statement of changes in Equity and Statement of Cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (herein after referred to as "Financial Statements").

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, and profit, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the Financial Statements.

Information Other than Ind AS Financial Statement and Auditor's Report thereon

4. The company's Board of Directors is responsible for the other information. The other information comprises Directors Report and the related annexures, but does not include the financial statements and our auditor's report thereon.

5. Our opinion on Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

6. In connection with our audit of the Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

7. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

8. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, {changes in equity) and cash flows of the Company in accordance with the accounting principles generally accepted in India.

9. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

10. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

11. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

12. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standard on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

13. As part of an audit in accordance with Standard on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

a. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

b. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section l43(3){i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.

c. Evaluate the appropriateness of accounting policies used and the accounting estimates and related disclosures made by management.

d. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

e. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

f. Materiality is the magnitude of misstatements in the Standalone Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Standalone Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Standalone Financial Statements.

14. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit: and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

15. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

16. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section {11) of section 143 of the Companies Act, 2013 we give in the "Annexure-A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

As required by Section 143(3) of the Act, we report that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

(b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

(c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

(d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act.

(e) On the basis of the written representations received from the directors as on 31st March, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure 13". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to financial Statements.

(g) In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company does not have any pending litigations which would impact its financial position.

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

iv. a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b) The management has represented that to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

v. The Company has not declared and paid any dividend during the year.

For **B. K. Khare & Co.**
Chartered Accountants
Firm's Registration No. 105102W

Shirish Rahalkar
Partner
Membership No. 111212
UDIN: 22111212AIJUTN5515

Place: Mumbai
Date: April 27, 2022

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 16 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(i) a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and nature of assets. In accordance with the programme, the Company has carried out physical verification of property, plant and equipment during the year and no material discrepancies were noticed on such verification.

c) According to the information and explanations given by the management and the records examined by us company do not hold any immovable property. Accordingly, the reporting under Clause 3(i)(c) of the Order is not applicable to the Company.

d) According to the information and explanations given to us, the Company has not revalued any of its property, plant and equipment (including Right of use assets) or intangible assets or both during the year.

e) Based on the audit procedures performed by us and according to the information, explanations and representations given to us, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

(ii) a) The Company is engaged in the business of Training and Skilling Services and accordingly does not hold any inventories. Hence, Clause 3(ii) of the Companies (Auditor's Report) Order, 2020 is not applicable to the Company.

b) According to the information and explanations given to us, the Company has not been sanctioned any working capital limits. Accordingly, reporting under clause 3(ii)(b) is not applicable to the company.

(iii) a) According to the information and explanations given to us, the Company has not made investments in or provided any guarantee or security or secured or unsecured loans to companies, firms, Limited Liability Partnerships or any other parties during the year. Accordingly, the reporting under Clauses 3(iii)(a) to 3(iii)(f) of the Order is not applicable to the Company.

(iv) According to the information and explanations given to us, the Company has not granted any loans or made any investments or provided any guarantees or security to the parties covered under Section 185 and 186 of the Act. Accordingly, the reporting under Clause 3(iv) of the Order is not applicable to the Company.

(v) According to the information and explanations given to us, the Company has not accepted deposits under the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. Accordingly, the reporting under Clause 3(v) of the Order is not applicable to the Company.

(vi) The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the services rendered by the Company. Accordingly, the reporting under Clause 3(vi) of the Order is not applicable to the Company.

(vii) According to the information and explanations given to us, in respect of statutory dues:

a) The Company has been generally regular in depositing undisputed statutory dues, including Income-tax, Goods and Services Tax, Profession Tax and other material statutory dues applicable to it to the appropriate authorities. According to the information and explanations given to us and on the basis of our examination of records of the Company, there were no undisputed statutory dues payable in respect of Sales tax, Service tax, Duty of Customs, Duty of Excise and Value Added Tax.

b) According to the information and explanations given to us and on the basis of our examination of records of the Company, there were no arrears of undisputed statutory dues in respect of Goods and Services tax, Income-tax, Sales tax, Service tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other material statutory dues as on the last day of the year for a period of more than six months from the date they became payable.

c) According to the information and explanation given to us and on the basis of our examination of records of the Company, there are no statutory dues in respect of Goods and Service Tax, Profession Tax and any other material statutory dues as at 31 March 2022, which have not been deposited on account of any dispute.

(viii) According to the information and explanations given to us, there are no transactions not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income-tax Act, 1961. Accordingly, the reporting under Clause 3(viii) of the Order is not applicable to the Company.

(ix) Reporting relating to the matters specified 3(ix):

a) According to the information and explanations given to us and based on the audit procedures performed by us, the Company has not availed any loans or other borrowings during the year. Accordingly, the reporting under Clause 3(ix) (a) of the Order is not applicable to the Company.

b) According to the information and explanations given to us, the Company has not been declared CJ willful defaulter by any bank or financial institution or any other lender till the date of our audit report.

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 16 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

c) According to the information and explanation given to us, Company has not obtained any term loan during the year. Hence reporting under clause (ix) (c) is not applicable.

d) In our opinion and according to information and explanations given to us and on overall examination of the Balance sheet of the Company, we report that company has not raised any short term or long-term loan during the year. Hence reporting under clause (ix) (d) is not applicable to company.

e) According to the information and explanations given to us and on an overall examination of the Financial Statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.

f) According to the information and explanations given to us and based on the audit procedures performed by us, we report that the Company has not raised any loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies. Accordingly, the reporting under Clause 3(ix)(f) of the Order is not applicable to the Company.

(x) a) According to the information and explanations given to us, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under Clause 3(x)(a) of the Order is not applicable to the Company.

b) According to the information and explanation given to us, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Accordingly, the reporting under clause 3(x)(b) of the Order is not applicable to the Company.

(xi) a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the management.

b) There has been no report filed by us under sub-section (12) of Section 143 of the Act in Form ADT- 4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government. Accordingly, the reporting under Clause 3(xi)(b) of the Order is not applicable to the Company.

c) As represented to us by the management, no whistle blower complaints were received by the Company during the year.

(xii) According to the information and explanations given to us, the Company is not a Nidhi company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, the reporting under Clause 3(xii) of the Order is not applicable to the Company.

(xiii) In our opinion and according to the information and explanations given to us, the Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required by Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act.

(xiv) a) In our opinion and based on our examination, the Company does not have an internal audit system and is not required to have an internal audit system as per the provisions of the Act.

b) Internal audit system is not mandated to the company. Accordingly, reporting under clause 3(xiv)(b) is not applicable to the Company.

(xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or directors of its holding company or persons connected with them during the year and hence the provisions of Section 192. of the Act are not applicable to the Company. Accordingly, the reporting under Clause 3(xv) of the Order is not applicable to the Company.

(xvi) a) According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under Clause 3(xvi) of the Order is not applicable to the Company.

b) In our opinion and according to the information and explanations given to us, the Company has not conducted any Non-Banking Financial or Housing finance activities. Accordingly, the reporting under Clause 3(xvi)(b) of the Order is not applicable to the Company.

c) In our opinion and according to the information and explanations given to us, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under Clauses 3(xvi)(c) and 3(xvi)(d) of the Order is not applicable to the Company.

d) Based on the information and explanations given to us, we report that the Group has six core investment companies.

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 16 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(xvii) In our opinion and according to the information and explanations given to us, the Company has not incurred cash losses in the current financial year as well as in the immediately preceding financial year. Accordingly, the reporting under Clause 3(xvii) of the Order is not applicable to the Company.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, the reporting under Clause 3(xviii) of the Order is not applicable to the Company.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of Balance Sheet as and when they fall due within a period of one year from the Balance Sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the CJ report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the Balance Sheet date, will get discharged by the Company as and when they fall due.

(xx) The Company is not required to comply with the provisions of section 135 of the Companies Act 2.013. Accordingly, reporting under clause 3(xx)(a) & (b) is not applicable to the Company.

For B. K. Khare & Co.
Chartered Accountants
Firm's Registration No. 105102W

Shirish Rahalkar
Partner
Membership No. 111212
UDIN: 22111212AIJUTN5515

Place: Mumbai
Date: April 27, 2022

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Mahindra Namaste Limited ("the Company") as of March 31, 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal .Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing whether the risk of a material weakness exists, and testing and evaluating the de sign and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for extern purposes in accordance with generally accepted principles. A company's internal financial control over financial reporting includes those policies and procedures that: (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected, Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **B. K. Khare & Co.**
Chartered Accountants
Firm's Registration No. 105102W

Shirish Rahalkar
Partner
Membership No. 111212
UDIN: 22111212AIJUTN5515

Place: Mumbai
Date: April 27, 2022

BALANCE SHEET AS AT MARCH 31, 2022

Rupees in Lakhs

Particulars	Note No.	As at 31-March-2022	As at 31-March-2021
I. ASSETS			
1 Non-current assets			
Property, Plant and Equipment	3	**0.75**	0.12
Other non current assets	4	**17.66**	23.72
2 Current assets			
Financial assets			
Trade receivables	5	**66.16**	55.25
Cash and cash equivalents	6	**7.70**	0.61
Bank balances other than above	6	**1.21**	1.14
Other Financial Assets	7	**51.75**	50.98
TOTAL		**145.23**	131.82
II. EQUITY AND LIABILITIES			
1 Equity			
Equity share capital	8	**901.00**	901.00
Other equity	9	**(774.67)**	(790.52)
2 Current liabilities			
Financial liabilities			
Trade payables	10	**11.59**	12.88
Other current liabilities	11	**7.31**	8.46
TOTAL		**145.23**	131.82

See accompanying notes forming part of the financial statements

In terms of our report attached

For **B. K. Khare & Co**
Chartered Accountants
Firm Regn No. 105102W

Shirish Rahalkar
Partner
Membership No. 111212

Place: Mumbai
Date: April 27, 2022

For and on behalf of the Board

B. Suresh
CEO & Director

Mitesh Shah
Director

Place: Mumbai
Date: April 27, 2022

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2022

Rupees in Lakhs

	Particulars	Note No.	**For the year ended 31-March-2022**	For the year ended 31-March-2021
	Continuing Operations			
I	Revenue from operations	**12**	**93.77**	103.04
II	Other Income	**13**	**1.21**	0.63
III	**Total Revenue (I + II)**		**94.98**	103.67
IV	**EXPENSES**			
	(a) Employee benefit expense	**14**	**19.22**	14.15
	(b) Depreciation expense	**3**	**0.32**	0.18
	(c) Other expenses	**15**	**59.59**	74.19
	Total Expenses (V)		**79.13**	88.52
	Total Revenue (III)		**94.98**	103.67
	Total Expenses (IV)		**79.13**	88.52
VI	**Profit/(loss) before tax (III - IV)**		**15.85**	15.15
VII	**Total tax expense**		**–**	–
VIII	**Profit/(loss) after tax from continuing operations (VI - VII)**		**15.85**	15.15
IX	**Profit/(loss) for the year (VIII)**		**15.85**	15.15
X	**Profit/(Loss) from continuing operations for the period attributable to:**			
	Owners of the Company		**15.85**	15.15
			15.85	15.15
XI	**Other comprehensive income**		**–**	–
XII	**Total comprehensive income for the period (IX + XI)**		**15.85**	15.15
XIII	**Earnings per equity share (for continuing operation):**			
	(1) Basic		**0.18**	**0.17**
	(2) Diluted		**0.18**	**0.17**

In terms of our report attached

For **B. K. Khare & Co**
Chartered Accountants
Firm Regn No. 105102W

Shirish Rahalkar
Partner
Membership No. 111212

Place: Mumbai
Date: April 27, 2022

For and on behalf of the Board

B. Suresh
CEO & Director

Mitesh Shah
Director

Place: Mumbai
Date: April 27, 2022

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2022

Rupees in Lakhs

Particulars	**For the year ended 31-March-2022**	For the year ended 31-March-2021
Cash flows from operating activities		
Profit/(Loss) before tax for the year	**15.85**	15.15
Adjustments for:		
Interest Income	**(0.06)**	(0.06)
Depreciation and amortisation of non-current assets	**0.32**	0.18
	16.11	15.27
Movements in working capital:		
Increase in Trade receivables	**(10.91)**	(33.60)
(Increase)/decrease in other current assets	**(0.77)**	8.64
(Decrease)/increase in trade and other payables	**(1.29)**	2.06
(Decrease)/increase in other liabilities	**(1.15)**	1.47
	1.99	(6.16)
Cash generated from operations		
Income taxes paid	**6.06**	5.89
Net cash generated by operating activities	**8.05**	(0.27)
Cash flows from investing activities		
Interest received	**0.06**	0.07
Payments for property, plant and equipment	**(0.95)**	–
Redemption/maturity of bank deposit	**(0.07)**	(0.07)
Net cash (used in)/generated by investing activities	**(0.96)**	–
Net increase in cash and cash equivalents	**7.09**	(0.27)
Cash and cash equivalents at the beginning of the year	**0.61**	0.88
Cash and cash equivalents at the end of the year	**7.70**	0.61

In terms of our report attached

For **B. K. Khare & Co**
Chartered Accountants
Firm Regn No. 105102W

Shirish Rahalkar
Partner
Membership No. 111212

Place: Mumbai
Date: April 27, 2022

For and on behalf of the Board

B. Suresh
CEO & Director

Mitesh Shah
Director

Place: Mumbai
Date: April 27, 2022

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022

1. Corporate Information

Mahindra Namaste Limited ("MNL" or "the Company") (Formerly known as Mahindra Namaste Private Limited) was incorporated on January 2, 2010. The Company is carrying out the business of skill development, capacity building, education and training, and monitoring service in various capacities across the sectors either in India or outside India.

The address of its registered office is Mahindra Towers, P.K.Kurne Chowk, Worli, Mumbai – 400018. Whereas books of accounts and documents are maintained at Mahindra Towers No. 17/18, Pattullous Road, Chennai - 600 002, Tamilnadu, Chennai 600 002. These financial statements are authorized for issue by the Board of Directors on April 27, 2022. The CIN of the Company is U93000MH2010PLC198303.

2. Significant Accounting Policies

2.1 Compliance with Ind AS

The financial statements have been prepared in accordance with the Indian Accounting Standards (Ind AS), notified under the Companies (Indian Accounting Standards) Rules, 2015 read with Companies (Indian Accounting Standards) (Amendment) Rules, 2016.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

In March 2018, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2018, notifying IND AS 115 - 'Revenue from Contracts with Customers' and consequential amendments to various IND AS standards; this standard establishes a single comprehensive model for accounting of revenue arising from contracts with customers. IND AS 115 supersedes the revenue recognition guidance under IND AS 11 Construction Contracts and IND AS 18 Revenue, and the Company has adopted IND AS 115 form April 1, 2018. The application of IND AS 115 did not have material impact on the financial statements and hence the comparative information has not been restated.

2.2 Basis of preparation

The financial statements have been prepared on historical cost basis, expect for certain financial assets that are measured at fair value.

All Assets and Liabilities have been classified as current or non-current as per the Company's operating cycle and other criteria set out in Schedule III to the Companies Act, 2013. Based on the nature of products/services and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current-non-current classification of assets and liabilities.

2.3 Use of estimates

The preparation of the financial statements in conformity with Indian Generally Accepted Accounting Principles requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenue, expense assets and liabilities and disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of the current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets and liabilities in the future periods.

2.4 Critical estimates and judgments

The preparations of the financial statements are based on use of a high degree of judgments or complexity, and of the items which are more likely to be materiality adjusted due to estimates and assumptions.

The areas involving critical estimates or judgments are:

- **Estimated useful life of intangible assets**

  Estimates and judgments are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financials impact on the company and that are believed to be reasonable under the circumstances.

2.5 Revenue recognition

Revenue is recognized at the fair value of consideration received or receivable. Revenue in respect of services is recognized on a time proportion basis. Estimates of revenues, costs or extent of progress towards completion are revised if circumstances change.

2.6 Other income

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably.

2.7 Foreign currencies

In preparing the financial statements of the Company, transactions in currencies other than the entity's functional currency are recognized at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date.

2.8 Employee Benefits

The Company has no employees on its payroll for the year ended March 31, 2022. Accordingly, there are no provident fund and other employee benefit schemes.

2.9 Income Tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the company and its subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax assets and liabilities are recognized, subject to consideration of prudence, on timing differences, being the difference between taxable incomes and accounting income, that originate in one period and are capable of reversal in one or more subsequent periods and are measured using tax rates enacted or substantively enacted as at the balance sheet date.

2.10 Impairment of Assets

The carrying values of assets / cash generating units at each balance sheet date are reviewed for impairment if any indication of impairment exists. The following intangible assets are tested for impairment each financial year even if there is no indication that the asset is impaired:

(a) an intangible asset that is not yet available for use; and (b) an intangible asset that is amortized over a period exceeding ten years from the date when the asset is available for use.

If the carrying amount of the assets exceed the estimated recoverable amount, an impairment is recognized for such excess amount. The impairment loss is recognized as an expense in the Statement of Profit and Loss, unless the asset is carried at revalued amount, in which case any impairment loss of the revalued asset is treated as a revaluation decrease to the extent a revaluation reserve is available for that asset.

The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor.

When there is indication that an impairment loss recognized for an asset (other than a revalued asset) in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognized in the Statement of Profit and Loss, to the extent the amount was previously charged to the Statement of Profit and Loss. In case of revalued assets such reversal is not recognized.

2.11 Provisions

A provision is recognized when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022

which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes. Contingent assets are not recognized in the financial statements.

2.12 Financial instruments

Financial assets and financial liabilities are recognized when a Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

2.13 Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the - marketplace.

All recognized financial assets are subsequently measured in their entirety at either amortized cost or fair value, depending on the classification of the financial assets.

2.14 Trade and other payables:

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period.

2.15 Earnings Per Share (EPS)

The Company presents the basic and diluted EPS data for its equity shares. Basic EPS is computed by dividing the net profit for the year attributable to the equity shareholders of the Company by the weighted average number of equity shares outstanding during the year.

Note No. 3 - Tangible Assets

Rupees in Lakhs

Description of Assets	Computers	Total
Tangible Assets		
Cost		
Balance as at 1 April, 2021	0.55	0.55
Additions during the year	0.95	0.95
Disposals/Adjustments of Assets	–	–
Balance as at 31 March 2022	**1.50**	**1.50**
II. Accumulated depreciation and impairment for the year 2021-2022		
Balance as at 1 April, 2021	0.43	0.43
Depreciation for the year	0.32	0.32
Balance as at 31 March 2022	**0.75**	**0.75**
Net block (I-II)		
Balance as on 31st March 2022	**0.75**	**0.75**
Balance as on 31st March 2021	**0.12**	**0.12**

Note 4 - Other non current assets

Rupees in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Tax Deducted at Source	**17.66**	23.72
TOTAL	**17.66**	23.72

Note 5 - Trade Receivables

Particulars	As at March 31, 2022	As at March 31, 2021
Of the above, trade receivables from:		
– Related Parties	**66.16**	55.25
– Others	**–**	–
TOTAL	**66.16**	55.25

Trade Receivables ageing schedule

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed Trade receivables – considered good	**65.83**	**0.33**	**–**	**–**		**66.16**
TOTAL	**65.83**	**0.33**	**–**	**–**	**–**	**66.16**

Note 6 - Cash and cash equivalents

Particulars	As at March 31, 2022	As at March 31, 2021
Cash and cash equivalents		
Cash on hand		
Balance with Scheduled Bank	**7.70**	0.61
Cheques on hand	**–**	–
TOTAL	**7.70**	0.61
Other Bank balances		
In deposit accounts more than 3 months and less than 12 months maturity	**1.21**	1.14
Total	**1.21**	1.14

Note 7 - Other Financial Assets

Particulars	As at March 31, 2022	As at March 31, 2021
Unbilled revenue	**51.69**	50.92
GST Input tax credits receivable	**–**	–
Interest receivable	**0.06**	0.06
TOTAL	**51.75**	50.98

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

Note 8 - Equity share capital

Rupees in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Authorized		
95,00,000 Equity shares of Rs. 10 each	**950.00**	950.00
	950.00	950.00
Issued, Subscribed & Paid-up		
90,10,000 Equity shares of Rs. 10 each fully paid	**901.00**	901.00
Total	**901.00**	901.00

Details of shares held by each shareholder holding more than 5% shares:

Name of Shareholder	As at March 31, 2022 Number of shares held	As at March 31, 2021 Number of shares held
Mahindra Consulting Engineers Limited	**9,009,994**	9,009,994

Rupees in Lakhs

Particulars	Number of Shares	Equity share capital
Issues, Subscribed and Paid-up:		
As at 1 April 2020	9,010,000	901.00
Changes in equity share capital during the year		
As at 31 March 2021	9,010,000	901.00
Changes in equity share capital during the year		
As at 31 March 2022	**9,010,000**	**901.00**

Note 9 - Other Equity

Rupees in Lakhs

Particulars	Retained Earnings
As at 1 April 2020	**(805.67)**
Profit / (Loss) for the year	15.15
As at 31 March 2021	**(790.52)**
Profit / (Loss) for the year	15.85
Other Comprehensive Income / (Loss)	–
As at 31 March 2022	**(774.67)**

Note 10 - Trade Payables

Rupees in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Amounts payable to related party	**10.90**	12.19
Others	**0.69**	0.69
Total	**11.59**	12.88

Trade Payables ageing schedule

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	–	–	–	–	–
(ii) Others	**1.80**	**2.36**	**1.51**	**5.92**	**11.59**
	1.80	**2.36**	**1.51**	**5.92**	**11.59**

Note 11 - Other Current Liabilities

Rupees in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
TDS Payable	**1.74**	1.83
Salary Payable	**1.42**	1.18
Provision for Expenses	**1.47**	1.17
Statutory remittances (GST)	**2.68**	4.28
Total	**7.31**	8.46

Note 12 - Revenue from Operations

Rupees in Lakhs

Particulars	For the period ended March 31, 2022	For the year ended March 31, 2021
(a) Professional fees from Capacity Building	**93.77**	103.04
Total	**93.77**	103.04

Revenue information :

Disaggregation of revenue

(i) The following table provides information about disaggregated revenue by primary geographical market, major product line and timing of revenue recognition, and includes a reconciliation of the disaggregated revenue with reportable segments :

Particulars	For the year ended March 31, 2022			For the year ended March 31, 2021		
	Government	Non Government	Total	Government	Non Government	Total
Primary geographical markets:						
India	**27.69**	**18.50**	**46.19**	31.19	23.00	54.19
Others	**47.58**		**47.58**	48.85		48.85
Total	**75.27**	**18.50**	**93.77**	80.04	23.00	103.04

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Timing of revenue recognition		
Products & services transferred at point in time	**18.50**	23.00
Products & services transferred over time	**75.27**	80.04

Contract balances

(ii) The following table provides information about receivables, contract assets and contract liabilities from contracts with customers :

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Receivables	**66.16**	55.25
Short-term contract assets	**51.69**	50.92

Note 13 - Other Income

Rupees in Lakhs

Particulars	For the period ended March 31, 2022	For the year ended March 31, 2021
Interest on Income Tax Refund	**1.15**	0.57
Interest on fixed deposit	**0.06**	0.06
Total	**1.21**	0.63

Note 14 - Employee Benefits Expenses

Rupees in Lakhs

Particulars	For the period ended March 31, 2022	For the year ended March 31, 2021
Salaries and wages, including bonus	**19.22**	14.15
Total	**19.22**	14.15

Note 15 - Other Expenses

Particulars	For the period ended March 31, 2022	For the year ended March 31, 2021
Rent	**6.02**	9.31
Legal & Professional Expenses	**29.12**	43.84
Communication Expenses	**0.71**	0.59
Travel & Conveyance	**17.74**	15.91
Printing & Stationery	**0.66**	0.52
Electricity & Power	**0.58**	0.55
Insurance	**0.97**	0.74
Auditors Remuneration	**0.75**	0.75
Other Expenses	**3.04**	1.98
Total	**59.59**	74.19

Amount paid / payable to the statutory auditors (included under Auditors Remuneration in Note 15)

Particulars	For the period ended March 31, 2022	For the year ended March 31, 2021
Statutory Audit fees*	**0.75**	0.75
Others*	**–**	–
Total	**0.75**	0.75

* Above amount are exclusive of GST

Note 16 - Earnings per Share

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Basic/Diluted Earnings per share		
From continuing operations (Rs.) per share	**0.18**	0.17
From discontinuing operations (Rs.) per share	**–**	–
Total basic/diluted earnings per share	**0.18**	0.17

Basic earnings per share

The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Profit / (Loss) for the year attributable to owners of the Company	**15.85**	15.15
Less: Preference dividend and tax thereon	**–**	–
Profit / (Loss) for the year used in the calculation of basic earnings per share	**15.85**	15.15
Profit / (Loss) for the year on discontinued operations used in the calculation of basic earnings per share from discontinued operations	**–**	–
Profit / (Loss) used in the calculation of basic earnings per share from continuing operations	**15.85**	15.15
Weighted average number of equity shares	**9,010,000**	9,010,000
Earnings per share from continuing operations - Basic	**0.18**	0.17

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

Note No. 17 - Ratios

Particulars	**Numerator**	**Denominator**	**As at March 31, 2022**	As at March 31, 2021	Variance	Reason for Variance
Current Ratio	Current Assets	Current Liabilities	**6.71**	5.06	33%	The variance is on account of business operations with respect to receivables and payables
Debt-Equity Ratio			**Not applicable**	Not applicable		No debts
Debt Service Coverage Ratio			**Not applicable**	Not applicable		No debts
Return on Equity Ratio	Net Profits after taxes	Shareholder's Equity	**12.54%**	13.71%	-9%	
Inventory turnover ratio			**Not applicable**	Not applicable		No inventory
Trade Receivables turnover ratio	Revenue from operations	Average Trade Receivable	**1.54**	2.68	-42%	The variance is on account increase in debtors on account of business operations
Trade payables turnover ratio	Revenue from operations	Average Trade Payables	**7.66**	8.70	-12%	
Net capital turnover ratio	Total revenue	Current Assets - Current Liabilities	**0.88**	1.20	-26%	The variance is on account of business operations with respect to receivables and payables
Net profit ratio	Net Profit	Total revenue	**16.68%**	14.61%	14%	
Return on Capital employed	Profit after tax from continuing operations	Average capital employed	**13.38%**	14.72%	-9%	
Return on investment			**Nil**	Nil		

Note 18 - Related party disclosures

a) Names of related parties and nature of relationship where control exists:

Sl. No.	**Particulars**	**Nature of relationship**
1	Mahindra Consulting Engineers Limited	Holding Company
2	Mahindra & Mahindra Limited	Ultimate Holding Company

b) Details of related party transactions during the year ended 31st March 2022 and balances outstanding as at 31st March 2022

Name of Related Party	**Nature of Relationship**	**Type of Transaction**	**Year ended 31 March 2022**	Year ended 31 March 2021
Mahindra Consulting Engineers Ltd.	Holding Company	Professional charges paid	**25.18**	40.94
Mahindra Consulting Engineers Ltd.	Holding Company	Reimbursement of expenses	**19.07**	20.13
Mahindra Consulting Engineers Ltd.	Holding Company	Rent expenses	**6.02**	9.31
Mahindra Consulting Engineers Ltd.	Holding Company	Income from capacity building services	**93.77**	103.05
Mahindra & Mahindra Limited	Ultimate Holding Company	Corporate Secretarial Services & Travel Expenses	**2.66**	2.51
Mahindra & Mahindra Limited	Ultimate Holding Company	Balance payable at the end of the year	**10.90**	12.19
Mahindra Consulting Engineers Ltd.	Holding Company	Balance receivable at the end of the year	**66.16**	55.25

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

Note 19 - Segment Reporting

The Company has a single reportable business segment viz. providing training services for the purpose of IND AS 108 - Operating Segments.

Note 20 - Maturities of financial liabilities

The table below analyse the companies financial liabilities into relevant maturity groupings based on there contractual maturities for all non-derivatives financial liabilities for which the contractual maturies are essential for an understanding of the timing of the cash flow.

Contractual maturities of financial liabilities 31st March 2022	**Less than 3 months**	**3 months to 6 months**	**6 months to 1 year**	**Between 1 and 2 years**	**Between 2 and 5 years**	**Total**
Non-Derivatives						
Trade payables	**11.59**	**–**			**–**	**11.59**
Other financial liabilities	**7.31**	**–**	**–**		**–**	**7.31**
Total Non-derivative liabilities	**18.90**	**–**	**–**	**–**	**–**	**18.90**

Contractual maturities of financial liabilities 31st March 2021	Less than 3 months	3 months to 6 months	6 months to 1 year	Between 1 and 2 years	Between 2 and 5 years	Total
Non-Derivatives						
Trade payables	12.88	–	–	–	–	12.88
Other financial liabilities	8.46	–	–		–	8.46
Total Non-derivative liabilities	21.34	–	–	–	–	21.34

Note 21 - Carrying Value of Financial Assets

All Financial Assets are carried at amortised cost.

In terms of our report attached

For **B. K. Khare & Co**
Chartered Accountants
Firm Regn No. 105102W

Shirish Rahalkar
Partner
Membership No. 111212

Place: Mumbai
Date: April 27, 2022

For and on behalf of the Board

B. Suresh
CEO & Director

Mitesh Shah
Director

Place: Mumbai
Date: April 27, 2022

INDEPENDENT AUDITOR'S REPORT

To the Members of
Mahindra Integrated Business Solutions Private Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying Financial Statements of Mahindra Integrated Business Solutions Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information in which are incorporated the returns for the year ended on that date audited by the branch auditors of the Company's branches located at Michigan, USA and Banbury, UK.

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of the branch auditors on separate financial statements of the branches referred to in the Other Matters section below, the aforesaid Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, its profit and total comprehensive income, its changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Financial Statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the 'Auditors' Responsibilities for the Audit of the Financial Statements' section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("the ICAI") together with the ethical requirements that are relevant to our audit of the Financial Statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us and the audit evidence obtained by the branch auditors in terms of their reports referred to in the Other Matters section below, is sufficient and appropriate to provide a basis for our audit opinion on the Financial Statements.

Information Other than the Financial Statements and Auditors' Report thereon

The Company's Board of Directors are responsible for the other information. The other information comprises the Directors Report and the related annexures, but does not include the Financial Statements and our Auditors' Report thereon.

Our opinion on the Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(I) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the Company and its branches to express an opinion on the Financial Statements. We are responsible for the direction, supervision and performance of the audit of the Financial Statements of such entities or business activities included in the Financial Statements of which we are the independent auditors. For the other entities or business activities included in the Financial Statements, which have been audited by the branch auditors, such branch auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Financial Statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matters

We did not audit the financial statements of two branches included in the Financial Statements of the Company whose financial statements reflect total assets of Rs. 18,636.07 Lakhs as at March 31, 2022 and total revenue of Rs. 24.729.76 Lakhs for the year ended on that date, as considered in the Financial Statements. The financial statements of these branches have been audited by the branch auditors and other auditors whose reports have been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of these branches and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid branches, is based solely on the report of such branch auditors.

Our opinion on the Financial Statements and our report on Other Legal and Regulatory Requirements below is not modified in respect of these matters.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in Annexure B, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
   (b) In our opinion, proper books of account as required by law have been kept by the Company and its branches so far as it appears from our examination of those books and the reports of the branch auditors and proper returns adequate for the purposes of our audit have been received from the branches not visited by us.
   (c) The reports on the accounts of the branch offices of the Company audited under Section 143(8) of the Act by branch auditors have been sent to us and have been properly dealt with by us in preparing this report.
   (d) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this report are in agreement with the relevant books of account.
   (e) In our opinion, the aforesaid Financial Statements comply with the Accounting Standards specified under Section 133 of the Act.
   (f) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164(2) of the Act.
   (g) With respect to the adequacy of the internal financial controls with reference to Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure A. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to Financial Statements.

(h) In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the company to its directors during the year is in accordance with the provision of section 197 of the Act.

(i) With respect to the other matters to be included in the Auditors' Report in accordance with the requirements of Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

   (i) The Company does not have any pending litigations which would impact its financial position;

   (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

   (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

   (iv) (a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(es), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

   (b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(es), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

   (c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

   (v) The dividend declared and paid during the year by the Company is in compliance with Section 123 of the Act.

For **B.K. Khare & Co.**
Chartered Accountants
Firm's Registration No. 105102W

Aniruddha Joshi
Partner
Membership No. 040852
UDIN: 22040852AIDFCH5058
Mumbai, April 28, 2022

ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of **Mahindra Integrated Business Solutions Private Limited** (“the Company”) as of March 31, 2022 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing whether the risk of a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that: (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the Ind AS financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected, Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **B.K. Khare & Co.**
Chartered Accountants
Firm’s Registration No. 105102W

Aniruddha Joshi
Partner
Membership No. 040852
UDIN: 22040852AIDFCH5058
Mumbai, April 28, 2022

ANEXURE B TO THE AUDITOR'S REPORT

Referred to in paragraph 1 under **Report on Other Legal and Regulatory Requirements section** of our report of even date on the financial statements for the year ended March 31, 2022

i. (a) (A) According to the information and explanations given to us, the Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.

(B) According to the information and explanations given to us, the Company has maintained proper records showing full particulars of intangible assets.

(b) The Company has a regular programme for physical verification of its property, plant and equipment by which the property, plant and equipment are verified by the management according to a phased programme designed to cover all the items over a period of 3 years. In our opinion, this periodicity of the physical verification is reasonable having regard to the size of the Company and nature of its property, plant and equipment. In accordance with the programme, the Company has physically verified certain property, plant and equipment during the year and no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and based on the audit procedures performed by us, the title deeds of immovable properties are held in the name of the Company.

(d) According to the information and explanations given to us, the Company has not revalued any of its Property, Plant and Equipment (including Right of Use assets) during the year.

(e) Based on the audit procedures performed by us and according to the information, explanations and representations given to us, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

ii. (a) Company is into service industry and does not hold any inventory, hence, reporting under Clause 3(ii)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us, the Company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets at any point of time during the year.

iii. According to the information and explanations given to us, the Company has not made investments in or provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year. Accordingly, the reporting under Clauses 3(iii)(a) to 3(iii)(f) of the Order is not applicable to the Company.

iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act, with respect to loans granted, guarantees provided and investments made by the Company. The Company has not provided any security during the year to the parties covered under Sections 185 and 186 of the Act.

v. According to the information and explanations given to us, the Company has not accepted deposits under the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. Accordingly, the reporting under Clause 3(v) of the Order is not applicable to the Company.

vi. The Central Government has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company. Accordingly, the reporting under Clause 3(vi) of the Order is not applicable to the Company.

vii. (a) According to the information and explanations given to us and on the basis of our examination of records of the Company, the amounts deducted / accrued in the books of account in respect of undisputed statutory dues of Income-tax have been regularly deposited during the year by the Company with the appropriate authorities. According to the information and explanations given to us and on the basis of our examination of records of the Company, there were no undisputed statutory dues payable in respect of Sales tax, Service tax, Duty of Customs, Duty of Excise and Value Added Tax.

According to the information and explanations given to us and on the basis of our examination of records of the Company, there were no arrears of outstanding statutory dues in respect of Goods and Services tax, Provident fund, Employees' State Insurance, Income-tax, Sales tax, Service tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other material statutory dues as on the last day of the financial year for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and on the basis of our examination of records of the Company, there are no statutory dues in respect of Goods and Services Tax, Provident Fund, Employees' State Insurance, Sales tax, Service tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and any other material statutory dues as at 31 March 2022, which have not been deposited with the appropriate authorities on account of any dispute.

viii. According to the information and explanations given to us, there are no transactions not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income-tax Act, 1961. Accordingly, the reporting under Clause 3(viii) of the Order is not applicable to the Company.

ix. (a) According to the information and explanations given to us and based on the audit procedures performed by us, the Company has not availed any loans or other borrowings during the year. Accordingly, the reporting under Clause 3(ix)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us, the Company has not been declared a wilful defaulter by any bank or financial institution or any other lender till the date of our audit report.

(c) The Company has not raised any term loans during the year. Hence, reporting under Clause 3(ix)(c) of the Order is not applicable to the Company.

(d) In our opinion and according to the information and explanations given to us, the Company has not availed any loans or borrowings during the year. Accordingly, the reporting under Clause 3(ix)(d) of the Order is not applicable to the Company.

(e) According to the information and explanations given to us, the Company does not have any subsidiaries, associates or joint ventures. Accordingly, the reporting under Clauses 3(ix)(e) and 3(ix)(f) of the Order is not applicable to the Company.

x. (a) According to the information and explanations given to us, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under Clause 3(x)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Accordingly, the reporting under Clause 3(x)(b) of the Order is not applicable to the Company.

xi. (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company noticed or reported during the year, nor have we been informed of any such case by the management.

(b) There has been no report filed by us under sub-section (12) of Section 143 of the Act in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government. Accordingly, the reporting under Clause 3(xi)(b) of the Order is not applicable to the Company.

(c) As represented to us by the management, no whistle blower complaints were received by the Company during the year.

xii. According to the information and explanations given to us, the Company is not a Nidhi company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, the reporting under Clause 3(xii) of the Order is not applicable to the Company.

xiii. In our opinion and according to the information and explanations given to us, the Company has entered into transactions with related parties in compliance with the provisions of Section 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required by Indian Accounting Standard (Ind AS) 24, Related Party Disclosures, specified under Section 133 of the Act.

xiv. (a) In our opinion and according to the information and explanations given to us and based on our examination, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the Internal Audit reports of the Company issued till date for the period under audit.

xv. According to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or directors of its holding company or persons connected with them during the year and hence, the provisions of Section 192 of the Act are not applicable to the Company. Accordingly, the reporting under Clause 3(xv) of the Order is not applicable to the Company.

xvi. (a) According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under Clause 3(xvi)(a) of the Order is not applicable to the Company.

(b) In our opinion and according to the information and explanations given to us, the Company has not conducted any Non-Banking Financial or Housing Finance activities. Accordingly, the reporting under Clause 3(xvi)(b) of the Order is not applicable to the Company.

(c) In our opinion and according to the information and explanations given to us, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under Clauses 3(xvi)(c) of the Order is not applicable to the Company.

(d) Based on the information and explanations given to us and the audit procedures performed by us, we report that the Group has 6 Core Investment Companies.

xvii. In our opinion and according to the information and explanations given to us, the Company has not incurred cash losses in the current financial year as well as in the immediately preceding financial year. Accordingly, the reporting under Clause 3(xvii) of the Order is not applicable to the Company.

xviii. There has been no resignation of the statutory auditors during the year. Accordingly, the reporting under Clause 3(xviii) of the Order is not applicable to the Company.

xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of Balance Sheet as and when they fall due within a period of one year from the Balance Sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the Balance Sheet date, will get discharged by the Company as and when they fall due.

xx. According to the information and explanations given to us, company is not liable to adhere compliance under section 135 of the Companies Act, 2013. Accordingly, the reporting Clause 3(xx)of the Order is not applicable to the Company.

For **B. K. Khare and Co.**
Chartered Accountants
Firm's Registration No. 105102W

Aniruddha Joshi
Partner
Membership No. 040852
UDIN: 22040852AIDFCH5058
Mumbai, April 28, 2022

BALANCE SHEET AS AT MARCH 31, 2022

Rupees lakhs

Particulars				Note No.	As at March 31, 2022	As at March 31, 2021
I	**ASSETS**					
	NON-CURRENT ASSETS					
	(a)	Property, Plant and Equipment		4	**2,150.34**	3,132.39
	(b)	Capital Work-in-Progress		28	**22.58**	–
	(c)	Intangible Assets		5	**60.87**	76.66
	(d)	Financial Assets			–	
		(i)	Other Financial Assets	6	**237.06**	194.40
	(e)	Deferred Tax Assets (Net)		8	**167.99**	155.93
	(f)	Income Tax assets (net)			**3,164.25**	1,189.25
	(g)	Other Non-current Assets		7	**6.09**	2.55
	SUB-TOTAL				**5,809.18**	4,751.18
	CURRENT ASSETS					
	(a)	Financial Assets				
		(i)	Investments	9	**14.40**	13.98
		(ii)	Trade Receivables	10	**11,776.07**	11,477.22
		(iii)	Cash and Cash Equivalents	11	**2,912.66**	3,926.20
		(iv)	Other Bank Balances	11	**672.93**	264.72
		(v)	Other Financial Assets	6	**7.13**	1.28
	(b)	Other Current Assets		7	**1,055.33**	598.02
	SUB-TOTAL				**16,438.52**	16,281.42
	TOTAL ASSETS				**22,247.70**	21,032.60
II	**EQUITY AND LIABILITIES**					
1	**EQUITY**					
	(a)	Equity Share Capital		12	**977.95**	977.95
	(b)	Other Equity			**15,096.38**	13,584.05
	SUB-TOTAL				**16,074.33**	14,562.00
	LIABILITIES					
2	**NON-CURRENT LIABILITIES**					
	(a)	Financial Liabilities				
		(i)	Lease liabilities	13	**294.83**	752.54
	(b)	Provisions		14	**297.73**	270.15
	SUB-TOTAL				**592.56**	1,022.69
3	**CURRENT LIABILITIES**					
	(a)	Financial Liabilities				
		(i)	Trade Payables	15		
			Total outstanding dues of Micro and small Enterprises		**17.57**	7.31
			Total outstanding dues of creditors other than Micro and small Enterprises (including acceptances)		**2,228.45**	1,774.48
		(ii)	Lease Liability	13	**464.90**	590.57
		(iii)	Other Financial Liabilities	13	**0.22**	0.22
	(b)	Provisions		14	**56.21**	45.46
	(c)	Other Current Liabilities		16	**2,813.46**	3,029.87
	SUB-TOTAL				**5,580.81**	5,447.91
	TOTAL				**22,247.70**	21,032.60

The accompanying notes 1 to 35 are an integral part of the Financial Statements
In terms of our report attached.

For B. K. Khare & Co.
Chartered Accountants

Aniruddha Joshi
Partner
Membership No. 040852

Place: Mumbai
Date: April 28, 2022

For and on behalf of the Board of Directors

S. Durgashankar
Director
DIN No.00044713

Neera Saggi
Director
DIN No. 00501029

Rahul D Asthana
Director
DIN No. 00234247

Nikhil Madgavkar
Managing Director
DIN No.05163088

Riten Chakrabarty
CFO

Place: Chennai
Date: April 28, 2022

STATEMENT OF PROFIT AND LOSS FOR THE YEAR 2021-22

Rupees lakhs

	Particulars	Note No.	For the Year 2021-22	For the Year 2020-21
	Continuing Operations			
I	Revenue from operations	17	**42,719.05**	19,675.81
II	Other Income	18	**57.32**	157.97
III	**Total Revenue (I + II)**		**42,776.37**	19,833.78
IV	**EXPENSES**			
	(a) Employee benefit expense	19	**25,529.15**	14,738.39
	(b) Finance costs	20	**54.49**	45.04
	(c) Depreciation and amortisation expense	21	**1,081.99**	490.14
	(d) Other expenses	22	**14,321.99**	4,044.46
	Total Expenses (V)		**40,987.62**	19,318.03
	Profit/(loss) before exceptional items and tax (I - IV)		**1,788.75**	515.75
	Exceptional Items			
VI	**Share of profit/(loss) of joint ventures and associates**		**–**	–
VII	**Profit/(loss) before tax (VII - VIII)**		**1,788.75**	515.75
VIII	**Tax Expense**			
	(1) Current tax	23	**506.67**	178.85
	(2) Deferred tax	23	**(18.79)**	(8.19)
	Total tax expense		**487.88**	170.66
IX	**Profit/(loss) after tax from continuing operations (IX - X)**		**1,300.87**	345.09
X	Discontinued Operations			
	(1) Profit/(loss) from discontinued operations		**–**	–
	(2) Tax Expense of discontinued operations		**–**	–
XI	**Profit/(loss) after tax from discontinued operations (XII + XIII)**		**–**	–
XII	**Profit/(loss) for the period (XI + XIV)**		**1,300.87**	345.09
XIII	**Other comprehensive income**		**19.94**	10.19
	A (i) Items that will not be recycled to profit or loss			
	(a) Remeasurements of the defined benefit liabilities/(asset)		**26.64**	13.17
	(ii) Income tax relating to items that will not be reclassified to profit or loss		**(6.70)**	(2.98)
XIV	**Total comprehensive income for the period (XII + XIII)**		**1,320.81**	355.28
XV	**Earnings per equity share:**			
	(1) Basic	24	**13.51**	9.95
	(2) Diluted	24	**13.51**	9.95

The accompanying notes 1 to 35 are an integral part of the Financial Statements
In terms of our report attached.

For B. K. Khare & Co.
Chartered Accountants

Aniruddha Joshi
Partner
Membership No. 040852

Place: Mumbai
Date: April 28, 2022

For and on behalf of the Board of Directors

S. Durgashankar
Director
DIN No.00044713

Neera Saggi
Director
DIN No. 00501029

Rahul D Asthana
Director
DIN No. 00234247

Nikhil Madgavkar
Managing Director
DIN No.05163088

Riten Chakrabarty
CFO

Place: Chennai
Date: April 28, 2022

STATEMENT OF CASH FLOWS FOR THE YEAR 2021-22

		Rupees lakhs
Particulars	**Year ended 31 March 2022**	Year ended 31 March 2021
Cash flow from operating activities		
Profit after tax	**1,300.87**	345.09
Adjustments for:		
Income tax expenses	**487.88**	170.66
Finance cost	**49.72**	45.04
Investment income recognised in profit or loss	**(15.62)**	(74.36)
Dividend income	**(0.43)**	(0.49)
Depreciation and amortisation expenses	**1,081.99**	490.14
Loss on sale of assets	**(0.36)**	(44.12)
Write down of CWIP	**–**	44.51
Write back of liabilities	**–**	(34.28)
Operating profit before working capital changes	**2,904.05**	942.19
Movements in working capital:		
(Increase)/decrease in trade & other receivables	**687.60**	54.28
(Decrease)/Increase in trade and other payables	**(1,183.85)**	423.53
Cash generated from operations	**2,407.79**	1,420.00
Income taxes paid	**(2,474.97)**	(117.95)
Net cash generated by operating activities	**(67.17)**	1,302.05
Cash flow from investing activities		
Maturity/(Investments) of Fixed Deposits	**(408.21)**	14.20
Proceeds from disposal of Mutual Fund investments	**0.01**	37.38
Proceeds from disposal of property, plant & equipment	**16.49**	49.26
Payments for acquisition of property, plant & equipment and intangible assets	**(140.58)**	(44.03)
Payments for acquisition of CWIP	**(22.58)**	
Interest received	**9.77**	(254.90)
Net cash (used in)/generated by investing activities	**(545.11)**	(198.09)
Cash flow from financing activities		
Interest paid on borrowings	**–**	(2.24)
Proceeds from borrowings	**–**	–
Dividends including dividend distribution tax	**(49.97)**	(50.00)
Repayments of lease liabilities (including interest thereon)	**(602.96)**	(304.20)
Dividend paid (incl dividend distribution tax till previous year)	**–**	(22.50)
Net cash used in financing activities	**(652.93)**	(378.94)
Net increase in cash and cash equivalents	**(1,265.21)**	725.02
Cash and cash equivalents at the beginning of the year	**3,926.20**	475.73
add acquistion date balance		2,715.88
add Exchange Gain/(loss)	**251.67**	9.57
Cash and cash equivalents at the end of the year	**2,912.66**	3,926.20
	2,912.66	3,926.20
	–	–
	–	–

The accompanying notes 1 to 35 are an integral part of the Financial Statements
In terms of our report attached.

For B. K. Khare & Co.
Chartered Accountants

Aniruddha Joshi
Partner
Membership No. 040852

Place: Mumbai
Date: April 28, 2022

For and on behalf of the Board of Directors

S. Durgashankar
Director
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Nikhil Madgavkar
Managing Director
DIN No.05163088

Riten Chakrabarty
CFO

Place: Chennai
Date: April 28, 2022

SEGMENT REPORTING FOR THE YEAR 2021-22

Rs. In lakhs

Sr. No.	Particulars	For the year 2021-22 Revenue (INR Lakhs)	% of revenue	For the year 2020-21 Revenue (INR Lakhs)	% of revenue
1	Segmental Revenue from operations				
	India	17,985	42.1%	14,313	72.7%
	United States of America	21,793	51.0%	5,363	27.3%
	United Kingdom	2,941	6.9%	–	
	Revenue from operations	**42,719**	**100%**	19,676	100%
2	Segment results	**Margin (INR Lakhs)**	**Margin %**	Margin (INR Lakhs)	Margin %
	India	622	21.7%	446	50.0%
	United States of America	1,972	68.8%	447	50.0%
	United Kingdom	273	9.5%	–	
	Total	**2,868**	**100%**	893	100%
3	Unallocable expenses (net)*	–		–	
	Other Income	57		158	
	Finance costs	54		45	
	Depreciation & amortisation expense	1,082		490	
	Profit before tax	**1,789**		516	

Sr. No.		For the year 2021-22 Revenue (INR Lakhs)	% of revenue	For the year 2020-21 Revenue (INR Lakhs)	% of revenue
4	**Segment Revenue- Geography-wise**				
	India	18,047	42.2%	14,388	72.5%
	United States of America	21,789	50.9%	5,446	27.5%
	United Kingdom	2,941	6.9%	–	
	Rest of the world (ROW)	–		–	
	Revenue from operations	**42,776**	**100.0%**	19,834	100.0%

The accompanying notes 1 to 35 are an integral part of the Financial Statements
In terms of our report attached.

For B. K. Khare & Co.
Chartered Accountants

Aniruddha Joshi
Partner
Membership No. 040852

Place: Mumbai
Date: April 28, 2022

For and on behalf of the Board of Directors

S. Durgashankar
Director
DIN No.00044713

Neera Saggi
Director
DIN No. 00501029

Rahul D Asthana
Director
DIN No. 00234247

Nikhil Madgavkar
Managing Director
DIN No.05163088

Riten Chakrabarty
CFO

Place: Chennai
Date: April 28, 2022

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2022

A. Equity share capital

(1) As at 31 March 2022

Rupees lakhs

Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period
977.95	–	977.95	–	977.95

Shares held by Promoters at the end of the year

Promoters Name	No. of shares	% of total Shares	% Change during the year
Mahindra Vehicle Manufacturers Limited	–	–	(84.66)
Mahindra & Mahindra Ltd	8,279,511	84.66	84.66
Mahindra Holdings Limited	1,500,000	15.34	–

(2) As at 31 March 2021

Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period
150.00	–	150.00	827.95	977.95

Shares held by Promoters at the end of the year

Promoters Name	No. of shares	% of total Shares	% Change during the year
Mahindra Vehicle Manufacturers Limited	8,279,511	84.66	84.66
Mahindra Holdings Limited	1,500,000	15.34	(84.66)

	Rupees lakhs	India	US Branch	UK Branch
As at 31 March 2019	150.00	150.00	–	–
Changes in equity share capital during the year	–			
As at 31 March 2020	150.00	150.00	–	–
Changes in equity share capital during the year	827.95	–	827.95	–
As at 31 March 2021	977.95	150.00	827.95	–
Changes in equity share capital during the year	–	–	–	–
As at 31 March 2022	**977.95**	**150.00**	**827.95**	**–**

The accompanying notes 1 to 35 are an integral part of the Financial Statements
In terms of our report attached.

For B. K. Khare & Co.
Chartered Accountants

Aniruddha Joshi
Partner
Membership No. 040852

Place: Mumbai
Date: April 28, 2022

For and on behalf of the Board of Directors

S. Durgashankar
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Managing Director
DIN No.05163088

Riten Chakrabarty
CFO

Place: Chennai
Date: April 28, 2022

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2022

B. Other Equity

Rupees lakhs

Particulars	Reserves and Surplus			Items of other comprehensive income		Total
	Retained Earnings	General Reserve	Capital Reserve	Remeasurements of the defined benefit liabilities/ (asset)	Foreign currency translation reserve	
As at 31 March 2020	873.86	–	–	8.04	–	881.90
Profit/(Loss) for the period	345.09	13,187.13	–	–	10.19	13,542.41
Other Comprehensive Income/(Loss)	–		–	10.19	–	10.19
Total Comprehensive Income for the year	345.09	13,187.13	–	10.19	10.19	13,552.60
Movement						
Issue of shares		(827.95)				(827.95)
Dividend paid on Equity Shares	(22.50)					(22.50)
Dividend Distribution Tax	–					–
As at 31 March 2021	1,196.45	12,359.18	–	18.23	10.19	13,584.05
Profit/(Loss) for the period	1,300.88					1,300.88
Other Comprehensive Income/(Loss)	–			19.94	241.48	261.42
Total Comprehensive Income for the year	1,300.88	–	–	19.94	241.48	1,562.30
Movement						
Issue of shares	–					–
Dividend paid on Equity Shares	(49.97)					(49.97)
Dividend Distribution Tax	–	–	–	–	–	–
As at 31 March 2022	**2,447.36**	**12,359.18**	**–**	**38.17**	**251.67**	**15,096.38**

The accompanying notes 1 to 35 are an integral part of the Financial Statements
In terms of our report attached.

For B. K. Khare & Co.
Chartered Accountants

Aniruddha Joshi
Partner
Membership No. 040852

Place: Mumbai
Date: April 28, 2022

For and on behalf of the Board of Directors

S. Durgashankar
Director
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Managing Director
DIN No.05163088

Riten Chakrabarty
CFO

Place: Chennai
Date: April 28, 2022

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

Note No.

1 Company overview

Mahindra Integrated Business Solutions Private Limited is a Private Limited Company incorporated and domiciled in India on 18th January 2011 and it started its operations from 1st May 2011. The Company's registered office is at Mumbai, Maharashra, India. These financial statements correspond to the stand alone financial statments of the Company. The Company is rendering back office accounting & payroll services. Currently though a captive service provider, it intends to extend the services to corporate sector at large.

The immediate parent Company is Mahindra Holdings Limited. and ultimate parent Company is Mahindra & Mahindra Limited, a company incorporated in India.

2.1 Statement of compliance and basis for preparation

a. These financial statements have been prepared in accordance with Indian Accounting Standards as per the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under Section 133 of the Companies Act, 2013 (the 'Act') and other relevant provisions of the Act.

b. Cash flow statement is prepared segregating the cash flows from operating, investing and financing activities. Cash flow is reported using indirect method as per the requirements of Ind AS 7 ("Cash flow statements"), whereby profit for the year is adjusted for the effects of transactions of a non cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows

c. Functional and presentation currency

These financial statements are presented in Indian Rupees ('INR' or 'Rupees') which is also the Company's functional currency. All amounts are rounded-off to the nearest lakhs, unless otherwise indicated.

d. Basis of measurement

The financial statements have been prepared on the historical cost basis except for certain financial instruments which are measured at fair values.

e. Use of judgements and estimates

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income, expenses and the disclosures of contingent assets and liabilities. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

Following are areas that involved a higher degree of estimate and judgement or complexity in determining the carrying amount of some assets and liabilities.

- useful life of property, plant and equipment and intangible assets
- estimation of define benefit obligation
- provision for warranty claims
- income taxes - current and deferred taxes
- fair value of unlisted securities
- impairment of trade receivables

Detailed information about each of these estimates and judgements that have a significant risk of resulting in material adjustment within the next financial year is included in relevant notes for the above items.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

f. Measurement of fair values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

In determining the fair value of its financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The Chief Financial Officer and persons entrusted have overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values and assessments that these valuations meet the requirements of Ind AS. The methods used to determine fair value include discounted cashflow analysis, available quoted market prices and dealer quotes. All methods of assessing fair value result in general approximation of value, and such value may never actually be realised.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets and liabilties.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: inputs for the asset ot liability that are not based on observable market data (unobservable inputs).

g. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, the management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only the period of the revision and future periods if the revision affects both current and future periods.

2.2 Significant accounting policies

a. Operating Cycle:

Assets and Liabilities are classified as Current or Non – Current as per the provisions of the Schedule III notified under the Companies Act, 2013 and Company's normal operating cycle. Based on the nature of business and its activities, the Company has ascertained its operating cycle as twelve months for the purpose of Current & Non – Current classification of Assets & Liabilities.

b. Property, plant and equipment:

i. Property, plant and equipment are carried at their original cost less accumulated depreciation and accumulated impairment losses.

ii. Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

The estimated useful life used to determine depreciation is:

Building	24 - 30 years
Leasehold improvements	3 – 15 years or the lease period

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

Machinery & equipment	3 - 10 years
Furniture & fixtures	5 - 10 years
Computers	3 - 5 years
Vehicles	5 years

iii. An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

c. Intangible Assets:

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses. The useful life considered for assets in this class is 3 - 5 years.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

d. Impairment of tangible and intangible assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

d. Investments:

Investment held as long-term investments are stated at cost comprising of acquisition and incidental expenses less permanent diminution in value, if any. Current investments are valued at the lower of cost and fair value.

e. Revenue Recognition:

i. Sale of services is recognized when the services are rendered.

ii. Revenues on time & material contracts are recognized as the related services are performed and revenues from the end of the last billing to the Balance sheet date is recognized as Unbilled revenues. The unbilled revenues primarily consists of cost which needs to be billed to client on cost plus margin basis where there is no uncertainty as to measurement or collectability of consideration.

iii. Fee based income is accounted for on achieving specified milestones as per mutual agreement.

iv. Further, revenue is recognised when there is no uncertainty as to the measurement or collectability of consideration.

v. Interest income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding.

f. Employee Benefits:

Retirement benefit costs and termination benefits

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method. Re-measurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- re-measurement

The Company presents the first two components of defined benefit costs in profit or loss in the line item ‘Employee benefits expense’. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Company’s defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

Short-term and other long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

g. Taxes on Income:

Tax expense comprises of both current and deferred tax only.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from ‘profit before tax’ as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company’s current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period. Provision for Current tax is measured at the amount computed under section 115BAA of the Income Tax Act, 1961 and hence provision of MAT under section 115JB is not applicable

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

h. Foreign exchange gains and losses

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

i. For foreign currency denominated financial assets measured at amortised cost and FVTPL, the exchange differences are recognised in profit or loss except for those which are designated as hedging instruments in a hedging relationship.

ii. Changes in the carrying amount of investments in equity instruments at FVTOCI relating to changes in foreign currency rates are recognised in other comprehensive income.

For the purposes of recognising foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortised cost. Thus, the exchange differences on the amortised cost are recognised in profit or loss and other changes in the fair value of FVTOCI financial assets are recognised in other comprehensive income.

i. Financial instruments

Financial assets and financial liabilities are recognised when a Company entity becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Impairment of financial assets

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, trade receivables, other contractual rights to receive cash and other financial asset. Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls).

Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired.

j. Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks & rewards of ownership to the leases. All other leases are classified as operating leases.

The Company as lessee:

The assets held under finance leases are initially recongnised as assets of the company at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Lease payments are apportioned between finance expense and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognized immediately in profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policies on borrowing cost. Contingent rentals are recognized as expense in the period in which they are incurred.

Rental expense from the operating lease is generally recognized on a straight line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

to compensate for the lessors expected inflationary cost increases, such increases are recognized in the year in which such benefits accrue.

k. Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

l. Government incentive

The Branch receives incentives in the form of reimbursement of expenses incurred under the New Jobs Training Program agreement with Oakland Community College. These grants are netted off against the training expenses in the statement of income when there is a reasonable assurance that all grant conditions have been complied with and the grant will be received.

3.1 Pursuant to acquisition of US Branch from Mahindra Vehicle Manufacturing Limited w.e.f. January 1, 2022, the amounts pertaining to year from April 2020 to March 2021 includes amounts for 3 Months from January 2021 to March 2021 related to US Branch operations. UK branch has started their operations from October 2021. Accordingly, no amount related to UK Branch was included in amounts for the year from April 2020 to March 2021.Consequently, the amounts for the year from April 2020 to March 2021 are not comparable to amounts for the year from April 2021 to March 2022

3.2 Segment Reporting - The CEO & MD of the Company has been identified as the Chief Operating Decision Maker (CODM) as defined by Ind AS 108, Operating Segments. The CODM evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by geography. Accordingly, segment information has been presented for geography. Each segment item is presented at the measure used to report to the CODM for the purposes of making decisions about allocating resources to the segment and assessing its performance. CODM does not review assets and liabilities at reportable segments level, hence Management believes that it is currently not practicable to provide disclosure of assets by geographical location

3.3 Recent Accounting Pronouncements

On 24th March, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013 revising Division I, II and III of Schedule III and are applicable from 1st April, 2021. The amendments in Division II (applicable to the Company) of Schedule III, primarily relate to :

a) Change in existing presentation requirements for certain items in Balance sheet, for eg. lease liabilities, security deposits, current maturities of long term borrowings, effect of prior period errors on equity share capital.

b) Additional disclosure requirements in specified formats, for eg. ageing of trade receivables, trade payables, capital work in progress, intangible assets, shareholding of promoters, etc.

c) Disclosure if funds have been used other than for the specific purpose for which it was borrowed from banks and financial institutions.

d) Additional Regulatory Information, for eg.,compliance with layers of companies, title deeds of immovable properties, financial ratios, loans and advances to key managerial personnel, etc.

The amendments are extensive and the Group is evaluating the same.

3.4 Basic earnings per share is computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the period, adjusted for bonus elements in equity shares, if any, issued during the period.

Diluted EPS is computed by dividing the net profit after tax by the weighted average number of equity shares considered for deriving basic EPS and also weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

Note No. 4 Property, Plant and Equipment

Property, plant and equipment comprise of owned and leased assets.

Rupees lakhs

	Particulars	As at March 31, 2022	As at March 31, 2021
(a)	Property, plant and equipment owned	**799.58**	1,078.85
(b)	Right of use assets	**1,350.76**	2,053.54
Total		**2,150.34**	3,132.39

Note No. 4 (a) Property, plant and equipment owned

Rupees lakhs

Particulars	Land – Freehold	Buildings	Leasehold Improvements	Plant and Equipment	Office Equipment	Furniture and Fixtures	Vehicles	Total
Cost								
Balance as at April 1, 2020	–	–	–	249.69	84.96	30.39	44.35	409.39
Ind	–	–	–	249.69	84.96	30.39	44.35	409.39
US	–	–	–	–	–	–	–	–
Additions	93.51	374.04	–	2,045.33	4.91	651.56	172.72	3,342.07
Ind				6.76	4.91		–	11.67
US	93.51	374.04	–	2,038.57	–	651.56	172.72	3,330.40
Disposals	–	–	–	(129.63)	–	(97.28)	(11.90)	(238.81)
Ind				(0.69)	–			(0.69)
US			–	(128.94)	–	(97.28)	(11.90)	(238.12)
Balance as at March 31, 2021	93.51	374.04	–	2,165.39	89.87	584.67	205.17	3,512.65
Ind	–	–	–	255.76	89.87	30.39	44.35	420.37
US	93.51	374.04	–	1,909.63	–	554.28	160.82	3,092.28
UK	–	–	–	–	–	–	–	–

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

Rupees lakhs

Particulars	**Land – Freehold**	**Buildings**	**Leasehold Improvements**	**Plant and Equipment**	**Office Equipment**	**Furniture and Fixtures**	**Vehicles**	**Total**
Additions	–	–	–	66.55	17.79	12.12	36.16	132.61
Ind	–	–	–		6.65		–	6.65
US	–	–	–	–	–	–	36.16	36.16
UK	–	–	–	66.55	11.13	12.12	–	89.80
Disposals	–	–	–	(54.65)	–	–	(35.96)	(90.61)
Ind		–		(0.02)			(15.48)	(15.50)
US	–	–	–	(54.63)	–	–	(20.48)	(75.11)
UK								
Balance as at March 31, 2022	**93.51**	**374.04**	**–**	**2,177.29**	**107.66**	**596.79**	**205.37**	**3,554.65**
Ind	–	–	–	255.74	96.52	30.39	28.87	411.52
US	93.51	374.04	–	1,855.00	–	554.28	176.50	3,053.33
UK	–	–	–	66.55	11.13	12.12	–	89.80
<u>Accumulated depreciation</u>								
Balance as at April 1, 2020	–	–	–	209.19	36.84	13.88	14.59	274.50
Ind				209.19	36.84	13.88	14.59	274.50
US	–	–	–	–	–	–	–	–
Additions	–	76.89	–	1,629.85	16.20	538.39	131.57	2,392.90
Ind				27.31	16.20	3.99	9.17	56.67
US	–	76.89		1,602.54	–	534.40	122.40	2,336.23
Disposals	–	–	–	(124.55)	–	(97.15)	(11.90)	(233.60)
Ind				(0.66)	–			(0.66)
US			–	(123.89)		(97.15)	(11.90)	(232.94)
Balance as at March 31, 2021	–	76.89	–	1,714.49	53.04	455.12	134.26	2,433.80
Ind	–	–	–	235.84	53.04	17.87	23.76	330.51
US	–	76.89	–	1,478.65	–	437.25	110.50	2,103.29
UK	–	–	–	–	–	–	–	–
Additions	–	12.46	–	251.32	16.17	76.05	39.73	395.72
Ind				3.35	15.99	3.57	7.20	30.11
US	–	12.46	–	234.00	–	70.96	32.53	349.95
UK		–	–	13.97	0.18	1.52	–	15.66
Disposals	–	–	–	(47.70)	–	–	(26.76)	(74.46)
Ind	–	–	–	–	–	–	(14.71)	(14.71)
US	–	–	–	(47.70)	–	–	(12.05)	(59.75)
UK	–	–	–	–	–	–	–	–
Balance as at March 31, 2022	**–**	**89.35**	**–**	**1,918.12**	**69.21**	**531.17**	**147.23**	**2,755.07**
Ind	–	–	–	239.19	69.03	21.44	16.25	345.91
US	–	89.35	–	1,664.95	–	508.21	130.98	2,393.49
UK	–	–	–	13.98	0.18	1.52	–	15.67
<u>Net carrying amount</u>								
As at March 31, 2021	**93.51**	**297.15**	–	**450.90**	**36.83**	**129.55**	**70.91**	**1,078.85**
Ind	–	–	–	19.92	36.83	12.52	20.59	89.86
US	93.51	297.15	–	430.98	–	117.03	50.32	988.99
UK	–	–	–	–	–	–	–	–
As at March 31, 2022	**93.51**	**284.69**	**–**	**259.17**	**38.45**	**65.62**	**58.14**	**799.58**
Ind	–	–	–	16.55	27.49	8.95	12.62	65.61
US	93.51	284.69	–	190.05	–	46.07	45.52	659.84
UK	–	–	–	52.57	10.96	10.60	–	74.13

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

Note No. 4 (b) Right of use assets

Rupees lakhs

Particulars	Land – Freehold	Buildings	Plant and Equipment	Office Equipment	Furniture and Fixtures	Vehicles	Total
Cost							
Balance as at April 1, 2020	–	533.56	–	–	–	–	533.56
Ind	–	533.56	–	–	–	–	533.56
US	–	–	–	–	–	–	–
Additions	–	717.76	179.44	762.72	1,041.27	38.13	2,739.32
Ind							–
US	–	717.76	179.44	762.72	1,041.27	38.13	2,739.32
Disposals	–	–	–	–	–	–	–
Ind							–
US	–	–	–	–	–	–	–
Balance as at March 31, 2021	–	1,251.32	179.44	762.72	1,041.27	38.13	3,272.88
Ind	–	533.56	–	–	–	–	533.56
US	–	717.76	179.44	762.72	1,041.27	38.13	2,739.32
UK	–	–	–	–	–	–	–
Additions	–	–	18.51	–	–	–	18.51
Ind							–
US	–	–	18.51	–	–	–	18.51
UK							–
Disposals	–	–	(18.51)	(130.67)	–	(38.13)	(187.30)
Ind	–						–
US	–	–	(18.51)	(130.67)	–	(38.13)	(187.30)
UK	–						–
Balance as at March 31, 2022	**–**	**1,251.32**	**179.44**	**632.05**	**1,041.27**	**0.00**	**3,104.09**
Ind	–	533.56	–	–	–	–	533.56
US	–	717.76	179.44	632.05	1,041.27	0.00	2,570.53
UK	–	–	–	–	–	–	–
Accumulated depreciation							–
							–
Balance as at April 1, 2020	–	154.76	–	–	–	–	154.76
Ind	–	154.76	0	0	0	0	154.76
US	–	0	0	0	0	0	–
Additions	–	453.77	90.04	226.40	262.00	32.37	1,064.58
Ind		154.76					154.76
US	–	299.01	90.04	226.4	262	32.37	909.82
Disposals	–	–	–	–	–	–	–
Ind	–	0	0	0	0	0	–
US	–	0	0	0	0	0	–
							–
Balance as at March 31, 2021	–	608.53	90.04	226.40	262.00	32.37	1,219.34
Ind	–	309.52	0	0	0	0	309.52
US	–	299.01	90.04	226.4	262	32.37	909.82
UK	–	–	–	–	–	–	–
Additions	–	291.75	48.02	191.01	131.31	0.53	662.62
Ind		154.76					154.76
US	–	136.99	48.02	191.01	131.31	0.53	507.86
UK							
Disposals	–	–	(5.23)	(90.51)	–	(32.90)	(128.64)
Ind	–	0	0	0	0	0	–
US	–	0	(5.23)	(90.51)	0	(32.90)	(128.64)
UK							
Balance as at March 31, 2022	**–**	**900.28**	**132.83**	**326.90**	**393.31**	**(0.00)**	**1,753.32**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

Rupees lakhs

Particulars	Land – Freehold	Buildings	Plant and Equipment	Office Equipment	Furniture and Fixtures	Vehicles	Total
Ind	–	464.28	–	–	–	–	464.28
US	–	436.00	132.83	326.90	393.31	(0.00)	1,289.04
UK	–	–	–	–	–	–	–
Net carrying amount							–
As at March 31, 2021	–	642.79	89.40	536.32	779.27	5.76	2,053.54
Ind	–	224.04	–	–	–	–	224.04
US	–	418.75	89.40	536.32	779.27	5.76	1,829.50
UK	–	–	–	–	–	–	
As at March 31, 2022	**–**	**351.04**	**46.61**	**305.15**	**647.96**	**0.00**	**1,350.76**
Ind	–	69.28	–	–	–	–	69.28
US	–	281.76	46.61	305.15	647.96	0.00	1,281.48
UK	–	–	–	–	–	–	–

Note No. 5 Other Intangible Assets

Rupees lakhs

Particulars	Computer Software	Total
Cost		
Balance as at April 1, 2020	43.83	43.83
Ind	43.83	43.83
US	–	–
Additions	1,373.38	1,373.38
Ind	72.69	72.69
US	1,300.69	1,300.69
Disposals	(51.86)	(51.86)
Ind		–
US	(51.86)	(51.86)
Balance as at March 31, 2021	1,365.35	1,365.35
Ind	116.52	116.52
US	1,248.83	1,248.83
UK	–	–
Additions	7.97	7.97
Ind	7.97	7.97
US	–	–
UK	–	–
Disposals	(65.56)	(65.56)
Ind		–
US	(65.56)	(65.56)
UK		–
Balance as at March 31, 2022	**1,307.76**	**1,307.76**
Ind	124.49	124.49
US	1,183.27	1,183.27
UK	–	–
		–
Accumulated amortisation		–
Balance as at March 31, 2020	25.48	25.48
Ind	25.48	25.48
US	–	–
Additions	1,315.07	1,315.07
Ind	17.02	17.02
US	1,298.05	1,298.05
Disposals	(51.86)	(51.86)
Ind		–
US	(51.86)	(51.86)
		–
Balance as at March 31, 2021	1,288.69	1,288.69
Ind	42.50	42.50
US	1,246.19	1,246.19
UK	–	–
Additions	23.77	23.77
Ind	21.12	21.12
US	2.65	2.65
UK	–	–
Disposals	(65.57)	(65.57)
Ind	–	–
US	(65.57)	(65.57)
UK	–	–
Balance as at March 31, 2022	**1,246.89**	**1,246.89**
Ind	63.62	63.62
US	1,183.27	1,183.27
UK	–	–
Net carrying amount		
As at March 31, 2021	76.66	76.66
Ind	74.02	74.02
US	2.64	2.64
UK	–	–
As at March 31, 2022	**60.87**	**60.87**
Ind	60.87	60.87
US	(0.00)	(0.00)
UK	–	–

Note:

Amortisation of the assets are done in a span of 5 years from the date of acquisition.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

Note No. 6 Other Financial Assets

Rupees lakhs

Particulars	As at March 31, 2022 Current	As at March 31, 2022 Non-Current	As at March 31, 2021 Current	As at March 31, 2021 Non-Current
Financial assets at amortised cost				
(a) Security Deposits	–	**237.06**	–	194.40
(b) Interest accrued on Fixed Deposits	**7.13**	–	1.28	–
Total	**7.13**	**237.06**	1.28	194.40

Note No. 7 Other assets (Non Financial)

Rupees lakhs

Particulars	As at March 31, 2022 Current	As at March 31, 2022 Non-Current	As at March 31, 2021 Current	As at March 31, 2021 Non-Current
Carried at amortised costs				
(a) Advances other than capital advances				
(i) Prepaid rent	**2.55**	**6.09**	4.65	2.55
(ii) Prepaid expenses	**803.67**	–	583.78	–
(iii) Unbilled revenue	**35.17**	–	–	–
(iv) VAT Receivable	**210.38**	–		
(v) Others	**3.56**	–	9.59	
Total	**1,055.33**	**6.09**	598.02	2.55

Note No. 8 Current Tax and Deferred Tax

(i) Movement in deferred tax balances

Rupees lakhs

Particulars	As at 31 March, 2022 Opening Balance	Recognised in profit and Loss	Recognised in OCI	Closing Balance
Tax effect of items constituting deferred tax liabilities				
on remeasurements of the defined benefit plans	**6.13**	–	–	**6.13**
	6.13	–	–	**6.13**
Tax effect of items constituting deferred tax assets				
Employee Benefits	**125.12**	**(7.92)**		**117.20**
Property, Plant and Equipment and Intangible assets	**(9.87)**	**39.52**		**29.65**
Other Temporary Differences	**46.82**	**(19.55)**		**27.27**
				–
	162.07	**12.05**	–	**174.12**
Net Tax Asset (Liabilities)	**155.93**	**12.05**	–	**167.99**

Rupees lakhs

Particulars	As at March 31, 2021 Opening Balance	Recognised in profit and Loss	Recognised in OCI	Closing Balance
Tax effect of items constituting deferred tax liabilities				
on remeasurements of the defined benefit plans	3.15	–	2.98	6.13
	3.15	–	2.98	6.13
Tax effect of items constituting deferred tax assets				
Employee Benefits	114.42	10.70		125.12
Property, Plant and Equipment and Intangible assets	9.09	(18.96)		(9.87)
Other Temporary Differences	30.36	16.46		46.82
				–
	153.87	8.20	–	162.07
Net Tax Asset (Liabilities)	150.71	8.20	(2.98)	155.93

Note No. 9 Investments

Rupees lakhs

Particular	As at March 31, 2022 Amounts* Current	As at March 31, 2022 Amounts* Non-Current	As at March 31, 2021 Amounts* Current	As at March 31, 2021 Amounts* Non-Current
Designated as Fair Value Through Profit and Loss				
I. Quoted Investments				
Investments in Mutual Funds	**14.40**	**–**	13.98	–
Total	**14.40**	**–**	13.98	–
Aggregate amount of quoted investments	**14.40**	**–**	13.98	–
Aggregate amount of market value of investments	**14.40**	**–**	13.98	–
Total investment carrying value	**14.40**	**–**	**13.98**	–

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

Note No. 10 Trade Receivable

Rupees lakhs

Particulars	As at March 31, 2022 Current	As at March 31, 2022 Non-Current	As at March 31, 2021 Current	As at March 31, 2021 Non-Current
(a) Trade receivables considered good - Secured	–			
(b) Trade receivables considered good - Unsecured	**11,776.07**	–	11,477.22	–
(c) Trade receivables which have significant increase in credit risk				
(d) Trade receivables - credit impaired.	**21.90**		21.90	–
Less: Provision for doubtful debt	**(21.90)**		(21.90)	–
Total	**11,776.07**	–	**11,477.22**	–
Of the above, trade receivables from:				
- Related Parties	**14,072.25**		11,340.76	–
- Others	**178.64**		136.46	–
Total	**14,250.89**	–	**11,477.22**	–

Note No. 11 Cash and Bank Balances

Rupees lakhs

Particulars	As at 31 March 2022	As at 31 March 2021
Cash and cash equivalents		
(a) Balances with banks	**2908.63**	2,460.75
(b) Cheques, drafts on hand	**4.03**	1,465.45
Total Cash and cash equivalent	**2,912.66**	3,926.20
Other Bank Balances		
(a) Balances with Banks:		
(i) Fixed Deposits with maturity greater than 3 months	**672.93**	264.72
Total Other Bank balances	**672.93**	264.72

Reconcliation of Cash and Cash Equivalents

Rupees lakhs

Particulars	As at 31 March 2022	As at 31 March 2021
Total Cash and Cash Equivalents as per Balance Sheet	**2,912.66**	3,926.20
Add: Bank Overdraft	–	–
Add: Cash and bank balances included in a disposal group held for sale	–	–
Total Cash and Cash Equivalents as per Statement of Cashflow	**2,912.66**	3,926.20

Note No. 12 Equity Share Capital

Particulars	As at March 31, 2022 No. of shares	As at March 31, 2022 Value	As at March 31, 2021 No. of shares	As at March 31, 2021 Value
Authorised:				
Equity shares of Rs. 10 each with voting rights	**1,00,00,000**	**1,000.00**	1,00,00,000	1,000.00
Issued, Subscribed and Fully Paid:				
Equity shares of Rs. 10 each with voting rights	**97,79,511**	**977.95**	97,79,511	977.95
Total	**97,79,511**	**977.95**	97,79,511	977.95

(i) Reconciliation of the number of shares outstanding at the beginning and at the end of the period.

Particulars	Opening Balance	Fresh Issue	Closing Balance
Equity Shares with Voting rights			
Period Ended March 31, 2022			
No. of Shares	**97,79,511**	–	**97,79,511**
Amount	**977.95**	–	**977.95**
Year Ended March 31, 2021			
No. of Shares	15,00,000	82,79,511	97,79,511
Amount	150.00	827.95	977.95

Rights, preferences and restrictions attached to equity shares

The Company has only one class of equity shares having par value of Rs. 10 per share. Each holder of equity share is entitled to one vote per share. The company declares and pays dividend in Indian Rupees. The dividend proposed by Board of Direcors is subject to approval of the shareholders in the ensuing annual general meeting. Further, the Board of Directors may also announce an interim dividend which would need to be confirmed by the shareholders at the forthcoming Annual General Meeting. In the event of liquidation, the shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholdings.

(ii) There is only one class of Equity shares valued at Rs. 10 and there are no preference shares.

(iii) Details of shares held by the holding company, the ultimate holding company, their subsidiaries and associates:

Particulars	No of shares: Equity shares with Voting rights	Equity shares with Differential Voting rights	Others
As at March 31, 2022			
Mahindra & Mahindra Ltd	**82,79,511**	–	–
Mahindra Holdings Limited, the Holding Company	**15,00,000**	–	–
As at March 31, 2021			
Mahindra Vehicle Manufacturers Limited, the Holding Company	82,79,511	–	–
Mahindra Holdings Limited, the Holding Company	15,00,000	–	–

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(iv) Details of shares held by each shareholder holding more than 5% shares:

Class of shares / Name of shareholder	As at March 31, 2022 Number of shares held	As at March 31, 2022 % holding in that class of shares	As at March 31, 2021 Number of shares held	As at March 31, 2021 % holding in that class of shares
Equity shares with voting rights				
Mahindra Vehicle Manufacturers Limited	–	–	8,279,511	84.66
Mahindra & Mahindra Ltd	**8,279,511**	**84.66**	–	–
Mahindra Holdings Limited	**1,500,000**	**15.34**	1,500,000	15.34

(v) Shareholding of Promoters

Shares held by Promoters at the end of the year			% Change during the year
Promoters Name	**No. of shares**	% of total Shares	
As at 31 March 2022			
Mahindra Vehicle Manufacturers Limited	–	–	(84.66)
Mahindra & Mahindra Ltd	**8,279,511**	84.66	84.66
Mahindra Holdings Limited	**1,500,000**	15.34	
As at 31 March 2021			
Mahindra Vehicle Manufacturers Limited	**8,279,511**	84.66	84.66
Mahindra Holdings Limited	**1,500,000**	15.34	(84.66)

Note No. 13 Other Financial Liabilities

Rupees lakhs

Particulars	**As at March 31, 2022**	As at March 31, 2021
Other Financial Liabilities Measured at Amortised Cost		
Non-current		
(a) Lease liability	**294.83**	752.54
	294.83	752.54
Current		
(a) Current maturities of finance lease obligations	**464.90**	590.57
(c) Other liabilities	**0.22**	0.22
Total other financial liabilities	**759.95**	1,343.33

Note No. 14 Provisions

Rupees lakhs

Particulars	**As at March 31, 2022 Current**	**As at March 31, 2022 Non-Current**	As at March 31, 2021 Current	As at March 31, 2021 Non-Current
(a) Provision for employee benefits				
(1) Long-term Employee Benefits	**–**	**297.73**	–	270.15
(2) Short-term Employee Benefits	**56.21**	**–**	45.46	–
Total Provisions	**56.21**	**297.73**	45.46	270.15

Note No. 15 Trade Payables

Particulars	**As at March 31, 2022 Current**	**As at March 31, 2022 Non-Current**	As at March 31, 2021 Current	As at March 31, 2021 Non-Current
(a) (i) Trade payable - Micro and small enterprises	**17.57**	**–**	7.31	–
(ii) Trade payable - Other than micro and small enterprises	**1,084.53**	**–**	1,140.91	–
(iii) Others - Accrued Expenses	**1,143.92**		633.57	
Total trade payables	**2,246.02**	**–**	1,781.79	–

Note No. 16 Other Liabilities

Particulars	**As at March 31, 2022 Current**	**As at March 31, 2022 Non-Current**	As at March 31, 2021 Current	As at March 31, 2021 Non-Current
(a) Statutory dues	**562.03**	**–**	378.98	–
(b) Others*	**2,251.43**	**–**	2,650.89	–
Total other Liabilities	**2,813.46**	**–**	3,029.87	–

* Others mainly includes salary, bonus, performance pay and other employee related payables.

(i) Debtors Ageing Schedule

Where no due date of payment is specified

Particulars	**Less than 6 months**	**6 months -1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
	Outstanding for following periods from due date of payment					
(i) Undisputed Trade receivables – considered good	10,365.64	1,405.51	0.57	4.35	–	11,776.07
(ii) Undisputed Trade Receivables – considered doubtful	–	–	–	–	–	–
(iii) Disputed Trade Receivables considered good	–	–	–	–	–	–
(iv) Disputed Trade Receivables considered doubtful	–	–	–	–	–	–
Total	**10,365.64**	**1,405.51**	**0.57**	**4.35**	**–**	**11,776.07**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(ii) Creditors Agening schedule

Where no due date of payment is specified

	Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i)	MSME	17.57	–	–	–	17.57
(ii)	Others	2,213	5.67	9.73	–	2,228.45
(iii)	Disputed dues – MSME	–	–	–	–	–
(iv)	Disputed dues - Others	–	–	–	–	–
	Total	**2,230.62**	**5.67**	**9.73**	**–**	**2,246.02**

Notes to the Financial statements for the Year 2020-21

(i) Debtors Ageing Schedule

Where no due date of payment is specified

	Particulars	Outstanding for following periods from due date of payment					
		Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
(i)	Undisputed Trade receivables – considered good	11,447.83	5.44	8.69	9.87	5.39	11,477.22
(ii)	Undisputed Trade Receivables – considered doubtful	–	–	–	–	–	–
(iii)	Disputed Trade Receivables considered good	–	–	–	–	–	–
(iv)	Disputed Trade Receivables considered doubtful	–	–	–	–	–	–
	Total	**11,447.83**	**5.44**	**8.69**	**9.87**	**5.39**	**11,477.22**

(ii) Creditors Ageing schedule

Where no due date of payment is specified

	Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i)	MSME	7.31	–	–	–	7.31
(ii)	Others	1,765	5.39	1.87	2.61	1,774.48
(iii)	Disputed dues – MSME	–	–	–	–	–
(iv)	Disputed dues - Others	–	–	–	–	–
	Total	**1,771.92**	**5.39**	**1.87**	**2.61**	**1,781.79**

Note No. 17 Revenue from operations

Rupees lakhs

Particulars	For the Year 2021-22	For the Year 2020-21
(a) Revenue from rendering of services	**42,719.05**	19,675.81
Total Revenue from Operations	**42,719.05**	19,675.81

Note No. 18 Other Income

Rupees lakhs

Particulars	For the Year 2021-22	For the Year 2020-21
(a) Interest Income		
(1) On Fixed Deposits with Bank	**15.62**	15.42
(2) On Income tax refund	**35.59**	54.18
(b) Dividend Income	**–**	
(1) on Mutual funds	**0.43**	0.49
(c) Profit on sale of capital assets (net of loss on assets sold / scrapped / written off)	**0.36**	44.12
(d) Unrealised gain on Mutual Funds		

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

Rupees lakhs

Particulars		For the Year 2021-22	For the Year 2020-21
(e)	Other income	**0.12**	–
(f)	Interest Income on Security Deposit - Ind AS adjustment	**5.20**	4.76
(g)	Income for sub-lease	**–**	39.00
Total other income		**57.32**	157.97

Note No. 19 Employee benefit expense

Rupees lakhs

Particulars		For the Year 2021-22	For the Year 2020-21
(a)	Salaries and wages, including bonus	**23,862.16**	13,646.93
(b)	Contribution to provident and other funds	**1,326.53**	866.15
(c)	Gratuity expense	**48.03**	39.21
(d)	Leave salary	**240.90**	146.10
(e)	Training	**0.03**	1.10
(f)	Staff welfare expenses	**51.50**	38.90
Total employee benefit expense		**25,529.15**	14,738.39

Note No. 20 Finance costs

Rupees lakhs

Particulars		For the Year 2021-22	For the Year 2020-21
(a)	Ind AS Adjustment on Security Deposits	**4.77**	4.65
	Less: Amounts included in the cost of qualifying assets	**–**	
(b)	Ind AS Adjustment on Lease Payment	**49.72**	38.15
(c)	Other borrowing cost	**–**	2.24
Total finance costs		**54.49**	45.04

Note No. 21 Depreciation and amortisation expense

Rupees lakhs

Particulars		For the Year 2021-22	For the Year 2020-21
(a)	Depreciation on tangible assets	**395.61**	165.97
(b)	Depreciation on Right of Use of assets	**662.61**	304.33
(c)	Amortisation on intangible assets	**23.77**	19.84
Total depreciation and amortisation expenses		**1,081.99**	490.14

Note No. 22 Other expenses

Rupees lakhs

Particulars			For the Year 2021-22	For the Year 2020-21
(a)	Power & Fuel		**31.10**	24.01
(b)	Rent including lease rentals		**480.61**	288.08
(c)	Rates and taxes		**98.22**	5.26
(d)	Insurance		**781.94**	353.52
(e)	Travelling and Conveyance Expenses		**1,757.03**	711.69
(f)	Net loss / (gain) on foreign currency transactions net off Derivative gain/loss (other than considered as finance costs)		**0.54**	3.31
(g)	Auditors remuneration and out-of-pocket expenses			
	(i)	As Auditors	**32.21**	9.47
	(ii)	For Taxation matters	**1.02**	1.00
	(iii)	For Other services	**1.50**	2.00
(h)	Other expenses			
	(i)	Legal and other professional costs	**6,887.82**	1,267.58
	(ii)	Postage, Telephone and Communication	**437.76**	275.73
	(iii)	IT Expenses	**320.51**	264.58
	(iv)	Service contracted	**2,580.25**	644.98
	(v)	Stores consumed	**489.62**	11.43
	(vi)	R&D cost	**138.93**	20.61
	(vii)	Commission to directors	**10.00**	15.00
	(viii)	Miscellaneous expenses	**272.93**	146.21
Total other expenses			**14,321.99**	4,044.46

Note No. 23 Current Tax and Deferred Tax

(a) Income Tax recognised in profit or loss

Rupees lakhs

Particulars	For the Year 2021-22	For the Year 2020-21
Current Tax:		
In respect of current year	**506.67**	178.85
In respect of prior years		-
	506.67	178.85
Deferred Tax:		
In respect of current year origination and reversal of temporary differences	**(18.79)**	(8.19)
Others		
Total income tax expense on continuing operations	**487.88**	170.66

(b) Reconciliation of income tax expense and the accounting profit multiplied by Company's domestic tax rate:

Rupees lakhs

Particulars	For the Year 2021-22	For the Year 2020-21
Profit before tax from continuing operations	**1,788.75**	515.75
Applicable Tax Rate	**25.17%**	25.17%
Expected income tax expenses	**450.19**	129.80
Effect of income that is exempt from taxation	**–**	(0.12)
Effect of expenses that is non-deductible in determining taxable profit	**–**	(0.04)
Others	**37.44**	41.02
	487.88	170.66
Adjustments recognised in the current year in relation to the current tax of prior years	**–**	–
	487.88	170.66
Total income tax expense reported	**487.88**	170.66

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

Note No. 23 Deferred Tax Assets (Net)

Rupees in lakhs

Particulars	**For the Year ended March 31, 2022** Opening Balance	Recognised in profit and Loss	Recognised in OCI	Closing Balance
Tax effect of items constituting deferred tax Liability				
on remeasurements of the defined benefit plans	6.13	–	–	6.13
	6.13	**–**	**–**	**6.13**
Tax effect of items constituting deferred tax assets				
Employee Benefits	125.12	(7.92)	–	117.20
Property, Plant and Equipment and Intangible assets	(9.87)	39.52	–	29.65
Other Temporary Differences	46.82	(19.55)	–	27.27
	162.07	12.05	–	174.12
Net Tax Asset (Liabilities)	**155.93**	**12.05**	**–**	**167.99**

Rupees in lakhs

Particulars	**For the Year ended March 31, 2021** Opening Balance	Recognised in profit and Loss	Recognised in OCI	Closing Balance
Tax effect of items constituting deferred tax Liability				
on remeasurements of the defined benefit plans	3.15	–	2.98	6.13
	3.15	**–**	**2.98**	**6.13**
Tax effect of items constituting deferred tax assets				
Employee Benefits	114.42	10.70	–	125.12
Property, Plant and Equipment and Intangible assets	9.09	(18.96)	–	(9.87)
Other Temporary Differences	30.36	16.46	–	46.82
	153.87	8.20	–	162.07
Net Tax Asset (Liabilities)	**150.71**	**8.20**	**(2.98)**	**155.93**

Note No. 24 Earnings per share

Rupees lakhs

Particulars	**As at 31 March 2022**	As at 31 March 2021
	Per Share	Per Share
Basic Earnings per share		
From continuing operations	**13.51**	9.95
From discontinuing operations		
Total basic earnings per share	**13.51**	9.95
Diluted Earnings per share		
From continuing operations	**13.51**	9.95
From discontinuing operations		
Total diluted earnings per share	**13.51**	9.95
Net Profit After Tax including Total comprehensive income for the period	**1,320.81**	355.28
Weighted Average no. of Shares	**97.795**	35.70

Note No. 25 Financial Instruments

Capital management

The company's capital management objectives are:

– to ensure the company's ability to continue as a going concern

– to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

The company monitors capital on the basis of the carrying amount of equity less cash and cash equivalents as presented on the face of the statement of financial position.

The capital structure is monitored on the basis of net debt to equity of the Company.

Rupees lakhs

	March 31, 2022	March 31, 2021
Equity	**16,074.33**	14,562.00
Net Debt	**–**	–
Less: Cash and cash equivalents	**2,912.66**	3,926.20
Net Debt		
Total Capital	**13,161.67**	**10,635.80**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

Categories of financial assets and financial liabilities

As at March 31, 2022 — **Rupees lakhs**

Particulars	**Amortised Cost**	**FVTPL**	**FVOCI**	**Total**
Non-current Assets				
Other Financial Assets				
Security deposits	**237.06**			**237.06**
	237.06			**237.06**
Current Assets				
Investments		**14.40**		**14.40**
Trade Receivables	**11,776.07**			**11,776.07**
Other Bank Balances	**672.93**			**672.93**
Other Financial Assets				
- Interest accrued on Fixed Deposits	**7.13**			**7.13**
Current liabilities				
Borrowings	**–**			
Trade Payables	**2,246.02**			**2,246.02**

As at March 31, 2021 — **Rupees lakhs**

Particulars	Amortised Cost	FVTPL	FVOCI	Total
Non-current assets				
Other Financial Assets				
Security deposits	194.40			194.40
	194.40			**194.40**
Current assets				
Investments		13.98		13.98
Trade Receivables	11,477.22			11,477.22
Other Bank Balances	264.72			264.72
Other Financial Assets				
- Interest accrued on Fixed Deposits	1.28			1.28
	11,743.22	**13.98**	**–**	**11,757.20**
Current Liabilities				
Borrowings				
Trade Payables	1,781.79			1,781.79

Financial Risk Management Framework

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk . In order to manage the aforementioned risks, the Company operates a risk management policy and a program that performs close monitoring of and responding to each risk factors.

CREDIT RISK

(i) Credit risk management

Credit risk arises when a counterparty defaults on its contractual obligations to pay resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collatarel, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Company only transacts with entities that are rated the equivalent of investment grade and above. This information is supplied by independent rating agencies where available and, if not available, the Company uses other publicly available financial information and its own trading records to rate its major customers. The Company's exposure and credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

The Company applies the simplified approach to providing for expected credit losses prescribed by Ind AS 109, which permits the use of the lifetime expected loss provision for all trade receivables. The company has computed expected credit losses based on a provision matrix which uses historical credit loss experience of the Company and individual receivable specific provision where applicable.

There is no change in estimation techniques or significant assumptions during the reporting period.

The loss allowance provision is determined as follows:

As at March 31, 2022 — **Rupees lakhs**

Particulars	**Less than 6 months past due**	**More than 6 months past due**	**Total**
Expected loss rate	0.0%	-100.0%	-0.2%
Gross carrying amount	11,754.17	21.90	11,776.07
Loss allowance provision	–	(21.90)	(21.90)

As at March 31, 2021 — Rs. In lakhs

Particulars	Less than 6 months past due	More than 6 months past due	Total
Expected loss rate	0.0%	-100.0%	
Gross carrying amount	11,455.32	21.90	11,477.22
Loss allowance provision	–	(21.90)	(21.90)

Reconciliation of loss allowance provision for Trade Receivables

Particulars	**31-Mar-22**	31-Mar-21
	Rupees lakhs	
Balance as at beginning of the year	**21.90**	21.90
Impairment losses recognised in the year based on lifetime expected credit losses	**–**	–
Amounts written off during the year as uncollectible	**–**	–
Amounts recovered during the year	**–**	–
Impairment losses reversed/written back	**–**	–
Balance at end of the year	**21.90**	21.90

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

LIQUIDITY RISK

(i) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Company's short-, medium- and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

(ii) Maturities of financial liabilities

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The amount disclosed in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company may be required to pay.

Rupees lakhs

Particulars	Less than 1 Year	1-3 Years	3 Years to 5 Years	5 years and above
Non-derivative financial liabilities				
31-Mar-22				
Trade Payables	2,246.02	–	–	–
Finance Lease	464.9	294.83		
Total	**2,710.92**	294.83	–	–
31-Mar-21				
Trade Payables	1,229.88	–	–	551.91
Finance Lease	620.45	752.54		
Total	1,850.33	752.54	–	551.91

(iii) Maturities of financial assets

The following table details the Company's expected maturity for its non-derivative financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Company's liquidity risk management as the liquidity is managed on a net asset and liability basis.

Rupees lakhs

Particulars	Less than 1 Year INR	1-3 Years INR	3 Years to 5 Years INR	5 years and above INR
Non-derivative financial assets				
31-Mar-22				
Non-current Assets				
Other Financial Assets				
– Security deposits		**143.82**	**–**	**93.24**
Current Assets				
Investments	**14.40**	**–**	**–**	**–**
Trade Receivables	**11,776.07**	**–**	**–**	**–**
Other Bank Balances	**672.93**	**–**	**–**	**–**
Other Financial Assets				
– Interest accrued on Fixed Deposits	**7.13**	**–**	**–**	**–**
Total	**12,470.53**	**143.82**	**–**	**93.24**

Rupees lakhs

Particulars	Less than 1 Year INR	1-3 Years INR	3 Years to 5 Years INR	5 years and above INR
31-Mar-21				
Non-current Assets				
Other Financial Assets				
– Security deposits	–	92.98	–	101.42
Current Assets				
Investments	13.98	–	–	–
Trade Receivables	11,477.22	–	–	–
Other Bank Balances	264.72	–	–	–
Other Financial Assets				
– Interest accrued on Fixed Deposits	1.28	–	–	–
Total	11,757.20	92.98	–	101.42

MARKET RISK

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk mainly comprises currency risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. The Company uses derivatives to manage market risks. Derivatives are only used for economic hedging purposes and not as speculative investments. All such transactions are carried out within the guidelines set by the Board of Directors.

There has been no significant changes to the company's exposure to market risk or the methods in which they are managed or measured.

Currency Risk

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. The Company's /Company's exposure to currency risk relates primarily to the Company's operating activities when transactions are denominated in a different currency from the Company's functional currency.

The Company manages its foreign currency risk by hedging transactions that are expected to occur within a maximum 12 month period for hedges of forecasted sales and purchases.

When a derivative is entered into for the purpose of being a hedge, the Company negotiates the terms of those derivatives to match the terms of the hedged exposure. For hedges of forecast transactions the derivatives cover the period of exposure from the point the cash flows of the transactions are forecasted up to the point of settlement of the resulting receivable or payable that is denominated in the foreign currency.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows :

Rupees lakhs

Particulars	Currency	31-Mar-22	31-Mar-21
Trade Receivables	USD	**14,000.00**	10,596.29
	AUD	**173.00**	0.09
Trade Payables	USD	**–**	1,155.10
	AUD	**–**	–
Other Financial Assets	USD	**–**	101.42
	AUD	**–**	–
Other Financial Liabilities	USD	**–**	1093.61
	AUD	**–**	–

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

Of the above foreing currency exposures, the following exposures are not hedged by a derivative:

			Rupees lakhs
Particulars	**Currency**	**31-Mar-22**	**31-Mar-21**
Trade Receivables	USD	**14,000.00**	10,596.29
	AUD	**173.00**	0.09
Trade Payables	USD	**–**	1,155.10
	AUD	**–**	–
Other Financial Assets	USD	**–**	101.42
	AUD	**–**	–
Other Financial Liabilities	USD	**–**	1093.61
	AUD	**–**	–

Foreign Currency Sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD and AUD exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities. The Company's exposure to foreign currency changes for all other currencies is not material.

				Rupees lakhs
Particulars	**Currency**	**Change in rate**	**Effect on profit before tax**	**Effect on pre-tax equity**
31-Mar-22	USD	+10%	1,400	1,400
	USD	-10%	(1,400)	(1,400)
	AUD	+10%	17.30	17.30
	AUD	-10%	(17.30)	(17.30)
31-Mar-21	USD	+10%	841.93	841.93
	USD	-10%	(841.93)	(841.93)
	AUD	+10%	–	–
	AUD	-10%	–	–

Note No. 26 Fair Value Measurement

Fair Valuation Techiques and Inputs used – recurring Items

Rupees lakhs

Financial assets/ financial liabilities measured at Fair value	**Fair value as at**	Fair value as at	Fair value hierarchy*	Valuation technique(s) and key input(s)	Significant unobservable input(s)	Relationship of unobservable inputs to fair value and sensitivity
	31-Mar-22	31-Mar-21				
Financial assets						
Investments						
1) Equity investments						
2) Mutual fund investments	14.4	13.98	Level 1	As declared from the fund houses	N.A.	N.A.
Total financial assets	**14.4**	13.98				

There were no transfers between level 1, level 2 and level 3 for recurring fair value measurements during the year.

Fair value of financial assets and financial liabilities that are not measured at fair value

Fair value hierarchy as at 31 March 2022

Particulars	**Carrying amount**	**Fair value**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets						
Financial assets carried at Amortised Cost						
– trade and other receivables	**11,776.07**	**11,776.07**		**11,776.07**		**11,776.07**
– deposits and similar assets	**237.06**	**237.06**		**237.06**		**237.06**
– Others	**7.13**	**7.13**		**7.13**		**7.13**
Total	**12,020.26**	**12,020.26**		**12,020.26**		**12,020.26**
Financial liabilities						
Financial Instruments not carried at Fair Value						
– trade and other payables	**2,246.02**	**2,246.02**		**2,246.02**		**2,246.02**
Total	**9,774.24**	**9,774.24**		**9,774.24**		**9,774.24**

Fair value hierarchy as at 31 March 2021

Particulars	Carrying amount	Fair value	Level 1	Level 2	Level 3	Total
Financial assets						
Financial assets carried at Amortised Cost						
– trade and other receivables	11,477.22	11,477.22		11,477.22		11,477.22
– deposits and similar assets	194.4	194.4		194.40		194.40
– Others	1.278	1.278		1.28		1.28
Total	11,672.90	11,672.90		11,672.90		11,672.90
Financial liabilities						
Financial Instruments not carried at Fair Value						
– trade and other payables	1,781.79	1,781.79		1,781.79		1,781.79
– others	**1,343.33**	**1,343.33**		**1,343.33**		**1,343.33**
Total	3,125.12	3,125.12		3,125.12		3,125.12
	8,547.78	8,547.78		8,547.78		8,547.78

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

Note No. 27 Employee benefits

(a) Defined Contribution Plan

The Company's contribution to Provident Fund, Superannuation Fund and ESIC aggregating Rs. 1035.65 Lacs (2021 : Rs. 866.15 Lacs) has been recognised in the Statement of Profit or Loss under the head Employee Benefits Expense.

The Company has voluntary contributed in 401(k) retirement plans covering substantially all the employees of US branch. The Branch may make annual contributions to the plans equal to a uniform percentage of participant compensation. The cost of the Branch's contributions charged to expense related to 401(k) contributions was Rs 135.30 lacs for the period ended March 31, 2022. (2021 :Rs.31.46 Lacs)

The Company has contributed towards workplace pension plans covering substantially all the employees of UK branch. The cost of the Branch's contributions charged to expense related to employee was Rs 155.58 lacs for the period ended March 31, 2022.

(b) Defined Benefit Plans:

Gratuity

The Company operates a gratuity plan covering qualifying employees. The benefit payable is the greater of the amount calculated as per the Payment of Gratuity Act, 1972 or the Company scheme applicable to the employee. The benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. In case of death while in service, the gratuity is payable irrespective of vesting. The Company makes annual contribution to the group gratuity scheme administered by the Life Insurance Corporation of India through its Gratuity Trust Fund.

Through its defined benefit plans the Company is exposed to a number of risks, the most significant of which are detailed below:

Asset volatility

The plan liabilities are calculated using a discount rate set with references to government bond yields; if plan assets under perform compared to the government bonds discount rate, this will create or increase a deficit. The defined benefit plans hold a significant proportion of equity type assets, which are expected to outperform government bonds in the long-term while providing volatility and risk in the short-term.

As the plans mature, the Company intends to reduce the level of investment risk by investing more in assets that better match the liabilities.

However, the Company believes that due to the long-term nature of the plan liabilities and the strength of the supporting group, a level of continuing equity type investments is an appropriate element of the Company's long term strategy to manage the plans efficiently.

Changes in bond yields

A decrease in government bond yields will increase plan liabilities, although this is expected to be partially offset by an increase in the value of the plans' bond holdings and interest rate hedging instruments.

Inflation risk

Some of the Company's pension obligations are linked to inflation, and higher inflation will lead to higher liabilities (although, in most cases, caps on the level of inflationary increases are in place to protect the plan against extreme inflation). The plans hold a significant proportion of assets in index linked gilts, together with other inflation hedging instruments and also assets which are more loosely correlated with inflation. However an increase in inflation will also increase the deficit to some degree.

Life expectancy

The majority of the plan's obligations are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the plan's liabilities. This is particularly significant in the Company's defined benefit plans, where inflationary increases result in higher sensitivity to changes in life expectancy.

The significant actuarial assumptions used for the purposes of the actuarial valuations were as follows:

	Valuation as at	
	March 31, 2022	March 31, 2021
Discount rate(s)	**6.85%**	6.45%
Expected rate(s) of salary increase	**8.50%**	8.50%

Defined benefit plans – as per actuarial valuation on March 31, 2022

Amounts recognised in comprehensive income in respect of these defined benefit plans are as follows :

			Rupees lakhs	
			Funded Plan Gratuity	
Particulars			**2022**	2021
I	**Expenses recognised in statement of profit and loss for the year**			
	Current Service Cost		**42.09**	32.54
	Past service cost and (gains)/losses from settlements		**–**	–
	Net interest expense		**4.85**	3.30
	Components of defined benefit costs recognised in profit or loss		**46.94**	35.84
II	**Recognised in Other comprehensive income for the year**			
	Remeasurement on the net defined benefit liability			
	Return on plan assets (excluding amunt included in net interest expense)		**(25.08)**	(0.91)
	Actuarial gains and loss arising form changes in financial assumptions		**(8.88)**	4.95
	Actuarial gains and loss arising form experience adjustments		**7.32**	(17.22)
	Actuarial gains and loss arising form changes in demographic assumptions		**–**	–
	Componenets of defined benefit costs recognised in other comprehensive income		**(26.64)**	(13.18)
	Total		**20.30**	22.66
III	**Net Asset/(Liability) recognised in the Balance Sheet as at 31st March**			
	1	Present value of defined benefit obligation as at 31st March	**295.95**	258.85
	2	Fair value of plan assets as at 31st March	**229.35**	173.62
	3	Surplus/(Deficit)	**66.60**	85.23
	4	Current portion of the above	**–**	–
	5	Non current portion of the above	**66.60**	85.23
IV	**Change in the obligation during the year ended 31st March**			
	1	Present value of defined benefit obligation at the beginning of the year	**258.85**	240.34
	2	Add/(Less) on account of Scheme of Arrangement/ Business Transfer		

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

		Rupees lakhs Funded Plan Gratuity	
Particulars		**2022**	2021
3	Expenses Recognised in Profit and Loss Account		
	- Current Service Cost	**42.09**	32.54
	- Interest Expense (Income)	**15.62**	14.51
4	Recognised in Other Comprehensive Income		
	Remeasurement gains / (losses)		
-	Actuarial Gain (Loss) arising from:		
i.	Demographic Assumptions	**–**	–
ii.	Financial Assumptions	**(8.88)**	4.95
iii.	Experience Adjustments	**7.32**	(17.22)
5	Benefit payments	**(19.05)**	(19.58)
6	Others (Specify)	**–**	3.31
7	Present value of defined benefit obligation at the end of the year	**295.95**	258.85
V	**Change in fair value of assets during the year ended 31st March**		
1	Fair value of plan assets at the beginning of the year	**173.62**	181.08
2	Add/(Less) on account of Scheme of Arrangement/ Business Transfer		
3	Expenses Recognised in Profit and Loss Account		
	- Expected return on plan assets	**10.77**	11.21
4	Recognised in Other Comprehensive Income		
	Remeasurement gains / (losses)		–
	- Actual Return on plan assets in excess of the expected return	**25.08**	0.91
	- Others (specify)		
5	Contributions by employer (including benefit payments recoverable)	**38.93**	–
6	Benefit payments	**(19.05)**	(19.58)
7	**Fair value of plan assets at the end of the year**	**229.35**	173.62
VI	**The Major categories of plan assets**		
-	List the plan assets by category here		
	Insurer Managed Fund	**229.35**	173.62
VII	**Actuarial Assumptions**		
1	Discount rate	**6.85%**	6.45%
2	Expected rate of return on plan assets	**6.85%**	6.45%

VIII The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

Principal assumption		Changes in assumption	Impact on defined benefit obligation: Increase in assumption	Impact on defined benefit obligation: Decrease in assumption
Discount rate	**2022**	**1.00%**	**-6.80%**	**7.85%**
	2021	1.00%	-7.26%	8.40%
Salary growth rate	**2022**	**1.00%**	**7.63%**	**-6.76%**
	2021	1.00%	8.12%	-7.19%

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the Balance sheet.

The methods and types of assumptions used in preparing the sensitivity analyses did not change compared to previous period.

The Company expects to contribute Rs. 2,000,000 to the gratuity trusts during the next financial year.

IX Maturity profile of defined benefit obligation:

	2022	2021
Within 1 year	**57.00**	33.23
1 - 2 year	**33.18**	38.58
2 - 3 year	**23.44**	27.75
3 - 4 year	**51.91**	18.57
4 - 5 year	**19.28**	42.29
above 5 years	**380.73**	328.97

X Plan Assets

The fair value of Company's pension plan asset as of 31 March 2022 and 2021 by category are as follows:

	2022	2021
Asset category		
Deposits with Insurance companies	**229.35**	173.62
	100%	100%

The Company's policy is driven by considerations of maximizing returns while ensuring credit quality of the debt instruments. The asset allocation for plan assets is determined based on investment criteria prescribed under the Indian Income Tax Act, 1961, and is also subject to other exposure limitations. The Company evaluates the risks, transaction costs and liquidity for potential investments. To measure plan asset performance, the Company compares actual returns for each asset category with published benchmarks.

The weighted average duration of the defined benefit obligation as at 31 March 2022 is 7.29 years (2021: 7.79 years)

The expected rate of return on plan assets is based on the average long term rate of return expected on investments of the fund during the estimated term of obligation.

The estimate of future salary increases, considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The current service cost and the net interest expense for the year are included in the employee benefits expense in profit orloss of the expense for the year.

In February 2019, Supreme Court of India in its judgement clarified the applicability of allowances that should be considered to measure obligations under Employees Provident Fund Act, 1952. The Company has been legally advised that there are interpretative challenges on the application of judgement retrospectively and as such does not consider there is any probable obligations for past periods. Accordingly, based on legal advice the Company has made a provision for provident fund contribution from the date of Supreme Court order.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

Note No. 28 Fair Value Measurement

(a) CWIP aging schedule

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 Years	
Projects in progress	22.58	–	–	–	22.58
Projects temporarily suspended	–	–	–	–	–

As on the date of the balance sheet, there are no capital work-in-progress projects whose completion is overdue or has exceeded the cost, based on approved plan

Note No. 29 Related Party Transactions

Name of the parent Company	Mahindra Holdings Limited
Name of the Ultimate Holding Company	Mahindra & Mahindra Limited
Fellow Subsidiary:	
Bristlecone (India) Ltd	Mahindra MiddleEast Electrical Steel Service Centre (FZC)
GIPPS AERO PTY LIMITED	Mahindra MSTC Recycling Pvt. Ltd.
GROMAX AGRI EQUIPMENT LIMITED	Mahindra Residential Developers Ltd.
MAHINDRA & MAHINDRA CONTECH LTD	Mahindra Rural Housing Finance Ltd
Mahindra & Mahindra Financial Services Ltd	Mahindra Steel Service Centre Ltd.
Mahindra Agri Solutions Limited	Mahindra Susten Pvt Ltd.
MAHINDRA AIRWAYS LIMITED	Mahindra TEQO Private Limited
Mahindra Auto Steel Pvt. Ltd.	Mahindra Trucks & Buses Limited
Mahindra Automobile Distributor Pvt Ltd	Mahindra Two Wheelers Limited.
Mahindra Bebanco Dev. Ltd/ Mahindra Bloomdale Dev Ltd.	Mahindra USA INC
Mahindra Defence System Ltd	Mahindra Vehicle Manufacturers Ltd
Mahindra Electric Mobility Limited	Mahindra Waste to Energy Solutions
MAHINDRA EMARKET LTD	Medwell Ventures Private Limited
Mahindra Emirates Vehicle Armoring Fz LLC	Meru Mobility Tech Pvt. Ltd.
MAHINDRA EPC IRRIGATION LIMITED	NBS International Ltd
Mahindra First Choice Services Ltd	V-Link Fleet Solutions Pvt. Ltd.
Mahindra First Choice Wheels Ltd	Automobili Pinifarina Gmbh
Mahindra Fruits Private Limited (formerly known as Mahindra Greenyard Private Limited)	Mahindra Automotive North America, Inc.
Mahindra Heavy Engines Ltd.	Mahindra North American Technical Center, Inc.
Mahindra Holidays & Resorts India Limited	Mahindra Tractor Assembly, Inc.
Mahindra HZPC Pvt. Ltd	Mahindra Vehicle Sales and Service, Inc.
Mahindra Integrated Township Ltd.	Peugeot Motorcycles S.A.
Mahindra Inter-trade Ltd.	Mahindra Racing UK Limited
Mahindra Lifespace Developers Ltd.	Sunrise Initiatives
Mahindra Logistics Ltd.	Mumbai Mantra Media Ltd.
Mahindra Manulife Trustee Pvt Ltd	Mahindra Solarize Private Limited
Mahindra Marine Private Limited	Mahindra Engineering & Chemical Products Ltd
Mahindra Automotive Australia Pty	Fifth Gear Ventures Ltd
Mahindra Insurance Brokers Ltd.	Mahindra Consulting Engineers Employees Stock Option Trust
Associate of M & M	
Mahindra CIE Automotive Ltd.	
Tech Mahindra Foundation	
Tech Mahindra Ltd	
The Indian and Eastern company	
Mahindra Foundation USA	
Mera Kisan Pvt. Ltd.	
PSL Media And Communications Ltd	
Swaraj Engines Limited	
Joint Venture	
Aquasail Distribution Co.Pvt Ltd	Mahindra Summit Agriscience Ltd
Classic Legends Private Limited	Mahindra Manulife Trustee Pvt Ltd
Mahindra Aerospace Pvt Ltd	Marvel Solren Private Limited
Mahindra Aerostructures Pvt Ltd	Mahindra Telephonics Integrated Systems Pvt Ltd.
Mahindra Education Society, Mahindra Academy	Mahindra World City Developers Ltd.
Mahindra Happinest Developers Ltd.	Mahindra World City (Jaipur) Ltd.
Mahindra Homes Pvt. Ltd.	
Mahindra Industrial Park Private Limited	
Mahindra Industrial Park Private Limited (Formerly Industrial Cluster Private Limited)	
Mahindra Manulife Investment Management Pvt Ltd. (Mahindra AMC Pvt Ltd)	
Mahindra Tsubaki Conveyor Systems Pvt Ltd	
M & M CJP Employees Coop Canteen Soc Ltd	
M & M Ltd Tractor Div Employee Co-op Canteen Soc Ltd	

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

Details of transaction between the Company and its related parties are disclosed below: **Rupees lakhs**

Particulars	For the year ended	Ultimate Holding Company	Parent Company	Fellow subsidiaries	Others
Nature of transactions with Related Parties					
Rendering of services	March 31, 2022	35,835.57	–	5,411.47	434.97
	March 31, 2021	12,490.66	1,871.20	4,187.32	411.87
Receiving of services	March 31, 2022	1.99	–	3,279.15	–
	March 31, 2021	1.29	–	826.83	–
Lease expenses	March 31, 2022	146.98	–	108.03	–
	March 31, 2021	132.55	–	–	–
Purchase of goods	March 31, 2022	–	–	–	–
	March 31, 2021	–	–	–	–
Purchase of property and other assets	March 31, 2022	–	–	–	–
	March 31, 2021	–	–	7.00	–
Loans taken/(repaid)	March 31, 2022	–	–	–	–
	March 31, 2021	(50.00)	–	–	–
Interest Paid on Borrowings	March 31, 2022	–	–	–	–
	March 31, 2021	2.24	–	–	–
Dividend paid	March 31, 2022	42.31	7.67	–	–
	March 31, 2021	–	22.50	–	–
Issue of shares	March 31, 2022	–	–	–	–
	March 31, 2021	178.83	–	–	–
Reimbursement of expenses made to parties	March 31, 2022	539.36	–	356.14	0.18
	March 31, 2021	309.87	–	1.52	–
Reimbursement of expenses made by parties	March 31, 2022	–	–	298.46	–
	March 31, 2021	–	–	540.63	–
Others	March 31, 2022	–	–	–	–
	March 31, 2021	–	–	–	–

Details of outstanding balances with related parties

Particulars	Balance as on	Ultimate Holding Company	Parent Company	Fellow subsidiaries	Others
Trade Receivable	March 31, 2022	10,643.85	–	618.43	27.32
	March 31, 2021	8,358.07	2,453.96	500.46	28.27
Trade Payable	March 31, 2022	98.14	–	578.62	–
	March 31, 2021	236.10	551.91	1.50	–
Loans & advances taken	March 31, 2022	–	–	–	–
	March 31, 2021	–	–	–	–
Other balances (Interest accrued but not due on Borrowing)	March 31, 2022	–	–	–	–
	March 31, 2021	–	–	–	–

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

Note No. 30 - Ratios

	Ratios	Description of Ratios	As at 31 March 2022	As at 31 March 2021	Variance (%)	Explanation for Change in ratio by more than 25% compared to previous year
1	Current ratio	Current Asset/Current Liability	2.95	2.99	(1.44)	–
2	Debt Equity Ratio	Lease liability/Total Equity	0.05	0.09	48.76	Reduction in lease liability due to repayments and increase in retained earning
3	Debt Service coverage Ratio	Earning available for debt Service/Debt Service	4.04	2.89	39.69	Increase in Earning available for debt service as US branch was in function for entire year and UK branch added during the year
4	Return on Equity Ratio	Profit after Tax/Total Equity	8.09	2.37	241.50	During FY 20-21 US operations were for 3 months whereas in FY 21-22 it is in operations for entire year. Also UK operations started in FY 21-22
5	Inventory Turnover ratio	NA	–	–	–	–
6	Trade Receivables turnover ratio	Turnover/Trade Receivables	3.63	1.71	(111.60)	Turnover has increased due to US and UK Branch as a result increase in Turnover and Trade receivables
7	Trade payables turnover ratio	Total Purchase cost/ Trade Payables	17.74	10.54	68.31	Turnover has increased due to US and UK Branch as a result increase in Total Purchase cost and Trade Payables
8	Net capital turnover ratio	Turnover/(Total Asset - Current & Non Current Liabilities)	2.66	1.35	96.69	Turnover has increased due to US and UK Branch
9	Net profit ratio	Net profit After Tax/ Turnover	0.03	0.02	73.63	During FY 20-21 US operations were for 3 months whereas in FY 21-22 it is in operations for entire year. Also UK operations started in FY 21-22
10	Return on Capital employed	EBIT/Capital Employed	11.47	3.85	197.76	During FY 20-21 US operations were for 3 months whereas in FY 21-22 it is in operations for entire year. Also UK operations started in FY 21-22
11	Return on investment	(Interest Income+Dividend received)/Closing Balance of Investment	2.34	5.71	59.09	Drop in interest rate on Fixed Deposit

Note No. 31 - Capital Commitment

	Rupees lakhs
Capital Commitments twards Civil work, Furniture etc.	921.12
Capital Commitments twards Plant and Machinery	396.11
Capital Commitments twards Office Equipments	57.56
	1374.79

Note No. 32 - Future operating lease payments

	Rupees lakhs
Lease payments in next 12 months	39.49
Lease payments in next 1 year to 5 years	1084.63
Lease payments beyond 5 years	117.9
	1242.02

Note No. 33 Business Combination

Brief Summary of transaction

During the financial year ending March 31, 2021, Mahindra Integrated Business Solutions Pvt. Ltd. “the Company” has acquired branch of Mahindra Vehicle Manufacturers Ltd. “MVML” located in Michiegan, USA.. The acquisition has taken place by executing business transfer agreement between the Company and MVML (entities under common control) to transfer business of US branch as a going concern on a slump sale basis for a lump sum consideration without assigning any individual values to the individual assets and liabilities

This branch provides design, engineering and product developement services to Mahindra & Mahindra and its group Companies. Effective date of acquisition was January 1, 2021.

Accounting approach followed

As the transaction took place between the entities which are under common control, the Company has followed pooling of interest method suggested as per ‘Appendix C of Ind AS 103 - Business Combination’. As per the this method, the Company has restated its financials statement of earlier years.

Summary of consideration and details of assets & liabilities acquired

I Valuation of branch and assets and liabilities acquired.

Based on valuation done by independent valuers of branch the considaration was fixed at Rs 17,883.74 lacs.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

Particulars	Amt in lakhs
Property, plant & equipment	3,066.64
Other intangible assets	5.22
Other financial and non-financial assets	14,314.11
Balance of retained earnings on date of acquisition	13,314.91
Other financial and non-financial liabilities	4,198.82

II Summary of consideration paid

As per valuatuation of the Company cosnideration was paid by way of exchange of 82,79,511 equity shares of Rs 216 each .(face value of Rs 10 each & premium of Rs 206). This has resulted in change in shareholding pattern of the Company. (refer note 12).

III This has resulted in negative capital reserve of Rs 955.74 lacs adjusted in balance of Retained earnings as on the date of acquisition.

Note No. 34 Leases

The Company has entered into noncancelable operating lease agreements related to facility, office equipment, machinery and equipment and vehicles with varying terms.

Non-lease components

Leases that contain non-lease components are accounted for as a single component and recorded on the balance sheet for certain asset classes including equipment. Non-lease components include, but are not limited to, common area maintenance and service arrangements.

The Company has used the following policies and/or assumptions in evaluating the lease population

Lease determination:

The Company considers a contract to be or to contain a lease if the contract conveys the right to control the use of identified property and equipment (an identified asset) for a period of time in exchange for consideration.

Discount rate :

When the lease contracts do not provide a readily determinable implicit rate, the Company uses the estimated incremental borrowing rate based on information available at the inception of the lease. The discount rate is determined by asset class.

Variable payments :

The Copmany includes payments that are based on an index or rate within the calculation of right of use leased assets and lease liabilities, initially measured at the lease commencement date. There are variable payments origination fees for office equipment, machinery and equipment and therefore are not treated as a part of lease payments.

Purchase options :

Certain leases include options to purchase the office equipment. The depreciable life of assets is limited by the expected lease term unless there is a transfer of title or purchase option reasonably certain of exercise.

Renewal options :

Most leases include one or more options to renew, with renewal terms that can extend the lease term from one or more years. The exercise of lease renewal options is at the Company's sole discretion.

Residual value guarantees, restrictions, or covenants :

The lease agreements do not contain any material residual value guarantees or material restrictive covenants.

Short-term leases :

Leases with an initial term of 12 months or less are not recorded on the balance sheet; the Company recognizes lease expense for these leases on a straight-line basis over the lease term and expense the associated operating lease costs to other expenses in Profit and loss account.

The table below presents the classification of leasing assets and liabilities

	Rupees in lakhs	
Particulars	**As at March 31, 2022**	As at March 31, 2021
Assets		
Right-of-use of assets	**1,350.76**	2,053.54
Liabilities		
Current Lease liabilities	**464.90**	590.57
Non-current lease liabilities	**294.83**	752.54

The table below presents the classification of lease related expenses as reported in the Profit and loss account

Particulars	**For the Year 2021-22**	For the Year 2020-21
Rent Expenses	**480.61**	288.08

Note No. 35 Additional Disclosures

Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

	Rupees lakhs	
Particulars	**As at March 31, 2022**	As at March 31, 2021
(i) Principal amount remaining unpaid to MSME suppliers	**17.57**	7.31
(ii) Interest due on unpaid principal amount to MSME suppliers	**1.27**	0.77
(iii) The amount of interest paid along with the amounts of the payment made to the MSME suppliers beyond the appointed day	**–**	–
(iv) The amount of interest due and payable for the year (without adding the interest under MSME Development Act)	**–**	–
(v) The amount of interest accrued and remaining unpaid	**1.27**	0.77
(vi) The amount of interest due and payable to be disallowed under Income Tax Act, 1961	**1.27**	0.77

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

Comparatives

The figures for previous year have been regrouped wherever necessary to conform to current year's classification.

The accompanying notes 1 to 35 are an integral part of the Financial Statements
In terms of our report attached.

For B. K. Khare & Co.
Chartered Accountants

Aniruddha Joshi
Partner
Membership No. 040852

Place: Mumbai
Date: April 28, 2022

For and on behalf of the Board of Directors

S. Durgashankar
Director
DIN No.00044713

Neera Saggi
Director
DIN No. 00501029

Rahul D Asthana
Director
DIN No. 00234247

Nikhil Madgavkar
Managing Director
DIN No.05163088

Riten Chakrabarty
CFO

Place: Chennai
Date: April 28, 2022

INDEPENDENT AUDITOR'S REPORT

To the Members of **Mahindra eMarket Limited**

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying Financial Statements of **Mahindra eMarket Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards as prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, its loss and total comprehensive income, its changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Financial Statements in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('the ICAI") together with the ethical requirements that are relevant to our audit of the Financial Statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Financial Statements.

Information Other than the Financial Statements and Auditors' Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the Directors' Report and the related annexures, but does not include the Financial Statements and our auditors' report thereon.

Our opinion on the Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Financial Statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Financial Statements of the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-Section (11) of Section 143 of the Act and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive income, the Statement of Changes in Equity and the Cash Flow Statement dealt with by this report are in agreement with the books of account.

   (d) In our opinion, the aforesaid Financial Statements comply with the Accounting Standards specified under Section 133 of the Act.

   (e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164(2) of the Act.

   (f) With respect to the adequacy of the internal financial controls with reference to Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure B. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to the Financial Statements.

   (g) The Company has not paid any remuneration to managerial personnel as defined in the Act. Accordingly, the provisions of Section 197 of the Act related to the managerial remuneration are not applicable.

   (h) With respect to the other matters to be included in the Auditors' Report in accordance with the requirements of Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

      (i) The Company does not have any pending litigations which would impact its financial position;

(ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and

(iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

(iv) (a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

(v) The Company has not declared or paid any dividend during the year.

For **B. K. Khare & Co.**
Chartered Accountants
(Firm Registration No. 105102W)

Shirish Rahalkar
Partner
Membership No. 111212
UDIN: 22111212AHZZLE6997

Place: Mumbai
Date: 27th April 2022

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date on the Financial Statements of Mahindra eMarket Limited for the year ended March 31, 2022.

1. (a) (A) According to the information and explanations given to us, the Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.

   (B) According to the information and explanations given to us, the Company does not have any intangible assets and hence the provisions of this clause are not applicable.

   (b) The Company has a regular programme for physical verification of its property, plant and equipment by which the property, plant and equipment are verified by the management according to a phased programme designed to cover all the items every year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its property, plant and equipment. In accordance with the programme, the Company has physically verified all of its property, plant and equipment during the year and no material discrepancies were noticed on such verification.

   (c) According to the information and explanations given to us, there are no immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) held in the name of the Company.

   (d) According to the information and explanations given to us, the Company has not revalued any of its Property, Plant and Equipment (including Right of Use assets) during the year.

   (e) Based on the audit procedures performed by us and according to the information, explanations and representations given to us, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

2. (a) According to the information and explanations given to us, the inventory comprising traded goods has been physically verified at reasonable intervals by the management during the year. In our opinion, the coverage and procedure of such verification by the management is appropriate and no discrepancies of 10% or more in the aggregate for each class of inventory were noticed on such verification between the physical inventory and the book records.

   (b) According to the information and explanations given to us, the Company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets at any point of time during the year.

3. According to the information and explanations given to us, the Company has not made investments in or provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year. Accordingly, the reporting under Clauses 3(iii)(a) to 3(iii)(f) of the Order is not applicable to the Company.

4. According to the information and explanations given to us, the Company has not granted any loans or made any investments or provided any guarantees or security to the parties covered under Sections 185 and 186 of the Act. Accordingly, the reporting under Clause 3(iv) of the Order is not applicable to the Company.

5. According to the information and explanations given to us, the Company has not accepted deposits under the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. Accordingly, the reporting under Clause 3(v) of the Order is not applicable to the Company.

6. The Central Government has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company. Accordingly, the reporting under Clause 3(vi) of the Order is not applicable to the Company.

7. (a) According to the information and explanations given to us and on the basis of our examination of records of the Company, the amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Services tax, Provident Fund, Employees' State Insurance, Income-tax, Cess and other material statutory dues have been deposited during the year by the Company with the appropriate authorities. The amounts deducted / accrued in the books of account in respect of undisputed statutory dues of Income-tax have been regularly deposited during the year by the Company with the appropriate authorities. According to the information and explanations given to us and on the basis of our examination of records of the Company, there were no undisputed statutory dues payable in respect of Sales tax, Service tax, Duty of Customs, Duty of Excise and Value Added Tax.

   According to the information and explanations given to us and on the basis of our examination of records of the Company, there were no arrears of outstanding statutory dues in respect of Goods and Services tax, Provident fund, Employees' State Insurance, Income-tax, Sales tax, Service tax, Duty of Customs, Duty of

Excise, Value Added Tax, Cess and other material statutory dues as on the last day of the financial year for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and on the basis of our examination of records of the Company, there are no statutory dues in respect of Goods and Services Tax, Provident Fund, Employees' State Insurance, Sales tax, Service tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and any other material statutory dues as at 31 March 2022, which have not been deposited with the appropriate authorities on account of any dispute.

8. According to the information and explanations given to us, there are no transactions not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income-tax Act, 1961. Accordingly, the reporting under Clause 3(viii) of the Order is not applicable to the Company.

9. (a) According to the information and explanations given to us and based on the audit procedures performed by us, the Company has not availed any loans or other borrowings during the year. Accordingly, the reporting under Clause 3(ix)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us, the Company has not been declared a wilful defaulter by any bank or financial institution or any other lender till the date of our audit report.

(c) In our opinion and according to the information and explanations given to us, the funds for the term loans were not required to be used during the year and hence are currently pending utilisation.

(d) In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that there have been no funds raised on short-term basis and hence the provisions of this clause is not applicable to the Company.

(e) and (f) The Company does not have any subsidiaries or associates and hence the reporting under Clause (ix) (e) and (f) of the Order is not applicable to the Company.

10. (a) According to the information and explanations given to us, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under Clause 3(x)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Accordingly, the reporting under Clause 3(x)(b) of the Order is not applicable to the Company.

11. (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of fraud by the Company or on the Company noticed or reported during the year, nor have we been informed of any such case by the management.

(b) There has been no report filed by us under sub-section (12) of Section 143 of the Act in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government. Accordingly, the reporting under Clause 3(xi)(b) of the Order is not applicable to the Company.

(c) As represented to us by the management, no whistle blower complaints were received by the Company during the year.

12. According to the information and explanations given to us, the Company is not a Nidhi company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, the reporting under Clause 3(xii) of the Order is not applicable to the Company.

13. In our opinion and according to the information and explanations given to us, the Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the Financial Statements as required by Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act.

14. In our opinion and based on our examination, the Company does not have an internal audit system and is not required to have an internal audit system as per the provisions of the Act.

15. According to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or directors of its holding, or subsidiary company or persons connected with them during the year and hence, the provisions of Section 192 of the Act are not applicable to the Company. Accordingly, the reporting under Clause 3(xv) of the Order is not applicable to the Company.

16. (a) According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under Clause 3(xvi) of the Order is not applicable to the Company.

    (b) In our opinion and according to the information and explanations given to us, the Company has not conducted any Non-Banking Financial or Housing Finance activities. Accordingly, the reporting under Clause 3(xvi)(b) of the Order is not applicable to the Company.

    (c) In our opinion and according to the information and explanations given to us, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under Clauses 3(xvi)(c) of the Order is not applicable to the Company.

    (d) Based on the information and explanations given to us, we report that the Group has 6 Core Investment Companies

17. In our opinion and according to the information and explanations given to us, the Company has incurred cash losses of Rs. 188.04 Lakhs during the current financial year and Rs. 268.15 in the immediately preceding financial year.

18. There has been no resignation of the statutory auditors during the year. Accordingly, the reporting under Clause 3(xviii) of the Order is not applicable to the Company.

19. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of Balance Sheet as and when they fall due within a period of one year from the Balance Sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the Balance Sheet date, will get discharged by the Company as and when they fall due.

20. (a) According to the information and explanations given to us, in respect of other than ongoing projects, the Company has no unspent amount that needs to be transferred to a Fund specified in Schedule VII to the Act in compliance with second proviso to sub-section (5) of Section 135 of the Act.

    (b) According to the information and explanations given to us, in respect of ongoing projects, the Company has no unspent amount which needs to be transferred to a special account in compliance with sub-section (6) of Section 135 of the Act.

For **B. K. Khare & Co.**
Chartered Accountants
(Firm Registration No. 105102W)

Shirish Rahalkar
Partner
Membership No. 111212
UDIN: 22111212AHZZLE6997

Place: Mumbai
Date: 27th April 2022

ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT

[Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date].

Report on the Internal Financial Controls with reference to Financial Statements under Clause (i) of sub-section (3) of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to Financial Statements of Mahindra eMarket Limited ("the Company") as of March 31, 2022 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to Financial Statements of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to Financial Statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to Financial Statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

Meaning of Internal Financial Controls with reference to Financial Statements

A company's internal financial control with reference to Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Financial Statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to Financial Statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to Financial Statements to future periods are subject to the risk that the internal financial control with reference to Financial Statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system with reference to Financial Statements and such internal financial controls with reference to Financial Statements were operating effectively as at March 31, 2022, based on the criteria for internal financial control with reference to Financial Statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **B. K. Khare & Co.**
Chartered Accountants
Firm Registration No. 105102W

Shirish Rahalkar
Partner
Membership No. 111212
UDIN: 22111212AHZZLE6997

Place: Mumbai
Date: 27th April 2022

BALANCE SHEET AS AT 31ST MARCH 2022

Amount in Lakhs

Particulars	Note No.	As at 31 March 2022	As at 31 March 2021
I. ASSETS			
NON-CURRENT ASSETS			
(a) Property, Plant and Equipment	3		142.50
(b) Deferred Tax Assets (Net)	4		7.53
(c) Current Tax Assets	5	**40.07**	318.90
SUB-TOTAL		**40.07**	468.93
CURRENT ASSETS			
(a) Inventories	6	–	11.16
(b) Financial Assets			
(i) Trade Receivables	7	**6.51**	35.62
(ii) Cash and Cash Equivalents	8	**39.40**	99.39
(iii) Other Financial Assets	9	–	21.45
(c) Other Current Assets	10	**7.95**	63.37
SUB-TOTAL		**53.86**	230.99
TOTAL ASSETS		**93.93**	699.92
II. EQUITY AND LIABILITIES			
EQUITY			
(a) Equity Share Capital	11	**79.97**	79.97
(b) Other Equity	12	**(177.79)**	205.69
SUB-TOTAL		**(97.82)**	285.66
LIABILITIES			
NON-CURRENT LIABILITIES			
(a) Provisions	13		11.48
SUB-TOTAL			11.48
CURRENT LIABILITIES			
(a) Financial Liabilities			
(i) Trade Payables	14		
- dues of micro enterprises and small enterprises			
- dues of creditors other than micro enterprises and small enterprises		**138.51**	170.06
(b) Provisions	13	**51.48**	0.69
(c) Other Current Liabilities	15	**1.76**	232.03
SUB-TOTAL		**191.75**	402.78
TOTAL		**93.93**	699.92

The accompanying notes are an integral part of the Financial Statements

In terms of our report attached.

For B. K. KHARE & Co.
Chartered Accountants
(Firm Registration Number : 105102W)

Shirish Rahalkar
Partner
Membership No. 111212

Place: Mumbai
Date: 27th April 2022

For and on behalf of the Board of Directors

Mahindra eMarket Limited

MOHAMMED TURRA
Director

VIJAY NAKRA
Director & Chairman

Place: Mumbai
Date: 27th April 2022

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2022

Amount in Lakhs

Particulars	Note No.	For Year Ended 31 March 2022	For Year Ended 31 March 2021
Continuing Operations			
I Revenue from operations	16	**963.28**	1,226.73
II Other Income	17	**13.99**	11.92
III Total Revenue (I + II)		**977.27**	1,238.65
IV EXPENSES			
(a) Purchases of Stock-in-trade		**237.18**	196.84
(b) Changes in Inventory		**11.16**	7.67
(c) Cost of Services	18	**514.67**	746.73
(d) Employee benefit expense	19	**262.39**	351.14
(e) Finance costs	20	**3.05**	12.27
(f) Depreciation and amortisation expense	3	**19.87**	49.91
(g) Other expenses	21	**159.38**	238.38
Total Expenses (IV)		**1,207.70**	1,602.94
V Profit before tax (III - IV)		**(230.43)**	(364.29)
VI Tax Expense			
(1) Current tax		**–**	–
(2) Income Tax Adjustment of earlier years		**145.51**	–
(3) Deferred tax		**7.53**	–
Total tax expense (VI)		**153.04**	–
VII Profit for the year (V-VI)		**(383.48)**	(364.29)
VIII Profit from continuing operations for the year attributable to:			
Owners of the Company		**(383.48)**	(364.29)
IX Other comprehensive income		**–**	–
A (i) Items that will not be reclassified to profit or loss		**–**	–
- Remeasurements of the defined benefit liabilities/(asset)		**–**	–
(ii) Income tax relating to items that will not be reclassified to profit or loss		**–**	–
X Total comprehensive income for the year (VII+IX)		**(383.48)**	(364.29)
XI Earnings per equity share (for continuing operation):			
(1) Basic	22	**(47.95)**	(45.55)
(2) Diluted	22	**(47.95)**	(45.55)

The accompanying notes are an integral part of the Financial Statements

In terms of our report attached.

For B. K. KHARE & Co.
Chartered Accountants
(Firm Registration Number : 105102W)

Shirish Rahalkar
Partner
Membership No. 111212

Place: Mumbai
Date: 27th April 2022

For and on behalf of the Board of Directors

Mahindra eMarket Limited

MOHAMMED TURRA
Director

VIJAY NAKRA
Director & Chairman

Place: Mumbai
Date: 27th April 2022

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH 2022

Amount in Lakhs

Particulars	For the Year ended 31 March 2022	For the Year ended 31 March 2021
Cash flows from operating activities		
Profit before tax for the year	**(230.43)**	(364.28)
Adjustments for:		
Depreciation and amortisation of non-current assets	**19.87**	49.91
Transfers from retained earnings	**–**	(3.09)
Profit on sale of Fixed Assets	**0.30**	
Loss on Fixed Asset Discarded	**106.82**	
	(103.44)	(317.46)
Movements in working capital:		
(Increase)/decrease in trade and other receivables	**29.02**	470.18
(Increase)/decrease in inventories	**11.16**	8.25
(Increase)/decrease in other assets	**363.23**	73.49
Increase/(decrease) in provision	**(11.48)**	(0.37)
Increase/(decrease) in other liabilities	**(179.48)**	(189.46)
Increase/(decrease) in trade and other payables	**(31.55)**	(145.07)
	180.90	217.02
Cash generated from operations	**77.45**	(100.44)
Income taxes paid (adjustment)	**(153.04)**	–
Net cash generated by operating activities	**(75.59)**	(100.44)
Cash flows from investing activities		
Acquisition of assets	**(10.59)**	(45.25)
Sale of Asset	**26.19**	
Net cash used in investing activities	**15.60**	(45.25)
Cash flows from financing activities	**–**	–
Net cash used in financing activities	**–**	–
Net increase/(decrease) in cash and cash equivalents	**(59.99)**	(145.69)
Cash and cash equivalents at the beginning of the year	**99.39**	245.08
Cash and cash equivalents at the end of the year	**39.40**	99.39

The accompanying notes are an integral part of the Financial Statements

In terms of our report attached.

For B. K. KHARE & Co.
Chartered Accountants
(Firm Registration Number : 105102W)

Shirish Rahalkar
Partner
Membership No. 111212

Place: Mumbai
Date: 27th April 2022

For and on behalf of the Board of Directors

Mahindra eMarket Limited

MOHAMMED TURRA
Director

VIJAY NAKRA
Director & Chairman

Place: Mumbai
Date: 27th April 2022

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

1 Corporate information:

Mahindra eMarket Limited is a public limited company incorporated in Mumbai, India under the Companies Act 2013. The Company is engaged, inter-alia, in the business of facilitating sales of vehicles, Merchandise, Car Spares, accessories and related products & services through an online portal.

2 Significant Accounting Policies followed by the Company:

2.1 Statement of compliance and basis of preparation and presentation of financial statements:

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by Companies (Indian Accounting Standards) Rules 2016.

All assets and liabilities are classified as current if it is expected to realise or settle within 12 months after the Balance Sheet date.

The financial statements are presented in Indian Rupees (INR) which is also the Company's functional currency.

The financial statements were authorized for issue by the Company's Board of Directors on 27th April 2022

2.2 Financial Assets and Financial Liabilities:

Financial Instruments:

Financial assets and financial liabilities are recognised when a Company becomes a party to the contractual provisions of the instruments. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

Financial Assets:

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace. All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Financial Liabilities and Equity Instruments:

Equity instruments issued by the Company are classified as equity in accordance with the substance of the contractual agreements and the definitions of an equity instrument.

Equity Instrument:

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all its liabilities. Equity instruments issued by the Company are recognized at the proceeds received, net of direct issue costs.

Financial Liabilities:

All the financial liabilities are subsequently measured at either amortised cost using the effective interest method or at fair value through profit and loss, depending on the classification of the financial liabilities.

2.3 Property, plant and equipment:

Property, plant and equipment are stated at cost of acquisition or construction less accumulated depreciation and accumulated impairment, if any. Cost includes financing cost relating to borrowed funds attributable to the construction or acquisition of qualifying tangible assets upto the date the assets are ready for use.

Depreciation is provided on straight-line basis for property, plant and equipment so as to expense the depreciable amount, i.e. the cost less estimated residual value, over its estimated useful lives. The estimated useful lives and residual values are reviewed annually and the effect of any changes in estimate is accounted for on a prospective basis.

When an asset is scrapped or otherwise disposed off, the cost and related depreciation are removed from the books of account and resultant profit or loss, if any, is reflected in the Statement of Profit and Loss.

2.4 Inventories:

Inventories comprise all costs of purchase, conversion and other costs incurred in bringing the inventories to their present location and condition.

Stores, spares and tools other than obsolete and slow-moving items are carried at cost. Obsolete and slow-moving items are valued at cost or estimated net realizable value, whichever is lower.

2.5 Leases:

Ind AS 116 is replaced the existing leases standard, Ind AS 17 Leases. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on balance sheet lessee accounting model for lessees. A lessee recognises right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. The standard also contains enhanced disclosure requirements for lessees.

Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17. The amendment is effective for annual periods beginning on or after 01st April 19.

2.6 Revenue Recognition:

In view of INDAS 115, Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration the Company expects to receive in exchange for those products or services. To recognize revenues, Company apply the following five step approach:

(1) identify the contract with a customer

(2) identify the performance obligations in the contract

(3) determine the transaction price

(4) allocate the transaction price to the performance obligations in the contract

(5) recognize revenues when a performance obligation is satisfied.

The Company applies judgement to determine whether each product or services promised to a customer are capable of being distinct, and are distinct in the context of the contract, if not, the promised product or services are combined and accounted as a single performance obligation. The Company allocates the arrangement consideration to separately identifiable performance obligation based on their selling price.

2.7 Provisions:

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

2.8 Taxes on Income:

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the period. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences could be utilized.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax for the year:

Current and deferred tax are recognized in the Statement of Profit or Loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively.

2.9 Measurement of fair values:

The company's accounting policies and disclosures require the measurement of fair values. In determining the fair value of its financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date.

Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets and liabilities.

Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

2.10 Use of estimates and judgements:

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets, liabilities, income, expenses etc. at the date of these financial statements and the reported amounts of revenues and expenses for the years presented. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed at each balance sheet date. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods affected.

2.11 Cash and cash equivalents:

Cash comprises demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

2.12 Cash flow statement:

Cash flows are reported using the indirect method, whereby profit / (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

2.13 Earnings per share:

Basic earnings per share is computed by dividing the profit / (loss) after tax by the weighted average number of equity shares outstanding during the period.

Note No. 3 - Property, Plant and Equipment & Capital Work-In-Progress

Amount in Lakhs

Description of Assets	Right to use Asset-Leasehold Office Premises	Office Equipment & Electrical Installations	Computers	Total	CWIP
I. Gross Carrying Amount					
Balance as at 1 April 2020	122.57	23.58	–	146.15	16.70
Additions	–	60.86	1.09	61.95	
Disposals / Transfer					16.70
Balance as at 31 March 2021	**122.57**	**84.44**	**1.09**	**208.10**	**–**
Additions	–	9.11	1.48	10.59	–
Disposals / Transfer	122.57	93.55	2.57	218.69	–
Balance as at 31 March 2022	**–**	**–**	**–**	**–**	**–**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

Amount in Lakhs

Description of Assets	Right to use Asset- Leasehold Office Premises	Office Equipment & Electrical Installations	Computers	Total	CWIP
II. Accumulated depreciation and impairment					
Balance as at 1 April 2020	6.81	8.88	–	15.69	
Depreciation/Amortisation for the year	40.86	8.72	0.33	49.91	
Eliminated on disposal of assets					
Balance as at 31 March 2021	**47.67**	**17.59**	**0.33**	**65.59**	**–**
Depreciation/Amortisation for the year	8.78	10.74	0.35	19.87	–
Eliminated on disposal of assets	56.45	28.33	0.68	85.46	–
Balance as at 31 March 2022	**–**	**–**	**–**	**–**	**–**
III. Net carrying amount (I-II)					
Balance as at 31 March 2021	74.90	66.85	0.76	142.51	–
Balance as at 31 March 2022	**–**	**–**	**–**	**–**	**–**

Note No. 4 - Deferred Tax Assets (Net)

(a) Income Tax recognised in profit or loss

Amount in Lakhs

Particulars	As at 31 March 2022	As at 31 March 2021
Deferred Tax:		
In respect of current quarter origination and reversal of temporary differences	–	7.53
Total	–	7.53

Movement in Deferred tax assets/(liabilities) for the year ended March 31, 2022:

Amount in Lakhs

Particulars	Opening Balance as at April 1, 2021	Recognised in Profit or Loss	Recognised in Other Comprehensive Income	Closing Balance as at March 31, 2022
Deferred tax assets/(liabilities) in relation to:				
Provision for compensated absences	0.13	**0.13**	–	–
Depreciation and amortisation	0.01	**0.01**	–	–
Others	7.39	**7.39**	–	–
	7.53	**7.53**	–	–

Movement in Deferred tax assets/(liabilities) for the year ended March 31, 2021:

Amount in Lakhs

Particulars	Opening Balance as at April 1, 2020	Recognised in Profit or Loss	Recognised in Other Comprehensive Income	Closing Balance as at March 31, 2021
Deferred tax assets/(liabilities) in relation to:				
Provision for compensated absences	0.13		–	0.13
Depreciation and amortisation	0.01		–	0.01
Others	7.39		–	7.39
	–	–	–	–

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

Note No. 5 - Current Tax Assets (Net)

Amount in Lakhs

Particulars	As at 31 March 2022	As at 31 March 2021
Current Tax:		
In respect of current year	**21.13**	318.90
In respect of prior years	**18.94**	–
Total	**40.07**	318.90

Note No. 6 - Inventories

Amount in Lakhs

Particulars	As at 31 March 2022	As at 31 March 2021
(a) Stock in trade	–	11.16
Total Inventories (at lower of cost and net realisable value)	–	11.16

Note No. 7 - Trade receivables

Amount in Lakhs

Particulars	As at 31 March 2022 Current	As at 31 March 2022 Non Current	As at 31 March 2021 Current	As at 31 March 2021 Non Current
Trade receivables				
(a) Secured, considered good	–	–	–	–
(b) Unsecured, considered good	**6.51**	–	35.62	–
(c) Doubtful	–	–	–	–
Less: Allowance for Credit Losses	–	–	–	–
TOTAL	**6.51**	–	35.62	–
Of the above, trade receivables from:				
- Related Parties	**6.00**		33.74	–
- Others	**0.51**	–	1.88	–
TOTAL	**6.51**	–	35.62	–

Trade Receivables Ageing Schedule F22

Amount in Lakhs

Particulars	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
	Outstanding for following periods from due date of payment					
(i) Undisputed Trade receivables – considered good	3.96	2.91	(0.36)			6.51
(ii) Undisputed Trade Receivables – which have significant increase in credit risk						
(iii) Undisputed Trade Receivables – credit impaired						
(iv) Disputed Trade Receivables– considered good						
(v) Disputed Trade Receivables – which have significant increase in credit risk						
(vi) Disputed Trade Receivables – credit impaired						

Trade Receivables Ageing Schedule F21

Amount in Lakhs

Particulars	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
	Outstanding for following periods from due date of payment					
(i) Undisputed Trade receivables – considered good	35.62					35.62
(ii) Undisputed Trade Receivables – which have significant increase in credit risk						
(iii) Undisputed Trade Receivables – credit impaired						
(iv) Disputed Trade Receivables– considered good						
(v) Disputed Trade Receivables – which have significant increase in credit risk						
(vi) Disputed Trade Receivables – credit impaired						

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

Note No. 8 - Cash and Bank Balances

Amount in Lakhs

Particulars	As at 31 March 2022	As at 31 March 2021
Cash and cash equivalents		
(a) Balances with banks	**39.40**	99.39
(b) Cash on hand	**–**	–
Total Cash and cash equivalent	**39.40**	99.39

Note No. 9 - Other financial assets

Amount in Lakhs

	As at 31 March 2022		As at 31 March 2021	
Particulars	**Current**	**Non-Current**	Current	Non-Current
a) Security Deposits	**–**		21.45	–
TOTAL	**–**		21.45	–

Security Deposits includes Rent Deposits. Rent Deposits are amortised over the period of agreement.

Note No. 10 - Other Current Assets

Amount in Lakhs

	As at 31 March 2022		As at 31 March 2021	
Particulars	**Current**	**Non-Current**	Current	Non-Current
Advances receivable in cash or kind				
(i) Other advances	**7.95**		7.03	
(ii) Balances with government authorities (other than income taxes)				
Other Happycard balance	**0.01**		0.77	
Prepaid Expenses	**–**	**–**	6.36	–
Unbilled Revenue	**–**		49.20	–
Total	**7.95**	**–**	63.37	–

Note No. 11 - Equity Share Capital

Amount in Lakhs

	As at 31 March 2022		As at 31 March 2021	
Particulars	**No. of shares**	**Amount**	No. of shares	Amount
Authorised:				
Equity shares of 10 each with voting rights	**10,00,000**	**100.00**	10,00,000	100.00
Issued, Subscribed and Fully Paid:				
Equity shares of 10 each with voting rights	**7,99,700**	**79.97**	7,99,700	79.97
Total	**7,99,700**	**79.97**	7,99,700	79.97

(i) Reconciliation of the number of shares outstanding at the beginning and at the end of the year.

Particulars		**Opening Balance**	**Closing Balance**
(a) Equity Shares with Voting rights*			
Year Ended 31 March 2022			
	No. of Shares	**7,99,700**	**7,99,700**
	Amount	**79.97**	**79.97**
Year Ended 31 March 2021			
	No. of Shares	7,99,700	7,99,700
	Amount	79.97	79.97

(ii) Details of shares held by the holding company, the ultimate holding company, subsidiaries and associates:

Particulars	**No. of Shares** Equity Shares with Voting rights
As at 31 March 2022	**7,99,700**
As at 31 March 2021	7,99,700

(iii) Details of shares held by each shareholder holding more than 5% shares:

	As at 31 March 2022		As at 31 March 2021	
Class of shares / Name of shareholder	**Number of shares held**	**% holding in that class of shares**	Number of shares held	% holding in that class of shares
Equity shares with voting rights				
Mahindra & Mahindra Limited	**3,59,860**	**45.00%**	3,59,860	45.00%
Mahindra Holdings Limited	**1,91,928**	**24.00%**	1,91,928	24.00%
Mahindra & Mahindra Contech Limited	**2,47,907**	**31.00%**	2,47,907	31.00%

Note 12 - Statement Of Changes In Equity

A. Equity share capital	**Rupees**
As at 31 March 2022	**7,99,700**
Changes in equity share capital during the year	
As at 31 March 2021	7,99,700

B. Other Equity

Amount in lakhs

	Reserves & Surplus				
Particulars	**Securities Premium Reserve**	**General Reserve**	**Retained Earnings**	**Other Comprehensive Income**	**Total**
As at 31 March 2019			166.81		166.81
Profit/(Loss) for the year			412.84		412.84
Other Comprehensive Income for the year					–
Total Comprehensive Income for the year	–	–	412.84	–	412.84
Dividend paid on Equity Shares			–		–

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

Amount in lakhs

Particulars	Reserves & Surplus: Securities Premium Reserve	Reserves & Surplus: General Reserve	Reserves & Surplus: Retained Earnings	Other Comprehensive Income	Total
Dividend Distribution Tax			–		–
Transfers to Reserves					–
Transfers from retained earnings			(6.60)		(6.60)
As at 31 March 2020	–	–	573.06	–	573.06
As at 31 March 2020			573.06		573.06
Profit/(Loss) for the year			**(364.28)**		**(364.28)**
Other Comprehensive Income for the year				–	–
Total Comprehensive Income for the year	–	–	**(364.28)**	–	**(364.28)**
Dividend paid on Equity Shares			–		–
Dividend Distribution Tax			–		
Transfers to Reserves			–		–
Transfers from retained earnings			**(3.09)**		**(3.09)**
As at 31 March 2021	–	–	**205.69**	–	**205.69**
As at 31 March 2021			205.69		205.69
Profit / (Loss) for the year			**(383.48)**		**(383.48)**
Other Comprehensive Income for the year				–	–
Total Comprehensive Income for the year	–	–	**(383.48)**	–	**(383.48)**
Dividend paid on Equity Shares			–		–

Amount in lakhs

Particulars	Reserves & Surplus: Securities Premium Reserve	Reserves & Surplus: General Reserve	Reserves & Surplus: Retained Earnings	Other Comprehensive Income	Total
Dividend Distribution Tax			–		
Transfers to Reserves			–		–
Transfers from retained earnings			–		–
As at 31 March 2022	–	–	**(177.79)**	–	**(177.79)**

Note No. 13 - Provisions

Amount in Lakhs

Particulars	As at 31 March 2022 Current	As at 31 March 2022 Non-Current	As at 31 March 2021 Current	As at 31 March 2021 Non-Current
Provision for employee benefits				
Compensated Absences	**4.88**		6.07	
Gratuity	**20.58**	**–**	(5.38)	11.48
Other Provision				
Provision for Expenses	**26.02**	**–**	–	–
Total Provisions	**51.48**	**–**	0.69	11.48

Note No. 14 - Trade Payables

Amount in Lakhs

Particulars	As at 31 March 2022 Current	As at 31 March 2022 Non Current	As at 31 March 2021 Current	As at 31 March 2021 Non Current
Trade payable - Micro and small enterprises	**–**	**–**	–	–
Trade payable - Other than micro and small enterprises	**138.51**		170.06	
Total trade payables	**138.51**	**-**	170.06	-

Trade Payables Ageing Schedule F22

Amount in Lakhs

Particulars	Outstanding for following periods from due date of payment: Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME					
(ii) Others	84.81	53.70			138.51
(iii) Disputed dues – MSME					
(iv) Disputed dues – Others					

Trade Payables Ageing Schedule F21

Amount in Lakhs

Particulars	Outstanding for following periods from due date of payment: Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME					
(ii) Others	170.06				170.06
(iii) Disputed dues – MSME					
(iv) Disputed dues – Others					

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

Note 15 - Other Liabilities

Amount in Lakhs

Particulars	As at 31 March 2022 Current	As at 31 March 2022 Non-Current	As at 31 March 2021 Current	As at 31 March 2021 Non-Current
a. Advances received from customers	**2.28**	**–**	14.12	–
b. Lease Liability	**–**	**–**	85.39	–
c. Statutory dues				
Taxes payable (other than income taxes)	**(0.52)**	**–**	119.71	–
Employee Recoveries and Employer Contributions	**–**	**–**	–	–
d. Other Payables	**–**	**–**	12.81	–
TOTAL OTHER LIABILITIES	**1.76**	**–**	232.03	–

Note No. 16 - Revenue from Operations

Amount in Lakhs

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
(a) Revenue from sale of products	**300.28**	259.33
(b) Revenue from rendering of services	**651.00**	967.39
(c) Revenue from License Fees	**12.00**	
Total Revenue from Operations	**963.28**	1,226.72

Note No. 17 - Other Income

Amount in Lakhs

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
(a) Other Operating income	**11.45**	11.92
(b) Other income	**2.54**	
Total Other Income	**13.99**	11.92

Note 18 - Cost of Services

Amount in Lakhs

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Cost of services	**514.67**	749.51
Total Cost of Services	**514.67**	749.51

Note 19 - Employee Benefits Expense

Amount in Lakhs

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Salaries and wages, including bonus	**260.56**	351.14
Leave Travel Allowance	**0.67**	
Staff welfare expenses	**1.15**	
Total Employee Benefits Expenses	**262.39**	351.14

Note 20 - Finance Cost

Amount in Lakhs

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
- Interest Expense (Lease liability)	**–**	2.64
- Bank Charges	**0.11**	0.59
Payment Gateway Charges	**2.94**	9.04
Total finance costs	**3.05**	12.27

Note 21 - Other Expenses

Amount in Lakhs

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Legal and other professional costs	**0.43**	0.29
Administrative Expense	**8.51**	19.55
Logistic Expense	**37.66**	44.99
Rent	**30.42**	46.54
Travelling Expense	**0.31**	
CSR expenses	**3.47**	5.86
House Keeping Service	**4.99**	11.06
Auditors remuneration		
- For Statutory Audit	**2.50**	1.50
- For Taxation matters		0.50
Reimbursement of Expense	**0.07**	2.04
Marketing Expenses		47.23
Telephone & Internet Charges	**11.08**	15.37
Asset rental	**17.04**	25.29
Securtiy Service	**1.40**	1.79
Electricity Expense	**7.90**	10.75
Profit or loss on sale of asset	**0.30**	
Other Expense	**10.77**	1.88
Write Off	**22.23**	
Rates & Taxes	**0.30**	0.97
Total Other Expenses	**159.38**	235.60

Note No. 22 - Earnings per Share

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
	Per Share	Per Share
Basic Earnings per share		
From continuing operations	**(47.95)**	(45.55)
From discontinuing operations	**–**	–
Total basic earnings per share	**(47.95)**	(45.55)
Diluted Earnings per share		
From continuing operations	**(47.95)**	(45.55)
From discontinuing operations	**–**	–
Total diluted earnings per share	**(47.95)**	(45.55)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

Basic and Diluted earnings per share

The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:

Particulars	**For the year ended 31 March 2022**	For the year ended 31 March 2021
Profit/(loss) for the year attributable to owners of the Company	**(383.48)**	(364.28)
Less: Preference dividend and tax thereon		
Profit/(loss) for the year used in the calculation of basic earnings per share	**(383.48)**	(364.28)
Profit for the year on discontinued operations used in the calculation of basic earnings per share from discontinued operations		
Profits used in the calculation of basic earnings per share from continuing operations	**(383.48)**	(364.28)
Weighted average number of equity shares	**7.997**	7.997
Earnings per share from continuing operations - Basic and Diluted	**(47.95)**	(45.55)

Profit reconciliation for the calculation of Basic and Diluted earning per share

Particulars	**For the year ended 31 March 2022**	For the year ended 31 March 2021
Profit / (loss) for the year used in the calculation of basic earnings per share	**(383.48)**	(364.28)
Add: Interest expense and exchange fluctuation on convertible bonds (net) - adjusted for attributable taxes	**–**	–
Profit / (loss) for the year used in the calculation of diluted earnings per share	**(383.48)**	(364.28)
Profit for the year on discontinued operations used in the calculation of diluted earnings per share from discontinued operations	**–**	–
Profits used in the calculation of diluted earnings per share from continuing operations	**(383.48)**	(364.28)

Note No. 23 - Financial Instruments

Capital management

The company's capital management objectives are:

– to ensure the company's ability to continue as a going concern

– to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

The company monitors capital on the basis of the carrying amount of equity as presented on the face of the statement of financial position.

The company sets the amount of capital in proportion to its overall financing structure, i.e. equity and financial liabilities. The company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

	31-Mar-22	31-Mar-21
Equity	**(97.82)**	285.66

Categories of financial assets and financial liabilities

Amount in Lakhs

As at 31 March 2022

	Amortised Costs	**FVTPL**	**FVOCI**	**Total**
Non-current Assets				
Trade Receivables	**–**	**–**	**–**	**–**
Current Assets				
Trade Receivables	**6.51**	**–**	**–**	**6.51**
Cash and Cash Equivalents	**39.40**	**–**	**–**	**39.40**
Non-current Liabilities				
Trade Payables	**–**	**–**	**–**	**–**
Current Liabilities				
Trade Payables	**138.51**	**–**	**–**	**138.51**

Categories of financial assets and financial liabilities

As at 31 March 2021

	Amortised Costs	FVTPL	FVOCI	Total
Non-current Assets				
Trade Receivables	–	–	–	–
Current Assets				
Trade Receivables	35.62	–	–	35.62
Cash and Cash Equivalents	99.39	–	–	99.39
Non-current Liabilities				
Trade Payables	–	–	–	–
Current Liabilities				
Trade Payables	170.06	–	–	170.06

Financial Risk Management Framework

The Company's activities expose it to a variety of financial risks: credit risk and liquidity risk. In order to manage the aforementioned risks, the Company operates a risk management policy and a program that performs close monitoring of and responding to each risk factors.

CREDIT RISK

(i) Credit risk management

Credit risk arises when a counterparty defaults on its contractual obligations to pay resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties. The Company's exposure are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

Trade receivables consist of a large number of customers, spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivable.

Three largest Trade Receivable constitute more than 10% of outstanding exposure and together more than 50% of the outstanding exposure.

The Company applies the simplified approach to providing for expected credit losses prescribed by Ind AS 109, which permits the use of the lifetime expected loss provision for all trade receivables. The company has computed expected credit losses based on a provision matrix which uses historical credit loss experience of the Company and individual receivable specific provision where applicable. Forward-looking information (including macroeconomic information) has been incorporated into the determination of expected credit losses.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

There is no change in estimation techniques or significant assumptions during the reporting period.

The loss allowance provision is determined as follows:

LIQUIDITY RISK

(i) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Company's short-, medium- and long-term funding and liquidity management requirements. The Company manages liquidity risk by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

(ii) Maturities of financial liabilities

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The amount disclosed in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Company may be required to pay.

Particulars	Less than 1 Year	1-3 Years	3 Years to 5 Years	5 years and above
	INR	INR	INR	INR
Non-derivative financial liabilities				
31-Mar-22	**138.51**			
Non-interest bearing				
Non-derivative financial liabilities				
31-Mar-21				
Non-interest bearing	170.06			

(iv) Maturities of financial assets

The following table details the Company's expected maturity for its non-derivative financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Company's liquidity risk management as the liquidity is managed on a net asset and liability basis.

Particulars	Less than 1 Year	1-3 Years	3 Years to 5 Years	5 years and above
	INR	INR	INR	INR
Non-derivative financial assets				
31-Mar-22				
Non-interest bearing	**45.91**			
Fixed interest rate instruments				
Total	**45.91**			
Non-derivative financial assets				
31-Mar-21				
Non-interest bearing	135.01			
Fixed interest rate instruments				
Total	135.01			

Note No. 24 - Fair Value Measurement

Fair value of financial assets and financial liabilities that are not measured at fair value

Amount in Lakhs

Particulars	31-Mar-22 Carrying amount	31-Mar-22 Fair value	31-Mar-21 Carrying amount	31-Mar-21 Fair value
Financial assets				
<u>*Financial assets carried at Amortised Cost*</u>				
– loans to related parties				
– trade and other receivables	**6.51**	**6.51**	35.62	35.62
Financial liabilities				
Financial liabilities held at amortised cost				
– loans from related parties				
– trade and other payables	**138.51**		170.06	
Total	**145.02**		205.68	

Fair value hierarchy as at 31 March 2022

	Level 1	Level 2	Level 3	Total
Financial assets				
<u>*Financial assets carried at Amortised Cost*</u>				
– loans to related parties				
– trade and other receivables		**6.51**		**6.51**
Total		**6.51**		**6.51**
Financial liabilities				
Financial Instruments not carried at Fair Value				
– loans from related parties				
– trade and other payables		**138.51**		**138.51**
Financial lease payables		**138.51**		**138.51**
Total				

Fair value hierarchy as at 31 March 2021

	Level 1	Level 2	Level 3	Total
Financial assets				
<u>*Financial assets carried at Amortised Cost*</u>				
– loans to related parties				
– trade and other receivables		35.62		35.62
Total		35.62		35.62

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

	Fair value hierarchy as at 31 March 2021			
	Level 1	Level 2	Level 3	Total
Financial liabilities				
Financial Instruments not carried at Fair Value				
– loans from related parties				
– trade and other payables		170.06		170.06
Financial lease payables		170.06		170.06
Total				

The fair values of the financial assets and financial liabilities included in the level 2 and level 3 categories above have been determined in accordance with generally accepted pricing models based on a discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the credit risk of counterparties.

Note No. 25 - Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

		Amount in Lakhs
Particulars	**As at 31st March, 2022**	As at 31st March, 2021
(i) the principal amount and the interest due theron remaining unpaid to any supplier as at the end of each accounting year		
Principal	**NIL**	NIL
Interest	**NIL**	NIL
(ii) the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act,2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	**NIL**	NIL
(iii) the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act,2006	**NIL**	NIL
(iv) the amount of interest accrued and remaining unpaid at the end of each accounting year	**NIL**	NIL
(v) the amount of further interest remaining due and payable even in succeeding years, until such date when the interest dues as above are actually paid to the small enterprise , for the purpose of disallowance as a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act,2006	**NIL**	NIL

Dues to micro and small enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management.

Note No. 26- Related Party Transactions

Name of the ultimate parent Company	Mahindra & Mahindra Ltd
Name of the parent Company	Mahindra Holdings Ltd
Name of the fellow subsidiary Company	Mahindra Two Wheelers Ltd,Classic Legends Private Limited, Fifth Gear Ventures Limited, Mahindra Summit Agriscience Limited, Mahindra Integrated Business Solutions Pvt Ltd, Mahindra & Mahindra Financial Services Ltd,Mahindra First Choice Wheels Limited Gromax Agri Equipment Ltd, Mahindra Electric Mobility Limited,Mahindra Engineering & Chemical Products Limited

Details of transaction between the Company and its related parties are disclosed below:

							Amount in Lakhs
Particulars	**For the year ended**	**Parent Company**	**Entities having joint control/ significant influence over Company**	**Fellow Subsidiaries**	**Associates**	**Joint ventures**	**KMP of the Company and KMP of parent Company**
Nature of transactions with Related Parties							
Sale of goods	**31-Mar-22**	**0.86**		**56.25**	**–**	**–**	**–**
	31-Mar-21	0.76		0.47	–	–	–
Purchase of goods	**31-Mar-22**	**164.88**	**–**	**92.98**	**–**	**–**	**–**
	31-Mar-21	56.08	–	15.65	–	–	–
Rendering of services	**31-Mar-22**	**464.41**	**–**	**221.96**			**–**
	31-Mar-21	112.69	–	132.11			–
Receiving of services	**31-Mar-22**	**21.97**	**–**			**–**	**–**
	31-Mar-21	3.02		25.56	4.78	–	–

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

Nature of Balances with Related Parties	Balance as on	Parent Company	Entities having joint control/ significant influence over Company	Subsidiaries	Associates	Joint ventures	KMP of the Company and KMP of parent Company
Other payables	**31-Mar-22**	**122.05**		**15.60**	**–**	**–**	**–**
	31-Mar-21	97.05	–		–	–	–
Other receivables	**31-Mar-22**	**6.36**	**–**	**0.30**	**–**		**–**
	31-Mar-21	18.38		15.37	–	–	–

Information of transaction and balances outstanding with related parties (secured/ unsecured/ nature of consideration for settlement of dues etc.)

Note No. 27 - Disclosures under Ind AS 115

Country-wise break up of Revenue **Amount in Lakhs**

Country	Revenue from contracts with customers (Ind AS 115)	Revenue from operations from other than customers	Total Revenue from Operations	Other Income	Total Income
India - 31st March, 2022	**651.00**	**300.28**	**951.28**	**2.54**	**953.81**
India - 31st March, 2021	967.39	259.33	1,226.72	11.92	1,238.64

Breakup of Revenue into contracts entered in previous year and in current year

	Amount in Lakhs	
Particulars	**As at 31st March, 2022**	As at 31st March, 2021
Revenue from PO/ contract/agreement entered into previous year	**–**	–
Revenue from New PO/ contract/agreement entered into current year	**651.00**	967.39
Total revenue recognised during the year	**651.00**	967.39

Reconciliation of revenue from contract with customer

	Amount in Lakhs	
Particulars	**As at 31st March, 2022**	As at 31st March, 2021
Revenue from contract with customer as per the contract price	**651.00**	967.39
Adjustments made to contract price on account of :-		
Commission on Sales	**–**	–
Total revenue recognised during the year	**651.00**	967.39

Revenue to be recognised for performance obligation(s) not satisfied or partially satisfied at the end of the current year in respect of contracts with customer that are in place at the end of reporting year.

The company has entered into contract with customers, however the price is dependant on market conditions, no value is assigned

Note No. 28 - Segment Reporting

The company business activity falls within a single business segment. All other activities of the company revolve around its main business . Hence, there are no separate reportable primary segments.

Note No. 29 - Analytical ratios

Sr. No.	Ratio	Current Period	Previous Period	% Variance	Reason for Variance
1	Current ratio	**0.28**	**0.57**	**-29%**	
2	Return on Equity	**(47.95)**	**(45.55)**	**-240%**	
3	Inventory Turnover Ratio	**86.29**	**59.62**	**2667%**	
4	Trade receivable turnover ratio	**45.73**	**4.53**	**4120%**	
5	Trade Payable Turnover ratio	**1.54**	**0.81**	**73%**	Focus on re-aligning of business cashflows lead to variances in ratio
6	Net Capital turnover ratio	**(6.99)**	**(7.14)**	**15%**	
7	Net profit ratio	**(0.40)**	**(0.30)**	**-10%**	
8	Return on Capital Employed	**3.92**	**(1.77)**	**569%**	
9	Return on Investment	**(4.80)**	**(4.56)**	**-24%**	

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

Note No. 30 - The Company has used certain significant accounting estimates which have been disclosed in the financial statements.

These includes valuation of inventories, fair valuation of financial and non-financial assets and liabilities, going concern assessment etc. requiring significant management judgement in estimating the same. Considering the continuing COVID-19 pandemic, the results in upcoming period may significantly vary and may affect the recoverability of assets and settlement of liabilities.

The Company, based on internal & external sources of information including market research, economic forecast and other information, has assessed that as a result of Covid-19 outbreak, there is no significant financial impact on the financial statements for the year ended March 31, 2022 as at the date of approval of these financial statements.

Note No. 31 - As per Section 135 of the Companies Act 2013, the Company needs to spend 2% of its average net profit for the immediately preceding three financial years on Corporate Social Responsibility (CSR) activities.

The CSR activities of the Company shall include, but not limited to any or all of the sectors/activities as may be prescribed by Schedule VII of the Companies Act, 2013 amended from time to time. Further, the Company reviews the sectors/activities from time to time and make additions/ deletions/ clarifications to the above sectors/activities.

During the period, the Company has incurred an expenditure of Rs.3.47 Lakhs (31 March 2021: Rs.5.86 Lakhs) towards CSR activities which includes contribution / donations made to the trusts which are engaged in activities prescribed under section 135 of the Companies Act, 2013 read with Schedule VII to the said Act and expense of Rs. NIL (31 March 2021: Rs. NIL Lakhs) towards the CSR activities undertaken by the Company

Detail of amount spent towards CSR activities:

a) Gross amount required to be spent by the Company during the period is Rs. 3.47 lakhs (31 March 2021: Rs. 5.86 lakhs).

b) Amount spent by the Company during the period:

Amount in Lakhs

		For the year Ended 31 March 2022			For the year Ended 31 March 2021		
Particulars		**In cash**	**Yet to be paid in cash**	**Total**	In Cash	Yet to be paid in cash	Total
i)	Construction/acquisition of any asset						
ii)	On purpose other than (i) above	**3.47 Lakhs**			5.86 Lakhs		

Note No. 32 - Inventories

The company during the year has realigned its operations and has paused inventory based e-commerce transactions. Accordingly, there is no closing inventory on 31st March, 2022

Note No. 33 - Regrouping

Previous period's figures are regrouped / reclassified wherever necessary to conform with those of the current year.

For and on behalf of the Board of Directors

For B. K. KHARE & Co.
Chartered Accountants
(Firm Registration Number : 105102W)

Mahindra eMarket Limited

Shirish Rahalkar
Partner
Membership No. 111212

MOHAMMED TURRA
Director

VIJAY NAKRA
Director & Chairman

Place: Mumbai
Date: 27th April 2022

Place: Mumbai
Date: 27th April 2022

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF MAHINDRA AIRWAYS LIMITED

Report on the audit of the Financial Statements

Opinion

We have audited the accompanying Financial Statements of **Mahindra Airways Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards as prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, its loss and total comprehensive income, its changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Financial Statements in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('the ICAI") together with the ethical requirements that are relevant to our audit of the Financial Statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Financial Statements.

Information Other than the Financial Statements and Auditors' Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the Directors' Report and the related annexures, but does not include the Financial Statements and our auditors' report thereon.

Our opinion on the Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

INDEPENDENT AUDITORS' REPORT

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Financial Statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Financial Statements of the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other Legal and Regulatory requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-Section (11) of Section 143 of the Act and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
   (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive income, the Statement of Changes in Equity and the Cash Flow Statement dealt with by this report are in agreement with the books of account.
   (d) In our opinion, the aforesaid Financial Statements comply with the Accounting Standards specified under Section 133 of the Act.
   (e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164(2) of the Act.
   (f) With respect to the adequacy of the internal financial controls with reference to Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure B. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to the Financial Statements.
   (g) The Company has not paid any remuneration to managerial personnel as defined in the Act. Accordingly, the provisions of Section 197 of the Act related to the managerial remuneration are not applicable. Also refer paragraph (xi) of the Annexure B to the independent Auditors Report.
   (h) With respect to the other matters to be included in the Auditors' Report in accordance with the requirements of Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

(i) The Company does not have any pending litigations which would impact its financial position;

(ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and

(iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;

(iv) (a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

(v) The Company has not declared or paid any dividend during the year.

For **B. K. Khare & Co.**
Chartered Accountants
Firm Registration No. 105102W

Shirish Rahalkar
Partner
Membership No. 111212
UDIN No – 22111212AIBJOQ4190

Place: Mumbai
Date: April 28, 2022

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date on the Financial Statements of Mahindra Airways Limited for the year ended March 31, 2022.]

1. (a) (A) According to the information and explanations given to us, the Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.

   (B) According to the information and explanations given to us, the Company does not have any intangible assets and hence the provisions of this clause are not applicable.

   (b) The Company has a regular programme for physical verification of its property, plant and equipment by which the property, plant and equipment are verified by the management according to a phased programme designed to cover all the items every year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its property, plant and equipment. In accordance with the programme, the Company has physically verified all of its property, plant and equipment during the year and no material discrepancies were noticed on such verification.

   (c) According to the information and explanations given to us, there are no immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) held in the name of the Company.

   (d) According to the information and explanations given to us, the Company has not revalued any of its Property, Plant and Equipment (including Right of Use assets) during the year.

   (e) Based on the audit procedures performed by us and according to the information, explanations and representations given to us, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

2. (a) According to the information and explanations given to us, the Company is in the business of rendering services and consequently does not hold any inventory at the end of the year. Accordingly, the reporting under Clause 3(ii)(a) of the Order is not applicable to the Company.

   (b) According to the information and explanations given to us, the Company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets at any point of time during the year.

3. According to the information and explanations given to us, the Company has not made investments in or provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year. Accordingly, the reporting under Clauses 3(iii)(a) to 3(iii)(f) of the Order is not applicable to the Company.

4. According to the information and explanations given to us, the Company has not granted any loans or made any investments or provided any guarantees or security to the parties covered under Sections 185 and 186 of the Act. Accordingly, the reporting under Clause 3(iv) of the Order is not applicable to the Company.

5. According to the information and explanations given to us, the Company has not accepted deposits under the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. Accordingly, the reporting under Clause 3(v) of the Order is not applicable to the Company.

6. The Central Government has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company. Accordingly, the reporting under Clause 3(vi) of the Order is not applicable to the Company.

7. (a) According to the information and explanations given to us and on the basis of our examination of records of the Company, the amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Services tax, Provident Fund, Employees' State Insurance, Income-tax, Cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. The amounts deducted / accrued in the books of account in respect of undisputed statutory dues of Income-tax have been regularly deposited during the year by the Company with the appropriate authorities. According to the information and explanations given to us and on the basis of our examination of records of the Company, there were no undisputed statutory dues payable in respect of Sales tax, Service tax, Duty of Customs, Duty of Excise and Value Added Tax.

   According to the information and explanations given to us and on the basis of our examination of records of the Company, there were no arrears of outstanding statutory dues in respect of Goods and Services tax, Provident fund, Employees' State Insurance, Income-tax, Sales tax, Service tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other material statutory dues as on the last day of the financial year for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and on the basis of our examination of records of the Company, there are no statutory dues in respect of Goods and Services Tax, Provident Fund, Employees' State Insurance, Sales tax, Service tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and any other statutory dues as at 31 March 2022, which have not been deposited with the appropriate authorities on account of any dispute.

8. According to the information and explanations given to us, there are no transactions not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income-tax Act, 1961. Accordingly, the reporting under Clause 3(viii) of the Order is not applicable to the Company.

9. (a) According to the information and explanations given to us and based on the audit procedures performed by us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.

(b) According to the information and explanations given to us, the Company has not been declared a wilful defaulter by any bank or financial institution or any other lender till the date of our audit report.

(c) According to the information and explanations given to us, the Company does not have any term loans during the year and hence the reporting under reporting under Clause (ix) (c) of the Order is not applicable to the Company.

(d) In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that funds raised on short-term basis have not been utilised for long- term purposes as at the Balance Sheet date.

(e) and (f) The Company does not have any subsidiaries or associates and hence the reporting under Clause (ix) (e) and (f) of the Order is not applicable to the Company.

10. (a) According to the information and explanations given to us, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under Clause 3(x)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Accordingly, the reporting under Clause 3(x)(b) of the Order is not applicable to the Company.

11. (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of fraud by the Company or on the Company noticed or reported during the year, nor have we been informed of any such case by the management.

(b) There has been no report filed by us under sub-section (12) of Section 143 of the Act in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government. Accordingly, the reporting under Clause 3(xi)(b) of the Order is not applicable to the Company.

(c) As represented to us by the management, no whistle blower complaints were received by the Company during the year.

12. According to the information and explanations given to us, the Company is not a Nidhi company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, the reporting under Clause 3(xii) of the Order is not applicable to the Company.

13. In our opinion and according to the information and explanations given to us, the Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the Financial Statements as required by Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act.

14. In our opinion and based on our examination, the Company does not have an internal audit system and is not required to have an internal audit system as per the provisions of the Act.

15. According to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or directors of its holding, or subsidiary company or persons connected with them during the year and hence, the provisions of Section 192 of the Act are not applicable to the Company. Accordingly, the reporting under Clause 3(xv) of the Order is not applicable to the Company.

16. (a) According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under Clause 3(xvi) of the Order is not applicable to the Company.

(b) In our opinion and according to the information and explanations given to us, the Company has not conducted any Non-Banking Financial or Housing Finance activities. Accordingly, the reporting under Clause 3(xvi)(b) of the Order is not applicable to the Company.

(c) In our opinion and according to the information and explanations given to us, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under Clauses 3(xvi)(c) of the Order is not applicable to the Company.

(d) Based on the information and explanations given to us, we report that the Group has Six Core Investment Companies

17. In our opinion and according to the information and explanations given to us, the Company has incurred cash losses of Rs. 16.30 Lakhs during the current financial year and Rs. 209.14 lakhs in the immediately preceding financial year.

18. There has been no resignation of the statutory auditors during the year. Accordingly, the reporting under Clause 3(xviii) of the Order is not applicable to the Company.

19. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of Balance Sheet as and when they fall due within a period of one year from the Balance Sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the Balance Sheet date, will get discharged by the Company as and when they fall due.

20. (a) According to the information and explanations given to us, provisions of section 135 of the Act is not applicable to the company and hence reporting under the provisions of clause (XX) (a) & (b) of the Order is not applicable to the Company.

For **B. K. Khare & Co.**
Chartered Accountants
Firm Registration No. 105102W

Shirish Rahalkar
Partner
Membership No. 111212
UDIN No – 22111212AIBJOQ4190

Place: Mumbai
Date: April 28, 2022

ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT

[Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date]

Report on the Internal Financial Controls with reference to Financial Statements under Clause (i) of sub-section (3) of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to Financial Statements of **Mahindra Airways Limited** ("the Company") as of March 31, 2022 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to Financial Statements of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to Financial Statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to Financial Statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

Meaning of Internal Financial Controls with reference to Financial Statements

A company's internal financial control with reference to Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Financial Statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to Financial Statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to Financial Statements to future periods are subject to the risk that the internal financial control with reference to Financial Statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system with reference to Financial Statements and such internal financial controls with reference to Financial Statements were operating effectively as at March 31, 2022, based on the criteria for internal financial control with reference to Financial Statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **B. K. Khare & Co.**
Chartered Accountants
Firm Registration No. 105102W

Shirish Rahalkar
Partner
Membership No. 111212
UDIN No – 22111212AIBJOQ4190

Place: Mumbai
Date: April 28, 2022

BALANCE SHEET AS AT 31ST MARCH 2022

	Note No.	As at 31st March 2022	As at 31st March 2021
			Rs. In Lakhs
I ASSETS			
NON-CURRENT ASSETS			
(a) Property, Plant and Equipment	3	**0.17**	0.30
SUB-TOTAL		**0.17**	0.30
CURRENT ASSETS			
(a) Financial Assets			
(i) Fixed Deposit in Bank	4	**14.00**	–
(ii) Cash and Cash Equivalents	5	**1.34**	19.52
(b) Current Tax Assets (Net)	6	**34.47**	29.15
(c) Other Current Assets	7	**0.42**	16.00
SUB-TOTAL		**50.23**	64.67
TOTAL ASSETS		**50.40**	64.97
II EQUITY AND LIABILITIES			
EQUITY			
(a) Equity Share Capital	8	**585.00**	585.00
(b) Other Equity	9	**(547.61)**	(531.60)
SUB-TOTAL		**37.39**	53.40
LIABILITIES			
2 NON-CURRENT LIABILITIES			
(a) Financial Liabilities			
(i) Other Financial Liabilities		**–**	–
(ii) Lease Liabilities		**–**	–
(b) Provisions		**–**	–
SUB-TOTAL		**–**	–
3 CURRENT LIABILITIES			
(a) Financial Liabilities			
(ii) Trade Payables	10		
(i) total outstanding dues of micro enterprises and small enterprises		**–**	–
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		**6.17**	7.95
(iii) Lease Liabilities		**–**	–
(b) Provisions	11	**1.50**	1.50
(c) Other Current Liabilities	12	**5.34**	2.11
SUB-TOTAL		**13.01**	11.56
TOTAL		**50.40**	64.97
See accompanying notes forming part of the financial statements	1 to 3	**0.00**	(0.00)

In terms of our report attached

For **B. K. Khare & Co.**
Chartered Accountants
Firm Registration No. 105102W

Shirish Rahalkar
Partner
Membership No. 111212

Place: Mumbai
Date: April 28, 2022

For and on behalf of the Board of Directors

Nikhil Ramakrishna Sohoni Director
DIN No - 06852639

Abhaya Mahajan Director
DIN No - 08322044

Place: Mumbai
Date: April 28, 2022

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2022

Rs. In Lakhs

Particulars		Note No.	As at 31st March 2022	As at 31st March 2021
Continuining Operations				
I	Revenue from operations	13	–	247.69
II	Other Income	14	0.56	2.53
III	**Total Revenue (I + II)**		0.56	250.23
IV	**EXPENSES**			
	(a) Employee benefit expense	15	–	122.22
	(b) Finance costs	16	–	26.04
	(c) Depreciation and amortisation expense	3	0.13	144.96
	(d) Other expenses	17	16.44	173.69
	Total Expenses (IV)		16.58	466.91
V	**Profit/(loss) before exceptional items and tax (III - IV)**		(16.01)	(216.69)
VII	**Profit/(loss) before tax (V - VI)**		(16.01)	(216.69)
VIII	**Tax Expense**			
	(1) Current tax			
	(2) Deferred tax			
	Total tax expense (VIII)		–	–
IX	**Profit/(loss) after tax from continuing operations (VII - VIII)**		(16.01)	(216.69)
X	**Discontinued Operations**			
	(1) Profit/(loss) from discontinued operations			
	(2) Tax Expense of discontinued operations			
XI	**Profit/(loss) after tax from discontinued operations (XII + XIII)**			
IX	**Profit/(loss) for the period**		(16.01)	(216.69)
XX	**Earnings per equity share (for continuing and discontinued operations):**			
	(1) Basic	18	(0.27)	(3.70)

In terms of our report attached

For **B. K. Khare & Co.**
Chartered Accountants
Firm Registration No. 105102W

Shirish Rahalkar
Partner
Membership No. 111212

Place: Mumbai
Date: April 28, 2022

For and on behalf of the Board of Directors

Nikhil Ramakrishna Sohoni Director
DIN No - 06852639

Abhaya Mahajan Director
DIN No - 08322044

Place: Mumbai
Date: April 28, 2022

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH 2022

Particulars	Note No.	Year ended 31st March 2022	Rs. In Lakhs Year ended 31st March 2021
Cash flows from operating activities			
Profit/(loss) before tax for the year		**(16.01)**	(216.69)
Adjustments for:			
Investment income recognised in profit or loss		**–**	(2.94)
Depreciation and amortisation of non-current assets		**0.13**	171.00
		(15.88)	(48.62)
Movements in working capital:			
Increase in trade and other receivables		**–**	40.53
(Increase)/decrease in other assets		**15.58**	6.77
Decrease in trade and other payables		**(1.78)**	(122.84)
Increase/(decrease) in provisions		**–**	(63.70)
Decrease/(increase) in tax assets		**(5.32)**	(14.92)
(Decrease)/increase in other liabilities		**3.23**	(58.61)
Cash generated from operations		**11.70**	(212.78)
Income taxes paid			
Net cash generated by operating activities		**(4.18)**	(261.40)
Cash flows from investing activities			
Payments to acquire/redemption of financial assets		**–**	135.01
Other dividends received		**–**	2.94
Payments for property, plant and equipment			
Net cash (used in)/generated by investing activities		**–**	137.95
Cash flows from financing activities			
Proceeds from issue of equity instruments of the Company		**(14.00)**	300.00
Repayment of borrowings		**–**	(170.75)
Net cash used in financing activities		**(14.00)**	129.25
Net increase in cash and cash equivalents		**(18.18)**	5.79
Cash and cash equivalents at the beginning of the year		**19.52**	13.73
Effects of exchange rate changes on the balance of cash held in foreign currencies			
Cash and cash equivalents at the end of the year		**1.34**	19.52
		(0.00)	

In terms of our report attached

For **B. K. Khare & Co.**
Chartered Accountants
Firm Registration No. 105102W

Shirish Rahalkar
Partner
Membership No. 111212

Place: Mumbai
Date: April 28, 2022

For and on behalf of the Board of Directors

Nikhil Ramakrishna Sohoni Director
DIN No - 06852639

Abhaya Mahajan Director
DIN No - 08322044

Place: Mumbai
Date: April 28, 2022

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2022

	Rs. In Lakhs As at 31st March 2022 TOTAL
A. Equity share capital	
As at 31 March 2021	585.00
Changes in equity share capital during the year	–
As at 31 March 2022	585.00

Remarks/Commentary:

Balances should be net off treasury shares. The above table should provide aggregate opening, movement and closing values for all classes of Equity Capital.

In terms of our report attached

For **B. K. Khare & Co.**
Chartered Accountants
Firm Registration No. 105102W

Shirish Rahalkar
Partner
Membership No. 111212

Place: Mumbai
Date: April 28, 2022

For and on behalf of the Board of Directors

Nikhil Ramakrishna Sohoni Director
DIN No - 06852639

Abhaya Mahajan Director
DIN No - 08322044

Place: Mumbai
Date: April 28, 2022

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

1. General Information

Mahindra Airways Limited is a Limited Company incorporated and domiciled in India. The Company's registered office is at Mahindra Towers, P K Kurne Chowk, Worli, Mumbai, Maharashtra, India. These financial statements correspond to the financial statements of the Company. The Company is primarily involved in Providing Helicopter Chartering Services under Non-Scheduled Operators Permit (NSOP) issued by Director General Civil Aviation.

2. Significant Accounting Policies

a. Statement of compliance and basis of preparation

These financial statements of Mahindra Airways Limited have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under Section 133 of the Companies Act, 2013 (the 'Act') and other relevant provisions of the Act.

b. Functional and presentation currency

These financial statements are presented in Indian Rupees ('INR' or 'Rs.') which is also the Company's functional currency. All amounts are rounded-off to the nearest lakhs, unless otherwise indicated.

c. Basis of measurement

The financial statements have been prepared on the historical cost basis except for certain financial instruments which are measured at fair values.

d. Measurement of fair values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. The Company has established policies and procedures with respect to the measurement of fair values.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets and liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

e. Cash and cash equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

f. Cash Flow statement

Cash flows are reported using the indirect method, whereby profit/(loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

g. Property, Plant and equipment

Property, Plant and equipment are stated at cost of acquisition or construction less accumulated depreciation and accumulated impairment, if any.

Cost includes financing cost relating to borrowed funds attributable to the construction or acquisition of qualifying tangible assets upto the date the assets are ready for use.

Depreciation is provided on straight line basis for property, plant and equipment so as to expense the depreciable amount, i.e. the cost less estimated residual value, over its estimated useful lives. The estimated useful lives and residual values are reviewed annually and the effect of any changes in estimate is accounted for on a prospective basis.

When an asset is scrapped or otherwise disposed off, the cost and related depreciation are removed from the books of account and resultant profit or loss, if any, is reflected in the Statement of Profit and Loss.

The management's estimate of useful lives are in accordance with Schedule II to the Companies Act, 2013, other than the following asset classes, based on the Company's expected usage pattern supported by technical assessment:

Asset Class	Useful Lives
Furniture & Fixtures	10 years
Computer	3 years

Assets costing less than or equal to Rs. 5,000 are depreciated fully in the year of purchase.

h. Impairment of Assets

The Company assesses at each Balance Sheet date whether there is any indication that an asset or a group of assets (cash generating unit) may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset or a group of assets. The recoverable amount of the asset (or where applicable, that of the cash generating unit to which the asset belongs) is estimated as the higher of its net selling price and its value in use. If such recoverable amount of the asset or the recoverable amount of the cash-generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the Statement of Profit and Loss. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

Value in use is the present value of estimated future cash flow expected to arise from the continuing use of the assets and from its disposal at the end of its useful life.

If at the Balance Sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciable historical cost.

i. Revenue Recognition

The Company has applied Ind AS 115 'Revenue from Contracts with customers' ("hereinafter referred to as Ind AS 115") effective from 01 April 2018, using modified retrospective approach for the purpose of transition. Accordingly, comparatives for the previous period have not been restated. The application of Ind AS 115 did not have any material impact on the financial results of the Company.

- **Service Income**

  Income from Chartering Services are recognised on satisfaction of performance obligation towards rendering of such services.

- **Interest income**

  Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably.

- **Dividend Income**

  Dividend from investments are recognised in profit or loss when the right to receive payment is established.

j. Investments

Investments are classified under Non-current and current categories.

Non-current Investments' are carried at acquisition /amortized cost. A provision is made for diminution other than temporary on an individual basis.

Current Investments' are carried at fair value on an individual basis.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

k. Leases:

Ind AS 116 is replaced the existing leases standard, Ind AS 17 Leases. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on balance sheet lessee accounting model for lessees. A lessee recognises right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. The standard also contains enhanced disclosure requirements for lessees.

Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17. The amendment is effective for annual periods beginning on or after 01st April 19.

The company has terminated the lease on 31.12.2020.

l. Employee Benefits

Defined Contribution schemes

Company's contributions to the Provident Fund are charged to the Statement of Profit and Loss of the year when the contributions to the respective funds are due.

Defined benefits plans

The Company's gratuity benefit scheme is a defined benefit plan.

m. Taxation

Current tax

Current tax is determined as the amount of tax payable in respect of taxable income for the year. The Company's current tax is calculated using tax rate that have been enacted and substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax liability or asset is recognized for timing differences between the profits/losses offered for income tax and profits/losses as per the financial statements. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax asset are recognised to the extent that it is probable that future taxable income will be available against which the deductible temporary difference could be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

n. Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

o. Investments in equity instruments at FVTOCI

On initial recognition, the Company can make an irrevocable election (on an instrument-by-instrument basis) to present the subsequent changes in fair value in other comprehensive income pertaining to investments in equity instruments. This election is not permitted if the equity investment is held for trading. These elected investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the 'Reserve for equity instruments through other comprehensive income'. The cumulative gain or loss is not reclassified to profit or loss on disposal of the investments.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or

- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking.

The Company has equity investments which are not held for trading. The Company has elected the FVTOCI irrevocable option for these investments.

Dividend on these investments in equity instruments are recognised in profit or loss when the Company's right to receive the dividend is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably. Dividends recognised in profit or loss are included in the 'Other income' line item.

p. Earnings Per Share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

q. Provisions and Contingencies

A provision is recognized when an enterprise has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to their present values and are determined based on management estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current management estimates.

Contingent liabilities are disclosed in respect of possible obligations that have arisen from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of future events not wholly within the control of the Company.

3. Use of judgements and estimates

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income, expenses and the disclosures of contingent assets and liabilities. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed at each balance sheet date. Revisions to estimates are recognised prospectively.

Following are areas that involved a higher degree of estimate and judgement or complexity in determining the carrying amount of some assets and liabilities.

- useful life of property, plant and equipment
- estimation of defined benefit obligation
- income taxes - current and deferred taxes
- fair value of unlisted securities

Detailed information about each of these estimates and judgements that have a significant risk of resulting in material adjustment within the next financial year is included in relevant notes for the above items.

Estimates and judgements are evaluated based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

Note No. 3 - Property, Plant and Equipment

Rs. In Lakhs

Description of Assets	As at 31 March 2022 Computer & Accessories	Furniture and Fixtures	Total	As at 31 March 2021 Computer & Accessories	Furniture and Fixtures	ROU Assets	Total
I. Gross Carrying Amount							
Balance as at 1 April 2021	0.74	0.18	0.92	0.74	0.18	450.19	451.11
Additions			–				–
Acquisitions through business combinations			–			(450.19)	(450.19)
Disposals			–				–
Reclassified as held for sale			–				–
Others [describe]			–				–
Balance as at 31 March 2022	**0.74**	**0.18**	**0.92**	**0.74**	**0.18**	–	**0.92**
II. Accumulated depreciation and impairment							
Balance as at 1 April 2021	0.59	0.03	**0.62**	**0.36**	**0.01**	–	**0.36**
Depreciation expense for the year	0.12	0.02	0.13	0.24	0.02	–	0.25
Eliminated on disposal of assets			–				–
Eliminated on reclassification as held for sale			–				–
Impairment losses recognised in profit or loss			–				–
Reversals of impairment losses recognised in profit or loss			–				–
Others [describe]			–				–
Balance as at 31 March 2022	**0.71**	**0.04**	**0.75**	**0.59**	**0.03**		**0.62**
III. Net carrying amount (I-II)	**0.04**	**0.13**	**0.17**	**0.15**	**0.15**		**0.30**

Note No. 4 - Other financial assets

Rs. In lakhs

Particulars	As at 31st March 2022 Current	Non-Current	As at 31st March 2021 Current	Non-Current
d) Bank Deposit with more than 12 months maturity	**14.00**	**–**	–	–
TOTAL	**14.00**	**–**	–	–

Note No. 5 - Cash and Bank Balances

Rs. In Lakhs

Particulars	As at 31st March 2022	As at 31st March 2021
Cash and cash equivalents		
(a) Balances with banks (in current accounts)....	**1.34**	19.52
(b) Cash on hand..	**0.00**	0.00
Total Cash and cash equivalent..........................	**1.34**	19.52

Reconcliation of Cash and Cash Equivalents

Rs. In Lakhs

Particulars	As at 31st March 2022	As at 31st March 2021
Total Cash and Cash Equivalents as per Balance Sheet	**1.34**	19.52
Add: Bank Overdraft		
Total Cash and Cash Equivalents as per Statement of Cashflow	**1.34**	19.52

Note No. 6 - Current Tax and Deferred Tax

(a) Income Tax recognised in profit or loss

Rs. In Lakhs

Particulars	Year ended 31st March 2022	Year ended 31st March 2021
Current Tax:		
In respect of current year		
In respect of prior years		
Unrecognised tax loss used to reduce current tax expense		
Others		
i. Balances with Government Authority		
i. GST Receivable	**28.16**	26.20
ii. TDS Receivable	**6.31**	2.95
Total income tax expense on continuing operations	**34.47**	29.15

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

Note No. 7 - Other assets **Rs. In Lakhs**

Particulars	As at 31 March 2022 Current	As at 31 March 2022 Non-Current	As at 31 March 2021 Current	As at 31 March 2021 Non-Current
Advances receivable in cash or kind				
(i) Other advances				
Security Deposit			16.00	
Accrued Income	**0.42**			
Other Recoverables			30.56	
Provision for Doubtful Debts			(30.56)	
Total	**0.42**	–	16.00	–

Note No. 8 - Equity Share Capital **Rs. In Lakhs**

Particulars	As on 31st March 2022 No. of shares	As on 31st March 2022 Amounts	As on 31st March 2021 No. of shares	As on 31st March 2021 Amounts
Authorised:				
Equity shares of 10 each with voting rights	**6,500,000**	**650.00**	6,500,000	650.00
Issued, Subscribed and Fully Paid:				
Equity shares of 10 each with voting rights	**5,850,000**	**585.00**	5,850,000	585.00
Total	**5,850,000**	**585.00**	5,850,000	585.00

(ii) Details of shares held by the holding company, the ultimate holding company, subsidiaries and associates:

Particulars	No. of Shares Equity Shares with Voting rights
Mahindra Holdings Limited	5,850,000
Mahindra Towers, P K Kurne Chowk,	
Worli, Mumbai 400 018	

(iii) Details of shares held by each shareholder holding more than 5% shares:

Class of shares/Name of shareholder	As at 31st March 2022 Number of shares held	As at 31st March 2022 % holding in that class of shares	As at 31st March 2021 Number of shares held	As at 31st March 2021 % holding in that class of shares
Mahindra Holdings Limited	**5,850,000**	**100%**	5,850,000	100%
Mahindra Towers, P K Kurne Chowk,				
Worli, Mumbai 400 018				

Statement Of Changes In Equity for the year ended 31st March 2022

Note No. 9 - Other Equity **Rs. In Lakhs**

	As at 31st March 2022	As at 31st March 2021
As at 31 March 2021	**(531.60)**	(314.91)
Profit/(Loss) for the period	**(16.01)**	(216.69)
Other Comprehensive Income/(Loss)		
Total Comprehensive Income for the year	**(16.01)**	(216.69)
As at 31 March 2022	**(547.61)**	(531.60)

Note No. 10 - Trade Payables

Rs. In Lakhs

Particulars	As at 31st March 2022 Current	As at 31st March 2022 Non Current	As at 31st March 2021 Current	As at 31st March 2021 Non Current
(I) Trade Payables				
(i) total outstanding dues of micro enterprises and small enterprises	–	–	–	–
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	**6.17**	–	7.95	–
Total trade payables	**6.17**		7.95	

Note No. 11 - Provisions

Rs. In Lakhs

Particulars	As at 31st March 2022 Current	As at 31st March 2021 Current
(a) Defered Revenue		
– Other Provisions	**1.50**	1.50
TOTAL OTHER LIABILITIES	**1.50**	1.50

Note No. 12 - Other Liabilities

Rs. In Lakhs

Particulars	As at 31st March 2022 Current	As at 31st March 2021 Current
– Statutory Dues- taxes payable	**0.53**	0.09
– Advance from Customers	**4.81**	2.03
TOTAL OTHER LIABILITIES	**5.34**	2.11

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

Note No. 13 - Revenue from Operations

The following is an analysis of the company's revenue for the year from continuing operations.

Rs. In lakhs

Particulars	As at 31st March 2022	As at 31st March 2021
(a) Revenue from rendering of services	–	188.28
(b) Other operating revenue	–	59.41
Total Revenue from Operations	–	247.69

Note No. 14 - Other Income

Rs. In lakhs

Particulars	As at 31st March 2022	As at 31st March 2021
(b) Gain on Fair Valuation of Investments	–	2.05
(c) Gain on Redemption of Mutual Funds	**0.10**	0.48
(d) Interest Income on Fixed Deposit	**0.46**	
Total Other Income	**0.56**	2.53

Note No. 15 - Employee Benefits Expense

Rs. In lakhs

Particulars	As at 31st March 2022	As at 31st March 2021
(a) Salaries and wages, including bonus	–	117.38
(b) Contribution to provident and other funds	–	4.23
(c) Staff welfare expenses	–	0.61
Total Employee Benefit Expense	–	122.22

Note No. 16 - Finance Cost

Rs. In lakhs

Particulars	As at 31st March 2022	As at 31st March 2021
(a) Interest expense	–	26.04
Total finance costs	–	26.04

Note No. 17 - Other Expenses

Rs. In Lakhs

Particulars	As at 31st March 2022	As at 31st March 2021
(a) Power & Fuel	–	10.95
(b) Office Rent	–	4.21
(c) Rates and taxes	–	0.03
(d) Insurance	**1.50**	16.17
(e) Repairs and maintenance - Others	–	85.86
(e) Travelling and Conveyance Expenses	–	1.29
(f) As Auditors	**0.50**	0.50
(g) Training expenses	–	0.51
(h) Travelling expenses	–	–
(i) Hire and service charges	**2.69**	3.09
(j) Legal and other professional costs	**11.21**	17.46
(k) Provision for doubtful receivables	–	30.56
(l) Miscelleneous expenses	**0.54**	3.06
Total Other Expenses	**16.44**	173.69

Note No. 18 - Earnings per Share

Rs. In Lakhs

Note	Particulars	For the year ended 31st March 2022 Per Share	For the year ended 31st March 2021 Per Share
	Basic Earnings per share		
	From continuing operations	**(0.27)**	(3.70)
	From discontinuing operations		
	Total basic earnings per share	**(0.27)**	(3.70)
	Diluted Earnings per share		
	From continuing operations	**(0.27)**	(3.70)
	From discontinuing operations	**–**	–
	Total diluted earnings per share	**(0.27)**	(3.70)
	Weighted Average Number of Shares		

Note No. 19 - Related Party Transactions

Name of Ultimate Holding Company	Mahindra and Mahindra Limited
Name of the parent Company	Mahindra Holdings Limited
Name of Group Company	Mahindra Integrated Business Solutions Pvt Ltd

Details of transaction between the Company and its related parties are disclosed below:

Particulars	For the year ended	Parent Company	Entities having joint control/ significant influence over Company	Other related parties
Nature of transactions with Related Parties				
Receiving of services	**31-Mar-22**			
- Mahindra & Mahindra Ltd	**31-Mar-22**		**13.75**	
- Mahindra Integrated Business Solutions Pvt. Ltd.	**31-Mar-22**		**10.25**	
Nature of Balances with Related Parties	**Balance as on**	**Parent Company**	**Entities having joint control/ significant influence over Company**	**Other related parties**
Trade payables	**31-Mar-22**	**Nil**	**1.94**	**Nil**
Other balances	**31-Mar-22**	**Nil**	**0.74**	**Nil**

Note No. 20 - Financial Instruments

Financial Risk Management Framework

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk <list all such risks as applicable>. In order to manage the aforementioned risks, the Company operates a risk management policy and a program that performs close monitoring of and responding to each risk factors.

CREDIT RISK

(i) Credit risk management

Credit risk arises when a counterparty defaults on its contractual obligations to pay resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collatarel , where appropriate, as a means of mitigating the risk of financial loss from defaults. The Company only transacts with entities that are rated the equivalent of investment grade and above. This information is supplied by

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

independent rating agencies where available and, if not available, the Company uses other publicly available financial information and its own trading records to rate its major customers. The Company's exposure and credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterpaty limits that are reviewed and approved by the risk management committee annually.

Trade receivables consist of a large number of customers, spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivable, and where appropraite, credit guarantee insurance cover is purchased.

Apart from Company A, the largest customer of the Company, the Company does not have significant credit risk exposure to any single counterparty. Concentration of credit risk related to Company A did not exceed 20% of gross monetary assets at any time during the year. Concentration of credit risk to any other counterparty did not exceed 10% of gross monetary assets at any time during the year.

The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-agencies.

In addition, the Company is exposed to credit risk in relation to financial gurantees given to banks provided by the Company. The Company's maximum exposure in this respect is the maximum amount the Company could have to pay if the guarantee is called on. As at **31 March 2021**, an amount of INR NIL(**31 March 2020**: INR NIL)) has been recognised in the Consolidated Balance Sheet as financial liabilities.

There is no change in estimation techniques or significant assumptions during the reporting period.

The loss allowance provision is determined as follows:

LIQUIDITY RISK

(i) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Company's short-, medium- and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

(ii) Maturities of financial liabilities

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The amount disclosed in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows.

To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Company may be required to pay.

(iii) Maturities of financial assets

The following table details the Company's expected maturity for its non-derivative financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Company's liquidity risk management as the liquidity is managed on a net asset and liability basis.

Particulars Note No. 11 - Financial Instrument	Less than 1 Year INR	1-3 Years INR	3 Years to 5 Years INR	5 years and above INR
Non-derivative financial assets				
31-Mar-22				
Non-interest bearing	1.34	0	0	0
Variable interest rate instruments	14.00	0	0	0
Total	**15.34**	**–**	**–**	**–**

The amounts included above for variable interest rate instruments for both non-derivative financial assets and liabilities is subject to change if changes in variable interest rates differ to those estimates of interest rates determined at the end of the reporting period.

MARKET RISK

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk such as equity price risk and commodity price risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. The Company uses derivatives to manage market risks. Derivatives are only used for economic hedging purposes and not as speculative investments. All such transactions are carried out within the guidelines set by the Board of Directors and Risk Management Committee.

There has been no significant changes to the company's exposure to market risk or the methods in which they are managed or measured.

Note No. 21 - Fair Value Measurement

Fair value of financial assets and financial liabilities that are not measured at fair value

This section explains the judgement and estimates made in determining the fair value of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair value are disclosed in financials statements. To provide an indication about the reliability of the inputs used in determining the fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standards.

Level 1 Inputs:

Level 1 inputs are quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date. A quoted market price in an active market provides the most reliable evidence of fair value and is used without adjustment to measure fair value whenever available, with limited exceptions. If an entity holds a position in a single asset or liability and the asset or liability is traded in an active market, the fair value of the asset or liability is measured within Level 1 as the product of the quoted price for the individual asset or liability and the quantity held by the entity, even if the market's normal daily trading volume is not sufficient to absorb the quantity held and placing orders to sell the position in a single transaction might affect the quoted price.

Level 2 Inputs:

Level 2 inputs are inputs other than quoted market prices included within level 1 that are observable for the asset or liability, either directly or indirectly.

Level 2 inputs include:

_ quoted prices for similar assets or liabilities in active markets

_ quoted prices for identical or similar assets or liabilities in markets that are not active

_ inputs other than quoted prices that are observable for the asset or liability, for example-interest rates and yield curves observable at commonly quoted interval

_ implied volatilities

_ credit spreads

_ inputs that are derived principally from or corroborated by observable market data by correlation or other means ('market-corroborated inputs')

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

Level 3 Inputs

Level 3 inputs are ubobservable inputs for the asset or liability. Unobservable inputs are used to measure fair value to the extent that relevant observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measuremnet date. An entity develops unobservable inputs using the best information available in the circumstances, which might include the entity's own data, taking into account all information about market participation assumptions that is reasonably available.

Fair value of financial assets and financial liabilities that are not measured at fair value

	Fair value hierarchy as at 31st March 2022			
	Level 1	**Level 2**	**Level 3**	**Total**
Financial assets				
Financial assets carried at Amortised Cost				
– investments........	0	0.00	0	–
– cash & cash equivalents.........	0	1.34	0	1.34
Total	–	1.34	–	1.34

The fair values of the financial assets and financial liabilities included in the level 2 and level 3 categories above have been determined in accordance with generally accepted pricing models based on a discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the credit risk of counterparties.

Note 25 - The Company has used certain significant accounting estimates which have been disclosed in the financial statements.

These includes fair valuation of financial and non-financial assets and liabilities, going concern assessment etc. requiring significant management judgement in estimating the same. Considering the continuing COVID-19 pandemic, the results in upcoming period may significantly vary and may affect the recoverability of assets and settlement of liabilities.

The Company, based on internal & external sources of information including market research, economic forecast and other information, has assessed that as a result of Covid-19 outbreak, there is no significant financial impact on the financial statements for the year ended March 31, 2021 as at the date of approval of these financial statements.

Note 26 - Previous period's figures are regrouped / reclassified wherever necessary to conform with those of the current year

In terms of our report attached

For **B. K. Khare & Co.**
Chartered Accountants
Firm Registration No. 105102W

Shirish Rahalkar
Partner
Membership No. 111212

Place: Mumbai
Date: April 28, 2022

For and on behalf of the Board of Directors

Nikhil Ramakrishna Sohoni Director
DIN No - 06852639

Abhaya Mahajan Director
DIN No - 08322044

Place: Mumbai
Date: April 28, 2022

INDEPENDENT AUDITOR'S REPORT
To The Members of Mahindra Logistics Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Mahindra Logistics Limited ("the Company"), which comprise the Balance Sheet as at 31st March 2022, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2022, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1	**Completeness of revenue recognized for Supply Chain Management:**	**We have performed following procedures:**
	The Company engages external fleet owners for providing onward transportation services to the customers. The Company recognizes 'Revenue' from rendering of services upon: 1. Receiving of actual invoice from vendor along with customer acknowledged Proof of Delivery (POD) of completed services; OR 2. An estimate of 'Trips' that would have been completed using the 'Expected Lead Time' (ELT) Determining completion of performance obligation and recording 'Revenue' using the ELT method at the reporting date requires management to exercise significant judgments. Given the involvement of significant judgments around estimations of ELT in the recognition of 'Revenue' with respect to Supply Chain business, it is considered to be a key audit matter. (Refer Significant Accounting Policy 3(a).iv and note no. 10 and 22 to the financial statements)	• Obtained an understanding of the significant management judgement in estimating the ELT in the recognition of revenue at the reporting date with respect to the Supply Chain business. • Tested the design and implementation of internal controls on judgements exercised over the determination of ELT in the recognition of revenue at the reporting date with respect to the Supply Chain business as well as their operating effectiveness of the aforesaid controls. • To assess the reasonableness of the ELT determined by the management in recognition of revenue as at the reporting period for the Supply Chain business: i. reviewing the parameters used to determine the basis of ELT, and ii. tested 'Unbilled Revenue' for an interim period against actual POD's received subsequently; • Tested samples of relevant direct costs to ensure that all expenses have been booked corresponding to revenue.

Information Other than the Financial Statements and Auditor's Report Thereon

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's Report, Annexures to Board's Report, Management Discussion and Analysis, Corporate Governance Report and Business Responsibility Report, but does not include the standalone financial statements and our auditor's report thereon.
- Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon
- In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:
   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
   c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.
   d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
   e) On the basis of the written representations received from the directors as on 31st March 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2022 from being appointed as a director in terms of Section 164(2) of the Act.
   f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
   g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
   h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
      i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements.
      ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
      iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
      iv. (a) The Management has represented that, to the best of it's knowledge and belief, as disclosed in the notes to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide

any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The Management has represented, that, to the best of it's knowledge and belief, as disclosed in the notes to financial statements, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub- clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material mis-statement.

v. The final dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with section 123 of the Act, as applicable. As stated in note 17 to the financial statements, the Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act, as applicable.

2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Kedar Raje
(Partner)
(Membership No. 102637)
(UDIN: 22102637AHUIWS4266)

Place: Mumbai
Date: 26th April 2022

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Mahindra Logistics Limited ("the Company") as of 31st March 2022 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2022, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Kedar Raje
(Partner)
(Membership No. 102637)
(UDIN: 22102637AHUIWS4266)

Place: Mumbai
Date: 26th April 2022

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(i) Property Plant and Equipment :

a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment, (capital work-in- progress, including right-of-use assets).

(B) The Company has maintained proper records showing full particulars of intangible assets.

b) The Company has a program of verification of property, plant, and equipment, (capital work-in-progress and right-of-use assets) so to cover all the items once every three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, during the year certain Property, Plant and Equipment were due for verification during the year and were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

c) Based on our examination of the registered sale deed provided to us, we report that, the title deeds of all the immovable properties, (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the Company) disclosed in the financial statements included in (property, plant and equipment and capital work-in progress) are held in the name of the Company as at the balance sheet date.

d) The Company has not revalued any of its property, plant, and equipment (including Right of Use assets) and intangible assets during the year.

e) No proceedings have been initiated during the year or are pending against the Company as at 31st March 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

(ii) Inventory :

a) The inventories were physically verified during the year by the Management at reasonable intervals. In our opinion and according to the information and explanations given to us, the coverage and procedure of such verification by the Management is appropriate having regard to the size of the Company and the nature of its operations. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories when compared with books of account.

b) According to the information and explanations given to us, at any point of time of the year, the Company has been sanctioned working capital limits in excess of ₹ 5 crores, in aggregate, from banks on the basis of security of current assets of the Company. In our opinion and according to the information and explanations given to us, the quarterly returns or statements comprising (book debt statements) filed by the Company with one bank till the date of this report are in agreement with unaudited books of account of the Company of the respective quarters.

(iii) Loans, Investments etc :

(a) The Company has granted loan or advance in the nature of loan, during the year, the details of which are given below:

Particulars	Loans Amount (₹ in Cr.)
A. Aggregate amount granted / provided during the year:	
- Subsidiary	2.00
B. Balance outstanding as at balance sheet date in respect of above cases:	
- Subsidiary	NIL

The Company has not provided any guarantee or security to any other entity during the year.

(b) The terms and conditions of the grant of all the above-mentioned loan, during the year are, in our opinion, prima facie, not prejudicial to the Company's interest. The Company has not made any investment, provided any guarantee or security to any other entity during the year.

(c) In respect of loan granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments of principal amounts and receipts of interest are regular as per stipulation.

(d) According to information and explanations given to us and based on the audit procedures performed, in respect of loan granted by the Company, there is no overdue amount remaining outstanding as at the balance sheet date.

(e) No loan granted by the Company which has fallen due during the year, has been renewed or extended or fresh loan granted to settle the overdues of existing loan given to the same parties.

(f) According to information and explanations given to us and based on the audit procedures performed, the Company has not granted any loans or advances in the nature of loan either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under clause (iii)(f) is not applicable.

(iv) Section 185 and 186 :

The Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of loans granted, investments made and guarantees, and securities provided, as applicable.

(v) Public Deposits :

The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause (v) of the Order is not applicable.

(vi) Cost Records :

Having regard to the nature of the Company's business / activities, reporting under clause (vi) of the Order is not applicable.

(vii) Statutory Dues :

According to the information and explanations given to us, in respect of statutory dues:

a) Undisputed statutory dues, including Goods and Services tax, Provident Fund, Employees' State Insurance, Income-tax, cess, and other material statutory dues applicable to the Company have been generally been regularly deposited by it with the appropriate authorities in all cases during the year.

There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income-tax, cess, and other material statutory dues in arrears as at 31st March 2022 for a period of more than six months from the date they became payable.

b) Details of dues of Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, and Value Added Tax which have not been deposited as on 31st March 2022 on account of disputes are given below:

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount (₹ In Cr.)^
Bihar Value Added Tax	Value Added Tax	Joint Commissioner – Commercial Tax	2013-14	0.02
Telangana Value Added Tax	Value Added Tax	High Court, State of Telangana at Hyderabad	2015-16 to 2017-18	12.24
Service Tax Laws	Service Tax	Commissioner Customs, Central Excise and Service Tax, Nagpur	2008-09	1.07
Service Tax Laws	Service Tax	Commissioner Customs, Central Excise and Service Tax, Nagpur	2009-10	2.12
Income Tax	Income Tax	High Court, Bombay	2017-18	3.19

^Net of ₹ 7.14 Cr. paid under protest

(viii) Undisclosed Income:

There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.

(ix) Borrowings:

a) In our opinion, the Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.

b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

c) The Company has not taken any term loan during the year and there are no unutilised term loans at the beginning of the year and hence, reporting under clause (ix)(c) of the Order is not applicable.

d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.

e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates, or joint ventures

f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries or joint ventures or associate companies.

(x) Issue of Securities :

a) The Company has not issued any of its securities (including debt instruments) during the year and hence reporting under clause (x)(a) of the Order is not applicable.

b) During the year the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause (x)(b) of the Order is not applicable to the Company.

(xi) Fraud:

a) To the best of our knowledge, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

b) To the best of our knowledge, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.

c) We have taken into consideration the whistle blower complaints received by the Company during the year and provided to us, when performing our audit.

(xii) Nidhi Company :

The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.

(xiii) Related Parties :

In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.

(xiv) Internal Audit :

a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.

b) We have considered, the internal audit reports issued to the Company during the year and covering the period up to March 2022 for the period under audit.

(xv) Non-Cash Transactions :

In our opinion during the year the Company has not entered into any non-cash transactions with any of its directors or directors of its holding company, subsidiary company or persons connected with such directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

(xvi) 45-IA :

a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause (xvi)(a), (b) and (c) of the Order is not applicable.

d) The Group has more than one CIC as part of the group. There are 6 CIC forming part of the group.

(xvii) Cash Loss :

The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

(xviii) Resignation of Statutory Auditors :

There has been no resignation of the statutory auditors of the Company during the year.

(xix) Ability to pay Liabilities :

On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, (Asset Liability Maturity (ALM) pattern) other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) CSR unspent amount :

The Company has fully spent the required amount towards Corporate Social Responsibility (CSR) and there are no unspent CSR amount for the year requiring a transfer to a Fund specified in Schedule VII to the Companies Act or special account in compliance with the provision of sub-section (6) of section 135 of the said Act. Accordingly, reporting under clause (xx) of the Order is not applicable for the year.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Kedar Raje
(Partner)
(Membership No. 102637)
(UDIN: 22102637AHUIWS4266)

Place: Mumbai
Date: 26th April 2022

Standalone Balance Sheet as at 31st March, 2022

₹ in Crores

Particulars		Note No.	As at 31st March, 2022	As at 31st March, 2021
	ASSETS			
I	**NON-CURRENT ASSETS**			
	(a) Property, Plant and Equipment	4	**463.38**	328.63
	(b) Net Investment in Lease		**46.11**	18.75
	(c) Capital Work-in-Progress	5	**0.43**	2.07
	(d) Intangible Assets	6	**10.34**	17.16
	(e) Intangible assets under development	7	**13.39**	0.99
	(f) Financial Assets			
	(i) Investments	9	**21.41**	21.41
	(ii) Other Financial Assets	11	**37.53**	34.49
	(g) Deferred Tax Assets (Net)	12	**21.42**	19.25
	(h) Income Tax Assets (Net)	15	**73.77**	27.86
	(i) Other Assets	13	**13.00**	14.18
	SUB-TOTAL		**700.78**	**484.79**
II	**CURRENT ASSETS**			
	(a) Inventories	8	**1.43**	–
	(b) Financial Assets			
	(i) Investments	9	**116.08**	55.07
	(ii) Trade Receivables	10	**405.67**	408.25
	(iii) Cash and Cash Equivalents	14 A	**131.05**	197.14
	(iv) Bank Balances other than (iii) above	14 B	**0.01**	0.01
	(v) Other Financial Assets	11	**397.84**	337.92
	(c) Other Assets	13	**95.99**	103.40
	SUB-TOTAL		**1,148.07**	**1,101.79**
	TOTAL ASSETS		**1,848.85**	**1,586.58**
	EQUITY AND LIABILITIES			
	EQUITY			
	(a) Equity Share Capital	16	**71.87**	71.67
	(b) Share Application Money		**0.06**	0.04
	(c) Other Equity	17	**502.93**	493.56
	SUB-TOTAL		**574.86**	**565.27**
	LIABILITIES			
I	**NON-CURRENT LIABILITIES**			
	(a) Financial Liabilities			
	Lease liabilities	36	**267.02**	179.52
	(b) Provisions	20	**14.90**	14.48
	SUB-TOTAL		**281.92**	**194.00**
II	**CURRENT LIABILITIES**			
	(a) Financial Liabilities			
	(i) Lease liabilities	36	**94.38**	60.21
	(ii) Trade Payables			
	a) Due to Micro and Small Enterprises	18	**34.75**	12.07
	b) Other than Micro and Small Enterprises	18	**801.32**	707.40
	(iii) Other Financial Liabilities	19	**16.92**	5.81
	(b) Provisions	20	**4.09**	3.46
	(c) Current Tax Liabilities (net)	15	**8.26**	8.26
	(c) Other Liabilities	21	**32.35**	30.10
	SUB-TOTAL		**992.07**	**827.31**
	TOTAL EQUITY AND LIABILITIES		**1,848.85**	**1,586.58**

The accompanying notes 1 to 42 are an integral part of the Financial Statements.

In terms of our report attached.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants

Kedar Raje
Partner

Place: Mumbai
Date: 26th April, 2022

For and on behalf of the Board of Directors
Mahindra Logistics Limited

Anish Shah
Chairman
DIN: 02719429

Rampraveen Swaminathan
Managing Director & CEO
DIN: 01300682

Yogesh Patel
Chief Financial Officer

Ruchie Khanna
Company Secretary

Place: Mumbai
Date: 26th April, 2022

Standalone Statement of Profit and Loss for the year ended 31st March, 2022

₹ in Crores

	Particulars	Note No.	Year ended 31st March, 2022	Year ended 31st March, 2021
I	Revenue from Operations	22	**3,631.08**	2,959.11
II	Other Income	23	**9.56**	15.50
III	**Total Income (I + II)**		**3,640.64**	2,974.61
IV	**Expenses**			
	(a) Cost of materials consumed	24	**9.81**	–
	(b) Changes in inventories of finished goods	25	**(0.45)**	–
	(c) Operating Expenses	26	**3,085.79**	2,494.56
	(d) Employee benefits expense	27	**282.20**	280.43
	(e) Finance costs	28	**26.04**	17.11
	(f) Depreciation and amortisation expense	4&6	**130.41**	82.75
	(g) Other expenses	29	**74.15**	63.12
	Total Expenses		**3,607.95**	2,937.97
V	**Profit before exceptional items and tax (III - IV)**		**32.69**	36.64
VI	Exceptional items (net)	30	**–**	4.00
VII	**Profit before tax (V - VI)**		**32.69**	32.64
VIII	**Tax Expenses**			
	(1) Current tax	31	**10.42**	9.56
	(2) Deferred tax	31	**(2.17)**	(0.91)
	Total Tax Expense		**8.25**	8.65
IX	**Profit After Tax (VII - VIII)**		**24.44**	23.99
X	**Other Comprehensive Income**			
	Items that will not be reclassified to profit or loss			
	(i) Remeasurements of the defined benefit plans		**(1.03)**	0.09
	(ii) Income tax relating to items that will not be reclassified to profit or loss		**0.26**	(0.02)
	Total Other Comprehensive Income		**(0.77)**	0.07
XI	**Total comprehensive income for the year (IX + X)**		**23.67**	24.06
XII	**Earnings per equity share (Face Value ₹ 10/- per share)**			
	(1) Basic (in ₹)	32	**3.40**	3.35
	(2) Diluted (in ₹)	32	**3.39**	3.33

The accompanying notes 1 to 42 are an integral part of the Financial Statements.

In terms of our report attached.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants

Kedar Raje
Partner

Place: Mumbai
Date: 26th April, 2022

For and on behalf of the Board of Directors
Mahindra Logistics Limited

Anish Shah
Chairman
DIN: 02719429

Rampraveen Swaminathan
Managing Director & CEO
DIN: 01300682

Yogesh Patel
Chief Financial Officer

Ruchie Khanna
Company Secretary

Place: Mumbai
Date: 26th April, 2022

STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2022

(A) Equity Share Capital

₹ in Crores

Particulars	Number of shares	Equity share capital
Balance as at 1st April, 2020	71,537,256	71.54
Changes in Equity Share Capital due to prior period errors	–	–
Restated balance at the beginning of the current reporting period	71,537,256	71.54
Changes in equity share capital during the year:		
Exercise of Employee Stock Options & RSUs	133,084	0.13
Balance as at 31st March, 2021	71,670,340	71.67
Balance as at 1st April, 2021	**71,670,340**	**71.67**
Changes in Equity Share Capital due to prior period errors	**–**	**–**
Restated balance at the beginning of the current reporting period	**71,670,340**	**71.67**
Changes in equity share capital during the year:		
Exercise of Employee Stock Options & RSUs	201,278	0.20
Balance as at 31st March, 2022	**71,871,618**	**71.87**

(B) Other Equity

Particulars	Reserves & Surplus			
	Securities premium	Equity-settled employee benefits reserve	Retained earnings	Total
Balance as at 1st April, 2020	105.52	14.68	353.57	473.77
Changes in accounting policy or prior period errors	–	–	–	–
Restated balance at the beginning of the current reporting period	**105.52**	**14.68**	**353.57**	**473.77**
– Addition to Securities premium reserve	7.09	–	–	7.09
– Addition to equity settled employee benefit reserve	–	6.47	–	6.47
– Deletion to equity settled employee benefit reserve	–	(7.09)	–	(7.09)
– Dividend paid on Equity Shares (including tax theron)	–	–	(10.74)	(10.74)
Total Comprehensive income for the year				
– Profit for the year	–	–	23.99	23.99
– Actuarial gain/(loss) transferred to retained earnings	–	–	0.07	0.07
Balance as at 31st March, 2021	**112.61**	**14.06**	**366.89**	**493.56**
Balance as at 1st April, 2021	**112.61**	**14.06**	**366.89**	**493.56**
Changes in accounting policy or prior period errors				
Restated balance at the beginning of the current reporting period	**112.61**	**14.06**	**366.89**	**493.56**
– Addition to Securities premium	**7.55**	**–**	**–**	**7.55**
– Addition to equity settled employee benefit reserve	**–**	**3.34**	**–**	**3.34**
– Deletion to equity settled employee benefit reserve	**–**	**(7.25)**	**–**	**(7.25)**
– Dividend paid on Equity Shares (including tax theron)	**–**	**–**	**(17.94)**	**(17.94)**
Total Comprehensive income for the year				
– Profit for the year	**–**	**–**	**24.44**	**24.44**
– Actuarial gain/(loss) transferred to retained earnings	**–**	**–**	**(0.77)**	**(0.77)**
Balance as at 31st March, 2022	**120.16**	**10.15**	**372.62**	**502.93**

The accompanying notes 1 to 42 are an integral part of the Financial Statements.

In terms of our report attached.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants

Kedar Raje
Partner

Place: Mumbai
Date: 26th April, 2022

For and on behalf of the Board of Directors

Mahindra Logistics Limited

Anish Shah
Chairman
DIN: 02719429

Rampraveen Swaminathan
Managing Director & CEO
DIN: 01300682

Yogesh Patel
Chief Financial Officer

Ruchie Khanna
Company Secretary

Place: Mumbai
Date: 26th April, 2022

STANDALONE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH, 2022

₹ in Crores

	Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
A.	**CASH FLOWS FROM OPERATING ACTIVITIES:**		
	Profit before tax for the year	**32.69**	32.64
	Adjustments for:		
	Loss on disposal of property, plant and equipment	**0.07**	0.45
	Provision for expected credit loss recognised on trade receivables	**1.30**	0.88
	Bad debts/advances written off	**0.92**	2.57
	Provision for doubtful advances	**0.12**	0.10
	Depreciation and amortisation expense	**130.41**	82.75
	Provision for Impairment of Investment in Joint Venture	**–**	4.00
	Finance Charges	**26.04**	17.11
	Unrealised gain on reversal of Right of Use Assets	**(0.32)**	(2.09)
	Unrealised gain on sub-lease arrangement	**(2.70)**	–
	Interest Income	**(2.60)**	(4.83)
	Rental Income on Sub-Lease	**6.39**	3.35
	Finance Income on net investment in lease	**(2.52)**	(1.63)
	Profit on sale of mutual funds	**(1.27)**	(0.29)
	Share based payment expenses	**3.34**	6.47
		159.18	108.84
	Operating profit before working capital changes	**191.87**	141.48
	Changes in:		
	Trade and other receivables	**(60.01)**	(67.80)
	Inventories	**(1.43)**	–
	Trade and other payables and provisions	**129.94**	156.38
		68.50	88.58
	Cash generated from operations	**260.37**	230.06
	Income taxes net of refund/ (paid)	**(56.07)**	50.52
	Net cash flow generated from operating activities	**204.30**	280.58
B.	**CASH FLOWS FROM INVESTING ACTIVITIES:**		
	Payment to acquire current investments	**(1,213.01)**	(713.00)
	Proceeds from sale of current investments	**1,153.27**	658.22
	Investment in subsidiary	**–**	(4.00)
	Inter Corporate Deposit received back/(given)	**–**	15.00
	Interest Income	**1.11**	4.57
	Payment to acquire property, plant and equipment & other intangible assets including CWIP	**(105.51)**	(68.46)
	Proceeds from disposal of property, plant and equipment	**14.35**	2.18
	Net cash flow used in investing activities	**(149.79)**	(105.49)
C.	**CASH FLOWS FROM FINANCING ACTIVITIES:**		
	Issue of Share Capital	**0.16**	0.13
	Share premium received	**0.30**	–
	Share Application Money received	**0.06**	0.04
	Proceeds from borrowings	**–**	110.52

STANDALONE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH, 2022

₹ in Crores

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Repayment of borrowings	–	(110.52)
Interest Paid	(0.25)	(1.32)
Repayment of lease obligations	(102.93)	(65.34)
Dividend Paid	(17.94)	(10.74)
Net cash used in financing activities	(120.60)	(77.23)
Net increase / (decrease) in cash and cash equivalents (A+B+C)	(66.09)	97.86
Cash and cash equivalents at the beginning of the year	197.14	99.28
Cash and cash equivalents at the end of the year	131.05	197.14
Components of cash and cash equivalents		
Cash/Cheques on hand	0.66	0.57
With Banks - on Current account/Balance in Cash Credit Accounts	130.39	196.57
	131.05	197.14

Notes:

1 The above Cash Flow Statement has been prepared under the Indirect Method set out in 'Ind AS 7- Statement of Cash Flows'.

2 Figures in bracket indicates cash outflow.

The accompanying notes 1 to 42 are an integral part of the Financial Statements.

In terms of our report attached.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants

Kedar Raje
Partner

Place: Mumbai
Date: 26th April, 2022

For and on behalf of the Board of Directors
Mahindra Logistics Limited

Anish Shah
Chairman
DIN: 02719429

Rampraveen Swaminathan
Managing Director & CEO
DIN: 01300682

Yogesh Patel
Chief Financial Officer

Ruchie Khanna
Company Secretary

Place: Mumbai
Date: 26th April, 2022

NOTES ACCOMPANYING FINANCIAL STATEMENTS

1. Corporate information

Mahindra Logistics Limited is a public limited company incorporated on 24th August 2007 under the Companies Act, 1956. The address of its registered office is disclosed in the introduction to the Annual Report. The Company is a 3PL service provider mainly engaged in transportation, warehousing, supply chain management and people logistics services.

The Financial Statements for the year ended 31st March 2022 are approved for issue in accordance with a resolution of the directors on 26th April 2022.

2. Significant accounting policies

2.1. Statement of compliance

The Financial Statements have been prepared in accordance with Indian Accounting Standard as per the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under section 133 of the Companies Act, 2013 (the 'Act'). The Financial Statements are separate Financial Statements.

2.2. Basis of preparation and presentation

The Financial Statements have been prepared on accrual basis and the historical cost basis as a going concern except for certain financial instruments that are measured at fair values or at amortised cost, wherever applicable, at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclo sure purposes in this financial statement is determined on such basis, except for share-based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 116, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The Financial Statements are prepared in Indian Rupee (INR) and denominated in crores.

The principal accounting policies are set out below.

2.3. Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

2.4. Inventories

Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the weighted average cost method. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

2.5. Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable.

2.5.1. <u>Rendering of services</u>

Incomes from logistics services rendered are recognised on the completion of the services as per the terms of contract. Revenue is recognized at the fair value of consideration received or receivable, to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

2.5.2. <u>Dividend and interest income</u>

Dividend income from investments is recognised when the right to receive payment has been established (provided that it is probable that the economic benefits will flow to the company and the amount of income can be measured reliably).

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

2.5.3. <u>Sale of products - Cultivator</u>

The Company recognizes revenue from contracts with customers related to sale of goods, when the Company satisfies performance obligation. Performance obligation are satisfied at the point of time when the customer obtains control of the goods. The control of goods is transferred to the customer depending upon the incoterms.

Control is considered to be transferred to customer when customer has ability to direct the use of such goods and obtain substantially all the benefits from it and has the primary responsibility when on selling the goods and it bears the risks of obsolescence and loss in relation to the goods.

2.6. Leasing

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- the contract involves the use of an identified asset – this may be specified explicitly or implicitly and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the lessor has a substantive substitution right, then the asset is not identified
- the Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the Company as a lessee has the right to direct the use of the asset. The Company has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Company has the right to direct the use of the asset if either:
  a) the Company as a lessee has the right to operate the asset; or

b) the Company as a lessee designed the asset in a way that predetermines how and for what purpose it will be used.

This policy is applied to contracts entered into, or modified, on or after 1st April 2019.

As a lessee

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use assets are subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the right- of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at amortised cost at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using the incremental borrowing rate.

It is re -measured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases and leases of low-value assets

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term

As a lessor

When the Company acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

The Company recognises lease payments received under operating leases as income on a straight- line basis over the lease term as part of 'other income'.

As a lessee

Operating leases

For transition, the Company has elected not to apply the requirements of Ind AS 116 to leases which are expiring within 12 months from the date of transition by class of asset and leases for which the underlying asset is of low value on a lease-by-lease basis. The Company has also used the practical expedient provided by the standard when applying Ind AS 116 to leases previously classified as operating leases under Ind AS 17 and therefore, has not reassessed whether a contract, is or contains a lease, at the date of initial application, relied on its assessment of whether leases are onerous, applying Ind AS 37 immediately before the date of initial application as an alternative to performing an impairment review, excluded initial direct costs from measuring the right of use asset at the date of initial application and used hindsight when determining the lease term if the contract contains options to extend or terminate the lease. Single discount rate to a portfolio of leases with similar characteristics.

On application of Ind AS 116, the nature of expenses has changed from lease rent in previous periods to depreciation cost for the right-to-use asset, and finance cost for interest accrued on lease liability.

2.7. Foreign currencies

i. Initial recognition

In preparing the Financial Statements of the company, transactions in currencies other than the entity's functional currency of Indian Rupees (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions.

ii. Conversion

a. Foreign currency monetary assets and liabilities at the year-end are translated at the year-end exchange rates and the resultant exchange differences are recognised in the Statement of Profit and Loss.

b. Non-monetary items, if any are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

iii. Exchange differences

The Company accounts for exchange differences arising on translation/settlement of foreign currency monetary items as below:

a. Realized gains and losses on settlement of foreign currency transactions are recognised in the Statement of Profit and Loss.

b. Foreign currency monetary assets and liabilities at the year-end are translated at the year-end exchange rates and the resultant exchange differences are recognised in the Statement of Profit and Loss.

2.8. Borrowing costs

Borrowing Cost that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use or sale. All other borrowing costs are charged to revenue in the year of incurrence.

2.9. Employee benefits

2.9.1. Retirement benefit costs and termination benefits

i. Defined Contribution Plan:

Company's contributions paid/payable during the year to the Superannuation Fund, ESIC, Provident Fund and Labour Welfare Fund are recognised in the Statement of Profit and Loss.

ii. Defined Benefits Plan:

For defined retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the Balance Sheet with a charge or credit recognised in Other Comprehensive Income in the period in which they occur. Remeasurement recognised in Other Comprehensive Income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

a. Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);

b. Net interest expense or income; and

c. Remeasurement

The Company presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognised in the Balance Sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

2.9.2. Short-term and other long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

2.10. Share-based payment arrangements

Equity-settled share-based payments to employees are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in note no. 27.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight- line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a Corresponding adjustment to the equity-settled employee benefits reserve.

2.11. Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

2.11.1. Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'Profit before tax' as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

2.11.2. Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Financial Statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

2.11.3. Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in Other Comprehensive Income or directly in equity, in which case, the current and deferred tax are also recognised in Other Comprehensive Income or directly in equity respectively.

2.12. Property, Plant and Equipment

All items of property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Cost of acquisition is inclusive of purchase price, levies and any directly attributable cost of bringing the assets to its working condition for the intended use. Subsequent costs are included in the asset's carrying amount or recognised as separate asset, as appropriate, only when it is probable that the future economic benefits associated with the item will flow to the company and cost of the item can be measured reliability. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to Statement of Profit and Loss during the reporting period in which they are incurred.

Depreciation on tangible assets is charged by the Straight Line Method (SLM) in accordance with the useful lives specified in Part – C of Schedule II of the Companies Act, 2013 on a pro-rata basis except in the case of:

i. Certain items of Plant & Machinery individually costing more than ₹ 5,000 - over their useful lives ranging from 2 years to 10 years as estimated by the company and also based on the contractual arrangements wherever applicable.

ii. Certain items of Plant & Machinery individually costing less than ₹ 5,000 shall be depreciated over a period of 1 year.

iii. Mobile Phones (included in Office Equipment) in 2 years.

iv. Motor Cars (included in Vehicles) in 3 to 5 years as the case may be

v. Assets capitalised which are attached to the leasehold office premises shall be depreciated upto 75% of its value over the lease period assuming a realisable value of 25% after the end of original lease period.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

2.13. Intangible assets

2.13.1. Intangible assets acquired separately

The useful lives of intangible assets are assessed as either finite or infinite. Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

2.13.2. Useful lives of intangible assets

The expenditure incurred is amortised over three financial years equally commencing from the year in which the expenditure is incurred.

Certain softwares added during the year are amortised over a period of 36 months.

2.13.2. Internally-generated intangible assets — research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following conditions have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development. The amount initially recognised for internally generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally- generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

2.14. Impairment of tangible and intangible assets

The management of the Company assesses at each Balance Sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the management estimates the recoverable amount of the asset. If such recoverable amount of the asset is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and recognised in the Statement of Profit and Loss. If at the Balance Sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed, and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost. A reversal of an impairment loss is recognised immediately in profit or loss.

2.15 Impairment of investments

The Company assesses impairment of investments in subsidiaries, associates and joint ventures which are recorded at cost. At the time when there are any indications that such investments have suffered a loss, if any, is recognised in the statement of Profit and Loss. The recoverable amount requires estimates of operating margin, discount rate, future growth rate, terminal values, etc. based on management's best estimate.

2.16. Provisions, Contingent Liabilities & Contingent assets

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Onerous contracts

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the company has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the Existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

A contingent asset is disclosed where an inflow of economic benefits is probable.

2.17. Financial instruments

Financial assets and financial liabilities are recognised when a company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

2.18. Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a settlement date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

2.18.1. Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortised cost (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

i. the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and

ii. the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For the impairment policy on financial assets measured at amortised cost, refer note no 2.17.4

Investments in subsidiaries: All investments in subsidiaries are valued at cost.

All other financial assets are subsequently measured at fair value.

2.18.2. Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in profit or loss and is included in the "Other income" line item.

2.18.3. Financial assets at Fair value through Profit and Loss

Investments in equity instruments are classified as at FVTPL, unless the Company irrevocably elects on initial recognition to present subsequent changes in fair value in Other Comprehensive Income for investments in equity instruments which are not held for trading.

A financial asset that meets the amortised cost criteria or debt instruments that meet the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other Income' line item. Dividend on financial assets at FVTPL is recognised when the Company's right to receive the dividend is established, it is probable that the economic benefits associated with the dividend will flow to the entity and the amount of dividend can be measured reliably.

2.18.4. Impairment of financial assets

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, trade receivables, other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit- impaired financial assets).

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Company uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 18, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

2.18.5. Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in Other Comprehensive Income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

On derecognition of a financial asset other than in its entirety (e.g. when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in Other Comprehensive Income is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or lo ss on disposal of that financial asset. A cumulative gain or loss that had been recognised in Other Comprehensive Income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

2.18.6. Foreign exchange gains and losses

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

- For foreign currency denominated financial assets measured at amortised cost and FVTPL, the exchange differences are recognised in profit or loss except for those which are designated as hedging instruments in a hedging relationship.
- Changes in the carrying amount of investments in equity instruments at FVTOCI relating to changes in foreign currency rates are recognised in Other Comprehensive Income.
- For the purposes of recognising foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortised cost. Thus, the exchange differences on the amortised cost are recognised in profit or loss and other changes in the fair value of FVTOCI financial assets are recognised in Other Comprehensive Income.

2.19. Financial liabilities and equity instruments

2.19.1. Classification as debt or equity

Debt and equity instruments issued by a company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

2.19.2. Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a company entity are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

2.19.3. Compound financial instruments

The component parts of compound financial instruments (convertible notes) issued by the Company are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. A conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is an equity instrument.

At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recognised as a liability on an amortised cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date.

The conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound financial instrument as a whole. This is recognised and included in equity, net of income tax effects, and is not subsequently remeasured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised, in which case, the balance recognised in equity will be transferred to other component of equity. When the conversion option remains unexercised at the maturity date of the convertible note, the balance recognised in equity will be transferred to retained earnings. No gain or loss is recognised in profit or loss upon conversion or expiration of the conversion option.

2.19.4. Financial liabilities

All financial liabilities are subsequently measured at amortised cost.

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

2.20. Segment Accounting:

The CEO monitors the operating results of the business segments separately for the purpose of making decisions about the allocation of resources and performance assessment. Segment performance is measured based on profit or loss and is measured consistently with profit or loss in Financial Statements

2.20.1. Identification of Operating Segments

The operating segments have been identified based on its services and has two reportable segments, as follows:

i. **Supply Chain Management-** Goods transportation service including warehouse management service.

ii. **Enterprise Mobility Services** - People transportation service

2.20.2. Accounting of Operating Segments

Accounting policies adopted for segment reporting are in line with the accounting policies of the Company. Revenue and expenses have been identified to segments on the basis of their relationship to the operating activities of the segment. Revenues and expenses, which relate to the enterprise as a whole and are not allocable to segments on a reasonable basis and inter-segment revenue and expenses, have been included under "Unallocated Corporate Expenses/Eliminations".

2.21. Earnings Per Share:

Basic and diluted earnings per share is computed by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of Equity Shares outstanding during the year, in accordance with Ind AS 33.

3 (a). Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 2, the management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only the period of the revision and future periods if the revision affects both current and future periods.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(i) Useful lives of Property, Plant and Equipment

As described in note 2.11 above, the Company reviews the estimated useful lives of Property, Plant and Equipment at the end of each annual reporting period.

(ii) Defined Benefit Plans

The cost of the defined benefit plans and other post-employment benefits and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making assumptions that may differ from actual developments in the future. These include the determination of discount rate, future salary increases, mortality rates and attrition rate. Due to the complexities involved in the valuation and its long -term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

(iii) Fair Value of financial assets and liabilities and investments

The Company measures certain financial assets and liabilities on fair value basis at each balance sheet date or at the time they are assessed for impairment. Fair value measurement that are based on significant unobservable inputs (Level 3) requires estimates of operating margin, discount rate, future growth rate, terminal values etc. based on management's best estimate about future developments.

(iv) Estimated Lead Time for determining completion of performance obligation

The company also determines completion of performance obligation with respect to transportation service based on Estimated Lead Time (ELT) to deliver based on standard past performance and to that extent it involves management judgments for estimating delivery time to destination.

(v) Leases

Ind AS 116 requires lessees to determine the lease term as the non- cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by lease basis and there by assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, co sts relating to the termination of the lease and the importance of the underlying asset to operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

(vi) Estimation of uncertainties relating to the global health pandemic from COVID-19 (COVID-19)

Based on assessment and on the basis of available information of the impact of COVID -19, the Management has considered the possible effects, if any, that may result from the pandemic on the carrying amounts of current assets after considering internal and external sources of information as at the date of approval of these financial statements. The actuals may differ from the estimates considered in these financial statements.

(vii) Trade receivables

The Company determines the allowance for credit losses based on historical loss experience adjusted to reflect current and estimated future economic conditions. The Company has considered subsequent recoveries, past trends, credit risk profiles of the customers based on their industry, macroeconomic forecasts and internal and external information available to estimate the probability of default in future and has taken into account estimates of possible effect from the pandemic relating to COVID-19.

(viii) Revenue from Contracts with Customers

The Company has evaluated the impact of COVID-19 resulting from (i) the possible constraints to continue its operations and revisions in costs to fulfill the pending obligations (ii) onerous obligations (iii) penalties, if any, relating to breaches of agreements and (iv) termination or deferment of contracts by customers. The Company has concluded that the impact of COVID-19 is not material based on these estimates. Due to the nature of the pandemic, the Company will continue to monitor developments to identify significant uncertainties relating to revenue in future periods.

3 (b). Recent Accounting Pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time.

On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, as below:

Ind AS 16 – Property Plant and equipment - The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022. The Company has evaluated the amendment and there is no impact on its financial statements.

Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets – The amendment specifies that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022, although early adoption is permitted. The Company has evaluated the amendment and the impact is not expected to be material.

Note No. 4 - Property, Plant and Equipment

As at 31st March, 2022

₹ in Crores

Description of Assets	Land - Freehold	Plant and Machinery	Office Equipment	Furniture & Fixtures	Vehicles	Right of Use Assets	Total
A. Cost							
Balance as at 1st April, 2021	1.91	75.29	44.90	60.30	8.07	292.61	**483.08**
a) Additions	–	33.42	19.01	32.84	9.71	185.37	**280.35**
c) Less: Disposals	–	(4.01)	(1.76)	(13.83)	–	(8.59)	**(28.19)**
Balance as at 31st March, 2022	**1.91**	**104.70**	**62.15**	**79.31**	**17.78**	**469.39**	**735.24**
B. Accumulated depreciation/amortisation							
Balance as at 1st April, 2021	–	23.88	26.20	19.40	0.47	84.50	**154.45**
a) Depreciation/amortisation expense for the year	–	12.63	9.12	10.27	3.39	87.14	**122.55**
b) Less: Disposals	–	(1.46)	(1.41)	(2.30)	–	0.03	**(5.14)**
Balance as at 31st March, 2022	**–**	**35.05**	**33.91**	**27.37**	**3.86**	**171.67**	**271.86**
C. Net carrying amount as at 31st March 2022 (A-B)	**1.91**	**69.65**	**28.24**	**51.94**	**13.92**	**297.72**	**463.38**

As at 31st March, 2021

Description of Assets	Land - Freehold*	Plant and Machinery	Office Equipment	Furniture & Fixtures	Vehicles	Right of Use Assets	Total
A. Cost							
Balance as at 1st April, 2020	–	62.39	34.12	34.47	1.47	175.84	**308.29**
b) Additions	1.91	21.45	11.56	27.32	7.64	144.13	**214.01**
c) Less: Disposals/adjustments	–	(8.55)	(0.78)	(1.49)	(1.04)	(27.36)	**(39.22)**
Balance as at 31st March, 2021	**1.91**	**75.29**	**44.90**	**60.30**	**8.07**	**292.61**	**483.08**
B. Accumulated depreciation/amortisation							
Balance as at 1st April, 2020	–	22.16	20.34	13.64	0.68	42.55	**99.37**
a) Depreciation/amortisation expense for the year	–	8.63	6.54	6.85	0.35	54.82	**77.19**
b) Less: Disposals/adjustments	–	(6.91)	(0.68)	(1.09)	(0.56)	(12.87)	**(22.11)**
Balance as at 31st March, 2021	–	23.88	26.20	19.40	0.47	84.50	**154.45**
C. Net carrying amount as at 31st March 2021 (A-B)	**1.91**	**51.41**	**18.70**	**40.90**	**7.60**	**208.11**	**328.63**

* **During financial year 2020-2021, the Company has reclassified Land held for sale to Property, Plant and Equipment.**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

Note

The estimated amount of contracts remaining to be executed on capital account and not provided for is as follows:

₹ in Crores

Particulars	**As at 31st March, 2022**	As at 31st March, 2021
Contracts remaining to be executed on capital account	**8.99**	20.32

Note No. 5 - Capital Work-in Progress

(i) Capital Work-in-Progress Ageing Schedule

As at 31st March, 2022

₹ in Crores

	Amt in Capital Work-in-Progress for a period of				
Particulars	**Less than 1 year**	**1-2 years**	**2-3 years**	**More than 3 Years**	**Total**
Projects in Progress	**0.34**	**–**	**–**	**0.09**	**0.43**

As at 31st March, 2021

₹ in Crores

	Amt in Capital Work-in-Progress for a period of				
Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 Years	Total
Projects in Progress	1.98	–	0.04	0.05	2.07

(ii) Projectwise break-up of Capital Work-in-Progress

As at 31st March, 2022

₹ in Crores

	To be completed in			
Particulars	**Less than 1 year**	**1-2 years**	**2-3 years**	**More than 3 Years**
Projects in Progress:				
Supply Chain Management	**0.43**	**–**	**–**	**–**

As at 31st March, 2021

₹ in Crores

	To be completed in			
Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 Years
Projects in Progress:				
Supply Chain Management	2.07	–	–	–

Note No. 6 - Intangible Assets

₹ in Crores

Computer Software	**As at 31st March, 2022**	As at 31st March, 2021
A. Cost		
a) Balance as at 1st April	**37.02**	15.28
b) Additions	**1.04**	21.74
Balance at the end of the year	**38.06**	37.02
B. Accumulated ammortisation		
a) Balance as at 1st April	**19.86**	14.30
b) Amortisation expense for the year	**7.86**	5.56
Balance at the end of the year	**27.72**	19.86
C. Net carrying amount as at the end of the year (A-B)	**10.34**	17.16

Note:

During the previous year, the management has reassessed accounting for amortisation of intangibles which are over a period of three years. Based on the assessment carried out by the management going forward certain intangibles will be amortised over a period of thirty six months. Due to change in the estimate of amortisation of intangibles, a lower charge of amortisation of ₹ 2.29 Crores for the year ended 31st March 2021 has been recognised.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

The estimated amount of contracts remaining to be executed on capital account and not provided for is as follows:

₹ in Crores

Particulars	As at 31st March, 2022	As at 31st March, 2021
Contracts remaining to be executed on capital account	**2.06**	1.26

Note No. 7 - Intangible assets under development

(i) Intangible assets under development Ageing Schedule

As at 31st March, 2022

₹ in Crores

	Amt in Intangible assets under development for a period of				
Particulars	**Less than 1 year**	**1-2 years**	**2-3 years**	**More than 3 Years**	**Total**
Projects in Progress	**12.40**	**0.06**	**0.93**	**–**	**13.39**

As at 31st March, 2021

₹ in Crores

	Amt in Intangible assets under development for a period of				
Intangible assets under development	Less than 1 year	1-2 years	2-3 years	More than 3 Years	Total
Projects in Progress	0.06	0.93	–	–	0.99

(ii) Projectwise break-up

As at 31st March, 2022

₹ in Crores

	To be completed in			
Particulars	**Less than 1 year**	**1-2 years**	**2-3 years**	**More than 3 Years**
Projects in Progress:				
Supply Chain Management	**13.39**	**–**	**–**	**–**

As at 31st March, 2021

₹ in Crores

	To be completed in			
Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 Years
Projects in Progress:				
Supply Chain Management	–	0.99	–	–

Note No. 8 - Inventories (lower of cost or net realisable value)

₹ in Crores

Particulars	As at 31st March, 2022	As at 31st March, 2021
Raw Materials and Bought-out Components	**0.98**	–
Finished goods - Cultivators	**0.45**	–
Total	**1.43**	–

Notes:

The mode of valuation of inventory has been stated in note 2.4 of significant accounting policy

The cost of inventories recognised as expenses during the year was ₹ 9.36 Crs (March 31, 2021 Nil)

Note No. 9 - Investments

₹ in Crores

	As at 31st March, 2022			As at 31st March, 2021		
Particulars	**Quantity**	**Amount Current**	**Amount Non Current**	Quantity	Amount Current	Amount Non Current
I. COST						
Unquoted Investments (fully paid)						
(A) Investments in Equity Instruments of Subsidiaries						
i) Equity Shares of 2x2 Logistics Private Limited of ₹ 10 each fully paid up	**49,55,500**	**–**	**4.96**	49,55,500	–	4.96

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

₹ in Crores

Particulars	As at 31st March, 2022 Quantity	As at 31st March, 2022 Amount Current	As at 31st March, 2022 Amount Non Current	As at 31st March, 2021 Quantity	As at 31st March, 2021 Amount Current	As at 31st March, 2021 Amount Non Current
ii) Equity Shares of LORDS Freight India Private Limited of ₹ 10 each fully paid up	**23,40,009**	**–**	**16.45**	19,59,039	–	16.45
(B) Investments in Equity Instruments of Joint Venture						
i) Equity Shares of Transtech Logistics Private Limited of ₹ 10 each fully paid up	**100**	**–**	**0.01**	100	–	0.01
ii) 0.01% Compulsory Convertible Preference Shares ("CCPS") of Transtech Logistics Private Limited of ₹ 50 each fully paid up	**65,988**	**–**	**3.99**	65,988	–	3.99
Total Unquoted Investments		**–**	**25.41**		–	25.41
TOTAL INVESTMENTS CARRIED AT COST [I]		**–**	**25.41**		–	25.41
II. FAIR VALUE THROUGH PROFIT AND LOSS (FVTPL)						
A. Quoted Investments (fully paid)						
Investments in Mutual Funds		**116.08**	**–**		55.07	–
Total Quoted Investments		**116.08**	**–**		55.07	–
TOTAL INVESTMENTS CARRIED AT FVTPL [II]		**116.08**	**–**		55.07	–
Of the above, investments designated at FVTPL		**–**	**–**		–	–
Of the above, investments held for trading - Carried at FVTPL		**116.08**	**–**		55.07	–
Other investments carried at FVTPL		**–**	**–**		–	–
TOTAL INVESTMENTS (I) + (II)		**116.08**	**25.41**		55.07	25.41
Impairment in value of investment in Joint Venture		**–**	**4.00**		–	4.00
TOTAL IMPAIRMENT VALUE OF INVESTMENTS (III)		**–**	**4.00**		–	4.00
TOTAL INVESTMENTS CARRYING VALUE (I) + (II) - (III)		**116.08**	**21.41**		55.07	21.41
Other disclosures						
Aggregate amount of quoted investments		**116.08**	**–**		55.07	–
Aggregate amount of Market value of investments		**116.08**	**–**		55.07	–
Aggregate amount of unquoted investments		**–**	**21.41**		–	21.41
Aggregate amount of impairment in value of investments		**–**	**4.00**		–	4.00

Name of Investees	**Principal Place of Business**	**Ownership Interest As at 31st March, 2022**	Ownership Interest As at 31st March, 2021
2x2 Logistics Private Limited	Mumbai	55.00%	55.00%
LORDS Freight India Private Limited	Mumbai	99.05%	82.92%
Transtech Logistics Private Limited	Bengaluru	39.79%	39.79%

Note No. 10 – Trade receivables

₹ in Crores

Particulars	**As at 31st March, 2022 Current**	As at 31st March, 2021 Current
(i) Trade Receivables considered good - Unsecured	**405.67**	408.25
(ii) Trade Receivable which have significant increase in credit risk	**–**	–
(iii) Undisputed Trade Receivable -Credit Impaired	**2.39**	3.84
(iv) Disputed Trade Receivable -Credit Impaired	**14.43**	11.68
	422.49	423.77
Less: Allowance for Expected Credit Losses	**(16.82)**	(15.52)
Total	**405.67**	408.25

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

Trade Receivable ageing as at March, 2022

Particulars		**Outstanding for following period from due date of payment**						**Total**
		Not Due	**less than 6 Months**	**6 Months to 1 year**	**1 to 2 Year**	**2 to 3 Years**	**More than 3 Years**	
(i)	Undisputed Trade Receivable -Considered Good	**228.88**	**143.55**	**24.68**	**3.87**	**3.74**	**0.95**	**405.67**
(ii)	Undisputed Trade Receivable -which have significant increase in credit risk	–	–	–	–	–	–	–
(iii)	Undisputed Trade Receivable -Credit Impaired	–	–	**0.45**	**0.86**	**0.67**	**0.41**	**2.39**
(iv)	Disputed Trade Receivable -Considered Good	–	–	–	–	–	–	–
(v)	Disputed Trade Receivable -which have significant increase in credit risk	–	–	–	–	–	–	–
(vi)	Disputed Trade Receivable -Credit Impaired	–	–	**1.48**	**5.70**	**3.70**	**3.55**	**14.43**
Total Trade Receivables								**422.49**
Less: Allowance for Expected Credit Losses								**(16.82)**
Total...								**405.67**

Trade Receivable ageing as at March, 2021

Particulars		Outstanding for following period from due date of payment						Total
		Not Due	less than 6 Months	6 Months to 1 year	1 to 2 Year	2 to 3 Years	More than 3 Years	
(i)	Undisputed Trade Receivable -Considered Good	184.59	178.77	24.45	15.48	3.78	1.18	408.25
(ii)	Undisputed Trade Receivable -which have significant increase in credit risk	–	–	–	–	–	–	–
(iii)	Undisputed Trade Receivable -Credit Impaired	–	0.93	0.68	1.53	0.41	0.29	3.84
(iv)	Disputed Trade Receivable -Considered Good	–	–	–	–	–	–	–
(v)	Disputed Trade Receivable -which have significant increase in credit risk	–	–	–	–	–	–	–
(vi)	Disputed Trade Receivable -Credit Impaired	–	0.53	2.91	4.20	1.49	2.55	11.68
Total Trade Receivables								423.77
Less: Allowance for Expected Credit Losses								(15.52)
Total...								408.25

Notes:

i) Refer Note 33 (III) for disclosures related to credit risk, impairment of trade receivables under expected credit loss model and related disclosures.

ii) The company applies the simplified approach to provide for expected credit losses prescribed by IND AS 109, which permits the use of the lifetime expected credit loss provision for all trade receivables. The company has expected credit losses based on a provision matrix which uses historical credit loss experience of the Company.

iii) Trade Receivables are hypothecated to Banks against working capital facility.

Note No. 11 - Other financial assets

₹ in Crores

Particulars	**As at 31st March, 2022**		As at 31st March, 2021	
	Current	**Non-Current**	Current	Non-Current
Financial assets at amortised cost - considered good				
a) Security Deposits				
i. Unsecured, considered good	**23.16**	**32.56**	12.50	25.28
ii. Doubtful	–		0.77	
Less: Allowance for Losses	–	–	(0.77)	–
Total	**23.16**	**32.56**	12.50	25.28

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

₹ in Crores

Particulars	As at 31st March, 2022 Current	As at 31st March, 2022 Non-Current	As at 31st March, 2021 Current	As at 31st March, 2021 Non-Current
b) Bank Deposit				
Under lien with Government authority with more than 12 months of original maturity	–	0.01	–	0.01
Total	–	0.01	–	0.01
c) Other items				
i. Interest Accrued	0.06	–	0.06	–
ii. Accrued Sales	373.59	4.38	322.50	8.84
iii. Equity Shares of Zoroastrian Cooperative Bank Ltd	–	–	–	0.01
iv. National Savings Certificate*	–	0.02	–	0.02
v. Other Receivables	1.03	0.56	2.86	0.33
Total	374.68	4.96	325.42	9.20
Total (a+b+c)	397.84	37.53	337.92	34.49

* Includes encumbered securities which is restricted on their use or sale of the securities.

Note No. 12: Deferred Tax Assets

Movement in deferred tax balances

₹ in Crores

Particulars	Year ended 31st March, 2022 Opening Balance	Recognised in profit and Loss	Recognised in OCI	Closing Balance	Year ended 31st March, 2021 Opening Balance	Recognised in profit and Loss	Recognised in OCI	Closing Balance
A. Tax effect of items constituting deferred tax liabilities								
a) VAT allowance	0.79	–	–	0.79	0.79	–	–	0.79
b) Mutual Funds	0.01	–	–	0.01	–	0.01	–	0.01
Total	0.80	–	–	0.80	0.79	0.01	–	0.80
B. Tax effect of items constituting deferred tax assets								
a) Allowances on Property, Plant and Equipment and Intangible Assets	2.37	0.40	–	2.77	3.47	(1.10)	–	2.37
b) Provision for employee benefits	4.51	0.30	–	4.81	4.55	(0.04)	–	4.51
c) Provisions and allowances for credit losses	5.61	0.35	–	5.96	4.35	1.26	–	5.61
d) Share based payments	3.51	(1.07)	–	2.44	3.66	(0.15)	–	3.51
e) Leases	3.24	1.18	–	4.42	2.79	0.45		3.24
f) Others	0.81	1.01	–	1.82	0.31	0.50	–	0.81
Total	20.05	2.17	–	22.22	19.13	0.92	–	20.05
Net Tax Asset/(Liabilities) (B-A)	19.25	2.17	–	21.42	18.34	0.91	–	19.25

Note No. 13 – Other assets

₹ in Crores

Particulars	As at 31st March, 2022 Current	As at 31st March, 2022 Non-Current	As at 31st March, 2021 Current	As at 31st March, 2021 Non-Current
A. Capital advances				
a) For Capital work-In-progress	–	4.60	–	5.62
b) For Intangible asset	–	0.01	–	0.21
Total (A)	–	4.61	–	5.83

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

₹ in Crores

Particulars	As at 31st March, 2022		As at 31st March, 2021	
	Current	**Non-Current**	Current	Non-Current
B. Advances other than capital advances				
a) Advances to suppliers – considered good	**44.14**	**–**	70.07	–
b) Advances to suppliers – considered doubtful	**2.88**	**–**	1.99	–
c) Balances with government authorities (other than income taxes)	**47.73**	**8.21**	29.73	8.19
d) Prepaid Expenses	**3.02**	**0.18**	2.53	0.16
e) Advances to employees (refer note (a) below)	**1.10**	**–**	1.07	–
Total (B)	**98.87**	**8.39**	105.39	8.35
Total (A+B)	**98.87**	**13.00**	105.39	14.18
Less: Allowances for credit losses	**(2.88)**	**–**	(1.99)	–
Total (C)	**(2.88)**	**–**	(1.99)	–
Total (A+B+C)	**95.99**	**13.00**	103.40	14.18

Note:

Advances given to employees are as per the Company's policy and are not required to be disclosed u/s 186(4) of Companies Act, 2013.

Note No. 14 - Cash and Bank balances

₹ in Crores

Particulars	As at 31st March, 2022	As at 31st March, 2021
A. Cash and cash equivalents		
a) Balances with banks	**52.39**	99.57
b) Cheques, drafts on hand	**–**	0.03
c) Bank deposits with original maturity of less than 3 months	**78.00**	97.00
d) Cash on hand	**0.66**	0.54
Total	**131.05**	197.14
B. Other Bank Balances		
Earmarked balances with banks - unpaid dividend accounts	**0.01**	0.01
Total	**0.01**	0.01

Cash Credit facilities are repayable on demand and carry interest based on applicable rate plus agreed spreads and/or negotiated rates. The rates of interest during the period ranged between 5.50 % to 7.20 %.

Note No. 15 - Income Tax Assets & Liabilities (Net)

₹ in Crores

Particulars	As at 31st March, 2022	As at 31st March, 2021
Non Current Income Tax Assets (Net)		
Advance Income Tax/TDS Receivable (Net)	**73.77**	27.86
Total	**73.77**	27.86
Current Tax Liabilities (net)		
Current Tax Liabilities (net)	**8.26**	8.26
Total	**8.26**	8.26

Note No. 16 - Equity Share Capital

₹ in Crores

Particulars	As at 31st March, 2022		As at 31st March, 2021	
	No. of shares	**Amount**	No. of shares	Amount
A. Authorised:				
Equity shares of ₹ 10 each with voting rights	**10,50,00,000**	**105.00**	10,50,00,000	105.00
Total	**10,50,00,000**	**105.00**	10,50,00,000	105.00

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

₹ in Crores

Particulars	As at 31st March, 2022 No. of shares	As at 31st March, 2022 Amount	As at 31st March, 2021 No. of shares	As at 31st March, 2021 Amount
B. Issued, Subscribed and Fully Paid:				
Equity shares of ₹ 10 each with voting rights	**7,18,71,618**	**71.87**	7,16,70,340	71.67
Total	**7,18,71,618**	**71.87**	7,16,70,340	71.67

(i) Reconciliation of the number of shares outstanding at the beginning and at the end of the year.

Particulars		Opening Balance	Fresh Issue	Other Changes	Closing Balance
Equity Shares with Voting rights					
Year ended 31st March, 2022					
	No. of Shares	**7,16,70,340**	**2,01,278**	**–**	**7,18,71,618**
	Amount	**71.67**	**0.20**	**–**	**71.87**
Year ended 31st March, 2021					
	No. of Shares	7,15,37,256	1,33,084	–	7,16,70,340
	Amount	71.54	0.13	–	71.67

(ii) Rights, preferences and restrictions attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 10/- per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the board of directors and approved by the shareholders in the annual general meeting is paid in Indian rupees. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(iii) Details of shares held by Holding Company / and their Subsidiaries

Name of shareholder	As at 31st March, 2022	As at 31st March, 2021
a) Holding Company		
– Mahindra & Mahindra Limited	**4,18,12,157**	4,18,12,157
b) Subsidiaries of Holding Company		
– Mahindra Engineering and Chemical Products Limited	**100**	100

(iv) Details of shares held by each shareholder holding more than 5% shares:

Class of shares/Name of shareholder	As at 31st March, 2022 Number of shares held	As at 31st March, 2022 % holding in that class of shares	As at 31st March, 2021 Number of shares held	As at 31st March, 2021 % holding in that class of shares
Equity shares with voting rights				
– Mahindra & Mahindra Limited	**4,18,12,157**	**58.18%**	4,18,12,157	58.34%

(v) Shareholding of Promoters/Promoter Group:

Shares held by promoters as at 31st March, 2022

	Promoter name	No. of Shares	% of total shares	% Change during the year
1	Mahindra & Mahindra Limited (M&M)	**4,18,12,157**	**58.18%**	**(0.16%)**
2	Mahindra Engineering And Chemical Products Limited	**100**	**0.00%**	**0.00%**
Total		**4,18,12,257**	**58.18%**	**(0.16%)**

Shares held by promoters as at 31st March, 2021

	Promoter name	No. of Shares	% of total shares	% Change during the year
1	Mahindra & Mahindra Limited (M&M)	4,18,12,157	58.34%	(0.11%)
2	Mahindra Engineering And Chemical Products Limited	100	0.00%	0.00%
Total		4,18,12,157	58.34%	(0.11%)

Note:

1. Above list certified by Share transfer Agent
2. For details of shares reserved for issuance under options, please refer note no 24.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

Note No. 17 – Other Equity

₹ in Crores

Particulars	As at 31st March, 2022	As at 31st March, 2021
Securities premium	**120.16**	112.61
Equity-settled employee benefits reserve	**10.15**	14.06
Retained earnings	**372.62**	366.89
Total	**502.93**	493.56

Movement in Reserves

Particulars	As at 31st March, 2022	As at 31st March, 2021
(A) Securities Premium		
Balance as at the beginning of the year	**112.61**	105.52
Add: Additions during the year	**7.55**	7.09
Balance as at the end of the year	**120.16**	112.61
(B) Equity-settled Employee benefits reserve		
Balance as at the beginning of the year	**14.06**	14.68
Add: Additions during the year	**3.34**	6.47
Less: Deletion during the year	**(7.25)**	(7.09)
Balance as at the end of the year	**10.15**	14.06
(C) Retained Earnings		
Balance as at the beginning of the year	**366.89**	353.57
Add: Profit for the year	**24.44**	23.99
Add: Actuarial gain/(loss) for the year	**(0.77)**	0.07
Less: Dividend paid on Equity Shares (including tax theron)	**(17.94)**	(10.74)
Balance as at the end of the year	**372.62**	366.89

Nature and purpose of other reserves:

Securities Premium:

Securities premium account is created when shares are issued at premium. The reserve can be utilized in accordance with the provisions of the Companies Act, 2013.

Equity-settled employee benefits reserve:

Equity settled employee benefit reserve represents reserve towards the premium for the equity shares to be issued against the options granted.

Retained earnings:

Retained earnings represents the accumulated surplus. The reserve can be distributed/utilised by the Company in accordance with the Companies Act, 2013.

Note:

In respect of the current year, the directors propose that a dividend of ₹ 2.00 per share be paid on equity shares on 31st march, 2022. This equity dividend is subject to approval by shareholders at the annual general meeting and has not been included as a liability in these consolidated financial statements. The proposed equity dividend is payable to all shareholders on the register of members on 31st March, 2022. The total estimated equity dividend to be paid is ₹ 14.37 crores. The payment of this dividend will not have any tax consequences for the Company.

In the month of July- 2021, a dividend of ₹ 2.50 per share (total dividend ₹ 17.94 Crores) was paid to holders of fully paid equity shares.

Note No. 18 – Trade Payables

₹ in Crores

Particulars	As at 31st March, 2022	As at 31st March, 2021
a) Total outstanding dues of micro enterprises and small enterprises	**34.75**	12.07
b) Total outstanding dues other than micro enterprises and small enterprises:		
– Trade payable - Other than Micro and small enterprises (includes Outstanding dues of Medium enterprises)	**801.32**	707.40
– Acceptances	**–**	–
	801.32	707.40
Total Trade Payables	**836.07**	719.47

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

Trade Payables ageing as at 31st March, 2022

Particulars		Outstanding for following periods from due date of payment				
		Less Than 1 year	**1 to 2 years**	**2 to 3 years**	**More Than 3 years**	**Total**
(i)	MSME	**34.72**	**–**	**–**	**0.03**	**34.75**
(ii)	Others	**749.30**	**51.37**	**–**	**0.65**	**801.32**
(iii)	Disputed Dues - MSME	**–**	**–**	**–**	**–**	**–**
(iv)	Disputed Dues - Others	**–**	**–**	**–**	**–**	**–**

Trade Payables ageing as at 31st March, 2021

Particulars		Outstanding for following periods from due date of payment				
		Less Than 1 year	1 to 2 years	2 to 3 years	More Than 3 years	Total
(i)	MSME	12.03	–	–	0.04	12.07
(ii)	Others	705.57	–	1.61	0.22	707.40
(iii)	Disputed Dues - MSME	–	–	–	–	–
(iv)	Disputed Dues - Others	–	–	–	–	–

Notes:

i) Trade Payables are payables in respect of the amount due on account of goods purchased or services availed in the normal course of business.

ii) Micro, Small & Medium enterprises have been identified by the company on the basis of the information available with the Company. Total outstanding dues of Micro and Small enterprises, which are outstanding and other disclosures as per the Micro, Small and Medium Enterprises Development Act, 2006 (hereinafter referred to as "the Act") are given below: This has been relied upon by the auditors.

Particulars	**As at 31st March, 2022**	As at 31st March, 2021
a) Dues remaining unpaid		
– Principal	**34.73**	12.01
– Interest on the above	**0.02**	0.06
b) Interest paid in terms of section 16 of the Act along with the amount of payment made to the supplier beyond appointed day during the year		
– Principal paid beyond the appointed date	**1.41**	3.71
– Interest paid in terms of section 16 of the Act	**0.06**	0.07
c) Amount of interest due and payable for the period of delay on payments made beyond the appointed day during the year	**0.02**	0.06
d) Further interest due and payable even in succeeding years, until such date when the interest due as above are actually paid to the small enterprises for the purpose of disallowance as a deductible expenditure under section 23 of the Act	**–**	–
e) Amount of interest accrued and remaining unpaid at the end of accounting year	**0.02**	0.06

Note No. 19 – Other Financial Liabilities

₹ in Crores

Particulars	**As at 31st March, 2022**		As at 31st March, 2021	
	Current	**Non-Current**	Current	Non-Current
Other Financial Liabilities Measured at Amortised Cost				
(a) Security Deposits	**5.11**	**–**	1.23	–
(b) Other liabilities				
– Creditors for capital supplies/services	**3.71**	**–**	3.67	–
– Deferred Revenue	**8.09**	**–**	0.91	–
– Unclaimed Dividend	**0.01**	**–**	–	–
Total	**16.92**	**–**	5.81	–

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

Note No. 20 – Provisions

₹ in Crores

Particulars	As at 31st March, 2022		As at 31st March, 2021	
	Current	Non-Current	Current	Non-Current
Provision for employee benefits				
Provision for Compensated absences	**4.09**	**14.90**	3.46	14.48
Total	**4.09**	**14.90**	3.46	14.48

Note No. 21 - Other Liabilities

₹ in Crores

Particulars	As at 31st March, 2022		As at 31st March, 2021	
	Current	Non-Current	Current	Non-Current
A. Advances received from customers	**0.63**	**–**	8.45	–
B. Statutory dues				
a) Taxes Payable	**24.48**	**–**	15.95	–
b) Employee Liabilities	**2.15**	**–**	2.04	–
C. Post-employment Benefit – Gratuity Liability	**5.09**	**–**	3.66	–
Total	**32.35**	**–**	30.10	–

Note:
For disclosures related to employee benefits, refer note 34.

Note No. 22 - Revenue from Operations

₹ in Crores

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
a) Revenue from rendering of services	**3,621.00**	2,959.11
b) Other operating revenue	**10.08**	–
Total	**3,631.08**	2,959.11

The company has evaluated the impact of COVID–19 resulting from :

(i) the possibility of constraints to render the services which may require revision of estimations of costs to complete the contract because of additional efforts;

(ii) onerous obligations;

(iii) penalties relating to breaches of service level agreements, and

(iv) termination or deferment of contracts by customers.

The company has concluded that the impact of COVID–19 is not material based on these estimates. Due to the nature of the pandemic, the company continues to monitor developments to identify significant uncertainties relating to revenue in future periods.

A. Country-wise break up of Revenue

Year ended 31st March, 2022

Country	Revenue from contracts with customers	Revenue from operations from other than customers	Total Revenue from Operations	Other Income	Total Income
India	**3,631.08**	**–**	**3,631.08**	**9.56**	**3,640.64**
Total	**3,631.08**	**–**	**3,631.08**	**9.56**	**3,640.64**

Year ended 31st March, 2021

Country	Revenue from contracts with customers	Revenue from operations from other than customers	Total Revenue from Operations	Other Income	Total Income
India	**2,959.11**	**–**	**2,959.11**	**15.50**	**2,974.61**
Total	**2,959.11**	**–**	**2,959.11**	**15.50**	**2,974.61**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

B. Reconciliation of revenue from contract with customer

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Revenue from contract with customer as per the contract price	**3,689.27**	**3,044.97**
Adjustments made to contract price on account of :-		
Less: Sales Returns/Reversals	58.19	85.86
Revenue from contract with customer as per the Statement of Profit and Loss	**3,631.08**	**2,959.11**

C. Break-up of Provision for Expected Credit Losses recognised in P&L

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Expected Credit loss recognised during the year on trade receivables	16.82	15.52
Total	**16.82**	**15.52**

D. Movement of Contract Assets and Contract Liabilities

Movement of Contract Assets

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Opening Balance	**331.34**	**229.80**
Additions during the year	369.80	327.47
Reclassification Adjustments:		
– Reclass of opening balances of contract assets to trade receivables	(323.17)	(225.93)
Closing Balance	**377.97**	**331.34**

Movement of Contract Liabilities

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Opening Balance	**8.45**	**0.25**
Additions during the year	0.63	8.45
Reclassification Adjustments:		
– Reclass of opening balances of contract liabilities to revenue	(8.45)	(0.25)
Closing Balance	**0.63**	**8.45**

Note No. 23 - Other Income

₹ in Crores

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
a) Interest Income		
i. Financial assets carried at amortised cost	**2.60**	4.83
ii. Finance Income on Net investment in Lease	**2.52**	1.63
iii. Other assets	**–**	8.08
b) Miscellaneous Income		
i. Net gain arising on financial assets carried at FVTPL	**1.27**	0.29
ii. Net gain arising on financial liabilities carried at amortised cost	**–**	–
iii. Other income	**3.17**	0.67
Total	**9.56**	15.50

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

Note No. 24 - Cost of materials consumed

₹ in Crores

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Opening inventory of Raw Materials	–	–
Add: Purchases	10.79	–
	10.79	–
Less: Closing inventory	0.98	–
Total Cost of materials consumed	**9.81**	–

Note No. 25 - Changes in inventories of finished goods

₹ in Crores

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Opening inventories:		
Finished goods	–	–
	–	–
Less: Closing inventories:		
Finished goods - Cultivators	0.45	–
	0.45	–
Net increase in inventories	(0.45)	–

Note No. 26 - Operating Expenses

₹ in Crores

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Freight & Other Related Expenses	2,525.33	2,057.26
Labour & Other Related Expenses	404.12	322.72
Rent	60.62	41.98
Warehouse & Other Related Expenses	56.35	47.83
Hire & Service Charges	19.22	10.62
Power & Fuel	14.03	10.30
Repairs Machinery	5.35	2.99
Repairs Building	0.77	0.86
Total	**3,085.79**	2,494.56

Note No. 27 - Employee Benefits Expense

₹ in Crores

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
a) Salaries and wages, including bonus	241.56	234.12
b) Contribution to provident and other funds	11.38	12.60
c) Gratuity	4.08	3.75
d) Share based payment expenses	3.34	6.47
e) Staff welfare expenses	21.84	23.49
Total	**282.20**	280.43

Notes:

i) Salaries and wages includes salaries, wages, bonus, compensated absences and all other amounts payable to employees in respect of services rendered as per their employment terms under a contract of service.

ii) Contribution to provident fund and other funds includes contributions to other funds like Superannuation Fund, ESIC etc. pertaining to employees.

iii) Share based payment

The Company has in force two Employee Stock Option schemes under the provisions of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021:

Mahindra Logistics Limited – Key Executive Stock Option Scheme, 2012 (“KESOS 2012”) and

Mahindra Logistics Employee Restricted Stock Unit Plan 2018 (“RSU Plan 2018”).

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

Each option carries with it the right to purchase one equity share of the Company at the exercise price determined by the Company under the respective schemes at the time of grant. The vesting pattern of the schemes is in a graded manner as per the vesting criteria approved by the Nomination and Remuneration Committee of the Board ("NRC") for each grant.

During the financial year under review, the NRC granted Restricted Stock Units ("RSUs") to the eligible employees of the Company and its subsidiary company in accordance with the RSU Plan 2018 approved by the Shareholders vide special resolutions dated 2 August 2018 and 27 July 2021 with vesting conditions as summarised hereunder:

29 April 2021 - 4,000 RSUs – single vesting on or after completion of one year from the date of grant;

27 October 2021 - 33,860 RSUs - single vesting on or after completion of one year from the date of grant;

27 January 2022 - 3,025 RSUs - single vesting on or after completion of one year from the date of grant;

The RSUs upon vesting basis the vesting criteria approved by the NRC are exercisable over a period of one year from the date of vesting.

No new grants were made in the KESOS Scheme 2012 during the year under review and all the options vested under the said scheme have been exercised in full.

The Personnel Cost mentioned above includes ₹ 0.91 crores for the year towards the said grants.

iv) Information in respect of options outstanding:

As at 31st March, 2022

Particulars	**Number of Shares**	**Grant Date**	**Expiry Date**	**Exercise Price**	**Fair value at Grant Date**
Equity Settled					
i. Restricted Stock Units	3,025	27-01-2022	26-01-2024	10.00	659.54
ii. Restricted Stock Units	31,765	27-10-2021	26-10-2023	10.00	656.20
iii. Restricted Stock Units	4,000	29-04-2021	29-04-2023	10.00	539.45
iv. Restricted Stock Units	1,388	29-07-2020	29-07-2022	10.00	279.95
v. Restricted Stock Units	13,881	29-07-2020	30-06-2023	10.00	278.98
vi. Restricted Stock Units	2,00,000	30-07-2020	30-06-2025	10.00	273.47
vii. Restricted Stock Units	6,666	04-11-2019	17-07-2022	10.00	365.31
viii. Restricted Stock Units	6,668	04-11-2019	17-07-2023	10.00	364.26
ix. Restricted Stock Units	9,868	04-11-2019	30-06-2023	10.00	366.06
x. Restricted Stock Units	20,302	04-11-2019	30-06-2023	10.00	365.36
xi. Restricted Stock Units	27,191	04-11-2019	30-06-2023	10.00	364.31
xii. Restricted Stock Units	9,952	01-11-2018	30-06-2023	10.00	538.29
xiii. Restricted Stock Units	29,196	01-11-2018	30-06-2023	10.00	537.73
xiv. Restricted Stock Units	32,542	01-11-2018	30-06-2023	10.00	536.82
xv. Restricted Stock Units	66,337	01-11-2018	30-06-2023	10.00	536.01

As at 31st March, 2021

Particulars	**Number of Shares**	**Grant Date**	**Expiry Date**	**Exercise Price**	**Fair value at Grant Date**
Equity Settled					
i. Restricted Stock Units	20,550	29-07-2020	29-07-2022	10.00	279.95
ii. Restricted Stock Units	20,537	29-07-2020	30-06-2023	10.00	278.98
iii. Restricted Stock Units	2,00,000	30-07-2020	30-06-2025	10.00	273.47
iv. Restricted Stock Units	8,460	04-02-2020	04-02-2022	10.00	391.74
v. Restricted Stock Units	28,200	01-02-2020	02-02-2022	10.00	365.80
vi. Restricted Stock Units	6,666	04-11-2019	04-11-2021	10.00	366.06
vii. Restricted Stock Units	6,666	04-11-2019	17-07-2022	10.00	365.31
viii. Restricted Stock Units	6,668	04-11-2019	17-07-2023	10.00	364.26
ix. Restricted Stock Units	21,748	04-11-2019	30-06-2023	10.00	366.06
x. Restricted Stock Units	29,651	04-11-2019	30-06-2023	10.00	365.36
xi. Restricted Stock Units	29,653	04-11-2019	30-06-2023	10.00	364.31
xii. Restricted Stock Units	17,088	01-11-2018	30-06-2023	10.00	538.29
xiii. Restricted Stock Units	72,464	01-11-2018	30-06-2023	10.00	537.73
xiv. Restricted Stock Units	94,886	01-11-2018	30-06-2023	10.00	536.82
xv. Restricted Stock Units	94,858	01-11-2018	30-06-2023	10.00	536.01
xvi. Option 6	39,444	10-07-2017	10-07-2022	87.28	44.96

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

v) Movement in Share Options

Particulars	Year ended 31st March, 2022		Year ended 31st March, 2021	
	Number of Shares	**Weighted average exercise price**	Number of Shares	Weighted average exercise price
a) The number and weighted average exercise prices of share options outstanding at the beginning of the year	**6,97,539**	**14.37**	7,09,238	14.30
b) Granted during the year	**40,885**	**10.00**	2,56,483	10.00
c) Forfeited during the year	**74,365**	**10.00**	1,35,098	10.00
d) Exercised during the year	**2,01,278**	**25.14**	1,33,084	10.00
e) Expired during the year	**–**	**–**	–	–
f) Outstanding at the end of the year	**4,62,781**	**10.00**	6,97,539	14.37
g) Exercisable at the end of the year	**4,62,781**	**10.00**	6,97,539	14.37
h) Remaining contractual life (no of days)		**1,187**		1,187

vi) The inputs used in the measurement of the fair values at grant date of the employee stock option plans (ESOPs) were as follows.

	27-01-2022	**27-10-2021**	**29-04-2021**	**29-07-2020**	**29-07-2020**
Particulars/Grant Date	RSU (i)	RSU (ii)	RSU (iii)	RSU (iv)	RSU (v)
Share price at grant date	672.20	668.95	551.85	292.35	292.35
Exercise price	10.00	10.00	10.00	10.00	10.00
Expected volatility (weighted-average)	42.00%	40.57%	43.81%	20.94%	20.94%
Expected life/Option life (weighted-average)	2.00	2.00	2.00	2.00	2.92
Expected dividends yield	0.27%	0.27%	0.29%	0.55%	0.55%
Risk-free interest rate (based on government bonds)	5.14%	4.70%	4.12%	4.07%	4.65%
	30-07-2020	**04-11-2019**	**04-11-2019**	**04-11-2019**	**04-11-2019**
Particulars/Grant Date	RSU (vi)	RSU (vii)	RSU (viii)	RSU (ix)	RSU (x)
Share price at grant date	288.90	378.25	378.25	378.25	378.25
Exercise price	10.00	10.00	10.00	10.00	10.00
Expected volatility (weighted-average)	21.03%	29.09%	29.09%	29.09%	29.09%
Expected life/Option life (weighted-average)	4.92	2.70	3.70	2.00	2.65
Expected dividends yield	0.55%	0.44%	0.44%	0.44%	0.44%
Risk-free interest rate (based on government bonds)	5.16%	5.96%	6.25%	5.83%	5.95%
	04-11-2019	**01-11-2018**	**01-11-2018**	**01-11-2018**	**01-11-2018**
Particulars/Grant Date	RSU (xi)	RSU (xii)	RSU (xiii)	RSU (xiv)	RSU (xv)
Share price at grant date	378.25	549.85	549.85	549.85	549.85
Exercise price	10.00	10.00	10.00	10.00	10.00
Expected volatility (weighted-average)	29.09%	34.30%	34.30%	34.30%	34.30%
Expected life / Option Life (weighted-average)	3.65	2.00	2.66	3.66	4.66
Expected dividends yield	0.44%	0.27%	0.27%	0.27%	0.27%
Risk-free interest rate (based on government bonds)	6.24%	7.74%	7.71%	7.63%	7.98%

vii) The fair value of the employee share options has been measured using the Black-Scholes Option Pricing Model. Service and non-market performance conditions attached to the arrangements were not taken into account in measuring fair value.

viii) Expected volatility has been based on an evaluation of annual volatility of peer group prevailing in the year of grant.

Note No. 28 - Finance Cost

₹ in Crores

Particulars	**Year ended 31st March, 2022**	Year ended 31st March, 2021
a) Interest expense on financial instruments designated at amortised cost	**0.25**	1.32
b) Interest on Lease Liability	**25.79**	15.79
Total	**26.04**	17.11

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

Note No. 29 - Other Expenses

₹ in Crores

Particulars		**Year ended 31st March, 2022**	Year ended 31st March, 2021
a) Rent including lease rentals		**0.08**	1.68
b) Legal and Other professional costs		**27.11**	19.86
c) Hire and Service Charges		**2.24**	1.62
d) Travelling and Conveyance Expenses		**9.28**	5.73
e) Provision for expected credit loss on trade receivables		**1.30**	0.88
f) Provision for doubtful advances		**0.12**	0.10
g) Power and Fuel		**0.58**	0.64
h) Expenditure on Corporate Social Responsibility (CSR) (refer note below)		**1.77**	2.17
i) Advertisement		**1.56**	0.98
j) Net loss on sale of property, plant and equipments		**0.07**	0.45
k) Repairs and maintenance:			
i) Buildings	0.25		0.17
ii) Machinery	0.20		0.46
iii) Others	5.17		5.54
		5.62	6.17
l) Auditors remuneration and out-of-pocket expenses:			
i) As Auditors	0.43		0.28
ii) For Other services & reimbursement of expenses	–		0.01
		0.43	0.29
m) Other expenses:			
i) Miscellaneous Expenses		**23.07**	19.98
ii) Loss arising on derecognition of financial assets- Bad debts/advances written off		**0.92**	2.57
		23.99	22.55
Total		**74.15**	63.12

Note:

Expenditure incurred on Corporate Social Responsibility (CSR) under section 135 of the Companies Act, 2013 ₹ 1.77 crores (2021 : ₹ 2.17 crores).

Particulars	**Year ended 31st March, 2022**	Year ended 31st March, 2021
(i) amount required to be spent by the company during the year,	**1.70**	2.16
(ii) amount of expenditure incurred,	**1.77**	2.17
(iii) shortfall at the end of the year,	**–**	–
(iv) total of previous years shortfall,	**–**	–
(v) reason for shortfall,	**NA**	NA
(vi) nature of CSR activities,		
a) Building Communities	**0.29**	0.23
b) Disaster Management	**0.12**	0.35
c) Nanhi Kali	**0.88**	1.08
d) Skill Development	**0.26**	0.09
e) Sustainability	**0.22**	0.43
(vii) details of related party transactions, e.g., contribution to a trust controlled by the company in relation	**NA**	NA
(viii) where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year shall be shown separately.	**NA**	NA

Note No. 30 - Exceptional Items

The Company classifies items of income and expense within profit or loss from ordinary activities as exceptional items when they are of such size, nature or incidence that their disclosure is relevant to explain the performance for the period.

Exceptional Items (net) recognised in profit or loss:

₹ in Crores

Particulars	**Year ended 31st March, 2022**	Year ended 31st March, 2021
Impairment loss on certain long term investments	**–**	4.00
Total	**–**	4.00

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

The Company has long-term investments in subsidiaries and joint venture which are measured at cost less impairment or at fair value through profit or loss. The management assesses the performance of these entities including the future projections and relevant economic and market conditions in which they operate to identify if there is any indicator of impairment in the carrying value of the investments. In case indicators of impairment exist, the impairment loss is measured by estimating the recoverable amounts based on the higher of (i) 'fair value less cost of disposal' determined using market price information, where available, and (ii) 'value-in-use' estimates determined using discounted cash flow projections, where available. The fair value less costs of disposal is determined using the market approach and is categorised as Level 3 – unobservable inputs for the asset or liability. The future cash flow projections are specific to the entity based on its business plan and may not be the same as those of market participants. The future cash flows consider key assumptions such as volume projections, margins, terminal growth rates, etc. with due consideration for the potential risks given the current economic environment in which the entity operates. The discount rates used are pre-tax rates based on weighted average cost of capital and reflects market's assessment of the risks specific to the asset as well as time value of money. The recoverable amount estimates are based on judgments, estimates, assumptions and market data as on reporting date and ignore subsequent changes in the economic and market conditions.

During the year ended 31st March 2021, the performance of Joint venture with the relevant economic and market indicator resulted indicator of impairment of investment. Accordingly, Company determined the recoverable value of the investment is lower than carrying value and recorded a provision of Impairment of ₹ 4.00 Cr. The value- in- use calculation is determined using discount rate at 18% and terminal growth rate at 3% .

Note No. 31 - Current Tax and Deferred Tax

(a) Income Tax recognised in Profit & Loss

₹ in Crores

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
A. Current Tax:		
a) In respect of current year	**10.55**	9.58
b) In respect of prior years	**(0.13)**	(0.02)
Total	**10.42**	9.56
B. Deferred Tax:		
a) In respect of current year	**(2.17)**	(0.91)
b) In respect of change in tax rate	**–**	–
Total	**(2.17)**	(0.91)
Total (A+B)	**8.25**	8.65

(b) Income tax recognised in Other Comprehensive Income

₹ in Crores

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
A. Current Tax:		
Remeasurement of defined benefit obligations	**0.26**	(0.02)
Total	**0.26**	(0.02)
B. Deferred Tax:		
Total	**–**	–
Classification of income tax recognised in Other Comprehensive Income		
Income taxes related to items that will not be reclassified to profit or loss	**0.26**	(0.02)
Income taxes related to items that will be reclassified to profit or loss	**–**	–
Total	**0.26**	(0.02)

(c) Reconciliation of income tax expense and the accounting profit multiplied by Company's domestic tax rate:

₹ in Crores

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Profit Before tax	**32.69**	32.64
Applicable Income tax rate #	**25.17%**	25.17%
Expected Income tax expense	**8.23**	8.22
Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense:		
Effect of expenses/provisions not deductible in determining taxable profit	**0.20**	0.59

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

₹ in Crores

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Effect of deduction under Income tax (u/s 80JJAA/80G)	**(0.05)**	(0.14)
Effect of net additional / (reversal) of provision in respect of prior years	**(0.13)**	(0.02)
Reported income tax expense	**8.25**	8.65

Note:

\# The tax rate used in reconciliations above is the corporate tax rate of 22% (plus surcharge and cess as applicable) on taxable profits under Income Tax Act, 1961.

Note No. 32 - Earnings Per Share

₹ in Crores

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
A. Basic Earnings Per Share (in ₹) (face value ₹ 10/- per share)	**3.40**	3.35
B. Diluted Earnings Per Share (in ₹) (face value ₹ 10/- per share)	**3.39**	3.33

Notes:

i) Basic Earnings Per Share

The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:

₹ in Crores

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Profit for the year attributable to owners of the Company	**24.44**	23.99
Profit for the year used in the calculation of basic earnings per share	**24.44**	23.99
Weighted average number of equity shares	**7,18,00,652**	7,16,14,233
Earnings per share from continuing operations - Basic (in ₹)	**3.40**	3.35

ii) Diluted Earnings Per Share

The diluted earnings per share has been computed by dividing the Net profit after tax available for Equity shareholders by the weighted average number of equity shares, after giving the effect of the dilutive potential ordinary shares for the respective years.

₹ in Crores

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
a) Profit for the year used in the calculation of basic earnings per share	**24.44**	23.99
b) Add: adjustments on account of dilutive potential equity shares	**–**	–
Profit for the year used in the calculation of diluted earnings per share	**24.44**	23.99

iii) Reconciliation of weighted average number of equity shares

The weighted average number of equity shares for the purpose of diluted earnings per share reconciles to the weighted average number of equity shares used in the calculation of basic earnings per share as follows:

₹ in Crores

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Weighted average number of equity shares used in the calculation of Basic EPS	**7,18,00,652**	7,16,14,233
Add: Dilutive impact of potential Equity Shares on account of ESOPs & RSUs	**3,71,082**	4,26,481
Weighted average number of equity shares used in the calculation of Diluted EPS	**7,21,71,734**	7,20,40,714
Earnings per share from continuing operations - Diluted (in ₹)	**3.39**	3.33

Note No. 33- Financial Instruments

I. Capital Management Policy

a) The Company's capital management objectives are:

- to ensure the Company's ability to continue as a going concern.
- to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

b) For the purpose of Company's capital management, capital includes issued share capital, equity and all other equity reserves. The Company monitors capital on the basis of the carrying amount of equity as presented on the face of the statement of financial position. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

c) The following table shows the components of capital:

₹ in Crores

Particulars	As at 31st March, 2022	As at 31st March, 2021
Equity	**574.86**	565.27
Total	**574.86**	565.27

Note:

The above capital management disclosures are based on the information provided internally to key management personnel.

II. Categories of financial assets and financial liabilities

₹ in Crores

Particulars	As at 31st March, 2022			
	Amortised Costs	**FVTPL**	**FVOCI**	**Total**
A. Non-current Assets				
a) Trade Receivables	–	–	–	–
b) Other Financial Assets	**37.53**	–	–	**37.53**
Total	**37.53**	–	–	**37.53**
B. Current Assets				
a) Investments	–	**116.08**	–	**116.08**
b) Trade Receivables	**405.67**	–	–	**405.67**
c) Cash and Bank Balances	**131.06**	–	–	**131.06**
d) Loans	–	–	–	–
e) Other Financial Assets	**397.84**	–	–	**397.84**
Total	**934.57**	**116.08**	–	**1,050.65**
C. Non-current Liabilities				
a) Lease liabilities	**267.02**	–	–	**267.02**
Total	**267.02**	–	–	**267.02**
D. Current Liabilities				
a) Lease liabilities	**94.38**	–	–	**94.38**
b) Trade Payables	**836.07**	–	–	**836.07**
c) Other Financial Liabilities	**16.92**	–	–	**16.92**
Total	**947.37**	–	–	**947.37**

₹ in Crores

Particulars	As at 31st March, 2021			
	Amortised Costs	FVTPL	FVOCI	Total
A. Non-current Assets				
a) Trade Receivables	–	–	–	–
b) Other Financial Assets	34.49	–	–	34.49
Total	**34.49**	–	–	**34.49**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

₹ in Crores

Particulars	As at 31st March, 2021 Amortised Costs	FVTPL	FVOCI	Total
B. Current Assets				
a) Investments	**–**	**55.07**	**–**	**55.07**
b) Trade Receivables	**408.25**	**–**	**–**	**408.25**
c) Cash and Bank Balances	**197.15**	**–**	**–**	**197.15**
d) Loans	**–**	**–**	**–**	**–**
e) Other Financial Assets	**337.92**	**–**	**–**	**337.92**
Total	**943.32**	**55.07**	**–**	**998.39**
C. Non-current Liabilities				
a) Lease liabilities	**179.52**	**–**	**–**	**179.52**
Total	**179.52**	**–**	**–**	**179.52**
D. Current Liabilities				
a) Lease liabilities	**60.21**	**–**	**–**	**60.21**
b) Trade Payables	**719.47**	**–**	**–**	**719.47**
c) Other Financial Liabilities	**5.81**	**–**	**–**	**5.81**
Total	**785.49**	**–**	**–**	**785.49**

III. Financial Risk Management Framework

The Company's activities expose it to a variety of financial risks: credit risk and liquidity risk. In order to manage the aforementioned risks, the Company operates a risk management policy and a program that performs close monitoring of and responding to each risk factors.

A) Credit risk management

Trade receivables and deposits

(i) Credit risk arises when a counterparty defaults on its contractual obligations to pay resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties. The Company periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends and analysis of historical bad debts and ageing of accounts receivable. Credit exposure is controlled by counterparty credit period which is monitored through an approved policy.

(ii) Trade receivables consist of a large number of customers, spread across diverse industries and places across India.

(iii) Apart from one large customers of the Company, the Company does not have significant credit risk exposure to any single customer and concentration of credit risk related to a single company did not exceed 15% of trade receivables at the end of the year.

(iv) The Company applies the simplified approach in providing for expected credit losses prescribed by Ind AS 109, which permits the use of the lifetime expected loss provision for all trade receivables. The Company has computed expected credit losses based on a provision matrix which uses historical credit loss experience of the Company and individual receivable specific provision where applicable.

(v) There is no change in estimation techniques or significant assumptions during the reporting year.

(vi) The loss allowance for expected credit losses for trade receivables for different ageing periods are as follows:

₹ in Crores

Particulars	**As at 31st March, 2022** Not due	**Less than 6 months past due**	**More than 6 months past due**	**Total**
a) Gross carrying amount	**228.88**	**143.55**	**50.06**	**422.49**
b) Loss allowance provision				**(16.82)**

₹ in Crores

Particulars	As at 31st March, 2021 Not due	Less than 6 months past due	More than 6 months past due	Total
a) Gross carrying amount	184.59	180.23	58.95	423.77
b) Loss allowance provision				(15.52)

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

(vii) Reconciliation of loss allowance provision for Trade Receivables

₹ in Crores

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
a) Balance as at beginning of the year	**15.52**	14.64
b) Impairment losses recognised in the year based on lifetime expected credit losses		
– On receivables originated during the year	**1.87**	5.67
– Other receivables	**2.24**	0.96
c) Impairment losses reversed/written back	**(2.81)**	(5.75)
d) Balance at end of the year	**16.82**	15.52

(viii) During the year, the Company has made write off of ₹ 0.49 crores (Previous year ₹ 2.38 crores) of trade receivables and ₹ 0.29 Crores (Previous year ₹ 0.14 Crores) of deposits given. These trade receivables and deposits are not subject to enforcement activity.

Investment in Mutual Funds

The Company has ₹ 116.08 crores investments as at 31st March, 2022 (Previous year ₹ 55.07 crores) in growth oriented mutual funds which have not been impaired till date.

Cash and Cash equivalents

As at 31st March, 2022, the Company holds cash and cash equivalents of ₹ 130.40 crores (As at 31st March, 2021 ₹ 196.61 crores). The cash and cash equivalents are held with banks with good credit rating.

B) Liquidity risk management

(i) The Company's treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows.

(ii) Maturities of financial liabilities

Table showing maturity profile of financial liabilites:

	As at 31st March, 2022			
Particulars	**Less than 1 Year**	**1 Years to 3 Years**	**3 Years to 5 Years**	**5 years and above**
A) Non-derivative financial liabilities				
a) Lease liabilities	**120.38**	**175.46**	**85.95**	**55.98**
b) Trade Payables	**836.07**	**–**	**–**	**–**
c) Security Deposits	**5.11**	**–**	**–**	**–**
d) Creditors for capital supplies	**3.71**	**–**	**–**	**–**
e) Deferred Revenue	**8.09**			
Total	**973.36**	**175.46**	**85.95**	**55.98**

	As at 31st March, 2021			
Particulars	Less than 1 Year	1 Years to 3 Years	3 Years to 5 Years	5 years and above
A) Non-derivative financial liabilities				
a) Lease liabilities	77.56	113.31	51.14	55.87
b) Trade Payables	719.47	–	–	–
c) Security Deposits	1.23	–	–	–
d) Creditors for capital supplies	3.67	–	–	–
e) Deferred Revenue	0.91	–	–	–
Total	802.84	113.31	51.14	55.87

The above table details the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The amount disclosed in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows.

The contractual maturity is based on the earliest date on which the Company may be required to pay.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

(iii) Financing arrangements

The Company has access to following undrawn borrowing facilities at the end of the reporting year:

₹ in Crores

Particulars	As at 31st March, 2022	As at 31st March, 2021
a) Secured Cash credit facility		
(Includes working capital demand loan, Short term loan and overdraft)		
– Expiring within one year	**72.00**	80.00
– Expiring beyond one year	**–**	–
b) Unsecured Cash credit facility		
(Includes working capital demand loan, Short term loan and overdraft)		
– Expiring within one year	**128.00**	150.00
c) Bank Guarantees*		
– Expiring within one year	**8.70**	3.44
– Expiring beyond one year	**1.10**	7.70

* These limits are as a sub-limit of secured cash credit facility.

Note: The quarterly statements of current assets filed by the Company with banks are in agreement with the books of accounts.

(iv) Maturities of financial assets

Table showing maturity profile of financial assets

As at 31st March, 2022

₹ in Crores

Particulars	Less than 1 Year	1 Years to 3 Years	3 Years to 5 Years	5 years and above
Non-derivative financial assets				
Trade Receivables	**405.67**	**–**	**–**	**–**
Security Deposits	**23.16**	**20.27**	**6.88**	**12.37**
Loan to related party	**–**	**–**	**–**	**–**
Others	**374.68**	**4.97**	**–**	**–**
Total	**803.51**	**25.24**	**6.88**	**12.37**

As at 31st March, 2021

₹ in Crores

Particulars	Less than 1 Year	1 Years to 3 Years	3 Years to 5 Years	5 years and above
Non-derivative financial assets				
Trade Receivables	**408.25**	**–**	**–**	**–**
Security Deposits	**13.27**	**15.33**	**5.35**	**7.61**
Loan to related party	**–**	**–**	**–**	**–**
Others	**325.42**	**9.21**	**–**	**–**
Total	**746.94**	**24.54**	**5.35**	**7.61**

The above table details the Company's expected maturity for its non-derivative financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Company's liquidity risk management as the liquidity is managed on a net asset and liability basis.

C) Market Risk Management

The Company does not have significant market risk at the respective reporting dates.

Note No. 34 - Fair Value Measurement

a) Fair Valuation Techniques and Inputs used - recurring items

Financial assets/financial liabilities measured at Fair value	Fair value as at		Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable input(s)	Relationship of unobservable inputs to fair value and sensitivity
	As at 31st March, 2022	As at 31st March, 2021				
A) Financial assets						
Investments						
Mutual fund investments	**116.08**	55.07	Level 1	Quoted Market Prices	NA	NA

As at the reporting date, the Company does not have any financial liability measured at fair values.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

b) **Fair value of financial assets and financial liabilities that are measured at amortised cost:**

Particulars	As at 31st March, 2022		As at 31st March, 2021	
	Carrying amount	Fair value	Carrying amount	Fair value
A) Financial assets				
a) Financial assets carried at Amortised Cost				
i) Loans to related parties	–	–	–	–
ii) Trade and other receivables	**405.67**	**405.67**	408.25	408.25
iii) Deposits given	**55.72**	**55.72**	37.78	37.78
iv) Cash and cash equivalents	**131.05**	**131.05**	197.14	197.14
v) Bank Balances Other than iv above	**0.01**	**0.01**	0.01	–
vi) Others	**379.65**	**379.65**	334.63	334.63
Total	**972.10**	**972.10**	977.81	977.80
B) Financial liabilities				
a) Financial liabilities held at Amortised cost				
i) Lease Liabilities	**361.40**	**361.40**	239.73	239.73
ii) Deposits received	**5.11**	**5.11**	1.23	1.23
iii) Trade and other payables	**836.08**	**836.08**	719.47	719.47
iv) Creditors for capital supplies	**3.71**	**3.71**	3.67	3.67
v) Deferred Revenue	**8.09**	**8.09**	0.91	0.91
Total	**1,214.39**	**1,214.39**	965.01	965.01

Note No. 35 - Segment information

i) The management of the Company has chosen to organise the Company on the basis of nature of services. No operating segments have been aggregated in arriving at the reportable segments of the Company.

ii) Specifically, the Company's reportable segments and the type of product or service from which they derive income are:

a) Supply Chain Management (SCM) - Goods transportation service, including warehouse management service.

b) Enterprise Mobility Services - People transportation service

iii) The CEO monitors the operating results of the business segments separately for the purpose of making decisions about the allocation of resources and performance assessment.

iv) The segmental disclosures are as follows :-

As at 31st March, 2022

Particulars	SCM	Enterprise Mobility Services	Total Segments	Elimination	Total
Revenue					
I. External customers	**3,486.73**	**144.35**	**3,631.08**	**–**	**3,631.08**
II. Intersegment revenue	**–**	**–**	**–**	**–**	**–**
Total revenue	**3,486.73**	**144.35**	**3,631.08**	**–**	**3,631.08**
Results					
I. Segment Result	**206.33**	**5.58**	**211.91**	**–**	**211.91**
Less:					
Finance Costs					**(0.90)**
Unallocated corporate income net of unallocated expenses					**(178.32)**
Profit before tax					**32.69**
Income Taxes					**(8.25)**
Profit after tax					**24.44**
OTHER INFORMATION					
Segment Assets	**1,346.94**	**50.00**	**1,396.94**	**–**	**1,396.94**
Unallocated Corporate Assets					**451.91**
Total Assets					**1,848.85**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

Particulars	**SCM**	**Enterprise Mobility Services**	**Total Segments**	**Elimination**	**Total**
Segment Liabilities	**1,150.79**	**6.95**	**1,157.74**	**–**	**1,157.74**
Unallocated Corporate Liabilities					**116.25**
Total Liabilities					**1,273.99**
Capital Expenditure	**83.69**	**0.44**	**84.13**	**–**	**84.13**
Depreciation and Amortisation expense	**114.26**	**5.88**	**120.14**	**–**	**120.14**

As at 31st March, 2021

Particulars	SCM	Enterprise Mobility Services	Total Segments	Elimination	Total
Revenue					
I. External customers	2,840.03	119.08	2,959.11	–	2,959.11
II. Intersegment revenue	–	–	–	–	–
Total revenue	2,840.03	119.08	2,959.11	–	2,959.11
Results					
I. Segment Result	196.30	3.07	199.37	–	199.37
Less:					
Finance Costs					(2.31)
Unallocated corporate income net of unallocated expenses					(164.42)
Profit before tax					32.64
Income Taxes					(8.65)
Profit after tax					23.99
OTHER INFORMATION					
Segment Assets	1,142.07	65.84	1,207.91	–	1,207.91
Unallocated Corporate Assets					378.67
Total Assets					1,586.58
Segment Liabilities	886.67	18.37	905.04	–	905.04
Unallocated Corporate Liabilities					116.27
Total Liabilities					1,021.31
Capital Expenditure	59.71	0.89	60.60	–	60.60
Depreciation and Amortisation expense	69.59	3.84	73.43	–	73.43

Other disclosures:

a) Unallocable Expenditure/Assets:

(i) Finance income and costs, fair value gains and losses on financial assets and indirect expenses are not allocated to individual segments as the underlying instruments are managed on an entity basis.

(ii) Current taxes, deferred taxes and certain financial assets and liabilities are not allocated to those segments as they are also managed on an entity basis.

(iii) The accounting policies of the reportable segments are the same as the Company's accounting Policies described in Note 2.20.

There is no difference between segment profit as reviewed by CEO and the profit before tax as appearing in the financial statements.

(v) Geographic information

₹ in Crores

Particulars	**Year ended 31st March, 2022**	Year ended 31st March, 2021
Revenue from external customers		
India	**3,631.08**	2,959.11
Outside India	**–**	–
Revenue from operations as per statement of profit or loss	**3,631.08**	2,959.11

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

(vi) Segment Assets

₹ in Crores

Particulars	**As at 31st March, 2022**	As at 31st March, 2021
India	**1,396.94**	1,207.91
Outside India	**–**	–
Total	**1,396.94**	1,207.91

(vii) Capital Expenditure

₹ in Crores

Particulars	**As at 31st March, 2022**	As at 31st March, 2021
India	**84.13**	60.60
Outside India	**–**	–
Total	**84.13**	60.60

(viii) Revenue from major products and services :-

The following is an analysis of the Company's revenue from continuing operations from its major products and services:

₹ in Crores

Particulars	**For the year ended 31st March, 2022**	For the year ended 31st March, 2021
Transportation	**2,690.32**	2,185.12
Warehousing & other related activities	**796.41**	654.91
Enterprise Mobility Services	**144.35**	119.08
Total	**3,631.08**	2,959.11

The revenues of the Company from holding company and group of customers under common control of the holding company amounts to 53.03% (Previous year: 53.85%) for the year ended 31st March, 2022 of its total revenues.

Note No. 36 - Leases

Operating Lease

Following are the changes in the carrying value of right of use assets:

₹ in Crores

Particulars	**Year ended 31st March, 2022**	Year ended 31st March, 2021
Balance as at 1st April	**208.11**	133.29
Additions	**185.37**	144.13
Disposals	**(8.62)**	(14.49)
Amortisation expense for the year	**(87.14)**	(54.82)
Balance as at 31st March	**297.72**	208.11

The following is the movement in lease liabilities:

₹ in Crores

Particulars	**Year ended 31st March, 2022**	Year ended 31st March, 2021
Balance as at 1st April	**239.73**	164.85
Additions	**207.72**	141.16
Finance cost accrued during the period	**25.79**	15.79
Deletions	**(8.91)**	(16.73)
Payment of lease liabilities	**(102.93)**	(65.34)
Balance as at 31st March	**361.40**	239.73

The following is the break-up of current and non-current lease liabilities:

₹ in Crores

Particulars	**As at 31st March, 2022**	As at 31st March, 2021
Non-current lease liabilities	**267.02**	179.52
Current lease liabilities	**94.38**	60.21
Total	**361.40**	239.73

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis:

₹ in Crores

Particulars	2022	2021
Less than one year	**120.38**	77.56
One to Three years	**175.46**	113.31
Three to five years	**85.95**	51.14
More than five years	**55.98**	55.87
Total undiscounted lease liabilities at Balance sheet date	**437.78**	297.88

Rental expense recorded for short-term leases was ₹ 60.70 crore (Previous Year: ₹ 43.66 Crores) for the year ended 31st March, 2022.

The following is the movement in the net investment in sublease of ROU asset during the year:

₹ in Crores

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Balance as at 1st April	**18.75**	20.47
Additions	**31.23**	–
Finance Income on net investment in sublease in ROU	**2.52**	1.63
Deletions	**–**	–
Rental Income on net investment in sublease in ROU	**(6.39)**	(3.35)
Balance as at 31st March	**46.11**	18.75

The table below provides details regarding the contractual maturities of net investment in sublease of ROU asset on an undiscounted basis:

₹ in Crores

Particulars	2022	2021
Less than one year	**11.38**	3.49
One to Three years	**23.39**	6.64
Three to five years	**16.84**	6.70
More than five years	**4.63**	8.18
Total undiscounted lease liabilities at Balance sheet date	**56.24**	25.01

Leases not yet commenced to which Company is committed amounts to ₹ 9.95 crores for a lease term up to 10 years.

Note No. 37 - Employee benefits

a) Defined Contribution Plan

The Company's contribution to Provident Fund, superannuation Fund and other funds aggregating ₹ 11.38 crore (2021: ₹ 12.60 crore) has been recognised in the Statement of Profit or Loss under the head Employee Benefits Expense.

b) Defined Benefit Plans:

Gratuity

a) The Company operates a gratuity plan covering qualifying employees. The benefit payable is the greater of the amount calculated as per the Payment of Gratuity Act, 1972 or the Company scheme applicable to the employee. The benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. In case of death while in service, the gratuity is payable irrespective of vesting. The Company makes annual contribution to the group gratuity scheme administered by the Life Insurance Corporation of India through its Gratuity Trust Fund.

b) Through its defined benefit plans the Company is exposed to a number of risks, the most significant of which are detailed below:

(1) Asset volatility

The plan liabilities are calculated using a discount rate set with references to government bond yields; if plan assets under perform compared to the government bonds discount rate, this will create or increase a deficit. The funds of the defined benefit plans are held with LIC.

As the plans mature, the Company intends to reduce the level of investment risk by investing more in assets that better match the liabilities.

(2) Change in bond yields

A decrease in government bond yields will increase plan liabilities.

(3) Inflation risk

Defined benefit obligations are linked to inflation, and higher inflation will lead to higher liabilities (although caps on the level of inflationary increases are in place to protect the plan against extreme inflation).

(4) Life expectancy

The majority of the plan's obligations are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the plan's liabilities. This is particularly significant in the Company's defined benefit plans, where inflationary increases result in higher sensitivity to changes in life expectancy.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

c) **Significant Actuarial Assumptions**

The significant actuarial assumptions used for the purposes of the actuarial valuations were as follows:

Particulars		**Valuation**	
		As at 31st March, 2022	As at 31st March, 2021
a)	Discount rate(s)	6.80%	6.40%
b)	Expected rate(s) of salary increase	7.00%	7.00%
c)	Mortality rate during employment	IALM (2012-14) Ultimate	IALM (2012-14) Ultimate

d) **Defined benefit plans – as per actuarial valuation**

₹ in Crores

Particulars			**Funded Plan – Gratuity**	
			As at 31st March, 2022	As at 31st March, 2021
I.	**Amounts recognised in comprehensive income in respect of these defined benefit plans are as follows:**			
	a)	Current Service Cost	**3.84**	3.49
	b)	Past service cost and (gains)/losses from settlements	**–**	–
	c)	Net interest expense	**0.24**	0.26
	Components of defined benefit costs recognised in profit or loss		**4.08**	3.75
	Remeasurement on the net defined benefit liability			
	a)	Return on plan assets (excluding amount included in net interest expense)	**0.01**	0.04
	b)	Actuarial (gains)/loss arising form changes in financial assumptions	**(0.67)**	0.87
	c)	Actuarial (gains)/loss arising form changes in demographic assumptions	**–**	–
	d)	Actuarial (gains)/loss arising form experience adjustments	**1.69**	(1.00)
	Components of defined benefit costs recognised in Other Comprehensive Income		**1.03**	(0.09)
	Total		**5.11**	3.66
II.	**Net Asset/(Liability) recognised in the Balance Sheet as at 31st March**			
	a)	Present value of defined benefit obligation	**(23.11)**	(21.22)
	b)	Fair value of plan assets	**18.02**	17.56
	c)	Surplus/(Deficit)	**(5.09)**	(3.66)
	d)	Current portion of the above	**(5.09)**	(3.66)
	e)	Non current portion of the above	**–**	–
III.	**Change in the obligation during the year ended 31st March**			
	a)	Present value of defined benefit obligation at the beginning of the year	**21.22**	20.37
	b)	Add/(Less) on account of Scheme of Arrangement/Business		
	c)	Transfer	**0.04**	–
	d)	*Expenses Recognised in Profit and Loss Account*		
		– Current Service Cost	**3.84**	3.49
		– Past Service Cost	**–**	–
		– Interest Expense (Income)	**1.36**	1.34
	e)	Recognised in Other Comprehensive Income		
		Remeasurement gains/(losses)		
		– Actuarial Gain (Loss) arising from:		
		i. Financial Assumptions	**(0.67)**	0.87
		ii. Demographic Assumptions	**–**	–
		iii. Experience Adjustments	**1.69**	(1.00)
	f)	Benefit payments	**(4.37)**	(3.85)
	g)	Present value of defined benefit obligation at the end of the year	**23.11**	21.22
IV.	**Change in fair value of assets during the year ended 31st March**			
	i)	Fair value of plan assets at the beginning of the year	**17.56**	16.41
	ii)	*Expenses Recognised in Profit and Loss Account*		
		– Expected return on plan assets	**1.12**	1.08

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

₹ in Crores

Particulars			Funded Plan – Gratuity	
			As at 31st March, 2022	As at 31st March, 2021
	iii)	*Recognised in Other Comprehensive Income*		
		Remeasurement gains/(losses)		
		– Actual Return on plan assets in excess of the expected return	**(0.01)**	(0.04)
	iv)	Contributions by employer (including benefit payments recoverable)	**3.72**	3.96
	v)	Benefit payments	**(4.37)**	(3.85)
	vi)	Fair value of plan assets at the end of the year	**18.02**	17.56
V.	**The Major categories of plan assets**			
	–	Insurance Funds	**18.02**	17.56
VI.	**Actuarial assumptions**			
	a)	Discount rate	**6.80%**	6.40%
	b)	Expected rate of return on plan assets	**6.80%**	6.40%
	c)	Attrition rate	**12.00%**	12.00%

e) The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

Principal assumption		**Impact on defined benefit obligation**			
		As at 31st March, 2022		As at 31st March, 2021	
	Changes in assumption	**Increase in assumption**	**Decrease in assumption**	Increase in assumption	Decrease in assumption
a) Discount rate	1.00%	**21.57**	**24.87**	19.76	22.89
b) Salary growth rate	1.00%	**24.81**	**21.58**	22.81	19.78
c) Rate of employee turnover	1.00%	**23.00**	**23.23**	21.07	21.39

Notes:

i) The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the Balance Sheet.

ii) The methods and types of assumptions used in preparing the sensitivity analyses did not change compared to previous year.

iii) The weighted average duration of the defined benefit obligation as at 31st March, 2022 is 7 years

f) Maturity profile of defined benefit obligation:

The tables include both discounted value as well as unwinding of interest.

Particulars	**2022**	2021
Within 1 year	**2.79**	**2.29**
1 - 2 years	**2.68**	**2.43**
2 - 3 years	**2.64**	**2.35**
3 - 4 years	**2.66**	**2.35**
4 - 5 years	**2.42**	**2.30**
5 - 10 years	**10.40**	**9.35**
More than 10 years	**18.36**	**16.57**

g) Plan Assets

The fair value of Company's plan asset by category are as follows:

₹ in Crores

Particulars	**As at 31st March, 2022**	As at 31st March, 2021
Asset category:		
Deposits with Insurance companies	**18.02**	17.56
	100%	100%

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

h) Experience Adjustments:

					₹ in Crores
Particulars	**As at 31st March, 2022**	**As at 31st March, 2021**	**As at 31st March, 2020**	**As at 31st March 2019**	**As at 31st March 2018**
	Gratuity				
1. Defined Benefit Obligation	**(23.11)**	(21.22)	(20.37)	(16.51)	(13.76)
2. Fair value of plan assets	**18.02**	17.56	16.41	13.00	9.87
3. Surplus/(Deficit)	**(5.09)**	(3.66)	(3.96)	(3.51)	(3.89)
4. Experience adjustment on plan liabilities [(Gain)/Loss]	**1.69**	(1.00)	0.77	(0.02)	1.50
5. Experience adjustment on plan assets [Gain/(Loss)]	**(0.01)**	(0.04)	0.16	0.05	0.22

i) The expected rate of return on plan assets is based on the average long term rate of return expected on investments of the fund during the estimated term of obligation.

j) The estimate of future salary increases, considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

k) The current service cost and the net interest expense for the year are included in the employee benefits expense in profit or loss of the expense for the year.

Note 38 - Related Party Transactions

i) List of Related Parties:

Holding Company	Mahindra & Mahindra Limited
(a) Related parties where control exists:	
Subsidiaries	
1	Lords Freight (India) Private Limited
2	2X2 Logistics Private Limited
(b) Other parties with whom transactions have taken place during the year:	
(i) Joint Venture	
1	Transtech Logistics Private Limited
(ii) Fellow Subsidiaries	
1	Gromax Agri Equipment Limited
2	Mahindra Auto Steel Private Limited
3	Mahindra Defence Systems Limited
4	Mahindra Electric Mobility Limited
5	Mahindra Epc Irrigation Limited
6	Mahindra Fruits Private Limited
7	Mahindra Heavy Engines Limited
8	Mahindra Holidays & Resorts India Limited
9	Mahindra Integrated Business Solutions Private Limited
10	Mahindra Marine Private Limited
11	Mahindra Mstc Recycling Private Limited
12	Mahindra Steel Service Centre Limited
13	Mahindra Susten Private Limited
14	Mahindra Two Wheelers Limited
15	Meru Mobility Tech Private Limited
16	Mahindra Rural Housing Finance Limited
17	NBS International Limited
(iii) Other Related Parties	
a) Joint Venture of Holding Company	
1	Classic Legends Private Limited
2	Mahindra Tsubaki Conveyor Systems Private Limited
3	Mahindra World City (Jaipur) Limited
b) Associate of Holding Company	
1	Brainbees Solutions Private Limited
2	Tech Mahindra Limited
3	Swaraj Engine Limited

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

c) Subsidiary of Associate of Holding Company	
1	Mahindra CIE Automotive Limited
d) Subsidiary of Joint Venture of Holding Company	
1	Mahindra Industrial Park Chennai Limited
e) Associates of Fellow subsidiaries	
1	Medwell Ventures Private Limited
(iv) Key Management Personnel (KMP)	
1	Rampraveen Swaminathan

ii) Details of transaction between the Company and its related parties are disclosed below:

₹ in Crores

Particulars	Holding Company	Subsidiaries	Fellow subsidiaries	Joint Ventures	Other related parties
Nature of transactions with Related Parties					
a) Purchase of property and other assets	**0.75**	**–**	**–**	**–**	**–**
	1.16	–	–	–	–
b) Rendering of services	**1,856.85**	**0.02**	**30.90**	**–**	**37.01**
	1,449.52	(0.25)	114.56	–	29.23
c) Receiving of services	**2.28**	**20.22**	**0.35**	**1.13**	**0.23**
	1.48	29.18	3.37	1.13	0.27
d) Reimbursements made to parties	**11.13**	**–**	**–**	**–**	**–**
	11.54	–	–	–	–
e) Reimbursements received from parties	**0.05**	**1.02**	**0.01**	**–**	**–**
	–	0.66	–	–	–
f) Loans/Deposits given	**–**	**2.00**	**–**	**–**	**–**
	–	2.00	–	–	–
g) Loans/Deposits refunded back	**–**	**2.00**	**–**	**–**	**–**
	–	2.00	(15.00)	–	–
h) Interest Income on inter-corporate deposits	**–**	**0.02**	**–**	**–**	**–**
	–	0.03	0.52	–	–
i) Bad & doubtful debts recognised in respect of dues from related parties	**0.13**	**–**	**–**	**–**	**–**
	–	–	–	–	–
Balances Outstanding with Related Parties					
a) Trade payables	**6.67**	**–**	**0.02**	**0.10**	**0.01**
	13.10	–	0.15	–	0.07
b) Trade receivables	**117.24**	**0.65**	**5.18**	**–**	**4.75**
	99.26	0.87	19.50	–	4.49
c) Advances Given	**–**	**0.73**	**–**	**–**	**–**
	–	3.64	–	–	–
d) Deposit taken	**0.03**	**–**	**–**	**–**	**–**
	–	–	–	–	–
e) Provision of bad & doubtful debts related to amount due from related parties	**2.20**	**–**	**–**	**–**	**0.29**
	2.29	–	0.03	–	0.29

Notes:

a) All the outstanding balances, whether receivables or payables are unsecured.

b) Related party transactions were made on terms equivalent to those that prevail in arm's length transactions are made only if such terms can be substantiated.

c) The loans to related parties are not in the nature of repayable on demand or without specifying any terms or period of repayment.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

₹ in Crores

Particulars	Holding Company	Subsidiaries	Fellow subsidiaries	Joint Ventures	Other related parties
Nature of transactions with Related Parties					
a) Purchase of property and other assets					
Mahindra & Mahindra Limited	**0.75**	**–**	**–**	**–**	**–**
	1.16	–	–	–	–
b) Rendering of services					
Gromax Agri Equipment Limited	**–**	**–**	**6.66**	**–**	**–**
	–	–	–	–	–
Mahindra & Mahindra Limited	**1,856.85**	**–**	**–**	**–**	**–**
	1,449.52	–	–	–	–
Mahindra Vehicle Manufacturers Ltd.*	**–**	**–**	**–**	**–**	**–**
	–	–	85.82	–	–
Mahindra Two Wheelers Limited	**–**	**–**	**5.56**	**–**	**–**
	–	–	–	–	–
Mahindra Electric Mobility Limited	**–**	**–**	**6.68**	**–**	**–**
	–	–	–	–	–
Classic Legends Private Limited	**–**	**–**	**–**	**–**	**19.81**
	–	–	–	–	14.31
Tech Mahindra Ltd.	**–**	**–**	**–**	**–**	**5.88**
	–	–	–	–	4.74
Mahindra CIE Automotive Ltd	**–**	**–**	**–**	**–**	**10.77**
	–	**–**	**–**	**–**	**8.21**
Lords Freight (India) Private Limited	**–**	**0.01**	**–**	**–**	**–**
	–	**(0.25)**	**–**	**–**	**–**
Mahindra Heavy Engines Limited	**–**	**–**	**11.16**	**–**	**–**
	–	**–**	**12.62**	**–**	**–**
2X2 Logistics Private Limited	**–**	**0.01**	**–**	**–**	**–**
	–	**–**	**–**	**–**	**–**
c) Receiving of services					
Mahindra & Mahindra Limited	**2.28**	**–**	**–**	**–**	**–**
	1.48	–	–	–	–
Mahindra Engineering and Chemical Products Limited*	**–**	**–**	**–**	**–**	**–**
	–	–	2.09	–	–
Meru Mobility Tech Private Limited	**–**	**–**	**0.18**	**–**	**–**
	–	–	–	–	–
NBS International Limited	**–**	**–**	**0.95**	**–**	**–**
	–	–	0.95	–	–
Medwell Ventures Private Limited	**–**	**–**	**–**	**–**	**–**
	–	–	–	–	0.07
Mahindra World City (Jaipur) Limited	**–**	**–**	**–**	**–**	**0.23**
	–	–	–	–	0.20
Mahindra Integrated Business Solutions Pvt Ltd	**–**	**–**	**0.15**	**–**	**–**
	–	–	–	–	–
2X2 Logistics Private Limited	**–**	**20.22**	**–**	**–**	**–**
	–	29.18	–	–	–
Transtech Logistics Pvt Ltd	**–**	**–**	**–**	**1.13**	**–**
	–	–	–	1.13	–
d) Reimbursements made to parties					
Mahindra & Mahindra Limited	**11.13**	**–**	**–**	**–**	**–**
	11.54	–	–	–	–
e) Reimbursements received from parties					
Mahindra & Mahindra Limited	**0.05**	**–**	**–**	**–**	**–**
	–	–	–	–	–
Meru Mobility Tech Private Limited	**–**	**–**	**0.01**	**–**	**–**
	–	–	–	–	–
Lords Freight (India) Private Limited	**–**	**1.02**	**–**	**–**	**–**
	–	0.44	–	–	–
2X2 Logistics Private Limited	**–**	**–**	**–**	**–**	**–**
	–	0.22	–	–	–

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

₹ in Crores

Particulars	Holding Company	Subsidiaries	Fellow subsidiaries	Joint Ventures	Other related parties
f) Loans/Deposits given					
Lords Freight (India) Private Limited	**–**	**2.00**	**–**	**–**	**–**
	–	2.00	–	–	–
g) Loans/Deposits refunded back					
Lords Freight (India) Private Limited	**–**	**2.00**	**–**	**–**	**–**
	–	2.00	–	–	–
h) Interest Income on inter-corporate deposits					
Mahindra Rural Housing Finance Limited	**–**	**–**	**–**	**–**	**–**
	–	–	0.52	–	–
Lords Freight (India) Private Limited	**–**	**0.02**	**–**	**–**	**–**
	–	0.03	–	–	–
i) Bad & doubtful debts recognised in respect of dues from related parties					
Mahindra & Mahindra Limited	**0.13**	**–**	**–**	**–**	**–**
	–	–	–	–	–

* now merged with Mahindra & Mahindra Limited

iii) Compensation of key managerial personnel

The remuneration of key managerial personnel during the year was as follows:

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Short-term employee benefits	**3.96**	3.05
Issue of ESOP Shares during the year	**2.13**	–

The remuneration of key executives is determined by the remuneration committee having regard to the performance of individuals and market trends. The separate actuarial valuation figures are not available for key managerial personnel.

Note No. 39 - Ratios

S No.	Particulars	Numerator	Denominator	31st Mar-22	31st Mar-21	% variance
1	Current Ratio	Current Assets	Current Liabilities	1.16	1.33	(12.78%)
2	Debt-equity Ratio	NA	NA	NA	NA	NA
3	Debt service coverage Ratio	NA	NA	NA	NA	NA
4	Return on equity Ratio	Profit After Tax	Average Shareholder's Equity	4.29%	4.32%	(0.69%)
5	Inventory Turnover Ratio	Sales	Closing Inventory	14.10	NA	NA
6	Trade receivables turnover ratio	Net Credit Sales	Average Trade Receivables & Accrued Sales	4.77	4.10	16.34%
7	Trade payables turnover ratio	Purchases of Services & Other Expenses	Average Trade payables	4.06	3.96	2.53%
8	Net capital turnover ratio	Revenue from Operations	Working Capital	23.28	10.78	115.96% #
9	Net profit ratio	Net Profit	Revenue from Operations	0.67%	0.81%	(17.28%)
10	Return on capital employed	Earnings Before Interest & Tax	Capital Employed*	10.22%	9.51%	7.47%
11	Return on investment	NA	NA	NA	NA	NA

* Equity Share Capital

\# Revenue growth along with higher efficiency on working capital improvement has resulted in an improvement in the ratio.

Note No. 40 - Contingent Liabilities and Commitments

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Contingent liabilities (to the extent not provided for)		
Claims against the Company not acknowledged as debt		
a) VAT	**19.40**	19.40
b) Service Tax	**3.36**	3.19
c) Income Tax	**3.19**	–
d) Other Matters	**7.43**	**6.90**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

Notes:

i) The Company does not expect any payout in respect of the above contingent liabilities.

ii) It is not practicable to estimate the timings of cash outflows, if any, in respect of matters at (a) to (d) above, pending resolution of appellate/court proceedings.

B - Commitments

The Company has provided financial support letter to 2X2 Logistics Limited its subsidiary, to meet any shortfall in its ability to meet its liability and obligation as they fall due during the period until March 2022

Note No. 41 - Additional Regulatory Information

i) No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities (“Intermediaries”) with the understanding that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any parties (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

ii) The Company did not have any transactions with struck off companies under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

iii) The Company did not have any charges or satisfaction which were yet to be registered with ROC beyond the statutory period.

iV) The Company did not have any transaction which had not been recorded in the books of account that had been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

Note No. 42

Previous year numbers have been regrouped wherever necessary.

INDEPENDENT AUDITOR'S REPORT

To the Members of **2 X 2 LOGISTICS PRIVATE LIMITED**

Report on the Audit of the Ind AS Financial Statements

Opinion

We have audited the Ind AS financial statements of **2X2 Logistics Private Limited** ("the Company"), which comprise the balance sheet as at 31st March, 2022, and the statement of Profit and Loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the Ind AS financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements")

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2022, its loss including other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Ind AS financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information Other than the Financial Statements and Auditors' Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the Board report.

Our opinion on Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance, (changes in equity) and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

That Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standard on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Ind AS financial statements.

As part of an audit in accordance with Standard on Auditing, we exercise professional judgment and maintain professional scepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Financial Statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in Annexure I, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, we report that:

    (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

    (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

    (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

    (d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

    (e) On the basis of the written representations received from the directors as on 31st March 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2022 from being appointed as a director in terms of Section 164 (2) of the Act.

    (f) Section 143(3)(i) mandates the auditor to comment on whether the company has an adequate internal financial controls over financial reporting of the company and the operating effectiveness of such controls. In terms of paragraph 5 of Ministry of Corporate Affairs notification number G.S.R. 583 (E) dated June 13, 2017, and as amended from time to time, exemption has been provided to private limited companies fulfilling certain criteria mentioned in the notification, from the applicability of the requirement of reporting in terms of Section 143(3)(i). As the Company meets the relevant criteria specified in the said notification for the Financial Year 2020-21, the requirement of Section 143(3)(i) is not applicable to the Company and accordingly no report has been made under the said clause.

    (g) our opinion and to the best of our information and according to the explanations given to us, the Company being a private company, the provisions of Section 197 of the Act related to the managerial remuneration are not applicable.

    (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

        i. The Company does not have any pending litigations;

        ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

        iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

        iv. (a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

V. The Company has not declared/or paid any dividend during the year.

For **B. K. Khare & Co.**
Chartered Accountants
(Firm's Registration No. 105102W)

Aniruddha Joshi
Partner
Membership No. 040852
UDIN: 22040852AHQKNH6370

Mumbai, April 20, 2022

ANNEXURE A TO THE AUDITOR'S REPORT

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date]

I. (A) (a) According to the information and explanations given to us, the Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.

(b) According to the information and explanations given to us, the Company doesn't have any intangible assets hence reporting under Clause 3(i)(b) of the Order is not applicable to the Company.

(B) The Company has a regular programme for physical verification of its property, plant and equipment by which the property, plant and equipment are verified by the management yearly. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its property, plant and equipment. In accordance with the programme, the Company has physically verified certain property, plant and equipment during the year and no material discrepancies were noticed on such verification.

(C) Company does not hold any immovable property and hence reporting under Clause 3(i)(c) of the Order is not applicable to the Company.

(D) According to the information and explanations given to us, the Company has not revalued any of its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.

(E) Based on the audit procedures performed by us and according to the information, explanations and representations given to us, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

II. (a) The Company is in the business of rendering services and consequently, does not hold any inventory. Accordingly, the reporting under Clause 3(ii) (a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us, the Company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets at any point of time during the year.

III. According to the information and explanations given to us, the Company has not made investments in or provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year. Accordingly, the reporting under Clauses 3(iii)(a) to 3(iii)(f) of the Order is not applicable to the Company.

IV. According to the information and explanations given to us, the Company has not granted any loans or made any investments or provided any guarantees or security to the parties covered under Section 185 and 186 of the Act. Accordingly, the reporting under Clause 3(iv) of the Order is not applicable to the Company.

V. According to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under, where applicable. Accordingly, the reporting under Clause 3(v) of the Order is not applicable to the Company.

VI. The Company's operations do not involve processing or manufacturing activities. Accordingly, the reporting under Clause 3(vi) of the Order is not applicable to the Company.

VII. (a) According to the information and explanations given to us and on the basis of our examination of records of the Company, the amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Services tax, Provident Fund, Employees' State Insurance, Cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. The amounts deducted / accrued in the books of account in respect of undisputed statutory dues of Income-tax have generally been regularly deposited during the year by the Company with the appropriate authorities. According to the information and explanations given to us and on the basis of our examination of records of the Company, there were no undisputed statutory dues payable in respect of Sales tax, Service tax, Duty of Customs, Duty of Excise and Value Added Tax.

According to the information and explanations given to us and on the basis of our examination of records of the Company, there were no arrears of undisputed statutory dues in respect of Goods and Services tax, Provident fund, Employees' State Insurance, Income-tax, Sales tax, Service tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other material statutory dues as on the last day of the year for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and on the basis of our examination of records of the Company, there are no statutory dues in respect of Goods and Services Tax, Sales tax, Service tax, Duty of Customs, Duty of Excise and Value Added Tax as at March 31, 2022, which have not been deposited with the appropriate authorities on account of any dispute.

VIII. According to the information and explanations given to us, there are no transactions not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income-tax Act, 1961. Accordingly, the reporting under Clause 3(viii) of the Order is not applicable to the Company.

IX. (a) According to the information and explanations given to us and based on the audit procedures performed by us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.

(b) According to the information and explanations given to us, the Company has not been declared a willful defaulter by any bank or financial institution or any other lender till the date of our audit report.

(c) According to the information and explanations given to us, term loans were applied for the purpose for which the loans were obtained.

(d) In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that funds raised on short-term basis have not been utilized for long- term purposes as at the Balance Sheet date.

(e) According to the information and explanations given to us, company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.

(f) According to the information and explanations given to us and based on the audit procedures performed by us, we report that the Company has not raised any loans during the year on the pledge of securities held in its subsidiaries or associate companies. Accordingly, the reporting under Clause 3(ix)(f) of the Order is not applicable to the Company.

X. (a) According to the information and explanations given to us, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under Clause 3(x)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Accordingly, the reporting under Clause 3(x)(b) of the Order is not applicable to the Company.

XI. (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company noticed or reported during the year, nor have we been informed of any such case by the management.

(b) There has been no report filed by us under sub-section (12) of Section 143 of the Act in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government. Accordingly, the reporting under Clause 3(xi)(b) of the Order is not applicable to the Company.

(c) As represented to us by the management, no whistle blower complaints were received by the Company during the year.

XII. According to the information and explanations given to us, the Company is not a Nidhi company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, the reporting under Clause 3(xii) of the Order is not applicable to the Company.

XIII. In our opinion and according to the information and explanations given to us, the Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the standalone financial statements as required by Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act.

XIV. (a) In our opinion and based on our examination, the Company does not have an internal audit system and is not required to have an internal audit system as per the provisions of the Act.

(b) The Company did not have an internal audit system for the period under audit.

XV. According to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or directors of its holding, or subsidiary company or persons connected with them during the year and hence, the provisions of Section 192 of the Act are not applicable to the Company. Accordingly, the reporting under Clause 3(xv) of the Order is not applicable to the Company.

XVI. (a) According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under Clause 3(xvi)(a) of the Order is not applicable to the Company.

(b) In our opinion and according to the information and explanations given to us, the Company has not conducted any Non-Banking Financial or Housing Finance activities. Accordingly, the reporting under Clause 3(xvi)(b) of the Order is not applicable to the Company.

In our opinion and according to the information and explanations given to us, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under Clauses 3(xvi)(c) of the Order is not applicable to the Company.

Based on the information and explanations given to us and the audit procedures performed by us, we report that the Group has six Core Investment Companies.

XVII. In our opinion and according to the information and explanations given to us, the Company has not incurred cash losses in the current financial year as well as in the immediately preceding financial year. Accordingly, the reporting under Clause 3(xvii) of the Order is not applicable to the Company.

XVIII. There has been no resignation of the statutory auditors during the year. Accordingly, the reporting under Clause 3(xviii) of the Order is not applicable to the Company.

XIX. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of Balance Sheet as and when they fall due within a period of one year from the Balance Sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the Balance Sheet date, will get discharged by the Company as and when they fall due.

XX. In our opinion and based on our examination section 135 of the Companies Act is not applicable to the company. Accordingly, the reporting under Clauses 3(xx)(a) and 3(xx)(b) of the Order is not applicable to the Company.

For **B. K. Khare & Co.**
Chartered Accountants
(Firm's Registration No. 105102W)

Aniruddha Joshi
Partner
Membership No. 040852
UDIN: 22040852AHQKNH6370

Mumbai, April 20, 2022

BALANCE SHEET AS AT 31ST MARCH 2022

Rs. In Lakhs

	Particulars	Note No.	As at 31st March 2022	As at 31st March 2021
	ASSETS			
I	**NON-CURRENT ASSETS**			
	(a) Property, Plant and Equipment	3	**655.30**	974.58
	(b) Intangible Assets	4	**–**	–
	(c) Deferred Tax Assets (Net)	17	**383.37**	157.29
	(d) Income Tax Assets (Net)	9	**155.06**	151.20
	(e) Other Assets	7	**–**	–
	SUB-TOTAL		**1,193.73**	1,283.07
II	**CURRENT ASSETS**			
	(a) Financial Assets			
	(i) Trade Receivables	5	**14.85**	89.53
	(ii) Cash and Cash Equivalents	8	**0.55**	33.70
	(iii) Other Financial Assets	6	**38.89**	510.62
	(b) Other Assets	7	**375.98**	813.32
	SUB-TOTAL		**430.27**	1,447.17
	TOTAL ASSETS		**1,624.00**	2,730.24
	EQUITY AND LIABILITIES			
	EQUITY			
	(a) Equity Share Capital	10	**901.00**	901.00
	(b) Other Equity	11	**(840.58)**	(253.72)
	SUB-TOTAL		**60.42**	647.28
	LIABILITIES			
I	**NON-CURRENT LIABILITIES**			
	(a) Financial Liabilities			
	(i) Borrowings	12	**0.89**	90.33
	(b) Provisions	15	**9.80**	9.41
	(c) Other Liabilities	16	**–**	–
	SUB-TOTAL		**10.69**	99.74
II	**CURRENT LIABILITIES**			
	(a) Financial Liabilities			
	(i) Borrowings	13	**1,242.31**	1,047.19
	(ii) Trade Payables	14		
	Due to Micro and Small Enterprises		**4.34**	18.16
	Other then Micro and Small Entreprises		**224.84**	498.80
	(b) Provisions	15	**1.39**	1.08
	(c) Other Liabilities	16	**80.01**	417.99
	SUB-TOTAL		**1,552.89**	1,983.22
	TOTAL EQUITY AND LIABILTIES		**1,624.00**	2,730.24

The accompanying notes 1 to 33 are integral part of these financial statement.

In terms of our report attached.

For B. K. Khare & Co.
Chartered Accountants
FRN: 105102W

Aniruddha Joshi
Partner
M.No. 040852

Place : Mumbai
Date : 20th April, 2022

For and on behalf of Board of Directors

2 X 2 Logistics Private Ltd.

Sushil Rathi
Director
DIN: 05358211

Nitin Singhal
Director
DIN: 05358211

Place : Mumbai
Date : 20th April, 2022

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2022

Rs. In Lakhs

	Particulars	Note No.	Year ended 31st March 2022	Year ended 31st March 2021
I	Revenue from operations	18	2,397.75	3,651.25
II	Other Income	19	12.59	10.46
III	**Total Income (I + II)**		2,410.34	3,661.71
IV	**EXPENSES**			
	(a) Operating Expenses	20	2,546.37	3,061.66
	(b) Employee benefits expense	21	122.43	115.55
	(c) Finance costs	22	102.61	120.21
	(d) Depreciation and amortisation expense	3&4	320.37	600.96
	(e) Other expenses	23	133.30	127.33
	Total Expenses		3,225.08	4,025.71
V	**Profit/(loss) before tax (III - IV)**		(814.74)	(364.00)
VI	**Tax Expense**			
	(1) Current tax	24	–	–
	(2) Deferred tax	24	(226.58)	(101.24)
	Total Tax Expense (1+2)		(226.58)	(101.24)
VII	**Profit/(loss) After Tax (V - VI)**		(588.16)	(262.76)
VIII	**Other comprehensive income**			
	Items that will not be reclassified to profit or loss			
	(i) Remeasurements of the defined benefit plans- Gains/(Losses)		1.80	0.67
	(ii) Income tax relating to items that will not be reclassified to profit or loss	17	(0.50)	(0.19)
	Total Other Comprehensive Income		1.30	0.48
IX	**Total comprehensive income for the period (VII + VIII)**		(586.86)	(262.28)
X	**Earnings per equity share (face value Rs.10/- per share)**			
	(1) Basic (in Rs.)	25	(6.53)	(2.92)
	(2) Diluted (in Rs.)	25	(6.53)	(2.92)

The accompayning notes 1 to 33 are integral part of these financial statement.

In terms of our report attached.

For B. K. Khare & Co.
Chartered Accountants
FRN: 105102W

Aniruddha Joshi
Partner
M.No. 040852

Place : Mumbai
Date : 20th April, 2022

For and on behalf of Board of Directors

2 X 2 Logistics Private Ltd.

Sushil Rathi
Director
DIN: 05358211

Nitin Singhal
Director
DIN: 05358211

Place : Mumbai
Date : 20th April, 2022

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH 2022

Particulars		Year ended 31st March 2022	Rs. In Lakhs Year ended 31st March 2021
A.	**Cash flows from operating activities**		
	Profit before tax for the period	**(814.74)**	(364.00)
	Adjustments for:		
	(Profit)/Loss on disposal of property, plant and equipment		
	Depreciation and amortisation of non-current assets	**320.37**	600.96
	Finance Charges	**102.61**	120.21
	Interest Income	**(4.10)**	(0.82)
	Operating profit before working capital changes	**(395.86)**	356.35
	Movements in working capital:		
	(Increase)/Decrease in trade and other receivables	**983.75**	646.88
	Increase/(Decrease) in trade and other payables	**(623.26)**	(438.35)
	Cash generated from operations	**(35.37)**	564.88
	Income taxes paid	**(3.86)**	(78.81)
	Net cash generated by/(used in) operating activities	**(39.23)**	486.07
B.	**Cash flows from investing activities**		
	Interest income	**4.10**	0.82
	Payments for property, plant and equipment	**(1.09)**	(0.05)
	Net cash generated by/(used in) investing activities	**3.01**	0.77
C.	**Cash flows from financing activities**		
	Issue of Share Capital		
	Proceeds from borrowings	**381.06**	168.28
	Repayment of borrowings	**(275.38)**	(522.34)
	Finance Charges	**(102.61)**	(120.21)
	Net cash generated by/(used in) financing activities	**3.07**	(474.27)
	Net increase in cash and cash equivalents (A+B+C)	**(33.15)**	12.57
	Cash and cash equivalents at the beginning of the period	**33.70**	21.13
	Cash and cash equivalents at the end of the period	**0.55**	33.70
	Components of cash and cash equivalents		
	Cash/Cheques on hand	**0.05**	21.17
	With Banks - on Current account/Balance in Cash Credit Accounts	**0.50**	12.53
		0.55	33.70

Notes:

1 The above Cash Flow Statement has been prepared under the Indirect Method set out in 'IND AS 7- Statement of Cash Flows'.

2 Figures in bracket indicates cash outflow.

3 Additions to property, plant and equipment and intangible assets include movements in capital work-in-progress and intangible assets under development respectively during the period.

The accompaying notes 1 to 33 are integral part of these financial statement.

In terms of our report attached.	For and on behalf of Board of Directors	
For B. K. Khare & Co. Chartered Accountants FRN: 105102W	**2 X 2 Logistics Private Ltd.**	
Aniruddha Joshi Partner M.No. 040852	**Sushil Rathi** Director DIN: 05358211	**Nitin Singhal** Director DIN: 05358211
Place : Mumbai Date : 20th April, 2022	Place : Mumbai Date : 20th April, 2022	

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 2022

Rs. In Lakhs

(a) Equity Share Capital

Particulars	Number of Shares	Equity share capital
As at 31st March 2021	9,010,000	901.00
Changes in Equity Share Capital due to prior period errors	–	–
Restated balance at the beginning of the current reporting period	–	–
Changes in equity share capital during the period	–	–
As at 31st March 2022	**9,010,000**	**901.00**

(b) Other Equity

	Reserves & Surplus			
Particulars	Securities premium reserve	Equity-settled employee benefits reserve	Retained earnings	Total
Balance as at 31st March, 2020	–	–	8.56	8.56
– Addition to equity settled employee benefit reserve	–	–	–	–
Total Comprehensive income for the period				
– Profit for the period	–	–	(262.76)	(262.76)
– Actuarial gain/(loss) transferred to retained earnings	–	–	0.48	0.48
Balance as at 31st March, 2021	–	–	(253.72)	(253.72)
– Addition to equity settled employee benefit reserve	–	–	–	–
Total Comprehensive income for the period				
– Profit for the period	–	–	(588.16)	(588.16)
– Actuarial gain/(loss) transferred to retained earnings	–	–	1.30	1.30
Balance as at 31st March, 2022	–	–	**(840.58)**	**(840.58)**

The accompaying notes 1 to 33 are integral part of these financial statement.

In terms of our report attached.

For B. K. Khare & Co.
Chartered Accountants
FRN: 105102W

Aniruddha Joshi
Partner
M.No. 040852

Place : Mumbai
Date : 20th April, 2022

For and on behalf of Board of Directors

2 X 2 Logistics Private Ltd.

Sushil Rathi
Director

Nitin Singhal
Director

Place : Mumbai
Date : 20th April, 2022

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

Notes to Accounts – Part A

Corporate Information

2 X 2 Logistics Private Limited is a deemed public limited company incorporated on 22nd October 2012 under the Companies Act, 1956. The Company is engaged in providing logistics services to its Customers. The financial statements for the period ended 31st March 2022 were approved for issue in accordance with a resolution of the directors on 20th April, 2022.

1. Significant accounting policies

1.1 Statement of compliance

The financial statements have been prepared in accordance with the provisions of Companies Act, 2013 and the Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) (Amendment) Rules, 2016, specified under Section 133 of the Act. The financial statements are separate financial statements.

1.2 Basis of preparation and presentation

The financial statements have been prepared on accrual basis and the historical cost basis as a going concern except for certain financial instruments that are measured at fair values or at amortised cost, wherever applicable, at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in this financial statement is determined on such basis, except for share-based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly: and
- Level 3 inputs are unobservable inputs for the asset or liability.

Assets and Liabilities are classified as Current or Non Current as per the provisions of Schedule III to the Companies Act, 2013 and Company's Normal Operating Cycle. Based on the nature of business, the Company has ascertained its operating cycle as 12 months for the classification of assets and liabilities.

The financial statements are prepared in Indian Rupee(INR) and denominated in lakhs.

The principal accounting policies are set out below.

1.3 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable.

1.3.1 Rendering of services

Incomes from logistics services rendered are recognised on the completion of the services as per the terms of contract. Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

1.3.2 Dividend and interest income

Dividend income from investments is recognised when the right to receive payment has been established (provided that it is probable that the economic benefits will flow to the company and the amount of income can be measured reliably).

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

1.4 Leasing

The Company's significant operating leasing arrangements are in respect of office premises and IT related equipments. Lease rentals are recognised as per the terms of lease.

Rental expense from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue.

1.5 Borrowing costs

Borrowing Cost that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use or sale. All other borrowing costs are charged to revenue in the year of incurrence.

1.6 Employee benefits

1.6.1 Retirement benefit costs and termination benefits

Defined Contribution Plan:

Company's contributions paid/payable during the year to the Superannuation Fund, ESIC, Provident Fund and Labour Welfare Fund are recognised in the Statement of Profit and Loss.

Defined Benefits :

For defined retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- remeasurement

The Company presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

1.6.2 Short-term and other long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

1.7 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

1.7.1 Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

1.7.2 Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

1.7.3 Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

1.8 Property, plant and equipment

All fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Cost of acquisition is inclusive of purchase price, levies and any directly attributable cost of bringing the assets to its working condition for the intended use. Subsequent costs are included in the assets carrying amount or recognised as separate asset, as appropriate, only when it is probable that the future economic benefits associated with the item will flow to the company and cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to Statement of profit and loss during the reporting period in which they are incurred.

Depreciation on tangible assets is charged by the Straight Line Method (SLM) in accordance with the useful lives specified in Part – C of Schedule II of the Companies Act, 2013 on a pro-rata basis except for following assets in order to reflect the actual usage of the assets:

- Horse portion of a Vehicle is depreciated over five years based on the management experience of handling similar kind of asset.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

1.9 Intangible assets

1.9.1 Intangible assets acquired separately

The useful lives of intangible assets are assessed as either finite or infinite. Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

1.9.2 Useful lives of intangible assets

The expenditure incurred is amortised over three financial years equally commencing from the year in which the expenditure is incurred.

1.10 Impairment of tangible and intangible assets other than goodwill

The Management of the Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the management estimates the recoverable amount of the asset. If such recoverable amount of the asset is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and recognised in the Statement of Profit and Loss. If at the balance sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost.

1.11 Provisions, Contingent Liabilities & Contingent assets

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

A contingent asset is disclosed where an inflow of economic benefits is probable.

1.12 Financial instruments

Financial assets and financial liabilities are recognised when a company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

1.13 Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a settlement date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets

1.13.1 <u>Classification of financial assets</u>

Debt instruments that meet the following conditions are subsequently measured at amortised cost (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For the impairment policy on financial assets measured at amortised cost, refer Note 1.13.3

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Interest income is recognised in profit or loss for FVTOCI debt instruments.

All other financial assets are subsequently measured at fair value.

1.13.2 <u>Effective interest method</u>

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in profit or loss and is included in the "Other income" line item.

Investments in equity instruments are classified as at FVTPL, unless the Company irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading.

A financial asset that meets the amortised cost criteria or debt instruments that meet the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other income' line item. Dividend on financial assets at FVTPL is recognised when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity and the amount of dividend can be measured reliably.

1.13.3 <u>Impairment of financial assets</u>

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, trade receivables, other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets).

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Company uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 18, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

1.13.4 Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

On derecognition of a financial asset other than in its entirety (e.g. when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

1.14 Financial liabilities and equity instruments

1.14.1 Classification as debt or equity

Debt and equity instruments issued by a company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

1.14.2 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a company entity are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

1.14.3 Compound financial instruments

The component parts of compound financial instruments (convertible notes) issued by the Company are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. A conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is an equity instrument.

At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recognised as a liability on an amortised cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date.

The conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound financial instrument as a whole. This is recognised and included in equity, net of income tax effects, and is not subsequently remeasured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised, in which case, the balance recognised in equity will be transferred to other component of equity. When the conversion option remains unexercised at the maturity date of the convertible note, the balance recognised in equity will be transferred to retained earnings. No gain or loss is recognised in profit or loss upon conversion or expiration of the conversion option.

1.14.4 Financial liabilities

All financial liabilities are subsequently measured at amortised cost or at FVTPL.

1.14.4.1 Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is either contingent consideration recognised by the Company as an acquirer in a business combination to which Ind AS 103 applies or is held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading or contingent consideration recognised by the Group as an acquirer in a business combination to which Ind AS 103 applies, may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and Ind AS 109 permits the entire combined contract to be designated as at FVTPL in accordance with Ind AS 109.

1.14.4.2 Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

1.15 Segment Accounting:

The Company has single reportable segment "Supply chain management" for the purpose of Segment reporting.

1.16 Earnings Per Share:

Basic and diluted earnings per share is computed by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of Equity Shares outstanding during the year.

2A. Critical accounting judgements and key sources of estimation uncertainty

2A. In the application of the Company's accounting policies, which are described in note 1, the management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only the period of the revision and future periods if the revision affects both current and future periods.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

2A.1.1 Useful lives of Property, plant and equipment

As described in note 2 above, the Company reviews the estimated useful lives of property, plant and equipment at the end of each annual reporting period.

2A.1.2 Defined Benefit Plans:

The cost of the defined benefit plans and other post-employment benefits and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making assumptions that may differ from actual developments in the future. These include the determination of discount rate, future salary increases, mortality rates and attrition rate. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

2B. COVID-19 :

The Company has accounted significant accounting estimates which have been disclosed in the financial statements.

These includes fair valuation of financial assets, testing of impairment of assets, going concern assessment etc. requiring significant management judgement in estimating the same. Considering the continuing COVID-19 pandemic, the results in upcoming period may significantly vary and may affect the recoverability of assets. However, this will depend upon future developments including actions taken to contain or treat the disease and to mitigate its impact on the economy.

The Company, based on internal & external sources of information, has assessed that as a result of Covid-19 outbreak, there is no significant financial impact on the financial statements for the year ended March 31, 2022 as at the date of approval of these financial statements.

Note No. 3 - Property, Plant and Equipment

As at 31st March 2022

Rs. In Lakhs

Description of Assets	**Plant and Machinery**	**Office Equipment**	**Furniture & Fittings**	**Vehicles**	**Total**
A. Cost					
Balance as at 1st April, 2021	4.09	6.46	2.24	4,358.95	4,371.74
a) Additions	–	1.09	–	–	1.09
b) Less: Disposals/adjustments	–	–	–	–	–
Balance as at 31st March 2022	**4.09**	**7.55**	**2.24**	**4,358.95**	**4,372.83**
B. Accumulated depreciation and impairment					
Balance as at 1st April, 2021	2.86	6.46	1.03	3,386.81	3,397.16
a) Depreciation expense for the year	0.05	0.84	0.21	319.27	320.37
b) Less: Disposals/adjustments	–	–	–	–	–
Balance as at 31st March 2022	**2.91**	**7.30**	**1.24**	**3,706.08**	**3,717.53**
C. Net carrying amount (A-B)	**1.18**	**0.25**	**1.00**	**652.87**	**655.30**

As at 31st March 2021

Rs. In Lakhs

Description of Assets	**Plant and Machinery**	**Office Equipment**	**Furniture & Fittings**	**Vehicles**	**Total**
A. Cost					
Balance as at 1st April, 2020	4.09	6.41	2.24	4,358.95	4,371.69
a) Additions	–	0.05	–	–	0.05
b) Less: Disposals/adjustments	–	–	–	–	–
Balance as at 31st March 2021	**4.09**	**6.46**	**2.24**	**4,358.95**	**4,371.74**

Rs. In Lakhs

Description of Assets	Plant and Machinery	Office Equipment	Furniture & Fittings	Vehicles	Total
B. Accumulated depreciation and impairment					
Balance as at 1st April, 2020	2.23	5.16	0.82	2,787.99	2,796.20
a) Depreciation expense for the year	0.63	1.30	0.21	598.82	600.96
b) Less: Disposals/adjustments	–	–	–	–	–
Balance as at 31st March 2021	**2.86**	**6.46**	**1.03**	**3,386.81**	**3,397.16**
C. Net carrying amount (A-B)	**1.23**	**–**	**1.21**	**972.14**	**974.58**

Notes:

i) There is no significant amount of compensation received from third parties recognised in profit or loss related to tangible assets.

ii) Vehicles with the carrying amount of Rs. 171.21 lakhs (31st March 2021 - Rs.640.74 lakhs) have been pledged to secure borrowings of the Company. For details refer note no.13 on borrowing.

iii) The depreciation methods used and the useful lives or the depreciation rates used have been mentioned in the note 1.8.

iv) The estimated amount of contracts remaining to be executed on capital account and not provided for as at 31st March 2022 and for 31st March 2021 is Nil.

Note No. 4 - Intangible Assets

Rs. In Lakhs

Computer Software	As at 31st March 2022	As at 31st March 2021
A. Cost		
Balance as at 1st April	0.51	0.51
a) Additions	–	–
b) Less: Disposals/adjustments	–	–
Balance as at 31st March	**0.51**	0.51
B. Accumulated amortisation and impairment		
Balance as at 1st April	0.51	0.51
a) Additions	–	–
b) Less: Disposals/adjustments	–	–
Balance as at 31st March	**0.51**	0.51
C. Net carrying amount (A-B)	**–**	**–**

Notes:

i) There is no significant intangible asset that is material to the Company's financial statements on individual basis.

ii) The intangible assets mentioned above have finite useful lives as mentioned in note 1.9.2.

Note No. 5 - Trade receivables

Rs. In Lakhs

Particulars	As at 31st March 2022	As at 31st March 2021
Trade receivables		
Unsecured, considered good	**14.85**	89.53
	14.85	89.53
Less: Allowance for Credit Losses	**–**	–
TOTAL...	**14.85**	89.53

Trade Receivable ageing as at March, 2022

Particulars	Outstanding for following period from due date of payment: less than 6 Months	6 Months to 1 year	1 to 2 Year	2 to 3 Years	More than 3 Years	Total
(i) Undisputed Trade Receivable -Considered Good	13.75	–	0.41	0.69	–	**14.85**
(ii) Undisputed Trade Receivable -which have significant increase in credit risk	–	–	–	–	–	–
(iii) Undisputed Trade Receivable -Credit Impaired						
(iv) Disputed Trade Receivable -Considered Good	–	–	–	–	–	–
(v) Disputed Trade Receivable -which have significant increase in credit risk	–	–	–	–	–	–
(vi) Disputed Trade Receivable -Credit Impaired	–	–	–	–	–	–

Trade Receivable ageing as at March, 2021

Particulars	Outstanding for following period from due date of payment: less than 6 Months	6 Months to 1 year	1 to 2 Year	2 to 3 Years	More than 3 Years	Total
(i) Undisputed Trade Receivable -Considered Good	88.84		0.69		–	**89.53**
(ii) Undisputed Trade Receivable -which have significant increase in credit risk	–	–	–	–	–	–
(iii) Undisputed Trade Receivable -Credit Impaired						
(iv) Disputed Trade Receivable -Considered Good	–	–	–	–	–	–
(v) Disputed Trade Receivable -which have significant increase in credit risk	–	–	–	–	–	–
(vi) Disputed Trade Receivable -Credit Impaired	–	–	–	–	–	–

Notes:

i) Refer Note 26 for disclosures related to credit risk and impairment of trade receivables.

ii) Trade Receivables are subject to confirmation and Reconciliations.

Note No. 6 - Other financial assets

Rs. In Lakhs

Particulars	As at 31st March 2022 Current	As at 31st March 2022 Non-Current	As at 31st March 2021 Current	As at 31st March 2021 Non-Current
Financial assets at amortised cost				
a) Bank Deposit with more than 12 months original maturity	**–**	**–**	–	–
Total	**–**	**–**	–	–
b) Security Deposits				
i. Unsecured, considered good	**1.31**	**–**	1.31	–
ii. Doubtful	**–**	**–**	–	–
Total	**1.31**	**–**	1.31	–
c) Other items				
i. Accrued Sales	**37.27**	**–**	496.98	–
ii. Other Accrued	**0.31**	**–**	12.33	–
Total	**37.58**	**–**	509.31	–
Total (a+b+c)	**38.89**	**–**	510.62	–

Accrued sales ageing from transaction date as at March,2022

Rs. In Lakhs

Particulars	As at 31st March 2022 Current	As at 31st March 2022 Non-Current	As at 31st March 2021 Current	As at 31st March 2021 Non-Current
less than 6 Months	**12.87**	**–**	395.63	–
6 Months to 1 year	**4.09**	**–**	48.84	–
1 to 2 Year	**7.93**	**–**	39.00	–
2 to 3 Years	**7.38**	**–**	13.51	–
More than 3 Years				
Total	**32.27**	**–**	496.98	–

Notes:

i) Refer Note 26 for disclosures related to credit risk, impairment under expected credit loss model and related disclosures.

Note No. 7 - Other assets

Rs. In Lakhs

Particulars	As at 31st March 2022 Current	As at 31st March 2022 Non- Current	As at 31st March 2021 Current	As at 31st March 2021 Non- Current
A. Capital advances				
a) For Capital work in progress	**–**	**–**	–	–
b) For intangible asset	**–**	**–**	–	–
Total (A)	**–**	**–**	–	–
B. Advances other than capital advances				
a) Advances to suppliers - considered good	**7.28**	**–**	7.33	–
b) Prepaid Expenses	**44.57**	**–**	38.06	–
c) Other advances	**323.72**	**–**	754.25	–
d) Balances with government authorities (other than income taxes)	**–**	**–**	–	–
Total (B)	**375.57**	**–**	799.64	–
C. Consumables Tyres	**0.41**		13.68	–
TOTAL (A+B+C)	**375.98**	**–**	813.32	–
Less: Provision for doubtful advances	**–**	**–**	–	–
TOTAL (A+B+C)	**375.98**	**–**	813.32	–

Note No. 8 - Cash and Cash equivalents

Rs. In Lakhs

Particulars	As at 31st March 2022	As at 31st March 2021
A. Cash and cash equivalents		
a) Balances with banks	**0.50**	12.53
b) Cash on hand	**0.05**	21.17
Total	**0.55**	33.70

Note No. 9 - Income Tax Assets (Net)

Rs. In Lakhs

Particulars	As at 31st March 2022	As at 31st March 2021
Advance Income Tax/TDS Receivable (Net)	**155.06**	151.20
Total	**155.06**	151.20

Note No. 10 - Equity Share Capital

Particulars	Year ended 31st March 2022 No. of shares	Year ended 31st March 2022 Amount	Year ended 31st March 2021 No. of shares	Year ended 31st March 2021 Amount
A. Authorised:				
a) Equity shares of Rs.10 each with voting rights	**10,00,00,000**	**10,00,00,000**	10,00,00,000	10,00,00,000
Total	**10,00,00,000**	**10,00,00,000**	10,00,00,000	10,00,00,000
B. Issued, Subscribed and Fully Paid:				
a) Equity shares of Rs.10 each with voting rights	**90,10,000**	**9,01,00,000**	90,10,000	9,01,00,000
Total	**90,10,000**	**9,01,00,000**	90,10,000	9,01,00,000
C. Issued, Subscribed and Partly Paid:				
a) Equity shares of Rs.10 each with voting rights Rs. 2 paid up	**–**	**–**	–	–
b) Equity shares of Rs.10 each with voting rights Rs. 1 paid up	**–**	**–**	–	–
TOTAL	**–**	**–**	–	–
TOTAL (B+C)	**90,10,000**	**9,01,00,000**	90,10,000	9,01,00,000

(i) Reconciliation of the number of shares outstanding at the beginning and at the end of the period.

Particulars		Opening Balance	Right Issue	Other Changes	Closing Balance
A. Equity Shares with Voting rights					
a) Period ended 31st March 2022					
	No. of Shares	**90,10,000**	**–**	**–**	**90,10,000**
	Amount	**901.00**	**–**	**–**	**901.00**
b) Period ended 31st March 2021					
	No. of Shares	90,10,000	–	**–**	90,10,000
	Amount	901.00	–	**–**	901.00

(ii) Rights, preferences and restrictions attached to equity shares

The Company has only one class of equity shares having a par value of Rs.10/- per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the board of directors and approved by the shareholders in the annual general meeting is paid in Indian rupees. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(iii) Details of shares held by Holding Company/and their Subsidiaries

Name of shareholder	As at 31st March 2022	As at 31st March 2021
Holding Company - Mahindra Logistics Limited	**49,55,500**	49,55,500

(iv) Details of shares held by each shareholder holding more than 5% shares:

Class of shares/ Name of shareholder	As at 31st March 2022 Number of shares held	As at 31st March 2022 % holding in that class of shares	As at 31st March 2021 Number of shares held	As at 31st March 2021 % holding in that class of shares
A. Equity shares with voting rights				
a) Mahindra Logistics Ltd.	**49,55,500**	**55.00%**	49,55,500	55.00%
b) IVC Logistics Ltd.	**40,54,500**	**45.00%**	40,54,500	45.00%

(v) Shareholding of Promoters/Promoter Group:

Shares held by promoters as at 31st March,2022

Promoter name	No. of Shares	%of total shares	% Change during the year
1. Mahindra Logistics Ltd.	**49,55,500**	**55.00%**	**–**
2. IVC Logistics Ltd.	**40,54,500**	**45.00%**	**–**

Shares held by promoters as at 31st March,2021

Promoter name	No. of Shares	%of total shares	% Change during the year
1. Mahindra Logistics Ltd.	49,55,500	55.00%	–
2. IVC Logistics Ltd.	40,54,500	45.00%	–

Note No. 11 - Other Equity

Rs. in Lakhs

Particulars	As at 31st March 2022	As at 31st March 2021
Securities premium reserve	**–**	–
Equity-settled employee benefits reserve	**–**	–
Retained earnings	**(840.58)**	(253.72)
Total	**(840.58)**	(253.72)

Movement in Reserves

Rs. in Lakhs

Particulars	As at 31st March 2022	As at 31st March 2021
(A) Securities Premium Reserve		
Balance as at the beginning of the year	–	–
Add: Additions during the year	–	–
Less: Deletion during the year	–	–
Balance as at the end of the year	–	–
(B) Equity-settled Employee benefits reserve		
Balance as at the beginning of the year	–	–
Add: Additions during the year	–	–
Less: Deletion during the year	–	–
Balance as at the end of the year	–	–
(C) Retained Earnings		
Balance as at the beginning of the year	(253.72)	8.56
Add: Profit for the year	(588.16)	(262.76)
Less: Actuarial gain/(loss) for the year	1.30	0.48
Balance as at the end of the year	(840.58)	(253.72)

Nature and purpose of other reserves:

Retained earnings:

Retained earnings represents the accumulated surplus. The reserve can be distributed/utilised by the Company in accordance with the Companies Act, 2013.

Note No. 12 - Non-Current Borrowings

Rs. in Lakhs

Particulars	As at 31st March 2022	As at 31st March 2021
Measured at amortised cost		
A. Secured Borrowings:		
(a) Term Loans		
(1) From Banks	0.89	90.33
(2) From Related Party	–	–
Total Secured Borrowings	0.89	90.33
B. Unsecured Borrowings - at amortised Cost		
(a) Other Loans	–	–
Total Unsecured Borrowings	–	–
Total Borrowings	0.89	90.33

Note: **i)** Vehicle loan has been taken at the rate of interest ranging from 8.15% p.a to 8.40 % p.a.

ii) The Loan has been secured by way of hypothecation of the related vehicle and to be paid in 57 equal monthly instalments.

Note - 13: Current Borrowings

Rs. in Lakhs

Particulars	As at 31st March 2022	As at 31st March 2021
A. Secured Borrowings	–	–
Current maturities of long-term debt	90.08	276.02
Total Secured Borrowings	90.08	276.02
B. Unsecured Borrowings		
from Banks	1,152.23	771.17
Total Unsecured Borrowings	1,152.23	771.17
Total Current Borrowings	1,242.31	1,047.19

Note:

Unsecured loan from banks is in the nature of Bank Overdraft facility.

Note No. 14 - Trade Payables

Rs. in Lakhs

Particulars	As at 31st March 2022	As at 31st March 2021
Due to Micro and Small Enterprises	4.34	18.16
Trade payable - Other than Micro and Small Enterprises	224.84	498.80
Total	229.18	516.96

Trade Payables ageing as at 31st March, 2022

Particulars	Outstanding for following periods from due date of payment #			
	Less Than 1 year	1 to 2 years	2 to 3 years	More Than 3 years
(i) MSME	4.34	–	–	–
(ii) Others	184.66	25.51	14.66	–
(iii) Disputed Dues - MSME	–	–	–	–
(iv) Disputed Dues - Others	–	–	–	–

Trade Payables ageing as at 31st March, 2021

Particulars	Outstanding for following periods from due date of payment #			
	Less Than 1 year	1 to 2 years	2 to 3 years	More Than 3 years
(i) MSME	18.16	–	–	–
(ii) Others	484.14	14.66	–	–
(iii) Disputed Dues - MSME	–	–	–	–
(iv) Disputed Dues - Others	–	–	–	–

i) Trade Payables are payables in respect of the amount due on account of goods purchased or services availed in the normal course of business.

Note No. 15 - Provisions

Rs. in Lakhs

Particulars	As at 31st March 2022		As at 31st March 2021	
	Current	Non Current	Current	Non Current
Provision for employee benefits				
a) Post- employment Benefit - Leave Encashment and Gratuity	1.39	9.80	1.08	9.41
Total	1.39	9.80	1.08	9.41

Note No. 16 - Other Liabilities

Rs. in Lakhs

Particulars	As at 31st March 2022		As at 31st March 2021	
	Current	Non-Current	Current	Non-Current
Statutory dues				
a) Taxes Payable	1.95	–	49.32	–
b) Employee Liabilities	4.80	–	4.42	–
c) Advance to customer	73.26	–	364.25	–
TOTAL	80.01	–	417.99	–

Notes:

For disclosures related to employee benefits, refer note 28.

Note No. 17: Deferred Tax Assets

Movement in deferred tax balances

Rs. in Lakhs

Particulars	Year ended 31st March 2022				Year ended 31st March 2021			
	Opening Balance	Recognised in profit and Loss	Recognised in OCI	Closing Balance	Opening Balance	Recognised in profit and Loss	Recognised in OCI	Closing Balance
A. Tax effect of items constituting deferred tax liabilities								
a) Property, Plant and Equipment WDV	**75.08**	**(30.34)**	**–**	**44.74**	158.37	(83.29)	–	75.08
Total	**75.08**	**(30.34)**	**–**	**44.74**	158.37	(83.29)	–	75.08
B. Tax effect of items constituting deferred tax assets								
a) Income tax Loss	**171.07**	**195.54**	**–**	**366.61**	154.01	17.06	–	171.07
b) MAT Credit	**58.39**	**–**	**–**	**58.39**	58.39	–	–	58.39
c) Employee benefits	**2.91**	**0.70**	**(0.50)**	**3.11**	2.21	0.89	(0.19)	2.91
Total	**232.37**	**196.24**	**(0.50)**	**428.11**	214.61	17.95	(0.19)	232.37
Net Tax Asset/(Liabilities) (B-A)	**157.29**	**226.58**	**(0.50)**	**383.37**	56.24	101.24	(0.19)	157.29

Note No. 18 - Revenue from Operations

Rs. in Lakhs

Particulars	Year ended 31st March 2022	Year ended 31st March 2021
Revenue from rendering of services	**2,397.75**	3,651.25
Total	**2,397.75**	3,651.25

Ind As 115 Disclosure

A. Country-wise break up of Revenue

Rs. in Lakhs

Country	Revenue from contracts with customers (IndAS 115)	Revenue from operations from other than customers	Total Revenue from Operations	Other Income	Total Income
India	2,397.75	–	2,397.75	12.59	2,410.34
Others (specify)	–	–	–	–	–
Total	**2,397.75**	–	**2,397.75**	**12.59**	**2,410.34**

B. Reconciliation of revenue from contract with customer

Particulars	Amount
Revenue from contract with customer as per the contract price	**3,096.55**
Adjustments made to contract price on account of :-	
a) Discounts / Rebates / Incentives	**136.75**
b) Sales Returns / Reversals	**133.48**
c) Any other adjustments-Unbilled Revenue	**(428.57)**
Revenue from contract with customer as per the statement of Profit and Loss	**2,397.75**

C. Movement of Contract Assets and Contract Liabilities

Movement of Contract Assets

Particulars	Amount
Opening Balance	**496.98**
Additions during the year	**37.27**
Reclassification Adjustments:	
– Reclass of opening balances of contract assets to trade receivables	**496.98**
Closing Balance	**37.27**

Note No. 19 - Other Income

Rs. in Lakhs

Particulars	Year ended 31st March 2022	Year ended 31st March 2021
a) Interest Income	**4.10**	0.82
b) Miscellaneous Income	**8.49**	9.64
Total	**12.59**	10.46

Note No. 20 - Operating Expenses

Rs. in Lakhs

Particulars	Year ended 31st March 2022	Year ended 31st March 2021
a) Freight & other related Expense	**–**	–
b) Labour & other related Expense	**159.21**	183.98
c) Rent including lease rentals	**23.67**	19.62
d) Vehicle running expense	**1,435.61**	1,356.27
e) Power & Fuel Expenses	**743.04**	1,293.38
f) Repairs and maintenance - machinery	**184.84**	208.41
Total Operating Expense	**2,546.37**	3,061.66

Note No. 21 - Employee Benefits Expense

Rs. in Lakhs

Particulars	Year ended 31st March 2022	Year ended 31st March 2021
a) Salaries and wages, including bonus	**112.54**	102.23
b) Contribution to provident and other funds	**5.61**	5.15
c) Gratuity	**2.43**	2.17
d) Staff welfare expenses	**1.85**	6.00
Total Employee Benefit Expense	**122.43**	115.55

Notes:

i) Salaries and wages includes salaries, wages, bonus, compensated absences and all other amounts payable to employees in respect of services rendered as per their employment terms under a contract of service.

Note No. 22 - Finance Cost

Rs. in Lakhs

Particulars	Year ended 31st March 2022	Year ended 31st March 2021
a) Interest expense on Term Loan	**27.42**	64.23
b) Interest expense on Bank Overdraft	**75.19**	55.98
Total	**102.61**	120.21

Notes:

i) Analysis of Interest Expenses by Category

Rs. in Lakhs

Particulars	Year ended 31st March 2022	Year ended 31st March 2021
Interest Expenses		
a) On Financial Liability at Amortised Cost	**102.61**	120.21
Total	**102.61**	120.21

Note No. 23 - Other Expenses

Rs. in Lakhs

Particulars		Year ended 31st March 2022		Year ended 31st March 2021
a) Rent including lease rentals		**7.65**		8.46
b) Legal and Other professional costs		**15.71**		34.11
c) Insurance		**70.69**		71.62
d) Travelling and Conveyance Expenses		**3.16**		2.99
e) Repairs and maintenance - machinery		**–**		–
f) Auditors remuneration and out-of-pocket expenses		**(0.02)**		1.21
i) As Auditors	(0.35)		0.81	
ii) For Taxation matters	0.33		0.40	
iii) For Other services	–		–	
g) Miscellaneous Expenses		**36.11**		8.94
Total		**133.30**		127.33

Note No. 24 - Current Tax and Deferred Tax

(a) Income Tax recognised in Profit & Loss

Rs. in Lakhs

Particulars	Year ended 31st March 2022	Year ended 31st March 2021
A. Current Tax:		
a) In respect of current year	**–**	–
b) In respect of prior year	**–**	–
Total	**–**	–
B. Deferred Tax:		
In respect of current year originination and reversal of temporary difference	**(226.58)**	**(101.24)**
In respect of changes in tax rate	**–**	**–**
Total	**(226.58)**	**(101.24)**
Total (A+B)	**(226.58)**	**(101.24)**

(b) Income tax recognised in Other Comprehensive Income

Rs. in Lakhs

Particulars	Year ended 31st March 2022	Year ended 31st March 2021
A. Current Tax:		
Remeasurement of defined benefit obligations	**–**	–
Total	**–**	–
B. Deferred Tax:	**(0.50)**	(0.19)
Total	**(0.50)**	(0.19)
Classification of income tax recognised in other comprehensive income		
Income taxes related to items that will not be reclassified to profit or loss	**–**	–
Total	**–**	–

(c) Reconciliation of income tax expense and the accounting profit multiplied by Company's domestic tax rate:

Rs. in Lakhs

Particulars	Year ended 31st March 2022	Year ended 31st March 2021
a) Profit Before tax	**(812.94)**	(363.33)
b) Income Tax using the Company's domestic tax rate#	**(226.14)**	(101.06)
c) Change in tax rate	**–**	–
d) Expenses not allowed for tax purpose	**–**	–
Income tax expense recognised In profit or loss...	**(226.14)**	(101.06)

Note:

The tax rate used in reconciliations above is the corporate tax rate of 25% (plus surcharge and cess as applicable) on taxable profits under Income Tax Act, 1961.

Note No. 25 - Earnings Per Share

Particulars	Year ended 31st March 2022	Year ended 31st March 2021
		Rs. in Lakhs
A. Basic Earnings Per Share (in Rs.) (face value in Rs. 10/- per share)	**(6.53)**	(2.92)
B. Diluted Earnings Per Share (in Rs.) (face value in Rs. 10/- per share)	**(6.53)**	(2.92)

Notes:

i) Basic Earnings Per Share

The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:

Particulars	Year ended 31st March 2022	Year ended 31st March 2021
		Rs. in Lakhs
Profit / (loss) for the period attributable to owners of the Company	**-588.16**	-262.76
Profit / (loss) for the period used in the calculation of basic earnings per share	**-588.16**	-262.76
Weighted average number of equity shares	**90.10**	90.10
Earnings per share from continuing operations - Basic (in Rs.)	**(6.53)**	(2.92)

ii) Diluted Earnings Per Share

The diluted earnings per share has been computed by dividing the Net profit after tax available for Equity shareholders by the weighted average number of equity shares, after giving the effect of the dilutive potential ordinary shares for the respective years.

Particulars	Year ended 31st March 2022	Year ended 31st March 2021
		Rs. in Lakhs
a) Profit / (loss) for the period used in the calculation of basic earnings per share	**-588.16**	-262.76
b) Add: adjustments on account of dilutive potential equity shares	**–**	–
Profit / (loss) for the period used in the calculation of diluted earnings per share	**-588.16**	-262.76

iii) Reconciliation of weighted average number of equity shares

The weighted average number of equity shares for the purpose of diluted earnings per share reconciles to the weighted average number of equity shares used in the calculation of basic earnings per share as follows:

Particulars	Year ended 31st March 2022	Year ended 31st March 2021
		Rs. in Lakhs
Weighted average number of equity shares used in the calculation of Basic EPS	**90.10**	90.10
Add: Effect of ESOPs		–
Weighted average number of equity shares used in the calculation of Diluted EPS	**90.10**	90.10

Note No. 26- Financial Instruments

I. Capital management Policy

a) The Company's capital management objectives are:

- to ensure the Company's ability to continue as a going concern.
- to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

b) For the purpose of Company's capital management, capital includes issued share capital, equity and all other equity reserves. The Company monitors capital on the basis of the carrying amount of equity as presented on the face of the statement of financial position. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

c) The following table shows the components of capital:

Particulars	As at 31st March 2022	As at 31st March 2021
		Rs. in Lakhs
Equity	**60.42**	647.28
Capital	**60.42**	647.28

Note:

The above capital management disclosures are based on the information provided internally to key management personnel.

The Company is not subject to externally enforced capital regulation.

II. Categories of financial assets and financial liabilities

Rs. in Lakhs

As at 31st March 2022

Particulars	Amortised Costs	FVTPL	FVOCI	Total
A. Non-Current Assets				
a) Investments	–	–	–	–
b) Other Financial Assets	–	–	–	–
Total	–	–	–	–
A. Current Assets				
a) Trade Receivables	**14.85**	–	–	**14.85**
b) Cash and Bank Balances	**0.55**	–	–	**0.55**
c) Other Financial Assets	**38.89**	–	–	**38.89**
Total	**54.29**	–	–	**54.29**
B. Non-current Liabilities				
a) Other Financial Liabilities	**0.89**	–	–	**0.89**
Total	**0.89**	–	–	**0.89**
C. Current Liabilities				
a) Trade Payables	**229.18**	–	–	**229.18**
b) Current Maturities of long term Debt	**90.08**	–	–	**90.08**
c) Short Term Borrowing	**1,152.23**	–	–	**1,152.23**
d) Other Financial Liabilities	–	–	–	–
– Non Derivative Financial Liabilities	–	–	–	–
Total	**1,471.49**	–	–	**1,471.49**

As at 31st March 2021

Particulars	Amortised Costs	FVTPL	FVOCI	Total
A. Non-Current Assets				
a) Investments	–	–	–	–
b) Other Financial Assets	–	–	–	–
Total	–	–	–	–
A. Current Assets				
a) Trade Receivables	89.53	–	–	89.53
b) Cash and Bank Balances	33.70	–	–	33.70
c) Other Financial Assets	510.62	–	–	510.62
Total	633.85	–	–	633.85

Particulars	Amortised Costs	FVTPL	FVOCI	Total
	As at 31st March 2021			
B. Non-current Liabilities				
a) Other Financial Liabilities	90.33	–	–	90.33
Total	90.33	–	–	90.33
C. Current Liabilities				
a) Trade Payables	516.96	–	–	516.96
b) Current Maturities of long term Debt	276.02	–	–	276.02
c) Short Term Borrowing	771.17	–	–	771.17
d) Other Financial Liabilities	–	–	–	–
– Non Derivative Financial Liabilities	–	–	–	–
Total	1,564.15	–	–	1,564.15

III) Financial Risk Management Framework

The Company's activities expose it to a variety of financial risks: credit risk and liquidity risk. In order to manage the aforementioned risks, the Company operates a risk management policy and a program that performs close monitoring of and responding to each risk factors.

A) Credit risk management

Trade receivables and deposits

(i) Credit risk arises when a counterparty defaults on its contractual obligations to pay resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties. The company yearically assesses the financial reliability of customers, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of accounts receivable. Credit exposure is controlled by counterpaty credit year which is monitored through an approved policy.

(ii) Trade receivables consist of a small number of customers.

(iii) One of the customer of the Company, which is also a group company accounts for more than 10% of total outstanding exposure. However since such customer is also a group company, the Company does not anticipate any credit risk.

(iv) The Company applies the simplified approach to providing for expected credit losses prescribed by Ind AS 109, which permits the use of the lifetime expected loss provision for all trade receivables. The company has computed expected credit losses based on a provision matrix which uses historical credit loss experience of the Company and individual receivable specific provision where applicable. Forward-looking information (including macroeconomic information) has been incorporated into the determination of expected credit losses.

(v) There is no change in estimation techniques or significant assumptions during the reporting year.

(vi) During the year, the company has not made any write off on trade receivable and advances. These trade receivables and advances are not subject to enforcement activity.

b) Liquidity risk management

(i) The company's treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the company's net liquidity position through rolling forecasts on the basis of expected cash flows.

(ii) Maturities of financial liabilities

Table showing maturity profile of financial liabilites

Rs. in Lakhs

Particulars	Less than 1 Year	1-3 Years	3 Years to 5 Years	5 years and above
	As at 31st March 2022			
A) Non-derivative financial liabilities				
a) Trade Payables	**1,471.49**	–	–	–
b) Long term debt	–	**0.89**	–	–
c) Current maturities of long term debt	**0.55**	–	–	–
d) Employee Dues	–	–	–	–
e) Short Term Borrowings	**38.89**	–	–	–
Total	**1,510.93**	**0.89**	–	–

Particulars	Less than 1 Year	1-3 Years	3 Years to 5 Years	5 years and above
	As at 31st March 2021			
A) Non-derivative financial liabilities				
a) Trade Payables	89.53	–	–	–
b) Long term debt	–	90.33	–	–
c) Current maturities of long term debt	33.70	–	–	–
d) Employee Dues	–	–	–	–
e) Short Term Borrowings	510.62	–	–	–
Total	633.85	90.33	–	–

The above table details the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The amount disclosed in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay.

The contractual maturity is based on the earliest date on which the Company may be required to pay.

(iii) Financing arrangements

The Company has access to following undrawn borrowing facilities at the end of the reporting year:

Rs. in Lakhs

Particulars	**As at 31st March 2022**	As at 31st March 2021
a) Unsecured Bank Overdraft facility		
- Expiring within one year	**(94.31)**	(247.19)
- Expiring beyond one year	–	–

(iv) Maturities of financial assets

Table showing maturity profile of financial assets

Rs. in Lakhs

Particulars	Less than 1 Year	1-3 Years	3 Years to 5 Years	5 years and above
	As at 31st March 2022			
	In Rs. Lakhs	In Rs. Lakhs	In Rs. Lakhs	In Rs. Lakhs
Non-derivative financial assets				
Trade Receivables	**14.85**	–	–	–
Security Deposits	**1.31**	–	–	–
Others	**37.58**	–	–	–
Total	**53.74**	–	–	–

Rs. in Lakhs

Particulars	As at 31st March 2021 Less than 1 Year In Rs. Lakhs	1-3 Years In Rs. Lakhs	3 Years to 5 Years In Rs. Lakhs	5 years and above In Rs. Lakhs
Non-derivative financial assets				
Trade Receivables	89.53	–	–	–
Security Deposits	1.31	–	–	–
Others	509.31	–	–	–
Total..	600.15	–	–	–

The above table details the Company's expected maturity for its non-derivative financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Company's liquidity risk management as the liquidity is managed on a net asset and liability basis.

c) Market Risk Management

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of currency risk and interest rate risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. All such transactions are carried out within the guidelines set by the Board of Directors.

There has been no significant changes to the company's exposure to market risk or the methods in which they are managed or measured.

Interest rate risk

								Rs. in Lakhs
Nature of Liability	**Nature of Borrowing**	**Type of Interest**	**Rate of interest**	**Loan amount outstanding as at year end**	**Increase in Base Rate**	**Sensitivity Impact on P&L (pre-tax)**	**Decrease in Base Rate**	**Sensitivity Impact on P&L (pre-tax)**
As at 31st March, 2022	**Bank Overdraft**	**Floating**	**7.25%**	**1,152.23**	**1.00%**	**(11.52)**	**1.00%**	**11.52**
As at 31st March, 2021	Bank Overdraft	Floating	7.25%	771.17	1.00%	(7.71)	1.00%	7.71

Note No. 27 - Fair Value Measurement

a) Fair value of financial assets and financial liabilities that are measured at amortised cost:

Rs. in Lakhs

Particulars	**31st March 2022** **Carrying amount**	**Fair value**	31st March 2021 Carrying amount	Fair value
A) Financial assets				
a) Financial assets carried at Amortised Cost				
i) Trade and other receivables	**14.85**	**14.85**	89.53	89.53
ii) Deposits given	**1.31**	**1.31**	1.31	1.31
iii) Cash and cash equivalents	**0.55**	**0.55**	33.70	33.70
iv) Others	**37.58**	**37.58**	509.31	509.31
Total..	**54.29**	**54.29**	633.85	633.85
B) Financial liabilities				
b) Financial liabilities held at amortised cost				
i) Trade and other payables	**229.18**	**229.18**	516.96	516.96
ii) Borrowings	**0.89**	**0.89**	90.33	351.66
iii) Short Term Borrowings	**1,242.31**	**1,242.31**	1,047.19	1,047.19
Total..	**1,472.38**	**1,472.38**	1,654.48	1,915.81

Note No. 28 - Related Party Transactions

i) List of Related Party

a) Holding Company	**Mahindra Logistics Limited**
b) Other related parties	
1	**Mahindra & Mahindra Limited**
2	**IVC Logistics Limited**

ii) Details of transaction between the Company and its related parties are disclosed below:

		Rs. in Lakhs
Particulars	**Holding Company**	**Other related parties**
Nature of transactions with Related Parties		
a) Purchase of property and other assets	– –	– –
b) Rendering of services	2,214.34 (2,918.20)	375.26 (230.46)
c) Receiving of services	0.60 (22.02)	70.15 (61.81)
d) Reimbursements made to parties	– –	27.03 (46.82)
e) Reimbursements received from parties	– –	– –
f) Loans/Deposits Taken	– –	– –
g) Loans/Deposits paid	– –	– –
h) Interest on Vehicle Loan paid	– –	– –

Nature of Balances with Related Parties	**Holding Company**	**Other related parties**
i) Trade payables	40.82 (40.17)	0.32 (16.85)
j) Trade receivables & others	(73.26) (364.25)	13.34 (88.11)
k) Loan Payable	– –	– –

iii) All the outstanding balances, whether receivables or payables (Except Loan payable) are unsecured.

iv) All the Previous year balances are shown in Bracket.

Note No. 29 - Employee benefits

i) Defined Contribution Plan

The Company's contribution to Provident Fund, Superannuation Fund and other Funds aggregating Rs. 5.61 lakhs (2021 : Rs. 5.15 lakhs) has been recognised in the Statement of Profit or Loss under the head Employee Benefits Expense.

ii) Defined Benefit Plans:

Gratuity

a) The Company operates a gratuity plan covering qualifying employees. The benefit payable is the greater of the amount calculated as per the Payment of Gratuity Act, 1972 or the Company scheme applicable to the employee. The benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. In case of death while in service, the gratuity is payable irrespective of vesting.

b) Through its defined benefit plans the Company is exposed to a number of risks, the most significant of which are detailed below:

(1) Change in bond yields

A decrease in government bond yields will increase plan liabilities.

(2) Inflation risk

Defined benefit obligations are linked to inflation, and higher inflation will lead to higher liabilities (although caps on the level of inflationary increases are in place to protect the plan against extreme inflation).

(3) Life expectancy

The majority of the plan's obligations are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the plan's liabilities. This is particularly significant in the Company's defined benefit plans, where inflationary increases result in higher sensitivity to changes in life expectancy.

c) Significant Actuarial Assumptions

The significant actuarial assumptions used for the purposes of the actuarial valuations were as follows:

	Rs. in Lakhs Valuation	
Particulars	**As at 31st March 2022**	As at 31st March 2021
a) Discount rate(s)	**6.80%**	6.40%
b) Expected rate(s) of salary increase	**6.00%**	8.00%
c) Mortality rate during employment	**IALM(2012-14) Ultimate**	IALM(2012-14) Ultimate

d) Defined benefit plans – as per actuarial valuation

	Non Funded Plan - Gratuity	
Particulars	**As at 31st March 2022**	As at 31st March 2021
I. Amounts recognised in comprehensive income in respect of these defined benefit plans are as follows:		
a) Current Service Cost	**0.63**	1.51
b) Past service cost and (gains)/losses from settlements	**–**	–
c) Net interest expense	**–**	–
Components of defined benefit costs recognised in profit or loss	**0.63**	1.51
Remeasurement on the net defined benefit liability	**–**	
a) Return on plan assets (excluding amount included in net interest expense)	**–**	–
b) Actuarial (gains)/loss arising form changes in financial assumptions	**–**	–
c) Actuarial (gains)/loss arising form changes in demographic assumptions	**–**	–
d) Actuarial (gains)/loss arising form experience adjustments	**–**	–
Components of defined benefit costs recognised in other comprehensive income	**–**	–
Total	**0.63**	1.51
II. Net Asset/(Liability) recognised in the Balance Sheet as at 31st March		
a) Present value of defined benefit obligation	**7.88**	7.25
b) Fair value of plan assets	**–**	–
c) Surplus/(Deficit)	**7.88**	7.25
d) Current portion of the above	**–**	–
e) Non current portion of the above	**7.88**	7.25
III. Change in the obligation during the year ended 31st March		
a) Present value of defined benefit obligation at the beginning of the period	**7.25**	5.74
b) Add/(Less) on account of Scheme of Arrangement/ Business	**–**	–
c) Transfer	**–**	–
d) *Expenses Recognised in Profit and Loss Account*		
- Current Service Cost	**1.97**	1.80
- Past Service Cost	**–**	–
- Interest Expense (Income)	**0.46**	0.38
e) *Recognised in Other Comprehensive Income*		
Remeasurement gains/(losses)		
- Actuarial Gain (Loss) arising from:		
i. Financial Assumptions	**(1.56)**	0.12
ii. Demographic Assumptions	**–**	–
iii. Experience Adjustments	**(0.25)**	(0.78)
f) Benefit payments	**–**	–
g) Present value of defined benefit obligation at the end of the period	**7.87**	7.26
IV. Change in fair value of assets during the year ended 31st March		
i) Fair value of plan assets at the beginning of the period	**–**	–
ii) *Expenses Recognised in Profit and Loss Account*		
- Expected return on plan assets	**–**	–
iii) *Recognised in Other Comprehensive Income*		
Remeasurement gains/(losses)		
- Actual Return on plan assets in excess of the expected return	**–**	–
iv) Contributions by employer (including benefit payments recoverable)	**–**	–
v) Benefit payments	**–**	–
vi) Fair value of plan assets at the end of the period	**–**	–

Particulars	Non Funded Plan - Gratuity As at 31st March 2022	As at 31st March 2021
V. The Major categories of plan assets		
- Insurance Funds	**–**	–
VI. Actuarial assumptions		
a) Discount rate	**6.80%**	6.40%
b) Expected rate of return on plan assets	**6.80%**	6.40%
c) Attrition rate	**11.00%**	11.00%

e) **The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:**

Principal assumption	Changes in assumption	Impact on defined benefit obligation As at 31st March 2022 Increase in assumption	Decrease in assumption
a) Discount rate	1.00%	**0.66**	**0.59**
b) Salary growth rate	1.00%	**0.60**	**0.65**
c) Rate of employee turnover	50.00%	**1.01**	**(0.14)**

Principal assumption	Changes in assumption	Impact on defined benefit obligation As at 31st March 2021 Increase in assumption	Decrease in assumption
a) Discount rate	1.00%	**1.41**	**1.62**
b) Salary growth rate	1.00%	**1.62**	**1.41**
c) Rate of employee turnover	50.00%	**1.47**	**1.60**

Notes:

i) The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the Balance sheet.

ii) The methods and types of assumptions used in preparing the sensitivity analyses did not change compared to previous period.

iii) The weighted average duration of the defined benefit obligation as at 31st March 2022 is 7 years

f) **Maturity profile of defined benefit obligation:**

The tables include both discounted value as well as unwinding of interest.

Particulars	**2022**	2021
Within 1 year	**0.90**	0.65
2-5 years	**4.02**	3.43
6-10 years	**3.00**	2.64
More than 10 years	**6.44**	7.21

g) **Experience Adjustments:**

Rs. in Lakhs

	Particulars	As at 31st March 2022	As at 31st March 2021
		Gratuity	
1.	Defined Benefit Obligation	**(7.87)**	(7.26)
2.	Fair value of plan assets	–	–
3.	Surplus/(Deficit)	**7.88**	7.25
4.	Experience adjustment on plan liabilities [(Gain)/Loss]	–	–
5.	Experience adjustment on plan assets [Gain/(Loss)]	–	–

h) The expected rate of return on plan assets is based on the average long term rate of return expected on investments of the fund during the estimated term of obligation.

i) The estimate of future salary increases, considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

j) The current service cost and the net interest expense for the period are included in the employee benefits expense in profit or loss of the expense for the year.

All amounts are in Rs. Lakhs unless otherwise stated

Note No. 30 - MSME disclosures

(i) Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

Particulars	Year ended 31st March 2022	Year ended 31st March 2021
i. Principal amount remaining unpaid to any supplier as at the end of the accounting year	**4.34**	18.16
ii. Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	–	–
iii. The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	–	–
iv. The amount of interest due and payable for the year	–	–
v. The amount of interest accrued and remaining unpaid at the end of the accounting year	–	–
vi. The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	–	–

Dues to micro and small enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management. This has been relied upon by the auditors.

Note No. 31 - Code on Social Security Disclosures

The newly enacted Code on Social Security, 2020 is expected to have an impact on employee remuneration and welfare benefits. The effective date from which the changes are applicable is yet to be notified and the rules for quantifying the financial impact are yet to be framed. The Company is in process of evaluating the financial impact, if any and will give appropriate impact in the financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are notified.

Note No. 32 - Relationship with Struck Off Co

Trade Payables

Name of the struck Off company	Nature of transaction	Transactions during the year ended 31st March'2022	Balance outstanding at the end of the year as at 31st March'2022	Relationship with the struck off company, if any to be disclosed	Balance outstanding at the end of the year as at 31st March'2021	Relationship with the struck off company, if any to be disclosed
NA						

Trade Receivable

Name of the struck Off company	Nature of transaction	Transactions during the year ended 31st March'2022	Balance outstanding at the end of the year as at 31st March'2022	Relationship with the struck off company, if any to be disclosed	Balance outstanding at the end of the year as at 31st March'2021	Relationship with the struck off company, if any to be disclosed
NA						

Note No. 33 - Financial Ratio's

Particulars	Numerator	Denominator	Numerator		Denominator		31-Mar-22	31-Mar-21	Variance
			FY-22	FY-21	FY-22	FY-21			
Current Ratio	Current assets	Current Liability	430	1,447	1,553	1,983	0.28	0.73	-62%
Debt – Equity Ratio	Total Debt (represents lease liabilities)	Shareholder's Equity	1,243	1,138	60	647	20.58	1.76	1071%
Debt Service Coverage Ratio	Earnings available for debt service (Earning Before Interest and Taxes)	Debt Service	(165)	458	1,243	1,138	(0.13)	0.40	-133%
Return on Equity (ROE)	Net Profits after taxes	Average Shareholder's Equity	(588)	(263)	354	778	-166%	-34%	392%
Trade receivables turnover ratio	Average Trade Receivable	Revenue	319	540	2,398	3,651	49	54	-10%
Trade payables turnover ratio	Average Trade Payable	Purchases of services and other expenses	373	941	2,680	3,189	51	108	-53%
Net capital turnover ratio	Revenue	Working Capital	2,398	3,651	(1,123)	(536)	(2.14)	(6.81)	-69%
Net profit ratio	Net Profit	Revenue	(588)	(263)	2,398	3,651	-25%	-7%	241%
Return on capital employed (ROCE)	Earning before interest and taxes	Capital Employed	(710)	(243)	399	1,268	-178%	-19%	827%
Return on Investment(ROI)	Income generated from investments	Time weighted average investments	NA	NA	NA	NA	NA	NA	NA

The accompayning notes 1 to 33 are integral part of these financial statement.

In terms of our report attached.

For B. K. Khare & Co.
Chartered Accountants
FRN: 105102W

Aniruddha Joshi
Partner
M.No. 040852

Place : Mumbai
Date : 20th April, 2022

For and on behalf of Board of Directors

2 X 2 Logistics Private Ltd.

Sushil Rathi
Director
DIN: 05358211

Nitin Singhal
Director
DIN: 05358211

Place : Mumbai
Date : 20th April, 2022

INDEPENDENT AUDITOR'S REPORT

To the Members of
LORDS FREIGHT (INDIA) PRIVATE LIMITED
Report on the Audit of the Ind AS Financial Statements

Opinion

We have audited the accompanying financial statements of **LORDS FREIGHT (INDIA) PRIVATE LIMITED** ("the Company"), which comprise the balance sheet as at March 31, 2022, and the statement of profit and loss (including other comprehensive income), the statement of cash flows and the statement of changes in equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2022, its profit including other comprehensive income, changes in equity 2022 and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Ind AS financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information Other than the Financial Statements and Auditors' Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the Board report.

Our opinion on Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of Directors are also responsible for overseeing the company's financial reporting process.

Auditors' Responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Standard on Auditing, we exercise professional judgment and maintain professional scepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Financial Statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in Annexure I, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

   (d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

   (e) On the basis of the written representations received from the directors as on 31st March 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2022 from being appointed as a director in terms of Section 164 (2) of the Act.

   (f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure II". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to Financial Statements.

   (g) In our opinion and to the best of our information and according to the explanations given to us, the Company being a private company, the provisions of Section 197 of the Act related to the managerial remuneration are not applicable.

   (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company does not have any pending litigations;

ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

iv. (a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

V. The Company has not declared/or paid any dividend during the year.

For **B. K. Khare & Co.**
Chartered Accountants
(Firm's Registration No. 105102W)

Aniruddha Joshi
Partner
Membership Number: 040852
UDIN: 22040852AHQKKS8247
Mumbai,
April 20, 2022

ANNEXURE I TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date]

I. (A) (a) According to the information and explanations given to us, the Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.

(b) According to the information and explanations given to us, the Company has maintained proper records showing full particulars of intangible assets.

(B) The Company has a regular programme for physical verification of its property, plant and equipment by which the property, plant and equipment are verified by the management yearly. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its property, plant and equipment. In accordance with the programme, the Company has physically verified certain property, plant and equipment during the year and no material discrepancies were noticed on such verification.

(C) Company does not hold any immovable property and hence reporting under Clause 3(i)(c) of the Order is not applicable to the Company.

(D) According to the information and explanations given to us, the Company has not revalued any of its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.

(E) Based on the audit procedures performed by us and according to the information, explanations and representations given to us, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

II. (a) The Company is in the business of rendering services and consequently, does not hold any inventory. Accordingly, the reporting under Clause 3(ii) (a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from Kotak bank and Axis Bank on the basis of security of a charge on Trade receivables. The Quarterly statements / returns filed by the Company with Banks on a quarterly basis are in agreement with the audited/ unaudited books of account as certified by the management.

III. According to the information and explanations given to us, the Company has not made investments in or provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year. Accordingly, the reporting under Clauses 3(iii)(a) to 3(iii)(f) of the Order is not applicable to the Company.

IV. According to the information and explanations given to us, the Company has not granted any loans or made any investments or provided any guarantees or security to the parties covered under Sections 185 and 186 of the Act. Accordingly, the reporting under Clause 3(iv) of the Order is not applicable to the Company.

V. According to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under, where applicable. Accordingly, the reporting under Clause 3(v) of the Order is not applicable to the Company.

VI. The Company's operations do not involve processing or manufacturing activities. Accordingly, the reporting under Clause 3(vi) of the Order is not applicable to the Company.

VII. (a) According to the information and explanations given to us and on the basis of our examination of records of the Company, the amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Services tax, Provident Fund, Employees' State Insurance, Cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. The amounts deducted / accrued in the books of account in respect of undisputed statutory dues of Income-tax have generally been regularly deposited during the year by the Company with the appropriate authorities. According to the information and explanations given to us and on the basis of our examination of records of the Company, there were no undisputed statutory dues payable in respect of Sales tax, Service tax, Duty of Customs, Duty of Excise and Value Added Tax.

According to the information and explanations given to us and on the basis of our examination of records of the Company, there were no arrears of undisputed statutory dues in respect of Goods and Services tax, Provident fund, Employees' State Insurance, Income-tax, Sales tax, Service tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other material statutory dues as on the last day of the year for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and on the basis of our examination of records of the Company, there are no statutory dues in respect of Goods and Services Tax, Sales tax, Service tax, Duty of Customs, Duty of Excise and Value Added Tax as at March 31, 2022, which have not been deposited with the appropriate authorities on account of any dispute.

VIII. According to the information and explanations given to us, there are no transactions not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income-tax Act, 1961. Accordingly, the reporting under Clause 3(viii) of the Order is not applicable to the Company.

IX. (a) According to the information and explanations given to us and based on the audit procedures performed by us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.

(b) According to the information and explanations given to us, the Company has not been declared a willful defaulter by any bank or financial institution or any other lender till the date of our audit report.

(c) According to the information and explanations given to us, the company does not have any term loans. Accordingly, the reporting under Clause 3(ix) (c) of the Order is not applicable to the Company.

(d) In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that funds raised on short-term basis have not been utilised for long- term purposes as at the Balance Sheet date.

(e) According to the information and explanations given to us, Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.

(f) According to the information and explanations given to us and based on the audit procedures performed by us, we report that the Company has not raised any loans during the year on the pledge of securities held in its subsidiaries or associate companies. Accordingly, the reporting under Clause 3(ix)(f) of the Order is not applicable to the Company.

X. (a) According to the information and explanations given to us, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under Clause 3(x)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Accordingly, the reporting under Clause 3(x)(b) of the Order is not applicable to the Company.

XI. (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company noticed or reported during the year, nor have we been informed of any such case by the management.

(b) There has been no report filed by us under sub-section (12) of Section 143 of the Act in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government. Accordingly, the reporting under Clause 3(xi)(b) of the Order is not applicable to the Company.

(c) As represented to us by the management, no whistle blower complaints were received by the Company during the year.

XII. According to the information and explanations given to us, the Company is not a Nidhi company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, the reporting under Clause 3(xii) of the Order is not applicable to the Company.

XIII. In our opinion and according to the information and explanations given to us, the Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the standalone financial statements as required by Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act.

XIV. (a) In our opinion and according to the information and explanations given to us and based on our examination, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the Internal Audit reports of the Company issued till date for the period under audit.

XV. According to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or directors of its holding, or subsidiary company or persons connected with them during the year and hence, the provisions of Section 192 of the Act are not applicable to the Company. Accordingly, the reporting under Clause 3(xv) of the Order is not applicable to the Company.

XVI. (a) According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under Clause 3(xvi)(a) of the Order is not applicable to the Company.

(b) In our opinion and according to the information and explanations given to us, the Company has not conducted any Non-Banking Financial or Housing Finance activities. Accordingly, the reporting under Clause 3(xvi)(b) of the Order is not applicable to the Company.

In our opinion and according to the information and explanations given to us, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under Clauses 3(xvi)(c) of the Order is not applicable to the Company.

Based on the information and explanations given to us and the audit procedures performed by us, we report that the Group has Six Core Investment Companies.

XVII. In our opinion and according to the information and explanations given to us, the Company has not incurred cash losses in the current financial year as well as in the immediately preceding financial year. Accordingly, the reporting under Clause 3(xvii) of the Order is not applicable to the Company.

XVIII. There has been no resignation of the statutory auditors during the year. Accordingly, the reporting under Clause 3(xviii) of the Order is not applicable to the Company.

XIX. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of Balance Sheet as and when they fall due within a period of one year from the Balance Sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the Balance Sheet date, will get discharged by the Company as and when they fall due.

XX. (a) According to the information and explanations given to us, in respect of other than ongoing projects, the Company has no unspent amount that needs to be transferred to a Fund specified in Schedule VII to the Act in compliance with second proviso to sub-section (5) of Section 135 of the Act.

(b) According to the information and explanations given to us, in respect of ongoing projects, the Company has no unspent amount which needs to be transferred to a special account in compliance with sub-section (6) of Section 135 of the Act.

For **B. K. Khare & Co.**
Chartered Accountants
(Firm's Registration No. 105102W)

Aniruddha Joshi
Partner
Membership Number: 040852
UDIN: 22040852AHQKKS8247
Mumbai,
April 20, 2022

ANNEXURE II TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date]

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of sub-section (3) of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of **LORDS FREIGHT (INDIA) PRIVATE LIMITED** ("the Company") as of March 31, 2022 in conjunction with our audit of the financial statements of the Company for year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls with reference to financial statements issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that operate effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls With reference to financial statements (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls With reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2022, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls With reference to financial statements issued by the Institute of Chartered Accountants of India.

For **B. K. Khare & Co.**
Chartered Accountants
(Firm's Registration No. 105102W)

Aniruddha Joshi
Partner
Membership Number: 040852
UDIN: 22040852AHQKKS8247
Mumbai,
April 20, 2022

BALANCE SHEET AS AT 31ST MARCH, 2022

₹ in lacs

Particulars	Note No.	As at 31st March, 2022	As at 31st March, 2021
ASSETS			
I NON-CURRENT ASSETS			
(a) Property, Plant and Equipment	5	**75.79**	83.39
(b) Capital Work-in-Progress	5A	**–**	–
(c) Intangible Assets	6	**3.06**	3.95
(d) Intangible Assets Under Development	**6A**	**–**	–
(e) Financial Assets			
(i) Other Financial Asset	8	**0.13**	0.63
(f) Deferred Tax Assets (Net)	9 &10	**160.31**	122.65
SUB-TOTAL		**239.29**	210.62
II CURRENT ASSETS			
(a) Financial Assets			
(i) Trade Receivables	7	**7,497.55**	8,096.00
(ii) Cash and Cash Equivalents	12	**107.63**	27.46
(iii) Other Financial Asset	8	**490.11**	208.54
(b) Current Tax Assets (Net)	13	**85.33**	–
(c) Other Current Assets	11	**17.57**	922.71
SUB-TOTAL		**8,198.19**	9,254.71
TOTAL ASSETS		**8,437.48**	9,465.33
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity Share Capital	14	**236.26**	236.26
(b) Other Equity	15	**2,985.61**	1,378.26
SUB-TOTAL		**3,221.87**	1,614.52
LIABILITIES			
I NON-CURRENT LIABILITIES			
(a) Financial Liabilities			
(i) Lease Liability	19	**30.49**	**6.50**
(b) Provisions	18	**144.75**	130.56
(c) Borrowings	16	**–**	–
SUB-TOTAL		**175.24**	137.06
II CURRENT LIABILITIES			
(a) Financial Liabilities			
(i) Lease Liability	19	**21.53**	**49.12**
(ii) Borrowings	16	**2,602.00**	1,782.40
(iii) Trade Payables	17		
Due to Micro and Small Enterprises		**54.81**	181.48
Other then Micro and Small Entreprises		**2,131.81**	4,416.52
(b) Provisions	18	**224.29**	259.32
(c) Other Financials Liabilites		**–**	–
(c) Other Current Liabilities	20	**5.93**	1,024.91
SUB-TOTAL		**5,040.37**	7,713.75
TOTAL		**8,437.48**	9,465.33

The accompanying notes 1 to 38 are an integral part of the financial statements.

"As per our Report of Even Date"

For B. K. Khare & Co.
Chartered Accountants
FRN: 105102W

Aniruddha Joshi
Partner
M.No. 040852

Place : Mumbai
Date : 20th April, 2022

For and on behalf of Board of Directors
LORDS Freight (India) Pvt Ltd

Sushil Kumar Rathi
Director
DIN : 05358211

Place : Mumbai

Rampraveen Swaminathan
Director
DIN : 01300682

Place : Mumbai

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2022

₹ in lacs

	Particulars	Note No.	As at 31st March, 2022	As at 31st March, 2021
I	Revenue from operations	21	**45,013.11**	29,752.67
II	Other Income	22	**252.36**	189.52
III	**Total Revenue (I + II)**		**45,265.47**	29,942.19
IV	**EXPENSES**			
	(a) Freight & other related expense	25	**40,544.96**	26,856.19
	(b) Employee benefit expense	23	**1,657.70**	1,488.87
	(b) Finance costs	24	**246.80**	180.62
	(c) Depreciation and amortization expense	5&6	**89.72**	88.52
	(d) Other expenses	25A	**600.37**	434.16
	Total Expenses (IV)		**43,139.55**	29,048.36
V	**Profit/(loss) before tax (III-IV)**		**2,125.92**	893.83
VI	**Tax Expense**			
	(1) Current tax		**564.29**	254.15
	(2) Deferred tax		**(37.66)**	(15.13)
	Total tax expense		**526.63**	239.02
VII	**Profit/(loss) after tax (V-VI)**		**1,599.29**	654.81
VIII	**Other comprehensive income**			
	(i) Items that will not be reclassified to profit or loss			
	Remeasurements of the defined benefit liabilities/(asset)		**10.77**	(3.16)
	(ii) Income tax relating to items that will not be reclassified to profit or loss		**(2.71)**	0.79
	Total Other Comprehensive Income/(Loss)		**8.06**	(2.37)
IX	**Total comprehensive income for the period (VII+VIII)**		**1,607.35**	652.44
X	**Earnings per equity share**			
	(1) Basic	26	**68.04**	27.62
	(2) Diluted	26	**68.04**	27.62
	(3) No. of Shares		**2,362,509**	2,362,509

The accompanying notes 1 to 38 are an integral part of the financial statements.

"As per our Report of Even Date"

For B. K. Khare & Co.
Chartered Accountants
FRN: 105102W

Aniruddha Joshi
Partner
M.No. 040852

Place : Mumbai
Date : 20th April, 2022

For and on behalf of Board of Directors
LORDS Freight (India) Pvt Ltd

Sushil Kumar Rathi
Director
DIN : 05358211

Place : Mumbai

Rampraveen Swaminathan
Director
DIN : 01300682

Place : Mumbai

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2022

(a) Equity Share Capital

₹ in lacs

Particulars	Number of Shares	Equity share capital
As at 1st April, 2020	**2,362,509**	**236.26**
Changes in Equity Share Capital due to prior period errors	–	–
Restated balance at the beginning of the current reporting period	**2,362,509**	**236.26**
As at 31st March, 2021	**2,362,509**	**236.26**

₹ in lacs

Particulars	Number of Shares	Equity share capital
As at 1st April, 2021	**2,362,509**	**236.26**
Changes in Equity Share Capital due to prior period errors	–	–
Restated balance at the beginning of the current reporting period	**2,362,509**	**236.26**
As at 31st March, 2022	**2,362,509**	**236.26**

(b) Other Equity

	Reserves & Surplus			
Particulars	**Securities Premium**	**Equity-settled employee benefits reserve**	**Retained earnings**	**Total**
Balance at 1st April, 2020	622.75	–	103.07	725.82
Changes in accounting policy or prior period errors				
Restated balance at the beginning of the current reporting period	**622.75**	**–**	**103.07**	**725.82**
Total Comprehensive income for the year				
– Profit for the year	–	–	654.81	654.81
– Other Comprehensive Income transferred to retained earnings	–	–	(2.37)	(2.37)
Balance at 31st March, 2021	**622.75**	**–**	**755.51**	**1,378.26**
Balance at 1st April, 2021	622.75	–	755.51	–
Changes in accounting policy or prior period errors				
Restated balance at the beginning of the current reporting period	**622.75**	**–**	**755.51**	**1,378.26**
Total Comprehensive income for the year				
– Profit for the year	–	–	1,599.29	1,599.29
– Other Comprehensive Income transferred to retained earnings	–	–	8.06	8.06
Balance at 31st March, 2022	**622.75**	–	**2362.86**	**2,985.61**

"As per our Report of Even Date"
For B. K. Khare & Co.
Chartered Accountants
FRN: 105102W

Aniruddha Joshi
Partner
M.No. 040852

Place : Mumbai
Date : 20th April, 2022

For and on behalf of Board of Directors
LORDS Freight (India) Pvt Ltd

Sushil Kumar Rathi
Director
DIN : 05358211

Place : Mumbai

Rampraveen Swaminathan
Director
DIN : 01300682

Place : Mumbai

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH, 2022

₹ in lacs

	Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
A.	**Cash flows from operating activities**		
	Profit before tax for the year	**2,125.92**	893.83
	Adjustments for:		
	Actuarial (Gain)/Loss	**10.77**	(3.16)
	Loss/(Gain) on disposal of property, plant and equipment	**2.19**	0.57
	Impairment loss recognized on trade receivables	**(443.22)**	(313.13)
	Depreciation and amortization of non-current assets	**89.72**	88.52
	Finance Charges	**246.80**	180.62
	Total	**2,032.18**	847.25
	Movements in working capital:		
	Increase in trade and other receivables	**1,041.67**	(1,774.86)
	(Increase)/decrease in other assets	**453.32**	(372.50)
	Decrease in trade and other payables	**(3,368.57)**	2,141.05
		158.60	840.94
	Cash generated from operations		
	Income taxes paid	**(564.29)**	(254.15)
	Net cash generated by operating activities	**(405.69)**	586.79
B.	**Cash flows from investing activities**		
	Payments for property, plant and equipment	**(10.96)**	(8.76)
	Proceeds from disposal of property, plant and equipment	**0.40**	–
	Net cash (used in)/generated by investing activities	**(10.56)**	(8.76)
C.	**Cash flows from financing activities**		
	Proceeds from Borrowings	**819.60**	(315.05)
	Rent Paid as per IND AS 116	**(86.23)**	(65.68)
	Interest paid	**(236.95)**	(172.76)
	Net cash used in financing activities	**496.42**	(553.49)
	Net increase in cash and cash equivalents	**80.17**	24.54
	Cash and cash equivalents at the beginning of the year	**27.46**	2.92
	Cash and cash equivalents at the end of the year	**107.63**	27.46

Notes :

1 The above Cash Flow Statement has been prepared under the Indirect Method set out in IND AS 7.

2 Figures in bracket indicates cash outgo.

3 Additions to property, plant and equipment and intangible assets respectively during the year.

"As per our Report of Even Date"

For B. K. Khare & Co.
Chartered Accountants
FRN: 105102W

Aniruddha Joshi
Partner
M.No. 040852

Place : Mumbai
Date : 20th April, 2022

For and on behalf of Board of Directors
LORDS Freight (India) Pvt Ltd

Sushil Kumar Rathi
Director
DIN : 05358211

Place : Mumbai

Rampraveen Swaminathan
Director
DIN : 01300682

Place : Mumbai

Notes to the financial statements for the year ended 31st March, 2022

1. Corporate information

LORDS Freight (India) Pvt Ltd is a private limited company incorporated on 25th April, 2011 under the Companies Act, 1956. The Company's main activities are freight forwarding including transportation of goods via sea & air.

The financial statements for the year ended 31st March, 2022 are approved for issue in accordance with a resolution of the directors on 20th April, 2022.

2. Significant accounting policies

2.1. Statement of compliance

The financial statements have been prepared in accordance with the provisions of Companies Act, 2013 and the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) (Amendment) Rules, 2016, specified under Section 133 of the Act. The financial statements are separate financial statements.

2.2. Basis of preparation and presentation

The financial statements have been prepared on accrual basis and the historical cost basis as a going concern except for certain financial instruments that are measured at fair values or at amortized cost, wherever applicable, at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in this financial statement is determined on such basis, except for share-based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value but are not fair value, such as net realizable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorized into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The financial statements are prepared in Indian Rupee (INR) and denominated in lakhs. The principal accounting policies are set out below.

2.3. Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable.

2.3.1. Rendering of services

Incomes from logistics services rendered are recognized on the completion of the services as per the terms of contract. Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

2.3.2. Dividend and interest income

Dividend income from investments is recognized when the right to receive payment has been established (provided that it is probable that the economic benefits will flow to the company and the amount of income can be measured reliably).

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

2.4. Leasing

The Company's significant operating leasing arrangements are in respect of office premises, warehouse, warehouse equipment's and IT related equipment's. Lease rentals are recognized as per the terms of lease.

Rental expense from operating leases is generally recognized on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognized in the year in which such benefits accrue.

2.5. Foreign currencies

The Financial statement are presented in rupees in lacs, which is also Company's functional currency.

i. Initial recognition

Transactions in currencies other than the entity's functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions.

ii. Conversion

a. Foreign currency monetary assets and liabilities at the year-end are translated at the year-end exchange rates and the resultant exchange differences are recognized in the Statement of Profit and Loss.

b. Non-monetary items, if any are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

iii. Exchange differences

The Company accounts for exchange differences arising on translation/settlement of foreign currency monetary items as below:

a. Realized gains and losses on settlement of foreign currency transactions are recognized in the Statement of Profit and Loss.

b. Foreign currency monetary assets and liabilities at the year-end are translated at the year-end exchange rates and the resultant exchange differences are recognized in the Statement of Profit and Loss.

2.6. Borrowing costs

Borrowing Cost that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use or sale. All other borrowing costs are charged to revenue in the year of incurrence.

2.7. Employee benefits

2.7.1. Retirement benefit costs and termination benefits

i. Defined Contribution Plan :

Company's contributions paid/payable during the year to the Superannuation Fund, ESIC, Provident Fund and Labour Welfare Fund are recognized in the Statement of Profit and Loss.

ii. Defined Benefits Plan:

For defined retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognized in other comprehensive income

in the period in which they occur. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognized in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorized as follows:

a. service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);

b. net interest expense or income; and

c. remeasurement

The Company presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognized in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

2.7.2. Short-term and other long-term employee benefits

A liability is recognized for benefits accruing to employees in respect of wages and salaries.

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognized in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

2.8. Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

2.8.1. Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

2.8.2. Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognized if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

2.8.3. Current and deferred tax for the year

Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively.

2.9. Property, plant and equipment

All items of property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Cost of acquisition is inclusive of purchase price, levies and any directly attributable cost of bringing the assets to its working condition for the intended use. Subsequent costs are included in the assets carrying amount or recognized as separate asset, as appropriate, only when it is probable that the future economic benefits associated with the item will flow to the company and cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to Statement of profit and loss during the reporting period in which they are incurred. Depreciation on tangible assets is charged by the Straight Line Method (SLM) in accordance with the useful lives specified in Part – C of Schedule II of the Companies Act, 2013 on a pro-rata basis except in the case of:

I. Assets costing less than Rs.5000/- which are fully depreciated in the year of purchase.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

2.10. Intangible assets

2.10.1. Intangible assets acquired separately

The useful lives of intangible assets are assessed as either finite or infinite. Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortization and accumulated impairment losses. Amortization is recognized on a straight-line basis over their estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

2.10.2. Useful lives of intangible assets

The expenditure incurred is amortized over ten financial years equally commencing from the year in which the expenditure is incurred.

2.11. Impairment of tangible and intangible assets other than goodwill

The management of the Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the management estimates the recoverable amount of the asset. If such recoverable amount of the asset is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and recognized in the Statement of Profit and Loss. If at the balance sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost.

2.12. Provisions, Contingent Liabilities & Contingent assets

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

A contingent asset is disclosed where an inflow of economic benefits is probable.

2.13. Financial instruments

Financial assets and financial liabilities are recognized when a company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

2.14. Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a settlement date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognized financial assets are subsequently measured in their entirety at either amortized cost or fair value, depending on the classification of the financial assets.

2.14.1. Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortized cost (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

i. the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and

ii. the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For the impairment policy on financial assets measured at amortized cost, refer Note 2.14.3

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

i. the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and

ii. the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Interest income is recognized in profit or loss for FVTOCI debt instruments.

All other financial assets are subsequently measured at fair value.

2.14.2. Effective interest method

The effective interest method is a method of calculating the amortized cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognized on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognized in profit or loss and is included in the "Other income" line item.

2.14.3. Impairment of financial assets

The Company applies the expected credit loss model for recognizing impairment loss on financial assets measured at amortized cost, trade receivables, other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets).

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Company uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 18, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

2.14.4. Derecognition of financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized in other comprehensive income and accumulated in equity is recognized in profit or loss if such gain or loss would have otherwise been recognized in profit or loss on disposal of that financial asset.

On derecognition of a financial asset other than in its entirety (e.g. when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognize under continuing involvement, and the part it no longer recognizes on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognized and the sum of the consideration received for the part no longer recognized and any cumulative gain or loss allocated to it that had been recognized in other comprehensive income is recognized in profit or loss if such gain or loss would have otherwise been recognized in profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognized in other comprehensive income is allocated between the part that continues to be recognized and the part that is no longer recognized on the basis of the relative fair values of those parts.

2.14.5. Foreign exchange gains and losses

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

- For foreign currency denominated financial assets measured at amortized cost and FVTPL, the exchange differences are recognized in profit or loss except for those which are designated as hedging instruments in a hedging relationship.
- Changes in the carrying amount of investments in equity instruments at FVTOCI relating to changes in foreign currency rates are recognized in other comprehensive income.
- For the purposes of recognizing foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortized cost. Thus, the exchange differences on the amortized cost are recognized in profit or loss and other changes in the fair value of FVTOCI financial assets are recognized in other comprehensive income.

2.14.6. Derivative financial instruments classified as fair value through profit or loss:

The Company believes that these derivatives constitute hedges from an economic perspective, they may not qualify for hedge accounting under Ind AS 109, Financial Instruments. Any derivative that is either not designated as hedge or is so designated but is ineffective as per Ind AS 109, is categorized as a financial asset or financial liability, at fair value through profit or loss. Derivatives not designated as hedges are recognized initially at fair value and attributable transaction costs are recognized in the profit or loss when incurred. Subsequent to initial recognition, these derivatives are measured at fair value through profit or loss and the resulting exchange gains or losses are included in other income. Assets / liabilities in this category are presented as current assets / current liabilities if they are either held for trading or are expected to be realized within 12 months after the balance sheet date.

2.15. Financial liabilities and equity instruments

2.15.1. Classification as debt or equity

Debt and equity instruments issued by a company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

2.15.2. Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a company entity are recognized at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognized and deducted directly in equity. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

2.15.3. Financial liabilities

All financial liabilities are subsequently measured at amortized cost or at FVTPL.

i. Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is either contingent consideration recognized by the Company as an acquirer in a business combination to which Ind AS 103 applies or is held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

a. it has been incurred principally for the purpose of repurchasing it in the near term; or
b. on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
c. it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading or contingent consideration recognized by the Group as an acquirer in a business combination to which Ind AS 103 applies, may be designated as at FVTPL upon initial recognition if:

a. such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;
b. the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
c. it forms part of a contract containing one or more embedded derivatives, and Ind AS 109 permits the entire combined contract to be designated as at FVTPL in accordance with Ind AS 109.

ii. Financial liabilities subsequently measured at amortized cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortized cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortized cost are determined based on the effective interest method. Interest expense that is not capitalized as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

2.16. Segment Accounting:

The COO/ Director monitors the operating results of the business segments separately for the purpose of making decisions about the allocation of resources and performance assessment. Segment performance is measured based on profit or loss and is measured consistently with profit or loss in financial statements.

2.17. Earnings per Share:

Basic and diluted earnings per share is computed by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of Equity Shares outstanding during the year.

3. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 2, the management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only the period of the revision and future periods if the revision affects both current and future periods.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

3.1. Defined Benefit Plans:

The cost of the defined benefit plans and other post-employment benefits and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making assumptions that may differ from actual developments in the future. These include the determination of discount rate, future salary increases, mortality rates and attrition rate. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

4. **Ind AS 116 – 'Leases':-**

The Company as a lessee

The Company's lease asset classes primarily consist of leases for buildings, furniture & fixtures and vehicles. The company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the company assesses whether: (1) the contract involves the use of an identified asset (2) the company has substantially of the economic benefits from use of the asset throughout the period of the lease and (3) the company has the right to direct the use of the asset throughout the period of use.

At the date of commencement of the lease, the company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of the leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the company changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

The following is the summary of practical expedients elected on initial application:

1. Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date.
2. Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application.
3. Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.
4. Applied the practical expedient to grandfather the assessment of which transactions are leases. Accordingly, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17.

The difference between the lease obligation recorded as of March 31, 2021 under Ind AS 17 disclosed under Note No. 24 of annual financial statements forming part of 2022 Annual Report and the value of the lease liability as of April 1, 2021 is primarily on account of inclusion of extension and termination options reasonably certain to be exercised, in measuring the lease liability in accordance with Ind AS 116 and discounting the lease liabilities to the present value under Ind AS 116.

The weighted average incremental borrowing rate applied to lease liabilities as at April 1, 2021 is 8.70%.

For B.K. Khare & Co.
Chartered Accountants
FRN : 105102W

Aniruddha Joshi
Partner
M.No. 040852

Place: Mumbai
Date: 20th April,2022

For and on behalf of Board of Directors
LORDS Freight (India) Pvt Ltd

SUSHIL KUMAR RATHI
Director
DIN Number: 05358211

Place : Mumbai

RAMPRAVEEN SWAMINATHAN
Director
DIN Number: 01300682

Place : Mumbai

Note No. 5 - Property, Plant and Equipment

For the year ended 31st March, 2022

₹ in lacs

Description of Assets	**Computer**	**Office Equipment**	**Furniture, Fittings and Fixtures**	**Lease Assets**	**Total**
A. Gross Carrying Amount					
a) Balance as at 1st April, 2021	78.74	22.15	36.79	128.00	**265.68**
b) Additions	10.96	–	–	93.19	**104.15**
Less: Disposals/Adjustments	(32.93)	(6.36)	(4.87)	(24.05)	**(68.21)**
Balance as at 31st March, 2022	**56.77**	**15.79**	**31.92**	**197.14**	**301.62**
B. Accumulated depreciation and impairment					
a) Balance as at 1st April, 2021	60.75	19.96	26.35	75.23	**182.29**
b) Depreciation expense for the year	9.45	0.69	2.64	76.05	**88.83**
Less: Eliminated on disposal of assets	(31.17)	(6.11)	(4.38)	(3.63)	**(45.29)**
Balance as at 31st March, 2022	**39.03**	**14.54**	**24.61**	**147.65**	**225.83**
C. Net carrying amount (A-B)	**17.74**	**1.25**	**7.31**	**49.49**	**75.79**

For the year ended 31st March, 2021

Description of Assets	**Computer**	**Office Equipment**	**Furniture, Fittings and Fixtures**	**Lease Assets**	**Total**
A. Gross Carrying Amount					
a) Balance as at 1st April, 2020	**70.09**	**22.04**	**39.30**	**75.37**	**206.80**
b) Additions	8.65	0.11	–	88.76	**97.52**
Less: Disposals/Adjustments		–	(2.51)	(36.13)	**(38.64)**
Balance as at 31st March, 2021	**78.74**	**22.15**	**36.79**	**128.00**	**265.68**
B. Accumulated depreciation and impairment					
a) Balance as at 1st April, 2020	48.02	19.05	24.15	23.08	**114.30**
b) Depreciation expense for the year	12.73	0.91	3.84	69.18	**86.66**
Less: Eliminated on disposal of assets		–	(1.64)	(17.03)	**(18.67)**
Balance as at 31st March, 2021	**60.75**	**19.96**	**26.35**	**75.23**	**182.29**
C. Net carrying amount (A-B)	**17.99**	**2.19**	**10.44**	**52.77**	**83.39**

Notes:

i) The depreciation methods used and the useful lives or the depreciation rates used have been mentioned in the note 2.9.

ii) The estimated amount of contracts remaining to be executed on capital account and not provided for as at 31st March 2022 is **Rs. Nil** (2021: Rs. NIL).

Note No. 5A - CWIP

(i) CWIP Ageing Schedule

As at 31st March, 2022

CWIP	**Amt in CWIP for a period of**				**Total**
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in Progress	–	–	–	–	–
Projects temprorarily suspended	–	–	–	–	–
	–	–	–	–	–

(i) Projectwise break-up

CWIP	**To be completed in**			
	Less than 1 year	1-2 years	2-3 years	More than 3 years
Projects in Progress				
0	–	–	–	–
Projects temprorarily suspended				
0	–	–	–	–
	–	–	–	–

Note No. 6 - Other Intangible Assets

For the year ended 31st March, 2022

₹ in lacs

Description of Assets	Computer Software	Total
A. Gross Carrying Amount		
a) Balance as at 1st April, 2021	17.50	**17.50**
b) Additions	–	**–**
Less: Disposals/ Adjustments	–	**–**
Description of Assets	**17.50**	**17.50**
B. Accumulated depreciation and impairment		
a) Balance as at 1st April, 2021	13.55	**13.55**
b) amortization expense for the year	0.89	**0.89**
Less: Eliminated on disposal of assets	–	**–**
Description of Assets	**14.44**	**14.44**
C. Net carrying amount (A-B)	**3.06**	**3.06**

For the year ended 31st March, 2021

₹ in lacs

Description of Assets	Computer Software	Total
A. Gross Carrying Amount		
a) Balance as at 1st April, 2020	17.50	**17.50**
b) Additions	–	**–**
Less: Disposals/ Adjustments	–	**–**
Balance as at 31st March, 2021	**17.50**	**17.50**
B. Accumulated depreciation and impairment		
a) Balance as at 1st April, 2020	11.78	**11.78**
b) amortization expense for the year	1.77	**1.77**
Less: Eliminated on disposal of assets	–	**–**
Balance as at 31st March, 2021	**13.55**	**13.55**
C. Net carrying amount (A-B)	**3.95**	**3.95**

Notes:

i) The estimated amount of contracts remaining to be executed on capital account and not provided for as at 31st March 2022 is **Rs. NIL** (2021: Rs. NIL).

Note No. 6A - CWIP

(i) ITUD Ageing Schedule
As at 31st March, 2022

ITUD	Amt in ITUD for a period of: Less than 1 yr	1-2 yrs	2-3 yrs	More than 3yrs	Total
Projects in Progress	–	–	–	–	–
Projects temporarily suspended	–	–	–	–	–
	–	–	–	–	–

(ii) Projectwise break-up

CWIP	To be completed in: Less than 1 yr	1-2 yrs	2-3 yrs	More than 3yrs
Projects in Progress	–	–	–	–
Projects temporarily suspended	–	–	–	–
	–	–	–	–

Note No. 7- Trade receivables

₹ in lacs

Particulars	As at 31st March, 2022	As at 31st March, 2021
Trade receivables		
a) Unsecured, considered good	**7,497.55**	8,096.00
b) Significant increase in credit risk		–
c) Undisputed Trade Receivable -Credit Impaired	**443.22**	313.13
	7,940.77	8,409.13
Less: Allowance for Credit Losses	**443.22**	313.13
TOTAL	**7,497.55**	8,096.00

Trade Receivable ageing as at March, 2022

Particulars	Outstanding for following period from due date of payment: less than 6 Months	6 Months to 1 year	1 to 2 Year	2 to 3 Years	More than 3 Years	Total
(i) Undisputed Trade Receivable -Considered Good	7,089.91	317.84	(170.11)	212.79	47.12	7,497.55
(ii) Undisputed Trade Receivable -which have significant increase in credit risk						–
(iii) Undisputed Trade Receivable -Credit Impaired	121.67	27.87	291.44	1.84	0.40	443.22
Total Trade Receivables	**–**	**–**	**–**	**–**	**–**	**7,940.77**
Less: Allowance for Expected Credit Losses	–	–	–	–	–	(443.22)
Total	**–**	**–**	**–**	**–**	**–**	**7,497.55**

Trade Receivable ageing as at March, 2021

Particulars	Outstanding for following period from due date of payment: less than 6 Months	6 Months to 1 year	1 to 2 Year	2 to 3 Years	More than 3 Years	Total
(i) Undisputed Trade Receivable -Considered Good	7,235.99	350.74	473.69	23.33	12.25	8,096.00
(ii) Undisputed Trade Receivable -which have significant increase in credit risk						–
(iii) Undisputed Trade Receivable -Credit Impaired	74.80	126.54	109.36	1.00	1.43	313.13
Total Trade Receivables	**–**	**–**	**–**	**–**	**–**	**8,409.13**
Less: Allowance for Expected Credit Losses	–	–	–	–	–	(313.13)
Total	**–**	**–**	**–**	**–**	**–**	**8,096.00**

Notes:

i) Refer Note 26 (III) for disclosures related to credit risk, impairment of trade receivables under expected credit loss model and related disclosures.

ii) The Company applies the simplified approach to providing for expected credit losses prescribed by Ind As 109, which permits the use of the lifetime expected loss provision for all trade receivables. The Company has computed expected credit losses based on a provision matrix which uses historical credit loss experience of the Company.

Note No. 8 – Other Financial Asset

Particulars	**As at 31st March, 2022** Current	**Non-Current**	As at 31st March 2021 Current	Non-Current
A. Security Deposits				
a) Unsecured, considered good......	117.97	–	115.94	–
Less: Allowance for Credit Losses..	–		–	–
B. Unbilled Revenue	370.73		91.19	
C. Others	1.41	0.13	1.41	0.63
Total..	490.11	0.13	208.54	0.63

Accrued Sales ageing from transaction date as at March, 2021 & 2022

Particulars	**As at 31st March, 2022** Current	**Non-Current**	As at 31st March, 2021 Current	Non-Current
less than 6 Months	**370.73**	**–**	91.19	–
6 Months to 1 year	**–**	**–**	–	–
1 to 2 Year....................................	**–**	**–**	–	–
2 to 3 Years..................................	**–**	**–**	–	–
More than 3 Years	**–**	**–**	–	–
Total	**370.73**	**–**	91.19	–

Notes:

i) Refer Note 26 (III) for disclosures related to credit risk, impairment under expected credit loss model and related disclosures.

Note No. 9 - Current Tax and Deferred Tax

(a) Income Tax recognized in profit or loss

₹ in lacs

Particulars	**Year ended 31st March, 2022**	Year ended 31st March, 2021
A. Current Tax:		
a) In respect of current year.......	**564.29**	254.15
b) In respect of prior years	**–**	–
c) Unrecognized tax loss used to reduce current tax expense....	**–**	–
Total	**564.29**	254.15
B. Deferred Tax:		
a) In respect of current year origination and reversal of temporary differences............	**(37.66)**	(15.13)
b) Adjustments due to changes in tax rates..............................		
Total	**(37.66)**	(15.13)
Total (A+B)	**526.63**	239.02

(b) Income tax recognized in Other Comprehensive Income

₹ in lacs

Particulars	**Year ended 31st March, 2022**	Year ended 31st March, 2021
A. Current Tax:		
Remeasurement of defined benefit obligations	**–**	–
Total	**–**	–
B. Deferred Tax:		
Remeasurement of defined benefit obligations	**(2.71)**	0.79
Total	**(2.71)**	0.79
Classification of income tax recognized in other comprehensive income		
Income taxes related to items that will not be reclassified to profit or loss.................	**(2.71)**	0.79
Income taxes related to items that will be reclassified to profit or loss......................	**–**	–
Total	**(2.71)**	0.79

(c) Reconciliation of income tax expense and the accounting profit multiplied by Company's domestic tax rate:

Particulars	**Year ended 31st March, 2022**	Year ended 31st March, 2021
a) **Profit Before tax**	**2,125.92**	893.83
b) Income Tax using the Company's domestic tax rate.............................	**535.09**	224.98
c) Change in tax rates.........................	**–**	**13.26**
d) Expenses not allowed for tax purpose..	**31.92**	16.70
e) Tax impact on Business Loss	**–**	–
	567.01	254.94
f) Adjustments recognized in the current year in relation to the deferred tax of prior years		
g) Adjustments recognized in the current year in relation to the current tax of prior years		
Income tax expense recognized In profit or loss	**567.01**	254.94

Note No. 10 – Deferred Tax Assets

(i) Movement in deferred tax balances

Particulars	For the Year ended 31st March, 2022 Opening Balance	recognized in profit and Loss	recognized in OCI	Closing Balance	For the Year ended 31st March, 2021 Opening Balance	recognized in profit and Loss	recognized in OCI	Closing Balance
A. Tax effect of items constituting deferred tax liabilities								
a) Property, Plant and Equipment	–	–	–	–	–	–	–	–
Total	–	–	–	–	–	–	–	–
B. Tax effect of items constituting deferred tax assets								
a) Property, Plant and Equipment	**6.64**	**0.01**	**–**	**6.65**	6.04	0.60		6.64
b) Employee Benefits	**36.63**	**4.85**	**–**	**41.48**	33.18	2.66	0.79	36.63
c) Provision for doubtful debts/advances	**78.80**	**32.74**	**–**	**111.54**	66.60	12.20		78.80
d) Lease Effects	**0.58**	**0.06**	**–**	**0.64**	0.91	(0.33)		0.58
e) MAT credit entitlement	**–**	**–**	**–**	**–**	**–**	**–**		**–**
Total	**122.65**	**37.66**	**–**	**160.31**	106.73	15.13	0.79	122.65
Net Tax Assets / (Liabilities)	**122.65**	**37.66**	**–**	**160.31**	**106.73**	**15.13**	**0.79**	**122.65**

Note No. 11 – Other Current Assets

Particulars	As at 31st March, 2022 Current	Non-Current	As at 31st March, 2021 Current	Non-Current
A. Capital advances				
a) For Capital work in progress	**–**	**–**	–	–
b) For intangible asset under development	**–**	**–**	–	–
Total (A)	**–**	**–**	–	–
B. Advances other than capital advances				
a) Advances to suppliers - considered good	**–**	**–**	–	–
b) Prepaid Expenses	**20.11**		14.66	–
c) Other advances	**(2.54)**		908.05	–
Total (B)	**17.57**	**–**	922.71	–
TOTAL (A+B)	**17.57**	**–**	922.71	–
Less: Allowances for Credit Losses	**–**	**–**	–	–
Total (C)	**–**	**–**	–	–
TOTAL (A+B+C)	**17.57**	**–**	922.71	–

Note No. 12 – Cash and Bank Balances

Particulars	As at 31st March, 2022	As at 31st March, 2021
Cash and cash equivalents		
a) Balances with banks	**107.07**	26.51
b) Cheques, drafts on hand	**–**	–
c) Cash on hand	**0.56**	0.95
d) Bank deposits with maturity of less than 3 months	**–**	–
Total	**107.63**	27.46

Note No. 13 – Current Tax Assets

Particulars	As at 31st March, 2022	As at 31st March, 2021
Advance Income Tax/TDS Receivable (Net off Provision for Tax)	**85.33**	–
Total	**85.33**	–

Note No. 14 – Share Capital

Particulars	As at 31st March, 2022 No. of shares	As at 31st March, 2022 Amount	As at 31st March, 2021 No. of shares	As at 31st March, 2021 Amount
A. **Authorised:**				
Equity shares of Rs. 10 each with voting rights	**2,500,000**	**250.00**	2,500,000	250.00
Total	**2,500,000**	**250.00**	2,500,000	250.00
B. **Issued, Subscribed and Fully Paid:**				
Equity shares of Rs. 10 each with voting rights	**2,362,509**	**236.26**	2,362,509	236.26
Total	**2,362,509**	**236.26**	2,362,509	236.26
C. **Issued, Subscribed and Partly Paid:**	**–**	**–**	–	–
Total				
Total (B+C)		**236.26**		**236.26**

(i) Reconciliation of the number of shares outstanding at the beginning and at the end of the period.

Particulars	Opening Balance	Fresh Issue	Other Changes	Closing Balance
A. **Equity Shares with Voting rights**				
a) **Year Ended 31st March 2022**				
No. of Shares	**2,362,509**	**–**	–	**2,362,509**
Amount	**236.26**	**–**	–	**236.26**
b) Year Ended 31st March 2021				
No. of Shares	2,362,509	**–**	–	2,362,509
Amount	236.26	**–**	–	236.26

Notes:

i) **Rights, preferences and restrictions attached to equity shares**

The Company has only one class of equity shares having a par value of Rs.10/- per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the board of directors and approved by the shareholders in the annual general meeting is paid in Indian rupees. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(ii) **Details of shares held by the holding company:**

Particulars	No. of Equity Shares with Voting rights	
	As at 31st March, 2022	As at 31st March, 2021
Mahindra Logistics Limited	**2,340,009**	2,340,009

(iii) **Details of shares held by each shareholder holding more than 5% shares:**

Class of shares/Name of shareholder	**As at 31st March, 2022**		As at 31st March, 2021	
	Number of shares held	**% holding in that class of shares**	Number of shares held	% holding in that class of shares
Equity shares with voting rights				
Mahindra Logistics Limited	**2,340,009**	**99.05%**	2,340,009	99.05%
Mr. S. Rajagopalan	**22,500**	**0.95%**	22,500	0.95%

(v) Shareholding of Promoters/Promoter Group:

Shares held by promoters as at 31st March,2022

Sr. No.	**Promoter name**	**No. of Shares**	**%of total shares**	**% Change during the year**
1	Mahindra Logistics Limited	**2,340,009.00**	99.05%	–
2	Mr. S. Rajagopalan	**22,500.00**	0.95%	–

Shares held by promoters as at 31st March,2021

Sr. No.	Promoter name	No. of Shares	%of total shares	% Change during the year
1	Mahindra Logistics Limited	**2,340,009.00**	99.05%	–
2	Mr. S. Rajagopalan	**22,500.00**	0.95%	–

Note No. 15 – Other Equity

₹ in lacs

Particulars	**As at 31st March, 2022**	As at 31st March, 2021
Securities Premium	**622.75**	622.75
Retained earnings	**2,362.86**	755.51
Total	**2,985.61**	1,378.26

Movement in Reserves

Particulars	**As at 31st March, 2022**	As at 31st March, 2021
(A) Securities Premium		
Balance as at the beginning of the year	**622.75**	622.75
Add: Additions during the year	**–**	–
Less: Deletion during the year	**–**	–
Balance as at the end of the year	**622.75**	622.75

Particulars	**As at 31st March, 2022**	As at 31st March, 2021
(B) Retained Earnings		
Balance as at the beginning of the year	**755.51**	103.07
Add: Profit for the year	**1,599.29**	654.81
Less: Actuarial gain/(loss) for the year	**8.06**	(2.37)
Balance as at the end of the year	**2,362.86**	755.51

Nature and purpose of other reserves:

Retained earnings:

Retained earnings represents the surplus during the year to be retained in business and not for appropriation.

Securities Premium:

Securities premium account is created when shares are issued at premium. The reserve can be utilized in accordance with the provisions of the Act.

Note No. – 16 Borrowings

₹ in lacs

Particulars	As at 31st March, 2022 Current	As at 31st March, 2022 Non- Current	As at 31st March, 2021 Current	As at 31st March, 2021 Non- Current
A. Secured Borrowings				
Loans repayable on demand from Banks	**2,602.00**		1,782.40	–
Total Secured Borrowings	**2,602.00**		1,782.40	–
Total Borrowings	**2,602.00**		1,782.40	–

Note:

i. Secured loan from banks is in the nature of Cash Credit facility availed.

ii. Cash credit facililty has been availed at the rate of interest ranging from 5.75% to 7.65% p.a. agianst the charge of trade receivables.

iii. Bank sanctioned facility comprises of Cash Credit limit and working capital facility of Rs 5,000 lacs and facility availed as on 31st March, 2022 is Rs. 2,602.00 lacs.

Note No. 17 – Trade Payables

Particulars	As at 31st March, 2022	As at 31st March, 2021
Trade Payables		
a) Due to Micro and Small Enterprises (refer point no. ii)	**54.81**	181.48
b) Other then Micro and Small Enterprises	**2,131.81**	4,416.52
Total	**2,186.62**	4,598.00

Trade Payables ageing as at 31st March, 2022

Particulars	Outstanding for following periods from due date of payment: Less Than 1 year	1 to 2 years	2 to 3 years	More Than 3 years	Total
(i) MSME	54.81	–	–	–	54.81
(ii) Others	2,127.84	(3.12)	0.23	6.86	2,131.81
(iii) Disputed Dues - MSME	–	–	–	–	–
(iv) Disputed Dues - Others	–	–	–	–	–

Trade Payables ageing as at 31st March, 2021

Particulars	Outstanding for following periods from due date of payment: Less Than 1 year	1 to 2 years	2 to 3 years	More Than 3 years	Total
(i) MSME	181.48	–	–	–	181.48
(ii) Others	4,156.08	238.67	97.18	(75.41)	4,416.52
(iii) Disputed Dues - MSME	–	–	–	–	
(iv) Disputed Dues - Others	–	–	–	–	

Notes:

i) Trade Payables are payables in respect of the amount due on account of goods purchased or services received in the normal course of business.

ii) Micro, Small and Medium enterprises have been identified by the Company on the basis of the information available. Total outstanding dues of Micro and Small enterprises, which are outstanding for more than the stipulated period and other disclosures as per the Micro, Small and Medium Enterprises Development Act, 2006 (hereinafter referred to as "the MSMED Act") are given below

Particulars	As at 31st March, 2022	As at 31st March, 2021
Dues remaining unpaid		
— Principal	**54.81**	181.48
Interest on the above	–	–
Interest paid in terms of Section 16 of the MSMED Act along with the amount of payment made to the supplier beyond the appointed day during the year	–	–

Particulars	As at 31st March, 2022	As at 31st March, 2021
Principal paid beyond the appointed date	–	–
Interest paid in terms of Section 16 of the MSMED Act	–	–
Amount of interest due and payable for the period of delay on payments made beyond the appointed day during the year ...	–	–
Further interest due and payable even in the succeeding years, until such date when the interest due as above are actually paid to the small enterprises	–	–
Amount of interest accrued and remaining unpaid	–	–

Note No. 18 – Provisions

₹ in lacs

Particulars	As at 31st March, 2022		As at 31st March, 2021	
	Current	Non-Current	Current	Non-Current
Provision for employee benefits	**224.29**	**144.75**	259.32	130.56
Total	**224.29**	**144.75**	259.32	130.56

Note No. 19 – Lease Liabilities

₹ in lacs

Particulars	As at 31st March, 2022		As at 31st March, 2021	
	Current	Non-Current	Current	Non-Current
Lease Liabilities	**21.53**	**30.49**	49.12	6.50
TOTAL	**21.53**	**30.49**	49.12	6.50

Note No. 20 – Other Liabilities

₹ in lacs

Particulars	As at 31st March, 2022		As at 31st March, 2021	
	Current	Non–Current	Current	Non–Current
A. Advances received from customers	–		0.14	–
B. Statutory dues				
a) Taxes payable	**(3.65)**		108.16	–
b) Employee Liabilities	**7.99**		8.54	–
c) Other Liabilities	**1.59**		908.07	–
TOTAL (A+B)	**5.93**	–	1,024.91	–

Note No. 21 – Revenue from Operations

₹ in lacs

Particulars	As at 31st March, 2022	As at 31st March, 2021
Revenue from rendering of services	**45,013.11**	29,752.67
Total	**45,013.11**	29,752.67

Note No. 22 – Other Income

₹ in lacs

Particulars	As at 31st March, 2022	As at 31st March, 2021
a) Interest Income	**13.38**	15.37
b) Miscellaneous Income		
a) Gain on exchange fluctuation	**243.49**	169.29
b) Other Income	**(4.51)**	4.86
Total	**252.36**	189.52

Note No. 23 – Employee Benefits Expense

₹ in lacs

Particulars	As at 31st March, 2022	As at 31st March, 2021
a) Salaries and wages, including bonus	**1,512.77**	1,392.19
b) Contribution to provident and other funds	**67.75**	56.84
c) Gratuity	**25.43**	21.37
d) Staff welfare expenses	**51.75**	18.47
Total	**1,657.70**	1,488.87

Notes:

i) Salaries and wages would include: Salaries, wages, bonus, compensated absences and all other amounts payable to employees in respect of services rendered as per their employment terms under a contract of service / employment.

ii) Employee would deem to include directors, in full time or part time employment of the Company, but would exclude directors who are not under a contract of employment with the Company.

iii) Contribution to provident fund and other funds would include contributions to other funds like superannuation fund etc. pertaining to employees. Contributions to ESIC, Labour Welfare Fund.

Note No. 24 – Finance Cost

₹ in lacs

Particulars	As at 31st March, 2022	As at 31st March, 2021
a) Interest expense on cash credit	**236.95**	172.76
b) Interest on Lease	**9.85**	7.86
c) Interest on MSME	–	–
Total	**246.80**	180.62

Notes:

i) Analysis of Interest Expenses by Category

₹ in lacs

Particulars	As at 31st March, 2022	As at 31st March, 2021
Interest Expenses		
a) On Financial Liability at Amortized Cost	**236.95**	172.76
Total	**236.95**	172.76

Note No. 25 - Freight & Other related Expenses

₹ in lacs

Particulars	As at 31st March, 2022	As at 31st March, 2021
a) Freight & Other related Expenses	**40,544.96**	26,856.19
Total	**40,544.96**	26,856.19

Note No. 25A – Other Expenses

₹ in lacs

Particulars		As at 31st March, 2022	As at 31st March, 2021
a) Rent including lease rentals		**30.06**	31.67
b) Travelling and Conveyance Expenses		**75.12**	37.32
c) Provision for expected credit losses (Net of Reversals)		**130.09**	73.67
d) Bad Debts Written off		**65.49**	108.20
e) Bad Advances Written off		–	–
f) Auditors remuneration and out-of-pocket expenses			
i) As Auditors	4.27		
ii) For Taxation matters	0.75		
iii) For Other services	–	**5.02**	4.25
g) Repairs and maintenance:			
i) Machinery	105.09		
ii) Others	23.86	**128.95**	42.86
h) Legal & Professional charges		**68.84**	56.56
i) Loss on sale of Fixed Assets		**2.19**	0.57
j) Other expenses		**94.61**	79.06
Total		**600.37**	434.16

Note:

Expenditure incurred on Corporate Social Responsibility (CSR) under section 135 of the Companies Act, 2013 Rs. 8.04 lacs (2021:Rs. NIL).

₹ in lacs

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
(i) amount required to be spent by the company during the year,	8.00	–
(ii) amount of expenditure incurred,	8.04	–
(iii) shortfall at the end of the year,	–	–
(iv) total of previous years shortfall,	–	–
(v) reason for shortfall,	–	–
(vi) nature of CSR activities,	Sustainability (Tree Plantation)	–
a) Building Communities		
b) Disaster Management		
c) Nanhi Kali		
d) Skill Development		
e) Sustainability	8.04	–
(vii) details of related party transactions, e.g., contribution to a trust controlled by the company in relation	–	–
(viii) where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year shall be shown separately.	–	–

Note No. 26 – Earnings per Share

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
	Per Share	Per Share
A. Basic Earnings per share	**68.04**	27.62
Total basic earnings per share	**68.04**	27.62
B. Diluted Earnings per share	**68.04**	27.62
Total diluted earnings per share	**68.04**	27.62

Notes:

i) Basic earnings per share

The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:

₹ in lacs

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
a) Profit / (loss) for the year attributable to owners of the Company	**1,607.35**	652.44
b) Less: Preference dividend and tax thereon	–	–
Profit / (loss) for the year used in the calculation of basic earnings per share	**1,607.35**	652.44
Total number of equity shares	**2,362,509**	2,362,509
Earnings per share from continuing operations - Basic	**68.04**	27.62

ii) Diluted Earnings Per Share

The diluted earnings per share has been computed by dividing the Net profit after tax available for Equity shareholders by the weighted average number of equity shares, after giving the effect of the dilutive potential ordinary shares for the respective periods.

Particulars	As at 31st March, 2022	As at 31st March, 2021
a) Profit / (loss) for the year used in the calculation of basic earnings per share	**1,607.35**	652.44
b) Add: adjustments on account of dilutive potential equity shares	–	–
Profit / (loss) for the year used in the calculation of diluted earnings per share	**1,607.35**	652.44

iii) Reconciliation of weighted average number of equity shares

The weighted average number of equity shares for the purpose of diluted earnings per share reconciles to the weighted average number of equity shares used in the calculation of basic earnings per share as follows:

Particulars	As at 31st March, 2022	As at 31st March, 2021
Weighted average number of equity shares used in the calculation of Basic EPS	**2,362,509.00**	2,362,509.00
Add: Effect of Adjustments	–	–
Weighted average number of equity shares used in the calculation of Diluted EPS	**2,362,509.00**	2,362,509.00

Note No. 27 – Financial Instruments

I. Capital management Policy

a) The company's capital management objectives are:

– to ensure the company's ability to continue as a going concern.

– to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

b) For the purpose of company's capital management, capital includes issued share capital, equity as well as preference and all other equity reserves. The company monitors capital on the basis of the carrying amount of equity as presented on the face of the statement of financial position. The company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

c) The following table shows the components of capital:

₹ in lacs

Particulars	As at 31st March, 2022	As at 31st March, 2021
Equity	**3,221.87**	1,614.52
Capital	**3,221.87**	1,614.52

Note:

The above capital management disclosures are based on the information provided internally to key management personnel.

II. Categories of financial assets and financial liabilities

₹ in lacs

As at 31st March, 2022

Particulars	Amortised Costs	FVTPL	FVOCI	Total
A. Non-current Assets				
a) Investments	–	–	–	–
b) Other Financial Assets	**0.13**	–	–	**0.13**
Total	**0.13**	–	–	**0.13**
B. Current Assets				–
a) Investments	–	–	–	–
b) Trade Receivables	**7,497.55**	–	–	**7,497.55**
c) Cash and Bank Balances	**107.63**	–	–	**107.63**
d) Other Financial Assets	**490.11**	–	–	**490.11**
Total	**8,095.29**	–	–	**8,095.29**
C. Non-current Liabilities				
a) Borrowings	–	–	–	–
Total	–	–	–	–
D. Current Liabilities				
a) Trade Payables	**2,186.62**	–	–	**2,186.62**
b) Other Financial Liabilities	**2,602.00**	–	–	**2,602.00**
Total	**4,788.62**	–	–	**4,788.62**

As at 31st March, 2021

Particulars	Amortised Costs	FVTPL	FVOCI	Total
A. Non-current Assets				
a) Investments	–	–	–	–
b) Other Financial Assets	0.63	–	–	0.63
Total	0.63	–	–	0.63
B. Current Assets				–
a) Investments	–	–	–	–
b) Trade Receivables	8,096.00	–	–	8,096.00
c) Cash and Bank Balances	27.46	–	–	27.46
d) Other Financial Assets	208.54	–	–	208.54
Total	8,332.00	–	–	8,332.00
C. Non-current Liabilities				
a) Borrowings	–	–	–	–
Total	–	–	–	–
D. Current Liabilities				
a) Trade Payables	**4,598.00**	–	–	**4,598.00**
b) Other Financial Liabilities	**1,782.40**	–	–	**1,782.40**
Total	**6,380.40**	–	–	**6,380.40**

III. Financial Risk Management Framework

The Company's activities expose it to a variety of financial risks: credit risk and liquidity risk. In order to manage the aforementioned risks, the Company operates a risk management policy and a program that performs close monitoring of and responding to each risk factors.

A) Credit risk management

Trade receivables and deposits

(i) Credit risk arises when a counterparty defaults on its contractual obligations to pay resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties. The company periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of accounts receivable. Credit exposure is controlled by counterpaty credit period which is monitored through an approved policy.

(ii) Trade receivables consist of a large number of customers, spread across diverse industries and places across India.

(iii) Apart from one large customer of the company, the company does not have significant credit risk exposure to any single customer. Concentration of credit risk related to a single company did not exceed 15 % of gross monetary assets at any time during the year.

(iv) The Company applies the simplified approach to providing for expected credit losses prescribed by Ind AS 109, which permits the use of the lifetime expected loss provision for all trade receivables. The company has computed expected credit losses based on a provision matrix which uses historical credit loss experience of the Company and individual receivable specific provision where applicable. Forward-looking information (including macroeconomic information) has been incorporated into the determination of expected credit losses.

(v) There is no change in estimation techniques or significant assumptions during the reporting period.

(vi) The loss allowance provision is determined as follows:

₹ in lacs

As at 31st March, 2022

Particulars	Not due	Less than 6 months past due	More than 6 months past due	Total
a) Gross carrying amount	**7,211.59**	**345.71**	**383.47**	**7,940.77**
b) Loss allowance provision	**116.10**	**5.57**	**321.55**	**443.22**

₹ in lacs

Particulars		Not due	Less than 6 months past due	More than 6 months past due	Total
			As at 31st March, 2021		
a)	Gross carrying amount....	5,033.29	2,371.87	1,003.97	8,409.13
b)	Loss allowance provision..	50.84	23.96	238.33	313.13

(vii) Reconciliation of loss allowance provision for Trade Receivables

₹ in lacs

Particulars		**31st March, 2022**	31st March, 2021
a)	Balance as at beginning of the year.......	**313.13**	239.46
b)	Impairment losses recognised in the year based on lifetime expected credit losses		
	– On receivables originated in the year..	**195.58**	181.87
	– Other receivables........................	–	–
c)	Impairment losses reversed/written back...	**65.49**	108.20
d)	**Balance at end of the year**..................	**443.22**	313.13

(viii) During the period, the company has made write off of Rs.65.49 lacs (31 March, 2021: Rs. 108.20 lacs) of trade receivable. These trade receivables and advances are not subject to enforcement activity.

Cash and Cash equivalents

As at 31st March, 2022 the company held cash and cash equivalents of Rs. 107.63 Lacs (As at 31st March, 2021 Rs. 27.46 Lacs). The cash and cash equivalents are held with banks with good credit rating.

B) Liquidity risk management

(i) The company's treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the company's net liquidity position through rolling forecasts on the basis of expected cash flows.

(ii) Maturities of financial liabilities

Table showing maturity profile of financial liabilites:

₹ in lacs

Particulars		**Less than 1 Year**	**1-3 Years**	**3 Years to 5 Years**	**5 years and above**
A)	**Non-derivative financial liabilities**				
As at 31st March 2022					
a)	Trade Payables	**2,186.62**	**–**	**–**	**–**
b)	Security Deposits	–	**–**	**–**	**–**
c)	Borrowings.....................	**2,602.00**	**–**	**–**	**–**
d)	Employee Dues	–	**–**	**–**	**–**
Total...		**4,788.62**	**–**	**–**	**–**
As at 31st March 2021					
a)	Trade Payables	4,598.00	–	–	–
b)	Security Deposits	–	–	–	–
c)	Borrowings.....................	1,782.40	–	–	–
d)	Employee Dues	–	–	–	–
Total...		6,380.40	–	–	–

The above table details the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The amount disclosed in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows.

The contractual maturity is based on the earliest date on which the Company may be required to pay.

(iii) Financing arrangements

The Company has access to following undrawn borrowing facilities at the end of the reporting period:

₹ in lacs

Particulars		**As at 31st March, 2022**	As at 31st March, 2021
a)	**Secured Cash credit facility**		
	– Expiring within one year	**2,398.00**	1,017.60
	– Expiring beyond one year	–	–

Note: The quarterly statements of current assets filed by the Company with banks are in agreement with the books of accounts.

(iv) Maturities of financial assets

Table showing maturity profile of financial assets

Particulars	**Less than 1 Year**	**1-3 Years**	**3 Years to 5 Years**	**5 years and above**
	In Rs. Lacs	In Rs. Lacs	In Rs. Lacs	In Rs. Lacs
Non-derivative financial assets				
As at 31st March 2022				
Trade Receivables.....................	**7,497.55**	–	–	–
Security Deposits......................	**117.97**	–	–	–
Others......................................	**107.63**	–	–	–
Total..	**7,723.15**	–	–	–
As at 31st March 2021				
Trade Receivables.....................	8,096.00	–	–	–
Security Deposits......................	115.94	–	–	–
Others......................................	27.46	–	–	–
Total..	8,239.40	–	–	–

The above table details the Company's expected maturity for its non-derivative financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Company's liquidity risk management as the liquidity is managed on a net asset and liability basis.

C) Market Risk Management

Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of currency risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. All such transactions are carried out within the guidelines set by the Board of Directors.

There has been no significant changes to the company's exposure to market risk or the methods in which they are managed or measured.

Currency Risk

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. The Company's exposure to currency risk relates primarily to the Company's operating activities when transactions are denominated in a different currency from the Company's functional currency.

The carrying amounts of the Company's unhedged foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

Particulars	**Currency**	**31st March, 2022**	31st March, 2021
Trade Receivables	USD	**380,516**	895,345
	EUR	**14,638**	7,947
	CAD	**30.69**	31
	SGD	–	3,447
	GBP	**10.00**	103
	HKD	–	7,486

Particulars	Currency	31st March, 2022	31st March, 2021
Trade Payables	USD	**1,167,767**	4,126,635
	HKD	**118,215**	1,218,632
	EUR	**213,043**	312,480
	GBP	**48,542**	51,211
	SGD	**31,675**	5,642
	CAD	**4,420**	51,824
	CHF	**499**	4,103
	AUD	**11,820**	8,911
	DKK	**5,462**	9,955
	JPY	**2,257,184**	75,680
	NZD	–	1,061
	SEK	–	16,655

The Company does not enter into hedge transactions for either trading or speculative purposes.

The outstanding forward contracts at the year end their maturity profile and sensitivity analysis are as under.

Fair value of forward contracts designated as Fair Value hedges of USD-INR as at 31 March 2022 and 31 March 2021 was NIL Lacs and 949 Lacs respectively Outstanding number of contracts as at 31 March 2022 were Nil and 31 March 2021 were 21.

Following table demonstrate the Notional value of forward contracts designated as fair value hedges in lakhs

	As at 31st March, 2022		As at 31st March, 2021	
Currency	Amount in foregeign Currency	Amount in INR	Amount in foregeign Currency	Amount in INR
USD - INR	–	–	13.00	948.89
HKD - INR	–	–	5.50	51.76
GBP- INR	–	–	–	–
Euro - INR	–	–	0.50	43.97

The foreign exchange forward contracts designated as Fair Value hedges mature maximum within 1 months.

The following tables demonstrate the sensitivity to a reasonably possible change in USD exchange rates, with all other variables held constant. The Company's exposure to foreign currency changes for all other currencies is not material.

Particulars	Currency	Change in rate	Effect on profit before tax	Effect on pre-tax equity
31/March/22	**USD**	**+10%**	**59.61**	**59.61**
	USD	**-10%**	**(59.61)**	**(59.61)**
	HKD	**+10%**	**1.13**	**1.13**
	HKD	**-10%**	**(1.13)**	**(1.13)**
	EUR	**+10%**	**16.77**	**16.77**
	EUR	**-10%**	**(16.77)**	**(16.77)**
	GBP	**+10%**	**4.82**	**4.82**
	GBP	**-10%**	**(4.82)**	**(4.82)**
31/March/21	USD	+10%	236.27	236.27
	USD	-10%	(236.27)	(236.27)
	HKD	+10%	11.40	11.40
	HKD	-10%	(11.40)	(11.40)
	EUR	+10%	26.12	26.12
	EUR	-10%	(26.12)	(26.12)
	GBP	+10%	5.15	5.15
	GBP	-10%	(5.15)	(5.15)

Interest Risk

The following tables demonstrate the sensitivity to a reasonably possible change in Interest rates, with all other variables held constant.

Particulars	Name of borrowing	Type of Interest	Rate of interest	Loan amount outstanding as at year end	Increase in Base Rate	Sensitivity Impact on P&L (pre-tax)	Decrease in Base Rate	Sensitivity Impact on P&L (pre-tax)
As at 31st March, 2022	**Cash Credit**	**Floating**	**6.70%**	**2,602.00**	**1.00%**	**-26.02**	**1.00%**	**26.02**
As at 31st March, 2021	Cash Credit	Floating	7.93%	1,782.40	1.00%	-17.82	1.00%	17.82

Note No. 28 – Fair Value Measurement

a) Fair value of financial assets and financial liabilities that are measured at amortized cost:

₹ in lacs

	31st March, 2022		31st March, 2021	
Particulars	Carrying amount	Fair value	Carrying amount	Fair value
A) Financial assets				
a) Financial assets carried at amortized Cost				
i) Trade and other receivables	**7,497.55**	**7,497.55**	8,096.00	8,096.00
ii) Deposits given	**117.97**	**117.97**	115.94	115.94
iii) Cash and cash equivalents	**107.63**	**107.63**	27.46	27.46
Total	**7,723.15**	**7,723.15**	8,239.40	8,239.40

₹ in lacs

Particulars	31st March, 2022 Carrying amount	31st March, 2022 Fair value	31st March, 2021 Carrying amount	31st March, 2021 Fair value
B) Financial liabilities				
b) Financial liabilities held at amortized cost				
i) Borrowings	**2,602.00**	**2,602.00**	1,782.40	1,782.40
ii) Trade and other payables	**2,186.62**	**2,186.62**	4,598.00	4,598.00
Total	**4,788.62**	**4,788.62**	6,380.40	6,380.40

Note No. 29 – Segment information

i) The management of the company has chosen to organise the company on the basis of nature of services. No operating segments have been aggregated in arriving at the reportable segments of the group.

ii) The Company has only one operating segment i.e. "Freight Forwarding".

iii) The COO/ director monitors the operating results of the business segments separately for the purpose of making decisions about the allocation of resources and performance assessment.

(iv) Geographic information

₹ in lacs

Particulars	Year Ended 31st March, 2022	Year Ended 31st March, 2021
Revenue from external customers		
India	**28,302.35**	28,700.08
Outside India	**16,710.76**	1,052.59
Total Revenue as per statement of Profit or Loss	**45,013.11**	29,752.67

v) Non-current operating assets

Particulars	As at 31st March, 2022	As at 31st March, 2021
India	**78.85**	87.34
Outside India	–	–
Total	**78.85**	87.34

Non-current assets for this purpose consist of property, plant and equipment, and intangible assets.

The revenues of the company from a group of customers under common control amounts to around 7.00% of its total revenues.

(vi) The company had set up its internal reporting based on Ind AS, ahead of Ind AS adoption for statutory reporting. Hence, the COO/ director was already using Ind AS information for economic decision making. This implies that the company's internal reporting is already set up to report in accordance with Ind-AS.

Note No. 30 – Leases

Operating Lease

i) The Company has entered into lease arrangements for commercial premises. The leases are non-cancellable and are for period as specified in the agreement and may be renewed based on mutual agreement of the parties.

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
i) Future Non-Cancellable minimum lease commitments		
a) not later than one year	–	–
b) later than one year and not later than five years	–	–
c) later than five years	–	–
ii) Expenses recognised in the Statement of Profit and Loss		
a) Minimum Lease Payments	–	–

Note No. 31 – Employee benefits

i) Defined Contribution Plan

The Company's contribution to Provident Fund aggregating Rs. 67.75 lacs (2021 : Rs. 56.84 lacs) has been recognised in the Statement of Profit or Loss under the head Employee Benefits Expense.

ii) Defined Benefit Plans:

Gratuity

a) The Company operates a gratuity plan covering qualifying employees. The benefit payable is the greater of the amount calculated as per the Payment of Gratuity Act, 1972 or the Company scheme applicable to the employee. The benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. In case of death while in service, the gratuity is payable irrespective of vesting.

b) Through its defined benefit plans the Company is exposed to a number of risks, the most significant of which are detailed below:

(1) Change in bond yields

A decrease in government bond yields will increase plan liabilities.

(2) Inflation risk

Defined benefit obligations are linked to inflation, and higher inflation will lead to higher liabilities (although, caps on the level of inflationary increases are in place to protect the plan against extreme inflation).

(3) Life expectancy

The majority of the plan's obligations are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the plan's liabilities. This is particularly significant in the Company's defined benefit plans, where inflationary increases result in higher sensitivity to changes in life expectancy.

(c) Significant Actuarial Assumptions

The significant actuarial assumptions used for the purposes of the actuarial valuations were as follows:

Particulars		Valuation as at 31st March, 2022	Valuation as at 31st March, 2021
a)	Discount rate(s)	**6.80%**	6.35%
b)	Expected rate(s) of salary increase	**7.00%**	7.00%
c)	Mortality rate during employment	**IALM(2012-14) Ultimate**	IALM(2012-14) Ultimate

(d) Defined benefit plans – as per actuarial valuation

Particulars		Unfunded Plan – Gratuity 2022	Unfunded Plan – Gratuity 2021
I.	**Amounts recognised in comprehensive income in respect of these defined benefit plans are as follows:**		
a)	Current Service Cost	**19.93**	18.09
b)	Past service cost and (gains)/ losses from settlements		
c)	Net interest expense	**3.84**	3.28
	Components of defined benefit costs recognised in profit or loss	**23.77**	21.37
a)	Remeasurement on the net defined benefit liability		
b)	Return on plan assets (excluding amount included in net interest expense)		
c)	Actuarial (gains)/loss arising form changes in demaographic		
d)	Actuarial (gains)/loss arising form changes in financial assumptions.	**(2.33)**	0.93
e)	Actuarial (gains)/loss arising form experience adjustments	**(8.44)**	2.23
Components of defined benefit costs recognised in other comprehensive income		**(10.77)**	3.16
Total		**13.00**	24.53
II.	**Net Asset/(Liability) recognised in the Balance Sheet as at 31st March**		
a)	Present value of defined benefit obligation	**(71.46)**	(60.48)
b)	Fair value of plan assets	–	–
c)	Surplus/(Deficit)	**(71.46)**	(60.48)
d)	Current portion of the above	**(6.27)**	(2.55)
e)	Non current portion of the above	**(65.19)**	(57.93)
III.	**Change in the obligation during the year ended 31st March**		
a)	Present value of defined benefit obligation at the beginning of the year	**60.48**	50.11
b)	Add/(Less) on account of Scheme of Arrangement/Business		
c)	Transfer		
d)	*Expenses Recognised in Profit and Loss Account*		
	– Current Service Cost	**19.93**	18.09
	– Past Service Cost		
	– Interest Expense (Income)	**3.84**	3.28
e)	*Recognised in Other Comprehensive Income*		
	Remeasurement gains/(losses)		
–	Actuarial Gain (Loss) arising from:		
	i. Demographic Assumptions	–	–
	ii. Financial Assumptions	**(2.33)**	0.93
	iii. Experience Adjustments	**(8.44)**	2.23
f)	Benefit payments	**(2.02)**	(14.16)
g)	**Present value of defined benefit obligation at the end of the year**	**71.46**	60.48
IV.	**Change in fair value of assets during the year ended 31st March**		
i)	Fair value of plan assets at the beginning of the year	–	–
ii)	*Expenses Recognised in Profit and Loss Account*		
	– Expected return on plan assets	–	–
iii)	*Recognised in Other Comprehensive Income*	–	–
	Remeasurement gains/(losses)		
–	Actual Return on plan assets in excess of the expected return	–	–
iv)	Contributions by employer (including benefit payments recoverable)	–	–
v)	Benefit payments	–	–
vi)	**Fair value of plan assets at the end of the year**	–	–
V.	The Major categories of plan assets		
–	Insurance Funds	–	–
VI.	Actuarial assumptions		
a)	Discount rate	**6.80%**	6.35%
b)	Expected rate of return on plan assets		
c)	Attrition rate	**12.00%**	12.00%

d) The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

Principal assumption			Changes in assumption	Impact on defined benefit obligation: Increase in assumption	Impact on defined benefit obligation: Decrease in assumption
a)	Discount rate	2022	1.00%	66.68	76.83
		2021	1.00%	56.05	65.49
b)	Salary growth rate	2022	1.00%	76.69	66.65
		2021	1.00%	65.37	56.04
c)	Rate of employee turnover	2022	0.50%	68.25	75.18
		2021	0.50%	55.25	66.75
d)	Rate of Mortality	2022	0.10%	71.46	71.46
		2021	0.10%	60.48	60.48

Notes:

i) The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the Balance sheet.

ii) The weighted average duration of the defined benefit obligation as at 31 March 2022 is 9 years (2021: 8 years)

e) Maturity profile of defined benefit obligation:

The tables include both discounted value as well as unwinding of interest.

Particulars	2022	2021
Within 1 year	**6.26**	2.55
2 - 5 year	**33.91**	26.32
6 - 10 year	**35.48**	29.94
More than 10 years	**51.02**	

f) The estimate of future salary increases, considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

g) The current service cost and the net interest expense for the year are included in the employee benefits expense in profit or loss of the expense for the year.

Note No. 32 – Related Party Transactions

i) List of Related Parties:

a) Holding Companies:	
1	Mahindra Logistics Limited
b) Other Related parties	
1	Mahindra & Mahindra Limited and its divisions
2	Mahindra Heavy Engines Pvt Ltd
3	Mahindra Trucks and Buses Ltd
4	Mahindra Two Wheelers Ltd
5	MAHINDRA DEFENCE SYSTEMS LIMITED
6	TECH MAHINDRA LIMITED
7	CLASSIC LEGENDS PRIVATE LIMITED
8	Mahindra Electric Mobility Limited
c) Key management Personnel	
1	Krishnan Varada (WTD)

ii) Details of transaction between the Company and its related parties are disclosed below:

			₹ in lacs
Particulars	**Parent Company**	**Other related parties**	**KMP**
Nature of transactions with Related Parties			
a) Rendering of services	0 24.62	3021.74 1,027.99	
b) Receiving of services	104.56 24.61	2.63 3.54	
c) Salary/PP Payable			– 39.17
d) Reimbursements made to parties	80.09 44.38	0.67 1.16	
e) Reimbursements received from the parties	–		
f) Interest paid to the parties	–		
g) Loans received from the parties	–		
Nature of Balances with Related Parties			
a) Trade payables	24.46 46.67	1.96 –	
b) Trade Receivable		523.78 262.58	
c) Loans & advances received	–	–	–

iii) All the outstanding balances, whether receivables or payables are unsecured.

iv) Related party transactions were made on terms equivalent to those that prevail in arm's length transactions are made only if such terms can be substantiated.

v) The loans to related parties are not in the nature of repayable on demand or without specifying any terms or period of repayment.

Note No. 33 – IND AS 115:- Revenue Recognition policies:-

A. Country-wise break up of Revenue

				₹ in lacs
	Year ended 31st March, 2022		Year ended 31st March, 2021	
Country	**Revenue from contracts with customers (IndAS 115)**	**Total Revenue from Operations**	**Revenue from contracts with customers (IndAS 115)**	**Total Revenue from Operations**
Australia	**279.06**	**279.06**	40.97	40.97
Bangladesh	**235.19**	**235.19**	–	–
Brazil	**573.76**	**573.76**	–	–
Canada	**157.05**	**157.05**	11.38	11.38
China	**92.54**	**92.54**	41.21	41.21
Belgium	**123.73**	**123.73**	2.85	2.85
Czech Republic	**76.22**	**76.22**	1.44	1.44
Denmark	**33.58**	**33.58**	1.61	1.61
France	**315.01**	**315.01**	0.28	0.28
Germany	**681.66**	**681.66**	8.29	8.29
Ghana	**86.75**	**86.75**	–	–
Hong Kong	**6.35**	**6.35**	87.12	87.12
Indonesia	**226.41**	**226.41**	11.28	11.28
Israel	**330.83**	**330.83**	–	–
Italy	**889.56**	**889.56**	67.55	67.55
Cambodia	**0.24**	**0.24**	0.25	0.25
Chile	**219.67**	**219.67**	4.05	4.05
Kazakhstan	–	–	–	–
Kenya	**73.17**	**73.17**	0.32	0.32
Korea (South)	–	–	86.36	86.36
Kuwait	**16.61**	**16.61**	1.08	1.08
Malaysia	**36.26**	**36.26**	0.31	0.31
Costa Rica	–	–	0.76	0.76
Nepal	**5.05**	**5.05**	–	–
Netherlands	**1,331.91**	**1,331.91**	1.69	1.69
New Zealand	–	–	0.32	0.32
Philippines	**61.66**	**61.66**	–	–
Romania	**67.55**	**67.55**	3.26	3.26
Qatar	**12.90**	**12.90**	0.25	0.25
Saudi Arabia	**42.13**	**42.13**	0.87	0.87
Singapore	**65.98**	**65.98**	9.17	9.17

				₹ in lacs
	Year ended 31st March, 2022		Year ended 31st March, 2021	
Country	**Revenue from contracts with customers (IndAS 115)**	**Total Revenue from Operations**	**Revenue from contracts with customers (IndAS 115)**	**Total Revenue from Operations**
Slovakia	**1.73**	**1.73**	0.08	0.08
Spain	**74.24**	**74.24**	28.49	28.49
Sri Lanka	**404.69**	**404.69**	18.08	18.08
Tunisia	**8.27**	**8.27**	7.68	7.68
Switzerland	**33.12**	**33.12**	9.60	9.60
Zambia	**5.76**	**5.76**	4.01	4.01
Thailand	**57.80**	**57.80**	–	–
Turkey	**138.08**	**138.08**	2.48	2.48
Uae	**172.34**	**172.34**	173.54	173.54
United Kingdom	**867.80**	**867.80**	32.08	32.08
United States Of America	**5,159.60**	**5,159.60**	392.57	392.57
Vietnam	**70.07**	**70.07**	1.31	1.31
Afghanistan	**10.23**	**10.23**	–	–
Albania	**8.56**	**8.56**	–	–
Algeria	**31.60**	**31.60**	–	–
Angola	**14.49**	**14.49**	–	–
Argentina	**41.15**	**41.15**	–	–
Austria	**145.06**	**145.06**	–	–
Azerbaijan	**0.41**	**0.41**	–	–
Bahrain	**10.83**	**10.83**	–	–
Benin	**8.50**	**8.50**	–	–
Botswana	**7.31**	**7.31**	–	–
Brunei Daruss.	**0.55**	**0.55**	–	–
Bulgaria	**1.30**	**1.30**	–	–
Burma	**92.98**	**92.98**	–	–
Burundi	**7.19**	**7.19**	–	–
Cameroon	**4.34**	**4.34**	–	–
Colombia	**56.19**	**56.19**	–	–
Cote d'Ivoire	**38.16**	**38.16**	–	–
Croatia	**43.18**	**43.18**	–	–
Dem. Rep. Congo	**9.43**	**9.43**	–	–
Djibouti	**1.94**	**1.94**	–	–
Dominican Rep.	**10.48**	**10.48**	–	–
Ecuador	**0.14**	**0.14**	–	–
Egypt	**61.79**	**61.79**	–	–
Fiji	**2.84**	**2.84**	–	–
Finland	**15.32**	**15.32**	–	–
Gambia	**4.65**	**4.65**	–	–
Georgia	**87.99**	**87.99**	–	–
Greece	**59.54**	**59.54**	–	–
Guadeloupe	**4.36**	**4.36**	–	–
Guatemala	**191.48**	**191.48**	–	–
Honduras	**1.22**	**1.22**	–	–
Hungary	**47.42**	**47.42**	–	–
Iran	**17.10**	**17.10**	–	–
Iraq	**1.07**	**1.07**	–	–
Ireland	**70.35**	**70.35**	–	–
Japan	**105.63**	**105.63**	–	–
Jordan	**234.02**	**234.02**	–	–
Lebanon	**4.61**	**4.61**	–	–
Lithuania	**6.24**	**6.24**	–	–
Malawi	**0.95**	**0.95**	–	–
Maldives	**6.08**	**6.08**	–	–
Mali	**0.52**	**0.52**	–	–
Malta	**5.91**	**5.91**	–	–
Mauritania	**50.03**	**50.03**	–	–
Mauritius	**71.40**	**71.40**	–	–
Mexico	**524.29**	**524.29**	–	–
Morocco	**11.16**	**11.16**	–	–
Mozambique	**3.34**	**3.34**	–	–
Niger	**1.18**	**1.18**	–	–
Nigeria	**258.65**	**258.65**	–	–
Oman	**7.85**	**7.85**	–	–
Pakistan	**0.28**	**0.28**	–	–
Paraguay	**5.43**	**5.43**	–	–
Peru	**3.87**	**3.87**	–	–
Poland	**28.24**	**28.24**	–	–
Portugal	**5.19**	**5.19**	–	–
Russian Fed.	**156.61**	**156.61**	–	–
Rwanda	**2.10**	**2.10**	–	–
Senegal	**75.98**	**75.98**	–	–
Seychelles	**7.64**	**7.64**	–	–
Slovenia	**2.61**	**2.61**	–	–
Somalia	**18.79**	**18.79**	–	–
South Africa	**72.44**	**72.44**	–	–
South Korea	**14.53**	**14.53**	–	–
Sudan	**237.46**	**237.46**	–	–
Sweden	**249.71**	**249.71**	–	–
Taiwan	**0.75**	**0.75**	–	–
Tanzania	**16.37**	**16.37**	–	–
Uganda	**3.99**	**3.99**	–	–
Ukraine	**24.06**	**24.06**	–	–
Uzbekistan	**215.76**	**215.76**	–	–
Yemen	**124.33**	**124.33**	–	–
Burkina Faso	**2.03**	**2.03**		
Syria	–	–		
Zimbabwe	**7.25**	**7.25**	–	–
India	**28,302.35**	**28,302.35**	28,700.08	28,700.08
Total	**45,013.11**	**45,013.11**	29,752.67	29,752.67

B. Reconciliation of revenue from contract with customer

		₹ in lacs
Particulars	**Year ended 31st March, 2022**	Year ended 31st March, 2021
Revenue from contract with customer as per the contract price	**45,013.11**	29,752.67
Adjustments made to contract price on account of :-		
a) Discounts/Rebates/Incentives	**–**	–
b) Sales Returns/Reversals	**–**	–
c) Deferment of revenue	**–**	–
d) Changes in estimates of variable consideration	**–**	–

		₹ in lacs
Particulars	**Year ended 31st March, 2022**	Year ended 31st March, 2021
e) Recognition of revenue from contract liability out of opening balance of contract liability	**–**	–
f) Any other adjustments	**–**	–
Revenue from contract with customer as per the statement of Profit and Loss	**45,013.11**	29,752.67

C. Break-up of Provision for Expected Credit Losses recognized in P&L

		₹ in lacs
Particulars	**Year ended 31st March, 2022**	Year ended 31st March, 2021
Expected Credit loss recognized during the year on trade receivables	**130.09**	73.67
Expected Credit loss recognized during the year on contract assets	–	–
Expected Credit loss recognized during the year on others	–	–
Expected Credit loss recognized during the year on loan related assets	–	–
Total	**130.09**	73.67

D. Movement of Contract Assets and Contract Liabilities

Movement of Contract Assets

Particulars	**Year ended 31st March, 2022**	Year ended 31st March, 2021
Opening Balance	**91.19**	241.48
Additions during the year	**9,973.89**	3,733.60
Reclassification Adjustments:		
- Reclass of opening balances of contract assets to trade receivables	**(91.19)**	(241.48)
- Reclass of contract assets (out of additions during the year) to trade receivables	**(9,603.17)**	(3,642.41)
Cumulative catch up adjustment recognized during the year	–	–
Adjustments due to contract modification	–	–
Impairment of contract asset	–	–
Addition on account of merger / acquisition of subsidiary	–	–
Deletion on account of demerger / sale of subsidiary	–	–
Closing Balance	**370.72**	91.19

Note No 34:- Ind AS 116 Disclosures

Following are the changes in the carrying value of right of use assets for the year ended March 31, 2022

	Category of ROU Asset			
Particulars	**Office Premises**	**Furniture & Fixtures**	**Vehicles**	**Total**
Balance at 1 April, 2021	52.77	–	–	52.77
Reclassified on account of adoption of Ind AS 116 (Refer to Note No. 4)				–
Addition	93.19	–	–	93.19
Deletion	(20.42)	–	–	(20.42)
Depreciation	(76.05)	–	–	(76.05)
Balance at 31 March, 2022	**49.49**	–	–	**49.49**

The aggregate depreciation expense on ROU assets is included under depreciation and amortization expense in the Statement of Profit and Loss.

The following is the break-up of current and non-current lease liabilities as at March 31, 2022

Particulars	**As at March 31, 2022**
Current lease liabilities	**21.53**
Non-current lease liabilities	**30.49**
Total	**52.02**

The following is the movement in lease liabilities during the year ended March 31, 2022

Particulars	**Year ended March 31, 2022**
Balance at the beginning	**55.63**
Additions	**93.19**
Finance cost accrued during the period	**9.85**
Deletions	**(20.42)**
Payment of lease liabilities	**(86.23)**
Translation Difference	–
Balance at the end	**52.02**

The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2022 on an undiscounted basis:

Particulars	**As at March 31, 2022**
Less than one year	**24.68**
One to five years	**33.74**
More than five years	–
Total undiscounted lease liabilities at 31 March, 2022	**58.42**

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

Rental expense recorded for short-term leases was ₹ 86.23 lacs and ₹ 65.68 lacs for the year ended March 31, 2022 and year ended March 31, 2021 respectively.

The following is the movement in the net investment in sublease in ROU asset during the year ended March 31, 2022

Particulars	**Year ended March 31, 2022**
Balance at the beginning of the period	–
Interest income accrued during the period	–
Lease receipts	–
Translation Difference	–
Balance at the end of the period	–

The table below provides details regarding the contractual maturities of net investment in sublease of ROU asset as at March 31, 2022 on an undiscounted basis:

Particulars	**As at March 31, 2022**
Less than one year	–
One to five years	–
More than five years	–
Total	–

Note No 35:- Covid-19 Disclosure

The Company has accounted significant accounting estimates which have been disclosed in the financial statements.

These includes fair valuation of financial assets, testing of impairment of assets, going concern assessment etc. requiring significant management judgement in estimating the same. Considering the continuing COVID-19 pandemic, the results in upcoming period may significantly vary and may affect the recoverability of assets. However, this will depend upon future developments including actions taken to contain or treat the disease and to mitigate its impact on the economy.

The Company, based on internal & external sources of information, has assessed that as a result of Covid-19 outbreak, there is no significant financial impact on the financial statements for the year ended March 31, 2022 as at the date of approval of these financial statements.

Note No 36:- Code on Social Security Disclosure

The newly enacted Code on Social Security, 2020 is expected to have an impact on employee remuneration and welfare benefits. The effective date from which the changes are applicable is yet to be notified and the rules for quantifying the financial impact are yet to be framed. The Company is in process of evaluating the financial impact, if any and will give appropriate impact in the financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are notified.

Note No. 37 - Ratio

S.No.	Ratio	Numerator	Denominator	F-22	F-21	% variance
1	Current Ratio	Current Assets	Current Liabilities	1.63	1.20	36%
2	Debt-equity Ratio	Borrowing	Networth	0.81	1.10	-26%
3	Debt service coverage Ratio	NA*	NA*	-	-	-
4	Return on equity Ratio	PAT-Pref Dividend	Shareholder's Equity	0.50	0.41	22%
5	Inventory Turnover Ratio	NA*	NA*	-	-	-
6	Trade receivables turnover ratio	Avg.Accounts Receivables	Net Sales/365	65	89	-27%
7	Trade payables turnover ratio	Avg.Accounts payable	Net Purchases	31	55	-44%
8	Net capital turnover ratio	Net Sales	Working Capital	14.25	19.31	-26%
9	Net profit ratio**	Net Profit**	Net Sales	0.04	0.02	100%
10	Return on capital employed	EBIT***	Capital Employed****	0.44	0.30	47%
11	Return on investment	NA*	NA*	-	-	-

NA* ratios are not applicable

Net Profit** = Net profit after tax

EBIT***= Earnings before Interest and tax

Capital Employed**** = Shareholder's fund + Borrowings

Note No. 38 - Relationship with Struck Off Co

Trade Payables

Name of the struck Off company	Nature of transaction	Transactions during the year ended 31st March' 2022	Balance outstanding at the end of the year as at 31st March' 2022	Relationship with the struck off company, if any to be disclosed	Balance outstanding at the end of the year as at 31st March' 2021	Relationship with the struck off company, if any to be disclosed
PELICAN AIR PRIVATE LIMITED	Payables	0.05	–	Vendor	0.05	Vendor

Trade Receivable

Name of the struck Off company	Nature of transaction	Transactions during the year ended 31st March' 2022	Balance outstanding at the end of the year as at 31st March' 2022	Relationship with the struck off company, if any to be disclosed	Balance outstanding at the end of the year as at 31st March' 2021	Relationship with the struck off company, if any to be disclosed
ACHARYA EXPORTS	Receivables	29.14	–	Customer	–	Customer

"As per our Report of Even Date"

For B. K. Khare & Co.
Chartered Accountants
FRN: 105102W

Aniruddha Joshi
Partner
M.No. 040852

Place : Mumbai
Date : 20th April, 2022

For and on behalf of Board of Directors
LORDS Freight (India) Pvt Ltd

Sushil Kumar Rathi
Director
DIN : 05358211

Place : Mumbai

Rampraveen Swaminathan
Director
DIN : 01300682

Place : Mumbai

INDEPENDENT AUDITORS' REPORT

To the Members of Mahindra Aerospace Private Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Mahindra Aerospace Private Limited (the "Company"), which comprise the balance sheet as at 31 March 2022, the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as Financial Statements).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2022, and its loss and other comprehensive loss, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us, is sufficient and appropriate to provide a basis for our opinion on the financial statements.

Other Information

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's Board report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's and Board of Directors' Responsibilities for the Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our

auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. (A) As required by Section 143(3) of the Act, we report that:
   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
   c) The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account.
   d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.
   e) On the basis of the written representations received from the directors as on 31 March 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022 from being appointed as a director in terms of Section 164(2) of the Act.
   f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

   (B) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
   a) The Company has disclosed the impact of pending litigations as at 31 March 2022 on its financial position in its financial statements - Refer Note 22 to the financial statements.
   b) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
   c) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
   d) (i) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:
      - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or
      - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

      (ii) The management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall:
      - directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Party or
      - provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries.

      (iii) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (d) (i) and (d) (ii) contain any material mis-statement.
   e. The Company has neither declared nor paid any dividend during the year.

   (C) With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

   In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration N0. 101248W/W-100022

Praveen Kumar Jain
Partner
Membership No. 079893
UDIN: 22079893AHVLPR9270

Place: Bangalore
Date: 26 April 2022

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

With reference to the Annexure A referred to in paragraph 1 of our report to the members of the Company on the financial statements for the year ended 31 March 2022, we report that:

(i) (a) (A) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company did not have any Property, Plant and Equipment. Accordingly, clause 3(i)(a)(A) of the Order is not applicable.

(B) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company did not have any intangible assets. Accordingly, clause 3(i)(a)(B) of the Order is not applicable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company did not have any Property, Plant and Equipment. Accordingly, clause 3(i)(b) of the Order is not applicable.

(c) The Company does not have any immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee). Accordingly, clause 3(i)(c) of the Order is not applicable.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Right of Use assets during the year. Further, the Company did not have any Property, Plant and Equipment and intangible assets.

(e) According to information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) The Company did not hold any physical inventories during the year. Accordingly, clause 3(ii)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been sanctioned any working capital limits from banks and financial institutions on the basis of security of current assets at any point of time of the year. Accordingly, clause 3(ii)(b) of the Order is not applicable to the Company.

(iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not provided any security or granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, limited liability partnership or any other parties during the year. The Company has made investments and provided guarantee to a company in respect of which the requisite information is as below. The Company has not made any investment or not provided any guarantee to firms, limited liability partnership or any other parties during the year.

(a) Based on the audit procedures carried on by us and as per the information and explanations given to us, the Company has stood guarantee, aggregating to rupees 9,500 lakhs to one of its subsidiaries. Such guarantee was closed as at the end of the year.

(b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the investments made and guarantees provided during the year and the terms and conditions of the guarantees provided during the year are, prima facie, not prejudicial to the interest of the Company.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted any loans or advances in the nature of loans. Accordingly, clause 3(iii)(c), (d), (e) and (f) of the Order are not applicable to the Company.

(iv) According to the information and explanations given to us and on the basis of our examination of records of the Company, in respect of investments made and guarantees given by the Company, in our opinion the provisions of Section 185 and 186 of the Companies Act, 2013 (the Act") have been complied with. Further, the Company has not given any loans or provided any security as specified under Section 185 and 186 of the Act.

(v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.

(vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act for the activities carried on by the Company during the year. Accordingly, clause 3(vi) of the Order is not applicable.

(vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Services Tax ('GST') and Income-Tax and other statutory dues have been regularly deposited by the Company with the appropriate authorities.

As explained to us, the Company did not have any dues on account of Provident fund, Employees' State Insurance,Duty of Customs and Cess.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Services Tax ('GST') and Income-Tax dues were in arrears as at 31 March 2022 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no statutory dues relating to Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues, which have not been deposited with the appropriate authorities on account of any dispute.

(viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.

(ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company did not have any loans or borrowings from any lender during the year. Accordingly, clause 3(ix)(a) of the Order is not applicable to the Company

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.

(c) According to the information and explanations given to us by the management, the Company has not obtained any term loans during the year. Accordingly, clause 3(ix)(c) of the Order is not applicable.

(d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries as defined under the Act.The Company does not hold any investment in any associate or joint venture during the year ended 31 March 2022.

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries. The Company does not hold any investment in any associate or joint venture (as defined under Companies Act, 2013) during the year ended 31 March 2022.

(x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) Accordingly, clause 3(x)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.

(xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the course of the audit.

(b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) Based on the information and explanations provided to us, the Company does not have a vigil mechanism and is not required to have a vigil mechanism as per the Act.

(xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clauses 3(xii)(a), (b) and (c)of the Order are not applicable.

(xiii) The Company is a private limited company and accordingly the requirements as stipulated by the provisions of Section 177 of the Act are not applicable to the Company. In our opinion and according to the information and explanations given to us and on the basis of our examination of records of the Company, transactions with the related parties are in compliance with Section 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business. Also, refer b below.

(b) Based on the information and explanations provided to us, no internal audit was conducted during the year and hence, the Internal Audit Reports could not be considered by us.

(xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company

(xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.

(b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.

(c) The Company is a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. However, the Company is exempted from registration as CIC and continues to meet the criteria for such exemption.

(d) According to the information and explanations provided to us, the Group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016) has more than one CIC as part of the Group. The Group has 6 CICs as part of the Group (including 3 CICs which are in the process of getting merged with another group company).

(xvii) The Company has incurred cash losses of Rs. 15.13 lakhs in the current financial year. However, the Company has not incurred cash losses in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) The requirements as stipulated by the provisions of Section 135 are not applicable to the Company. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration N0. 101248W/W-100022

Praveen Kumar Jain
Partner
Membership No. 079893
UDIN: 22079893AHVLPR9270

Place: Bangalore
Date: 26 April 2022

ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT ON THE IND AS FINANCIAL STATEMENTS OF MAHINDRA AEROSPACE PRIVATE LIMITED FOR THE PERIOD ENDED 31 MARCH 2022.

Report on the internal financial controls with reference to the aforesaid financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

(Referred to in paragraph (2A(f)) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to financial statements ofMahindra Aerospace Private Limited("the Company") as of 31 March 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2022, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Noteand the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controlswith reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statementswere established and maintained and whether such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statementsis a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on thefinancial statements.

Inherent Limitations of Internal Financial controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference tofinancial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration N0. 101248W/W-100022

Praveen Kumar Jain
Partner
Membership No. 079893
UDIN: 22079893AHVLPR9270

Place: Bangalore
Date: 26 April 2022

BALANCE SHEET AS AT MARCH 31, 2022

Rs in Lakhs

Particulars	Note	As at March 31, 2022	As at March 31, 2021
Assets			
Non-current assets			
Right of use asset	3	**3.16**	6.60
Financial assets			
Investments	4	**19,514.00**	19,514.00
Income tax assets (net)	6	**4.12**	–
Other non-current assets	7	**0.87**	5.13
Total non-current assets		**19,522.15**	19,525.73
Current assets			
Financial assets			
Cash and cash equivalents	8	**11.29**	14.27
Bank balances other than cash and cash equivalents	8A	**285.00**	293.00
Others financial assets	5	**3.60**	12.58
Other current assets	9	**8.75**	8.73
Total current assets		**308.64**	328.58
Total assets		**19,830.79**	19,854.31
Equity and liabilities			
Equity			
Equity share capital	10	**91,238.96**	91,238.96
Other equity	11	**(71,415.46)**	(71,398.79)
Total equity		**19,823.50**	19,840.17
Non-current liabilities			
Financial liabilities			
Lease liabilities		**–**	3.85
Total non-current liabilities		**–**	3.85
Current liabilities:			
Financial liabilities			
Lease liabilities		**3.85**	3.69
Trade payable	12	**3.00**	3.92
Other current liabilities	13	**0.44**	2.68
Total current liabilities		**7.29**	10.29
Total equity and liabilities		**19,830.79**	19,854.31
Significant accounting policies	2		

The accompanying notes form an integral part of the financial statements

As per our report of even date attached
For B S R & Co. LLP
Chartered Accountants
(Firm's registration No. 101248W/W-100022)

Praveen Kumar Jain
Partner
Membership No. 079893

Place: Bangalore
Date: April 26, 2022

For and on behalf of the Board of Directors of
Mahindra Aerospace Private Limited.
CIN No. U63033MH2008PTC179520

Mr. Arvind Mehra
Wholetime Director
DIN No.01039769

Mr. S.P. Shukla
Managing Director
DIN No. 00007418

Mr. T. Subrahmanya Sarma
Chief Financial Officer

Mr. V.S. Ramesh
Company Secretary

Place: Mumbai
Date: April 26, 2022

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2022

Rs in Lakhs

Particulars	**Note**	**For the year ended March 31, 2022**	For the year ended March 31, 2021
Other income	14	**11.47**	68.54
Total income		**11.47**	68.54
Expenses			
Employee benefits expense	15	**–**	–
Finance costs	16	**0.50**	0.79
Depreciation	17	**3.44**	3.44
Other expenses	18	**21.34**	24,087.77
Total expenses		**25.28**	24,092.00
Loss before tax		**(13.81)**	(24,023.46)
Tax expense:			
Current tax		**–**	9.00
Tax charge/(credit) of earlier years		**2.86**	0.92
Deferred tax		**–**	–
Income tax expense		**2.86**	9.92
Loss for the year		**(16.67)**	(24,033.38)
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss:			
Re-measurement (loss)/gain on defined benefit plans		**–**	(0.59)
Income tax effect		**–**	–
Other comprehensive income for the year, net of tax		**–**	(0.59)
Total comprehensive income for the year		**(16.67)**	(24,033.97)
Earnings per equity share: (Nominal value of Rs. 10 per share)	23		
Basic		**(0.00)**	(2.87)
Diluted		**(0.00)**	(2.87)
Significant accounting policies	2		

The accompanying notes form an integral part of the financial statements

As per our report of even date attached
For B S R & Co. LLP
Chartered Accountants
(Firm's registration No. 101248W/W-100022)

Praveen Kumar Jain
Partner
Membership No. 079893

Place: Bangalore
Date: April 26, 2022

For and on behalf of the Board of Directors of
Mahindra Aerospace Private Limited
CIN No.U63033MH2008PTC179520

Mr. Arvind Mehra
Wholetime Director
DIN No.01039769

Mr. S.P. Shukla
Managing Director
DIN No. 00007418

Mr. T. Subrahmanya Sarma
Chief Financial Officer

Mr. V. S. Ramesh
Company Secretary

Place: Mumbai
Date: April 26, 2022

CASHFLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2022

Rs in Lakhs

Particulars	For the year ended March 31, 2022		For the year ended March 31, 2021	
A. Cash flow from operating activities:				
Loss before tax		**(13.81)**		(24,023.46)
Adjustments for:				
Depreciation	**3.44**		3.44	
Finance costs	**0.50**		0.79	
Provision for diminution in value of long term investments	–		24,061.03	
Interest income	**(9.46)**		(13.40)	
Provision no loger required	**(1.90)**		(9.66)	
		(7.42)		24,042.20
Operating gain / (loss) before working capital changes		**(21.23)**		18.74
Changes in working capital:				
Adjustments for (increase)/ decrease in operating assets:				
Current financial and other current assets	**1.88**		9.76	
Non-current financial and other non-current assets	**4.26**		–	
Adjustments for increase/ (decrease) in operating liabilities:				
Trade payables	**(0.92)**		(4.98)	
Other current liabilities	**0.01**		2.28	
		5.23		7.06
Cash generated/(used in) from operations		**(16.00)**		25.80
Net income tax Refund/(paid)		**(9.23)**		41.19
Net Cash generated/(used in) from operating activities (A)		**(25.23)**		66.99
B. Cash flow from investing activities:				
Bank deposits (net)	**8.00**		(170.55)	
Investment in subsidiaries	–		(15,575.03)	
Interest income received	**18.44**		4.64	
Net cash generated from / (used in) investing activities (B)		**26.44**		(15,740.94)
C. Cash flow from financing activities				
Proceeds from issue of equity shares	–		15,626.00	
Repayment of lease liabilities	**(3.69)**		(3.19)	
Finance costs	**(0.50)**		(0.79)	
Net cash flow from financing activities (C)		**(4.19)**		15,622.02

CASHFLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2022 (CONTINUED)

Rs in Lakhs

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Net increase / (decrease) in cash and cash equivalents (A+B+C)	**(2.98)**	(51.93)
Cash and cash equivalents at the beginning of the year	**14.27**	66.20
Cash and cash equivalents at the end of the year	**11.29**	14.27
Components of cash and cash equivalents (Refer note 8)	**14.27**	66.20
Balance with banks		
– On Current Accounts	**11.29**	14.27
Cash on Hand	**–**	–

Significant accounting policies (Refer note 2)

The accompanying notes form an integral part of the financial statements

As per our report of even date attached
For B S R & Co. LLP
Chartered Accountants
(Firm's registration No. 101248W/W-100022)

Praveen Kumar Jain
Partner
Membership No. 079893

Place: Bangalore
Date: April 26, 2022

For and on behalf of the Board of Directors of
Mahindra Aerospace Private Limited
CIN No.U63033MH2008PTC179520

Mr. Arvind Mehra
Wholetime Director
DIN No.01039769

Mr. S.P. Shukla
Managing Director
DIN No. 00007418

Mr. T. Subrahmanya Sarma
Chief Financial Officer

Mr. V.S. Ramesh
Company Secretary

Place: Mumbai
Date: April 26, 2022

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2022

a. Equity share capital:

	Rs in Lakhs
At April 1, 2020	**75,112.96**
Add: Issued during the year	16,126.00
At March 31, 2021	**91,238.96**
Add: Issued during the year	–
At March 31, 2022	**91,238.96**

b. 5% Non-Cumulative Compulsorily Convertible Preference shares (NCCCPS)

	Rs in Lakhs
At April 1, 2020	**500.00**
Add: Issued during the year	–
Less: converted into equity shares	(500.00)
At March 31, 2021	**–**
Add: Issued during the year	–
At March 31, 2022	–

c. Other equity

Rs in Lakhs

Particulars	Equity component of financial instruments	Reserves and surplus		Other comprehensive income	Total
		Securities premium	Retained earnings		
At April 1, 2020	153.47	31,243.98	(78,763.45)	1.18	(47,364.82)
Loss for the period	–	–	(24,033.38)	–	(24,033.38)
Re-measurement (loss)/gain on defined benefit plans	–	–	–	(0.59)	(0.59)
Total comprehensive income	**–**	**–**	**(24,033.38)**	**(0.59)**	**(24,033.97)**
At March 31, 2021	**153.47**	**31,243.98**	**(1,02,796.83)**	**0.59**	**(71,398.79)**

Particulars	Equity component of financial instruments	Reserves and surplus		Other comprehensive income	Total
		Securities premium	Retained earnings		
At April 1, 2021	153.47	31,243.98	(1,02,796.83)	0.59	(71,398.79)
Loss for the period	–	–	(16.67)	–	(16.67)
Re-measurement (loss)/gain on defined benefit plans	–	–	–	–	–
Total comprehensive income	**–**	**–**	**(16.67)**	**–**	**(16.67)**
At March 31, 2022	**153.47**	**31,243.98**	**(1,02,813.50)**	**0.59**	**(71,415.46)**

Significant accounting policies (Refer note 2)

The accompanying notes form an integral part of the financial statements

As per our report of even date attached
For B S R & Co. LLP
Chartered Accountants
(Firm's registration No. 101248W/W-100022)

Praveen Kumar Jain
Partner
Membership No. 079893

Place: Bangalore
Date: April 26, 2022

For and on behalf of the Board of Directors of
Mahindra Aerospace Private Limited
CIN No.U63033MH2008PTC179520

Mr. Arvind Mehra
Wholetime Director
DIN No.01039769

Mr. S.P. Shukla
Managing Director
DIN No. 00007418

Mr. T. Subrahmanya Sarma
Chief Financial Officer

Mr. V.S. Ramesh
Company Secretary

Place: Mumbai
Date: April 26, 2022

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR MARCH 31, 2022

1. Corporate Information

Mahindra Aerospace Private Limited (the 'Company') is a company domiciled in India, with its registered office situated at Mahindra Towers, P.K Kurne Chowk, Worli, Mumbai - 400018. The Company was incorporated on February 28, 2008, under the provisions of the Indian Companies Act, 1956. Presently the Company is holding investments in subsidiaries engaged in the business of manufacturing aircrafts and Aerostructures and design and development of 5 seat aircraft.

2. Basis of preparation and Significant accounting policies:

2.1 Basis of preparation

A. Statement of compliance

The financial statements of the company have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015, as amended and notified under section 133 of the Companies Act, 2013 (The 'Act') and other relevant provisions of the Act.

The financial statements were authorised for issue by the Company's Board of Directors on 26 Apr 2022.

Details of the Company's accounting policies are included in Note 2.2

B. Functional and presentation currency

These financial statements are presented in Indian Rupees (Rs.), which is also the Company's functional currency. All amounts have been rounded-off to two decimal places to the nearest lakhs, unless otherwise indicated.

C. Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following items:

Items	Measurement basis
Certain financial assets and liabilities	Fair value

D. Use of estimates and judgements

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

Note 3 leases: whether an arrangement contains a lease and lease classification

Assumptions and estimation uncertainties:

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending March 31, 2022 is included in the following notes:

Note 22 - recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources;

Note 29 - recognition of deferred tax assets: availability of future taxable profit against which tax losses carried forward can be used;

Notes 4 and 5 - impairment of financial assets.

E. Measurement of fair values

Certain accounting policies and disclosures of the Company require the measurement of fair values, for both financial and non-financial assets and liabilities. The Company has an established control framework with respect to the measurement of fair values.

The valuation team regularly reviews significant unobservable inputs and valuation adjustments.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into a different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

Further information about the assumptions made in the measuring fair values is included in the following notes:

- Note 21 - financial instruments.

2.2 Significant accounting policies

a) Property Plant and Equipment

i. Recognition and measurement

Items of property, plant and equipment, are measured at cost (which includes capitalised borrowing costs, if any) less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment includes its purchase price, duties, taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials, direct labour and any other costs directly attributable to bringing the item to its intended working condition and estimated costs of dismantling, removing and restoring the site on which it is located, wherever applicable.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

ii. Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

iii. **Depreciation**

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual value using straight line method over the useful lives of assets estimated by the Company based on an internal technical evaluation performed by the management and is recognised in the statement of profit and loss. Depreciation for assets purchased / sold during the period is proportionately charged.

The range of estimated useful lives of items of property, plant and equipment are as follows:

Asset	Useful life
Plant and Machinery, Office equipment, furniture & fixtures	2 years, 5 years, 10 years, 15 years
Vehicles	5 years

The Company believes the useful lives as given above best represent the useful lives of these assets based on internal assessment where necessary, which is different from the useful lives as prescribed under Part C of Schedule II of the Companies Act, 2013.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year-end and adjusted prospectively, if appropriate.

b) **Intangible Assets**

Internally generated: Research and development

Expenditure on research activities is recognised in the Statement of Profit and Loss as incurred.

Development expenditure is capitalised as part of the cost of the resulting intangible asset only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Company intends to and has sufficient resources to complete development and to use or sell the asset. Otherwise, it is recognised in profit or loss as incurred. Subsequent to initial recognition, the asset is measured at cost less accumulated amortisation and any accumulated impairment losses.

Others:

Other intangible assets including those acquired by the Company in a business combination are initially measured at cost. Such intangible assets are subsequently measured at cost less accumulated amortisation and any accumulated impairment losses.

Amortisation:

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values over their estimated useful lives using the straight - line method, and is included in depreciation and amortisation in Statement of Profit and Loss.

The estimated useful lives are as follows:

Asset	Useful life
Computer software	3-5 years

Amortisation method, useful lives and residual values are reviewed at the end of each financial year and adjusted if appropriate.

c) **Impairment of assets**

i. **Financial Assets**

The Company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to life time ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12- month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at life time ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized is recognized as an impairment gain or loss in profit or loss.

ii. **Non-financial assets**

Intangible assets and property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the CGU to which the asset belongs. If such assets are considered to be impaired, the impairment to be recognised in the Statement of Profit and Loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the Statement of Profit and Loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

d) **Investment in subsidiaries**

The company accounts for its investment in subsidiaries at cost less accumulated impairment, if any.

e) **Other Income**

For all financial instruments measured at amortised cost, interest income is recorded using the effective interest rate (EIR), which is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. Interest income is included in other income in the Statement of Profit and Loss.

f) **Leases**

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight line method from the commencement date over the shorter of lease term or useful life of right of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments.

The Company recognises the amount of the re-measurement of lease liability as an adjustment to the right-of-use asset. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the re-measurement in statement of profit and loss.

Transition to Ind AS 116

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified Ind AS 116 Leases which replaces the existing lease standard, Ind AS 17 leases, and other interpretations. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lease accounting model for lessees.

The Company has adopted Ind AS 116, effective annual reporting period beginning April 1, 2019 and applied the standard to its leases, modified retrospectively, with the cumulative effect of initially applying the Standard, recognised on the date of initial application (April 1, 2019). Accordingly, the Company has not restated the comparative information.

As a lessee:

For transition, the Company has elected not to apply the requirements of Ind AS 116 leases for which the underlying asset is of low value on a lease-by-lease basis. The Company has used the practical expedient provided by the standard when applying Ind AS 116 to leases previously classified as operating leases under Ind AS 17 and therefore, has not reassessed whether a contract, is or contains a lease, at the date of initial application, relied on its assessment of whether leases are onerous, applying Ind AS 37 immediately before the date of initial application as an alternative to performing an impairment review, excluded initial direct costs from measuring the right of use asset at the date of initial application and used hindsight when determining the lease term if the contract contains options to extend or terminate the lease.

On transition, the Company recognised a lease liability measured at the present value of the remaining lease payments. The right-of-use asset is recognised at its carrying amount as if the standard had been applied since the commencement of the lease, but discounted using the lessee's incremental borrowing rate as at April 1, 2019.

On application of Ind AS 116, the nature of expenses has changed from lease rent in previous periods to depreciation cost for the right-to-use asset, and finance cost for interest accrued on lease liability.

The difference between the future minimum lease rental commitments towards non-cancellable operating leases reported as at March 31, 2019 compared to the lease liability as accounted as at April 1, 2019 is primarily due to inclusion of present value of the lease payments for the cancellable term of the leases, reduction due to discounting of the lease liabilities as per the requirement of Ind AS 116 to which the Company has chosen to apply the practical expedient as per the standard.

g) Financial Instruments

A. Recognition and initial measurement

The Company initially recognises financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are measured at fair value on initial recognition. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities that are not at fair value through profit or loss are added to the fair value on initial recognition.

B. Classification and subsequent measurement

i. Financial assets carried at amortized cost

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

ii. Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

iii. Financial assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

iv. Financial liabilities

Financial liabilities are subsequently carried at amortised cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

Investment in subsidiaries, joint venture and associates

Investment in subsidiaries, joint venture and associates Investment in subsidiaries, joint venture and associates is carried at cost in the financial statements.

C. De-recognition

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the right to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial assets are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and a new financial liability with modified terms is recognised in the Statement of Profit and Loss.

D. Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or realise the asset and settle the liability simultaneously.

h) Income tax

Income tax comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income.

i. Current tax:

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

ii. Deferred tax:

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits.

Deferred tax is not recognised for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of transaction.
- temporary differences related to investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used.

Deferred tax assets recognised or unrecognised are reviewed at each reporting date and are recognised / reduced to the extent that it is probable / no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

The Company offsets, the current tax assets and liabilities (on a year on year basis) and deferred tax assets and liabilities, where it has a legally enforceable right and where it intends to settle such assets and liabilities on a net basis.

i) Foreign currencies:

Transactions in foreign currencies are initially recorded by the Company at their functional currency spot rates at the date of the transaction. Monetary assets and liabilities denominated in foreign currency are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences that arise on settlement of monetary items or on reporting at each balance sheet date of the Company's monetary items at the closing rates are recognised as income or expenses in the period in which they arise. Non-monetary items which are carried at historical cost denominated in a foreign currency are reported using the exchange rates at the date of transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

j) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

All other borrowing costs are recognized in Statement of profit and loss in the period in which they are incurred.

k) Business combination

Business combinations arising from transfers of interest in entities that are under the control of the shareholder that controls the Company are accounted for as if the acquisition had occurred at the beginning of the earliest comparative period presented or, if later, at the date that common control was established; for this purpose comparatives are revised. The assets and liabilities acquired are recognised at their carrying amounts. The identity of the reserves is preserved and they appear in the financial statements of the Company in the same form in which they appeared in the financial statements of the acquired entity. The difference, if any, between the value of net assets and the consequent reduction in value of investment held by the Company is transferred to the capital reserve or to the accumulated balance of profit and loss.

l) Provisions and contingent liabilities

i. General:

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, the expense relating to a provision is presented in the Statement of Profit and Loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

ii. Contingent liabilities:

AA disclosure for contingent liabilities is made where there is a possible obligation or a present obligation that may probably not require an outflow of resources. When there is a possible or a present obligation where the likelihood of outflow of resources is remote, no provision or disclosure is made.

iii Onerous contracts:

Provision for onerous contracts. i.e. contracts where the expected unavoidable cost of meeting the obligations under the contract exceed the economic benefits expected to be received under it, are recognised when it is probable that an outflow of resources embodying economic benefits will be required to settle a present obligation as a result of an obligating event based on a reliable estimate of such obligation.

m) Segment reporting

Operating segments are defined as components of an enterprise for which discrete financial information is available that is evaluated regularly by the chief operating decision maker, in deciding how to allocate resources and assessing performance. The Company's chief operating decision maker is the Managing Director.

Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment. Inter segment revenue is accounted on the basis of transactions which are primarily determined based on market / fair value factors. Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on a reasonable basis have been included under "unallocated revenue / expenses / assets / liabilities".

n) Employee benefits

i. Short-term employee benefits

All employee benefits falling due wholly within twelve months of rendering the services are classified as short-term employee benefits, which include benefits like salaries, wages, short-term compensated absences and performance incentives and are recognised as expenses in the period in which the employee renders the related service.

ii. Post-employment benefits

Contributions to defined contribution schemes such as Provident Fund, employee state insurance scheme, Pension Fund, etc., are considered as defined contribution plans and are recognised as expenses in the period in which the employee renders the related service.

The Company also provides for post-employment defined benefit in the form of gratuity and medical benefits. The cost of providing benefit is determined using the projected unit credit method, with actuarial valuation being carried out at each balance sheet date. Remeasurement of the net benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interests) and the effect of the assets ceiling (if any, excluding interest) are recognised in other comprehensive income. The effect of any plan amendments are recognised in net profit in the Statement of Profit and Loss.

iii. Other long-term employee benefits

All employee benefits (other than post-employment benefits and termination benefits) which do not fall due wholly within twelve months after the end of the period in which the employees render the related services are determined based on actuarial valuation or discounted present value method carried out at each balance sheet date. The expected cost of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary as at 31 March every year using projected unit credit method on the additional amount expected to be paid / availed as a result of the unused entitlement that has accumulated at the balance sheet date. Expense on non-accumulating compensated absences is recognised in the period in which the absences occur.

o) Cash and cash equivalents

Cash and cash equivalents include cash on hand, demand deposits with banks, other short-term highly liquid investments with original maturities of three months or less.

p) Earnings per share

Basic Earnings Per Share ('EPS') is computed by dividing the net profit / (loss) attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the net profit / (loss) by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the year, unless issued at a later date. In computing diluted earnings per share, only potential equity shares that are dilutive and that either reduces earnings per share or increases loss per share are included. The number of shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented in case of share splits.

q) Cash flow statement

Cash flows are reported using indirect method, whereby net profits before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments and items of income or expenses associated with investing or financing cash flows. The cash flows from regular revenue generating (operating activities), investing and financing activities of the Company are segregated.

r) Recent accounting pronouncement

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2022.

Note 3: Right of use assets

Rs in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Opening balance	**6.60**	10.04
Leasehold improvements - Additions during year ended	**–**	–
Depreciation on right-of-use asset	**3.44**	3.44
Net carrying amount	**3.16**	6.60

Interest on lease liabilities is Rs. 0.50 lakhs (2021: Rs. 0.79 lakhs)

Note 4: Investments

Rs in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Non-current		
At cost less provision for other than temporary impairment		
Unquoted equity shares		
Investment in wholly owned subsidiaries		
Mahindra Aerospace Australia PTY Ltd	**71,924.28**	71,924.28
[102,238,500 (2021: 102,238,500) Equity Shares of AU $ 1 each, 18,100,000 (2021: 18,100,000) Equity Shares of AU $ 0.58 each & 15,116,000 (2021: 15,116,000) Equity Shares of AU $ 0.43 each & 15,266,000,000 (2021: 15,266,000,000) Equity Shares of AU $ 0.0015 each]		
Less: Provision for diminution in value of investment	**(71,924.28)**	(71,924.28)
	–	–
Mahindra Aerostructures Pvt Ltd	**46,450.00**	46,450.00
[464,500,000 (2021: 464,500,000) Equity Shares of Rs. 10 each]		
Less: Provision for diminution in value of investment	**(26,936.00)**	(26,936.00)
	19,514.00	19,514.00
	19,514.00	19,514.00
Total unquoted non-current investments	**118,374.28**	118,374.28
Aggregate provision for impairment in value of investments	**(98,860.28)**	(98,860.28)

Note 5: Other financial assets

Rs in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Unsecured, considered good unless otherwise stated		
Current		
Security deposits to related party (Refer note 20)	**3.60**	3.60
Interest accrued on deposits	**–**	8.98
	3.60	12.58

These financial assets are carried at amortised cost unless otherwise stated.

Note 6: Income tax assets (net)

Rs in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
TDS receivable	**4.12**	–
	4.12	–

Note 7: Other non-current assets

Rs in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Unsecured, considered good unless otherwise stated		
Balances with government authorities		
GST Credit Receivable	**141.82**	141.82
Less: Provision	**(141.82)**	(141.82)
	–	–
Other deposits	**0.87**	5.13
	0.87	5.13
	0.87	5.13

Note 8: Cash and cash equivalents

Rs in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Balance with banks		
In current accounts	**11.29**	14.27
Cash on hand	–	–
	11.29	14.27

Note 8A: Bank balance other than cash and cash equivalents

Rs in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Fixed Deposits	**285.00**	293.00
	285.00	293.00

Note 9: Other current assets

Rs in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Unsecured, considered good unless otherwise stated		
Balances with government authorities:		
GST credit receivable	**25.16**	27.06
Less: Provision	**(25.16)**	(27.06)
	–	–
Others	**8.75**	8.73
	8.75	8.73
	8.75	8.73

Note 10 - Share Capital

Rs in Lakhs

	Particulars	As at March 31, 2022 Nos	As at March 31, 2022 Amount	As at March 31, 2021 Nos	As at March 31, 2021 Amount
1	Authorised:				
	Equity shares of Rs. 10 each	**1,000,000,000**	**100,000.00**	1,000,000,000	100,000.00
	5% Non-Cumulative Compulsorily Convertible Preference shares of Rs. 10 each	**15,000,000**	**1,500.00**	15,000,000	1,500.00
	0.10% Cumulative Compulsorily Convertible Preference shares of Rs. 10 each	**190,000,000**	**19,000.00**	190,000,000	19,000.00
	Total	**1,205,000,000**	**120,500.00**	1,205,000,000	120,500.00
2	Issued:				
	Equity shares of Rs 10 each:				
	Opening balance	**912,389,607**	**91,238.96**	751,129,607	75,112.96
	Add: Issued during the year	**–**	**–**	173,218,300	17,321.83
	Less: Unsubscribed shares (Refer below note 4)	**–**	**–**	(16,958,300)	(1,695.83)
	Add: Conversion of NCCCPS (Refer below note 3b)	**–**	**–**	5,000,000	500.00
	Closing balance	**912,389,607**	**91,238.96**	912,389,607	91,238.96
	5% Non-Cumulative Compulsorily Convertible Preference shares (NCCCPS) of Rs. 10 each:				
	Opening balance	**–**	**–**	5,000,000	500.00
	Add: Issued during the year	**–**	**–**	–	–
	Less: Conversion into equity shares (Refer below note 3b)	**–**	**–**	(5,000,000)	(500.00)
	Closing balance				
3	Subscribed and fully paid up:				
	Equity shares of Rs 10 each:				
	Opening balance	**912,389,607**	**91,238.96**	751,129,607	75,112.96
	Add: Issued during the year	**–**	**–**	156,260,000	15,626.00
	Add: Conversion of NCCCPS (Refer below note 3b)	**–**	**–**	5,000,000	500.00
	Closing balance	**912,389,607**	**91,238.96**	912,389,607	91,238.96
	5% Non-Cumulative Compulsorily Convertible Preference shares (NCCCPS) of Rs. 10 each:				
	Opening balance	**–**	**–**	5,000,000	500.00
	Add: Issued during the year	**–**	**–**	–	–
	Less: Conversion into equity shares (Refer below note 3b)	**–**	**–**	(5,000,000)	(500.00)
	Closing balance				

Notes:

1) Out of the total equity shares, 83,56,30,306 (2021: 83,56,30,306) equity shares are held by Mahindra & Mahindra Limited, the holding company, Including shares held jointly with nominees.
2) Details of shareholders holding more than 5% equity shares in the Company:

Name of the Shareholder	**As at March 31, 2022**		As at March 31, 2021	
	Nos	**%**	Nos	%
Mahindra and Mahindra Limited and its nominees*	**835,630,306**	**91.59%**	835,630,306	91.59%
Kotak Mahindra Trustee Limited (Trustee of Kotak India Growth Fund II)	**55,478,722**	**6.08%**	55,478,722	6.08%

* Includes 8 shares (2021: 8 shares) held by nominees jointly with Mahindra & Mahindra Limited

Mahindra & Mahindra Limited is the Promoter of the Company and there is no change in the shareholding during the year.

3) Rights, preferences and restrictions attached to shares:

a) Equity Shares:

The company has one class of equity shares having a par value of Rs. 10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

b) 5% Non-Cumulative Compulsorily Convertible Preference shares (compound financial instruments):

50,00,000, 5% Non-Cumulative Compulsorily Convertible Preference shares (NCCCPS) of Rs. 10 each were issued in March 2015 to the holding Company, Mahindra & Mahindra Ltd. The NCCCPS holders will not be entitled to any of the rights and privileges available to the members of the company including the right to receive notices of or to attend and vote at General Meetings or to receive annual reports of the company. The NCCCPS holders shall not have the rights of participation in surplus assets and profits, on winding up which may remain after the entire capital has been repaid. The NCCCPS of Rs. 10 each shall have a preferential right to payment of divided and repayment, in the case of winding up or repayment of capital. The NCCCPS are convertible in to equity shares within a period of 3 years at a price to be determined as per terms of the issue.

During the year ended March 31, 2018, the company had extended the tenure of preference shares for the period of 3 years. The preference shares shall be compulsorily convertible into equity shares on or before March 30, 2021 at a price/rate which is discount of 18% to the price at which the above mentioned next round of funding happens. The IRR discount of 18% shall be adjusted to the extent of the dividend paid to the NCCCPS holders. In the event of equity infusion does not happen on or before March 30, 2021, then these NCCCPS shall be compulsorily converted into equity shares at par on March 30, 2021.

The said NCCCPS were converted into equity shares at par on March 30, 2021

4a) During previous year ended March 31, 2021, the company has made a rights issue offer of 35,000,000 equity shares of Rs. 10 each for cash at par. The offer period was from April 27, 2020 to May 11, 2020 (both days inclusive). After the expiry of the time specified in this offer as aforesaid, the Rights Issue Committee of the Board of Directors offered 3,576,714 unsubscribed shares to other existing shareholder of the Company. At the exipry of this offer period, 15,00,000 equity shares were not subscribed

The Rights Issue Committee of Board of Directors through circular resoltion dated June 6, 2020, approved the cancellation of the said unsubscribed shares.

4b) During previous year ended 31 March 2021, the company has made a rights issue offer of 2,75,60,000 equity shares of Rs. 10 each for cash at par. The offer period was from June 2, 2020 to June 19, 2020 (both days inclusive). After the expiry of the time specified in this offer as aforesaid, the Rights Issue Committee of the Board of Directors offered 2,816,407 unsubscribed shares to other existing shareholder of the Company.

The Rights Issue Committee of Board of Directors through circular resolution dated July 21, 2020, approved for allotment of 2,75,60,000 equity shares of Rs. 10 each for cash at par.

4c) During previous year ended March 31, 2021, the company has made a rights issue offer of 110,658,300 equity shares of Rs. 10 each for cash at par. The offer period was from September 23, 2020 to October 7, 2020 (both days inclusive). After the expiry of the time specified in this offer as aforesaid, or on receipt of intimation declining the said offer, the Board of Directors may offer such shares to the other existing shareholder of the Company.

The Rights Issue Committee of Board of Directors through circular resoltion dated October 28, 2020, approved the cancellation of 15,458,300 unsubscribed shares.

5) The Company has not allotted any fully paid equity shares by way of bonus shares nor has bought back any class of equity shares during the period of five years immediately preceding the balance sheet date nor has issued shares for consideration other than cash.

Note 11: Other equity

A) Securities premium

Particulars	**Rs in Lakhs** Amount
At April 1, 2020	**31,243.98**
Additions during the year	**–**
At March 31, 2021	**31,243.98**
Additions during the year	–
At March 31, 2022	**31,243.98**

Security premium account is used to record the premium on issue of equity shares. The reserve will be utilized in accordance with the provisions of the Companies Act, 2013

B) Retained earnings

Particulars	**Rs in Lakhs** **Amount**
At April 1, 2020	**(78,763.45)**
Loss for the year	(24,033.38)
At March 31, 2021	**(102,796.83)**
Loss for the year	(16.67)
At March 31, 2022	**(102,813.50)**

C) Other comprehensive income

Particulars	**Rs in Lakhs** **Amount**
At April 1, 2020	**1.18**
Re-measurement gain/(loss) on defined benefit plans	(0.59)
At March 31, 2021	**0.59**
Re-measurement gain/(loss) on defined benefit plans	–
At March 31, 2022	**0.59**

D) Equity components of 5% Non-Cumulative Compulsorily Convertible Preference shares

Particulars	**Rs in Lakhs** **Amount**
At April 1, 2020	**153.47**
Additions during the year	**–**
At March 31, 2021	**153.47**
Additions during the year	**–**
At March 31, 2022	**153.47**

Total other equity

At March 31, 2021	(71,398.79)
At March 31, 2022	**(71,415.46)**

Securities premium reserve :

Securities premium reserve is used to record the premium received on issue of shares. The reserve is utilized in accordance with the provisions of the Act.

Retailed earnings:

The cumulative gain or loss arising from the operations which is retained by the Company is recognized and accumulated under the heading of retained earnings. At the end of the year, the profit / (loss) after tax is transferred from the Statement of profit and loss to retained earnings.

Other comprehensive income:

Differences between the interest income on plan assets and return actually achieved, and any changes in the liabilities over the year due to changes in actuarial assumptions or experience adjustments within the plans, are recognized in 'Other equity' and subsequently not reclassified to the Statement of profit and loss.

Equity component of 5% Non-Cumulative Compulsorily Convertible Preference shares:

This represents fair valuation of equity portion of the NCCCPS which is routed through other comprehensive income.

Note 12: Trade payable

Rs in Lakhs

Particulars	**As at March 31, 2022**	As at March 31, 2021
Current, undisputed		
Dues to micro and small enterprises (Refer note 24)	**–**	–
Due to others	**3.00**	3.92
	3.00	3.92

Note: there are no disputed trade payables

Undisputed trade payables outstanding for the following periods from the due date of payment:

Rs in Lakhs

	As at March 31, 2022	As at March 31, 2021
Due to micro and small enterprises		
Less than 1 year (including not due)	**–**	–
1-2 years	**–**	–
2-3 years	**–**	–
More than 3 years	**–**	–
	–	–
Due to micro and small enterprises		
Less than 1 year (including not due)	**3.00**	3.92
1-2 years	**–**	–
2-3 years	**–**	–
More than 3 years	**–**	–
	3.00	3.92

Note 13: Other current liabilities

Rs in Lakhs

Particulars	**As at March 31, 2022**	As at March 31, 2021
Statutory dues	**0.23**	0.22
Current tax liabilities (Net)	**–**	2.25
Others	**0.21**	0.21
	0.44	2.68

Note 14: Other income

Rs in Lakhs

Particulars	**For the year ended March 31, 2022**	For the year ended March 31, 2021
Interest income on		
Bank deposits	**9.46**	13.40
Income tax refund	**0.11**	45.48
Provision no longer required written back	**1.90**	**9.66**
	11.47	68.54

Note 15: Employee benefits expense

Rs in Lakhs

Particulars	**For the year ended March 31, 2022**	For the year ended March 31, 2021
Salaries, wages and bonus*	**–**	–
Contribution to provident and other funds	**–**	–
	–	–

* Net of reimbursement received from subsidiary company amounting to Rs 31.62 Lakhs (2021: Rs. 77.65 Lakhs).

Note 16: Finance costs

Rs in Lakhs

Particulars	**For the year ended March 31, 2022**	For the year ended March 31, 2021
Interest expense on lease liabilities	**0.50**	0.79
	0.50	0.79

Note 17: Depreciation

Rs in Lakhs

Particulars	**For the year ended March 31, 2022**	For the year ended March 31, 2021
Depreciation on right-of-use asset	**3.44**	3.44
	3.44	3.44

Note 18: Other expenses

Rs in Lakhs

Particulars	**For the year ended March 31, 2022**	For the year ended March 31, 2021
Rates and taxes	**1.91**	4.98
Insurance	**0.12**	0.23
Legal and other professional charges**	**13.73**	14.15
Auditors' remuneration (refer note below)	**4.79**	6.30
Provision for diminution of Investments (refer note 26)	**–**	24,061.03
Bank charges	**0.20**	0.38
Other miscellaneous expenses	**0.59**	0.70
	21.34	24,087.77

** Includes transactions with Related parties Rs. 5.78 Lakhs (2021 : Rs. 5.73 Lakhs)

Note:

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
		Rs in Lakhs
Auditors' remuneration (excluding GST) includes:		
Statutory audit	**3.00**	3.00
Other services and certifications	**1.50**	3.00
Reimbursement of expenses	**0.29**	0.30
	4.79	6.30

Note 19: Employee benefits

(a) Defined Contribution Plan:

The Company's contribution to Provident Fund and others aggregating Rs. NIL (2021: Rs. NIL) has been recognised in the Statement of Profit or Loss under the head employee benefits expense.

(b) Defined Benefit Plans:
Gratuity

The Company operates a gratuity plan covering qualifying employees. The benefit payable is calculated as per the Payment of Gratuity Act, 1972. The benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. In case of death while in service, the gratuity is payable irrespective of vesting. The Company makes annual contribution to the group gratuity scheme administered by the Life Insurance Corporation of India through its Gratuity Trust Fund. However, during the year, the company did not had any eligible employees to whom the gratuity was payable and accordingly, no actuarial valuation was carried out. The receivable from the Gratuity trust of the Company has been recognised in these financial statements under Note 9, as the Company has right to recover the surplus available in the trust.

Rs in Lakhs

Particulars	Funded Plan Gratuity 31–Mar–22	Funded Plan Gratuity 31–Mar–21
I. Expense recognised in the Statement of Profit and Loss for the year		
Current service cost	**–**	–
Net Interest cost	**–**	–
	–	–
II. Recognised in comprehensive income for the year		
Return on plan assets	**–**	–
Actuarial (Gain)/Loss on account of :		
– Demographic Assumptions	**–**	–
– Financial Assumptions	**–**	–
– Experience Adjustments	**–**	0.59
	–	0.59
III. Change in the obligation during the year ended		
1. Present value of defined benefit obligation at the beginning of the year	**–**	(0.59)
2. Acquisitions/Divestures/Transfer (transfer of employees to MASPL)	**–**	–
3. Current Service Cost	**–**	–
4. Interest cost	**–**	–
5. Recognised in Other Comprehensive Income		
– Actuarial Gain (Loss)	**–**	0.59
6. Benefit paid	**–**	–
Present value of defined benefit obligation at the end of the year	**–**	–

Rs in Lakhs

Particulars	Funded Plan Gratuity 31–Mar–22	Funded Plan Gratuity 31–Mar–21
IV. Change in fair value of assets during the year ended		
1. Fair value of plan assets at the beginning of the year	**7.13**	7.13
2. Interest income	**–**	–
3. Recognised in Other Comprehensive Income		
– Return on plan assets	**–**	–
4. Contributions by employer	**–**	–
5. Benefit paid	**–**	–
Fair value of plan assets at the end of the year	**7.13**	**7.13**
V. Net (Asset)/Liability recognised in the Balance Sheet		
– Present value of defined benefit obligation	**–**	–
– Fair value of plan assets	**7.13**	7.13
Net (Asset)/liability	**(7.13)**	(7.13)
Current portion of the above	**(7.13)**	(7.13)
Non current portion of the above	**–**	–

Plan Assets:

The details with respect to the investment made by Fund manager (Life Insurance Corporation) into major categories of plan assets have not been disclosed, as the same has not been provided by the Fund manager to the Company.

Acturial Assumptions:

Since the company has NIL employees on rolls (2021: NIL) sensitivity analysis and other related disclosures are not provided.

Note 20: Related Party Information

i) Related parties where control exists along with nature of relationship

Name of the party	Nature of Relationship
Mahindra & Mahindra Limited	Holding Company
Mahindra Aerostructures Private Limited	Subsidiary
Mahindra Aerospace Australia Pty Ltd	Subsidiary
Mahindra Aerospace Private Limited Employees Group Gratuity Assurance Scheme	Employee Gratuity Trust

Other parties with whom transaction have taken place during the year: NIL

ii) Related parties under Ind AS 24 and as per Companies Act, 2013

Key management personnel

Mr. S. P. Shukla	Director & Chairman
Mr. Arvind Kumar Mehra	Executive Director & CEO
Mr. Nikhil Sohoni	Director
Mr. Mukul Verma	Director (until July 25, 2020)
Ms. Seema Bangia	Director (w.e.f May 28,2020)
Mr. S Durgashankar	Director (w.e.f January 25, 2022)
Mr. K. V. Ramakrishna	Director (until January 18, 2022)
Mr. Dhiraj Rajendran	Director
Mr. T. Subrahmanya Sarma	Chief Financial Officer
Mr. V.S. Ramesh	Company Secretary

iii) Details of the transactions with the related parties

Rs in Lakhs

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
I. Transactions with Group entities		
Services received (included under legal and other professional charges in note 18)		
Mahindra & Mahindra Ltd	**5.78**	5.73
	5.78	5.73
Rent expenses		
Mahindra Aerostructures Private Limited	**4.18**	3.99
	4.18	3.99
Reimbursement of expenses received		
Mahindra Aerostructures Private Limited (Refer note 15)	**31.62**	77.65
	31.62	77.65
Expenses paid (included under Legal and other professional charges in note 18)		
Mahindra Aerospace Private Limited Employees Group Gratuity Assurance Scheme	**–**	0.15
	–	0.15
Investment in equity (Refer note 4)		
Mahindra Aerospace Australia Pty Ltd	**–**	12,011.03
Mahindra Aerostructures Private Limited	**–**	3,564.00
	–	15,575.03
Shares issued (including conversion of NCCCPS) (Refer note 10)		
Mahindra & Mahindra Limited	**–**	16,126.00
	–	16,126.00
II. Transactions with key managerial personnel		
Salary and perquisites		
Mr. S P Shukla	**31.62**	77.65
Mr. Arvind Kumar Mehra	**–**	–
Mr. T. Subrahmanya Sarma	**–**	–

(iv) Details of balances receivable from and payable to related parties are as follows:

Rs in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Security deposits (Asset)		
Mahindra Aerostructures Private Limited	**3.60**	3.60
	3.60	3.60

Notes:

Corporate Guarantees issued in respect of borrowings availed by subsidiary company, Mahindra Aerostructures Private Limited - Rs. NIL (2021: Rs. 9,500 akhs)

Terms and conditions of transactions with related parties

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end, if any, are unsecured and interest free and settlement occurs in cash.

Note 21: Financial instruments - fair values and risk management

A Accounting classification and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities as at 31 March 2021, including their levels in the fair value hierarchy.

Rs in Lakhs

Particulars	Note	Carrying amount					Fair value			
		FVTPL	FVOCI	Other financial assets -amortised cost	Other financial liabilities	Total carrying amount	Level 1	Level 2	Level 3	Total
Financial assets not measured at fair value										
Investments	4			19,514.00		19,514.00				
Cash and cash equivalents	8	–	–	11.29	–	11.29	–	–	–	–
Security deposits	5	–	–	3.60	–	3.60	–	–	–	–
Fixed Deposits	8A			285.00		285.00				
Interest accrued on deposits	5			–		–				
		–	–	19,813.89	–	19,813.89	–	–	–	–

Rs in Lakhs

Particulars	Note	FVTPL	FVOCI	Other financial assets -amortised cost	Other financial liabilities	Total carrying amount	Level 1	Level 2	Level 3	Total
		Carrying amount					Fair value			
Financial liabilities not measured at fair value										
Trade payables	12	–	–	–	3.00	3.00	–	–	–	–
		–	–	–	3.00	3.00	–	–	–	–

The following table shows the carrying amounts and fair values of financial assets and financial liabilities as at March 31, 2021, including their levels in the fair value hierarchy.

Rs in Lakhs

Particulars	Note	FVTPL	FVOCI	Other financial assets -amortised cost	Other financial liabilities	Total carrying amount	Level 1	Level 2	Level 3	Total
		Carrying amount					Fair value			
Financial assets not measured at fair value										
Investments	4			19,514.00		19,514.00				
Cash and cash equivalents	8	–	–	14.27	–	14.27	–	–	–	–
Security deposits	5	–	–	3.60	–	3.60	–	–	–	–
Fixed Deposits	8A			293.00		293.00				
Interest accrued on deposits	5			8.98		8.98				
		–	–	19,833.85	–	19,833.85	–	–	–	–
Financial liabilities not measured at fair value										
Trade payables	12	–	–	–	3.92	3.92	–	–	–	–
		–	–	–	3.92	3.92	–	–	–	–

The fair value of cash and cash equivalents, bank balance other than cash and cash equivalents, borrowings, trade payables, other current financial assets and liabilities approximate their carrying amount largely due to the short-term nature of these instruments. The Company's long-term debt has been contracted at market rates of interest. Accordingly, the carrying value of such long-term debt approximates fair value.

Investment in equity shares of subsidiaries are not appearing as financial asset in the table above being investment in subsidiaries accounted under Ind AS 27, Separate Financial Statements which is scoped out under Ind AS 109.

There have been no transfers among Level 1, Level 2 and Level 3 during the period.

B Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the risk management framework. The Company's management oversees how management monitors compliance with the risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

C Financial risk management objectives and policies

The Company's principal financial liabilities comprise trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include investments, other receivables, deposits and cash and cash equivalents that derive directly from its operations.

The Company is exposed to the following risks from its use of financial instruments:

– Market risk

– Credit risk

– Liquidity risk

(i) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings. The sensitivity analyses in the following sections relate to the position as at March 31, 2022 and March 31, 2021. The sensitivity analyses have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt and derivatives and the proportion of financial instruments in foreign currencies. The analyses exclude the impact of movement in market variables on: the carrying values of gratuity and other post retirement obligations and provisions.

The following assumptions have been made in calculating the sensitivity analyses:

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at March 31, 2022 and March 31, 2021.

a. Interest rate risk

The company doesn't have borrowings. Hence interest rate risk is not applicable.

b. Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's does not have any exposure to the risk of changes in foreign exchange rates as there are no operations being carried out (revenue or expense is denominated in a foreign currency) by the company.

c. Foreign currency sensitivity

The company doesn't have any foreign currency exposure outstanding as at balance sheet date. Hence foreign currency sensitivity risk is not applicable.

(ii) Credit risk

Company does not have any operations and hence credit risk is not applicable.

Financial Instrument and Cash Deposit

Credit risk from balances with banks and financial institutions is managed by the Company's operation department in accordance with the Company's policy. Investments of surplus funds are made only with approved Banks within the limits assigned. These limits are reviewed by the Company's Board of Directors as and when required. The limits are set to minimise the concentration of risks and therefore mitigate financial loss and potential failure to make payments. The Company's maximum exposure to credit risk for the components of the statement of financial position at 31st March 2022 and 2021 is the carrying amounts.

(iii) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company has an appropriate liquidity risk management framework for the management of short, medium and long term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate cash reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The table below summarises the maturity profile of the company's financial liabilities based on contractual undiscounted payments.

Rs in lakhs

	On demand	Less than 1 year	1 to 2 Year	2 to 5 year	More than 5 Years	Total
Year ended March 31, 2022						
Trade payables	–	3.00	–	–	–	3.00
	–	**3.00**	**–**	**–**		**3.00**
Year ended March 31, 2021						
Trade payables	–	3.92	–	–	–	3.92
	–	**3.92**	**–**	**–**	**–**	**3.92**

D Capital management:

The Company's capital management objectives are:

– to ensure the Company's ability to continue as a going concern.

– to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

The Company monitors capital on the basis of the carrying amount of equity and profit and loss account as presented on the face of the statement of financial position.

The Company sets the amount of capital in proportion to its overall financing structure, i.e. equity and financial liabilities. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. The Company is not subject to externally enforced capital regulation. The Company's capital requirements are substantially met through the issue of equity to the holding companies.

There is no change in the overall capital risk management strategy of the Company compared to last year.

22. Contingent liabilities:

(a) Corporate Guarantees issued in respect of borrowings availed by subsidiary company – Rs. NIL (2021: Rs. 9,500 Lakhs)

(b) In February 2019, Supreme Court of India in its judgement clarified that certain special allowances should be considered to measure obligation under Employees Provident Fund Act, 1952. The Company has been legally advised that there are interpretive challenges on the application of judgement retrospectively and as such does not consider there any probable obligations for past periods. Accordingly, based on legal advice the company has made provision for provident fund contribution form the date of Supreme court order. The probable obligation for past periods amounting to Rs. 0.30 Lakhs has been considered by the Company as contingent liability.

(c) The estimated amount of contracts remaining to be executed on Capital account and not provided for Rs. Nil (2021: Rs. Nil)

Note: The Company is contesting the demands and the management believes that its position will likely be upheld in the various appellate authorities/courts and the ultimate outcome will not have a material adverse effect on the Company's financial position and results of operations.

23. Earnings per share

Basic earnings per share amounts are calculated by dividing the profit/(loss) for the year attributable to equity holders by the weighted average number of Equity Shares outstanding during the year.

Rs in Lakhs

Sr. No.	Particulars	**For the year ended March 31, 2022**	For the year ended March 31, 2021
(a)	Earnings attributable to equity shareholders	**(16.67)**	(24,033.38)
(b)	Weighted average number of equity shares outstanding during the year	**912,389,607**	837,239,580
(c)	Basic Earnings per share (Rs.)	**(0.00)**	(2.87)
(d)	Diluted Earnings per share (Rs.)	**(0.00)**	(2.87)

Weighted average no of shares (basic & diluted)

Sr. No.	Particulars	**For the year ended March 31, 2022**	For the year ended March 31, 2021
(a)	Opening Balance	**912,389,607**	751,129,607
(b)	Effect of fresh issue of shares	**–**	86,109,973
(c)	Weighted average no of shares	**912,389,607**	837,239,580

The weighted average number of ordinary shares for the purpose of diluted earnings per share reconciles to the weighted average number of equity shares used in the calculation of basic earnings/(loss) per share as follows:

Particulars	**For the year ended March 31, 2022**	For the year ended March 31, 2021
Weighted average number of equity shares used in the calculation of Basic EPS	**912,389,607**	837,239,580
Add: Effect of potential equity shares	**–**	–
Weighted average number of equity shares used in the calculation of Diluted EPS	**912,389,607**	837,239,580

24. Dues to micro and small enterprises

There are no micro and small enterprises to which the Company owes dues, which are outstanding for more than 45 days as at March 31, 2022. This information as required under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.

25. NM5 Project

During November 2008, erstwhile M/S. Plexion Technologies India Pvt. Ltd., which was later on merged with Mahindra Engineering Services Limited (MESL), had entered into a Collaboration Agreement with Council of Scientific Industrial Research (CSIR), represented by National Aerospace Laboratories (NAL) for Joint Development, Commercial Production and Marketing of a 4-Seater Aircraft (NM 5 Project). By virtue of a Deed of Assignment dated 28th May, 2008, signed between MESL, the Company and Council of Scientific Industrial Research (CSIR), the rights, obligations and benefits of MESL under the said Collaboration Agreement was assigned to the Company by MESL and duly affirmed by CSIR. As per the Collaboration Agreement, the Company jointly owns the Intellectual Property Rights arising from joint development of the aircraft. Such Intellectual Property Rights arising from joint development of the aircraft will be a jointly held intangible asset. The Company has built a prototype of the aircraft which has carried out a successful test flight.

The Company had so far incurred an expenditure of Rs. 274.63 Lakhs (2021 : Rs. 274.63 Lakhs) on tools and jigs and Rs. 2,098.63 Lakhs (2021 : Rs. 2,098.63 Lakhs) towards the design & development and building one prototype aircraft and these were included under 'Capital work in progress' and 'Intangible assets under development' respectively.

The Management had evaluated the carrying value of above mentioned assets based on the projections of the project and recognized a cumulative impairment of Rs. 2,373.26 Lakhs (2021: Rs. 2,373.26 Lakhs)

26. The Company's Management assesses the operations of the subsidiaries, including the future projections, to identify indications of diminution, other than temporary, in the value of the investments recorded in the books of account. The Company based on market conditions and business projections, assessed the recoverable amount for investment in Mahindra Aerospace Australia PTY Ltd (wholly owned subsidiary in Australia) and Mahindra Aerostructures Limited, which individually represents cash generating unit (CGU).

Accordingly during the current year, the Company recognised a provision of Rs. NIL (2021: Rs. 12,011.03 Lakhs) for diminution in value of investment in Mahindra Aerospace Australia PTY Ltd, resulting entire investment to be fully impaired and Rs. NIL (2021: Rs 12,050.00 Lakhs) in value of investment in Mahindra Aerostructures Private Limited, both being 100% subsidiaries of the company.

During the previous year ended March 31, 2021, the Board of Directors of Company's subsidiary Mahindra Aerospace Pty Ltd approved appointment of Advisors for sale of entire 100% equity ownership and/or sale of all assets or business of/or shares of Mahindra Aerospace Australia Pty Ltd and its Subsidiaries namely - GippsAero Pty Ltd., Airvan10 Pty Ltd., GA8 Airvan Pty Ltd., GA200 Pty Ltd., Airvan Flight Services Pty Ltd and Nomad TC Pty Ltd

27. Segment Reporting:

The Chief Operating Decision Maker (CODM) evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by industry classes. Accordingly, segment information has been presented for industry classes.

The operating segment of the Company is identified to be "design, development and manufacturing of aircrafts and Aerostructures" as the CODM reviews business performance at an overall Company level as one segment.

Note 28- Key Ratios

Ratio	Numerator	Denominator	Current period	Previous period	% Variance	Reason for Variance
Current ratio	308.64	7.29	42.34	31.93	33%	Reduction in current liabilities during the current year
Debt-Equity ratio	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Company does not have borrowings
Debt Service Coverage ratio						
Return on Equity ratio	(16.67)	19,831.84	-0.1%	-101.0%	-100%	Previous year loss includes Rs. 24,061.03 lakhs of impairment of investments in subsidiary companies
Inventory Turnover ratio	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Company is a holding company and does not have operations
Trade Receivables Turnover ratio						
Trade Payables Turnover ratio						
Net capital turnover ratio						
Net profit ratio						
Return on capital employed	(16.17)	19,823.50	-0.1%	-121.1%	-100%	Previous year loss includes Rs. 24,061.03 lakhs of impairment of investments in subsidiary companies
Return on investment	–	19,514.00	0%	0%	0%	

Ratio	Formula
Current ratio	Current Assets/Current Liabilites
Debt-Equity ratio	Total debt/ Share holders equity
Debt Service Coverage ratio	(Net Profit after taxes + Non-cash operating expenses like depreciation and other amortizations + Interest + other adjustments like loss on sale of Fixed assets etc.)/interest+payables
Return on Equity ratio	(Net Profits after taxes – Preference Dividend)/Average share holder's equity
Inventory Turnover ratio	Sales/Average inventory
Trade Receivables Turnover ratio	Net Credit Sales / Avg receivables
Trade Payables Turnover ratio	Net Credit purchases / Avg trade payables
Net capital turnover ratio	Net Sales / working capital
Net profit ratio	Net Profit / Net Sales
Return on capital employed	Net profit after taxes+finance cost/(Tangible Net Worth + Total Debt + Deferred Tax liability)

Note 29 Income taxes

The Company has carried out its deferred tax computation in accordance with Ind AS 12 'Income Taxes' notified under the Companies (Indian Accounting Standards) Rules, 2015.

(a) Significant components & classification of deferred tax assets and liabilities are as follows:

Particulars	**As at March 31, 2022**	As at March 31, 2022
Deferred tax liabilities		
Related to depreciation of fixed assets	**–**	1.31
Total deferred tax liability (a)	**–**	1.31
Deferred tax assets		
Provision for diminution of Investments	**25,703.67**	25,703.67
Provision for service tax credit and others	**36.87**	36.87
Provision for goods and service tax input credit	**6.54**	9.55
Carry forward losses	**4.72**	1.16
Others	**0.23**	0.23
Total deferred tax assets (b)	**25,752.04**	25,751.49
Net deferred tax assets/(liabilities) (b-a)	**25,752.04**	25,750.18

Having regard to the accumulated losses, the Company has not recognised the net deferred tax assets in the absence of reasonable certainty at this stage that there will be sufficient future taxable income available to realize such assets.

(b) Amount reocognised in statement of profit and loss

Particulars	**For the year ended March 31, 2022**	For the year ended March 31, 2022
Current Tax	**–**	9.00
Tax charge/ (credit) of earlier years	**2.86**	0.92
Deferred tax	**–**	–

(c) Reconciliation of effective tax rate

Particulars	**As at March 31, 2022**		As at March 31, 2021	
Profit/(loss) before tax		**(13.81)**		(24,023.46)
Income tax expense calculated at domestic tax rates applicable to profits	**26.00%**	**(3.59)**	26.00%	(6,246.10)
Tax effects of:				
Permanent difference	**-1.63%**	**0.23**	-26.05%	**6,257.11**
Timing differences	**1.39%**	**(0.19)**	0.05%	**(11.01)**
Deferred tax asset not recognised in statement of profit and loss		**(3.56)**		**–**
Income tax expense		**–**		9.00
Tax charge/ (credit) of earlier years		**2.86**		0.92
Effective tax rate		**0.00%**		26.00%

(d) Tax losses

Particulars	**As at March 31, 2022**	**Expiry date**	As at March 31, 2021	Expiry date
Loss from business	**4.47**	**March 31, 2025**	4.47	March 31, 2025
	13.68	**March 31, 2031**		
Total	**18.16**		4.47	
Potential tax benefit	**4.72**		1.16	

30. In view of pandemic relating to COVID-19, the company has considered internal and external information and has performed sensitivity analysis based on current estimates in assessing the recoverability of receivables and other assets. The company has also assessed the impact of this whole situation on its capital and financial resources, profitability, liquidity position, internal financial reporting controls etc. and is of the view that based on its present assessment, this situation does not materially impact the financial result as on March 31,2022. However, the actual impact of COVID-19 on the company's financial statements, in future may differ from that estimated and the company will continue to closely monitor any material changes to future economic conditions.

31. In the view of the losses for the three immediately preceding financial years, the Company is not required to spend any amount on CSR activities during the current financial year.

32. The Company did not have any transactions with any struck-off companies during the year (2021: NIL).

33. During the year ended March 31, 2022, no material foreseeable loss (2021: Nil) was incurred for any long-term contract including derivative contracts.

As per our report of even date attached
For B S R & Co. LLP
Chartered Accountants
(Firm's registration No. 101248W/W-100022)

Praveen Kumar Jain
Partner
Membership No. 079893

Place: Bangalore
Date: April 26, 2022

For and on behalf of the Board of Directors of
Mahindra Aerospace Private Limited.
CIN No. U63033MH2008PTC179520

Mr. Arvind Mehra
Whole Time Director
DIN No. 01039769

Mr. S.P. Shukla
Managing Director
DIN No. 00007418

Mr. T. Subrahmanya Sarma
Chief Financial Officer

Mr. V.S. Ramesh
Company Secretary

Place: Mumbai
Date: April 26, 2022

Mahindra Aerospace Pvt Ltd

Form AOC 1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

PART A - SUBSIDIARIES

Rs. in Lakhs

Name of the subsidiary	Mahindra Aerostructures Pvt Ltd	Mahindra Aerospace Australia Pty Ltd	Gipps Aero Pty Ltd	Airvan Flight Services Pty Ltd	GA8 Airvan Pty Ltd	GA200 Pty Ltd	Nomad TC Pty Ltd	Airvan 10 Pty Ltd
Reporting period for the subsidiary concerned, if different from the holding company's reporting period	31st Mar '22	31st Mar '22	31st Mar '22	31st Mar '22	31st Mar '22	31st Mar '22	31st Mar '22	31st Mar '22
Reporting currency	Rupees	AUD	AUD	AUD	AUD	AUD	AUD	AUD
Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	1	AUD=Rs.56.65	AUD=Rs.56.65	AUD=Rs.56.65	AUD=Rs.56.65	AUD=Rs.56.65	AUD=Rs.56.65	AUD=Rs.56.65
Share capital	46,450.00	80,519.69	68,884.92	5.58	5.58	5.58	12.92	5.59
Reserves & Surplus	(29,066.11)	(77,147.47)	(68,204.79)	(5.43)	(5.43)	(5.43)	(12.78)	(5.43)
Total assets	21,240.72	3,378.43	1,530.45	0.15	0.15	0.15	0.15	0.15
Total Liabilities	3,718.26	6.22	850.33	–	–	–	–	–
Investments	–	–	–	–	–	–	–	–
Turnover	10,348.85	–	737.25	–	–	–	–	–
Profit before taxation	(521.44)	(4.48)	(1,450.53)	(0.24)	(0.24)	(0.24)	(0.24)	(0.24)
Provision for taxation	–	–	–	–	–	–	–	–
Profit after taxation	(521.44)	(4.48)	(1,450.53)	(0.24)	(0.24)	(0.24)	(0.24)	(0.24)
Other comprehensive income	(6.99)	–	–	–	–	–	–	–
Total comprehensive income for the year	(528.43)	(4.48)	(1,450.53)	(0.24)	(0.24)	(0.24)	(0.24)	(0.24)
Proposed Dividend	–	–	–	–	–	–	–	–
% of shareholding	100%	100%	100%	100%	100%	100%	100%	100%

Additional Information:

1) Names of subsidiaries which which are yet to commence operations: Nil
2) Names of subsidiaries which have been liquidated or sold during the year: NIL

PART B - ASSOCIATES and JOINT VENTURES:

1) Names of associates or joint ventures which are yet to commence operations : Nil
2) Names of associates or joint ventures which have been liquidated or sold during the year: Nil

For and on behalf of the Board of Directors of
Mahindra Aerospace Private Limited
CIN No.U63033MH2008PTC179520

Mr. Arvind Mehra
Wholetime Director
DIN No.01039769

Mr. S.P. Shukla
Director & Chairman
DIN No. 00007418

Mr. T. Subrahmanya Sarma
Chief Financial Officer

Mr. V.S. Ramesh
Company Secretary

Place: Mumbai
Date: April 26, 2022

INDEPENDENT AUDITOR'S REPORT

To the Members of Mahindra Aerostructures Private Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Mahindra Aerostructures Private Limited (the "Company"), which comprise the balance sheet as at 31 March 2022, the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as Financial Statements).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2022, and its loss and other comprehensive loss, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us, is sufficient and appropriate to provide a basis for our opinion on the financial statements.

Other Information

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's Board report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's and Board of Directors' Responsibilities for the Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, profit / loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we

are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. (A) As required by Section 143(3) of the Act, we report that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   c) The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account.

   d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.

   e) On the basis of the written representations received from the directors as on 31 March 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022 from being appointed as a director in terms of Section 164(2) of the Act.

   f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

   (B) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

   a) The Company has disclosed the impact of pending litigations as at 31 March 2022 on its financial position in its financial statements - Refer Note 30 to the financial statements.

   b) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

   c) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

   (d) (i) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:

   - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or
   - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

   (ii) The management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall:

   - directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Party or
   - provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries.

(iii) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (d) (i) and (d) (ii) contain any material mis-statement.

e) The Company has neither declared nor paid any dividend during the year.

(C) With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No. 101248W/W-100022

Praveen Kumar Jain
Partner
Membership No. 079893
UDIN: 22079893AHVKYD3295

Place: Bengaluru

Date: 26 April 2022

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

With reference to the Annexure A referred to in paragraph 1 of our report to the members of the Company on the financial statements for the year ended 31 March 2022, we report that:

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(a) (B) The Company has maintained proper records showing full particulars of intangible assets.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, plant and equipment by which all Property, plant and equipment are verified every year. In accordance with this programme, property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. The discrepancies noticed on such verification were not material and have been properly dealt with in the books of account.

(c) The Company does not have any immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee). Accordingly, clause 3(i)(c) of the Order is not applicable

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.

(e) According to information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) The inventory, except stocks lying with third parties, has been physically verified by the management during the year. For stocks lying with third parties at the year-end, written confirmations have been obtained. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks or financial institutions are in agreement with the books of account of the Company. The Company did not have any sanctioned working capital limits from financial institutions.

(iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments, provided guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year. Accordingly, provisions of clauses 3(iii)(a) to 3(iii)(f) of the Order are not applicable to the Company.

(iv) According to the information and explanations given to us and on the basis of our examination of records of the Company, the Company has neither made any investments nor has it given loans or provided guarantee or security and therefore the relevant provisions of Sections 185 and 186 of the Companies Act, 2013 ("the Act") are not applicable to the Company. Accordingly, clause 3(iv) of the Order is not applicable

(v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.

(vi) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Act in respect of its manufactured goods and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed examination of the records with a view to determine whether these are accurate or complete.

(vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Services Tax ('GST'), Provident fund, Employees' State Insurance, Income-Tax, Duty of Customs, Cess and other statutory dues have been regularly deposited by the Company with the appropriate authorities.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Services Tax ('GST'), Provident fund, Employees' State Insurance, Income-Tax, Duty of Customs, Cess and other statutory dues were in arrears as at 31 March 2022 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, statutory dues relating to Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues which have not been deposited on account of any dispute are as follows:

Name of the statute	Nature of the dues	Amount (Rs. in lakhs)	Period to which the amount relates	Forum where dispute is pending	Remarks, if any
Customs Act, 1962	Custom duty and penalty	2,598.85 (232.14)*	FY 2014-15	Custom, Excise and Service Tax Appellate Tribunal, Chennai	
Customs Act, 1962	Custom duty (excluding interest)	41.36 (45.33)*	FY 2014-15	Joint Commissioner of Customs, Chennai	

* figures in brackets represent amounts paid under protest

(viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.

(ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to any lender.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.

(c) According to the information and explanations given to us by the management, the Company has not obtained any term loans during the year. Accordingly, clause 3(ix)(c) of the Order is not applicable.

(d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) The Company does not hold any investment in any subsidiary, associate or joint venture (as defined under Companies Act, 2013) during the year ended 31 March 2022. Accordingly, clause 3(ix)(e) is not applicable.

(f) The Company does not hold any investment in any subsidiary, associate or joint venture (as defined under Companies Act, 2013) during the year ended 31 March 2022. Accordingly, clause 3(ix)(f) is not applicable.

(x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) Accordingly, clause 3(x)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.

(xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the course of the audit.

(b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.

(xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clauses 3(xii)(a), (b) and (c) of the Order are not applicable.

(xiii) The Company is a private limited company and accordingly the requirements as stipulated by the provisions of Section 177 of the Act are not applicable to the Company. In our opinion and according to the information and explanations given to us and on the basis of our examination of records of the Company, transactions with the related parties are in compliance with Section 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business. Also, refer b below.

(b) Based on the information and explanations provided to us, no internal audit was conducted during the year and hence, the Internal Audit Reports could not be considered by us.

(xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company

(xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.

(b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve

Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.

(d) According to the information and explanations provided to us, the Group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016) has more than one CIC as part of the Group. The Group has 6 CICs as part of the Group (including 3 CICs which are in the process of getting merged with another group company).

(xvii) The Company has not incurred cash losses in the current financial year. However, the Company has incurred cash losses of Rs. 463.22 lakhs in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) The requirements as stipulated by the provisions of Section 135 are not applicable to the Company. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No. 101248W/W-100022

Praveen Kumar Jain
Partner
Membership No. 079893
UDIN: 22079893AHVKYD3295

Place: Bengaluru
Date: 26 April 2022

ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS OF MAHINDRA AEROSTRUCTURES PRIVATE LIMITED FOR THE YEAR ENDED 31 MARCH 2022.

Report on the internal financial controls with reference to the aforesaid financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

(Referred to in paragraph (2A(f)) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to financial statements of Mahindra Aerostructures Private Limited ("the Company") as of 31 March 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2022, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and whether such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No. 101248W/W-100022

Praveen Kumar Jain
Partner
Membership No. 079893
UDIN: 22079893AHVKYD3295

Place: Bengaluru
Date: 26 April 2022

BALANCE SHEET AS AT MARCH 31, 2022

Rs. In lakhs

Particulars	**Note**	**As at March 31, 2022**	As at March 31, 2021
Assets			
Non-current assets			
Property, plant and equipment	3	**10,005.53**	10,822.87
Capital work in progress	3	**268.13**	63.97
Intangible assets	3	**139.07**	75.43
Right of use assets	3A	**29.04**	33.63
Financial assets			
Other financial assets	10	**36.21**	36.23
Income tax assets (net)	4	**23.06**	17.39
Other non-current assets	5	**1,479.28**	1,160.44
Total non-current assets		**11,980.32**	12,209.96
Current assets			
Inventories	6	**3,415.38**	2,456.73
Financial assets			
Trade receivables	7	**2,772.68**	1,823.07
Cash and cash equivalents	8	**186.39**	145.47
Bank balance other than cash and cash equivalents	9	**1,380.00**	2,541.96
Other financial assets	10	**15.95**	31.01
Other current assets	11	**1,490.00**	1,260.59
Total current assets		**9,260.40**	8,258.83
Total assets		**21,240.72**	20,468.79
Equity and liabilities			
Equity			
Equity share capital	12	**46,450.00**	46,450.00
Other equity	13	**(29,066.11)**	(28,537.68)
Total equity		**17,383.89**	17,912.32
Non-current liabilities			
Financial liabilities			
Lease liabilities		**28.48**	32.53
Provisions	16	**98.00**	80.10
Other non-current liabilities		**12.09**	13.04
Total non-current liabilities		**138.57**	125.67

BALANCE SHEET AS AT MARCH 31, 2022 (CONTINUED)

Rs. In lakhs

Particulars	**Note**	**As at March 31, 2022**	As at March 31, 2021
Current liabilities			
Financial liabilities			
Borrowings	14	**1,672.31**	1,289.49
Lease liabilities		**4.05**	3.72
Trade payable	17		
Total outstanding dues of Micro Enterprises and Small Enterprises		**290.28**	92.45
Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises		**1,168.50**	590.53
Other financial liabilities	15	**101.07**	42.06
Other current liabilities	18	**426.39**	377.99
Provisions	16	**55.66**	34.56
Total current liabilities		**3,718.26**	2,430.80
Total equity and liabilities		**21,240.72**	20,468.79
Significant accounting policies	2		

The accompanying notes form an integral part of the financial statements

As per our report of even date attached
For B S R & Co. LLP
Chartered Accountants
(Firm's registration No. 101248W/W-100022)

Praveen Kumar Jain
Partner
Membership No. 079893

Place: Bangalore
Date: April 26, 2022

For and on behalf of the Board of Directors of
Mahindra Aerostructures Private Limited
CIN No. U35122MH2011PTC212744

Dr. Karthik Krishnamurthy
Whole Time Director
DIN No.07130799

Mr. Arvind Mehra
Managing Director
DIN No. 01039769

Mr. T. Subrahmanya Sarma
Chief Financial Officer

Mr. V. S. Ramesh
Company Secretary

Place: Mumbai
Date: April 26, 2022

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2022

Rs. In lakhs

Particulars	**Note**	**For the year ended March 31, 2022**	For the year ended March 31, 2021
Revenue from operations	19	**10,206.47**	6,896.66
Other income	20	**142.38**	152.57
Total income		**10,348.85**	7,049.23
Expenses			
Cost of materials consumed	21	**3,792.89**	1,935.14
Purchase of stock-in-trade		**232.96**	196.72
Changes in inventories of finished goods and work-in-progress	22	**(460.30)**	52.59
Employee benefits expense	23	**3,307.40**	2,978.65
Finance costs	24	**43.60**	19.43
Depreciation and amortization expense	25	**1,322.82**	1,318.38
Other expenses	26	**2,630.92**	2,274.79
Total expenses		**10,870.29**	8,775.70
Loss from operations before exceptional items and tax		**(521.44)**	(1,726.47)
Exceptional items	33	**–**	570.30
Loss from operations before tax		**(521.44)**	(2,296.77)
Tax expense:			
Current tax		**–**	–
Deferred tax		**–**	–
Loss for the year		**(521.44)**	(2,296.77)
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss:			
Re-measurement (loss)/gain on defined benefit plans (net of tax)		**(6.99)**	8.18
Other comprehensive income for the year, net of tax		**(6.99)**	8.18
Total comprehensive loss for the year		**(528.43)**	(2,288.59)
Earnings per equity share:	32		
(Nominal value of Rs. 10 per share)			
Basic		**(0.11)**	(0.50)
Diluted		**(0.11)**	(0.50)
Significant accounting policies	2		

The accompanying notes form an integral part of the financial statements

As per our report of even date attached
For B S R & Co. LLP
Chartered Accountants
(Firm's registration No. 101248W/W-100022)

Praveen Kumar Jain
Partner
Membership No. 079893

Place: Bangalore
Date: April 26, 2022

For and on behalf of the Board of Directors of
Mahindra Aerostructures Private Limited
CIN No. U35122MH2011PTC212744

Dr. Karthik Krishnamurthy
Wholetime Director
DIN No.07130799

Mr. Arvind Mehra
Managing Director
DIN No.01039769

Mr. T. Subrahmanya Sarma
Chief Financial Officer

Mr. V. S. Ramesh
Company Secretary

Place: Mumbai
Date: April 26, 2022

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2022

Rs. In lakhs

Particulars	For the year ended March 31, 2022		For the year ended March 31, 2021	
A. Cash flow from operating activities:				
Loss before tax		**(521.44)**		(2,296.77)
Adjustments for:				
Depreciation and amortisation expense	**1,322.82**		1,318.38	
Exceptional items (refer note 33)	**–**		570.30	
Finance costs	**43.60**		19.43	
Property plant and equipment written off	**8.50**		6.73	
Loss on sale of property plant and equipment (net)	**0.89**		0.66	
Interest income	**(94.86)**		(90.83)	
Provision no longer required	**–**		(55.84)	
Net unrealised exchange gain	**(13.66)**	**1,267.29**	(6.02)	1,762.81
Operating gain/(loss) before working capital changes		**745.85**		(533.96)
Changes in working capital:				
Adjustments for (increase)/decrease in operating assets:				
Inventories	**(958.65)**		(270.65)	
Trade receivables	**(936.32)**		117.35	
Current financial and other current assets	**(229.41)**		(176.42)	
Non-current financial and other non-current assets	**0.02**		–	
Adjustments for increase/(decrease) in operating liabilities:				
Trade payables	**775.28**		(207.43)	
Current financial and other current liabilities	**48.40**		(61.60)	
Other non-current liabilities	**(0.95)**		(7.60)	
Provisions	**32.01**		1.72	
		(1,269.62)		(604.63)
Cash generated from/(used in) operations		**(523.77)**		(1,138.59)
Net income tax refunds/(paid)		**(5.67)**		1.61
Net cash generated from/(used in) operating activities (A)		**(529.44)**		(1,136.98)
B. Cash flow from investing activities:				
Payment to acquire property, plant and equipment, including capital advances, for acquiring right-of-use assets	**(1,037.58)**		(619.60)	
Proceeds from sale of property, plant and equipment	**0.05**		0.17	
Bank deposits (addition)/matured (net)	**1,161.96**		(2,537.26)	
Interest income received	**109.92**		60.02	
Net cash generated from/(used in) investing activities (B)		**234.35**		(3,096.67)
C. Cash flow from financing activities:				
Proceeds from issue of equity shares	**–**		3,564.00	
Repayment of foreign currency loan	**(3,054.84)**		(2,075.95)	

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2022 (CONTINUED)

Rs. In lakhs

Particulars		**For the year ended March 31, 2022**		For the year ended March 31, 2021
Proceeds from foreign currency loan	**2,374.67**		2,798.68	
Working capital Borrowings (net)	**1,064.85**		**1.70**	
Repayment of lease liabilities	**(3.72)**		**(3.42)**	
Finance costs	**(43.98)**		(18.93)	
Net cash generated from/(used in) financing activities (C)		**336.98**		4,266.08
Net increase in cash and cash equivalents (A+B+C)		**41.89**		32.43
Effect of exchange differences on restatement of foreign currency cash and cash equivalent		**(0.97)**		(4.38)
Cash and cash equivalents at the beginning of the year		**145.47**		117.42
Cash and cash equivalents at the end of the year		**186.39**		145.47
Components of Cash and cash equivalents (Refer note 8)				
Balance with banks				
– On current accounts		**9.59**		17.54
– On EEFC accounts		**176.80**		**127.93**
Cash on hand		**–**		**–**

Reconciliation of movement of liabilities to cash flow arising from financing activites

Particulars	**Borrowings**
Balance of foreign currency loan as at April 1, 2021	1,287.79
Foreign currency loan availed during the year	2,374.67
Repayment of foreign currency loan during the year	(3,054.84)
Effect of foreign currency fluctuations	(1.86)
Closing balance of foreign currency loan as on March 31, 2022	605.76

Significant accounting policies (Refer note 2)

The accompanying notes form an integral part of the financial statements

As per our report of even date attached
For B S R & Co. LLP
Chartered Accountants
(Firm's registration No. 101248W/W-100022)

Praveen Kumar Jain
Partner
Membership No. 079893

Place: Bangalore
Date: April 26, 2022

For and on behalf of the Board of Directors of
Mahindra Aerostructures Private Limited
CIN No. U35122MH2011PTC212744

Dr. Karthik Krishnamurthy
Wholetime Director
DIN No.07130799

Mr. Arvind Mehra
Managing Director
DIN No.01039769

Mr. T. Subrahmanya Sarma
Chief Financial Officer

Mr. V. S. Ramesh
Company Secretary

Place: Mumbai
Date: April 26, 2022

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2021

a. Equity share capital:

	Rs. In lakhs
As at April 1, 2020	**42,886.00**
Add: changes in equity shares	3,564.00
As at March 31, 2021	**46,450.00**
Add: changes in equity shares	–
As at March 31, 2022	**46,450.00**

b. Other equity

Rs. In lakhs

Particulars	Retained Earnings	Other comprehensive income	Total
As at April 1, 2020	**(26,254.17)**	**5.08**	**(26,249.09)**
Loss for the year	(2,296.77)	–	(2,296.77)
Re-measurement gain on defined benefit plans	–	8.18	8.18
Total comprehensive income	**(2,296.77)**	**8.18**	**(2,288.59)**
As at March 31, 2021	**(28,550.94)**	**13.26**	**(28,537.68)**
As at April 1, 2021	**(28,550.94)**	**13.26**	**(28,537.68)**
Loss for the year	(521.44)	–	(521.44)
Re-measurement gain/(loss) on defined benefit plans	–	(6.99)	(6.99)
Total comprehensive income	**(521.44)**	**(6.99)**	**(528.43)**
As at March 31, 2022	**(29,072.38)**	**6.27**	**(29,066.11)**

Significant accounting policies (Refer note 2)

The accompanying notes form an integral part of the financial statements

As per our report of even date attached
For B S R & Co. LLP
Chartered Accountants
(Firm's registration No. 101248W/W-100022)

Praveen Kumar Jain
Partner
Membership No. 079893

Place: Bangalore
Date: April 26, 2022

For and on behalf of the Board of Directors of
Mahindra Aerostructures Private Limited
CIN No. U35122MH2011PTC212744

Dr. Karthik Krishnamurthy
Wholetime Director
DIN No.07130799

Mr. Arvind Mehra
Managing Director
DIN No.01039769

Mr. T. Subrahmanya Sarma
Chief Financial Officer

Mr. V. S. Ramesh
Company Secretary

Place: Mumbai
Date: April 26, 2022

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

1. Corporate Information

Mahindra Aerostructures Private Limited (the 'Company') is a company domiciled in India, with its registered office situated at Mahindra Towers, P.K Kurne Chowk, Worli, Mumbai – 400 018. The Company was incorporated on January 27, 2011 under the provisions of the Indian Companies Act, 1956. The Company is primarily involved in the business of manufacture and sale of aircraft components, assemblies and Aerostructures.

2. Basis of preparation and Significant accounting policies:

2.1 Basis of preparation

A. Statement of compliance

The Financial Statements of the company have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015, as amended and notified under section 133 of the Companies Act, 2013 (The 'Act') and other relevant provisions of the Act.

The Financial Statements were authorised for issue by the Company's Board of Directors on 26 April 2022.

Details of the Company's accounting policies are included in Note 2.2

B. Functional and presentation currency

These financial statements are presented in Indian Rupees (Rs.), which is also the Company's functional currency. All amounts have been rounded-off to two decimal places to the nearest lakhs, unless otherwise indicated.

C. Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following items:

Items	Measurement basis
Net defined benefit (asset)/liability	Fair value of plan assets less present value of defined benefit obligations

D. Use of estimates and judgements

In preparing these Financial Statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

Note 3A – leases: whether an arrangement contains a lease and lease classification

Assumptions and estimation uncertainties:

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending 31 March 2022 is included in the following notes:

Note 27 – measurement of defined benefit obligations: key actuarial assumptions;

Note 30 – recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources;

Note 36 – recognition of deferred tax assets: availability of future taxable profit against which tax losses carried forward can be used;

Note 3 – useful life of property, plant and equipment

Notes 7 and 10 - impairment of Financial Assets.

E. Measurement of fair values

Certain accounting policies and disclosures of the Company require the measurement of fair values, for both financial and non-financial assets and liabilities. The Company has an established control framework with respect to the measurement of fair values.

The valuation team regularly reviews significant unobservable inputs and valuation adjustments.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into a different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

Further information about the assumptions made in the measuring fair values is included in the following notes:

- Note 29 - financial instruments.

2.2 Significant accounting policies

a) Property Plant and Equipment

i. Recognition and measurement

Items of property, plant and equipment, are measured at cost (which includes capitalised borrowing costs, if any) less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment includes its purchase price, duties, taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials, direct labour and any other costs directly attributable to bringing the item to its intended working condition and estimated costs of dismantling, removing and restoring the site on which it is located, wherever applicable.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

ii. Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

iii. Depreciation

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual value using straight line method over the useful lives of assets estimated by the Company based on an internal technical evaluation performed by the management and is recognised in the statement of profit and loss. Depreciation for assets purchased / sold during the period is proportionately charged.

The range of estimated useful lives of items of property, plant and equipment are as follows:

Asset	Useful life
Factory Buildings – Roads, Compound Wall*	5 years to 30 years
Plant and Machinery*	2 years, 3 years, 5 years, 10 years and 15 years
Electrical Installations	10 years
Office Equipment's	3 years, 5 years and 10 years
Computers	3 years
Furniture and Fixtures	10 years
Vehicles	5 years

* The Company believes the useful lives as given above best represent the useful lives of these assets based on internal assessment where necessary, which is different from the useful lives as prescribed under Part C of Schedule II of the Companies Act, 2013.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year-end and adjusted prospectively, if appropriate.

b) Intangible Assets

Internally generated: Research and development

Expenditure on research activities is recognised in the Statement of Profit and Loss as incurred.

Development expenditure is capitalised as part of the cost of the resulting intangible asset only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Company intends to and has sufficient resources to complete development and to use or sell the asset. Otherwise, it is recognised in profit or loss as incurred. Subsequent to initial recognition, the asset is measured at cost less accumulated amortisation and any accumulated impairment losses.

Others:

Other intangible assets including those acquired by the Company in a business combination are initially measured at cost. Such intangible assets are subsequently measured at cost less accumulated amortisation and any accumulated impairment losses.

Amortisation:

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values over their estimated useful lives using the straight - line method and is included in depreciation and amortisation in Statement of Profit and Loss.

The estimated useful lives are as follows:

Asset	Useful life
Computer software	3-5 years

Amortisation method, useful lives and residual values are reviewed at the end of each financial year and adjusted if appropriate.

c) Impairment of assets

i. Financial Assets

The Company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to life time ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12- month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at life time ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized is recognized as an impairment gain or loss in profit or loss.

ii. Non-financial assets

Intangible assets and property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the CGU to which the asset belongs. If such assets are considered to be impaired, the impairment to be recognised in the Statement of Profit and Loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the Statement of Profit and Loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

d) Leases

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight line method from the commencement date over the shorter of lease term or useful life of right of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments.

The Company recognises the amount of the re-measurement of lease liability as an adjustment to the right-of-use asset. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the re-measurement in statement of profit and loss.

Transition to Ind AS 116

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified Ind AS 116 Leases which replaces the existing lease standard, Ind AS 17 leases, and other interpretations. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lease accounting model for lessees.

The Company has adopted Ind AS 116, effective annual reporting period beginning April 1, 2019 and applied the standard to its leases, modified retrospectively, with the cumulative effect of initially applying the Standard, recognised on the date of initial application (April 1, 2019). Accordingly, the Company has not restated the comparative information.

As a lessee:

For transition, the Company has elected not to apply the requirements of Ind AS 116 leases for which the underlying asset is of low value on a lease-by-lease basis. The Company has used the practical expedient provided by the standard when applying Ind AS 116 to leases previously classified as operating leases under Ind AS 17 and therefore, has not reassessed whether a contract, is or contains a lease, at the date of initial application, relied on its assessment of whether leases are onerous, applying Ind AS 37 immediately before the date of initial application as an alternative to performing an impairment review, excluded initial direct costs from measuring the right of use asset at the date of initial application and used hindsight when determining the lease term if the contract contains options to extend or terminate the lease.

On transition, the Company recognised a lease liability measured at the present value of the remaining lease payments. The right-of-use asset is recognised at its carrying amount as if the standard had been applied since the commencement of the lease, but discounted using the lessee's incremental borrowing rate as at April 1, 2019.

On application of Ind AS 116, the nature of expenses has changed from lease rent in previous periods to depreciation cost for the right-to-use asset, and finance cost for interest accrued on lease liability.

The difference between the future minimum lease rental commitments towards non-cancellable operating leases reported as at March 31, 2019 compared to the lease liability as accounted as at April 1, 2019 is primarily due to inclusion of present value of the lease payments for the cancellable term of the leases, reduction due to discounting of the lease liabilities as per the requirement of Ind AS 116 to which the Company has chosen to apply the practical expedient as per the standard.

e) Inventories

Inventories are valued at the lower of cost (including prime cost, non-refundable taxes and duties and other overheads incurred in bringing the inventories to their present location and condition) and estimated net realisable value, after providing for obsolescence, where appropriate. The comparison of cost and net realisable value is made on an item-by-item basis. The net realisable value of materials in process is determined with reference to the selling prices of related finished goods. Raw materials, packing materials and other supplies held for use in production of inventories are not written down below cost except in cases where material prices have declined, and it is estimated that the cost of the finished products will exceed their net realisable value.

The provision for inventory obsolescence is assessed regularly based on estimated usage and shelf life of products.

Raw materials and stores and spares are valued at cost computed on moving weighted average basis. The cost includes purchase price, inward freight and other incidental expenses net of refundable duties, levies and taxes, where applicable.

Stock-in-trade is valued at the lower of net realisable value and cost (including prime cost, non-refundable taxes and duties and other overheads incurred in bringing the inventories to their present location and condition), computed on a moving weighted average basis.

Finished goods and work in progress: cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity. Finished goods are valued at cost or net realisable value whichever is lower.

f) Financial Instruments

A. Recognition and initial measurement

The Company initially recognises financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are measured at fair value on initial recognition. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities that are not at fair value through profit or loss are added to the fair value on initial recognition.

B. Classification and subsequent measurement

i. Financial assets carried at amortized cost

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

ii. Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

iii. Financial assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

iv. Financial liabilities

Financial liabilities are subsequently carried at amortised cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

C. De-recognition

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the right to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial assets are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and a new financial liability with modified terms is recognised in the Statement of Profit and Loss.

D. Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or realise the asset and settle the liability simultaneously.

g) Revenue Recognition

The Company has applied Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised.

Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those products or services.

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, service level credits, performance bonuses, price concessions and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.

Contract assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled receivables (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

Unearned and deferred revenue (“contract liability”) is recognised when there is billings in excess of revenues.

In accordance with Ind AS 37, the Company recognises an onerous contract provision when the unavoidable costs of meeting the obligations under a contract exceed the economic benefits to be received.

Contracts are subject to modification to account for changes in contract specification and requirements. The Company reviews modification to contract in conjunction with the original contract, basis which the transaction price could be allocated to a new performance obligation, or transaction price of an existing obligation could undergo a change. In the event transaction price is revised for existing obligation a cumulative adjustment is accounted for.

Product development income is recognized once the first articles are approved by the customers or achievement of mile stones as per customer contract.

Job work Income: Revenue from the rendering of services is recognised upon the delivery of service to the customers. In contracts involving the rendering of services, revenue is recognised pro-rata over the period contract as and when services are rendered.

h) Other Income

For all financial instruments measured at amortised cost, interest income is recorded using the effective interest rate (EIR), which is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. Interest income is included in other income in the Statement of Profit and Loss. Duty drawback and other incentives are recognized on accrual basis in the Statement of Profit and Loss.

i) Income tax

Income tax comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income.

i. Current tax:

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

ii. Deferred tax:

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits. Deferred tax is not recognised for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of transaction.
- temporary differences related to investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used.

Deferred tax assets recognised or unrecognised are reviewed at each reporting date and are recognised / reduced to the extent that it is probable / no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

The Company offsets, the current tax assets and liabilities (on a year on year basis) and deferred tax assets and liabilities, where it has a legally enforceable right and where it intends to settle such assets and liabilities on a net basis.

j) Foreign currencies:

Transactions in foreign currencies are initially recorded by the Company at their functional currency spot rates at the date of the transaction. Monetary assets and liabilities denominated in foreign currency are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences that arise on settlement of monetary items or on reporting at each balance sheet date of the Company’s monetary items at the closing rates are recognised as income or expenses in the period in which they arise. Non-monetary items which are carried at historical cost denominated in a foreign currency are reported using the exchange rates at the date of transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

k) Government Grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to revenue, it is recognised in the statement of profit and loss on a systematic basis over the periods to which they relate.

l) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

All other borrowing costs are recognized in Statement of profit and loss in the period in which they are incurred.

m) Provisions and contingent liabilities

i. General:

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, the expense relating to a provision is presented in the Statement of Profit and Loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

ii. Contingent liabilities:

A disclosure for contingent liabilities is made where there is a possible obligation or a present obligation that may probably not require an outflow of resources. When there is a possible or a present obligation where the likelihood of outflow of resources is remote, no provision or disclosure is made.

iii Onerous contracts:

Provision for onerous contracts. i.e. contracts where the expected unavoidable cost of meeting the obligations under the contract exceed the economic benefits expected to be received under it, are recognised when it is probable that an outflow of resources embodying economic benefits will be required to settle a present obligation as a result of an obligating event based on a reliable estimate of such obligation.

n) Segment reporting

Operating segments are defined as components of an enterprise for which discrete financial information is available that is evaluated regularly by the chief operating decision maker, in deciding how to allocate resources and assessing performance. The Company's chief operating decision maker is the Director - Operations.

Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment. Inter segment revenue is accounted on the basis of transactions which are primarily determined based on market / fair value factors. Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on a reasonable basis have been included under "unallocated revenue / expenses / assets / liabilities".

o) Employee benefits

i. Short-term employee benefits

All employee benefits falling due wholly within twelve months of rendering the services are classified as short-term employee benefits, which include benefits like salaries, wages, short-term compensated absences and performance incentives and are recognised as expenses in the period in which the employee renders the related service.

ii. Post-employment benefits

Contributions to defined contribution schemes such as Provident Fund, employee state insurance scheme, Pension Fund, etc., are considered as defined contribution plans and are recognised as expenses in the period in which the employee renders the related service.

The Company also provides for post-employment defined benefit in the form of gratuity and medical benefits. The cost of providing benefit is determined using the projected unit credit method, with actuarial valuation being carried out at each balance sheet date. Remeasurement of the net benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interests) and the effect of the assets ceiling (if any, excluding interest) are recognised in other comprehensive income. The effect of any plan amendments are recognised in net profit in the Statement of Profit and Loss.

iii. Other long-term employee benefits

All employee benefits (other than post-employment benefits and termination benefits) which do not fall due wholly within twelve months after the end of the period in which the employees render the related services are determined based on actuarial valuation or discounted present value method carried out at each balance sheet date. The expected cost of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary as at 31 March every year using projected unit credit method on the additional amount expected to be paid / availed as a result of the unused entitlement that has accumulated at the balance sheet date. Expense on non-accumulating compensated absences is recognised in the period in which the absences occur.

p) Cash and cash equivalents

Cash and cash equivalents include cash on hand, demand deposits with banks, other short-term highly liquid investments with original maturities of three months or less.

q) Earnings Per Share

Basic Earnings Per Share ('EPS') is computed by dividing the net profit / (loss) attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the net profit / (loss) by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the year, unless issued at a later date. In computing diluted earnings per share, only potential equity shares that are dilutive and that either reduces earnings per share or increases loss per share are included. The number of shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented in case of share splits.

r) Cash flow statement

Cash flows are reported using indirect method, whereby net profits before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments and items of income or expenses associated with investing or financing cash flows. The cash flows from regular revenue generating (operating activities), investing and financing activities of the Company are segregated.

s) Recent accounting pronouncement

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2022.

Note 3: Property, plant and equipment

Rs. In lakhs

	Tangible assets								Intangible assets	
Particulars	**Factory Buildings**	**Plant & Machinery**	**Electrical Installations**	**Office Equipments**	**Computers**	**Furniture and Fixtures**	**Vehicles**	**Total**	**Computer software**	**Total**
Cost										
As at April 1, 2020	6,602.95	10,229.74	1,410.77	261.16	297.76	364.71	32.82	19,199.91	466.75	466.75
Additions	4.37	727.03	–	70.26	6.08	8.63	–	816.37	37.41	37.41
Disposals	–	47.30	–	22.56	4.40	2.11	14.20	90.57	–	–
As at March 31, 2021	**6,607.32**	**10,909.47**	**1,410.77**	**308.86**	**299.44**	**371.23**	**18.62**	**19,925.71**	**504.16**	**504.16**
Additions	13.58	423.67	–	18.23	–	0.35	–	455.83	118.14	118.14
Disposals	–	45.18	3.57	9.13	38.23	19.12	18.62	133.85	22.05	22.05
As at March 31, 2022	**6,620.90**	**11,287.96**	**1,407.20**	**317.96**	**261.21**	**352.46**	**-**	**20,247.69**	**600.25**	**600.25**
Accumulated Depreciation and Amortisation										
As at April 1, 2020	1,472.83	4,491.54	762.73	191.17	228.69	165.86	25.75	7,338.57	391.92	391.92
Charge for the year (Refer note 33)	279.40	1,342.35	136.23	29.79	19.65	36.13	3.73	1,847.28	36.81	36.81
Disposals	–	41.08	–	22.52	4.29	1.63	13.49	83.01	–	–
As at March 31, 2021	**1,752.23**	**5,792.81**	**898.96**	**198.44**	**244.05**	**200.36**	**15.99**	**9,102.84**	**428.73**	**428.73**
Charge for the year	239.56	801.72	135.66	32.27	17.16	36.46	1.69	1,264.52	53.71	53.71
Disposals	–	44.46	2.68	8.41	36.42	15.55	17.68	125.20	21.26	21.26
As at March 31, 2022	**1,991.79**	**6,550.07**	**1,031.94**	**222.30**	**224.79**	**221.27**	**-**	**10,242.16**	**461.18**	**461.18**
Net block										
As at March 31, 2021	4,855.09	5,116.66	511.81	110.42	55.39	170.87	2.63	10,822.87	75.43	75.43
As at March 31, 2022	**4,629.11**	**4,737.89**	**375.26**	**95.66**	**36.42**	**131.19**	**–**	**10,005.53**	**139.07**	**139.07**

Net block	**As at March 31, 2022**	As at March 31, 2021
Property, plant and equipment	**10,005.53**	10,822.87
Capital work in progress	**268.13**	63.97
Intangible assets	**139.07**	75.43

Note:

1. Plant and machinery includes certain equipment covered under a 'technical seizure order' issued by the Directorate of Revenue Intelligence (DRI). Gross block and net block value of these equipment as on March 31 2022 are Rs. 2,605.67 lakhs and Rs. 342.70 lakhs respectively (2021: 2,605.67 and 477.20 Gross block and net block respectively).
2. Depreciation for the year ended March 31 2021 includes Rs. 570.30 Lakhs of accelerated depreciation (Refer Note 33)
3. As at March 31, 2021, the Company had first charge by way of equitable mortgage of the immovable property comprising leasehold land with factory building and other structures (existing and to be constructed) and first charge by way of hypothecation on all movable fixed assets (both present and future) in favour of Axis Bank Limited for the Credit facilities availed by the Company. Such charge has been satisfied during the current year.

Capital work in progress

Particulars	**As at March 31, 2022**	As at March 31, 2021
Opening balance	**63.97**	247.76
Additions	**778.13**	669.99
Capitalised during the year	**(573.97)**	(853.78)
Closing balance	**268.13**	63.97

Ageing of Capital work in progress

Particulars	**As at March 31, 2022**	As at March 31, 2021
Less than 1 year	**268.13**	63.97
1-2 years	**–**	–
2-3 years	**–**	–
more than 3 years	**–**	–
	268.13	63.97

Capital work in progress does not contain any projects, which are temporarily suspended or whose completion is overdue or has exceeded its cost compared to its original plan.

Note 3A: Right of use assets

Particulars	**As at March 31, 2022**	As at March 31, 2021
Opening balance	**33.63**	38.22
Leasehold improvements - Additions during year ended	**–**	–
Depreciation on right-of-use asset	**(4.59)**	(4.59)
Net carrying amount	**29.04**	33.63

Interest on lease liabilities for the year ended on March 31, 2022 is Rs. 2.94 Lakhs (2021: Rs.3.24 lakhs)

Note 4: Income tax assets (net)

Rs. In lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
TDS receivable (net of provision for taxation Rs. NIL Lakhs (2021: Rs. NIL Lakhs))	**23.06**	17.39
	23.06	17.39

Note 5: Other non-current assets

Rs. In lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Unsecured, considered good unless otherwise stated		
Balances with government authorities		
GST credit receivable	**1,244.30**	1,258.81
Less: Provision	**(1,244.30)**	(1,258.81)
	–	–
Customs deposit	**277.47**	277.47
Capital advances	**318.84**	–
Consideration paid for lease land [Refer Note 30 (a)]	**870.51**	870.51
Other deposits	**12.46**	12.46
	1,479.28	1,160.44

Note 6: Inventories

Rs. In lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
(at the lower of cost and net realisable value)		
Raw materials	**1,489.59**	1,066.33
Work in progress	**557.52**	361.99
Finished goods [Includes in transit Rs. 48.83 lakhs; (2021: Rs. 19.48 lakhs)]	**961.36**	696.59
Stores and spares	**406.91**	331.82
	3,415.38	2,456.73

Note: The above Inventory is net of provision of Rs. 144.10 Lakhs (2021: Rs. 192.12 Lakhs) towards obsolescence. During the year, the Company has recognised provision of Rs. 24.73 Lakhs (2021: Rs. NIL Lakhs) and has utilized opening provision of Rs. 72.75 Lakhs (2021: Rs. 42.87 Lakhs).

Note 7: Trade receivables

Rs. In lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Unsecured, undisputed trade receivables considered good	**2,772.68**	1,823.07
	2,772.68	1,823.07

Notes:

1. There are no disputed trade receivables
2. No trade or other receivables are due from directors or other officers of the company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.
3. The carrying amount of trade receivables approximates their fair value. The Company's exposure to credit and currency risks, and impairment allowances related to trade receivables is disclosed in Note 29.

Undisputed trade receivables outstanding for the following periods from the due date of payment:

Rs. In lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Upto 6 months (including not due)	**2,772.68**	1,823.07
More than 6 months and less than 1 year	**–**	–
More than 1 year and less than 2 years	**–**	–
More than 2 years and less than 3 years	**–**	–
More than 3 years	**–**	–
	2,772.68	1,823.07

Note 8: Cash and cash equivalents

Rs. In lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Cash and cash equivalents		
Balances with banks		
On Current accounts	**9.59**	17.54
On EEFC accounts	**176.80**	127.93
Cash on hand	**–**	–
	186.39	145.47

Note 9: Bank balance other than cash and cash equivalents

Rs. In lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Restricted cash and bank balances – current		
Earmarked deposit accounts with bank*	**–**	23.19
Others		
Fixed deposits	**1,380.00**	2,518.77
	1,380.00	2,541.96

* Fixed deposit is in lien with bank for Bank Guarantee/letter of credit.

Note 10: Other financial assets

Rs. In lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Unsecured, considered good unless and otherwise stated		
Non - current		
Security deposits	**36.21**	36.23
	36.21	36.23
Current		
Interest accrued on deposit	**15.95**	31.01
	15.95	31.01

These financial assets are carried at amortised cost unless otherwise stated.

The Company's exposure to currency and liquidity risk are disclosed in note 29.

Note 11: Other current assets

Rs. In lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Unsecured, considered good unless and otherwise stated		
Balances with government authorities:		
GST credit receivable	**807.66**	695.42
Foreign VAT receivable	**55.43**	79.63
MEIS/RoDTEP benefit receivable	**127.48**	207.20
Duty drawback receivable	**18.78**	31.59
	1,009.35	1,013.84
GST Refund receivable	**151.91**	128.56
Advance to suppliers	**283.22**	70.94
Advances to employees	**10.71**	0.01
Prepaid expenses	**34.81**	47.24
	1,490.00	1,260.59

Note 12: Share capital

Rs. In lakhs

	Particulars	As at March 31, 2022 Nos.	As at March 31, 2022 Amount	As at March 31, 2021 Nos.	As at March 31, 2021 Amount
1	Authorised :	**47,00,00,000**	**47,000.00**	47,00,00,000	47,000.00
	(Equity shares of Rs 10 each)				
	Total	**47,00,00,000**	**47,000.00**	47,00,00,000	47,000.00
2	Issued, Subscribed and fully paid up:				
	Equity: (Equity shares of Rs. 10 each)				
	Opening balance	**46,45,00,000**	**46,450.00**	42,88,60,000	42,886.00
	Add: Issued during the year	**–**	**–**	3,56,40,000	3,564.00
	Closing balance	**46,45,00,000**	**46,450.00**	46,45,00,000	46,450.00
	Total	**46,45,00,000**	**46,450.00**	46,45,00,000	46,450.00

Notes:

1) The above 46,45,00,000 (2021: 46,45,00,000) shares are held by Mahindra Aerospace Private Limited, the holding company, Including shares held jointly with nominees.

2) Details of shareholders holding more than 5% shares in the Company:

Name of the shareholder	As at March 31, 2022 Nos	As at March 31, 2022 %	As at March 31, 2021 Nos	As at March 31, 2021 %
Mahindra Aerospace Private Limited and its nominees*	**46,45,00,000**	**100.00%**	46,45,00,000	100.00%

* Includes 8 shares (2021: 8 shares) held by nominees jointly with Mahindra Aerospace Private Limited

Mahindra Aerospace Private Limited is the Promoter of the Company and there is no change in the shareholding during the year

3) Rights, preferences and restrictions attached to equity shares:

The company has one class of equity shares having a par value of Rs.10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

4a) During previous year ended March 31, 2021, the company has made a rights issue offer of 3,35,00,000 equity shares of Rs. 10 each for cash at par. The offer period was from June 1, 2020 to June 15, 2020 (both days inclusive). After the expiry of the time specified in this offer as aforesaid, the Rights Issue Committee of the Board of Directors alloted 3,35,00,000 shares.

4b) During previous year ended March 31, 2021 the company has made a rights issue offer of 21,40,000 equity shares of Rs. 10 each for cash at par. The offer period was from October 30, 2020 to November 13, 2020 (both days inclusive). After the expiry of the time specified in this offer as aforesaid, the Rights Issue Committee of the Board of Directors alloted 21,40,000 shares.

5) The Company has not allotted any fully paid equity shares by way of bonus shares nor has bought back any class of equity shares during the period of five years immediately preceding the balance sheet date nor has issued shares for consideration other than cash.

Note 13: Other equity

Rs. In lakhs

Particulars	Retained earnings	Other comprehensive income	Total
As at April 1, 2020	**(26,254.17)**	**5.08**	**(26,249.09)**
Re-measurement gain/(loss) on defined benefit plans	–	8.18	8.18
Loss for the year	(2,296.77)	–	(2,296.77)
As at March 31, 2021	**(28,550.94)**	**13.26**	**(28,537.68)**
Re-measurement gain/(loss) on defined benefit plans	–	(6.99)	(6.99)
Loss for the year	(521.44)	–	(521.44)
As at March 31, 2022	**(29,072.38)**	**6.27**	**(29,066.11)**
Total other equity			
As at March 31, 2021	(28,550.94)	13.26	(28,537.68)
As at March 31, 2022	**(29,072.38)**	**6.27**	**(29,066.11)**

Retained earnings :

The cumulative gain or loss arising from the operations which is retained by the Company is recognized and accumulated under the heading of retained earnings. At the end of the year, the profit / (loss) after tax is transferred from the Statement of profit and loss to retained earnings.

Other comprehensive income :

Differences between the interest income on plan assets and return actually achieved, and any changes in the liabilities over the year due to changes in actuarial assumptions or experience adjustments within the plans, are recognized in 'Other equity' and subsequently not reclassified to the Statement of profit and loss.

Note 14: Borrowings

Rs. In lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Carried at Amortised Cost		
Current [repayable on demand (Refer note below)]		
Export credit facility	**1,672.31**	1,289.49
	1,672.31	1,289.49

Notes:

A) Export credit facility of Rs. 2,600 lakhs (2021: Rs. 2,500 lakhs) is secured by charge on current assets of the company.

B) Repayment and other terms :

Export credit facility includes -

(i) Rupee loan amounting to Rs 1,067.54 Lakhs (2021: Rs.1.70 Lakhs), carrying interest of 6 months MCLR

(ii) Foreign currency loan amounting to Rs.605.76 Lakhs (2021: Rs. 1,287.79 Lakhs) carrying interest of 6 months LIBOR + 100 bps

C) Borrowings are used for the specific purpose for which it was taken. Monthly stock statements submitted to banks are in agreement with books of account.

Net debt reconciliation:

Rs. In lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Cash and cash equivalents	**186.39**	145.47
Fixed deposits	**1,380.00**	2,518.77
Current borrowings	**(1,672.31)**	(1,289.49)
Net Surplus/ (debt)	**(105.92)**	1,374.75

Note 15: Other financial liabilities

Rs. In lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Current		
Interest accrued but not due on borrowings	**0.71**	1.09
Security deposits - Dues to related parties (Refer note 28)	**3.60**	3.60
Capital creditors*	**96.76**	37.37
	101.07	42.06

* Includes Dues to micro and small enterprises Rs. 92.62 Lakhs (2021: Rs.23.31 Lakhs) (Refer Note No. 31)

Note 16: Provisions

Rs. In lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Provision for employee benefits		
Non-current		
Compensated absences	**98.00**	80.10
	98.00	80.10
Current		
Gratuity (Refer note 27)	**26.93**	14.03
Compensated absences	**28.73**	20.53
	55.66	34.56

Note 17: Trade payables

Rs. In lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Current, undisputed		
Dues to micro and small enterprises (Refer note 31)	**290.28**	92.45
Dues to related parties (Refer note 28)	**39.60**	42.68
Dues to others	**1,128.90**	547.85
	1,458.78	682.98

Note: there are no disputed trade payables

Undisputed trade payables outstanding for the following periods from the due date of payment:

Rs. In lakhs

	As at March 31, 2022	As at March 31, 2021
Dues to micro and small enterprises		
Less than 1 year (including not due)	**290.28**	92.45
1-2 years	**–**	–
2-3 years	**–**	–
More than 3 years	**–**	–
	290.28	92.45
Dues to related parties and others		
Less than 1 year (including not due)	**1,167.06**	586.77
1-2 years	**0.18**	2.50
2-3 years	**–**	1.26
More than 3 years	**1.26**	–
	1,168.50	590.53

Note 18: Other current liabilities

Rs. In lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Statutory dues	**49.61**	42.31
Payables to employees	**373.13**	333.22
Others	**3.65**	2.46
	426.39	377.99

Note 19: Revenue from operations

Rs. In lakhs

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Sale of products		
– Manufactured products	**9,114.87**	5,468.86
– Traded goods	**288.18**	244.90
Sale of services		
– Job work income	**179.18**	624.63
Product development income	**239.70**	315.18
Other operating revenues		
Duty drawback and other export incentives	**252.42**	235.98
Scrap sales	**132.12**	7.11
	10,206.47	6,896.66

Note 20: Other income

Rs. In lakhs

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Operating lease rental income	**4.18**	3.99
Gain on foreign exchange translation, (net)	**22.08**	–
Interest income on		
Bank deposits	**94.36**	89.99
Income tax refund	**0.50**	0.84
Provision no longer required written back*	**–**	55.84
Other miscellaneous income	**21.26**	1.91
	142.38	152.57

* Provision was originally created in FY 20 for doubtful export incentive

Note 21: Cost of materials consumed

Rs. In lakhs

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Inventory at the beginning of the year	**1,066.33**	621.67
Add: Purchases	**4,216.15**	2,379.80
Less: Inventory at the end of the year	**1,489.59**	1,066.33
	3,792.89	1,935.14

Note 22: Changes in Inventories of finished goods and work-in-progress

Rs. In lakhs

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
At the beginning of the year		
Work-in progress	**361.99**	305.99
Finished goods	**696.59**	805.18
	1,058.58	1,111.17
At the end of the year		
Work-in progress	**557.52**	361.99
Finished goods	**961.36**	696.59
	1,518.88	1,058.58
Net (increase)/decrease	**(460.30)**	52.59

Note 23: Employee benefits expense

Rs. In lakhs

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Salaries, wages and bonus	**2,666.99**	2,391.52
Remuneration to Managing Director	**195.37**	190.81
Contribution to provident and other funds	**134.20**	124.08
Staff welfare expenses	**310.84**	272.24
	3,307.40	2,978.65

Note 24: Finance costs

Rs. In lakhs

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest expense at amortised costs		
on loans	**26.52**	11.54
on lease liabilities	**2.94**	3.24
on others	**14.14**	4.65
	43.60	19.43

Note 25: Depreciation and amortisation expense

Rs. In lakhs

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Depreciation of tangible assets (Refer note 3)	**1,264.52**	1,276.98
Amortisation of intangible assets (Refer note 3)	**53.71**	36.81
Depreciation on right-of-use asset (Refer note 3A)	**4.59**	4.59
	1,322.82	1,318.38

Note 26: Other expenses

Rs. In lakhs

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Consumption of stores and spares	**422.29**	432.77
Power and fuel	**391.13**	298.78
Rent	**–**	6.60

Rs. In lakhs

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Repairs and maintenance:		
– Plant and equipment	**242.67**	152.22
– Buildings	**21.09**	–
– Others	**73.61**	57.58
Insurance	**111.48**	102.64
Rates and taxes	**23.49**	21.45
Auditors remuneration (refer note below)	**12.15**	9.34
Legal and other professional charges	**615.04**	636.79
Travelling and conveyance	**49.09**	5.17
Bank charges	**43.92**	41.13
Business promotion expenses	**16.58**	9.41
Freight outwards	**189.10**	91.23
Loss on foreign exchange translation	**–**	0.95
Information technology expenses	**146.66**	128.63
Loss on sale of property, plant and equipment, (net)	**0.89**	0.66
Property, plant and equipment written off	**8.50**	6.73
Office and administrative expenses	**104.10**	103.16
Testing and calibration charges	**69.48**	86.54
Other miscellaneous expenses	**89.65**	83.01
	2,630.92	2,274.79

Note:

Rs. In lakhs

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Auditors' remuneration (excluding GST) includes:		
Statutory audit	**9.00**	6.00
Other services and certifications	**2.75**	3.00
Reimbursement of expenses	**0.40**	0.34
	12.15	9.34

Note 27: Employee benefits

(a) Defined Contribution Plan

The Company's contribution to Provident Fund and others aggregating Rs.103.01 Lakhs (2021 : Rs. 94.09 Lakhs) has been recognised in the Statement of Profit and Loss under the head employee benefits expense.

(b) Defined Benefit Plans:

Gratuity

The Company operates a gratuity plan covering qualifying employees. The benefit is payable as per the Payment of Gratuity Act, 1972. The benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. In case of death while in service, the gratuity is payable irrespective of vesting. The Company makes annual contribution to the group gratuity scheme administered by the Life Insurance Corporation of India through its Gratuity Trust Fund.

Rs. In lakhs

Particulars	Funded Plan Gratuity 31-Mar-22	31-Mar-21
I. Expense recognised in the Statement of Profit and Loss for the year		
Current service cost	**31.09**	29.07
Net interest cost	**0.10**	0.91
	31.19	29.98
II. Recognised in other comprehensive income for the year		
Return on Plan Assets	**2.76**	4.02
Actuarial (Gain)/Loss on account of:		
– Demographic Assumptions	**–**	–
– Financial Assumptions	**0.99**	(9.57)
– Experience Adjustments	**3.24**	(2.63)
	6.99	(8.18)
Total	**38.18**	21.80
III. Change in the obligation during the year ended		
1. Present value of defined benefit obligation at the beginning of the year	**160.53**	138.89
2. Acquisitions/Divestures/Transfer (transfer of employees from MAPL)	**–**	–
3. Current Service Cost	**31.09**	29.07
4. Interest Cost	**11.36**	9.81
5. Recognised in Other Comprehensive Income		
– Actuarial (Gain)/Loss	**4.23**	(12.20)
6. Benefit paid	**(5.10)**	(5.04)
Present value of defined benefit obligation at the end of the year	**202.11**	160.53
IV. Change in fair value of assets during the year ended		
1. Fair value of plan assets at the beginning of the year	**146.50**	105.67
2. Interest income	**11.26**	8.89
3. Recognised in Other Comprehensive Income		
– Return on plan assets	**(2.76)**	(4.02)
4. Contributions by employer	**25.28**	41.00
5. Benefit paid	**(5.10)**	(5.04)
Fair value of plan assets at the end of the year	**175.18**	146.50
V. Net Liability/(Asset) recognised in the Balance Sheet		
– Present value of defined benefit obligation	**202.11**	160.53
– Fair value of plan assets	**(175.18)**	(146.50)
Net liability	**26.93**	14.03
Current portion of the above	**26.93**	14.03
Non current portion of the above	**–**	–

Plan Assets:

The details with respect to the investment made by Fund manager (Life Insurance Corporation) into major categories of plan assets have not been disclosed, as the same has not been provided by the Fund manager to the Company.

Actuarial Assumptions:

The principal assumptions used in determining defined benefit obligations and fair value of asset for gratuity and leave encashment are:

Particulars	31-Mar-22	31-Mar-21
Discount rate	**7.14%**	7.19%
Future salary increases	**6.00%**	6.00%
Attrition rate	**11.12%**	11.12%
Estimated rate of return on plan assets	**7.14%**	7.19%
Mortality	Indian Assured Lives Mortality (2012-14) (Ultimate)	Indian Assured Lives Mortality (2012-14) (Ultimate)

A quantitative sensitivity analysis for significant assumption as at 31 March 2022 are as below

	Gratuity						
Assumptions	Discount Rate		Further Salary Increase		Attrition		Mortality
Sensitivity Level	1% Increase	1% Decrease	1% Increase	1% Decrease	1% Increase	1% Decrease	10% Up
Impact on defined benefit obligation - Gratuity (Rs. in Lakhs)	(16.66)	19.57	19.10	(16.49)	0.61	(0.74)	0.01
Percentage change	(8.24%)	9.68%	9.45%	(8.16%)	0.30%	(0.37%)	0.00%

A quantitative sensitivity analysis for significant assumption as at 31 March 2021 are as below

	Gratuity						
Assumptions	Discount Rate		Further Salary Increase		Attrition		Mortality
Sensitivity Level	1% Increase	1% Decrease	1% Increase	1% Decrease	1% Increase	1% Decrease	10% Up
Impact on defined benefit obligation - Gratuity (Rs.in Lakhs)	(14.00)	16.50	16.11	(13.86)	0.36	(0.48)	0.010
Percentage change	(8.72%)	10.28%	10.04%	(8.63%)	0.23%	(0.30%)	0.01%

The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

The following payments are expected contributions by the Company to the defined benefit plan in future years:

Rs. In lakhs

	Gratuity	
Particulars	31-Mar-22	31-Mar-21
Within the next 12 months	**13.50**	9.20
Between 2 and 5 years	**55.47**	38.25
Between 6 and 10 years	**47.02**	34.12

Note 28: Related Party transactions

i) Related parties where control exists along with nature of relationship

Name of Related Party Company	Nature of Relationship
Mahindra & Mahindra Limited	Ultimate holding company
Mahindra Aerospace Private Limited	Holding company

Other related parties with whom transaction have taken place during the year:

Name of Related Party	Nature of Relationship
GippsAero Pty Ltd.	Fellow subsidiary
Mahindra Integrated Business Solutions Private Limited	Fellow subsidiary
Bristlecone India Limited	Fellow subsidiary
Mahindra Defence Systems Limited, SSG Division	Fellow subsidiary
Mahindra Aerostructures Private Limited Employees Group Gratuity Assurance Scheme	Employees Gratuity Trust

ii) Related parties under Ind AS 24 and as per Companies Act, 2013

Key management personnel (KMP)

Mr. S. P. Shukla	Director & Chairman
Mr. Arvind Kumar Mehra	Managing Director & CEO
Dr. Karthik Krishnamurthy	Wholetime Director & Chief Operating Officer
Ms. Seema Bangia	Director (w.e.f June 1, 2020)
Mr. Mukul Verma	Director
Mr. Dhiraj Rajendran	Director
Mr. T Subrahmanya Sarma	Chief Financial Officer
Mr. V.S. Ramesh	Company Secretary

iii) Details of the transactions with the related parties during the year:

Rs. In lakhs

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
I. Transactions with Group entities		
Services received (included under note 26 Other expense)		
Mahindra & Mahindra Limited	**265.99**	280.09
Mahindra Integrated Business Solutions Private Limited	**56.86**	77.04
Bristlecone India Limited	**0.69**	–
Mahindra Defence Systems Limited, SSG Division	**–**	0.99
	323.54	358.12
Sale of goods		
GippsAero Pty Ltd.	**–**	120.28
	–	120.28
Rent received		
Mahindra Aerospace Private Limited	**4.18**	3.99
	4.18	3.99

Rs. In lakhs

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Reimbursement of expenses made to:		
Mahindra Aerospace Private Limited (included under Legal and other professional charge Refer note 26)	**31.62**	77.65
	31.62	77.65
Expenses paid		
Mahindra Aerostructures Private Limited Employees Group Gratuity Assurance Scheme	**–**	0.15
	–	0.15
Equity shares issued		
Mahindra Aerospace Private Limited	**–**	3,564.00
	–	3,564.00

Particulars	2021-22	2020-21
II. Transactions with key managerial personnel		
Salary and perquisites*		
Mr. Arvind Kumar Mehra	**195.37**	190.81
Dr. Karthik Krishnamurthy	**67.60**	74.10
Mr. T. Subrahmanya Sarma	**52.39**	57.70
	315.36	**322.61**

* Compensation of key managerial personnel does not include post employment defined benefit plan and compensated absences as the same has been provided based on the actuarial valuation determined for the Company as a whole.

(iv) Details of balances receivable from and payable to related parties are:

Rs. In lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Trade payables		
Mahindra & Mahindra Limited	**39.32**	41.59
Mahindra Integrated Business Solutions Private Limited	**0.28**	–
Mahindra Defence Systems Limited, SSG Division	**–**	1.09
	39.60	42.68
Security Deposit		
Mahindra Aerospace Private Limited	**3.60**	3.60
	3.60	3.60

Note:
Corporate guarantees given by holding company in respect of credit facilities availed by the Company Rs. NIL (2021: Rs. 9,500 Lakhs)

Terms and conditions of transactions with related parties:

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash.

Note 29: Financial instruments - Fair values and risk management

A The carrying value and fair value of financial instruments by categories

Rs. In lakhs

	As at March 31, 2022		As at March 31, 2021		Fair value			
	Carrying Value	**Fair values**	Carrying Value	Fair values	Level 1	Level 2	Level 3	Total
Financial assets								
Trade receivables	**2,772.68**	**2,772.68**	1,823.07	1,823.07	–	–	–	–
Cash and cash equivalents and other bank balances	**186.39**	**186.39**	145.47	145.47	–	–	–	–
Bank balance other than cash and cash equivalents	**1,380.00**	**1,380.00**	2,541.96	2,541.96	–	–	–	–
Security deposits	**36.21**	**36.21**	36.23	36.23	–	–	–	–
Interest accrued on deposits	**15.95**	**15.95**	31.01	31.01	–	–	–	–

	As at March 31, 2022		As at March 31, 2021		Fair value			
	Carrying Value	**Fair values**	Carrying Value	Fair values	Level 1	Level 2	Level 3	Total
Financial liabilities								
Borrowings	**1,672.31**	**1,672.31**	1,289.49	1,289.49	–	–	–	–
Trade payables	**1,458.78**	**1,458.78**	682.98	682.98	–	–	–	–
Other financial liabilities	**101.07**	**101.07**	42.06	42.06	–	–	–	–

Fair value hierarchy

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The fair value of cash and cash equivalents, trade receivables, loans, bank balance other than cash and cash equivalents, borrowings, trade payables, other current financial assets and liabilities approximate their carrying amount largely due to the short-term nature of these instruments. The Company's long-term debt has been contracted at market rates of interest. Accordingly, the carrying value of such long-term debt approximates fair value. Based on this evaluation, the Company records allowance for estimated losses on these receivables. As of March 31, 2022 and March 31, 2021, the carrying value of such receivables, net of allowances approximates the fair value.

There have been no transfers among Level 1, Level 2 and Level 3 during the period.

B Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the risk management framework. The Company's management oversees how management monitors compliance with the risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

C Financial risk management objectives and policies

The Company's principal financial liabilities comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include loans, trade and other receivables, and cash and cash equivalents that derive directly from its operations.

The Company is exposed to the following risks from its use of financial instruments:
– Market risk
– Credit risk
– Liquidity risk

The note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital. Further quantitative disclosures are included throughout these financial statements.

(i) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings. The sensitivity analyses in the following sections relate to the position as at March 31, 2022 and March 31, 2021. The sensitivity analyses have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt and derivatives and the proportion of financial instruments in foreign currencies. The analyses exclude the impact of movement in market variables on: the carrying values of gratuity and other post retirement obligations and provisions.

The following assumptions have been made in calculating the sensitivity analyses:

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at March 31, 2022 and March 31, 2021.

a. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

b. Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the company's profit before tax is affected through the impact on floating rate borrowings, as follows:

Particulars	Average Interest Rate	Increase/ decrease in base points	Effect on profit before tax
March 31, 2022			
Interest rates increased by 50 bps	2.36%	+50	Increase in interest by Rs. 5.63 Lakhs
Interest rates reduced by 50 bps	2.36%	-50	Reduction in interest by Rs. 5.63 Lakhs
March 31, 2021			
Interest rates increased by 50 bps	1.38%	+50	Increase in interest by Rs. 3.02 Lakhs
Interest rates reduced by 50 bps	1.38%	-50	Reduction in interest by Rs. 3.02 Lakhs

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment, showing a significantly higher volatility than in prior years.

c. Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency).

d. Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD, GBP, EUR and SGD exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities including non-designated foreign currency derivatives and embedded derivatives. The Company's exposure to foreign currency changes for all other currencies are not material.

Rs. In lakhs

	31-Mar-22		31-Mar-21	
Particulars	**Increase / decrease in basis points**	**Effect on profit before tax**	Increase / decrease in basis points	Effect on profit before tax-
USD	**+50**	**10.41**	+50	9.63
EUR	**+50**	**(0.10)**	+50	0.78
GBP	**+50**	**–**	+50	(0.03)
SGD	**+50**	**(0.01)**	+50	(0.01)
USD	**-50**	**(10.41)**	–50	(9.63)
EUR	**-50**	**0.10**	–50	(0.78)
GBP	**-50**	**–**	–50	0.03
SGD	**-50**	**0.01**	–50	0.01

The movement in the pre-tax effect is a result of a change in the fair value of monetary assets and liabilities denominated in US dollars, where the functional currency of the entity is a currency other than US dollars.

(ii) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

a. Trade Receivable

Trade Receivables: The credit period on sales ranges between 30 to 120 days. No interest is charged on trade receivables. The company's customers are reputed Aerospace industry companies having good financial position and there is no past default experience of the counter parties. Trade receivables disclosed below includes the amounts that are past due at the end of the reporting period for which the company has not recognised an allowance for doubtful debts because there has not been a significant change in credit quality and amounts are still considered recoverable.

Rs. In lakhs

Particulars	**31-Mar-22**	31-Mar-21
Not Due	**2,300.38**	1,806.84
< 30 days due	**470.03**	15.62
30-60 days due	**2.13**	0.61
61-180 days due	**0.14**	–
181-360 days due	**–**	–
> 360 days due	**–**	–
Total	**2,772.68**	1,823.07

Information about major customers:

Revenue from single external customer is Rs. 2,547.48 Lakhs (2021: Rs. 1,572.51 Lakhs) representing 26% (2021: 24%) of Company's total revenue from operations for the year ended March 31, 2022. Receivables from single external customer is approximately Rs. 875.99 Lakhs (2021: Rs. 373.15 Lakhs) representing 32% (2021: 20%) of Company's total receivables as at March 31, 2022. Apart from the aforesaid single customer, the Company does not have a significant credit risk exposure to any other single counterparty.

(iii) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company has an appropriate liquidity risk management framework for the management of short, medium and long term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate cash reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The table below summarises the maturity profile of the company's financial liabilities based on contractual undiscounted payments.

Rs. In lakhs

	On demand	**Less than 1 year**	**1 to 2 Year**	**2 to 5 year**	**More than 5 Years**	**Total**
Year ended 31 March 2022						
Borrowings	**1,672.31**	**–**	**–**	**–**	**–**	**1,672.31**
Trade payables	**–**	**1,458.78**	**–**	**–**	**–**	**1,458.78**
Other financial liabilities	**–**	**101.07**	**–**	**–**	**–**	**101.07**
	1,672.31	**1,559.85**	**–**	**–**	**–**	**3,232.16**
Year ended 31 March 2021						
Borrowings	1,289.49	–	–	–	–	1,289.49
Trade payables	–	682.98	–	–	–	682.98
Other financial liabilities	–	42.06	–	–	–	42.06
	1,289.49	725.04	–	–	–	2,014.53

Financial assets carried at amortised cost as at March 31, 2022 is Rs. 4,391.23 Lakhs (2021: Rs. 4,577.48 Lakhs) carried at amortised cost is in the form of cash and cash equivalents, bank deposits, earmarked balances with banks, security deposits etc. where the Company has assessed the counterparty credit risk. Trade receivables of Rs. 2,772.68 Lakhs as at March 31, 2022 forms a significant part of the financial assets carried at amortised cost which is valued considering provision for allowance using expected credit loss method (if any). In addition to the historical pattern of credit loss, we have considered the likelihood of increased credit risk and consequential default considering emerging situations due to COVID-19. This assessment is not based on any mathematical model but an assessment considering the impact immediately seen in the demand outlook and the financial strength of the customers in respect of whom amounts are receivable. The Company has specifically evaluated the potential impact with respect to Aerospace Sector. The Company closely monitors its customers who are being impacted.

Basis this assessment, the Management believes Company is not required to provide for doubtful trade receivables as at March 31, 2022.

D Capital management

For the purpose of the company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the parent. The primary objective of the company's capital management is to maximise the shareholder value.

		Rs. In lakhs	
	As at March 31, 2022	As at March 31, 2021	% change
Total equity (A)	**17,383.89**	17,912.32	(2.95)
Current loans and borrowings	**1,672.31**	1,289.49	
Non current loans and borrowings	**–**	–	
Current maturities of long-term loans	**–**	–	
Total loans and borrowings (B)	**1,672.31**	1,289.49	29.69
Total capital (loans and borrowings and equity) (C)	**19,056.20**	19,201.81	
As percentage of total capital (B/C)	**8.78**	6.72	
Total loans and borrowings as percentage of Total equity (B/A)	**9.62**	7.20	

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Ultimate Holding/ Parent company will provide financial support in the future to enable them to settle their obligation as and when they fall due and operate as a going concern.

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2022 and March 31, 2021.

30. Commitments and contingent liabilities

a) The Company entered into a lease-cum-sale agreement ('Agreement') for a period of 10 years with KIADB for 20 acres of land allotted in Narasapura Industrial area, Kolar District, Karnataka, for the setting up of aerospace component manufacturing facility. The title of the land will be transferred to the Company during the current lease term or at the end of 10 year or extended period, if any, after fulfilling all conditions stipulated in the said Agreement.

During the year ended March 31, 2012, the company incurred Rs. 870.51 Lakhs towards allotment consideration and other related expenses in connection with the said lease-cum-sale agreement. The said amount is disclosed under non-current assets.

As per the agreement, an amount of Rs. 134.00 lakhs is payable to KIADB towards implementation of water supply scheme. However, during 2014 the KIADB raised a demand for Rs. 410.00 lakhs. Further during the current year, the KIADB revised the demand to Rs. 337.64 lakhs i.e. an increase of Rs. 203.64 lakhs. The Company had disputed the amount to be paid and the matter is pending with KIADB.

b) The estimated amount of contracts remaining to be executed on Capital account and not provided for Rs. 1,047.85 lakhs (2021: Rs. 176.01 lakhs)

c) Customs duty and penalty of Rs. 2,598.85 lakhs (2021: 2,598.85 lakhs) along with the applicable interest payable against the order issued by the Commissioner of Customs in the matter of import of certain pre-owned equipment. The Company has filed an appeal and the same is pending with the CESTAT.

d) Customs duty of Rs. 41.36 lakhs along with the applicable interest (2021: Rs. 41.36 lakhs) payable against the Demand Cum show cause notice issued by the Directorate of Revenue Intelligence in the matter of certain imports relating to installation of certain equipment, for which the company has submitted reply and the same is pending with Joint Commissioner of Customs.

e) In February 2019, Supreme Court of India in its judgement clarified that certain special allowances should be considered to measure obligation under Employees Provident Fund Act, 1952. The company has been legally advised that there are interpretive challenges on the application of judgement retrospectively and as such does not consider there any probable obligations for past periods. Accordingly, based on legal advice the company has made provision for provident fund contribution form the date of Supreme court order. The probable obligation for past periods amounting to Rs. 83.75 Lakhs has been considered by the Company as contingent liability.

Note: The Company is contesting the demands and the management believes that its position will likely be upheld in the various appellate authorities/courts and the ultimate outcome will not have a material adverse effect on the Company's financial position and results of operations.

31. Dues to micro , small and medium enterprises

The information as required under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company. This information has been relied upon by the Auditors. The disclosures relating to Micro, Small and Medium Enterprises as at the year ends are as under: -

			Rs. in Lakhs
Sr. No.	**Particulars**	**As at March 31, 2022**	As at March 31, 2021
A	The principal amount remaining unpaid to supplier as at the end of the year	382.90	115.76
B	The interest due thereon remaining unpaid to supplier as at the end of the year	5.19	0.42
C	Interest paid in terms of Section 16 of the Act along with the amount of payment made to the supplier beyond the appointed day during the year		
	- Principal paid beyond the appointed date	1,260.95	625.56
	- Interest paid in terms of the Section 16 of the Act	7.29	9.85
D	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act	–	–
E	Further interest due and payable even in the succeeding year, until such date when the interest due as above are actually paid to the small enterprises	12.09	13.04
F	The amount of interest accrued during the year and remaining unpaid at the end of the year	6.90	2.25

32. Earnings Per Share:

Basic earnings per share amounts are calculated by dividing the profit/loss for the year attributable to equity holders by the weighted average number of Equity Shares outstanding during the year.

			Rs. in Lakhs
Sr. No.	**Particulars**	**For the year ended March 31, 2022**	For the year ended March 31, 2021
(a)	Earnings attributable to equity shareholders	**(521.44)**	(2,296.77)
(b)	Weighted average number of equity shares outstanding during the year	**46,45,00,000**	45,69,39,726
(c)	Basic Earnings per share (Rs.)	**(0.11)**	(0.50)
(d)	Dilutive Earnings per share (Rs.)	**(0.11)**	(0.50)

Weighted average no of shares (basic & diluted)

Rs. In lakhs

Sr. No.	Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
(a)	Opening Balance	**46,45,00,000**	42,88,60,000
(b)	Effect of fresh issue of shares	**–**	2,80,79,726
(c)	Weighted average no. of shares	**46,45,00,000**	45,69,39,726

The weighted average number of ordinary shares for the purpose of diluted earnings per share reconciles to the weighted average number of equity shares used in the calculation of basic earnings/(loss) per share as follows:

Rs. In lakhs

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Weighted average number of equity shares used in the calculation of Basic EPS	**46,45,00,000**	45,69,39,726
Add: Effect of potential equity shares	**–**	–
Weighted average number of equity shares used in the calculation of Diluted EPS	**46,45,00,000**	45,69,39,726

33. During the previous year ended March 31, 2021, management has carried out technical evaluation of certain Plant and machinery which are specialized equipments used for specific purposes. Based on such evaluation, management noted that these assets are not likely to be used due to capability limitations and are not expected to generate any future economic benefits to the Company. Management has performed a cost benefit analysis and identified that the refurbishing cost to bring these assets into use is significantly higher as compared to replacement cost of new assets. Accordingly, management has decided to charge accelerated depreciation of Rs. 570.30 Lakhs, resulting in the closing written down value of such asset to be Nil.

34. **Segment Reporting:**

The Company primarily operates in the aerospace segment. The Activities of the Company includes “Sale of aircraft components and sub assemblies”.

The Managing Director & CEO of the Company, who has been identified as being the chief operating decision maker (CODM), evaluates the Company’s performance, allocate resources based on the analysis of the various performance indicator of the Company as a single unit.

Therefore, based on the guiding principles given in Ind AS 108 on ‘Operating Segments’, the Company’s business activity fall within a single operating segment, namely aerospace segment . Accordingly, the disclosure requirements of Ind AS 108 are not applicable.

Entity wide disclosure details as per Ind AS 108 on Operating segments are given below:

Revenue from Operations

	Domestic	Overseas	Total
2021-22	**121.91**	**9,700.02**	**9,821.93**
2020-21	172.00	6,481.57	6,653.57

a) Domestic & Overseas segments include Component sales, job work services and product development income to customers located in India & Out side India

b) There are no assets located outside India.

c) Customers contributing 10% or more of Company’s revenue (Five customers amounting to Rs 8,547.04 Lakhs in 2021-22 and Four customers amounting to Rs 4,903.82 Lakhs in 2020-21)

Note 35: Impact of COVID-19

While the Company believes strongly that it has a rich portfolio of capabilities to partner with customers, the impact on future revenue streams could come from

- Reduction in customer requirement arising from overall reduction from Aerospace sector

The Company has assessed that customers in Manufacturing verticals are more prone to immediate impact due to disruption in supply chain and drop in demand. The Company has considered such impact to the extent known and available currently. However, the impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and duration.

The Company has taken steps to assess the cost budgets required to complete its performance obligations in respect of contracts and have noted that there is no significant impact of likely delays / increased cost in meetings its obligations as at March 31, 2022. The Company has also assessed the impact of any delays and inability to meet contractual commitments and has taken actions such as engaging with the customers to agree on revised SLAs in light of current crisis, invoking of force-majeure clause etc., to ensure that revenue recognition in such cases reflect realisable values.

36. The Company has incurred losses in current and earlier years. The Company expects growth in its operations in coming years and is taking measures to improve its operational efficiency. Basis the continued financial support provided by the shareholders, undrawn borrowing facilities from the banks and cash flow projections, the use of going concern assumption has been considered appropriate in preparation of financial statements of the company. The Company’s current assets exceed its current liabilities as at March 31, 2022.

Note 37: Income taxes

The Company has carried out its deferred tax computation in accordance with Ind AS 12 ‘Income Taxes’ notified under the Companies (Indian Accounting Standards) Rules, 2015.

(a) Significant components & classification of deferred tax assets and liabilities are as follows:

Rs. In lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Deferred tax liabilities		
Related to depreciation of fixed assets	**624.40**	626.29
Total deferred tax liability (a)	**624.40**	626.29
Deferred tax assets		
Provision for gratuity	**7.00**	3.65
Provision for leave encashment	**32.95**	26.16
Provision for inventory	**37.47**	49.95
Provision for service tax credit	**323.52**	327.29
Unabsorbed Depreciation	**3,205.37**	3,080.59
Carry forward losses	**3,742.92**	3,935.92
Others	**7.62**	6.08
Total deferred tax assets (b)	**7,356.85**	7,429.65
Net deferred tax assets (b-a)	**6,732.45**	6,803.36

Having regard to the accumulated losses, the Company has not recognised the net deferred tax assets in the absence of reasonable certainty at this stage that there will be sufficient future taxable income available to realize such assets.

(b) Reconciliation of effective tax rate:

Particulars	As at March 31, 2022		As at March 31, 2021	
Profit/(loss) before tax		**(521.44)**		(2,296.77)
Income tax expense calculated at domestic tax rates applicable to profits	**26.00%**	**(135.57)**	26.00%	(597.16)
Tax effects of:				
Permanent differences	**-1.02%**	**5.32**	-0.11%	2.59
Timing differences	**-2.68%**	**13.97**	-3.95%	90.74
Deferred tax asset not recognised in statement of profit and loss		**(116.28)**		(503.83)
Income tax expense		**–**		–
Effective tax rate		**0.00%**		0.00%

(c) Tax losses

Particulars	March 31, 2022	Expiry date	March 31, 2021	Expiry date
Loss from business	**14,395.85**	31 March 2022 to 31 March 2031	15,138.17	31 March 2021 to 31 March 2030
Unabsorbed depreciation	**12,328.33**	Carried forward indefinitely	11,848.43	Carried forward indefinitely
Total	**26,724.18**		26,986.60	
Potential tax benefit	**6,948.29**		7,016.52	

38. The Company has established a comprehensive system of maintenance of information and documents as required by the transfer pricing legislation under Sections 92-92F of the Income-tax Act. Since the law requires existence of such information and documentation to be contemporaneous in nature, the Company has updated the documentation for the international as well as specified domestic transactions entered into with the associated enterprise during the previous year ended March 31, 2021. The Management is of the opinion that its international as well as specified domestic transactions are at arm's length so that the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expenses and that of provision for taxation.

Note 39: Key Ratios

Ratio	Numerator	Denominator	Current period	Previous period	% Variance	Reason for Variance
Current ratio	9,260.40	3,718.26	2.49	3.40	-27%	Due to Increase in operations and higher turnover
Debt-Equity ratio	1,672.31	17,383.89	0.10	0.07	34%	Increase in working capital borrowings in line with increase in operations
Debt Service Coverage ratio	845.87	43.60	19.40	(19.62)	-199%	Due to improved profitability on account of increase in turnover
Return on Equity ratio	(521.44)	17,648.11	-3.0%	-13.3%	-78%	
Inventory Turnover ratio	9,821.93	2,936.06	3.35	2.87	17%	
Trade Receivables Turnover ratio	9,821.93	2,297.88	4.27	3.55	20%	
Trade Payables Turnover ratio	4,449.11	1,070.88	4.15	3.28	27%	Due to Increase in operations and higher turnover
Net capital turnover ratio	9,821.93	5,542.14	1.77	1.14	55%	Due to higher turnover in current year
Net profit ratio	(521.44)	9,821.93	-0.05	(0.35)	-85%	Due to improved profitability on account of increase in turnover
Return on capital employed	(477.84)	19,056.20	-2.5%	(0.12)	-79%	
Return on investment			Not Applicable			

Ratio	Formula
Current ratio	Current Assets/Current Liabilites
Debt-Equity ratio	Total debt/ Share holders equity
Debt Service Coverage ratio	(Net Profit after taxes + Non-cash operating expenses like depreciation and other amortizations + Interest + other adjustments like loss on sale of Fixed assets etc.)/interest+payables
Return on Equity ratio	(Net Profits after taxes – Preference Dividend)/Average share holder's equity
Inventory Turnover ratio	Sales/Average inventory
Trade Receivables Turnover ratio	Net Credit Sales / Avg receivables
Trade Payables Turnover ratio	Net Credit purchases / Avg trade payables
Net capital turnover ratio	Net Sales / working capital
Net profit ratio	Net Profit / Net Sales
Return on capital employed	Net profit after taxes+finance cost/(Tangible Net Worth + Total Debt + Deferred Tax liability)

40. As the Company has losses in the earlier years provision of corporate social responsibility as per Companies Act, 2013 was not applicable.

41. The Company did not have any transactions with any struck-off companies during the year (2021: NIL).

42. During the year ended March 31, 2022, no material foreseeable loss (2021: Nil) was incurred for any long-term contract including derivative contracts.

As per our report of even date attached
For B S R & Co. LLP
Chartered Accountants
(Firm's registration No. 101248W/W-100022)

Praveen Kumar Jain
Partner
Membership No. 079893

Place: Bangalore
Date: April 26, 2022

For and on behalf of the Board of Directors of
Mahindra Aerostructures Private Limited
CIN No. U35122MH2011PTC212744

Dr. Karthik Krishnamurthy
Whole Time Director
DIN No.07130799

Mr. Arvind Mehra
Managing Director
DIN No.01039769

Mr. T. Subrahmanya Sarma
Chief Financial Officer

Mr. V. S. Ramesh
Company Secretary

Place: Mumbai
Date: April 26, 2022

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF MAHINDRA AEROSPACE AUSTRALIA PTY LTD

Report on the Audit of the Financial Report

Opinion

We have audited the financial report, being a special purpose financial report of Mahindra Aerospace Australia Pty Ltd, "the Company", which comprises the statement of financial position as at 31 March 2022, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of Mahindra Aerospace Australia Pty Ltd, is in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the Company's financial position as at 31 March 2022 and of its financial performance for the year then ended; and

(b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* "the Code" that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter - Non-Going Concern Basis of Preparation

We draw attention to Note 1(b) in the financial report which indicates that the financial report has been prepared on a non-going concern basis, given the Company's intention to sell, dispose of, or transfer its equity ownership and/or dispose of its assets. Our opinion is not modified in respect to this matter.

Emphasis of Matter - Basis of Accounting

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared to assist Mahindra Aerospace Australia Pty Ltd to meet the requirements of *Corporations Act 2001*. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Company's directors' report for the year ended 31 March 2022, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

N R BULL PITCHER PARTNERS

Partner Melbourne

Date 6 May 2022

AUDITOR'S INDEPENDENCE DECLARATION

TO THE DIRECTORS OF MAHINDRA AEROSPACE AUSTRALIA PTY LTD

In relation to the independent audit for the year ended 31 March 2022, to the best of my knowledge and belief there have been:

(i) no contraventions of the auditor independence requirements of the *Corporations Act 2001*; and

(ii) no contraventions of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)*.

N R BULL **PITCHER PARTNERS**

Partner Melbourne

Date 6 May 2022

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2022

	Note	2022 $	2021 $
Revenue and other income			
		–	–
Less: expenses			
Impairment loss		**–**	(17,105,000)
Professional fees		**(7,908)**	(29,898)
		(7,908)	(17,134,898)
Loss before income tax expense		**(7,908)**	(17,134,898)
Other comprehensive income for the year		**–**	–
Total comprehensive loss		**(7,908)**	(17,134,898)

The accompanying notes form part of these financial statements.

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2022

	Note	2022 $	2021 $
Current assets			
Cash and cash equivalents	3	**5,963,695**	5,982,632
Other assets	4	**–**	–
Total current assets		**5,963,695**	5,982,632
Non-current assets			
Investments in subsidiaries	5	**–**	–
Total assets		**5,963,695**	5,982,632
Current liabilities			
Payables	6	**10,971**	22,000
Total current liabilities		**10,971**	22,000
Total liabilities		**10,971**	22,000
Net assets		**5,952,724**	5,960,632
Equity			
Share capital	7	**142,135,380**	142,135,380
Retained earnings	8	**(136,182,656)**	(136,174,748)
Total equity		**5,952,724**	5,960,632

The accompanying notes form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2022

	Share capital $	Accumulated losses $	Total equity $
Balance as at 1 April 2020	119,236,380	(119,039,850)	196,530
Loss for the year	–	(17,134,898)	(17,134,898)
Total comprehensive loss for the year	–	(17,134,898)	(17,134,898)
Transactions with owners in their capacity as owners:			
Contributions	22,899,000	–	22,899,000
Total transactions with owners in their capacity as owners	22,899,000	–	22,899,000
Balance as at 31 March 2021	142,135,380	(136,174,748)	5,960,632
Balance as at 1 April 2021	142,135,380	(136,174,748)	5,960,632
Loss for the year	–	(7,908)	(7,908)
Total comprehensive loss for the year	–	(7,908)	(7,908)
Balance as at 31 March 2022	**142,135,380**	**(136,182,656)**	**5,952,724**

The accompanying notes form part of these financial statements.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2022

	Note	2022 $	2021 $
Cash flow from operating activities			
Payments to suppliers		**(18,937)**	(31,548)
Net cash used in operating activities		**(18,937)**	(31,548)
Cash flow from investing activities			
Payment for investments		**–**	(17,105,000)
Net cash used in investing activities		**–**	(17,105,000)
Cash flow from financing activities			
Proceeds from share issue		**–**	22,899,000
Net cash provided by financing activities		**–**	22,899,000
Reconciliation of cash			
Cash at beginning of the financial period		**5,982,632**	220,180
Net (decrease) / increase in cash held		**(18,937)**	5,762,452
Cash at end of financial period		**5,963,695**	5,982,632

The accompanying notes form part of these financial statements.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The directors have determined that the company is not a reporting entity on the basis that, in the opinion of the directors, there are unlikely to exist users of the financial report who are unable to command the preparation of reports tailored so as to satisfy, specifically, all of their information needs. Accordingly, this financial report is a special purpose financial report, which has been prepared to satisfy the financial reporting requirements of the *Corporations Act 2001*.

The financial report covers Mahindra Aerospace Australia Pty Ltd as an individual entity. Mahindra Aerospace Australia Pty Ltd is a company limited by shares, incorporated and domiciled in Australia. Mahindra Aerospace Australia Pty Ltd is a for-profit entity for the purpose of preparing the financial statements.

The financial report was approved by the directors as at the date of the directors' report.

The financial report has been prepared in accordance with the *Corporations Act 2001*, the recognition and measurement requirements specified by all Australian Accounting Standards and Interpretations, and the disclosure requirements of:

AASB 101: Presentation of Financial Statements
AASB 107: Statement of Cash Flows
AASB 108: Accounting Policies, Changes in Accounting Estimates and Errors
AASB 1054: Australian Additional Disclosures

The following specific accounting policies, which are consistent with the previous period unless otherwise stated, have been adopted in the preparation of this financial report:

(a) Basis of preparation of the financial report

Historical Cost Convention

The financial report has been prepared under the historical cost convention, as modified by revaluations to fair value for certain classes of assets and liabilities as described in the accounting policies.

(b) Non-going concern

The company is seeking to sell, dispose of, or transfer 100% of the equity ownership in the company and/or its subsidiaries, and/or dispose of all assets. Accordingly, this financial report has been prepared on a non- going concern basis.

Under a non-going concern basis of accounting, the recognition and measurement required by all Australian Accounting Standards and Interperetations are applied in the context of the GippsAero Pty Ltd ceasing to be a going concern. This includes testing assets for impairment and considering whether existing contractual commitments have become onerous contracts at the reporting date. Where necessary, to comply with the requirements of the Australian Accounting Standards and Interperetations, assets have been written down to recoverable amounts and liabilities for obligations that exist at the reporting date have been recognised and/or measured as appropriate.

(c) Cash and cash equivalents

Cash and cash equivalents include cash on hand and at banks.

(d) Investments in subsidiaries

Non-current investments are recorded at cost. The carrying amount of the investments is reviewed annually by directors to ensure it is not in excess of the recoverable amount of these investments.

(e) Impairment of non-financial assets

Goodwill, intangible assets not yet ready for use and intangible assets with indefinite useful lives are not subject to amortisation and are therefore tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired.

For impairment assessment purposes, assets are generally grouped at the lowest levels for which there are largely independent cash flows ('cash generating units'). Accordingly, most assets are tested for impairment at the cash-generating unit level. Because it does not generate cash flows independently of other assets or groups of assets, goodwill is allocated to the cash generating unit or units that are expected to benefit from the synergies arising from the business combination that gave rise to the goodwill.

Assets other than goodwill, intangible assets not yet ready for use and intangible assets with indefinite useful lives are assessed for impairment whenever events or circumstances arise that indicate the asset may be impaired.

An impairment loss is recognised when the carrying amount of an asset or cash generating unit exceeds the asset's or cash generating unit's recoverable amount. The recoverable amount of an asset or cash generating unit is defined as the higher of its fair value less costs to sell and value in use (where 'value in use' is determined as the present value of the future cash flows expected to be derived from an asset or cash-generating unit).

Impairment losses in respect of individual assets are recognised immediately in profit or loss unless the asset is measured at a revalued amount, in which case the impairment loss is treated as a revaluation decrease and is recognised in other comprehensive income to the extent that it does not exceed the amount in the revaluation surplus for the same asset. Impairment losses in respect of cash generating units are allocated first against the carrying amount of any goodwill attributed to the cash generating unit with any remaining impairment loss allocated on a pro rata basis to the other assets comprising the relevant cash generating unit.

A reversal of an impairment loss for an asset measured at cost is recognised in profit or loss. A reversal of an impairment loss for an asset measured at a revalued amount is treated as a revaluation increase and is recognised in other comprehensive income, except to the extent that an impairment loss on the same asset was previously recognised in profit or loss, in which case a reversal of that impairment loss is also recognised in profit or loss.

(f) Comparatives

Where necessary, comparative information has been reclassified and repositioned for consistency with current period disclosures.

	2022 **$**	2021 $
NOTE 2: OPERATING LOSS		
Loss before income tax has been determined after:		
Impairment		
– Investment in subsidiary	**–**	17,105,000
NOTE 3: CASH AND CASH EQUIVALENTS		
Cash at bank	**5,963,695**	5,982,632
NOTE 4: OTHER ASSETS		
CURRENT		
Deposits	**228,289**	228,289
Less provision for impairment loss	**(228,289)**	(228,289)
	–	–
NOTE 5: INVESTMENT IN SUBSIDIARIES		
Investment in GippsAero Pty Ltd	**101,893,390**	101,893,390
Investment in GA8 Airvan Pty Ltd	**9,853**	9,853
Investment in GA200 Pty Ltd	**9,853**	9,853
Investment in Airvan 10 Pty Ltd	**9,860**	9,860
Investment in Airvan Flight Services Pty Ltd	**9,852**	9,852
Investment in Nomad TC Pty Ltd	**5,011,500**	5,011,500
Provision for impairment loss	**(106,944,308)**	(106,944,308)
Total financial assets at cost	**–**	–

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

	2022 $	2021 $
NOTE 6: PAYABLES		
CURRENT		
Unsecured liabilities		
Accrued expenses	**10,971**	22,000
NOTE 7: SHARE CAPITAL		
Issued and paid-up capital		
15,401,454,500 (2021: 15,401,454,500) ordinary shares	**142,135,380**	142,135,380
NOTE 8: ACCUMULATED LOSSES		
Accumulated losses at beginning of year	**(136,174,748)**	(119,039,850)
Net loss for the year	**(7,908)**	(17,134,898)
	(136,182,656)	(136,174,748)

NOTE 9: EVENTS SUBSEQUENT TO REPORTING DATE

There has been no matter or circumstance, which has arisen since 31 March 2022 that has significantly affected or may significantly affect:

(a) the operations, in financial years subsequent to 31 March 2022, of the company, or

(b) the results of those operations, or

(c) the state of affairs, in financial years subsequent to 31 March 2022, of the company.

NOTE 10: COMPANY DETAILS

The registered office of the entity is:

Mahindra Aerospace Australia Pty Ltd
Pitcher Partners
Level 13
664 Collins Street
DOCKLANDS VIC 3008

DIRECTORS' DECLARATION

The directors have determined that the entity is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

The directors of the entity declare that:

1. In the directors opinion, the financial statements and notes, as set out on pages herein, are in accordance with the *Corporations Act 2001*, including:
   (a) complying with Accounting Standards in Australia as detailed in Note 1 to the financial statements and the *Corporations Regulations 2001*; and
   (b) giving a true and fair view of the financial position as at 31 March 2022 and performance for the year ended on that date of the entity in accordance with the accounting policies described in Note 1 to the financial statements.
2. In the directors' opinion there are reasonable grounds to believe that the entity will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Director: ___________________________
Arvind Mehra

Director: ___________________________
Ajay Mantry

Dated this 25th day of April 2022

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2022

	Note	2022 $	2021 $
Revenue		–	–
Less: expenses			
Professional fees		**(423)**	(420)
		(423)	(420)
Loss before income tax expense		**(423)**	(420)
Income tax expense		–	–
Loss for the year		**(423)**	(420)
Total comprehensive loss		**(423)**	(420)

The accompanying notes form part of these financial statements.

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2022

	Note	2022 $	2021 $
Current assets			
Cash and cash equivalents	2	**260**	683
Total current assets		**260**	683
Total assets		**260**	683
Current liabilities			
Payables	3	**–**	–
Total current liabilities		**–**	–
Total liabilities		**–**	–
Net assets		**260**	683
Equity			
Share capital	4	**9,853**	9,853
Accumulated losses	5	**(9,593)**	(9,170)
Total equity		**260**	683

The accompanying notes form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2022

Australian dollars	Contributed equity $	Accumulated losses $	Total equity $
Balance as at 1 April 2020	8,753	(8,750)	3
Loss for the year		(420)	(420)
Total comprehensive income for the period	–	(420)	(420)
Transactions with owners in their capacity as owners:			
Contributions	1,100	–	1,100
Balance as at 31 March 2021	9,853	(9,170)	683
Balance as at 1 April 2021	9,853	(9,170)	683
Loss for the year	–	(423)	(423)
Total comprehensive income for the year	–	(423)	(423)
Transactions with owners in their capacity as owners:			
Contributions		–	–
Balance as at 31 March 2022	9,853	(9,593)	260

The accompanying notes form part of these financial statements.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

This financial report is a special purpose financial report prepared for use by the directors and members of the company. The directors have determined that the company is not a reporting entity on the basis that, in the opinion of the directors, there are unlikely to exist users of the financial report who are unable to command the preparation of reports tailored so as to satisfy, specifically, all of their information needs. GA8 Airvan Pty Ltd is a for-profit entity for the purpose of preparing the financial statements.

The financial report was approved by the directors as at the date of the directors' report.

The financial report has been prepared in accordance with the recognition and measurement criteria of all applicable Accounting Standards, with the exception of the disclosure requirements of:

AASB 101: Presentation of Financial Statements
AASB 112: Income Taxes
AASB 124: Related Party Disclosures
AASB 1054: Australian Additional Disclosures

The following specific accounting policies, which are consistent with the previous period unless otherwise stated, have been adopted in the preparation of this report:

(a) Basis of preparation of the financial report

Historical Cost Convention

The financial report has been prepared under the historical cost convention, as modified by revaluations to fair value for certain classes of assets and liabilities as described in the accounting policies.

(b) Non-Going concern

The company is seeking the sale/ disposal/ transfer of 100% of the equity ownership in the company and/or disposal of its CASA type certificate. Accordingly, this financial report has been prepared on a non-going concern basis.

Under a non-going concern basis of accounting, the recognition and measurement required by all Australian Accounting Standards and Interpretations are applied in the context of the company ceasing to be a going concern. This includes testing assets for impairment and considering whether existing contractual commitments have become onerous contracts at the reporting date. Where necessary, to comply with the requirements of the Australian Accounting Standards and interpretations, assets have been written down to recoverable amounts and liabilities for obligations that exist at the reporting date have been recognised and/or measured as appropriate.

(c) Foreign currency translations and balances

Functional and presentation currency

The financial statements are presented in Australian dollars which is the company's functional and presentation currency.

(d) Comparatives

Where necessary, comparative information has been reclassified and repositioned for consistency with current year disclosures.

NOTE 2: CASH AND CASH EQUIVALENTS

	2022	2021
	$	$
Cash at bank	257	680
Cash in hand	3	3
	260	683

NOTE 3: PAYABLES

	2022	2021
	$	$
CURRENT		
Unsecured liabilities		
Sundry creditors and accruals	–	–

NOTE 4: SHARE CAPITAL

Issued and paid-up capital		
9853 (2021: 8753) Ordinary shares	9,853	8,753
Share Application Money		1,100
	9,853	9,853

NOTE 5: ACCUMULATED LOSSES

Accumulated losses at beginning of year	(9,170)	(8,750)
Net Loss	(423)	(420)
Accumulated losses at end of period	(9,593)	(9,170)

NOTE 6: EVENTS SUBSEQUENT TO REPORTING DATE

There has been no matter or circumstance, which has arisen since 31 March 2022 that has significantly affected or may significantly affect:

(a) The operations, in financial year subsequent to 31 March 2022, of the company, or

(b) the results of those operations, or

(c) the state of affairs, in financial year subsequent to 31 March 2022, of the company.

NOTE 7: COMPANY DETAILS

The registered office of the company is:

GA8 Airvan Pty Ltd
Latrobe Regional Airport
Airfield Road
TRARALGON VIC 3844

Keith Douglas
Director

George Morgan
Director

Dated this 25th day of April 2022

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2022

	Note	2022 $	2021 $
Revenue		**–**	–
Less: expenses			
Professional fees		**(423)**	(420)
		(423)	(420)
Loss before income tax expense		**(423)**	(420)
Income tax expense		**–**	–
Loss for the year		**(423)**	(420)
Total comprehensive loss		**(423)**	(420)

The accompanying notes form part of these financial statements.

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2022

	Note	2022 $	2021 $
Current assets			
Cash and cash equivalents	2	**260**	683
Total current assets		**260**	683
Total assets		**260**	683
Current liabilities			
Payables	3	**–**	–
Total current liabilities		**–**	–
Total liabilities		**–**	–
Net assets		**260**	683
Equity			
Share capital	4	**9,853**	9,853
Accumulated losses	5	**(9,593)**	(9,170)
Total equity		**260**	683

The accompanying notes form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2022

	Contributed equity $	Accumulated losses $	Total equity $
Australian dollars			
Balance as at 1 April 2020	8,753	(8,750)	3
Loss for the year	–	(420)	(420)
Total comprehensive income for the year	–	(420)	(420)
Transactions with owners in their capacity as owners:			
Contributions	1,100	–	1,100
Balance as at 31 March 2021	9,853	(9,170)	683
Balance as at 1 April 2021	9,853	(9,170)	683
Loss for the year	–	(423)	(423)
Total comprehensive income for the year	–	(423)	(423)
Transactions with owners in their capacity as owners:			
Contributions	–	–	–
Balance as at 31 March 2022	9,853	(9,593)	260

The accompanying notes form part of these financial statements.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

This financial report is a special purpose financial report prepared for use by the directors and members of the company. The directors have determined that the company is not a reporting entity on the basis that, in the opinion of the directors, there are unlikely to exist users of the financial report who are unable to command the preparation of reports tailored so as to satisfy, specifically, all of their information needs. GA200 Pty Ltd is a for-profit entity for the purpose of preparing the financial statements.

The financial report was approved by the directors as at the date of the directors' report.

The financial report has been prepared in accordance with the recognition and measurement criteria of all applicable Accounting Standards, with the exception of the disclosure requirements of:

AASB 101: Presentation of Financial Statements
AASB 112: Income Taxes
AASB 124: Related Party Disclosures
AASB 1054: Australian Additional Disclosures

The following specific accounting policies, which are consistent with the previous period unless otherwise stated, have been adopted in the preparation of this report:

(a) Basis of preparation of the financial report

Historical Cost Convention

The financial report has been prepared under the historical cost convention, as modified by revaluations to fair value for certain classes of assets and liabilities as described in the accounting policies.

(b) Non-Going concern

The company is seeking the sale/ disposal/ transfer of 100% of the equity ownership in the company and/or disposal of its CASA type certificate. Accordingly, this financial report has been prepared on a non-going concern basis.

Under a non-going concern basis of accounting, the recognition and measurement required by all Australian Accounting Standards and Interpretations are applied in the context of the company ceasing to be a going concern. This includes testing assets for impairment and considering whether existing contractual commitments have become onerous contracts at the reporting date. Where necessary, to comply with the requirements of the Australian Accounting Standards and interpretations, assets have been written down to recoverable amounts and liabilities for obligations that exist at the reporting date have been recognised and/or measured as appropriate.

(c) Foreign currency translations and balances

Functional and presentation currency

The financial statements are presented in Australian dollars which is the company's functional and presentation currency.

(d) Comparatives

Where necessary, comparative information has been reclassified and repositioned for consistency with current year disclosures.

NOTE 2: CASH AND CASH EQUIVALENTS

	2022	2021
	$	$
Cash at bank	**257**	680
Cash in hand	**3**	3
	260	683

	2022 $	2021 $
NOTE 3: PAYABLES		
CURRENT		
Unsecured liabilities		
Sundry creditors and accruals	**–**	–

NOTE 4: SHARE CAPITAL

Issued and paid up capital		
9853 (2021: 8753) Ordinary shares	**9,853**	8,753
Share Application Money		1,100
	9,853	9,853

NOTE 5: ACCUMULATED LOSSES

Accumulated losses at beginning of Year	**(9,170)**	(8,750)
Net Loss	**(423)**	(420)
Accumulated losses at end of period	**(9,593)**	(9,170)

NOTE 6: EVENTS SUBSEQUENT TO REPORTING DATE

There has been no matter or circumstance, which has arisen since 31 March 2022 that has significantly affected or may significantly affect:

(a) The operations, in financial year subsequent to 31 March 2022, of the company, or

(b) the results of those operations, or

(c) the state of affairs, in financial year subsequent to 31 March 2022, of the company.

NOTE 7: COMPANY DETAILS

The registered office of the company is:

GA 200 Pty Ltd
Latrobe Regional Airport
Airfield Road
TRARALGON VIC 3844

Keith Douglas
Director

George Morgan
Director

Dated this 25th day of April 2022

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2022

	Note	2022 $	2021 $
Revenue		**–**	–
Less: expenses			
Professional fees		**(423)**	(420)
		(423)	(420)
Loss before income tax expense		**(423)**	(420)
Income tax expense		**–**	–
Loss for the year		**(423)**	(420)
Total comprehensive loss		**(423)**	(420)

The accompanying notes form part of these financial statements.

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2022

	Note	2022 $	2021 $
Current assets			
Cash and cash equivalents	2	**257**	680
Total current assets		**257**	680
Total assets		**257**	680
Current liabilities			
Payables	3	**–**	–
Total current liabilities		**–**	–
Total liabilities		**–**	–
Net assets		**257**	680
Equity			
Share capital	4	**22,808**	22,808
Accumulated losses	5	**(22,551)**	(22,128)
Total equity		**257**	680

The accompanying notes form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2022

	Contributed equity $	Accumulated losses $	Total equity $
Australian dollars			
Balance as at 1 April 2020	21,708	(21,708)	–
Loss for the year	–	(420)	(420)
Total comprehensive income for the year	–	(420)	(420)
Transactions with owners in their capacity as owners:			
Contributions	1,100	–	1,100
Balance as at 31 March 2021	22,808	(22,128)	680
Balance as at 1 April 2021	22,808	(22,128)	680
Loss for the year	–	(423)	(423)
Total comprehensive income for the year	–	(423)	(423)
Transactions with owners in their capacity as owners:			
Contributions		–	–
Balance as at 31 March 2022	22,808	(22,551)	257

The accompanying notes form part of these financial statements.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

This financial report is a special purpose financial report prepared for use by the directors and members of the company. The directors have determined that the company is not a reporting entity on the basis that, in the opinion of the directors, there are unlikely to exist users of the financial report who are unable to command the preparation of reports tailored so as to satisfy, specifically, all of their information needs. Nomad TC Pty Ltd is a for profit entity for the purpose of preparing the financial statements.

The financial report was approved by the directors as at the date of the directors' report.

The financial report has been prepared in accordance with the recognition and measurement criteria of all applicable Accounting Standards, with the exception of the disclosure requirements of:

AASB 101: Presentation of Financial Statements

AASB 112: Income Taxes

AASB 124: Related Party Disclosures

AASB 1054: Australian Additional Disclosures

The following specific accounting policies, which are consistent with the previous period unless otherwise stated, have been adopted in the preparation of this report:

(a) Basis of preparation of the financial report

Historical Cost Convention

The financial report has been prepared under the historical cost convention, as modified by revaluations to fair value for certain classes of assets and liabilities as described in the accounting policies.

(b) Non-Going concern

The company is seeking the sale/ disposal/ transfer of 100% of the equity ownership in the company and/or disposal of its CASA type certificate. Accordingly, this financial report has been prepared on a non-going concern basis.

Under a non-going concern basis of accounting, the recognition and measurement required by all Australian Accounting Standards and Interpretations are applied in the context of the company ceasing to be a going concern. This includes testing assets for impairment and considering whether existing contractual commitments have become onerous contracts at the reporting date. Where necessary, to comply with the requirements of the Australian Accounting Standards and interpretations, assets have been written down to recoverable amounts and liabilities for obligations that exist at the reporting date have been recognised and/or measured as appropriate.

(c) Foreign currency translations and balances

Functional and presentation currency

The financial statements are presented in Australian dollars which is the company's functional and presentation currency.

(d) Comparatives

Where necessary, comparative information has been reclassified and repositioned for consistency with current year disclosures.

NOTE 2: CASH AND CASH EQUIVALENTS

	2022 $	2021 $
Cash at bank	**257**	680

NOTE 3: PAYABLES

	2022 $	2021 $
CURRENT		
Unsecured liabilities		
Sundry creditors and accruals	**–**	–

NOTE 4: SHARE CAPITAL

	2022 $	2021 $
Issued and paid-up capital		
22,808 (2021: 21,708) Ordinary shares	**22,808**	21,708
Share Application Money		1,100
	22,808	22,808

NOTE 5: ACCUMULATED LOSSES

	2022 $	2021 $
Accumulated losses at beginning of Year	**(22,128)**	(21,708)
Net Loss	**(423)**	(420)
Accumulated losses at end of period	**(22,551)**	(22,128)

NOTE 6: EVENTS SUBSEQUENT TO REPORTING DATE

There has been no matter or circumstance, which has arisen since 31 March 2022 that has significantly affected or may significantly affect:

(a) the operations, in financial year subsequent to 31 March 2022, of the company, or

(b) the results of those operations, or

(c) the state of affairs, in financial year subsequent to 31 March 2022, of the company.

NOTE 7: COMPANY DETAILS

The registered office of the company is:

Nomad TC Pty Ltd
Latrobe Regional Airport
Airfield Road
TRARALGON VIC 3844

Keith Douglas
Director

George Morgan
Director

Dated this 25th day of April 2022

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31 MARCH 2022

	Note	2022 $	2021 $
Revenue		**–**	–
Less: expenses			
Professional fees		**(423)**	(420)
		(423)	(420)
Loss before income tax expense		**(423)**	(420)
Income tax expense		**–**	–
Loss for the year		**(423)**	(420)
Total comprehensive loss		**(423)**	(420)

The accompanying notes form part of these financial statements.

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2022

	Note	2022 $	2021 $
Current assets			
Cash and cash equivalents	2	**267**	690
Total current assets		**267**	690
Total assets		**267**	690
Current liabilities			
Payables	3	**–**	–
Total current liabilities		**–**	–
Total liabilities		**–**	–
Net assets		**267**	690
Equity			
Share capital	4	**9,860**	9,860
Accumulated losses	5	**(9,593)**	(9,170)
Total equity		**267**	690

The accompanying notes form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 MARCH 2022

Australian dollars	Contributed equity $	Accumulated losses $	Total equity $
Balance as at 1 April 2020	8,760	(8,750)	10
Loss for the year		(420)	(420)
Total comprehensive income for the year	–	(420)	(420)
Transactions with owners in their capacity as owners:			
Contributions	1,100	–	1,100
Balance as at 31 March 2021	9,860	(9,170)	690
Balance as at 1 April 2021	9,860	(9,170)	690
Loss for the year	–	(423)	(423)
Total comprehensive income for the year	–	(423)	(423)
Transactions with owners in their capacity as owners:			
Contributions	–	–	–
Balance as at 31 March 2022	**9,860**	**(9,593)**	**267**

The accompanying notes form part of these financial statements.

NOTES TO FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2022

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

This financial report is a special purpose financial report prepared for use by the directors and members of the company. The directors have determined that the company is not a reporting entity on the basis that, in the opinion of the directors, there are unlikely to exist users of the financial report who are unable to command the preparation of reports tailored so as to satisfy, specifically, all of their information needs. Airvan 10 Pty Ltd is a for profit entity for the purpose of preparing the financial statements.

The financial report was approved by the directors as at the date of the directors' report.

The financial report has been prepared in accordance with the recognition and measurement criteria of all applicable Accounting Standards, with the exception of the disclosure requirements of:

AASB 101: Presentation of Financial Statements

AASB 112: Income Taxes

AASB 124: Related Party Disclosures

AASB 1054: Australian Additional Disclosures

The following specific accounting policies, which are consistent with the previous period unless otherwise stated, have been adopted in the preparation of this report:

(a) Basis of preparation of the financial report

Historical Cost Convention

The financial report has been prepared under the historical cost convention, as modified by revaluations to fair value for certain classes of assets and liabilities as described in the accounting policies.

(b) Non-Going concern

The company is seeking the sale/ disposal/ transfer of 100% of the equity ownership in the company and/or disposal of its CASA type certificate. Accordingly, this financial report has been prepared on a non-going concern basis.

Under a non-going concern basis of accounting, the recognition and measurement required by all Australian Accounting Standards and Interpretations are applied in the context of the company ceasing to be a going concern. This includes testing assets for impairment and considering whether existing contractual commitments have become onerous contracts at the reporting date. Where necessary, to comply with the requirements of the Australian Accounting Standards and interpretations, assets have been written down to recoverable amounts and liabilities for obligations that exist at the reporting date have been recognised and/or measured as appropriate.

(c) Foreign currency translations and balances

Functional and presentation currency

The financial statements are presented in Australian dollars which is the company's functional and presentation currency.

(d) Comparatives

Where necessary, comparative information has been reclassified and repositioned for consistency with current year disclosures.

NOTE 2: CASH AND CASH EQUIVALENTS

	2022 $	2021 $
Cash at bank	**257**	680
Cash in hand	**10**	10
	267	690

NOTE 3: PAYABLES

CURRENT		
Unsecured liabilities		
Sundry creditors and accruals	–	–

NOTE 4: SHARE CAPITAL

Issued and paid-up capital		
9860 (2021: 8760) Ordinary shares	9,860	8,760
Share Application Money	–	1,100
	9,860	9,860

NOTE 5: ACCUMULATED LOSSES

Accumulated losses at beginning of Year	(9,170)	(8,750)
Net Loss	(423)	(420)
Accumulated losses at end of period	(9,593)	(9,170)

NOTE 6: EVENTS SUBSEQUENT TO REPORTING DATE

There has been no matter or circumstance, which has arisen since 31 March 2022 that has significantly affected or may significantly affect:

(a) The operations, in financial year subsequent to 31 March 2022, of the company, or

(b) the results of those operations, or

(c) the state of affairs, in financial year subsequent to 31 March 2022, of the company.

NOTE 7: COMPANY DETAILS

The registered office of the company is:

Airvan 10 Pty Ltd
Latrobe Regional Airport
Airfield Road
TRARALGON VIC 3844

Keith Douglas
Director

George Morgan
Director

Dated this 25th day of April 2022

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF GIPPSAERO PTY LTD

Report on the Audit of the Financial Report

Opinion

We have audited the financial report, being a special purpose financial report of GippsAero Pty Ltd, "the Company", which comprises the statement of financial position as at 31 March 2022, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of GippsAero Pty Ltd, is in accordance with the *Corporations Act 2001*, including::

(a) giving a true and fair view of the Company's financial position as at 31 March 2022 and of its financial performance for the year then ended; and

(b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* "the Code" that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter - Non-Going Concern Basis for Preparation

We draw attention to Note 1(b) in the financial report which indicates that the financial report has been prepared on a non-going concern basis, given the company's intention to sell, dispose of, or transfer its equity ownership and/or dispose of all of its business and/or assets. Our opinion is not modified in respect to this matter.

Emphasis of Matter - Basis of Accounting, *Corporations Act 2001*

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared to assist GippsAero Pty Ltd to meet the requirements of *Corporations Act 2001*. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Company's directors' report for the year ended 31 March 2022, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

Auditor's Responsibilities for the Audit of the Financial Report (Continued)

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

N R BULL **PITCHER PARTNERS**
Partner Melbourne

Date: 22nd April 2022

DIRECTORS' DECLARATION

The directors have determined that the company is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

The directors of the company declare that:

1. In the directors opinion, the financial statements and notes, as set out on pages herein, are in accordance with the *Corporations Act 2001*, including:

   (a) complying with Accounting Standards in Australia as detailed in Note 1 to the financial statements and the *Corporations Regulations 2001*; and

   (b) giving a true and fair view of the financial position as at 31 March 2022 and performance for the year ended on that date of the company in accordance with the accounting policies described in Note 1 to the financial statements.

2. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Keith Douglas	**Ajay Mantry**
Director	Director

Date: 22nd April 2022

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2022

	Note	2022 $	2021 $
Revenue and other income			
Revenue from contracts with customers	2	**1,199,530**	4,011,583
Other revenue	3	**73,283**	585,012
Other income	3	**28,605**	43,621
		1,301,418	4,640,216
Less: expenses			
Materials and consumables used		**(747,452)**	(2,231,204)
Depreciation and amortisation expense	4	**(28,018)**	(187,583)
Employee benefits expense	4	**(2,345,845)**	(5,226,801)
Finance costs	4	**–**	(107,874)
Foreign exchange loss	4	**(15,596)**	(236,833)
Impairment reversal/(loss)	4	**238,359**	(2,093,027)
Insurance expense		**(421,515)**	(559,650)
Marketing and promotional expense		**–**	(5,014)
Occupancy expense		**(233,770)**	(208,125)
Professional fees		**(164,898)**	(192,080)
Travel expense		**(2,604)**	(2,843)
Other expenses		**(140,584)**	(825,433)
		(3,861,923)	(11,876,467)
Loss before income tax expense		**(2,560,505)**	(7,236,251)
Other comprehensive income for the year		**–**	–
Total comprehensive income		**(2,560,505)**	(7,236,251)

The accompanying notes form part of these financial statements.

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2022

	Note	2022 $	2021 $
Current assets			
Cash and cash equivalents	5	**2,098,489**	4,743,415
Receivables	6	**10,972**	10,283
Inventories	7	**350,485**	640,655
Other assets	8	**241,651**	61,747
Total current assets		**2,701,597**	5,456,100
Total assets		**2,701,597**	5,456,100
Current liabilities			
Payables	12	**916,944**	758,712
Provisions	13	**551,698**	899,614
Other liabilities	14	**32,376**	24,888
Total current liabilities		**1,501,018**	1,683,214
Non-current liabilities			
Provisions	13	**–**	11,802
Total non-current liabilities		**–**	11,802
Total liabilities		**1,501,018**	1,695,016
Net assets		**1,200,579**	3,761,084
Equity			
Share capital	15	**121,597,390**	121,597,390
Accumulated losses	16	**(120,396,811)**	(117,836,306)
Total equity		**1,200,579**	3,761,084

The accompanying notes form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2022

	Contributed equity $	Accumulated losses $	Total equity $
Balance as at 1 April 2020	104,497,890	(110,600,055	(6,102,165)
Loss for the year	–	(7,236,251)	(7,236,251)
Total comprehensive income for the year	–	(7,236,251)	(7,236,251)
Transactions with owners in their capacity as owners:			
Contributions	17,099,500	–	17,099,500
Total transactions with owners in their capacity as owners	17,099,500	–	17,099,500
Balance as at 31 March 2021	121,597,390	(117,836,306)	3,761,084
Balance as at 1 April 2021	121,597,390	(117,836,306)	3,761,084
Loss for the year	–	(2,560,505)	(2,560,505)
Total comprehensive income for the year	–	(2,560,505)	(2,560,505)
Balance as at 31 March 2022	**121,597,390**	**(120,396,811)**	**1,200,579**

The accompanying notes form part of these financial statements.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2022

	Note	2022 $	2021 $
Cash flow from operating activities			
Receipts from customers		**1,350,893**	5,160,186
Payments to suppliers and employees		**(3,969,174)**	(9,826,839)
Finance costs		**–**	(107,874)
Net cash used in operating activities		**(2,618,281)**	(4,774,527)
Cash flow from investing activities			
Proceeds from sale of property, plant and equipment		**1,839**	939,568
Payment for property, plant and equipment		**(5,570)**	(61,511)
Payment for capitalised project and development costs		**(22,914)**	(711,317)
Net cash (used in)/provided by investing activities		**(26,645)**	166,740
Cash flow provided by financing activities			
Proceeds from share issue		**–**	17,099,500
Repayments of borrowings		**–**	(9,500,000)
Principal portion of lease payments		**–**	(68,073)
Net cash provided by financing activities		**–**	7,531,427
Reconciliation of cash			
Cash at beginning of the financial year		**4,743,415**	1,819,775
Net (decrease)/increase in cash held		**(2,644,926)**	2,923,640
Cash at end of financial year		**2,098,489**	4,743,415

The accompanying notes form part of these financial statements.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The directors have determined that the company is not a reporting entity on the basis that, in the opinion of the directors, there are unlikely to exist users of the financial report who are unable to command the preparation of reports tailored so as to satisfy, specifically, all of their information needs. Accordingly, this financial report is a special purpose financial report, which has been prepared to satisfy the financial reporting requirements of the *Corporations Act 2001*.

The financial report covers GippsAero Pty Ltd as an individual entity. GippsAero Pty Ltd is a company limited by shares, incorporated and domiciled in Australia. GippsAero Pty Ltd is a for-profit entity for the purpose of preparing the financial statements.

The financial report was approved by the directors as at the date of the directors' report.

The financial report has been prepared in accordance with the *Corporations Act 2001*, the recognition and measurement requirements specified by all Australian Accounting Standards and Interpretations, and the disclosure requirements of:

AASB 101: Presentation of Financial Statements

AASB 107: Statement of Cash Flows

AASB 108: Accounting Policies, Changes in Accounting Estimates and Errors

AASB 1054: Australian Additional Disclosures

The following specific accounting policies, which are consistent with the previous period unless otherwise stated, have been adopted in the preparation of this financial report:

(a) Basis of preparation of the financial report

Historical Cost Convention

The financial report has been prepared under the historical cost convention, as modified by revaluations to fair value for certain classes of assets and liabilities as described in the accounting policies.

(b) (b) Non-going concern

The company is seeking to sell, dispose of, or transfer 100% of the equity ownership in the company and/or dispose of all of its business and/or assets. Accordingly, this financial report has been prepared on a non-going concern basis.

Under a non-going concern basis of accounting, the recognition and measurement required by all Australian Accounting Standards and Interperetations are applied in the context of GippsAero Pty Ltd ceasing to be a going concern. This includes testing assets for impairment and considering whether existing contractual commitments have become onerous contracts at the reporting date. Where necessary, to comply with the requirements of the Australian Accounting Standards and interpretations, assets have been written down to recoverable amounts and liabilities for obligations that exist at the reporting date have been recognised and/or measured as appropriate.

(c) Foreign currency transactions and balances

Functional and presentation currency

The financial statements are presented in Australian dollars which is the company's functional and presentation currency.

Transactions and Balances

Transactions undertaken in foreign currencies are recognised in the company's functional currency, using the spot rate at the date of the transaction.

Foreign currency monetary items that are outstanding at the reporting date (other than monetary items arising under foreign currency contracts where the exchange rate for that monetary item is fixed in the contract) are restated to the spot rate at the reporting date.

Except for certain foreign currency hedges, all exchange gains or losses are recognised in profit or loss for the period in which they arise.

(d) Revenue from contracts with customers

Revenue from contracts with customers

The company derives revenue from the sale of aircraft and spare parts. Revenue is recognised as, or when, goods or services are transferred to the customer, and is measured at an amount that reflects the consideration to which the company expects to be entitled in exchange for the goods or services.

Revenue from the sale of aircraft and spare parts

Revenue from the sale of aircraft and spare parts is recognised at the point in time when control of the goods is transferred to the customer, which generally occurs when the beneficial ownership passes to the customer. Customers have no right to return purchased goods. Revenue is measured net of any discounts, rebates and other price concessions. Customers are required to pay for all goods purchased in line with the terms of contract of sale.

Consideration included in the measurement of revenue

The consideration to be received from customers for sale of aircrafts include fixed amounts. Where the contract includes a right to variable consideration, the company estimates the amount of variable consideration using the most likely amount approach on a contract-by-contract basis. Variable consideration is included in the measurement of revenue only to the extent that it is highly probable, based on flight hours, that a significant reversal of the cumulative amount recognised will not occur when the uncertainty associated with the variability is subsequently resolved.

Warranty obligations

The company provides a general warranty for all goods sold, as required by law. The company does not provide customers with the option to purchase an additional or extended warranty. Warranty obligations are recognised as a provision, and are measured at the company's estimate of the expenditure required to fulfil its warranty obligations at the reporting date. The company updates the measurement of the warranty provision at the end of each reporting period for changes in expectations.

(e) Income tax

Current income tax expense or revenue is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities.

Deferred tax assets and liabilities are recognised for temporary differences at the applicable tax rates when the assets are expected to be recovered or liabilities are settled. Deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not recognised if it arises from the initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

(f) Cash and cash equivalents

Cash and cash equivalents include cash on hand and at banks, short-term deposits with an original maturity of three months or less held at call with financial institutions, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

(g) Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of manufactured products includes direct material, direct labour and a proportion of manufacturing overheads based on normal operating capacity. Inventories include raw materials, work in progress and finished goods.

Raw materials are valued at a moving average cost price.

Work in progress ("WIP") is valued at cost, which includes both variable and fixed costs relating to specific items, and those costs that are attributable to the WIP activity in general that can be allocated on a reasonable basis.

(h) Financial instruments

Classification of financial assets

Financial assets recognised by the company are subsequently measured in their entirety at either amortised cost or fair value, subject to their classification and whether the company irrevocably designates the financial asset on initial recognition at fair value through other comprehensive income (FVtOCI) in accordance with the relevant criteria in AASB 9.

Financial assets not irrevocably designated on initial recognition at FVtOCI are classified as subsequently measured at amortised cost, FVtOCI or fair value through profit or loss (FVtPL) on the basis of both:

(a) the company's business model for managing the financial assets; and

(b) the contractual cash flow characteristics of the financial asset.

Classification of financial liabilities

Financial liabilities include trade payables, other creditors and loans from third parties including inter- company balances and loans from or other amounts due to director-related entities. Non-derivative financial liabilities are subsequently measured at amortised cost, comprising original debt less principal payments and amortisation. Financial liabilities are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

Trade and other receivables

Receivables from contracts with customers

Trade and other receivables arise from the company's transactions with its customers and are normally settled within 30-90 days.

Consistent with both the company's business model for managing the financial assets and the contractual cash flow characteristics of the assets, trade and other receivables are subsequently measured at amortised cost.

The company applies the simplified approach under AASB 9 to measuring the allowance for credit losses for receivables from contracts with customers. Under the AASB 9 simplified approach, the company determines the allowance for credit losses for receivables from contracts with customers on the basis of the lifetime expected credit losses of the receivable. Lifetime expected credit losses represent the expected credit losses that are expected to result from default events over the expected life of the receivable.

(i) Property, plant and equipment

Each class of plant and equipment is measured at cost or fair value less, where applicable, any accumulated depreciation and any accumulated impairment losses.

Plant and equipment

Plant and equipment is measured at cost, less accumulated depreciation and any impairment losses.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from those assets. The recoverable amount is assessed on the basis of the expected net cash flows which will be received from the assets employment and subsequent disposal.

Depreciation

The depreciable amount of all property, plant and equipment is depreciated over their estimated useful lives commencing from the time the asset is held available for use, consistent with the estimated consumption of the economic benefits embodied in the asset.

Class of fixed asset	Depreciation rates	Depreciation basis
Hangar at cost	5 - 20%	Straight line
Leasehold improvements at cost	9 - 11%	Straight line
Plant and equipment at cost	6 - 21%	Straight line
Aircrafts at cost	10%	Straight line
Motor vehicles at cost	5 - 13%	Straight line
Computer equipment at cost	22 - 100%	Straight line

(j) Intangible assets

Goodwill

Goodwill represents the future economic benefits arising from other assets acquired in a business combination that are not individually identifiable or separately recognised.

Goodwill is not amortised, but is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less any accumulated impairment losses.

Intangible assets

Except for indefinite useful life intangible assets, which are not amortised but are tested annually for impairment, intangible assets are amortised over their estimated useful lives commencing from the time the asset is available for use. The amortisation method applied to an intangible asset is consistent with the estimated consumption of economic benefits of the asset.

Patents

Patents are recognised at cost and are not amortised, but are tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and are carried at cost less any accumulated impairment losses.

(k) Research and development expenditure

Expenditure on research activities is recognised as an expense when incurred.

Development costs are capitalised when the company can demonstrate all of the following: the technical feasibility of completing the asset so that it will be available for use or sale; the intention to complete the asset and use or sell it; the ability to use or sell the asset; how the asset will generate probable future economic benefits; the availability of adequate technical, financial and other resources to complete the development and to use or sell the asset; and the ability to measure reliably the expenditure attributable to the asset during its development. Capitalised development costs are amortised over their estimated useful lives commencing from the time the asset is available for use. The amortisation method applied to capitalised development costs is consistent with the estimated consumption of economic benefits of the asset. Subsequent to initial recognition, capitalised development costs are measured at cost, less accumulated amortisation and any accumulated impairment losses.

Other development expenditure is recognised as an expense when incurred.

Project expenses are capitalised as incurred once identified as relating to a project that will deliver future economic benefits that can be measured reliably.

(l) Impairment of non-financial assets

Goodwill, intangible assets not yet ready for use and intangible assets with indefinite useful lives are not subject to amortisation and are therefore tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired.

For impairment assessment purposes, assets are generally grouped at the lowest levels for which there are largely independent cash flows ('cash generating units'). Accordingly, most assets are tested for impairment at the cash-generating unit level. Because it does not generate cash flows independently of other assets or groups of assets, goodwill is allocated to the cash generating unit or units that are expected to benefit from the synergies arising from the business combination that gave rise to the goodwill.

Assets other than goodwill, intangible assets not yet ready for use and intangible assets with indefinite useful lives are assessed for impairment whenever events or circumstances arise that indicate the asset may be impaired.

An impairment loss is recognised when the carrying amount of an asset or cash generating unit exceeds the asset's or cash generating unit's recoverable amount. The recoverable amount of an asset or cash generating unit is defined as the higher of its fair value less costs to sell and value in use (where 'value in use' is determined as the present value of the future cash flows expected to be derived from an asset or cash-generating unit).

Impairment losses in respect of individual assets are recognised immediately in profit or loss unless the asset is measured at a revalued amount, in which case the impairment loss is treated as a revaluation decrease and is recognised in other comprehensive income to the extent that it does not exceed the amount in the revaluation surplus for the same asset. Impairment losses in respect of cash generating units are allocated first against the carrying amount of any goodwill attributed to the cash generating unit with any remaining impairment loss allocated on a pro rata basis to the other assets comprising the relevant cash generating unit.

A reversal of an impairment loss for an asset measured at cost is recognised in profit or loss. A reversal of an impairment loss for an asset measured at a revalued amount is treated as a revaluation increase and is recognised in other comprehensive income, except to the extent that an impairment loss on the same asset was previously recognised in profit or loss, in which case a reversal of that impairment loss is also recognised in profit or loss.

(m) Provisions

Provisions are recognised when the company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Warranty obligations

The company provides warranty for all aircrafts, the warranty period covers earlier of two years or up 2,000 flight hours. Warranty obligations are recognised as a provision, and are measured at the company's estimate of the expenditure required to fulfil its warranty obligations at the reporting date. The company updates the measurement of the warranty provision at the end of each reporting period for changes in expectations.

(n) Leases

At the commencement date of a lease (other than leases of 12-months or less and leases of low value assets), the group recognises a lease asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments.

Lease assets

Lease assets are initially recognised at cost, comprising the amount of the initial measurement of the lease liability, any lease payments made at or before the commencement date of the lease, less any lease incentives received, any initial direct costs incurred by the group, and an estimate of costs to be incurred by the group in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories.

Subsequent to initial recognition, lease assets are measured at cost (adjusted for any remeasurement of the associated lease liability), less accumulated depreciation and any accumulated impairment loss.

Lease assets are depreciated over the shorter of the lease term and the estimated useful life of the underlying asset, consistent with the estimated consumption of the economic benefits embodied in the underlying asset.

Lease liabilities

Lease liabilities are initially recognised at the present value of the future lease payments (i.e., the lease payments that are unpaid at the commencement date of the lease). These lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined, or otherwise using the group's incremental borrowing rate.

Subsequent to initial recognition, lease liabilities are measured at the present value of the remaining lease payments (i.e., the lease payments that are unpaid at the reporting date). Interest expense on lease liabilities is recognised in profit or loss (presented as a component of finance costs). Lease liabilities are remeasured to reflect changes to lease terms, changes to lease payments and any lease modifications not accounted for as separate leases.

Variable lease payments not included in the measurement of lease liabilities are recognised as an expense when incurred.

Leases of 12-months or less and leases of low value assets

Lease payments made in relation to leases of 12-months or less and leases of low value assets (for which a lease asset and a lease liability has not been recognised) are recognised as an expense on a straight-line basis over the lease term.

(o) Employee benefits

(i) Short-term employee benefit obligations

Liabilities arising in respect of wages and salaries, annual leave and other employee benefits (other than termination benefits) expected to be settled wholly before twelve months after the end of the reporting period are measured at the (undiscounted) amounts based on remuneration rates which are expected to be paid when the liability is settled. The expected cost of short-term employee benefits in the form of compensated absences such as annual leave is recognised in the provision for employee benefits. All other short-term employee benefit obligations are presented as payables in the statement of financial position.

(ii) Long-term employee benefit obligations

The provision for other long-term employee benefits, including obligations for long service leave which are not expected to be settled wholly before twelve months after the end of the reporting period, are measured at the present value of the estimated future cash outflow to be made in respect of the services provided by employees up to the reporting date. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee turnover, and are discounted at rates determined by reference to market yields at the end of the reporting period on high quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms approximating to the terms of the related obligation. For currencies in which there is no deep market in such high quality corporate bonds, the market yields (at the end of the reporting period) on government bonds denominated in that currency are used. Any remeasurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the change occurs.

Other long-term employee benefit obligations are presented as current liabilities in the statement of financial position if the company does not have an unconditional right to defer settlement for at least twelve months after the reporting date, regardless of when the actual settlement is expected to occur. All other long-term employee benefit obligations are presented as non-current liabilities in the statement of financial position.

(p) Borrowing costs

Borrowing costs include interest expense calculated using the effective interest method, finance charges in respect of lease arrangements, and exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

Borrowing costs are expensed as incurred.

(q) Goods and services tax (GST)

Revenues, expenses and purchased assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(r) Comparatives

Where necessary, comparative information has been reclassified and repositioned for consistency with current year disclosures.

NOTE 2: REVENUE FROM CONTRACTS WITH CUSTOMERS

	2022 **$**	2021 $
Revenue from contracts with customers		
Sale of goods	**–**	2,864,070
Spare parts and maintenance	**1,199,530**	1,147,513
	1,199,530	4,011,583

NOTE 3: OTHER REVENUE AND OTHER INCOME

	2022 $	2021 $
Profit on sale of property, plant and equipment	**1,373**	542,926
Other revenue	**71,910**	42,086
	73,283	585,012
Other income	**28,605**	43,621
	101,888	628,633

NOTE 4: OPERATING LOSS

Losses before income tax has been determined after:

Expenses:		
Cost of sales	**747,452**	2,231,237
Finance costs	**–**	107,874
Depreciation	**5,104**	120,170
Amortisation of non-current assets		
– leased assets	**–**	67,413
– research and development	**22,914**	-
Impairment		
– Intangible assets	**–**	711,317
– Inventory	**(238,359)**	1,400,002
– Receivables and other assets	**–**	(18,292)
	(238,359)	2,093,027
Foreign currency translation losses	**15,596**	236,833
Employee benefits	**2,345,845**	5,226,801

NOTE 5: CASH AND CASH EQUIVALENTS

	2022 $	2021 $
Cash on hand	**962**	2,194
Cash at bank	**2,097,527**	4,741,221
	2,098,489	4,743,415

NOTE 6: RECEIVABLES

CURRENT		
Receivables from contracts with customers	**12,275**	11,586
Allowance for credit losses	**(1,303)**	(1,303)
	10,972	10,283

NOTE 7: INVENTORIES

CURRENT		
At cost		
Raw materials and semi finished goods	**4,935,340**	5,529,866
Work in progress	**–**	41,665
Provision for impairment	**(4,584,855)**	(4,930,876)
	350,485	640,655

NOTE 8: OTHER ASSETS

CURRENT		
Prepayments	**221,665**	41,761
Deposits	**19,986**	19,986
	241,651	61,747

NOTE 9: INTANGIBLE ASSETS

	2022 $	2021 $
Goodwill at cost	**788,669**	788,669
Provision for impairment loss	**(788,669)**	(788,669)
	–	–
Patents at cost	**46,043**	46,043
Accumulated amortisation and impairment	**(46,043)**	(46,043)
	–	–
Capitalised costs	**5,855,239**	5,855,237
Accumulated amortisation and impairment	**5,855,239**	5,855,237
	–	–
Projects currently in development at cost	**36,021,824**	35,998,910
Provision for impairment loss	**(36,021,824)**	(35,998,910)
Total intangible assets	**–**	–

(a) Impairment loss

Impairment losses in relation to intangible assets have been recognised in impairment expenses within profit or loss.

NOTE 10: LEASE ASSETS AND LEASE LIABILITIES

(a) Lease assets

Right of use asset	–	**337,063**
Accumulated depreciation	–	**(337,063)**
	–	–

(b) Lease liabilities

Lease liability	–	–
Total carrying amount of lease liabilities	–	–

NOTE 11: PROPERTY, PLANT AND EQUIPMENT

	2022 $	2021 $
Hangar at cost	**2,068**	2,068
Accumulated depreciation and impairment	**(2,068)**	(2,068)
	–	–
Leasehold improvements at cost	**149,510**	149,510
Accumulated depreciation and impairment	**(149,510)**	(149,510)
	–	–
Plant and equipment at cost	**1,717,576**	1,718,203
Accumulated depreciation and impairment	**(1,717,576)**	(1,718,203)
	–	–
Aircraft	**154,740**	154,740
Accumulated depreciation and impairment	**(154,740)**	(154,740)
	–	–
Motor vehicles at cost	**42,395**	42,395
Accumulated depreciation and impairment	**(42,395)**	(42,395)
	–	–
Computer equipment at cost	**990,154**	1,207,877
Accumulated depreciation and impairment	**(990,154)**	(1,207,877)
	–	–
Total property, plant and equipment	**–**	–

(a) Reconciliations

Reconciliation of the carrying amounts of property, plant and equipment at the beginning and end of the current financial year

	2022 $	2021 $
Hangar		
Opening carrying amount	**–**	–
Closing carrying amount	**–**	–
Leasehold improvements		
Opening carrying amount	**–**	–
Closing carrying amount	**–**	–
Plant and equipment		
Opening carrying amount	**–**	–
Additions	**–**	47,124
Disposals	**–**	(399)
Depreciation expense	**–**	(46,725)
Closing carrying amount	**–**	–
Aircraft		
Opening carrying amount	**–**	455,301
Disposals	**–**	(394,658)
Depreciation expense	**–**	(60,643)
Closing carrying amount	**–**	–
Motor vehicles		
Opening carrying amount	**–**	–
Closing carrying amount	**–**	–
Computer equipment		
Opening carrying amount	**–**	–
Additions	**5,570**	14,387
Disposals	**(466)**	(1,585)
Depreciation expense	**(5,104)**	(12,802)
Closing carrying amount	**–**	–

(b) Impairment loss

Impairment losses in relation to property, plant and equipment have been recognised in impairment loss expense within profit or loss. The recoverable amount of these assets was determined by value in use.

NOTE 12: PAYABLES

	2022 $	2021 $
CURRENT		
Unsecured liabilities		
Trade creditors	**212,320**	174,114
Sundry creditors and accruals	**704,624**	584,598
	916,944	758,712

NOTE 13: PROVISIONS

	2022 $	2021 $
CURRENT		
Employee benefits	**467,698**	584,596
Warranties	**84,000**	315,018
	551,698	899,614
NON CURRENT		
Employee benefits	**–**	11,802

(a) Warranty provision

The company provides a warranty for all aircraft sales, the warranty period covers earlier of two years or 2,000 flight hours, whichever comes first.

Warranty obligations are recognised as a provision, and are measured at the company's estimate of the expenditure required to fulfil its warranty obligations at the reporting date. The company updates the measurement of the warranty provision at the end of each reporting period for changes in expectations.

NOTE 14: OTHER LIABILITIES

	2022 $	2021 $
CURRENT		
Advances received from customers	**32,376**	24,888

NOTE 15: SHARE CAPITAL

Issued and paid-up capital		
11,610,407,177 (2020: 210,740,510) Ordinary shares	**121,597,390**	121,597,390

Dividends

During the year ended 31 March 2022, management did not pay a dividend (2020: Nil).

NOTE 16: ACCUMULATED LOSSES

Accumulated losses at beginning of year	**(117,836,306)**	(110,600,055)
Net loss	**(2,560,505)**	(7,236,251)
	(120,396,811)	(117,836,306)

NOTE 17: EVENTS SUBSEQUENT TO REPORTING DATE

There has been no other matter or circumstance, which has arisen since 31 March 2022 that has significantly affected or may significantly affect:

(a) the operations, in financial years subsequent to 31 March 2022, of the company, or

(b) the results of those operations, or

(c) the state of affairs, in financial years subsequent to 31 March 2022, of the company.

NOTE 18: COMPANY DETAILS

The registered office of the company is:

GippsAero Pty Ltd
Latrobe Valley Airfield Pty Ltd
75 Airfield Road
TRARALGON VIC 3844

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2022

	Note	2022 $	2021 $
Revenue		**–**	–
Less: expenses			
Professional fees		**(423)**	(420)
		(423)	(420)
Loss before income tax expense		**(423)**	(420)
Income tax expense		**–**	–
Loss for the year		**(423)**	(420)
Total comprehensive loss		**(423)**	(420)

The accompanying notes form part of these financial statements.

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2022

	Note	2022 $	2021 $
Current assets			
Cash and cash equivalents	2	**259**	682
Total current assets		**259**	682
Total assets		**259**	682
Current liabilities			
Payables	3	**–**	–
Total current liabilities		**–**	–
Total liabilities		**–**	–
Net assets		**259**	682
Equity			
Share capital	4	**9,852**	9,852
Accumulated losses	5	**(9,593)**	(9,170)
Total equity		**259**	682

The accompanying notes form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2022

	Contributed equity $	Accumulated losses $	Total equity $
Australian dollars			
Balance as at 1 April 2020	8,752	(8,750)	2
Loss for the year		(420)	(420)
Total comprehensive income for the period	–	(420)	(420)
Transactions with owners in their capacity as owners:			
Contributions	1,100	–	1,100
Balance as at 31 March 2021	9,852	(9,170)	682
Balance as at 1 April 2021	9,852	(9,170)	682
Loss for the year	–	(423)	(423)
Total comprehensive income for the period	–	(423)	(423)
Transactions with owners in their capacity as owners:			
Contributions		–	–
Balance as at 31 March 2022	**9,852**	**(9,593)**	**259**

The accompanying notes form part of these financial statements.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

This financial report is a special purpose financial report prepared for use by the directors and members of the company. The directors have determined that the company is not a reporting entity on the basis that, in the opinion of the directors, there are unlikely to exist users of the financial report who are unable to command the preparation of reports tailored so as to satisfy, specifically, all of their information needs. Airvan Flight Services Pty Ltd is a for-profit entity for the purpose of preparing the financial statements.

The financial report was approved by the directors as at the date of the directors' report.

The financial report has been prepared in accordance with the recognition and measurement criteria of all applicable Accounting Standards, with the exception of the disclosure requirements of:

AASB 101: Presentation of Financial Statements

AASB 112: Income Taxes

AASB 124: Related Party Disclosures

AASB 1054: Australian Additional Disclosures

The following specific accounting policies, which are consistent with the previous period unless otherwise stated, have been adopted in the preparation of this report:

(a) Basis of preparation of the financial report

Historical Cost Convention

The financial report has been prepared under the historical cost convention, as modified by revaluations to fair value for certain classes of assets and liabilities as described in the accounting policies.

(b) Non-Going concern

The company is seeking the sale/ disposal/ transfer of 100% of the equity ownership in the company and/or disposal of its Air Operators Certificate. Accordingly, this financial report has been prepared on a non-going concern basis.

Under a non-going concern basis of accounting, the recognition and measurement required by all Australian Accounting Standards and Interpretations are applied in the context of the company ceasing to be a going concern. This includes testing assets for impairment and considering whether existing contractual commitments have become onerous contracts at the reporting date. Where necessary, to comply with the requirements of the Australian Accounting Standards and interpretations, assets have been written down to recoverable amounts and liabilities for obligations that exist at the reporting date have been recognised and/or measured as appropriate.

(c) Foreign currency translations and balances

Functional and presentation currency

The financial statements are presented in Australian dollars which is the company's functional and presentation currency.

(d) Comparatives

Where necessary, comparative information has been reclassified and repositioned for consistency with current year disclosures.

NOTE 2: CASH AND CASH EQUIVALENTS

	2022 $	2021 $
Cash at bank	**257**	680
Cash in hand	**2**	2
	259	682

NOTE 3: PAYABLES

CURRENT		
Unsecured liabilities		
Sundry creditors and accruals	**–**	–

NOTE 4: SHARE CAPITAL

Issued and paid-up capital		
9852 (2021: 8752) Ordinary shares	**9,852**	8,752
Share Application Money	**–**	1,100
	9,852	9,852

NOTE 5: ACCUMULATED LOSSES

Accumulated losses at beginning of Year	**(9,170)**	(8,750)
Net Loss	**(423)**	(420)
Accumulated losses at end of period	**(9,593)**	(9,170)

NOTE 6: EVENTS SUBSEQUENT TO REPORTING DATE

There has been no matter or circumstance, which has arisen since 31 March 2022 that has significantly affected or may significantly affect:

(a) The operations, in financial year subsequent to 31 March 2022, of the company, or

(b) the results of those operations, or

(c) the state of affairs, in financial year subsequent to 31 March 2022, of the company.

NOTE 7: COMPANY DETAILS

The registered office of the company is:

Airvan Flight Services Pty Ltd
Latrobe Regional Airport
Airfield Road
TRARALGON VIC 3844

Keith Douglas
Director

Ajay Mantry
Director

Dated this 22nd day of April 2022

INDEPENDENT AUDITORS' REPORT

To the Members of
Mahindra Waste to Energy Solutions Limited
Report on the audit of the Financial Statements

Opinion

We have audited the accompanying Financial Statements of **Mahindra Waste to Energy Solutions Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards as prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, its loss and total comprehensive income, its changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Financial Statements in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('the ICAI") together with the ethical requirements that are relevant to our audit of the Financial Statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Financial Statements.

Information Other than the Financial Statements and Auditors' Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the Directors' Report and the related annexures, but does not include the Financial Statements and our auditors' report thereon.

Our opinion on the Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Financial Statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Financial Statements of the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-Section (11) of Section 143 of the Act and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive income, the Statement of Changes in Equity and the Cash Flow Statement dealt with by this report are in agreement with the books of account.

   (d) In our opinion, the aforesaid Financial Statements comply with the Accounting Standards specified under Section 133 of the Act.

   (e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164(2) of the Act.

   (f) With respect to the adequacy of the internal financial controls with reference to Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure B. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to the Financial Statements.

   (g) The Company has not paid any remuneration to managerial personnel as defined in the Act. Accordingly, the provisions of Section 197 of the Act related to the managerial remuneration are not applicable.

   (h) With respect to the other matters to be included in the Auditors' Report in accordance with the requirements of Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

      (i) The Company does not have any pending litigations which would impact its financial position;

      (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and

      (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;

      (iv) (a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

(v) The Company has not declared or paid any dividend during the year.

For **B. K. Khare & Co.**
Chartered Accountants
Firm Registration No. 105102W

Shirish Rahalkar
Partner
Membership No. 111212
UDIN: 22111212AHQJYV9501

Place: Mumbai
Date: April 21, 2022

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date on the Financial Statements of Mahindra Waste to Energy Solutions Limited for the year ended March 31, 2022]

1. (a) (A) According to the information and explanations given to us, the Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.

   (B) According to the information and explanations given to us, the Company does not have any intangible assets and hence the provisions of this clause are not applicable.

   (b) The Company has a regular programme for physical verification of its property, plant and equipment by which the property, plant and equipment are verified by the management according to a phased programme designed to cover all the items every year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its property, plant and equipment. In accordance with the programme, the Company has physically verified all of its property, plant and equipment during the year and no material discrepancies were noticed on such verification.

   (c) According to the information and explanations given to us, there are no immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) held in the name of the Company.

   (d) According to the information and explanations given to us, the Company has not revalued any of its Property, Plant and Equipment (including Right of Use assets) during the year.

   (e) Based on the audit procedures performed by us and according to the information, explanations and representations given to us, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

2. (a) According to the information and explanations given to us, the Company does not hold any inventory at the end of the year. Accordingly, the reporting under Clause 3(ii) (a) of the Order is not applicable to the Company.

   (b) According to the information and explanations given to us, the Company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets at any point of time during the year.

3. According to the information and explanations given to us, the Company has not made investments in or provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year. Accordingly, the reporting under Clauses 3(iii)(a) to 3(iii)(f) of the Order is not applicable to the Company.

4. According to the information and explanations given to us, the Company has not granted any loans or made any investments or provided any guarantees or security to the parties covered under Sections 185 and 186 of the Act. Accordingly, the reporting under Clause 3(iv) of the Order is not applicable to the Company.

5. According to the information and explanations given to us, the Company has not accepted deposits under the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. Accordingly, the reporting under Clause 3(v) of the Order is not applicable to the Company.

6. The Central Government has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company. Accordingly, the reporting under Clause 3(vi) of the Order is not applicable to the Company.

7. (a) According to the information and explanations given to us and on the basis of our examination of records of the Company, the amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Services tax, Provident Fund, Employees' State Insurance, Income-tax, Cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. The amounts deducted / accrued in the books of account in respect of undisputed statutory dues of Income-tax have been regularly deposited during the year by the Company with the appropriate authorities. According to the information and explanations given to us and on the basis of our examination of records of the Company, there were no undisputed statutory dues payable in respect of Sales tax, Service tax, Duty of Customs, Duty of Excise and Value Added Tax.

   According to the information and explanations given to us and on the basis of our examination of records of the Company, there were no arrears of outstanding statutory dues in respect of Goods and Services tax, Provident fund, Employees' State Insurance, Income-tax, Sales tax, Service tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other material statutory dues as on the last day of the financial year for a period of more than six months from the date they became payable.

   (b) According to the information and explanations given to us and on the basis of our examination of records of the Company, there are no statutory dues in respect of Goods and Services Tax, Provident Fund, Employees' State Insurance, Sales tax, Service tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and any other statutory dues as at 31 March 2022, which have not been deposited with the appropriate authorities on account of any dispute.

8. According to the information and explanations given to us, there are no transactions not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income-tax Act, 1961. Accordingly, the reporting under Clause 3(viii) of the Order is not applicable to the Company.

9. (a) According to the information and explanations given to us and based on the audit procedures performed by us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.

   (b) According to the information and explanations given to us, the Company has not been declared a wilful defaulter by any bank or financial institution or any other lender till the date of our audit report.

   (c) In our opinion and according to the information and explanations given to us, the total funds raised were Rs. 275 lakhs out of which Rs. 31 Lakhs were utilised during the year and balance remain unutilised.

   (d) In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that funds raised on short-term basis have not been utilised for long- term purposes as at the Balance Sheet date.

   (e) and (f) The Company does not have any subsidiaries or associates and hence the reporting under Clause (ix) (e) and (f) of the Order is not applicable to the Company.

10. (a) According to the information and explanations given to us, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under Clause 3(x)(a) of the Order is not applicable to the Company.

    (b) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Accordingly, the reporting under Clause 3(x)(b) of the Order is not applicable to the Company.

11. (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company noticed or reported during the year, nor have we been informed of any such case by the management.

    (b) There has been no report filed by us under sub-section (12) of Section 143 of the Act in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government. Accordingly, the reporting under Clause 3(xi)(b) of the Order is not applicable to the Company.

    (c) As represented to us by the management, no whistle blower complaints were received by the Company during the year.

12. According to the information and explanations given to us, the Company is not a Nidhi company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, the reporting under Clause 3(xii) of the Order is not applicable to the Company.

13. In our opinion and according to the information and explanations given to us, the Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the Financial Statements as required by Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act.

14. In our opinion and based on our examination, the Company does not have an internal audit system and is not required to have an internal audit system as per the provisions of the Act.

15. According to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or directors of its holding, or subsidiary company or persons connected with them during the year and hence, the provisions of Section 192 of the Act are not applicable to the Company. Accordingly, the reporting under Clause 3(xv) of the Order is not applicable to the Company.

16. (a) According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under Clause 3(xvi) of the Order is not applicable to the Company.

    (b) In our opinion and according to the information and explanations given to us, the Company has not conducted any Non-Banking Financial or Housing Finance activities. Accordingly, the reporting under Clause 3(xvi)(b) of the Order is not applicable to the Company.

    (c) In our opinion and according to the information and explanations given to us, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under Clauses 3(xvi)(c) of the Order is not applicable to the Company.

    (d) Based on the information and explanations given to us, we report that the Group has Six Core Investment Companies

17. In our opinion and according to the information and explanations given to us, the Company has incurred cash losses of Rs. 93,13,901 during the current financial year and Rs. 1,11,53,069 in the immediately preceding financial year.

18. There has been no resignation of the statutory auditors during the year. Accordingly, the reporting under Clause 3(xviii) of the Order is not applicable to the Company.

19. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets

and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of Balance Sheet as and when they fall due within a period of one year from the Balance Sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the Balance Sheet date, will get discharged by the Company as and when they fall due.

20. (a) According to the information and explanations given to us, provisions of section 135 of the Act is not applicable to the company and hence reporting under the provisions of clause (XX) (a) and (b) of the Order is not applicable to the Company.

For **B. K. Khare & Co**
Chartered Accountants
Firm Registration No. 105102W

Shirish Rahalkar
Partner
Membership No. 111212
UDIN: 22111212AHQJYV9501

Place: Mumbai
Date: April 21, 2022

ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT

[Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date]

Report on the Internal Financial Controls with reference to Financial Statements under Clause (i) of sub-section (3) of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to Financial Statements of XXX Limited ("the Company") as of March 31, 2022 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to Financial Statements of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to Financial Statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to Financial Statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

Meaning of Internal Financial Controls with reference to Financial Statements

A company's internal financial control with reference to Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Financial Statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to Financial Statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to Financial Statements to future periods are subject to the risk that the internal financial control with reference to Financial Statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system with reference to Financial Statements and such internal financial controls with reference to Financial Statements were operating effectively as at March 31, 2022, based on the criteria for internal financial control with reference to Financial Statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **B. K. Khare & Co.**
Chartered Accountants
Firm Registration No. 105102W

Shirish Rahalkar
Partner
Membership No. 111212
UDIN: 22111212AHQJYV9501

Place: Mumbai
Date: April 21, 2022

BALANCE SHEET AS AT 31ST MARCH, 2022

In Indian Rupees

	Particulars	Note No.	As at 31st March, 2022	As at 31st March, 2021
A	**ASSET**			
	Non-current assets			
	(a) Property, Plant and Equipment	3	**18,29,44,717**	19,81,31,450
	(b) Right to use land	4	**7,82,763**	7,03,111
	(c) Capital work in progress		**–**	–
	(d) Other financial assets		**–**	–
	(e) Other assets		**–**	–
	Total non-current Assets		**18,37,27,480**	19,88,34,561
	Current assets			
	(a) Inventories		**–**	–
	(b) Financial assets			
	(i) Cash and cash equivalents	5	**69,74,013**	20,27,524
	(ii) Other bank balances	5	**3,07,00,000**	2,75,00,000
	(iii) Trade receivables	6	**1,23,13,872**	4,91,71,460
	(iv) Other financial assets	7	**5,51,491**	39,91,946
	(c) Other assets	8	**2,73,47,773**	2,31,84,784
	Total current assets		**7,78,87,149**	10,58,75,714
	Total assets		**26,16,14,629**	30,47,10,275
B	**EQUITY AND LIABILITIES**			
	Equity			
	(a) Equity share capital	9	**30,00,00,000**	30,00,00,000
	(b) Other equity	10	**(10,41,61,610)**	(7,62,87,970)
	Equity attributable to owners of the company		**19,58,38,390**	22,37,12,030
	Non-current liabilities			
	(a) Financial Liabilities			
	(i) Borrowings	11	**2,75,00,000**	2,75,00,000
	(ii) Lease Liability		**6,85,660**	5,58,048
	(b) Provisions	12	**27,40,682**	17,35,638
	(c) Other Liabilities	13	**–**	23,01,170
	Total non-current liabilities		**3,09,26,342**	3,20,94,856
	Current liabilities			
	(a) Financial liabilities			
	(i) Trade payables	14		
	- dues of micro enterprises and small enterprises		**66,37,640**	1,24,34,405
	- dues of creditors other than micro enterprises and small enterprises		**1,85,19,255**	2,17,02,113
	(ii) Lease Liability		**1,53,790**	3,57,533
	(iii) Other financial liabilities	15	**30,11,799**	49,83,155
	(b) Other current liabilities	16	**52,53,430**	89,33,646
	(c) Provisions	17	**12,73,983**	4,92,538
	Total current liabilities		**3,48,49,897**	**4,89,03,390**
	Total equity and liabilities		**26,16,14,629**	**30,47,10,275**

The accompanying notes are an integral part of the financial statements

In terms of our report attached
For B.K Khare & Co.
Chartered Accountants
Firm Registration No 105102W

Shirish Rahalkar
Partner
Membership No. 111212

Place: Mumbai
Date: 21st April 2022

For and on behalf of the Board of Directors
Mahindra Waste To Energy Solutions Limited

Parag Shah	Director	DIN: 00374944
Manaswini Goel	Director	DIN: 08142619
P Palaniappan	Chief Executive Officer	
Vaishali Desai	Chief Financial Officer	
Binal Shah	Company Secretary	

Place: Mumbai
Date: 21st April 2022

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2022

In Indian Rupees

Particulars	Note No.	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Continuining Operations			
Revenue from operations	18	**7,33,89,143**	12,35,66,572
Other income	19	**28,78,554**	8,08,242
Total income		**7,62,67,697**	12,43,74,815
EXPENSES			
(a) Cost of materials consumed	20	**2,04,11,203**	7,34,50,150
(b) Changes in stock of finished goods and work in progress	21	**–**	42,79,259
(c) Employee benefit expense	22	**1,84,77,644**	1,46,00,344
(d) Finance cost	23	**22,08,285**	6,04,993
(e) Depreciation & amortisation expense	3 & 4	**1,83,46,795**	1,40,70,282
(f) Other expenses	24	**4,43,25,318**	4,26,48,673
Total expenses		**10,37,69,244**	14,96,53,702
Profit/(loss) before tax		**(2,75,01,548)**	(2,52,78,887)
Tax Expense			
(1) Current tax		**–**	–
(2) Deferred tax		**–**	–
(3) Income tax adjustments for earlier years		**–**	–
Total tax expense		**–**	–
Profit/(loss) for the year		**(2,75,01,548)**	(2,52,78,887)
Other comprehensive income			
(i) Items that will not be reclassified to profit or loss			
- Remeasurements of the defined benefit liabilities/(asset)		**(3,72,092)**	4,39,648
Total comprehensive income for the year (VII + VIII)		**(2,78,73,640)**	**(2,48,39,239)**
Earnings per equity share (for continuing operations):			
(1) Basic & Diluted EPS (in Rs.)	25	**(0.92)**	(0.97)

The accompanying notes are an integral part of the financial statements

In terms of our report attached
For B.K Khare & Co.
Chartered Accountants
Firm Registration No 105102W

Shirish Rahalkar
Partner
Membership No. 111212

Place: Mumbai
Date: 21st April 2022

For and on behalf of the Board of Directors
Mahindra Waste To Energy Solutions Limited

Parag Shah	Director	DIN: 00374944
Manaswini Goel	Director	DIN: 08142619
P Palaniappan	Chief Executive Officer	
Vaishali Desai	Chief Financial Officer	
Binal Shah	Company Secretary	

Place: Mumbai
Date: 21st April 2022

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2022
CASH FLOW STATEMENT - INDIRECT METHOD

In Indian Rupees

	Particulars	Note No.	For the year ended 31st March, 2022	For the year ended 31st March, 2021
A	**Cash flows from operating activities**			
	Loss before tax for the year		**(2,75,01,548)**	(2,52,78,887)
	Adjustments for:			
	Depreciation		**1,83,46,795**	1,40,70,282
	Interest on Fixed Deposits with Banks		**(28,78,554)**	(8,08,242)
			(1,20,33,306)	(1,20,16,846)
	Movements in working capital:			
	(Increase) in Inventories		**–**	42,79,258
	(Increase) in trade receivables		**3,68,57,588**	(4,38,97,486)
	(Increase) in other financial assets		**35,34,772**	(15,67,316)
	(Increase) in other assets		**(40,74,538)**	(59,03,389)
	Increase in trade and other payables		**(89,79,622)**	2,76,65,344
	Increase in provisions		**14,14,397**	(16,62,664)
	Increase in other financial liabilities		**1,25,728**	(4,38,866)
	Increase in other current liabilities		**(59,81,386)**	(4,71,26,853)
	Cash used from operations		**1,08,63,633**	(8,06,68,819)
	Income taxes paid		**(88,451)**	3,31,046
	Net cash (used)/generated by operating activities		**1,07,75,182**	(8,03,37,773)
B	**Cash flows from investing activities**			
	Payments to acquire capital assets		**(54,12,929)**	(1,77,13,357)
	Interest received		**27,84,237**	5,47,638
	Net cash (used)/generated by investing activities		**(26,28,693)**	(1,71,65,719)
C	**Cash flows from financing activities**			
	Proceeds from issue of equity instruments of the company		**–**	8,11,25,000
	Proceeds From Term Loan		**–**	2,75,00,000
	Share issue expenses		**–**	
	Net cash (used)/generated in financing activities		**–**	10,86,25,000
D	**Net increase in cash and cash equivalents**		**81,46,490**	1,11,21,508
	Cash and cash equivalents at the beginning of the year		**2,95,27,524**	1,84,06,016
	Cash and cash equivalents at the end of the year		**3,76,74,013**	2,95,27,524

The accompanying notes are an integral part of the financial statements

In terms of our report attached
For B.K Khare & Co.
Chartered Accountants
Firm Registration No 105102W

Shirish Rahalkar
Partner
Membership No. 111212

Place: Mumbai
Date: 21st April 2022

For and on behalf of the Board of Directors
Mahindra Waste To Energy Solutions Limited

Parag Shah	Director	DIN: 00374944
Manaswini Goel	Director	DIN: 08142619
P Palaniappan	Chief Executive Officer	
Vaishali Desai	Chief Financial Officer	
Binal Shah	Company Secretary	

Place: Mumbai
Date: 21st April 2022

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2022

A - Equity Share Capital

In Indian Rupees

Issued and subscribed:	As at 31st March, 2022	As at 31st March, 2021
Balance as at the beginning of the year	**30,00,00,000**	21,88,75,000
Add:		
Shares issued	**–**	8,11,25,000
Share Application	**–**	–
Balance as at the end of the year	**30,00,00,000**	30,00,00,000

Notes:

Company has only one class of Equity Shares having par value of Rs. 10 each.

B - Other Equity

In Indian Rupees

Particulars	Retained Earnings	Other comprehensive income (Remeasurements of the defined benefit plans)	Total
Balance as at 31st March, 2020	(5,12,61,539)	(1,87,193)	(5,14,48,732)
Net(Loss) for the year	(2,52,78,887)	–	(2,52,78,887)
Share issue expenses	–	–	–
Other Comprehensive income/(Loss)	**–**	4,39,648	4,39,648
Balance as at 31st March, 2020	(7,65,40,425)	2,52,455	(7,62,87,970)
Net (Loss) for the year	(2,75,01,548)	–	(2,75,01,548)
Share issue expenses	**–**	–	–
Other Comprehensive income/(Loss)	**–**	(3,72,092)	(3,72,092)
Balance as at 31st March, 2021	**(10,40,41,973)**	**(1,19,637)**	**(10,41,61,610)**

The accompanying notes are an integral part of the financial statements

In terms of our report attached
For B.K Khare & Co.
Chartered Accountants
Firm Registration No 105102W

Shirish Rahalkar
Partner
Membership No. 111212

Place: Mumbai
Date: 21st April 2022

For and on behalf of the Board of Directors
Mahindra Waste To Energy Solutions Limited

Parag Shah	Director	DIN: 00374944
Manaswini Goel	Director	DIN: 08142619
P Palaniappan	Chief Executive Officer	
Vaishali Desai	Chief Financial Officer	
Binal Shah	Company Secretary	

Place: Mumbai
Date: 21st April 2022

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

1 Corporate information:

Mahindra Waste to Energy Solutions Limited is a public limited company incorporated in Mumbai, India under the Companies Act 2013. The company is a subsidiary of Mahindra & Mahindra Limited as on 31st March,2022. The company is engaged, inter alia in the business of construction, operation and maintenance of the biogas plants and sale of biogas and manure generated from the biogas plants

2 Significant Accounting Policies followed by the Company:

2.1 Statement of compliance and basis of preparation and presentation of financial statements:

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by Companies (Indian Accounting Standards) Rules 2016.

All assets and liabilities are classified as current if it is expected to realise or settle within 12 months after the Balance Sheet date.

The financial statements are presented in Indian Rupees (INR) which is also the Company's functional currency.

2.2 Financial Assets and Financial Liabilities:

Financial Instruments:

Financial assets and financial liabilities are recognised when a Company becomes a party to the contractual provisions of the instruments. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

Financial Assets:

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace. All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Financial Liabilities and Equity Instruments:

Equity instruments issued by the Company are classified as equity in accordance with the substance of the contractual agreements and the definitions of an equity instrument.

Equity Instrument:

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all its liabilities. Equity instruments issued by the Company are recognized at the proceeds received, net of direct issue costs.

Financial Liabilities:

All the financial liabilities are subsequently measured at either amortised cost using the effective interest method or at fair value through profit and loss, depending on the classification of the financial liabilities.

2.3 Property, plant and equipment:

Property, plant and equipment are stated at cost of acquisition or construction less accumulated depreciation and accumulated impairment, if any. Cost includes financing cost relating to borrowed funds attributable to the construction or acquisition of qualifying tangible assets upto the date the assets are ready for use.

Depreciation is provided on straight-line basis for property, plant and equipment so as to expense the depreciable amount, i.e. the cost less estimated residual value, over its estimated useful lives. The estimated useful lives and residual values are reviewed annually and the effect of any changes in estimate is accounted for on a prospective basis.

When an asset is scrapped or otherwise disposed off, the cost and related depreciation are removed from the books of account and resultant profit or loss, if any, is reflected in the Statement of Profit and Loss.

The management's estimate of useful lives are in accordance with Schedule II to the Companies Act, 2013, other than the following asset classes, based on the Company's expected usage pattern supported by technical assessment:

Certain items of Plant and machinery individually costing more than Rs. 5,000 – over useful lives (2 years, 3 years, 5 years, 8 years, 10 years, 15 years, 20 years or 25 years as the case may be), Vehicles 5 years, Assets below Rs.5,000/- 1 year as determined by the company.

2.4 Inventories:

Inventories comprise all costs of purchase, conversion and other costs incurred in bringing the inventories to their present location and condition.

Raw materials and bought out components are valued at the lower of cost or net realizable value. Cost is determined on the basis of the weighted average method.

Finished goods produced, manufactured components are carried at cost or net realizable value whichever is lower.

Stores, spares and tools other than obsolete and slow-moving items are carried at cost. Obsolete and slow-moving items are valued at cost or estimated net realizable value, whichever is lower.

2.5 Employee benefits:

(i) Defined Contribution Plan:

The Company's contributions paid/payable during the year to Provident Fund and Superannuation Fund are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made as and when services are rendered by the employees.

(ii) Defined Benefit Plan / Leave encashment:

The Company's liability towards gratuity and leave encashment is determined using the projected unit credit method which considers each period of service as giving rights to an additional unit of benefit entitlement and measure each unit separately to build up the final obligation. Past services are recognised on straight line basis over the average period until the benefits become vested. Actuarial gains and losses are recognised immediately in the Statement of other comprehensive income as income or expense. Obligation is measured at the present value of estimated future cash flow using discounted rate i.e. determined by reference to the market yield at the Balance Sheet date on Government Bonds where the currency and terms of the Government Bonds are consistent with the currency and estimated terms of the defined benefit obligation.

(iii) Other Benefits:

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees is recognised during the period when the employee renders the service.

2.6 Leases:

Ind AS 116 is replaced the existing leases standard, Ind AS 17 Leases. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on balance sheet lessee accounting model for lessees. A lessee recognises right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. The standard also contains enhanced disclosure requirements for lessees.

Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17. The amendment is effective for annual periods beginning on or after 01st April 19.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

2.7 Revenue Recognition:

In view of INDAS 115, Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration the Company expects to receive in exchange for those products or services. To recognize revenues, companies apply the following five step approach:

(1) identify the contract with a customer

(2) identify the performance obligations in the contract

(3) determine the transaction price

(4) allocate the transaction price to the performance obligations in the contract

(5) recognize revenues when a performance obligation is satisfied.

The Company applies judgement to determine whether each product or services promised to a customer are capable of being distinct, and are distinct in the context of the contract, if not, the promised product or services are combined and accounted as a single performance obligation. The Company allocates the arrangement consideration to separately identifiable performance obligation based on their selling price.

Carbon Credit:

During the year, the company had applied for Carbon Credits with Verra/ Verified Carbon Standard & had booked carbon credit revenue for the credits transferred as per the agreement. The revenue is booked at the agreed rate of transfer between both the parties on realisation basis.

2.8 Provisions:

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

2.9 Taxes on Income:

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the period. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences could be utilized.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax for the year:

Current and deferred tax are recognized in the Statement of Profit or Loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively.

Minimum Alternate Tax:

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax against which the MAT paid will be adjusted

2.10 Measurement of fair values:

The company's accounting policies and disclosures require the measurement of fair values. In determining the fair value of its financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date.

Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets and liabilities.

Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

2.11 Use of estimates and judgements:

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets, liabilities, income, expenses etc. at the date of these financial statements and the reported amounts of revenues and expenses for the years presented. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed at each balance sheet date. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods affected.

2.12 Cash and cash equivalents:

Cash comprises demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

2.13 Cash flow statement:

Cash flows are reported using the indirect method, whereby profit / (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

2.14 Earnings per share:

Basic earnings per share is computed by dividing the profit / (loss) after tax by the weighted average number of equity shares outstanding during the period.

2.15 Interest Income:

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

Note No. 3 - Tangible Assets

In Indian Rupees

Description of Assets	Buildings	Plant and Equipment	Plant & Equipment - Electrical Installations	Plant and Equipment - Computers	Furniture & Fixtures	Vehicles	Total
I. Gross Block							
Balance as at 31st March, 2020	92,26,491	14,09,33,073	13,68,939	5,77,500	1,03,396	6,05,760	15,28,15,159
Additions	–	6,09,84,850.11	6,73,343.90	–	–	73,858	6,17,32,052
Disposals	–	–	–	–	–	–	–
Balance as at 31st March, 2021	92,26,491	20,19,17,924	20,42,283	5,77,500	1,03,396	6,79,618	21,45,47,211
Additions	15,03,751	16,10,192	–	–	–	–	31,13,943
Disposals	–	–	–	–	–	–	–
Balance as at 31st March, 2022	**1,07,30,242**	**20,35,28,116**	**20,42,283**	**5,77,500**	**1,03,396**	**6,79,618**	**21,76,61,154**
II. Accumulated depreciation							
Balance as at 31st March, 2020	5,49,756	16,16,610	10,910	1,96,456	3,221	9,749	23,86,702
Depreciation for the year	29,22,264	1,06,97,663	90,324	1,82,870	19,647	1,16,291	1,40,29,059
Eliminated on disposal of assets	–	–		–	–	–	–
Balance as at 31st March, 2021	34,72,020	1,23,14,273	1,01,234	3,79,326	22,868	1,26,040	1,64,15,761
Depreciation for the year	31,96,237	1,46,57,014	1,29,346	1,69,299	19,647	1,29,133	1,83,00,676
Eliminated on disposal of assets	–	–		–	–	–	–
Balance as at 31st March, 2022	**66,68,257**	**2,69,71,287**	**2,30,580**	**5,48,625**	**42,515**	**2,55,173**	**3,47,16,437**
Net Block (I-II) as on 31st March, 2022	**40,61,985**	**17,65,56,828**	**18,11,703**	**28,875**	**60,881**	**4,24,445**	**18,29,44,717**
Net Block (I-II) as on 31st March, 2021	**57,54,471**	**18,96,03,650**	**19,41,049**	**1,98,174**	**80,528**	**5,53,578**	**19,81,31,450**

Note No. 4 - Right to use land

In Indian Rupees

Description of Assets	Land
I. Gross Block	
Balance as at 31st March, 2020	7,85,557
Additions	
Disposals	-
Balance as at 31st March, 2021	7,85,557
Additions	1,25,771
Disposals	-
Balance as at 31st March, 2022	**9,11,328**
II. Accumulated Amortisation	
Balance as at 31st March, 2020	41,223
Amortisation for the year	41,223
Eliminated on disposal of assets	-
Balance as at 31st March, 2021	82,446
Amortisation for the year	46,119
Eliminated on disposal of assets	-
Balance as at 31st March, 2022	**1,28,565**
Net Block (I-II) as on 31st March, 2022	**7,82,763**
Net Block (I-II) as on 31st March, 2021	7,03,111

Note No. 5 - Cash and Bank Balances

In Indian Rupees

Particulars	As at 31st March, 2022	As at 31st March, 2021
(A) Cash and cash equivalents		
(i) Cash on hand	–	–
(ii) Balances with banks		
– In Current Account	**69,74,013**	20,27,524
– Fixed Deposits with original maturity less than 3 months	–	–
	69,74,013	20,27,524
(B) Other Bank Balances		
(i) Balances with banks		
– Fixed Deposits maturing within 12 months from the reporting date	**3,07,00,000**	2,75,00,000
	3,07,00,000	2,75,00,000
Total	**3,76,74,013**	2,95,27,524

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

Note No. 6 - Trade receivables

In Indian Rupees

Particulars	As at 31st March, 2022	As at 31st March, 2021
Trade Receivables		
Unsecured, considered good more than 6 months	**39,52,866**	–
Unsecured, considered good	**83,61,006**	4,91,71,460
Unsecured, considered Doubtful	**–**	–
Total	**1,23,13,872**	4,91,71,460

In Indian Rupees

	Particulars	Outstanding for following periods from due date of payment: Less than 6 months	6 months -1 year	1-2 Years	2-3 years	More than 3 years	Total
(i)	Undisputed Trade receivables — considered good	83,61,006	30,85,357	8,67,508			1,23,13,872
(ii)	Undisputed Trade Receivables — which have significant increase in credit risk						
(iii)	Undisputed Trade Receivables — credit impaired						
(iii)	Undisputed Trade Receivables — credit impaired						
(iv)	Disputed Trade Receivables — considered good						
(v)	Disputed Trade Receivables — which have significant increase in credit risk						
(v)	Disputed Trade Receivables — which have significant increase in credit risk						
(vi)	Disputed Trade Receivables — credit impaired						

Note No. 7 - Current other financial assets

In Indian Rupees

Particulars	As at 31st March, 2022	As at 31st March, 2021
Financial assets measured at amortised cost		
a) Interest receivable		
Interest accrued on fixed deposits	**3,99,561**	3,05,244
b) Recoverable expenses	**31,930**	16,62,702
c) Security deposits	**1,20,000**	20,24,000
Total	**5,51,491**	39,91,946

Note No. 8 - Current other assets

In Indian Rupees

Particulars	As at 31st March, 2022	As at 31st March, 2021
(a) Advances other than capital advances		
(i) Advance to Suppliers	**1,33,399**	2,49,115
(ii) Advances to employees	**2,000.00**	10,000
(b) Advance income tax (TDS receivable)	**3,39,134**	**2,30,033**
(c) TCS Paid	**–**	**20,650**
(d) GST credit receivable	**2,39,07,127**	**2,15,79,843**
(e) Prepaid expenses	**29,66,113**	10,95,143
Total	**2,73,47,773**	2,31,84,784

Note No. 9 - Equity share capital

In Indian Rupees

Particulars	As at 31st March, 2022	As at 31st March, 2021
Authorised:		
3,00,00,000 (31st March, 2022 : 3,00,00,000) equity shares of Rs. 10 each with voting rights	30,00,00,000	30,00,00,000
Issued, Subscribed and Fully Paid:		
3,00,00,000 (31st March, 2021 : 3,00,00,000) Equity shares of Rs. 10 each with voting rights	30,00,00,000	30,00,00,000
Share Application	–	
Total	30,00,00,000	30,00,00,000

(i) Reconciliation of the number of shares outstanding at the beginning and at the end of the year:

In Indian Rupees

Particulars	Opening Balance	Fresh Issue	Closing Balance
(a) Equity shares with voting rights as on 31st March, 2022			
No. of Shares	**3,00,00,000**		**3,00,00,000**
Amount	**30,00,00,000**	**–**	**30,00,00,000**
(b) Equity shares with voting rights as on 31st March, 2021			
No. of Shares	2,18,87,500	81,12,500	3,00,00,000
Amount	21,88,75,000	8,11,25,000	30,00,00,000

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

(ii) Terms/Rights attached to equity shares

The company has only one class of shares referred to as equity shares having par value of Rs. 10/-. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividend in Indian Rupees. The dividend proposed by Board of Directors is subject to the approval of the shareholders in the ensuring Annual General Meeting. In the event of liquidation of company the holders of equity shares will be entitled to receive any of the remaining assets of the company after distribution of all preferential amount. However no such preferential amounts exist currently. The distribution will be in proportion to number of equity shares held by shareholders.

(iii) Details of shares held by each shareholder holding more than 5% shares:

	As at 31st March, 2022		As at 31st March, 2021	
Class of shares / Name of shareholder	**Number of shares held**	**% holding in that class of shares**	Number of shares held	% holding in that class of shares
Equity shares with voting rights				
Mahindra and Mahindra Limited	**2,62,15,842**	**87.4%**	2,62,15,842	87.4%

(iv) Details of shares held by the holding company, the ultimate holding company, their subsidiaries and associates:

Particulars	**Number of Shares As at 31st March, 2022**	Number of Shares As at 31st March, 2021
Mahindra and Mahindra Limited , the holding company	**2,62,15,842**	2,62,15,842

(v) Shares held by promoter as on 31st March 2022

Promoter Name	**No. of Shares**	**% of Total Shares**	**% Change during the year**
Mahindra and Mahindra Limited	**2,62,15,842.00**	**87.4%**	-

(vi) Information on equity shares allotted without receipt of cash or allotted as bonus shares or shares bought back :

The Company has neither allotted equity shares without receipt of cash or as bonus shares nor bought back any equity shares during the financial year.

Note No. 10 - Other equity

In Indian Rupees

Particulars	**As at 31st March, 2022**	As at 31st March, 2021
Retained earnings		
Balance at the beginning of the reporting year	**(7,65,40,425)**	(5,12,61,539)
Net (Loss) for the current year	**(2,75,01,548)**	(2,52,78,887)
Share issue expenses	**–**	
Balance at the end of the year (A)	**(10,40,41,973)**	(7,65,40,425)
Other comprehensive income		
Balance at the beginning of the reporting year	**2,52,455**	(1,87,193)
(Addition)/Deletion during the year	**(3,72,092)**	4,39,648
Balance at the end of the year (B)	**(1,19,637)**	2,52,455
Balance at the end of the year (A+B)	**(10,41,61,610)**	(7,62,87,970)

Note No. 11 - Borrowings

In Indian Rupees

Particulars	**As at 31st March, 2022**	As at 31st March, 2021
Term Loan	**2,75,00,000**	2,75,00,000
Total	**2,75,00,000**	2,75,00,000

The above term loan is taken from Kotak Mahindra Bank Ltd @7.20% p.a for 3 years & the same is unsecured.

Note No. 12 - Non current provisions

In Indian Rupees

Particulars	**As at 31st March, 2022**	As at 31st March, 2021
Provision for employee benefits	**27,40,682**	17,35,638
Total	**27,40,682**	17,35,638

Note No. 13 - Non current liabilities

In Indian Rupees

Particulars	**As at 31st March, 2022**	As at 31st March, 2021
Deferred Revenue	**–**	23,01,170
Total	**–**	23,01,170

Note No. 14 - Trade payables

In Indian Rupees

Particulars	**As at 31st March, 2022**	As at 31st March, 2021
Trade payables		
Due to micro and small enterprises	**66,37,640**	1,24,34,405
Other than micro and small enterprises	**1,85,19,255**	2,17,02,113
Total	**2,51,56,895**	3,41,36,518

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

Particulars	Outstanding for following periods from due date of payment: Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	57,04,339.73	9,33,300.00			66,37,640
(ii) Others	1,13,22,896.83	71,96,358.40			1,85,19,255
(iii) Disputed dues — MSME					
(iv) Disputed dues - Others					

Note No. 15 - Current other financial liabilities

In Indian Rupees

Particulars	As at 31st March, 2022	As at 31st March, 2021
Financial liabilities measured at amortized cost		
Creditors for capital supplies / services		
Due to micro and small enterprises		2,13,927
Other than micro and small enterprises	**1,42,912**	21,02,200
Interest Accrued on Term Loan	**1,68,164**	–
Others	**27,00,723**	26,67,028
Total	**30,11,799**	49,83,155

Note No. 16 - Other current liabilities

In Indian Rupees

Particulars	As at 31st March, 2022	As at 31st March, 2021
Others		
a) Employee recoveries and employer contributions	**1,25,477**	1,30,688
b) Statutory dues (TDS payable)	**3,35,927**	9,07,954
c) Advance from customers	**–**	20,004
d) Deferred revenue	**47,92,026**	78,75,000
e) Statutory dues (GST payable)	**–**	–
Total	**52,53,430**	89,33,646

Note No. 17 - Current provisions

In Indian Rupees

Particulars	As at 31st March, 2022	As at 31st March, 2021
Provision for employee benefits	**12,73,983**	4,92,538
Total	**12,73,983**	4,92,538

Note No. 18 - Revenue from operations

In Indian Rupees

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
(a) Revenue from sale of goods	**3,36,16,010**	2,64,75,316
(b) Revenue from sale of services	**90,88,333**	1,00,25,634
(c) Other operating income	**3,06,84,800**	87,88,787
(d) Income From EPC Project	**–**	7,82,76,836
Total	**7,33,89,143**	12,35,66,572

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
(i) Sale of products comprises:		
Manufactured goods		
Sales of product - Biogas	**2,25,67,351**	1,45,02,625
Sales of product - Manure	**1,10,48,659**	1,19,34,691
Less: Commission on sales	**–**	–
Total	**3,36,16,010**	2,64,37,316
Traded goods		
Sales of equipments		38,000
	3,36,16,010	2,64,75,316
(ii) Sale of Services	**90,88,333**	1,00,25,634
(iii) Other operating revenues comprise:		
Tipping fee	**1,11,06,458**	87,88,787
Carbon Credit Sale	**1,95,78,342**	
(iv) Income From EPC Project	**–**	7,82,76,836
Total	**7,33,89,143**	12,35,66,572

Note No. 19 - Other income

In Indian Rupees

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
(i) **Interest Income**		
On bank deposits	**13,97,168**	7,71,132
On Income Tax	**1,01,151**	37,110
(ii) Subsidy from Department of Fertiliser	**12,19,028**	
(iii) Other Income	**1,61,207**	
Total	**28,78,554**	8,08,242

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

Note No. 20 - Cost of materials consumed

In Indian Rupees

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Opening stock	–	–
Add: Purchases/Processing charges	2,04,11,203	7,34,50,150
	2,04,11,203	7,34,50,150
Less: Closing stock	–	–
Cost of materials consumed	2,04,11,203	7,34,50,150

Note No. 21 - Changes in inventories of finished goods

In Indian Rupees

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Inventories at the end of the year :		
Work in progress	–	–
Finished goods	–	–
Inventories at the beginning of the year :		
Work in progress	–	41,69,761
Finished goods	–	1,09,497
Net (increase) / decrease	–	42,79,259

Note No. 22 - Employee Benefits Expense

In Indian Rupees

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
(a) Salaries and wages, including bonus	1,76,52,252	1,37,50,308
(b) Contribution to provident and other funds	6,77,576	6,31,864
(c) Staff welfare expenses	1,47,816	2,18,172
Total	1,84,77,644	1,46,00,344

Note No. 23 - Finance Cost

In Indian Rupees

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Interest unwinding - Lease Liability	64,309	72,956
Interest on Term Loans	19,95,483	5,48,093
Interest-others	1,48,493	(16,056)
Total	22,08,285	6,04,993

Note No. 24 - Other expenses

In Indian Rupees

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
(a) Stores consumed	18,38,117	12,31,725
(b) Power & Fuel	1,30,80,151	87,12,656
(c) Repairs and maintenance - Buildings	–	–
(d) Repairs and maintenance - Machinery	–	13,562
(e) Repairs and maintenance - Others	85,36,669	68,80,286
(f) Hire & service charges	1,20,70,681	1,12,71,463
(g) Travelling and Conveyance Expenses	12,16,952	7,25,607
(h) Filing fees	1,45,944	48,590
(i) Professional fees	33,82,503	1,01,34,564
(j) Rent including lease rentals	3,38,507	2,65,167
(k) Stamp Duty	–	1,45,282
(l) Rates and taxes	21,53,171	9,04,119
(m) Business Promotion	53,286	5,878
(n) Royalty	1,00,000	1,00,000
(o) Bank charges	63,263	35,454
(p) Auditors remuneration and out-of-pocket expenses	–	–
(i) As Auditors	60,000	60,000
(ii) For Taxation matters	–	–
(iii) For Other services	49,000	–
(q) Insurance	6,13,180	1,56,396
(r) Postage and telephone	1,27,581	1,17,785
(s) Printing and stationery	14,475	36,841
(t) Freight outward	–	–
(u) Sales promotion	–	–
(v) Registration Expense	1,76,000	8,42,531
(w) Provision for Bad & Doubtful Debts	–	
(x) Miscellaneous Expenses	3,05,838	9,60,769
Total	4,43,25,318	4,26,48,673

Note No. 25 - Disclosures under Ind AS 33

In Indian Rupees

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Basic & Diluted Earnings per share - continuing operations	(0.92)	(0.97)

Basic earnings per share

The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:

In Indian Rupees

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
(Loss) for the period attributable to owners of the Company	(2,75,01,548)	(2,52,78,887)
Weighted average number of equity shares	3,00,00,000	2,61,65,864
Earnings per share from continuing operations - Basic & Diluted	(0.92)	(0.97)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

Note No. 26 - Financial Instruments

29.1 Capital management

The company's capital management objectives are:

– to ensure the company's ability to continue as a going concern

– to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

The company monitors capital on the basis of the carrying amount of equity as presented on the face of the statement of financial position.

The company sets the amount of capital in proportion to its overall financing structure, i.e. equity and financial liabilities. The company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

	31st March, 2022	31st March, 2021
Equity	**19,58,38,390**	22,37,12,030
	19,58,38,390	22,37,12,030

29.2 Categories of financial assets and financial liabilities

In Indian Rupees

As at 31st March, 2022

	Amortised Costs	**FVTPL**	**FVOCI**	**Total**
Non-current Assets				
Other Financial Assets				
– Non Derivative Financial Assets	–	–	–	–
Current Assets				
Cash and Cash Equivalents	**69,74,013**	-	-	**69,74,013**
Other Bank Balances	**3,07,00,000**	-	-	**3,07,00,000**
Trade Receivables	**1,23,13,872**	-	-	**1,23,13,872**
Other Financial Assets				-
– Non Derivative Financial Assets	**5,51,491**	-	-	**5,51,491**
Non-current Liability				
– Borrowings	**2,75,00,000**			**2,75,00,000**
– Lease Liability	**6,85,660**			**6,85,660**
Current Liabilities				
Trade Payables	**2,51,56,895**	-	-	**2,51,56,895**
Lease Liability	**1,53,790**			**1,53,790**
Other Financial Liabilities				
– Non Derivative Financial Liabilities	**30,11,799**	-	-	**30,11,799**

29.3 Categories of financial assets and financial liabilities

In Indian Rupees

As at 31st March, 2021

	Amortised Costs	FVTPL	FVOCI	Total
Non-current Assets				
Other Financial Assets				
– Non Derivative Financial Assets	–	–	–	–
Current Assets				
Cash and Cash Equivalents	20,27,524	–	–	20,27,524
Other Bank Balances	2,75,00,000	–	–	2,75,00,000
Trade Receivables	4,91,71,460	–		4,91,71,460
Other Financial Assets				–
– Non Derivative Financial Assets	39,91,946	–	–	39,91,946
Non-current Liability				
Borrowings	2,75,00,000			2,75,00,000
Lease Liability	5,58,048			5,58,048
Current Liabilities				
Trade Payables	3,41,36,518	–	–	3,41,36,518
Lease Liability	3,57,533			3,57,533
Other Financial Liabilities				–
– Non Derivative Financial Liabilities	49,83,155	–	–	49,83,155

Financial Risk Management Framework

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk. In order to manage the aforementioned risks, the Company operates a program that performs monitoring of and responding to risk factors.

CREDIT RISK

(i) Credit risk management

Credit risk arises when a counterparty defaults on its contractual obligations to pay resulting in financial loss to the Company. Financial instruments that are subject to credit risk, principally consists of trade receivables and investment in fixed deposits etc. The Company has adopted a policy of only dealing with creditworthy counterparties. Credit risk does not arise on investment in fixed deposits, as they are currently placed with corporate banks having high net worth and good credit ratings and hence management does not anticipate any credit risk.

LIQUIDITY RISK

(i) Liquidity risk management

The company has established an appropriate liquidity risk management framework for the management of the Company's short-, medium- and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

(ii) Maturities of financial assets

The following table details the Company's expected maturity for its non-derivative financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Company's liquidity risk management as the liquidity is managed on a net asset and liability basis.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

In Indian Rupees

Particulars	Less than 1 Year	1-3 Years	4 Years to 5 Years	5 years and above
Non-derivative financial assets				
31st March, 2022				
Non-interest bearing	**1,94,39,815**	–	–	–
Variable interest rate instruments		–	–	–
Fixed interest rate instruments	**3,10,99,561**	–	–	–
Total	**5,05,39,376**	–	–	–
31st March, 2021				
Non-interest bearing	5,48,85,686	–	–	–
Variable interest rate instruments		–	–	–
Fixed interest rate instruments	2,78,05,244	–	–	–
Total	8,26,90,930	–	–	–

(iii) Maturities of financial liabilities

The following table details the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The amount disclosed in the tables have been drawn up based on the cash flows of financial liabilities based on the earliest date on which the Company can be required to pay.

In Indian Rupees

Particulars	Less than 1 Year	1 Year -3 Years	4 Years to 5 Years	5 years and above
Non-derivative financial Liabilities				
31st March, 2022				
Non-interest bearing	**2,80,00,530**		–	–
Variable interest rate instruments	–	–	–	–
Fixed interest rate instruments	**3,21,954**	**2,76,36,607**	**1,18,541**	**4,30,511**
Total	**2,83,22,484**	**2,76,36,607**	**1,18,541**	**4,30,511**

In Indian Rupees

Particulars	Less than 1 Year	1 Year -3 Years	4 Years to 5 Years	5 years and above
31st March, 2021				
Non-interest bearing	3,91,19,673	–	–	–
Variable interest rate instruments	–	–	–	–
Fixed interest rate instruments	3,57,533	2,76,20,728	1,00,721	3,36,600
Total	3,94,77,206	2,76,20,728	1,00,721	3,36,600

MARKET RISK

Market risk is the risk value that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk : currency risk, interest rate risk and other price risk such as equity price risk and commodity price risk. The objective of market risk management is to mange and control market risk exposure within acceptable parameters, while optimising the return. Future specific market movements cannot be normally predicted with reasonable accuracy.

(i) Currency risk

The Company has not undertaken transactions denominated in foreign currencies; consequently, no exposures to exchange rate fluctuations arise.

The carrying amounts of the company's foreign currency denominated monetary assets and monetary liabilities at the end of the year is Rs. Nil (31st March, 2021 :Rs. Nil)

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The company is not exposed to the risk of changes in market interest rates as the company does not have any long term debt obligations with floating interest rate.

(iii) Other price risk

The company is not exposed to equity price risks.

Note No. 27 - Fair Value Measurement

Fair value of financial assets and financial liabilities that are not measured at fair value

In Indian Rupees

Particulars	Level	As at 31st March, 2022 Carrying amount	As at 31st March, 2022 Fair value	As at 31st March, 2021 Carrying amount	As at 31st March, 2021 Fair value
Financial assets					
Financial assets carried at amortised cost					
– Non-current other financial assets	Level - 2	**–**	**–**	–	–
– Cash and Cash Equivalents	Level - 2	**69,74,013**	**69,74,013**	20,27,524	20,27,524
– Other Bank Balances	Level - 2	**3,07,00,000**	**3,07,00,000**	2,75,00,000	2,75,00,000
– Trade and other receivables	Level - 3	**1,23,13,872**	**1,23,13,872**	4,91,71,460	4,91,71,460
– Current other Financial Assets	Level - 3	**5,51,491**	**5,51,491**	39,91,946	39,91,946
Total		**5,05,39,376**	**5,05,39,376**	8,26,90,930	8,26,90,930
Financial liabilities					
Financial liabilities held at amortised cost					
– Term Loan	Level - 2	**2,75,00,000**	**2,75,00,000**	2,75,00,000	2,75,00,000
– Lease Liability	Level - 3	**8,39,450**	**8,39,450**	9,15,581	9,15,581
– Trade and other payables	Level - 3	**2,51,56,895**	**2,51,56,895**	3,41,36,518	3,41,36,518
– Current other financial liabilities	Level - 3	**30,11,799**	**30,11,799**	49,83,155	49,83,155
Total		**5,65,08,144**	**5,65,08,144**	6,75,35,254	6,75,35,254

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

Note No. 28 - Ratios

In Indian Rupees

Particulars	FY 2021-22	FY 2020-21
Current Ratio	**2.23**	2.16
Debt Equity Ratio	**0.34**	0.36
Debt Service Coverage Ratio	**(3.22)**	(17.97)
Return on Equity Ratio	**(0.13)**	(0.13)
Inventory turnover ratio	**–**	–
Trade Receivables turnover ratio	**2.39**	4.54
Trade payables turnover ratio	**1.89**	4.99
Working capital turnover ratio	**1.71**	2.17
Net profit ratio	**(0.38)**	(0.20)
Return on Capital employed	**(0.12)**	(0.10)
Return on investment.	**–**	–

Note No. 29 - Employee Benefits

(A) Defined Contribution Plan

Amount recognised as an expense in the Statement of Profit and Loss is Rs. 2,97,917 (31st March,2021 Rs. 4,91,457).

(B) Defined benefit plan:

The defined benefit plan comprise of gratuity

The company operates a gratuity plan covering qualifying employees . The benefit payable is the greater of the amount calculated as per the Payment of Gratuity Act or the company scheme applicable to the employee. The benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. The current service cost and the net interest expense for the year are included in the employee benefits and expenses during the year provided is Rs. 2,97,917 (31st March,2021 Rs. 4,91,457).

Through its defined benefit plans the company is exposed to a number of risks, the most significant of which are detailed below :

Discount Rate Risk:

A decrease in government bond yields will increase plan liabilities.

Longevity Risk:

The present value of defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary Risk:

The present value of defined benefit plan liability is calculated by reference to the future salaries plan participants. As such, an increase in the salary of the plan participants will increase the plans's liability.

In Indian Rupees

(C) Particulars	Gratuity (Unfunded)	
Changes in the present value of defined obligation representing reconciliation of opening and closing balances thereof are as follows:	**For the year ended 31st March, 2022**	For the year ended 31st March, 2021
1. Present value of defined benefit obligation as on 1st April	**15,93,468**	20,83,813
2. Current service cost	**2,26,971**	3,54,316
3. Past service cost	**–**	–
4. Interest cost	**70,946**	1,37,141
5. Remeasurements (gains)/losses [Acturial (gains)/losses]		
(i) Acturial (gains)/losses arising from changes in demographic assumption		(1,67,025)
(ii) Acturial (gains)/losses arising from changes in financial assumption	**(64,340)**	1,96,119
(iii) Acturial (gains)/losses arising from changes in experience adjustment	**4,36,432**	(4,68,742)
6. Benefits paid	**–**	(5,42,154)
7. Liabilities assumed / (settled)	**–**	
8. Present value of defined benefit obligation as on balance sheet date	**22,63,477**	15,93,468

In Indian Rupees

(D) Analysis of defined benefit obligation:	As at 31st March, 2022	As at 31st March, 2021
1. Defined benefit obligation	**22,63,477**	15,93,468
2. Fair value of plan assets at the end of the year	**–**	–
3. **Net (asset)/liability recognised in the Balance Sheet**	**22,63,477**	15,93,468

In Indian Rupees

(E) Reconciliation of present value of defined benefit obligation and fair value of plan assets showing amount recognised in the balance sheet:	As at 31st March, 2022	As at 31st March, 2021
1. Present value of defined benefit obligation	**22,63,477**	15,93,468
2. Fair value of plan assets	**–**	–
3. Funded status [surplus/(deficit)]	**(22,63,477)**	(15,93,468)
4. **Net asset/(liability) recognised in balance sheet**	**(22,63,477)**	(15,93,468)
5. Current portion of the above	**(7,88,550)**	(2,91,162)
6. Non-current portion of the above	**(14,74,927)**	(13,02,306)

In Indian Rupees

(F) Components of employer expenses recognised in the statement of profit and loss for the year ended	For the year ended 31st March, 2022	For the year ended 31st March, 2021
1. Current service cost	**2,26,971**	3,54,316
2. Past service cost	**–**	–
3. Interest cost	**70,946**	1,37,141
4. **Total expenses recognised in the Statement of Profit and Loss**	**2,97,917**	4,91,457

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

In Indian Rupees

	(G) Components of employer expenses recognised in the comprehensive income for the year ended	**For the year ended 31st March, 2022**	For the year ended 31st March, 2021
1.	Actuarial Losses/(Gains)		
	(i) arising from changes in demographic assumption	**–**	(1,67,025)
	(ii) arising from changes in financial assumption	**(64,340)**	1,96,119
	(iii) arising from changes in experience adjustment	**4,36,432**	(4,68,742)
2.	**Components of defined benefit costs recognised in other comprehensive income**	**3,72,092**	(4,39,648)

In Indian Rupees

	(H) Reconciliation of present value of defined benefit obligation and fair value of plan assets showing amount recognised in the balance sheet:	**As at 31st March, 2022**	As at 31st March, 2021
1.	Discount rate (%)	**5.65%**	4.90%
2.	Expected return on plan assets (%)	**NA**	NA
3.	Salary escalation (%)	**10%**	10%
4.	Withdrawal rate (%) (others)	**23%**	23%

a) The discount rate is based on the prevailing market yields of Indian government securities as at the balance sheet date for the estimated terms of the obligations.

b) Salary escalation rate : The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors

In Indian Rupees

	(I) Experience adjustments	**For the year ended 31st March, 2022**	For the year ended 31st March, 2021
1.	Defined benefit obligation at the end of the year	**22,63,477**	15,93,468
2.	Plan assets at the end of the year	**-**	-
3.	Surplus/(deficit)	**(22,63,477)**	(15,93,468)
4.	Experience adjustments on plan liabilities (gains)/losses	**4,36,432**	(4,68,742)
5.	Experience adjustments on plan assets	**-**	-

In Indian Rupees

(J) Sensitivity of the defined benefit obligation to changes:		**Changes in assumption**	**Impact on defined benefit obligation increase/(decrease)**	
			Increase in assumption	**Decrease in assumption**
1. Discount rate (%)	**2022**	**1%**	**(79,826)**	**86,707**
	2021	1%	(72,318)	78,826
2. Salary escalation (%)	**2022**	**1%**	**82,357**	**(77,467)**
	2021	1%	74,311	(69,706)

Note:

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practise this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method has been applied as when calculating the defined benefit liability recognised in the balance sheet.

The method and types of assumptions used in preparing the sensitivity analysis did not change.

In Indian Rupees

(K) Maturity profile of defined benefit obligation:	**2022**	2021
Within 1 year	**7,88,550**	2,91,162
2 - 5 years	**10,54,115**	8,88,005
6 - 9 years	**7,02,277**	4,73,343
10 years & above	**3,28,329**	4,07,543

(L) The weighted average duration of the defined benefit obligation as at 31st March, 2022 is 3.67 years (31st March, 2021 : 4.73 years)

Note No. 30 - Related Party Transactions

Party with whom transactions have taken place during the year

Relationship	**Name of the Company**
Parent company	Mahindra & Mahindra Limited
Fellow subsidiary	Mahindra Integrated Business Solutions Limited
Fellow subsidiary	Mahindra Summit Agriscience Limited
Key managerial personnel	P. Palaniappan - Chief Executive Officer
Independent Director	Smita Mankad
Independent Director	Rahul Asthana

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

Details of transaction between the Company and its related party is disclosed below:

	In Indian Rupees				
Particulars	**For the period ended**	**Parent Company**	**Fellow Subsidiary**	**Key managerial personnel**	**Independent Directors**
Nature of transactions with Related Party					
Contribution of equity to the company	**March 31, 2022**	**–**	**–**	**–**	**–**
	March 31, 2021	7,70,58,420	–	–	–
Purchase of assets	**March 31, 2022**	**–**	**–**	**–**	**–**
	March 31, 2021	26,65,000	–	–	–
Sale of Good/ Services rendered	**March 31, 2022**	**90,88,333**	**64,000**	**–**	**–**
	March 31, 2021	85,63,634	–	–	–
Professional Fees	**March 31, 2022**	**2,80,000**	**15,33,000.00**	**–**	**–**
	March 31, 2021	–	12,05,646	–	–
Royalty	**March 31, 2022**	**1,00,000.00**	**–**	**–**	**–**
	March 31, 2021	1,00,000	–	–	–
Advances received	**March 31, 2022**	**24,90,856**	**–**	**–**	**–**
	March 31, 2021	31,50,056	–	–	–
Reimbursement of expenses-paid	***March 31, 2022***	**9,65,303**	**–**	**1,44,603**	**–**
	March 31, 2021	55,28,955	–	1,60,893	–
Reimbursement of expenses-received	***March 31, 2022***	**–**	**–**	**–**	**–**
	March 31, 2021	–	–	–	–
Remuneration Paid	***March 31, 2022***	**–**	**–**	**55,00,000**	**4,70,000**
	March 31, 2021	–	–	50,00,000	7,00,000

	In Indian Rupees				
	Balance as on	**Parent Company**	**Fellow Subsidiary**	**Key managerial personnel**	**Independent Directors**
Nature of Balances with Related Parties					
Trade Payables	**March 31, 2022**	**78,93,131**	**4,67,480**	**–**	**–**
	March 31, 2021	86,09,534	4,24,600	–	–
Payable on Capital Expenditure	**March 31, 2022**		**–**	**–**	**–**
	March 31, 2021	–	–	–	–
Trade Receivables	**March 31, 2022**	**1,23,900**	**–**	**–**	**–**
	March 31, 2021	2,37,786	–	–	–

Note No. 31 - Disclosures under Ind AS 115

A Country-wise break up of Revenue

In Indian Rupees

Country	**Revenue from contracts with customers (Ind AS 115)**	**Revenue from operations from other than customers**	**Total Revenue from Operations**	**Other Income**	**Total Income**
India - 31st March, 2022......	**7,33,89,143**		**7,33,89,143**	**28,78,554**	**7,62,67,697**
India - 31st March, 2021......	12,35,66,572		12,35,66,572	8,08,242	12,43,74,814

B Breakup of Revenue into contracts entered in previous year and in current year

Particulars	**For the year ended 31st March, 2022**	For the year ended 31st March, 2021
Revenue from PO/ contract / agreement entered into previous year	**2,01,94,791**	7,82,76,836
Revenue from New PO/ contract / agreement entered into current year............	**5,31,94,352**	4,52,89,736
Total revenue recognised during the year ...	**7,33,89,143**	12,35,66,572

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

C Reconciliation of revenue from contract with customer

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Revenue from contract with customer as per the contract price..	7,33,89,143	12,35,66,572
Adjustments made to contract price on account of		
Commission on Sales	–	–
Total revenue recognised during the year ...	**7,33,89,143**	12,35,66,572

D Revenue to be recognised for performance obligation(s) not satisfied or partially satisfied at the end of the current year in respect of contracts with customer that are in place at the end of reporting year.

The company has entered into contract with customers, however the price is dependant on market conditions, no value is assigned

Note No. 32 - Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

1. Trade Payables are payables in respect of the amount due on account of goods purchased or services received in the normal course of business.
2. There are some Micro and Small Enterprises, to whom the Company owes dues, which are outstanding for more than the stipulated period. The information regarding micro and small enterprises have been determined to the extent such parties have been identified on the basis of information available with the Company. The disclosures required to be made as per the Micro, Small and Medium Enterprises Development Act, 2006 are as follows:

In Indian Rupees

	Particulars	As at 31st March, 2022	As at 31st March, 2021
(i)	Dues remaining unpaid		
	Principal	66,37,640	1,24,34,405
	Interest	1,41,079	34,592
(ii)	Interest paid in terms of Section 16 of the Act	–	–
(iii)	Amount of interest due and payable for the period of delay on payments made beyond the appointed day during the year	97,364	–
(iv)	Amount of interest accrued and remaining unpaid	9,123	34,592
(v)	Amount of interest due and payable on previous year's outstanding amount	–	–

Dues to micro and small enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management.

Note No. 33 - Operating Lease

Future minimum lease payment under non-cancellable operating leases is as follows:

In Indian Rupees

Particulars	As at 31st March, 2022	As at 31st March, 2021
Not later than one year	1,09,368	90,652
Later than one year and not later than five years	3,49,976	3,62,608
Later than five years	9,94,855	10,91,918

Note No. 34 - Contingent Liabilities & Commitments:

In Indian Rupees

Particulars	As at 31st March, 2022	As at 31st March, 2021
Claims against the Company not acknowledged as debts		
Guarantees:		
Performance Bank Guarantee issued by the banks	51,00,000	5,10,00,000
Commitments		
Estimated amount of contracts remaining to be executed on capital account (net of advances already made) and not provided for is	–	–

Note No. 35 - Segment Reporting

The company business activity falls within a single business segment viz. sale of biogas and manure. All other activities of the company revolve around its main business . Hence, there are no separate reportable primary segments.

Note No. 36 - In the opinion of the Board, all of the assets other than fixed assets and non-current investments, have a value on realization in the ordinary course of business at least equal to the amount at which they are stated.

Note No. 37 - Deferred Tax Asset/ Liabilities

The company is in the fourth year of operation , there is no certainty of future tax profits to absorb the deferred tax asset/liability , hence deferred tax asset/liability has not been recognized during the current year.

Note No. 38 - Previous period's figures are regrouped / reclassified wherever necessary to conform with those of the current year.

The Company, based on internal & external sources of information including market research, economic forecast and other information, has assessed that as a result of Covid-19 outbreak, there is no significant financial impact on the financial statements for the year ended March 31, 2022 as at the date of approval of these financial statements.

Note No. 39 - Previous period's figures are regrouped / reclassified wherever necessary to conform with those of the current year.

In terms of our report attached
For B.K Khare & Co.
Chartered Accountants
Firm Registration No 105102W

Shirish Rahalkar
Partner
Membership No. 111212

Place: Mumbai
Date: 21st April 2022

For and on behalf of the Board of Directors
Mahindra Waste To Energy Solutions Limited

Parag Shah	Director	DIN: 00374944
Manaswini Goel	Director	DIN: 08142619
P Palaniappan	Chief Executive Officer	
Vaishali Desai	Chief Financial Officer	
Binal Shah	Company Secretary	

Place: Mumbai
Date: 21st April 2022

INDEPENDENT AUDITOR'S REPORT

To the members of Mahindra Telecom Energy Management Services Private Limited

Report on the audit of the Financial Statements

Opinion

We have audited the accompanying Financial Statements of Mahindra Telecom Energy Management Services Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, its loss and total comprehensive loss, its changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Financial Statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the 'Auditors' Responsibilities for the Audit of the Financial Statements' section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("the ICAI") together with the ethical requirements that are relevant to our audit of the Financial Statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Financial Statements.

Information Other than the Financial Statements and Auditors' Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the Directors Report and the related annexures, but does not include the Financial Statements and our Auditors' Report thereon.

Our opinion on the Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Financial Statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Financial Statements of the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other Legal and Regulatory requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-Section (11) of Section 143 of the Act and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in Annexure B, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   (c) The Balance Sheet, the Statement of Profit and Loss, the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this report are in agreement with the books of account.

   (d) In our opinion, the aforesaid Financial Statements comply with the Accounting Standards specified under Section 133 of the Act.

   (e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164(2) of the Act.

   (f) With respect to the adequacy of the internal financial controls with reference to Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure A. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the

Company's internal financial controls with reference to Financial Statements.

(g) With respect to the other matters to be included in the Auditors' Report in accordance with the requirements of Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

(i) The Company does not have any pending litigations which will impact its financial positions.

(ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

(iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

(iv) (a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

(v) The Company has not declared/ paid/ declared and paid any dividend during the year.

For B.K. Khare & Co.
Chartered Accountants
(Firm's Registration No. 105102W)

Shirish Rahalkar
Partner
Membership No.111212
UDIN: 22111212AJIPUR4928

Mumbai, April 27, 2022

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of sub-section (3) of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of Mahindra Telecom Energy Management Services Private Limited ("the Company") as of March 31, 2022 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2022, based on the criteria for internal financial control with reference to financial statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For B.K. Khare & Co.
Chartered Accountants
(Firm's Registration No. 105102W)

Shirish Rahalkar
Partner
Membership No.111212
UDIN: 22111212AJIPUR4928

Mumbai, April 27, 2022

ANNEXURE B TO THE AUDITORS' REPORT

[Referred to in Clause 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date]

i. According to the information and explanations given to us, the Company does not have property, plant and equipment and intangible asset. Accordingly, the reporting under Clauses 3(i)(a) to 3(i)(e) of the Order is not applicable to the Company.

(f) Based on the audit procedures performed by us and according to the information, explanations and representations given to us, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

ii. (a) According to the information and explanations given to us, the Company does not have inventory. Accordingly, the reporting under Clause 3(ii)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us, the Company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets at any point of time during the year.

iii. (a) According to the information and explanations given to us, the Company has not provided advance in the nature of loan or stood guarantee or provided security to any other entity. During the year, the Company has granted loans in the form of inter corporate deposits (ICDs) to its subsidiary company Mahindra Solarize Private Limited (subsidiary company) amounting to Rs. 61,00,00,000 and is fully repaid during the year. Therefore, there is no balance outstanding as at the balance sheet date.

(b) According to the information and explanations given to us, the Company has not provided guarantee, given security or granted an advance in the nature of loan to any other entity. According to the information and explanation given to us, during the year the Company has made an investment in its subsidiary company. During the year, the Company has also granted loans in the form of ICDs to its subsidiary company. According to the information and explanations given to us and based on the audit procedures performed by us, we are of the opinion that the terms and conditions of loans granted and investment made by the Company into its subsidiary company are not prejudicial to the interest of the Company.

(c) According to the information and explanations given to us, the subsidiary company has been regular in repayment of principal amounts and payments of interest as per the stipulated terms.

(d) According to the information and explanations given to us, for a loan given to an associate company as mentioned in paragraph (c) above, the Company has regularly received its principal amounts and payments of interest as per the stipulated terms and has not noted any delay.

(e) According to the information and explanations given to us, the loans granted to subsidiary company as mentioned in paragraph (a) above have fallen due during the year but have not been renewed or extended nor fresh loans were granted to settle any overdues of existing loans given to the same party.

(f) According to the information and explanations given to us, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.

iv. According to the information and explanations given to us, the Company has not granted any loans or made any investments or provided any guarantees or security to the parties covered under Sections 185 and 186 of the Act. Accordingly, the reporting under Clause 3(iv) of the Order is not applicable to the Company.

v. According to the information and explanations given to us, the Company has not accepted deposits under the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. Accordingly, the reporting under Clause 3(v) of the Order is not applicable to the Company.

vi. The Central Government has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company. Accordingly, the reporting under Clause 3(vi) of the Order is not applicable to the Company.

vii. According to the information and explanations given to us and on the basis of our examination of records of the Company, the amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Services tax, Income-tax, Cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. The amounts deducted / accrued in the books of account in respect of undisputed statutory dues of Income-tax have been regularly deposited during the year by the Company with the appropriate authorities. According to the information and explanations given to us and on the basis of our examination of records of the Company, there were no undisputed statutory dues payable in respect of Sales tax, Service tax, Duty of Customs, Duty of Excise and Value Added Tax.

According to the information and explanations given to us and on the basis of our examination of records of the

Company, there were no arrears of outstanding statutory dues in respect of Goods and Services tax, Provident fund, Employees' State Insurance, Income-tax, Sales tax, Service tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other material statutory dues as on the last day of the financial year for a period of more than six months from the date they became payable.

According to the information and explanations given to us and on the basis of our examination of records of the Company, there are no statutory dues in respect of Goods and Services Tax, Provident Fund, Employees' State Insurance, Sales tax, Service tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and any other material statutory dues as at 31 March 2022, which have not been deposited with the appropriate authorities on account of any dispute.

viii. According to the information and explanations given to us, there are no transactions not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income-tax Act, 1961. Accordingly, the reporting under Clause 3(viii) of the Order is not applicable to the Company.

ix. (a) According to the information and explanations given to us and based on the audit procedures performed by us, the Company has not availed any loans or other borrowings during the year. Accordingly, the reporting under Clause 3(ix)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us, the Company has not been declared a willful defaulter by any bank or financial institution or any other lender till the date of our audit report.

(c) According to the information and explanation given to us, the Company has not obtained any term loan during the year. Accordingly, the reporting under Clause 3(ix)(c) of the Order is not applicable to the Company.

(d) In our opinion and according to the information and explanations given to us, the Company has not raised funds on short-term basis during the year. Accordingly, the reporting under Clause 3(ix)(d) of the Order is not applicable to the Company.

(e) According to the information and explanations given to us, the Company does not have any subsidiaries, associates or joint ventures. Accordingly, the reporting under Clauses 3(ix)(e) and 3(ix)(f) of the Order is not applicable to the Company.

x. (a) According to the information and explanations given to us, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under Clause 3(x)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Accordingly, the reporting under Clause 3(x)(b) of the Order is not applicable to the Company.

xi. (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company noticed or reported during the year, nor have we been informed of any such case by the management.

(b) There has been no report filed by us under sub-section (12) of Section 143 of the Act in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government. Accordingly, the reporting under Clause 3(xi)(b) of the Order is not applicable to the Company.

(c) As represented to us by the management, no whistle blower complaints were received by the Company during the year.

xii. According to the information and explanations given to us, the Company is not a Nidhi company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, the reporting under Clause 3(xii) of the Order is not applicable to the Company.

xiii. In our opinion and according to the information and explanations given to us, the Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required by Indian Accounting Standard (Ind AS) 24, Related Party Disclosures, specified under Section 133 of the Act.

xiv. In our opinion and based on our examination, the Company does not have an internal audit system and is not required to have an internal audit system as per the provisions of the Act. Accordingly, the reporting under Clauses 3(xiv)(a) and 3(xiv)(b) of the Order is not applicable to the Company.

xv. According to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or directors of its holding, subsidiary company or persons connected with them during the year and hence, the provisions of Section 192 of the Act are not applicable to the Company. Accordingly, the reporting under Clause 3(xv) of the Order is not applicable to the Company.

xvi. (a) According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under Clause 3(xvi)(a) of the Order is not applicable to the Company.

(b) In our opinion and according to the information and explanations given to us, the Company has not conducted any Non-Banking Financial or Housing Finance activities. Accordingly, the reporting under Clause 3(xvi)(b) of the Order is not applicable to the Company.

(c) In our opinion and according to the information and explanations given to us, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under Clauses 3(xvi)(c) of the Order is not applicable to the Company.

(d) Based on the information and explanations given to us and the audit procedures performed by us, we report that the Group has 6 Core Investment Companies.

xvii. In our opinion and according to the information and explanations given to us, the Company has incurred cash losses of Rs. 1,23,350 in the immediately preceding financial year but has not incurred cash losses in the current financial year.

xviii. There has been no resignation of the statutory auditors during the year. Accordingly, the reporting under Clause 3(xviii) of the Order is not applicable to the Company.

xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of Balance Sheet as and when they fall due within a period of one year from the Balance Sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the Balance Sheet date, will get discharged by the Company as and when they fall due.

xx. According to the information and explanations given to us, the Company is not required to spend any amount as per the provisions of Section 135 of the Act. Accordingly, the reporting under Clauses 3(xx)(a) and 3(xx)(b) of the Order is not applicable to the Company.

For B. K. Khare & Co.
Chartered Accountants
(Firm's Registration No. 105102W)

Shirish Rahalkar
Partner
Membership No.111212
UDIN: 22111212AJIPUR4928

Mumbai, April 27, 2022

BALANCE SHEET AS AT MARCH 31, 2022

In Indian Rupees

Particulars	Note No.	As at March 31, 2022	As at March 31, 2021
I ASSETS			
1 NON–CURRENT ASSETS			
(a) Financial Assets			
(i) Investments	4	**280,000,000**	–
(ii) Other Financial Assets	3	**10,000**	10,000
Sub–Total		**280,010,000**	10,000
2 CURRENT ASSETS			
(a) Financial Assets			
(i) Investments	4	**140,165,051**	–
(ii) Trade Receivables	5	**3,277,537**	–
(iii) Cash and cash equivalents	6	**154,681,262**	262,698
Sub–Total		**298,123,850**	262,698
Total Assets		**578,133,850**	272,698
II EQUITY AND LIABILITIES			
1 EQUITY			
(a) Equity Share capital	7	**560,500,000**	500,000
(b) Other Equity	7A	**1,797,733**	(315,802)
Sub–Total		**562,297,733**	184,198
LIABILITIES			
2 NON–CURRENT LIABILITIES		**–**	–
3 CURRENT LIABILITIES			
(a) Financial Liabilities			
(i) Trade payables			
(A) total outstanding dues to micro and small enterprises		**–**	–
(B) total outstanding dues to creditors other than micro and small enterprises	8	**13,673,936**	84,750
(b) Current Tax Liabilities (Net)	9	**2,098,511**	–
(c) Other Current Liabilities	10	**63,671**	3,750
Sub–Total		15,836,118	88,500
Total Equity and Liabilities		**578,133,851**	**272,698**

The accompanying notes 1 to 24 are an integral part of the Financial Statements

In terms of our report attached
For B. K. Khare & Co.
Chartered Accountants
Firm Registration No 105102W

Shirish Rahalkar
Partner
Membership No. 111212

Place : Mumbai
Date : April 27, 2022

For and on behalf of the Board of Directors
Mahindra Telecom Energy Management Services Limited

Ami Goda
Director
DIN:09136149

Avinash Bapat
Director
DIN:09179587

Rakesh Singh
CEO

Anjali Jain
CFO

Vidhi Salot
Company Secretary

Place: Mumbai
Date : April 27, 2022

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2022

In Indian Rupees

	Particulars	**Note No.**	**For the year ended March 31, 2022**	**For the year ended March 31, 2021**
I	Revenue from operations	**11**	**11,939,496**	—
II	Other Income	**12**	**11,737,205**	—
III	**Total Income (I + II)**		**23,676,701**	—
IV	**EXPENSES**			
	(a) Cost of Material Consume	**13**	**11,930,351**	—
	(b) Other Expenses	**14**	**6,799,083**	123,350
	Total Expenses		**18,729,434**	123,350
V	**Profit/(loss) before tax (III - IV)**		**4,947,267**	(123,350)
VI	**Tax Expense**			
	(a) Current tax	**9**	**(2,833,732)**	—
	(b) Deferred tax		**—**	—
	(c) Income Tax adjustments for earlier years		**—**	—
	Total tax expense		**(2,833,732)**	—
	Profit/(loss) after tax for the year (V + VI)		**2,113,535**	(123,350)
VII	**Other comprehensive income**			
	Total comprehensive income for the year (VI + VII)		**2,113,535**	(123,350)
VIII	**Earnings per equity share**			
	(a) Basic	**15**	**0.08**	(2.47)
	(b) Diluted	**15**	**0.08**	(2.47)

The accompanying notes 1 to 24 are an integral part of the Financial Statements

In terms of our report attached
For B. K. Khare & Co.
Chartered Accountants
Firm Registration No 105102W

Shirish Rahalkar
Partner
Membership No. 111212
Place : Mumbai
Date : April 27, 2022

For and on behalf of the Board of Directors
Mahindra Telecom Energy Management Services Limited

Ami Goda
Director
DIN:09136149

Avinash Bapat
Director
DIN:09179587

Rakesh Singh
CEO

Anjali Jain
CFO

Vidhi Salot
Company Secretary

Place: Mumbai
Date : April 27, 2022

STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2022

In Indian Rupees

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Cash flows from operating activities		
Profit before tax for the year	**4,947,267**	(123,350)
Adjustments for:		
Investment income recognised in profit or loss	**(11,737,205)**	—
Movements in working capital:		
(Increase) in assets	**(3,277,537)**	—
Increase in other current liabilities	**13,649,107**	29,500
Cash generated from operations	**3,581,632**	(93,850)
Income taxes paid	**(735,222)**	—
Net cash generated by operating activities	**2,846,410**	**(93,850)**
Cash flows from investing activities		
Investment in Subsidiary	**(280,000,000)**	—
Investment in Mutual Fund	**(140,165,051)**	—
Income from Mutual Fund	**4,384,987**	—
Income from Interest on ICD	**7,352,219**	—
Net cash used in investing activities	**(408,427,846)**	—
Cash flows from financing activities		
Proceeds from issue of equity instruments of the company	**560,000,000**	—
Net cash generated from financing activities	**560,000,000**	—
Net increase in cash and cash equivalents	**154,418,564**	(93,850)
Cash and cash equivalents at the beginning of the year	**262,698**	356,548
Cash and cash equivalents at the end of the year	**154,681,262**	262,698

The accompanying notes 1 to 24 are an integral part of the Financial Statements

In terms of our report attached
For B. K. Khare & Co.
Chartered Accountants
Firm Registration No 105102W

Shirish Rahalkar
Partner
Membership No. 111212

Place : Mumbai
Date : April 27, 2022

For and on behalf of the Board of Directors
Mahindra Telecom Energy Management Services Limited

Ami Goda
Director
DIN:09136149

Avinash Bapat
Director
DIN:09179587

Rakesh Singh
CEO

Anjali Jain
CFO

Vidhi Salot
Company Secretary

Place: Mumbai
Date : April 27, 2022

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2022

A - Equity Share Capital

(i) Current reporting period **In Indian Rupees**

Balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period
500,000	560,000,000	560,500,000

(ii) Previous year reporting period **In Indian Rupees**

Balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period
500,000	–	500,000

B - Other Equity

(1) Current reporting period **In Indian Rupees**

Reserves and Surplus			
Particulars	**Securities Premium**	**Retained Earnings**	**Total**
Balance at the beginning of the current reporting period	–	(315,802)	**(315,802)**
Total Comprehensive Income for the current year	–	2,113,535	**2,113,535**
Balance at the end of the current reporting period	–	1,797,733	1,797,733

(2) Previous Reporting period **In Indian Rupees**

Reserves and Surplus			
Particulars	**Securities Premium**	**Retained Earnings**	**Total**
Balance at the beginning of the previous reporting period	–	(192,452)	**(192,452)**
Total Comprehensive Income for the previous year	–	(123,350)	**(123,350)**
Balance at the end of the previous reporting period	–	(315,802)	(315,802)

The accompanying notes 1 to 24 are an integral part of the Financial Statements

In terms of our report attached
For B. K. Khare & Co.
Chartered Accountants
Firm Registration No 105102W

Shirish Rahalkar
Partner
Membership No. 111212

Place : Mumbai
Date : April 27, 2022

For and on behalf of the Board of Directors
Mahindra Telecom Energy Management Services Limited

Ami Goda
Director
DIN:09136149

Avinash Bapat
Director
DIN:09179587

Rakesh Singh
CEO

Anjali Jain
CFO

Vidhi Salot
Company Secretary

Place: Mumbai
Date : April 27, 2022

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

1 Corporate information:

Mumbai Telecom Energy Management Services Limited is a public limited company incorporated in Mumbai, India on 25 June, 2017 under the Companies Act 2013. The company is wholly owned subsidiary of Mahindra & Mahindra Limited as on 31st March, 2022. The company is engaged, inter alia in the business of energy management services of telecom towers.

2 Significant Accounting Policies followed by the Company:

2.1 Statement of compliance and basis of preparation and presentation of financial statements:

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by Companies (Indian Accounting Standards) Rules 2016.

All assets and liabilities are classified as current if it is expected to realise or settle within 12 months after the Balance Sheet date.

The financial statements are presented in Indian Rupees (INR) which is also the Company's functional currency.

2.2 Financial Assets and Financial Liabilities:

Financial Instruments:

Financial assets and financial liabilities are recognised when a Company becomes a party to the contractual provisions of the instruments. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

Financial Assets:

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace. All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Financial Liabilities and Equity Instruments:

Equity instruments issued by the Company are classified as equity in accordance with the substance of the contractual agreements and the definitions of an equity instrument.

Equity Instrument:

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all its liabilities. Equity instruments issued by the Company are recognized at the proceeds received, net of direct issue costs.

Financial Liabilities:

All the financial liabilities are subsequently measured at either amortised cost using the effective interest method or at fair value through profit and loss, depending on the classification of the financial liabilities.

2.3 Provisions:

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

2.4 Taxes on Income:

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the period. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences could be utilized.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax for the period:

Current and deferred tax are recognized in the Statement of Profit or Loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively.

Minimum Alternate Tax:

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax against which the MAT paid will be adjusted.

2.5 Cash and cash equivalents:

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

2.6 Cash flow statement:

Cash flows are reported using the indirect method, whereby profit / (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

2.7 Earnings Per Share:

Basic earnings per share is computed by dividing the profit / (loss) after tax by the weighted average number of equity shares outstanding during the period.

2.8 Use of estimates and judgements:

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets, liabilities, income, expenses etc. at the date of these financial statements and the reported amounts of revenues and expenses for the years presented. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed at each balance sheet date. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

Note No. 3 - Non Current Financial Asset

In Indian Rupees

Particulars	**As at March 31, 2022**	**As at March 31, 2021**
Financial Assets measured at amortised cost		
Security Deposits (Unsecured, considered good)	10,000	10,000
Total	**10,000**	10,000

Note No. 4 - Investment

In Indian Rupees

Particulars	**As at March 31, 2022**	**As at March 31, 2021**
Non - Current Investments:		
Long term investment in subsidiaries(value of amortized cost):		
Equity Shares (Unquoted):		
Mahindra Solarize Private Limited	**280,000,000**	–
Current Investments:		
Mutual funds-Quoted:		
(Valued at fair value through profit and loss)		
ICICI Liquid Mutual Fund	**70,027,094**	–
SBI Liquid Mutual Fund	**70,137,957**	–
Total	**420,165,051**	–
Other Disclosures:		
(i) Aggregate amount of quoted investments	**140,165,051**	–
Market Value of quoted investments	**140,165,051**	–
(ii) Aggregate amount of unquoted investments	**280,000,000**	–

Note No. 5 - Trade Receivables

In Indian Rupees

Particulars	**As at March 31, 2022**	**As at March 31, 2021**
Trade receivables		
Undisputed Trade receivables - considered good	**3,277,537**	–
Total	**3,277,537**	–
Of the above, trade receivables from:		
– Related Party	**–**	**–**
– Others	**3,277,537**	**–**
Total	**3,277,537**	**–**

Particulars	Outstanding for following periods from due date of payment				
As at March 31, 2022	**Less than 6 months**	**6 months -1 year**	**1-2 Years**	**2-3 years**	**More than 3 years**
Undisputed Trade receivables — considered good	3,277,537	–	–	–	–

Note No. 6 - Cash Equivalents

In Indian Rupees

Particulars	**As at March 31, 2022**	**As at March 31, 2021**
Balances with banks in Current Account	**154,681,262**	262,698
Total	**154,681,262**	262,698

Note No. 7 - Equity Share Capital

In Indian Rupees

Particulars	**As at March 31, 2022 No. of shares**	**As at March 31, 2022 Amount**	**As at March 31, 2021 No. of shares**	**As at March 31, 2021 Amount**
Authorised:				
Equity shares of Rs. 10 each with voting rights	65,000,000	650,000,000	50,000	500,000
Issued, subscribed and fully paid:				
Equity shares of Rs. 10 each with voting rights	56,050,000	560,500,000	50,000	500,000
Total	56,050,000	560,500,000	50,000	500,000

(i) Reconciliation of the number of shares outstanding at the beginning and at the end of the year

In Indian Rupees

Particulars	**Opening Balance**	**Fresh Issue**	**Closing Balance**
Equity Shares with Voting rights			
Year ended March 31, 2022			
No. of Shares	**50,000**	**56,000,000**	**56,050,000**
Amount	**500,000**	**560,000,000**	**560,500,000**
Equity Shares with Voting rights			
Period ended March 31, 2021w			
No. of Shares	50,000	–	50,000
Amount	500,000	–	500,000

(ii) Terms/Rights attached to equity shares

The company has only one class of shares referred to as equity shares having par value of Rs. 10/-. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividend in Indian Rupees. The dividend proposed by Board of Directors is subject to the approval of the shareholders in the ensuring Annual General Meeting. In the event of liquidation of company the holders of equity shares will be entitled to receive any of the remaining assets of the company after distribution of all preferential amount. However no such preferential amounts exist currently. The distribution will be in proportion to number of equity shares held by shareholders.

(iii) Details of shares held by each shareholder holding more than 5% shares:

Class of shares/Name of shareholder	**As at March 31, 2022 Number of shares held**	**As at March 31, 2022 % holding in that class of shares**	**As at March 31, 2021 Number of shares held**	**As at March 31, 2021 % holding in that class of shares**
Equity shares with voting rights				
Mahindra and Mahindra Limited	**56,050,000**	**100%**	50,000	100%

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(iv) Details of shares held by the holding company, the ultimate holding company, their subsidiaries and associates:

Particulars	Number of Shares As at March 31, 2022	Number of Shares As at March 31, 2021
Mahindra and Mahindra Limited , the holding company	**56,050,000**	50,000

(v) Company shall disclose Shareholding of Promoters as under:

Shares held by promoters as at 31 March 2022

Promoter name	No. of Shares	% of total shares	% Change during the year 31 March 2022
Mahindra and Mahindra Limited	56,050,000	100.00%	–

Shares held by promoters as at 31 March 2021

Promoter name	No. of Shares	% of total shares	% Change during the year 31 March 2021
Mahindra and Mahindra Limited	50,000	100.00%	–

(vi) Information on equity shares alloted without receipt of cash or alloted as bonus shares or shares bought back :

The Company has neither alloted equity shares without receipt of cash or as bonus shares nor bought back any equity shares during the current and previous financial year.

Note No. 7A - Other Equity

In Indian Rupees

Particulars	As at March 31, 2022	As at March 31, 2021
Retained Earnings		
Balance at the beginning of the year	**(315,802)**	(192,452)
Net Profit/(Loss) for the current year	**2,113,535**	(123,350)
Share issue expenses	**–**	–
Balance at the end of the reporting year (A)	**1,797,733**	(315,802)
Other Comprehensive Income		
Addition during the year	**–**	–
Balance at the end of the reporting year (B)	**–**	–
Balance at the end of the reporting year (A+B)	**1,797,733**	(315,802)

Note No. 8 - Trade Payables

In Indian Rupees

Particulars	As at March 31, 2022	As at March 31, 2021
Trade payables to MSME	**–**	–
Trade payables - Other than MSME	**13,673,936**	84,750
Total Trade Payables	**13,673,936**	84,750

Notes:

(1) Trade Payables are payables in respect of the amount payable on account of goods purchased or services received in the normal course of business.

(2) There are no amounts due to micro and small enterprises registered under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act).

The above information regarding Micro and Small Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.

Particulars	Outstanding for following periods from date of transaction				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Trade payables - Other than MSME	13,673,936	–	–	–	13,673,936

Particulars	Outstanding for following periods from date of transaction				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Trade payables - Other than MSME	84,750	–	–	–	84,750

Note No. 9 - Current Tax Liabilities

In Indian Rupees

Particulars	As at March 31, 2022 Current	As at March 31, 2022 Non-Current
Tax payable (Net of TDS receivable for Rs. 735,222/-)	**2,098,511**	–
Total	**2,098,511**	–

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(i) Income Tax recognised in profit or loss

In Indian Rupees

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Current Tax:		
In respect of current year	2,833,732	–
Deferred Tax:		
In respect of current year	–	–
Total income tax expense	2,833,732	

(ii) Income tax recognised in other Comprehensive income

In Indian Rupees

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Current Tax:		
Remeasurement of defined benefit obligations not reclassified to profit or loss	–	–
Total	–	–

(iii) Reconciliation of income tax expense and the accounting profit multiplied by Company's domestic tax rate:

In Indian Rupees

	Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
i)	**Profit before tax**	4,947,267	(123,350)
ii)	Corporate tax rate as per Income tax Act, 1961	25.17%	25.17%
iii)	Tax on accounting profit (iii) = (i) X (ii)	1,245,128	(31,045)
	Effect of tax rates in foreign jurisdictions		
	Reduction in tax rate		
	Effect of expenses that is non-deductible in determining taxable profit	1,588,604	–
	Effect of tax incentives and concessions (research and development and other allowances)		
	Effect of current year losses for which no deferred tax asset is recognised..	–	–
	Effect of recognition of tax effect of previously unrecognised tax losses now recognised as deferred tax assets		
	Defered tax assets not recognised on carried forward tax losses	–	31,045
	Changes in estimates related to prior years		
	Unrecognised MAT Credit		
iv)	**Total effect of Tax adjustment**	2,833,732	–
v)	Adjustments recognised in the current year in relation to the current tax of prior years	–	–
vi)	**Tax expense recognised during the year (vi)=(iv)+(v)**	2,833,732	–
vii)	Effective tax rate during the year (vii)=(vi)/(i)	57.28%	–

Note No. 10 - Other Current Liabilities

In Indian Rupees

Particulars	As at 31 March 2022	As at 31 March 2021
Provision for expenses	45,000	–
Statutory Charges payable	18,671	3,750
Total	63,671	3,750

Note No. 11 - Revenue from Operations

In Indian Rupees

Particulars	For the year ended March 31 2022	For the year ended March 31 2021
Income from sale of Solar Power Generating Systems	11,939,496	–
Total	11,939,496	–

Note:

A. Disaggregated Revenue Information:

The Company's revenue is from only one segment i.e. Sale of Solar Power Generating Systems

B. Reconciliation of revenue as per Ind AS 115:

Particulars	For the year ended March 31 2022
Revenue as per contracted prices	11,939,495.60
Less: Adjustment of revenue pertaining to Revenue from sale	–
Revenue from contract with customers	11,939,495.60

Note No. 12 - Other Income

Particulars	For the year ended March 31,2022	For the year ended March 31,2021
Interest Income on ICD	7,352,219	–
Profit on Mutual fund	4,384,987	–
Unrealised gain on financial instrument value at fair value through profit and loss FVTPL		
Total	11,737,205	–

Note No. 13 - Cost of Materials

Particulars	For the year ended March 31,2022	For the year ended March 31,2021
Opening stock	–	–
Add: Purchases	11,930,351	–
Less: Closing stock	–	–
Total	11,930,351	–

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

Note No. 14 - Other Expenses

In Indian Rupees

	Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
(a)	Filing Fees	**12,600**	9,700
(b)	Auditors remuneration and out-of-pocket expenses		
	(i) As Auditors	**50,000**	25,000
	(ii) For Taxation matters	**–**	–
	(iii) For Other services	**–**	5,000
(c)	Professional charges	**325,748**	78,250
(d)	Bank Charges	**765**	–
(e)	Rates & Taxes	**14,208**	5,400
(f)	Software Expenses	**76,322**	–
(g)	Late Payment charges	**300**	–
(h)	Stamp Duty charges (for increase in share capital)	**6,312,000**	–
(i)	Miscellaneous Expenses	**7,140**	–
Total		**6,799,083**	123,350

Note No. 15 - Disclosures under Ind AS 33

In Indian Rupees

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
	Rs.	Rs.
Basic & Diluted Earnings per share - continuing operations	**0.08**	(2.47)

Basic earnings per share

The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:

In Indian Rupees

Particulars	For the year ended March 31 2022	For the year ended March 31 2021
Profit/(loss) for the year attributable to owners of the Company	**2,113,535**	(123,350)
Weighted average number of equity shares	**27,973,014**	50,000
Earnings per share from continuing operations - Basic & Diluted	**0.08**	(2.47)

Note No. 16 - Fair Value Measurement

Fair Value of Financial assets and financial liabilities that are not measured at fair value

In Indian Rupees

Particulars	March 31, 2022			March 31, 2021		
	Carrying amount	Fair value Level 2	Fair value Level 3	Carrying amount	Fair value Level 2	Fair value Level 3
Financial assets						
Financial assets carried at Amortised Cost						
Investments	**280,000,000**	–	**280,000,000**	–	–	–
Trade Receivables	**3,277,537**	–	**3,277,537**	–	–	–
Cash and cash equivalents	**154,681,262**	**154,681,262**	–	262,698	262,698	–
Other Financial Assets	**10,000**	–	**10,000**	–	–	–
Total	**437,968,799**	**154,681,262**	**283,287,537**	262,698	262,698	–
Financial liabilities						
Financial liabilities held at amortised cost						
Current						
– Trade and other payables	**13,673,936**	–	**13,673,936**	84,750	–	84,750
Total	**13,673,936**	–	**13,673,936**	**84,750**	–	**84,750**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

Note No. 17 - Financial Instruments

Capital management

The company's capital management objectives are:
- to ensure the company's ability to continue as a going concern
- to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

'The company monitors capital on the basis of the carrying amount of equity as presented on the face of the statement of financial position.

	March 31, 2022	March 31, 2021
Equity	**562,297,733**	184,198
Equity presented on the face of the financial statement	**562,297,733**	184,198

Categories of financial assets and financial liabilities

In Indian Rupees

As at March 31, 2022

Particulars	Amortised Costs	FVTPL	FVOCI	Total
Non Current Assets				
Investments	280,000,000	–	–	280,000,000
Current Assets				
Investments	–	140,165,051	–	140,165,051
Trade Receivables	3,277,537	–	–	3,277,537
Cash and cash equivalents	154,681,262	–	–	154,681,262
Other Financial Assets	10,000	–	–	10,000
Current Liabilities				
– Trade and other payables	13,673,936	–	–	13,673,936

Categories of financial assets and financial liabilities

In Indian Rupees

As at March 31, 2021

Particulars	Amortised Costs	FVTPL	FVOCI	Total
Current Assets				
– Cash and Cash Equivalents	262,698	–	–	262,698
Current Liabilities				
Other Financial Liabilities				
– Trade and other payables	84,750	–	–	84,750

Financial Risk Management Framework

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk. In order to manage the aforementioned risks, the Company operates a program that performs monitoring of and responding to risk factors.

Credit Risk

(i) Credit risk management

Credit risk arises when a counterparty defaults on its contractual obligations to pay resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties.

Liquidity Risk

(i) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the management, which has established an appropriate liquidity risk management framework for the management of the Company's short-, medium- and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

(ii) Maturities of financial liabilities

The following table details the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The amount disclosed in the tables have been drawn up based on the cash flows of financial liabilities based on the earliest date on which the Company can be required to pay.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

In Indian Rupees

Particulars	Less than 1 Year	1-3 Years	3 Years to 5 Years	5 years and above
Non-derivative financial liabilities				
March 31, 2022				
Non-interest bearing				
Trade Payables	13,673,936	–	–	–
Total	**13,673,936**	–	–	–
Non-derivative financial liabilities				
March 31, 2021				
Non-interest bearing				
Trade Payables	84,750	–	–	–
Total	**84,750**	–	–	–

(iii) Maturities of financial assets

The following table details the Company's expected maturity for its non-derivative financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Company's liquidity risk management on net assets basis.

In Indian Rupees

	Less than 1 Year	1-3 Years	3 Years to 5 Years	5 years and above
Particulars	**INR**	**INR**	**INR**	**INR**
Financial asset				
March 31, 2022				
Non-interest bearing				
Investments	140,165,051	–	–	280,000,000
Trade Receivables	3,277,537	–	–	–
Cash and cash equivalents	154,681,262	–	–	–
Other Financial Assets	–	–	–	10,000
Total	**298,123,850**	–	–	280,010,000
Financial asset				
March 31, 2021				
Non-interest bearing				
Cash and cash equivalents	262,698	–	–	–
Total	**262,698**	**–**	**–**	**–**

MARKET RISK

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk such as equity price risk and commodity price risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

CURRENCY RISK

The Company has not undertaken transactions denominated in foreign currencies; consequently, no exposures to exchange rate fluctuations arise.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting year is Nil

Note No. 18 - Deferred Tax Asset/ Liabilities

Deferred tax asset/liability has not been recognized during the current year

Note No. 19 - Related Party Transactions

Relationship:	**Name:**
Parent	Mahindra & Mahindra Limited
Subsidiary	Mahindra Solarize Private Limited

Details of transaction between the Company and its related parties are disclosed below:

Particulars	For the year/ period ended	Parent	Subsidiary
Nature of transactions with Related Parties			
Investment in equity share capital of the company	31-Mar-22	560,000,000	–
	31-Mar-21	–	–
Purchase of goods	31-Mar-22	–	11,930,351
	31-Mar-21	–	–
Receiving of services	31-Mar-22	232,925	–
	31-Mar-21	–	–
Reimbursement of Expenses	31-Mar-22	–	6,284,000
	31-Mar-21	–	–
Interest on ICD	31-Mar-22	–	7,352,219
	31-Mar-21	–	–
Inter Corporate Deposit Taken	31-Mar-22	–	610,000,000
	31-Mar-21	–	–
Inter Corporate Deposit Given	31-Mar-22	–	610,000,000
	31-Mar-21	–	–

Particulars	Balance as on	Parent Company	Subsidiary	Inermediate Holding Company
Trade payables	31-Mar-22	–	13,613,552	–
	31-Mar-21	–		–

Note No. - 20 Key Ratios

Particulars	Numerator	Denominator	2021-22	2020-21	Difference	Remarks
Current Ratio	Current Assets	Current Liabilities	18.83	2.97	15.86	Increased debtors due to additioanl business activity
Debt Equity Ratio	Borrowings	Shareholder's Equity	–	–	–	
Debt Service Coverage ratio	Earnings before interest, taxes, depreciation and ammortisation	Interest & Principal Payment	–	–	–	
Return on Equity Ratio	Profit after taxes	Average Shareholder's Equity	0.75%	-24.67%	25%	Company earned profit during the year due to additional business and investing activities undertaken

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

Particulars	Numerator	Denominator	2021-22	2020-21	Difference	Remarks
Inventory turnover ratio................	Cost of goods sold	Average Inventory	–	–	–	
Trade receivables turnover ratio......	Revenue from operations	Average Trade Receivable	0.14	–	0.14	Increased debtors due to additioanl business activity
Trade payables turnover ratio.........	Purchases	Average Trade Payables	0.58	–	0.58	Increased creditors due to additioanl business activity
Net Captial turnover ratio..............	Revenue from operations	Total Assets	48.42	–	48.42	Increased turnover due to additional business activity
Net Profit ratio	Profit after taxes	Revenue from operations	17.70%	0.00%	18%	Company earned profit during the year due to additional business and investing activities undertaken
Return on capital employed..........	Earnings before interest and taxes	Average Shareholder's Equity + Borrowings + Lease liabilities	1.76%	-50.17%	52%	Company earned profit during the year due to additional business and investing activities undertaken
Return on Investment...................	Income from Investments	Average Investments	6.26%	0.00%	6%	Company earned profit during the year due to additional investing activities undertaken

Note 21 - Other Statutory Informations

(a) The Company does not have any benami property, where any proceeding has been initiated or pending against the Company for holding any benami property.

(b) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

(c) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (ultimate beneficiaries) or

(ii) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

(d) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (funding party) with the understanding (whether recorded in writing or otherwise) that the Group shall:

(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (ultimate beneficiaries) or

(ii) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

(e) The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

(f) The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.

(g) The Company is not declared wilful defaulter by and bank or financials institution or lender during the year.

(h) The Company has used the borrowings from banks and financial institutions for the specific purpose for which it was obtained.

(i) The Company does not have transactions with any struck off entity.

(j) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries or joint ventures or associate companies.

Note No 22

COVID-19, a novel Coronavirus, has spread globally, including India and has significantly affected public health and economic activities worldwide. The Company has considered relevant internal and external sources of information to evaluate the impact on the financial statements for the year ended 31 March 2022 and has assessed the carrying value of the assets to be recoverable. However, the actual impact may be different from that estimated as it will depend upon future developments and future actions to contain or treat the disease and mitigate its impact on the economy. The Company continues to closely monitor impact of the pandemic on the future economic conditions and the operations of the Company.

Note No 23

The amount has been rounded off to nearest Rupees and previous years amount has been reclassified/regrouped where ever required.

Note No 24

The Financial Statements have been approved for issue by Company's Board of Directors on 27 April 2022.

The accompanying notes 1 to 24 are an integral part of the Financial Statements

In terms of our report attached
For B. K. Khare & Co.
Chartered Accountants
Firm Registration No 105102W

Shirish Rahalkar
Partner
Membership No. 111212

Place : Mumbai
Date : April 27, 2022

For and on behalf of the Board of Directors
Mahindra Telecom Energy Management Services Limited

Ami Goda
Director
DIN:09136149

Avinash Bapat
Director
DIN:09179587

Rakesh Singh
CEO

Anjali Jain
CFO

Vidhi Salot
Company Secretory

Place: Mumbai
Date : April 27, 2022

INDEPENDENT AUDITOR’S REPORT

TO THE MEMBERS OF,

MAHINDRA CONSTRUCTION COMPANY LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying Financial Statements of Mahindra Construction Company Limited (“the Company”), which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Companies Act, 2013 (”the Act”) in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended (“Ind AS”) and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, its profit and total comprehensive loss, its changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Financial Statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the ‘Auditors’ Responsibilities for the Audit of the Financial Statements’ section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (“the ICAI”) together with the ethical requirements that are relevant to our audit of the Financial Statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI’s Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Financial Statements.

Materiality Uncertainty Related to Going Concern

We draw attention to Note 25 in the financial statements, as on 31st March 2022 date, the Company’s current liabilities exceeded its total assets by Rs. 2246.68 lakhs. As stated in Note 25, these events or conditions indicate that a material uncertainty exists that may cast significant doubt on the Company’s ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Information Other than the Financial Statements and Auditors’ Report thereon

The Company’s Board of Directors is responsible for the other information. The other information comprises the Directors Report and the related annexures, but does not include the Financial Statements and our Auditors’ Report thereon.

Our opinion on the Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management for the Financial Statements

The Company’s Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, management is responsible for assessing the Company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company’s financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Financial Statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on other Legal and Regulatory requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-Section (11) of Section 143 of the Act and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in Annexure B, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this report are in agreement with the books of account.

(d) In our opinion, the aforesaid Financial Statements comply with the Accounting Standards specified under Section 133 of the Act.

(e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164(2) of the Act.

(f) With respect to the adequacy of the internal financial controls with reference to the Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure A. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to the Financial Statements.

(g) With respect to the other matters to be included in the Auditors' Report in accordance with the requirements of Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company does not have any pending litigations which would impact its financial position;

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses and

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

iv. (a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

v. The Company has not declared or paid any dividend during the year.

For **B.K. Khare & Co.**
Chartered Accountants
(Firm's Registration No. 105102W)

Shirish Rahalkar
Partner
Membership No. 111212
UDIN: 22111212AHYEIJ3377

Mumbai, April 18, 2022

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 2 (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date.

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of sub-section (3) of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Mahindra Construction Company Limited ("the Company") as of March 31, 2022 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2022, based on the criteria for internal financial control with reference to financial statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **B.K. Khare & Co.**
Chartered Accountants
(Firm's Registration No. 105102W)

Shirish Rahalkar
Partner
Membership No. 111212
UDIN: 22111212AHYEIJ3377

Mumbai, April 18, 2022

ANNEXURE B TO THE AUDITOR'S REPORT

Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date.

<u>Annexure to the Auditor's Report referred to in our report of even date:</u>

i. a) According to the information and explanations given to us, the Company does not hold any property, plant and equipment. Accordingly, the reporting under Clause 3(i)(a) of the Order is not applicable to the Company.

b) According to the information and explanations given to us, the Company does not hold any property, plant and equipment. Accordingly, the reporting under Clause 3(i)(b) of the Order is not applicable to the Company.

c) According to the information and explanations given to us, the Company has no immoveable properties registered in its name. Accordingly, the reporting under Clause 3(i)(c) of the Order is not applicable to the Company.

d) According to the information and explanations given to us, the Company has not revalued any of its Property, Plant and Equipment (including Right of Use assets) during the year.

e) Based on the audit procedures performed by us and according to the information, explanations and representations given to us, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

ii. The Company is in the business of rendering services and consequently, does not hold any inventory. Accordingly, the reporting under Clause 3(ii) of the Order is not applicable to the Company.

iii. According to the information and explanations given to us, the Company has not made investments in or provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year. Accordingly, the reporting under Clauses 3(iii)(a) to 3(iii)(f) of the Order is not applicable to the Company.

iv. According to the information and explanations given to us, the Company has not granted any loans or made any investments or provided any guarantees or security to the parties covered under Sections 185 and 186 of the Act. Accordingly, the reporting under Clause 3(iv) of the Order is not applicable to the Company.

v. According to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under, where applicable. Accordingly, the reporting under Clause 3(v) of the Order is not applicable to the Company.

vi. The Central Government has not prescribed the maintenance of cost records under subsection (1) of Section 148 of the Act for any of the products of the Company. Accordingly, the reporting under Clause 3(vi) of the Order is not applicable to the Company.

vii. a) According to the information and explanations given to us and on the basis of our examination of records of the Company, the amounts deducted / accrued in the books of account in respect of undisputed statutory dues and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. The amounts deducted / accrued in the books of account in respect of undisputed statutory dues of Income-tax have been regularly deposited during the year by the Company with the appropriate authorities. According to the information and explanations given to us and on the basis of our examination of records of the Company, there were no undisputed statutory dues payable.

According to the information and explanations given to us and on the basis of our examination of records of the Company, there were no arrears of undisputed statutory dues in respect of Income-tax, and other material statutory dues as on the last day of the year for a period of more than six months from the date they became payable.

b) According to the information and explanations given to us and on the basis of our examination of records of the Company, there are no statutory dues as at March 31, 2022, which have not been deposited with the appropriate authorities on account of any dispute.

viii. According to the information and explanations given to us, there are no transactions not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income-tax Act, 1961. Accordingly, the reporting under Clause 3(viii) of the Order is not applicable to the Company.

ix. (a) According to the information and explanations given to us and based on the audit procedures performed by us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.

(b) According to the information and explanations given to us, the Company has not been declared a wilful defaulter by any bank or financial institution or any other lender till the date of our audit report.

(c) In our opinion and according to the information and explanations given to us, the funds raised by the term loans were not required to be utilised during the year (as the projects/assets were funded by owned capital). The amounts raised remain unutilised at the end of the year.

(d) In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that funds raised on short-term basis have not been utilised for long- term purposes as at the Balance Sheet date.

(e) and (f) The Company does not have any subsidiaries or associates and hence the reporting under Clause (ix) (e) and (f) of the Order is not applicable to the Company.

x. (a) According to the information and explanations given to us, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under Clause 3(x)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Accordingly, the reporting under Clause 3(x)(b) of the Order is not applicable to the Company.

xi. (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of fraud by the Company or on the Company noticed or reported during the year, nor have we been informed of any such case by the management.

(b) There has been no report filed by us under sub-section (12) of Section 143 of the Act in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government. Accordingly, the reporting under Clause 3(xi)(b) of the Order is not applicable to the Company.

(c) As represented to us by the management, no whistle blower complaints were received by the Company during the year.

xii. According to the information and explanations given to us, the Company is not a Nidhi company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, the reporting under Clause 3(xii) of the Order is not applicable to the Company.

xiii. In our opinion and according to the information and explanations given to us, the Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the Financial Statements as required by Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act.

xiv. In our opinion and based on our examination, the Company does not have an internal audit system and is not required to have an internal audit system as per the provisions of the Act.

xv. According to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or directors of its holding, or subsidiary company or persons connected with them during the year and hence, the provisions of Section 192 of the Act are not applicable to the Company. Accordingly, the reporting under Clause 3(xv) of the Order is not applicable to the Company.

xvi. (a) According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under Clause 3(xvi) of the Order is not applicable to the Company.

(b) In our opinion and according to the information and explanations given to us, the Company has not conducted any Non-Banking Financial or Housing Finance activities. Accordingly, the reporting under Clause 3(xvi)(b) of the Order is not applicable to the Company.

(c) In our opinion and according to the information and explanations given to us, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under Clauses 3(xvi)(c) of the Order is not applicable to the Company.

(d) Based on the information and explanations given to us, we report that the Group has Six Core Investment Companies

xvii. In our opinion and according to the information and explanations given to us, the Company has not incurred cash losses during the current financial year but has incurred cash losses of Rs. 1.58 lakhs in the immediately preceding financial year.

xviii. There has been no resignation of the statutory auditors during the year. Accordingly, the reporting under Clause 3(xviii) of the Order is not applicable to the Company.

xix. As more fully explained in Note 25 to the financial statements and according to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans, we are of the opinion that a material uncertainty exists as on the date of the audit report that the Company would be capable of meeting its liabilities existing at the date of Balance Sheet as and when they fall due within a period of one year from the Balance Sheet date.

xx. (a) According to the information and explanations given to us, provisions of section 135 of the Act is not applicable to the company and hence reporting under the provisions of clause (XX) (a) and (b) of the Order is not applicable to the Company.

For **B.K. Khare & Co.**
Chartered Accountants
(Firm's Registration No. 105102W)

Shirish Rahalkar
Partner
Membership No. 111212
UDIN: 22111212AHYEIJ3377

Mumbai, April 18, 2022

BALANCE SHEET AS AT 31ST MARCH, 2022

Amount in Rs. Lakhs

	Note No.	As at 31st March, 2022	As at 31st March, 2021
I ASSETS			
1 NON-CURRENT ASSETS			
(a) Loans	3	**1.05**	1.05
(b) Non current investment	4	**–**	–
(c) Other Non-current Tax Assets	5	**43.50**	43.87
SUB-TOTAL		**44.55**	44.92
2 CURRENT ASSETS			
(a) Financial Assets			
(i) Cash and Cash Equivalents	6	**10.26**	0.52
(iii) Bank balances other than (ii) above	6	**15.46**	14.93
(iv) Other financial Assets	7	**0.21**	0.20
SUB-TOTAL		**25.93**	15.65
TOTAL ASSETS		**70.48**	60.57
II EQUITY AND LIABILITIES			
1 EQUITY			
(a) Equity Share Capital	8	**240.05**	240.05
(b) Other Equity	9	**(2,486.73)**	(2,488.27)
SUB-TOTAL		**(2,246.68)**	(2,248.22)
LIABILITIES			
2 NON-CURRENT LIABILITIES			
(a) Provisions	10	**2.90**	2.90
SUB-TOTAL		**2.90**	2.90
3 CURRENT LIABILITIES			
(a) Financial Liabilities			
(i) Borrowings	11	**1,685.43**	1,684.71
(ii) Trade Payables	12	**590.07**	586.58
(iii) Other Financial Liabilities	13	**9.26**	9.25
(b) Provisions	14	**28.70**	25.23
(c) Other Current Liabilities	15	**0.80**	0.12
SUB-TOTAL		**2,314.26**	2,305.89
TOTAL		**70.48**	60.57

For M/s. B. K. Khare & Co.
Chartered Accountants
Firm Registration No. 105102W

Shirish Rahalkar
Partner
Member Registration No. 111212

Mumbai, 18th April, 2022

For and on behalf of the Board of Directors

Mr. Vimal Agarwal
Mr. Narayan Shankar
Directors

Mumbai, 18th April, 2022

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2022

Amount in Rs. Lakhs

	Particulars	**Note No.**	**For the year ended 31st March 2022**	For the year ended 31st March 2021
I	Revenue from operations		**–**	–
II	Other Income	16	**10.55**	0.77
III	**Total Revenue (I + II)**		**10.55**	0.77
IV	**EXPENSES**			
	(i) Personnel Expenses	17	**0.08**	0.08
	(ii) Finance Costs	18	**0.80**	0.90
	(iii) Other expenses	19	**7.74**	1.37
	Total Expenses (IV)		**8.62**	2.35
V	**Profit before tax (III – IV)**		**1.93**	(1.58)
VI	**Tax Expense**			
	(1) Current tax		**0.39**	0.07
	(2) Deferred tax		**–**	–
	Total tax expense		**0.39**	0.07
VII	**Profit for the period (V – VI)**		**1.54**	(1.65)
VIII	**Profit for the period attributable to:**			
	Owners of the Company		**1.54**	(1.65)
	Non controlling interests		**–**	–
IX	**Total comprehensive income for the period attributable to:**			
	Owners of the Company		**1.54**	(1.65)
	Non controlling interests		**–**	**–**
X	**Earnings per equity share**			
	(1) Basic	20	**0.06**	(0.07)
	(2) Diluted	20	**0.06**	(0.07)

For M/s. B. K. Khare & Co.
Chartered Accountants
Firm Registration No. 105102W

Shirish Rahalkar
Partner
Member Registration No. 111212

Mumbai, 18th April, 2022

For and on behalf of the Board of Directors

Mr. Vimal Agarwal
Mr. Narayan Shankar
Directors

Mumbai, 18th April, 2022

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2022

	For the year ended 31st March 2022 Rupees	For the year ended 31st March 2021 Rupees
		(Indirect Method)
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Profit before taxation	**1.93**	(1.58)
Adjustments for:		
Depreciation		
Interest on bank deposits	**(0.55)**	(0.77)
	(0.55)	(0.77)
Operating Profit/(Loss) before Working capital changes	**1.38**	(2.35)
Changes in:		
Trade and other receivables	**(0.01)**	0.05
Trade and other payables	**8.38**	2.12
	8.37	2.17
Cash generated from operations	**9.75**	(0.18)
Income taxes paid	**(0.02)**	(1.53)
NET CASH USED IN OPERATING ACTIVITIES	**9.73**	(1.71)
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Investment in Bank deposits (Net)	**(0.53)**	(0.83)
Proceeds from sale of long-term investment		
Interest received	**0.54**	0.83
NET CASH FROM INVESTING ACTIVITIES	**0.01**	–
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from the issue of share capital (including share premium)		
NET CASH FROM FINANCING ACTIVITIES	**–**	–
NET INCREASE IN CASH AND CASH EQUIVALENTS	**9.74**	(1.71)
CASH AND CASH EQUIVALENTS (see Note below)		
Opening balance	**0.52**	2.23
Closing balance	**10.26**	0.52

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2022 (Contd.)

	For the year ended 31st March 2022 Rupees	For the year ended 31st March 2021 Rupees
Note:		
Cash and cash equivalents includes:		
Cash on hand	**–**	–
Balances with Scheduled Banks:		
(I) on Current Accounts	**10.26**	0.52
	10.26	0.52

Note:

Cash and cash equivalents as per Balance Sheet include fixed deposits having maturity of more than three months but less than 12 months amounting to Rs. 14.93 Lakhs (2020: 14.10 Lakhs)

In terms of our report attached

For M/s. B. K. Khare & Co.
Chartered Accountants
Firm Registration No. 105102W

Shirish Rahalkar
Partner
Member Registration No. 111212

Mumbai, 18th April, 2022

For and on behalf of the Board of Directors

Mr. Vimal Agarwal
Mr. Narayan Shankar
} Directors

Mumbai, 18th April, 2022

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2022

Amount in Rs. Lakhs

A. Equity share capital

As at 31st March, 2020	240.05
Changes in equity share capital during the year	–
As at 31st March, 2021	240.05
Changes in equity share capital during the year	–
As at 31st March, 2022	240.05

B. Other Equity

	Reserves & Surplus	
	General Reserve	**Total**
As at 31st March, 2020	(2,486.62)	(2,486.62)
Profit/(Loss) for the period	(1.65)	(1.65)
Other Comprehensive Income/(Loss)	–	–
Total Comprehensive Income for the year	(2,488.27)	(2,488.27)
Transfers to Reserves	–	–
As at 31st March, 2021	(2,488.27)	(2,488.27)
Profit/(Loss) for the period	1.54	1.54
Other Comprehensive Income/(Loss)	–	–
Total Comprehensive Income for the year	(2,486.73)	(2,486.73)
Transfers to Reserves	–	–
As at 31st March, 2022	**(2,486.73)**	**(2,486.73)**

For M/s. B. K. Khare & Co.
Chartered Accountants
Firm Registration No. 105102W

Shirish Rahalkar
Partner
Member Registration No. 111212

Mumbai, 18th April, 2022

For and on behalf of the Board of Directors

Mr. Vimal Agarwal
Mr. Narayan Shankar
} Directors

Mumbai, 18th April, 2022

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

1 Company overview

Mahindra Construction Company Limited is a Limited Company incorporated and domiciled in India. The Company's registered office is at Mumbai, Maharashra, India. These financial statements correspond to the stand alone financial statments of the Company.

2 Basis of preparation

a. Statement of compliance and basis of preparation

These financial statements have been prepared in accordance with Indian Accounting Standards as per the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under Section 133 of the Companies Act, 2013 (the 'Act') and other relevant provisions of the Act.

The Company's financial statements upto and for the year ended 31 March 2016 were prepared in accordance with the Standards as per Companies (Accounting Standards) Rules, 2006, notified under Section 133 of the Act and other relevant provisions of the Act which was the previous GAAP (IGAAP).

b. Functional and presentation currency

These financial statements are presented in Indian Rupees ('INR' or 'Rs.') which is also the Company's functional currency. All amounts are rounded-off to the nearest lakhs, unless otherwise indicated.

c. Basis of measurement

The financial statements have been prepared on the historical cost basis except for certain financial instruments which are measured at fair values.

d. Use of judgements and estimates

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income, expenses and the disclosures of contingent assets and liabilities. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

Following are areas that involved a higher degree of estimate and judgement or complexity in determining the carrying amount of some assets and liabilities.

- useful life of property, plant and equipment and intangible assets
- estimation of define benefit obligation
- provision for warranty claims
- income taxes - current and deferred taxes
- fair value of unlisted securities
- impairment of trade receivables

Detailed information about each of these estimates and judgements that have a significant risk of resulting in material adjustment within the next financial year is included in relevant notes for the above items.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

e. Measurement of fair values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

In determining the fair value of its financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The Chief Financial Officer and persons entrusted have overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values and assessments that these valuations meet the requirements of Ind AS. The methods used to determine fair value include discounted cashflow analysis, available quoted market prices and dealer quotes. All methods of assessing fair value result in general approximation of value, and such value may never actually be realised.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets and liabilties.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: inputs for the asset ot liability that are not based on observable market data (unobservable inputs).

4 Significant accounting policies

a. Revenue Recognition

- Dividend and interest income

  Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably).

  Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

b. Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

1 Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the consolidated statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

2 Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

3 Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Financial instruments

'Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets

Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortised cost (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For the impairment policy on financial assets measured at amortised cost

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Interest income is recognised in profit or loss for FVTOCI debt instruments. For the purposes of recognising foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortised cost. Thus, the exchange differences on the amortised cost are recognised in profit or loss and other changes in the fair value of FVTOCI financial assets are recognised in other comprehensive income and accumulated under the heading of 'Reserve for debt instruments through other comprehensive income'. When the investment is disposed of, the cumulative gain or loss previously accumulated in this reserve is reclassified to profit or loss.

For the impairment policy on debt instruments at FVTOCI

All other financial assets are subsequently measured at fair value

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in profit or loss and is included in the "Other income" line item.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

Note No. 3 - Loans

Amount in Rs. Lakhs

Particulars	As at 31 March 2022	As at 31 March 2021
	Amounts	Amounts
	Non-Current	Non-Current
Security deposits		
Unsecured, considered good	**1.05**	1.05
	1.05	1.05

Note No. 4 - Non current investment

Amount in Rs. Lakhs

Particulars	As at 31 March 2022 Number of shares	As at 31 March 2022 Rupees	As at 31 March 2021 Number of shares	As at 31 March 2021 Rupees
Investments (At cost, unless otherwise specified):				
Unquoted shares (Non-trade and fully paid-up unless otherwise specified)				
a) Investment in others				
In New Tirupur Area Development Corporation Ltd Rs.10 per share	**70,00,000**	**700**	70,00,000	700
Less: Provision for diminution in value of investment		**(700)**		(700)
Total		**–**		–

Note No. 5 - Other Non-current Tax Assets

Amount in Rs. Lakhs

Particulars	As at 31 March 2022	As at 31 March 2021
	Amounts	Amounts
	Non-Current	Non-Current
Advance income tax (net of provision)	**43.43**	43.80
Fringe Benefit Tax [Net of provisions]	**0.07**	0.07
	43.50	43.87

Note No. 6 - Cash and Bank Balances

Amount in Rs. Lakhs

Particulars	As at 31 March 2022	As at 31 March 2021
Cash and cash equivalents		
(a) Balances with banks	**10.26**	0.52
(b) Cash on hand	**–**	–
Total Cash and cash equivalent	**10.26**	0.52

Amount in Rs. Lakhs

Particulars	As at 31 March 2022	As at 31 March 2021
Other Bank Balances		
(a) Balances with Banks:		
(i) Fixed Deposits with maturity greater than 3 months	**15.46**	14.93
Total Other Bank balances	**15.46**	14.93

Note No. 7 - Other Financial Assets

Amount in Rs. Lakhs

Particulars	As at 31 March 2022	As at 31 March 2021
	Current	Current
a) **Other Current Assets**		
– Interest accrued but not due on term deposits	**0.21**	0.20
Total Other Financial Assets	**0.21**	0.20

Note No. 8 - Equity Share Capital

Amount in Rs. Lakhs

	As at 31 March 2022 Nos	As at 31 March 2022 Rupees	As at 31 March 2021 Nos	As at 31 March 2021 Rupees
Authorised shares:				
Equity Shares of Rs. 10 each	**45,00,000**	**450.00**	45,00,000	450.00
	45,00,000	**450.00**	45,00,000	450.00
Issued, subscribed and fully paid-up shares:				
Equity Shares of Rs. 10 each	**24,00,520**	**240.05**	24,00,520	240.05
	24,00,520	**240.05**	24,00,520	240.05
a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period Equity:				
Opening Balance	**24,00,520**	**240.05**	24,00,520	240.05
Add: Issued during the year	**–**	**–**	**–**	**–**
Closing Balance	**24,00,520**	**240.05**	24,00,520	240.05

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

(iii) Details of shares held by the parent company, the ultimate parent company, their subsidiaries and associates

Particulars	Amount in Rs. Lakhs No. of Shares Equity Shares with Voting rights
As at 31st March 2022	
Mahindra & Mahindra Limited	**9,00,000**
Mahindra World City (Maharashtra) Limited	**10,00,380**
Deep Mangal Developers Pvt. Ltd	**3,00,000**
As at 31st March 2021	
Mahindra & Mahindra Limited	9,00,000
Mahindra World City (Maharashtra) Limited	10,00,380
Deep Mangal Developers Pvt. Ltd	3,00,000

(iv) Details of shares held by each shareholder holding more than 5% shares:

Amount in Rs. Lakhs

Class of shares/Name of shareholder	As at 31 March 2022		As at 31 March 2021	
	Number of shares held	**% holding in that class of shares**	Number of shares held	% holding in that class of shares
Equity shares with voting rights				
Mahindra & Mahindra Limited	**9,00,000**	**37.49%**	9,00,000	37.49%
Mahindra World City (Maharashtra) Limited *	**10,00,380**	**41.67%**	10,00,380	41.67%
Deep Mangal Developers Pvt. Ltd	**3,00,000**	**12.50%**	3,00,000	12.50%
Zeus International Trade Agency Ltd.	**2,00,000**	**8.33%**	2,00,000	8.33%

(v) Details of shareholdings by the Promoter's of the Company:

Amount in Rs. Lakhs

Class of shares/Name of shareholder	As at 31 March 2022		As at 31 March 2021	
	Number of shares held	**% holding in that class of shares**	Number of shares held	% holding in that class of shares
Equity shares with voting rights				
Mahindra & Mahindra Limited	**9,00,000**	**37.49%**	9,00,000	37.49%
Mahindra World City (Maharashtra) Limited *	**10,00,380**	**41.67%**	10,00,380	41.67%
Deep Mangal Developers Pvt. Ltd	**3,00,000**	**12.50%**	3,00,000	12.50%
Zeus International Trade Agency Ltd.	**2,00,000**	**8.33%**	2,00,000	8.33%

Terms/rights attached to equity shares

The Company is having only one class of equity shares having par value of Rs. 10 each. Each holder of equity share is entitled to one vote per share

In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive remaining assets of the Company, after the distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

* These are shares transfer to Mahindra World City (Maharashtra) Limited in repect of scheme of merger between Mahindra World City (Maharashtra) Limited, Topical Builders Pvt. Ltd., Raigad Industrial and Business Park Limited and Kismat Developers Pvt. Ltd.

Note No. 9 - Other Equity

Amount in Rs. Lakhs

	Reserves & Surplus General Reserve	Total
As at 31st March, 2020	**(2,486.62)**	**(2,486.62)**
Profit/(Loss) for the period	(1.65)	(1.65)
Other Comprehensive Income/(Loss)	–	–
Total Comprehensive Income for the year	(2,488.27)	(2,488.27)
Transfers to Reserves	**–**	**–**
As at 31st March, 2021	**(2,488.27)**	**(2,488.27)**
Profit/(Loss) for the period	1.54	1.54
Other Comprehensive Income/(Loss)	–	–
Total Comprehensive Income for the year	(2,486.73)	(2,486.73)
Transfers to Reserves	**–**	**–**
As at 31st March, 2022	**(2,486.73)**	**(2,486.73)**

Note No. 10 - Provisions

Amount in Rs. Lakhs

Particulars	**As at 31 March 2022 Current**	As at 31 March 2021 Current
Provision for compensated absences	**2.90**	2.90
	2.90	2.90

Note No. 11 - Borrowings

Amount in Rs. Lakhs

Particulars	**As at 31 March 2022 Current**	As at 31 March 2021 Current
Inter corporate Deposits	**1,145.43**	1,144.71
Loan-Others:		
10% Non-Cumulative Redeemable Participating Preference Shares	**540.00**	540.00
	1,685.43	1,684.71

Note No. 12 - Trade Payables

Amount in Rs. Lakhs

Particulars	**As at 31 March 2022 Current**	As at 31 March 2021 Current
Trade payable - Micro and small enterprises	**–**	–
Trade payable - Other than micro ans small enterprises	**590.07**	586.58
	590.07	586.58

Ageing for trade payable from the due date of payment for each of the category is as follows

Amount in Rs. Lakhs

Particulars	**As at 31 March 2022**	As at 31 March 2021
Undisputed dues of creditors other than micro enterprises and small enterprises		
Unbilled	**–**	–
Not Due	**–**	–
0 months - 1 year	**3.63**	0.59
1-2 Years	**0.41**	–
2-3 years	**0.04**	–
More than 3 years	**585.99**	585.99
Total	**590.07**	586.58

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

Note No. 13 - Other Financial Liabilities

		Amount in Rs. Lakhs
Particulars	**As at 31 March 2022 Current**	As at 31 March 2021 Current
Other Financial Liabilities	**9.26**	9.25
	9.26	9.25

Note No. 14 - Provisions

		Amount in Rs. Lakhs
Particulars	**As at 31 March 2022 Current**	As at 31 March 2021 Current
Provisions	**28.70**	25.23
	28.70	25.23

Note No. 15 - Other Current Liabilities

		Amount in Rs. Lakhs
Particulars	**As at 31 March 2022 Current**	As at 31 March 2021 Current
TDS payable	**0.80**	0.12
	0.80	0.12

Note No. 16 - Other Income

		Amount in Rs. Lakhs
Particulars	**For the year ended 31 March 2022**	For the year ended 31 March 2021
(a) Interest Income		
(1) Interest on Bank Deposits (at amortised cost)	**0.55**	0.77
(b) Other non-operating income (net)	**10.00**	–
	10.55	0.77

Note No. 17 - Personnel Expenses

		Amount in Rs. Lakhs
Particulars	**For the year ended 31 March 2022**	For the year ended 31 March 2021
(a) Salaries, Wages and Bonus	**–**	–
(b) Contribution to provident and other funds	**0.08**	0.08
(c) Staff welfare	**–**	–
	0.08	0.08

Note No. 18 - Finance Cost

		Amount in Rs. Lakhs
Particulars	**For the year ended 31 March 2022**	For the year ended 31 March 2021
(a) Interest on Inter Corporate Deposits	**0.80**	0.90
	0.80	0.90

Note No. 19 - Other Expenses

		Amount in Rs. Lakhs
Particulars	**For the year ended 31 March 2022**	For the year ended 31 March 2021
(a) Auditors remuneration and out-of-pocket expenses		
(i) As Auditors (including GST)	**0.89**	0.89
(ii) For Taxation matters	**–**	–
(b) Other expenses		
(1) Legal & Professional Fees	**6.68**	0.35
(2) Others	**0.17**	0.13
	7.74	1.37

Note No. 20 - Earnings per Share

		Amount in Rs. Lakhs
Particulars	**For the year ended 31 March 2022**	For the year ended 31 March 2021
	Per Share	Per Share
Basic Earnings per share	**0.06**	**(0.07)**
Diluted Earnings per share	**0.06**	**(0.07)**

Basic & Diluted earnings per share

The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:

		Amount in Rs. Lakhs
Particulars	**For the year ended 31 March 2022**	For the year ended 31 March 2021
A. Net Profit after tax available for equity shareholders (Rs. in Lakhs)	**1.54**	(1.65)
B. Nominal value per Share (Rs.)	**10.00**	10.00
C. Weighted Average number of Equity Shares (No.)	**24,00,520.00**	24,00,520.00
D. Basic & Diluted Earnings per share (Re.)	**0.06**	(0.07)

Note No. 21 - Financial Instruments

Capital management

The company's capital management objectives are:

– to ensure the company's ability to continue as a going concern

– to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

The company monitors capital on the basis of the carrying amount of equity as presented on the face of the statement of financial position.

		Amount in Rs. Lakhs
Particulars	**As at 31 March 2022**	As at 31 March 2021
Equity	**(2,246.68)**	(2,248.22)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

The Company is not subject to externally enforced capital regulation.

Categories of financial assets and financial liabilities

Amount in Rs. Lakhs

	Amortised Costs	FVTPL	FVOCI	Total
				As at 31 March 2022
Current Assets				
Other Bank Balances	**15.46**	**–**	**–**	**15.46**
Other Current Asssts	**0.21**	**–**	**–**	**0.21**
Current Liabilities				
Trade Payables	**590.07**	**–**	**–**	**590.07**
				As at 31 March 2021
	Amortised Costs	FVTPL	FVOCI	Total
Current Assets				
Other Bank Balances	14.93	–	–	14.93
Other Current Asssts	0.20	–	–	0.20
Current Liabilities				
Trade Payables	586.58	–	–	586.58

Financial Risk Management Framework

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk. In order to manage the aforementioned risks, the Company operates a risk management policy and a program that performs close monitoring of and responding to each risk factors.

CREDIT RISK

(i) *Credit risk management*

Credit risk arises when a counterparty defaults on its contractual obligations to pay resulting in financial loss to the Company.

The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned.

LIQUIDITY RISK

(i) *Liquidity risk management*

"Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Company's short-, medium- and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

(ii) *Maturities of financial liabilities*

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The amount disclosed in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows.

The contractual maturity is based on the earliest date on which the Company may be required to pay.

Particulars	**Less than 1 Year**	**1-3 Years**	**3 Years to 5 Years**	**5 years and above**
	INR	**INR**	**INR**	**INR**
Non-derivative financial liabilities				
31st March 2022				
Non-interest bearing	**590.07**	**–**	**–**	**–**
Total	**590.07**	**–**	**–**	**–**
31st March 2021				
Non-interest bearing	586.58	–	–	–
Total	586.58	–	–	–

(iii) *Financing arrangements*

The company does not have any undrawn borrowing facility as at year end

(iv) *Maturities of financial assets*

The following table details the Company's expected maturity for its non-derivative financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Company's liquidity risk management as the liquidity is managed on a net asset and liability basis.

Particulars	**Less than 1 Year**	**1-3 Years**	**3 Years to 5 Years**	**5 years and above**
	INR	**INR**	**INR**	**INR**
Non-derivative financial assets				
31st March 2022				
Non-interest bearing	**10.26**	**–**	**–**	**–**
Fixed interest rate instruments	**15.46**	**–**	**–**	**–**
Total	**25.72**	**–**	**–**	**–**
31st March 2021				
Non-interest bearing	0.52	–	–	–
Fixed interest rate instruments	14.93	–	–	–
Total	15.45	–	–	–

Note No. 22 - Fair Value Measurement

Fair Valuation Techiques and Inputs used - recurring Items

Amount in Rs. Lakhs

Financial assets/ financial liabilities measured at Fair value	**Fair value as at**			**Fair value hierarchy**	**Valuation technique(s) and key input(s)**
	31-Mar-22	**31-Mar-21**	**31-Mar-20**		
Financial assets					
Investments					
1) Equity investments	**–**	**–**	**–**	**–**	**–**
Total financial liabilities	**–**	**–**	**–**	**–**	**–**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

Fair value of financial assets and financial liabilities that are not measured at fair value

Amount in Rs. Lakhs

Particulars	31-Mar-22		31-Mar-21	
	Carrying amount	**Fair value**	Carrying amount	Fair value
Financial assets				
Financial assets carried at Amortised Cost				
– Other Current Assets	**0.21**	**0.21**	0.20	0.20
– fixed deposits	**15.46**	**15.46**	14.93	14.93
Total	**15.67**	**15.67**	15.13	15.13
Financial liabilities				
Financial liabilities held at amortised cost				
– trade and other payables	**590.07**	**590.07**	586.58	586.58
Total	**590.07**	**590.07**	586.58	586.58

Amount in Rs. Lakhs

	Fair value hierarchy as at 31 March 2022			
	Level 1	**Level 2**	**Level 3**	**Total**
Financial assets				
Financial assets carried at Amortised Cost				
– Loans & Advances	**–**	**0.21**	**–**	**0.21**
– fixed deposits	**–**	**15.46**	**–**	**15.46**
Total	**–**	**15.67**	**–**	**15.67**
Financial liabilities held at amortised cost				
– trade and other payables	**–**	**590.07**	**–**	**590.07**
Total	**–**	**590.07**	**–**	**590.07**

Note No. 23 - Contingent Liability

Amount in Rs. Lakhs

	For the year ended 31 March 2022	For the year ended 31 March 2021
Penalty u/s 271(1)(C) of the Income Tax Act relating to Assessment Year 2005-06	**–**	31.88
Income tax demands disputed from A. Y. 2015-16 for which the Company has preferred appeal before the Appellate Authorities	**–**	4.13
Total	**–**	36.01

Note No. 24 - Events after the reporting period

There are no material events occurred after the balance sheet date but before the approval of financial statements by board of directors.

Note No. 25 - Current Tax and Deferred Tax

(a) Income Tax recognised in profit or loss

Amount in Rs. Lakhs

Particulars	**Year ended 31 March 2022**	Year ended 31 March 2021
Current Tax:		
In respect of current year	**0.39**	0.07
Deferred Tax:		
In respect of current year	**–**	–
Total income tax expense on continuing operations	**0.39**	0.07

(b) Reconciliation of income tax expense and the accounting profit multiplied by Company's domestic tax rate:

Amount in Rs. Lakhs

Particulars	**Year ended 31 March 2022**	Year ended 31 March 2021
Profit before tax from continuing operations	**1.93**	(1.58)
Income tax expense calculated at 30.90% (2016: 30.90%)	**–**	–
Effect of income that is exempt from taxation	**–**	–
Interest under section 234(B) and 234(C)	**–**	–
Income tax expense recognised In profit or loss from continuing operations	**–**	–

The tax rate used for the 31st March 2022 and 31st March 2021 reconciliations above is the corporate tax rate of 30.90% payable by corporate entities in India on taxable profits under Indian Income Tax Laws.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

Note 26: Financial Ratios

	Particulars	Numerator	Denominator	For the year ended 31 March 2022	For the year ended 31 March 2021	% Variance
a)	Current Ratio	Current Assets	Current Liablities	0.0112	0.0068	65.09%
b)	Debt Equity Ratio	Net Debt	Equity	(1.0314)	(1.0269)	0.43%
c)	Debt Service Coverage Ratio (DSCR)	EBDITA	Total Debt	0.0024	(0.0006)	-501.22%
d)	Return on Equity	PAT	Networth	(0.0007)	0.0007	-193.40%
e)	Inventory Turnover Ratio	COGS	Average Inventory	NA	NA	NA
f)	Trade Receivable Turnover Ratio	Turnover	Trade Receivable (Average)	NA	NA	NA
g)	Trade payable Turnover Ratio	COGS	Average Trade Payable	NA	NA	NA
h)	Net Capital Turnover Ratio	Average Networth	Turnover	(213.03)	(2,918.66)	-92.70%
i)	Net Profit Ratio	PAT	Revenue	0.15	(2.14)	-106.81%
j)	Return on Capital Employed	PAT	Networth	NA	NA	NA
k)	Return on Investment	PAT	Capital Employed	NA	NA	NA

Note 27: Investment in New Tirupur Development Corporation Limited

The Capital of New Tirupur Area Development Corporation Limited (NTADCL) as on 31st March 2021 has been almost fully eroded by past losses. It was exploring the option of supplying substantial volume of industrial water to a textile park proposed to be set up by the State Government which would have contributed substantially to its topline. Information forthcoming in the last few months suggest that there are likely to be delays and the possibility of NTADCL recovering its past losses does not seem very promising. In view of this, the Company has provided for its entire investment of Rs.7,00,00,000 in the equity shares of NTADCL during the year.

Note 28:

Accumulated losses of the company as on 31st March 2022 exceeds the paid up share capital of the company. Though the Company has made a provision in respect of its investment in NTADCL, there is no intention of disposing off these investments. Presently, the company is actively pursuing claims and litigations in respect of projects completed and is hopeful of recovering the claims made by it against the parties, which will be recognised as revenue in the year of receipt. The Company is exploring various business opportunities including restructuring. Supported by its Parent Company, in the opinion of the management, the company will be able to continue as going conern for the foreseeable future.

Having regard to the above factors, the accounts are prepared on going concern basis.

Note 29:

The 10% Non-Cumulative Redeemable Participating Preference Shares ("The Shares") were redeemable at par on 13th March 2015. The Company has continued to incur losses during the year and, as on 31st March 2021, its accumulated losses exceeded the paid up share capital and free reserves of the Company. The Company is not in a position to redeem The Shares.

Note 30:

The Company had taken unsecured loans of Rs.994.42 lakhs in earlier years. Based on the Letters for waiver of interest issued by the lenders from year to year, since 2005 the Company was not for interest payable on these loans. On 1st April 2014 the lenders of the aforesaid unsecured loans opted to call for repayment of the principal amount. Further, the lenders are not agreeable to renew the unsecured loans, despite the Company expressing its inability to repay the same because of its financial situation. Since the unsecured loans have not been renewed, no provision has been made in the accounts for interest of Rs.84.14 lakhs for the year payable on these loans.

For M/s. B. K. Khare & Co.
Chartered Accountants
Firm Registration No. 105102W

Shirish Rahalkar
Partner
Member Registration No. 111212

Mumbai, 18th April, 2022

For and on behalf of the Board of Directors

Mr. Vimal Agarwal
Mr. Narayan Shankar
Directors

Mumbai, 18th April, 2022

INDEPENDENT AUDITOR'S REPORT

To the Members of Meru Travel Solutions Private Limited

Report on the Audit of the Standalone Ind AS Financial Statements

Opinion

We have audited the accompanying Ind AS Financial Statements of **Meru Travel Solutions Private Limited** ("the Company"), which comprise the standalone Balance Sheet as at March 31, 2022, and the standalone statement of Profit and Loss (including Other Comprehensive Income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, its loss and other comprehensive loss, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone Ind AS Financial Statements in accordance with the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013 (the Act) (SAs). Our responsibilities under those Standards are further described in the 'Auditors' Responsibilities for the Audit of the Ind AS Financial Statements' section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("the ICAI") together with the ethical requirements that are relevant to our audit of the Ind AS Financial Statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Ind AS Financial Statements.

Information Other than the Ind AS Financial Statements and Auditors' Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the Directors Report, but does not include the standalone Ind AS Financial Statements and our Auditors' Report thereon.

Our opinion on the Ind AS Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Ind AS Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Ind AS Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone Ind AS Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone Ind AS Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the audit of the Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Standard on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken based on these Ind AS financial statements.

As part of an audit in accordance with Standard on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that are sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Ind AS Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone Ind AS Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Ind AS Financial Statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure-B", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   (c) The standalone Balance Sheet, the standalone Statement of Profit and Loss including other comprehensive Income, the standalone Cash Flow Statement and the standalone Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

   (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

   (e) On the basis of the written representations received from the directors as on 31st March, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.

   (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

   (g) In our opinion and according to the information and explanation given to us, the Company has not paid any remuneration to its directors and thus the provisions of Section 197 of the Act are not applicable to the Company. Accordingly, reporting under section 197 (16) of the Act is not applicable in case of the Company.

   (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

      i. The company does not have any pending litigations which will impact its financial positions.

      ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

      iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

      iv. (a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities (intermediaries), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provided any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The management has represented that, to the best of it's knowledge and belief, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provided any guarantee, security or the like on behalf of the Ultimate beneficiaries; and

(c) Based on such audit procedures that the auditor has considered reasonable and appropriate in the circumstances, nothing has come to their notice that has caused us to believe that the representations under sub-clause (i) and (ii) contain any material misstatement.

v. The Company have not declared or paid dividend during the financial year.

For **B.K. Khare & Co.**
Chartered Accountants
Firm's Registration No. 105102W

Aniruddha Joshi
Partner
Membership No.040852
UDIN: 22040852AHTIMO4459

Place: Mumbai
Date: April 25, 2022

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **Meru Travel Solutions Private Limited** ("the Company") as of March 31, 2022 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing whether the risk of a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that: (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the Ind AS financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected, Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **B.K. Khare & Co.**
Chartered Accountants
Firm's Registration No. 105102W

Aniruddha Joshi
Partner
Membership No. 040852
UDIN: 22040852AHTIMO4459

Place: Mumbai
Date: April 25, 2022

ANEXURE B TO THE AUDITOR'S REPORT

Referred to in paragraph 1 under **Report on Other Legal and Regulatory Requirements section** of our report of even date on the standalone financial statements of **Meru Travel Solutions Private Limited** for the year ended March 31, 2022

Annexure to the Auditor's Report referred to in our report of even date:

i. (a) According to information and explanation to given us, the Company does not hold any Property, Plant and Equipment and Intangible assets. Accordingly, Clause 3(i)(a) to 3(i)(e) of the Order is not applicable to the Company.

ii. (a) Company is into service industry and does not hold any inventory, thus Clause 3(ii)(a) of the Order is not applicable to the company.

(b) According to the information and explanations given to us, the Company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets at any point of time during the year.

iii. According to the information and explanations given to us, the Company has not made investments in or provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year. Accordingly, the reporting under Clauses 3(iii)(a) to 3(iii)(f) of the Order is not applicable to the Company.

iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act, with respect to loans granted, guarantees provided and investments made by the Company. The Company has not provided any security during the year to the parties covered under Sections 185 and 186 of the Act.

v. According to the information and explanations given to us, the Company has not accepted deposits under the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. Accordingly, the reporting under Clause 3(v) of the Order is not applicable to the Company.

vi. The Central Government has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company. Accordingly, the reporting under Clause 3(vi) of the Order is not applicable to the Company.

vii. (a) According to the information and explanations given to us and on the basis of our examination of records of the Company, the amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Services tax, Provident Fund, Employees' State Insurance, Income-tax, Cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. According to the information and explanations given to us and on the basis of our examination of records of the Company, there were no undisputed statutory dues payable in respect of Sales tax, Service tax, Duty of Customs, Duty of Excise and Value Added Tax.

According to the information and explanations given to us and on the basis of our examination of records of the Company, there were no arrears of outstanding statutory dues in respect of Goods and Services tax, Provident fund, Employees' State Insurance, Income-tax, Sales tax, Service tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other material statutory dues as on the last day of the financial year for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and on the basis of our examination of records of the Company, there are no statutory dues in respect of Goods and Services Tax, Provident Fund, Employees' State Insurance, Sales tax, Service tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and any other material statutory dues as at March 31, 2022, which have not been deposited with the appropriate authorities on account of any dispute. The statutory dues in respect of Income-tax as at March 31. 2022, which have not been deposited with the appropriate authorities on account of a dispute, are as under:

Name of the statute	**Nature of the dues**	**Amount (Rs)***	**Period to which the amount relates**	**Forum where dispute is pending**
Income Tax Act, 1961	Tax deducted at Source	18,830	Various Years	Traces

viii. According to the information and explanations given to us, there are no transactions not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income-tax Act, 1961. Accordingly, the reporting under Clause 3(viii) of the Order is not applicable to the Company.

ix. (a) According to the information and explanations given to us and based on the audit procedures performed by us, the Company has not availed any loans or other borrowings during the year. Accordingly, the reporting under Clause 3(ix)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us, the Company has not been declared a willful defaulter by any bank or financial institution or any other lender till the date of our audit report.

(c) In our opinion and according to the information and explanations given to us, Company has not availed any term loans during the year and thus, Clause 3(ix)(c) of the Order is not applicable to the Company.

(d) In our opinion and according to the information and explanations given to us, and on an overall examination of the Balance Sheet of the Company, we report that funds raised on short-term basis have not been utilised for long- term purposes as at the Balance Sheet date.

(e) According to the information and explanations given to us and on an overall examination of the Financial Statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.

(f) According to the information and explanations given to us and based on the audit procedures performed by us, we report that the Company has not raised any loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies. Accordingly, the reporting under Clause 3(ix)(f) of the Order is not applicable to the Company.

x. (a) According to the information and explanations given to us, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under Clause 3(x)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us, the Company has made private placement of shares during the year in compliance with the requirements of Section 42 and Section 62 of the Act. In our opinion, total money raised aggregating Rs. 3 lakhs have been utilised till March 31, 2022 for the purposes for which the funds were raised.

xi. (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company noticed or reported during the year, nor have we been informed of any such case by the management.

(b) There has been no report filed by us under sub-section (12) of Section 143 of the Act in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government. Accordingly, the reporting under Clause 3(xi)(b) of the Order is not applicable to the Company.

(c) As represented to us by the management, no whistle blower complaints were received by the Company during the year.

xii. According to the information and explanations given to us, the Company is not a Nidhi company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, the reporting under Clause 3(xii) of the Order is not applicable to the Company.

xiii. In our opinion and according to the information and explanations given to us, the Company has entered into transactions with related parties in compliance with the provisions of Section 177 and 188 of the Act. The details of such related party transactions have been disclosed in the standalone financial statements as required by Indian Accounting Standard (Ind AS) 24, Related Party Disclosures, specified under Section 133 of the Act.

xiv. (a) In our opinion and according to the information and explanations given to us and based on our examination, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the Internal Audit reports of the Company issued till date for the period under audit.

xv. According to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with them during the year and hence, the provisions of Section 192 of the Act are not applicable to the Company. Accordingly, the reporting under Clause 3(xv) of the Order is not applicable to the Company.

xvi. (a) According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under Clause 3(xvi)(a) of the Order is not applicable to the Company.

(b) In our opinion and according to the information and explanations given to us, the Company has not conducted any Non-Banking Financial or Housing Finance activities. Accordingly, the reporting under Clause 3(xvi)(b) of the Order is not applicable to the Company.

(c) In our opinion and according to the information and explanations given to us, the Company is a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. The Company has not obtained registration with the Reserve Bank of India since the Company continues to fulfill the criteria of being exempted from registration as a CIC as at the date of our audit report.

Based on the information and explanations given to us and the audit procedures performed by us, we report that the Group has 6 Core Investment Companies.

xvii. In our opinion and according to the information and explanations given to us, the Company has incurred cash losses of Rs. 28.59 Lakhs during the current financial year and Rs. 58.55 Lakhs in the immediately preceding financial year.

xviii. There has been no resignation of the statutory auditors during the year. Accordingly, the reporting under Clause 3(xviii) of the Order is not applicable to the Company.

xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of Balance Sheet as and when they fall due within a period of one year from the Balance Sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the Balance Sheet date, will get discharged by the Company as and when they fall due.

xx. According to the information and explanations given to us, Section 135 of the Act does not applicable to the company. Accordingly, the reporting Clause 3(xx) of the Order is not applicable to the Company.

xxi. We have considered the Auditors' Reports of the subsidiaries of the Company, included in the consolidated financial statements. We have observed that there are no qualifications or adverse remarks in the report under the Companies (Auditor's Report) Order, 2020.

For **B. K. Khare & Co.**
Chartered Accountants
Firm's Registration Number 105102W

Aniruddha Joshi
Partner
Membership Number 040852
UDIN: 22040852AHTIMO4459

Place: Mumbai
Date: April 25, 2022

STANDALONE BALANCE SHEET AS AT MARCH 31, 2022

(Currency in INR Lakhs)

Particulars	Notes	As at March 31, 2022	As at March 31, 2021
Assets			
Non-current assets			
Investment in subsidiaries	3	**5,048.01**	12,527.96
Total Non-Current Assets		**5,048.01**	12,527.96
Current assets			
Financial assets:			
Cash and cash equivalents	4	**0.08**	14.53
Total Current Assets		**0.08**	14.53
Total Assets		**5,048.09**	12,542.49
Equity and liabilities			
Equity			
Equity share capital	5	**9,713.78**	9,711.81
Other equity		**(4,689.15)**	2,818.36
Total equity		**5,024.63**	12,530.17
Non-current liabilities:			
Financial liabilities:			
Borrowings	6	**–**	3.00
Current liabilities:			
Financial liabilities:			
i) Trade payables			
a) total outstanding dues to small enterprises and micro enterprises		**–**	–
b) total outstanding dues of creditors other than small enterprises and micro enterprises	7	**22.77**	9.29
ii) Other current liabilities	8	**0.69**	0.03
Total current liabilities		**23.46**	12.32
Total Equity and Liabilities		**5,048.09**	12,542.49
Significant accounting polices	2A		
Notes to the standalone financial statements	3 to 22		

The notes referred to above are an integral part of the standalone financial statements.

As per our report of even date attached

For B. K. Khare & Co.
Chartered Accountants
ICAI Firm Registration No. 105102W

Aniruddha Joshi
Partner
Membership No. 040852

Place : Mumbai
Date : April 25, 2022

For and on behalf of the Board of Directors of
Meru Travel Solutions Private Limited
CIN: U63040MH2006PTC165956

Kannan Chakravarthy
Director
DIN: 08021737

Manaswini Goel
Director
DIN: 08142619

Bharat Trivedi
Chief Financial Officer

Supriya Naik
Company Secretary

Place : Mumbai
Date : April 25, 2022

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2022

(Currency in INR Lakhs)

Particulars	Notes	Period ended March 31, 2022	Period ended March 31, 2021
EXPENSES			
Audit fees and other expenses	9	**28.59**	58.55
Impairment of Investment in subsidiary	3	**7,479.95**	–
Loss before tax		**(7,508.54)**	(58.55)
Tax expenses			
Current and Deferred Tax		**–**	–
Loss for the year		**(7,508.54)**	(58.55)
Other Comprehensive Income			
Items that will not be reclassified to statement of profit and loss			
Remeasurements of defined benefit plans		**–**	–
Income tax related to above		**–**	–
Net other comprehensive (income) / loss not to be reclassified to statement of profit and loss in subsequent years		**–**	–
Other comprehensive income / (loss) for the year, net of tax		**–**	–
Total Comprehensive loss for the year, net of tax		**(7,508.54)**	(58.55)
Earnings per share			
Basic and diluted	15	**(7.73)**	(0.07)
[Nominal Value INR 10 per share]			
Significant accounting polices	2A		
Notes to the standalone financial statements	3 to 22		

The notes referred to above are an integral part of the standalone financial statements.

As per our report of even date attached

For B. K. Khare & Co.
Chartered Accountants
ICAI Firm Registration No. 105102W

Aniruddha Joshi
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Bharat Trivedi
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Supriya Naik
Company Secretary

Place : Mumbai
Date : April 25, 2022

STANDALONE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2022

(Currency in INR Lakhs)

Particulars	Period ended March 31, 2022	Period ended March 31, 2021
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before tax	**(7,508.54)**	(58.55)
Adjustments for:		
Impairment of investments in subsidiary	**7,479.95**	–
Operating Cash flow before working capital changes	**(28.59)**	(58.55)
Working Capital Adjustments		
Trade Payables	**13.48**	(31.57)
Other liabilities	**0.66**	(0.28)
Net cash flows (used) in operating activities (A)	**(14.45)**	(90.39)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Investment in subsidiary	**–**	(1,396.97)
Redemption of Preference shares	**(3.00)**	–
Net cash flow used in investing activities (B)	**(3.00)**	(1,396.97)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issuance of equity share capital	**3.00**	1,500.00
Net cash flows from financing activities (C)	**3.00**	1,500.00
Net (decrease)/increase in cash and cash equivalents (A+B+C)	**(14.45)**	12.64
Cash and cash equivalents at the beginning of the year	**14.53**	1.89
Cash and cash equivalents at the end of the year (refer note 4)	**0.08**	14.53

Reconciliation of the movement of liabilities to cash flows arising from financing activities

Change in Liability arising from financial activities:	Short–term borrowings	Long–term borrowings
Opening Balance as on April 1, 2020	–	3.00
Other Adjustments:-	–	–
Closing Balance as on March 31, 2021	–	3.00
Other Adjustments:-		–
Redemption of Preference shares	–	(3.00)
Closing Balance as on March 31, 2022	–	–
Significant accounting polices	2A	
Notes to the standalone financial statements	3 to 22	

The notes referred to above are an integral part of the Standalone Financial Statements.

As per our report of even date attached

For B. K. Khare & Co.
Chartered Accountants
ICAI Firm Registration No. 105102W

Aniruddha Joshi
Partner
Membership No. 040852

Place : Mumbai
Date : April 25, 2022

For and on behalf of the Board of Directors of
Meru Travel Solutions Private Limited
CIN: U63040MH2006PTC165956

Kannan Chakravarthy
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DIN: 08021737

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DIN: 08142619

Bharat Trivedi
Chief Financial Officer

Supriya Naik
Company Secretary

Place : Mumbai
Date : April 25, 2022

STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2022

(Currency in INR Lakhs)

a) Equity Share Capital

	Note	
As at April 1, 2021	5	**9,711.81**
Changes in equity share capital during the year		**1.97**
As at March 31, 2022	5	**9,713.78**

b) Other Equity

For the year ended March 31, 2022

Particulars	Equity component of preference shares	Reserves & Surplus: Securities premium	Reserves & Surplus: Capital Reserve	Reserves & Surplus: Retained earnings	Total Other equity
As at April 1, 2021	**11,885.28**	**30,205.54**	**9,589.68**	**(48,862.14)**	**2,818.36**
Net loss for the year	–	–	–	(7,508.54)	(7,508.54)
Add: Share issued during the year	–	1.03	–	–	1.03
Other comprehensive income for the year	–	–	–	–	–
Total comprehensive income	**–**	**1.03**	**–**	**(7,508.54)**	**(7,507.51)**
Transactions with owners, recorded directly in equity					
Contributions by owners					
Total Contributions by owners	–	–	–	–	–
As at March 31, 2022	**11,885.28**	**30,206.57**	**9,589.68**	**(56,370.68)**	**(4,689.15)**

a) Equity Share Capital

	Note	
As at April 1, 2020	5	**8,705.77**
Changes in equity share capital during the year		1,006.04
As at March 31, 2021	5	**9,711.81**

b) Other Equity

For the year ended March 31, 2021

Particulars	Equity component of preference shares	Reserves & Surplus: Securities premium	Reserves & Surplus: Capital Reserve	Reserves & Surplus: Retained earnings	Total Other equity
As at April 1, 2020	**11,885.28**	**29,711.58**	**9,589.68**	**(48,803.59)**	**2,382.95**
Net loss for the year	–	–	–	(58.55)	(58.55)
Add: Share issued during the year	–	493.96	–	–	493.96
Other comprehensive income for the year	–	–	–	–	–
Total comprehensive income	**–**	**493.96**	**–**	**(58.55)**	**435.41**
Transactions with owners, recorded directly in equity					
Contributions by owners					
Total Contributions by owners	–	–	–	–	–
As at March 31, 2021	**11,885.28**	**30,205.54**	**9,589.68**	**(48,862.14)**	**2,818.36**

Note

(i) Equity component of preference shares

During the year ended March 31, 2013, the Company issued 31,489 cumulative redeemable preference shares (CRPS) of INR 10 each fully paid-up at a premium of INR 25,000 per share to True North Trusteeship Company Private Limited (formerly known as 'IVF Trustee Company Private Limited') as nominee shareholder of True North Fund IIIA (formerly known as 'India

Value Fund IIIA'). The preference shares carry cumulative dividend @ 0.01% p.a. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. Holders of the cumulative redeemable preference shares have no voting rights with respect to any matters which may be brought for shareholders action in connection with the business and affairs of the Company, except in respect of matters which directly affect the rights of redeemable preference shareholders subject to the provisions of the Act.

The cumulative redeemable preference shares were redeemable at a premium of INR 53,414 per share on December 31, 2016, During the previous year ended March 31, 2017, the redemption period of these preference shares was extended by 1 year to December 31, 2017 at a premium of INR 61,427 per share or at such earlier date and at such value (representing fair market value prevailing at that relevant point in time) as may be decided by the Board of Directors.

During the previous year ended March 31, 2018, the 0.01% Cumulative redeemable preference shares were converted into 0.01% Optionally convertible optionally redeemable preference shares (the option being with the Board of Directors of the Company) and extended the redemption period of these preference shares by 10 years to December 31, 2027 at the same redemption price i.e. INR 61,427 per share or at such earlier date and at such value as may be decided by the Board of Directors. In case Board of Directors decides to convert the preference shares to equity, such conversion shall be based on fair market value prevailing at that relevant point in time. The 0.01% Optionally convertible optionally redeemable preference shares is classified as a financial liability subsequently measured at amortised cost. It has been recorded at fair value on initial recognition and the difference between fair value and the book value is recorded under Other equity as 'Equity component on preference shares'.

During the year ended March 31, 2020, 31,489 0.01% Optionally convertible optionally redeemable preference shares (the option being with the Board of Directors of the Company) was converted into 1,489 (one thousand four hundred eighty nine), Equity Shares of the Company of face value INR 10 (Rupees Ten only), ranking pari passu with all the then existing Equity Shares of the Company and 30,000 Redeemable Optionally Convertible Non-Cumulative Redeemable Preference Shares ("OCRPS") of the Company for a period of 6 years from Dec 5, 2019.

The redemption amount of these OCRPS will be decided based on the outcome of the ongoing proceedings during its term. If as per the decision of ongoing proceedings no amount is payable to the Company, these preference shares will be redeemed at face value subject to applicable laws or they will be converted into 1 equity share of the Company. If as per the decision of ongoing proceedings, any amount is received by the Company, the Company shall redeem these OCRPS at face value + Premium, where premium will the amount received minus any cost and taxes payable on the amount received.

During the year, these OCRPS have been redeemed at face values, from the proceeds of issueance of fresh equity share capital, as per the requirement of the Act.

(ii) Securities premium: Securities premium is credited when shares are issued at a premium. The securities premium can be utilized as per the provisions of the Companies Act, 2013 for specified purposes such as to issue bonus shares, to provide for premium on redemption of shares or debentures etc.

(iii) Retained earnings: Retained earnings represents the amount of accumulated earnings at each Balance Sheet date of the Company.

(iv) Capital reserve:

(i) Capital reserve is created out of transaction between the Company and BCCL on account of issue of shares and cancellation of share warrants and Line of credit ('LOC') availed by subsidiary Rs. 665.40 Lakhs.

(ii) Capital reserve is created on the conversion of financial liability component of 0.01% Optionally convertible optionally redeemable preference shares to 0.01% Redeemable Optionally Convertible Non-Cumulative Preference Shares ("OCRPS") of Rs 89.24 Lakhs.

Significant accounting polices - Notes 2A

Notes to the standalone financial statements notes 3 to 22

The Statement of changes in Equity should be read in conjunction with the notes referred to above which are an integral part of the standalone financial statements

As per our report of even date attached

For B. K. Khare & Co.
Chartered Accountants
ICAI Firm Registration No. 105102W

Aniruddha Joshi
Partner
Membership No. 040852

Place : Mumbai
Date : April 25, 2022

For and on behalf of the Board of Directors of
Meru Travel Solutions Private Limited
CIN: U63040MH2006PTC165956

Kannan Chakravarthy
Director
DIN: 08021737

Manaswini Goel
Director
DIN: 08142619

Bharat Trivedi
Chief Financial Officer

Supriya Naik
Company Secretary

Place : Mumbai
Date : April 25, 2022

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

1. Corporate information

Meru Travel Solutions Private Limited ('the Company') is registered as a private limited company incorporated on December 4, 2006 under the Companies Act, 1956 and having its registered office at F-17, 4th Floor, Pinnacle Business Park, Shanti Nagar, Mahakali Caves Road, Andheri (East), Mumbai 400 093, India. The Company is a deemed public company as per definition of the Companies Act with effect from December 5, 2019. The Company operates through its three subsidiaries, to undertake business of owning, operating and maintaining vehicle fleets for transportation of passengers in form of tourist vehicles, radio taxis and to acquire and operate similar existing business.

On November 19, 2014, the name of the Company was changed to Meru Travel Solutions Private Limited and on January 13, 2015 the Company was converted to a Public Limited Company and the name of the Company was changed to Meru Travel Solutions Limited. Subsequently on July 23, 2015, the Company was converted back to Private Limited Company and the name changed to Meru Travel Solutions Private Limited.

These financial statements were authorized for issue in accordance with a Board resolution of April 25, 2022.

2A. Significant accounting policies

2A.1 Statement of Compliance

The Financial Statements have been prepared in accordance with the Indian Accounting Standards as per the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under section 133 of the Companies Act, 2013 (the 'Act'). The Financial Statements are separate Financial Statements.

2A.2 Basis of preparation and presentation

These financial statements have been prepared on accrual basis and the historical cost basis as a going concern except for certain financial instruments that are measured at fair values or at amortised cost, wherever applicable, at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in this financial statement is determined on such basis, except for share-based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 116, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

2A. Significant accounting policies (continued)

2A.2 Basis of preparation and presentation (continued)

The Financial Statements are prepared in Indian Rupee (INR) and denominated in Lakhs.

The principal accounting policies are set out below.

2A.3 Borrowing costs

Borrowing cost that are attributable to the acquisition or construction of qualifying assets are capitalised as a part of the cost of the such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use or sale. All other borrowing costs are charged to the revenue in the year of incurrence.

2A.4 Taxation

Income Tax expense represents the sum of tax currently payable and deferred tax.

2A.4.1 Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'Profit before tax' as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

2A.4.2. Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Financial Statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

2A.4.3 Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in Other Comprehensive Income or directly in equity, in which case, the current and deferred tax are also recognised in Other Comprehensive Income or directly in equity respectively.

2A.5 Provisions, Contingent liability & Contingent assets

Provision are recognised when the Company has a present obligation (legal or constructive) as a result of past event; it is probable that the company will be required to settle the obligation, and a reliable estimate can be made of the amount of obligation.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Onerous contracts

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the company has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

Contingent liabilities are disclosed when a possible obligation arising from past events the existence of which will be confirmed only by the occurrence or non- occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

A contingent asset is disclosed where an inflow of economic benefits is probable.

2A.6 Cash and cash equivalents

Cash and cash equivalents in the Balance Sheet comprise cash at banks and on hand and short-term deposits, if any, with a maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement cash flows, cash and cash equivalents consist of cash and short-term deposits as defined above.

2A.7 Investment in subsidiaries

Investments in subsidiaries are recorded at cost as defined in Ind AS 27.

2A.8 Financial instruments

Financial assets and financial liabilities are recognised when a company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

2A.9 Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a settlement date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

2A.9.1 Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortised cost (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

i. the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and

ii. the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For the impairment policy on financial assets measured at amortised cost, refer note no 2A.9.4

Investments in subsidiaries: All investments in subsidiaries are valued at cost.

All other financial assets are subsequently measured at fair value.

2A.9.2 Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in profit or loss and is included in the “Other income” line item.

2A.9.3 Financial assets at Fair value through Profit and Loss

Investments in equity instruments are classified as at FVTPL, unless the Company irrevocably elects on initial recognition to present subsequent changes in fair value in Other Comprehensive Income for investments in equity instruments which are not held for trading.

A financial asset that meets the amortised cost criteria or debt instruments that meet the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the ‘Other Income’ line item. Dividend on financial assets at FVTPL is recognised when the Company’s right to receive the dividend is established, it is probable that the economic benefits associated with the dividend will flow to the entity and the amount of dividend can be measured reliably.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

2A.9.4 Impairment of financial assets

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, trade receivables, other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets).

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Company uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 18, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

2A.9.5 Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other Comprehensive Income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

On derecognition of a financial asset other than in its entirety (e.g. when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in Other Comprehensive Income is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in Other Comprehensive Income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

2A.10 Financial liabilities & Equity instruments

2A.10.1 Classification as debt or equity

Debt and equity instruments issued by a company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

2A.10.2 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a company entity are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

2A.10.3 Compound financial instruments

The component parts of compound financial instruments (convertible notes) issued by the Company are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. A conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is an equity instrument.

At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recognised as a liability on an amortised cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date.

The conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound financial instrument as a whole. This is recognised and included in equity, net of income tax effects, and is not subsequently remeasured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised, in which case, the balance recognised in equity will be transferred to other component of equity. When the conversion option remains unexercised at the maturity date of the convertible note, the balance recognised in equity will be transferred to retained earnings. No gain or loss is recognised in profit or loss upon conversion or expiration of the conversion option.

2A.10.4 Financial liabilities

All financial liabilities are subsequently measured at amortised cost.

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(Currency in INR Lakhs)

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

2A.11 Earnings per share

Basic and diluted earnings per share is computed by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of Equity Shares outstanding during the year, in accordance with Ind AS 33.

2B. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 2A, the management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only the period of the revision and future periods if the revision affects both current and future periods.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(i) Impairment of investment in subsidiary

The Company performs impairment testing for investment in subsidiaries where there are indicators of impairment. If such an indicator exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. The recoverable amount is the higher of value in use and fair value less costs of disposal. If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the Company's Statement of profit and loss. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of the recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately as a credit to the Company's Statement of profit and loss.

During the year, the Company has recorded / (reversed) impairment charge in respect of the investment in all three subsidiaries at the value at which it has agreed to Sale its subsidiaries to Mahindra Logistics Limited ('MLL') as per the Share Purchase Agreement ('SPA') signed on November 9, 2021.

Note 3: Investment in subsidiaries

	As at March 31, 2022	As at March 31, 2021
Investments in unquoted equity instruments of subsidiaries:		
Meru Mobility Tech Private Limited *[formerly known as Meru Cab Company Private Limited]* ('MMTPL')		
173,695 equity shares of INR. 10 each fully paid (March 31, 2021: 173,695)	**31,454.08**	31,454.08
Less: Impairment in value of Investments (Refer Note 16)	**(29,317.08)**	(21,626.12)
	2,137.00	9,827.96
V-Link Fleet Solutions Private Limited ('VFSPL')		
12,050 equity shares of INR. 10 each fully paid (March 31, 2021: 12,050)	**411.88**	411.88
Less: Impairment in value of Investments (Refer Note 16)	**(411.87)**	(411.88)
	0.01	–
V-Link Automotive Services Private Limited ('VASPL')		
13,294 equity shares of INR. 10 each fully paid (March 31, 2021: 13,294)	**16,288.29**	16,288.29
Less: Impairment in value of Investments	**(13,376.29)**	(13,588.29)
	2,911.00	2,700.00
Total	**5,048.01**	12,527.96
(a) Aggregate amount of unquoted investments; and	**48,154.25**	48,154.25
(b) Aggregate amount of impairment in value of investments.	**(43,105.24)**	(35,626.29)

Note 4: Cash and cash equivalents

	As at March 31, 2022	As at March 31, 2021
Cash on hand	**–**	0.03
Balances with bank in current account	**0.08**	14.50
Total	**0.08**	14.53

Note 5 : Equity share capital

	As at March 31, 2022	As at March 31, 2021
Authorised shares:		
125,000,000 equity shares of INR 10 each (March 31, 2021: 125,000,000)	**1,250,000,000**	1,250,000,000
Issued, subscribed and fully paid-up shares:		
97,137,796 equity shares of INR. 10/- each (March 31, 2021: 97,118,058)	**971,377,960**	971,180,580
	971,377,960	971,180,580

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(Currency in INR Lakhs)

(i) Reconciliation of the shares outstanding at the beginning and at the end of the year

	As at March 31, 2022		As at March 31, 2021	
Equity shares	**No.**	**Amount**	No.	Amount
At the beginning of the year	**97,118,058**	**9,711.81**	87,057,696	8,705.77
Issued during the year	**19,738**	**1.97**	10,060,362	1,006.04
Outstanding at the end of the year	**97,137,796**	**9,713.78**	97,118,058	9,711.81

(ii) Terms/ rights attached to equity shares

The Company has only one class of equity shares having a par value of INR.10 per share. Each holder of equity shares is entitled to one vote per share. No dividend has been declared during the year ended March 31, 2022 (March 31, 2021 - Nil).

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(iii) Shares held by Holding and Promotor Company, percentage of holding and % changes during the year

	As at March 31, 2022		As at March 31, 2021	
	No.	**Amount**	No.	Amount
Equity shares				
Mahindra & Mahindra Limited	**97,137,796**	**9,713.78**	41,950,519	4,195.05
Pecentage of holding	*100.00%*		*43.20%*	
% Change during the year	*232%*		*132%*	

(iv) Details of shares held by shareholders holding more than 5% of the aggregate shares

	As at March 31, 2022		As at March 31, 2021	
	No	**%**	No	%
Equity shares				
True North Trusteeship Company Private Limited				
– as nominee shareholder of True North Fund IIIA	–	–	33,498,603	34.49%
– as nominee shareholder of True North Fund IV	–	–	5,232,809	5.39%
Mahindra & Mahindra Limited*	**97,137,796**	**100.00%**	41,950,519	43.20%
Mr. Neeraj Gupta	–	–	8,822,956	9.08%
Mrs. Farhat Gupta	–	–	3,473,455	3.58%

**During the year, the erstwhile shareholders have transferred their shares to Mahindra & Mahindra Limited. The Company is now a wholly owned subsidiary of Mahindra and Mahindra Limited.*

0.01% Redeemable Optionally Convertible Non-Cumulative Preference Shares ('Cumulative redeemable preference share')

	As at March 31, 2022		As at March 31, 2021	
	No	**%**	No	%
True North Trusteeship Company Private Limited				
- as nominee shareholder of True North Fund IIIA	–	–	30,000	100%

(v) Aggregates number of bonus shares issued, share issued for consideration other than cash during the period of five years immediately preceding the reporting date:

During the 5 year periods ended March 31, 2022 and March 31, 2021

603,372 Equity shares of Rs. 10 each allotted as fully paid shares on account of share warrant liability during the financial year March 31, 2020

1,489 Equity shares of Rs. 10 each allotted as fully paid shares by on account of share warrant agreement during the financial year March 31, 2020 (Refer footnote (i) "Equity component of preference shares" to the statement of changes in equity for details.)

Note 6: Financial liabilities - Borrowings

	As at March 31, 2022	As at March 31, 2021
Liability component of preference shares*	**–**	3.00
Total	**–**	3.00
Non-current	**–**	3.00
Current	**–**	–

* Refer footnote (i) "Equity component of Preference shares" to the Statement of Changes in Equity for terms of the preference shares.

Note 7: Trade Payables

	As at March 31, 2022	As at March 31, 2021
Trade payables		
a) total outstanding dues to small enterprises and micro enterprises	**–**	–
b) total outstanding dues of creditors other than small enterprises and micro enterprises		
Trade payables to related parties (Refer note 11)	**12.75**	–
Other trade payables	**10.02**	9.29
Total	**22.77**	9.29

(Refer Note 13 for Trade Payables Ageing as per Schedule-III)

Trade payables are non-interest bearing and the credit terms generally range from 30 to 60 days.

For terms and conditions with related parties, refer to note 11

The Company's exposure to liquidity risk is disclosed in note 12[C].

Details of dues to micro and small enterprises as per Micro, Small and Medium Enterprises Development Act, 2016

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(Currency in INR Lakhs)

As at March 31, 2022 and March 31, 2021, there are no outstanding dues on account of principal or interest to micro and small enterprises as defined in the Micro, Small and Medium Enterprises Development Act, 2006. Accordingly, no additional disclosures have been made.

The above information regarding micro and small enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.

Note 8: Other current liabilities

	As at March 31, 2022	As at March 31, 2021
Statutory dues	**0.69**	0.03
Total	**0.69**	0.03

Note 9: Audit fees and other expenses

	Period ended Mar 31, 2022	Year ended March 31, 2021
Auditor's remuneration (refer note below)	**1.18**	1.18
Legal & professional fees	**15.70**	16.73
Directors sitting fees	**11.66**	7.36
Share issue expenses	**–**	33.25
Miscellaneous expenses	**0.05**	0.03
Total	**28.59**	58.55
Auditor's Remuneration (including goods and services tax)		
Statutory audit fees (including out of pocket expenses)	**1.18**	1.18
	1.18	1.18

Note 10: Income Taxes

The major components of income tax expense for the years ended

	March 31, 2022	March 31, 2021
Current income tax:		
Current income tax charge	**–**	–
Adjustments in respect of current income tax of previous year	**–**	–
Deferred tax:		
Relating to origination and reversal of temporary differences	**–**	–
Income tax expense reported in the statement of profit or loss	**–**	–

	March 31, 2022	March 31, 2021
Net loss/(gain) on remeasurements of defined benefit plans	**–**	–
Income tax expense charged to OCI	**–**	–

Reconciliation of tax expense and the accounting profit / (loss) multiplied by India's domestic tax rate for the year ended

	March 31, 2022	March 31, 2021
Accounting loss before income tax	**(7,508.54)**	(58.55)
At India's statutory income tax rate of 26.00% (March 31, 2021: 26%)	**(1,952.22)**	(15.22)
Adjustments in respect of current income tax of previous years	**–**	–
Effect of current year losses for which no deferred tax asset is recognised	**1,952.22**	15.22
At the effective income tax rate	**–**	–
Income tax expense reported in the statement of profit and loss	**–**	–

Deferred tax working for the year ended:

	Balance Sheet	
	March 31, 2022	March 31, 2021
Tax effect of items constituting deferred tax liabilities		
Difference in property, plant and equipment and intangibles as compared to tax base of respective assets	**–**	–
Tax effect of items constituting deferred tax assets		
Carry forward Unabsorbed business losses	**40.95**	34.03
Deferred tax expense	**40.95**	34.03
Net deferred tax assets	**40.95**	34.03
Net deferred tax assets\(liabilities) recognised	**–**	–

	Statement of Profit & Loss	
	March 31, 2022	March 31, 2021
Tax effect of items constituting deferred tax liabilities		
Difference in property, plant and equipment and intangibles as compared to tax base of respective assets	**–**	–
Tax effect of items constituting deferred tax assets		
Carry forward Unabsorbed business losses	**(6.92)**	(1.05)
Deferred tax expense/(income)	**(6.92)**	(1.05)
Net deferred tax assets\(liabilities) recognised in profit and loss	**–**	–

The Company has a net deferred tax asset position as at March 31, 2022 and March 31, 2021. However, in terms of Ind AS 12, the Company has not recognised the net deferred tax assets as there is no reasonable certainty supported by convincing evidence that the Company will have adequate taxable profits in the future against which the carried forward tax losses may be offset.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(Currency in INR Lakhs)

The Company has following tax losses which arose in India that are available for offsetting against future taxable profits.

	March 31, 2022	March 31, 2021
Losses that expire - Carry forward business losses	**157.50**	130.87

* The carry forward tax losses would expire beginning from the financial year 2022-23 up to 2029-30.

Note 11: Related party transactions

Names of related parties and related party relationship:

Related parties ('RP') where control exists

Holding Company	Mahinadra & Mahindra Limited

Related parties with whom transactions have taken place during the year

Subsidiaries including sub-subsidiaries	Meru Mobility Tech Private Limited ('MMTPL')
	V-Link Fleet Solutions Private Limited ('VFSPL')
	V-Link Automotive Services Private Limited ('VASPL')

Key Management Personnel (KMP)	Neeraj Gupta (CEO) upto April 30, 2021
	Pravin Shah (CEO) with effect from May 1, 2021 till December 31, 2021
	Bharat Trivedi (CFO)
	Manjinder Singh (CS) with effect from April 29, 2020 till April 7, 2021
	Supriya Naik (CS) with effect from July 27, 2021
	Nikhilesh Panchal : Independent Director with effect from Dec 5, 2019 till April 30, 2021
	Moin Lodha: Independent Director with effect from Dec 5, 2019 till Nov 2, 2020
	G. Chellakrishna : Independent Director with effect from August 3, 2020
	Abhimanyu Bhattacharya: Independent Director with effect from May 3, 2021

Transactions with related parties

Particulars	Holding Company		Key Management Personnel		Subsidiaries	
	March 31, 2022	March 31, 2021	**March 31, 2022**	March 31, 2021	**March 31, 2022**	March 31, 2021
Issue of shares						
Mahindra & Mahindra Limited	**3.00**	1,500.00	**–**	–	**–**	–
Investments in subsidiary companies						
Meru Mobility Tech Private Limited	**–**	–	**–**	–	**–**	1,396.97
Redemption of OCORPS						
True North Trusteeship Company Private Limited	**3.00**	–	**–**	–	**–**	–
Directors sitting fees						
Nikhilesh Panchal	**–**	–	**1.20**	2.71	**–**	–
Moin Lodha	**–**	–	**–**	1.77	**–**	–
Abhimanyu Bhattacharya			**2.70**	–		
G. Chellakrishna	**–**	–	**4.60**	1.53	**–**	–
Impairment charge / (reversal) in value of Investments in subsidiary						
Meru Mobility Tech Private Limited	**–**	–	**–**	–	**7,690.96**	–
V-Link Automotive Services Private Limited	**–**	–	**–**	–	**(211.00)**	–
V-Link Fleet Solutions Private Limited	**–**	–	**–**	–	**(0.01)**	–
Expenses incurred on behalf of the Company						
Meru Mobility Tech Private Limited	**–**	–	**–**	–	**–**	52.65

Details of balances receivable / (payable) to related parties

Particulars	Holding Company		Key Management Personnel		Subsidiaries	
	March 31, 2022	March 31, 2021	**March 31, 2022**	March 31, 2021	**March 31, 2022**	March 31, 2021
Balance payable at the year end						
Meru Mobility Tech Private Limited	**–**	–	**–**	–	**(1.95)**	–
Mahindra & Mahindra Limited	**(10.80)**	–	**–**	–	**–**	–
Closing balance of preference shares						
True North Trusteeship Company Private Limited	**–**	(3.00)	**–**	–	**–**	–

Terms and conditions of transactions with related parties

All the related party transaction during the year were in ordinary course of business. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(Currency in INR Lakhs)

Note 12: Financial instruments

A] Accounting classification of financial instruments

The following table summarises the accounting classification and carrying amounts of financial instruments.

Particulars	Notes	Carrying value\Fair Value	
		March 31, 2022	March 31, 2021
Financial assets carried at amortised cost			
Cash and cash equivalents	4	**0.08**	14.53
Total		**0.08**	14.53
Financial liabilities carried at amortised Cost			
Liability portion of Preference shares			
Non-current portion	6	**–**	3.00
Trade and other Payables	7	**22.77**	9.29
Total		**22.77**	12.29

B] Fair Value Measurement

The management assessed that cash and cash equivalents, current liability portion of preference shares and trade payables approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair values of the Company's preference shares is determined by using DCF method using the Company's incremental borrowing rate and the fair value determined on initial recognition is categorised as Level 2 in the fair value hierarchy.

There were no transfers between level 1, 2 and 3 for recurring fair value measurements during each of the reporting period. The Company's policy is to recognise transfers into and transfer out of fair value hierarchy levels at the end of the reporting period.

C] Financial risk management objectives and policies

The Company has exposure to the following risks arising from its financial instruments:

– Liquidity risk

The Company's senior management is responsible for the management of these risks with oversight of the Company's Board of Directors.

(i) Liquidity risk

The Company's liquidity risk mainly arises from preference shares issued to the parent company and insignificant routine expenses which are paid by Company's subsidiaries on its behalf as and when required. Subsequently, on receipt of funds by Company from its Parent on issue of equity shares for onward investment in its subsidiaries, Company generally settles the inter-company payables first and invests balance amounts in its Subsidiaries when needed. With regard to its preference shares, Company re-negotiates the terms of preference shares with its Parent company depending upon its financial condition on each redemption date. During the year, these preference shares are redeemed.

The Company did not have drawn or undrawn borrowing facilities as at each reporting date.

The table below summarises the maturity profile of the Companys' financial liabilities based on contractual undiscounted payments.

	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Year ended - March 31, 2022						
Trade payables to related parties	12.75	–	–	–	–	**12.75**
Other trade payables	10.02	–	–	–	–	**10.02**
	22.77	**–**	**–**	**–**	**–**	**22.77**

	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Year ended - March 31, 2021						
0.01% optionally convertible optionally redeemable preference shares	–	–	–	–	3.00	**3.00**
Trade payables	9.29	–	–	–	–	**9.29**
	9.29	**–**	**–**	**–**	**3.00**	**12.29**

D] Capital management

For the purpose of the Company's capital management, capital includes issued equity capital, preference shares, securities premium and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximise the shareholder's value. Since Company is non-revenue generating entity, Company monitors its capital considering requirements at Group level after including all subsidiaries' capital requirements as mentioned below.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may issue new shares. The Company manages its capital, considering the net debt position and rolling cash flows as at each period end and identify need for additional funding from the existing / new share holders to meet the outstanding commitments and future cash flow requirements to meet the business plan for 1 year to 3 years. The Company includes within net debt, interest bearing loans and borrowings (excluding redeemable preference share), less cash and cash equivalents (Including intercorporate deposits & liquid mutual fund units).

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2022 and March 31, 2021.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(Currency in INR Lakhs)

Note 13: Trade Payable Ageing

Trade Payables ageing schedule as at March 31, 2022

Particulars		Unbilled	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i)	MSME	–	–	–	–	–	–
(ii)	Others	6.78	15.99	–	–	–	22.77
(iii)	Disputed dues - MSME	–	–	–	–	–	–
(iv)	Disputed dues - Others	–	–	–	–	–	–
Total		6.78	15.99	–	–	–	22.77

Trade Payables ageing schedule as at March 31, 2021

Particulars		Unbilled	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i)	MSME	–	–	–	–	–	–
(ii)	Others	9.29	–	–	–	–	9.29
(iii)	Disputed dues — MSME	–	–	–	–	–	–
(iv)	Disputed dues - Others	–	–	–	–	–	–
Total		9.29	–	–	–	–	9.29

Note 14: Ratio Analysis

Particulars	Numerator	Denominator	Year ended Mar 31, 2022	Year ended Mar 31, 2021	Variance %	Reason for variance
Current Ratio	Total current assets	Total current liabilities	–	1.18	(100)%	Last year there were bank balances which were used for expenses.
Debt-Equity Ratio	Debt consists of lease liabilities	Total equity	n/a	0.02%	n/a	During the year, preference shares are redeemed
Debt Service Coverage Ratio	Earning for Debt Service = Net Profit after taxes + Non-cash operating expenses + Interest + Other non-cash adjustments	Debt service= Lease payments	n/a	n/a	n/a	
Return on Equity Ratio	Profit for the year less Preference dividend (if any)	Average total equity	1.49	–	(32080)%	During the year, preference shares are redeemed and impairment provision is made for investments.
Trade Receivables turnover ratio	Revenue from operations	Average trade receivables	n/a	n/a	n/a	
Trade payables turnover ratio	Operating expenses + Other expenses	Average trade payables	1.78	2.33	(24)%	
Net capital turnover ratio	Revenue from operations	Average working capital (i.e. Total current assets less Total current liabilities)	n/a	n/a	n/a	
Net profit ratio	Profit for the year	Revenue from operations	n/a	n/a	n/a	
Return on Capital employed	Profit before tax and finance costs	Capital employed = Net worth + Lease liabilities + Deferred tax liabilities	(1.49)	–	31880%	During the year, preference shares are redeemed
Return on investment	Income generated from invested funds	Average invested funds in treasury investments	n/a	n/a	n/a	

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(Currency in INR Lakhs)

Note 15: Earnings per share

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the parent by the weighted average number of Equity shares outstanding during the year.

The following reflects the income and share data used in the basic and diluted EPS computations:

	March 31, 2022	March 31, 2021
(Loss) attributable to equity holders	**(7,508.54)**	(58.55)
Number of Shares outstanding at the beginning of the year	**97,118,058**	87,057,696
Add: Shares issued during the year	**19,738**	10,060,362
Number of Shares outstanding at the end of the year	**97,137,796**	97,118,058
Weighted average number of Equity shares for basic EPS	**97,135,092**	88,628,766
Basic and diluted EPS (INR Rupees)	**(7.73)**	(0.07)

Note 16: Impairment in value of Investment in subsidiary

During the year ended March 31, 2022, the Company has recorded / (reversed) impairment charge in respect of the investment in all three subsidiaires at the value at which it has agreed to Sale its subsidiaries to Mahindra Logistics Limited ('MLL') as per the Share Purchase Agreement ('SPA') signed on November 9, 2021.

Note 17: Segment reporting

The Company operates through its subsidiaries and does not have any operational business activity. Hence the requirements of the Indian Accounting Standard 108 – "Operating Segments", are not applicable to the Company.

Note 18: Going Concern

As at March 31, 2022, the Company has accumulated losses of INR 56,370.68 Lakhs (March 31, 2021: INR 48,862.14 million) and a positive net worth of INR 5,024.63 Lakhs (March 31, 2021: INR 12.530.17 Lakhs). The Holding Company Mahindra & Mahindra Limited ('M&M') has committed to provide continued financial and/or operational support to the Group for its continued operations for the foreseeable future through itself or through its subsidiay.

In view of the foregoing, the going concern assumption has been considered appropriate in preparing these financial statements.

Note 19: Other Matter

During the year, the Company and its subsidiaries i.e. MMTPL, VFSPL and VASPL, M&M and MLL have entered in SPA, whereby the shares of all the three subsidiaries will be transferred by the Company to MLL and the shares of the Company will be transferred by M&M to MLL.

Note 20: Subsequent Events

There are no significant subsequent events that would require adjustments or disclosures in the financial statements as on the balance sheet date.

Note 21: All amounts disclosed in the financial statements and notes has been rounded off to the nearest lakhs as per the requirement of Schedule III, unless otherwise stated.

Note 22: The figures for the previous year have been regrouped/rearranged wherever necessary to make them comparable with the current period's figures.

As per our report of even date attached

For B. K. Khare & Co.
Chartered Accountants
ICAI Firm Registration No. 105102W

For and on behalf of the Board of Directors of
Meru Travel Solutions Private Limited
CIN: U63040MH2006PTC165956

Aniruddha Joshi
Partner
Membership No. 040852

Kannan Chakravarthy
Director
DIN: 08021737

Manaswini Goel
Director
DIN: 08142619

Bharat Trivedi
Chief Financial Officer

Supriya Naik
Company Secretary

Place : Mumbai
Date : April 25, 2022

Place : Mumbai
Date : April 25, 2022

INDEPENDENT AUDITOR'S REPORT

To the Members of
Meru Mobility Tech Private Limited

Report on the Audit of the Ind AS Financial Statements

Opinion

We have audited the accompanying Financial Statements of **Meru Mobility Tech Private Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, its loss and total comprehensive loss, its changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Ind AS Financial Statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the 'Auditors' Responsibilities for the Audit of the Ind AS Financial Statements' section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("the ICAI") together with the ethical requirements that are relevant to our audit of the Ind AS Financial Statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS Financial Statements.

Emphasis of Matter

We draw attention to Note No 32 to the financial statements which describes the probable / potential impact of the outbreak of COVID 19 on the business operations of the group. In view of the highly uncertain economic environment, a definitive assessment of the impact on the subsequent periods is highly dependent upon circumstances as they evolve. Our opinion is not modified in this matter.

Information Other than the Ind AS Financial Statements and Auditors' Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the Directors Report and the related annexures, but does not include the Ind AS Financial Statements and our Auditors' Report thereon.

Our opinion on the Ind AS Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Ind AS Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Ind AS Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the audit of the Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Ind AS Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the Ind AS Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the Ind AS Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Ind AS Financial Statements, including the disclosures, and whether the Ind AS Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Ind AS Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Ind AS Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Ind AS Financial Statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on other Legal and Regulatory requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in Annexure B, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, we report that:

    (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

    (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

    (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this report are in agreement with the books of account.

    (d) In our opinion, the aforesaid Financial Statements comply with the Accounting Standards specified under Section 133 of the Act.

    (e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164(2) of the Act.

    (f) With respect to the adequacy of the internal financial controls with reference to Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure A. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to Financial Statements.

    (g) In our opinion and according to the information and explanation given to us, the Company has not paid any remuneration to its directors and thus the provisions of Section 197 of the Act are not applicable to the Company. Accordingly, reporting under section 197 (16) of the Act is not applicable in case of the Company.

    (h) With respect to the other matters to be included in the Auditors' Report in accordance with the requirements of Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

        (i) The Company has disclosed the impact of pending litigations on its financial position in its Financial Statements – Refer Note 29 (c) to the Ind AS Financial Statements;

        (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and

        (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

        (iv) (a) The management has represented that, to the best of its knowledge and belief, except as disclosed in notes to accounts in note no. 40, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities

("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

(v) The Company has not declared any dividend during the year.

For **B.K. Khare & Co.**
Chartered Accountants
Firm's Registration No. 105102W

Aniruddha Joshi
Partner
Membership No.040852
UDIN: 22040852AHTIGB6296

Place : Mumbai
Date : April 25, 2022

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **Meru Mobility Tech Private Limited** ("the Company") as of March 31, 2022 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing whether the risk of a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that: (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the Ind AS financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected, Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **B.K. Khare & Co.**
Chartered Accountants
Firm's Registration No. 105102W

Aniruddha Joshi
Partner
Membership No. 040852
UDIN: 22040852AHTIGB6296

Place : Mumbai
Date : April 25, 2022

ANEXURE B TO THE AUDITOR'S REPORT

Referred to in paragraph 1 under **Report on Other Legal and Regulatory Requirements section** of our report of even date on the Ind AS Financial Statements of **MERU Mobility Tech Private limited** for the year ended March 31, 2022

Annexure to the Auditor's Report referred to in our report of even date:

i. (a) (A) According to the information and explanations given to us, the Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.

(B) According to the information and explanations given to us, the Company has maintained proper records showing full particulars of intangible assets.

(b) The Company has a regular programme for physical verification of its property, plant and equipment by which the property, plant and equipment are verified by the management according to a phased programme designed to cover all the items over a period of 3 years. In our opinion, this periodicity of the physical verification is reasonable having regard to the size of the Company and nature of its property, plant and equipment. In accordance with the programme, the Company has physically verified certain property, plant and equipment during the year and no material discrepancies were noticed on such verification.

(c) The Company does not have any immovable property under Property Plant and Equipment. Hence, reporting under Clause 3(i)(c) of the Order is not applicable to the Company.

(d) According to the information and explanations given to us, the Company has not revalued any of its Property, Plant and Equipment (including Right of Use assets) during the year.

(e) Based on the audit procedures performed by us and according to the information, explanations and representations given to us, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

ii. (a) Company is into service industry and does not hold any inventory, hence, reporting under Clause 3(ii)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from Axis bank on the basis of security of Current Assets (First pari-passu charge) during the year. During the year, there were no amounts disbursed from the above facility taken by the Company.

iii. (a) According to the information and explanations given to us, the Company has not made investments in or provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to firms or any other parties. During the year, the Company has granted loans to one fellow subsidiary company, the details of which are as under:

Particulars	Amount
Aggregate amount of loans given during the year: - V-Link Fleet Solutions Private Limited (Fellow Subsidiary)	Rs. 96,60,007/-
Balance outstanding at the balance sheet date - V-Link Fleet Solutions Private Limited (Fellow Subsidiary)	Rs. 14,22,47,687/-

(b) According to the information and explanations given to us, the terms and conditions of the loans granted by the Company to a fellow subsidiary company is not prejudicial to the Company's interest.

(c) According to the information and explanation given to us, there was no amount due during the year in respect of the loan given to fellow subsidiary. Hence, reporting under Clause 3(iii)(c) to 3(iii)(f) of the Order is not applicable to the company.

iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act, with respect to loans granted, guarantees provided and investments made by the Company. The Company has not provided any security during the year to the parties covered under Sections 185 and 186 of the Act.

v. According to the information and explanations given to us, the Company has not accepted deposits under the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. Accordingly, the reporting under Clause 3(v) of the Order is not applicable to the Company.

vi. The Central Government has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company. Accordingly, the reporting under Clause 3(vi) of the Order is not applicable to the Company.

vii. (a) According to the information and explanations given to us and on the basis of our examination of records of the Company, the amounts deducted / accrued in the books of account in respect of undisputed statutory dues of Income-tax have generally been regularly deposited during the year by the Company with the appropriate authorities, though there have been slight delays in a few cases. According to the information and explanations given to us and on the basis of our examination of records of the Company, there were no undisputed statutory dues payable in respect of Sales tax, Service tax, Duty of Customs, Duty of Excise and Value Added Tax.

According to the information and explanations given to us and on the basis of our examination of records of the Company, there were no arrears of outstanding statutory dues in respect of Goods and Services tax, Provident fund, Employees' State Insurance, Income-tax, Sales tax, Service tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other material statutory dues as on the last day of the financial year for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and on the basis of our examination of records of the Company, there are no statutory dues in respect of Goods and Services Tax, Provident Fund, Employees' State Insurance, Sales tax, Service tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and any other material statutory dues as at 31 March 2022, which have not been deposited with the appropriate authorities on account of any dispute. The statutory dues in respect of Income-tax, Service Tax and GST as at 31 March 2022, which have not been deposited with the appropriate authorities on account of a dispute, are as under:

Name of the statute	Nature of the dues	Amount (Rs)*	Period to which the amount relates	Forum where dispute is pending
Service Tax	Service Tax	57,56,20,706	October 2014 to June 2017	Commissioner Of CGST & Central Excise
Goods and Service Tax	Interest on Reverse Charge Liability on unregistered suppliers	1,19,95,650	July 1, 2017 to October 12, 2017	Directorate General of GST Intelligence
Income Tax Act, 1961	Tax Deducted at Source	6,76,680	Various Years	Traces

viii. According to the information and explanations given to us, there are no transactions not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income-tax Act, 1961. Accordingly, the reporting under Clause 3(viii) of the Order is not applicable to the Company.

ix. (a) According to the information and explanations given to us and based on the audit procedures performed by us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.

(b) According to the information and explanations given to us, the Company has not been declared a wilful defaulter by any bank or financial institution or any other lender till the date of our audit report.

(c) The Company has not raised any term loans during the year. Hence, reporting under Clause 3(ix)(c) of the Order is not applicable to the Company.

(d) In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that funds raised on short-term basis have not been utilised for long- term purposes as at the Balance Sheet date.

(e) According to the information and explanations given to us and on an overall examination of the Ind AS Financial Statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.

(f) According to the information and explanations given to us and based on the audit procedures performed by us, we report that the Company has not raised any loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies. Accordingly, the reporting under Clause 3(ix)(f) of the Order is not applicable to the Company.

x. (a) According to the information and explanations given to us, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under Clause 3(x)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Accordingly, the reporting under Clause 3(x)(b) of the Order is not applicable to the Company.

xi. (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company noticed or reported during the year, nor have we been informed of any such case by the management.

(b) There has been no report filed by us under sub-section (12) of Section 143 of the Act in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government. Accordingly, the reporting under Clause 3(xi)(b) of the Order is not applicable to the Company.

(c) As represented to us by the management, no whistle blower complaints were received by the Company during the year.

xii. According to the information and explanations given to us, the Company is not a Nidhi company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, the reporting under Clause 3(xii) of the Order is not applicable to the Company.

xiii. In our opinion and according to the information and explanations given to us, the Company has entered into transactions with related parties in compliance with the provisions of Section 188 of the Act. The details of such related party transactions have been disclosed in the Ind AS Financial Statements as required by Indian Accounting Standard (Ind AS) 24, Related Party Disclosures, specified under Section 133 of the Act. Further, the Company is not required to constitute an Audit Committee under Section 177 of the Act, and accordingly, to this extent, the reporting under Clause 3(xiii) of the Order is not applicable to the Company.

xiv. (a) In our opinion and according to the information and explanations given to us and based on our examination, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the Internal Audit reports of the Company issued till date for the period under audit.

xv. According to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with them during the year and hence, the provisions of Section 192 of the Act are not applicable to the Company. Accordingly, the reporting under Clause 3(xv) of the Order is not applicable to the Company.

xvi. (a) According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under Clause 3(xvi)(a) of the Order is not applicable to the Company.

(b) In our opinion and according to the information and explanations given to us, the Company has not conducted any Non-Banking Financial or Housing Finance activities. Accordingly, the reporting under Clause 3(xvi)(b) of the Order is not applicable to the Company.

(c) In our opinion and according to the information and explanations given to us, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under Clauses 3(xvi)(c) and 3(xvi)(d) of the Order is not applicable to the Company.

Based on the information and explanations given to us and the audit procedures performed by us, we report that the Group has 6 Core Investment Companies.

xvii. In our opinion and according to the information and explanations given to us, the Company has incurred cash losses of Rs. 1212.45 Lakhs million during the current financial year and Rs. 1933.77 Lakhs in the immediately preceding financial year.

xviii. There has been no resignation of the statutory auditors during the year. Accordingly, the reporting under Clause 3(xviii) of the Order is not applicable to the Company.

xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the Ind AS Financial Statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of Balance Sheet as and when they fall due within a period of one year from the Balance Sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the Balance Sheet date, will get discharged by the Company as and when they fall due.

xx. According to the information and explanations given to us, company is not liable to adhere compliance under section 135 of the Companies Act, 2013. Accordingly, the reporting Clause 3(xx)of the Order is not applicable to the Company.

xxi. According to the information and explanations given to us, company does not have any subsidiary company. Accordingly, the reporting Clause 3(xxi)of the Order is not applicable to the Company.

For **B. K. Khare & Co.**
Chartered Accountants
Firm’s Registration Number 105102W

Aniruddha Joshi
Partner
Membership Number 040852
UDIN: 22040852AHTIGB6296

Place : Mumbai
Date : April 25, 2022

BALANCE SHEET AS AT MARCH 31, 2022

(Currency in INR lakhs)

Particulars	Notes	As at March 31, 2022	As at March 31, 2021
(I) ASSETS			
(1) NON-CURRENT ASSETS			
a) Property, plant and equipment	3	**1,512.42**	2,189.83
b) Capital work-in-progress	3	**–**	14.11
c) Intangible assets	4	**–**	–
d) Financial assets			
(i) Other financial assets	6	**273.38**	412.97
(e) Non-current tax assets	7	**130.34**	93.60
(f) Other non-current assets	8	**348.74**	510.63
Total non-current assets		**2,264.88**	3,221.14
(2) CURRENT ASSETS			
(a) Financial assets			
(i) Investments	9	**166.57**	1,153.65
(ii) Trade receivables	10	**884.10**	842.76
(iii) Cash and cash equivalents	11	**163.19**	202.47
(iv) Other bank balance	12	**43.60**	43.78
(v) Loans	5	**1,423.56**	1,447.25
(vi) Other financial assets	6	**399.09**	345.05
(b) Other current assets	13	**207.73**	152.04
Total current assets		**3,287.84**	4,187.00
Total Assets		**5,552.72**	7,408.14
(II) EQUITY AND LIABILITIES			
1) Equity			
(a) Equity share capital	14	**17.37**	17.37
(b) Other equity	14	**(904.31)**	1,021.20
Total Equity		**(886.94)**	1,038.57
2) Liabilities:			
Non Current Liabilities			
(a) Financial liabilities			
(i) Borrowings	15	**63.96**	207.46
(b) Provisions	16	**1,417.62**	1,417.70
Total non-current liabilities		**1,481.58**	1,625.16
Current liabilities:			
(a) Financial liabilities			
(i) Borrowings	15	**2,969.50**	2,937.63
(ii) Trade Payables	17		
(a) total outstanding dues to small and micro enterprises		**–**	–
(b) total outstanding dues of creditors other than small and micro enterprises		**897.83**	489.46
(iii) Other financial liabilities	18	**901.99**	1,104.02
(b) Other current liabilities	19	**101.48**	94.47
(c) Provisions	16	**87.28**	118.83
Total current liabilities		**4,958.08**	4,744.41
Total Liabilities		**6,439.66**	6,369.57
Total Equity and Liabilities		**5,552.72**	7,408.14
Significant accounting policies	2A		
Notes to the financial statements	3 to 42		

The notes referred to above are an integral part of the financial statements.

As per our report of even date attached
For B. K. Khare & Co.
Chartered Accountants
ICAI Firm Registration No. 105102W

Aniruddha Joshi
Partner
Membership No. 040852

Place : Mumbai
Date : April 25, 2022

For and on behalf of the Board of Directors of
Meru Mobility Tech Private Limited
CIN: U63040MH2006PTC165959

Rampraveen Swaminathan
Director
DIN: 01300682

Manaswini Goel
Director
DIN: 08142619

Kannan Chakravarthy
Chief Executive Officer

Place : Mumbai
Date : April 25, 2022

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2022

(Currency in INR lakhs)

Particulars	**Notes**	**Year ended March 31, 2022**	Year ended March 31, 2021
Revenue			
Revenue from operations	20	**5,690.91**	4,149.35
Other income	21	**74.93**	138.75
TOTAL INCOME (I)		**5,765.84**	4,288.10
EXPENSES			
Fleet operating expenditure	22	**4,539.59**	3,267.90
Employee benefits expense	23	**1,453.59**	1,821.43
Operating and other administrative expenses	24	**987.91**	996.41
TOTAL EXPENSES (II)		**6,981.09**	6,085.74
Earnings before interest, tax, depreciation and amortisation (EBITDA) [(I) – (II)]		**(1,215.25)**	(1,797.64)
Depreciation and amortisation expenses	3,4	**712.35**	909.85
Finance costs	25	**30.20**	201.65
Finance income	26	**29.56**	62.50
(Loss) before tax		**(1,928.24)**	(2,846.64)
Tax expenses		**–**	–
(Loss) after tax		**(1,928.24)**	(2,846.64)
Other Comprehensive Income			
Items that will not be reclassified to statement of profit and loss			
Remeasurements of defined benefit plans		**(2.73)**	(2.90)
Income tax related Items that will not be reclassified to statement of profit and loss		**–**	–
Total Other Comprehensive loss/(Income) for the year		**(2.73)**	(2.90)
Total Comprehensive (loss) for the year, net of tax		**(1,925.51)**	(2,843.74)
Earnings per equity share			
Basic and diluted earnings per share	35	**(1,110.13)**	(1,911.86)
[Nominal value per share: INR 10]			
Significant accounting policies	2A		
Notes to the financial statements	3 to 42		

The notes referred to above are an integral part of the financial statements.

As per our report of even date attached
For B. K. Khare & Co.
Chartered Accountants
ICAI Firm Registration No. 105102W

Aniruddha Joshi
Partner
Membership No. 040852

Place : Mumbai
Date : April 25, 2022

For and on behalf of the Board of Directors of
Meru Mobility Tech Private Limited
CIN: U63040MH2006PTC165959

Rampraveen Swaminathan
Director
DIN: 01300682

Manaswini Goel
Director
DIN: 08142619

Kannan Chakravarthy
Chief Executive Officer

Place : Mumbai
Date : April 25, 2022

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2022

(Currency in INR lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
A. CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss) before tax	**(1,928.24)**	(2,846.69)
Adjustments to reconcile loss before tax to net cash flows		
Depreciation, amortisation and impairment expenses	**712.35**	909.82
Interest expenses	**30.20**	201.53
Provision for compensated absences, gratuity and other contingencies	**16.49**	61.23
Finance income	**(29.56)**	(55.75)
Gain on mutual fund	**(18.06)**	(71.59)
Bad Debts written off and provision for doubtful debts and advances	**1.41**	117.50
Sundry balance and provision no longer required written back	**(0.92)**	(24.81)
Loss/ (Profit) on sale of fixed asset & asset held for sale	**(20.51)**	(40.64)
Remeasurements of defined benefit plans	**(2.73)**	(2.90)
Operating (loss) before working capital changes	**(1,239.57)**	(1,752.30)
Movement in working capital		
Changes in Trade Receivables	**(41.34)**	411.99
Changes in loans, Other financial assets and other assets	**220.95**	495.11
Changes in trade payable, other payables and other liabilities	**154.60**	(543.88)
Cash (used in) operating activities	**(905.36)**	(1,389.08)
Direct taxes paid (net of refunds)	**(36.75)**	68.60
Net cash flows (used in) operating activities	**(942.11)**	(1,320.48)
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant & equipment (including Capital work-in-progress)	**(39.60)**	(364.56)
Proceeds from disposal of property, plant & equipment	**64.55**	81.80
Purchase of current investments	**(2,340.00)**	(5,819.74)
Proceeds from sale of current investments	**3,345.06**	8,312.50
Interest income on fixed deposits & intercorporate deposits	**5.80**	11.24
Loans given to fellow subsidiaries	**(96.60)**	(251.57)
Loans repaid by fellow subsidiaries	**119.17**	520.53
Deposits with bank as margin money	**(1.72)**	(0.58)
Net cash flows generated from / (used in) investing activities	**1,056.66**	2,489.62
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid	**(30.20)**	(211.46)
Proceeds from shares issued	**–**	1,396.97
Loans received from fellow subsidiaries	**136.08**	1.98
Loans repaid to fellow subsidiaries	**(104.21)**	(81.07)
Proceeds from long term borrowings	**–**	378.71
Repayment of long term borrowings	**(155.50)**	(2,539.39)
Repayment of lease liabilities	**–**	(20.43)
Net cash flows generated from / (used in) financing activities	**(153.83)**	(1,074.69)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	**(39.28)**	94.45
Cash and cash equivalents at the beginning of the year	**202.47**	108.02
Cash and cash equivalents at the end of the year (refer note 11)	**163.19**	202.47

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2022 (CONTD...)

Reconciliation of the movements of liabilities to cash flows arising from financing activities

Particulars	Long-term borrowings	Short-term borrowings	Total
Opening Balance as on 1, April 2020	2,520.45	3,021.23	5,541.68
Changes from financing cash flows:			
Loans taken during the current year	378.71	1.98	380.69
Repayment of loans during the current year	(2,539.39)	(85.57)	(2,624.96)
Closing Balance as on March 31, 2021	**359.77**	**2,937.64**	**3,297.41**
Changes from financing cash flows:			
Loans taken during the current year	**–**	**136.08**	**136.08**
Repayment of loans during the current year	**(156.78)**	**(104.21)**	**(260.99)**
Closing Balance as on March 31, 2022	**202.99**	**2,969.51**	**3,172.49**

Significant accounting policies	2A
Notes to the financial statements	3 to 42

The Cash Flow Statement should be read in conjunction with the notes referred to above which are an integral part of the financial statements.

As per our report of even date attached
For B. K. Khare & Co.
Chartered Accountants
ICAI Firm Registration No. 105102W

Aniruddha Joshi
Partner
Membership No. 040852

Place : Mumbai
Date : April 25, 2022

For and on behalf of the Board of Directors of
Meru Mobility Tech Private Limited
CIN: U63040MH2006PTC165959

Rampraveen Swaminathan
Director
DIN: 01300682

Manaswini Goel
Director
DIN: 08142619

Kannan Chakravarthy
Chief Executive Officer

Place : Mumbai
Date : April 25, 2022

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2022

(Currency in INR lakhs)

Particulars	Equity share capital	Other Equity				Total
		Securities premium	General reserve	Retained earnings	Total Other Equity	
As at April 1, 2020 (I)	14.82	30,042.30	48.44	(27,620.22)	2,470.52	2,485.34
Net (loss) for the year (II)	–	–	–	(2,846.64)	(2,846.64)	(2,846.64)
Other comprehensive income for the year (III)	–	–	–	2.90	2.90	2.90
Total comprehensive income IV= (II) + (III)	**–**	**–**	**–**	**(2,843.74)**	**(2,843.74)**	**(2,843.74)**
Add: shares issued during The Year (V)	2.55	1,394.42	–	–	1,394.42	1,396.97
As at March 31, 2021 (I+IV+V)	**17.37**	**31,436.72**	**48.44**	**(30,463.96)**	**1,021.20**	**1,038.57**

Particulars	Equity share capital	Other Equity				Total
		Securities premium	General reserve	Retained earnings	Total Other Equity	
As at April 1, 2021 (I)	17.37	31,436.72	48.44	(30,463.96)	1,021.20	1,038.57
Net (loss) for the year (II)	–	–	–	(1,928.24)	(1,928.24)	(1,928.24)
Other comprehensive income for the year (III)	–	–	–	2.73	2.73	2.73
Total comprehensive income IV= (II) + (III)	–	–	–	(1,925.51)	(1,925.51)	(1,925.51)
Add: shares issued during The Year (V)	–	–	–	–	–	–
As at March 31, 2022 (I+IV+V)	17.37	31,436.72	48.44	(32,389.47)	(904.31)	(886.94)

a. **Securities premium:** The amount received in excess of face value of the equity shares is recognised in Securities premium. The securities premium can be utilized as per the provisions of the Companies Act, 2013.

b. **Retained earnings:** Retained earnings represents the amount of accumulated earnings at each Balance Sheet date of the Company.

c. **General reserve:** General reserve is in the nature of a free reserve and can be utilised inter-alia for distribution of dividends subject to compliance of the provisions of the Companies Act, 2013.

Significant accounting policies 2A

Notes to the financial statements 3 to 42

The Statement of Changes in Equity should be read in conjunction with the notes referred to above which are an integral part of the financial statements.

As per our report of even date attached
For B. K. Khare & Co.
Chartered Accountants
ICAI Firm Registration No. 105102W

Aniruddha Joshi
Partner
Membership No. 040852

Place : Mumbai
Date : April 25, 2022

For and on behalf of the Board of Directors of
Meru Mobility Tech Private Limited
CIN: U63040MH2006PTC165959

Rampraveen Swaminathan
Director
DIN: 01300682

Manaswini Goel
Director
DIN: 08142619

Kannan Chakravarthy
Chief Executive Officer

Place : Mumbai
Date : April 25, 2022

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

1. Corporate information

Meru Mobility Tech Private Limited ('the Company') is registered as a private limited company incorporated on December 4, 2006 under the Companies Act, 1956 and having its registered office at F-17, 4th Floor, Pinnacle Business Park, Shanti Nagar, Mahakali Caves Road, Andheri (East), Mumbai 400 093, India. The Company is a deemed public company as per definition of the Companies Act with effect from December 5, 2019. The Company is mainly engaged in the business of owning, operating and maintaining vehicle fleet for transportation of passengers in form of taxis, providing taxi aggregator services and to acquire and operate similar existing businesses.

On May 29, 2018, the name of the Company was changed from Meru Cab Company Private Limited to Meru Mobility Tech Private Limited.

These financial statements were authorized for issue in accordance with a Board resolution of April 25, 2022.

2A. Significant accounting policies

2A.1 Statement of Compliance

The Financial Statements have been prepared in accordance with the Indian Accounting Standards as per the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under section 133 of the Companies Act, 2013 (the 'Act'). The Financial Statements are separate Financial Statements.

2A.2 Basis of preparation and presentation

These financial statements have been prepared on accrual basis and the historical cost basis as a going concern except for certain financial instruments that are measured at fair values or at amortised cost, wherever applicable, at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in this financial statement is determined on such basis, except for share-based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 116, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The Financial Statements are prepared in Indian Rupee (INR) and denominated in lakhs.

The principal accounting policies are set out below.

2A.3 Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

2A.4 Revenue recognition

The Revenue is recognised when a customer obtains control of the goods or services. Determining the timing of the transfer of control – at a point in time or over time requires judgement.

Revenue includes only the gross inflows of economic benefits. It is measured based on the consideration specified in the contracts with customers. Amounts collected on behalf of third parties such as goods and services taxes and value added taxes are not economic benefits which flow to the entity and do not result in increases in equity. Therefore, they are excluded from revenue.

The Company assesses its revenue arrangements to determine if it is acting as principal or agent. The Company has concluded that it is acting as an agent in case of its revenue from taxi aggregator services arrangements.

The following specific recognition criteria must also be met before revenue is recognized.

Income from services:

i. Revenue from taxi services, convenience fees, airport charges

Revenue from taxi services represents revenue earned from transportation of passengers as part of metered tax operations. Revenue from taxi services is measured as per the contractual terms and is recognised on completion of each trip. Convenience fees are charged to customer for facilitating booking of taxi services through the Company. Convenience fees are recognised as revenue at completion of trip. Airport charges are recovered from customers towards the airport charges incurred at airports as per the contractual terms. Airport charges are recognised as revenue at completion of trip.

ii. Revenue from taxi aggregator services

Revenue from taxi aggregator services is recognised net off the share of revenue paid to drivers, as and when the services are rendered as per the terms of the contract. Taxi aggregator services involve the Company providing a platform to facilitate booking of taxi services by passengers with third party independent taxi service providers.

iii. Revenue from employee transportation

Revenue from employee transportation represents revenue earned from providing taxi services to corporates for employee transportation. Revenue is measured as per the contractual terms and recognised as and when the service is rendered as per contract terms.

iv. Revenue from car rental services

Revenue from car rental services represents revenue earned from letting cars on hire to customers for specific period of time (generally short periods of time ranging from a few hours to a day). Revenue is measured as per the contractual terms and is recognized on completion of each trip.

v. Advertisement revenue

Revenue from advertisement contracts are recognised pro-rata over the period of contract as and when services are rendered. Revenue is measured as per the contractual terms

The Company generally does not offer a credit period in respect of its billing to drivers. In respect of corporate customers, the Company credit period offered generally ranged from 30 days to 90 days.

Dividend and Interest income:

Dividend income from investments is recognised when the right to receive payment has been established (provided that it is probable that the economic benefits will flow to the company and the amount of income can be measured reliably).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

2A.5 Leasing

At the inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- the contract involves the use of an identified asset – this may be specified explicitly or implicitly and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the lessor has a substantive substitution right, then the asset is not identified
- the Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the Company as a lessee has the right to direct the use of the asset. The Company has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Company has the right to direct the use of the asset if either:
    a) the Company as a lessee has the right to operate the asset; or
    b) the Company as a lessee designed the asset in a way that predetermines how and for what purpose it will be used.

This policy is applied to contracts entered into, or modified, on or after April 01, 2019.

<u>As a lessee</u>

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use assets are subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at amortised cost at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using the incremental borrowing rate.

It is re -measured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

<u>Short-term leases and leases of low-value assets</u>

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

<u>As a Lessor</u>

When the Company acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

The Company recognises lease payments received under operating leases as income on a straight- line basis over the lease term as part of 'other income'.

Transition

The Company has adopted Ind AS 116 using the modified retrospective approach with effect from initially applying this standard from April 01, 2019. Accordingly, the information presented for previous year ended March 31, 2019 has not been restated and continues to be reported under IAS 17. The Company has adopted modified retrospective approach where lease liability measured at present value of remaining lease payment discounted at the incremental borrowing rate at the date of initial application and right to use asset is equal to lease liability adjusted by the amount of any prepaid or accrued lease payments.

<u>As a lessee</u>

<u>Operating leases</u>

For transition, the Company has elected not to apply the requirements of Ind AS 116 to leases which are expiring within 12 months from the date of transition by class of asset and leases for which the underlying asset is of low value on a lease-by-lease basis. The Company has also used the practical expedient provided by the standard when applying Ind AS 116 to leases previously classified as operating leases under Ind AS 17 and therefore, has not reassessed whether a contract, is or contains a lease, at the date of initial application, relied on its assessment of whether leases are onerous, applying Ind AS 37 immediately before the date of initial application as an alternative to performing an impairment review, excluded initial direct costs from measuring the right of use asset at the date of initial application and used hindsight when determining the lease term if the contract contains options to extend or terminate the lease. Single discount rate to a portfolio of leases with similar characteristics.

On application of Ind AS 116, the nature of expenses has changed from lease rent in previous periods to depreciation cost for the right-to-use asset, and finance cost for interest accrued on lease liability.

2A.6 Foreign currencies

i. Initial recognition

In preparing the Financial Statements of the company, transactions in currencies other than the entity's functional currency of Indian Rupees (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions.

ii. Conversion

a. Foreign currency monetary assets and liabilities at the year-end are translated at the year-end exchange rates and the resultant exchange differences are recognised in the Statement of Profit and Loss.

b. Non-monetary items, if any are measured in terms of historical cost in a foreign currency are are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

iii. Exchange differences

The Company accounts for exchange differences arising on translation/settlement of foreign currency monetary items as below:

a. Realized gains and losses on settlement of foreign currency transactions are recognised in the Statement of Profit and Loss.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

b. Foreign currency monetary assets and liabilities at the year-end are translated at the year-end exchange rates and the resultant exchange differences are recognised in the Statement of Profit and Loss.

2A.7 Borrowing costs

Borrowing cost that are attributable to the acquisition or construction of qualifying assets are capitalised as a part of the cost of the such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use or sale. All other borrowing costs are charged to the revenue in the year of incurrence.

2A.8 Employee benefits

2A.8.1. Retirement benefit costs and termination benefits

i. Defined Contribution Plan:

Company's contributions paid/payable during the year to the Superannuation Fund, ESIC, Provident Fund and Labour Welfare Fund are recognised in the Statement of Profit and Loss.

ii. Defined Benefits Plan:

For defined retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the Balance Sheet with a charge or credit recognised in Other Comprehensive Income in the period in which they occur. Remeasurement recognised in Other Comprehensive Income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

a. Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);

b. Net interest expense or income; and

c. Remeasurement

The Company presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognised in the Balance Sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

2A.8.2 Short-term and other long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

2A.9 Taxation

Income Tax expense represents the sum of tax currently payable and deferred tax.

2A.9.1 Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'Profit before tax' as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

2A.9.2. Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Financial Statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

2A.9.3 Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in Other Comprehensive Income or directly in equity, in which case, the current and deferred tax are also recognised in Other Comprehensive Income or directly in equity respectively.

2A.10 Property, plant and equipment

All items of property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Cost of acquisition is inclusive of purchase price, levies and any directly attributable cost of bringing the asset to its working condition for the intended use. Subsequent cost are included in the asset's carrying amount or recognised as as separate asset, as appropriate only when it is probable that the future economic benefits associated with the item will flow to the company and cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to Statement of Profit and Loss during the reporting period in which they are incurred.

Depreciation on tangible asset is charged on a Straight-Line Method (SLM) in accordance with the useful life specified in Part – C of Schedule II of the Companies Act, 2013 on a pro-rata basis except in the case of:

i. Certain items of Plant & Machinery individually costing more than Rs. 5,000 - over their useful lives ranging from 2 years to 10 years as estimated by the company and also based on the contractual arrangements wherever applicable.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

ii. Certain items of Plant & Machinery individually costing less than Rs. 5,000 shall be depreciated over a period of 1 year.

iii. Mobile Phones (included in Office Equipment) in 1 - 2 years.

iv. Motor Cars (included in Vehicles) in 3 to 5 years as the case may be

v. Assets capitalised which are attached to the leasehold office premises shall be depreciated upto 75% of its value over the lease period assuming a realisable value of 25% after the end of original lease period.

The estimated useful lives, residual values, and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain and loss arising on disposal or retirement of an item of property, plant and equipment are determined as the difference between the sale proceeds and the carrying amount of the asset and is recognised in profit or loss

2A.11 Intangible assets

2A.11.1 Intangible assets acquired separately

The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

2A.11.2. Useful lives of intangible assets

The expenditure incurred is amortised over three financial years equally commencing from the year in which the expenditure is incurred.

Certain softwares added during the year are amortised over a period of 36 months.

Taxi permits (Leased):

Taxi permits are amortised using the straight-line method over a period of 8 years or contractual life whichever is lower.

Software:

ERP software is amortised using the straight-line method over a period of 5 years and other software are amortised using the straight-line method over a period of 3 years or contractual life, whichever is lower.

The residual values, useful lives and methods of amortisation of intangible assets are reviewed at each financial year end and adjusted prospectively, if appropriate.

2A.12 Impairment of tangible and intangible assets

The management of the Company assesses at each Balance Sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the management estimates the recoverable amount of the asset. If such recoverable amount of the asset is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and recognised in the Statement of Profit and Loss. If at the Balance Sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed, and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost. A reversal of an impairment loss is recognised immediately in profit or loss.

2A.13 Provisions, Contingent liability & Contingent assets

Provision are recognised when the Company has a present obligation (legal or constructive) as a result of past event; it is probable that the company will be required to settle the obligation, and a reliable estimate can be made of the amount of obligation.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Onerous contracts

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the company has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

Contingent liabilities are disclosed when a possible obligation arising from past events the existence of which will be confirmed only by the occurrence or non- occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

A contingent asset is disclosed where an inflow of economic benefits is probable.

2A.14 Financial instruments

Financial assets and financial liabilities are recognised when a company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

2A.15 Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a settlement date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

2A.15.1 Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortised cost (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

i. the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and

ii. the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For the impairment policy on financial assets measured at amortised cost, refer note no 2A.15.4

Investments in subsidiaries: All investments in subsidiaries are valued at cost.

All other financial assets are subsequently measured at fair value.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

2A.15.2 Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in profit or loss and is included in the "Other income" line item.

2A.15.3 Financial assets at Fair value through Profit and Loss

Investments in equity instruments are classified as at FVTPL, unless the Company irrevocably elects on initial recognition to present subsequent changes in fair value in Other Comprehensive Income for investments in equity instruments which are not held for trading.

A financial asset that meets the amortised cost criteria or debt instruments that meet the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other Income' line item. Dividend on financial assets at FVTPL is recognised when the Company's right to receive the dividend is established, it is probable that the economic benefits associated with the dividend will flow to the entity and the amount of dividend can be measured reliably.

2A.15.4 Impairment of financial assets

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, trade receivables, other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets).

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Company uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 18, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

2A.15.5 Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other Comprehensive Income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

On derecognition of a financial asset other than in its entirety (e.g. when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in Other Comprehensive Income is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in Other Comprehensive Income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

2A.15.6 Foreign exchange gains and losses

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

- For foreign currency denominated financial assets measured at amortised cost and FVTPL, the exchange differences are recognised in profit or loss except for those which are designated as hedging instruments in a hedging relationship.
- Changes in the carrying amount of investments in equity instruments at FVTOCI relating to changes in foreign currency rates are recognised in Other Comprehensive Income.
- For the purposes of recognising foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortised cost. Thus, the exchange differences on the amortised cost are recognised in profit or loss and other changes in the fair value of FVTOCI financial assets are recognised in Other Comprehensive Income.

2A.16 Financial liabilities & Equity instruments

2A.16.1 Classification as debt or equity

Debt and equity instruments issued by a company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

2A.16.2 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a company entity are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

2A.16.3 Compound financial instruments

The component parts of compound financial instruments (convertible notes) issued by the Company are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. A conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is an equity instrument.

At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recognised as a liability on an amortised cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date.

The conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound financial instrument as a whole. This is recognised and included in equity, net of income tax effects, and is not subsequently remeasured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised, in which case, the balance recognised in equity will be transferred to other component of equity. When the conversion option remains unexercised at the maturity date of the convertible note, the balance recognised in equity will be transferred to retained earnings. No gain or loss is recognised in profit or loss upon conversion or expiration of the conversion option.

2A.16.4 Financial liabilities

All financial liabilities are subsequently measured at amortised cost.

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

2A.17 Segment reporting

The CEO monitors the operating results of the business segments separately for the purpose of making decisions about the allocation of resources and performance assessment. Segment performance is measured based on profit or loss and is measured consistently with profit or loss in Financial Statements

2A.17.1 Identification of Operating Segments

The operating segments have been identified based on its services and has two reportable segments, as follows:

i. **Taxi Services (including taxi aggregator services): Providing taxi services to retail passengers. (which includes taxi aggregator services)**

ii. **Employee transport service: Provides employee transportation and rent a cab services to corporate customers.**

2A.17.2 Accounting of Operating Segments

Accounting policies adopted for segment reporting are in line with the accounting policies of the Company. Revenue and expenses have been identified to segments on the basis of their relationship to the operating activities of the segment. Revenues and expenses, which relate to the enterprise as a whole and are not allocable to segments on a reasonable basis and inter-segment revenue and expenses, have been included under "Unallocated Corporate Expenses/Eliminations".

2A.18 Earnings per share

Basic and diluted earnings per share is computed by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of Equity Shares outstanding during the year, in accordance with Ind AS 33.

a) Measurement of EBITDA

The Company has elected to present earnings before interest, tax, depreciation and amortization (EBITDA) as a separate line item on the face of the statement of profit and loss. The Company measures EBITDA on the basis of profit / (loss) from continuing operations. In its measurement, the company does not include depreciation and amortization expense, interest income, finance costs and tax expense. Any amount described as unusual or exceptional is classified by nature, in the same way as non-exceptional amounts. Their inclusion or exclusion in EBIDTA will depend on the nature of income/ expense described as exceptional. Impairment loss / reversal on property plant and equipment is disclosed under Depreciation, amortisation and impairment expenses, and not considered for calculation of EBIDTA.

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of income, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of asset or liability affected in future periods. The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

2B. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 2A, the management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only the period of the revision and future periods if the revision affects both current and future periods.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

i. Useful lives of intangibles and property, plant and equipment:

As described in note 2A.10 The Company reviews the estimated useful lives of property, plant and equipment and intangible assets at the end of each annual reporting period.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

ii. Defined benefit plans

The cost of the defined benefit plans and the present value of the defined benefit obligation are based on actuarial valuation using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

iii. Fair Value of financial assets and liabilities and investments

The Company measures certain financial assets and liabilities on fair value basis at each balance sheet date or at the time they are assessed for impairment. Fair value measurement that are based on significant unobservable inputs (Level 3) requires estimates of operating margin, discount rate, future growth rate, terminal values etc. based on management's best estimate about future developments.

iv. Estimated Lead Time for determining completion of performance obligation

The company also determines completion of performance obligation with respect to transportation service based on Estimated Lead Time (ELT) to deliver based on standard past performance and to that extent it involves management judgments for estimating delivery time to destination.

v. Contracts with Driver - Whether the arrangement with drivers contains a lease:

Significant judgement is required to apply lease accounting rules under Appendix C of Ind AS 17 - Determining whether an arrangement contains a lease. In assessing the applicability to arrangements entered into by the Company, management has exercised judgement to evaluate the right to use the underlying assets, substance of the transaction including legally enforceable arrangements and other significant terms and conditions of the arrangements to conclude whether the arrangements meet the criteria under Appendix C.

vi. Leases

Ind AS 116 requires lessees to determine the lease term as the non- cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by lease basis and there by assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

vii. Estimation of uncertainties relating to the global health pandemic from COVID-19 (COVID-19)

Based on assessment and on the basis of available information of the impact of COVID-19, the Management has considered the possible effects, if any, that may result from the pandemic on the carrying amounts of current assets after considering internal and external sources of information as at the date of approval of these financial statements. The actuals may differ from the estimates considered in these financial statements.

viii. Trade Receivables

The Company determines the allowance for credit losses based on historical loss experience adjusted to reflect current and estimated future economic conditions. The Company has considered subsequent recoveries, past trends, credit risk profiles of the customers based on their industry, macroeconomic forecasts and internal and external information available to estimate the probability of default in future and has taken into account estimates of possible effect from the pandemic relating to COVID-19.

ix. Revenue from Contracts with Customers

The Company assesses in accordance with Ind AS 115 as to whether it is acting as principal or agent in respect of the revenue arrangements entered. The Company has assessed that it is acting as an agent in case of revenue from taxi aggregator services arrangements and dealing on principal to principal basis for revenue from other services in terms of the principles of Ind AS 115.

The Company has evaluated the impact of COVID-19 resulting from (i) the possible constraints to continue its operations and revisions in costs to fulfill the pending obligations (ii) onerous obligations (iii) penalties, if any, relating to breaches of agreements and (iv) termination or deferment of contracts by customers. The Company has concluded that the impact of COVID-19 is not material based on these estimates. Due to the nature of the pandemic, the Company will continue to monitor developments to identify significant uncertainties relating to revenue in future periods.

Note 3: Property, plant and equipment (PPE)

(Currency in INR lakhs)

	Office Equipments	Computers and Peripherals	Furniture and Fittings	* Motor Vehicles - Fleet	Electric Chargers	** ROU-Building	Total	Capital Work In Progress
Gross Block								
Balance at March 31, 2020	53.41	218.10	14.79	5,042.94	13.98	40.82	5,384.03	81.41
Additions	10.91	3.91	1.00	403.64	4.21	–	423.67	218.33
Disposals	–	–	–	(536.12)	–	–	(536.12)	(285.63)
Balance at March 31, 2021	**64.32**	**222.01**	**15.79**	**4,910.46**	**18.20**	**40.82**	**5,271.58**	**14.11**
Additions	11.67	14.69	–	35.36	16.15	–	77.87	24.16
Disposals	(54.94)	(64.64)	(10.80)	(370.73)	–	(40.82)	(541.93)	(38.27)
Balance at March 31, 2022	**21.05**	**172.06**	**4.99**	**4,575.09**	**34.34**	**–**	**4,807.52**	**–**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(Currency in INR lakhs)

	Office Equipments	Computers and Peripherals	Furniture and Fittings	* Motor Vehicles - Fleet	Electric Chargers	** ROU-Building	Total	Capital Work In Progress
Accumulated depreciation and impairment								
Balance at March 31, 2020	49.08	185.85	8.29	2,378.21	0.11	22.07	2,643.81	–
Depreciation charge for the year	10.87	16.11	4.63	845.98	2.31	18.74	898.64	–
Disposals	–	–	–	(460.70)	–	–	(460.70)	–
Balance at March 31, 2021	**59.96**	**201.96**	**12.92**	**2,763.50**	**2.41**	**40.82**	**3,081.75**	**–**
Depreciation charge for the year	7.50	15.48	2.10	683.49	3.77	–	712.35	–
Disposals	(54.25)	(61.79)	(10.85)	(331.31)	–	(40.82)	(499.00)	–
Balance at March 31, 2022	**13.21**	**155.65**	**4.17**	**3,115.68**	**6.19**	**–**	**3,295.10**	**–**
Net block								
Balance at March 31, 2022	**7.84**	**16.41**	**0.81**	**1,459.40**	**28.16**	**–**	**1,512.42**	**–**
Balance at March 31, 2021	**4.36**	**20.05**	**2.87**	**2,146.96**	**15.78**	**–**	**2,189.83**	**14.11**
Balance at March 31, 2020	**4.33**	**32.25**	**6.50**	**2,664.73**	**13.88**	**18.74**	**2,740.22**	**81.41**

Notes:

* Motor Vehicles - Fleet having net carrying value of INR 152.16 Lacs as at March 31, 2022 are given as security against secured loans from Banks and NBFCs (March 31, 2021 : INR 234.10 lacs).

** (Refer note 29 (A) for details)

Note 4: Intangible assets

	Taxi Permits	Computer software	Total
Gross Block			
Balance at March 31, 2020	383.30	76.20	459.50
Additions	–	8.26	8.26
Disposals	–	–	–
Balance at March 31, 2021	**383.30**	**84.46**	**467.76**
Additions	–	–	–
Disposals	(383.30)	(13.07)	(396.37)
Balance at March 31, 2022	**–**	**71.39**	**71.39**
Accumulated Amortization and impairment			
Balance at March 31, 2020	**383.30**	**73.32**	**456.62**
Amortisation	–	11.21	11.21
Disposals	–	–	–
Balance at March 31, 2021	**383.30**	**84.53**	**467.83**
Additions	–	–	–
Disposals	(383.31)	–	(383.31)
Balance at March 31, 2022	**(0.01)**	**84.53**	**84.53**
Net Block			
Balance at March 31, 2022	**–**	**–**	**–**
Balance at March 31, 2021	**–**	**–**	**–**
Balance at March 31, 2020	**–**	**2.88**	**2.88**

Note 5 : Loans

(Measured at amortised cost)

	As at March 31, 2022	As at March 31, 2021
Current		
Unsecured, considered good;		
Loans to related parties (*Refer note 31*):		
Inter-corporate deposit to fellow subsidiaries *	**1,422.48**	1,445.05
Loans to employees		
Unsecured, considered good	**1.08**	2.20
Loan to employees which have significant increase in credit risk	**–**	–
Loans to Employee- credit impaired	**–**	–
Less: Impairment allowance for doubtful loans	**–**	–
Total Current	**1,423.56**	1,447.25

* Loan (Intercorporate deposit) to fellow subsidiary is interest free repayable on demand.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(Currency in INR lakhs)

Note 6 : Other financial assets

(Measured at amortised cost)

	As at March 31, 2022	As at March 31, 2021
Non Current		
Security Deposits - Unsecured, considered good	**201.56**	275.13
Unsecured, considered credit impaired	**42.58**	42.58
Less: Impairment allowance for doubtful security deposits	**(42.58)**	(42.58)
	201.56	275.13
Balances with banks held as margin money *	**37.90**	36.00
Receivables towards assets given on finance lease	**33.92**	101.84
Total Non current	**273.38**	412.97
Current		
Advance recoverable in cash		
Unsecured, considered good	**19.19**	51.94
Unsecured, considered credit impaired	**15.44**	15.44
Less: Impairment allowance for doubtful advance recoverable in cash	**(15.44)**	(15.44)
	19.19	51.94
Other loans:		
Security deposits		
Unsecured, considered good	**331.22**	239.68
Unsecured, considered good		
Interest accrued on bank fixed deposits	**0.56**	2.32
Receivables towards assets given on finance lease	**48.12**	51.11
Total current	**399.09**	345.05

* These balances are given as margin money against the bank guarantees issued by the banks for Airport contracts / to Transport authorities for issuance of licenses in respective cities. The remaining maturity of more than 12 months from the Balance Sheet date.

Note 7 : Non-current tax assets

	As at March 31, 2022	As at March 31, 2021
Income-tax assets	**130.34**	93.60
	130.34	93.60

Note 8 : Other non-current assets

	As at March 31, 2022	As at March 31, 2021
Balance with government and statutory authorities		
Unsecured, considered good	**348.74**	510.63
Unsecured, considered credit impaired	**122.26**	122.26
Less: Impairment allowance for doubtful balance	**(122.26)**	(122.26)
	348.74	510.63

Note 9 : Investment

	As at March 31, 2022	As at March 31, 2021
Current		
Quoted mutual funds (Classified at Fair value through Profit or Loss)		
Nil (March 31, 2021 - 541.99) units HDFC Low Duration Fund	**–**	0.05
60.81 (March 31, 2021 - 1,658.15) units HDFC Overnight Fund	**1.92**	50.71
Nil (March 31, 2021 - 24,773.09) units Aditya Birla Sunlife Overnight fund	**–**	275.71
16,028.81 (March 31, 2021 - Nil) units Aditya Birla Sunlife Liquid fund	**55.00**	–
769.61 (March 31, 2021 - 20,624.08) units Mahindra Manulife Liquid fund	**10.65**	275.78
8225.63 (March 31, 2021 - 8,225.63) units SBI Overnight fund	**–**	275.70
151.51 (March 31, 2021 - Nil) units SBI Liquid fund	**5.05**	–
81,970.67 (March 31, 2021 - 248,423.33) units ICICI Prudential Overnight Fund	**93.95**	275.70
	166.57	1,153.65

Refer Note 27 for information about fair value measurement

Note 10 :Trade receivables

(Measured at amortised cost)

	As at March 31, 2022	As at March 31, 2021
Secured, considered good	**129.13**	362.20
Unsecured, considered good	**754.97**	480.56
Unsecured, considered credit impairment	**349.01**	549.86
Less: Impairment allowance doubtful trade receivables	**(349.01)**	(549.86)
	884.10	842.76

Trade receivables from drivers are due immediately. The Company also holds security deposit from a number of the drivers as collateral. Trade receivables from corporate customers are generally on credit terms of 30 to 60 days.

Refer Note-34.1 for the Ageing of Trade Receivables as per Schedule-III.

Refer Note 27 for information about credit risk. Refer note 31 for details of trade receivables from related parties.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(Currency in INR lakhs)

Note 11 : Cash and cash equivalents

	As at March 31, 2022	As at March 31, 2021
Cash on hand	**3.90**	2.85
Balances with bank in current accounts	**159.29**	199.62
	163.19	202.47

Note 12 :Other bank balance

	As at March 31, 2022	As at March 31, 2021
Balances with banks held as margin money*	**43.60**	43.78
	43.60	43.78

* These balances are given as margin money against the bank guarantees issued by the banks for Airport contracts / to Transport authorities for issuance of licenses in respective cities. The balances have original maturity of more than 3 months and remaining maturity of less than 12 months from the balance sheet date).

Note 13 : Other current assets

	As at March 31, 2022	As at March 31, 2021
Unsecured, considered good		
Advance to suppliers		
Considered good	**91.10**	21.96
Considered credit impaired	**62.18**	60.77
Less: Impairment allowance for doubtful advances	**(62.18)**	(60.77)
	91.10	21.96
Prepaid Expenses	**116.63**	130.08
	207.73	152.04

Note 14 : Equity share capital

	As at March 31, 2022	As at March 31, 2021
Authorised share capital:		
250,000 equity shares of INR.10 each (March 31, 2021: 2,50,000)	**25.00**	25.00
Issued, subscribed and fully paid-up shares:		
1,73,695 equity shares of INR. 10 each fully paid up (March 31, 2021: 1,48,195)	**17.37**	17.37

(a) Reconciliation of the equity shares outstanding at the beginning and at the end of the year

	As at March 31, 2022	As at March 31, 2021
Outstanding at the beginning of the year		
No. of shares	**1,73,695**	1,48,195
Amount	**17.37**	14.82
Issued during the year for cash consideration		
No. of shares	**–**	25,500
Amount	**–**	2.55
Outstanding at the end of the year		
No. of shares	**1,73,695**	1,73,695
Amount	**17.37**	17.37

(b) Rights, preferences and restrictions attached to equity shares

The Company has only one class of equity shares having a par value of Rs.10 per share. All equity shares rank equally with regard to dividends and share in the residual assets of the Company. Each holder of equity shares is entitled to one vote per share. No dividend has been declared during the year ended March 31, 2022 (March 31, 2021: Nil). No dividend has been proposed for the year ended March 31, 2022.

(c) Shares held by Holding and Promotor Company, percentage of holding and % changes during the year

	As at March 31, 2022	As at March 31, 2021
Meru Travel Solutions Private Limited, the holding company (including nominees)		
No. of shares	**1,73,695**	1,73,695
Amount	**17.37**	17.37
Percentage of holding	**100%**	100%
% Change during the year	**–**	17%

(d) Details of shares held by shareholders holding more than 5% of the aggregate shares

	As at March 31, 2022	As at March 31, 2021
Meru Travel Solutions Private Limited, the holding company (including nominees)		
No. of shares	**1,73,695**	1,73,695
Percentage(%)	**100%**	100%

Note 15 : Borrowings

	As at March 31, 2022	As at March 31, 2021
Non-current		
Term Loans- Secured		
(i) Vehicle loan from NBFC	**63.96**	207.46
Total Non-current Borrowings	**63.96**	207.46

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(Currency in INR lakhs)

	As at March 31, 2022	As at March 31, 2021
Current		
Term Loan- Secured:		
(i) Vehicle loan from NBFC*	**139.03**	152.32
(b) Unsecured:		
Interest free loan from fellow subsidiary repayable on demand **	**2,969.50**	2,937.63
Total Current Borrowings	**3,108.53**	3,089.95
* Current maturities of long term borrowings disclosed under the head "Other financial liabilities" - *Refer note 18.*	**139.03**	152.32
** Short-term borrowings	**2,969.50**	2,937.63

(i) Vehicle loan from NBFCs

The loans are secured against hypothecation of vehicles as a first charge and corporate guarantee given by the fellow subsidiary. The rate of interest on these loans ranges from 9.29% p.a. to 10.15% p.a. The loans are repayable in 36 to 48 equal monthly instalments. Refer note 27[C](iii) 'Liquidity risk' for maturity profile of future instalments. These loans will be fully repaid by December 15, 2023.

Note 16 : Provisions

	As at March 31, 2022	As at March 31, 2021
Non Current		
Provision for employee benefits		
Provision for gratuity *(Refer note 28)*	**69.21**	93.74
Other provisions		
Provision for contingencies*	**1,348.41**	1,323.96
Total Non current	**1,417.62**	1,417.70
Current		
Provision for employee benefits		
Provision for gratuity *(Refer note 28)*	**26.91**	28.76
Provision for leave encashment	**60.37**	90.07
Total current	**87.28**	118.83

*The Company has created provision towards various disputed legal matters that arise in the ordinary course of business on a best estimate basis. These provisions have not been discounted as it is not practicable for the Company to estimate the timing of the provision utilization and cash out flows, if any, pending resolution.

Particulars	As at March 31, 2022	As at March 31, 2021
At the beginning of the year	**1,323.96**	1,162.30
Arising during the year	**61.79**	176.80
Reversed during the year	**(37.34)**	(15.14)
At the end of the year	**1,348.41**	1,323.96
Current portion	**–**	–
Non-current portion	**1,348.41**	1,323.96

Note 17 : Trade Payables

	As at March 31, 2022	As at March 31, 2021
Trade payables		
a) total outstanding dues to small enterprise and micro enterprises	**–**	–
b) total outstanding dues of creditors other than small enterprise and micro enterprises	**897.83**	489.46
	897.83	489.46

Trade payables are non-interest bearing and the credit terms generally range from 30 to 90 days.

Refer Note-34.2 for the Ageing of Trade Payables as per Schedule-III.

For terms and conditions with related parties, Refer to note 31.

The Company's exposure to liquidity risk is disclosed in note 27[C](iii).

Details of dues to micro and small enterprises as per Micro, Small and Medium Enterprises Development Act, 2016

As at March 31, 2022 and March 31, 2021, there are no outstanding dues on account of principal or interest to micro and small enterprises as defined in the Micro, Small and Medium Enterprises Development Act, 2006. Accordingly, no additional disclosures have been made.

The above information regarding micro and small enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.

Note 18 : Other financials liabilities

	As at March 31, 2022	As at March 31, 2021
Current maturities of long term borrowings (*Refer note 15*)	**139.03**	152.32
Deposits from subscribers and customers	**605.65**	888.77
Employee benefits payable	**155.36**	60.98
Interest accrued but not due on borrowings	**1.95**	1.95
	901.99	1,104.02

Note 19 : Other current liabilities

	As at March 31, 2022	As at March 31, 2021
Contract liabilities	**74.83**	63.20
Statutory dues	**26.65**	31.27
	101.48	94.47

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(Currency in INR lakhs)

Note 20: Revenue from operations

	Year ended March 31, 2022	Year ended March 31, 2021
Revenue from operation:		
Revenue from Metered taxi operations	**1,201.73**	1,169.87
Revenue from taxi aggregator services	**454.04**	180.55
Revenue from employee transportation services	**2,245.22**	1,073.46
Revenue from Car rentals	**1,188.61**	1,251.78
Advertisement revenue	**16.96**	175.77
Convenience fee	**10.37**	8.19
Airport charges	**543.88**	288.75
	5,660.81	4,148.37
Other operating revenue:		
Enrolment fees	**0.43**	0.50
Infrastructure Support Services	**29.67**	0.48
	30.10	0.98
	5,690.91	4,149.35

Note 21: Other income

	Year ended March 31, 2022	Year ended March 31, 2021
Liabilities no longer required written back	**0.92**	24.81
Profit on sale/write off of property, plant and equipment (net)	**20.51**	40.64
Gain on mutual funds	**18.06**	71.59
Other miscellaneous income	**35.44**	1.71
	74.93	138.75

Note 22: Fleet operating expenditure

	Year ended March 31, 2022	Year ended March 31, 2021
Service provider service charges	**661.11**	668.24
Car Hire Charges	**2,643.37**	1,745.46
Accreditation fee	**732.49**	452.99
Insurance	**121.94**	88.05
Vehicle repairs and maintenance	**337.61**	277.79
Registration charges and taxes	**39.73**	27.23
Drivers recruitment, uniform and training expenses	**3.34**	8.14
	4,539.59	3,267.90

Note 23: Employee benefits expenses

	Year ended March 31, 2022	Year ended March 31, 2021
Salaries, wages and bonus	**1,330.70**	1,641.25
Contribution to provident and other funds	**56.26**	73.59
Gratuity expenses (Refer note 28)	**17.76**	22.97
Compensated absence expenses	**(1.27)**	38.27
Staff welfare expenses	**50.14**	45.35
	1,453.59	1,821.43

Note 24: Operating and other administrative expenses

	Year ended March 31, 2022	Year ended March 31, 2021
Legal and professional fees	**45.69**	59.91
Advertisement and sales promotion	**173.84**	131.38
Rent	**184.81**	214.61
Repairs and maintenance - other than vehicles	**186.75**	126.45
Communication expenses	**52.97**	25.03
Impairment allowance doubtful trade receivables	**(200.85)**	28.90
Bad debts written off	**273.56**	21.56
Security charges	**51.53**	36.29
Travelling and conveyance	**30.85**	15.22
Rates and taxes	**104.83**	188.92
Electricity charges	**14.18**	14.76
Printing and stationery	**10.13**	5.43
Auditor’s remuneration (refer note below)	**7.08**	7.08
Bank charges	**33.12**	40.37
Provision for doubtful advances	**1.41**	67.04
Miscellaneous expenses	**18.01**	13.46
	987.91	996.41

Auditor's Remuneration (including GST)

Statutory audit fees	7.08	7.08
	7.08	7.08

Note 25: Finance costs

	Year ended March 31, 2022	Year ended March 31, 2021
Interest on borrowings	**30.03**	199.15
Interest on delayed payment of statutory dues	**0.17**	1.59
Interest expense on Lease Liability (refer note 29(A))	**–**	0.91
	30.20	201.65

Note 26: Finance income

	Year ended March 31, 2022	Year ended March 31, 2021
Interest income on:		
– Fixed deposits / bank balances	**4.04**	5.17
– KMP loan	**–**	6.90
– Income tax / CESTAT refund	**4.67**	6.14
– Security Deposit	**11.38**	43.68
– Finance Lease	**9.47**	0.61
	29.56	62.50

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(Currency in INR lakhs)

Note 27: Financial instruments

A] Accounting classification of financial instruments

The following table summarises the accounting classification and carrying amounts (net off any provision for impairment) of financial instruments.

Particulars	Notes	Carrying value/ Fair Value	
		March 31, 2022	March 31, 2021
Financial assets carried at amortised cost			
Security deposits	6	**532.79**	514.81
Loans to related parties - Inter-corporate deposits	5	**1,422.48**	1,445.05
Loans to employees	5	**1.08**	2.20
Balances with banks held as margin money (non-current)	6	**37.90**	36.00
Advances recoverable in cash	6	**19.19**	51.94
Accrued interest	6	**0.56**	2.32
Receivables towards assets given on finance lease	6	**82.04**	152.94
Trade Receivables	10	**884.10**	842.76
Cash and cash equivalents and other bank balances	11, 12	**206.79**	246.25
Financial assets classified at FVTPL			
Investments	9	**166.57**	1,153.65
Total		**3,353.48**	4,447.93
Financial liabilities carried at amortised cost			
Borrowings	15	**3,033.47**	3,145.09
Current Maturities of long term Borrowings	18	**139.03**	152.32
Other financial liabilities	18	**762.96**	951.71
Trade payables	17	**897.83**	489.46
Total		**4,833.29**	4,738.57

B] Fair Value Measurement

The management assessed that cash and cash equivalents, trade receivables, loans, other financial assets trade payables, borrowings and other financial liability approximate their carrying amounts largely due to the short-term maturities of these instruments.

Investments in mutual funds are recorded at fair value. The fair value is determined at the amount at which the instruments could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. Fair value of investments in mutual fund units is based on Net Asset Value (NAV) on the balance sheet date as published by the mutual fund. The fair value is categorised as Level 2 in the fair value measurement hierarchy.

There were no transfers between level 1, 2 and 3 for recurring fair value measurements during each of the reporting period. The Company's policy is to recognise transfers into and transfer out of fair value hierarchy levels at the end of the reporting period.

C] Financial risk management objectives and policies

The Company has exposure to the following risks arising from its financial instruments:

- Market risk - interest rate risk
- Credit risk
- Liquidity risk

The Company's senior management is responsible for the management of these risks with oversight of the Company's Board of Directors.

i] Market risk - interest risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company does not have any exposure to interest rate risks since its borrowings are all in fixed rate instruments and there is no investments that is exposed to interest rates.

ii] Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables), liquid mutual fund units, inter corporate deposits, cash deposits and other financial instruments.

Trade receivables

The Company's Management divides its customers primarily into following two categories for purposes of monitoring credit risk:

Trade receivables from subscribers

Credit risk relating to subscribers is managed in accordance with the Company's established policy, procedures and controls relating to driver credit risk management. Trade receivables are non-interest bearing. Outstanding receivables are regularly monitored. The Company recognises impairment of trade receivables from drivers based on outstanding receivable, its historical experience and its expectation of credit losses in the future except to the extent the trade receivables are secured by way of deposits received from customers.

	March 31, 2022	March 31, 2021
Gross Trade receivables from subscribers	**204.63**	677.83
Less: Impairment allowance doubtful trade receivables	**(95.41)**	(131.67)
Net Trade receivables from subscribers	**109.21**	546.16
Security deposits received from above subscribers held as at the respective reporting dates	**129.13**	362.20

Trade receivables from other customers

Credit risk relating to other customers is managed in accordance with the Company's established policy, procedures and controls relating to other customer credit risk management. Trade receivables are non-interest bearing. Outstanding customer receivables are regularly monitored. For the purpose of measuring impairment allowance for trade receivables from other customers, the Company estimates irrecoverable amounts based on the ageing of the outstanding receivables, its historical experience and its expectation of credit losses in the future.

	March 31, 2022	March 31, 2021
Gross Trade receivables from other customers	**1,028.48**	714.79
Less: Impairment allowance doubtful trade receivables	**(253.60)**	(418.18)
Net Trade receivables from other customers	**774.89**	296.61
Ageing of gross trade receivables relating to other customers:		
Less than 6 months	**761.54**	296.61
More than 6 months	**266.94**	418.18
	1,028.48	714.79

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(Currency in INR lakhs)

Other financial assets

Financial assets other than trade receivables are neither past due nor impaired. Management believes that the amounts are collectible in full, based on its assessment including considering the historical payment behaviour.

The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 27A. The Company has assessed the concentration risk with respect to trade receivables as low for its business.

iii] Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company's principal sources of liquidity are cash flows generated from its operations including deposits received from drivers.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

		Undiscounted amount				
Year ended - March 31, 2022	**Carrying Value**	**Payable within 1 year**	**Payable within 1 to 2 years**	**Payable within 2 to 3 years**	**Payable within 3 to 4 years**	**Total**
Borrowings*						
(i) Vehicle loan from NBFCs	**202.99**	**152.55**	**68.84**	**–**	**–**	**221.39**
Interest free loan from fellow subsidiary repayable on demand	**2,969.50**	**2,969.50**	**–**	**–**	**–**	**2,969.50**
Deposits from Subscribers and customers	**605.65**	**605.65**	**–**	**–**	**–**	**605.65**
Interest accrued but not due on borrowings	**1.95**	**1.95**	**–**	**–**	**–**	**1.95**
Employee benefits payable	**155.36**	**155.36**	**–**	**–**	**–**	**155.36**
Trade Payable	**897.83**	**897.83**	**–**	**–**	**–**	**897.83**
	4,833.30	**4,782.86**	**68.84**	**–**	**–**	**4,851.70**

		Undiscounted amount				
Year ended - March 31, 2021	Carrying Value	Payable within 1 year	Payable within 1 to 2 years	Payable within 2 to 3 years	Payable within 3 to 4 years	Total
Borrowings*						
(i) Vehicle loan from NBFCs	359.78	181.38	152.55	68.84	–	402.77
Interest free loan from fellow subsidiary repayable on demand	2,937.63	2,937.63	–	–	–	2,937.63
Deposits from Subscribers and customers	888.77	888.77	–	–	–	888.77
Employee benefits payable	60.98	60.98	–	–	–	60.98
Interest accrued but not due on borrowings	1.95	1.95	–	–	–	1.95
Trade Payables	489.45	489.45	–	–	–	489.45
	4,738.55	4,560.15	152.55	68.84	–	4,781.55

* The carrying amount of borrowings is net of transaction costs including bank fees.

D] Capital management

For the purpose of capital management, the Company considers capital to include issued equity capital, securities premium and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximize the shareholder's value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the loan covenants. To maintain or adjust the capital structure, the Company may issue new shares. The Company manages its capital, considering the net debt position and rolling cash flows as forecasts at each period end and identifies need for additional funding from the share holders to meet the outstanding commitments and future cash flow requirements to meet the business plans. The Company includes within net debt, interest bearing loans and borrowings less cash and cash equivalents and liquid mutual fund units.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(Currency in INR lakhs)

Particulars	March 31, 2022	March 31, 2021
Borrowings	**221.39**	402.77
Less: Cash and Cash Equivalent and liquid mutual fund units	**373.36**	1,399.90
Net Debt/(Surplus funds)	**(151.96)**	(997.13)

Note 28: Employee benefits

a. Defined contribution plans

The Company makes contributions determined as a specified percentage of employees' salary in respect of qualifying employees towards Provident Fund and Employees' State Insurance (ESI) which are defined contribution plans. The Company has no obligations other than to make the specified contributions. The contributions are charged to statement of profit and loss as they accrue. The Company has recognised the following amount as an expense and included in the Note 23 under "Contribution to provident and other funds":

Particulars	March 31, 2022	March 31, 2021
Contribution to employees provident fund	**51.98**	68.88
Contribution to ESI	**4.28**	4.71
Total	**56.26**	73.59

b. Defined benefit plans

The Company operates one post-employment defined benefit plan (unfunded plan) that provides gratuity. The gratuity plan is governed by the Payment of Gratuity Act, 1972. The gratuity plan entitles an employee, who has rendered at least five years of continuous service, to receive one-half month's salary for each year of completed service at the time of retirement.

Liability recognised in the Balance Sheet in respect of Gratuity

	March 31, 2022	March 31, 2021
Present value of the defined benefit obligation at the end of the year	**96.12**	122.50
	96.12	122.50

Changes in the present value of the defined benefit obligation are as follows :

	March 31, 2022	March 31, 2021
Defined benefit obligation at beginning of the year	**122.50**	130.10
Current service cost	**12.02**	16.27
Interest cost	**5.74**	6.70
Past Service cost	**–**	–
Sub-total included in statement of profit and loss	**17.76**	22.97
<u>Remeasurement (gains)/losses recorded in OCI</u>		
Actuarial changes arising from changes in demographic assumptions	**–**	–
Actuarial changes arising from changes in financial assumptions	**(2.66)**	3.14
Experience adjustments	**(0.07)**	(6.04)
Sub-total included in OCI	**(2.73)**	(2.90)
Acquisition Adjustment	**2.47**	3.11
Benefits paid	**(43.88)**	(30.78)
Defined benefit obligation at the end of the year	**96.12**	122.50

Following table summarises the principal assumptions used for actuarial valuation of gratuity obligation for each reporting period:

Actuarial assumptions	March 31, 2022	March 31, 2021
Discount rate	**5.25%**	4.60%
Future salary increases	**8.00%**	8.00%
Attrition rate (% p.a.)	**refer note below**	refer note below

Note : Call center – 60%, Non Call center – 35%, Management committee –10%

The estimates of future salary increases considered in actuarial valuation take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Demographic Assumptions :

Mortality in Service: Indian Assured Lives Mortality 2012-14 (March 31, 2021: Mortality in Service: Indian Assured Lives Mortality 2012-14) Mortality in Retirement : 58 Years

A quantitative sensitivity analysis for significant assumptions as at each reporting date is as shown below:

	Discount rate assumption	
	March 31, 2022	March 31, 2021
Gratuity plan:		
Impact of increase of 1% p.a. on defined benefit obligation	**(3.82)**	(5.60)
Impact of decrease of 1 % p.a. on defined benefit obligation	**4.16**	6.17

	Future salary increase assumption	
	March 31, 2022	March 31, 2021
Gratuity plan:		
Impact of increase of 1% p.a. on defined benefit obligation	**3.14**	4.43
Impact of decrease of 1 % p.a. on defined benefit obligation	**(3.18)**	(4.29)

The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

The average duration of the defined benefit plan obligation at the end of the reporting period is 5 years (March 31, 2021: 5 years).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(Currency in INR lakhs)

The following are expected contributions over the future years (valued on undiscounted basis):

	March 31, 2022	March 31, 2021
Within the next 1 year (next annual reporting period)	**26.91**	28.76
Between 2 to 5 years	**53.98**	63.04
Between 6 to 10 years	**21.51**	38.74
Beyond 10 years	**20.80**	26.57
Total expected payments	**123.20**	157.11

C. Other employee benefits

Compensated absences are payable to employees at the rate of basic salary for each day of accumulated leave on death or resignation or upon retirement. The charge towards compensated absences for the year ended March 31, 2022 INR (1.27) Lakh (March 31, 2021: INR 38.3 Lakhs).

Note 29: Commitments and contingencies

A. Leases

a. Lease commitments

Effective April 1, 2019, the Company adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 1, 2019 using the modified retrospective method and has taken the cumulative adjustment to retained earnings, on the date of initial application. Consequently, the Company recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the right of use asset at its carrying amount as if the standard had been applied since the commencement date of the lease, but discounted at the Company's incremental borrowing rate at the date of initial application.

Following are the changes in the carrying value of right of use assets for the year ended March 31, 2022

Particulars	ROU Assets Building	Total
Balance as at March 31, 2020	**40.82**	40.82
Additions	**–**	–
Deletions	**–**	–
Balance as at March 31, 2021	**40.82**	40.82
Additions	**–**	–
Deletions	**(40.82)**	(40.82)
Balance as at March 31, 2022	**–**	–

The following is the movement in lease liabilities for the year ended March 31, 2022

Particulars	March 31, 2022	March 31, 2021
Balance at the beginning	**–**	19.60
Additions	**–**	–
Finance cost accrued during the period	**–**	0.91
Deletions	**–**	–
Payment of lease liabilities	**–**	(20.51)
Balance at the end	**–**	–

Depreciation on right-of-use assets is as follow

	Year ended March 31, 2022	Year ended March 31, 2021
Depreciation		
Building	**–**	18.74
Total	**–**	18.74

During the year ended March 31, 2022, the Company has paid INR 184.81 lakhs (March 31, 2021 : INR 214.61 lakhs) towards short-term lease payments. This has been recorded under Rent expense in the statement of profit and loss.

b. Finance lease - where the Company is lessor

The Company has taken taxi permits on finance lease by paying the consideration upfront as a onetime payment.

The Company has leased out 31 vehicles (March 31, 2021 : 36) on finance lease. The lease term is for 3 years and is non-renewable, after which the legal title is passed to the lessee. There is no escalation clause in the lease agreement.

<u>Gross investments</u>	March 31, 2022	March 31, 2021
Within one year	**54.32**	63.25
After one year but not more than five years	**35.30**	131.37
More than five years	**–**	–
	89.63	194.61
Less: Unearned finance income	**(7.59)**	(41.67)
Present value of minimum lease payments	**82.04**	152.94
<u>**Present value of future rentals**</u>		
Within one year	**48.12**	51.11
After one year but not more than five years	**33.92**	101.83
More than five years	**–**	–
Present value of minimum lease payments	**82.04**	152.94

During the year ended March 31, 2022, the Company has earned INR 9.47 Lakhs (March 31, 2021: INR 0.6 Lakh) as interest income. This has been recorded under finance income in the statement of profit and loss.

Movement for the receivables towards assets given on finance lease	**Amount**
Opening balance as at 1 April 2020	**215.64**
Add: Additions made during the year	**34.42**
Less: Adjustment on account of lease term modification	**(2.52)**
Less: Deletion made during the year	**(86.92)**
Less: amount recovered during the year	**(7.68)**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(Currency in INR lakhs)

Movement for the receivables towards assets given on finance lease	Amount
Closing balance as at March 31, 2021	**152.94**
Add: Additions made during the year	**21.12**
Less: Adjustment on account of lease term modification	**–**
Less: Deletion made during the year	**(53.62)**
Less: amount recovered during the year	**(38.41)**
Closing balance as at March 31, 2022	**82.04**

B. Commitments

The Company has entered into License Agreements/Contracts with Airport authorities at some locations. These agreements are for periods of 1 to 4 years and include non-cancellable period of 1 to 2 years. Under the contracts, the Company guarantees a certain minimum payment to the airports each month. Management believes that it would perform its obligations for the entire period of these contracts taking into account the past experience and management's intent and future business plans. Management has disclosed contractual commitments under these contracts below based on the total contractual period.

	As at March 31, 2022	As at March 31, 2021
Minimum commitment to Airports		
Delhi Airport Terminal 1	**145.80**	–
Delhi Airport Terminal 2	**218.70**	–
Delhi Airport Terminal 3	**437.40**	–
Hyderabad Airport	**543.40**	1,121.51
	1,345.30	1,121.51

C] Contingent liabilities

Particulars	**As at March 31, 2022**	As at March 31, 2021
Claims against the Company not acknowledged as debts (Refer note a below)	**16.06**	142.35
Advertisement tax	**55.40**	55.40
	71.46	197.75

Note:

a) Claims against the Company pertain to various legal claims filed against the Company by customers/ third parties. The Company has contested these claims and the same are pending adjudication at various judicial forums. The timing of any possible cash outflows with regard to the aforesaid matters depends upon the final outcome of the respective litigations and exhaustion of remedies available to the Company under the law and hence the Company is not able to reasonably ascertain the timing of the possible outflow, if any.

Note 30: Income Taxes

The major components of income tax expense for the years ended

	March 31, 2022	March 31, 2021
Current income tax:		
Current income tax charge	**–**	–
Deferred tax:		
Relating to origination and reversal of temporary differences	**–**	–
Income tax expense reported in the statement of profit or loss	**–**	–

Statement of OCI

	March 31, 2022	March 31, 2021
Net loss/(gain) on remeasurements of defined benefit plans	**–**	–
Income tax expense charged to OCI	**–**	–

Reconciliation of tax expense and the accounting profit/(loss) multiplied by India's domestic tax rate for the years ended

	March 31, 2022	March 31, 2021
Accounting profit/(loss) before income tax	**(1,928.24)**	(2,846.64)
At India's statutory income tax rate of 26% [March 31, 2021: 26%]	**(501.34)**	(740.13)
Effect of set off of carried forward tax losses for which no deferred tax asset was recognised previously	**501.34**	740.13
Effect of current year losses for which no deferred tax asset is recognised	**–**	–
At the effective income tax rate for the Company	**–**	–
Income tax expense reported in the statement of profit and loss	**–**	–

Deferred tax working for the year ended:

	March 31, 2022	March 31, 2021
Tax effect of items constituting deferred tax liabilities		
Difference in property, plant and equipment and intangibles as compared to tax base of respective assets	**–**	–
	–	–

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(Currency in INR lakhs)

	March 31, 2022	March 31, 2021
Tax effect of items constituting deferred tax assets		
Difference in property, plant and equipment and intangibles as compared to tax base of respective assets	**205.06**	218.78
Provisions (Doubtful debts/Impairment/Advances)	**153.78**	205.64
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	**40.69**	55.27
Carry forward Tax Loss (Unabsorbed depreciation)		
Unabsorbed depreciation	**6,310.89**	6,062.29
Unabsorbed business losses	**815.01**	576.53
Provision for contingencies	**350.59**	344.23
	7,876.02	7,462.73
Net deferred tax assets/(liabilities)	**7,876.02**	7,462.73
Net deferred tax assets/(liabilities) recognised	**–**	–

	Statement of Profit and Loss	
Tax effect of items constituting deferred tax liabilities	**March 31, 2022**	March 31, 2021
Difference in property, plant and equipment and intangibles as compared to tax base of respective assets	**–**	–
Tax effect of items constituting deferred tax assets		
Difference in property, plant and equipment and intangibles as compared to tax base of respective assets	**(13.72)**	(10.20)
Provisions (Doubtful debts/Impairment/ Advances)	**(51.85)**	0.60
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	**(14.58)**	0.95
Carry forward Tax Loss	**–**	
Unabsorbed depreciation	**248.60**	30.22
Unabsorbed business losses	**238.49**	–
Provision for contingencies	**6.36**	10.33
Deferred tax expense/(income)	**413.29**	31.90
Deferred tax expense/(income) recognised in profit and loss	**–**	–

The Company has a net deferred tax asset position as at March 31, 2022, However, in terms of Ind AS 12, the Company has not recognised the net deferred tax assets as there is no reasonable certainty supported by convincing evidence that the Company will have adequate taxable profits in the future against which the carried forward tax losses/unabsorbed depreciation may be offset.

The Company has following tax losses/unabsorbed depreciation which arose in India that are available for offsetting against future taxable profits.

	March 31, 2022	March 31, 2021
Losses that expire - Carry forward business losses*	**3,134.67**	2,217.42
Losses that never expire - Unabsorbed depreciation	**24,272.66**	23,316.50

*These carry forward losses would expire in FY 2029-30

Note 31: Related party transactions

Names of related parties and related party relationship:

Related parties ('RP') where control exists

Ultimate holding Company ('UHC')	Mahindra & Mahindra Ltd. ('M&M')
Holding Company	Meru Travel Solutions Private Limited ('MTSPL')

Related parties with whom transactions have taken place during the year

Fellow Subsidiaries	V-Link Fleet Solutions Private Limited ('VFSPL')
	V-Link Automotive Services Private Limited ('VASPL')
	Mahindra Electric Mobility Limited
	Mahindra Integrated Business Solutions Pvt. Ltd.
	Mahindra Logistics Limited ('MLL')
	Mahindra & Mahindra Financial Services Ltd.
	Mahindra eMarket Limited
	Mahindra First Choice Wheels Limited
	NBS International Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(Currency in INR lakhs)

Key Management Personnel (KMP) & other relationships	Tech Mahindra Business Services Limited (Associate of UHC)
	Mahindra World City (Jaipur) Limited (Joint Venture of UHC)
	Mahindra Homes Private Limited (Joint Venture of UHC)
	Classic Legends Private Limited (Joint Venture of UHC)
	Neeraj Gupta (CEO) upto April 30, 2021
	Pravin Shah (CEO) with effect from May 1, 2021 till December 31, 2021
	Kannan Chakravarthy (CEO) with effect from January 1, 2022
	Bharat Trivedi

Details of transactions during the year with related parties

Particulars	**Holding companies**		**Fellow subsidiaries**		**KMP & Other relationships**	
	March, 31 2022	March, 31 2021	**March, 31 2022**	March, 31 2021	**March, 31 2022**	March, 31 2021
Sale of services (includes unbilled portion and excluding GST):						
V-Link Automotive Services Private Limited	**–**	–	**29.67**	0.48	**–**	–
V-Link Fleet Solutions Private Limited	**–**	–	**5.29**	24.20	**–**	–
Mahindra & Mahindra Ltd.	**162.71**	298.22	**–**			
Mahindra Logistics Limited	**–**	–	**18.57**	1.85	**–**	–
Tech Mahindra Business Services Limited	**–**	–	**–**	–	**31.60**	–
Mahindra World City (Jaipur) Limited	**–**	–	**–**	–	**6.99**	–
Mahindra Homes Private Limited	**–**	–	**–**	–	**0.27**	–
Mahindra & Mahindra Financial Services Ltd.	**–**	–	**1.56**	–	**–**	–
Classic Legends Private Limited	**–**	–	**–**	–	**27.96**	–
Sale of vehicle:						
Mahindra First Choice Wheels Limited	**–**	–	**–**	2.80	**–**	–
Services received (includes accrual and excludes GST):						
V-Link Automotive Services Private Limited	**–**	–	**12.53**	–	**–**	–
Mahindra First Choice Wheels Limited	**–**	–	**0.60**	0.11	**–**	–
Mahindra Electric Mobility Limited	**–**	–	**4.41**	–	**–**	–
NBS International Limited	**–**	–	**10.23**	2.77	**–**	–
Mahindra eMarket Limited			**–**	3.37		
Mahindra Integrated Business Solutions Pvt. Ltd.	**–**	–	**1.91**	0.78	**–**	–
Expense incurred on behalf of :						
Meru Travel Solutions Private Limited	**–**	52.65	**–**	–	**–**	–
Interest income on loan given:						
Neeraj Gupta	**–**	–	**–**	–	**–**	6.90

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(Currency in INR lakhs)

Particulars	Holding companies		Fellow subsidiaries		KMP & Other relationships	
	March, 31 2022	March, 31 2021	**March, 31 2022**	March, 31 2021	**March, 31 2022**	March, 31 2021
Loans given:						
V-Link Fleet Solutions Private Limited	**–**	–	**96.60**	251.57	**–**	–
Meru Travel Solutions Private Limited	**1.95**	–	**–**	–	**–**	–
Loans repayment received :						
Meru Travel Solutions Private Limited	**–**	90.36	**–**	–	**–**	–
V-Link Fleet Solutions Private Limited	**–**	–	**119.17**	520.53	**–**	–
Neeraj Gupta	**–**	–	**–**	–	**–**	90.00
Loans taken:						
V-Link Automotive Services Private Limited	**–**	–	**136.08**	1.98	**–**	–
Loans repayment made:						
V-Link Automotive Services Private Limited	**–**	–	**104.21**	81.07	**–**	–
Equity Share issued:						
Meru Travel Solutions Private Limited	**–**	1,396.97	**–**	–	**–**	–
Remuneration to key management personnel @						
Neeraj Gupta**	**–**	–	**–**	–	**37.08**	266.25
Pravin Shah **	**–**	–	**–**	–	**120.57**	–
Kannan Chakravarthy	**–**	–	**–**	–	**30.48**	–
Bharat Trivedi	**–**	–	**–**	–	**30.28**	23.52

Details of Balances receivable from/payable to related parties

Particulars	Holding companies		Fellow subsidiaries		KMP & Other relationships	
	March, 31 2022	March, 31 2021	**March, 31 2022**	March, 31 2021	**March, 31 2022**	March, 31 2021
Balance receivable/(payable) as at year end :						
Classic Legends Private Limited	**–**	–	**–**	–	**6.34**	1.44
Mahindra & Mahindra Financial Services Ltd.	**–**	–	**–**	–	**0.83**	–
Mahindra & Mahindra Ltd.	**(96.39)**	0.22	**–**	–	**–**	–
Mahindra Electric Mobility Limited	**–**	–	**0.13**	0.13	**–**	–
Mahindra Homes Private Limited	**–**	–	**–**	–	**0.27**	–
Mahindra Integrated Business Solutions Pvt. Ltd.	**–**	–	**(0.14)**	(0.30)	**–**	–
Mahindra Logistics Limited	**–**	–	**(0.81)**	1.34	**–**	–
Mahindra World City (Jaipur) Limited	**–**	–	**–**	–	**2.90**	–
Meru Travel Solutions Private Limited	**1.95**	–	**–**	–	**–**	–
NBS International Limited	**–**	–	**(2.87)**	0.02	**–**	–
Tech Mahindra Business Services Limited	**–**	–	**–**	–	**–**	2.30
V-Link Automotive Services Private Limited	**–**	–	**(2,969.50)**	(2,937.63)	**–**	–
V-Link Fleet Solutions Private Limited	**–**	–	**1,422.48**	1,445.05	**–**	–

@ The remuneration to the key managerial personnel does not include the provisions made for gratuity and leave benefits, as they are determined on an actuarial basis for the Company as a whole.

** The Last year remuneration includes leave encashment & gratuity paid at the time of resignation.

* less than Rs. 5,000

Terms and conditions of transactions with related parties

All the related party transaction during the year were in ordinary course of business. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. The loans receivable and payable are all repayable on demand.

Note 32:

The outbreak of coronavirus (COVID 19) pandemic globally is causing a slowdown of economic activity. Measures are being taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered disruptions to business worldwide, resulting in an economic slowdown and uncertainties pertaining to future operations.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(Currency in INR lakhs)

The Company has made a detailed assessment of its liquidity position for next one year and the recoverability and carrying value of its assets including Property, Plant and Equipment, Trade receivables and Investment as at the Balance sheet date and has concluded that no material adjustments are required in the financial statements. Management believes that it has taken into account all possible impacts of known events arising from COVID 19 pandemic in preparation of these financial statements.

The impact of coronavirus on the business will depend on future developments that cannot be reliably predicted. The impact of global health pandemic, might be different from that estimated as at the date of approval of these financial statements depending on how long the pandemic lasts and time period taken for the economic activities to return to normalcy.

Note 33: Operating Segments Reporting

A. Basis for segmentation

An operating segment is a component of the company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relates to transactions with any of the company other components, and for which discrete financial information is available. All operating segments' operating results are reviewed regularly by Chief Operating Decision Maker (CODM) to make decisions about resources to be allocated to the segments and assess their performance. Operating EBITDA is the Management's measure of the segment results.

The Group has two reportable segments, as described below, which are the Group's strategic business units. These business units offer different services and are managed separately because they require different technologies and marketing strategies. For each of the business units the CODM reviews internal management reports on monthly basis.

The following summary describes the operations in each of the company reportable segments:

a. **Taxi services (includes taxi aggregator services):** Provide taxi services to retail passengers (which includes taxi aggregator services).

b. **Employee transport service:** Provides employee transportation and rent a cab services to corporate customers.

B. Information about reportable segments

Information regarding the results of each reportable segments is included below.

Particulars	Taxi Services		Employee Transport		Unallocated Transaction		Total	
	March 31, 2022	March 31, 2021	**March 31, 2022**	March 31, 2021	**March 31, 2022**	March 31, 2021	**March 31, 2022**	March 31, 2021
Revenue from Operations								
Total Revenue	**2,257.09**	1,824.21	**3,433.82**	2,325.24	**–**	–	**5,690.91**	4,149.45
External Revenue	**2,257.09**	1,824.21	**3,433.82**	2,325.24	**–**	–	**5,690.91**	4,149.45
Segment Results (Operating EBITDA)	**360.88**	301.77	**790.45**	579.78	**(2,366.58)**	(2,679.10)	**(1,215.25)**	(1,797.64)
Depreciation and amortisation expense			**–**	–	**712.35**	909.85	**712.35**	909.85
Finance costs	**–**	–	**–**	–	**30.20**	201.65	**30.20**	201.65
Finance income	**–**	–	**–**	–	**29.56**	62.50	**29.56**	62.50
Profit/(Loss) before taxes	**360.88**	301.77	**790.45**	579.78	**(3,079.57)**	(3,728.09)	**(1,928.24)**	(2,846.64)
Tax Expense	**–**	–	**–**	–	**–**	–	**–**	–
Profit/(Loss) after taxes	**360.88**	301.77	**790.45**	579.78	**(3,079.57)**	(3,728.09)	**(1,928.24)**	(2,846.64)
Additions to property, plant and equipment	**77.87**	423.67	**–**	–	**–**	–	**77.87**	423.67
Deletion to property, plant and equipment (Gross block - deemed cost)	**(541.93)**	(536.12)	**–**	–	**–**	–	**(541.93)**	(536.12)
Material Non- Cash Expenses:								
Bad debts written off net of provision	**72.71**	50.46	**–**	–	**–**	–	**72.71**	50.46

Note 34.1: Trade Receivable Ageing

Trade Receivables ageing schedule as at March 31, 2022

(A) Billed and Outstanding

	Particulars	Less than 6 months	6 months -1 year	1-2 Years	2-3 years	More than 3 years	Total
(i)	Undisputed Trade receivables — considered good	**478.16**	13.56	**83.14**	–	**–**	574.87
(ii)	Undisputed Trade Receivables — which have significant increase in credit risk	**–**	–	**–**	–	**–**	–
(iii)	Undisputed Trade Receivables — credit impaired	**–**	–	**–**	–	**–**	–
(iii)	Undisputed Trade Receivables — credit impaired	**19.06**	34.47	**59.61**	32.42	**203.45**	349.01
(iv)	Disputed Trade Receivables — considered good	**–**	–	**–**	–	**–**	–
(v)	Disputed Trade Receivables — which have significant increase in credit risk	**–**	–	**–**	–	**–**	–
(v)	Disputed Trade Receivables — which have significant increase in credit risk	**–**	–	**–**	–	**–**	–
(vi)	Disputed Trade Receivables — credit impaired	**–**	–	**–**	–	**–**	–
Total		**497.22**	48.03	**142.75**	32.42	**203.45**	923.88

(B) Unbilled Trade Receivables 309.23

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(Currency in INR lakhs)

Trade Receivables ageing schedule as at March 31, 2021

(A) Billed and Outstanding

	Particulars	Less than 6 months	6 months -1 year	1-2 Years	2-3 years	More than 3 years	Total
(i)	Undisputed Trade receivables — considered good	**308.27**	262.33	**81.19**	–	**–**	651.79
(ii)	Undisputed Trade Receivables — which have significant increase in credit risk	**–**	–	**–**	–	**–**	–
(iii)	Undisputed Trade Receivables — credit impaired	**–**	–	**–**	–	**–**	–
(iii)	Undisputed Trade Receivables — credit impaired	**28.75**	48.44	**142.16**	203.28	**127.23**	549.86
(iv)	Disputed Trade Receivables — considered good	**–**	–	**–**	–	**–**	–
(v)	Disputed Trade Receivables — which have significant increase in credit risk	**–**	–	**–**	–	**–**	–
(v)	Disputed Trade Receivables — which have significant increase in credit risk	**–**	–	**–**	–	**–**	–
(vi)	Disputed Trade Receivables — credit impaired	**–**	–	**–**	–	**–**	–
Total		**337.02**	310.78	**223.34**	203.28	**127.23**	1,201.65

(B) Unbilled Trade Receivables 190.97

Note 34.2: Trade Payable Ageing

Trade Payables ageing schedule as at March 31, 2022

	Particulars	Unbilled	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i)	MSME	**–**	–	**–**	–	**–**	–
(ii)	Others	**582.79**	218.09	**84.48**	11.17	**1.30**	897.83
(iii)	Disputed dues — MSME	**–**	–	**–**	–	**–**	–
(iv)	Disputed dues - Others	**–**	–	**–**	–	**–**	–
Total		**582.79**	218.09	**84.48**	11.17	**1.30**	897.83

	Particulars	Unbilled	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i)	MSME	**–**	–	**–**	–	**–**	–
(ii)	Others	**369.04**	105.27	**12.48**	2.68	**–**	489.46
(iii)	Disputed dues — MSME	**–**	–	**–**	–	**–**	–
(iv)	Disputed dues - Others	**–**	–	**–**	–	**–**	–
Total		**369.04**	105.27	**12.48**	2.68	**-**	489.46

Note 34.3: Financial Ratios

Ratio	Numerator	Denominator	Year ended March 31, 2022	Year ended March 31, 2021	Variance %	Reason for variance
Current Ratio	Total current assets	Total current liabilities	1.55	1.3	19%	
Debt-Equity Ratio	Debt	Total equity	(0.23)	0.35	-166%	The change is on account of current year losses.
Debt Service Coverage Ratio	Earning for Debt Service = Net Profit after taxes + Non-cash operating expenses + Interest + Other non-cash adjustments	Debt service= Lease payments	(5.79)	(4.80)	21%	
Return on Equity Ratio	Profit for the year less Preference dividend (if any)	Average total equity	217.00%	-274.00%	-179%	As last year, we had positive networth and loss
Trade Receivables turnover ratio	Revenue from operations	Average trade receivables	5.60	3.57	57%	As the credit revenues has gone up during the year, ratio has increased.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(Currency in INR lakhs)

Ratio	Numerator	Denominator	Year ended March 31, 2022	Year ended March 31, 2021	Variance %	Reason for variance
Trade payables turnover ratio	Operating expenses + Other expenses	Average trade payables	7.97	7.01	14%	
Net capital turnover ratio	Revenue from operations	Average working capital (i.e. Total current assets less Total current liabilities)	9.57	1.56	513%	As the revenues has gone up during the year, ratio has increased.
Net profit ratio	Profit for the year	Revenue from operations	-34%	-69%	-51%	Ratio has reduced as there is lower loss in current year
Return on Capital employed	Profit before tax and finance costs	Capital employed = Net worth + Lease liabilities + Deferred tax liabilities	-324%	-102%	218%	Ratio has gone upto due to losses in current year
Return on investment	Income generated from invested funds	Average invested funds in treasury investments	0.68%	0.76%	-10%	

Note 35: Earnings per share

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the parent by the weighted average number of Equity shares outstanding during the year.

The following reflects the income and share data used in the basic and diluted EPS computations:

	March 31, 2022	March 31, 2021
Profit/(Loss) attributable to equity holders	**(1,928.24)**	(2,846.64)
Number of Shares outstanding at the beginning of the year	**1,73,695**	1,48,195
Add: Shares issued during the year	**–**	25,500
Number of Shares outstanding at the end of the year	**1,73,695**	1,73,695
Weighted average number of Equity shares for basic EPS and diluted	**1,73,695**	1,48,894
Basic and diluted EPS calculations	**(1,110.13)**	(1,911.86)
Weighted average number of Equity shares adjusted for the effect of dilution	**–**	–

Note 36: As at March 31, 2022, the Company has accumulated losses of INR 32,389.47 lakhs (March 31, 2021: INR 30,463.96 lakhs) and a negative net worth of INR 886.94 lakhs (March 31, 2021 : positive networth INR 1038.57 lakhs). The ultimate holding Company Mahindra & Mahindra Limited has committed to provide continuing financial and/or operational support to the Company for its continued operations for the foreseeable future through itself or through its subsidiary.

In view of the foregoing, the going concern assumption has been considered appropriate in preparing these financial statements.

Note 37: Based on the contracts with taxi operators under the taxi aggregator services, the Company's revenue is determined as a share of the total passenger revenue of INR 2,828.3 lakhs (March 31, 2021: INR 944.39 lakhs) generated by these taxi operators.

Note 38: During the previous year, the Company has identified that one of its ex-employee handling paperwork for owned Motor Vehicles of the Company, was involved in fraudulent activity, and was submitting fake documents with the Company, the same has resulted into loss to the Company of INR 61.8 lakhs. The Company is in the process of filling FIR against him and recorded provision for expenses for correcting the above paperwork.

Note 38: During the year, the Company, its holding Company i.e. MTSPL, utlimate holding Company i.e. M&M and its fellow subsidiaries i.e. VFSPL and VASPL, have entered in Share Purchase Agreement, whereby the shares of the Company, VASPL and VFSPL, will be transferred by MTSPL to MLL and the shares of MTSPL will be transferred by M&M to MLL.

Note 40: The Company has given Loan to VFSPL of INR 1445.05 Lakhs in the earlier years out of the money borrowed from V-Link Automotive Services Private Limited. The balance outstanding as on March 31, 2022 is INR 1422.48 Lakhs receivable from V-Link Fleet Solutions Private Limited and INR 2969.50 Lakhs payable to V-Link Automotive Services Private Limited..

Note 41: All amounts disclosed in the financial statements and notes has been rounded off to the nearest lakhs as per the requirement of Schedule III, unless otherwise stated.

Note 42: The figures for the previous year have been regrouped/rearranged wherever necessary to make them comparable with the current period's figures.

As per our report of even date attached
For B. K. Khare & Co.
Chartered Accountants
ICAI Firm Registration No. 105102W

Aniruddha Joshi
Partner
Membership No. 040852

Place : Mumbai
Date : April 25, 2022

For and on behalf of the Board of Directors of
Meru Mobility Tech Private Limited
CIN: U63040MH2006PTC165959

Rampraveen Swaminathan
Director
DIN: 01300682

Manaswini Goel
Director
DIN: 08142619

Kannan Chakravarthy
Chief Executive Officer

Place : Mumbai
Date : April 25, 2022

INDEPENDENT AUDITORS' REPORT

To the Members of
V-Link Automotive Services Private Limited

Report on the audit of the Ind AS Financial Statements

Opinion

We have audited the accompanying Financial Statements of **V-Link Automotive Services Private Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, its profit and total comprehensive income, its changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Ind AS Financial Statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the 'Auditors' Responsibilities for the Audit of the Ind AS Financial Statements' section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("the ICAI") together with the ethical requirements that are relevant to our audit of the Ind AS Financial Statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS Financial Statements.

Information Other than the Ind AS Financial Statements and Auditors' Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the Directors Report and the related annexures, but does not include the Ind AS Financial Statements and our Auditors' Report thereon.

Our opinion on the Ind AS Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Ind AS Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Ind AS Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the audit of the Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Ind AS Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the Ind AS Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Sdection 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the Ind AS Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Ind AS Financial Statements, including the disclosures, and whether the Ind AS Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Ind AS Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Ind AS Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Ind AS Financial Statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on other Legal and Regulatory requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in Annexure B, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
   (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this report are in agreement with the books of account.
   (d) In our opinion, the aforesaid Financial Statements comply with the Accounting Standards specified under Section 133 of the Act.
   (e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164(2) of the Act.
   (f) With respect to the adequacy of the internal financial controls with reference to Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure A. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to Financial Statements.
   (g) In our opinion and according to the information and explanation given to us, the Company has not paid any remuneration to its directors and thus the provisions of Section 197 of the Act are not applicable to the Company. Accordingly, reporting under section 197 (16) of the Act is not applicable in case of the Company.

(h) With respect to the other matters to be included in the Auditors' Report in accordance with the requirements of Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

(i) The company does not have any pending litigations which will impact its financial positions;

(ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and

(iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

(iv) (a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

(v) The Company has not declared any dividend during the year.

For **B.K. Khare & Co.**
Chartered Accountants
Firm's Registration No. 105102W

Aniruddha Joshi
Partner
Membership No. 040852
UDIN: 22040852AGVICI4482

Place: Mumbai
Date: April 25, 2022

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **V-Link Automotive Services Private Limited** ("the Company") as of March 31, 2022 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing whether the risk of a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that: (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the Ind AS financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected, Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **B.K. Khare & Co.**
Chartered Accountants
Firm's Registration No. 105102W

Aniruddha Joshi
Partner
Membership No. 040852
UDIN: 22040852AGVICI4482

Place: Mumbai
Date: April 25, 2022

ANEXURE B TO THE AUDITOR'S REPORT

Referred to in paragraph 1 under **Report on Other Legal and Regulatory Requirements section** of our report of even date on the Ind AS Financial Statements of **V-Link Automotive Services Private Limited** for the year ended March 31, 2022.

Annexure to the Auditor's Report referred to in our report of even date:

i. (a) (A) According to the information and explanations given to us, the Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.

(B) The Company does not have any intangible asset. Hence, reporting under Clause 3(i)(a)(B) of the Order is not applicable to the Company.

(b) The Company has a regular programme for physical verification of its property, plant and equipment by which the property, plant and equipment are verified by the management according to a phased programme designed to cover all the items over a period of 3 years. In our opinion, this periodicity of the physical verification is reasonable having regard to the size of the Company and nature of its property, plant and equipment. In accordance with the programme, the Company has physically verified certain property, plant and equipment during the year and no material discrepancies were noticed on such verification.

(c) The Company does not have any immovable property under Property Plant and Equipment. Hence, reporting under Clause 3(i)(c) of the Order is not applicable to the Company.

(d) According to the information and explanations given to us, the Company has not revalued any of its Property, Plant and Equipment (including Right of Use assets) during the year.

(e) Based on the audit procedures performed by us and according to the information, explanations and representations given to us, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

ii. (a) Company is into service industry and does not hold any inventory, hence, reporting under Clause 3(ii)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us, the Company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets at any point of time during the year.

iii. (a) According to the information and explanations given to us, the Company has not made investments in or provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to firms or any other parties. During the year, the Company has granted loans to one fellow subsidiary company, the details of which are as under:

Particulars	Amount
Aggregate amount during the year: - Fellow Subsidiary (Meru Mobility Tech Private Limited)	1,36,07,977
Balance outstanding at the balance sheet date - Fellow Subsidiary (Meru Mobility Tech Private Limited)	29,69,50,111

(b) According to the information and explanations given to us, the terms and conditions of the loans granted by the Company to a fellow subsidiary company is not prejudicial to the Company's interest.

(c) According to the information and explanation given to us, there was no amount due during the year in respect of the loan given to fellow subsidiary. Hence, reporting under Clause 3(iii)(c) to 3(iii)(f) of the Order is not applicable to the company.

iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act, with respect to loans granted, guarantees provided and investments made by the Company. The Company has not provided any security during the year to the parties covered under Sections 185 and 186 of the Act.

v. According to the information and explanations given to us, the Company has not accepted deposits under the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. Accordingly, the reporting under Clause 3(v) of the Order is not applicable to the Company.

vi. The Central Government has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company. Accordingly, the reporting under Clause 3(vi) of the Order is not applicable to the Company.

vii. (a) According to the information and explanations given to us and on the basis of our examination of records of the Company, the amounts deducted / accrued in the books of account in respect of undisputed statutory dues of Income-tax have generally been regularly deposited during the year by the Company with the appropriate authorities, though there have been slight delays in a few cases. According to the information and explanations given to us and on the basis of our examination of records of the Company, there were no undisputed statutory dues payable in respect of Sales tax, Service tax, Duty of Customs, Duty of Excise and Value Added Tax.

According to the information and explanations given to us and on the basis of our examination of records of the Company, there were no arrears of outstanding statutory dues in respect of Goods and Services tax, Provident fund, Employees' State Insurance, Income-tax, Sales tax, Service tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other material statutory dues as on the last day of the financial year for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and on the basis of our examination of records of the Company, there are no statutory dues in respect of Goods and Services Tax, Provident Fund, Employees' State Insurance, Sales tax, Service tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and any other material statutory dues as at March 31, 2022, which have not been deposited with the appropriate authorities on account of any dispute. The statutory dues in respect of Income-tax and Service tax as at March 31, 2022, which have not been deposited with the appropriate authorities on account of a dispute, are as under:

Name of the statute	**Nature of the dues**	**Amount (Rs)***	**Period to which the amount relates**	**Forum where dispute is pending**
Service Tax	Service Tax on Mutual fund dealings	18,41,382	April 2015 to June 2017	Commissioner Of CGST & Central Excise
Service Tax	Service Tax	12,51,36,770	April 2015 to June 2017	Commissioner Of CGST & Central Excise
Income Tax Act, 1961	Tax deducted at Source	2,20,820	Various Years	Traces

viii. According to the information and explanations given to us, there are no transactions not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income-tax Act, 1961. Accordingly, the reporting under Clause 3(viii) of the Order is not applicable to the Company.

ix. (a) The Company does not have any loans or borrowings outstanding at any time during the year. Accordingly, reporting under Clause 3(ix)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us, the Company has not been declared a willful defaulter by any bank or financial institution or any other lender till the date of our audit report.

(c) The Company has not raised any term loans during the year. Hence, reporting under Clause 3(ix)(c) of the Order is not applicable to the Company.

(d) In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that funds raised on short-term basis have not been utilised for long- term purposes as at the Balance Sheet date.

(e) According to the information and explanations given to us and on an overall examination of the Ind AS Financial Statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.

(f) According to the information and explanations given to us and based on the audit procedures performed by us, we report that the Company has not raised any loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies. Accordingly, the reporting under Clause 3(ix)(f) of the Order is not applicable to the Company.

x. (a) According to the information and explanations given to us, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under Clause 3(x)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Accordingly, the reporting under Clause 3(x)(b) of the Order is not applicable to the Company.

xi. (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company noticed or reported during the year, nor have we been informed of any such case by the management.

(b) There has been no report filed by us under sub-section (12) of Section 143 of the Act in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government. Accordingly, the reporting under Clause 3(xi)(b) of the Order is not applicable to the Company.

(c) As represented to us by the management, no whistle blower complaints were received by the Company during the year.

xii. According to the information and explanations given to us, the Company is not a Nidhi company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, the reporting under Clause 3(xii) of the Order is not applicable to the Company.

xiii. In our opinion and according to the information and explanations given to us, the Company has entered into transactions with related parties in compliance with the provisions of Section 188 of the Act. The details of such related party transactions have been disclosed in the Ind AS Financial Statements as required by Indian Accounting Standard (Ind AS) 24, Related Party Disclosures, specified under Section 133 of the Act. Further, the Company is not required to constitute an Audit Committee under Section 177 of the Act, and accordingly, to this extent, the reporting under Clause 3(xiii) of the Order is not applicable to the Company.

xiv. (a) In our opinion and according to the information and explanations given to us and based on our examination, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the Internal Audit reports of the Company issued till date for the period under audit.

xv. According to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with them during the year and hence, the provisions of Section 192 of the Act are not applicable to the Company. Accordingly, the reporting under Clause 3(xv) of the Order is not applicable to the Company.

xvi. (a) According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under Clause 3(xvi)(a) of the Order is not applicable to the Company.

(b) In our opinion and according to the information and explanations given to us, the Company has not conducted any Non-Banking Financial or Housing Finance activities. Accordingly, the reporting under Clause 3(xvi)(b) of the Order is not applicable to the Company.

(c) In our opinion and according to the information and explanations given to us, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under Clauses 3(xvi)(c) and 3(xvi)(d) of the Order is not applicable to the Company.

Based on the information and explanations given to us and the audit procedures performed by us, we report that the Group has 6 Core Investment Companies.

xvii. In our opinion and according to the information and explanations given to us, the Company has not incurred cash losses in the current financial year as well as in the immediately preceding financial year. Accordingly, the reporting under Clause 3(xvii) of the Order is not applicable to the Company.

xviii. There has been no resignation of the statutory auditors during the year. Accordingly, the reporting under Clause 3(xviii) of the Order is not applicable to the Company.

xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the Ind AS Financial Statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of Balance Sheet as and when they fall due within a period of one year from the Balance Sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the Balance Sheet date, will get discharged by the Company as and when they fall due.

xx. According to the information and explanations given to us, company is not liable to adhere compliance under section 135 of the Companies Act, 2013. Accordingly, the reporting Clause 3(xx)of the Order is not applicable to the Company.

xxi. According to the information and explanations given to us, company does not have any subsidiary company. Accordingly, the reporting Clause 3(xxi)of the Order is not applicable to the Company.

For **B.K. Khare & Co.**
Chartered Accountants
Firm's Registration No. 105102W

Aniruddha Joshi
Partner
Membership No. 040852
UDIN: 22040852AGVICI4482

Place: Mumbai
Date: April 25, 2022

BALANCE SHEET AS AT MARCH 31, 2022

(Currency in INR Lakhs)

Particulars	Notes	As at March 31, 2022	As at March 31, 2021
(I) Assets			
(1) Non-current assets			
a) Property, plant and equipment	3	**–**	–
b) Intangible assets	3	**–**	–
c) Financial assets			
ii) Other financial assets	5	**1.12**	3.83
d) Non current tax assets	6	**0.71**	10.46
e) Other non-current assets	9	**111.45**	122.87
Total Non-Current assets		**113.28**	137.16
(2) Current assets			
a) Financial assets			
i) Trade receivables	7	**51.84**	40.69
ii) Cash and cash equivalents	8	**7.49**	15.49
iii) Loans	4	**2,969.50**	2,937.63
Total Current Assets		**3,028.83**	2,993.81
Total Assets		**3,142.11**	3,130.97
(II) Equity and Liabilities			
1) Equity			
a) Equity share capital	10	**1.33**	1.33
b) Other equity		**2,914.79**	2,895.21
Total Equity		**2,916.12**	2,896.54
2) Liabilities			
Current liabilities			
a) Financial liabilities			
i) Trade Payables	11		
a) total outstanding dues to small and micro enterprises		**–**	–
b) total outstanding dues of creditors other than small and micro enterprises		**11.52**	19.81
ii) Other financials liabilities	12	**97.52**	97.30

BALANCE SHEET AS AT MARCH 31, 2022 (continued)

(Currency in INR Lakhs)

Particulars	Notes	As at March 31, 2022	As at March 31, 2021
b) Other current liabilities	13	**116.95**	117.32
Total current liabilities		**225.99**	234.43
Total liabilities		**225.99**	234.43
Total equity and liabilities		**3,142.11**	3,130.97
Significant accounting polices	2A		
Notes to the financial statements	3 to 33		

The notes referred to above are an integral part of the financial statements.

As per our report of even date attached

For B. K. Khare & Co.
Chartered Accountants
ICAI Firm Registration No. 105102W

Aniruddha Joshi
Partner
Membership No. 040852

Place: Mumbai
Date: April 25, 2022

For and on behalf of the Board of Directors of

V-link Automotive Services Private Limited
CIN:U50500MH2010PTC198987

Kannan Chakravarthy
Director
DIN: 08021737

Manaswini Goel
Director
DIN: 08142619

Place: Mumbai
Date: April 25, 2022

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2022

(Currency in INR Lakhs)

Particulars	Notes	Year Ended March 31, 2022	Year Ended March 31, 2021
Revenue from operations	14	**60.68**	23.47
Other income	15	**10.59**	25.08
TOTAL INCOME (I)		**71.27**	48.55
EXPENSES			
Fleet operating expenditure	16	**11.92**	0.31
Employee benefits expense	17	**–**	12.84
Operating and other administrative expenses	18	**41.29**	35.71
TOTAL EXPENSES (II)		**53.21**	48.86
Earnings before interest, tax, depreciation, amortization and Impairment (EBITDA) [(I) – (II)]		**18.06**	(0.31)
Finance costs	19	**0.01**	0.58
Finance income	20	**1.53**	2.51
Depreciation and amortisation expense	3	**–**	8.04
Profit/(loss) before tax		**19.58**	(6.42)
Tax expenses		**–**	–
Profit/(loss) after tax		**19.58**	(6.42)
Other Comprehensive Income			
Items that will not be reclassified to statement of profit and loss			
Remeasurements of defined benefit plan		**–**	–
Other comprehensive loss/(income) for the year, net of tax		**–**	–
Total Comprehensive income/(loss) for the year, net of tax		**19.58**	**(6.42)**
Earnings per equity share			
Basic and diluted [Nominal value per share INR 10]	28	**147.28**	(48.26)
Diluted, computed on the basis of profit for the year			
Significant accounting polices	2A		
Notes to the financial statements	3 to 33		

The notes referred to above are an integral part of the financial statements.

As per our report of even date attached

For B. K. Khare & Co.
Chartered Accountants
ICAI Firm Registration No. 105102W

Aniruddha Joshi
Partner
Membership No. 040852

Place: Mumbai
Date: April 25, 2022

For and on behalf of the Board of Directors of

V-link Automotive Services Private Limited
CIN:U50500MH2010PTC198987

Kannan Chakravarthy
Director
DIN: 08021737

Manaswini Goel
Director
DIN: 08142619

Place: Mumbai
Date: April 25, 2022

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2022

(Currency in INR Lakhs)

	Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
A.	**CASH FLOWS FROM OPERATING ACTIVITIES**		
	Profit/(loss) before tax	**19.58**	(6.42)
	Adjustments to reconcile profit before tax to net cash flows		
	Depreciation, amortisation and impairment expenses	**–**	8.04
	Finance costs	**0.01**	0.58
	Provision for legal cases, compensated absences and gratuity	**–**	0.03
	Finance income	**(0.28)**	(0.15)
	Bad Debts written off and provision thereof	**–**	1.06
	Provision no longer required written back	**(10.59)**	(25.08)
	Loss on assets held for sale	**–**	4.92
Operating profit before working capital changes		**8.72**	(17.02)
Movement in working capital			
	Changes in Trade Receivables	**(11.16)**	20.09
	Changes in loans, Other financial assets, other assets	**14.12**	(75.84)
	Changes in trade payables, other payables and other liabilities	**0.33**	(18.48)
Cash generated from/(used in) operating activities		**12.01**	(91.25)
Direct taxes paid (net of refunds)		**9.75**	22.59
Net cash flows generated from/(used in) operating activities		**21.76**	(68.66)
B.	**CASH FLOWS FROM INVESTING ACTIVITIES**		
	Interest income on fixed deposits	**1.01**	0.15
	Investment in bank deposits (having original maturity of more than 3 months)	**1.10**	–
	Loans given to fellow subsidiaries	**(136.08)**	(1.98)
	Loans repaid by fellow subsidiaries	**104.21**	87.28
Net cash flows generated from/(used in) investing activities		**(29.76)**	85.45

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2022 (continued)

(Currency in INR Lakhs)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of lease liabilities	**–**	(9.37)
Net cash flows (used in) financing activities	**–**	(9.37)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	**(8.00)**	7.42
Cash and cash equivalents at the beginning of the year	**15.49**	8.06
Cash and cash equivalents at the end of the year (refer note 8)	**7.49**	15.49

As per our report of even date attached

For B. K. Khare & Co.
Chartered Accountants
ICAI Firm Registration No. 105102W

Aniruddha Joshi
Partner
Membership No. 040852

Place: Mumbai
Date: April 25, 2022

For and on behalf of the Board of Directors of

V-link Automotive Services Private Limited
CIN:U50500MH2010PTC198987

Kannan Chakravarthy
Director
DIN: 08021737

Manaswini Goel
Director
DIN: 08142619

Place: Mumbai
Date: April 25, 2022

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2022

(Currency in INR Lakhs)

For the year ended March 31, 2022

Particulars	Equity Share Capital	Other Equity: Securities Premium	Other Equity: Retained Earning	Other Equity: Capital Reserve	Other Equity: Total Other Equity	Total
As at April 1, 2021	1.33	16,286.96	(13,429.25)	37.50	2,895.21	2,896.54
Net profit for the year	–	–	19.58	–	19.58	19.58
Other comprehensive income for the year	–	–	–	–	–	–
Total comprehensive income	–	–	**19.58**	–	**19.58**	**19.58**
Received on shares issued during the year	–	–	–	–	–	–
As at March 31, 2022	**1.33**	**16,286.96**	**(13,409.67)**	**37.50**	**2,914.79**	**2,916.12**

For the year ended March 31, 2021

Particulars	Equity Share Capital	Other Equity: Securities Premium	Other Equity: Retained Earning	Other Equity: Capital Reserve	Other Equity: Total Other Equity	Total
As at April 1, 2020	1.33	16,286.96	(13,422.83)	37.50	2,901.63	2,902.96
Net profit for the year	–	–	(6.42)	–	(6.42)	(6.42)
Other comprehensive income for the year	–	–	–	–	–	–
Total comprehensive income	–	–	**(6.42)**	–	**(6.42)**	**(6.42)**
Received on shares issued during the year	–	–	–	–	–	–
As at March 31, 2021	**1.33**	**16,286.96**	**(13,429.25)**	**37.50**	**2,895.21**	**2,896.54**

Notes:

Securities premium: Securities premium is credited when shares are issued at a premium. The securities premium can be utilized as per the provisions of the Companies Act, 2013 for specified purposes such as to issue bonus shares, to provide for premium on redemption of shares or debentures etc.

Retained earnings: Retained earnings represents the amount of accumulated earnings at each Balance Sheet date of the Company.

Capital Reserve: Capital Reserve represents the fair value in respect of financial guarantee provided by the holding company in favour of the Company recognised on transition to Ind AS as at April 1, 2016 amounting to INR 37.50 Lakhs with a corresponding debit to financial guarantee assets recorded under Other Assets. These financial guarantee assets have been amortised as expenses in the Statement of Profit and Loss over the period of the guarantee and the unamortised portion as at March 31, 2022 is INR Nil.

As per our report of even date attached

For B. K. Khare & Co.
Chartered Accountants
ICAI Firm Registration No. 105102W

Aniruddha Joshi
Partner
Membership No. 040852

Place: Mumbai
Date: April 25, 2022

For and on behalf of the Board of Directors of

V-link Automotive Services Private Limited
CIN:U50500MH2010PTC198987

Kannan Chakravarthy
Director
DIN: 08021737

Manaswini Goel
Director
DIN: 08142619

Place: Mumbai
Date: April 25, 2022

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

1. Company information

V-Link Automotive Services Private Limited ('the Company') is registered as a private limited company domiciled in India having its registered office at F-17, 4th Floor, Pinnacle Business Park, Shanti Nagar, Mahakali Caves Road, Andheri (East), Mumbai 400 093, India. The Company is a deemed public company as per definition of the Companies Act with effect from December 5, 2019. The Company is mainly engaged in the business of owning, operating and maintaining vehicle fleet for transportation of passengers in form of taxis, providing taxi aggregator services and to acquire and operate similar existing businesses.

These financial statements were authorized for issue in accordance with a Board resolution of April 25, 2022.

2A. Significant accounting policies

2A.1 Statement of Compliance

The Financial Statements have been prepared in accordance with the Indian Accounting Standards as per the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under section 133 of the Companies Act, 2013 (the 'Act'). The Financial Statements are separate Financial Statements.

2A.2 Basis of preparation and presentation

These financial statements have been prepared on accrual basis and the historical cost basis as a going concern except for certain financial instruments that are measured at fair values or at amortised cost, wherever applicable, at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in this financial statement is determined on such basis, except for share-based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 116, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The Financial Statements are prepared in Indian Rupee (INR) and denominated in crores.

The principal accounting policies are set out below.

2A.3 Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

2A.4 Revenue recognition

The Revenue is recognised when a customer obtains control of the goods or services. Determining the timing of the transfer of control – at a point in time or over time requires judgement.

Revenue includes only the gross inflows of economic benefits. It is measured based on the consideration specified in the contracts with customers. Amounts collected on behalf of third parties such as goods and services taxes and value added taxes are not economic benefits which flow to the entity and do not result in increases in equity. Therefore, they are excluded from revenue.

The Company assesses its revenue arrangements to determine if it is acting as principal or agent. The Company has concluded that it is acting as an agent in case of its revenue from taxi aggregator services arrangements.

The following specific recognition criteria must also be met before revenue is recognized.

Income from services:

i. Revenue from taxi aggregator services, convenience fees, airport charges, services

Revenue from taxi aggregator services is recognised net off the share of revenue paid to drivers, as and when the services are rendered as per the terms of the contract. Taxi aggregator services involve the Company providing a platform to facilitate booking of taxi services by passengers with third party independent taxi service providers. Convenience fees are charged to customer for facilitating booking of taxi services through the Company. Convenience fees are recognised as revenue at completion of trip. Airport charges are recovered from customers towards the airport charges incurred at airports as per the contractual terms. Airport charges are recognised as revenue at completion of trip.

ii. Revenue from car rental services

Revenue from car rental services represents revenue earned from letting cars on hire to customers for specific period of time (generally short periods of time ranging from a few hours to a day). Revenue is measured as per the contractual terms and is recognized on completion of each trip.

iii. Advertisement revenue

Revenue from advertisement contracts are recognised pro-rata over the period of contract as and when services are rendered. Revenue is measured as per the contractual terms

The Company generally does not offer a credit period in respect of its billing to drivers. In respect of corporate customers, the Company credit period offered generally ranged from 30 days to 90 days.

Interest income:

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

2A.5 Taxation

Income Tax expense represents the sum of tax currently payable and deferred tax.

2A.5.1 Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'Profit before tax' as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

2A.5.2. Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Financial Statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

2A.5.3 Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in Other Comprehensive Income or directly in equity, in which case, the current and deferred tax are also recognised in Other Comprehensive Income or directly in equity respectively.

2A.6 Property, plant and equipment

All items of property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Cost of acquisition is inclusive of purchase price, levies and any directly attributable cost of bringing the asset to its working condition for the intended use. Subsequent cost are included in the asset's carrying amount or recognised as as separate asset, as appropriate only when it is probable that the future economic benefits associated with the item will flow to the company and cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to Statement of Profit and Loss during the reporting period in which they are incurred.

Depreciation on tangible asset is charged on a Straight-Line Method (SLM) in accordance with the useful life specified in Part – C of Schedule II of the Companies Act, 2013 on a pro-rata basis except in the case of:

i. Certain items of Plant & Machinery individually costing more than Rs. 5,000 - over their useful lives ranging from 2 years to 10 years as estimated by the company and also based on the contractual arrangements wherever applicable.

ii. Certain items of Plant & Machinery individually costing less than Rs. 5,000 shall be depreciated over a period of 1 year.

iii. Mobile Phones (included in Office Equipment) in 1 - 2 years.

iv. Motor Cars (included in Vehicles) in 3 to 5 years as the case may be

v. Assets capitalised which are attached to the leasehold office premises shall be depreciated upto 75% of its value over the lease period assuming a realisable value of 25% after the end of original lease period.

The estimated useful lives, residual values, and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain and loss arising on disposal or retirement of an item of property, plant and equipment are determined as the difference between the sale proceeds and the carrying amount of the asset and is recognised in profit or loss

2A.7 Intangible assets

2A.7.1 Intangible assets acquired separately

The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

2A.7.2. Useful lives of intangible assets

The expenditure incurred is amortised over three financial years equally commencing from the year in which the expenditure is incurred.

Certain softwares added during the year are amortised over a period of 36 months.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

2A.8 Impairment of tangible and intangible assets

The management of the Company assesses at each Balance Sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the management estimates the recoverable amount of the asset. If such recoverable amount of the asset is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and recognised in the Statement of Profit and Loss. If at the Balance Sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed, and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost. A reversal of an impairment loss is recognised immediately in profit or loss.

2A.9 Borrowing costs

Borrowing cost that are attributable to the acquisition or construction of qualifying assets are capitalised as a part of the cost of the such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use or sale. All other borrowing costs are charged to the revenue in the year of incurrence.

2A.10 Provisions, Contingent liability & Contingent assets

Provision are recognised when the Company has a present obligation (legal or constructive) as a result of past event; it is probable that the company will be required to settle the obligation, and a reliable estimate can be made of the amount of obligation.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Onerous contracts

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the company has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

Contingent liabilities are disclosed when a possible obligation arising from past events the existence of which will be confirmed only by the occurrence or non- occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

A contingent asset is disclosed where an inflow of economic benefits is probable.

2A.11 Financial instruments

Financial assets and financial liabilities are recognised when a company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

2A.12 Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a settlement date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

2A.12.1 <u>Classification of financial assets</u>

Debt instruments that meet the following conditions are subsequently measured at amortised cost (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

i. the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and

ii. the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For the impairment policy on financial assets measured at amortised cost, refer note no 2A.12.4

Investments in subsidiaries: All investments in subsidiaries are valued at cost.

All other financial assets are subsequently measured at fair value.

2A.12.2 <u>Effective interest method</u>

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in profit or loss and is included in the “Other income” line item.

2A.12.3 <u>Financial assets at Fair value through Profit and Loss</u>

Investments in equity instruments are classified as at FVTPL, unless the Company irrevocably elects on initial recognition to present subsequent changes in fair value in Other Comprehensive Income for investments in equity instruments which are not held for trading.

A financial asset that meets the amortised cost criteria or debt instruments that meet the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

any dividend or interest earned on the financial asset and is included in the 'Other Income' line item. Dividend on financial assets at FVTPL is recognised when the Company's right to receive the dividend is established, it is probable that the economic benefits associated with the dividend will flow to the entity and the amount of dividend can be measured reliably.

2A.12.4 <u>Impairment of financial assets</u>

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, trade receivables, other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets).

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Company uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 18, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

2A.12.5 <u>Derecognition of financial assets</u>

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other Comprehensive Income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

On derecognition of a financial asset other than in its entirety (e.g. when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in Other Comprehensive Income is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in Other Comprehensive Income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

2A.12.6 <u>Foreign exchange gains and losses</u>

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

- For foreign currency denominated financial assets measured at amortised cost and FVTPL, the exchange differences are recognised in profit or loss except for those which are designated as hedging instruments in a hedging relationship.
- Changes in the carrying amount of investments in equity instruments at FVTOCI relating to changes in foreign currency rates are recognised in Other Comprehensive Income.
- For the purposes of recognising foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortised cost. Thus, the exchange differences on the amortised cost are recognised in profit or loss and other changes in the fair value of FVTOCI financial assets are recognised in Other Comprehensive Income.

2A.13 Financial liabilities & Equity instruments

2A.13.1 <u>Classification as debt or equity</u>

Debt and equity instruments issued by a company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

2A.13.2 <u>Equity instruments</u>

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a company entity are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

2A.13.3 **Compound financial instruments**

The component parts of compound financial instruments (convertible notes) issued by the Company are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. A conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is an equity instrument.

At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recognised as a liability on an amortised cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date.

The conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound financial instrument as a whole. This is recognised and included in equity, net of income tax effects, and is not subsequently remeasured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised, in which case, the balance recognised in equity will be transferred to other component of equity. When the conversion option remains unexercised at the maturity date of the convertible note, the balance recognised in equity will be transferred to retained earnings. No gain or loss is recognised in profit or loss upon conversion or expiration of the conversion option.

2A.13.4 **Financial liabilities**

All financial liabilities are subsequently measured at amortised cost.

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

2A.14 Segment reporting

The CEO monitors the operating results of the business segments separately for the purpose of making decisions about the allocation of resources and performance assessment. Segment performance is measured based on profit or loss and is measured consistently with profit or loss in Financial Statements

2A.14.1 **Identification of Operating Segments**

The operating segments have been identified based on its services and has two reportable segments, as follows:

i. **Taxi Services (including taxi aggregator services) : Providing taxi services to retail passengers.(which includes taxi aggregator services)**

ii. **Employee transport service: Provides employee transportation and rent a cab services to corporate customers.**

2A.14.2 **Accounting of Operating Segments**

Accounting policies adopted for segment reporting are in line with the accounting policies of the Company. Revenue and expenses have been identified to segments on the basis of their relationship to the operating activities of the segment. Revenues and expenses, which relate to the enterprise as a whole and are not allocable to segments on a reasonable basis and inter-segment revenue and expenses, have been included under "Unallocated Corporate Expenses/Eliminations".

2A.15 Earnings per share

Basic and diluted earnings per share is computed by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of Equity Shares outstanding during the year, in accordance with Ind AS 33.

2A.16 Measurement of EBITDA

The Company has elected to present earnings before interest, tax, depreciation and amortization (EBITDA) as a separate line item on the face of the statement of profit and loss. The Company measures EBITDA on the basis of profit / (loss) from continuing operations. In its measurement, the company does not include depreciation and amortization expense, interest income, finance costs and tax expense. Any amount described as unusual or exceptional is classified by nature, in the same way as non-exceptional amounts. Their inclusion or exclusion in EBIDTA will depend on the nature of income/ expense described as exceptional. Impairment loss / reversal on property plant and equipment is disclosed under Depreciation, amortisation and impairment expenses, and not considered for calculation of EBIDTA.

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of income, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of asset or liability affected in future periods. The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

2B. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 2A, the management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only the period of the revision and future periods if the revision affects both current and future periods.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(Currency in INR Lakhs)

i. **Contracts with Driver - Whether the arrangement with drivers contains a lease:**

Significant judgement is required to apply lease accounting rules under Appendix C of Ind AS 17 - Determining whether an arrangement contains a lease. In assessing the applicability to arrangements entered into by the Company, management has exercised judgement to evaluate the right to use the underlying assets, substance of the transaction including legally enforceable arrangements and other significant terms and conditions of the arrangements to conclude whether the arrangements meet the criteria under Appendix C.

ii. **Useful lives of intangibles and property, plant and equipment:**

As described in note 2A.6 The Company reviews the estimated useful lives of property, plant and equipment and intangible assets at the end of each annual reporting period.

iii. **Fair Value of financial assets and liabilities and investments**

The Company measures certain financial assets and liabilities on fair value basis at each balance sheet date or at the time they are assessed for impairment. Fair value measurement that are based on significant unobservable inputs (Level 3) requires estimates of operating margin, discount rate, future growth rate, terminal values etc. based on management's best estimate about future developments.

iv. **Estimated Lead Time for determining completion of performance obligation**

The company also determines completion of performance obligation with respect to transportation service based on Estimated Lead Time (ELT) to deliver based on standard past performance and to that extent it involves management judgments for estimating delivery time to destination.

v. **Estimation of uncertainties relating to the global health pandemic from COVID-19 (COVID-19)**

Based on assessment and on the basis of available information of the impact of COVID-19, the Management has considered the possible effects, if any, that may result from the pandemic on the carrying amounts of current assets after considering internal and external sources of information as at the date of approval of these financial statements. The actuals may differ from the estimates considered in these financial statements.

vi. **Trade Receivables**

The Company determines the allowance for credit losses based on historical loss experience adjusted to reflect current and estimated future economic conditions. The Company has considered subsequent recoveries, past trends, credit risk profiles of the customers based on their industry, macroeconomic forecasts and internal and external information available to estimate the probability of default in future and has taken into account estimates of possible effect from the pandemic relating to COVID-19.

vii. **Revenue from Contracts with Customers**

The Company assesses in accordance with Ind AS 115 as to whether it is acting as principal or agent in respect of the revenue arrangements entered. The Company has assessed that it is acting as an agent in case of revenue from taxi aggregator services arrangements and dealing on principal to principal basis for revenue from other services in terms of the principles of Ind AS 115.

The Company has evaluated the impact of COVID-19 resulting from (i) the possible constraints to continue its operations and revisions in costs to fulfill the pending obligations (ii) onerous obligations (iii) penalties, if any, relating to breaches of agreements and (iv) termination or deferment of contracts by customers. The Company has concluded that the impact of COVID-19 is not material based on these estimates. Due to the nature of the pandemic, the Company will continue to monitor developments to identify significant uncertainties relating to revenue in future periods.

Note 3: Property, plant and equipment and intangible assets

Property, plant and equipment	**Computers and Peripherals**	*** ROU-Building**	**Total**
Gross Block			
Balance at March 31, 2020	37.42	27.21	64.63
Additions	–	–	–
Disposals	–	(27.21)	(27.21)
Balance at March 31, 2021	37.42	–	37.42
Additions	–	–	–
Disposals	–	–	–
Balance at March 31, 2022	**37.42**	**–**	**37.42**
Accumulated depreciation			
Balance at March 31, 2020	37.42	19.17	56.59
Depreciation charge for the year	–	8.04	8.04
Disposals	–	(27.21)	(27.21)
Balance at March 31, 2021	37.42	–	37.42
Depreciation charge for the year	–	–	–
Disposals	–	–	–
Balance at March 31, 2022	**37.42**	**–**	**37.42**
Net Book Value			
Balance at March 31, 2022	**–**	**–**	**–**
Balance at March 31, 2021	–	–	–
Balance at March 31, 2020	–	8.04	8.04

* (Refer note 23 (A) for details)

Intangible assets

	Computer software
Gross Block	
Balance at March 31, 2020	3.15
Additions	–
Disposals	–
Balance at March 31, 2021	3.15
Additions	–
Disposals	–
Balance at March 31, 2022	**3.15**

	Computer Software
Accumulated Amortization	
Balance at March 31, 2020	3.15
Amortisation	–
Disposals	–
Balance at March 31, 2021	3.15

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(Currency in INR Lakhs)

	Computer Software
Amortisation	–
Disposals	–
Balance at March 31, 2022	**3.15**
Net Book Value	
Balance at March 31, 2022	**–**
Balance at March 31, 2021	**–**
Balance at March 31, 2020	**–**

Note 4: Loans

(Measured at amortised cost)	**As at March 31, 2022**	As at March 31, 2021
Current		
Unsecured, considered good		
Loans to related parties:		
Inter-corporate deposit to fellow subsidiary *	**2,969.50**	2,937.63
Current Total	**2,969.50**	2,937.63
Total	**2,969.50**	2,937.63

* Loan (Intercorporate deposit) to fellow subsidiary is interest free and repayable on demand.

Refer Note 21 for information about Financial instruments.

Note 5: Other financial assets

(Measured at amortised cost)	**As at March 31, 2022**	As at March 31, 2021
Non Current		
Security Deposits - Unsecured, considered good	**0.10**	0.98
Term deposit with bank	**1.00**	2.10
Interest accrued on bank fixed deposits	**0.02**	0.75
Total non current	**1.12**	3.83
Total	**1.12**	3.83

Note 6: Non current tax assets

	As at March 31, 2022	As at March 31, 2021
Advance income-tax	**0.71**	10.46
Total	**0.71**	10.46

Note 7: Trade Receivables

(Measured at amortised cost)	**As at March 31, 2022**	As at March 31, 2021
Secured, considered good	**34.06**	34.58
Unsecured, considered good *(Refer note 21)*	**17.78**	6.11
Unsecured, considered credit impaired	**63.36**	66.97
Less: Impairment allowance for doubtful trade receivables	**(63.36)**	(66.97)
Total	**51.84**	40.69

Trade receivables from drivers are due immediately. The Company also holds security deposit from a number of the drivers as collateral. Trade receivables from corporate customers are generally on credit terms of 30 to 60 days.

Refer Note 21 for information about credit risk. Refer note 25 for details of trade receivables from related parties.

(Refer Note 27.1 for Trade Receivables ageing as per Schedule-III)

Note 8: Cash and cash equivalents

	As at March 31, 2022	As at March 31, 2021
Balances with bank in current accounts	**7.49**	15.49
Total	**7.49**	15.49

Note 9: Other assets

	As at March 31, 2022	As at March 31, 2021
Non current		
Balance with statutory and government authorities		
Unsecured, considered good	**111.45**	122.87
Total Non Current	**111.45**	122.87
Total	**111.45**	122.87

Note 10: Equity Share Capital

	As at March 31, 2022	As at March 31, 2021
Authorised shares:		
100,000 equity shares of Rs.10 each (March 31, 2021 : 100,000)	**10.00**	10.00
Issued, subscribed and fully paid-up shares:		
13,294 equity shares of Rs. 10 each fully paid up (March 31, 2021 : 13,294)	**1.33**	**1.33**

(a) Reconciliation of the equity shares outstanding at the beginning and at the end of the year

	As at March 31, 2022	As at March 31, 2021
Outstanding at the beginning of the year		
No. of shares	**13,294**	13,294
Amount	**1.33**	1.33
Issued during the year for cash consideration		
No. of shares	**–**	–
Amount	**–**	–
Outstanding at the end of the year		
No. of shares	**13,294**	13,294
Amount	**1.33**	1.33

(b) Rights, preferences and restrictions attached to equity shares

The Company has only one class of equity shares having a par value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share. No dividend has been declared during the year ended March 31, 2022 (March 31, 2021: Nil). No dividend has been proposed for the year ended March 31, 2022.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(Currency in INR Lakhs)

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Shares held by Holding and Promotor Company, percentage of holding and % changes during the year

	As at March 31, 2022	As at March 31, 2021
Meru Travel Solutions Private Limited, the holding company (including nominees)		
No of shares	**13,294**	13,294
Amount	**1.33**	1.33
Percentage of holding	**100%**	100%
% Change during the year	**–**	–

(d) Details of shares held by shareholders holding more than 5% of the aggregate shares

	As at March 31, 2022	As at March 31, 2021
Meru Travel Solutions Private Limited, the holding company (including nominees)		
No of shares	**13,294**	13,294
Percentage of holding	**100%**	100%

Note 11: Trade Payables

	As at March 31, 2022	As at March 31, 2021
Trade Payables		
a) total outstanding dues to small and micro enterprises	**–**	–
b) total outstanding dues of creditors other than small and micro enterprises	**11.52**	19.81
Total	**11.52**	19.81

Trade payables are non-interest bearing and the credit terms generally range from 30 to 90 days.

For terms and conditions with related parties, refer to note 25.

The Company's exposure to liquidity risk is disclosed in note 21[C].

Details of dues to micro and small enterprises as per Micro, Small and Medium Enterprises Development Act, 2016

As at March 31, 2022 and March 31, 2021, there are no outstanding dues on account of principal or interest to micro and small enterprises as defined in the Micro, Small and Medium Enterprises Development Act, 2006. Accordingly, no additional disclosures have been made.

The above information regarding micro and small enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.

(Refer Note- 27.2 for Trade Payables Ageing as per Schedule-III)

Note 12: Other financial liabilities

	As at March 31, 2022	As at March 31, 2021
Deposits from Subscriber & Customer*	**97.52**	97.30
Total	**97.52**	97.30

* Subscriber deposit are repayable on demand

Note 13: Other current liabilities

	As at March 31, 2022	As at March 31, 2021
Advances from drivers and customers	**116.83**	117.31
Statutory dues	**0.12**	0.01
Total	**116.95**	117.32

Note 14: Revenue from operations

	Year ended March 31, 2022	Year ended March 31, 2021
Revenue from operation:		
Revenue from taxi aggregator services	**2.19**	2.20
Revenue from car rentals	**12.53**	–
	14.72	2.20
Other operating revenue		
Advertisement revenue	**45.31**	21.15
Convenience fee	**0.02**	0.01
Airport charges	**0.63**	0.11
	45.96	21.27
Total	**60.68**	23.47

Note 15: Other income

	Year ended March 31, 2022	Year ended March 31, 2021
Provision / Liabilities no longer required written back	**10.59**	25.08
Total	**10.59**	25.08

Note 16: Fleet operating expenditure

	Year ended March 31, 2022	Year ended March 31, 2021
Service provider service charges and incentives	**11.92**	0.31
Total	**11.92**	0.31

Note 17: Employee benefits expenses

	Year ended March 31, 2022	Year ended March 31, 2021
Salaries, wages and bonus	**–**	12.14
Contribution to provident and other funds	**–**	0.67
Gratuity expenses (Refer note 22)	**–**	0.02
Compensated absence expenses	**–**	0.01
Total	**–**	12.84

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(Currency in INR Lakhs)

Note 18: Operating and other administrative expenses

	Year ended March 31, 2022	Year ended March 31, 2021
Infrastructure Support Services Expenses	**29.67**	0.48
Legal and professional fees	**0.78**	13.75
Bad debts written off	**3.37**	0.36
Auditor's remuneration (refer note below)	**0.50**	0.50
Rent	**–**	2.84
Communication expenses	**0.64**	1.35
Travelling and conveyance	**–**	0.01
Repairs and maintenance - other than vehicles	**–**	2.71
Electricity charges	**–**	0.34
Security charges	**–**	0.45
Rate and Taxes	**8.60**	6.75
Loss on assets held for sale	**–**	4.92
Provision for doubtful debts and advances	**(3.61)**	0.71
Miscellaneous expenses	**1.34**	0.54
Total	**41.29**	35.71
Auditor's Remuneration (including GST)		
Statutory audit fees	**0.50**	0.50
	0.50	0.50

Note 19: Finance costs

	Year ended March 31, 2022	Year ended March 31, 2021
Interest on delayed payment of statutory dues	**0.01**	–
Interest expense on Lease Liability (refer note 23(A))	**–**	0.58
Total	**0.01**	0.58

Note 20: Finance income

	Year ended March 31, 2022	Year ended March 31, 2021
Interest income on:		
Fixed deposits / bank balances	**0.28**	0.15
Income tax refund	**1.25**	2.36
Total	**1.53**	2.51

Note 21: Financial Instruments

A] Accounting classification of financial instruments

The following table summarises the accounting classification and carrying amounts (net off any impairment provisions) of financial instruments

Particulars	Notes	Carrying value March 31, 2022	Carrying value March 31, 2021
Financial assets carried at amortized cost			
Security Deposits	5	**0.10**	0.98
Loans to related parties - Inter-corporate deposit	4	**2,969.50**	2,937.63
Trade receivables	7	**51.84**	40.69
Term deposit with bank	5	**1.00**	2.10
Cash and cash equivalents	8	**7.49**	15.49
Accrued Interest	5	**0.02**	0.75
Total		**3,029.95**	2,997.64
Financial liabilities carried at amortized cost			
Other financial liabilities	12	**97.52**	97.30
Trade payables	11	**11.52**	19.81
Total		**109.05**	117.11

B] Fair Value Measurement

The management assessed that cash and cash equivalents, trade receivables, trade payables, security deposits and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

There were no transfers between level 1, 2 and 3 for recurring fair value measurements during each of the reporting period. The Company's policy is to recognise transfers into and transfer out of fair value hierarchy levels at the end of the reporting period.

C] Financial risk management objectives and policies

i] Market risk - interest risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company has given interest free inter corporate deposits to fellow subsidiaries. Further The Company does not have any exposure to interest rate risks since there is no borrowings and investments that is exposed to interest rates.

ii] Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The company is exposed to credit risk from its operating activities (primarily trade receivables), liquid mutual fund units, inter corporate deposits, cash deposits and other financial instruments.

Trade receivables

The Company's Management divides its customers primarily into following two categories for purposes of monitoring credit risk:

Trade receivables from Subscribers

Trade receivables from subscriber credit risk is managed in accordance with the company established policy, procedures and controls relating to driver credit risk management. Trade receivables are non-interest bearing. Outstanding customer receivables are regularly monitored. The Company recognises impairment of trade receivable from drivers based on outstanding receivable net of corresponding deposit.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(Currency in INR Lakhs)

	March 31, 2022	March 31, 2021
Gross trade receivables from subscribers	**97.42**	97.89
Less: Impairment allowance for doubtful trade receivables	**(63.36)**	(63.36)
Net trade receivables from subscribers	**34.06**	34.53
Security deposits received from above subscribers held as at the respective reporting dates	**34.06**	34.58

Trade receivables from other customers

Credit risk relating to other customers is managed in accordance with the Company's established policy, procedures and controls relating to corporate customer credit risk management. Trade receivables are non-interest bearing. Outstanding customer receivables are regularly monitored. For the purpose of measuring impairment allowance for trade receivables from other customers, the Company estimates irrecoverable amounts based on the ageing of the outstanding receivables, its historical experience and its expectation of credit losses in the future.

	March 31, 2022	March 31, 2021
Gross Trade receivables from other customers	**17.78**	9.76
Less: Impairment allowance for doubtful trade receivables	**–**	(3.61)
Net Trade receivables from other customers	**17.78**	6.15
Ageing of gross trade receivables relating to other customers:		
Within 6 months	**17.78**	6.15
More than 6 months	**–**	3.61
	17.78	9.76

Other financial assets

Financial assets other than trade receivables are neither past due nor impaired. Management believes that the amounts are collectible in full, based on its assessment including considering the historical payment behaviour.

iii] Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company's principal sources of liquidity are cash flows generated from its operations including deposits received from drivers.

The table below summarises the maturity profile of the company financial liabilities based on contractual undiscounted payments.

		Undiscounted amount				
Year ended - March 31, 2022	**Carrying Value**	**Payable within 1 year**	**Payable within 1 to 2 years**	**Payable within 2 to 3 years**	**Payable within 3 to 4 years**	**Total**
Deposits from Subscriber	**97.52**	**97.52**	**–**	**–**	**–**	**97.52**
Trade Payables	**11.52**	**11.52**	**–**	**–**	**–**	**11.52**
	109.04	**109.04**	**–**	**–**	**–**	**109.04**

		Undiscounted amount				
Year ended - March 31, 2021	Carrying Value	Payable within 1 year	Payable within 1 to 2 years	Payable within 2 to 3 years	Payable within 3 to 4 years	Total
Deposits from Subscriber	97.30	97.30	–	–	–	97.30
Trade Payables	19.81	19.81	–	–	–	19.81
	117.11	117.11	–	–	–	117.11

D] Capital management

For the purpose of the Company's capital management, capital includes issued equity capital, securities premium and all other equity reserves attributable to the equity holders of the parent. The primary objective of the company capital management is to maximize the shareholder's value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the company may issue new shares. The company manages its capital, considering the net debt position and rolling cash flows as at each period end and identify need for additional funding from the shareholders to meet the outstanding commitments and future cash flow requirements to meet the future business plans. The company includes within net debt, interest bearing loans and borrowings less cash and cash equivalents (Including intercorporate deposits), excluding discontinued operations.

Particulars	**March 31, 2022**	March 31, 2021
Borrowings	**–**	–
Less: Cash and Cash Equivalent (Including intercorporate deposits)	**2,977.99**	2,955.22
Net Debt/(Surplus funds)	**(2,977.99)**	(2,955.22)

Note 22: Employee benefits

a. Defined contribution plans

The Company makes contributions determined as a specified percentage of employees' salary in respect of qualifying employees towards Provident Fund and Employees' State Insurance (ESI) which are defined contribution plans. The Company has no obligations other than to make the specified contributions. The contributions are charged to statement of profit and loss as they accrue. As there is no employee in the Company, during the year, disclosure are made with Nil value.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(Currency in INR Lakhs)

The Company has recognised the following amount as an expense and included in the Note 17 under “Contribution to provident and other funds”:

Particulars	**March 31, 2022**	March 31, 2021
Contribution to employees provident fund	–	0.60
Contribution to ESI	–	0.07
Total	–	0.67

b. Defined benefit plans

The Company operates one post-employment defined benefit plan (unfunded plan) that provides gratuity. The gratuity plan is governed by the Payment of Gratuity Act, 1972. The gratuity plan entitles an employee, who has rendered at least five years of continuous service, to receive one-half month’s salary for each year of completed service at the time of retirement. As there is no employee in the Company, during the year, disclosure are made with Nil value.

Liability recognised in the Balance Sheet in respect of Gratuity

Particulars	**March 31, 2022**	March 31, 2021
Present value of the defined benefit obligation at the end of the year	–	–
Total	–	–

Changes in the present value of the defined benefit obligation are, as follows :

	March 31, 2022	March 31, 2021
Defined benefit obligation at beginning of the year	–	3.38
Current service cost	–	0.02
Interest cost	–	–
Sub-total included in statement of profit and loss	–	0.02
<u>Remeasurement losses recorded in OCI</u>		
Actuarial (gains)/losses arising from changes in demographic assumptions	–	–
Actuarial (gains)/losses arising from changes in financial assumptions	–	–
Experience adjustments	–	–
Sub-total included in OCI	–	–
Transfer of liability to fellow subsidiary	–	(3.41)
Benefits paid	–	–
Defined benefit obligation at the end of the year	–	–

C. Other employee benefits

Compensated absences are payable to employees at the rate of basic salary for each day of accumulated leave on death or resignation or upon retirement. As there is no employee in the Company, during the year, disclosure are made with Nil value. The charge towards compensated absences for the year ended March 31, 2022: INR NIL (March 31, 2021: INR 0.01 Lakh).

Note 23: Commitments and contingencies

A] Lease commitments

During the year, the adoption of the new standard resulted in recognition of ‘Right of Use’ asset of and lease liability of Rs NIL. The effect of this adoption is insignificant on profit for the period and earnings per share. IndAS 116 will result in an increase in cash inflows from operating activities and an increase in cash outflows from financing activities on account of lease payments.

The weighted average incremental borrowing rate applied to lease liabilities as at 12.45% p.a.

Following are the changes in the carrying value of right of use assets for the year ended March 31, 2022

Particulars	**ROU Assets Building**	**Total**
Balance as at April 1, 2020	**27.21**	**27.21**
Additions	–	–
Deletions	**(27.21)**	(27.21)
Balance as at March 31, 2021	–	–
Additions	–	–
Deletions	–	–
Balance as at March 31, 2022	–	–

The following is the movement in lease liabilities for the year ended March 31, 2022

	March 31, 2022	March 31, 2021
Balance at the beginning	–	8.78
Additions	–	–
Finance cost accrued during the period	–	0.58
Deletions	–	–
Payment of lease liabilities	–	(9.37)
Balance at the end	–	–

Depreciation on right-of-use assets is as follow

	Year ended March 31, 2022	Year ended March 31, 2021
Depreciation		
Building	–	8.04
Total	–	8.04

During the year ended March 31, 2022, the Company has paid INR NIL (March 31, 2021: INR 2.84 Lakhs) towards short term lease payments. This has been recorded under Rent expense in the statement of profit and loss.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(Currency in INR Lakhs)

Note 24: Income Taxes

The major components of income tax expense for the years ended

	March 31, 2022	March 31, 2021
Current income tax:		
Current income tax charge	–	–
Adjustments in respect of current income tax of previous year	–	–
Deferred tax:		
Relating to origination and reversal of temporary differences	–	–
Income tax expense reported in the statement of profit or loss	–	–

	March 31, 2022	March 31, 2021
Net loss/(gain) on remeasurements of defined benefit plans	–	–
Income tax expense charged to OCI	–	–

Reconciliation of tax expense and the accounting profit/(loss) multiplied by India's domestic tax rate for the year ended

	March 31, 2022	March 31, 2021
Accounting profit/(loss) before income tax	**19.58**	**(6.42)**
At India's statutory income tax rate of 26% (March 31, 2021: 26%)	**5.09**	**(1.67)**
Effect of current year losses for which no deffered tax assets is recognised/effect of set off of carried forward tax losses for which no deferred tax asset was recognised previously	**(5.09)**	**1.67**
At the effective income tax rate for the Company	–	–
Income tax expense reported in the statement of profit and loss	–	–

Deferred tax working for the year ended:

	March 31, 2022	March 31, 2021
Tax effect of items constituting deferred tax liabilities		
Difference in property, plant and equipment and intangibles as compared to tax base of respective assets	–	–
	–	–
Tax effect of items constituting deferred tax assets		
Provisions (Doubtful debts/Impairment/ Advances)	**16.47**	17.41
Carry forward Tax Loss		
Short-term capital loss	**70.68**	70.68
Unabsorbed depreciation	**10.33**	10.72
Unabsorbed business losses	**2,687.87**	2,820.08
Difference in property, plant and equipment and intangibles as compared to tax base of respective assets	**7.05**	10.11
	2,792.40	2,929.00
Net deferred tax assets/(liabilities)	**2,792.40**	2,929.00
Net deferred tax assets/(liabilities) recognised	–	–

	Statement of Profit and Loss	
	March 31, 2022	March 31, 2021
Tax effect of items constituting deferred tax liabilities		
Difference in property, plant and equipment and intangibles as compared to tax base of respective assets	–	–
Tax effect of items constituting deferred tax assets		
Provisions (Doubtful debts/Impairment/Advances)	**(0.94)**	0.18
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	–	(1.25)
Carry forward Tax Loss		
Short-term capital loss	–	–
Unabsorbed depreciation	**(0.39)**	4.40
Unabsorbed business losses	**(132.20)**	3.94
Difference in WDV of Fixed assets	**(3.06)**	(2.31)
Provision for contingencies	–	(4.98)
Deferred tax (income)/expense	**(136.59)**	(0.02)

The Company has a net deferred tax asset position as at March 31, 2022 and March 31, 2021. However, in terms of Ind AS 12, the Company has not recognised the net deferred tax assets as there is no reasonable certainty supported by convincing evidence that the Company will have adequate taxable profits in the future against which the carried forward tax losses/ unabsorbed depreciation may be offset.

The Company has following carried forward tax losses/unabsorbed depreciation which arose in India that are available for offsetting against future taxable profits.

	March 31, 2022	March 31, 2021
Losses that expire - Carry forward short-term capital losses*	**271.84**	271.84
Losses that expire - Carry forward business losses*	**10,337.98**	10,846.45
Losses that never expire - Unabsorbed depreciation	**39.71**	41.22

**These carry forward losses would expire beginning from the financial year FY 2022-2023 upto FY 2029-2030*

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(Currency in INR Lakhs)

Note 25: Related party transactions

Names of related parties and related party relationship:

Related parties ('RP') where control exists

Ultimate holding Company	Mahindra & Mahindra Ltd. ('M&M')
Holding Company	Meru Travel Solution Private Limited ('MTSPL')

Related parties with whom transactions have taken place during the year

Fellow Subsidiaries	V-Link Fleet Solutions Private Limited ('VFSPL')
	Meru Mobility Tech Private Limited ('MMTPL')

Details of transactions during the year with related parties

	Holding companies		Fellow subsidiaries	
Particulars	**March 31, 2022**	March 31, 2021	**March 31, 2022**	March 31, 2021
Services rendered (includes unbilled):				
Meru Mobility Tech Private Limited	**–**	–	**12.53**	–
Services received (includes accrual):				
Meru Mobility Tech Private Limited	**–**	–	**29.67**	0.48
Loans given:				
Meru Mobility Tech Private Limited	**–**	–	**136.08**	1.98
Loans repayment received:				
Meru Mobility Tech Private Limited	**–**	–	**104.21**	81.07
V-Link Fleet Solutions Private Limited	**–**	–	**–**	6.21

Details of Balances receivable from/payable to related parties

	Holding companies		Fellow subsidiaries	
Particulars	**March 31, 2022**	March 31, 2021	**March 31, 2022**	March 31, 2021
Balance receivable/(payable) as at year end:				
Meru Mobility Tech Private Limited	**–**	–	**2,969.50**	2,937.63

Terms and conditions of transactions with related parties:

All the related party transaction during the year were in ordinary course of business. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. The loans receivable and payable are all repayable on demand.

Note 26: Operating Segments Reporting

A. Basis for segmentation

An operating segment is a component of the company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relates to transactions with any of the company other components, and for which discrete financial information is available. All operating segments' operating results are reviewed regularly by Chief Operating Decision Maker (CODM) to make decisions about resources to be allocated to the segments and assess their performance. Operating EBITDA is the Management's measure of the segment results.

The Company has two reportable segments, as described below, which are the Company's strategic business units. These business units offer different services and are managed seperately because they require different technologies and marketing strategies. For each of the business units the CODM reviews internal management reports on monthly basis.

The following summary describes the operations in each of the company reportable segments:

a. **Taxi services (includes taxi aggregator services): Provide taxi services to retail passengers (which includes taxi aggregator services).**

b. **Rent a cab services: Provides employee transportation and rent a cab services to corporate customers.**

B. Information about reportable segments

Information regarding the results of each reportable segments is included below.

	Taxi Services		Rent a cab services		Unallocated Transaction		Total	
Particulars	**Mar 2022**	Mar 2021	**Mar 2022**	Mar 2021	**Mar 2022**	Mar 2021	**Mar 2022**	Mar 2021
Revenue from Operations								
Total Revenue	**48.15**	23.47	**12.53**	–	**–**	–	**60.68**	23.47
External Revenue	**48.15**	23.47	**12.53**	–	**–**	–	**60.68**	23.47

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(Currency in INR Lakhs)

	Taxi Services		Rent a cab services		Unallocated Transaction		Total	
Particulars	**Mar 2022**	Mar 2021	**Mar 2022**	Mar 2021	**Mar 2022**	Mar 2021	**Mar 2022**	Mar 2021
Segment Results (Operating EBITDA)	**48.15**	23.15	**0.61**	–	**(30.70)**	(23.47)	**18.06**	(0.31)
Depreciation and amortisation expense	–	–	–	–	–	8.04	–	8.04
Finance costs	–	–	–	–	**0.01**	0.58	**0.01**	0.58
Finance income	–	–	–	–	**1.53**	2.51	**1.53**	2.51
Profit/(Loss) before taxes	**48.15**	23.15	**0.61**	–	**(29.18)**	(29.58)	**19.58**	(6.42)
Tax Expense	–	–	–		–	–	–	–
Profit/(Loss) after taxes	**48.15**	23.15	**0.61**	–	**(29.18)**	(29.58)	**19.58**	(6.42)
<u>Net Capital Employed</u>								
Depreciation and Amortisation Expense	–	–	–	–	–	8.04	–	8.04
Additions to property, plant and equipment	–	–	–	–	–	–	–	–
Deletion to property, plant and equipment (gross block - deemed cost)	–	–	–	–	–	–	–	–
<u>Material Non- Cash Expenses:</u>								
Bad debts written off net of provision	**(0.24)**	**1.06**	–	–	–	–	**(0.24)**	**1.06**

Note 27.1: Trade Receivable Ageing

(A) Trade Receivables Aging as on Mar 31, 2022

Particulars		**Less than 6 months**	**6 months - 1 year**	**1-2 Years**	**2-3 years**	**More than 3 years**	**Total**
(i)	Undisputed Trade receivables — considered good	**17.98**	–	–	–	**33.86**	**51.84**
(ii)	Undisputed Trade Receivables — which have significant increase in credit risk	–	–	–	–	–	–
(iii)	Undisputed Trade Receivables — credit impaired	**0.01**	**0.00**	**8.16**	**4.03**	**51.15**	**63.36**
(iii)	Undisputed Trade Receivables — credit impaired	–	–	–	–	–	–
(iv)	Disputed Trade Receivables — considered good	–	–	–	–	–	–
(v)	Disputed Trade Receivables — which have significant increase in credit risk	–	–	–	–	–	–
(v)	Disputed Trade Receivables — which have significant increase in credit risk	–	–	–	–	–	–
(vi)	Disputed Trade Receivables — credit impaired	–	–	–	–	–	–
Total		**17.99**	**0.00**	**8.16**	**4.03**	**85.01**	**115.20**
(B)	**Unbilled Trade Receivables as on Mar 31, 2022**						–

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(Currency in INR Lakhs)

(B) Trade Receivables Aging as on Mar 31, 2021

Particulars		Less than 6 months	6 months - 1 year	1-2 Years	2-3 years	More than 3 years	Total
(i)	Undisputed Trade receivables — considered good	–	–	–	–	34.54	34.54
(ii)	Undisputed Trade Receivables — which have significant increase in credit risk	–	–	–	–	–	–
(iii)	Undisputed Trade Receivables — credit impaired	5.53	2.25	4.32	17.25	37.63	66.98
(iii)	Undisputed Trade Receivables — credit impaired	–	–	–	–	–	–
(iv)	Disputed Trade Receivables — considered good	–	–	–	–	–	–
(v)	Disputed Trade Receivables — which have significant increase in credit risk	–	–	–	–	–	–
(v)	Disputed Trade Receivables — which have significant increase in credit risk	–	–	–	–	–	–
(vi)	Disputed Trade Receivables — credit impaired	–	–	–	–	–	–
Total		**5.53**	**2.25**	**4.32**	**17.25**	**72.17**	**101.52**
(B)	**Unbilled Trade Receivables as on Mar 31, 2021**						**6.14**

Note 27.2: Trade Payable Ageing

(A) Trade Payable Aging as on Mar 31, 2022

Particulars		Unbilled	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i)	MSME		–	–	–	–	–
(ii)	Others	2.09	4.32	0.27	4.84	–	11.52
(iii)	Disputed dues — MSME	–	–	–	–	–	–
(iv)	Disputed dues - Others	–	–	–	–	–	–
Total		**2.09**	**4.32**	**0.27**	**4.84**	**–**	**11.52**

(B) Trade Payable Aging as on Mar 31, 2021

Particulars		Unbilled	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i)	MSME	–	–	–	–	–	–
(ii)	Others	10.78	2.46	6.57	–	–	19.81
(iii)	Disputed dues — MSME	–	–	–	–	–	–
(iv)	Disputed dues - Others	–	–	–	–	–	–
Total		**10.78**	**2.46**	**6.57**	**–**	**–**	**19.81**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(Currency in INR Lakhs)

Note 27.3: Financial ratios

Ratio	Numerator	Denominator	Year ended March 31, 2022	Year ended March 31, 2021	Variance %	Reason for variance
Current Ratio	Total current assets	Total current liabilities	13.40	12.77	5%	
Debt-Equity Ratio	Debt	Total equity	n/a	n/a	n/a	
Debt Service Coverage Ratio	Earning for Debt Service = Net Profit after taxes + Non-cash operating expenses + Interest + Other non-cash adjustments	Debt service= Lease payments	n/a	n/a	n/a	
Return on Equity Ratio	Profit for the year less Preference dividend (if any)	Average total equity	0.01	(0.00)	(404%)	Changes as there is profit in current year
Trade Receivables turnover ratio	Revenue from operations	Average trade receivables	1.31	0.46	187%	Changes as there is increase in revenues in current year
Trade payables turnover ratio	Operating expenses + Other expenses	Average trade payables	3.40	1.83	85%	
Net capital turnover ratio	Revenue from operations	Average working capital (i.e. Total current assets less Total current liabilities)	0.02	0.01	160%	
Net profit ratio	Profit for the year	Revenue from operations	0.32	(0.27)	(218%)	
Return on Capital employed	Profit before tax and finance costs	Capital employed = Net worth + Lease liabilities + Deferred tax liabilities	0.01	(0.00)	(434%)	
Return on investment	Income generated from invested funds	Average invested funds in treasury investments	n/a	n/a	n/a	

Note 28: Earnings per share (EPS)

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the parent by the weighted average number of Equity shares outstanding during the year.

The following reflects the income and share data used in the basic and diluted EPS computations:

	March 31, 2022	March 31, 2021
Profit attributable to equity holders	**19.58**	(6.42)
Number of Shares outstanding at the beginning of the year	**13,294**	13,294
Add: Shares issued during the year	**–**	–
Number of Shares outstanding at the end of the year	**13,294**	**13,294**
Weighted average number of Equity shares for basic and diluted EPS	**13,294**	**13,294**
Basic and diluted EPS	**147.28**	**(48.26)**

Note 29: Based on the contracts with taxi operators under the taxi aggregator services, the Company's revenue is determined as a share of the total passenger revenue of INR 10.07 Lakhs (March 31, 2021 INR 10.34 Lakhs) generated by these taxi operators.

Note 30: During the year, the Company, its holding Company i.e. MTSPL, utlimate holding Company i.e. M&M and its fellow subsidiaries i.e. MMTPL and VFSPL , have entered in Share Purchase Agreement, whereby the shares of the Company, MMTPL and VFSPL, will be transferred by MTSPL to MLL and the shares of MTSPL will be transferred by M&M to MLL.

Note 31: Subsequent Events

There are no significant subsequent events that would require adjustments or disclosures in the financial statements as on the balance sheet date.

Note 32: All amounts disclosed in the financial statements and notes has been rounded off to the nearest lakhs as per the requirement of Schedule III, unless otherwise stated.

Note 33: The figures for the previous period/year have been regrouped/ rearranged wherever necessary to make them comparable with the current period's figures.

As per our report of even date attached

For B. K. Khare & Co.
Chartered Accountants
ICAI Firm Registration No. 105102W

Aniruddha Joshi
Partner
Membership No. 040852

Place: Mumbai
Date: April 25, 2022

For and on behalf of the Board of Directors of

V-link Automotive Services Private Limited
CIN:U50500MH2010PTC198987

Kannan Chakravarthy
Director
DIN: 08021737

Manaswini Goel
Director
DIN: 08142619

Place: Mumbai
Date: April 25, 2022

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF
V-LINK FLEET SOLUTIONS PRIVATE LIMITED

Report on the audit of the Ind AS Financial Statements

Opinion

We have audited the accompanying Ind AS Financial Statements of **V-Link Fleet Solutions Private Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended ("Ind AS") and other comprehensive loss, its changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Ind AS Financial Statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the 'Auditors' Responsibilities for the Audit of the Ind AS Financial Statements' section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("the ICAI") together with the ethical requirements that are relevant to our audit of the Ind AS Financial Statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS Financial Statements.

Information Other than the Ind AS Financial Statements and Auditors' Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the Directors Report and the related annexures, but does not include the Ind AS Financial Statements and our Auditors' Report thereon.

Our opinion on the Ind AS Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Ind AS Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Ind AS Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Ind AS Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the audit of the Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Ind AS Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Ind AS Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the Ind AS Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the Ind AS Financial Statements

or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Ind AS Financial Statements, including the disclosures, and whether the Ind AS Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Ind AS Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Ind AS Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Ind AS Financial Statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on other Legal and Regulatory requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in Annexure B, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this report are in agreement with the books of account.

   (d) In our opinion, the aforesaid Ind AS Financial Statements comply with the Accounting Standards specified under Section 133 of the Act.

   (e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164(2) of the Act.

   (f) With respect to the adequacy of the internal financial controls with reference to Ind AS Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure A. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to Ind AS Financial Statements.

   (g) In our opinion and according to the information and explanation given to us, the Company has not paid any remuneration to its directors and thus the provisions of Section 197 of the Act are not applicable to the Company. Accordingly, reporting under section 197 (16) of the Act is not applicable in case of the Company.

   (h) With respect to the other matters to be included in the Auditors' Report in accordance with the requirements of Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

      (i) The company does not have any pending litigations which will impact its financial positions;

      (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and

      (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

      (iv) (a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

      (b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

      (c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

      (v) The Company has not declared any dividend during the year.

For **B.K. Khare & Co.**
Chartered Accountants
Firm's Registration No. 105102W

Aniruddha Joshi
Partner
Membership No.040852
UDIN: 22040852AHTJHA7428

Place: Mumbai
Date: April 25, 2022

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **V-Link Fleet Solutions Private Limited** ("the Company") as of March 31, 2022 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing whether the risk of a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that: (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the Ind AS financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected, Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **B.K. Khare & Co.**
Chartered Accountants
Firm's Registration No. 105102W

Aniruddha Joshi
Partner
Membership No. 040852
UDIN: 22040852AHTJHA7428

Place: Mumbai
Date: April 25, 2022

ANNEXURE B TO THE AUDITOR'S REPORT

Referred to in paragraph 1 under **Report on Other Legal and Regulatory Requirements section** of our report of even date on the financial statements of **V-Link Fleet Solutions limited** for the year ended March 31, 2022

Annexure to the Auditor's Report referred to in our report of even date:

i. (a) (A) According to the information and explanations given to us, the Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.

(B) The Company does not have any intangible asset. Hence, reporting under Clause 3(i)(a)(B) of the Order is not applicable to the Company.

(b) The Company has a regular programme for physical verification of its property, plant and equipment by which the property, plant and equipment are verified by the management according to a phased programme designed to cover all the items over a period of 3 years. In our opinion, this periodicity of the physical verification is reasonable having regard to the size of the Company and nature of its property, plant and equipment. In accordance with the programme, the Company has physically verified certain property, plant and equipment during the year and no material discrepancies were noticed on such verification.

(c) The Company does not have any immovable property under Property Plant and Equipment. Hence, reporting under Clause 3(i)(c) of the Order is not applicable to the Company.

(d) According to the information and explanations given to us, the Company has not revalued any of its Property, Plant and Equipment (including Right of Use assets) during the year.

(e) Based on the audit procedures performed by us and according to the information, explanations and representations given to us, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

ii. (a) Company is into service industry and does not hold any inventory, hence, reporting under Clause 3(ii)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us, the Company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets at any point of time during the year.

iii. (a) According to the information and explanations given to us, the Company has not made investments in or provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year. Accordingly, the reporting under Clauses 3(iii)(a) to 3(iii)(f) of the Order is not applicable to the Company.

iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act, with respect to loans granted, guarantees provided and investments made by the Company. The Company has not provided any security during the year to the parties covered under Sections 185 and 186 of the Act.

v. According to the information and explanations given to us, the Company has not accepted deposits under the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. Accordingly, the reporting under Clause 3(v) of the Order is not applicable to the Company.

vi. The Central Government has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company. Accordingly, the reporting under Clause 3(vi) of the Order is not applicable to the Company.

vii. (a) According to the information and explanations given to us and on the basis of our examination of records of the Company, the amounts deducted/accrued in the books of account in respect of undisputed statutory dues of Income-tax have generally been regularly deposited during the year by the Company with the appropriate authorities, though there have been slight delays in a few cases. According to the information and explanations given to us and on the basis of our examination of records of the Company, there were no undisputed statutory dues payable in respect of Sales tax, Service tax, Duty of Customs, Duty of Excise and Value Added Tax.

According to the information and explanations given to us and on the basis of our examination of records of the Company, there were no arrears of outstanding statutory dues in respect of Goods and Services tax, Provident fund, Employees' State Insurance, Income-tax, Sales tax, Service tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other material statutory dues as on the last day of the financial year for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and on the basis of our examination of records of the Company, there are no statutory dues in respect of Goods and Services Tax, Provident Fund, Employees' State Insurance, Sales tax, Service tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and any other material statutory dues as at 31 March 2022, which have not been deposited with the appropriate authorities on account of any dispute. The statutory dues in respect of Income-tax as at 31 March 2022, which have not been deposited with the appropriate authorities on account of a dispute, are as under:

Name of the statute	Nature of the dues	Amount (Rs)*	Period to which the amount relates	Forum where dispute is pending
Goods and Services Tax	Interest on Reverse Charge Liability on unregistered suppliers	13,31,589	July 1, 2017 to October 12, 2017	Directorate General of GST Intelligence
Income Tax Act, 1961	Tax deducted at Source	1,02,310	Various Years	Traces

viii. According to the information and explanations given to us, there are no transactions not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income-tax Act, 1961. Accordingly, the reporting under Clause 3(viii) of the Order is not applicable to the Company.

ix. (a) According to the information and explanations given to us and based on the audit procedures performed by us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.

(b) According to the information and explanations given to us, the Company has not been declared a willful defaulter by any bank or financial institution or any other lender till the date of our audit report.

(c) The Company has not raised any term loans during the year. Hence, reporting under Clause 3(ix)(c) of the Order is not applicable to the Company.

(d) In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that funds raised on short-term basis have not been utilised for long- term purposes as at the Balance Sheet date.

(e) According to the information and explanations given to us and on an overall examination of the Financial Statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.

(f) According to the information and explanations given to us and based on the audit procedures performed by us, we report that the Company has not raised any loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies. Accordingly, the reporting under Clause 3(ix)(f) of the Order is not applicable to the Company.

x. (a) According to the information and explanations given to us, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under Clause 3(x)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Accordingly, the reporting under Clause 3(x)(b) of the Order is not applicable to the Company.

xi. (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company noticed or reported during the year, nor have we been informed of any such case by the management.

(b) There has been no report filed by us under sub-section (12) of Section 143 of the Act in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government. Accordingly, the reporting under Clause 3(xi)(b) of the Order is not applicable to the Company.

(c) As represented to us by the management, no whistle blower complaints were received by the Company during the year.

xii. According to the information and explanations given to us, the Company is not a Nidhi company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, the reporting under Clause 3(xii) of the Order is not applicable to the Company.

xiii. In our opinion and according to the information and explanations given to us, the Company has entered into transactions with related parties in compliance with the provisions of Section 188 of the Act. The details of such related party transactions have been disclosed in the standalone (remove if there is no consolidation) financial statements as required by Indian Accounting Standard (Ind AS) 24, Related Party Disclosures, specified under Section 133 of the Act. Further, the Company is not required to constitute an Audit Committee under Section 177 of the Act, and accordingly, to this extent, the reporting under Clause 3(xiii) of the Order is not applicable to the Company.

xiv. (a) In our opinion and according to the information and explanations given to us and based on our examination, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the Internal Audit reports of the Company issued till date for the period under audit.

xv. According to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with them during the year and hence, the provisions of Section 192 of the Act are not applicable to the Company. Accordingly, the reporting under Clause 3(xv) of the Order is not applicable to the Company.

xvi. (a) According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under Clause 3(xvi)(a) of the Order is not applicable to the Company.

(b) In our opinion and according to the information and explanations given to us, the Company has not conducted any Non-Banking Financial or Housing Finance activities. Accordingly, the reporting under Clause 3(xvi)(b) of the Order is not applicable to the Company.

(c) In our opinion and according to the information and explanations given to us, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under Clauses 3(xvi)(c) and 3(xvi)(d) of the Order is not applicable to the Company.

Based on the information and explanations given to us and the audit procedures performed by us, we report that the Group has 6 Core Investment Companies.

xvii. In our opinion and according to the information and explanations given to us, the Company has incurred cash losses of Rs. 4.83 Lakhs during the current financial year and Rs. 124.07 Lakhs in the immediately preceding financial year.

xviii. There has been no resignation of the statutory auditors during the year. Accordingly, the reporting under Clause 3(xviii) of the Order is not applicable to the Company.

xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of Balance Sheet as and when they fall due within a period of one year from the Balance Sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the Balance Sheet date, will get discharged by the Company as and when they fall due.

xx. According to the information and explanations given to us, company is liable to adhere compliance under section 135 of the Companies Act, 2013. Accordingly, the reporting Clause 3(xx)of the Order is not applicable to the Company.

xxi. According to the information and explanations given to us, company does not have any subsidiary company. Accordingly, the reporting Clause 3(xxi)of the Order is not applicable to the Company.

For **B. K. Khare & Co.**
Chartered Accountants
Firm's Registration Number 105102W

Aniruddha Joshi
Partner
Membership Number 040852
UDIN: 22040852AHTJHA7428

Place: Mumbai
Date: April 25, 2022

BALANCE SHEET AS AT 31 MARCH, 2022

(Currency in INR Lakhs)

Particulars	Notes	As at March 31, 2022	As at March 31, 2021
(I) Assets			
(1) Non-current assets			
(a) Property, plant and equipment	3	**0.04**	0.42
(b) Intangible assets	4	**–**	–
(c) Financial assets			
i) Other financial assets	6	**–**	4.33
(d) Non-current tax assets	7	**0.84**	25.04
(e) Other non-current assets	8	**117.16**	126.83
Total non-current assets		**118.04**	156.62
(2) Current assets			
(a) Financial Assets			
i) Trade receivables	9	**15.06**	24.16
ii) Cash and cash equivalents	10	**3.01**	11.88
iii) Loans	5	**–**	0.50
iv) Other financial assets	6	**–**	9.48
(b) Other current assets	11	**5.73**	7.30
Total current assets		**23.80**	53.32
Total Assets		**141.84**	209.94
(II) EQUITY AND LIABILITIES			
1) Equity			
(a) Equity share capital	12	**1.21**	1.21
(b) Other equity		**(1,351.69)**	(1,338.96)
Total Equity		**(1,350.48)**	(1,337.75)
2) Liability			
Non-current liabilities:			
(a) Provisions	13	**47.29**	51.06
Total Non-Current Liabilities		**47.29**	51.06
Current liabilities			
(a) Financial liabilities			
i) Short term borrowings	14	**1,422.48**	1,445.04
ii) Trade payables			
a) total outstanding dues to small enterprises and micro enterprises	15	**–**	–
b) total outstanding dues of creditors other than small enterprises and micro enterprises	15	**18.66**	42.96
iii) Other financial liabilities	16	**1.90**	0.86
(b) Provisions	13	**1.71**	6.91
(c) Other current liabilities	17	**0.28**	0.86
Total Current Liabilities		**1,445.03**	1,496.63
Total Liabilities		**1,492.32**	1,547.69
Total Equity and Liabilities		**141.84**	209.94
Significant accounting policies	2A		
Notes to the financial statements	3 to 35		

The notes referred to above are an integral part of the financial statements.

As per our report of even date attached
For B. K. Khare & Co.
Chartered Accountants
ICAI Firm Registration No. 105102W

For and on behalf of the Board of Directors of
V-link Fleet Solutions Private Limited
CIN: U63040MH2006PTC165955

Aniruddha Joshi
Partner
Membership No. 040852

Kannan Chakravarthy
Director
DIN: 08021737

Manaswini Goel
Director
DIN: 08142619

Place: Mumbai
Date: April 25, 2022

Place: Mumbai
Date: April 25, 2022

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH, 2022

(Currency in INR Lakhs)

Particulars	Notes	Year ended 31 March, 2022	Year ended 31 March, 2021
Revenue			
Revenue from operations	18	**79.50**	277.67
Other income	19	**19.72**	5.01
Total Income (I)		**99.22**	282.68
Expenses			
Fleet operating expenses		**64.76**	240.83
Employee benefits expense	20	**16.09**	102.53
Other expenses	21	**26.88**	67.47
Total Expenses [II]		**107.73**	410.83
Earnings before interest, tax, depreciation and amortization and impairment (EBITDA) [(I) – (II)]		**(8.51)**	(128.15)
Depreciation and amortization expense	3,4	**7.49**	5.55
Finance costs	22	**–**	1.71
Finance Income	23	**2.54**	3.42
Loss before tax		**(13.46)**	(131.99)
Tax expense		**–**	–
Loss for the year		**(13.46)**	(131.99)
Other comprehensive income			
Items that will not be reclassified to statement of profit and loss			
Remeasurements of defined benefit plan		**(0.73)**	(2.36)
Income tax related Items that will not be reclassified to statement of profit and loss		**–**	–
Total Other comprehensive (loss) for the year		**(0.73)**	(2.36)
Total comprehensive loss for the year, net of tax		**(12.73)**	(129.63)
Earnings per Equity share			
Basic and Diluted	31	**(111.73)**	(1,095.37)
[Nominal value per share INR 10]			
Significant accounting policies	2		
Notes to the financial statements	3 to 35		

The notes referred to above are an integral part of the financial statements.

As per our report of even date attached
For B. K. Khare & Co.
Chartered Accountants
ICAI Firm Registration No. 105102W

Aniruddha Joshi
Partner
Membership No. 040852

Place: Mumbai
Date: April 25, 2022

For and on behalf of the Board of Directors of
V-link Fleet Solutions Private Limited
CIN: U63040MH2006PTC165955

Kannan Chakravarthy
Director
DIN: 08021737

Manaswini Goel
Director
DIN: 08142619

Place: Mumbai
Date: April 25, 2022

STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31 MARCH, 2022

(Currency in INR Lakhs)

Particulars		Year ended 31 March, 2022	Year ended 31 March, 2021
A. CASH FLOW FROM OPERATING ACTIVITIES			
(Loss) before tax		**(12.73)**	(129.63)
Adjustments to reconcile loss before tax to net cash flows			
Depreciation expense		**7.49**	3.53
Amortisation expense		**–**	2.02
Sundry balance written back		**(19.70)**	(2.55)
Provision for debts, advances and deposits		**(297.35)**	26.01
Finance costs		**–**	1.71
Operating (loss) before working capital changes		**(322.29)**	(98.91)
Movement in working capital			
Changes in trade payables, other payables and other liabilities		**(33.22)**	(154.35)
Change in trade receivables		**332.46**	307.46
Changes in loans, Other financial assets, other assets		**12.56**	44.28
Cash from/(used in) operations		**(10.49)**	98.48
Direct taxes paid (net of refunds)		**24.19**	79.74
Net cash flow from/(used in) operating activities	**(A)**	**13.70**	178.22
B. CASH FLOWS FROM INVESTING ACTIVITIES			
Net cash flow generated from investing activities	**(B)**	**–**	–
C. CASH FLOWS FROM FINANCING ACTIVITIES			
Finance costs		**–**	0.10
Repayment of long term borrowings		**–**	(19.62)
Proceeds of short term borrowings from fellow subsidiaries		**96.60**	251.57
Repayment of short term borrowings from fellow subsidiaries		**(119.17)**	(526.74)
Net cash flow generated from/(used in) financing activities	**(C)**	**(22.57)**	(294.69)
Net Increase/(Decrease) in cash and cash equivalents	**(A + B + C)**	**(8.87)**	(116.47)
Cash and cash equivalents at the beginning of the year		**11.88**	128.35
Cash and cash equivalents at the end of the year (refer note 10)		**3.01**	11.88

STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31 MARCH, 2022 (CONTD...)

Reconciliation of the movements of liabilities to cash flows arising from financial activities:

(Currency in INR Lakhs)

Particulars	Long–term borrowings*	Short–term Borrowings	Total
Opening Balance as on April 1, 2020	19.62	1,688.61	**1,708.23**
Changes from financing cash flows:			
Loan taken during the current year	–	276.97	**276.97**
Repayment during the current year	(19.62)	(520.53)	**(540.15)**
Opening Balance as on April 1, 2021	–	1,445.05	**1,445.05**
Changes from financing cash flows:			
Loan taken during the current year	–	96.60	**96.60**
Repayment during the current year	–	(119.17)	**(119.17)**
Closing Balance as on March 31, 2022	**–**	**1,422.48**	**1,422.48**

* includes current maturities of long-term borrowings

The notes referred to above are an integral part of the financial statements.

As per our report of even date attached
For B. K. Khare & Co.
Chartered Accountants
ICAI Firm Registration No. 105102W

Aniruddha Joshi
Partner
Membership No. 040852

Place: Mumbai
Date: April 25, 2022

For and on behalf of the Board of Directors of
V-link Fleet Solutions Private Limited
CIN: U63040MH2006PTC165955

Kannan Chakravarthy
Director
DIN: 08021737

Manaswini Goel
Director
DIN: 08142619

Place: Mumbai
Date: April 25, 2022

STATEMENT OF CHANGES IN EQUITY

(Currency in INR Lakhs)

For the year ended March 31, 2022

Particulars	Equity Share capital	Other Equity: Securities premium	Other Equity: Retained earnings	Other Equity: Total Other Equity	Total
As at April 1, 2021 (I)	**1.21**	**410.67**	**(1,749.63)**	**(1,338.96)**	**(1,337.75)**
Net loss for the year **(II)**	–	–	(13.46)	(13.46)	**(13.46)**
Other comprehensive income for the year **(III)**	–	–	0.73	0.73	**0.73**
Total comprehensive income IV=(II)+(III)	**–**	**–**	**(12.73)**	**(12.73)**	**(12.73)**
Received on shares issued during the year	**–**	**–**	**–**	**–**	**–**
As at March, 2022 (I+IV)	**1.21**	**410.67**	**(1,762.36)**	**(1,351.69)**	**(1,350.48)**

For the year ended March 31, 2021

Particulars	Equity Share capital	Other Equity: Securities premium	Other Equity: Retained earnings	Other Equity: Total Other Equity	Total
As at April 1, 2020 (I)	1.21	410.67	(1,620.00)	(1,209.32)	(1,208.12)
Net loss for the year **(II)**	–	–	(131.99)	(131.99)	(131.99)
Other comprehensive income for the year **(III)**	–	–	2.36	2.36	2.36
Total comprehensive income IV= (II)+(III)	–	–	(129.63)	(129.63)	(129.63)
Received on shares issued during the year	**–**	**–**	**–**	**–**	**–**
As at March 31, 2021 (I+IV)	1.21	410.67	(1,749.63)	(1,338.96)	(1,337.75)

Note:

a. Securities premium: The amount received in excess of face value of the equity shares is recognised in Securities premium. The securities premium can be utilized as per the provisions of the Companies Act, 2013.

b. Retained earnings: Retained earnings represents the amount of accumulated earnings at each Balance Sheet date of the Company.

As per our report of even date attached
For B. K. Khare & Co.
Chartered Accountants
ICAI Firm Registration No. 105102W

Aniruddha Joshi
Partner
Membership No. 040852

Place: Mumbai
Date: April 25, 2022

For and on behalf of the Board of Directors of
V-link Fleet Solutions Private Limited
CIN: U63040MH2006PTC165955

Kannan Chakravarthy
Director
DIN: 08021737

Manaswini Goel
Director
DIN: 08142619

Place: Mumbai
Date: April 25, 2022

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022

1. Company information

V-Link Fleet Solutions Private Limited ('the Company') is registered as a private limited company domiciled in India having its registered office at F-17, 4th Floor, Pinnacle Business Park, Shanti Nagar, Mahakali Caves Road, Andheri (East), Mumbai 400 093, India. The Company is a deemed public company as per definition of the Companies Act with effect from December 5, 2019. The Company is mainly engaged in the business of employee transportation and operates a fleet of vehicles which are aggregated from third parties.

These financial statements were authorized for issue in accordance with a Board resolution of April 25, 2022.

2A. Significant accounting policies

2A.1 Statement of Compliance

The Financial Statements have been prepared in accordance with the Indian Accounting Standards as per the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under section 133 of the Companies Act, 2013 (the 'Act'). The Financial Statements are separate Financial Statements.

2A.2 Basis of preparation and presentation

These financial statements have been prepared on accrual basis and the historical cost basis as a going concern except for certain financial instruments that are measured at fair values or at amortised cost, wherever applicable, at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in this financial statement is determined on such basis, except for share-based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 116, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The Financial Statements are prepared in Indian Rupee (INR) and denominated in crores.

The principal accounting policies are set out below.

2A.3 Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

2A.4 Revenue recognition

The Revenue is recognised when a customer obtains control of the goods or services. Determining the timing of the transfer of control – at a point in time or over time requires judgement.

Revenue includes only the gross inflows of economic benefits. It is measured based on the consideration specified in the contracts with customers. Amounts collected on behalf of third parties such as goods and services taxes and value added taxes are not economic benefits which flow to the entity and do not result in increases in equity. Therefore, they are excluded from revenue.

The Company assesses its revenue arrangements to determine if it is acting as principal or agent. The Company has concluded that it is acting as an agent in case of its revenue from taxi aggregator services arrangements.

The following specific recognition criteria must also be met before revenue is recognized.

Income from services:

Revenue from transportation services

Revenue from transportation services represents revenue earned from providing taxi services to corporates for employee transportation. Revenue is measured as per the contractual terms and recognised as and when the service is rendered as per contract terms.

Interest income:

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

2A.5 Leasing

At the inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- the contract involves the use of an identified asset – this may be specified explicitly or implicitly and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the lessor has a substantive substitution right, then the asset is not identified
- the Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the Company as a lessee has the right to direct the use of the asset. The Company has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Company has the right to direct the use of the asset if either:
  a) the Company as a lessee has the right to operate the asset; or
  b) the Company as a lessee designed the asset in a way that predetermines how and for what purpose it will be used.

  This policy is applied to contracts entered into, or modified, on or after April 01, 2019.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022

As a lessee

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use assets are subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at amortised cost at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using the incremental borrowing rate.

It is re -measured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases and leases of low-value assets

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

As a Lessor

When the Company acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

The Company recognises lease payments received under operating leases as income on a straight- line basis over the lease term as part of 'other income'.

Transition

The Company has adopted Ind AS 116 using the modified retrospective approach with effect from initially applying this standard from April 01, 2019. Accordingly, the information presented for previous year ended March 31, 2019 has not been restated and continues to be reported under IAS 17. The Company has adopted modified retrospective approach where lease liability measured at present value of remaining lease payment discounted at the incremental borrowing rate at the date of initial application and right to use asset is equal to lease liability adjusted by the amount of any prepaid or accrued lease payments.

As a lessee

Operating leases

For transition, the Company has elected not to apply the requirements of Ind AS 116 to leases which are expiring within 12 months from the date of transition by class of asset and leases for which the underlying asset is of low value on a lease-by-lease basis. The Company has also used the practical expedient provided by the standard when applying Ind AS 116 to leases previously classified as operating leases under Ind AS 17 and therefore, has not reassessed whether a contract, is or contains a lease, at the date of initial application, relied on its assessment of whether leases are onerous, applying Ind AS 37 immediately before the date of initial application as an alternative to performing an impairment review, excluded initial direct costs from measuring the right of use asset at the date of initial application and used hindsight when determining the lease term if the contract contains options to extend or terminate the lease. Single discount rate to a portfolio of leases with similar characteristics.

On application of Ind AS 116, the nature of expenses has changed from lease rent in previous periods to depreciation cost for the right-to-use asset, and finance cost for interest accrued on lease liability.

2A.6 Foreign currencies

i. Initial recognition

In preparing the Financial Statements of the company, transactions in currencies other than the entity's functional currency of Indian Rupees (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions.

ii. Conversion

a. Foreign currency monetary assets and liabilities at the year-end are translated at the year-end exchange rates and the resultant exchange differences are recognised in the Statement of Profit and Loss.

b. Non-monetary items, if any are measured in terms of historical cost in a foreign currency are are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

iii. Exchange differences

The Company accounts for exchange differences arising on translation/settlement of foreign currency monetary items as below:

a. Realized gains and losses on settlement of foreign currency transactions are recognised in the Statement of Profit and Loss.

b. Foreign currency monetary assets and liabilities at the year-end are translated at the year-end exchange rates and the resultant exchange differences are recognised in the Statement of Profit and Loss.

2A.7 Borrowing costs

Borrowing cost that are attributable to the acquisition or construction of qualifying assets are capitalised as a part of the cost of the such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use or sale. All other borrowing costs are charged to the revenue in the year of incurrence.

2A.8 Employee benefits

2A.8.1. Retirement benefit costs and termination benefits

i. Defined Contribution Plan:

Company's contributions paid/payable during the year to the Superannuation Fund, ESIC, Provident Fund and Labour Welfare Fund are recognised in the Statement of Profit and Loss.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022

ii. Defined Benefits Plan:

For defined retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the Balance Sheet with a charge or credit recognised in Other Comprehensive Income in the period in which they occur. Remeasurement recognised in Other Comprehensive Income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

a. Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);

b. Net interest expense or income; and

c. Remeasurement

The Company presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognised in the Balance Sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

2A.8.2 Short-term and other long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

2A.9 Taxation

Income Tax expense represents the sum of tax currently payable and deferred tax.

2A.9.1 Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'Profit before tax' as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

2A.9.2. Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Financial Statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

2A.9.3 Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in Other Comprehensive Income or directly in equity, in which case, the current and deferred tax are also recognised in Other Comprehensive Income or directly in equity respectively.

2A.10 Property, plant and equipment

All items of property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Cost of acquisition is inclusive of purchase price, levies and any directly attributable cost of bringing the asset to its working condition for the intended use. Subsequent cost are included in the asset's carrying amount or recognised as as separate asset, as appropriate only when it is probable that the future economic benefits associated with the item will flow to the company and cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to Statement of Profit and Loss during the reporting period in which they are incurred.

'Depreciation on tangible asset is charged on a Straight-Line Method (SLM) in accordance with the useful life specified in Part – C of Schedule II of the Companies Act, 2013 on a pro-rata basis except in the case of:

i. Certain items of Plant & Machinery individually costing more than Rs. 5,000 - over their useful lives

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022

ranging from 2 years to 10 years as estimated by the company and also based on the contractual arrangements wherever applicable.

ii. Certain items of Plant & Machinery individually costing less than Rs. 5,000 shall be depreciated over a period of 1 year.

iii. Mobile Phones (included in Office Equipment) in 1 to 2 years.

iv. Motor Cars (included in Vehicles) in 3 to 5 years as the case may be

v. Assets capitalised which are attached to the leasehold office premises shall be depreciated upto 75% of its value over the lease period assuming a realisable value of 25% after the end of original lease period.

The estimated useful lives, residual values, and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain and loss arising on disposal or retirement of an item of property, plant and equipment are determined as the difference between the sale proceeds and the carrying amount of the asset and is recognised in profit or loss

2A.11. Intangible assets

2A.11.1 Intangible assets acquired separately

The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

2A.11.2. Useful lives of intangible assets

The expenditure incurred is amortised over three financial years equally commencing from the year in which the expenditure is incurred.

Certain softwares added during the year are amortised over a period of 36 months.

The residual values, useful lives and methods of amortisation of intangible assets are reviewed at each financial year end and adjusted prospectively, if appropriate.

2A.12 Impairment of tangible and intangible assets

The management of the Company assesses at each Balance Sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the management estimates the recoverable amount of the asset. If such recoverable amount of the asset is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and recognised in the Statement of Profit and Loss. If at the Balance Sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed, and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost. A reversal of an impairment loss is recognised immediately in profit or loss.

2A.13 Provisions, Contingent liability & Contingent assets

Provision are recognised when the Company has a present obligation (legal or constructive) as a result of past event; it is probable that the company will be required to settle the obligation, and a reliable estimate can be made of the amount of obligation.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Onerous contracts

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the company has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

Contingent liabilities are disclosed when a possible obligation arising from past events the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

A contingent asset is disclosed where an inflow of economic benefits is probable.

2A.14 Financial instruments

Financial assets and financial liabilities are recognised when a company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

2A.15 Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a settlement date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

2A.15.1 Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortised cost (except for debt instruments that are designated

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022

as at fair value through profit or loss on initial recognition):

i. the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and

ii. the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For the impairment policy on financial assets measured at amortised cost, refer note no 2A.17.4

Investments in subsidiaries: All investments in subsidiaries are valued at cost.

All other financial assets are subsequently measured at fair value.

2A.15.2 Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in profit or loss and is included in the "Other income" line item.

2A.15.3 Financial assets at Fair value through Profit and Loss

Investments in equity instruments are classified as at FVTPL, unless the Company irrevocably elects on initial recognition to present subsequent changes in fair value in Other Comprehensive Income for investments in equity instruments which are not held for trading.

A financial asset that meets the amortised cost criteria or debt instruments that meet the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other Income' line item. Dividend on financial assets at FVTPL is recognised when the Company's right to receive the dividend is established, it is probable that the economic benefits associated with the dividend will flow to the entity and the amount of dividend can be measured reliably.

2A.15.4 Impairment of financial assets

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, trade receivables, other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets).

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Company uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 18, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

2A.15.5 Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other Comprehensive Income and accumulated in equity is recognised in profit

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022

or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

On derecognition of a financial asset other than in its entirety (e.g. when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in Other Comprehensive Income is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in Other Comprehensive Income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

2A.15.6 Foreign exchange gains and losses

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

- For foreign currency denominated financial assets measured at amortised cost and FVTPL, the exchange differences are recognised in profit or loss except for those which are designated as hedging instruments in a hedging relationship.
- Changes in the carrying amount of investments in equity instruments at FVTOCI relating to changes in foreign currency rates are recognised in Other Comprehensive Income.
- For the purposes of recognising foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortised cost. Thus, the exchange differences on the amortised cost are recognised in profit or loss and other changes in the fair value of FVTOCI financial assets are recognised in Other Comprehensive Income.

2A.16 Financial liabilities & Equity instruments

2A.16.1 Classification as debt or equity

Debt and equity instruments issued by a company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

2A.16.2 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a company entity are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

2A.16.3 Compound financial instruments

The component parts of compound financial instruments (convertible notes) issued by the Company are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. A conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is an equity instrument.

At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recognised as a liability on an amortised cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date.

The conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound financial instrument as a whole. This is recognised and included in equity, net of income tax effects, and is not subsequently remeasured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised, in which case, the balance recognised in equity will be transferred to other component of equity. When the conversion option remains unexercised at the maturity date of the convertible note, the balance recognised in equity will be transferred to retained earnings. No gain or loss is recognised in profit or loss upon conversion or expiration of the conversion option.

2A.16.4 Financial liabilities

All financial liabilities are subsequently measured at amortised cost.

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

2A.17 Earnings per share

Basic and diluted earnings per share is computed by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of Equity Shares outstanding during the year, in accordance with Ind AS 33.

2A.18 Measurement of EBITDA

The Company has elected to present earnings before interest, tax, depreciation and amortization (EBITDA) as a separate line item on the face of the statement of profit and loss. The Company measures EBITDA on the basis of profit/(loss) from continuing operations. In its measurement, the company

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022

does not include depreciation and amortization expense, interest income, finance costs and tax expense. Any amount described as unusual or exceptional is classified by nature, in the same way as non-exceptional amounts. Their inclusion or exclusion in EBIDTA will depend on the nature of income/ expense described as exceptional. Impairment loss/reversal on property plant and equipment is disclosed under Depreciation, amortisation and impairment expenses, and not considered for calculation of EBIDTA.

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of income, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of asset or liability affected in future periods. The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

2B. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 2A, the management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only the period of the revision and future periods if the revision affects both current and future periods.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

i. Useful lives of intangibles and property, plant and equipment:

As described in note 2A.10 The Company reviews the estimated useful lives of property, plant and equipment and intangible assets at the end of each annual reporting period.

ii. Defined benefit plans

The cost of the defined benefit plans and the present value of the defined benefit obligation are based on actuarial valuation using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

iii. Fair Value of financial assets and liabilities and investments

The Company measures certain financial assets and liabilities on fair value basis at each balance sheet date or at the time they are assessed for impairment. Fair value measurement that are based on significant unobservable inputs (Level 3) requires estimates of operating margin, discount rate, future growth rate, terminal values etc. based on management's best estimate about future developments.

iv. Estimated Lead Time for determining completion of performance obligation

The company also determines completion of performance obligation with respect to transportation service based on Estimated Lead Time (ELT) to deliver based on standard past performance and to that extent it involves management judgments for estimating delivery time to destination.

v. Leases

Ind AS 116 requires lessees to determine the lease term as the non- cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by lease basis and there by assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

vi. Estimation of uncertainties relating to the global health pandemic from COVID-19 (COVID-19)

Based on assessment and on the basis of available information of the impact of COVID-19, the Management has considered the possible effects, if any, that may result from the pandemic on the carrying amounts of current assets after considering internal and external sources of information as at the date of approval of these financial statements. The actuals may differ from the estimates considered in these financial statements.

vii. Trade Receivables

The Company determines the allowance for credit losses based on historical loss experience adjusted to reflect current and estimated future economic conditions. The Company has considered subsequent recoveries, past trends, credit risk profiles of the customers based on their industry, macroeconomic forecasts and internal and external information available to estimate the probability of default in future and has taken into account estimates of possible effect from the pandemic relating to COVID-19.

viii. Revenue from Contracts with Customers

The Company assesses in accordance with Ind AS 115 as to whether it is acting as principal or agent in respect of the revenue arrangements entered. The Company has assessed that it is acting as an agent in case of revenue from taxi aggregator services arrangements and dealing on principal to principal basis for revenue from other services in terms of the principles of Ind AS 115.

The Company has evaluated the impact of COVID-19 resulting from (i) the possible constraints to continue its operations and revisions in costs to fulfill the pending obligations (ii) onerous obligations (iii) penalties, if any, relating to breaches of agreements and (iv) termination or deferment of contracts by customers. The Company has concluded that the impact of COVID-19 is not material based on these estimates. Due to the nature of the pandemic, the Company will continue to monitor developments to identify significant uncertainties relating to revenue in future periods.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022

(Currency in INR Lakhs)

Note 3 : Property, plant and equipment

	Computers	Office Equipments	Vehicles	Furniture and Fixtures	Leasehold Improvements	Total
Gross Block						
Balance at March 31, 2020	10.88	27.69	30.48	1.54	12.80	83.39
Additions	–	–	–	–	–	–
Disposals	–	–	–	–	–	–
Balance at March 31, 2021	10.88	27.69	30.48	1.54	12.80	83.39
Additions	–	0.32	8.36	(0.32)	–	8.36
Disposals	–		(38.84)		–	(38.84)
Balance at March 31, 2022	**10.88**	**28.01**	**0.00**	**1.22**	**12.80**	**52.91**
Accumulated depreciation						
Balance at March 31, 2020	10.84	27.26	28.18	1.19	11.98	79.44
Depreciation charge for the year	0.04	0.34	2.30	0.03	0.82	3.53
Disposals	–	–	–	–	–	–
Balance at March 31, 2021	10.87	27.60	30.48	1.22	12.80	82.97
Depreciation charge for the year	0.01	0.37	7.11	–	–	7.49
Disposals	–	–	(37.59)	–	–	(37.59)
Balance at March 31, 2022	**10.88**	**27.97**	**0.00**	**1.22**	**12.80**	**52.87**
Net Block						
Balance at March 31, 2020	0.04	0.43	2.30	0.35	0.82	3.95
Balance at March 31, 2021	**0.01**	**0.09**	–	**0.32**	–	**0.42**
Balance at March 31, 2022	–	**0.04**	–	–	–	**0.04**

Note 4: Intangible Assets

	Computer software
Gross Block	
Balance at March 31, 2020	22.84
Additions	–
Disposals	–
Balance at March 31, 2021	22.84
Additions	–
Disposals	–
Balance at March 31, 2022	–
Accumulated amortisation	
Balance at March 31, 2020	20.82
Charge for the year	2.02
Disposals	–
Balance at March 31, 2021	22.84
Charge for the year	–
Disposals	–
Balance at March 31, 2022	–

	Computer software
Net block	
Balance at March 31, 2020	2.02
Balance at March 31, 2021	–
Balance at March 31, 2022	–

(Currency in INR Lakhs)

Note 5: Loans

(Measured at amortised cost)	**As at March 31, 2022**	As at March 31, 2021
Current		
Loans to employees		
Unsecured, considered good	–	0.50
Unsecured, considered credit impaired	–	0.63
	–	1.13
Less : Impairment allowance for doubtful loan	–	(0.63)
	–	0.50
Total	–	0.50

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022

(Currency in INR Lakhs)

Note 6: Other financial assets

	As at March 31, 2022	As at March 31, 2021
Non-current		
Receivables towards assets given on finance lease		
Unsecured, considered good	–	4.33
Total Non current	–	4.33
Current		
Security deposits		
Unsecured, considered good	–	0.76
Unsecured Security Deposits which have significant increase in credit risk	–	–
Unsecured, considered credit impaired	–	21.69
Less: Impairment allowance for doubtful deposits	–	(21.69)
	–	**0.76**
Receivables towards assets given on finance lease		
Unsecured, considered good	–	8.49
Recoverable from employees		
Unsecured, considered good	–	0.23
Unsecured, considered credit impaired	–	8.00
	–	8.23
Less: Impairment allowance for doubtful advances	–	(8.00)
	–	0.23
Total Current	–	9.48

Note 7: Non-current tax assets

	As at March 31, 2022	As at March 31, 2021
Advance income-tax	**0.84**	25.04
	0.84	25.04

Note 8 : Other non-current assets

	As at March 31, 2022	As at March 31, 2021
Balance with government and statutory authorities		
Unsecured, considered good	**117.16**	126.83
	117.16	126.83

Note 9 : Trade receivables

(Measured at amortised cost)	As at March 31, 2022	As at March 31, 2021
Unsecured, considered good	**15.06**	24.16
Unsecured, considered credit impaired	–	150.33
Less: Impairment allowance for doubtful trade receivables	–	(150.33)
	15.06	24.16

(Refer Note-30.1 for Trade Receivables aging as per Schedule-III)

Note 10: Cash and cash equivalents

	As at March 31, 2022	As at March 31, 2021
Balances with banks on current accounts	**3.01**	11.88
	3.01	11.88

Note 11: Other current assets

	As at March 31, 2022	As at March 31, 2021
Advance to vendors		
Unsecured, considered good	**4.28**	6.70
Unsecured, considered credit impaired	**0.17**	116.87
Less: Impairment allowance for doubtful advances	**(0.17)**	(116.87)
	4.28	6.70
(Unsecured, considered good)		
Assets Held for Sale	**1.25**	–
Prepaid expense	**0.07**	–
Other recoverable	**0.13**	0.60
	5.73	7.30

Note 12: Equity Share Capital

	As at March 31, 2022	As at March 31, 2021
Authorised shares capital		
100,000 equity shares of INR. 10 each (March 31, 2021 : 100,000)	**10.00**	10.00
Issued, subscribed and fully paid-up shares		
12,050 equity shares of INR. 10 each fully paid up (March 31, 2021: 12,050)	**1.21**	1.21
	1.21	1.21

a) Reconciliation of the equity shares outstanding at the beginning and at the end of the year

	As at March 31, 2022		As at March 31, 2021	
	No.	**Rs.**	No.	Rs.
At the beginning of the year	**12,050**	**1.21**	**12,050**	1.21
Issued during the year	–	–	–	–
Outstanding at the end of the year	**12,050**	**1.21**	**12,050**	1.21

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022

(Currency in INR Lakhs)

b) Terms/rights attached to equity shares

The Company has only one class of equity shares having par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. No dividend has been declared during the year ended March 31, 2022 (March 31, 2021: Nil). No dividend has been proposed for the year ended March 31, 2022.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c) Shares held by Holding and Promotor Company, percentage of holding and % changes during the year

	As at March 31, 2022	As at March 31, 2021
Meru Travel Solutions Private Limited, the Holding and Promotor Company		
No of shares	**12,050**	12,050
Amount	**1.21**	1.21
Percentage of holding	**100%**	*100%*
% Change during the year	**–**	–

d) Details of shareholders holding more than 5% shares in the company

	As at March 31, 2022		As at March 31, 2021	
	No.	**% holding**	No.	% holding
Equity shares of Rs. 10 each fully paid				
Meru Travel Solutions Private Limited, the holding company (including nominees)	**12,050**	**100%**	12,050	100%

As per records of the Company, including its register of shareholders/members, the above shareholding represents legal and beneficial ownership of shares.

Note 13: Provisions

	As at March 31, 2022	As at March 31, 2021
Non-current portion		
Provision for gratuity (Refer note 25)	**1.24**	5.01
Other provisions		
Provision for contingencies *	**46.05**	46.05
	47.29	51.06
Current portion		
Provision for compensated absences	**1.04**	5.14
Provision for gratuity (Refer note 25)	**0.67**	1.77
	1.71	6.91

* The Company has created provision towards disputed legal matter pertaining to Goods and Service tax that has arisen in the ordinary course of business on a best estimate basis. These provisions have not been discounted as it is not practicable for the Company to estimate the timing of the provision utilization and cash out flows, if any, pending resolution.

Particulars	**As at March 31, 2022**	As at March 31, 2021
At the beginning of the year	**46.05**	44.25
Arising during the year	**–**	1.80
Reversed during the year	–	–
At the end of the year	**46.05**	46.05
Current portion	–	–
Non-current portion	**46.05**	*46.05*

Note : 14 Short term borrowings

	As at March 31, 2022	As at March 31, 2021
From Fellow Subsidiary		
Meru Mobility Tech Private Limited *	**1,422.48**	1,445.04
	1,422.48	1,445.04

* The Company has taken interest free short term loan from fellow subsidiary company and is repayable on demand (refer note 28)

Note 15: Trade payables

	As at March 31, 2022	As at March 31, 2021
Trade payables		
a) total outstanding dues to small enterprises and micro enterprises	**–**	–
b) total outstanding dues of creditors other than small enterprises and micro enterprises	**18.66**	42.96
	18.66	42.96

Trade payables are non-interest bearing and the credit terms generally range from 30 to 90 days.

The Company's exposure to liquidity risk is disclosed in note 24[C](iii).

Details of dues to micro and small enterprises as per Micro, Small and Medium Enterprises Development Act, 2016

As at March 31 2022 and March 31 2021, there are no outstanding dues on account of principal or interest to micro and small enterprises as defined in the Micro, Small and Medium Enterprises Development Act, 2006. Accordingly, no additional disclosures have been made. The above information regarding micro and small enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.

(Refer Note- 30.2 for Trade Payables Ageing as per Schedule-III)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022

(Currency in INR Lakhs)

Note 16: Other financial liabilities

	As at March 31, 2022	As at March 31, 2021
Employee benefits payable	**1.90**	0.86
	1.90	0.86

Note 17: Other current liabilities

	As at March 31, 2022	As at March 31, 2021
Statutory dues	**0.28**	0.86
	0.28	0.86

Note 18: Revenue from Operations

	Year ended March 31, 2022	Year ended March 31, 2021
Sales of services		
Revenue from transportation services	**79.50**	277.67
	79.50	277.67

Note 19: Other income

	Year ended March 31, 2022	Year ended March 31, 2021
Provisions and liabilities written back (net)	**19.70**	2.55
Miscellaneous income	**0.02**	2.46
	19.72	5.01

Note 20: Employee benefits expense

	Year ended March 31, 2022	Year ended March 31, 2021
Salaries, wages and bonus	**15.99**	94.24
Contributions to provident fund	**1.05**	6.47
Compensated absences	**(1.40)**	0.23
Gratuity expense (Refer note 25)	**0.45**	1.70
Staff welfare expenses	–	(0.11)
	16.09	102.53

Note : 21 Other expenses

	Year ended March 31, 2022	Year ended March 31, 2021
Legal and professional fees	**4.49**	9.10
Rent, rates and taxes	**10.64**	22.55
Bank charges	**0.88**	5.82
Conveyance, travelling and accommodation	**0.34**	0.53
Audit fees (Refer details below)	**0.59**	0.59
Repairs and maintenance (others)	**0.16**	0.63
Bad Debts	**150.33**	–
Advances written off	**153.13**	–
Provision for debts, advances and deposits	**(297.35)**	26.01
Communication costs	**0.03**	0.37
Miscellaneous expenses	**3.64**	1.87
Total of Other expenses	**26.88**	67.47

Auditor's remuneration (including GST)	Year ended March 31, 2022	Year ended March 31, 2021
As auditor		
Audit fees	**0.59**	0.59
Total	**0.59**	0.59

Note : 22 Finance costs

	Year ended March 31, 2022	Year ended March 31, 2021
Interest on borrowings	–	0.68
Interest Others	–	1.03
	–	1.71

Note : 23 Finance Income

	Year ended March 31, 2022	Year ended March 31, 2021
Interest Income on		
Income tax refund	**2.54**	3.42
	2.54	3.42

Note 24: Financial instruments

A] Accounting classification of financial instruments

The following table summarises the accounting classification and carrying amounts (net off any provision for impairment) of financial

		Carrying value	
Particulars	**Notes**	**March 31, 2022**	March 31, 2021
Financial assets measured at amortized cost			
Security Deposits	6	–	0.76
Unsecured, considered good	6	–	12.82
Loans to employees	5	–	0.50

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022

(Currency in INR Lakhs)

Particulars	Notes	Carrying value March 31, 2022	March 31, 2021
Recoverable from employees	6	–	0.23
Trade receivables	9	**15.06**	24.16
Cash and cash equivalents	10	**3.01**	11.88
Total Financial Asset measured at amortized cost		**18.07**	50.35
Financial liabilities measured at amortized cost			
Borrowings	14	**1,422.48**	1,445.04
Employee benefits payable	16	**1.90**	0.86
Trade payables	15	**18.66**	42.96
Total Financial liability measured at amortized cost		**1,443.04**	1,488.87

B] Fair Value Measurement

The management assessed that cash and cash equivalents, trade receivables, trade payables and other financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

There were no transfers between level 1, 2 and 3 for recurring fair value measurements during each of the reporting period. The company's policy is to recognise transfers into and transfer out of fair value hierarchy levels at the end of the reporting period.

C] Financial risk management objectives and policies

The Company has exposure to the following risks arising from its financial instruments:

– Market risk - interest rate risk

– Credit risk

– Liquidity risk

The Company's senior management is responsible for the management of these risks with oversight of the Company's Board of Directors.

i] Market risk - interest risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company does not have any exposure to interest rate risks since its borrowings are all in fixed rate instruments and there is no investments that is exposed to interest rates.

ii] Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and other financial instruments.

Trade receivables from customers

Credit risk relating to customers is managed in accordance with the Company's established policy, procedures and controls relating to customer credit risk management. Trade receivables are non-interest bearing. Outstanding customer receivables are regularly monitored. For the purpose of measuring impairment allowance for trade receivables from customers, the Company estimates irrecoverable amounts based on the ageing of the outstanding receivables, its historical experience and its expectation of credit losses in the future.

	March 31, 2022	March 31, 2021
Gross Trade receivables from	**15.06**	174.49
Less: Provision for doubtful	–	(150.33)
Net Trade receivables from	**15.06**	24.16
Ageing of gross trade receivables relating to customers:		
Within 6 months	**15.06**	24.16
More than 6 months	–	150.33
	15.06	174.49

Other financial assets

Financial assets other than trade receivables are neither past due nor impaired. Management believes that the amounts are collectible in full, based on its assessment including considering the historical payment behavior and future expectations.

iii] Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company's principal sources of liquidity are cash flows generated from its operations.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

Year ended - March 31, 2022	Carrying Value	Undiscounted amount Payable within 1 year	Payable within 1 to 2 years	Payable within 2 to 3 years	Payable within 3 to 4 years	Total
Borrowings						
Loan from fellow subsidiary	**1,422.48**	**1,422.48**	–	–	–	**1,422.48**
Employee benefits payable	**1.90**	**1.90**	–	–	–	**1.90**
Trade payables	**18.66**	**18.66**	–	–	–	**18.66**
	1,443.04	**1,443.04**	–	–	–	**1,443.04**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022

(Currency in INR Lakhs)

Year ended - March 31, 2021	Carrying Value	Undiscounted amount Payable within 1 year	Payable within 1 to 2 years	Payable within 2 to 3 years	Payable within 3 to 4 years	Total
Borrowings						
Loan from fellow subsidiary	1,445.04	1,445.04	–	–	–	1,445.04
Employee benefits payable	0.86	0.86	–	–	–	0.86
Trade payables	42.96	42.96	–	–	–	42.96
	1,488.86	1,488.86	–	–	–	1,488.86

D] Capital management

For the purpose of the Company's capital management, capital includes issued equity capital, securities premium and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Company's capital management is to maximize the shareholder's value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the company may issue new shares. The Company manages its capital, considering the net debt position and rolling cash flow forecasts as at each period end and identifies need for additional funding from the share holders to meet the outstanding commitments and future cash flow requirements to meet the future business plans. The Company includes within net debt, interest bearing loans and borrowings less cash and cash equivalents, trade receivables and unbilled revenue.

Particulars	March 31, 2022	March 31, 2021
Borrowings	**1,422.48**	1,445.04
Less: Cash and Cash Equivalent (Including Trade receivables less Trade)	**(0.60)**	(6.92)
Net Debt	**1,423.08**	1,451.96

Note 25: Employee benefits

A. Defined contribution plans

The Company makes contributions determined as a specified percentage of employees' salary in respect of qualifying employees towards Provident Fund and Employees' State Insurance (ESI) which are defined contribution plans. The Company has no obligations other than to make the specified contributions. The contributions are charged to statement of profit and loss as they accrue. The Company has recognised the following amount as an expense and included in the Note 20 under the head "Contribution to provident fund".

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Contribution to employees provident fund	**0.95**	5.72
Contribution to ESI	**0.10**	0.75
Total	**1.05**	6.47

B. Defined benefit plans

The Company operates one post-employment defined benefit plan (unfunded plan) that provides gratuity. The gratuity plan is governed by the Payment of Gratuity Act, 1972. The gratuity plan entitles an employee, who has rendered at least five years of continuous service, to receive one-half month's salary for each year of completed service at the time of retirement.

i) Liability recognised in the Balance Sheet in respect of Gratuity

	As at March 31, 2022	As at March 31, 2021
Present value of the defined benefit obligation at the end of the year	**1.91**	6.78
Total	**1.91**	6.78

ii) Changes in the present value of the defined benefit obligation are as follows :

	Year ended March 31, 2022	Year ended March 31, 2021
Defined benefit obligation at beginning of the year	**6.78**	9.50
Current service cost	**0.25**	1.21
Interest cost	**0.20**	0.49
Sub-total included in statement of profit and loss	**0.45**	1.70
Remeasurement losses \ (gains) recorded in OCI		
Actuarial changes arising from changes in demographic assumptions	**(0.03)**	0.11
Experience adjustments	**(0.70)**	(2.47)
Sub-total included in OCI	**(0.73)**	(2.36)
Transfer of liability to fellow subsidiary	**(2.47)**	–
Benefits paid	**(2.12)**	(2.06)
Defined benefit obligation at the end of the year	**1.91**	6.78

iii) Following table summarises the principal assumptions used for actuarial valuation of gratuity obligations for each reporting period:

Actuarial assumptions	Year ended March 31, 2022	Year ended March 31, 2021
Discount rate	**5.25%**	4.65%
Future salary increases	**8.00%**	8.00%
Attrition	**35.00%**	35.00%

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022

(Currency in INR Lakhs)

Demographic Assumptions :

Mortality in Service: Indian Assured Lives Mortality 2012-14 [March 31, 2021: Indian Assured Lives Mortality 2012-14]

Mortality in Retirement : 58 Years

A quantitative sensitivity analysis for significant assumption as at each reporting date is as shown below:

	Discount rate assumption	
Gratuity plan:	**Year ended March 31, 2022**	Year ended March 31, 2021
Impact of increase of 1% p.a. on defined benefit obligation	**(0.04)**	(0.21)
Impact of decrease of 1% p.a. on defined benefit obligation	**0.07**	0.22

	Future salary increase assumption	
Gratuity plan:	**Year ended March 31, 2022**	Year ended March 31, 2021
Impact of increase of 1% p.a. on defined benefit obligation	**0.06**	0.21
Impact of decrease of 1 % p.a. on defined benefit obligation	**(0.04)**	(0.21)

The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

The average duration of the defined benefit plan obligation at the end of the reporting period is 2 years (March 31, 2021: 3 years).

The following are expected contributions over the future years (valued on undiscounted basis):

	Year ended March 31, 2022	Year ended March 31, 2021
Within the next 1 year (next annual reporting period)	**0.67**	1.77
Between 2 to 5 years	**1.20**	4.62
Between 6 to 10 years	**0.31**	1.30
Beyond 10 years	**0.06**	0.26
Total expected payments	**2.25**	7.95

C. Other employee benefits

Compensated absences are payable to employees at the rate of basic salary for each day of accumulated leave on death or resignation or upon retirement. The charge towards compensated absences for the year ended March 31, 2022 INR (1.40) Lakhs (March 31, 2021: INR 0.23 Lakhs)

Note 26: Income Taxes

The major components of income tax expense for the years ended

	Year ended March 31, 2022	Year ended March 31, 2021
Current income tax:		
Current income tax charge	–	–
Adjustments in respect of current income tax of previous year	–	–
Deferred tax:		
Relating to origination and reversal of temporary differences	–	–
Income tax expense reported in the statement of profit or loss	–	–

Consolidated statement of OCI

	Year ended March 31, 2022	Year ended March 31, 2021
Net loss/(gain) on remeasurements of defined benefit plans	–	–
Income tax expense charged to OCI	–	–

Reconciliation of tax expense and the accounting profit/(loss) multiplied by India's domestic tax rate for the year ended

	Year ended March 31, 2022	Year ended March 31, 2021
Accounting (loss) before income tax	**(13.46)**	(131.99)
At India's statutory income tax rate of 26% (March 31, 2021: 26%)	**(3.50)**	(34.32)
Effect of current year losses for which no deferred tax asset is recognised	**3.50**	34.32
At the effective income tax rate for the Company	–	–
Income tax expense reported in the statement of profit and loss	–	–

Movement of Deferred tax asset/ (liabilities)

	As at March 31, 2022	As at March 31, 2021
Tax effect of items constituting deferred tax liabilities		
Difference in property, plant and equipment and intangibles as compared to tax base of respective assets	–	–
Tax effect of items constituting deferred tax assets		
Difference in property, plant and equipment and intangibles as compared to tax base of respective assets	**23.79**	27.34
Provisions (Doubtful debts/Impairment/ Advances)	**0.04**	71.72
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	**0.77**	3.10
Carryforward Tax Loss		
Unabsorbed depreciation	**84.70**	78.71
Unabsorbed business losses	**374.85**	293.30
	484.16	474.17
Net deferred tax assets	**484.16**	474.17
Net deferred tax assets/(liabilities) recognised	–	–

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022

(Currency in INR Lakhs)

	Statement of Profit and Loss	
	Year ended March 31, 2022	Year ended March 31, 2021
Tax effect of items constituting deferred tax liabilities		
Difference in property, plant and equipment and intangibles as compared to tax base of respective assets	–	–
Tax effect of items constituting deferred tax assets		
Difference in property, plant and equipment and intangibles as compared to tax base of respective assets	**(3.55)**	(6.66)
Provisions (Doubtful debts/Impairment/ Advances)	**(71.67)**	8.41
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	**(2.33)**	(1.14)
Carryforward Tax loss		
Unabsorbed depreciation	**5.99**	7.57
Unabsorbed business losses	**81.55**	64.51
Deferred tax expense	**9.99**	72.69

The Company has a net deferred tax asset position as at March 31, 2022 and March 31, 2021. However, in terms of Ind AS 12, the Company has not recognised the net deferred tax assets as there is no reasonable certainty supported by convincing evidence that the Company will have adequate taxable profits in the future against which the carried forward tax losses/unabsorbed depreciation may be offset.

The Company has following tax losses/unabsorbed depreciation which arose in India that are available for offsetting against future taxable profits.

	Year ended March 31, 2022	Year ended March 31, 2021
Losses that expire - Carry forward business losses *	**1,441.75**	1,128.08
Losses that never expire - Unabsorbed depreciation	**325.78**	302.74

* *The carry forward tax losses would expire beginning from the financial year 2022-23 up to 2029-30*

Note 27: Leases

a] Finance lease - where the Company is lessor

The Company has leased out Nil vehicles (March 31, 2021 : 8) on finance lease. The lease term was for 3 - 4 years and is non-renewable, after which the legal title has been passed to the lessee. There was no escalation clause in the lease agreement.

	March 31, 2022	March 31, 2021
Gross investments		
Within one year	–	9.66
After one year but not more than five years	–	4.59
More than five years	–	–
	–	14.25
Less: Unearned finance income	–	(1.43)
Present value of minimum lease payments	–	12.82
Present value of future rentals		
Within one year	–	8.49
After one year but not more than five years	–	4.33
More than five years	–	–
Present value of minimum lease payments	–	12.82

During the year ended March 31, 2022, the Company has earned Interest income of INR Nil (March 31, 2021: INR Nil) towards minimum lease payment. This has been recorded under finance income in the statement of profit and loss.

Movement for the receivables towards assets given on finance lease	**Amount**
Opening balance as at March 31, 2020	14.72
Add: Additions made during the year	–
Less: Adjustment on account of lease term modification	(1.90)
Less: amount recovered during the year	–
Closing balance as at March 31, 2021	**12.82**
Add: Additions made during the year	–
Less: Deletion made during the tear	(8.36)
Less: Adjustment on account of lease term modification	(4.46)
Closing balance as at March 31, 2022	–

Note 28: Related party transactions

Names of related parties and related party relationship:

Related parties ('RP') where control exists

Ultimate holding Company	Mahindra & Mahindra Ltd. ('M&M')
Holding Company	Meru Travel Solution Private Limited

Related parties with whom transactions have taken place during the year

Fellow Subsidiaries	Meru Mobility Tech Private Limited ('MMTPL')
	V-Link Automotive Services Private Limited ('VASPL')

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022

(Currency in INR Lakhs)

Transactions with related parties

	Holding companies		Fellow subsidiaries	
Particulars	**March 31, 2022**	**March 31, 2021**	**March 31, 2022**	**March 31, 2021**
Services received (includes accrual):				
Mahindra Integrated Business Solution Pvt. Ltd.			**0.06**	0.09
Meru Mobility Tech Private Limited	–	–	**5.29**	24.20
Loans taken:				
Meru Mobility Tech Private Limited	–	–	**96.60**	251.57
Loans repayment made:				
Meru Mobility Tech Private Limited	–	–	**119.17**	520.53
V-Link Automotive Solutions Pvt. Ltd.	–	–	–	6.21

Details of Balance receivable/payable to related parties

	Holding companies		Fellow subsidiaries	
Particulars	**March 31, 2022**	**March 31, 2021**	**March 31, 2022**	**March 31, 2021**
Balance receivable/(payable) as at year end :				
Meru Mobility Tech Private Limited	–	–	**(1,422.48)**	(1,445.05)
Mahindra Integrated Business Solution Pvt. Ltd.	–	–	**(0.00)**	(0.03)

Terms and conditions of transactions with related parties

All the related party transaction during the year were in ordinary course of business. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. The outstanding loans payable are repayable on demand. The Group has not recorded any impairment of receivables relating to amounts owed by related parties as at each reporting period. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

Note 29: Segment reporting

In accordance with the requirements of Indian Accounting Standard 108 – “Operating Segments”, the Company has determined that it operates only in one operating segment i.e. provision of transportation services. Thus, the financial statements reflect the results of only one operating segment. The Company’s operations are based only in India.

Note 30.1: Trade Receivable Ageing

Trade Receivables ageing as on 31st March 22

(A) Trade Receivables- Billed and Outstanding

Particulars		**Less than 6 months**	**6 months - 1 year**	**1-2 Years**	**2-3 years**	**More than 3 years**	**Total**
(i)	Undisputed Trade receivables — considered good	**8.40**	**3.17**	**–**	**–**	**–**	**11.57**
(ii)	Undisputed Trade Receivables — which have significant increase in credit risk	–	–	–	–	–	–
(iii)	Undisputed Trade Receivables — credit impaired	–	–	–	–	–	–
(iii)	Undisputed Trade Receivables — credit impaired	–	–	–	–	–	–
(iv)	Disputed Trade Receivables — considered good	–	–	–	–	–	–

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022

(Currency in INR Lakhs)

Particulars	Less than 6 months	6 months - 1 year	1-2 Years	2-3 years	More than 3 years	Total
(v) Disputed Trade Receivables — which have significant increase in credit risk	–	–	–	–	–	–
(v) Disputed Trade Receivables — which have significant increase in credit risk	–	–	–	–	–	–
(vi) Disputed Trade Receivables — credit impaired	–	–	–	–	–	–
Total	**8.40**	**3.17**	**–**	**–**	**–**	**11.57**
(B) Unbilled Trade Receivables						**3.49**

Trade Receivables ageing as on 31st March 21

(A) Trade Receivables- Billed and Outstanding

Particulars	Less than 6 months	6 months - 1 year	1-2 Years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables — considered good	16.35	–	–	–	–	16.35
(ii) Undisputed Trade Receivables — which have significant increase in credit risk	–	–	–	–	–	–
(iii) Undisputed Trade Receivables — credit impaired	–	11.51	–	18.04	120.78	150.33
(iii) Undisputed Trade Receivables — credit impaired	–	–	–	–	–	–
(iv) Disputed Trade Receivables — considered good	–	–	–	–	–	–
(v) Disputed Trade Receivables — which have significant increase in credit risk	–	–	–	–	–	–
(v) Disputed Trade Receivables — which have significant increase in credit risk	–	–	–	–	–	–
(vi) Disputed Trade Receivables — credit impaired	–	–	–	–	–	–
Total	16.35	11.51	–	18.04	120.78	166.68
(B) Unbilled Trade Receivables						7.81

Note 30.2: Trade Payable Ageing

(A) Trade Payable Aging as on 31st Mar 22

Particulars	Unbilled	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	**–**	**–**	**–**	**–**	**–**	**–**
(ii) Others	**6.43**	**1.31**	**10.74**	**–**	**–**	**18.48**
(iii) Disputed dues — MSME	**–**	**–**	**–**	**–**	**–**	**–**
(iv) Disputed dues - Others	**–**	**–**	**–**	**–**	**–**	**–**
Total	**6.43**	**1.31**	**10.74**	**–**	**–**	**18.48**

(B) Trade Payable Aging as on 31st Mar 21

Particulars	Unbilled	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	–	–	–	–	–	–
(ii) Others	16.50	20.10	6.35	–	–	42.95
(iii) Disputed dues — MSME	–	–	–	–	–	–
(iv) Disputed dues - Others	–	–	–	–	–	–
Total	**16.50**	**20.10**	**6.35**	**–**	**–**	**42.95**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022

(Currency in INR Lakhs)

Note 30.3: Financial ratios

Particulars	Numerator	Denominator	Year ended March 31, 2022	Year ended March 31, 2021	Variance %	Reason for variance
Current Ratio	Total current assets	Total current liabilities	0.02	0.04	-54%	Changes due to reduction in revenues
Debt-Equity Ratio	Debt consists of lease liabilities	Total equity	n/a	n/a	n/a	n/a
Debt Service Coverage Ratio	Earning for Debt Service = Net Profit after taxes + Non-cash operating expenses + Interest + Other non-cash adjustments	Debt service= Lease payments	n/a	n/a	n/a	n/a
Return on Equity Ratio	Profit for the year less Preference dividend (if any)	Average total equity	0.01	0.10	-91%	Changes due to reduction in revenues
Trade Receivables turnover ratio	Revenue from operations	Average trade receivables	4.05	1.45	179%	Changes due to reduction in revenues
Trade payables turnover ratio	Operating expenses + Other expenses	Average trade payables	3.50	3.05	14%	Changes due to reduction in revenues
Net capital turnover ratio	Revenue from operations	Average working capital (i.e. Total current assets less Total current liabilities)	(0.06)	(0.20)	-72%	Changes due to reduction in revenues
Net profit ratio	Profit for the year	Revenue from operations	(0.16)	(0.47)	-66%	Changes due to reduction in revenues
Return on Capital employed	Profit before tax and finance costs	Capital employed = Net worth + Lease liabilities + Deferred tax liabilities	0.01	0.10	-90%	Changes due to reduction in revenues
Return on investment	Income generated from invested funds	Average invested funds in treasury investments	n/a	n/a	n/a	n/a

Note 31: Earnings per share

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the parent by the weighted average number of Equity shares outstanding during the year.

The following reflects the income and share data used in the basic and diluted EPS computations:

	March 31, 2022	March 31, 2021
Loss attributable to equity holders	**(13.46)**	(131.99)
Number of Shares outstanding at the beginning of the year	**12,050**	12,050
Add: Shares issued during the year	–	–
Number of Shares outstanding at the end of the year	**12,050**	12,050
Weighted average number of Equity shares for basic EPS	**12,050**	12,050
Basic and diluted EPS calculations	**(111.73)**	(1,095.37)

Note 32: As at March 31, 2022, the Company has accumulated losses of INR 1,762.36 Lakhs (March 31, 2021: INR 1749.63 Lakhs) and a negative net worth of INR 1350.48 Lakhs (March 31, 2021 INR 1337.75 Lakhs). The ultimate holding Company M&M has committed to provide continuing financial and/or operational support to the Company for its continued operations for the foreseeable future through itself or throught its subsidiary.

In view of the foregoing, the going concern assumption has been considered appropriate in preparing these financial statements.

Note 33: During the year, the Company, its holding Company i.e. MTSPL, utlimate holding Company i.e. M&M and its fellow subsidiaries i.e. MMTPL and VASPL, have entered in Share Purchase Agreement, whereby the shares of the Company, MMTPL and VASPL, will be transferred by MTSPL to Mahindra Logistics Limited ('MLL') and the shares of MTSPL will be transferred by M&M to MLL.

Note 34: All amounts disclosed in the financial statements and notes has been rounded off to the nearest lakhs as per the requirement of Schedule III, unless otherwise stated.

Note 35: The figures for the previous year have been regrouped/rearranged wherever necessary to make them comparable with the current period's figures.

As per our report of even date
For B. K. Khare & Co.
Chartered Accountants
ICAI Firm Registration No. 105102W

Aniruddha Joshi
Partner
Membership No. 040852

Place: Mumbai
Date : April 25, 2022

For and on behalf of the Board of Directors
of V-Link Fleet Solutions Private Limited
CIN:U63040MH2006PTC165955

Kannan Chakravarthy
Director
DIN: 08021737

Manaswini Goel
Director
DIN: 08142619

Place: Mumbai
Date : April 25, 2022

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Registered Office:

**MAHINDRA &
MAHINDRA LIMITED**

Gateway Building, Apollo Bunder,
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